



THE REGIONAL MUNICIPALITY OF NIAGARA COUNCIL AGENDA

CL 22-2020

Thursday, November 19, 2020

6:30 p.m.

Meeting will be held by electronic participation only

All electronic meetings can be viewed on Niagara Region's Website at:

<https://www.niagararegion.ca/government/council/>

Due to the efforts to contain the spread of COVID-19 the Council Chamber will not be open to the public to attend Council meetings until further notice. To view live stream meeting proceedings, please visit: [niagararegion.ca/government/council](https://www.niagararegion.ca/government/council/)

Pages

1. CALL TO ORDER
2. ADOPTION OF AGENDA
 - 2.1. Addition of Items
 - 2.2. Changes in Order of Items
3. DISCLOSURES OF PECUNIARY INTEREST
4. PRESENTATIONS
5. CHAIR'S REPORTS, ANNOUNCEMENTS, REMARKS
6. DELEGATIONS
 - 6.1. COVID-19 Response and Business Continuity in Public Health & Emergency Services (November 2020) (Report CAO 21-2020 (Agenda Item 10.1))
 - 6.1.1. Bruno Carusetta, Resident, City of Welland
This delegation was heard at the Special Regional Council meeting held on November 18, 2020.

7. ADOPTION OF MINUTES

- | | | |
|------|---|---------|
| 7.1. | <u>Council Minutes CL 19-2020</u>
Thursday, October 22, 2020 (Special Meeting) | 7 - 9 |
| 7.2. | <u>Council Minutes CL 20-2020</u>
Thursday, October 22, 2020 (Regular Meeting) | 10 - 23 |

8. CORRESPONDENCE

- | | | |
|--------|---|---------|
| 8.1. | <u>Receive and/or Refer</u> | |
| 8.1.1. | CL-C 103-2020
Niagara Region Integrity Commissioner Annual Report August 17, 2019 - August 16, 2020

Recommended Action: Receive. | 24 - 28 |
| 8.1.2. | CL-C 104-2020
Report on Code of Conduct Complaint - IC-223-0720 -
Councillor Sandra Easton

Recommended Action: Receive. | 29 - 34 |
| 8.1.3. | CL-C 105-2020
A letter from B. Matson, City Clerk, City of Niagara Falls, dated October 21, 2020, respecting Council resolution regarding Double Direct Councillors.

Recommended Action: Receive. | 35 - 36 |
| 8.1.4. | CL-C 106-2020
A letter from B. Matson, City Clerk, City of Niagara Falls, dated October 30, 2020, respecting Tender Process - Liquid Biosolids and Residuals Management Program.

Recommended Action: Receive. | 37 |
| 8.1.5. | CWCD 311-2020
Niagara Region By-law Enforcement Update

Recommended Action: Receive. | 38 - 40 |
| 8.2. | <u>For Consideration</u> | |
| 8.2.1. | CSD 72-2020
COVID-19 Cash Flow Update Report - November | 41 - 45 |

8.2.2. CHR 6-2020 46 - 51

Options for Consideration Regarding the Selection of the Chief Administrative Officer

8.2.3. CL-C 107-2020
Recommendation for Consideration from the T. Roy Adams
Humanitarian Award Committee meeting held November 16,
2020

To be distributed.

9. COMMITTEE REPORTS - OPEN SESSION

9.1.	<u>Corporate Services Committee</u> Minutes CSC 10-2020, Monday, November 9, 2020	52 - 177
9.2.	<u>Planning and Economic Development Committee</u> Minutes PEDC 9-2020, Monday, November 9, 2020	178 - 306
9.3.	<u>Public Works Committee</u> Minutes PWC 10-2020, Tuesday, November 10, 2020	307 - 982
9.4.	<u>Public Health and Social Services Committee</u> Minutes PHSSC 10-2020, Tuesday, November 10, 2020	983 - 1070

10. CHIEF ADMINISTRATIVE OFFICER'S REPORT(S)

10.1.	<u>CAO 21-2020</u> COVID-19 Response and Business Continuity in Public Health & Emergency Services (November 2020)	
	<i>This item was considered at the Special Regional Council meeting held on November 18, 2020.</i>	
10.2.	<u>CAO 22-2020</u> Liquid Biosolids and Residuals Program Management	1071 - 1083

11. MOTIONS

11.1.	<u>Miller's Creek Marina/Resort Development</u>	1084 - 1085
	This motion is before Council for consideration after being referred to the Planning and Economic Development Committee held on November 9, 2020 to provide additional information.	
11.2.	<u>Liquid Biosolids Procurement Process</u>	1086 - 1087

In accordance with the notice and submission deadline requirements of Sections 18.1 (a) and 11.3, respectively, of Niagara Region's Procedural By-law, the Regional Clerk received from Councillor Gale a motion to be brought forward for consideration at the November 19, 2020 Council meeting respecting the Liquid Biosolids Procurement Process.

12. NOTICES OF MOTION

13. OTHER BUSINESS

14. CLOSED SESSION

14.1. Council Minutes - Closed Session

14.1.1. Council Minutes CL 19-2020 (Special Meeting)
Closed Session, October 22, 2020

14.2. Committee Reports - Closed Session

14.2.1. Corporate Services Committee - Closed Session
Monday, November 9, 2020

14.3. Confidential Reports Submitted Directly to Council

14.3.1. Confidential Appendix 1 to CL-C 107-2020
Personal Matters About Identifiable Individuals - 2020 T. Roy
Adams Humanitarian of the Year Award

To be distributed.

15. BUSINESS ARISING FROM CLOSED SESSION

16. BY-LAWS

16.1. Bill 2020-82

A by-law to approve the submission of an application to Ontario Infrastructure and Lands Corporation ("OILC") for the long-term financing of certain capital works(s) of The Regional Municipality of Niagara to authorize the entering into of a rate offer letter agreement pursuant to which the municipality will issue debentures to OILC.

1088 -
1109

- 16.2. Bill 2020-83
A by-law to appoint by-law enforcement officers for the purposes of enforcing the Outdoor Second-Hand Smoking and Vaping By-law.
To be distributed.
- 16.3. Bill 2020-84 1110 -
1111
A by-law to amend By-law No. 2019-79 being a by-law to define budget planning requirements for the Regional Municipality of Niagara.
- 16.4. Bill 2020-85 1112
A by-law to adopt, ratify and confirm the actions of Regional Council at its meeting held on November 19, 2020.

17. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

**THE REGIONAL MUNICIPALITY OF NIAGARA
PROCEEDINGS OF SPECIAL COUNCIL
OPEN SESSION**

**CL 19-2020
Thursday, October 22, 2020
Council Chamber / Video Conference
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Council Members Present in the Council Chamber: Bradley (Regional Chair), Insinna

Council Members Present via Video Conference: Butters, Bylsma, Darté, Diodati, Disero, Easton, Edgar, Fertich, Foster, Gibson, Greenwood, Heit, Huson, Ip, Jordan, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugolini, Villella, Whalen, Witteveen, Zalepa

Absent/Regrets: Bellows, Campion, Chiocchio, Gale, Junkin

Staff Present in the Council Chamber: M. Lewis, Client & Support Advisor, A.-M. Norio, Regional Clerk, R. Tripp, Acting Chief Administrative Officer

Staff Present via Video Conference: D. Barnhart, Executive Officer to the Regional Chair, T. Harrison, Commissioner/Treasurer, Corporate Services, Dr. M. M. Hirji, Acting Medical Officer of Health, A. Jugley, Commissioner, Community Services, F. Meffe, Director, Human Resources, C. Ogunniyi, Diversity, Equity & Inclusion Program Manager, M. Trennum, Deputy Regional Clerk, B. Zvaniga, Interim Commissioner, Public Works

Others Present via Video Conference: L. MadhavaRau, Director, Human Rights & Equity, Brock University

1. CALL TO ORDER

Regional Chair Bradley called the meeting to order at 4:02 p.m.

2. ADOPTION OF AGENDA

Moved by Councillor Greenwood
Seconded by Councillor Whalen

That Council Agenda CL 19-2020, **BE ADOPTED.**

Carried

3. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

4. INTRODUCTORY REMARKS

Cassandra Ogunniyi, Diversity, Equity & Inclusion Program Manager, provided introductory remarks respecting Niagara Region's Diversity, Equity, and Inclusion program and introduced Leela MadhavaRau, Director, Human Rights & Equity, Brock University, as the facilitator of the education and training session (Agenda Item 5.1).

5. CLOSED SESSION

Moved by Councillor Witteveen
Seconded by Councillor Ugulini

That Council **DO NOW MOVE** into closed session for the purposes of receiving information of a confidential nature respecting:

An Education or Training Session held under s. 239 (3.1) of the Municipal Act, 2001 – Equity and Inclusion in Niagara

Carried

Council resolved into closed session at 4:21 p.m.

6. BUSINESS ARISING FROM CLOSED SESSION

Council reconvened in open session at 6:12 p.m. with the following individuals in attendance:

Council Members Present in the Council Chamber: Bradley (Regional Chair), Insinna

Council Members Present via Video Conference: Butters, Bylsma, Darte, Diodati, Disero, Easton, Edgar, Fertich, Foster, Gibson, Greenwood, Heit, Huson, Ip, Jordan, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugulini, Villella, Whalen, Witteveen, Zalepa

Absent/Regrets: Bellows, Champion, Chiocchio, Gale, Junkin

Staff Present in the Council Chamber: M. Lewis, Client & Support Advisor, A.-M. Norio, Regional Clerk, R. Tripp, Acting Chief Administrative Officer

Staff Present via Video Conference: D. Barnhart, Executive Officer to the Regional Chair, T. Harrison, Commissioner/Treasurer, Corporate Services, Dr. M. M. Hirji, Acting Medical Officer of Health, A. Jugley, Commissioner, Community Services, F. Meffe, Director, Human Resources, C. Ogunniyi, Diversity, Equity & Inclusion Program Manager, M. Trennum, Deputy Regional Clerk, B. Zvaniga, Interim Commissioner, Public Works

Others Present via Video Conference: L. MadhavaRau, Director, Human Rights & Equity, Brock University

6.1 Equity and Inclusion - Education and Training

Moved by Councillor Huson
Seconded by Councillor Nicholson

That the education and training session on Equity and Inclusion in Niagara, **BE RECEIVED**.

Carried

7. **BY-LAWS**

7.1 Bill 2020-71

Moved by Councillor Whalen
Seconded by Councillor Butters

That Bill 2020-71 being a by-law to adopt, ratify and confirm the actions of Regional Council at its special meeting held on October 22, 2020, **BE NOW READ** and **DO PASS**.

Carried

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 6:14 p.m.

Jim Bradley
Regional Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk

**THE REGIONAL MUNICIPALITY OF NIAGARA
PROCEEDINGS OF COUNCIL
OPEN SESSION**

**CL 20-2020
Thursday, October 22, 2020
Council Chamber / Video Conference
Niagara Region Headquarters, Campbell West
Sir Isaac Brock Way, Thorold ON**

Council Members Present in the Council Chamber:	Bradley (Regional Chair), Insinna
Council Members Present via Video Conference:	Butters, Bylsma, Campion, Darte, Diodati, Disero, Easton, Edgar, Fertich, Foster, Gale, Gibson, Greenwood, Heit, Huson, Ip, Jordan, Junkin, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugulini, Villella, Whalen, Witteveen, Zalepa
Absent/Regrets:	Bellows, Chiocchio
Staff Present in the Council Chamber:	R. Donnelly, Client & Support Advisor, M. Lewis, Client & Support Advisor, A.-M. Norio, Regional Clerk, R. Tripp, Acting Chief Administrative Officer
Staff Present via Video Conference:	D. Barnhart, Executive Officer to the Regional Chair, H. Chamberlain, Deputy Treasurer/Director, Financial Management & Planning, D. Gibbs, Director, Legal & Court Services, L. Gigliotti, Associate Director, Employee Services, D. Giles, Director, Community & Long Range Planning, T. Harrison, Treasurer/Commissioner, Corporate Services, S. Hendrie, Chief Information Officer, Dr. M. M. Hirji, Acting Medical Officer of Health, A. Jugley, Commissioner, Community Services, K. Lutz, Deputy Chief/Associate Director, Emergency Medical Services, F. Meffe, Director, Human Resources, D. Morreale, Director, Development Approvals, R. Mostacci, Commissioner, Planning & Development Services, D. Rurak, Director, Asset Management Office, K. Smith, Chief/Director, Emergency Medical Services, M. Steele, Associate Director, Reporting and Analysis, M. Trennum, Deputy Regional Clerk, B. Wilson, Legal Counsel, D. Woiceshyn, Chief Executive Officer, Niagara Regional Housing, N. Wolfe, Director, Construction, Energy, and Facilities Management, B. Zvaniga, Interim Commissioner, Public Works

1. **CALL TO ORDER**

Regional Chair Bradley called the meeting to order at 6:38 p.m.

2. **ADOPTION OF AGENDA**

2.1 **Addition of Items**

Moved by Councillor Butters
Seconded by Councillor Heit

That Danielle Romanuk **BE PERMITTED** to appear before Council as a delegate respecting the motion to amend the Face Covering By-law.

Carried

2.2 **Changes in Order of Items**

There were no changes in the order of items on the agenda.

Moved by Councillor Ugolini
Seconded by Councillor Steele

That Council Agenda CL 20-2020, **BE ADOPTED**, as amended.

Carried

3. **DISCLOSURES OF PECUNIARY INTEREST**

Councillor Huson declared an indirect pecuniary interest with respect to the portion of the Corporate Services Committee minutes CSC 9-2020 (Agenda Item 9.4) concerning Confidential Report CSD 64-2020 (Minute Item 6.0) respecting Canada Summer Games - Transition Update as Brock University is party to the Transition Agreement and she has an employment relationship with Brock University.

4. **PRESENTATIONS**

There were no presentations.

5. **CHAIR'S REPORTS, ANNOUNCEMENTS, REMARKS**

The Regional Chair provided an update respecting activities within the Region and the efforts of Niagara Region with respect to the COVID-19 pandemic.

6. DELEGATIONS

6.1 Motion respecting Proposed Amendment to By-law 2020-46 Mandatory Face Covering By-law (Agenda Item 11.2)

6.1.1 Danielle Romanuk, Resident, City of St. Catharines

Danielle Romanuk, resident, City of St. Catharines, appeared before Council in opposition to the motion and requested Council conduct a regional survey to assess public opinion on the matter.

7. ADOPTION OF MINUTES

Moved by Councillor Gibson
Seconded by Councillor Heit

That the following minutes of Regional Council **BE ADOPTED**:

Open and Closed Session Minutes CL 16-2020, Thursday, September 17, 2020
(Special Meeting)

Open Session Minutes CL 17-2020, Thursday, September 17, 2020 (Regular Meeting)

Open and Closed Session Minutes CL 18-2020, Thursday, September 24, 2020
(Special Meeting)

Carried

8. CORRESPONDENCE

8.1 Receive and/or Refer

8.1.1 CHR 5-2020

Acting Chief Administrative Officer (CAO) Performance Appraisal Process and Recruitment Next Steps

Moved by Councillor Sendzik
Seconded by Councillor Rigby

That Correspondence Item CHR 5-2020, being a memorandum from Regional Chair Bradley, dated October 22, 2020, respecting Acting Chief Administrative Office (CAO) Performance Appraisal Process and Recruitment Next Steps, **BE RECEIVED** for information.

Carried

Councillor Information Request(s):

Council members requested a report respecting recommendations for next steps regarding the Chief Administrative Officer recruitment process for the Regional Council meeting being held on Thursday, November 19, 2020.

8.2 For Consideration

8.2.1 CSD 63-2020

2020 COVID-19 Cash Flow Update Report - October

Moved by Councillor Fertich
Seconded by Councillor Whalen

That Report CSD 63-2020, dated October 22, 2020, respecting COVID-19 Cash Flow Update Report - October, **BE RECEIVED** for information.

Carried

8.2.2 CSD 69-2020

COVID-19 Financial Impact Update

Moved by Councillor Steele
Seconded by Councillor Zalepa

That Report CSD 69-2020, dated October 22, 2020, respecting COVID-19 Financial Impact Update, **BE RECEIVED** and the following recommendation **BE APPROVED:**

That staff **BE DIRECTED** to complete the Safe Restart Agreement Phase 2 reporting template to request additional 2020 provincial funding.

Carried

9. COMMITTEE REPORTS - OPEN SESSION

9.1 Committee of the Whole

Minutes COTW 4-2020, Thursday, September 24, 2020

Moved by Councillor Diodati

Seconded by Councillor Greenwood

That Report COTW 4-2020 being the Open Session minutes of the Committee of the Whole meeting held on Thursday, September 24, 2020, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

9.2 Public Works Committee

Minutes PWC 9-2020, Tuesday, October 13, 2020

Moved by Councillor Rigby

Seconded by Councillor Edgar

That Report PWC 9-2020 being the Open Session minutes of the Public Works Committee meeting held on Tuesday, October 13, 2020, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

9.3 Public Health and Social Services Committee

Minutes PHSSC 9-2020, Tuesday, October 13, 2020

Moved by Councillor Greenwood

Seconded by Councillor Gibson

That Report PHSSC 9-2020 being the Open Session minutes of the Public Health & Social Services Committee meeting held on Tuesday, October 13, 2020, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

9.3.1 Minute Item 5.2 respecting referral of Motion - Decriminalization of Personal Possession of Illicit Drugs

The motion contained in Minute Item 5.2 was considered separately as follows:

That Correspondence Item PHD-C 9-2020, being a memorandum from A.-M. Norio, Regional Clerk, dated October 13, 2020, respecting Referral of Motion – Decriminalization of Personal Possession of Illicit Drugs, **BE RECEIVED** for information; and

1. That the federal government **BE URGED** to convene a task force, comprised of people who use drugs, family members, and policy, research and program experts in the areas of public health, human rights, substance use, mental health, and criminal justice, to explore options for the legal regulation of all drugs in Canada, based on a public health approach;
2. That the task force **BE URGED** to scale up prevention, harm reduction, and treatment services and to explore the decriminalization of the possession of all drugs for personal use; and
3. That this motion **BE CIRCULATED** to Minister of Health, Patty Hajdu, Minister of Justice and Attorney General of Canada, David Lametti, the Canadian Association of Chiefs of Police, Deputy Premier and Minister of Health, Christine Elliott, Attorney General, Doug Downey, Niagara's MPs and MPPs, Niagara's 12 local area municipalities, Niagara Regional Police Service, the Association of Municipalities of Ontario, and the Association of Local Public Health Agencies.

The following friendly **amendment** was accepted by the Regional Chair, and the mover and seconder of the motion:

3. That this motion **BE CIRCULATED** to Minister of Health, Patty Hajdu, Minister of Justice and Attorney General of Canada, David Lametti, the Canadian Association of Chiefs of Police, Deputy Premier and Minister of Health, Christine Elliott, Attorney General, Doug Downey, Niagara's MPs and MPPs, Niagara's 12 local area municipalities, Niagara Regional Police Service, the Association of Municipalities of Ontario, **FCM**, and the Association of Local Public Health Agencies.

The Regional Chair called the vote on the motion, as amended.

Clause 1 of the motion was considered separately as follows:

1. That the federal government **BE URGED** to convene a task force, comprised of people who use drugs, family members, and policy, research and program experts in the areas of public health, human rights, substance use, mental health, and criminal justice, to explore options for the legal regulation of all drugs in Canada, based on a public health approach;

Recorded Vote:

Yes (16): Butters, Campion, Darte, Easton, Edgar, Gale, Heit, Huson, Ip, Jordan, Redekop, Rigby, Sendzik, Steele, Ugulini, Witteveen.

No (13): Bylsma, Diodati, Disero, Fertich, Foster, Gibson, Greenwood, Insinna, Junkin, Nicholson, Villella, Whalen, Zalepa.

Carried

Clause 2 of the motion was considered separately as follows:

2. That the task force **BE URGED** to scale up prevention, harm reduction, and treatment services and to explore the decriminalization of the possession of all drugs for personal use.

Recorded Vote:

Yes (15): Butters, Campion, Darte, Easton, Edgar, Gale, Heit, Huson, Ip, Jordan, Redekop, Sendzik, Ugulini, Witteveen, Zalepa.

No (14): Bylsma, Diodati, Disero, Fertich, Foster, Gibson, Greenwood, Insinna, Junkin, Nicholson, Rigby, Steele, Villella, Whalen.

Carried

The Regional Chair called the vote on the balance of the motion and declared it,

Carried

9.3.2 Balance of the recommendations from Public Health and Social Services Committee

The Regional Chair called the vote on the balance of the recommendations from the Public Health and Social Services Committee and declared it,

Carried

9.4 Corporate Services Committee

Minutes CSC 9-2020, Wednesday, October 14, 2020

Moved by Councillor Foster

Seconded by Councillor Whalen

That Report CSC 9-2020 being the Open Session minutes of the Corporate Services Committee meeting held on Wednesday, October 14, 2020, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

9.5 Planning and Economic Development Committee

Minutes PEDC 8-2020, Wednesday, October 14, 2020

Moved by Councillor Darté

Seconded by Councillor Huson

That Report PEDC 8-2020 being the Open Session minutes of the Planning & Economic Development Committee meeting held on Wednesday, October 14, 2020, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Moved by Councillor Butters

Seconded by Councillor Witteveen

That the Tree and Forest Conservation by-law enforcement advisory committee **BE REINSTATED** as noted in Report PDS 16-2020.

Moved by Councillor Rigby

Seconded by Councillor Insinna

That the motion respecting the tree and forest by-law advisory committee, **BE REFERRED** to the Planning and Economic Development Committee being held on Monday, November 9, 2020.

Carried

The Regional Chair called the vote on the Planning and Economic Development Committee Minutes and declared it,

Carried

Councillor Information Request(s):

Provide information respecting options for a Woodland By-law advisory committee. Councillor Huson.

Provide information respecting the current tree canopy and the Region's comparator municipalities with respect to the canopy percentage. Councillor Huson.

9.6 Budget Review Committee of the Whole

Minutes BRCOTW 2-2020, Thursday, October 15, 2020

Moved by Councillor Zalepa
Seconded by Councillor Whalen

That Report BRCOTW 2-2020 being the Open Session minutes of the Budget Review Committee of the Whole meeting held on Thursday, October 15, 2020, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

10. **CHIEF ADMINISTRATIVE OFFICER'S REPORT(S)**

10.1 CAO 20-2020

Recruitment of Commissioner Planning and Development Services

Moved by Councillor Greenwood
Seconded by Councillor Heit

That Memorandum CAO 20-2020, dated October 22, 2020, respecting Recruitment of Commissioner Planning and Development Services, **BE RECEIVED** for information.

Carried

11. **MOTIONS**

11.1 Miller's Creek Marina/Resort Development

Moved by Councillor Redekop
Seconded by Councillor Gale

Whereas the Niagara Parks Commission ("NPC") has considered options for the operation or closing of its marina on the Niagara River in Fort Erie, near Miller's Creek;

Whereas in 2005, the NPC agreed to work with the Town of Fort Erie to permit the Fort Erie Economic Development & Tourism Corporation ("EDTC") to undertake a Request for Proposals process for the expansion and enhancement of the marina and potential development of the lands between the Niagara Parkway and Cairns Crescent ("the adjacent lands");

Whereas as a result of the cooperative efforts of the NPC, Town of Fort Erie and the EDTC, submissions were received for expansion and enhancement of the marina and the development of a resort on the adjacent lands;

Whereas since 2012, the NPC has embarked on a number of processes with a view to proceed with a marina/resort development at the Miller's Creek Marina, including consultations with the Town of Fort Erie and Niagara Region;

Whereas the NPC's most recent initiative resulted at the end of August 2017 in no proponent submitting a response to the NPC's Request for Proposals for development at the marina;

Whereas the NPC continues to be committed to marina enhancements and development on the adjacent lands;

Whereas the Council of the Region of Niagara understands that there remains developer interest in proceeding to develop the marina and adjacent lands at Miller's Creek Marina.

NOW THEREFORE BE IT RESOLVED:

1. That the Council of the Region of Niagara **REITERATES** its continuing support for the expansion and enhancement of the marina and a resort development on the adjacent lands at the Niagara Park Commission's Miller's Creek Marina;
2. That Council **URGES** the Niagara Parks Commission to continue its discussions with the Province of Ontario regarding the transfer of a portion of the adjacent lands to facilitate redevelopment of the marina and development of a resort;
3. That Council **REQUESTS** the Niagara Parks Commission to review the realignment of the Niagara Parkway to allow for the development of the marina and resort development;
4. That Council **REQUESTS** that the Niagara Parks Commission work with the Town of Fort Erie and the Region of Niagara in the preparation and circulation of a public Request or Call for Proposals (RFP) that maintains the integrity of the mandate of the Niagara Parks Commission;

5. That a copy of this resolution **BE FORWARDED** to the Chair of the Niagara Parks Commission for action;
6. That a copy of this resolution **BE FORWARDED** to the Premier of the Province of Ontario, the Minister of Tourism, Culture and Sport, the Minister of Infrastructure, the Chair of the Region of Niagara, local area MPPs, and the Honourable Tony Baldinelli, MP; and
7. That a copy of this resolution **BE CIRCULATED** to the Councils of the local municipalities in Niagara for their support.

Moved by Councillor Foster
Seconded by Councillor Villella

That the motion **BE REFERRED** to the Planning and Economic Development Committee for staff to provide a report on the matter.

Carried

11.2 Proposed Amendment to By-law 2020-46 Mandatory Face Covering By-law

Moved by Councillor Nicholson
Seconded by Councillor Diodati

Whereas on July 23, 2020, Regional Council passed By-law 2020-46 being a by-law to require mandatory face coverings in enclosed public places during the COVID-19 pandemic;

Whereas residents of Niagara Region have expressed concern that the by-law is not applicable to the common areas of residential apartment buildings or condominiums.

NOW THEREFORE BE IT RESOLVED:

That By-law 2020-46 **BE AMENDED** to include that common areas of residential apartment buildings and condominiums are an enclosed public place where the wearing of face coverings is required in accordance with the By-law.

Moved by Councillor Whalen
Seconded by Councillor Ugolini

That the question **BE CALLED**.

Carried

The Regional Chair called the vote on the motion and declared it,

Carried

12. NOTICES OF MOTION

12.1 Liquid Bio-solids Procurement Process

Councillor Gale advised that he would be bringing forward a motion to the next Council meeting respecting the liquid bio-solids procurement process.

13. OTHER BUSINESS

13.1 Educating the Public on Face Covering Exemptions

Councillor Butters requested staff make educational material available to the community, respecting the exemptions from wearing a face covering in a public location in accordance with By-law No. 2020-46, for posting in the common areas of hotels, motels, other short term accommodations, and residential apartment buildings and condominiums.

14. CLOSED SESSION

Council did not resolve into closed session.

15. BUSINESS ARISING FROM CLOSED SESSION

15.1 Confidential CL-C 100-2020

A Matter of a Proposed or Pending Acquisition or Disposition of Land by the Municipality - Niagara Regional Housing Acquisition of Property in the City of St. Catharines (Confidential Report NRH 13-2020)

Moved by Councillor Witteveen
Seconded by Councillor Heit

That Confidential Correspondence Item CL-C 100-2020, being a memorandum from A.-M. Norio, Regional Clerk, dated October 22, 2020, respecting A Matter of a Proposed or Pending Acquisition or Disposition of Land by the Municipality - Niagara Regional Housing Acquisition of Property in the City of St. Catharines (Confidential Report NRH 13-2020), **BE RECEIVED** and the recommendation contained therein **BE APPROVED**.

Carried

16. BY-LAWS

Moved by Councillor Ugulini
Seconded by Councillor Fertich

That the following Bills **BE NOW READ** and **DO PASS**:

Bill 2020-72

A by-law to accept, assume and dedicate Block 30, plan 59M-477 and Blocks 8 and 9, Plan 59M-472, in the City of Welland as part of regional Road No. 29 (Webber Road).

Bill 2020-73

A by-law to accept, assume and dedicate Block 10, Plan 59M-472, in the City of Welland as part of Regional Road No. 36 (South Pelham Road).

Bill 2020-74

A by-law to accept, assume and dedicate Part of Lots 71 and 110 and part of Warren St East, Plan 530 and Part Block H, Plan 525, in the Town of Fort Erie as part of Regional Road No. 124 (Central Avenue).

Bill 2020-75

A by-law to authorize the borrowing upon amortizing debentures in the principal amount of \$5,000,000.00 for a capital work of the Corporation of the City of Port Colborne.

Bill 2020-76

A by-law to authorize the borrowing upon amortizing debentures in the principal amount of \$1,401,512.29 for a capital work of the Corporation of the Town of Niagara-on-the-Lake.

Bill 2020-77

A by-law to authorize the borrowing upon amortizing debentures in the principal amount of \$8,400,000.00 for a capital work of the Corporation of the City of Niagara Falls.

Bill 2020-78

A by-law to authorize the borrowing upon serial debentures in the aggregate principal amount of \$1,756,100.00 for capital works of the Corporation of the Town of Lincoln.

Bill 2020-80

A by-law to amend By-law 2020-46 being a by-law to require mandatory face coverings in enclosed public places during the COVID-19 pandemic.

Bill 2020-81

A by-law to adopt, ratify and confirm the actions of Regional Council at its meeting held on October 22, 2020.

Carried

17. ADJOURNMENT

There being no further business, the meeting adjourned at 9:57 p.m.

Jim Bradley
Regional Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk



ADR
CHAMBERS

Integrity Commissioner Office
for Niagara Region

EDWARD T. MCDERMOTT
Integrity Commissioner
Region of Niagara
integrity@adr.ca

October 22, 2020

SENT BY EMAIL TO:

Ann-Marie Norio
Regional Clerk -Region of Niagara
1815 Sir Isaac Brock Way, P.O. Box 1042
Thorold, ON L2V 4T7
Ann-Marie.Norio@niagararegion.ca

Dear Ms. Norio

**Re: Niagara Region Integrity Commissioner Annual Report
August 17, 2019-August 16, 2020.**

Thank you once again for the opportunity to act as the Integrity Commissioner ("IC") for the Region of Niagara over the past year. In accordance with the terms of the Agreement between the Region and ADR Chambers and pursuant to s-s. 223.6(1) of the *Municipal Act, 2001*, I am providing our Annual Report for the third operating period of August 17, 2019 to August 16, 2020.

As you know, the IC's role is to help Members of Council ("Members") ensure that they are performing their functions in accordance with the Region's Code of Conduct ("the Code") and the Municipal Conflict of Interest Act ("MCIA"). The IC is available to educate and provide advice to Members on matters governing their ethical behavior and compliance with the Code and the MCIA. The IC is also responsible for receiving, assessing, and investigating appropriate complaints made by Council, Members, and members of the public respecting alleged breaches of the Code by Members or

complaints by electors of the Municipality or persons demonstrably acting in the public interest that a Member has contravened the provisions of the MCIA.

Historical Review of IC Services

As we have previously advised Council in prior Annual Reports, our services to the Region have varied over the now three years of my appointment as Integrity Commissioner for the Region of Niagara.

1. August 17, 2017 – August 16, 2018

The first year of service after my appointment by Council was very busy as we contended with a number of outstanding complaints and responded to a significant number of new ones.

During that year we processed 14 formal requests for investigation of contraventions of the Code; reviewed a pre-existing draft Code of Conduct and advised Council on the existing and a proposed new Code and developed a new Investigation Protocol for consideration by Council.

The total cost of these services was \$65,218 (including HST) and by the end of the first year of our services most of the 14 Complaints had been completed and reported on to Council with a small number still in process.

2. August 17, 2018 – August 16, 2019

As previously reported to you, our second year of service was significantly less active than the first, perhaps in part because of the election process and statutory moratorium on complaints during that period.

I completed the outstanding requests from the first year and attended before Council in November, 2018 in order to provide an information/education session on the operation of the Code and the forthcoming amendments to the Municipal Act and Municipal Conflict of Interest Act (MCIA) which came into effect on March 1, 2019.

During the year I received no new complaints until June/July 2019 when 10 somewhat related complaints were received from the same Complainant against several Councillors. Of the 10 complaints only one was found by me to warrant an investigation. The remainder were dismissed as being beyond my jurisdiction or failing to disclose a prima facie case that the Code had been contravened.

The cost of dealing with the outstanding cases from the previous year and resolving the 10 complaints as well as the education session, Annual Report and responding with a written opinion to two formal Requests for Advice from Councillors was \$27,992 (including HST) or roughly 42% of the previous year.

It is of some interest to note that no complaints were received during this period involving a claim by one Councillor against another which was a significant change from the first year of service.

3. August 17, 2019 – August 16, 2020

The third year of my service as the Region's Integrity Commissioner was also relatively calm. During this period I undertook and completed a full investigation and Report with respect to a Complaint filed in July 2019 which remained outstanding and found that no contravention of the Code by the Councillor had occurred.

I further responded to a Request for Advice and provided my written opinion to the Councillor concerned. We also provide an Annual Report to Council for our second year of service.

The total cost for our services for the period under review was \$14, 845 (including HST). It should be remembered however that had I not ruled as I did with respect to the complaints that were dismissed without investigation during the review period, the cost would have equaled or exceeded the cost of year one.

Issues to be considered by Council:

1. **Cost**

Clearly there has been a significant drop in the cost of this program over the three years of my service as the Region's appointed Integrity Commissioner.

Viewed from an objective perspective, I attribute this positive development to one or more of the following factors:

- Members of Council are generally much more cognizant of their obligations under the Code and the requirements of the Municipal Act and the MCIA. This might be as a result of increased public focus being placed on these matters by

concerned citizens and the media as well as the expansion of rights and obligations under the Municipal Act and the MCIA;

- The education sessions presented to Council also appear to have had an impact and Council should continue to schedule further information vehicles like this at regular intervals but especially at the commencement of a new term of Council;
- The fact that there has not been one complaint by a Member against a fellow Member since the new Council took office is telling and may reflect a more focused effort to foster respect and collegiality amongst all Members in the interests of the Region and its citizens;
- Councillors are becoming sensitive to the fact that there is a process in place to deal with contraventions of the Code and it should be used for addressing those situations while at the same time acknowledging that the process can be costly in terms of financial and other resources of the municipality.

2. Investigation Protocol

Some three years ago, a draft Investigation Protocol (prepared by myself) was presented to Council for its consideration.

We have been operating under this protocol for three years (with no complaint about the process from those filing the complaints or any Member of Council).

Since the process seems to be working, I recommend it be approved by Council and published as the governing process to advance a complaint of a contravention of the Code or the MCIA.

Having said this however, and with my accumulative experience as the Integrity Commissioner for a significant number of municipalities, I believe that a time limitation should be imposed on the filing of complaints of say six months from the date of the event complained and/or a reasonable time limitation from the point the complainant became aware of the facts giving rise to the alleged contravention. I am now facing a number of complaints (in other municipalities) stretching back over a substantial period of time and, in my view, this type of situation must be limited or the viability of the program will be put in jeopardy.

I would be pleased to provide appropriate limiting language to the Code or Protocol if that is the will of Council.

3. Budget

While it is easy (in light of the Region's experience over the last three years) to seek to reduce the budgeted amount for the cost of this service to a lesser amount, that would, in my view, be imprudent. There is simply no way to predict what might erupt in a given year or what the cost of addressing these situations might be.

The Region has had a significant decline in cost associated with this program over the course of my three years of service as your Integrity Commissioner. As it happens however, I am now seized with two new complaints which arose after the end of the period under Review. One is almost concluded and the other is ongoing and significant in terms of time, importance and relevance. It will inevitably invoke a substantial cost.

It would therefore be prudent in my view, to budget accordingly.

Summary

It has been a pleasure to assist the Region and its Members in contending with the numerous issues which have arisen in connection with the administration of its Code of Conduct. I look forward to continuing to provide my services as Integrity Commissioner to the Region of Niagara in the forthcoming year.

Yours very truly,



Edward T. McDermott
Integrity Commissioner, Region of Niagara



ADR
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Integrity Commissioner Office
for Niagara Region

EDWARD T. MCDERMOTT
Integrity Commissioner
Region of Niagara

October 23, 2020

Ann-Marie Norio
Regional Clerk - Region of Niagara
Ann-Marie.Norio@niagararegion.ca

Dear Ms. Norio

Re: Code of Conduct Complaint Councillor Sandra Easton – IC-223-0720

I wish to advise that I have now completed my investigation with respect to the subject of the above referenced complaint and I am enclosing a copy of my final report, determination and recommendations with respect to the complaint.

I would advise that, in accordance with section 223.6(2) of the *Municipal Act, 2001* of Ontario, I have determined that all matters disclosed in the Report are necessary for the Report itself.

I am providing this Report to you for presentation to Council in open session in accordance with the provisions of the Municipal Act and the Region's Code of Conduct and investigation protocol. Would you please advise when this has been completed.

This matter is accordingly now concluded.

Yours very truly,

Edward T. McDermott
Integrity Commissioner, Region of Niagara

C.C. Emily Spanton and Councillor Sandra Easton



ADR
CHAMBERS

Integrity Commissioner Office
for Niagara Region

EDWARD T. MCDERMOTT
Integrity Commissioner
Region of Niagara
integrity@adr.ca

October 23, 2020

SENT VIA EMAIL TO:

Emily Spanton
Councillor Sandra Easton

Dear Ms. Spanton and Councillor Easton

Re: Code of Conduct Complaint- Councillor Sandra Easton - IC-223-0720

The following constitutes my final report in response to a complaint of a contravention of the Region's Code of Conduct for Members of Council (The "Code") filed by Ms. Spanton against Councillor Sandra Easton.

1.0 Nature of the Complaint

1.1 This complaint is made against Region of Niagara Councillor Sandra Easton and arises out of the following circumstances as alleged in the Complaint.

In her written complaint dated July 28, 2020 the Complainant asserted that at a Special ("Virtual") Meeting of Council on July 23, 2020 (involving Niagara Region Police Services (NRPS), the Councillor made personal (and inappropriate) comments over those who then had the floor/microphone (i.e. Councillors AB and CD).

The main comment which the Complainant objects to involved a statement by the Councillor which was made while the Complainant's home Councillor (AB) was posing questions to Council received from his/her local Municipal Council. The statement

which was overheard (and to which the Complainant takes strong objection) was “There he/she goes ranting again!” According to the Complainant, her home Councillor was not “ranting” but was simply representing his/ her constituents and the Councillor’s comment was inappropriate, disparaging and disrespectful.

While the Complainant acknowledges that the Councillor did (towards the conclusion of the meeting of July 23, 2020) offer an apology in public to Councillor AB for her comments, the Complainant was not satisfied with the content of the apology which in her view did not sufficiently acknowledge the inappropriate behavior or accept accountability for her misconduct.

The Complainant also adverted to an incident at the same meeting where Councillor Sandra Easton was overheard commenting that Councillor CD “couldn’t help himself/herself” while he/she had the floor and was explaining his/her position on an issue before Council.

In support of her position the Complainant relies on the following section of the Code:

Respect, Truth, Honesty and Integrity

1. Members of Council shall respect the values of truth, honesty and integrity in all Niagara Region matters, issues and activities.
2. Members of Council shall not impose their personal, moral or religious standards on others as every person is an individual with specific rights, values, beliefs and personality traits to be respected at all times.
3. Members of Council shall respect the right to confidentiality and privacy of all clients, volunteers and employees and be aware of their responsibilities under relevant legislation, corporate and departmental policies, ethical standards and where appropriate, professional standards. No discussion regarding clients, volunteers or employees will be conducted other than with authorized persons in accordance with corporate and department policy.

While it is not clear from the wording of the complaint, it seems the Complainant also relies on the section of the Code dealing with Conduct which provides as follows:

Conduct

As representatives of the Region, every member of Council has the duty and responsibility to treat members of the public, one another and staff appropriately and without abuse, bullying or intimidation and to ensure that the municipal work environment is free from discrimination and harassment. A member shall not use indecent, abusive, or insulting words or expressions toward any other member, any member of staff or any member of the public. A member shall not speak in a manner that is discriminatory to any individual based on the person's race, ancestry, place of origin, creed, gender, sexual orientation, age, colour, marital status or disability. **Members shall be encouraged to disable the audible signals on their cell phones during any Committee or Regional Council meetings.**

2.0 Processing of the Complaint

2.1 Immediately upon receipt of the complaint (after receiving further required documentation from the Complainant) on August 5, 2020, I forwarded a copy of the materials to the Councillor for her review and written response.

Somewhat to my surprise, that response on August 12, 2020 included copies of letters (dated August 10, 2020) from the Councillor to Councillors AB and CD. Those letters contained an acknowledgement by her of the substance of the statements which form the basis of the Complaint and that such conduct was inappropriate. The letters also set forth a fulsome and genuine apology (which she had made both verbally and in writing) to the two Councillors referenced by the Complainant. The Councillor also undertook to her two colleagues to strive to set an example for appropriate behavior for a Councillor in the future.

I was subsequently provided with communications from Councillors AB and CD to the Councillor in reply to her letters of August 10, 2020. They both expressed their gratitude for her comments and assured her that they were not offended by her comments but did appreciate the high degree of integrity she displayed and their ongoing respect for her as a person and colleague.

2.2 Faced with this response I then inquired of the Complainant if her concerns/complaint had been satisfied by the Councillor's actions.

In her response, the Complainant took the position that while she "accepted the verbal and written apology to Councillor AB, she would like to see an apology during Council

to illustrate the inappropriateness of the behavior to all Councillors". In the words of the Complainant:

"Councillor AB deserves a heartfelt apology- so too, do the people of municipality."

The Complainant did indicate her concerns about comments involving Councillor CD had been satisfied by the apology of the Councillor to him/her and did not think that matter needed to be pursued further so I have determined that element of the complaint has been resolved.

2.3 I also offered to interview both parties by telephone and receive any additional comments and submissions they may wish to make verbally. They were then each given a draft copy of this report and invited to provide their submissions with respect to the Report before it was finalized and delivered to the Regional Clerk.

3.0 Analysis and Decision

3.1 In my view, no further analysis of this complaint is required as the matter has been dealt with in a direct and fulsome manner by the Councillor who still enjoys considerable respect from the peers she is alleged to have diminished by her comments.

3.2 The Complainant was offered the opportunity to resolve this matter in accordance with the positive response by the Councillor. She however indicated she would prefer to see a further open apology before Council.

I do not agree with such an approach and find there is no point in pursuing this investigation further as, in my view, the unfortunate comments and the manner in which they were made, have been acknowledged by the Councillor who made a public apology at the meeting at which the comment about Councillor AB was made and has followed it up with verbal and written apologies to both Councillors named by the Complainant.

It should also be noted that the comments complained about were made in her own home and in circumstances where she was unaware they were being overheard as she believed her microphone to the virtual meeting of Council was muted (which turned out not be the case). The fact that she was live and her comments had been picked up was only ascertained when she (during the meeting) received a text to that effect. She then realized the comment about Councillor AB (which was never intended to be public) may have been heard by others and immediately made a public apology to Councillor AB about it before the meeting ended.

In my view, the actions of the Councillor in recognizing her comportment was inappropriate and taking steps to address the situation, were commendable. Her proactive and genuine response to a regrettable situation should serve as a positive message to all members of Council that everyone deserves to be treated with respect and dignity.

Accordingly, while I do agree with both the Complainant and the Councillor that her comments were inappropriate in the circumstances, and did therefore constitute a contravention of that portion of the Conduct section of the Code, I do not recommend any form of penalty be imposed by Council against the Councillor. It should also be understood that under the provisions of the Municipal Act and the Code, I have no power or authority to order any apology (public or otherwise) be made by a Councillor. Nor, by the way, does Council although it could presumably ask a Councillor to make one.

I have therefore determined that, inasmuch as the Councillor has of her own volition determined her remarks were inappropriate and has, as outlined above, offered a full apology which has been accepted by Councillors AB and CD, I consider the issue of an apology is now moot and this matter should not be pursued any further.

4.0 Publication of Decision:

4.1 I therefore request the Clerk to place this Report on the public agenda as I believe it is important as future guidance for all Councillors and residents of the Region should circumstances like this arise in the future.

Yours very truly,



Edward T. McDermott
Integrity Commissioner, Region of Niagara



October 21, 2020

Ann-Marie Norio
Regional City Clerk
Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Ann-Marie:

Re: Council resolution regarding Double Direct Councillors

Please be advised that City Council at its meeting of October 6, 2020 passed the following motion:

That Council request that the Region of Niagara adopt a resolution to allow the City of Niagara Falls to change its method of electing City and Regional Councillors to the "Double-Direct Method," where three members of Council will serve on both Regional and City Council, while five members of Council would serve only on City Council; and to inform the lower tier Council's that have Regional Councillor representation of Niagara Falls' City Council's actions in hopes of encouraging other municipalities to consider the double-direct method where applicable.

Background

The Region has the power to design Council composition. The power to change Council composition includes the method of selecting members, including double direct elections.

Prior to the 2018 Municipal Elections, the *Municipal Act* required a Minister's regulation be passed in order to implement a double direct method of voting. Recent changes to the *Municipal Act* no longer require this step and it is now up to the Region and our fellow lower tier municipalities to affect this change.

It is then hopeful that the Region would give notice of intent to pass a by-law to change its composition and holds at least one public meeting. If this bylaw then passes at the Region, the lower tier municipalities would then be asked to pass resolutions consenting to the change.

If you have any questions, please contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Matson', with a long horizontal flourish extending to the right.

Bill Matson
City Clerk

c. *Local Area Municipal Clerks*



October 30, 2020

Ann-Marie Norio
Regional City Clerk
Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Ann-Marie:

Sent via email: Ann-Marie.Norio@niagararegion.ca

Re: Tender Process – Liquid Biosolids and Residuals Management Program

Please be advised that City Council at its meeting of October 27, 2020 passed the following motion:

“ORDERED on the motion of Councillor Mike Strange, Seconded by Councillor Chris Dabrowski that the City ask the Region for a motion to reconsider the award of tender regarding the liquid biosolids and residuals management program and to have the appropriate Regional staff come to a future Niagara Falls City Council meeting to address questions and explain the process on how the decision was made to award the contract.”

This motion was passed after an update to Niagara Falls City Council from Councillor's Gale and Nicholson on various Niagara Region projects.

If you have any questions, please contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Matson", written over a horizontal line.

Bill Matson
City Clerk

Working Together to Serve Our Community

Clerks
Ext 4342 Fax 905-356-9083
billmatson@niagarafalls.ca

MEMORANDUM

CWCD 311-2020

Subject: Niagara Region Bylaw Enforcement Update
Date: November 13, 2020
To: Regional Councillors
From: Angelo Apfelbaum, Manager Business Licensing

Since March 16, 2020 Niagara Region has provided redeployed enforcement staff from Business Licensing to assist with the enforcement of the Emergency Management and Civil Protection Act and the Reopening Ontario Act. Redeployed staff have also provided support to the local area municipalities with their enforcement endeavors since that date.

On October 10, 2020 the Deputy Minister of Community Safety, Mario Di Tommaso, issued a letter to the City of Hamilton, Region of Durham, Region of York and Niagara Region directing all enforcement personnel to take an “assertive approach to enforcement” for the provisions contained in the Reopening Ontario Act, O.Reg. 364/20.

On October 14, 2020 the Solicitor General asked Niagara Region to complete weekly enforcement/inspection data for all activities relating to the Reopening Ontario Act, O.Reg. 364/20. They further asked for all information to be back dated to September 18, 2020.

The information contained in this memo provides Regional Council an overview of the enforcement/inspection statistics from the Region’s redeployed enforcement staff from September 18 to November 07, 2020.

Respectfully submitted and signed by

Angelo Apfelbaum
Manager Business Licensing
Corporate Services

Appendices

Appendix 1	Reopening Ontario Act Aggregate Inspections and Enforcement Statistics
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Aggregate Inspection/Enforcement Statistics – Reopening Ontario Act, O.Reg 364/20

Reporting Period: **September 18 to November 07, 2020**

Number of Staff Redeployed for Provincial Order Enforcement: **3** (*1 Manager/2 Officers*)

Inspections Conducted: **126** (*96 Proactive/30 Reactive*)

Inspections by Establishment Category

Establishment Category	Number Inspected
Bar/Restaurant/Food Establishment	90
Retail Business	15
Other Business	21
Total	126

Inspections by Local Area Municipality

Local Area Municipality	Number
St. Catharines	41
Niagara Falls	38
Thorold	3
Niagara-On-The-Lake	16
Fort Erie	4
Port Colbourne	1
Welland	13
Grimsby	9
Lincoln	1
Total	126

Inspection Outcome by Category

Outcome Category	Number
Part I Provincial Offence Ticket	7
Part III Provincial Offence Summons	3
Formal Warning/Caution	27
Re-Inspection/Follow-Up	1
Education Outreach	92
Total	130

Subject: COVID-19 Cash Flow Update Report - November

Report to: Regional Council

Report date: Thursday, November 19, 2020

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide Council with an update on Niagara Region's cash flow position and forecast for November with specific reference to the impacts of concessions made to Local Area Municipalities (LAMs) to align with their concessions to the taxpayers in Niagara.
- Monthly cash flow updates are provided to Council in response to report CSD 31-2020, which generally approved deferrals of LAM tax and water and wastewater remittances to the Region, as well as waiving interest charges on late payments.
- Overall the amount due from the LAMs for general and special purposes tax levies and water and wastewater payments in Q4 is approximately \$146 million.
- Phase 1 of the Municipal Safe Re-start funding of \$12.2 million has been received from the province of Ontario to support COVID-19 operating costs and pressures.
- Cash flow forecasting is an important tool to ensure that sufficient funds are available to meet the Region's operating and capital payment obligations.

Financial Considerations

The COVID-19 pandemic has caused a strain on a number of financial resources. Niagara Region cash balances are impacted by increased spending for pandemic relief services, as well as by deferred and/or reduced revenue collections.

The Region's cash flows are monitored to ensure sufficient liquidity to provide for ongoing operations. Balances have increased compared to forecast; this is the result primarily of improved collection experienced by the LAMs and reduced outflows compared to forecast. In addition, the recent \$12.2 million Municipal Safe Re-start funding from the province has assisted the cash flow balances. Graph 1 provides an illustration of the updated cash flow forecast for the Niagara Region for the remainder of the year.

Graph 1: 2020 Cash Flow Forecast



The following are updates since the October cash flow report CSD 63-2020 – 2020 COVID-19 Cash Flow Update Report – October:

- Water and Wastewater remittances of \$10.0 million, versus the total billed \$10.5 million (for September flows, due October 31), represent 5% arrears (\$0.5 million)
- Water and Wastewater February through August flows have remittances outstanding of \$2.3 million, which is unchanged from the last report.
- Water flows continue to be down, however the most recent flow information indicates an improvement in the decline from 2.2% to 1.3% over the three-year average.
- The transition of responsibility for managing the construction of the Canada Summer Games Park continues, updates to the cash flow forecast will be made once finalized.

Analysis

The Region conducts cash flow forecasts to ensure sufficient operating liquidity by estimating the available cash deposits, expected inflows, and required disbursements. Common inflows include tax and rate remittances from the LAMs, grant revenue from other levels of government, debenture proceeds, interest revenue from investments and other revenue from fees and services. Outflows typically represent employee payroll and benefits, anticipated payments such as debt service and payments to vendors for

goods and services for both operating and capital costs. COVID-19 implications have had an adverse impact on the Region's cash flow forecast; however, the Region has taken measures to mitigate financial impacts.

Impacts on Niagara Region Cash Flows:

LAM remittances:

The largest impact to the Region's cash flow forecast is the implementation of the concessions approved through report CSD 31-2020, including partial payments for the general tax and special purpose levy amounts as well as amendments to the water and wastewater collections.

The fourth and last levy instalment had an initial due date of October 14th, with concessions allowing the waiving of interest charges to the LAMs until November 13th for partial or late payments. At the time of finalizing this report, November 4th, 2020 the concession due date has not passed, however nine municipalities have paid in full, and three have made partial payments; this represents \$20.7 million outstanding or 18% in arrears of the total \$115.4 million. The remaining balances are expected to be remitted to the Niagara Region by November 13th.

Water and Wastewater billings are completed on the 15th of the following month and due by the end of that month; January through September have been billed and due dates passed. Ten municipalities have paid September billings in full, and one has made a partial payment; this represents \$0.5 million outstanding or 5% in arrears of the total \$10.5 million. The total unpaid balance has increased to \$2.8 million from \$2.3 million. Billings for the October water and wastewater charges occurs mid November and is due at the end of November.

Conclusion: Cash flows from the remittances of LAM payments are providing support to the Region's cash flow position. With the levy collection experienced to date, there are no recommendations to extend the concession deadline for the fourth levy instalment.

Capital Project activity:

Capital projects continue to progress to the extent possible acknowledging any staff and industry constraints. Capital project spending has an impact on cash flows; it does not affect the operating budget, as the cost of capital has been previously approved in prior year budgets, either through contributions to capital reserves, debt issuances, or from external contributions. There are currently 563 approved capital projects with budget remaining as at the end of October of \$772 million.

Conclusion: Capital spending continues to be less than forecasted resulting in a positive impact on the cash flow to date; this has not affected strategy, however staff will continue to monitor cash flows and update the strategy if required. The capital projects that were deemed non-urgent previously continue to be delayed. Spending on these projects will extend into next year and possibly beyond based on the scope of the project.

Incremental COVID – 19 costs:

Incremental costs associated with COVID-19 are affecting the Region's cash flows. Staff have used cost analysis information from report CSD 69-2020 – COVID-19 Financial Impact Update that captures and models financial impacts to the end of the year on the cost of COVID-19. The Region has received the \$12.2 million from the province as part of the Municipal Safe Re-start funding to support COVID-19 related operating costs and pressures.

Conclusion: Incremental COVID-19 costs are negatively affecting the Region's cash flow; however, savings, mitigation efforts, and provincial support provide relief to cash flows.

Treasury activities:

Since the pandemic started, the Niagara Region has seen no increase to the investment portfolio, to address uncertainty surrounding projected and outstanding collections, at the risk of reduced investment income. This strategy has been reviewed against current cash flow forecasts as of November and consideration is being given to increase investments as cash flows continue to be better than forecast. As well, the Region plans to issue \$54.4 million in debentures through Infrastructure Ontario in December to finance capital projects.

Conclusion: The delay in planned investments has provided cash flow relief in the short term, however it has negatively impacted investment income.

Summary:

Staff will continue to monitor the Region's cash flow position and will take action to ensure there is sufficient liquidity to fund operating and capital payment obligations. Based on the updated information, it is projected that the Region's cash flow will remain positive to the end of the year, however any changes in projected timing and collection could alter the forecast.

Alternatives Reviewed

No alternatives are offered for this report.

Relationship to Council Strategic Priorities

This report highlights how the Niagara Region is supporting the Council Priority of Sustainable and Engaging Government.

Other Pertinent Reports

CSD 31-2020	Concessions to Local Area Municipalities regarding Taxes and Wastewater Billings
CSD 63-2020	COVID-19 Cash Flow Update Report - October
CSD 69-2020	COVID-19 Financial Impact Update

Prepared by:

Margaret Murphy, CPA, CMA
Associate Director, Budget Planning & Strategy
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner Corporate Services,
Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Helen Chamberlain, Director, Financial Management and Planning, Deputy Treasurer.

Subject: Options for Consideration Regarding the Selection of the Chief Administrative Officer

Report to: Members of Regional Council

Report date: Thursday, November 19, 2020

Recommendations

1. That Regional Council **APPROVE** one of four options outlined in this report; and
2. That the employment contract of the Acting CAO **BE EXTENDED** until such time that a permanent CAO is in the role.

Key Facts

- The role of CAO is a critical leadership position and provides strategic direction at Niagara Region, as per responsibilities outlined in the *Municipal Act, 2001*, and is accountable to all of Regional Council.
- The CAO position has remained in an acting status for nearly two years as a series of external factors made the selection of permanent CAO impractical (i.e. the municipal governance review, responding to the Ombudsman's *Inside Job* report and COVID-19).
- In March 2020, at the onset of the COVID-19 pandemic, Regional Council passed a motion to place the CAO recruitment process in abeyance until such time that Council could properly focus on this important hiring process.
- At the October 22, 2020 meeting of Regional Council, direction was given to provide Council with recommendations on the next steps in the selection process.
- Given the complexity associated with the selection of a CAO, Council should consider all of the options available, including: maintaining the status quo, appointing an interim CAO, extending the acting CAO until the end of the term and proceeding with a full recruitment process. Each of these options carries pros and cons that Regional Council can consider before moving forward

Financial Considerations

There are no direct financial implications associated with the approval of one of the four presented options. However, some of the options would require financial investments in order to proceed. For instance, in accordance with the policy and procedures, cost estimates of securing an external human resources recruitment firm range from \$40,000 - \$60,000, as it will depend on the scope of work agreed upon by the CAO Recruitment

Committee and the selection of the external search firm through the Request for Proposal procurement process.

Any costs related to CAO recruitment activities in 2020 will be funded through the Council approved 2020 budget, any costs incurred in 2021 will also be accommodated within the future Council approved budget.

Analysis

At the Regional Council meeting on December 13, 2018, Council appointed Ron Tripp, Commissioner of Public Works, to act as the Region's CAO due to the vacancy of that position. Given the importance of the Chief Administrative Officer's role in a municipality, appointment of an individual to serve in an acting capacity was both appropriate and necessary.

A number of external factors influenced the permanent recruitment of the CAO, including:

- 1. The Municipal Governance Review:** On December 20, 2018, the provincial government appointed an advisory body to study regional governance across Ontario. The scope of the study suggested the province may be considering significant top-down changes to regional municipalities across Ontario. Given the unpredictable outcome of this study, Council chose to continue extending the Acting CAO's contract as recruitment under these circumstances would have been exceptionally challenging. While the province ultimately decided to maintain the status quo, that announcement was not made until October 24, 2019.
- 2. The *Inside Job* Ombudsman's Report:** On November 29, 2019, the Provincial Ombudsman released his report *Inside Job* that included a series of recommendations for policies and practices that directly related to the recruitment, hiring and performance management of the Region's CAO. In response to this report, Council continued to delay the CAO recruitment process to ensure the corporation could complete and satisfy the Ombudsman's recommendations. This work was completed by the Region's human resources department in early 2020, and was ultimately approved by Council at the January 23, 2020 meeting.
- 3. The COVID-19 Pandemic:** On March 26, 2020, approximately two weeks after the start of the COVID-19 pandemic, Regional Council passed a motion putting the recruitment in abeyance until such time that the appropriate level of attention could be put towards the recruitment process.

On Oct. 22, 2020, Regional Council gave direction to staff to produce a report that would outline the recommended next steps in the CAO recruitment process. Prior to moving forward with a formal recruitment, Councillors may wish to consider all of the relevant facts bearing on this matter.

Potential Challenges in the Recruitment Process and Hiring a New CAO

Council should be aware that there are potential challenges that may accompany the Region's undertaking of a CAO recruitment at this time and may affect or dilute the talent pool of interested candidates. These challenges include:

1. The heightened instability caused by COVID-19; given that municipal CAOs are often employed in other municipalities they may be unwilling to leave a current post to apply elsewhere;
2. It is anticipated that the recruitment process for the CAO would not likely be completed until June 2021 at the earliest. As CAOs serve at the pleasure of Council, this timeline would only allow 18 months of interaction with the current term of Council;
3. The Region's brand and reputation are still recovering within the municipal sector as a result of the Ombudsman's *Inside Job* report which reported on the 2016 CAO recruitment process during the previous term of Council notwithstanding the new term of Council having commenced in 2018; and
4. The competing market where other local municipalities in Niagara are currently recruiting for CAOs.

The recruitment and onboarding of a new CAO, even under normal conditions, can be a cause of great apprehension among staff at all levels. This apprehension amongst staff may lead to disengagement, potentially having a negative effect on productivity.

Moreover, the unpredictability associated with COVID-19 requires the organization to be agile and react quickly to unprecedented and challenging situations. Installing a new CAO may reduce this agility and slow down the decision-making process across the organization.

Finally, Council should also be made aware that it is common for newly recruited CAOs to want to make significant changes to organizational structure, policies, practices, culture and personnel. Again, even under normal circumstances, undertaking this type of change management can be disruptive to an organization. With the added stressors of the pandemic, Council may want to fully consider the timing of undertaking a recruitment.

Options for Consideration:

Council may approve one of the following four options:

CAO HIRING OPTIONS FOR CONSIDERATION	
OPTION #1: Maintain the status quo (extension of the Acting CAO on 3-6 month contract extensions)	
Pros: <ul style="list-style-type: none"> • Maintains stability across the organization (including the ability to make agile change) • Council has the ability to undertake a recruitment at anytime • Least expensive option (avoids recruitment costs and any potential future severance) • Allows the next full-term of Council to make a clean decision regarding leadership 	Cons: <ul style="list-style-type: none"> • Lack of guarantee to the incumbent • Does not project Council's confidence in the Region's top bureaucrat • Difficult for the incumbent to carry out any vision • May impact candidate pool/ attraction for other senior level recruitments in the Region • Delays the inevitable decision that Council proceed with the permanent recruitment process
OPTION #2: Appoint an interim CAO for a two-year term	
Pros: <ul style="list-style-type: none"> • Allows Council to select an external candidate • Avoids some of the recruitment costs and potential future severance with properly worded contract • Less likely to disrupt the organization as intensely as a full recruitment • An expedited option as compared with proceeding with a full recruit • Allows the next full-term of Council to make a clean decision regarding leadership 	Cons: <ul style="list-style-type: none"> • May be seen as a "care taker" with less of a vision for the organization • Will be less familiar with the organization and culture • Less agile in decision making • May be a source of anxiety for staff, impacting productivity • Delays the inevitable decision that Council proceed with the permanent recruitment process

CAO HIRING OPTIONS FOR CONSIDERATION	
OPTION #3: Extend the current acting CAO's contract to the end of the term	
<p>Pros:</p> <ul style="list-style-type: none"> • Provides the most stability for the organization and would be less disruptive • Avoids all recruitment costs and potential future severance • Projects confidence in the Acting CAO, allowing him to execute on more strategic initiatives • Allows Council to manage the Acting CAO appropriately, enforcing performance objectives • Allows the next full-term of Council to make a clean decision regarding leadership 	<p>Cons:</p> <ul style="list-style-type: none"> • Unable to engage in longer term planning • Key positions continue to have acting Commissioner roles for Public Works, Planning and Economic Development, and Medical Officer of Health
OPTION #4: Undertake a formal recruitment process for the CAO	
<p>Pros:</p> <ul style="list-style-type: none"> • Council would undertake a fulsome search with the hopes of finding top talent • Provides the greatest level of transparency and alignment to recruitment policy and procedures • The new CAO, if external, may bring with them a new vision and mandate • Would allow for Public Works temporary leadership to move to permanent, creating additional stability for that group • Ability to engage in strategic planning • Provides for longer term team building with Corporate Leadership Team and Senior Leaders • Seen as stability for employees (current and future) and community. 	<p>Cons:</p> <ul style="list-style-type: none"> • The most costly option • Takes most time to execute • Potentially the most disruptive to Regional operations • The CAO contract would extend into the next term of Council • May not be successful given the current situation (i.e. timing, talent pool)

Relationship to Council Strategic Priorities

The selection of a CAO aligns with Council's strategic priority of Sustainable and Engaging Government.

Other Pertinent Reports

- HR 01-2020 *REVISED* – Chief Administrative Officer (CAO) Recruitment, Selection, Offer of Employment and Performance Management Policy and Procedures
- HR 03-2020 Chief Administrative Officer (CAO) Recruitment – Regional Councillor Appointments to the CAO Recruitment Committee
- CHR 5-2020 Acting CAO Performance Appraisal Process and Recruitment Next Steps

Submitted by:

Jim Bradley,
Regional Chair

This report was prepared in consultation with Daryl Barnhart, Executive Officer to the Regional Chair, Ann-Marie Norio, Regional Clerk, Franco Meffe, Director, Human Resources and Jodie Middleton, Manager Organization Development and Talent Acquisition.

Minute Item No. 5.1

CSD 70-2020

Amendment to By-Law 2019-79 Budget Planning

That Report CSD 70-2020, dated November 9, 2020, respecting Amendment to By-Law 2019-79 Budget Planning, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That By-law 2019-79 Budget Planning By-law **BE AMENDED** to include section 1.7. "Establish social determinants of health as a consideration in program and budget decisions"; and
2. That the necessary by-law **BE PREPARED** and **PRESENTED** to Council for consideration.

Minute Item No. 5.2

CSD 73-2020

Niagara Regional Hospital Funding Policy

That Report CSD 73-2020, dated November 9, 2020, respecting Niagara Regional Hospital Funding Policy, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That staff **BE DIRECTED** to develop a formal policy based on the hybrid option in Boulevard Strategy Group's "The Niagara Regional Hospital Funding Report".

Minute Item No. 6.1

CSC-C 22-2020

COVID-19 Response and Business Continuity in Corporate Services

That Correspondence Item CSC-C 22-2020, being a memorandum from T. Harrison, Commissioner/Treasurer, dated November 9, 2020, respecting COVID-19 Response and Business Continuity in Corporate Services, **BE RECEIVED** for information.

Minute Item No. 7.1

Hospice Niagara Presentation

That the presentation by Hospice Niagara respecting Investing in Hospice Palliative Care (Minute Item 3.1), **BE RECEIVED** and **REFERRED** to staff to prepare a report regarding the funding request to be provided to the Budget Review Committee of the Whole meeting for consideration for the 2021 budget.

Minute Item No. 7.2
Provincial Policy Respecting Hospital Funding

That the Regional Chair **BE DIRECTED** to send a letter to the Minister of Health requesting that the Ministry develop a clear, consistent policy for hospital construction and re-construction funding in Ontario.

Minute Item No. 9.1
Confidential CSD 60-2020
A Matter of Advice that is Subject to Solicitor Client Privilege and Respecting Litigation – Summary of Civil Lawsuits Commenced Against The Regional Municipality of Niagara (Niagara Region), Niagara Regional Police Service (NRPS) and Niagara Regional Housing (NRH)

That Confidential Report CSD 60-2020, dated November 9, 2020, respecting A Matter of Advice that is Subject to Solicitor Client Privilege and Respecting Litigation – Summary of Civil Lawsuits Commenced Against The Regional Municipality of Niagara (Niagara Region), Niagara Regional Police Service (NRPS) and Niagara Regional Housing (NRH), **BE RECEIVED** and the recommendations contained therein, **BE APPROVED**.

Minute Item No. 9.2
Confidential CSD 71-2020
A Matter Respecting a Proposed Acquisition of Land by the Municipality – Gateway Initiative Project

That Confidential Report CSD 71-2020, dated November 9, 2020, respecting A Matter Respecting a Proposed Acquisition of Land by the Municipality – Gateway Initiative Project, **BE RECEIVED** and the recommendations contained therein, **BE APPROVED**.

**THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE SERVICES COMMITTEE
OPEN SESSION**

**CSC 10-2020
Monday, November 9, 2020
Council Chamber/Video Conference
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee Members Present in the Council Chamber: Fertich, Foster (Committee Chair), Whalen (Committee Vice-Chair)

Committee Members Present via Video Conference: Bradley (Regional Chair), Butters, Campion, Diodati, Easton, Edgar, Gale, Heit, Ip, Redekop, Rigby

Other Councillors Present via Video Conference: Bylsma, Witteveen

Staff Present in the Council Chamber: H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, M. Elia, Technology Support Analyst, T. Harrison, Commissioner/Treasurer, Corporate Services, A.-M. Norio, Regional Clerk, R. Tripp, Acting Chief Administrative Officer

Staff Present via Video Conference: M. Cruickshank, Legal Counsel, D. Gibbs, Director, Legal & Court Services, A. Jugley, Commissioner, Community Services, H. Koning, Director, Senior Services, K. Lotimer, Legislative Coordinator, B. Menage, Director, Procurement & Strategic Acquisitions, C. Mustard, Real Estate Officer, C. Ogunniyi, Diversity, Equity and Inclusion Program Manager, D. Woiceshyn, Chief Executive Officer, Niagara Regional Housing, B. Zvaniga, Interim Commissioner, Public Works

1. CALL TO ORDER

Committee Chair Foster called the meeting to order at 9:30 a.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. **PRESENTATIONS**

3.1 **Hospice Niagara**

Carol Nagy, Executive Director, Hospice Niagara, provided information respecting Investing in Hospice Palliative Care. Topics of the presentation included:

- The Project, Problem and Solution
- Hospice Care
- Hospice at Home
- Hospice Niagara Client and Caregiver Feedback
- Request

4. **DELEGATIONS**

4.1 **Niagara Regional Hospital Funding Policy (Report CSD 73-2020 (Agenda Item 5.2))**

Aaron Levo, Vice President, Communications and Public Affairs, Hamilton Health Sciences, Cindy MacDonald, Director, Community Programs, West Lincoln Memorial Hospital, Harry Schlange, Chief Administrative Officer, Town of Grimsby, Mike Kirkopoulos, Chief Administrative Officer, Town of Lincoln, Beverly Hendry, Chief Administrative Officer, Township of West Lincoln, Pam Ellens, Executive Director, West Lincoln Memorial Hospital Foundation, Kevin Antonides, Chair, West Lincoln Memorial Hospital Foundation and Andrew Smith, Campaign Chair, West Lincoln Memorial Hospital Foundation, appeared before Committee to request regional funding to support a new West Lincoln Memorial Hospital.

5. **ITEMS FOR CONSIDERATION**

5.1 **CSD 70-2020**

Amendment to By-Law 2019-79 Budget Planning

Moved by Councillor Rigby

Seconded by Councillor Ip

That Report CSD 70-2020, dated November 9, 2020, respecting Amendment to By-Law 2019-79 Budget Planning, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That By-law 2019-79 Budget Planning By-law **BE AMENDED** to include section 1.7. "Establish social determinants of health as a consideration in program and budget decisions"; and
2. That the necessary by-law **BE PREPARED** and **PRESENTED** to Council for consideration.

Carried

5.2 CSD 73-2020

Niagara Regional Hospital Funding Policy

Erin O'Hoski, Principal, Boulevard Strategy Group, provided information respecting Niagara Regional Hospital Funding Report. Topics of the presentation included:

- Methodology
- Proposed Guiding Principles
- 6 Options for Consideration by Niagara Region
 - Proportionate Share Model
 - Durham Model
 - Hospital MOU Model
 - Regional Benefit Model
 - Limited Regional Participation Model
 - Hybrid Model

Moved by Councillor Easton
Seconded by Councillor Edgar

That Report CSD 73-2020, dated November 9, 2020, respecting Niagara Regional Hospital Funding Policy, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That staff **BE DIRECTED** to develop a formal policy based on the hybrid option in Boulevard Strategy Group's "The Niagara Regional Hospital Funding Report".

Carried

6. **CONSENT ITEMS FOR INFORMATION**

6.1 CSC-C 22-2020

COVID-19 Response and Business Continuity in Corporate Services

Moved by Councillor Fertich
Seconded by Councillor Whalen

That Correspondence Item CSC-C 22-2020, being a memorandum from T. Harrison, Commissioner/Treasurer, dated November 9, 2020, respecting COVID-19 Response and Business Continuity in Corporate Services, **BE RECEIVED** for information.

Carried

7. OTHER BUSINESS

7.1 Hospice Niagara Presentation

Moved by Councillor Redekop
Seconded by Councillor Diodati

That the presentation by Hospice Niagara respecting Investing in Hospice Palliative Care (Minute Item 3.1), **BE RECEIVED** and **REFERRED** to staff to prepare a report regarding the funding request to be provided to the Budget Review Committee of the Whole meeting for consideration for the 2021 budget.

Carried

7.2 Provincial Policy Respecting Hospital Funding

Moved by Councillor Redekop
Seconded by Councillor Heit

That the Regional Chair **BE DIRECTED** to send a letter to the Minister of Health requesting that the Ministry develop a clear, consistent policy for hospital construction and re-construction funding in Ontario.

Carried

8. CLOSED SESSION

Committee did not resolve into closed session.

9. BUSINESS ARISING FROM CLOSED SESSION ITEMS

9.1 Confidential CSD 60-2020

A Matter of Advice that is Subject to Solicitor Client Privilege and Respecting Litigation – Summary of Civil Lawsuits Commenced Against The Regional Municipality of Niagara (Niagara Region), Niagara Regional Police Service (NRPS) and Niagara Regional Housing (NRH)

Moved by Councillor Campion
Seconded by Councillor Butters

That Confidential Report CSD 60-2020, dated November 9, 2020, respecting A Matter of Advice that is Subject to Solicitor Client Privilege and Respecting Litigation – Summary of Civil Lawsuits Commenced Against The Regional Municipality of Niagara (Niagara Region), Niagara Regional Police Service (NRPS) and Niagara Regional Housing (NRH), **BE RECEIVED** and the recommendations contained therein, **BE APPROVED**.

Carried

9.2 Confidential CSD 71-2020

A Matter Respecting a Proposed Acquisition of Land by the Municipality – Gateway Initiative Project

Moved by Councillor Rigby

Seconded by Councillor Edgar

That Confidential Report CSD 71-2020, dated November 9, 2020, respecting A Matter Respecting a Proposed Acquisition of Land by the Municipality – Gateway Initiative Project, **BE RECEIVED** and the recommendations contained therein, **BE APPROVED**.

Carried

10. **NEXT MEETING**

The next meeting will be held on Wednesday, December 9, 2020, at 9:30 a.m. in the Council Chamber, Regional Headquarters.

11. **ADJOURNMENT**

There being no further business, the meeting adjourned at 11:46 a.m.

Councillor Foster
Committee Chair

Kelly Lotimer
Legislative Coordinator

Ann-Marie Norio
Regional Clerk

From: [PF-Mailbox-01](#)
To: [Norio, Ann-Marie](#); [Trennum, Matthew](#)
Subject: FW: Online Form - Request to Speak at a Standing Committee
Date: Tuesday, October 20, 2020 7:03:38 PM
Attachments: [Expansion Brief Regional Council.pdf](#)

From: Niagara Region Website
Sent: Tuesday, 20 October 2020 19:03:29 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee

Request to Speak at a Standing Committee

To reply, copy the email address from below and put into 'To'. (if resident entered their email address)

Name

Carol Nagy

Address

403 Ontario Street, Unit 2

City

St. Catharines

Postal

L2N 1L5

Phone

905 984 8766 Ext. 225

Email

cnagy@hospiceniagara.ca

Organization

Hospice Niagara

standing committee

Regional Council

Presentation Topic

Hospice Niagara Expansion Brief to Regional Council

Presentation includes slides

No

Previously presented topic

No

Presentation Details

Region is being asked, on a one-time basis, to contribute \$4,000,000, (to be distributed over a number of specified years), toward this expansion that would bring 20 additional hospice beds and expanded community palliative care services throughout the Niagara Region.

Video Consent

Yes

Support_File_1

Expansion Brief Regional Council.pdf



Briefing Note: Hospice Palliative Care Expansion in Niagara Region

Hospice Niagara is currently in the planning phase with the Ministry of Health for expansion of hospice care, with 20 new hospice residence beds and community programming, to be located in Fort Erie and Welland. Both new hospices will expand service availability to Niagara residents and provide the same level of exceptional end-of-life care that Hospice Niagara delivers at the St. Catharines (Linhaven) site, along with expanding bereavement care, wellness programs and volunteer support opportunities across the region. This expansion will provide Niagara with three Centres of Excellence in Hospice Palliative Care, providing care, services and specialized health care education throughout the Region.

Hospice Niagara Statistics

- Requests for Hospice Niagara programs and services increase 45% annually. Last year over 23,000 people were served cumulatively across all of our programs and services.
- Currently only one quarter of requests for a hospice bed can be accommodated.
- Last year, close to 50,000 service interactions, provided by staff and volunteers, helped people and families across Niagara. These services supported people to stay well at home through participation in our community and/or in-home programs. In any given year approximately:
 - 719 people living in Long-term Care had consultation to support improved pain and symptom management
 - 301 people were cared for in hospice at end of life
 - 18,139 people visited someone in hospice
 - 4,934 people participated in bereavement groups and individual sessions
 - 4,508 Professionals participated in 648 pain and symptom management consultations
 - 495 professionals participated 75 Palliative Care courses
 - 182 public awareness events were held to spread education and the Hospice - Live Well message

Why it's important for Niagara Region to Invest Now in Hospice Palliative Care

This expansion is timely for Niagara Region. Our local hospitals and health care system are addressing current and future investments to ensure we have capacity to focus on acute care (Niagara Health) and rehabilitation services (Hotel Dieu Shaver Hospital). As the new South Niagara hospital (Niagara Falls site) develops, Hospice Niagara's expansion will provide the necessary hospice beds to provide end-of-life care that South Niagara residents will rely on. This is vital given that these communities have the higher proportion of the region's aging population (in all age categories over 65 years old), with complex health issues (i.e. underserved communities). Going forward, Hotel Dieu Shaver Hospital will specialize in rehabilitation, with no Ministry approval to expand end-of-life care. This decision will result in a shortage of 17 regional end-of-life beds for hospital-hospital transfers over the next five years. Hospice Niagara's much-needed expansion will help to address the shortage that will impact hundreds of Niagara residents, from every part of the region where the current demand outpaces the current 10 -beds in St. Catharines.

Hospice Niagara's expansion will provide certainty and security of hospice resources that provide expert care, exactly when it is needed and preferred for people and families in this region. With uncertainty of how existing

palliative care services and beds will be impacted by health system and facility transformations (from Port Colborne, Welland and Fort Erie to the South Niagara site), our expansion plans become even more essential for providing palliative and end of life care.

As stated above, requests for hospice care have outpaced the St. Catharines site capacity. Currently, the hospice residence bed count in Niagara is three beds per 100,000 residents. The Auditor General has recommended 7-10 beds per 100,000. Hospice Niagara's expansion will bring Niagara into the necessary range of beds to serve our community needs and provide geographically distributed hospice options to serve over 60% of clients/families who live outside of St. Catharines and Niagara-on-the-Lake. Capacity has also been maximized at the McNally House Hospice (6-bed facility) in Grimsby, serving communities in West Niagara and West Lincoln Hospital.

The Ministry of Health agrees that the first step to addressing the issue of hallway medicine is to build effective community solutions, rather than locate more beds within hospitals. As such, the ministry has approved operational funding for 20 additional Hospice Residence beds; 10 in Fort Erie and 10 in Welland. Hospice Niagara's expansion will improve hospice capacity, and equally exciting, it is being viewed as *Proof of Concept* for future hospice builds that integrate not-for-profit health care partners to better manage both build and infrastructure costs.

Hospice Niagara continues its discussions with the Ministry of Health, advocating for the capital grant portion eligible to approved hospice builds, representing \$200,000/bed. The leveraging of a potential Regional/Municipal contribution to this project would significantly support advocacy efforts by demonstrating local support and importance of community investment in this project.

Business Case

Affordable Care

Hospice care is delivered at a fraction of the cost of hospital care. The average cost of a hospice bed is \$465 per day. This compares to a hospital bed costs over \$1,100 per day. Diverting people from hospital to hospice care saves our health care system millions of dollars each year and frees beds for acute care needs. In fact, expanding access to quality palliative care across Ontario will have a projected savings of approximately \$247 million - \$2.1 billion by 2036. Locally, we estimate that providing hospice care to 250 people (the capacity of one 10-bed hospice) saves \$1.3 million in hospital acute care costs, and supporting 1,800 at home death saves \$7.2 million. While dying in hospital may be some people's preference, or due to necessity, hospices provide people and their families with specialized individual care, input into all care decisions and maintains dignity at end-of-life.

Sustainable Growth

Hospice Niagara plans to manage increased operating costs of these two new facilities by potentially integrating and/or contracting most of its infrastructure and back-end operating costs through its Long-term care partners. In this way, the organization is ensuring that the services it provides today are financially sustainable and will be available to future generations.

Integration planning between Hospice Niagara and Long-term Care operators will provide:

- Opportunity for shared use amenities and services (where possible);
- Potential for shared services (laundry, housekeeping, grounds keeping, parking, utilities, building

- maintenance, etc.);
- Opportunity for back-end integration of administrative functions, such as Information Technology (IT), maintenance, payroll, communications, etc.

Growing Healthcare Resources and Local Economies

The two new Centres of Excellence will:

- Offer hospice, community and/or in-home services to over 70,000 more people
- Provide close to 700 volunteer opportunities
- New job opportunities for 55-60 specially trained health care and other professionals
- Infuse over \$3.3 million into the economy in staff salaries, that are above living wage and an additional \$560,000 annually in building/operational maintenance/upkeep for local suppliers and contractors

Capital Campaign Contributions

Hospice Niagara's capital campaign launched late September 2020, with a target of raising \$14M toward the capital building costs of both sites. Local support is essential to bring this to reality and early support continues to grow.

We are also actively advocating with the Ministry of Health to provide the total \$4M hospice capital grant toward this expansion project. A Regional matching contribution of up to \$4M, paid over a number of years, would help in our advocacy efforts. This, along with broad-based municipal commitments will send a very strong message to the province and our community that hospice palliative care is a basic healthcare necessity.

Early financial commitments and approvals would allow Hospice Niagara to open both sites as early as 2023.

Hospice Niagara's Background

Hospice Niagara began as a vision of three forward-thinking nurses from the Niagara region, who recognized the growing need to specialized end-of-life care for individuals diagnosed with a terminal illness and their families. They also recognized the need to close the gap in the service delivery system when curative treatment was no longer recommended or desired at end-of-life.

In 1993, Hospice Niagara became incorporated as a non-profit, charitable organization. A Board of Directors was established. The Board's primary vision of developing a community outreach program was established. The Visiting Volunteer and Bereavement Programs were put in place, enabling Hospice Niagara to provide compassionate, supportive care in clients' homes and hospital.

In 2007, Niagara's first 10-bed hospice residence opened near the site of Linhaven Long-term Care Home in St. Catharines. This provided an opportunity to shift the care paradigm; offering expert whole-person care at the end of life in a hospice residence, instead of hospital, while growing the in-home and community programs and services.

Today – Hospice Niagara Centre of Excellence offers diverse programs and services

Hospice Niagara's staff and volunteers help people and their families to live well, from diagnosis, through to end of life, and in bereavement. All programs and services are free of cost to our clients and they support people in their homes, in the community and in the hospice residence. Hospice Niagara provides its service primarily through fundraising and the generosity of our community, with only a portion of operational funding from the province.

In-Home Hospice Care: Working with primary care providers, medical, emotional and social supports help

people live well for as long as possible in their own home. As well, specially trained volunteers provide instrumental non-medical support.

Community Hospice Residence Care: Located in St. Catharines, this hospice residence provided a 10-bed home-like setting where compassion care and dignity is provided 24/7 for people at end of life and their families.

Day Hospice: This program provides a day away for caring companionship for people living at home with a terminal illness, while their caregivers have a day of respite. Currently it is provided in St. Catharines and Welland.

Bereavement Support: Provides children, teenagers and adults the opportunity to explore feelings of grief and loss at their own pace, in a safe and supportive space. Participation is not dependent on their loved one having been a Hospice Niagara client.

Education and Consultation: In association with the provincial Palliative Pain and Symptom Management Consultation Program, we educate and provide consultation to health care service providers in delivering best and leading practices in palliative care for their patients across Niagara

Improved Care

Niagara's much needed Hospice expansion is important for our region. The expansion model creates a template for other communities in Niagara to plan alongside Hospice Niagara for other future hospice resource expansions.

Most importantly, expansion means:

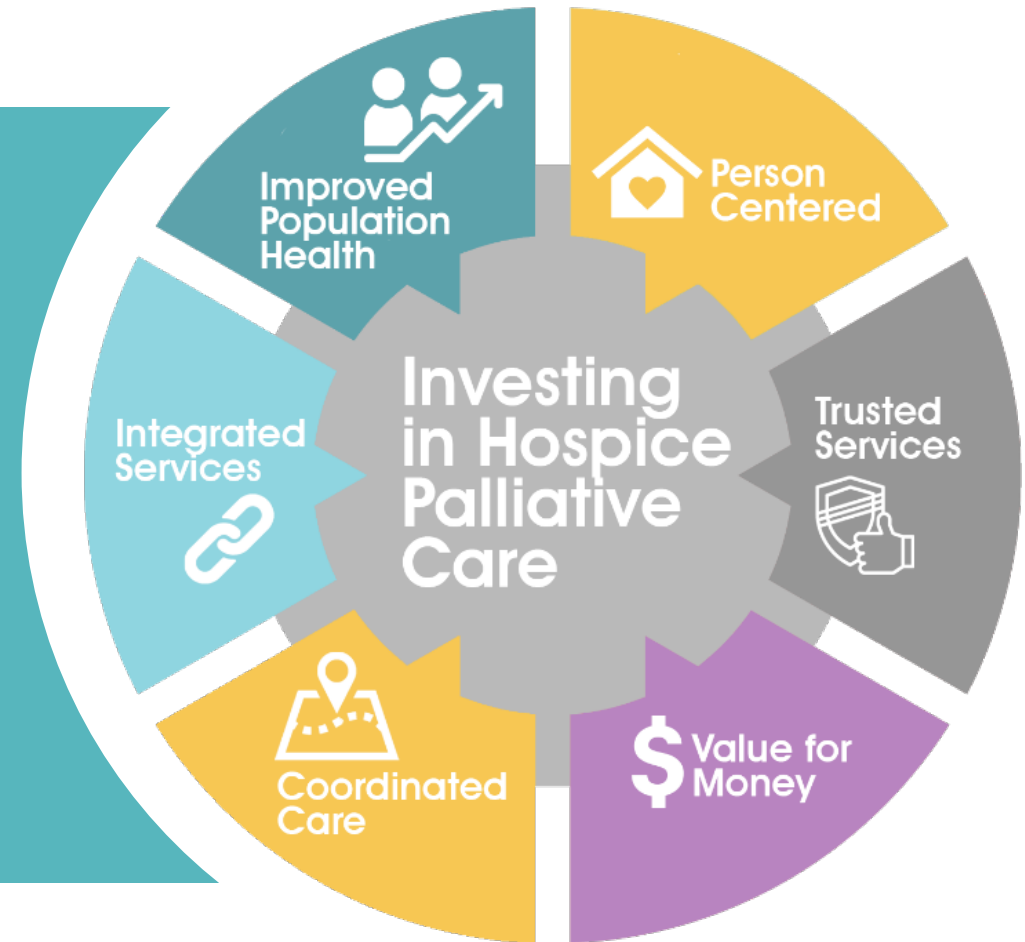
- Increased access to hospice wellness programs, caregiver and bereavement support;
- Influx of palliative care professionals working throughout the region;
- Two new Centre of Excellence in Hospice Palliative Care with hospice and in-home services, expert volunteer support and educational resources reaching across the region;
- The expansion of francophone programs and services;
- Onsite expert consultations to help people living in Long-term Care homes avoid hospital admissions due to pain crisis and complex end-of-life care and;
- Better planning, transitions and improved quality of life for patients and families, who will have increased access to vital hospice and community palliative care services.

These projects are community and provincial investments that will maintain Hospice Niagara's proven record in providing exceptional care according to best practice standards, while ensuring sustainable expansion through partnerships and integration.

Corporate Service Committee

Date: November 9, 2020

Presented by: Carol Nagy, Executive Director, Hospice Niagara



The Project:

In Niagara, the pressure to fund new hospice beds builds has never been more real – and provided such an opportunity.

The redevelopment of two not-for-profit Long-term Care Homes (LTC) in Niagara presents a unique opportunity to co-locate and integrate hospice residences alongside homes making this important care a more sustainable option.

Project will:

- Provide 20 new hospice residence beds in Niagara
- Bring 50-60 new health care jobs, many being professionals to Niagara
- \$14M of capital investment in Niagara's health care system
- Translate into \$500,000 annual local spending to each community
- Help more than 10,000 people across the region each year

The Problem:

Providing equitable, safe access to health services for everyone in Niagara is a compelling social obligation that includes developing accessible hospice palliative care programs across the Region.

Dying is not just a medical event. It is a physical, social, spiritual, psychological life event affecting the patient and their family members.



HOSPICE PALLIATIVE CARE PLAYS AN IMPORTANT ROLE IN ENDING HALLWAY MEDICINE.

In Niagara, health care pressure will continue to mount:

- Niagara has a high percentage of seniors living with chronic illness. Predicted 72% increase in chronic condition prevalence rates by 2036.
- 4th largest average of hallway bed conditions in Ontario
- 2nd highest hospital cost in 1997: Acute Palliative Care at \$118M
- Niagara's hospice bed count - 3 beds/100,000 vs. Auditor General recommended 7-10 beds/ per 100,000
- Four designated end-of-life beds in Fort Erie are closing in 2026
- Future of South Niagara hospitals and service transitions uncertain
- No increase planned for other hospital end-of-life units
- Niagara has a high percentage of seniors living with chronic illness.

The Time to Act is Now

The Solution:

- Increase community hospice care capacity with the addition of 20 hospice beds to improve access to exceptional, compassionate care
 - 3 Hospice Palliative Care Centers of Excellence
 - North Niagara into Central and South Niagara
- Increase in-home and caregiver services across Region
- Investment of \$14M in capital construction – co-located and coordinated with 2 new LTCH builds
- Successful community fundraising campaign – endorsed by HN Board and launched in 2020
- Opening of 20, much needed, new hospice beds in Niagara by 2023

Hospice Care

Planning for increased hospice beds will ensure that:

- Care is closer to more communities across the Region
- 900+ people will receive hospice care each year
- Including this much needed support for their family members during the last weeks of their loved-one's life



Current State

Up to 250 people
die in hospice /yr
\$1.3M saving
on hospital acute care

Hospice at Home

Current State



Up to 1,800 people receive
in home palliative care /yr

73% of these people die
at home

\$7.2M savings in hospital
acute care /yr

Planning for increased home hospice care will help
an additional

- 2,400 people receive care at home
- while their caregiver's receive additional support
as they provide care to their loved-one
- 500 more bereavement group opportunities will
be available for all ages

Hospice Palliative Care



Community-based hospice palliative care happens in people's homes and in hospice residences at a fraction of the cost of hospitals.

HOSPITAL END-OF-LIFE CARE = \$1,100 PER DAY

Hospice Residences



Hospice residences are for people who need more care than home can provide but do not require the high cost of hospital care, and for those who choose to die at hospice.

HOSPICE CARE = \$465/DAY HOSPICE CARE

Hospice at Home



Hospice at Home is coordinated care by a team of trained staff and volunteers who provide practical help and support the success of home care for people living and dying with chronic illnesses.

HOSPICE AT HOME = \$100/DAY

Hospice Niagara Client and Caregiver Feedback

- 98%** Ranked the care of their loved-one as excellent
- 94%** Felt overall, all physical pain was addressed
- 100%** Felt they received respect and dignity
- 100%** Felt they were included in care planning and decisions
- 100%** Feel volunteers and staff met their needs

- ✓ By partnering with LTC, we will be able to provide more hospice care, for people in both English and French
- ✓ Integration with LTC and with other health partner(s) provides a model for future builds in smaller communities.
- ✓ Hospice expansion will maintain existing hospital end-of-life services at risk of closing and help manage increasing need for this care in Niagara
- ✓ Integration opportunities allow for sustainable growth
- ✓ The Ministry of Health has endorsed this plan moving forward by committing operational funding commitment. They have yet to endorse the \$4M provincial hospice capital grant policy.

HOSPICE'S
proven record in
PARTNERSHIPS and
exceptional care will
provide vital health care
COST SAVINGS



Increasing capacity in hospice palliative care throughout our region moves Niagara toward a truly modern, connected health care system that nurtures close partnerships between Long-term Care, community, hospitals, home and hospice, and ensures that every person receives the high quality of care they expect and deserve.

In Conclusion:

We all experience dying, death and bereavement. It touches each and every person multiple times. Supporting people to live well until last breath is a measure of our humanity and our society.



Together, we are in a unique position to develop a new economical expansion model for Hospice Palliative Care in Ontario that better addresses the needs within our community.

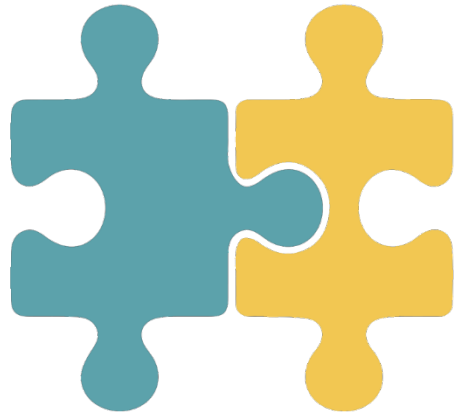
This forward-thinking solution that maintains globally recognized palliative standards of care, while leveraging strategic growth opportunities to create positive social impacts, will significantly reduce hospital costs and contribute to ending hallway medicine.

Hospice Palliative Care is the most cost effective way to ease health care costs in our congested hospitals. Helping families stay well through bereavement is compassionate and keeps our society functioning well.



The Ministry of Health has endorsed this plan moving forward by committing operational funding commitment
They have yet to endorse the \$4M provincial hospice capital grant policy

Request:



Regional Council consider a capital contribution to Hospice Niagara up to \$4M in the 2021 Budget process to help leverage provincial funding in support of 20 new hospice beds to better serve residents across Niagara.

From: [PF-Mailbox-01](#)
To: [Norio, Ann-Marie](#); [Trennum, Matthew](#)
Subject: FW: Online Form - Request to Speak at a Standing Committee
Date: Friday, October 30, 2020 9:30:59 AM

From: Niagara Region Website
Sent: Friday, 30 October 2020 09:20:50 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee

Request to Speak at a Standing Committee

To reply, copy the email address from below and put into 'To'. (if resident entered their email address)

Name

Mike Kirkopoulos

Address

4800 South Service Road

City

Beamsville

Postal

L0R1B1

Phone

[REDACTED]

Email

mkirkopoulos@lincoln.ca

Organization

Town of Lincoln - on behalf of WLMH team

standing committee

Corporate Services Committee

Presentation Topic

WLMH Business Case

Presentation includes slides
Yes

Previously presented topic
Yes

Presentation only new info
Yes

Presentation Details
This business case presentation is on behalf of the ask to Regional Council for support towards the reconstruction of the WLMH.

Video Consent
Yes





Partnership Funding Request to Support a New West Lincoln Memorial Hospital



Ontario



West Lincoln
Memorial Hospital
Foundation

Niagara



Region



TOWN OF
GRIMSBY



West Lincoln
Your Future Naturally

Partnering Together - Funding a Significant Regional Asset



New Hospital Overview



How WLMH Helps the Niagara Region



CT Scans and other diagnostics: Wait times reduced

20,000 patients in emergency: Alleviate system & Reduce off-load times

6,500 surgeries: Reduced wait times

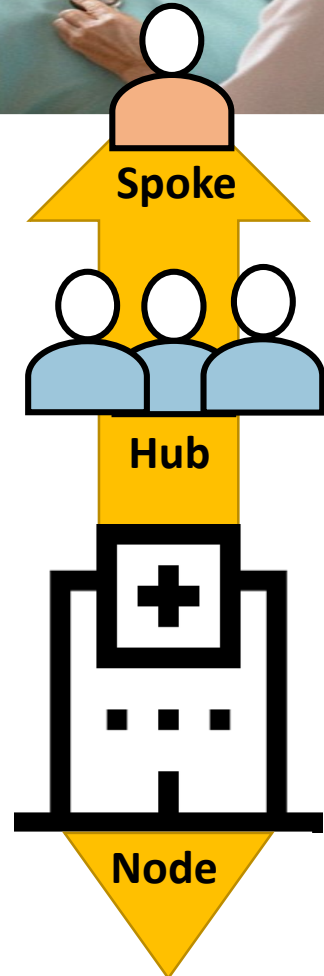
Treatments & procedures: More care and less wait time

Mental health treatments: Supports overall healthcare

Palliative care: Increase needs close to home & physicians training

Geriatric clinic: Reduction in emergency visits

Regional Reliance on Healthcare



Regular family doctor visit

Mammogram completed at WLMH

Biopsy performed at WLMH

Oncologist at Niagara Health recommends surgery -
mastectomy

Surgery is performed at Juravinski Cancer Centre and initial
recovery care

Jane returns to WLMH for care close to home. Recovery is
followed by family doctor and specialists

Chemotherapy treatment is recommended and held at Niagara
Health

Follow up care is provided through clinical services at WLMH



“

Niagara Health is supportive of WLMH's new build and its mission to provide the best care for Niagara residents and its role in supporting healthcare providers across the Region.”

Dr. Thomas Stewart, CEO, Niagara Health and Lynn Guerriero, President, Niagara Health

“The rebuilding of WLMH stands as a tangible example of the government of Ontario's investment in a vision of integrated, high quality, healthcare available close to home....WLMH is a critical gateway for Niagara residents requiring specialized medical care offered at tertiary hospitals.”

Partnering Together...to fund WLMH



Located in Niagara



Serves Niagara residents –
bringing care close to home



Supports the hospitals and
healthcare needs of Niagara



Invest:
\$14,000,000

THANK YOU!

QUESTIONS?

Subject: Amendment to By-Law 2019-79 Budget Planning

Report to: Corporate Services Committee

Report date: Monday, November 9, 2020

Recommendations

1. That By-law 2019-79 Budget Planning By-law **BE AMENDED** to include section 1.7. “Establish social determinants of health as a consideration in program and budget decisions”; and
2. That the necessary by-law **BE PREPARED** and **PRESENTED** to Council for consideration.

Key Facts

- The purpose of this report is to address Council's motion to include health equity impacts as a factor and principle in program and budget decisions.
- Item 11.1 in the minutes of Council meeting CL 9-2020 held June 25th, 2020 a motion was made to consider social determinants of health in future program and budget decisions and requests.
- The Budget Planning By-law was approved by Regional Council October 17th, 2019 with the purpose of formalizing best practices and principles used in the preparation of annual budgets and the proposed amendments are included in Appendix 1.

Financial Considerations

There are no financial impacts on 2020. Future financial impacts will be considered as part of the annual budget. The annual budget provides the financial resources for services offered by the Niagara Region for the upcoming year. Regional councillors review the draft budget as presented by staff including business cases for new programs and services and approve in-year budget amendments and adjustments. Any impacts on services to address health equity could affect the budget, potentially impacting the net levy and requisitions of future budget years.

Analysis

Staff has been implementing the strategic priorities included in the Council Strategic Implementation plan. One such priority is Healthy and Vibrant Community, focusing on fostering high quality of life through inclusive and affordable human services. By-law 2019-79 was approved to formalize best practices and principles for the preparation of the annual budgets. On June 25th at Council, councillors discussed health equity, as a result the following motion was approved:

That Niagara Region **COMMIT** to considering social determinants of health, including income, education, employment, early childhood development, food insecurity, housing, social exclusion and social safety network, health services, aboriginal status, gender, race, and disability, in all future program and budget decisions including revising the Region Budget By-Law Principles to include healthy communities;

This coincides with the Health Equity Informed Planning project that has been started by the Public Health department. Health Equity-Informed Planning will incorporate the use of Health Impact Assessments (HIAs) into program and project planning processes across the corporation to support Niagara to become one of the top 25 healthiest communities in Canada. The work of this project will result in changes to decision-making processes and support the implementation of other programs and projects across the corporation to enhance health and reduce health disparities between groups of people. By including social determinants of health as an objective in the by-law, the Health Impact Assessments can be considered in budget decisions.

In alignment with Council's motion, an update was made to PRINCIPLES, GOALS, AND OBJECTIVES to add section 1.7. "Establish social determinants of health as a consideration in program and budget decisions."

Alternatives Reviewed

Not Applicable.

Relationship to Council Strategic Priorities

The update to the by-law included in the recommendation will progress the Healthy and Vibrant Community priority.

Other Pertinent Reports

CSD 65-2019 Budget Planning By-law

Prepared by:

Margaret Murphy, CPA, CMA
Associate Director Budget Planning and
Strategy
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner Corporate Services,
Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Tyler Potts, Senior Budget Analyst, and Cassandra Ogunniyi, Program Manager Diversity Equity and Inclusion, and reviewed by Helen Chamberlain, Director Financial Management and Planning.

Appendices

Appendix 1 Amended Budget Planning By-Law

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. <>

A BY-LAW TO AMEND BY-LAW 2019-79 BEING A BY-LAW
TO DEFINE BUDGET PLANNING REQUIREMENTS FOR
THE REGIONAL MUNICIPALITY OF NIAGARA

WHEREAS Section 224(d) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, states that it is the role of council to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council;

WHEREAS Section 289(1) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, requires that for each year, The Regional Municipality of Niagara, in the year or the immediately preceding year, prepare and adopt a Budget including estimates of all sums required during the year;

WHEREAS By-law 2019-79 being a by-law to define budget planning requirements for The Regional Municipality of Niagara was passed on October 17, 2019, to set out policies with respect to the development of the Budgets; and

WHEREAS the Council of The Regional Municipality of Niagara wishes to amend By-law 2019-79 to include the consideration of social determinants of health in program and budget decisions.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the following wording be added to By-law 2019-79 in Section 1 - Purposes, Goals and Objectives:
 - 1.7 Establish social determinants of health as a consideration in program and budget decisions.
2. That the following wording be added to By-law 2019-79 in Section 2 – Definitions:

“Social Determinants of Health” means the economic, social and environmental conditions that influence individual and group differences in health status, including income, education, employment, early childhood development, food insecurity, housing, social exclusion and social safety network, health services, aboriginal status, gender, sexuality, race, and disability.

2. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: <date>

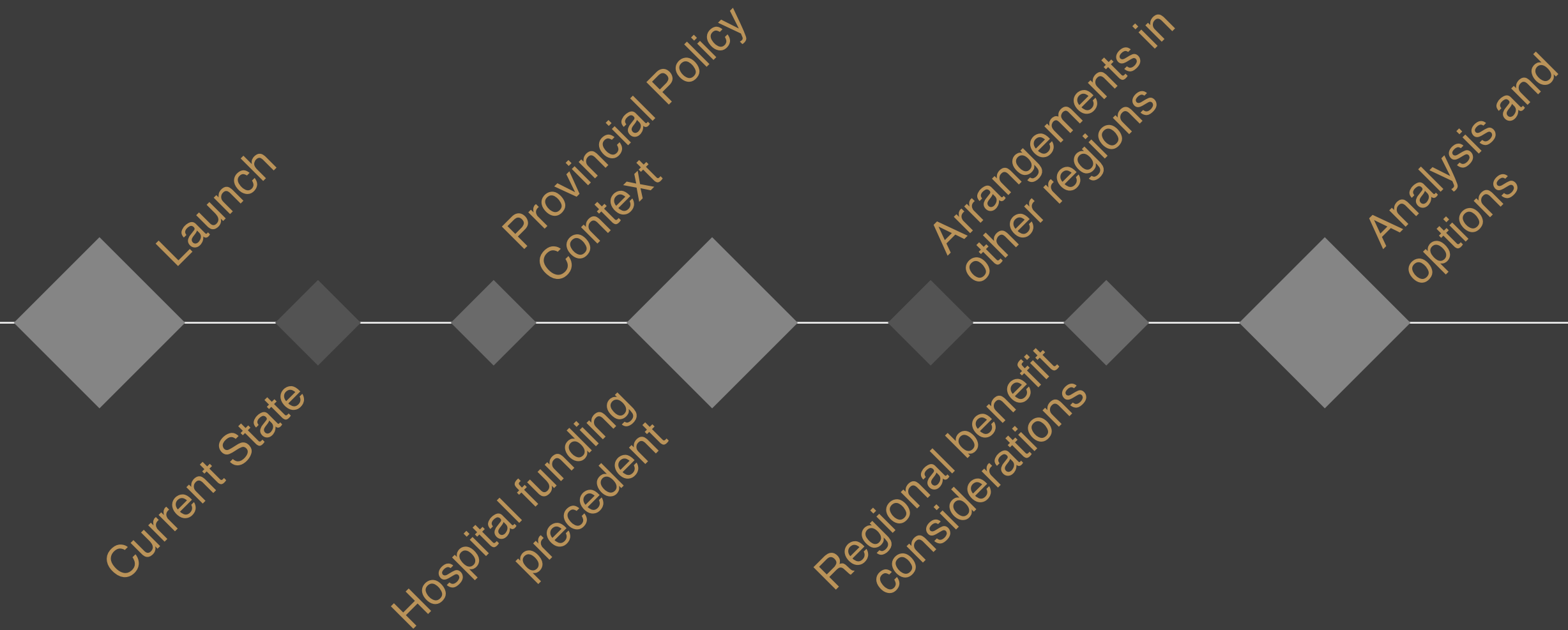
Niagara Region Hospital Funding Report

November 9, 2020



Corporate Services
Committee
Resolution
CSC-C 17-2020
(September 9)

1. Policy and set of principles consistent with previous funding commitments
2. Include potential combination of formulaic, fairness and governance approaches for regional contributions
3. Present for review at the November Corporate Services Committee meeting



Methodology

The above process was used to develop analysis and options for consideration by Niagara Region.

Proposed Guiding Principles

1. Fairness and equity across the twelve local municipalities in Niagara
2. Financial certainty and predictability for annual and long-term capital and operating budgets at Niagara Region
3. Demonstrated benefit for all Niagara residents
4. Alignment with Regional goals and priorities
5. Regional contribution as part of a community-wide effort

6 OPTIONS

For Consideration by Niagara Region

Option #1

Proportionate Share Model

- Consistent with the financial contribution from Niagara Region for the Niagara Health System (NHS) in 2007
- Funding would be a percentage of the total local share
- Past precedent suggests a range between 18 and 21 per cent

Option #2

Durham Model

- Based on Durham Region's Community Fund Investment Policy (2019)
- Consideration for funding requests that do not exceed 25 per cent of local share or 7.5 per cent of total project costs
- Project must have provincial approval and a minimum 70 per cent provincial funding commitment
- Specific policy parameters and clear expectations for applicants
- Annual allocations to a special contributions reserve of 0.4 to 0.6 of the annual levy

Option #3

Hospital MOU Model

- Based on the 2009 Memorandum of Understanding (MOU) between York Region and York hospitals
- Direct negotiation with hospital systems on total regional allocation (indexed annually) and distribution among hospitals
- Funding contributions tied to targets for Paramedic Services off-load delays

Option #4

Regional Benefit Model

- Two categories of regional benefit: broad economic and social benefits; and specific healthcare services and facilities
- Regional contributions scaled based on the benefits demonstrated by the requestor
- Example based on past funding allocation: up to 10 per cent of local share allocated for each of the two categories

Option #5

Limited Regional Participation Model

- Regional contributions limited to infrastructure and servicing costs
- No direct participation in funding the local share
- Note: this option is inconsistent with past funding precedent and relies on strong local fundraising capacity

Option #6

Hybrid Model

Combines features from previous options, including:

- Total available Regional funding contributions consistent with past precedent (between 18 and 21 per cent of local share)
- Regional contributions scaled according to evidence of regional benefit
- Policy sets allocations for hospital projects as part of the annual budgeting process
- Clear parameters for funding requests and clear expectations for requestors*



Thank You

Erin O'Hoski, Principal

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www.boulevardstrategy.com

[linkedin.com/in/eohoski](https://www.linkedin.com/in/eohoski)

Subject: Proposed Funding Policy for Hospital Development in the Niagara Region

Report to: Corporate Services Committee

Report date: Monday, November 9, 2020

Recommendations

1. That staff **BE DIRECTED** to develop a formal policy based on the hybrid option in Boulevard Strategy Group's "The Niagara Region Hospital Funding Report".

Key Facts

- This report has two objectives. Firstly, the West Lincoln Memorial Hospital (WLMH) Foundation Board has requested that the Region of Niagara contribute to the redevelopment of the hospital. The second objective is to respond to committees' request that staff develop a policy framework to guide the council's decision making.
- Hospitals in Ontario are the responsibility of the Province of Ontario. Construction of new sites require local contributions of 10% for construction costs and full cost of new medical equipment.
- Local contributions include contributions from municipalities and community fundraising led by the hospital foundation.
- The Region of Niagara contributed \$21M to Niagara Health System (NHS) – New Healthcare Complex – St. Catharines site. The WLMH request is the first request of this nature since that investment.
- The Region of Niagara did not have a formal funding policy in place when the decision to fund the St. Catharines Hospital site was made.
- The Province of Ontario has indicated that other hospital investments are planned for Niagara, specifically the new build at the South Niagara site scheduled for construction by 2022.
- To assist the Region in developing a policy framework, staff engaged Boulevard Strategy Group, to develop a hospital funding policy based on evidential research of municipal practices in Ontario for the last decade.
- The consultant's report "The Niagara Region Hospital Funding Report" provides the foundational work required to develop a policy. This work has developed guiding principles, developed and evaluated options and has provided an outline of the processes required to action a policy.

- Staff are recommending that the consultant's recommendations be used to finalize the policy in time to evaluate the WLMH request for consideration in the 2021 Budget.
- Staff suggest, if Committee agrees, based on staff's initial review of the request, that a funding commitment in the range between \$5M - \$10.8M will be considered by BCOTW.

Financial Considerations

- WLMH Foundation have committed to raise \$60M towards the hospital development. This amount includes 10% of total construction cost of \$200M plus hospital equipment. This funding commitment is consistent with the NHS New Healthcare Complex in St. Catharines.
- The WLMH proposal includes \$26M in municipal contributions from the Town of Grimsby, the Town of Lincoln and the Town of West Lincoln as well as local fundraising led by the Foundation. The request of the Region's contribution falls into this category of funding. This model is consistent with the precedent set with the development in St. Catharines.
- While the WLMH Foundation has requested that the Region contribute \$14M towards the required \$60M, staff indicate that this is greater proportionally than the \$21M contributed for the NHS St. Catharines site. The Region's contribution to St. Catharines was 18% of the total local contribution. Staff recommend that an upset limit of \$10.8M be established, pending final adoption of a policy and evaluation of the request's submission.
- Regional staff are finalizing the 2021 Budgets and any commitment toward WLMH should be referred to that process.
- The proposed hospital funding policy should be considered in conjunction with the Budget Planning By-law to ensure that there is a permanent funding mechanism in place to fund future requests without impacting other Regional responsibilities.
- It should be noted that the only funding source available for this initiative is through the levy budget, as the use of regional development charges as a source is specifically disallowed in provincial legislation.

Analysis

As indicated in the key facts, this report addresses two objectives. At this juncture, staff will consider Council's request to develop a policy framework that will guide their decision making process for this request and future hospital funding requests. Staff

engaged Boulevard Strategy Group to develop the policy framework and their report is attached (see Appendix 1).

The report “Niagara Region Hospital Funding Report” provides a fulsome response to Council’s request. The motion of Regional Council is included in this report. The highlights of the report are as follows:

- A historical perspective of the practices of other two tier governments in respect to hospital funding in their communities.
- A historical account of the Niagara Region’s decision to contribute to the St. Catharines site.
- The development of guiding principles for the establishment of a Regional funding policy. These principles are:
 - Fairness and equity across the twelve local municipalities in Niagara;
 - Financial certainty and predictability for annual and long-term capital and operating budgets at Niagara Region;
 - Demonstrated benefit for all Niagara residents;
 - Alignment with Niagara Regional goals and priorities; and
 - Regional contribution as a component of a larger community-wide effort.
- Different funding options for council to consider. These are identified as:
 - Proportionate Share Model;
 - Durham Model;
 - Hospital MOU Model;
 - Regional Benefit Model;
 - Limited Regional Participation Model; and
 - Hybrid Model
- Lastly, the report provides a fulsome list of criteria that should be evaluated for each business case with each request.

The attached report provides a thorough explanation of these foundational components. In addition, the consultant has included an evaluation of the different funding options compared to the core policy principles. The hybrid model ranks highest. The rankings of each option have been summarized in Table 1 below.

Table 1: Assessment of Options against Proposed Guiding Principles

Guiding Principles	Options:					
	1	2	3	4	5	6
Fairness and equity across the twelve local municipalities	X			X		X
Financial certainty and predictability for Regional budgets		X	X		X	X
Demonstrated benefit for all Niagara residents		X	X	X		X
Alignment with Regional goals and priorities		X	X	X		X
Regional contribution part of a community-wide effort	X	X				X

The foundational work provide by Boulevard is the initial step in developing a policy. Staff agree with the assessment of options in Table 1 and recommend this option be used to formulate the final Council policy.

Once the policy framework is adopted by Committee, staff can finalize the specifics in the proposal. Specifically, the evaluation scoring metric needs to be finalized. This action item is critical to ensure that each application is evaluated consistently and aligns with Regional Council's priorities established in the principles above.

Analysis of WLMH Request:

The funding request by the WLMH is an urgent consideration for Council as the requesters need a commitment from Regional Council to comply with the Province of Ontario's timetable.

Table 2: Niagara Health System – New Healthcare Complex

Source of Contribution	\$ in M	% of Total Local Contributions
Niagara Region	\$21	18.0%
St. Catharines	\$31.2	26.7%
Thorold	\$4.3	3.7%
Niagara-on-the-Lake	\$3.5	3.0%
Total Contribution Municipal Levy	\$60.0	51.4%
Other Local Fundraising	\$56.9	48.6%
Total Local Contribution	\$116.9	100.0%

Table 2 provides a summary of the funding contributed to the NHS – St. Catharines site. As this shows, 51.4% or \$60M was contributed by municipalities through their tax levies, while 48.6% was contributed by other local fundraising led by NHS Foundation. St. Catharines property owners contributed the highest proportional share at 26.7%, while regional property owners contributed \$21M or 18%. Thorold and Niagara-on-the-Lake contributed lower amounts. This model is consistent with the concept that the direct benefit to local residents is made by the LAM's, with the Region contributing a portion reflective of its property tax base.

Since the NHS St. Catharines site established a funding precedent, in the absence of any policy support, this formula can be used to establish the maximum or upset limit of Regional contribution towards the WLMH request. Table 3 sets the Regional contribution at 18% and shows the other partners' contributions.

Table 3: WLMH – Based on Regional Maximum of 18% of Local Contribution

Source of Contribution	\$ in M	% of Total Local Contributions
Niagara Region	\$10.8	18.0%
Total LAM Contribution: Grimsby, Lincoln, West Lincoln	\$26	43.3%
Total Contribution Municipal Levy	\$36.8	61.3%
Other Local Fundraising	\$23.2	38.7%
Total Local Contribution	\$60.0	100.0%

It should be noted that the WLMH request to the Region is to contribute \$14M, however, using the precedent set with the St. Catharines site of 18%, the Region's contribution would be set at an upset limit of \$10.8M. Since the total contribution of all local partners is \$60M, the difference of \$3.2M would shift to the local fundraising led by the Foundation.

A comparison between projects of the funding contributions can now be provided, and are summarized in Table 4.

Table 4: Contribution Comparisons Between Projects

Contributor	NHS	WLMH
Region	18.0%	18.0%
LAM's	33.4%	43.3%
Other Fundraising	48.6%	38.7%
Total	100.0%	100.0%

Finally, the WLMH Foundation have submitted a business case to staff highlighting the benefits of the investment at this site. This information is provided in Appendix 2. As

indicated, the adoption of Boulevard's report and of the evaluation metrics will provide the framework that staff would need to evaluate the proposal and determine the funding amount. While the maximum Regional funding is established by the St. Catharines funding precedent, a lower amount could be possible depending on the evaluations.

For the purposes of this report, staff have identified that a minimum Regional contribution based on this submission is \$5M. As stated, a final evaluation and report will be provided to the BCOTW meeting related to the 2021 Levy Budget.

Alternatives Reviewed

1. Utilize one of the other funding options identified in the report in Appendix 1.

Relationship to Council Strategic Priorities

This report will assist Council in achieving its strategic priorities in each of these areas:

- Supporting Businesses and Economic Growth
- Healthy and Vibrant Community
- Responsible Growth and Infrastructure Planning
- Sustainable and Engaging Government

Other Pertinent Reports

Not applicable.

Prepared and Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

Appendices

Appendix 1 Niagara Region Hospital Funding Report

Appendix 2 Niagara Region Corporate Services Committee Case for Support

Niagara Region Hospital Funding Research and Policy Report

October 2020



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Introduction

To ensure fairness and equity across Niagara's municipalities and provide financial certainty in municipal budgeting, Niagara Region requires policy direction to govern its future contributions to healthcare facilities.

Municipal governments in Ontario are generally expected to contribute to the construction of provincial healthcare facilities within their boundaries. Between capital construction costs and equipment needs, the local share for Ontario projects has typically been in the range of 30 per cent.

In two-tier municipal structures, there is no pre-established formula at a provincial level for dividing the local share of hospital contributions between local area municipalities and regional governments. While Niagara Region has set a precedent for contribution with the recently completed Niagara Health System (NHS) site in St. Catharines, there is no set policy to govern future regional contributions. Further consideration is required to accommodate current and future funding requests in a manner that is fair and equitable across Niagara's municipalities.

This report provides information, analysis and options to assist Niagara Region in developing a policy and funding approach for local hospitals that will clarify the Region's expectations surrounding hospital funding requests and provide certainty and predictability in the preparation of long-term regional budgets. It was prepared using information from publicly available documents and government websites.

Current State

In August 2020, Niagara Region received a \$14 million funding request for the redevelopment of West Lincoln Memorial Hospital in Grimsby.

Since 1997, the West Niagara municipalities of the Town of Lincoln, Town of Grimsby, and Township of West Lincoln, together with their communities, have been actively advocating for the redevelopment of West Lincoln Memorial Hospital. The current West Lincoln Memorial facility is over 80 years old and at the end of its lifecycle. Unless a new building is constructed, it is unlikely this hospital will continue to serve West Niagara.

On November 28, 2018, the provincial government announced its intention to rebuild the site and the provincial commitment was reaffirmed by the Premier in 2020. The estimated construction cost of the new facility is \$200 million.¹ At 30 percent, the local share of the project is estimated at \$60 million.

The new facility, to be located in Grimsby, will be 119,705 square feet and is expected to include 56 inpatient beds, eight nursery bassinets, and five labour birthing and recovery suites. It will offer acute inpatient services, emergency department, ambulatory services, complex continuing care, maternal and newborn services, and day surgical services and endoscopy.

On August 25, 2020, the Chief Administrative Officers from the Town of Lincoln, Town of Grimsby, and Township of West Lincoln submitted a joint memo to Niagara Region, officially requesting financial support from the Region to assist in funding the local share of the project. The municipalities of the Town of Lincoln, Town of Grimsby and Township of West Lincoln have collectively committed \$26 million to the \$60 million local requirement and fundraising through the West Lincoln Memorial foundation is expected to cover \$20 million of these costs. Niagara Region has been requested to commit to funding the balance of the local share at \$14 million. This figure represents 7 per cent of the total construction costs of \$200 million, 23 per cent of the local share of \$60 million, and 35 per cent of the tax levy supported contribution of \$40 million.

While financial contributions are not required until 2024, a firm commitment from Niagara Region is required by the province on or before November 15, 2020.

¹ \$200 million was the anticipated total project cost at the time of the funding request. In September 2020, the provincial government updated the funding envelope to allow for project costs of up to \$499 million.

With continuing growth in Niagara, it is expected that Niagara Region will continue to receive funding requests for provincial healthcare facilities. In the medium-term, momentum is building for a new South Niagara Hospital, the expansion at Hotel Dieu Shaver Health and Rehabilitation Centre in St. Catharines.

Regional Council has mandated a holistic examination of potential hospital funding options and directed staff to recommend a policy and set of principles that incorporate formulaic, fairness and governance considerations in Niagara Region's approach to healthcare facility contributions. This direction was passed by Niagara Region's Corporate Services Committee on September 9, 2020 (CSC-C 17-2020) and approved by Council on September 17, 2020. A copy of the resolution is included here in Appendix 1.

Provincial Policy Context

In Ontario, capital construction costs for hospital facilities are funded through a provincial share of 90 per cent and a local share² of 10 per cent. In addition to 10 per cent of capital construction costs, the local community is also routinely expected to contribute to furnishing and equipment costs. When these investments are considered together, the local contribution to hospital facilities has typically amounted to 30 per cent of total project costs.³

While municipalities are not explicitly required by the province to fund hospital projects, in Ontario it has come to be widely understood that municipalities will play a role in funding the local share of hospital costs and are usually approached by hospital foundations or local health systems for support. In many cases, hospital boards look to municipal governments to fund ongoing capital contributions.⁴

Municipal governments in Ontario have questioned the appropriateness of the property tax base as a financing tool for hospital construction, and whether this is a fair practice given that healthcare and hospital services are clearly an area of provincial jurisdiction. According to the Association of Municipalities of Ontario (AMO) 2019 policy paper, “Partners for a Healthy Ontario,” property taxes are not a sustainable source of funding for healthcare costs:

“Municipal governments often raise the issue of whether it is appropriate for them to pay for health services from the property tax base, especially since they have little say on how these dollars are spent. Already stretched, the property tax base barely covers core-mandated responsibilities within the current fiscal environment, let alone the provincial responsibility for health services. Municipal governments do their best to meet resident needs using only nine cents of every household tax dollar. Funding more health costs is not an option.”⁵

² The terms “local share” and “community share” are used interchangeably to refer to non-provincial contributions to hospital projects.

³ Gillespie, Leigh-Anne, PhD Candidate – Health Policy. Hospital Redevelopment Research Paper. McMaster University, 2017, p3.

⁴ A Compendium of Municipal Health Activities and Recommendations. Association of Municipalities of Ontario. January 18, 2019, p18. <https://www.amo.on.ca/AMO-PDFs/Reports/2019/AMO-Compendium-of-Municipal-Health-Activities-and.aspx>

⁵ Partners for a Healthy Ontario: A Check-up on the Municipal Role for Health. Association of Municipalities of Ontario. January 18, 2019, p8. <https://www.amo.on.ca/AMO-PDFs/Reports/2019/AMO-Partners-for-a-Healthy-Ontario-2019-01-18.aspx>

The AMO Board of Directors' position states that, with the exception of public health services, "healthcare is a provincial area of responsibility under the Canadian Constitution, costs should not be borne by the property tax base."⁶

Notwithstanding concerns from Ontario municipal governments regarding the need for local contributions to the capital costs of provincial healthcare facilities, this practice continues in Ontario. For many projects, there are fears that if municipal tax dollars are not allocated to support healthcare facilities, provincial priorities will be redirected.

There is much work to be done to reverse this trend in Ontario. While AMO's policy positions express concern regarding the need for municipal capital contributions, their recommendations to the current provincial government emphasize increased municipal engagement ("local say for local pay") rather than decreased expectations for municipal financial commitments.

While it is important for municipalities to continue to advance concerns regarding capital healthcare contributions from the property tax base, it is unlikely that this issue will be resolved in the near future. As such, it remains important for Niagara Region to develop a funding policy solution for short and medium term healthcare facilities planned in Niagara.

⁶ Ibid., p9.

Niagara Region Hospital Funding Precedent: Niagara Health System (NHS) St. Catharines Site

Past regional funding commitments to local hospital projects provide a useful reference in decisions regarding future contributions. For Niagara, the Niagara Health System (NHS) St. Catharines site provides a past precedent for Council's consideration.

In 2007, Niagara Regional Council approved a \$21 million funding commitment for a new NHS site in St. Catharines.⁷ The commitment was in response to a presentation from NHS as part of its "It's Our Time" fundraising campaign on May 3, 2007. At the time on the presentation, the local share of the project was estimated at \$100 million⁸ which included 10 per cent in construction costs, 100 per cent of equipment costs, 100 per cent of parking amenities and 100 per cent of retail space.

The NHS plan to fund the \$100 million local share included: \$25 million in fundraising, \$15 million in retail and revenue generating strategies, and \$60 million in tax levies and grants through the support of municipal governments.

The local area municipalities of the City of St. Catharines, City of Thorold and the Town of Niagara-on-the-Lake also made a levy-supported contribution to the local share of the project, with each municipality contributing as follows:

- City of St. Catharines: \$31.2 million
- City of Thorold: \$4.3 million
- Town of Niagara-on-the-Lake: \$3.5 million
- Niagara Region: \$21 million

At the time of the presentation, NHS communicated that Niagara Region's contribution to the project was intended to fund regional services that will benefit all Niagara residents, including: new cancer treatments and radiation; cardiac catheterization; tertiary mental health; level 3 intensive care and the existing chemotherapy; inpatient oncology; vascular and thoracic surgery; diabetes education and tertiary nephrology.

On May 24, 2007, Regional Council approved a motion committing \$21 million (net present value), subject to final project costs, be made by way of annual payments, commencing in 2008, and not to exceed 30 years, to support the components of the new complex that provide regional health services. The Region's contribution was

⁷ Council's May 2007 resolution approved a \$21 to \$25 million contribution. The final contribution from Niagara Region was \$21.3 million.

⁸ Upon project completion, the final local share has been reported at \$116.9 million.

subject to verification of costs, allocation of regional components, Ministry funding, and documentation to support the net regional cost components. The full resolution is included as Appendix 2.

Table 1 below provides a summary of how the local share was funded for the NHS St. Catharines Site.

Table 1: Funding for Local Share of NHS St. Catharines Site

Contributor	% of Tax Levy ⁹	% of Local Share ¹⁰
City of St. Catharines	52 per cent	31.2 per cent
City of Thorold	7 per cent	4.3 per cent
Town of Niagara-on-the-Lake	6 per cent	3.5 per cent
Niagara Region ¹¹	35 per cent	21 per cent ¹²
Fundraising	N/A	25 per cent
Retail/ Revenue Generation	N/A	15 per cent

The funding request for West Lincoln Memorial Hospital cites Regional funding for the NHS site in St. Catharines as a past precedent. Table 2 below compares key features of the NHS request and the request received from West Niagara municipalities in August 2020.

Table 2: Comparison of Features, NHS Request and WLMH Request

Features	NHS Precedent	WLMH Request
Year of Request	2007	2020
Requestor	Niagara Health System	West Niagara municipalities
Anticipated Total Project Cost	\$759 million ¹³	\$200 million ¹⁴
Anticipated Local Share	\$100 million	\$60 million
Amount Requested from Niagara Region	\$21 million ¹⁵	\$14 million

⁹ The total tax levy contribution for the project was \$60 million.

¹⁰ Assumes a local share of \$100 million.

¹¹ Assumes a Regional contribution of \$21 million.

¹² This percentage share is based on the anticipated local share of \$100 million. The final local share has been reported as \$116.9 million, resulting in an end contribution of 18 per cent.

¹³ \$759 million is the contract price listed by Infrastructure Ontario.

¹⁴ \$200 million was the anticipated total project cost at the time of the funding request. In September 2020 the provincial government updated the funding envelope to allow for project costs of up to \$499 million.

¹⁵ NHS's request also included a 20 per cent upper limit and, as a result, the approved funding contribution was in the range of \$21 to \$25 million.

Features	NHS Precedent	WLMH Request
Niagara Region portion of total project costs	2.7 per cent	7 per cent ¹⁶
Niagara Region portion of local share	21 per cent ¹⁷	23 per cent
Niagara Region portion of tax levy contribution	35 per cent	35 per cent
Nature of request for Niagara Region contribution	Health care services that are regional in nature	Stimulus funding during COVID-19 Social and economic benefits Health and wellbeing of Niagara residents Consistency with hospital funding past precedents

¹⁶ Should the contract price reach an upper limit of \$499 million, a \$14 million contribution from Niagara Region would equate to 2.8 per cent of total project costs.

¹⁷ This percentage share is based on the anticipated local share of \$100 million. The final local share has been reported as \$116.9 million, resulting in an end contribution of 18 per cent.

Hospital Funding Arrangements in Other Two-Tier Municipal Structures

Niagara is one of five two-tier regional government structures in Ontario. To further inform Niagara Regional Council's decisions regarding regional hospital contributions, the practices by each of the other four Ontario regional governments are described below.

DURHAM REGION

In 2019, the Council of the Regional Municipality of Durham approved a new Community Investment Grant policy that governs the allocation of regional government funding to hospital projects and post-secondary institutions. The new policy addressed a long standing "No Grants policy" from 1977 and provided flexibility to allocate regional funding to needed community infrastructure that supports Regional strategic goals.

Under the policy, applicants are required to submit a business case that:

- Demonstrates alignment with Regional strategic priorities
- Clearly defines desired project outcomes, including Region-wide benefits
- Analyzes alternative options capable of generating desired outcomes
- Includes sound technical, economic, financial, and cost-benefit assumptions
- Reviews available financing and long-term financial implications; and
- Assesses potential risks

In order to be eligible, requests must:

- Demonstrate Provincial project approval
- Commit at least 70 per cent Provincial funding of total project costs at the time of request (this relates to all capital projects, excluding capital equipment)
- Include donations raised from the community
- Adhere to a Regional contribution representing 25 per cent of the community component or a maximum of 7.5 per cent of the total project cost
- Recognize funds will only be provided for long-term capital assets; and
- Provide proof of project benefits to residents of the entire Region

To support potential requests under the policy, Durham Region includes a "Special Contributions" line item for hospital funding in Regional Business Plans and Budgets. Contributions represent approximately \$3.5 - \$4.5 million per year (or 0.4-0.6 per cent of the annual levy).

Recent Case Study: Bowmanville Hospital Expansion

In 2018, the provincial government announced the expansion of Bowmanville Hospital. The facility is located in the Municipality of Clarington in Durham Region. The redevelopment plan includes the construction of a new hospital wing, which will replace the existing north wing to better meet the growing healthcare needs of those living in East Durham. The new wing includes a new emergency department, new surgical services, critical care unit and inpatient units, and diagnostic imaging. The redevelopment and expansion of the Bowmanville hospital is expected to cost approximately \$100 million (2018). The provincial government confirmed its commitment to the project in 2019. Construction has not yet begun.

The Municipality of Clarington donated \$5 million to the project. To date, Durham Region has approved \$750,000 for the site.

YORK REGION

York Region has a long history of regional contributions to area hospital projects. Prior to 2009, the municipality contributed approximately \$113.4 million to hospitals for expansions and capital projects. In 2009, York Region formalized long-term funding arrangements through an MOU with York Region hospitals to govern the allocation of funding from the regional municipality for eligible hospital projects. Since the establishment of the MOU, annual capital contributions to the Region's Hospital Financing Reserve have been \$12 million.

Parties to the MOU include York Region, Markham Stouffville Hospital, Southlake Regional Hospital and Mackenzie Health. To help manage the costs of Paramedic Services, the Region tied contribution levels to progress on reducing processing time for emergency patients. The MOU provides that, in the event the 30 minute Paramedic Services off-load delay targets are not achieved, York Region may, at the discretion of Council, reduce hospital funding based on the additional operating costs incurred by Paramedic Services for the time above the targets.

When the MOU was signed in 2009, Regional Council approved annual contributions for capital funding until 2031. Recently, Regional Council determined it would maintain funding for existing hospital commitments only and discontinue additional funding through the MOU. The regional municipality exercised its right to terminate the MOU by providing one year's notice in 2019.

Recent Case Study: Cortellucci Vaughan Hospital

The Cortellucci Vaughan Hospital (formerly known as Mackenzie Vaughan), operated by Mackenzie Health, is a 12-million-square-foot, 11-floor hospital integrating digital technology systems intended to enhance patient care by delivering the right information to the right location at the right time. Between 80 and 90% of the rooms will be single-occupancy for acute-care patients, for infection prevention and control purposes. It will open with 350 beds, with room to expand to 550. It is being constructed using a Design-Build-Finance-Maintain (DBFM) procurement model with an estimate cost ranging between \$1.3 billion and \$1.6 billion. The facility is expected to open in 2021.

York Region's estimated contribution to the project is \$154.4 million (2020). The City of Vaughan is a key partner in the project through the initial purchase of an 82 acre parcel of land in the community (approximately \$80 million in 2009). In 2019, the City entered into an MOU with York University, Mackenzie Health and ventureLAB to maximize the use of surrounding lands.

The project includes an ambitious community fundraising target of \$250 million and secured large donations including \$40 million from the Cortellucci family and \$10 million from Magma International.

PEEL REGION

While the research did not uncover recent regional contributions to the capital hospital project by Peel Region, historical contributions are outlined in an October 2015 staff report. From the period 1996 to 2008, Peel Region collected funds from new development for hospital construction in the amount of \$91.2 million. These investments included: \$33.9 million for Credit Valley Hospital; \$16.7 million for Trillium-Mississauga; \$4 million for Peel Memorial Hospital; \$33.6 million to Brampton Civic Hospital; and \$3 million to Headwaters. Due to provincial changes to the *Development Charges Act*, Peel Region and municipalities across Ontario are no longer able to collect development charges for the purpose of funding local hospitals.

Recent Case Study: Peel Memorial Hospital Redevelopment

Peel Memorial Hospital, located in Brampton, Ontario, is undergoing redevelopment. Phase 1 of the redevelopment had a contract value of \$491 million¹⁸ and was completed in 2017. The new facility is open from 8:00 am to 9:00 pm daily and

¹⁸ Source: Infrastructure Ontario

provides outpatient care, surgeries that do not require overnight care, and high tech diagnostics.

The City of Brampton has committed \$60 million to the redevelopment of Peel Memorial, with \$40 million allocated to Phase 1 and \$20 million allocated to Phase 2. The research did not uncover any direct contributions from Peel Region for the local capital share of this project.¹⁹

HALTON REGION

In Halton, the local share for hospital projects is normally funded through local fundraising, foundations and local area municipalities. For new or expanded project sites, the Region may contribute in the form of in-kind and servicing costs.

Recent Case Study: Oakville Trafalgar Memorial Hospital

The Oakville Trafalgar Memorial Hospital is located in Oakville, Ontario and opened in 2015. The project cost was approximately \$2.7 billion²⁰ and was constructed through a Design-Build-Finance-Maintain procurement model.

At 1.6 million square feet, the new facility is three times the size of the hospital it replaced. The new complex includes:

- 457 inpatient beds
- A full range of health services, including maternal and childcare, critical care, emergency care, surgery, complex continuing care, rehabilitation, diagnostics, ambulatory care, and a variety of support services
- Inpatient and outpatient mental health services for adults, adolescents and children
- Enhanced patient privacy and infection-prevention measures, including 80 percent single-patient rooms
- Patient-centred enhancements such as oversized windows, patient-controlled lighting and temperature, room service food delivery, and patient rooms with a pull-out couch so a family member can stay overnight with a loved one
- Calm, quiet indoor and outdoor spaces

¹⁹ It should be noted that prior to the change in legislation for development charges, Peel Region was the primary contributor to the tax levy portion of the local share for hospitals. For example, Peel Region contributed \$33.6 million to Brampton Civic Hospital prior to 2009 and a contribution from local area municipalities was not required at that time.

²⁰ Source: Infrastructure Ontario

The Town of Oakville contributed \$130 million to the project, funded through debt debenture financing (\$90 million) and transfers from the local hydro reserve (\$40 million). While no direct contribution was provided specifically to the local share portion of hospital funding, Halton Region contributed \$23 million in water and wastewater servicing costs and \$71 million in new road construction.

Recent Case Study: Milton District Hospital Expansion

The Milton District Hospital is located in Milton, Ontario, and includes a recent expansion that opened in 2017. The project added 330,000 square feet of space to the existing 125,000-square-foot hospital, with services that include:

- Expansion of emergency, surgical services, medical/surgical inpatient units, critical care, maternal newborn and diagnostic imaging and support services
- Overall capacity increase from 63 to 129 inpatient beds
- 80 per cent single-patient rooms for improved infection prevention and control and to provide increased patient privacy and a quieter healing environment
- Addition of the hospital's first Magnetic Resonance Imaging (MRI) machine
- A Level 2A Special Care Nursery with capacity for eight bassinets in the Maternal Newborn Unit

According to Infrastructure Ontario, the contract price for the project was approximately \$512 million.²¹ The Town of Milton contribution was \$35 million. No direct funding contribution was identified from Halton Region.

²¹ Source: Infrastructure Ontario.

Regional Benefit Considerations

Regional benefit was a primary factor in Niagara Regional Council's past decisions to contribute to local hospital projects. Potential considerations for assessing regional benefit are described below.

POTENTIAL REGIONAL BENEFITS OF NEW HOSPITAL PROJECTS

It is anticipated the prospective benefits of a new hospital in Niagara could fall under two categories: broad economic and social benefits, and healthcare services and facilities that are regional in nature.

Broad economic and social benefits

It is generally understood that new hospital construction, expansion, and redevelopment anywhere in Niagara's boundaries would deliver broad economic and social benefits to Niagara as a region. For example, the 2020 funding request for West Lincoln Memorial speaks to benefits including economic activity, creating 200 construction jobs, sustaining 300 full time jobs and the ability to continue to attract talent and investment to the Region. The redevelopment also maintains community access to a local hospital and related healthcare services.

These kinds of broad economic and social benefits align with Regional Council's strategic priorities related to business and economic growth, and healthy and vibrant communities, and are part of delivering benefits to residents across Niagara.

Healthcare facilities and services that are regional in nature

Depending on the project, hospital redevelopments and expansions could include specific services and facilities that are intended to serve a regional population. For example, the 2007 funding request from NHS for the St. Catharines site requested a regional contribution that was commensurate with services that would be accessed by all Niagara residents including: new cancer treatments and radiation; cardiac catheterization; tertiary mental health; level 3 intensive care and the existing chemotherapy; inpatient oncology; vascular and thoracic surgery; diabetes education and tertiary nephrology.

The 2020 funding request for West Lincoln Memorial indicates that the current emergency department is regional in nature as 10 percent of visits are from Niagara residents outside the municipalities of Grimsby, Lincoln, and West Lincoln.

To ensure consistency across funding requests under consideration by Niagara Region, it is recommended that assessment of the regional health services provided in a hospital be described and quantified by the Health System delivering the service.

INVOLVEMENT OF LOCAL HEALTH SYSTEMS

In order to ensure accountability for public funds, it is important for Niagara Region to understand commitments from the organizations directly accountable for the delivery of hospital projects. Niagara Region's decision to contribute to the NHS St. Catharines site was the result of a funding request from NHS in 2007.

In 2014, West Lincoln Memorial Hospital became part of the family of hospitals under the administration of Hamilton Health Sciences (HHS). In 2016, HHS submitted *Our Healthy Future*, a plan for the redevelopment of hospitals including West Lincoln Memorial which was approved by Hamilton Niagara Haldimand Brant Local Health Integration Network (HNHB LHIN) in 2017. HHS recognizes West Lincoln Memorial Hospital Foundation as the agency that works with the community to help raise funds for equipment, upgrading of facilities, and special projects for Hamilton Health Sciences' West Lincoln Memorial Hospital site.

While West Lincoln Memorial Hospital Foundation and West Niagara's municipalities are important stakeholders in the success of the redevelopment, it is ultimately Hamilton Health Sciences who is responsible for the successful completion of the project as well as ongoing operation. Prior to any final decision by Regional Council, it is recommended that Niagara Region receive confirmation from HHS regarding its commitment to the hospital and use of the local share as part of its funding plan.

EXPLORING OTHER POTENTIAL FUNDING PARTNERS

Where new, expanded, or redeveloped hospitals have the potential to benefit residents outside of Niagara, it may be appropriate for additional municipal partners to contribute to the local share.

Given close adjacency to the West Lincoln Memorial Hospital site, the City of Hamilton may also have an interest in the redevelopment project. The site location in Grimsby is easy to access by residents in growing areas of Hamilton, such as Winona, Stoney

Creek and Binbrook. It would be appropriate for Niagara Region to inquire if Hamilton Health Sciences has approached the City of Hamilton for support and request any available information on historical usage by Hamilton residents, and potential future usage based on recent and projected community growth.

Analysis and Options

The September 9 Corporate Services Committee Resolution (included in Appendix 1) directed staff to recommend a policy and set of principles that incorporate formulaic, fairness and governance considerations in Niagara Region's approach to healthcare facility contributions. In order to satisfy the direction, the following analysis is provided in this section:

1. Proposed guiding principles for regional funding contributions to local hospital projects for Regional Council's consideration.
2. Six potential options for future funding commitments that include formulaic, fairness and governance considerations:
 - i. Proportionate Share Model
 - ii. Durham Model
 - iii. Hospital MOU Model
 - iv. Regional Benefit Model
 - v. Limited Regional Participation Model, and
 - vi. Hybrid Model
3. Proposed criteria for Niagara Region funding contributions.

This analysis leverages the research described in the previous sections to inform potential approaches for Regional Council's consideration.

PROPOSED GUIDING PRINCIPLES

The following principles are recommended to guide current and future decisions regarding regional financial contributions to hospital projects:

1. Fairness and equity across the twelve local municipalities in Niagara.
2. Financial certainty and predictability for annual and long-term capital and operating budgets at Niagara Region.
3. Demonstrated benefit for all Niagara residents.
4. Alignment with Niagara Regional goals and priorities.
5. Regional contribution as a component of a larger community-wide effort.

OPTIONS FOR CONSIDERATION

After researching the current provincial policy context, past Niagara Region hospital funding precedent, practices in other two-tier regional structures, and potential measures of regional benefit, the following six options are provided to assist Regional Council in determining an evidence-based approach to hospital funding.

Option #1 – Proportionate Share Model

Given that Niagara Region has set a past precedent of contributing to hospital projects with the NHS St. Catharines site, Council may wish to use this precedent to develop a policy for supporting future hospital projects.

Niagara Region's support for the NHS St. Catharines site was 21 per cent of the anticipated local share, 18 per cent of the final local share²² and 35 per cent of the tax levy portion. Given that one of the proposed guiding principles is to encourage a larger community-wide effort, it is recommended that Niagara Region allocate potential funding commitments proportionate to total local share as opposed to the tax levy portion, to encourage greater use of community fundraising and revenue generation in financing the local share.

Option #2 – Durham Model

Durham Region's Community Investment Fund Policy, established in 2019 and described on page 11, offers guidance as a comprehensive regional government approach to supporting local hospital projects.

In Durham, the regional government will consider funding requests for hospital projects as long as the request does not exceed 25 per cent of the community share or 7.5 per cent of the total project costs. The project must be approved by the provincial government, with at least a 70 per cent provincial funding contribution. Durham Region proactively plans for potential funding requests by setting aside \$3.5 - \$4.5 million (between 0.4 per cent and 0.6% per cent of the annual levy).

Durham Region's policy sets specific parameters, providing clear expectations to requestors and a greater degree of financial certainty for the Region.

²² This percentage share is based on the anticipated local share of \$100 million. The final local share has been reported as \$116.9 million, resulting in an end contribution of 18 per cent.

Option #3 – Hospital MOU Model

York Region's 2009 MOU with area hospitals of York Region, Markham Stouffville Hospital, Southlake Regional Hospital and Mackenzie Health provides another potential option for Niagara Region's consideration. In this model, York Region negotiated directly with York hospitals on regional contributions between the period of 2009 and 2031.

The MOU established a total funding envelope, indexed annually, and percentage shares allocated to each hospital. Working directly with hospitals allowed York Region to influence health outcomes for the community and reduce budget impacts for its paramedic operations. The MOU provides that, in the event the 30 minute Paramedic Services off-load delay targets are not achieved, York Region may, at the discretion of Council, reduce hospital funding based on the additional operating costs incurred by Paramedic Services for the time above the targets.

Though the MOU was terminated early by York Region, it provides a model that predetermined hospital funding allocations over a long-term time horizon and provided a high degree of financial certainty for regional budgeting.

Option #4 – Regional Benefit Model

Option 4 allocates funding based on the benefits the project will provide to Niagara residents on a region-wide basis. As described on page 16, there are two potential categories that Niagara Region may use in considering regional benefits: broad economic and social benefits and specific healthcare facilities and services that are regional in nature.

Broad economic and social benefits align with Regional goals of business and economic growth and vibrant, healthy communities, and consider metrics such as jobs created, jobs sustained, economic spin-off benefits through adjacent development, talent attraction and retention, and access to healthcare facilities. Specific regional healthcare services and facilities would consider the types of services and equipment being provided in the hospital and anticipated usage by residents across Niagara.

Under this option, Niagara Region would scale its contribution based on regional benefits as demonstrated by the requestor. For example, using a past precedent of 21

per cent Regional contribution to the local share, Niagara Region may wish to allocate between 5 and 10 per cent of its contribution based on evidence of broad economic and social benefits, and between 5 and 10 per cent of its contribution based on evidence of healthcare services and facilities that are regional in nature.

Option #5 – Limited Regional Participation Model

Niagara Region may decide that it has no role in contributing directly to the local share and limit its involvement in providing infrastructure and services required to enable hospital projects. This is the model in Halton Region, where the regional government involvement to the recently completed Oakville Trafalgar Memorial Hospital included \$23 million in water and wastewater servicing costs and \$71 million in new road construction.

Since Niagara has set a past precedent of contributing to hospital projects, this option is not recommended. Also, Niagara Region contains municipalities with small populations where local tax bases and community fundraising capacity are limited compared to communities over 100,000 in population.

Option #6 – Hybrid Model

The hybrid model combines best practices from each of the above models and considers Niagara's unique circumstances. This option consists of the following features:

- Total Regional contributions available for each hospital funding request are consistent with past precedents of between 18 and 21 per cent²³ of the local share (as in Option #1).
- The Regional contributions are scaled according to demonstrated evidence of regional benefit (as in Option #4).
- To support current and future funding requests, there is a policy that sets annual allocations for hospital projects as part of the annual budgeting process (as in Option #2 and Option #3).²⁴
- A policy is established to set parameters for funding requests and provide clear expectations to requestors (as in Option #2).

²³ A 21 per cent share is based on the anticipated local share of \$100 million. The final local share has been reported as \$116.9 million, resulting in an end contribution of 18 per cent.

²⁴ Annual hospital allocations are generally treated as a separate line item during municipal budgeting processes, to provide clarity on use of funds and protect hospital funding for current and future requests.

Table 3, below, presents how each of the six options advances the proposed guiding principles outlined on page 19.

Table 3: Assessment of Options Against Proposed Guiding Principles

	Options:					
Guiding Principles:	1	2	3	4	5	6
Fairness and equity across the twelve local municipalities	X			X		X
Financial certainty and predictability for Regional budgets		X	X		X	X
Demonstrated benefit for all Niagara residents		X	X	X		X
Alignment with Regional goals and priorities		X	X	X		X
Regional contribution part of a community-wide effort	X	X				X

PROPOSED FUNDING CRITERIA

Any funding provided by Niagara Region should include criteria to ensure funds are used in the best interest of Niagara residents. Consistent with the best practices identified through the research, the following funding criteria are suggested as pre-requisites for Regional contributions to hospital projects:

1. The request must come from the organization directly responsible for project delivery.
2. The requestor must provide evidence of regional benefit.
3. The requestor must explain how the project advances Niagara Region's goals and priorities.
4. The requestor must provide a detailed review of available financing and long-term financial implications, assessment of potential risks and analysis of potential funding alternatives.
5. The project must be approved by the Provincial government and supported with a minimum 70 per cent provincial funding commitment.
6. Community fundraising and revenue generation must exceed Niagara Region's contribution as part of the funding plan.
7. The project must be located within the municipal boundaries of Niagara Region.
8. The requestor and funding partners must agree to recognize regional contributions in all communications related to the project.

Conclusion

This report provides information, analysis, and options to assist Niagara Region in developing a policy and funding approach for local hospitals that will clarify the Region's expectations surrounding hospital funding requests and provide certainty and predictability in the preparation of long-term regional budgets.

The report is intended to contribute to a long-term, sustainable approach to contributing to local hospital projects. While it is also intended to assist Niagara Region in its current decision regarding contribution to West Lincoln Memorial Hospital, it should be noted that some of the suggested criteria and policies outlined in this report would not have been known to requestors at the time of their submission, and cannot be applied retroactively given the upcoming provincial deadline of November 15, 2020. Some degree of flexibility will be required in addressing the current request while planning for requests over a long-time horizon.

Appendix 1

Corporate Services Committee Resolution, September 9, 2020 (CSC-C 17-2020)

Niagara Region Funding for Future Hospitals in Niagara

Moved by Councillor Foster

Seconded by Councillor Ip

Given that the local share of financing is a provincial requirement for the building of every new hospital project in the Province of Ontario;

And further, this requirement is estimated to be 30% of the overall project costs;

And further, with population growth and increasing requirements being seen within Niagara with regards to healthcare needs;

And further, with at least 3 new hospital projects slated to be developed in the Region of Niagara (West Lincoln Memorial Hospital, the South Niagara Hospital, and The Shaver Rehab Centre);

And further, that these healthcare projects will require funds to be raised within our communities to meet the provincial requirements;

And further, that the local share has been a combination of fundraising in the community and through local municipal governments;

And further, that the Region has previously demonstrated its commitment to healthcare in Niagara with local share financial contributions, most recently providing funding to the St. Catharines General Hospital during that recent building campaign;

And further, given there is no current agreed upon policy or set of principles when it comes to hospital projects and financial support from the Region of Niagara to help finance these important institutions;

NOW THEREFORE BE IT RESOLVED:

1. That the Region of Niagara DEVELOP a policy and a set of principles when it comes to the local share funding of future hospital projects in Niagara;
2. That this policy and set of principles INCLUDE a potential combination of a formulaic, fairness and governance approach when it comes to such regional contributions; and
3. That given that there are some time constraints with financial commitments required for at least one hospital project late this fall, that this policy and set of procedures BE DEVELOPED and PRESENTED for review to the October Corporate Services Committee meeting.

The following friendly amendment was accepted by the Committee Chair, and the mover and seconder of the motion, so that clause 3 reads as follows:

3. That given that there are some time constraints with financial commitments required for at least one hospital project late this fall, that this policy and set of procedures BE DEVELOPED and PRESENTED for review to the November Corporate Services Committee meeting.

Moved by Councillor Heit

Seconded by Councillor Rigby

That clause 1 BE AMENDED to read as follows:

1. That the Region of Niagara DEVELOP a policy and a set of principles when it comes to the local share funding of future hospital projects in Niagara consistent with previous funding commitments;

Recorded Vote:

Yes: (10) Bradley, Diodati, Easton, Edgar, Fertich, Foster, Gale, Heit, Rigby, Whalen.

No: (3) Butters, Ip, Redekop.

Carried

The Committee Chair called the vote on the motion as amended, as follows:

1. That the Region of Niagara DEVELOP a policy and a set of principles when it comes to the local share funding of future hospital projects in Niagara consistent with previous funding commitments;
2. That this policy and set of principles INCLUDE a potential combination of a formulaic, fairness and governance approach when it comes to such regional contributions; and
3. That given that there are some time constraints with financial commitments required for at least one hospital project late this fall, that this policy and set of procedures BE DEVELOPED and PRESENTED for review to the November Corporate Services Committee meeting.

Recorded Vote:

Yes: (13) Bradley, Butters, Diodati, Easton, Edgar, Fertich, Foster, Gale, Heit, Ip, Redekop, Rigby, Whalen.

No: (0).

Carried

Appendix 2

Niagara Regional Council Resolution

May 24, 2007

Support for the Niagara Health System – New Healthcare Complex

Moved by Councillor Goulbourne

Seconded by Councillor McMullan

WHEREAS the Niagara Health System is planning the new Healthcare Complex in St. Catharines that will replace 2 existing hospital sites with a state-of-the-art facility; WHEREAS this complex includes a community hospital component that serves northern Niagara (estimated at approx. 65% of the facility) and a regional component that will provide cancer treatment, cardiac catheterization, tertiary mental health and existing regional services provided at the St. Catharines hospital sites (representing the remaining approx. 35%);

WHEREAS the Ministry of Health & Long Term Care has committed to an investment of 90% of the capital costs of the new facility, conditional upon a local share investment of 10%, including equipment costs (primarily 100% locally funded), representing the local share of approx. \$90-\$110M;

WHEREAS a successful commitment for the overall local share will allow plans to proceed with a target completion date of 2011; and

WHEREAS the Regional Council confirms to the Niagara Health System that the proposed Healthcare Complex will continue to remain exempt from Regional Development Charges under the Region's proposed new Development Charges by-law (as per the recommendations outlined in Report CSD 84-2007), save and except any commercial space located within the hospital complex pursuant to provisions within the Region's Development Charges by-law.

THEREFORE, BE IT RESOLVED: That the Regional Municipality of Niagara supports the Niagara Health System – new Healthcare Complex in St. Catharines (per recommendations outlined in Report CSD 85-2007) with a commitment of \$21-\$25 million (net present value), subject to final project costs, be made by way of annual payments, commencing in 2008, and not to exceed 30 years, to support the components of the new complex that provide regional health services; and That the Region's contribution be subject to verification of costs, allocation of regional components, and Ministry funding, and that documentation to support the net regional cost components be provided prior to Phase 2 funding commitment (Spring 2008), and

That staff be directed to enter into discussions with the Niagara Health System for the potential transfer of buildings and property currently leased/occupied by the Regional Municipality of Niagara.

Carried.



CASE FOR SUPPORT

To



PARTNERING FOR EXEMPLARY HEALTHCARE IN NIAGARA

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EXECUTIVE SUMMARY

In the year of 2024, we will be celebrating the opening of doors to one of the Niagara Region's newest, state of the art, community hospitals known as West Lincoln Memorial Hospital. We are requesting that the Region be a partner in the local financial contribution towards a significant regional asset with a construction value of \$200 million. The following chart demonstrates how the funding of this asset can be shared:

WLMH Hospital Project		
Funding Partner		Portion Amount
Ontario - Provincial		\$ 140,000,000
Municipal (Grimsby, Lincoln and West Lincoln)		\$ 26,000,000
WLMH Foundation		\$ 20,000,000
Niagara Region		\$ 14,000,000
Total Project Budget		\$ 200,000,000

By 2024 this exemplary hospital will be one of six sites serving the residents and visitors of the Niagara Region. Healthcare in Niagara is shifting; geographic boundaries are being removed so that opportunities for care can be centered around patients, families and caregivers, in an effort to provide care close to home.

Niagara Health is supportive of WLMH new build and its mission to provide the best care for Niagara residents and its role in supporting healthcare providers across the Region.

Dr. Thomas Stewart, CEO, Niagara Health
Lynn Guerriero, President, Niagara Health

WLMH is a vital resource for the health care system and for achieving healthy communities from birth to end of life. The new build is critical for offering integrated, safe hospital services, close to home for the 674,000 residents of the Niagara Region needing care in WLMH – the projected population by 2051. On average, 85 % of patients utilizing inpatient services by WLMH are Niagara Region residents, with a projected growth of 14.6 % into 2024/25.

Residents of Niagara, that have less complex health care needs, have the benefit of accessing services offered at WLMH, thereby alleviating and allowing the Niagara Health System to focus on more complex and specialty care. In general, WLMH greatly reduces wait times and supports the flow of patients from the Niagara Health System.

West Lincoln Memorial Hospital Foundation, along with the supporting municipalities of Grimsby, Lincoln, and West Lincoln respectfully request the support of its regional government, the Niagara Region, to assist in funding the local share of \$60 million for West Lincoln Memorial Hospital's new build.

You will find attached as Appendix “A” letters of support from a number of medical and healthcare professionals from the Niagara Region. Appendix “B” provides a more in depth account of WLMH’s impact on healthcare in the Niagara Region.

Many of the services provided at WLMH are integral to both the fabric and reputation of regional health care in Niagara, and without them, it would overwhelmingly impact other health care providers, and the residents of the Niagara Region in the following ways:

- **Diagnostics**

- **CT Care at WLMH:** Computed Tomography otherwise known as CT scanning is more commonplace for the purpose of diagnosing a patient’s condition. By 2021, WLMH will be conducting onsite CT scans.
- **Impact on Niagara Region:** The annual volumes of over 1,100 scans would need to be absorbed elsewhere. CT scans volumes will only increase because it will be more readily available onsite. If WLMH did not have this service, the need for CT scans would have to be absorbed elsewhere resulting in a substantial increase of wait times for the population; which for non-urgent scans can range from 10 to 97 days.
- **Mammography care at WLMH:** WLMH mammography services are part of the Ontario Breast Screening Program and total annual volumes range between 2,500 to 3,000
- **Impact on Niagara Region:** Over 12,000 mammograms were performed at WLMH in the past five years for Niagara Residents. Wait times for this service would increase substantially in Niagara if WLMH no longer provided this care.

- **Emergency Services**

- **Care at WLMH:** Emergency services at WLMH are provided to patients arriving by ambulance or walk-in. Services at WLMH are expected to grow over the next five years and particularly from those aged 60 plus.
- **Impact on Niagara Region:**
 - Without the Emergency Services at WLMH over 20,000 residents annually would require care elsewhere
 - Niagara EMS services experience high patient off load delays at the St. Catharines hospital site. Without WLMH those off load wait times would substantially increase and hinder healthcare for others in need of 911 emergency service calls.

- **Surgical Services**

- **Care at WLMH:** WLMH will be doubling its capacity for surgeries and procedures for Niagara residents.
- **Impact on Niagara Region:** Over 6,500 surgeries are projected for 2024/25, without WLMH wait times for these services and procedures would increase significantly.

- **Outpatient Services**
 - **Impact on Niagara Region:**
 - Treatments via intravenous therapy, procedures, injections and transfusions would need to take place elsewhere if WLMH did not provide this care.
 - Colposcopy screen tests and procedures for abnormal screen tests would need to take place elsewhere if WLMH did not have a clinic.
 - Wait times would increase for residents of Niagara should these services not exist at WLMH
- **Mental Health Services**
 - **Care at WLMH:** The Community Health Clinic sees patients referred to the clinic from the Niagara community seeking mental health care by a clinician.
 - **Impact on Niagara Region:**
 - Projections indicate that close to 10,000 patients receive care through WLMH. This care would need to take place elsewhere without WLMH.
 - Referrals from Gillian's Place, Oak Centre Club, Grimsby Benevolent Fund Services, and Community Addiction Services of Niagara would have to go elsewhere.
- **Geriatrics**
 - **Care at WLMH:** Older adults in the Niagara Region will receive care in the Geriatric Assessment Clinic. They provide one on one home assessment and consultations. Typically, patients are over the age of 65 and are experiencing confusion, memory concerns, dementia, complex medical issues, functional decline and frailty, mobility challenges, or have had multiple emergency room visits.
 - **Impact on Niagara Region:** Having this type of clinic to serve our aging population in the Niagara Region will alleviate the NHS and WLMH emergency departments from multiple calls as well as demands on the Emergency Medical Services.
- **Palliative Care**
 - **Care at WLMH:** Palliative care is the care given to patients and their families facing the problems associated with life-threatening illness, through the prevention and relief of suffering. Specialized care is given to a patient to provide pain relief and comfort for the threatening illness they face. Palliative care at WLMH is a population-based model serving all citizens regardless of their location (home, hospice, long term care, hospital, congregant setting) which is a best practice model. The Niagara Region has reason to be proud of this model of community based, hospital supported, and population-centred care. The palliative care team has built and maintained connections to providers and clinicians all across Niagara.
 - **Impact on Niagara Region:** The impact of this care is two-fold:
 - Many family physicians are trained to provide palliative care for their patients, thereby alleviating the care needed by specialists and other providers.

- Our growing population in the Niagara Region and the increase of palliative care services by 24 % at WLMH would have to be absorbed elsewhere if this service did not exist.

The Region of Niagara's investment in the new West Lincoln Memorial Hospital not only ensures that this critical Palliative Care Team and model of palliative care flourishes but in fact can grow to the next level here in Niagara.

Dr. Denise Marshall, CCFP, FCPP

Medical Director, Niagara West Palliative Care Team and McNally Hospice

- **Investment in Medical Profession – Recruitment and Retention**

- At WLMH: WLMH is one of the teaching sites for the Niagara Regional Campus of McMaster University's Michael G. DeGroote School of Medicine, supporting the medical training of undergraduate MD students and postgraduate resident physicians. WLMH also supports the training of nursing students from both Brock University and Niagara College.
- Impact on Niagara Region:
 - The investment in medical education in Niagara has been a highly effective and cost-efficient opportunity to increase the availability of high-quality primary care and specialist care to the citizens of Niagara.
 - The training that medical learners receive through WLMH has been pivotal to the successful recruitment and retention of high-quality family physicians for Niagara.

Financial support from the Region towards the new WLMH build is an investment in the future in the current and future health of Niagara.

Dr. Amanda Bell

Regional Assistant Dean, Niagara Regional Campus, Michael D. Groote School of Medicine

- **Maternal and Newborn**

- Care at WLMH: WLMH will be a place to receive low risk obstetrical care for women in the Niagara Region. The new hospital will provide an important and well-regarded birthing experience for families.
- Impact on Niagara Region: Growth projections indicate that over 1,600 patients from Niagara will receive care at WLMH. Without WLMH maternal care would need to be provided elsewhere.

- **General Impact on Niagara Region:**

- **Population**
 - Increased population density is especially forecasted for West Lincoln; therefore resulting in increased pressures on health care. WLMH hospital offers a solution for population increase.

- **Transportation**
 - Without WLMH additional transportation costs would be incurred as a result of additional volumes on our current transportation systems because of more patient traffic to other hospital and healthcare facilities.
- **Economics**
 - The hospital construction will provide 200 temporary jobs and we will retain 300 medical professionals, most of who are existing tax payers of the Niagara Region.
- **Healthcare**
 - Over 36,000 residents of the Niagara Region receive healthcare from hospitals in Hamilton-Wentworth annually for inpatient, emergency department and same day surgery services. Conversely, approximately 4,000 residents of Hamilton-Wentworth receive healthcare from hospitals in the Niagara Region for the same services.
 - On average, 1,400 patients from the Niagara Region receive tertiary (specialist) health care from the hospitals of Hamilton Health Sciences annually.

We are part of Niagara Public Health, Niagara EMS, and the Niagara Regional Campus of McMaster University. To me these relationships are intuitive and they support a broader vision of providing care in our Region. Dr. Matthew Noble Wohlgemut, CCFP, FCFP

APPENDIX A – LETTERS OF SUPPORT



Office of the President
1200 Fourth Avenue
St. Catharines, ON L2S 0A9
www.niagarahealth.on.ca

October 26, 2020

To Whom It May Concern,

Healthcare partners in our province are increasingly working together to better connect care for the residents of Ontario. We are seeing a shift in Niagara in which we are removing geographic boundaries to create new opportunities to deliver services that are centered around patients, families and caregivers no matter where they live in our region. To provide high-quality care across Niagara, local community based services play a key role in ensuring residents of each community are supported and receive the best care close to home.

Niagara Health and West Lincoln Memorial Hospital (WLMH) have a strong partnership with each other and other providers across Niagara to enhance access to healthcare services. We are currently working closely with WLMH on our COVID-19 pandemic response. We are also providing care to its obstetrical patients while infrastructure updates and renovations take place in the current WLMH building, among other long-standing collaborations on patient flow, repatriation and transfer between the two hospital organizations.

Residents of Niagara that have less complex healthcare needs, have the benefit of accessing services offered at WLMH, allowing Niagara Health to focus on complex care and specialty care, such as cancer and surgical services. Services offered at WLMH assist in alleviating wait times, support patient flow, and support the work of Niagara Health through their:

- Emergency Department;
- Diagnostics, planned CT Scan for late 2021;
- Palliative Care services;
- Mental Health services and;
- MD education through the Michael G. DeGroote School of Medicine at McMaster.

Niagara Health and St. Joseph's Health System are also in a unique position to combine our expertise, through a renewed Collaboration Agreement, to enhance healthcare across our communities and advance our mutual commitment to innovation and excellence.

These are just a sampling of the many impressive ways healthcare providers are working together to improve the health of Niagara residents through patient-centred, innovative and sustainable healthcare models.

Niagara Health is supportive of the WLMH new build and its mission to provide the best care for Niagara residents and its role in supporting healthcare providers across the region. We are very fortunate ourselves to be in the planning stages for the new South Niagara Hospital, set to open



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Achieving Ambitious Results

in 2026/2027. Both projects bring a significant and much-needed investment to Niagara, and both are integral pieces of creating a connected healthcare system that will improve the patient, family and caregiver experience and provide opportunities to enhance programs and services.

We are excited about the future of healthcare and the impact of our collective efforts towards a transformed, more integrated health system that makes accessing and navigating services easier and better for patients and families.



Lynn Guerriero
President
Niagara Health



Dr. Thomas Stewart
CEO
Niagara Health



A Healthier Niagara |  Compassion in Action  Driven by Optimism  Achieving Ambitious Results



Department of Family Medicine
Division of Palliative Care

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Council Members

October 27, 2020

Niagara Regional Council

Dear Council Members;

I am writing today to inform you of one the key programs lead by West Lincoln Memorial Hospital, that has become integral to both the fabric and reputation of regional health care in Niagara. The Niagara West Palliative Care Team (NWPCT) was established in 1997, as an 'inreach' and an outreach program of West Lincoln Hospital. At that time, it was the strong vision of the board and management of WLMH that a community hospital should invest in supporting excellent palliative care for consumers living in all areas of the community, in hopes that early, upstream palliative care support in the community would assist citizens in meeting their expressed goals of spending as much time as possible at home as they neared the end of life, while also ensuring nimble and specialized expertise in palliative care across all parts of the hospital itself.

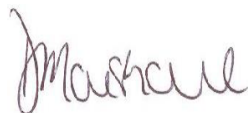
From inception, WLMH established this palliative care team to be a '*population based model*' meaning serving all citizens regardless of their location (home, hospital, LTC, hospice, congregant setting) which despite literature evidence for efficiency and effectiveness of this as a best practice model, remains surprisingly rare across Ontario and Canada. The NWPCT, 23 years later, remains the only such model of its kind in Niagara and this part of Ontario. WLMH partnered effectively with the homecare program (now HNHB LHIN) and subsequently with McNally House hospice, to ensure truly cross sectoral care for our consumers while also capitalizing on sharing resources, funding and assets. In 2002, the Ontario Ministry of Health provided \$980,000 in funding to the team to demonstrate health outcomes and study the key features of the model and then publish. One such feature is the teams '*shared care*' support for family physicians- the specialists on the team support the role of the family doctor as the key and primary provider for their patients and by doing so, have helped build capacity for what we now call '*primary level palliative care*'- now a national quest. 98% of family physicians in our area now provide palliative care for their own patients in all these care settings, including housecalls, knowing as they do that this team provides them with 24/7 specialist support but does not 'take' care away from them. The team works in WLMH seeing patients there, including ER, works at McNally House hospice and works with every family doctor in the area. The result has been that the team has helped create an upskilled family practice work force, decreased hospital visits to ER, decreased hospital deaths, decreased hospital return admission and a high degree of patient and provider satisfaction for patients needing palliative care. Several scholars have delved into difference aspects of the team and its models' success and have published extensively as a result. In 2009, the Niagara West Palliative Care team model was selected as a national model of choice for palliative care in Canada and honoured at national meetings in Montreal. Clinicians and healthcare learners come from across the province and further afield across Canada, to learn about this teams' model and it has been adapted and replicated successfully in many communities. The Niagara West Palliative Care team achieved a 'steady state' position almost a decade ago meaning the investment in knowledge translating to others (students, residents, family doctors) ensures that specialist costs remain stable. It ensures that our population is not needing to be dependant on a specialist team alone to get good palliative care.

The Region of Niagara has reason to be proud of this successful model of community based, hospital supported, population- oriented care. The team has built and maintained connections to providers and clinicians all across Niagara,

ensuring that patient care is truly one of 'the left hand knowing what the right hand is doing' - regional integration of care. The Region of Niagaras 'investment in the new West Lincoln Memorial hospital not only ensures that this critical team and model of palliative care flourishes but in fact can grow to the next level here in Niagara. Plans for the new hospital include ensuring that the NWPCT will be connected with a new range of specialty outpatient clinics that will be enhanced in the new hospital. The team has been in an important coaching and mentoring role with colleagues at both the Walker Family Cancer clinic palliative care in recent years, and also with the emerging inpatient palliative care program at NHS. The team has helped establish enduring connections between Niagaras hospices- McNally House and Hospice Niagara. Perhaps most compellingly, the NWPCT team is the *only* teaching site for McMaster University (not just Niagara campus- the entire McMaster Medical network) for this model of care! The Region of Niagara will be supporting a regional, provincial and national best practice model of palliative care for its citizens by investing in the new West Lincoln Memorial Hospital and this innovative palliative care program.

I am always pleased to share our story, literature, publications, history, and our future with our regional friends and would be pleased to provide more information at any time. Please know that your decision to support a renewed West Lincoln Memorial Hospital, is an investment in the very wellbeing of Niagaras most vulnerable citizens as they near end of life. Please help us grow, replicate and ensure that access to this kind of care become the standard and infact the right of every Niagara resident.

With respect,



Denise Marshall, MD, CCFP, FCFP

Medical Director, Niagara West Palliative Care Team and McNally Hospice,

Professor of Palliative Medicine, Faculty of Health Sciences,

McMaster University marshald@mcmaster.ca



October 6, 2020

To Members of Niagara Regional Council,

This letter is in strong support of the important role that the West Lincoln Memorial Hospital plays in the health of the community, particularly with respect to medical education and physician recruitment and retention in Niagara. West Lincoln Memorial Hospital (WLMH) is one of the teaching sites for the Niagara Regional Campus of McMaster University's Michael G. DeGroote School of Medicine. WLMH participates actively in the medical training of undergraduate MD students and postgraduate resident physicians. Over the last 5 years they have consistently provided over 1,000 days of teaching annually in West Lincoln. Additionally, West Lincoln Hospital is clinical home to a number of active and engaged McMaster University faculty members including several senior campus leaders. The Niagara Regional Campus, whose learners are trained at hospital sites across Niagara, has recruited 18% of their undergraduate trainees and over 50% of its postgraduate trainees to return to or remain in Niagara for their clinical practice. Learners who return to or stay in the region to practice speak of the very positive experience they have learning within the community and the ease of transition to practice when they are already familiar with the hospital systems, the medical community and the resources available locally. Additionally, the majority of learners who choose to practice in the region become faculty members and thus inspire the future medical practitioners through their teaching and their example.

The investment in medical education in Niagara has been a highly effective and cost-efficient opportunity to increase the availability of high-quality primary care and specialist care to citizens of Niagara. The new WLMH build will allow for improved and updated academic opportunities within Niagara and increase the capacity of the hospital to host learners in engaging rotations that inspire them to continue their careers locally. The academic presence of a distributed medical campus within Niagara has proven to be a strong influence in the decision of many physicians, particularly specialist physicians, to locate within the region and their mix of community-practice and academic work in teaching and research, has enriched the opportunities for exceptional health care in Niagara. The training that medical learners receive through the WLMH has been pivotal to the successful recruiting and retention of high-quality family physicians in north Niagara and this training site remains in high demand for residents year after year.

Financial support from the Region towards the new WLMH build is an investment in the current and future health of Niagara. The academic activity and the outstanding educational opportunities for learners in West Lincoln is a strength of the Niagara Regional Campus and an asset to community. We are grateful for the contributions from local physician faculty members and hospital leadership who encourage the growth of WLMH as an active teaching site. This has proven a successful combination with all evidence pointing towards continued opportunities to enrich the health care of Niagara.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Amanda Bell".

Dr. Amanda Bell
Regional Assistant Dean
Niagara Regional Campus
Michael G. DeGroote School of Medicine
McMaster University

Michael G. DeGroote School of Medicine
McMaster University
Niagara Regional Campus

1812 Sir Isaac Brock Way
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905-378-5717 ext 6414
Fax 905 984-4855

Smithville Medical Centre

Family Health Team

230 Canborough St., Box 218
SMITHVILLE, ON L0R 2A0

October 28, 2020

To Whom It May Concern:

I am writing on behalf of West Lincoln Memorial Hospital, in order to reflect on the regional nature of our hospital program and the role it plays in our area. I am a family physician with hospital privileges, and my work includes care of hospital inpatients, ER shifts, and OR assists, in addition to my community- based family practice.

In the ER, the regional aspect of the care we provide at WLMH is evident on a regular basis. There is a steady stream of patients from Vineland, Jordan, and St. Catharines, and it's not rare to also see patients from Welland and Niagara Falls. Sometimes they are drawn by shorter wait times, and often they tell me they are at WLMH for the personalized care they associate with our hospital. In addition, when the NHS hospitals are on EMS offload delays, we accept lower acuity ambulances when they are unable to be seen in St. Catharines. This has been happening with more regularity over the last 5 years.

Our inpatient and OR capacity also acts as a buffer and support to the region. As an OR assist, I often see St. Catharines addresses on the day sheet to get general surgery and gynecology procedures. I would expect this segment to grow proportionally with plans for significantly expanded day procedure capacity in our new build. For inpatients, our family physicians provide care to any patient who is admitted through our ER, and we also regularly repatriate patients from NHS who are in our catchment area. This allows patients needing specialized inpatient services to receive it in Niagara Falls or St. Catharines, but then can be returned to WLMH for lower acuity and convalescent care. This frees up beds across NHS and promotes appropriate patient flow and resource utilization.

The diagnostic imaging program at WLMH also plays a supportive and integrated role in the region. The outpatient capacity for ultrasound, xray, and especially the Ontario Breast Screening Program all support patients beyond the West Lincoln geographic boundary. I expect that with the addition of a new CT scanner in 2021 that it will reduce the burden and wait times for CT across the region.

Although WLMH is part of Hamilton Health Sciences, our patients, our physicians, and our programs are regionally based. We are part of Niagara Public Health, Niagara EMS, and the Niagara Regional Campus of McMaster University. To me, these relationships are intuitive, and they support a broader vision of providing care in our region.

Sincerely,



Dr. Matthew Noble Wohlgemut, CCFP, FCFP

APPENDIX B – CASE FOR SUPPORT

HISTORY

West Lincoln Memorial Hospital (WLMH) opened its first doors in 1946, with 18 beds, treating 46 patients in its first month. The community of caring that existed then, has continued throughout the many milestones of its history and also continues to this day. Since 2001, the plans for redevelopment have been underway; including the WLMH Foundation successfully receiving \$10 million for the purposes of building a new hospital.

TODAY

This is a pivotal time in the planning and development of the new hospital, as we set forth to raise \$60 million, a goal that represents the local share for the new hospital build. When a new hospital is built in Ontario, the provincial government agrees to pay the majority of the new hospital construction costs, but not the entire cost. In general, the communities served by the hospital are responsible for a local share which is estimated to be 30% of the project cost. Across Ontario, municipal and regional governments play an essential role in providing the local share of financing new hospitals. Fundraising is also essential for achieving the local share. At this time WLMH Foundation is implementing a new campaign for the purposes of achieving the funds needed to build an exemplary new hospital - a community of care.

COMMUNITY OF HEALTHCARE

West Lincoln Memorial Hospital is situated on Main St, in Grimsby. From a geographic perspective, the three municipalities known as Grimsby, Lincoln, and West Lincoln, are known as West Niagara within the Niagara Region. They also form the Niagara North West sub-region of the Hamilton Niagara Haldimand Brant Local Health Integration Network.

WLMH is primarily used by residents of the Niagara Region. They also seek care from tertiary health care centres provided through Hamilton Health Sciences. From a financial perspective, residents of the Niagara Region support healthcare services through the regional portion of their property taxes. Niagara Region residents are not required to fund hospitals such as Juravinski and Hamilton General hospital sites which are multi-million projects planned for the future.

DEMOGRAPHIC IMPACT

West Niagara has been earmarked to have three of the four designated growth areas within the Niagara Region. Various areas throughout the Niagara Region are expected to see higher population increases than others. West Lincoln is one of the designated growth areas and as noted in the chart below it is expecting a 102 % population increase by 2041.

In general all of Niagara is growing as many people move from the GTA seeking more affordable housing or looking to retire. Convenient access to healthcare can be a significant attraction factor for individuals

and families looking to relocate to a community. The new WLMH hospital with expanded services will be appreciated by the growing community that it will serve in the coming years.

MCR Strategic Growth Option Forecast Total Population by Local Municipality, 2016 -2041											
Municipality	Total Population Including Net Undercoverage									2016 - 2041	
	2001	2006	2011	2016	2021	2026	2031	2036	2041	Net Change	Compound Annual Growth Rate
Fort Erie	29,120	30,960	30,760	31,030	32,310	34,720	37,780	41,220	43,940	12,910	1.40%
Grimsby	22,030	24,760	26,000	27,580	29,430	31,400	33,200	35,140	37,150	9,570	1.20%
Lincoln	21,320	22,460	23,080	23,950	24,990	26,230	28,060	30,030	31,590	7,640	1.11%
Niagara Falls	81,550	85,040	85,200	87,740	92,830	99,990	108,770	117,670	124,580	36,840	1.41%
Niagara-on-the-Lake	14,320	15,090	15,810	17,950	19,750	21,420	22,850	24,700	26,580	8,630	1.58%
Pelham	15,790	16,710	17,040	17,190	17,900	19,410	21,560	23,720	25,260	8,070	1.55%
Port Colborne	19,080	19,240	18,910	18,510	18,600	19,210	20,080	21,050	21,820	3,310	0.66%
St. Catharines	133,660	136,570	134,890	133,820	136,930	142,560	150,590	160,040	167,480	33,660	0.90%
Thorold	18,670	18,880	18,410	18,790	19,680	21,500	23,850	26,470	28,470	9,680	1.68%
Wainfleet	6,470	6,830	6,520	6,540	6,590	6,760	6,990	7,260	7,480	940	0.54%
Welland	50,080	52,080	51,980	52,550	54,130	56,540	59,600	63,160	66,180	13,630	0.93%
West Lincoln	12,690	13,620	14,200	14,670	16,170	18,930	22,630	26,530	29,460	14,790	2.83%
Niagara Region	424,780	442,240	442,800	450,320	469,310	498,670	535,960	576,990	609,990	159,670	1.22%

NEW HOSPITAL OVERVIEW

The new WLMH will be built on the current hospital site; on the north side of the property. It will be approximately 119,705 square feet in size; close to doubling its current size, with 56 inpatient beds, eight nursery bassinets, and five labour birthing and recovery suites. Programs of care will include acute inpatient services, an emergency department, ambulatory services (outpatient services), complex continuing care, maternal and newborn services, as well as day surgical services and endoscopy.

The following sections in this proposal provide greater detail regarding the future services to be provided in the hospital for inpatient and outpatient purposes. We have also included future projections and statistics to support the impact a future hospital will have on serving the Niagara Region.

DIAGNOSTIC SERVICES CENTRE

The Diagnostic Services Centre will provide for the needs of inpatients and outpatients for the Niagara Region and will include a full range of services as follows:

- X-ray and general radiology
- Mammography, diagnostic, and screening services
- Ultrasound
- Computed tomography (CT scanning)
- Electrocardiography (ECG)
- Echocardiography
- Pulmonary Function testing
- Spirometry testing
- Exercise stress testing

The addition of CT scan equipment to WLMH's diagnostic services and the Niagara Region's healthcare will alleviate growing wait times in the Niagara Health System.

IMPORTANT STATISTICS & PROJECTIONS FOR DIAGNOSTIC SERVICES CENTRE

Historical and Projected Workload					
Exams	2014/15	2017/18	2018/19	2024/25	2018 to 2025 Differential
CT Scanning	0	0	0	7,500	
Mammography	3,574	3,760	3,456	3,936	+13.8%
Radiography	24,477	22,838	22,729	25,436	+11.9%
Ultrasound	13,232	13,678	13,254	14,831	+11.8%
ECG	9,904	11,951	7,731	8,891	+15.0%
Echocardiography		1,268	1,776	2,043	+15.0%
Exercise Testing	738	684	608	698	+14.8%
Pulmonary Function		891	804	925	+15.0%

- ✓ Over 1100 CT scans were performed outside of WLMH in 2019/20. This number has risen by approximately 100 each year since 2014/15 and continues to rise. Without a CT scan operating in WLMH those numbers would need to be absorbed somewhere.
- ✓ Wait times across the Niagara and the surrounding areas of Ontario West region for adults range from 10 to 97 days for non-urgent CT scans.
- ✓ Mammography services are a part of the Ontario Breast Screening Program and the total yearly volume is between 2,500 and 3,000 residents from the Niagara Region. Wait times would be dramatically increased at other locations if WLMH did not provide this service.

EMERGENCY SERVICES

WLMH's new building will have emergency services that are designed to support the highest standard of care within a safe and efficient environment. Emergency services at WLMH are expected to grow over the next five years, particularly in the 60 plus age group.

Emergency Services at WLMH diagnose and treat patients presenting with urgent or emergent health issues without a scheduled appointment.

WLMH works with paramedics of the Niagara Emergency Medical Services who also support a broader network of Public Health Programs in the Niagara Region.

IMPORTANT STATISTICS & PROJECTIONS FOR EMERGENCY SERVICES

- ✓ On average, 83 % of patients served in Emergency Services at WLMH are residents of the Niagara Region.
- ✓ In 2018/19 there were 19,544 emergency visits.
- ✓ Niagara Region EMS (Emergency Medical Service) experience high patient off load delays at the St. Catharines hospital site and WLMH has lessened the impact with this challenge. An EMS paramedic cannot leave a patient until the patient is admitted; this is referred to as an off load delay. Ultimately, this can take many hours away from their service in the community and be costly to the healthcare system. Volumes of EMS service and off load delays would be available from the Niagara Region.

SURGICAL SERVICES

The new WLMH will enable an increase in the number of surgical and other procedures for Niagara residents. Three operating rooms and a procedure room will double the amount of care provided on site, offering more people with new surgical procedures. This includes general surgery, orthopedics, otolaryngology, dental, plastics, and gynecological surgery, including scheduled and emergency caesarean-sections. The procedure room will accommodate endoscopy procedures.

IMPORTANT STATISTICS & PROJECTIONS FOR SURGICAL SERVICES

Historical and Projected Workload					
Services	2014/15	2017/18	2018/19	2024/25	2018 to 2025 Differential
Inpatient	637	523	408	443	+8.5%
Outpatient (compared 2017/18 to 2025)	2,985	2,404	765	3,894	+61.9%
Endoscopy (compared 2017/18 to 2025)	2,210	1,632	166	2,200	+34.8%
Totals	5,832	4,559	1,339	6,537	+43.3%

INPATIENT SERVICES

WLMH provides inpatient services to the residents of the Niagara Region. Inpatient care units monitor and provide acute care to patients diagnosed with a range of medical conditions. The clinical team also provides inpatient post-operative care for gynecological surgery patients.

As part of these services, the Complex Continuing Care Unit delivers palliative care and low intensity rehabilitation to patients with organic physical and cognitive deterioration due to medical conditions or their age. The new building will create a caring environment that is senior friendly in design.

IMPORTANT STATISTICS & PROJECTIONS FOR INPATIENT SERVICES

Historical and Projected Workload					
Inpatient Discharges	2014/15	2017/18	2018/19	2024/25	2018 to 2025 Differential
Adult Medical	1,581	1,682	1,595	1,845	+15.6%
Adult Surgical	361	308	293	318	+8.5%
Complex Continuing Care	61	81	130	154	+18.4%
Newborn and Neonate	938	749	717	760	+5.9%
Obstetrics Total	981	790	753	833	+10.6%
Totals	3,922	3,610	3,488	3,910	+12.00%

- ✓ Projections indicate an increase of inpatient beds from 49 to 61 by 2024/25.
- ✓ On average, 85 % of patients utilizing inpatient services at WLMH are residents of the Niagara Region.
- ✓ On average, a 12 % growth projection is anticipated for inpatient services by 2024/25.

AMBULATORY CARE CENTRE (OUTPATIENT SERVICES)

WLMH will expand the provision of outpatient services for the Niagara Region within a flexible ambulatory care space. Expanded ambulatory care services will accommodate a wide variety of outpatient services including the following:

- Older adults in the Niagara Region will have access to increased care close to home in the hospital facility which will be designed to meet the specific needs of an aging population, and offering a wide variety of specialty clinics for access to consultations with medical experts, including General Internal Medicine and Geriatric Assessment Clinics.

- The Niagara West Palliative Care Team will provide consultation and support to local family physicians for hospitalized patients as well as patients in the community who are experience life limiting illnesses. This model of palliative care alleviates the overall health care system in the Region while supporting the individual's wishes for end of life care. This model of care also provides a training and educational avenue for family physicians. Everyone is trained to provide care at home and do their best to keep intervention needed through hospital services or other types of services.
- There will be a Colposcopy Clinic to provide consult examination services as well as diagnostic procedures for referred patients with an abnormal screen test or other observed abnormalities, following Cancer Care Ontario Guidelines.
- A Pre-Operative Clinic will complete pre-surgical assessments of WLMH surgical patients in advance of their upcoming scheduled surgery.
- The Medical Day Care Area will provide space for Intravenous therapies, pain management procedures, injections, and transfusions.
- As many Niagara residents travel for consults to other hospital sites, the Centre will be hosting visiting specialists to provide care closer to home. This patient population will be served on a weekly basis.
- The Community Mental Health Clinic typically sees patients referred to the clinic from the community seeking consultation and/or assessment by a clinician in conjunction with one of the psychiatrists. WLMH is a leading mental health care provider in Exposure and Response Prevention for Obsessive Compulsive Disorder which is the gold standard in treatment for this disorder. We understand WLMH to be the only provider in Niagara for this type of treatment. The West Niagara Mental Health Team at WLMH provides assessment, consultation, and treatment services for outpatients 14 years of age or older who are experiencing mental health problems. The new Centre will also be home to sub-specialized services including the Community Mental Health Addiction Services for youth and adults, Early Psychosis Intervention and Early Intervention for Transitional Age Youth.
- Partnerships and referrals for services occur within a variety of health care services including the following from the Niagara Region:
 - As it relates to medical/surgery services: Patient flow between the Niagara Health System and WLMH provides an avenue for patients to be supported closer to home.
 - As it relates to mental health services: Referrals and support occur between the Ministry of Children and Youth Services, Community Addiction Services of Niagara, Gillian's Place Women's Shelter, Grimsby Benevolent Fund Services, Oak Centre Club House and Public Health.

IMPORTANT STATISTICS & PROJECTIONS FOR AMBULATORY CARE CENTRE

Historical and Projected Workload					
Service	2014/15	2017/18	2018/19	2024/25	2018 to 2025 Differential
Palliative	10,218	10,866	13,581	15,736	+15.8%
Medical/Surgical	1,188	2,555	4,288	26,988	+629.38%
Mental Health	5,159	6,517	8,018	9,794	+22.1%

- ✓ The mental health services provided to the Niagara Region at WLMH have grown by approximately 23 % per year since 2014/15 with new investment in services supported by HNHB LHIN.
- ✓ Between 2017/18 and 2018/19 there was a 24 % increase in palliative care services at WLMH provided to patients in the Niagara Region.
- ✓ Greater detail regarding the tracking of mental health care is not available due to essential privacy protocols that are in place to prohibit the sharing of data.

EDUCATION SERVICES

WLMH is one of the teaching sites for the Niagara Regional Campus of McMaster University's Michael G. DeGroote School of Medicine, supporting the medical training of undergraduate MD students and postgraduate resident physicians. The medical teaching program embedded at WLMH enhances the opportunity to train, recruit, and retain physicians locally in the Niagara Region. Maintaining the investment in medical education in Niagara is a highly effective and cost-efficient opportunity to help assure the availability of high-quality primary care and specialist care physicians for the citizens of Niagara. This program enables a highly skilled and sustainable health service workforce for decades to come.

WLMH also partners with Brock University and Niagara College to provide their nursing programs with opportunities for training and experience.

The Centre will offer educational placements for ultrasound and CT students, residents/fellows, and diagnostic service technologists. At any one time, there may be two to three students/trainees in the Centre.

IMPORTANT STATISTICS & PROJECTIONS FOR EDUCATION SERVICES

- ✓ WLMH on average serves 80 plus on site hospital learners for the Niagara Region on an annual basis.
- ✓ 18 % of all undergraduate students who have completed their studies return to practice in the Niagara Region.
- ✓ 52 % of all family medicine residency graduates set up practice in the Niagara Region.
- ✓ 90 % of all family medicine graduates that practice in Niagara are also appointed faculty at the Niagara Regional Campus of McMaster University's Michael G. DeGroote School of Medicine.

MATERNAL NEWBORN SERVICES

WLMH Maternal Newborn Services will provide high quality low risk birthing and obstetrical care to the Niagara Region. The team providing care includes obstetricians, family physicians, midwives, and nursing staff who support patients through pregnancy, birth, and the initial post-partum period. The new hospital will continue the tradition of a well regarded birthing experience for families.

IMPORTANT STATISTICS & PROJECTIONS FOR MATERNAL NEWBORN UNIT

Historical and Projected Workload					
Cases	2014/15	2017/18	2018/19	2024/25	2018 to 2025 Differential
Adult Surgical	361	308	293	318	+8.5%
Newborn and Neonate	938	749	717	760	+5.9%
Obstetrics - Vaginal Birth	686	551	545	603	+10.6%
Obstetrics - C-Section	238	181	151	167	+10.5%
Obstetrics - Other	57	58	57	63	+10.5%
Totals	2,280	1,847	1,763	1,911	+8.3%

- ✓ The five year average of patient volume for obstetrical care at WLMH indicated that 40 % of patients are from outside of West Niagara, and live in the Niagara Region.
- ✓ Growth projections anticipate a total of over 1,600 patients (800 mothers and 800 infants) annually by 2024/25.

WLMH AND THE INTEGRATION OF HEALTH CARE IN THE NIAGARA REGION

WLMH plays an integral role in the Ontario Health West region which also includes the Niagara Health System. Quality patient outcomes depend on a well integrated regionalized system. Health care in Ontario does not work in a silo system and each hospital relies upon the other. The integration of health care in Niagara is evidenced in the following ways:

- Geographic boundaries are being removed to create new opportunities for care that are centered on patients, families, and care-givers, no matter where they live in the Region. Patients in the Region with less complex healthcare needs have the benefit of accessing services offered at WLMH, allowing Niagara Health Services to focus on complex, acute care and specialty care.
- On average, over 36,000 residents of the Niagara Region receive healthcare from hospitals in Hamilton-Wentworth annually for inpatient, emergency department and same day surgery services. Conversely, approximately 4,000 residents of Hamilton-Wentworth receive healthcare from hospitals in the Niagara Region for the same services.
- On average, 1,400 patients from the Niagara Region receive tertiary health care from the hospitals of Hamilton Health Sciences annually.
- Repatriation and transfers of patients between hospitals have been a long standing support practice, to bring patients to the hospital closest to home. Repatriation occurs when patients who were in need of higher acuity or specialized care in other hospitals are now at a level of care that does not require more intensive services; and so they are ready to return closer to home. These patients are usually in need of further rehabilitation and discharge planning, thus creating capacity at other hospitals for patients who require higher acuity services or other patients from their catchment area.

REQUEST FOR SUPPORT

West Lincoln Memorial Hospital Foundation, along with the supporting municipalities of Grimsby, Lincoln, and West Lincoln respectfully request the support of its regional government the Niagara Region to assist in funding with \$14 million towards the local share of \$60 million. This contribution will support regional health care in Niagara as demonstrated throughout this document.

We hope that as part of your consideration of funding the new hospital you will review the information within this proposal as well as consider the following factors:

- Current population density within West Niagara as compared to the rest of the Region
- Current and projected assessment base of West Niagara and the contribution made to the Region
- Future population density within West Niagara compared to the rest of the Region
- Required infrastructure for projects of this nature may already be existing and therefore not impact the Regional budget; including the maintenance of said infrastructure

- Deer Park Villa, a Niagara Region long term care facility located on the WLMH property, has benefited from a rent-free tenancy since the transfer of ownership in 2003 to the Niagara Region. Deer Park Villa sits on 6.42 acres or approximately 50 % of the hospital site lands.
- Property development impacts for the Regional budget including both residential and commercial

Overall, your support will enable us to be the best community of healthcare to the residents of Niagara and we thank you for your consideration in partnering with us.

Enclosures – see Appendix A

1. Letter from Lynn Guerriero, President and Dr. Thomas Stewart, CEO of Niagara Health
2. Letter from Dr. Denise Marshall, Medical Director, Niagara West Palliative Care Team and McNally Hospice, Professor of Palliative Medicine, Faculty of Health Sciences, McMaster University
3. Letter from Dr. Amanda Bell, Regional Assistant Dean of McMaster University, Michael G. DeGroote School of Medicine Niagara Regional Campus
4. Letter from Dr. Matthew Noble Wohlgemut, Family Physician

MEMORANDUM

CSC-C 22-2020

Subject: COVID-19 Response and Business Continuity in Corporate Services
Date: November 9, 2020
To: Corporate Services Committee
From: Todd Harrison, Commissioner of Corporate Services and Regional Treasurer

Corporate Services delivers efficient and innovative service excellence to external and internal customers in an integrated and timely manner.

During this pandemic, our staff have continued this support function for core businesses within our group and for operating departments. In addition, Corporate Services has provided critical support to the Emergency Operations Committee (EOC).

The following provides an overview of activity that has taken place and a projection of expected service delivery moving forward:

CONSTRUCTION, ENERGY AND FACILITIES MANAGEMENT (CE&FM)

The CE&FM group is divided into two main groups, Construction and Facilities Management. This team continues to be an essential component of the Region's EOC.

Some of the functions performed in this capacity are:

- Maintaining Vine Portal for EOC supply chain requests allowing for increased efficiencies and tracking of delivery;
- Coordinating the sourcing of essential supplies in collaboration with other departments;
- Continuing Operations and Maintenance of all opened facilities including enhanced cleaning protocols to ensure safe working environment for essential staff not working from home;

- Coordinating emergency procurements of PPE and other supplies that are critical to business continuity for essential services;
- Coordinating shipping/receiving and securement of critical supply needs;
- Providing dedicated and secured storage areas to assist LTC pandemic supply requirements;
- Upgrading facilities with social distancing barriers, protective screens;
- Responding to internal client needs for changes in normal operations, special moves and health & safety concerns;
- Providing enhanced security monitoring of sites with reduced and or no staff on site; and
- Redeployment of CE&FM staff to support REOC and facilities operations.

Operational Outlook

1/3/6 months

Construction:

- Continue to work with contractors on construction sites for work that resumed as of mid-May.
- For projects not in construction, staff is proceeding with procurement for projects deemed to be critical to proceed.
- Working with OH&S, determining what physical changes are required to re-open Regional office locations to the public.
- Completed installation of glass/plexi barriers at SAEO Niagara Falls, Welland, St. Catharines, Fort Erie, and Port Colborne public waiting areas.
- Working with communications, developed new Region floor decals and signage for physical distancing. Decals are installed at Welland POA Courts, SAEO offices at Niagara Falls, Welland and St. Catherines and partial installation at Niagara Region HQ based on operational need.
- Completed working with dental clinics to review air exchange requirements in order to resume in person appointments.

Cleaning:

- Staff has extended the current enhanced COVID cleaning requirements for facilities managed by CE&FM and EMS stations.
- Renegotiated cleaning contract to extend for another 6 months based on right sizing operations to meet PH guidelines.

- Procured additional cleaning and janitorial supplies to meet divisional and client needs.
- Addressed multiple emergency workplace disinfection requests following positive COVID findings in the workplace.

Supply Chain and Deliveries

- Dedicated staff for delivery and reception of all Region Headquarters deliveries to loading dock to limit personnel entry to Region Headquarters.
- Have met all client and division's support requests for procurement of PPE, hygiene and cleaning supplies.
- Sourced N95, cloth and surgical masks for use by region staff based on operational needs.
- Increasing inventory of critical PPE supplies for fall flu season (including anticipation of second wave).

Building Security

- Continue to monitor security and facility access control systems to meet program delivery needs.
- Continue to keep all Region sites functional, safe and secure for eventual return to normal operations.

Non-essential maintenance and repair work

With opening up of maintenance and repair work by the Province in early May, continue with critical maintenance repair work and services and any other work required for the efficient building operations.

FINANCIAL MANAGEMENT AND PLANNING (FMP)

Current Status of Operations

As indicated, all of the Corporate Services Departments continue to deliver core services while at the same time perform a significant number of duties to support the Regional EOC.

FMP staff have continued to support core business functions during the pandemic. Some highlights of these actions include:

- Complete the 2019 year end audit;
- Submission to the Province of the 2019 Financial Information Return;
- Publication of the 2019 Annual Report;
- Develop 2020 tax bylaws and provide required necessary report and bylaws;
- Work with Public Works to update financial implications of SNF water treatment plant for inclusion in the 2021 budget;
- Publication of the 2020 Budget Summary;
- 2021 budget planning and preparations;
- Successful sale of \$34 million in serial debentures (\$15.5 million Regional) on July 31 at all time historical low interest rate of 1.43% for 10 years;
- Preparation of 2021 Capital and Operating Budgets timetables and planning report for Council and establishing strategies for budget preparation;
- Reported to Council on the second quarter financial results and year end forecast;
- Completion of Service Sustainability Review project and reporting to Council; and
- Update of Standard and Poors credit rating, reaffirming the Region's AA stable credit rating.

Additionally, FMP has a main role in the Region's EOC as part of the Finance and Administration Unit. Highlights include:

- Development and implementation of procedures for cost reporting and tracking;
- Coordination and collaboration with municipal treasurers of assumptions and information for consolidated financial impact information for advocacy to provincial and federal governments;
- Review of Regional capital projects in light of provincial legislative essential construction business and Regional capacity to complete;

- Implementation of on-line/credit card payments for services such as business licenses, garbage bag tags including direct sales to residents, planning and transportation permits, long term accommodations, etc.;
- Support HR in development of cost tracking system to facilitate staff redeployment to essential services in pandemic including ongoing update of EOC costing assumptions;
- Support HR in establishing process to administer pandemic pay. Finance is leading completion of significant additional reporting requirements for various different Ministry;
- Extensive cash flow and collections analysis and planning in conjunction with local municipalities;
- Analysis and reporting related to Council motion to consider deferral of 2020 water/wastewater budget increases;
- Preparation of COVID-19 recovery planning documentation and consolidation of corporate plan; and
- Complying with reporting requirements for \$12.8 million in provincial Safe Restart funding and submission of application for funding of Phase 2 funding along with the completion of additional COVID-19 extraordinary cost claims and reports to various Ministry.

Operational Outlook

1/3/6 months

- Managing Local Area Municipality receivable and payables in accordance with CSD 31-2020.
- Improvements to Cash Flow model tools and processes to support ongoing operations and cash flow implications of municipal COVID concessions.
- Ongoing COVID financial analysis and weekly/monthly impact and cash flow reporting to Council with updates for items impacting 2021 budget to be added.
- Third quarter financial reporting to Council in accordance with policies.
- Ongoing financial reporting submissions for pandemic pay and COVID-19 extraordinary cost claims including Phase 2 of Safe Restart due November 6.
- Supporting the 2021 Capital and Operating Budgets preparation including establishing new processes to integrate Capital Asset Management Resource Allocation model integration with Capital Financing Strategy.

- Supporting GO implementation, Niagara Regional Transit Governance, Canada Summer Games, Airport Master Plan RFP, sponsorship revenue, Asset Management Planning.
- Securing HST advisory services to minimize HST impacts on Canada Summer Games construction costs.
- Creation of Development Charge Bylaws RFP and new Development Charge Policy regarding payment instalment options and related interest.
- Financial and implementation analysis for HRIS support and alternative models.
- Coordinating debenture issuances with infrastructure Ontario for Region and Area Municipalities.
- PeopleSoft configuration changes to report to Council on sole source procurements in excess of \$100,000.

PROCUREMENT AND STRATEGIC ACQUISITIONS (PSA)

Current Status of Operations

Similar to other departments within Corporate Services, PSA staff have delivered by supporting core business functions while taking on additional projects to support the Region's EOC.

Highlights of activity during the operational period includes:

- Facilitating new and ongoing procurements culminating in award;
- Realty related works for inflight projects, leases and licenses;
- PeopleSoft Change PO's, Supplier and PCard administration;
- Sourcing critical PPE and supplies needed for the EOC response to the pandemic; and
- Preparation of Covid-19 recovery planning documentation.

Operational Outlook

1/3/6 months

The Region's review of essential projects both capital and operational has resulted in a prioritization of formal procurements moving forward. This will continue throughout the pandemic and afterwards.

INFORMATION TECHNOLOGY SERVICES (ITS)

Current Status of Operations

Similar to other departments within Corporate Services, ITS staff have delivered by supporting core business functions while taking on additional established projects to support the Region's EOC.

Highlights of initiatives completed during the pandemic include the following:

- Support for onboarding the 2 new WM collection contractors - modifications and enhancements to various applications were required to support this initiative.
- Implemented a public facing website with automation of the application process for qualification of Specialized Transit services offered by Niagara Region.
- Modifications to EMS Tools to adhere to recently revised Ministry of Health regulations for Incident reporting.
- Modifications to HSMS (Hauled Sewage Management System) for WWW to enable GIS/mapping services connectivity, data capture for Source locations, enhance search capabilities, enhance filtering capabilities and usability.
- Modifications to various web applications to support the AODA 2021 compliance regulations.
- Security enhancements to ChildCare EReg to further safeguard sensitive data.
- FOI Application upgrade to stay current with security and functionality offered by the vendor.
- Produced a LAM specific visualized Power BI COVID report for public health resources to deliver weekly to each Mayor and CAO and other requested senior staff
- Assisted the City of Thorold by producing economic development maps to be used with prospective clients/developers for the City. Five different maps were produced in total.
- Produced a data solution for school outbreak COVID reporting in the EOC (both EOC's)
- Begun working towards implementing a long term data solution for public health COVID information and contact tracing.

Operational Outlook

1/3/6 months

- Continued support for COVID-19 initiatives while supporting and enabling staff to work from home. Prior to COVID-19 daily average for the number of remote connections was approximately 90 users, current daily average is 1270 users.
- Ongoing updates to the screening questions used by EMS in their tool 'EMS Tools'
- Ongoing COVID-19 data analytics including internal operations supports and external data visualizations - Launched enhanced stats on external website including municipal breakdown.
- Implemented technology and processes to accommodate electronic public participation in Council and Committee meetings.
- Went live with the "Homelessness Reporter" for Community Services that will allow staff to track and monitor homeless in Niagara.
- Automated Public Health EOC status report for daily briefing and Ministry submission.

LEGAL SERVICES

Current Status of Operations

As indicated, all of the Corporate Services Departments continue to deliver core services while at the same time perform a significant number of duties to support the Regional EOC.

The Legal team provides a key role in the Region's EOC. The team provides ongoing support and advice in particular related to the interpretation and implementation of new provincial legislation and Emergency Orders that have been issued throughout the pandemic. Highlights of advice provided in this regard:

- Advice and legal support related to the development and implementation of the Region's face covering by-law;
- Advice related to impact of emergency orders on construction to ensure the continuation of essential Regional capital projects and help minimize pandemic-related project costs and disruptions;

- Risk management advice on building screening and security issues; and
- Advice related to recovery planning/reopening of Regional facilities.

Operational Outlook

1/3/6 months

The Legal team continues to provide advice and support to operational departments on core business activities, including risk management and insurance advice and litigation support. The team also continues to provide additional support for REOC and COVID-19 related matters as required, with the majority of the team working remotely.

COURT SERVICES

Current Status of Operations

The Court Services team is overseen by the Region's legal department on behalf of the joint board of management, between the Region and area municipalities.

Highlights of operational changes to Court Services:

- Facility reopened to the public effective September 14, 2020 for counter service only. Remote service continues to be leveraged wherever possible.
- Direction from the Ministry of the Attorney General has been received indicating that all in-person matters have been adjourned to at least January 25, 2021.
- Since July 6, judicial pre-trial matters and early resolution guilty pleas have been conducted remotely where eligible, before a Justice of the Peace via audio conference.
- Commencing October 19, 2020 all non-trial remote matters will be conducted remotely where eligible, before a Justice of the Peace via audio conference.
- Amendments to the Provincial Offences Act made pursuant to Bill 197, the COVID-19 Economic Recovery Act, 2020, received Royal Assent came into effect July 21, 2020. These amendments will enable Court Services, in

consultation with the judiciary, to make greater use of technology to deliver justice services remotely. These updates include:

- Allowing defendants to request a trial, in early resolution courts and in first attendance municipalities that administer parking, by mail or other electronic method permitted by the court house;
 - Allowing defendants and prosecutors to conduct early resolution discussions remotely in all cases; and
 - Allowing any participant, including a clerk of the court, witness, judge, or justice of the peace, to attend any proceeding remotely by audio or video, unless the presiding judicial official orders otherwise.
- Court services is well equipped to deliver these services remotely, and has begun to do so, based on extensive preparation for remote matters in addition to the modern technology available onsite at the courthouse facility. Further guidance is pending from MAG regarding electronic protocols to enable further transition to remote proceedings.
 - Continued collaboration with Facilities and Corporate Health & Safety to prepare for resumption of in-person court matters, utilizing the Recovery Secretariat Guidelines which have been provided by the MAG.

Operational Outlook

1/3/6 months

Continue to provide customer service support remotely wherever possible, and in-person via counter service where required. Continue to conduct eligible remote court matters electronically while awaiting resumption of in-person court proceedings.

ASSET MANAGEMENT OFFICE

Current Status of Operations

AMO staff continue to support core business functions during the pandemic. Some highlights of these actions include:

- Planning and leading the development and submission to the Province of the 2021 Asset Management Plan in accordance with Reg 588.
- Initiated development of a corporate Asset Registry focusing on the asset hierarchy to support the 2021 AMP.
- Continuing development of the Region's Enterprise Risk Management Framework.

AMO has redeployed 2 of 5 staff to support the Regional response to Covid-19.

The recruitment process for 2 of the 5 staff vacancies has been completed.

Projects to improve the Region's Asset Management System (AMS) require participation and collaboration from staff across the organization. Given the impact of COVID-19 on divisional plans and resources, the ability of Region staff to focus time on the AMS projects is limited and will have further impact on the schedule of 2020 projects. A schedule assessment indicates the majority of planned 2020 projects are now delayed while some are on hold due to the previous staffing levels.

AMO staffing issues – vacancies and redeployment – have been resolved or will be soon. This will permit more of the planned improvement projects to start and completed. However, there will be an impact to the overall 5-year plan. This impact will be evaluated and addressed over the next two to four months.

Operational Outlook

1/3/6 months

The Asset Management System development projects that are underway (Priority 0) and those planned in the coming months (Priority 1) are tabled below. These projects are directly related to the requirements of the 2021 Asset Management Plan.

Table 1: Asset Management System development projects

Priority	Service availability by Phase	Current status	
		Project	
0	PNM	Delayed	Region AM delivery structure ID 112
0	PNM	Delayed	AM program foundations ID 430
0	PNM	Pilot completed	CAMRA - Risk Management Framework ID 248
0	M	Delayed	Develop data analytics capabilities- Microsoft BI ID 530
0	PNM	Delayed	Develop AM performance management KPIs ID 410
0	PNM	Inaugural meeting set 13 Nov	Niagara Region AM working group ID 512
0	PNM	Initiated	Process for preparing the AM Plan ID 210
1	PNM	Delayed	Capital planning process ID 262
1	PNM	Initiated	Enterprise Risk Management Framework ID 249
1	PNM	Initiated	Develop Asset Registry - hierarchy and relationships ID 242
1	C	On hold pending resource evaluation	Project Resource Estimating - cost model ID 310
1	PNM	Pending ID 210	2021 AMP ID 630

Notes: PNM: No changes but delivered differently - e.g. working remotely

C: Cancelled pending redeployed/ staff vacancies and resource evaluation

Other planned 2020 projects not tabled above, and that have only an indirect bearing on the 2021 Asset Management Plan, or are related to supporting Niagara's local municipalities are also on hold until staffing issues have been resolved.

BUSINESS LICENSING

Current Status of Operations

Similar to the other departments in Corporate Services, the Business Licensing unit has continued to operate with core service delivery as well as play a role in the Region's EOC. These activities are identified separately.

Business License

- Continuance of processing, and issuance of business licenses including fee payments and response to enforcement and inspection requirements.
- Developing office protocols for streamlined business licensing processes under COVID-19 restrictions.
- Investigating permanent eCommerce licensing sales and software database updates.

Provincial Order Enforcement

The provincial government requires continued enforcement of provincial orders by municipalities. Business Licensing staff maintain availability for active enforcement and inspection measures for the orders and provide support to local municipalities and Niagara Regional Police.

- 3 staff have been re-assigned to enforce the Provincial Orders and beginning October 18, 2020 are providing 7 day a week coverage from 10:30 am to 8:30 pm. Staff remain assigned to this until further notice or when the orders and state of emergency are lifted. Hours of operation and days of service are assessed weekly and will be adjusted to meet demands and pressures.
- Staff respond to Provincial Order and Regional Face Covering By-law complaints to assist the local response and also conduct random compliance inspections. Staff also continue to ensure Region licensed businesses are following order requirements and adherence to the Regional Licensing Bylaw.
- Provincial Order enforcement, including education, for the Re-opening Ontario Act.
- Regional Face Covering By-law enforcement including education.

Operational Outlook

1/3/6 months

The Regional Enforcement Manager will continue to work in cooperation with local municipalities, NRPS and other Regional departments in a coordinated approach to enforcement of Provincial Orders and Regional Face Covering Bylaw until the pandemic eases.

The business license bylaw review is ongoing and will come before Council in December of 2020.

INTERNAL AUDIT

Current Status of Operations

Internal Audit recently completed an RFP for audit consulting services to review all non-competitive purchasing activity. This should be completed in the Q4 with a report coming to Audit Committee in late 2020 or early 2021.

Internal Audit is working with client groups and consulting with several jurisdictions to scope out cyber security and IT related audits to commence in the new year. Internal Audit is also updating the Management Action Plan report to be presented at the December Audit Committee meeting.

Operational Outlook

1/3/6 months

As part of a more comprehensive operational strategy for the internal audit function a draft audit plan will be developed and presented to Audit Committee in the new year which will include a succinct risk assessment to identify and prioritize future audits for the next 2-3 years.

Internal Audit will present the results of the non-competitive procurement and commence work on the BioSolids value for money audit within the next 2-4 months.

Respectfully submitted and signed by

Todd Harrison, CPA, CMA
Commissioner of Corporate Services and
Regional Treasurer

Minute Item No. 3.3

Public Meeting – Reports and Correspondence (For Information Only)

That Report PDS 30-2020, dated November 9, 2020, respecting Statutory Public Meeting for Regional Official Plan Amendment (ROPA) 17 – Glendale District Plan, **BE RECEIVED** and **BE CIRCULATED** to the Town of Niagara-on-the-Lake and the City of St. Catharines; and

That the following correspondence items **BE RECEIVED** and **REFERRED** to the preparation of the final report on Regional Official Plan Amendment 17:

PDS-C 24-2020

Memorandum from Kirsten McCauley, Senior Planner – Secondary Plans, dated November 9, 2020, respecting Correspondence received for Regional Official Plan Amendment 17 – Glendale District Plan

PDS-C 26-2020

An email from G. Stratford, resident, Town of Niagara-on-the-Lake, dated November 6, 2020, respecting Regional Official Plan Amendment (ROPA) No. 17 – Glendale District Plan.

Minute Item No. 7.5

PDS-C 14-2020

Niagara Biennial Design Awards: Update and Announcement of Award Winners

That Correspondence Item PDS-C 14-2020, being a memorandum from Julia van der Laan de Vries, Urban Designer, dated November 9, 2020, respecting Niagara Biennial Design Awards - Update and Announcement of Award Winners, **BE RECEIVED** for information.

Minute Item No. 6.1

PDS 25-2020

Woodland Conservation By-law, Agricultural Policy and Action Committee

That Report PDS 25-2020, dated November 9, 2020, respecting Woodland Conservation By-law, Agricultural Policy and Action Committee, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That staff **CIRCULATE** a copy of Report PDS 25-2020 and the new Niagara Region Woodland Conservation By-law No. 2020-79 to the Agricultural Policy and Action Committee (APAC); and
2. That the Agricultural Policy and Action Committee **INCLUDE** the Woodland Conservation By-law as a standing item to its quarterly meetings.

Minute Item No. 7.1

PDS-C 23-2020

COVID-19 Response and Business Continuity in Planning and Development Services

That Correspondence Item PDS-C 23-2020, being a memorandum from R. Mostacci, Commissioner, Planning and Development Services, dated November 9, 2020, respecting COVID-19 Response and Business Continuity in Planning and Development, **BE RECEIVED** for information.

Minute Item No. 7.2

ED 14-2020

COVID-19 Response and Business Continuity in Economic Development

That Correspondence Item ED 14-2020, being a memorandum from V. Kuhns, Acting Director, Economic Development, dated November 9, 2020, respecting COVID-19 Response and Business Continuity in Economic Development, **BE RECEIVED** for information.

Minute Item No. 7.3

ED 16-2020

Niagara Economic Update

That Report ED 16-2020, dated November 9, 2020, respecting Niagara Economic Update, **BE RECEIVED** for information.

Minute Item 7.0

Consent Items for Information

That the following items **BE RECEIVED** for information:

ED 15-2020

Economic Recovery Plan Update 2

PDS-C 27-2020

Woodlands Conservation By-law Advisory Committee Considerations

Minute Item 7.6
PDS 32-2020
Miller's Creek Marina

That Report PDS 32-2020, dated November 9, 2020, respecting Miller's Creek Marina,
BE RECEIVED for information.

Minute Item 7.7
PDS-C 25-2020

Woodland Tree Bylaw and Its Impact on Natural Heritage and Water Resource System
Planning

**THE REGIONAL MUNICIPALITY OF NIAGARA
PLANNING & ECONOMIC DEVELOPMENT COMMITTEE
MINUTES**

**PEDC 9-2020
Monday, November 9, 2020
Council Chamber / Video Conference
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee Members Huson (Committee Chair)
Present in the Council
Chamber:

Committee Members Bradley (Regional Chair), Butters, Bylsma, Campion, Dart
Present via Video (Committee Vice-Chair), Easton, Fertich, Foster, Greenwood,
Conference: Heit, Redekop, Rigby, Sendzik, Ugulini, Witteveen, Zalepa

Other Councillors Disero
Present via Video
Conference:

Absent/Regrets: Bellows, Junkin

Staff Present in the E. Fabiani, Technology Support Analyst, Doug Giles, Acting
Council Chamber: Commissioner, Planning and Economic Development, V. Kuhns,
 Acting Director, Economic Development, A.-M. Norio, Regional
 Clerk, R. Tripp, Acting Chief Administrative Officer

Staff Present via E. Acs, Manager, Community Planning, K. Ahmad, Manager,
Video Conference: Urban Design, I. Banach, Acting Director, Community & Long
 Range Planning, P. Busnello, Manager, Development Planning,
 P. D'Souza, Legal Counsel, D. Heyworth, Official Plan Policy
 Consultant, P. Lambert, Director, Infrastructure Planning &
 Development Engineering, C. Lampman, Manager,
 Environmental Planning, B. Landry, Manager, Economic
 Research and Analysis, K. Provost, Manager, Strategic
 Economic Development, M. Trennum, Deputy Regional Clerk, J.
 van der Laan de Vries, Urban Designer

1. CALL TO ORDER

Committee Chair Huson called the meeting to order at 1:00 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. **STATUTORY PUBLIC MEETING UNDER THE PLANNING ACT**

At 1:03 p.m. Committee Chair Huson called the Statutory Public Meeting under the *Planning Act* to order and stated that the meeting was being held in accordance with Section 17 of the *Planning Act*.

The purpose of the meeting was to receive comments and answer questions from the public regarding proposed Amendment 17 to the Niagara Region Official Plan (Report PDS 30-2020).

The proposed amendment would add policy direction to ensure that future decisions within the Glendale Study Area are consistent with the vision and direction of the Council-endorsed Glendale District Plan.

The Committee Chair stated that any person present on the video conference, or by phone, who wished to make representation on the proposed amendment would be given an opportunity to do so. She additionally advised that written submissions may be placed on a public agenda and become part of the public record. Personal information will be collected and maintained for the purpose of creating a record and may be available to the general public pursuant to the *Municipal Act*, the *Municipal Freedom of Information and Privacy Act*, and any other relevant Acts.

3.1 **Presentations**

3.1.1 Overview of the Application

Kirsten McCauley, Senior Planner, Secondary Plans, provided information respecting Overview of the Application - Regional Official Plan Amendment (ROPA) 17: Glendale District Plan. Topics of the presentation included:

- Glendale Study Area
- Purpose of ROPA 17
- Glendale Key Directions
- Summary of Next Steps

3.2 **Registered Speakers**

There were no registered speakers.

3.3 Reports and Correspondence (For Information Only)

Moved by Councillor Greenwood
Seconded by Councillor Zalepa

That Report PDS 30-2020, dated November 9, 2020, respecting Statutory Public Meeting for Regional Official Plan Amendment (ROPA) 17 – Glendale District Plan, **BE RECEIVED** and **BE CIRCULATED** to the Town of Niagara-on-the-Lake and the City of St. Catharines; and

That the following correspondence items **BE RECEIVED** and **REFERRED** to the preparation of the final report on Regional Official Plan Amendment 17:

PDS-C 24-2020

Memorandum from Kirsten McCauley, Senior Planner – Secondary Plans, dated November 9, 2020, respecting Correspondence received for Regional Official Plan Amendment 17 – Glendale District Plan

PDS-C 26-2020

An email from G. Stratford, resident, Town of Niagara-on-the-Lake, dated November 6, 2020, respecting Regional Official Plan Amendment (ROPA) No. 17 – Glendale District Plan.

Carried

3.4 Summary and Next Steps

Kirsten McCauley, Senior Planner, Secondary Plans, advised that any comments received would be considered in the preparation of the final report on Regional Official Plan Amendment 18.

3.5 Adjournment of the Statutory Public Meeting under the *Planning Act*

The Committee Chair declared the Statutory Public Meeting under the *Planning Act* adjourned at 1:28 p.m.

There being no objection, Correspondence Item PDS-C 14-2020 (Agenda Item 7.5), respecting Niagara Biennial Design Awards: Update and Announcement of Award Winners, was considered at this time.

7. **CONSENT ITEMS FOR INFORMATION**

7.5 **PDS-C 14-2020**

Niagara Biennial Design Awards: Update and Announcement of Award Winners

Moved by Councillor Heit
Seconded by Councillor Foster

That Correspondence Item PDS-C 14-2020, being a memorandum from Julia van der Laan de Vries, Urban Designer, dated November 9, 2020, respecting Niagara Biennial Design Awards - Update and Announcement of Award Winners, **BE RECEIVED** for information.

Carried

4. **PRESENTATIONS**

There were no presentations.

5. **DELEGATIONS**

There were no delegations.

6. **ITEMS FOR CONSIDERATION**

6.1 **PDS 25-2020**

Woodland Conservation By-law, Agricultural Policy and Action Committee

Moved by Councillor Fertich
Seconded by Councillor Bylsma

That Report PDS 25-2020, dated November 9, 2020, respecting Woodland Conservation By-law, Agricultural Policy and Action Committee, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That staff **CIRCULATE** a copy of Report PDS 25-2020 and the new Niagara Region Woodland Conservation By-law No. 2020-79 to the Agricultural Policy and Action Committee (APAC); and
2. That the Agricultural Policy and Action Committee **INCLUDE** the Woodland Conservation By-law as a standing item to its quarterly meetings.

Carried

7. CONSENT ITEMS FOR INFORMATION

7.1 PDS-C 23-2020

COVID-19 Response and Business Continuity in Planning and Development Services

Moved by Councillor Rigby
Seconded by Councillor Ugulini

That Correspondence Item PDS-C 23-2020, being a memorandum from R. Mostacci, Commissioner, Planning and Development Services, dated November 9, 2020, respecting COVID-19 Response and Business Continuity in Planning and Development, **BE RECEIVED** for information.

Carried

7.2 ED 14-2020

COVID-19 Response and Business Continuity in Economic Development

Moved by Councillor Witteveen
Seconded by Councillor Greenwood

That Correspondence Item ED 14-2020, being a memorandum from V. Kuhns, Acting Director, Economic Development, dated November 9, 2020, respecting COVID-19 Response and Business Continuity in Economic Development, **BE RECEIVED** for information.

Carried

7.3 ED 16-2020

Niagara Economic Update

Blake Landry, Manager, Reporting and Analysis, provided information respecting Niagara Economic Update. Topics of the presentation included:

- Population
- Employment
- Investment in Building Construction
- Building Permit Values
- Business with and without Employees
- Real Gross Domestic Product (GDP)
- International Trade
- Import and Export Growth Rate
- Retail Sales

Moved by Councillor Witteveen
Seconded by Councillor Ugulini

That Report ED 16-2020, dated November 9, 2020, respecting Niagara Economic Update, **BE RECEIVED** for information.

Carried

7. CONSENT ITEMS FOR INFORMATION

Agenda Items 7.6 and 7.8 were considered separately.

Moved by Councillor Easton
Seconded by Councillor Redekop

That the following items **BE RECEIVED** for information:

ED 15-2020

Economic Recovery Plan Update 2

PDS-C 27-2020

Woodlands Conservation By-law Advisory Committee Considerations

Carried

7.6 PDS 32-2020

Miller's Creek Marina

Moved by Councillor Zalepa
Seconded by Councillor Redekop

That Report PDS 32-2020, dated November 9, 2020, respecting Miller's Creek Marina, **BE RECEIVED** for information.

Carried

7.7 PDS-C 25-2020

Woodland Tree Bylaw and Its Impact on Natural Heritage and Water Resource System Planning

Moved by Councillor Butters
Seconded by Councillor Witteveen

That Correspondence Item PDS-C 25-2020, being a letter from concerned groups, dated November 3, 2020, respecting Woodland Tree Bylaw and Its Impact on Natural Heritage and Water Resource System Planning, **BE RECEIVED** for information.

Carried

Councillor Information Request(s):

Ensure the comments respecting natural heritage and water resource system planning outlined in Correspondence Item PDS-C 25-2020 are included in future work on this matter. Councillor Butters.

8. OTHER BUSINESS

There were no items of other business.

9. NEXT MEETING

The next meeting will be held on Wednesday, December 9, 2020, at 1:00 p.m. in the Council Chamber, Regional Headquarters.

10. ADJOURNMENT

There being no further business, the meeting adjourned at 2:43 p.m.

Councillor Huson
Committee Chair

Matthew Trennum
Deputy Regional Clerk

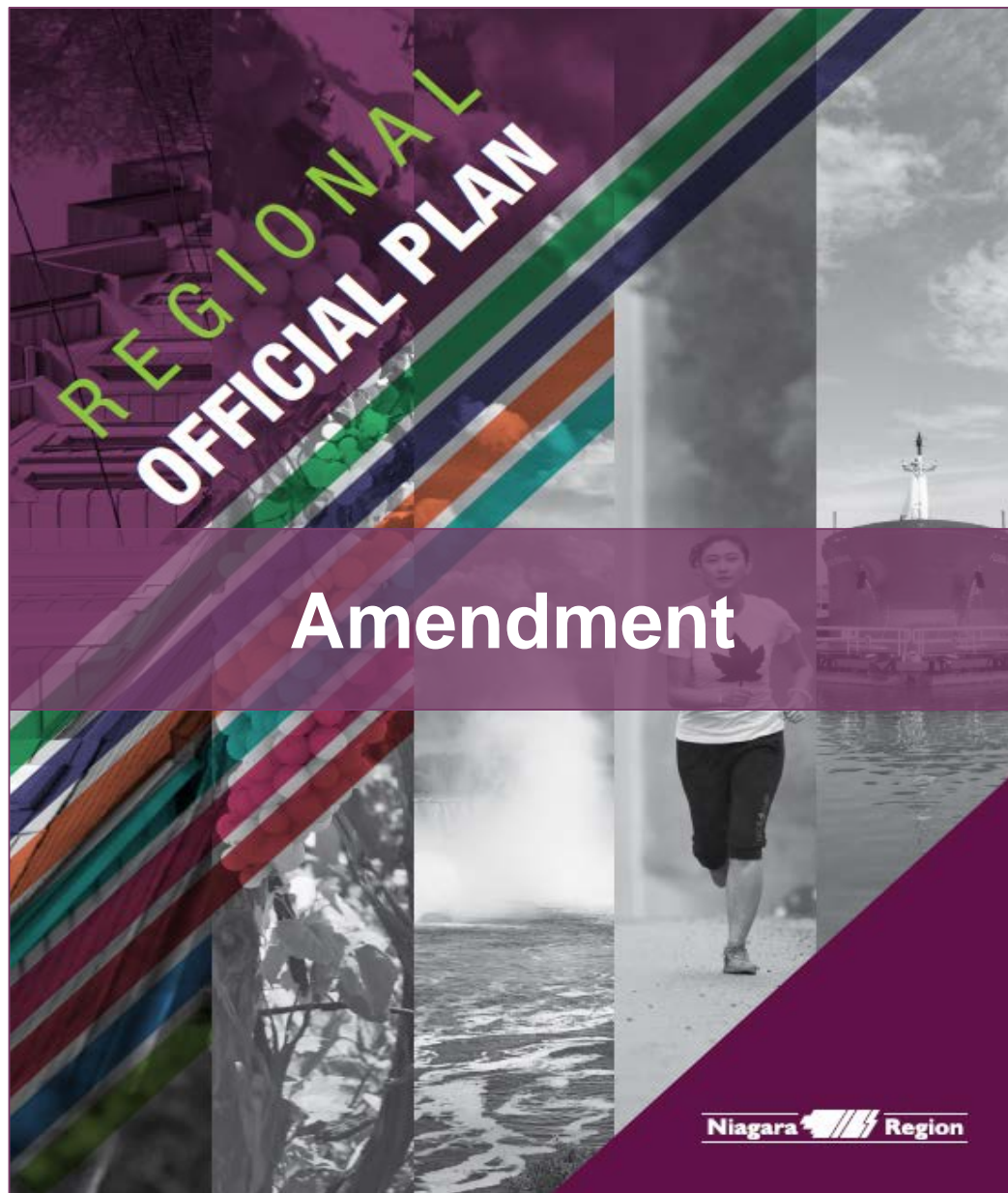
Ann-Marie Norio
Regional Clerk

Statutory Public Meeting ROPA 17 – Glendale District Plan

Planning and Economic Development Committee
PDS 30-2020

November 9, 2020

Kirsten McCauley, Senior Planner – Secondary Plans



Statutory Public Meeting

November 9, 2020

ROPA 17: Glendale District Plan

Presented by:

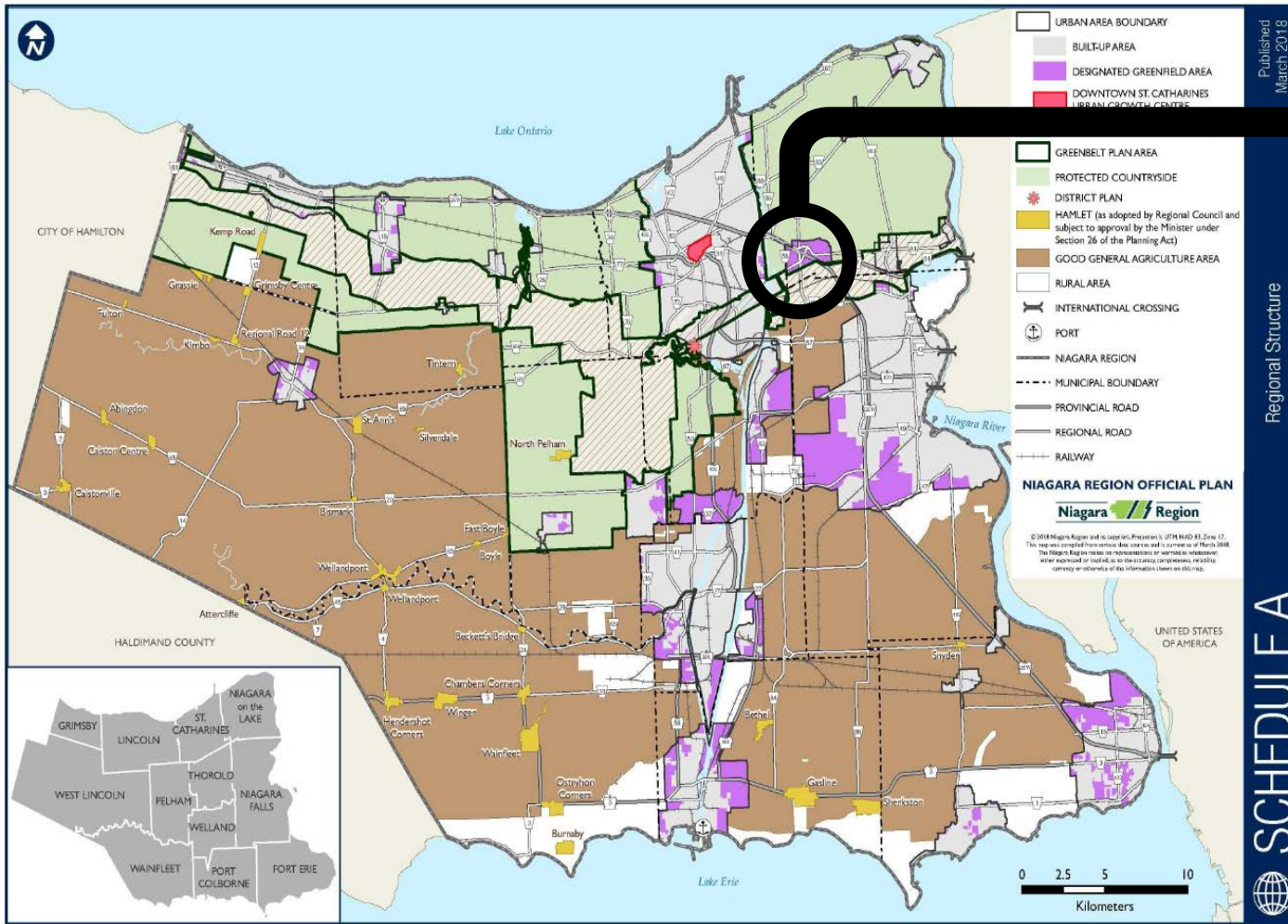
Kirsten McCauley, MCIP, RPP
Senior Planner, Secondary Plans

kirsten.mccauley@niagararegion.ca

Associated report:

PDS 30-2020

Glendale Study Area



Total Study Area:
Approx. 700 ha

Purpose of ROPA 17

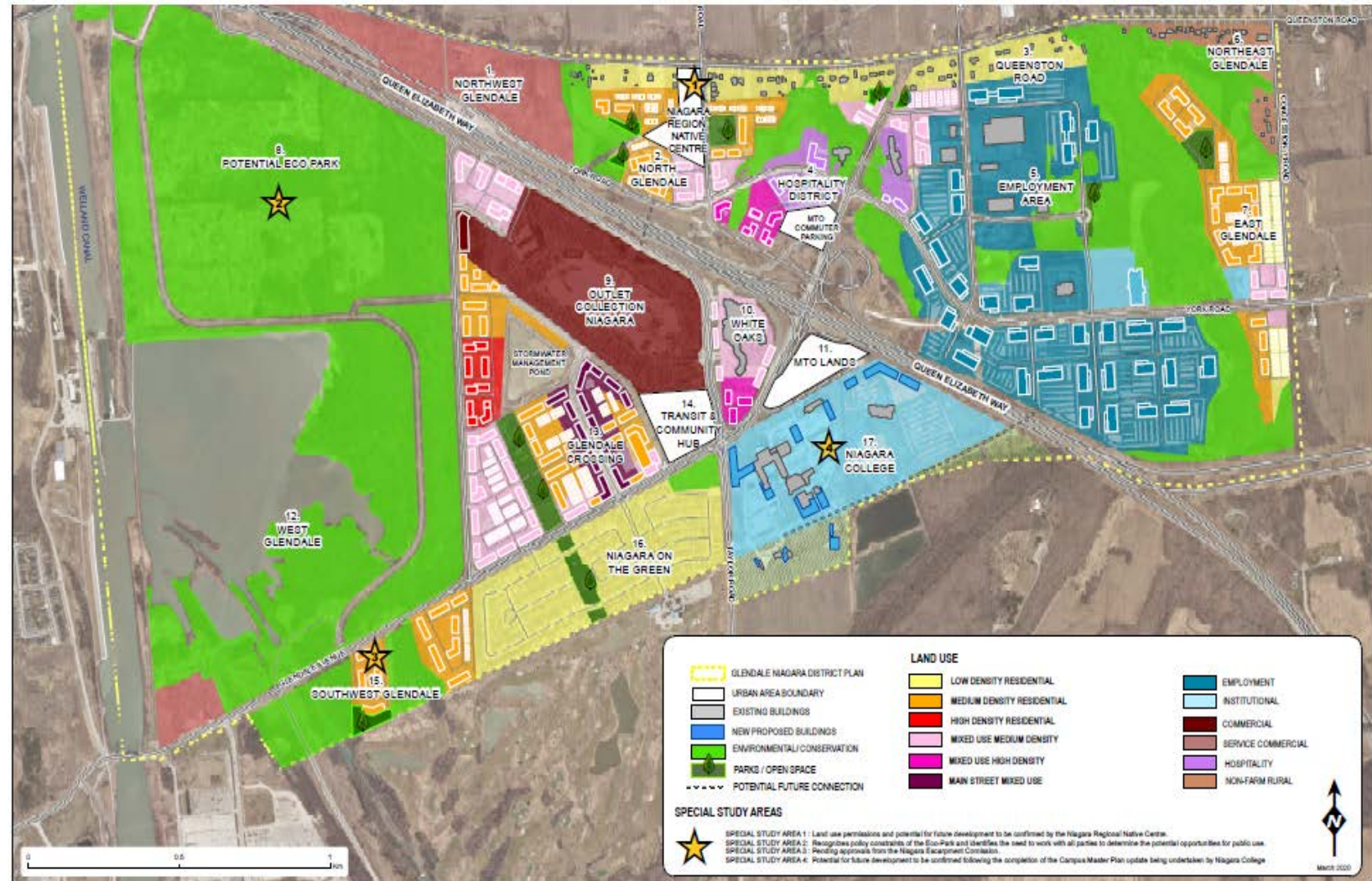
Policy to implement the vision and key directions of the Glendale District Plan.

Ensures future decisions are consistent with the vision and direction of the District Plan.



Glendale Key Directions

- 1: Protect/enhance natural features
- 2: Trails and active transportation
- 3: Connected transit system
- 4: Build on existing assets
- 5: Create a “main street”
- 6: Diverse range of housing
- 7: Create public/civic space
- 8: Use sustainability measures
- 9: Coordination of infrastructure



Summary of Next Steps

- ✓ Collect comments from agencies and the public
- ✓ Review and address any issues
- ✓ Prepare a recommendation report for ROPA 17



Subject: Statutory Public Meeting for Regional Official Plan Amendment (ROPA) 17
- Glendale District Plan

Report to: Planning and Economic Development Committee

Report date: Monday, November 9, 2020

Recommendations

1. That Report PDS 30-2020 **BE RECEIVED** for information; and
2. That Report PDS 30-2020 **BE CIRCULATED** to the Town of Niagara-on-the-Lake and the City of St. Catharines.

Key Facts

- The purpose of this report is to provide information for the Statutory Public Meeting for Regional Official Plan Amendment No. 17 (ROPA 17), which is being held in accordance with prescribed requirements of Section 17 of the *Planning Act, 1990*, and to collect comments from the public. No recommendations or approvals are being sought at this time.
- The Region is proposing to amend the Regional Official Plan to add policy direction to ensure that future decisions within the Glendale study area are consistent with the vision and direction of the Council-endorsed Glendale District Plan.
- The draft amendment includes policy to implement the vision for Glendale, key directions and strategies of Regional interest and outlines the additional work required for success of the Plan.
- On October 15, 2020, the Region circulated information on this public meeting to prescribed agencies and advertised in newspapers having general circulation surrounding the study area.

Financial Considerations

There are no direct financial implications arising from this report.

The cost to process ROPA 17 have been accommodated within the Planning and Development Services Department 2020 Operating Budget.

Analysis

A District Plan is a proactive strategy which sets out a framework for growth, design and development of a complete community. Glendale is identified as an important strategic growth area for the Region with the intent to accommodate a significant portion of population and employment growth through the planning horizon and beyond. For this reason, the Region undertook the Glendale District Plan to ensure that the vision and tools are in place to appropriately manage the future growth.

The Glendale study area is located primarily with the Town of Niagara-on-the-Lake, with a small portion of the south west area falling within the City of St. Catharines. The study area is approximately 700 hectares generally bound by Queenston Road to the north, the Niagara Escarpment to the south, Concession 7 Road to the east, and the Welland Canal to the west. The QEW bisects the study area and includes the Glendale Ave interchange. A location map is included as **Appendix 1**.

The Glendale District Plan was developed as a collaborative effort with the Town of Niagara-on-the-Lake, the City of St. Catharines and Niagara College. It also included extensive consultation and engagement with many stakeholders and landowners, a Technical Advisory Committee, a Community Focus Group and the general public. Input from these sources assisted in establishing the vision and key directions of the District Plan.

Glendale's vision:

Glendale District will be a vibrant and complete community for people of all ages, lifestyles, and abilities - a place to live, work, play, learn and grow.

Its urban districts, with a mix of uses, will protect, integrate and celebrate the natural and rural surroundings reflecting the distinct character of the area.

Glendale District will be framed by connection to green space along the Welland Canal, the creek valleys, the Niagara Escarpment and agricultural lands.

Glendale District will put mobility first with a robust transit system, cycling trails and pedestrian routes seamlessly connecting areas north and south of the QEW highway.

The Plan's 9 key directions provide a guide for the future Glendale community, including direction to become more accessible through active transportation and a centralized transit hub, more affordable through diversity in housing options, and more resilient through inclusion of sustainability measures to address climate change.

- 1: Protect and enhance the landscape/natural features.
- 2: A convergence for the area's trails and active transportation facilities.
- 3: Provide an accessible and connected transit system to serve the Glendale area, the greater Niagara Region and beyond.
- 4: Create a strategy to build on the existing assets within Glendale and linking Glendale with the greater NOTL and the Region.
- 5: Create a "main street" from the Outlet Collection of Niagara to the adjacent urban neighbourhood.
- 6: Provide a diverse range of housing ensuring choice and affordability.
- 7: Create public/civic space as a focus for Glendale.
- 8: Use sustainability measures related to resiliency and climate change.
- 9: Coordination of infrastructure review, capacity and upgrades.

The Glendale District Plan was formally endorsed by the Town of Niagara-on-the-Lake Council on August 24, 2020 and Regional Council on September 17, 2020. This endorsement confirmed Council's commitment to the shared vision and key directions for the transformation of Glendale into a mixed use, complete community.

Staff is now initiating the Regional Official Plan Amendment process to add the vision and strategic direction of the District Plan into the Regional Official Plan.

The draft amendment (**Appendix 2**) implements the vision for Glendale, includes policy for the key directions and strategies of Regional interest and outlines the additional work to be undertaken. This ROPA will also ensure that future decisions within the Glendale study area are consistent with the vision and direction of the Council-endorsed Glendale District Plan.

Notice of this public meeting was provided on October 15, 2020 to prescribed agencies and advertised in newspapers having general circulation within and surrounding the study area.

The Region is collecting comments from the public, prescribed agencies and other stakeholders. No comments were received prior to the completion of this report.

Comments received prior to the public meeting will be included as correspondence on the Planning and Economic Development Committee meeting agenda. Additional comments may be submitted at or following the public meeting. All comments will be reviewed and addressed prior to staff bringing forward a recommendation on this amendment.

Alternatives Reviewed

The *Planning Act, 1990* requires that public consultation be conducted as part of all amendments to municipal Official Plans. Notice has been provided for this Statutory Public Meeting as required by the legislation.

Relationship to Council Strategic Priorities

The Glendale District Plan ROPA 17 will implement aspects of all four aspects of Council's priorities.

- Supporting Businesses and Economic Growth
- Healthy and Vibrant Community
- Responsible Growth and Infrastructure Planning
- Sustainable and Engaging Government

Other Pertinent Reports

View the [Glendale District Plan](https://www.niagararegion.ca/projects/glendale-niagara-district-plan/default.aspx) (<https://www.niagararegion.ca/projects/glendale-niagara-district-plan/default.aspx>) website for more information and to review the endorsed District Plan.

Prepared by:

Kirsten McCauley, MCIP, RPP
Senior Planner, Secondary Plans
Planning and Development Services

Recommended by:

Rino Mostacci, MCIP, RPP
Commissioner
Planning and Development Services

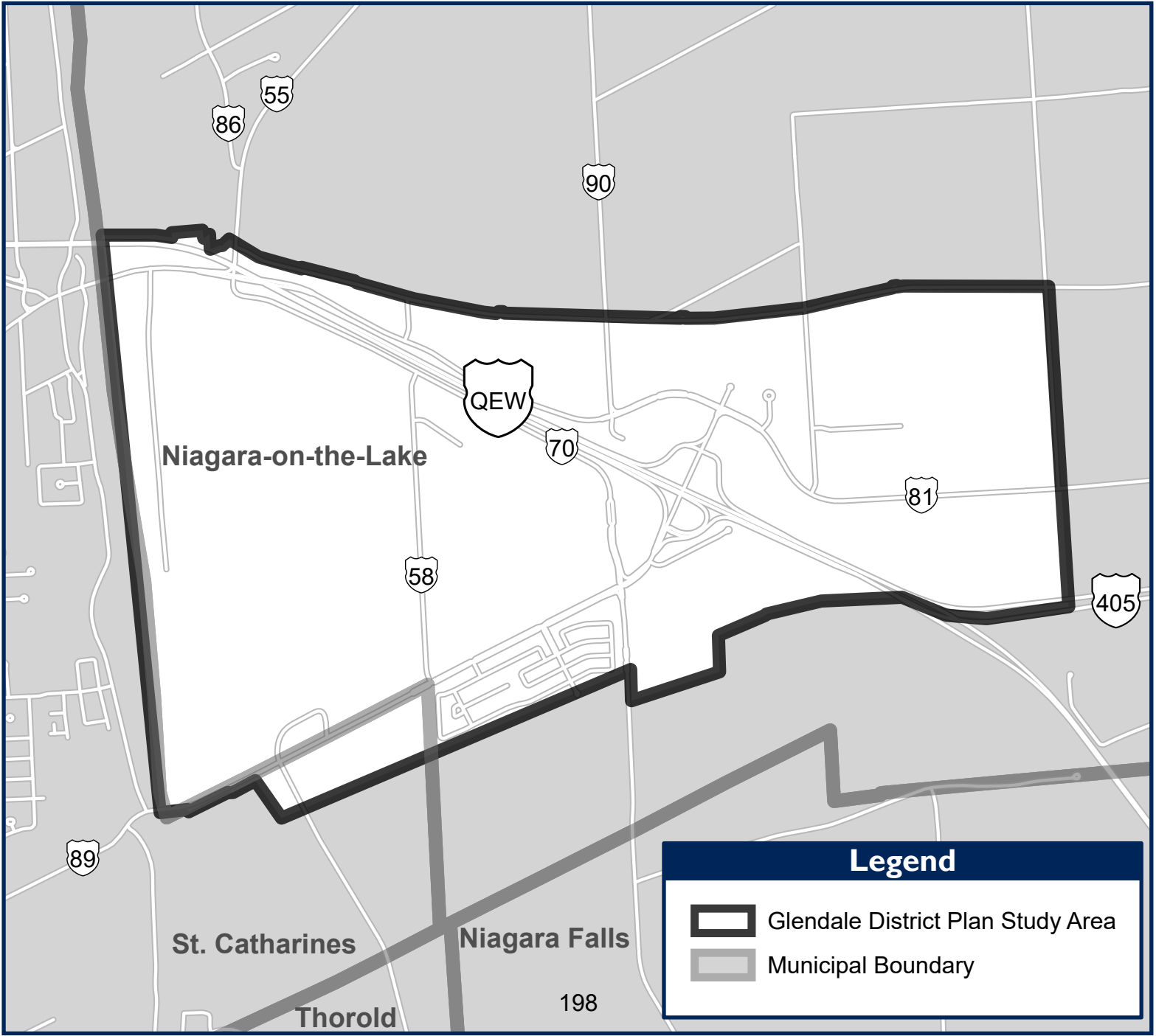
Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was reviewed by Isaiah Banach, Manager of Long Range Planning, and Doug Giles, Director of Community and Long Range Planning.

Appendices

Appendix 1	Location Map
Appendix 2	Draft Regional Official Plan Amendment No. 17



DRAFT
Amendment No. 17
To The Official Plan
for the Niagara Planning Area

PART “A” – THE PREAMBLE

The preamble provides an explanation of the Amendment including the purpose, location, background, and basis of the policies and implementation, but does not form part of this Amendment.

- Title and Components
- Purpose of the Amendment
- Location of the Amendment
- Background
- Basis for the Amendment
- Implementation

PART “B” – THE AMENDMENT

The Amendment describes the additions and modifications to the Official Plan for the Niagara Planning Area, which constitute Official Plan Amendment No. 17.

- Map Change
- Text Change

PART “C” – THE APPENDICES

The Appendices provide information regarding public participation and agency comments relevant to the Amendment, but do not form part of this Amendment.

PART “A” – THE PREAMBLE

TITLE AND COMPONENTS:

This document, when approved in accordance with Section 17 of the *Planning Act, 1990*, shall be known as Amendment 17 to the Official Plan of the Niagara Planning Area.

Part “A” – The Preamble, contains background information and does not constitute part of this Amendment.

Part “B” – The Amendment, consisting of map and text changes, constitutes Amendment 17 to the Official Plan of the Niagara Planning Area.

Part “C” – The Appendices, does not constitute part of the Amendment. These Appendices contain information related to public involvement and agency comments associated with the Amendment.

PURPOSE OF THE AMENDMENT:

The purpose of this Amendment is to add policy to the Niagara Region Official Plan that reflects and supports the implementation of the vision, key directions and strategies of the Council-endorsed Glendale District Plan. The amendment also includes the addition of an asterisk identifier on Schedule A to the Regional Official Plan to denote the general location of the Glendale District Plan area.

LOCATION OF THE AMENDMENT:

The amendment area is approximately 700 hectares generally bound by Queenston Road to the north, the Niagara Escarpment to the south, Concession 7 Road to the east, and the Welland Canal to the west. The QEW bisects the study area and includes the Glendale Ave interchange. The study area is primarily comprised of lands within the Town of Niagara-on-the-Lake, with a small portion located in the City of St. Catharines known as Southwest Glendale.

BACKGROUND

The Glendale District Plan provides a framework for land use planning and design to support the Region’s focus on growth and economic prosperity. It establishes the long-term commitment to Glendale becoming a mixed use, vibrant and complete community where residents and visitors can meet their daily living needs.

The direction of the Glendale District Plan is a result of ongoing collaboration between the Region and the local municipalities, as well as extensive consultation including 6 public

engagement sessions, 5 Technical Advisory Committee meetings, 3 Community Focus Group meetings and numerous meetings with stakeholders, agencies and landowners. The vision of the District Plan directs the transformation of the Glendale settlement area into a vibrant and complete community; a community that celebrates its distinct character and builds on the unique attributes of the area. The District Plan sets out nine key directions and numerous strategies to achieve the vision. It also contains a land use concept and demonstration plan to assist in guiding this transformation.

The Glendale District Plan was endorsed by Regional Council on September 17, 2020. This Amendment adds policy direction into to the Regional Official Plan to support the vision, key directions and regional strategies of the District Plan to ensure that future decisions within the Glendale area are consistent with the vision and direction of the District Plan.

BASIS FOR THE AMENDMENT:

- a) The Amendment was the subject of a Public Meeting held under the *Planning Act, 1990* on XXXXXXXXXXXXXXXX. Public and agency comments were addressed as part of the preparation of this Amendment.
- b) The Amendment will provide Regional policy that implement the Council endorsed District Plan's vision and key directions to transform the Glendale District Plan area into a vibrant and complete community for people of all ages, lifestyles, and abilities.
- c) The Amendment will support continued collaboration between stakeholders to advance the key directions of the District Plan.
- d) Based on the Region's review of the *Planning Act, 1990*, the Provincial Policy Statement (2020), the Provincial plans (2017 and 2019), the Regional Official Plan, and public and agency consultation, Regional staff is of the opinion that XXXXXXXXXXXX

IMPLEMENTATION:

Section 14, Implementation of the Official Plan for the Niagara Planning Area, shall apply where applicable.

DRAFT
PART “B” – THE AMENDMENT

Amendment 17
To the Official Plan for the
Niagara Planning Area

The Official Plan for the Niagara Planning area is amended as follows:

Map Changes (attached)

1. “Schedule A – Regional Structure” is amended to add an asterisk to the map denoting the general location of the Glendale District Plan area.

Text Changes

The Official Plan for the Niagara Planning Area is amended as follows:

Part I – Modifications to Existing Policies

None

Part II – New Policies

1. Add Policy “4.G.14 Glendale District Plan” to Chapter 4.

“4.G.14 Glendale District Plan

The Glendale study area is approximately 700 hectares generally bound by Queenston Road to the north, the Niagara Escarpment to the south, Concession 7 Road to the east, and the Welland Canal to the west. The QEW bisects the study area and includes the Glendale Ave interchange. The majority of the study area falls within the Town of Niagara-on-the-Lake with a small portion location within the City of St. Catharines.

The Glendale District will be a vibrant and *complete community* for people of all ages, lifestyles, and abilities - a place to live, work, play, learn and grow. Its urban districts, with a mix of uses, will protect, integrate and celebrate the natural and rural surroundings reflecting the distinct character of the area.

Glendale District will be framed by connection to green space along the Welland Canal, the Niagara Escarpment, the creek valleys and agricultural lands.

Glendale District will put mobility first with a robust transit system, cycling trails and pedestrian routes seamlessly connecting areas north and south of the QEW highway.

4.G.14.A Objectives

Objective 4.G.14.A.1

To position the Glendale District Plan area as a *strategic growth area* and transition it to a complete, vibrant, mixed-use, urban community.

Objective 4.G.14.A.2

To ensure the protection and enhancement of Glendale's natural features and *agricultural areas*.

Objective 4.G.14.A.3

To offer a safe, comfortable and connected *active transportation* network while supporting all modes of mobility.

Objective 4.G.14.A.3

To incorporate a centrally located, accessible transit hub/station area.

Objective 4.G.14.A.4

To build on Glendale's existing assets and celebrate its distinct character.

Objective 4.G.14.A.5

To promote a range of housing in terms of built form and affordability.

Objective 4.G.14.A.6

To promote the development of a sustainable and resilient community.

4.G.14.B Policies

4.G.14.B.1

The Glendale District shall become a *complete community* by integrating current and new uses, with a revitalized public realm and compact mixed use

development supporting a blend of residential, retail, institutional, recreational, hospitality and employment activities.

4.G.14.B.2

The Glendale District Plan provides the framework for the update to the Niagara-on-the-Lake Glendale Secondary Plan. This update will be supported by technical studies, including but not limited to:

- a) Transportation study;
- b) Functional servicing study;
- c) Environmental planning study;
- d) Commercial lands review;
- e) Urban design guidelines;
- f) Phasing plan; and
- g) Financial impact assessment.

4.G.14.B.3

A transit station/hub will be centrally located to serve the entire Glendale area and beyond. The final location/configuration, transit operations and logistical requirements for this hub will be determined via the completion of a feasibility study and ongoing discussion with the Inter-Municipal Transit Working Group and other key stakeholders.

4.G.14.B.4

In order to support affordability, the Glendale District will offer a range in the mix and type of housing and units built in the community. Information from the Region's Housing and Homelessness Action Plan and consultation with the affordable housing providers will assist in forming guidance and recommendations for *affordable* and supportive housing.

4.G.14.B.5

An *active transportation* network shall be improved by ensuring new development applications incorporate a continuous sidewalk network, cycling infrastructure and safe marked crossings. The existing network shall be enhanced by making it *active transportation-friendly* and displaying signage that is clear and informative throughout the District.

4.G.14.B.6

Opportunities for additional vehicular or *active transportation* connections north to south of the QEW may be studied at a future time.

4.G.14.B.7

The Glendale District Plan is committed to supporting the numerous established business, employment and hospitality assets and building on these

assets. Marketing, economic development and tourism strategies shall be pursued to promote these assets and attract new ones. The proximity of Niagara District Airport shall be leveraged as an asset for supporting important social and economic links, including passenger connections, tourism and movement of goods.

4.G.14.B.8

The Glendale *Employment Area* is well situated with high visibility to the QEW and close proximity to the international border and Niagara District Airport. The boundary of this *Employment Area* is shown in the District Plan. Refinements may be made to this boundary with supporting technical analysis through the update to the Town's Glendale Secondary Plan.

4.G.14.B.9

The Glendale District Plan will have a distinct character celebrated by a high-quality public and private realm and incorporation of public art. Urban design guidance shall be further defined through development of urban design guidelines.

4.G.14.B.10

To build on the distinct character of the community, prominent view corridors to the Niagara Escarpment and surrounding *agricultural areas* shall be identified and protected through viewshed analysis.

4.G.14.B.11

The Glendale District Plan identifies potential locations for major, minor and character gateways. These gateways shall have a consistent design approach to promote the Glendale area as a unique location within Niagara.

4.G.14.B.12

The Glendale District is uniquely located adjacent to the Niagara Escarpment, a UNESCO World Biosphere Reserve. The Glendale District should capitalize on this unique location to promote research and innovation for the conservation of biodiversity and sustainability.

4.G.14.B.13

Development and re-development within the Glendale District shall consider incorporating measures related to sustainability and resiliency, such as low impact development techniques, green building standards, transit oriented development and other new innovative techniques and technologies that will achieve this direction. A sustainability strategy shall be prepared for the Glendale District.

4.G.14.B.14

Land use designations in local Official Plans shall be reviewed in the context of the Glendale District Plan, as well as the Natural Heritage policies of Section 7B, the Greenbelt Plan and the Niagara Escarpment Plan. The environmental features shall be further reviewed and refined through an Environmental Planning Study, or equivalent, prepared to support the Town's Glendale Secondary Plan update.

4.G.14.B.15

The *infrastructure* capacity of the Glendale District shall be assessed through the functional servicing study and monitored to proactively plan for *infrastructure* upgrades and ensure that *infrastructure* capacity is available and development ready.

4.G.14.B.16

A fiscal impact assessment will be completed as part of the Glendale Secondary Plan update to ensure that infrastructure and services are provided in a financially sustainable and responsible manner. The assessment will report on the cost of providing services to new development and redevelopment in the Glendale District. The mechanisms set out in Policy 14.H.3 may be used to offset the financial impact of development. The assessment will also report on an appropriate balance between residential and non-residential assessment.

The assessment will also inform any phasing requirements to ensure the logical progression of development.

4.G.14.B.17

Local municipal Official Plans, Secondary Plans, and Zoning By-laws shall be updated to implement the vision, objectives, and policy direction of Glendale District Plan, as required.

4.G.14.B.18

The Land Use Concept and Demonstration Plan Map as shown in the Glendale District Plan shall be used as a guide for the layout and design of permitted development within the District Plan area.

4.G.14.B.19

The District Plan contains four Special Study Areas as shown on the Land Use Concept and Demonstration Plan. Additional study is required through the Town's Secondary Plan update and ongoing consultation and collaboration.

A) Special Study Area 1: Further to the Land Use Concept and Demonstration Plan, the Niagara Regional Native Centre (NRNC) does not indicate land use direction to reflect the ongoing NRNC Master Plan work.

B) Special Study Area 2: The creation of an Eco-park should be pursued to support the connection to nature, offering opportunities for improved physical and mental health for residents and visitors alike. The Region shall consult with the Province, Transport Canada (or future owner) and local municipality to investigate opportunities for the creation of an Eco-park with passive recreational uses or other complimentary uses.

C) Special Study Area 3: Notwithstanding the direction provided by the Land Use Concept and Demonstration Plan, the lands shown as Southwest Glendale, within the City of St. Catharines, are subject to the Niagara Escarpment Plan and cannot proceed as illustrated without the required planning approvals.

D) Special Study Area 4: The District Plan's Demonstration Plan reflects the Niagara College Campus Master Plan and recognizes the Master Plan guidance in the ongoing collaboration. Regard for the vision, objectives and key directions of the Glendale District Plan shall be given through future review of this Campus Master Plan.

4.G.14.B.20

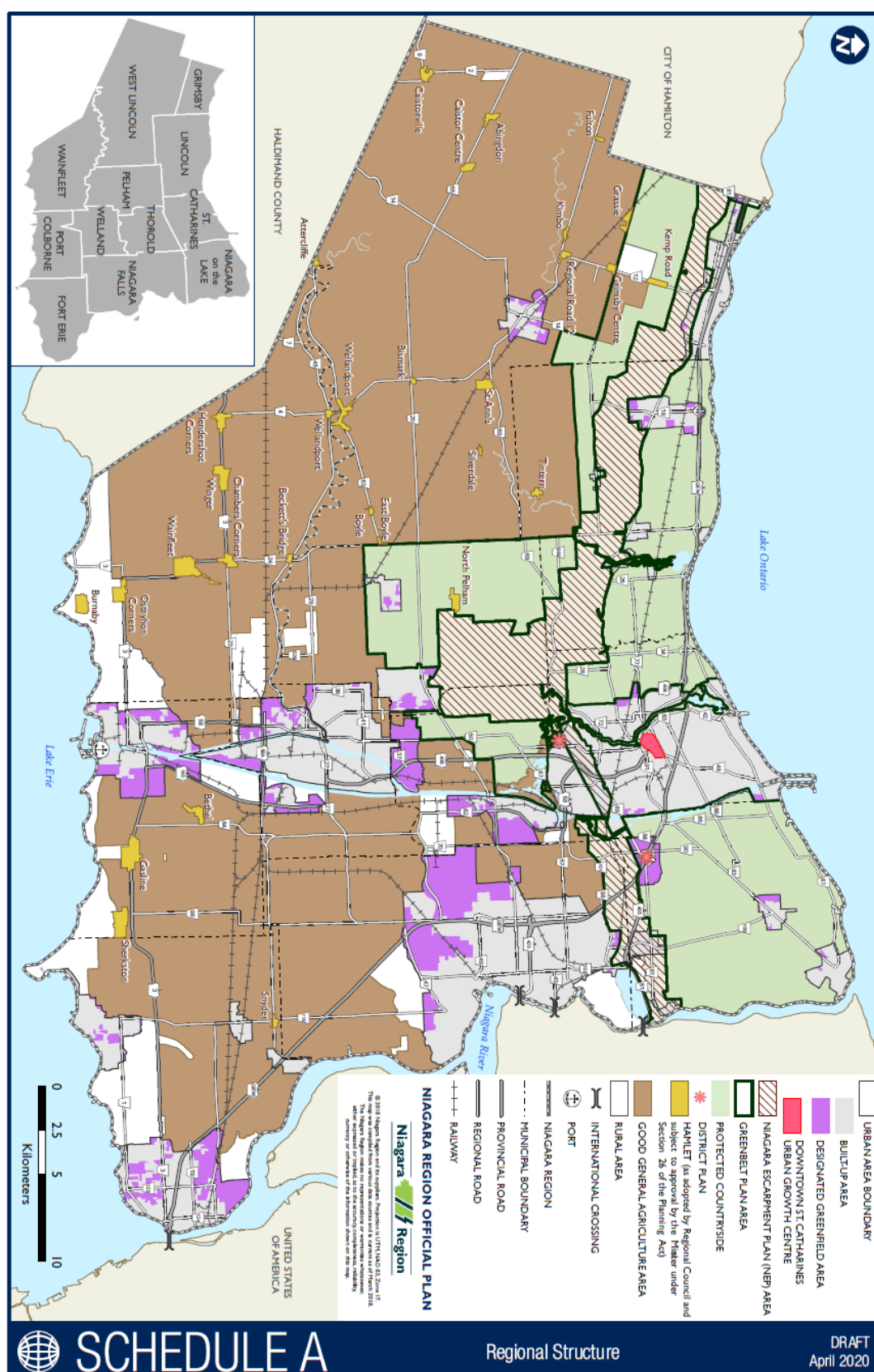
The Glendale District Plan shall be reviewed and updated every 10 years in consultation with stakeholders.

4.G.14.B.21

Minor changes may be permitted as a result of future planning study or technical review provided it is consistent with the overall vision and framework of the Glendale District Plan.

4.G.14.B.22

A Regional Technical Advisory Committee shall be formed by the Region to develop an implementation framework as part of the ongoing commitment to the District Plan. An implementation plan will be refined and tasks/timelines assigned accordingly.



MEMORANDUM

PDS-C 24-2020

Subject: Correspondence received for Regional Official Plan Amendment 17 – Glendale District Plan

Date: November 9, 2020

To: Planning and Economic Development Committee

From: Kirsten McCauley, Senior Planner – Secondary Plans

Attached below are public and agency comments received as of November 4, 2020 for Regional Official Plan Amendment No 17 – Glendale District Plan. This memo is related to Report PDS 30-2020 titled Statutory Public Meeting for Regional Official Plan Amendment (ROPA) 17 - Glendale District Plan.

The comments submitted below as well as the comments and input provided at or after the public meeting will be addressed through a future staff recommendation report.

Respectfully submitted and signed by

Kirsten McCauley, MCIP, RPP
Senior Planner – Secondary Plans

Comments received:

City of Niagara Falls:

Hi Kirsten,

Thank you for circulating Niagara Region Official Plan Amendment 17- Glendale District Plan to the City for review and comment. City staff have reviewed the draft ROPA (policies and mapping) and offer no objections.

Regards,

Brian Dick

Brian Dick, MCIP, RPP | Manager Policy Planning | Planning, Building & Development | City of Niagara Falls

Resident – Eric Galloway (provided in separate emails):

Thank you for the consideration. If you have time could you tell me in the new development if natural gas will be run to the rural boundaries and if so if that is something that the adjacent properties along this new development can receive. Or if there are any benefits to the property owners beside this new development that we might be able to be compensated with in what is being planed at this time or are the boardering properties not considered with the changes that are happening.

Thank you for the up date is there any talk of considering all the properties in the yellow hatched boarder to become part of the city limits it would allow future growth and municipal services to all those lots that is a interest to me if there is all of this development in our back yard. Us locals sitting lust out side the boarder are seeing the opportunity of growth and development but in the plan it cover the area to queenston street ad york road but no development changes have been made in our rr zoning. We see this change happening around us and we are in the Glendale zone. But are missing out on any benefits of this change to the properties we own in this area. It would be nice for a consideration for our lots to be apart of this change happening around us in the Glendale area

Niagara Peninsula Conservation Authority:

Good Morning,

Thank you for the opportunity to review and provide comments on the above noted application. The NPCA has no concerns in principle to the overall plan to incorporate policy related to the vision and key directions of the Council endorsed Glendale District Plan into the Regional Official Plan.

The NPCA would request that reference be made to the NPCA and our Regulations/policies particularly in section 4.G.14.B.14 along with other applicable policies and pieces of legislation pertaining to the Natural features within the Plan area.

Please let me know if you have any questions.

Sarah Mastroianni
Manager, Planning and Development, Niagara Peninsula Conservation Authority

City of Thorold:

November 2, 2020

EMAIL ONLY

Kirsten McCauley, MCIP, RPP
Senior Planner, Secondary Plans, Planning and Development, Niagara Region

RE: Glendale District Plan- ROPA No. 17

Thank you for the opportunity for the City of Thorold to review and comment on ROPA No. 17 regarding the Glendale District Plan.

The City of Thorold has no concerns with ROPA No. 17. Consideration may be given to numbering/labelling the Districts on the Regional Structure- Schedule A map to clarify the locations of the various Districts (i.e. Glendale District, Brock District, etc.).

With the on-going conformity exercise of the Brock District Plan/Brock Business Park Secondary Plan, there may be opportunity to implement similar policies in the mixed-use and employment areas.

If the City can be of any further assistance, please advise.

Yours truly,

Julie Hannah, MES, MA, MCIP, RPP
Senior Planner

Development Planning, Niagara Region:

Good afternoon Kirsten,

Thank you for circulating Regional Development Planning staff on Regional Official Plan Amendment (ROPA) No. 17 to implement the Glendale District Plan, which was endorsed by Regional Council on September 17, 2020. Regional staff has reviewed the Draft Amendment (received October 5, 2020), which proposes to add policy to the Niagara Region Official Plan that reflects and supports the implementation of the vision, key directions and strategies of the Council-endorsed Glendale District Plan, and include an asterisk identifier on Schedule A of the Regional Official Plan (ROP) to denote the general location of the Glendale District Plan area.

Regional Development Planning staff are supportive of the intent of ROPA No. 17 to guide development within the Glendale District area, and to implement policies in-text and identify the Glendale District Plan area on Schedule A of the ROP. It is recommended that wording be added to Policies 4.G.14.B.9, 4.G.14.B.10 and 4.G.14.B.13 to clarify when these requirements will be undertaken, whether that be as part of the Regional Technical Advisory Committee to be formed through Policy 4.G.14.B.22 or as part of the update to the Niagara-on-the-Lake Glendale Secondary Plan.

Regional Development Planning staff looks forward to continued collaboration with the Town of Niagara-on-the-Lake, City of St. Catharines and the Technical Advisory Committee to facilitate the development of the Glendale District area, and contribute to creating a vibrant and complete community.

Should you have any questions regarding the above comments, please contact the undersigned or Lola Emberson (lola.emberson@niagararegion.ca or 905-980-6000 ext. 3518).

Kind regards,

Aimee Alderman, MSc, MCIP, RPP
Development Planner
Planning and Development Services
Regional Municipality of Niagara

November 06, 2020

Office of the Regional Clerk,
Niagara Region,
1815 Sir Isaac Brock Way,
Ontario, L2V 4T7

Re: Regional Official Plan Amendment (ROPA) No. 17 – Glendale District Plan

Submitted by email to clerk@niagararegion.ca

To Whom it May Concern,

I would like to submit the following input related to the Glendale District Plan (GDP), for your consideration.

The GDP's strategic vision is for a vibrant and complete mixed-use community within the boundaries of the Glendale District Plan Study Area. The following input is being shared with the goal of supporting and enhancing the strategic vision and goals of the GDP.

OUTLET COLLECTION AT NIAGARA

The GDP is essential to anticipating and framing future growth and change in Niagara Region and the Town of Niagara on the Lake. For the area of the GDP bounded by Glendale Avenue, Taylor Road and Homer Road drawings and views have been created depicting a mixed-use neighbourhood that will form the vibrant centre of the GDP. The future for much this area has been clearly portrayed in the GDP but there is one key part missing, the future of the Outlet Collection at Niagara land.

Like many retail malls the Outlet Collection at Niagara (OCN) was designed to meet market opportunity and conditions at the time of its creation. However, a trend is well underway where malls are proactively planning the future of the land they occupy. This future often includes replacing surface parking (that typically rings a mall) with mixed-use development that can potentially evolve past retail alone to include places to live and work. There are many examples of this evolution in North America, including malls in the Golden Horseshoe/Greater Toronto region. Such future-forward planning will likely be accelerated by the pandemic which has seriously upended the retail market.

The GDP does not currently appear to include this trend, which could be a significant contribution to the GDP's strategic vision. It would be highly beneficial for Niagara Region and the OCN owner to partner towards updating the GDP to include a master plan for the future of the OCN land.

GLENDALE AVENUE BRIDGE CROSSING THE QEW

The GDP's strategic vision for a vibrant and complete mixed-use community is challenged by a major expressway that runs through the centre of the Glendale District Plan Study Area. A complete community must be well connected in order to ensure success, and this connectivity includes providing safe means for people to move throughout the GDP community... whether they drive, are driven, bike or walk.

I understand that the existing Glendale Avenue bridge crossing the QEW will be replaced by a new diverging diamond interchange (DDI). It appears that the DDI offers a more effective/efficient and safer circulation solution for vehicular traffic than the current bridge provides. However, the DDI design may result in far less safety for pedestrians.

Through studying several examples of DDI's there is the possibility that pedestrians would need to cross the vehicular on and off ramps as part of their journey across the DDI bridge. As a result, they would experience the extremely dangerous condition of crossing in front of vehicles moving at speed from and onto the QEW. Depending on how bike circulation is handled in the DDI design similar danger may exist for this mode of transportation as well.

To realise the goals that the GDP has so clearly and correctly stated all means of overcoming the QEW-divide and connecting the Glendale District Plan Area together are essential. With this in mind, it would be a shame to miss the opportunity to design a DDI that fully supports the GDP.

I would be happy to discuss the above items further.

Thanks,

Gordon Stratford

From: [PF-Mailbox-01](#)
To: [Norio, Ann-Marie](#); [Trennum, Matthew](#)
Subject: FW: ROPA No. 17 Glendale District Plan - Submission
Date: Friday, November 06, 2020 9:11:23 AM

From: Gordon Stratford
Sent: Friday, 06 November 2020 09:11:00 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Re: ROPA No. 17 Glendale District Plan - Submission

Hi,

My email (included submission letter attachment) below was sent to you prior to the 9:00 am deadline for submission, but I wanted to add the following contact information for your reference:

Address:

[REDACTED]
Niagara on the Lake
Ontario, L0S 1J0

Phone:

[REDACTED]

Regarding the diverging diamond interchange design I do have a related brief graphic study available to share upon request. As well I would have a brief graphic study outlining the potential evolution of the mall site available to share.

Thanks very much for the opportunity to provide input.

Regards,

Gordon Stratford

On Fri, 6 Nov 2020 at 08:59, Gordon Stratford [REDACTED] > wrote:

|

MEMORANDUM

PDS-C-14-2020

Subject: Niagara Biennial Design Awards - Update and Announcement of Award Winners

Date: November 9, 2020

To: Planning and Economic Development Committee

From: Julia van der Laan de Vries, Urban Designer

The purpose of this memorandum is to provide an update on the Niagara Biennial and to introduce the Niagara Biennial Design Award Winners Video that will be presented at the November 9th, 2020, Planning and Economic Development Committee meeting. The Awards video will be shown for the first time to members of the Committee and the public, announcing and celebrating winning projects and design achievements in Niagara. Award winners will be watching in anticipation to see if their submission is a winning project.

In spring of 2019, staff launched The Niagara Biennial program – a vehicle that promotes exposure of design achievements in Niagara by bringing together design professionals including architects, landscape architects, urban planners, artists, interior designers, engineers, and many others.

One of the key components of the Biennial is the Niagara Biennial Design Awards. The Awards build upon the success of the former Niagara Community Design Awards, which ran from 2005 to 2016. The new program celebrates the importance of design excellence to spotlight the unique design responses that reflect the varying contexts of our communities.

In the fall of 2019, the design awards program was launched through a campaign to encourage submissions within design categories that included: visionary plans, urban design, architecture, interior design, landscape architecture, outdoor art and student design projects. Eligibility required submissions to be located within the municipal boundaries of Niagara. Additionally, projects were to be completed between January 01, 2016, and December 31, 2019. The deadline for submissions was January 24, 2020. At the closing, 68 submissions representing the various design categories were received. The table below shows the submissions by design category and the number

of submissions from the 10 municipalities that participated. Submissions from Wainfleet and Port Colborne were not received.

Submissions by design category		Submissions by municipality	
Visionary Design	06	Fort Erie	04
Urban Design	05	Grimsby	03
Architecture	25	Lincoln	08
Interior Design	09	Niagara Falls	11
Landscape Architecture	05	Niagara-on-the-Lake	10
Commemorative Landscape	03	Pelham	05
Outdoor Art	11	St. Catharines	16
Student Designs	04	Thorold	05
		Welland	03
		West Lincoln	03

In March, 2020, a jury panel met to evaluate each of the submitted projects. The jurors were: Amy Friend, Gordon Stratford, Ken Greenberg, Linda Irvine and Lois Weinthal. These accomplished panelists brought a wide range of expertise in all of the design categories which informed the selection of winning projects. The Jury chose award winners within each of the design categories and noted other projects for recognition. The Jury also created a new design category called “Commemorative Landscapes” to celebrate a group of unique projects that combined the fields of outdoor art, story telling, memorialization and landscape architecture.

An awards ceremony was scheduled to be held in the spring of 2020, however, the planned ceremony was cancelled due to the COVID-19 pandemic. Without an in-person ceremony to showcase the winning projects and to bring the members of the design community together in celebration of design in Niagara, staff sought to follow other recognized awards programs that are adapting to the global pandemic. Awards programs continue to promote excellence by delivering announcements using virtual platforms and videos. In this manner, a video was created to announce and recognize the award winners. This video will be presented at the November 9th 2020, meeting of the Planning and Economic Development Committee. The video will also be posted on the Region’s web site and will be accompanied by the Jury Report, which will provide background about the program including the Jury’s comments on each of the winning projects. Celebration and recognition of the winners will also be promoted through social media and a media release.

The next installment of the Niagara Biennial Design Awards program will celebrate design projects created between 2020 and 2022.

For more information on the Niagara Biennial Design Awards, please go to the Region's web page: <https://www.niagararegion.ca/culture-and-environment/biennial-awards/default.aspx>

Other Pertinent Reports

- PDS-19-2019 The Niagara Biennial Awards Program

Respectfully submitted and signed by

Julia van der Laan de Vries, BA, BLA, OALA
Urban Designer

Subject: Woodland Conservation By-law, Agricultural Policy and Action Committee

Report to: Planning and Economic Development Committee

Report date: Monday, November 9, 2020

Recommendations

1. That staff **CIRCULATE** a copy of this report and the new Niagara Region Woodland Conservation By-law No. 2020-79 to the Agricultural Policy and Action Committee (APAC).
2. That the Agricultural Policy and Action Committee **INCLUDE** the Woodland Conservation By-law as a standing item to its quarterly meetings.

Key Facts

- On October 22, 2020 the Regional Council of Niagara adopted By-law 2020-79, a By-law to prohibit or regulate the destruction or injuring of trees in woodlands in the Regional Municipality of Niagara.
- The purpose of this report is to direct APAC to include the Woodland Conservation By-law as a standing item to its quarterly meetings.

Financial Considerations

There are no financial impacts to the Region as a result of this report.

Analysis

The Agricultural Policy & Action Committee (APAC) was formed in 2013 as a result of a direction from Regional Council to amalgamate the Agricultural Sub-Committee and the Regional Chair's Agricultural Task Force. The amalgamation of the two committees into the Agricultural Policy & Action Committee provides the opportunity to recognize and align the work of both committees, and to recognize the critical primacy of agriculture in the Niagara Region in terms of both public policy and demonstrable actions. The APAC reports into Regional Council through the Planning and Economic Development Committee.

The original Woodland By-law did not include agricultural exemptions or an advisory committee. In 2008, the By-law was updated to include agricultural exemptions and the 2020 update maintained those exemptions. Additionally, in 2008 an Advisory Committee was formed to ensure that the implementation of the Woodland By-law was completed in a manner that ensured no negative impacts to the agricultural sector. Through staff review of other Woodland By-laws in the Province, it was confirmed that no other By-law formally incorporates an Advisory Committee. This is in part because the By-law has legal implications for tree removal that must be dealt with in a prescriptive manner that avoids any potential for real or perceived conflict of interest.

Given that the agricultural exemptions are still within the By-law it is not staff's intention to limit public engagement on the By-law but instead direct that engagement through APAC. It is recommended that APAC receive quarterly updates from the Regional forester, and staff be made available to answer any questions or concerns relating to the By-law at that Committee. Staff recommend that public engagement continue to take place through APAC.

Alternatives Reviewed

No alternatives were reviewed as part of this report.

Relationship to Council Strategic Priorities

The Woodland Conservation By-law aligns with objective 3.2 Environmental Sustainable Stewardship:

"A holistic and flexible approach to environmental stewardship and consideration of the natural environment, such as in infrastructure, planning and development, aligned with a renewed Official Plan."

Other Pertinent Reports

- DPD 49-2006 Update on the Tree Conservation By-law
- DPD 133-2007 Tree and Forest Conservation By-law Amendments
- Service Level Agreement Tree and Forest Conservation By-law August 2008
- PDS 13-2019 Initiation of a Woodland By-law Review
- CWCD 41-2020- Woodland By-law Review Update
- PDS 16-2020 Woodland Conservation By-law Review

Prepared by:

Diana Morreale, MCIP, RPP
Director, Development Approvals
Planning and Development Services

Recommended by:

Doug Giles
Acting Commissioner,
Planning and Development Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was reviewed by Cara Lampman, Manager of Environmental Planning.

MEMORANDUM

PDS-C 23-2020

Subject: COVID-19 Response and Business Continuity in Planning and Development Services

Date: November 9, 2020

To: Planning and Economic Development Committee

From: Rino Mostacci, Commissioner

Community and Long Range Planning

Current Status of Operations

With the announcement of the retirement of Commissioner Rino Mostacci effective October 30, 2020 the following changes will be made to Community and long Range Planning as of November 2, 2020:

- Doug Giles – Acting Commissioner Planning and Development Services
- Isaiah Banach – Acting Director Community and Long Range Planning
- Kirsten McCauley – Acting Manager Long Range Planning

Work is continuing on updating background reports with the 2051 population and employment numbers. This work will also feed into the lands needs methodology and growth management. It is anticipated that updates will be complete by January 2021.

The recent round of online Public Information Centres (Picks) for the Regional Official Plan have been completed. The first session was held on September 23, 2020 and the final session was held on October 21, 2020. Over this period six sessions were held and total attendance was 332. A report summarising this consultation will be provided in December.

Development Planning & Approval Services

Current Status of Operations

Development Planning & Approval Services continues to adapt to ensure the delivery of core development review functions including: review and comment on all development applications from a Provincial and Regional perspective, coordinating and analyzing internal review/comments from Urban Design, Environmental Planning and Development Engineering for a “one-window” Regional response.

The following development volumes were received by the department during September:

- Planning Applications (includes zoning, subdivision, site plan etc.) - **38**
- Engineering Applications (includes servicing reviews, site plan, etc.) - **22**
- Private Septic Applications - **41**
- Pre-consultations – **51**

The total volume of formal applications (101, excluding pre-consultations) represents an increase of approximately 38% from September 2019 (73 applications), which is consistent with the increase experienced in August (30% increase). September 2020 volumes remained stable at approximately the same level as August. In addition, a 17% increase in application volumes was experienced for 2020 Q3 (276) compared to 2019 Q3 volumes (235).

Infrastructure Planning & Development Engineering

Current Status of Operations

Development Engineering

We are continuing to respond to development applications with engineering comments, legal agreements for road works, and processing ECA's under the Transfer of Review program for new sanitary and storm sewers. Additionally, we are continuing with Stormwater Management (SWM) review, Transportation review/meetings, and W&WW review/meetings as it relates to development applications and inquiries. We are working on the SWM Guidelines Project with WOOD Consulting Engineers and assessing schedule/deliverables to adapt to current situation.

Infrastructure Planning

We are developing the RFP for the 2021 Water & Wastewater (W&WW) Master Servicing Plan (MSP) Update project in consultation with W&WW team. The target release is imminent to ensure work can be completed by end of 2021 as essential input for the Development Charges Background Study and By-law update.

Collectively, there are ongoing corporate wide-efforts to coordinate long range planning/growth with infrastructure planning projects (2021 W&WW MSP update) and the upcoming Development Charges Background Study & By-law update.

Development Industry Liaison

We are continuing with the review of the potential build out scenarios for the urban areas in collaboration with planning group. This is necessary for the 2021 W&WW MSP update to evaluate servicing implications and supporting infrastructure. We are leading the development application process for the Linhaven and Gilmore LTC Redevelopment Projects and coordinating with St. Catharines, MTO, and other review agencies to ensure that site plan application can be approved and the timelines associated with this project remain on track (Government funding is tied to this as well). Participating with Development Industry meetings (NHBA) to understand impacts and restrictions from COVID to residential development industry and housing stock.

Private Sewage/Septic Systems Program

The Private Sewage System group (responsible for Part 8 of the Ontario Building Code) is continuing to receive and respond to septic permit applications, inspections, development applications, special requests and complaints.

Respectfully submitted and signed by

Rino Mostacci, MCIP, RPP
Commissioner

MEMORANDUM

ED 14-2020

Subject: COVID-19 Response and Business Continuity in Economic Development

Date: November 9, 2020

To: Planning and Economic Development Committee

From: Valerie Kuhns, Acting Director, Economic Development

Economic Development

Current Status of Operations

This memo is the Economic Development Division's monthly update on our response to COVID-19 and business continuity. As previously reported, Economic Development's work is focused on leading planning for business recovery, through the Economic Rapid Response Team (ERRT) and the implementation of the Economic Recovery Plan.

Economic Development actively participates in the REOC and is collaborating with the Internal Organizational Recovery table as well as the Community Recovery Planning table to ensure that there is coordination and communication between the three recovery planning groups. We are providing input into the discussion about the economic indicators that will be used to monitor recovery.

Service/Operational Changes

Our work concentrates on the many projects that are included in the Economic Recovery Plan, to support businesses. This work is carried out in collaboration with our economic development colleagues and regional stakeholders. In addition, we are also continuing to move projects forward in our core function areas. In order to do this, we have had to adapt to virtual meetings, not only internally with our local stakeholders but also with potential investors. Virtual meetings and working from home bring efficiencies in time and result in high productivity from team members. We communicate frequently through regular team meetings as well as impromptu Skype and Zoom chats, throughout the day. In-person meetings are limited.

Significant Initiatives or Actions Taken

A separate report ED 15-2020 Economic Recovery Plan Update has been included in this month's PEDC meeting agenda. It gives a progress report on the initiatives and projects that are included in the Plan. Biweekly reporting to our stakeholder groups continues with the ERRT Update calls every other Wednesday. The update calls are being used as a communication forum for all business support organizations who are advancing recovery and resilience for Niagara's economy.

Now that economic data has become available from regular sources e.g. Statistics Canada and the Conference Board of Canada, we are able to provide an update on Niagara's economy showing the initial effects of COVID-19. This report is ED 16-2020 Niagara Economic Update and is also provided to members of PEDC in this month's agenda. There is a presentation with this report to explain the analysis of the economic data.

All recovery projects as well as our foreign direct investment (FDi) and business development activities are supported by strategic marketing activities. The total number of visits to www.niagaracanada.com are up by 1,242 (12,090 in total) from this time last year. A visit is defined as a series of page requests from the same uniquely identified visitor with a time of no more than 30 minutes between each page request. Page views are up by 2,790 (25,651 in total) in comparison to the same time last year. A page view is a count of how many times a page has been viewed on a website or the chosen group within the chosen period of time. All page views are counted no matter how many times a user has visited the website in the chosen period of time. The number of unique visitors is up by 1,570 (10,482 in total).

For the month of October there have been 7 FDi meetings, organized by a contracted lead generation consultant with companies from the U.S. In addition there have been 12 FDi-related follow up meetings. We also participated in a webinar hosted by the World Trade Centre Leeuwarden, The Netherlands, in partnership with the World Trade Centre Buffalo Niagara, to discuss investment opportunities and the economic strengths of the Niagara region with a group of Dutch companies.

This month the Niagara Region approved a Gateway CIP application for an existing business that is expanding in the City of Niagara Falls. The business will be trebling their physical footprint in the city, creating twenty new jobs within the first year of completion, and will result in the retention of 15 existing jobs. It is expected that this investment will result in \$2.5 m in new building construction. A second Gateway CIP

application was approved for a company bringing their business to the City of Welland. It is expected that the investment will result in \$2.5 m in new construction and the creation of 19 new jobs in the city.

Advisory support continues to the Local Area Municipalities (LAMs) that do not have economic development offices and their businesses. These municipalities are Niagara-on-the-Lake, Pelham, Wainfleet and West Lincoln. Sector support to the agribusiness and tourism sectors is also ongoing. Our Economic Development Officer has assisted Niagara-on-the-Lake to evaluate applications from tourism dependent businesses to their Fed Dev tourism recovery funding of \$500,000. Applications to Niagara Economic Development's LAM Fund, which was extended this year to include recovery related initiatives, are being processed. To date, three applications have been approved and four are pending.

Operational Outlook

1 month

- Economic Recovery Plan implementation with stakeholders continues as a priority.
- Economic Development will continue to participate in the REOC meetings and collaborate with the Internal Organizational Recovery table as well as the Community Recovery Planning table to develop metrics to measure recovery.
- Development of a third Business Impact Survey to be circulated to businesses.
- Virtual FDI meetings with potential investors in the U.S. are completed, meetings in the U.K. will begin.
- Niagara Foreign Trade Zone webinar to be held on November 5th aims to prepare businesses to participate successfully in virtual trade shows.

3 months

- Implementation of the Economic Recovery Plan completed.
- 'Open in Niagara' website expanded into a permanent regional business directory.
- Review work practices depending on Niagara Region recommendations and Public Health advice.

6 months

- Longer term strategic economic development planning started.
- Continue to monitor economic indicators to better understand the impact of COVID-19 on the local economy compared to previous years and determine where resources could best be utilized to maximize ongoing economic development programming.
- Review work practices depending on Niagara Region recommendations and Public Health advice.

Respectfully submitted and signed by

Valerie Kuhns
Acting Director, Economic Development

Niagara Economic Update

Planning and Economic Development Committee
ED 16-2020

Monday November 9, 2020

Blake Landry, Manager, Research and Analysis

Niagara Economic Update

Planning and Economic Development Committee

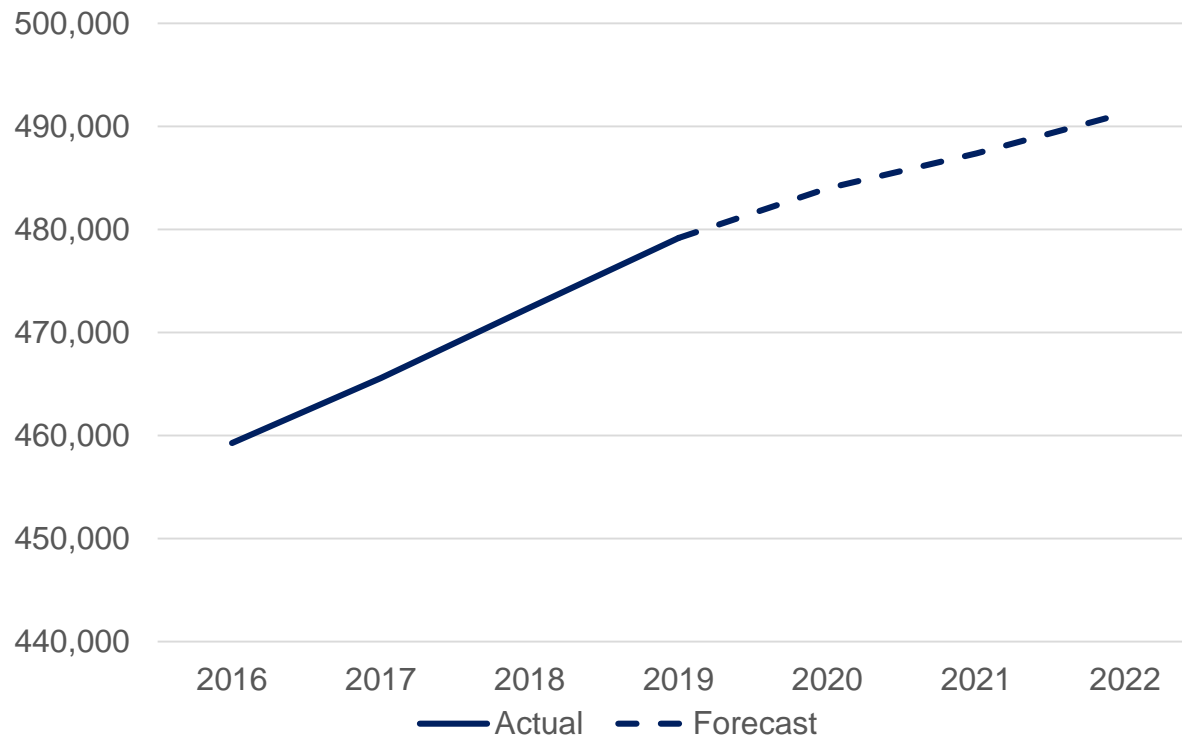
November 9, 2020

Blake Landry, Ec.D

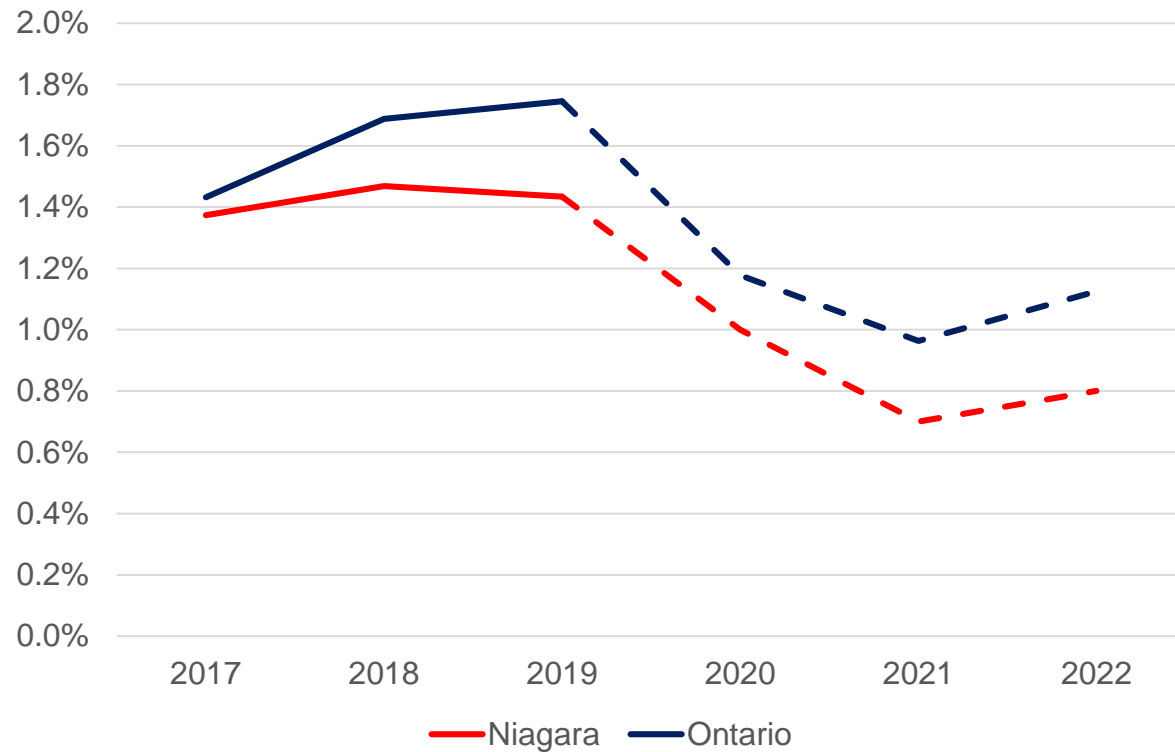
Manager, Economic Research & Analysis

Economic Development

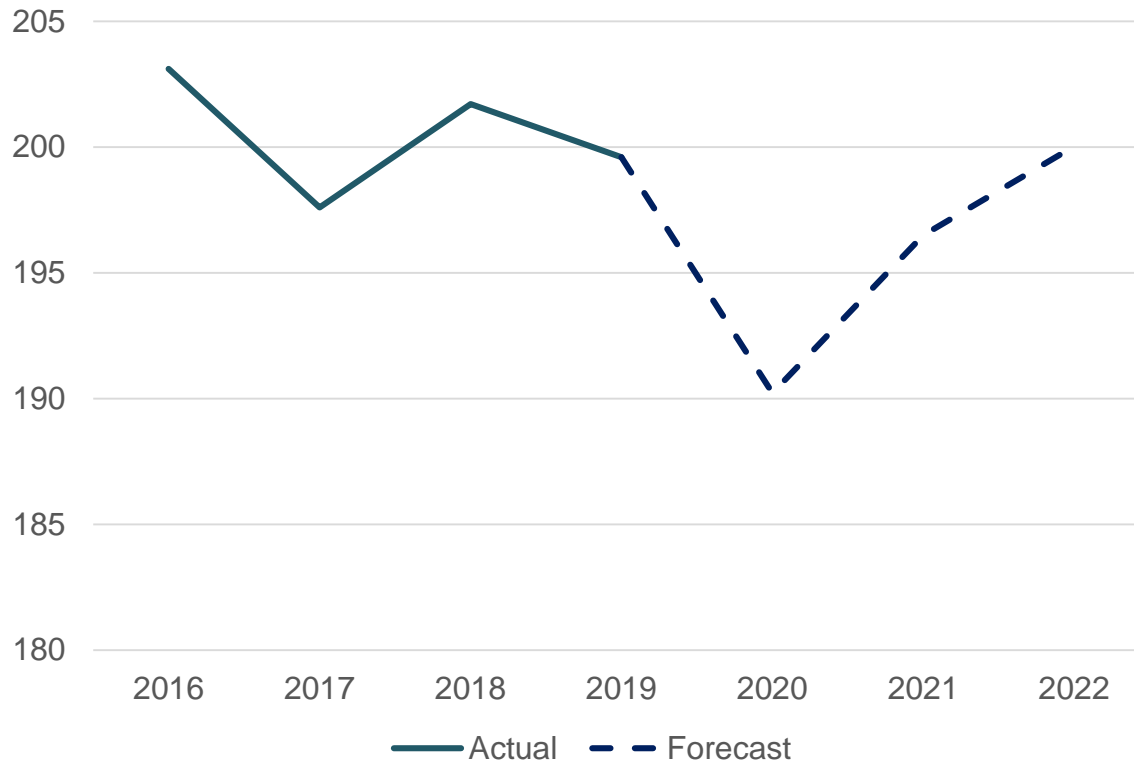
Population, Niagara Region



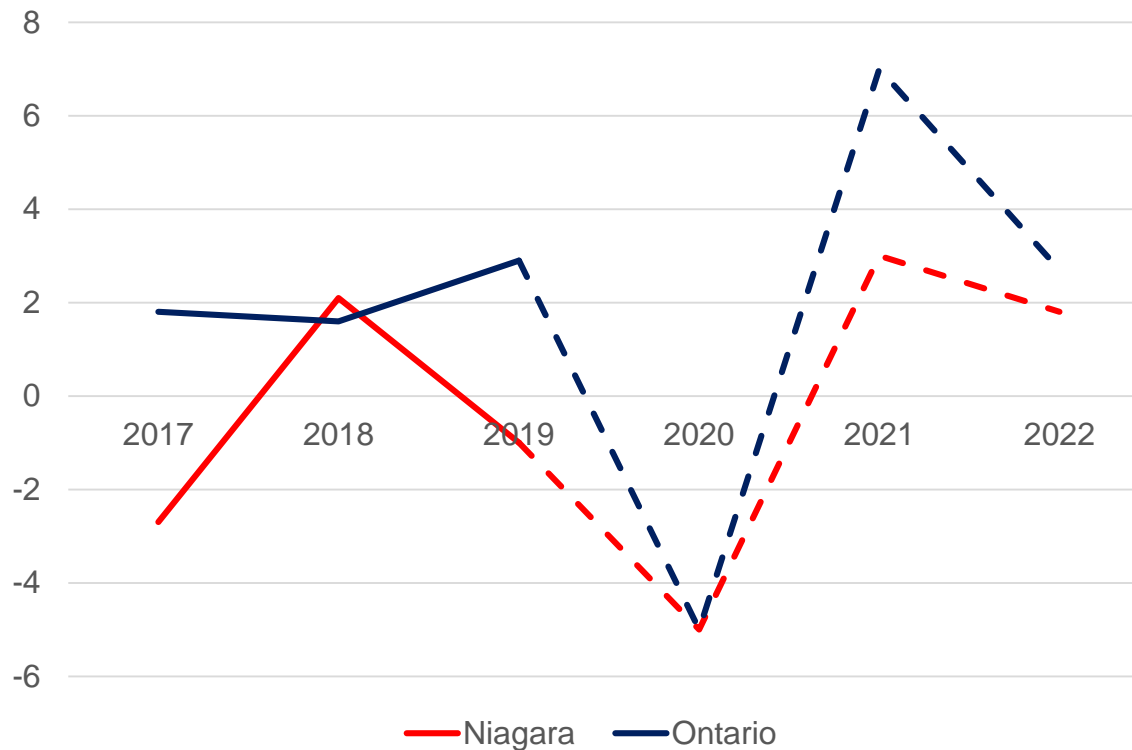
Population Growth Rate (%), Niagara Region and Ontario



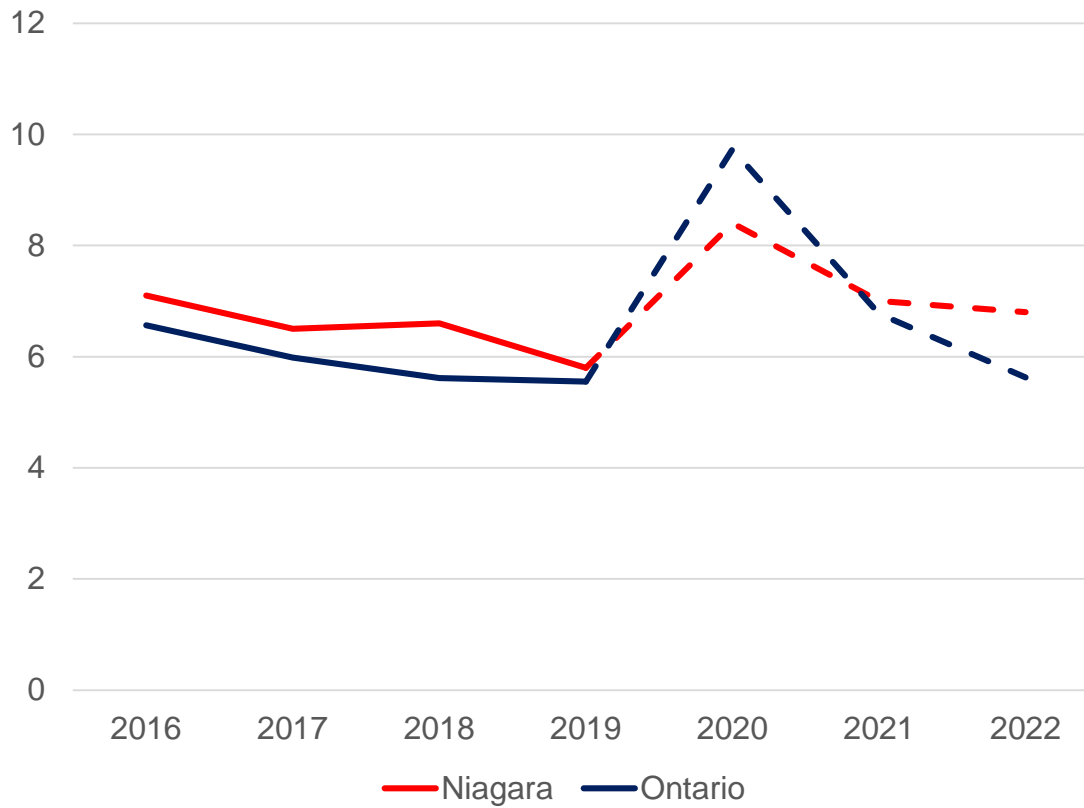
Employment, Niagara CMA



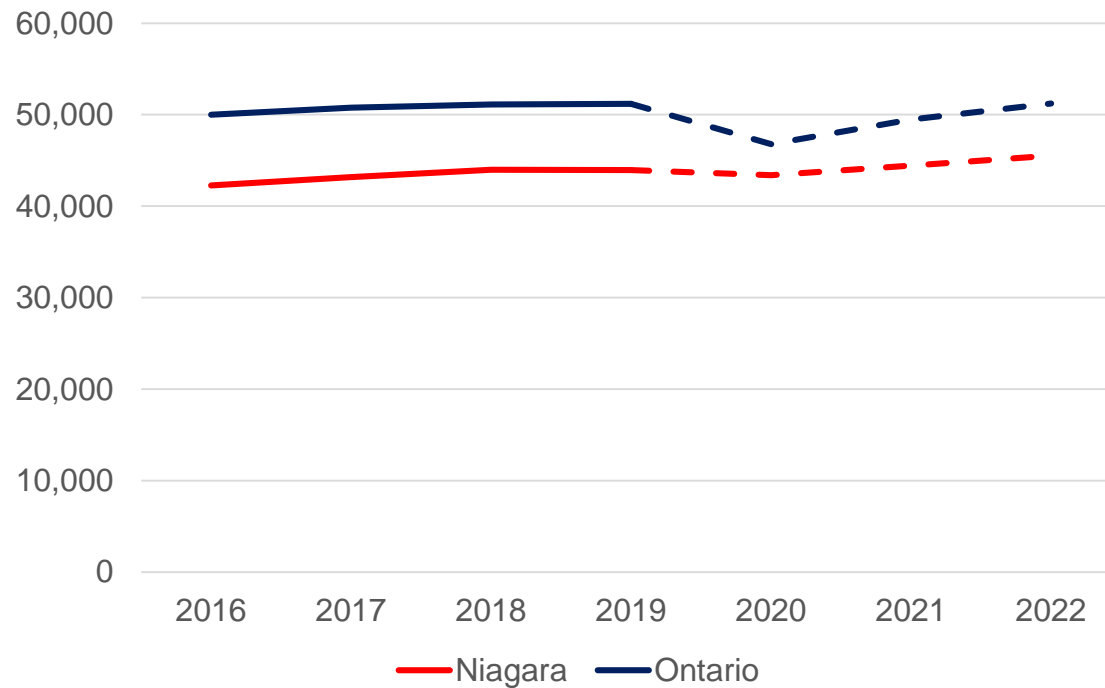
Employment Growth Rate (%), Niagara CMA and Ontario



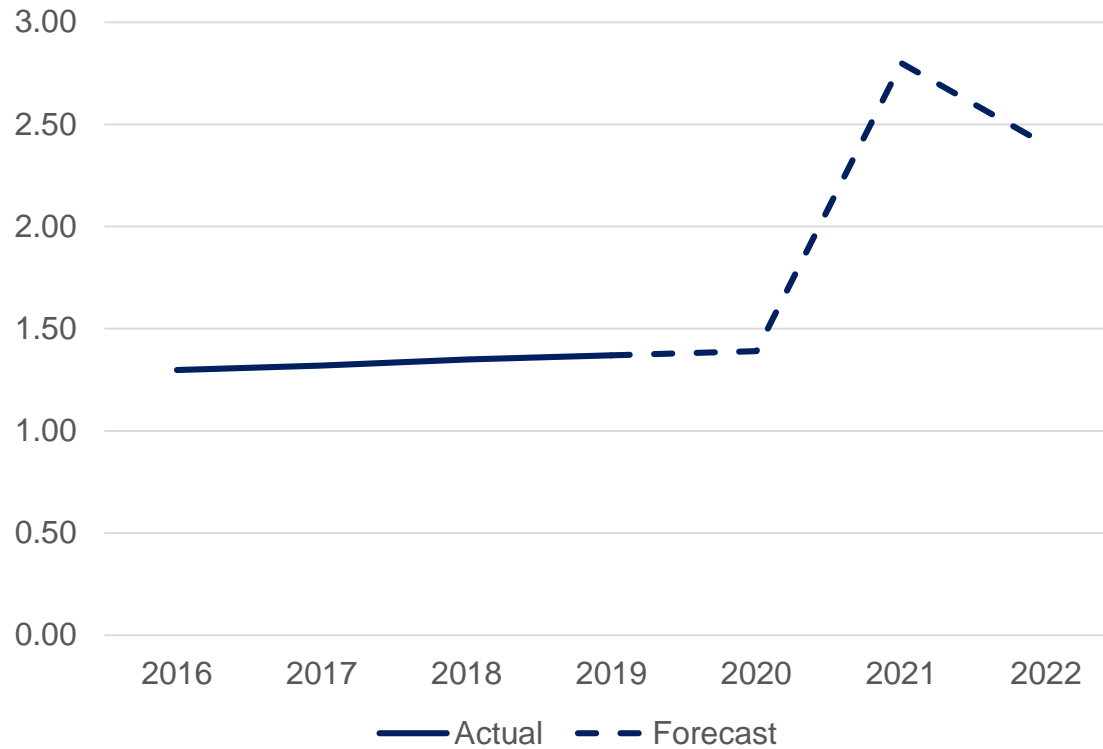
Unemployment Rate (%), Niagara CMA and Ontario



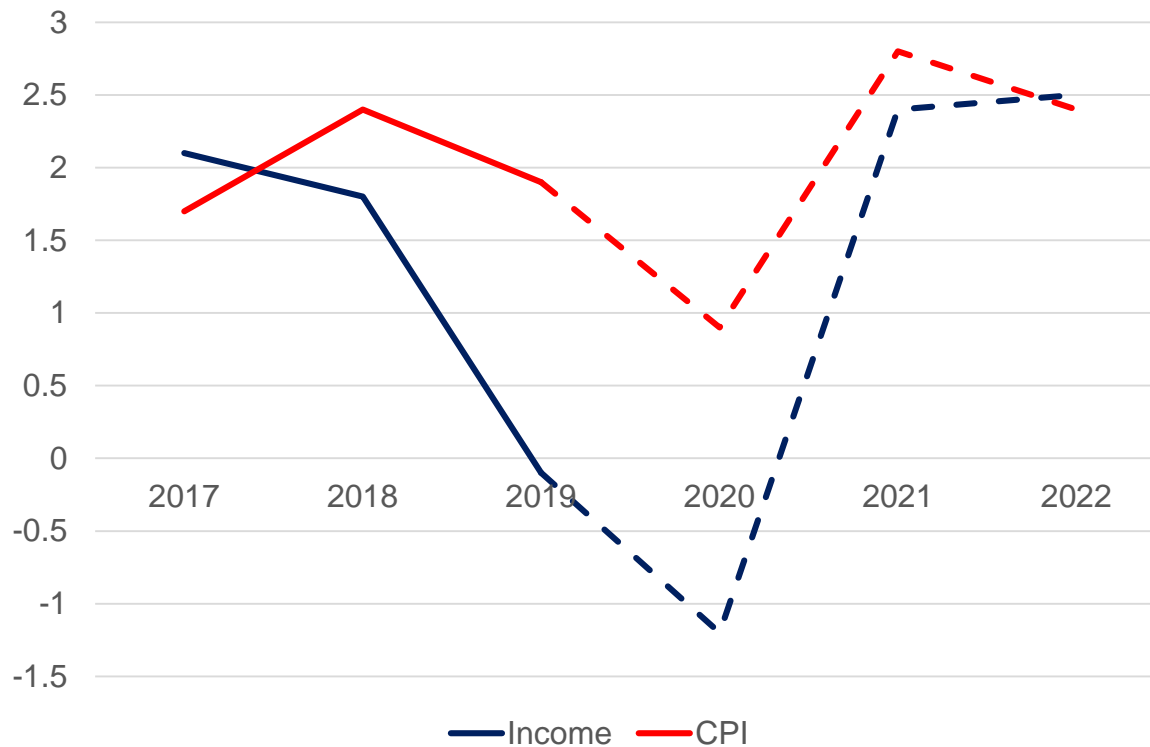
Per Capita Income (\$), Niagara CMA and Ontario



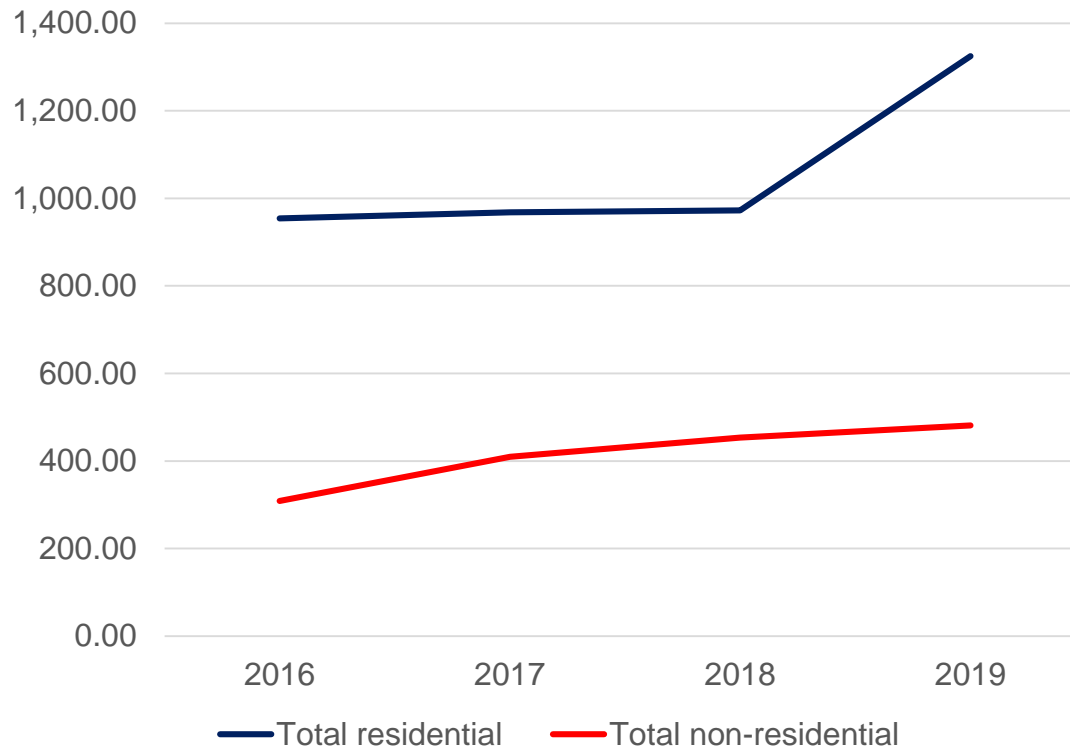
CPI (2002 = 1.00), Niagara CMA



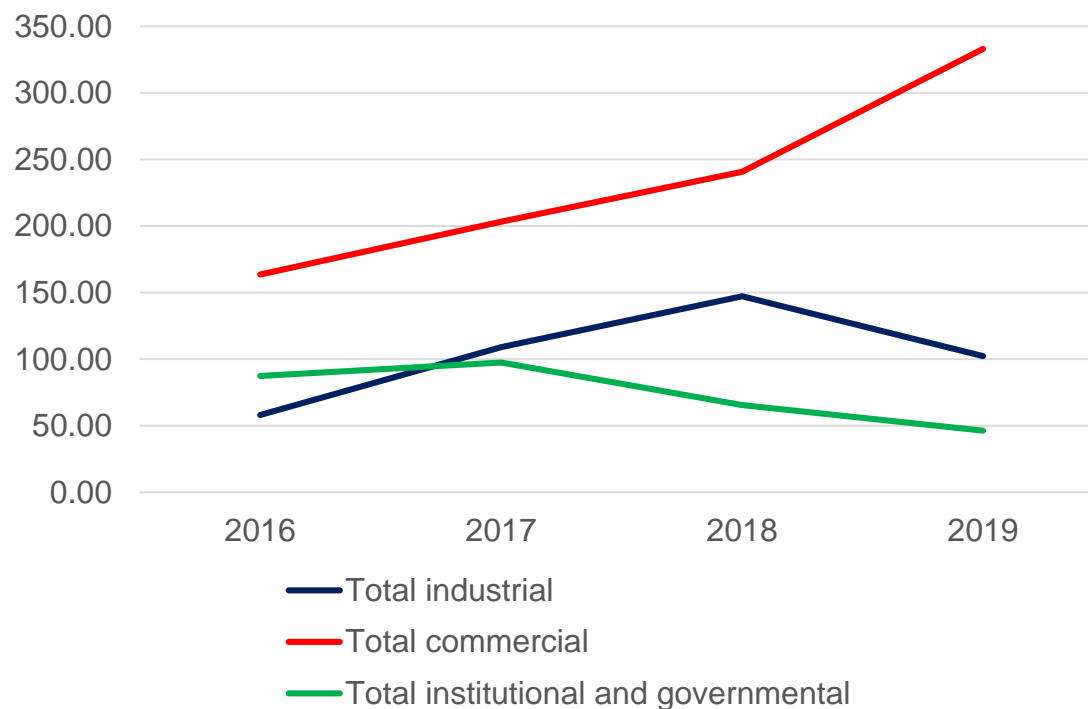
Income Growth Rate vs. CPI Growth Rate (%), Niagara CMA



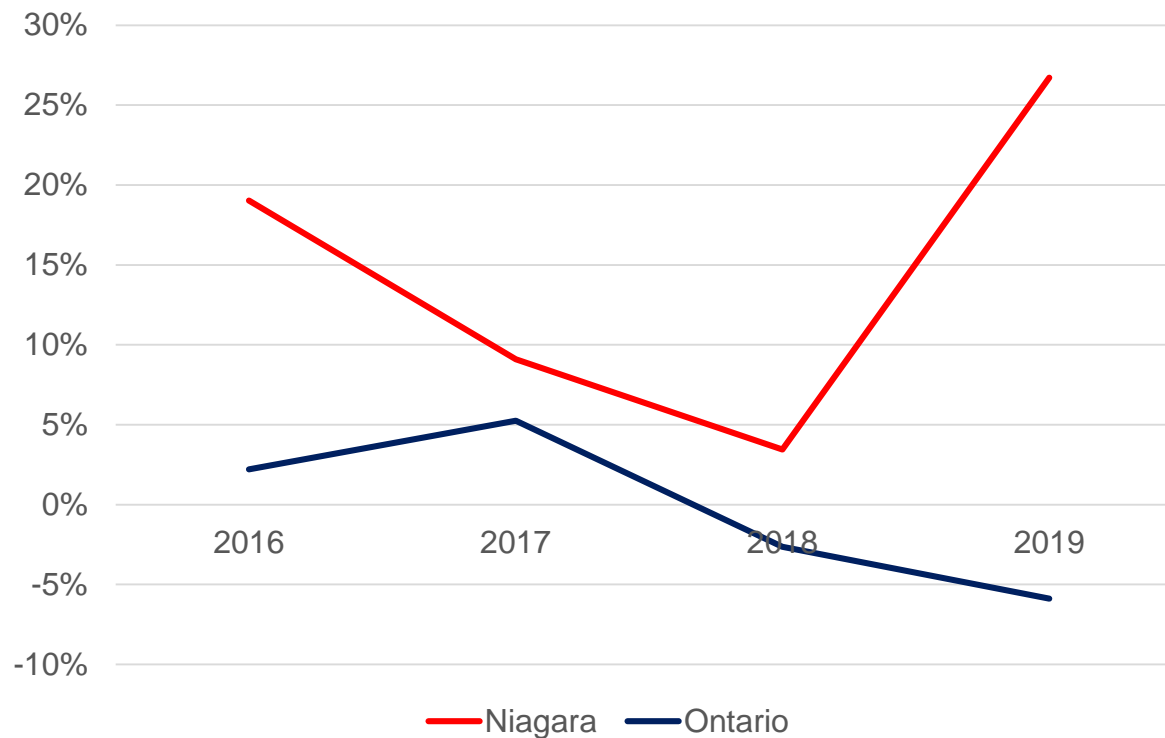
Investment in Building Construction (\$ millions), Niagara CMA



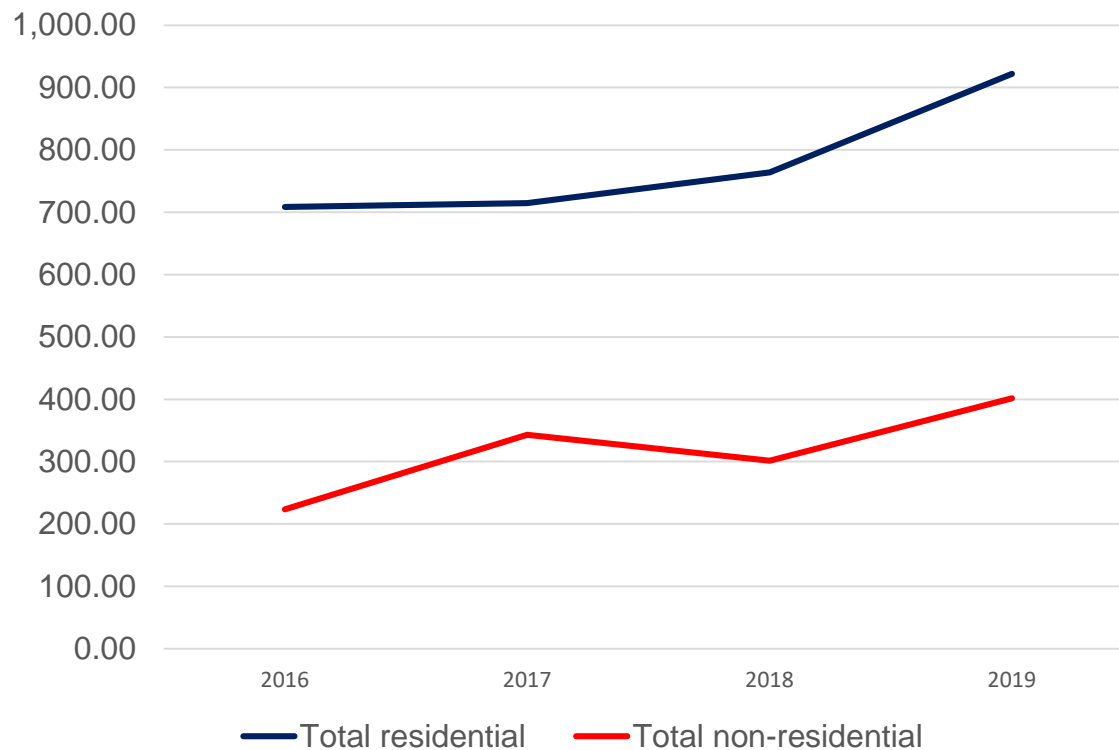
Investment in Non-Residential Building Construction (\$ millions), Niagara CMA



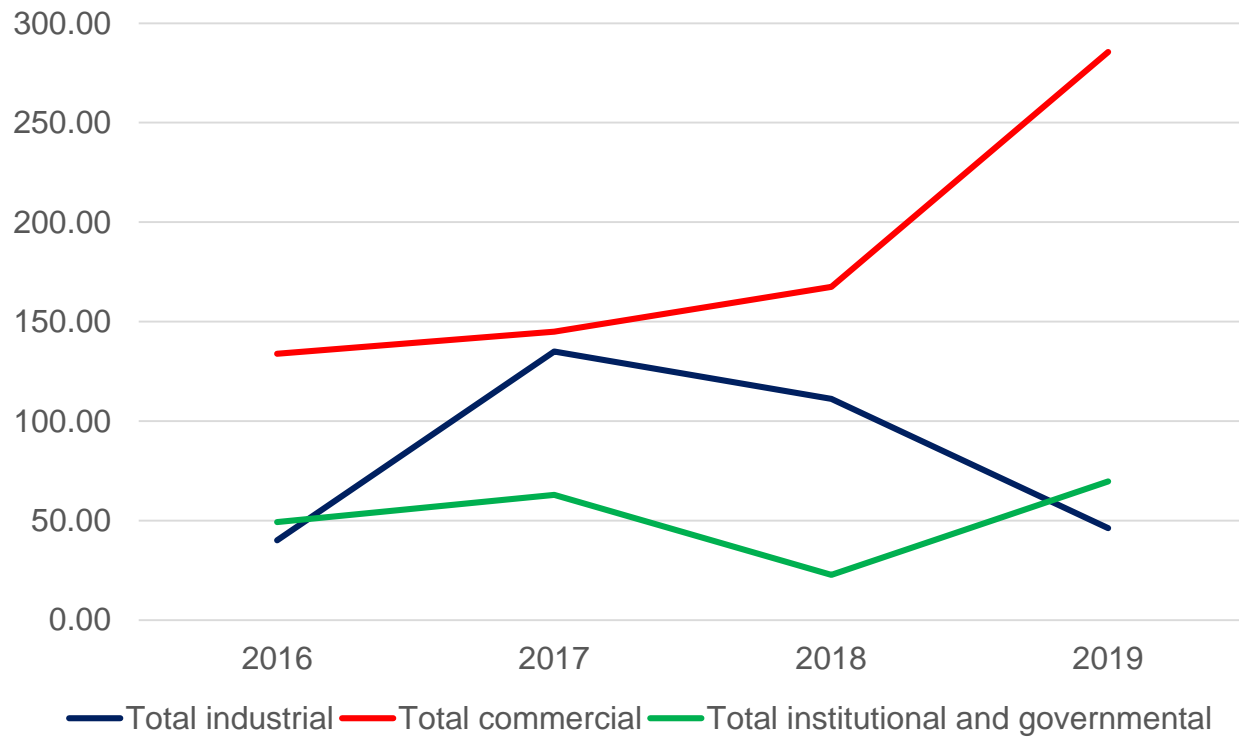
Investment in Building Construction Growth Rate (%), Niagara CMA and Ontario



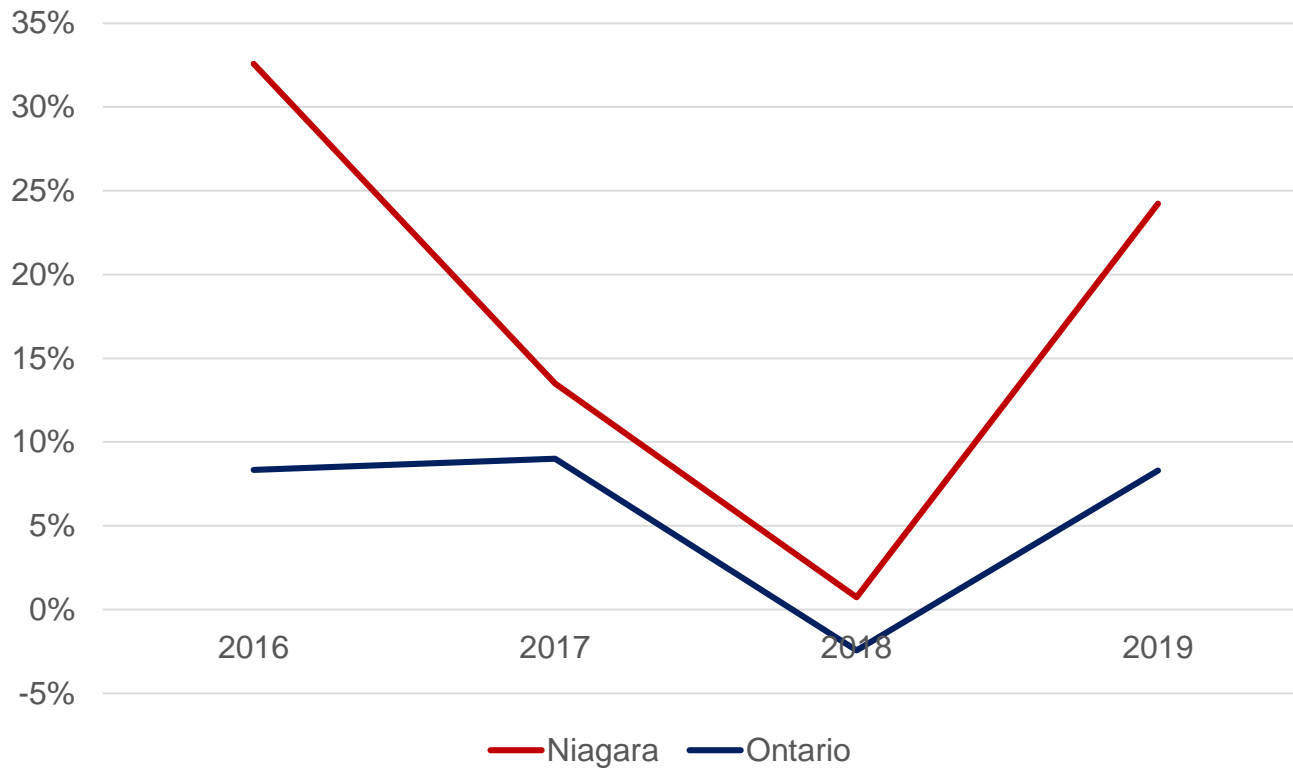
Building Permit Values (\$ millions), Niagara CMA



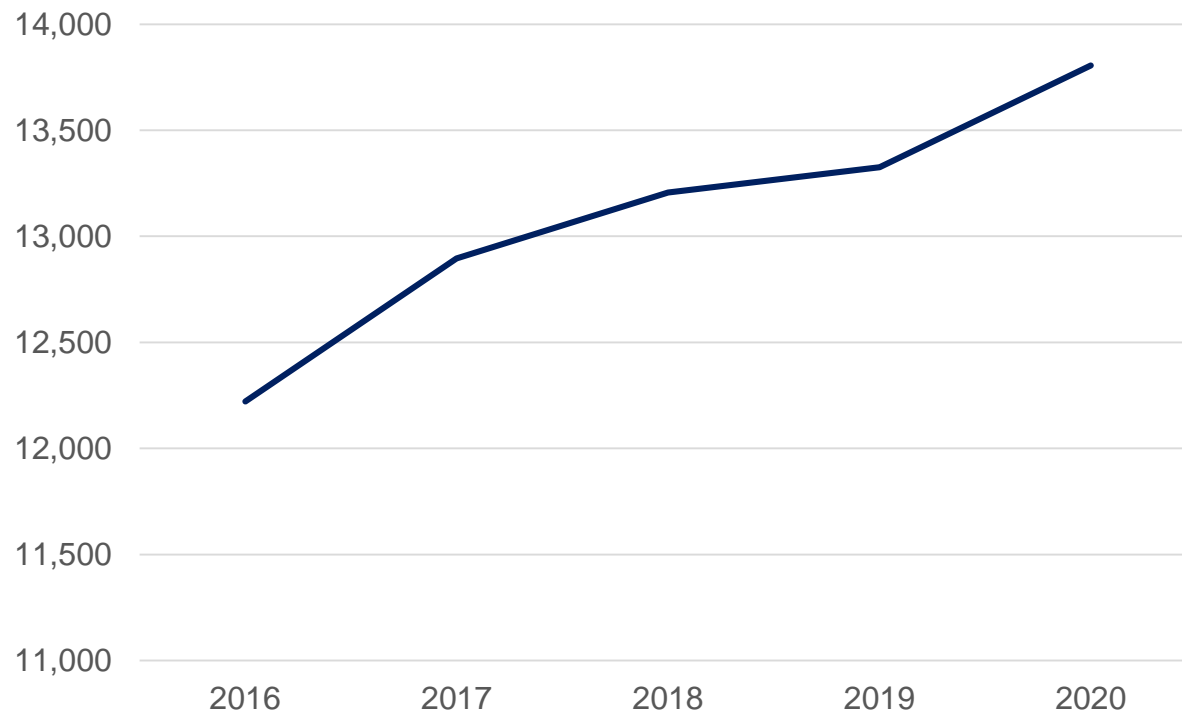
Building Permit Values (\$ millions), Non-Residential, Niagara CMA



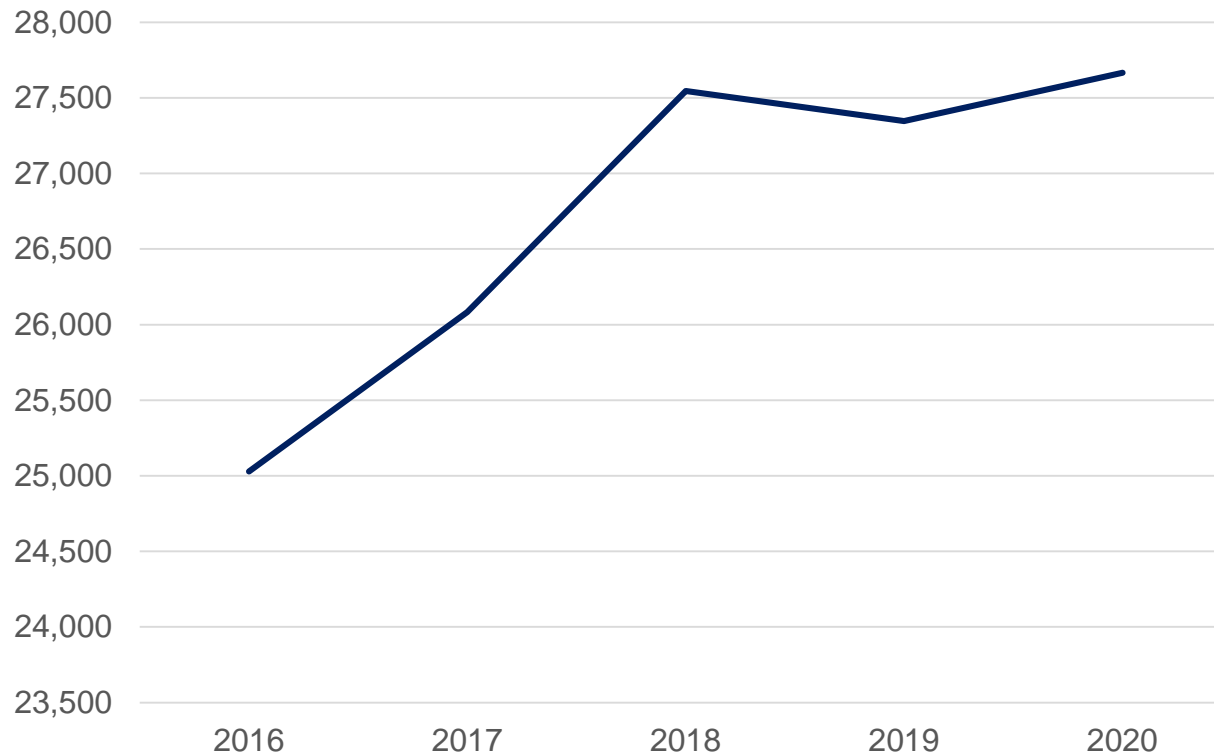
Building Permit Values Growth Rate (%), Niagara CMA and Ontario



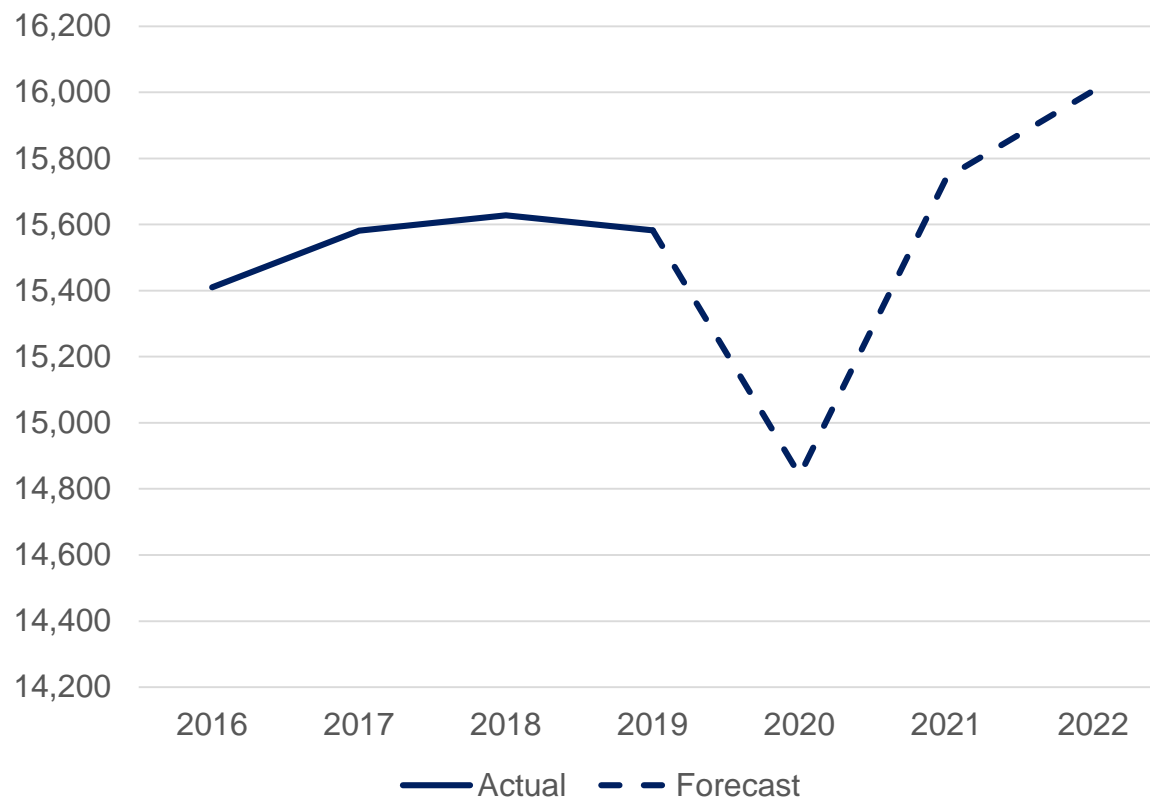
Businesses With Employees, Niagara Region



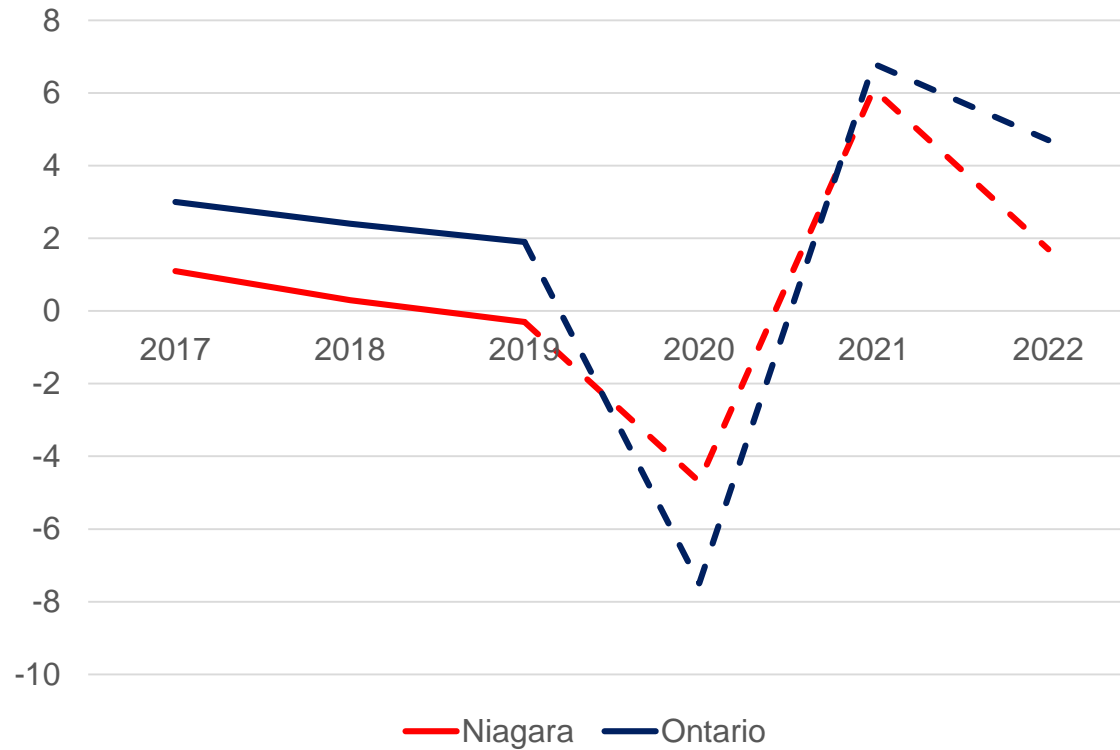
Businesses Without Employees, Niagara Region



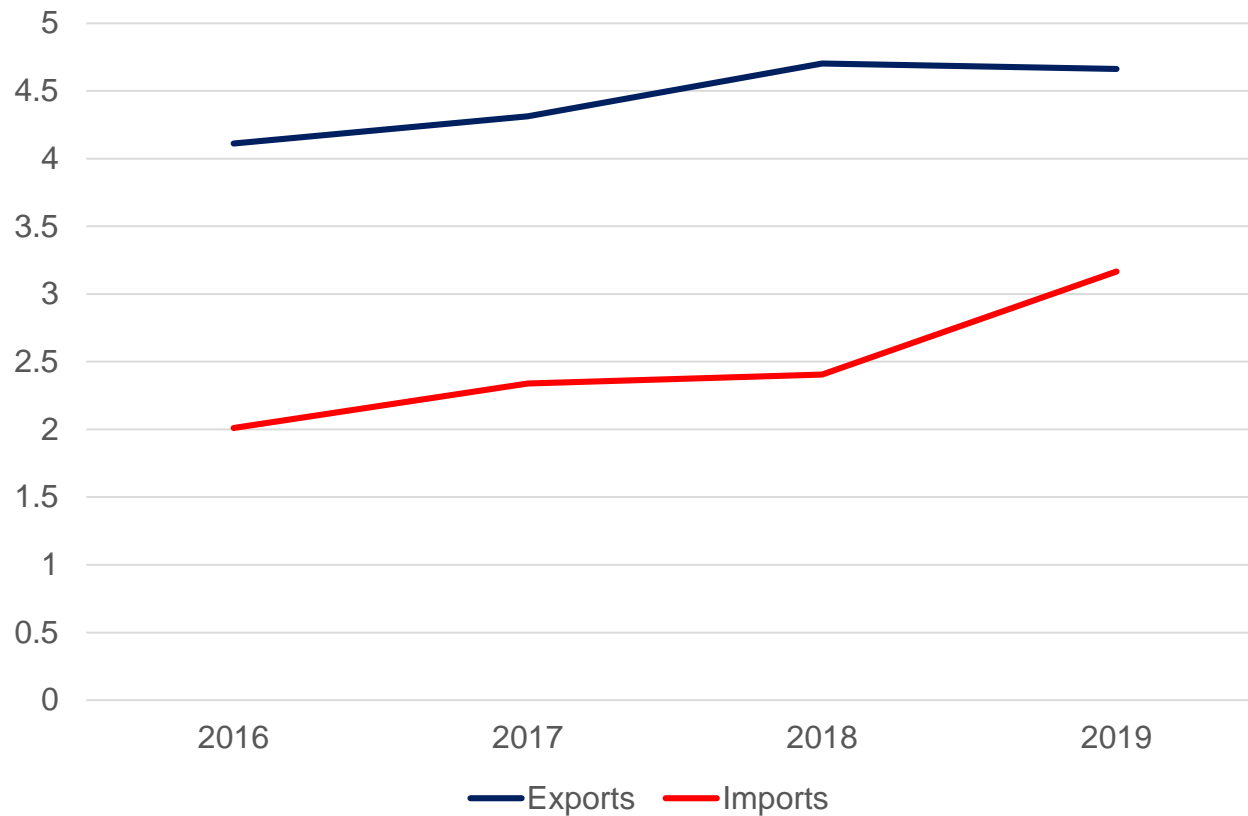
Real GDP (2012 \$ millions), Niagara CMA



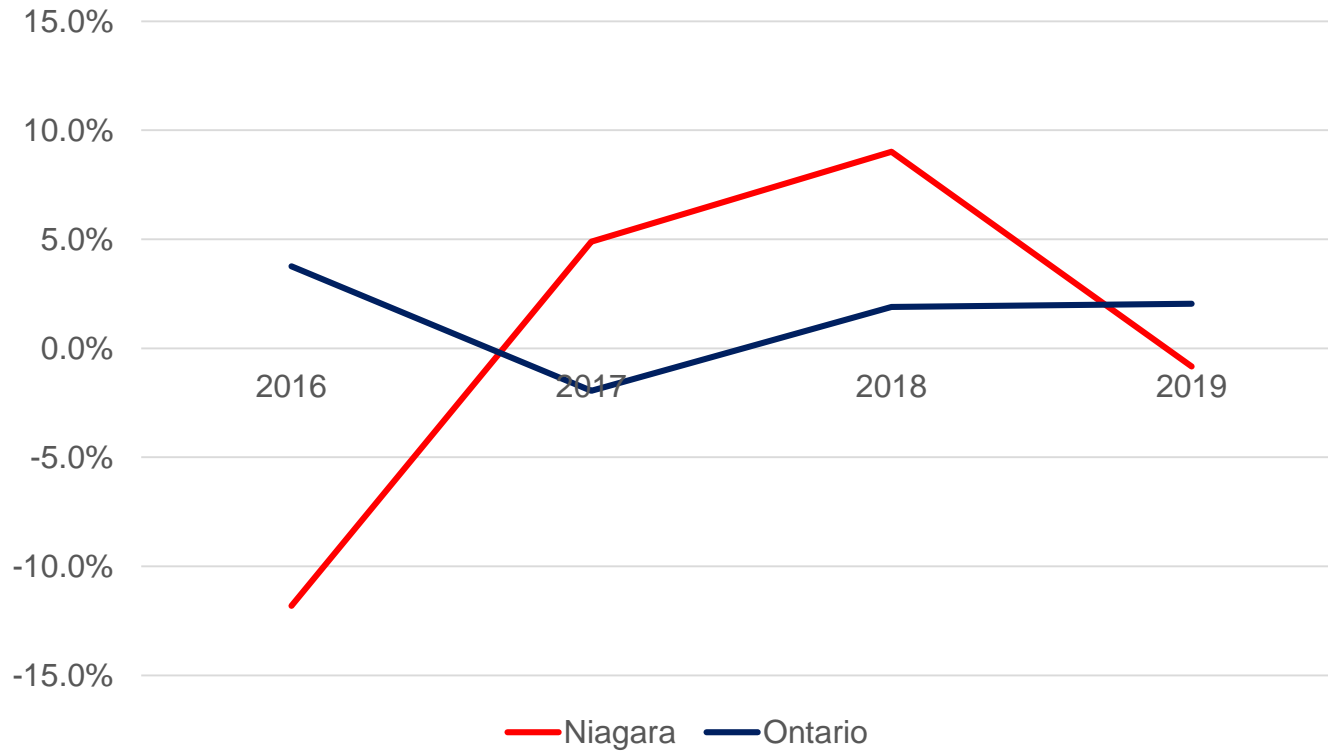
Real GDP Growth Rate (%), Niagara CMA and Ontario



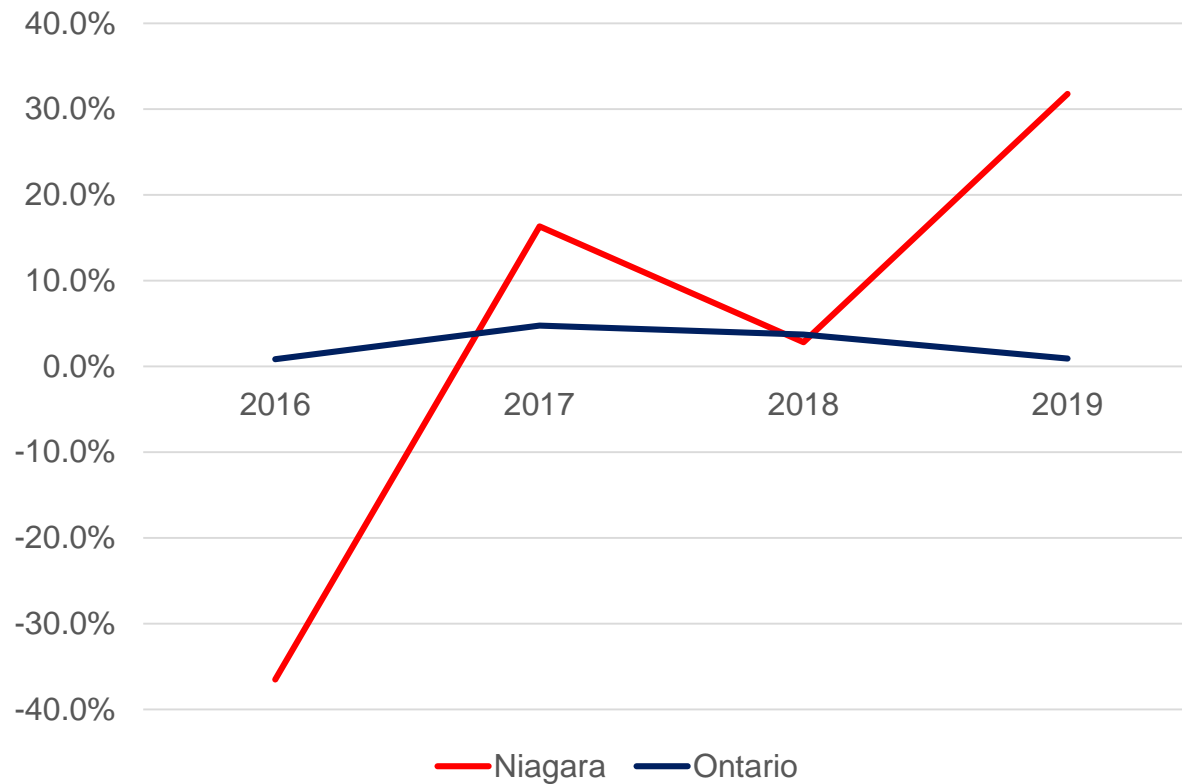
International Trade (\$ billions), Niagara CMA



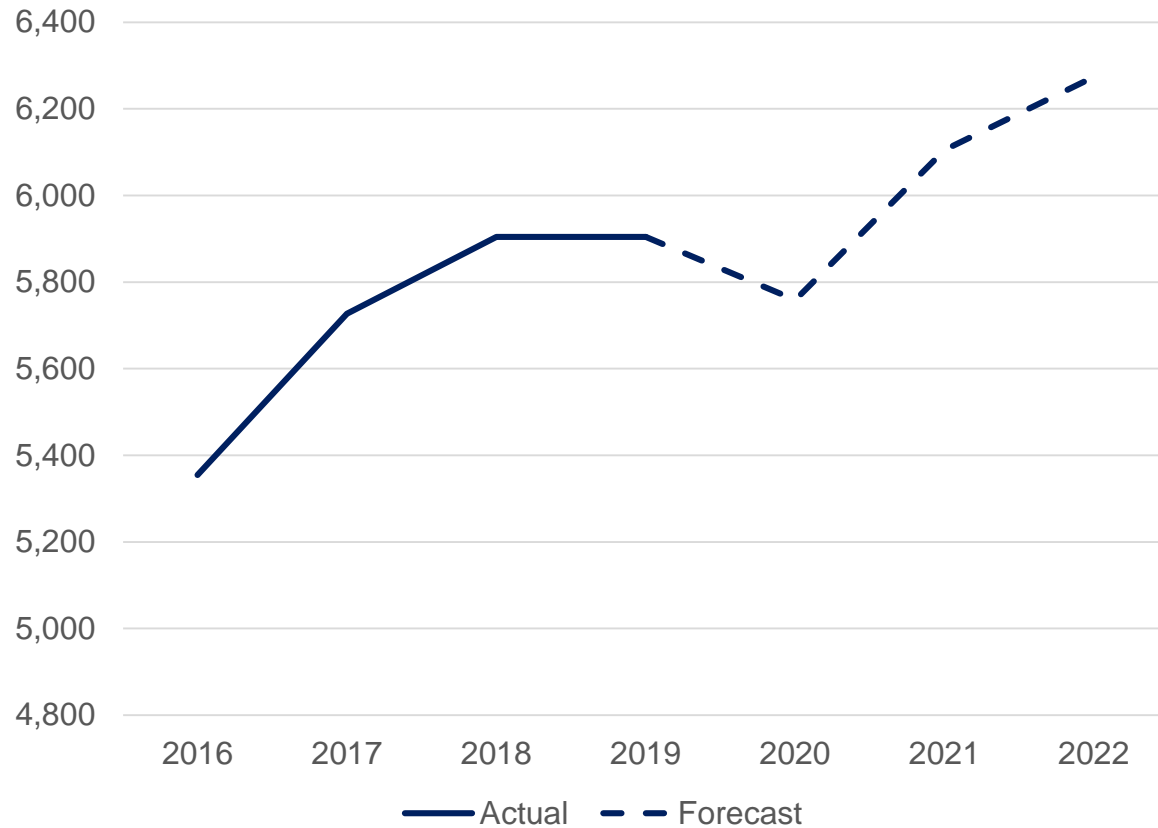
Export Growth Rate (%), Niagara CMA and Ontario



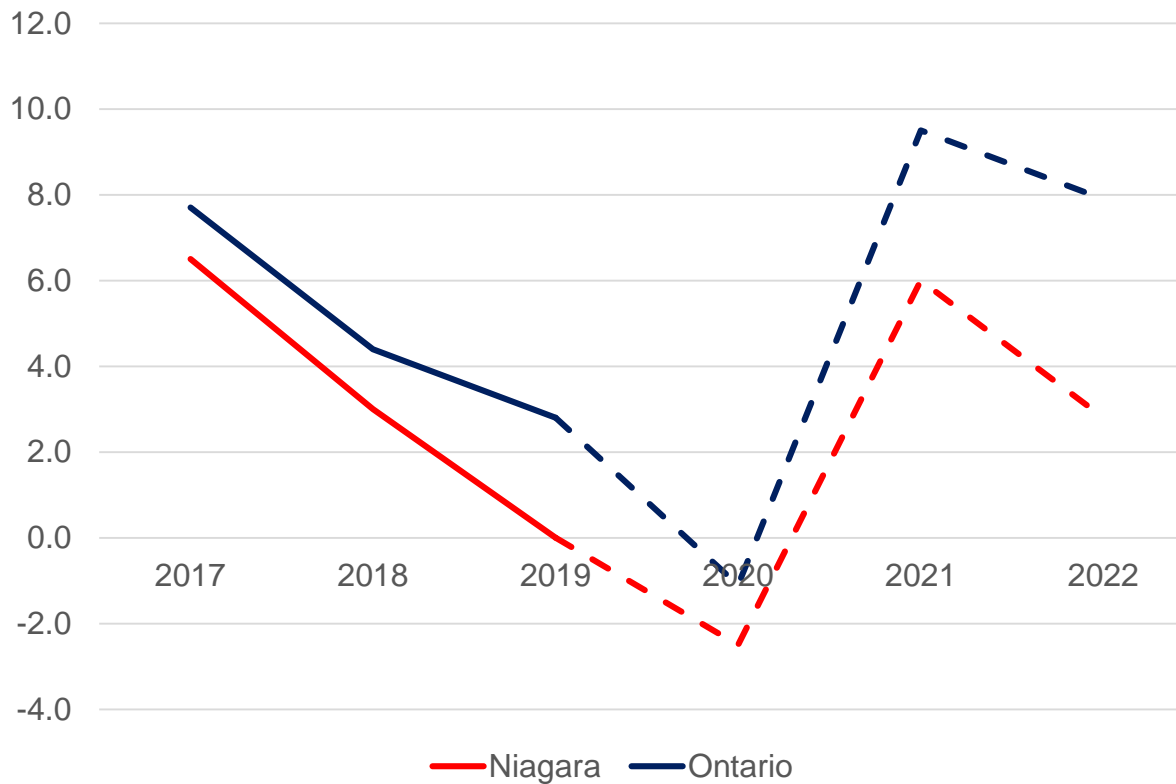
Import Growth Rate (%), Niagara CMA and Ontario



Retail Sales (\$ millions), Niagara CMA



Retail Sales Growth Rate (%), Niagara CMA and Ontario



Discussion

Contact:

Blake Landry, Ec.D
Manager, Economic Research & Analysis
Economic Development
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Subject: Niagara Economic Update

Report to: Planning and Economic Development Committee

Report date: Monday, November 9, 2020

Recommendations

1. That report ED 16-2020 **BE RECEIVED** by the Planning and Economic Development Committee for information.

Key Facts

- The purpose of this report is to provide PEDC with an update on the performance of Niagara's economy in light of the COVID-19 pandemic.
- COVID-19 has had a major impact on Niagara's economic momentum, but forecasts show that the damage can be reversed within a couple of years if the virus is contained.
- The main challenges include high unemployment; rising cost of living that is outpacing income growth; vastly reduced retail sales values; drastically reduced GDP for 2020; and a major disruption in tourism visitors and spending, and international trade.
- Some positive attributes include heightened momentum in investment in building construction across residential and commercial building types; investment stability in industrial and institution/government building types; and, substantial growth in new employer businesses.

Financial Considerations

None applicable.

Analysis

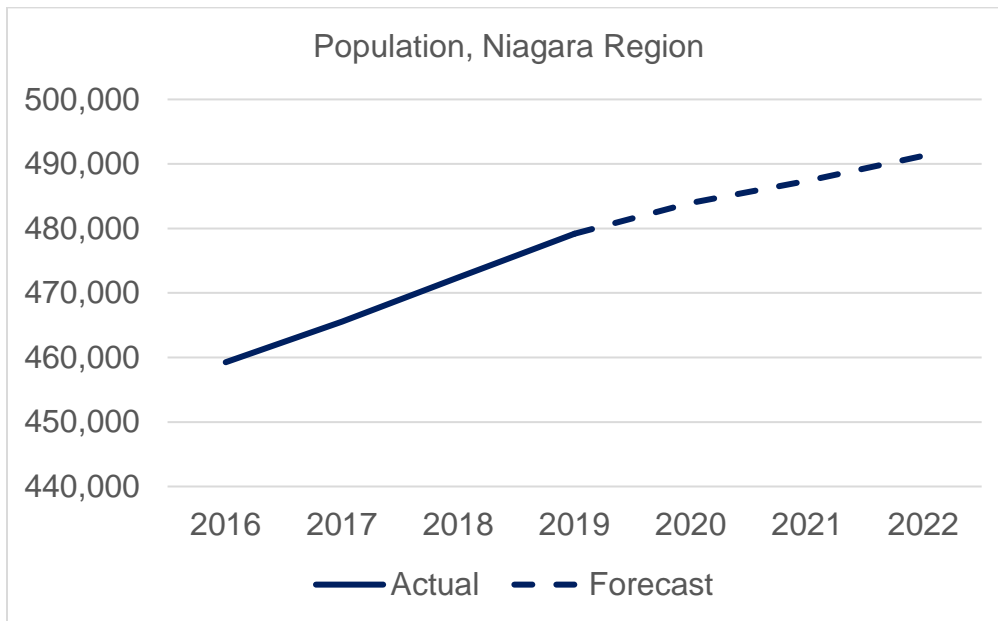
The COVID-19 pandemic has had extensive negative impacts in addition to the spread of the disease and ensuing healthcare crisis. The onset of the pandemic has resulted in the largest economic disruption in history. Lockdowns, supply shortages, market disruptions, market instability, and many other factors due to COVID-19 are threatening global economic stability so long as the virus remains uncontained. Niagara's

dependence on international trade and tourism has put the region in a precarious economic situation while the infection rates are prevalent.

Until the pandemic, Niagara was performing very well economically with a historically low unemployment rate, record levels of new investment and job creation, high levels of new business creation, high volumes of tourism visitors, high levels of tourism spending, strong retail sales, growing income levels, very strong export values, and consistent GDP growth. However, the pandemic has greatly disrupted Niagara's economic progress. Niagara businesses have lost billions in revenue, many thousands of people have become unemployed, the tourism sector has lost an entire season with billions in lost tourism expenditures, hospitality businesses have been forced to operate at greatly reduced capacities with many closing permanently, and there is an existing threat of increased infection spread that would make matters worse.

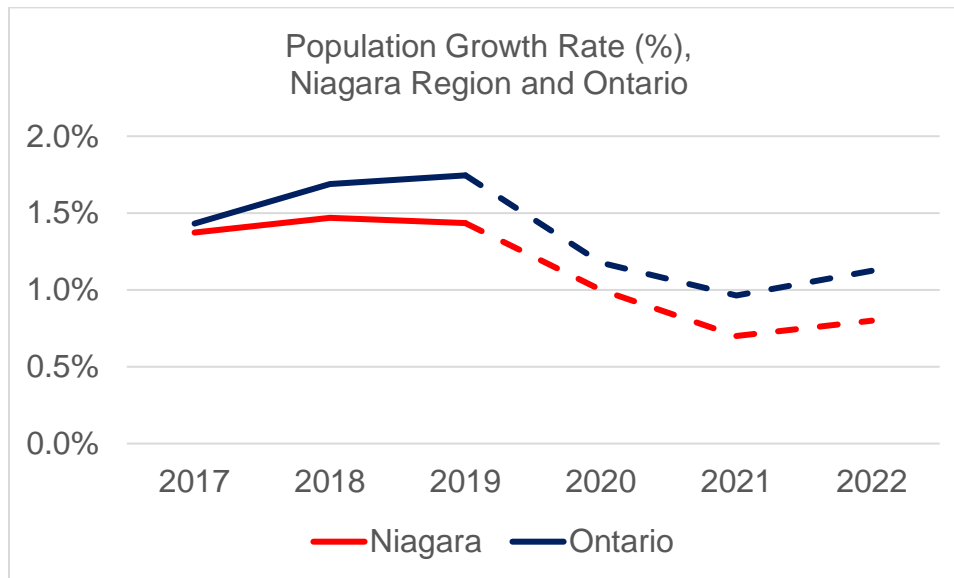
That said, there are signs of resiliency in Niagara's regional economy and if the spread of infection can be contained, Niagara is well poised for economic recovery.

This report explores major economic indicators including population, employment, income, inflation, investment, business counts, gross domestic product, international trade, and retail sales. It addresses the past few years of economic activity, as well as provides forecasts for the next couple of years with a consideration for the impact of COVID-19 on the regional economy.



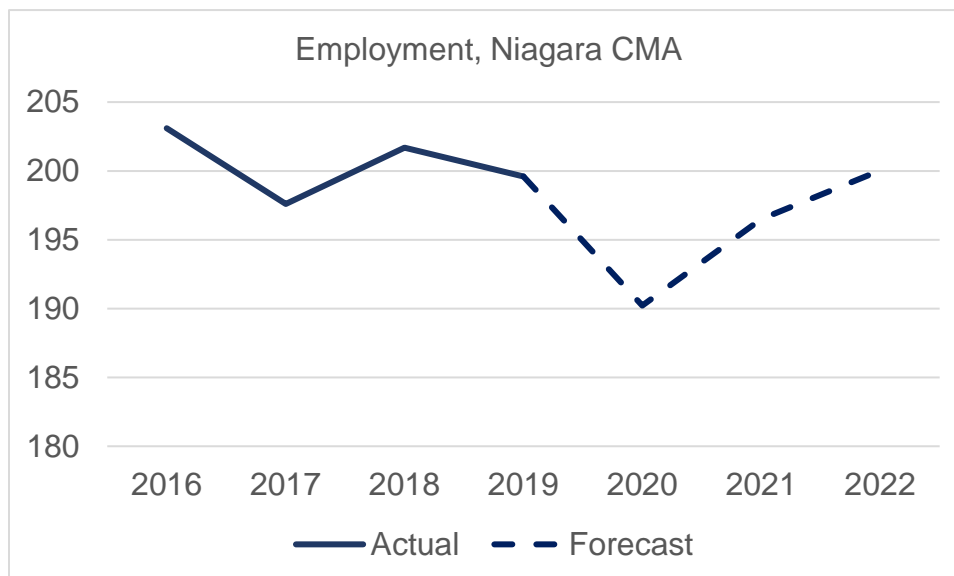
Statistics Canada, Table: 17-10-0142-01; forecasts from the Conference Board of Canada

- The population of Niagara grew by 19,921 people from 2016 to 2019 at a growth rate of 4.3%.
- The population is forecasted to grow by 12,079 people, or 2.5% from 2019 to 2022.



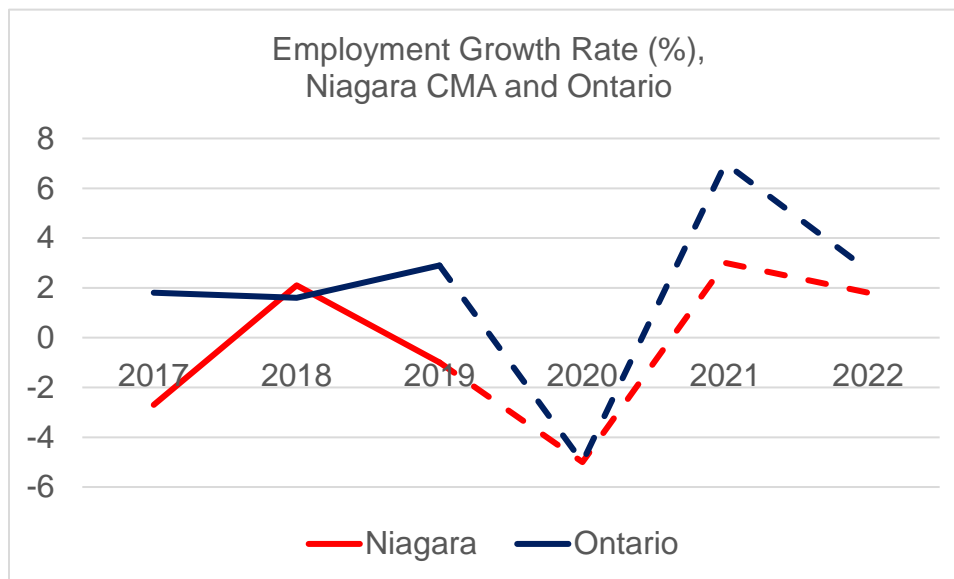
Statistics Canada, Table: 17-10-0142-01; forecasts from the Conference Board of Canada, July 2020

- The population of Niagara has grown slightly slower than Ontario from 2017 to 2019.
- The population of Niagara is forecasted to grow slightly slower than Ontario from 2019 to 2022, but will follow the same growth trend.



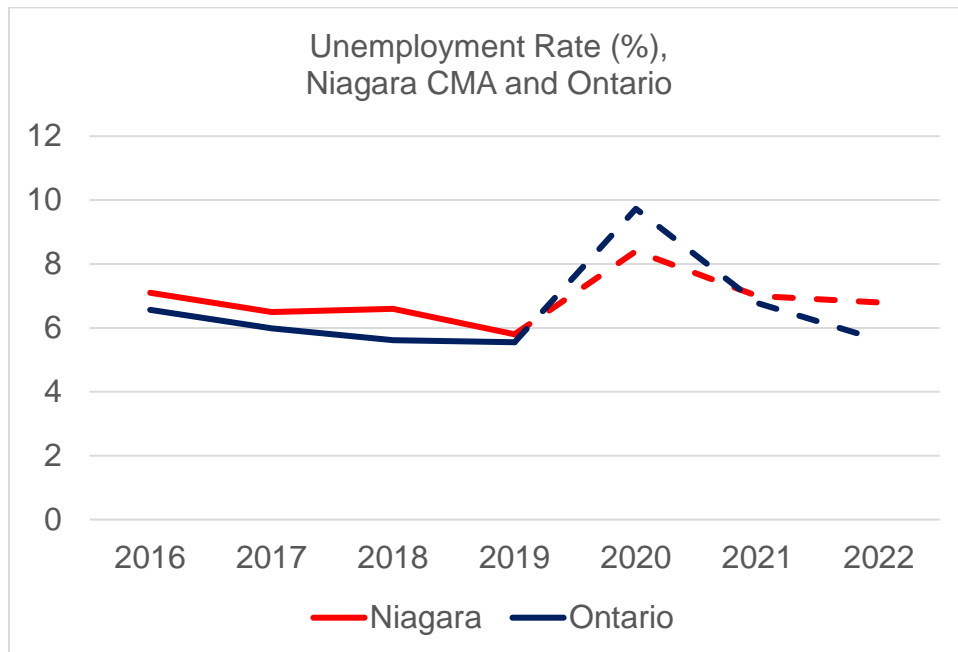
Conference Board of Canada, Major City Insights, July 2020

- Employment in Niagara remained relative stable from 2016 until 2020 where it is forecasted to decline by 12,900 people at a rate of 6% due to COVID-19. This is the estimated net loss for 2020.
- Employment is forecasted to begin to rebound in 2021 with a full recovery to 2019 levels by 2022.



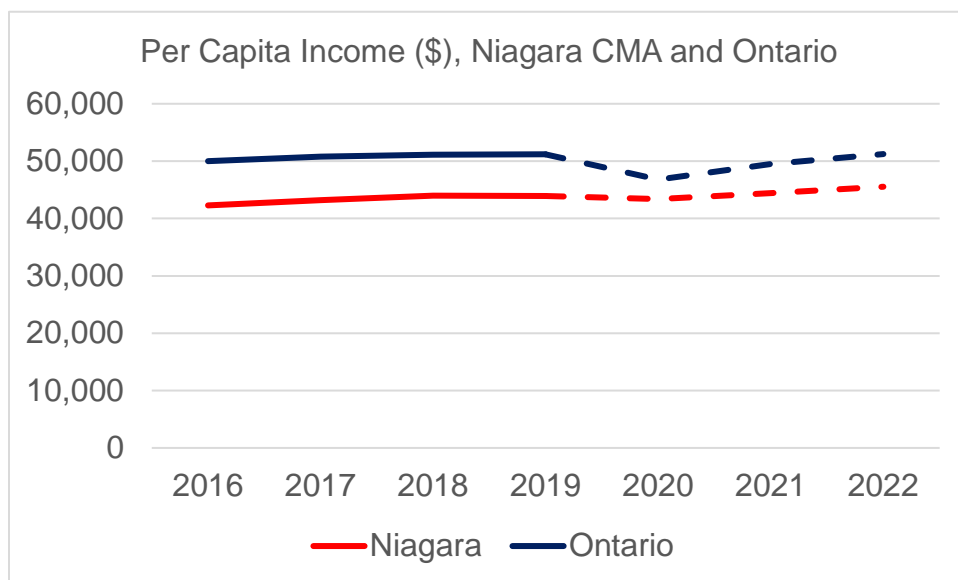
Conference Board of Canada, Major City Insights, July 2020

- The employment growth rate for Niagara was much lower than Ontario in 2017 but surpassed Ontario in 2018.
- While the Niagara employment growth rate declined in 2019, Ontario's grew. However, both the Niagara and Ontario employment growth rate are forecasted to drop significantly in 2020 due to COVID-19. Employment growth rate for Niagara is forecasted to grow significantly in 2021, but not as much as Ontario.
- The employment growth rate is forecasted to stabilize in 2022 for Niagara and Ontario.



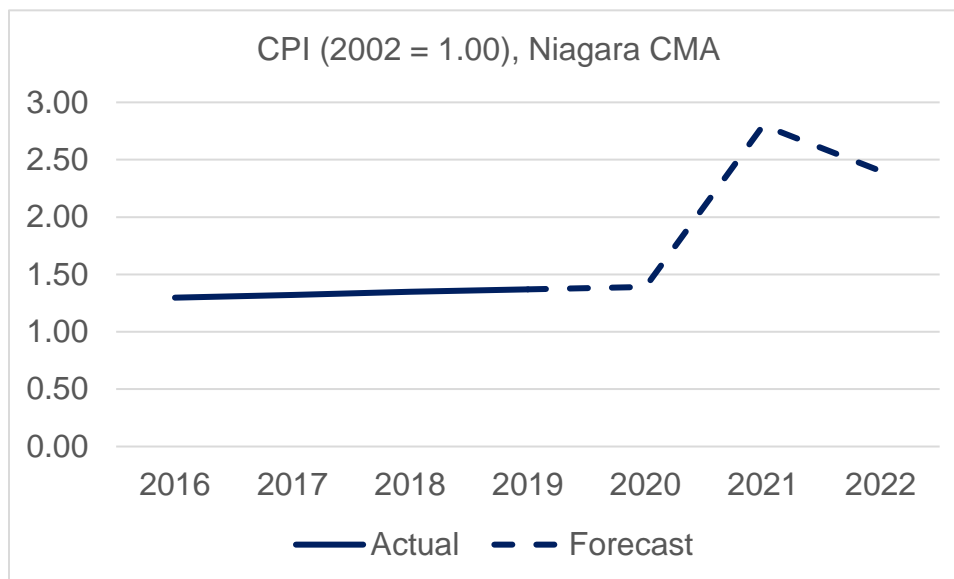
Conference Board of Canada, Major City Insights, July 2020

- The unemployment rate for Niagara was slightly higher than Ontario from 2016 to 2018 with Niagara closing the gap in 2019.
- The unemployment rate for Niagara is forecasted to drop below Ontario for 2020 and 2021, and increase above Ontario in 2022.



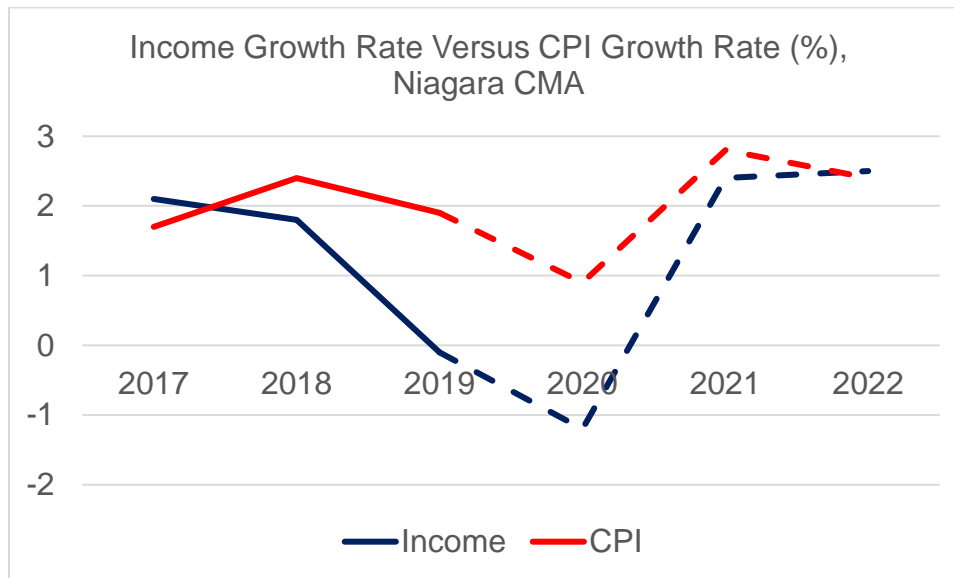
Conference Board of Canada, Major City Insights, July 2020

- Per capita income measures the average income earned per person in a given geographical region. It is a good way to assess a region's level of wealth and affordability.
- Per capita income for Niagara has historically lagged Ontario. However, from 2016 to 2019 per capita income for Niagara increased by \$1,655 (3.9%) while Ontario increased by only \$1,198 (2.4%).
- The per capita income gap is projected to get smaller. From 2019 to 2022, per capita income for Niagara is expected to increase by \$1,596 (3.6%) while Ontario is expected to remain stagnant at only \$37 (0.1%) growth. Niagara is catching up to Ontario.



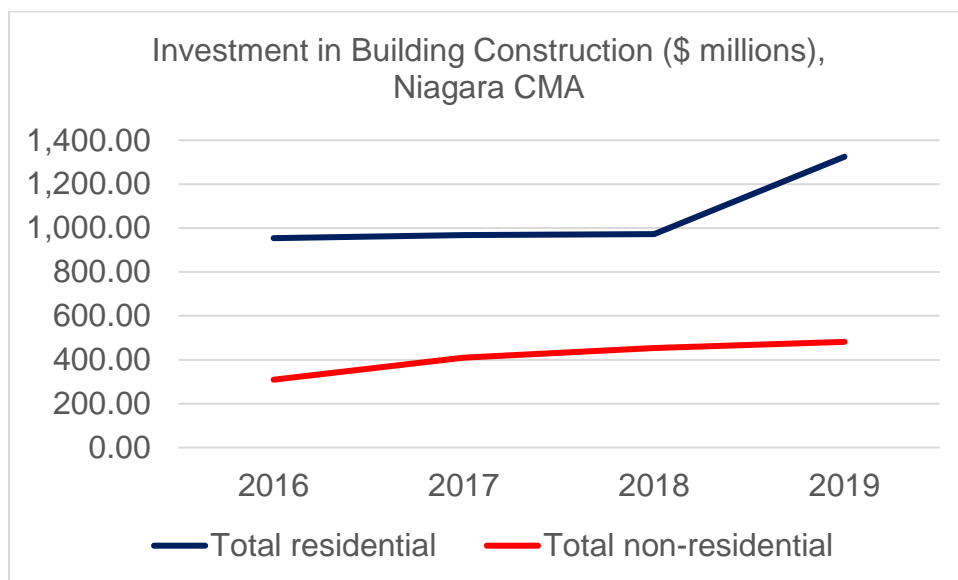
Conference Board of Canada, Major City Insights, July 2020

- The Consumer Price Index (CPI) is a way to measure inflation.
- The CPI for Niagara increased by 6% from 2016 to 2019 and are forecasted to remain stable into 2020.
- The CPI is forecasted to increase significantly in 2021 and remain high in 2022, which is a sign that the cost of living will increase substantially.



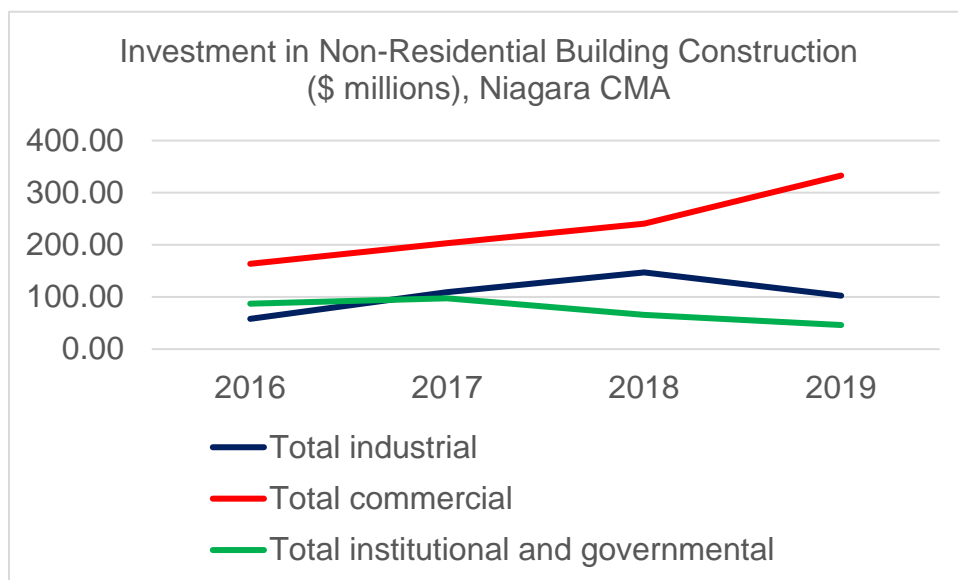
Conference Board of Canada, Major City Insights, July 2020

- In 2017, the income growth rate for Niagara was above CPI, which means income was growing faster than inflation.
- In 2018 and 2019, CPI growth was much higher than income growth.
- In 2020, both income and CPI are forecasted to dip drastically due to COVID-19 but are forecasted to rise above pre-pandemic levels in 2021 and into 2022.
- The income growth rate is expected to surpass CPI again in 2022, which means incomes will begin to increase faster than inflation again.



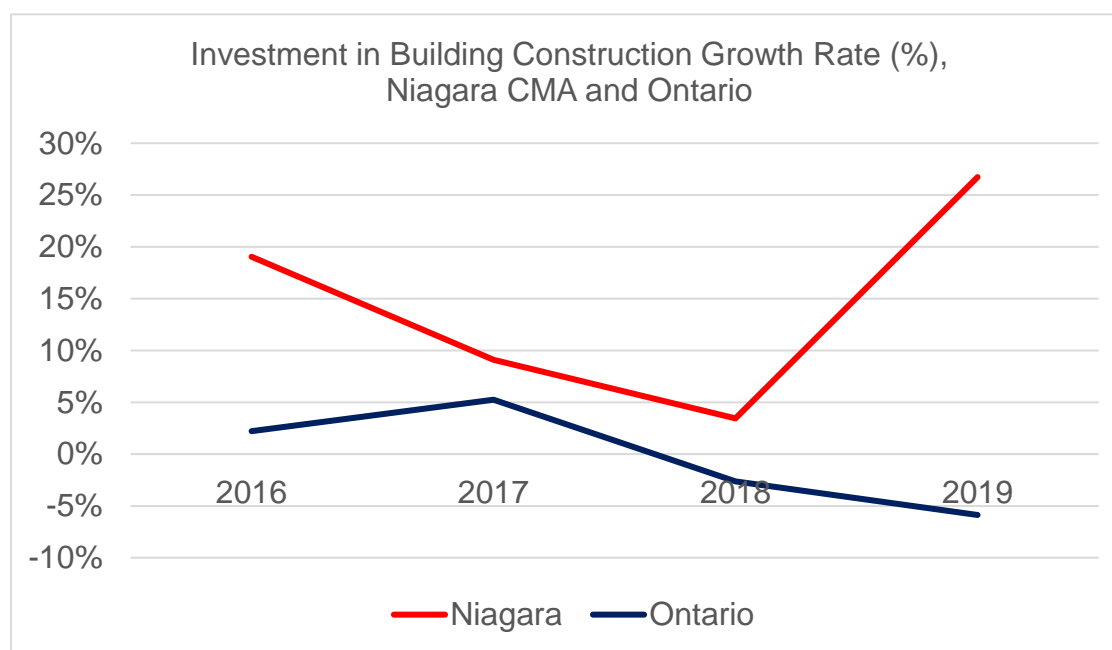
Statistics Canada, Table: 34-10-0175-01

- Investment in building construction in Niagara continues to grow for both residential and non-residential buildings.
- From 2016 to 2019, investment in residential building construction grew by 39% while investment in non-residential building construction grew by 56%.



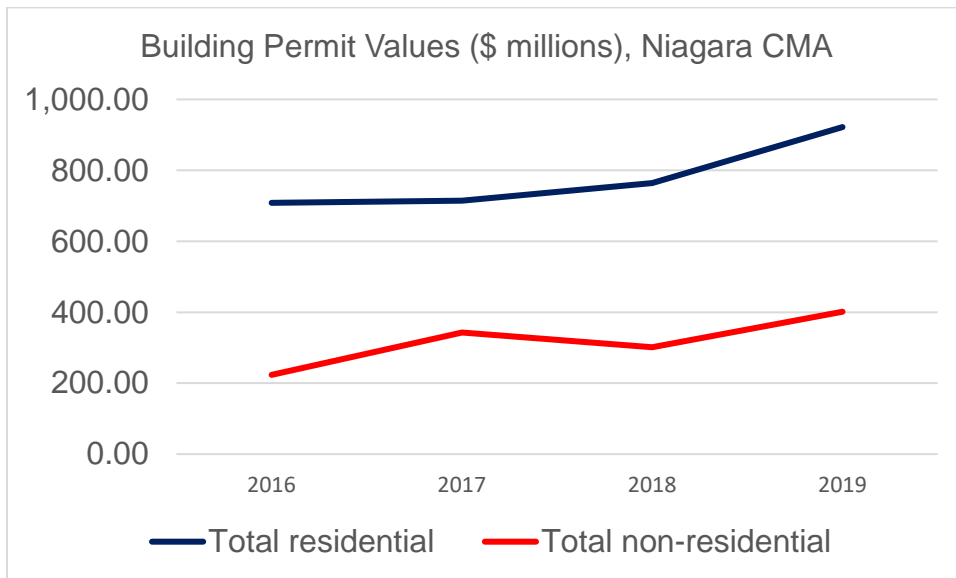
Statistics Canada, Table: 34-10-0175-01

- From 2016 to 2019, investment in non-residential building construction has been driven by commercial building construction. However, investment in industrial and institutional and government has remained stable.
- From 2016 to 2019, investment in commercial building construction has grown by 103%, while industrial has grown by 76%, and institutional and government has grown by 46%.



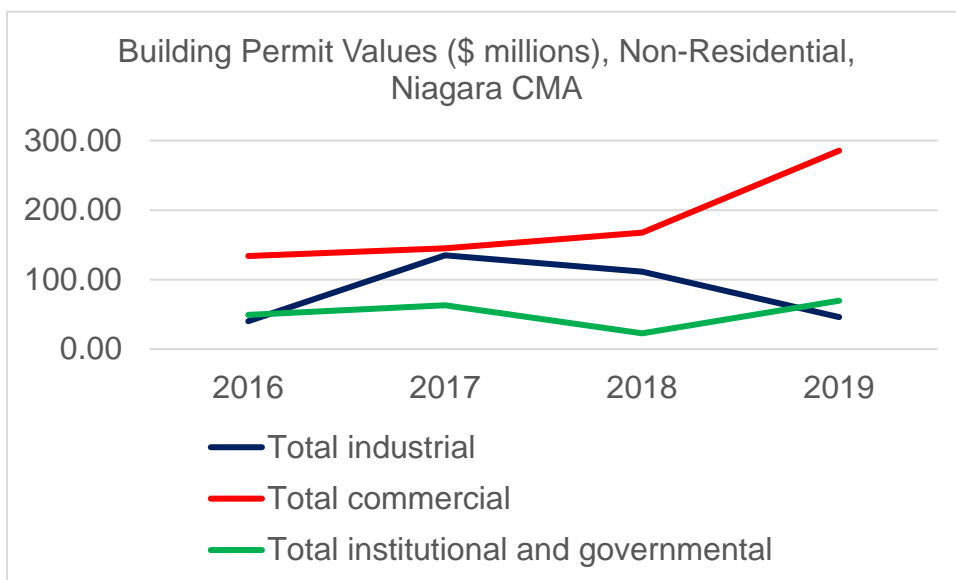
Statistics Canada, Table: 34-10-0175-01

- From 2016 to 2019, growth in investment in building construction for Niagara has significantly outpaced Ontario.
- Both Niagara and Ontario experienced a decline in growth rate for building construction; however, Ontario declined more drastically.
- In 2019, Niagara experienced a drastic increase in investment growth by 27% while Ontario continued to decline to -6%.



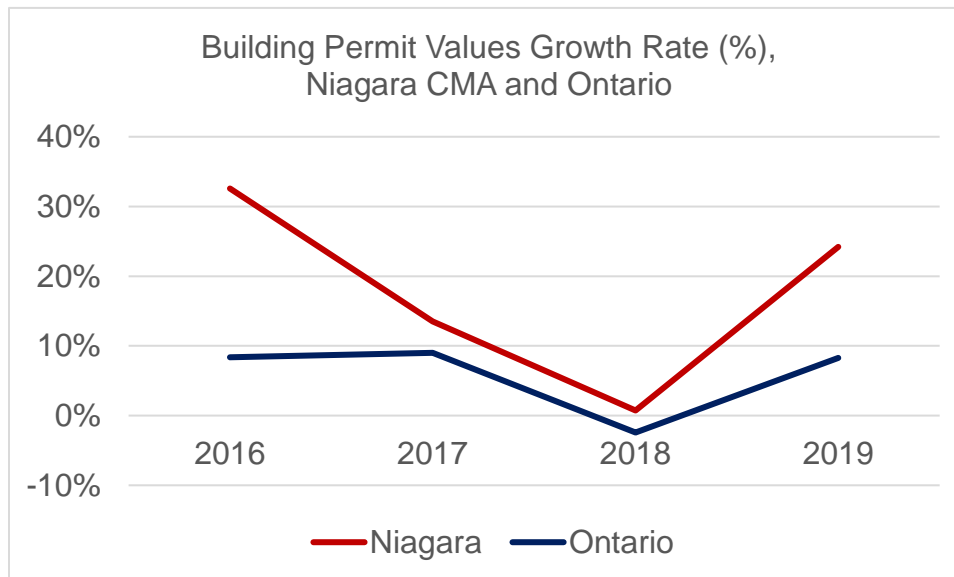
Statistics Canada, Table: 34-10-0066-01

- Both residential and non-residential building permit values have continued to grow in Niagara.
- From 2016 to 2019, total building permit values grew by 42% with 39% in residential and 80% growth in non-residential.



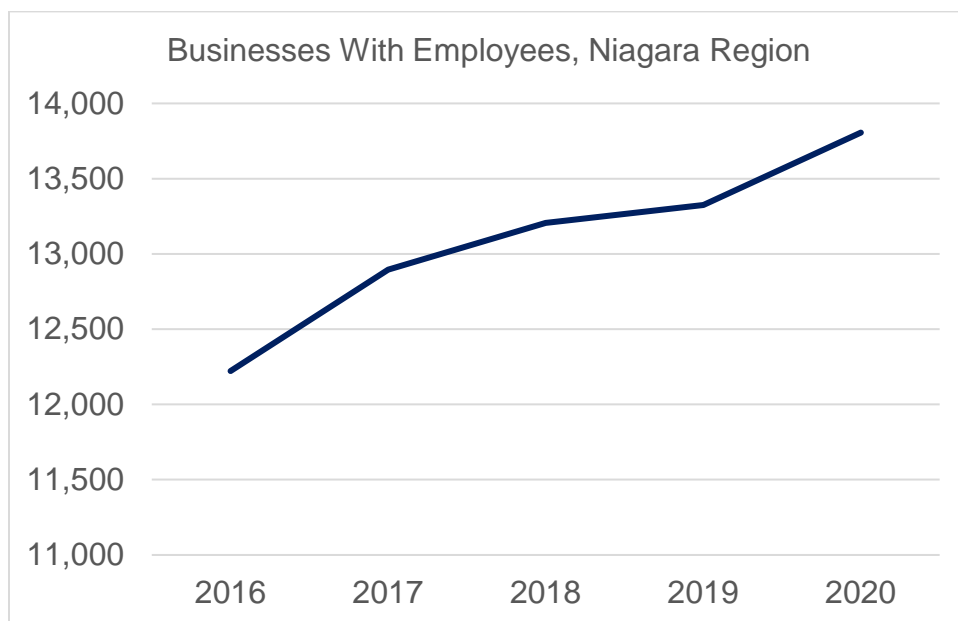
Statistics Canada, Table: 34-10-0066-01

- As mentioned, total non-residential building permit values grew by 80% from 2016 to 2019. Commercial building types drove this growth.
- Commercial building permit values grew by 113%, while industrial grew by 15%, and institutional and government grew by 41%



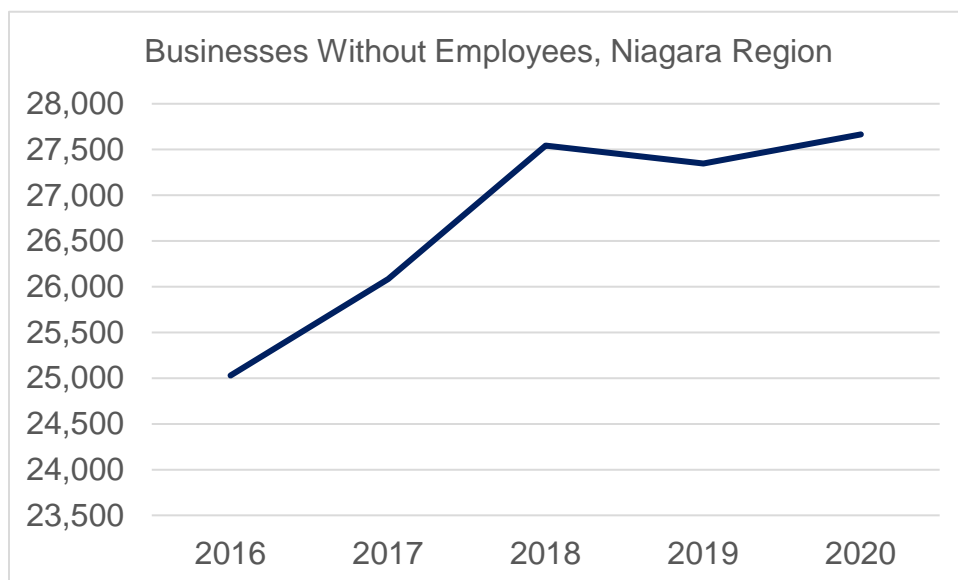
Statistics Canada, Table: 34-10-0066-01

- From 2016 to 2019, Niagara has consistently outpaced Ontario in growth rate of building permit values.
- In 2016, Niagara had a building permit value of 33% compared to 8% for Ontario. This gap narrowed in 2017 and 2018, but in 2019 building permit values for Niagara rose drastically above Ontario again.



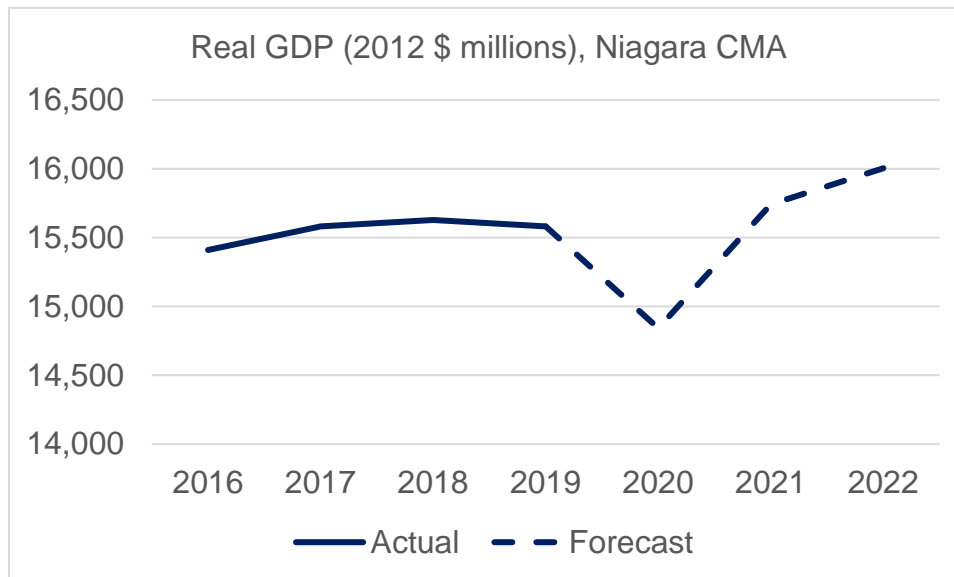
Statistics Canada, Canadian Business Counts, June 2020

- From 2016 to 2020, Niagara gained 1,584 businesses with employees at a growth rate of 13%.
- Despite the COVID-19 pandemic, Niagara gained 480 new businesses with employees by June 2020.



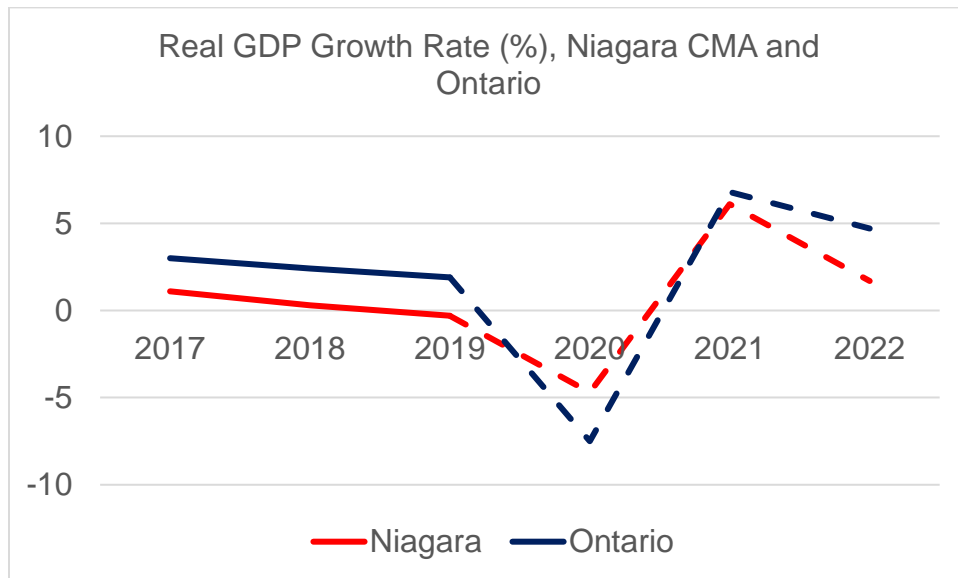
Statistics Canada, Canadian Business Counts, June 2020

- From 2016 to 2020, Niagara gained 2,636 business without employees at a growth rate of 11%.
- Again, despite the impact of the COVID-19 pandemic, Niagara still had a net gain of 318 businesses without employees.



Conference Board of Canada, Major City Insights, July 2020

- Gross domestic product (GDP) is the monetary value of total goods and services produced in a certain geographical area. Real GDP is adjusted for inflation in order to assess the real economic growth of a region.
- From 2016 to 2019, GDP for Niagara has remained relatively stagnant at only 1.1% growth.
- In 2020, GDP is forecasted to plummet by -4.7% over 2019 due to the COVID-19 pandemic.
- GDP is forecasted to recover significantly over 2021 and 2022 at 7.8% over 2020.



Conference Board of Canada, Major City Insights, July 2020

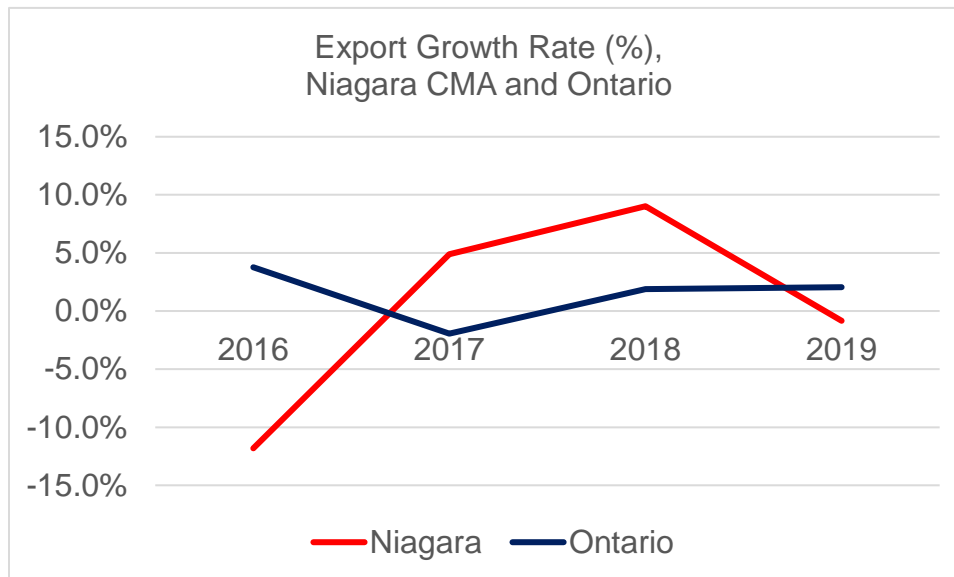
- GDP growth for Niagara lagged Ontario from 2017 to 2019.
- In 2020, GDP growth rate for Niagara is forecasted to drop with Ontario dropping further, but Ontario will outpace Niagara again in 2021 and 2022.



Statistics Canada, Trade by Exporter and Importer Characteristics

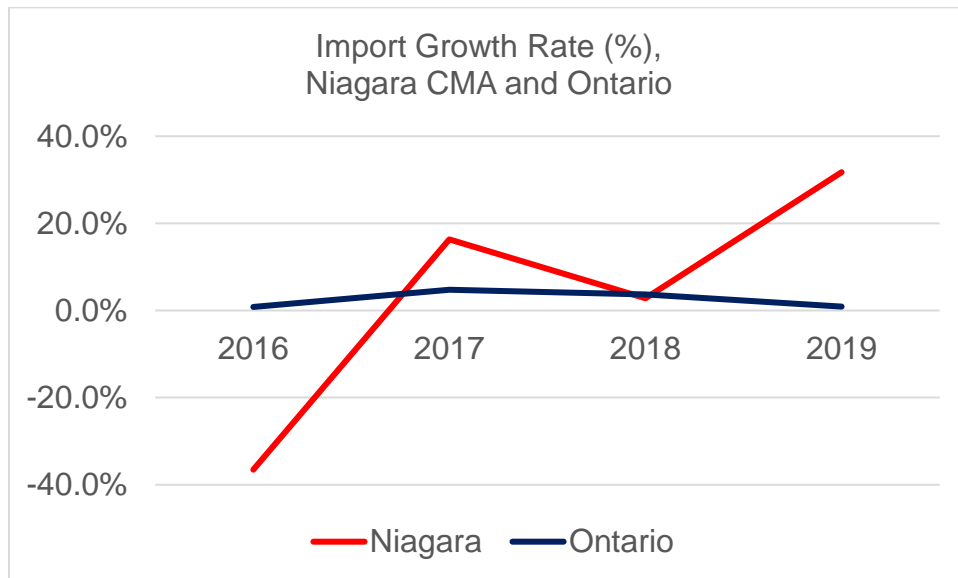
- From 2016 to 2019, value of exports for Niagara grew by \$551 million at a rate of 13% but leveled off in 2019.

- Value of imports for Niagara also increased. From 2016 to 2019, value of imports grew by \$1.2 billion at a rate of 58%.
- Net trade for Niagara grew from 2016 to 2019, but was reduced significantly in 2019 given the significant increase in import values.



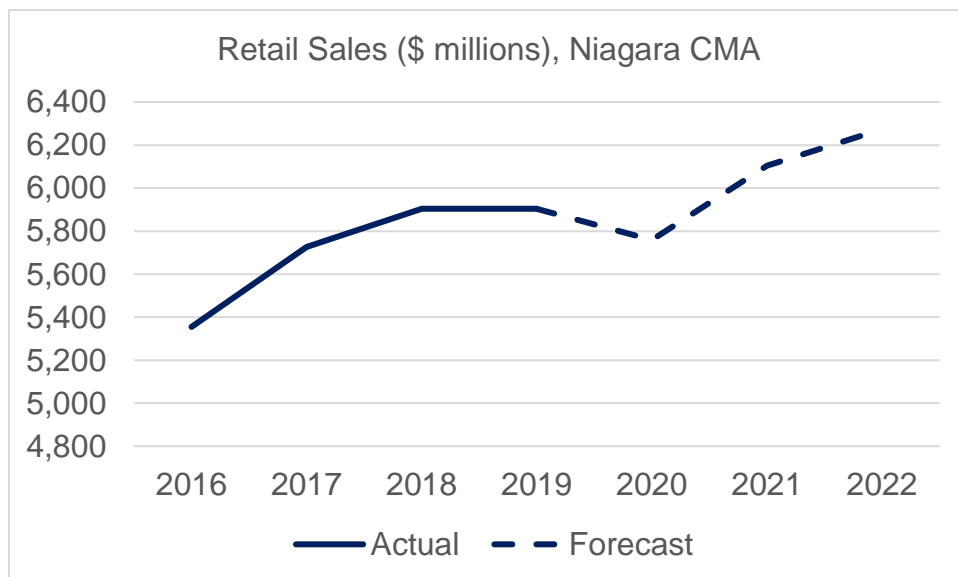
Statistics Canada, Trade by Exporter and Importer Characteristics

- Niagara's export growth rate was significantly lower than Ontario in 2016, but increased drastically in 2017 and 2018, but dipped by 9.8% in 2019.
- The export growth rate for Ontario dipped a little from 2016 to 2017, but remained stable from 2017 to 2019.



Statistics Canada, Trade by Exporter and Importer Characteristics

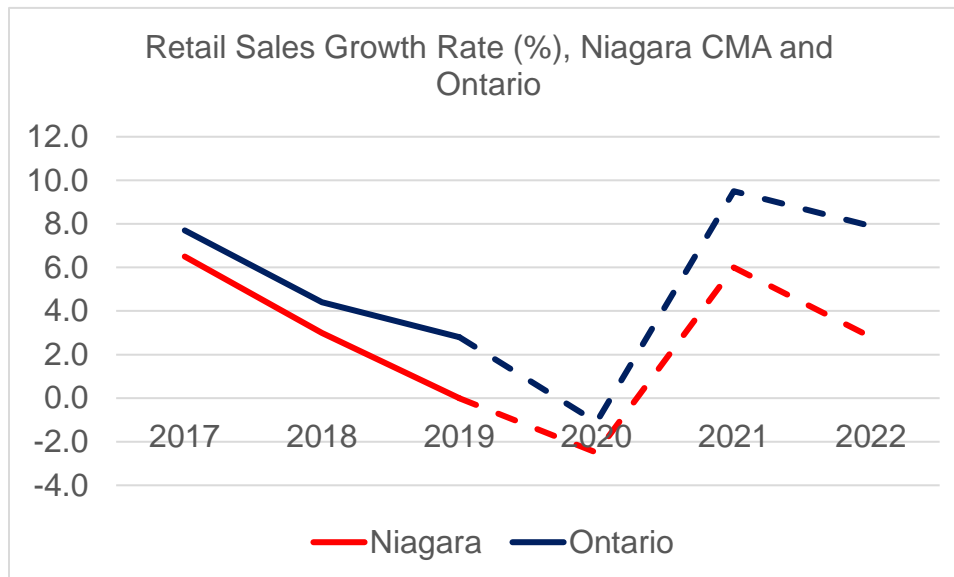
- Niagara had a very low import growth rate in 2017, but it increased significantly by 52% in 2017.
- The export growth rate for Ontario remained relatively stable from 2016 to 2019.



Conference Board of Canada, Major City Insights, July 2020

- Retail sales in Niagara grow significantly from 2016 to 2018 by \$549 million at a rate of 10%, but flattened out in 2019.

- In 2020, Retail sales in Niagara are forecasted to decline by \$145 million at a rate of 10% due to the COVID-19 pandemic.
- Retails sales are forecasted to rebound strongly in 2021 and 2022 by \$370 million at a rate of over 6%.



Conference Board of Canada, Major City Insights, July 2020

- Retails sales growth rate has lagged Ontario from 2017 to 2019 and is forecasted to continue to lag Ontario through 2020 to 2022.
- Retails sales growth rate for Niagara and Ontario bottomed out in 2020 due to the COVID-19 pandemic, but are forecasted to grow substantially in 2021 by 6% for Niagara and 10% for Ontario and dropping again in 2022.

Conclusion

- Niagara's population is forecasted to continue to grow into the future, but the growth rate lags slightly behind Ontario.
- Employment in Niagara was reduced significantly 2020 due to the pandemic and is not expected to recover fully until 2022.
- Niagara's employment growth rate was stable until 2020. This is expected to stabilize again through 2021 and 2022, which is in line with Ontario.
- Niagara's unemployment rate has trended downward for a number of years until COVID-19 where it increased substantially. Along with Ontario, it is forecasted to return to lower levels by 2022.

- Cost of living is outpacing per capita income in Niagara. However, it is expected to start catching up within a couple of years.
- Investment in building construction remains very strong in Niagara, especially in residential and commercial building types. Also, Niagara's growth rate in investment in building construction far exceeds that of Ontario.
- Building permit values have remained historically strong, especially in residential and commercial building types. Industrial and institutional and government have declines compared to the past few years, but have remained stable.
- Niagara continues to gain net employer businesses. However, we have yet to see the full impact of COVID-19 on business bankruptcies and closures. Businesses without employees (i.e. self-employed) have seen little growth in the past couple of years.
- Niagara GDP growth has been underperforming. COVID-19 has intensified this, but it is expected to recover rather quickly. Niagara's GDP growth rate is in line with Ontario.
- Niagara remains strong in international trade. However, growth rate in exports has softened while imports have strengthened, which has reduced the trade surplus.
- Retail sales have been relatively stagnant over the past couple of years and have declined in 2020 due to COVID-19, but they are expected to rebound over the next couple of years.
- Niagara remains an attractive place for new residents and businesses and demand for property is expected to remain high despite the pandemic. However, this will exacerbate the affordability issue since Niagara incomes are lower than neighbouring regions, which are driving up real estate demand.
- Lastly, economic recovery is highly dependent on containing the COVID-19 virus and ending the pandemic. If infections continue to spread, the economic damage will continue to worsen and recovery will be prolonged.

Alternatives Reviewed

None applicable.

Relationship to Council Strategic Priorities

This report supports the following Council Strategic Priority because it is essential to be aware of and understand the characteristics of Niagara's regional economy in order to make informed decisions pertinent to business and economic growth:

- Supporting Businesses and Economic Growth

Other Pertinent Reports

- ED 11-2020 Economic Recovery Plan Progress Update
- ED 12-2020 COVID-19 Response and Business Continuity in Economic Development
- ED 13-2020 COVID-19 Impact on Investment and Development in Niagara

Prepared by:

Blake Landry, Ec.D
Manager, Economic Research and
Analysis
Economic Development

Recommended by:

Valerie Kuhns
Acting Director
Economic Development

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

Appendices

None applicable.

Subject: Economic Recovery Plan Update 2
Report to: Planning and Economic Development Committee
Report date: Monday, November 9, 2020

Recommendations

1. That Planning and Economic Development Committee **RECEIVE** report ED 15-2020 Economic Recovery Plan Update 2 for information.

Key Facts

- The purpose of this report is to provide Planning and Economic Development Committee with an update on the progress on the Niagara Economic Recovery Plan.
- Niagara Economic Development continues to focus its work on supporting local businesses through actions developed in collaboration with the other Economic Development offices in the region as the Economic Rapid Response Team (ERRT).
- Niagara Economic Development is the Project Manager for the Economic Recovery Plan, but the action items included within the plan are owned by the ERRT members and require the support from these members and business stakeholders across the region, where applicable, to advance and complete.
- The actions in the plan are under the pillars of Research and Information; Advocacy; and Resilience.
- Each pillar has Immediate, Mid-Term and Long-Term actions. This time-line is meant to progress in succession with the Province's Framework for Business Re-opening as best as possible.
- Many of the actions in the plan have been initiated or are in-progress.

Financial Considerations

All financial implications of advancing or completing the action items included within the Economic Recovery Plan are being funded by the operational budget of the Economic Development department or through applications to granting programs made available by the Provincial and/or Federal government.

Analysis

We remain in Stage 3 of Phase 2 of the Province's Framework at this time. As a result, the actions in the plan under Immediate and Mid-Term are the first actions to be initiated and/or completed.

The actions under Long-Term will not be initiated until the Province provides direction that we will be entering into Phase 3. Should the Niagara region be placed in a modified version of Phase 2 as we have seen happen in the communities of Toronto, Peel and Ottawa, the economic recovery plan's progress would be re-assessed by the ERRT.

The plan's action items will be monitored and assessed are continually being assessed as they advance through consultation with the partners and the ERRT Task Force.

Niagara Economic Development intends to launch a third COVID-19 Business Impact Survey in November 2020 that will take a sector-specific approach to gauging the relevance of these action items along with the most pressing needs of businesses at this time.

Below is a high-level overview of the action items from the plan that have been completed and/or initiated. This chart highlights actions that have progressed or been initiated in addition to the items outlined in the update provided in report ED 11-2020 Economic Recovery Plan Update on Sept 9, 2020.

<u>Action(s)</u>	<u>Status/Progress</u>	<u>Notes</u>
Engagement with stakeholders representing tourism, manufacturing, agri-business and Task Force	On-going	<p>Niagara Economic Development (NED) is preparing a third COVID-19 Business Impact survey to be launched mid-Nov 2020. This survey will be sector-specific, as we know they are impacted in different ways. The sectors of focus will be:</p> <ul style="list-style-type: none"> - Manufacturing - Agri-business - Tourism - Non-Profit/Charities <p>NED will be working with sector support organizations to push the surveys out to businesses, in addition to sending personal invitations.</p>

<u>Action(s)</u>	<u>Status/Progress</u>	<u>Notes</u>
ERRT website updates	In progress	<p>Website updates are in progress to add the following:</p> <ul style="list-style-type: none"> - The available webinars and advisory services of the Small Business Enterprise Centres including a calendar of events and centralized registration - Profiles of businesses that have successfully pivoted and/or innovated their products and services in the face of the pandemic - A web-form to collect on-going input on the impacts of COVID-19 from private businesses - New announcements of programs and funds available to businesses
PPE Directory	On-going, plus maintenance	<p>Referrals to the Niagara PPE directory are on going as inquiries are received on where businesses can acquire PPE. New additions to the site are added as received. The directory is hosted on NED's website at https://niagaracanada.com/covid-19/ppe/</p>
Expedited Planning approvals at all government levels	Completed and on-going	<p>Local area municipalities and the Region have been working with businesses on creative uses of public and private space to encourage business resiliency. Examples of this include the temporary outdoor patio expansions and the subsequent winter patio recommendations advancing with the new season.</p>

<u>Action(s)</u>	<u>Status/Progress</u>	<u>Notes</u>
Transition OpenInNiagara.com tool into regional online business directory	In-progress	<p>The online OpenInNiagara.com directory was launched in May to allow businesses in Niagara a free channel to promote that they were open and/or offering modified services.</p> <p>The action plan identifies the need to transition this tool into a long-standing online business directory for buy-local and supply chain inquiries. NED is working to identify the best partner to assist in that transition and with the population of businesses in the directory, starting with the Niagara Employment Inventory database.</p>
FedDev Ontario - Tourism Adaptation and Recovery Fund	Application submitted	FedDev Ontario launched an \$8 million Tourism Adaption and Recovery Fund initiative to assist tourism-dependent SMEs with the impacts of COVID-19. The ERRT joined together to submit an expression of interest for a program that would support Niagara's tourism operators. A decisions on this expression is expected in Nov 2020.
GTA Economic Development Alliance participation	Completed, bi- weekly attendance	NED continues to represent the region on bi-weekly GTA Economic Development Alliance meetings. This group is jointly promoting the impact being felt by businesses across the GTA to the provincial and federal governments and serves a resource for discussion on recovery planning best practices.

<u>Action(s)</u>	<u>Status/Progress</u>	<u>Notes</u>
ERRT Update calls to Task Force in partnership with Public Health	Initiated and conducted bi-weekly	NED facilitates bi-weekly calls with the members of the ERRT Recovery Plan Task Force. The calls provide updates on relevant public health guidelines as well as updates on the recovery plan actions. Four (4) calls have been hosted at the time of this report and the average attendance is 30 stakeholders at each meeting.
Training and education for businesses, hosting online webinars	Initiated, running until Feb 2021 as pilot	NED invested in the expansion of the Small Business Enterprise Centre services in Niagara. New staff have been hired and are well into their outreach efforts to offer their services. Webinars and consultation topics include business-planning, ecommerce, building their online presence, etc. The pilot runs from Sept 2020 – Feb 2021.
Supply chain replacement survey	Completed initial survey, now refocusing	Local Economic Development professionals assisted in the surveying of an initial group of Niagara businesses to determine supply chain replacement opportunities. The results were inconclusive. NED will now be targeting manufacturers through the third COVID-19 Business Impact survey to determine opportunities.
Monitor and assess the impact of remote education on Niagara's economy and employment needs	Initiated and underway	NED is pleased to be partnering with Niagara Workforce Planning Board who will be undertaking an analysis of the economic impact of students studying digitally on Niagara's economy. This analysis will look at the impacts on labour market, discretionary spending on goods and services, the housing market, and public transportation. The report is expected mid Dec 2020.

<u>Action(s)</u>	<u>Status/Progress</u>	<u>Notes</u>
Research	Initiated, reports forthcoming	<ol style="list-style-type: none"> 1. NED has initiated the purchase of data from a qualified provider that provides an outlook on the financial health of the private sector and sectors that are most vulnerable. The raw data is expected in Nov 2020 and a report on this data is expected later in 2020/early 2021. 2. NED is partnering with Niagara Workforce Planning Board who will be undertaking an analysis of the economic impact of students studying digitally on Niagara's economy. This analysis will look at the impacts on labour market, discretionary spending on goods and services, the housing market, and public transportation. The report is expected mid Dec 2020. 3. NED will be producing the latest economic update report on Nov. 9 at the Region's Planning and Economic Development Committee meeting. It will include data on the effect of COVID-19 on the economy. 4. NED will be working through our real-estate software system and in partnership with local area municipalities and real estate stakeholders to monitor industrial and commercial vacancy rates as a result of the pandemic's impact.

Regular updates on the progress of these actions are provided to the plan's ERRT Task Force group through bi-weekly calls facilitated by Niagara Economic Development as Project Manager. The list of Task Force members can be found in the attached "Niagara Economic Recovery Plan" document.

Alternatives Reviewed

No alternatives.

Relationship to Council Strategic Priorities

The ERRT Economic Recovery plan supports the Council Strategic Priority of "Supporting Businesses and Economic Growth".

Other Pertinent Reports

- ED 11-2020 - Economic Recovery Plan Update

Prepared by:
Kelly Provost
Acting Manager, Strategic Initiatives
Economic Development

Recommended by:
Valerie Kuhns
Acting Director
Economic Development

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

Appendices

Appendix 1 Niagara Economic Recovery Plan (final)

NIAGARA ECONOMIC RAPID RESPONSE TEAM

ECONOMIC RECOVERY PLAN

Niagara  Region

Niagara Lake
-on-the-Lake
EST. 1791

 Pelham
NIAGARA

 FORT-ERIE
ONTARIO
Our Focus: Your Future

West Lincoln
Your Future Naturally

 TOWN OF
GRIMSBY

Town of
Lincoln

 St. Catharines

City of Thorold
Where Ships Climb The Moonrises

 Niagara Falls
CANADA

 PORT COLBORNE

 WAINFLEET

 Welland
ONTARIO • CANADA

On March 18, 2020, Niagara's mayors and Regional Chair came together to launch the Niagara Economic Rapid Response Team (ERRT). Upper levels of government mandated the closure of all businesses and the subsequent provincial and regional state of emergency due to the emerging COVID-19 pandemic. Local municipal leaders recognized the detrimental impact these closures would have on local businesses and the regional economy and took action to mitigate the effects as much as possible.

Through this team, Niagara's economic development professionals have been collaborating throughout the pandemic to connect Niagara businesses with the supports and resources they need to survive and recover.

Niagara is united in its support of the business community during this unprecedented crisis and will foster collaboration, innovation and resilience as we seek to safely re-open. The ERRT is committed to offering long-term, ongoing support to help ensure Niagara's businesses remain supported and connected throughout this process and will re-emerge prosperous and sustainable.

The 13 municipalities across Niagara have each taken measures to relieve the burden on local businesses in their communities. These activities include deferrals of taxes and utility fees, increased online advisory services, access to personal protective equipment (PPE) waiving various penalties and interest on outstanding accounts, and launching shop local campaigns promoting businesses that are open and offering modified services.

Additional stakeholders like the Chambers of Commerce, Niagara Workforce Planning Board, and Employment Ontario providers have been, and will continue to be, critical partners in assuring that communications about new programs are widely shared and businesses' challenges are being brought to the forefront. They are part of a larger network of community enablers that will play an active role in the ERRT recovery planning process and implementation.

The Niagara Economic Recovery Plan (the "Plan") and its identified actions are reflective of the responses and input received from businesses through the survey responses, input from further by industry and sector consultation, as well as the results from corporate calling efforts.

The Plan will focus on local initiatives to address the needs of our businesses and connect them with resources to provide further assistance. This will include both strategies to re-open safely and to build more resilient businesses by learning from changes realized as a result of the pandemic. The plan is centred on encouraging and supporting businesses, investment, and job creation in order to proactively recover from the COVID-19 pandemic.

The Plan has been developed in a way that aligns with local economic recovery efforts, as well as broader, province-wide priorities. This alignment has been obtained by engaging the local area municipality (LAM) staff responsible for economic recovery planning and through participation in the GTA Economic Development Alliance.

The GTA Economic Development Alliance is recently formed group, composed of 20+ municipalities that have come together to support economic recovery across Ontario. Current members are Aurora, Brampton, Burlington, Durham Region, Georgina, Halton Hills, Halton Region, King, Markham, Milton, Mississauga, Niagara Region, Oakville, Richmond Hill, Toronto, Vaughan, Whitchurch-Stouffville, York Region, the Economic Developers Council of Ontario (EDCO), as well as the regional investment attraction agency Toronto Global.

Based on the initial reporting through the first COVID-19 Business Impact survey, the impact of the pandemic was projected to be close to \$576.3 million within the first 3 months. It is recognized that for many Niagara businesses, the road to economic recovery will be long and difficult.

The Accommodation and Food Service and Tourism sectors were especially hard hit, being the first to be mandated closed and experiencing the highest reported staff lay-offs and revenue losses. Retail and Arts, Entertainment and Recreation were also hard-hit and experienced a significant loss in revenue and high lay-offs. An unprecedented number of people have left the workforce as a result of lay-offs due to COVID-19. There are significant workforce and labour market challenges that lie ahead to combat the negative effects of the pandemic.

The Niagara COVID-19 Business Impact Survey – Part 2 was distributed to approximately 10,000 businesses from May 15 until June 1, 2020, mainly through direct email.

This survey's questions centred on recovery, with questions that address the aid programs that businesses accessed, the areas where they require further assistance, the largest barriers to re-opening, and the like. The survey yielded responses from 1,382 business across all 12 municipalities in Niagara. The responses are representative of all industry sectors in Niagara's economy and respondents reported employing 47,456 staff.

The industry sectors where respondents reported the highest number of employees included accommodation and food services; arts, entertainment and recreation; manufacturing; retail trade; and, health care and social assistance. Respondents reported total layoffs of 17,950 staff across industry sectors, with 58% being full-time staff and 42% being part-time staff.

Through the survey, businesses reported a combined loss of \$425.11 million in revenue. It is apparent some industry sectors were affected disproportionately. Arts, entertainment and recreation and accommodation and food services reported the highest revenue losses.

Although many businesses reported accessing a number of aid programs, it is apparent that additional supports are required to assist them in re-opening and recovering. Respondents reported the highest needs as property tax deferrals, promotion and marketing assistance, deferrals on utilities, and advocacy to other levels of government.

We acknowledge the overall responsiveness of policymakers that introduced support and relief measures for many businesses and employees impacted. As the Province looks to re-open parts of the economy through the [Re-Opening Ontario after COVID-19 framework](#), the ERRT has shifted its focus and efforts to recovery planning.

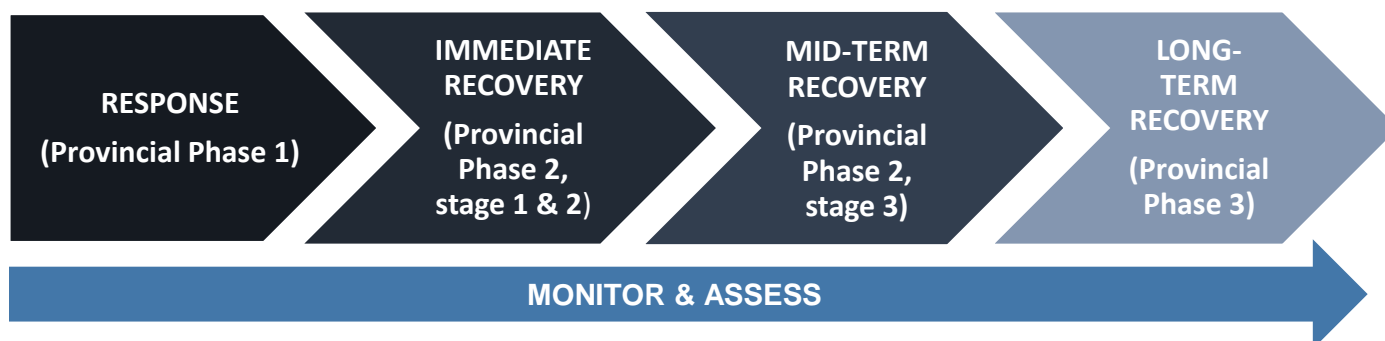
The proposed Plan is a series of actions that will create a positive investment climate in Niagara and help its local economy by supporting local businesses. Specifically, the plan is centered on the following 3 main themes: Research and Information, Advocacy, and Resilience.

In order to help move the economy forward, a series of actions will be taken immediately, while other measures will be actioned subsequently. The Plan uses a phased approach that will follow the Province's framework for re-opening. Guidance will be taken from the Province to guide how we move between phases. Input from the local Medical Officer of Health will be sought to help advise decisions locally on how to move between phases as well.

The Plan will be updated regularly and will likely change as the COVID-19 emergency evolves, as more information becomes available, and as the Province of Ontario updates its Emergency Orders. This will not be

a linear progression through the framework, as any sharp increase in the number of cases would require movement back to previous phases.

The proposed progression of this Plan is as follows:



The actions in the plan are intended to progress in conjunction with the Province's framework. Any adjustment in the progression through that framework by the Province would require an assessment on the impact locally to this plan. As such, the plan will continue to assess, evolve, and adjust as necessary depending on the advice directed by the Province and in consultation with the local Medical Officer of Health.

Niagara's ERRT will work in consultation with Niagara Region's Strategic Communications and Public Affairs division to create a comprehensive communications strategy to support the Plan. This strategy will ensure local businesses remain engaged with the progression of the plan, and remain connected with the supports and initiatives outlined in the Plan.

As the region moves into Phase 3 and beyond, the efforts in the Recovery Plan will lead into the Long Term Economic Development Strategy that has been identified as a Regional Council strategic priority.

RESEARCH AND INFORMATION PILLAR	IMMEDIATE	MID-TERM	LONG-TERM
RESEARCH AND INFORMATION PILLAR	<p>Conduct a second COVID-19 economic impact (Business Impact) survey</p>	<p>Prepare a report on the second regional COVID-19 Business Impact survey results</p>	<p>On-going: Provide regular research updates to stakeholders on general market conditions, including local workforce changes, large expansion investments, business closures, etc. as available/released</p>
	<p>Maintain a strong base of data on the local economy and businesses, available to stakeholders to inform decision making</p>	<p>Identify vulnerable companies and sectors from the survey as a focus for municipal BR+E efforts</p>	
	<p>Promote and post new Federal and Provincial initiatives and announcements on the ERRT website page</p>	<p>Prepare and circulate sector- and municipal-specific reports from second COVID Business Impact survey</p>	<p>Conduct a third COVID-19 Business Impact Survey in phase 3 to determine the status of recovery of businesses</p>
	<p>Promote Provincial and Federal aid programs, including the Resiliency Help Desk at 1-866-989-1080 where businesses can access accountants or financial advisors</p>	<p>Monitor development application activity upon re-opening of economy, including year over year analysis as indicator of economic growth post-pandemic</p>	
	<p>Monitor and assess the impact of remote (online) education at Brock/Niagara College on Niagara's economy and business's employment needs</p>	<p>Recognize and showcase businesses that are successfully pivoting through the ERRT website and other channels</p> <p>Add a COVID-19 business impact feedback form on the ERRT website for ongoing data collection</p> <p>Provide regular/on-going updates to Regional Council on COVID-19 impact related activities, issues and efforts</p>	

RESEARCH AND INFORMATION PILLAR	IMMEDIATE	MID-TERM	LONG-TERM
RESEARCH AND INFORMATION PILLAR		<p>Monitor activities and impacts in other comparable municipalities to benchmark Niagara and learn from best practices</p>	
		<p>Host online webinars on topics relevant to supporting business</p>	
		<p>With Emergency Management and Public Health, support businesses in re-opening in a safe and responsible way by sharing guidelines and protocols through update calls, as needed</p>	
		<p>Survey businesses for commonalities in supply demand locally. Identify essential supplies and support companies in sourcing Niagara/Canada suppliers</p>	

ADVOCACY PILLAR	IMMEDIATE	MID-TERM	LONG-TERM
ADVOCACY PILLAR	Continued alignment between Regional and LAMs' Government Relations strategies and advocacy efforts.	Strive for consistent application of bylaw enforcement across LAMs and the Region	Immediate and longer term: Advocate for changes to the Ontario Planning Act to allow existing CIP funding programs to support
	Advocate for alignment and longer-term repayment schedules for all deferral programs to allow businesses reopening to generate sufficient cash-flow	Advocate for COVID-19 relief programs to continue into 2021 for tourism and hospitality sectors, including but not limited to CERB, CEWS, and rent relief programs	COVID-19 related relief efforts. For example: CIPs allowing for an enhancement of virtual a presence (e.g. website design)
	Continue to provide research and anecdotal findings from Niagara businesses to the appropriate levels of government within relevant Ministries, as well as AMO, FCM, FedDev and the joint Ontario government committee	Support Planning departments in review of red-tape reduction efforts to increase speed for development to re-start	Immediate and longer term: Advocate for accelerated broadband infrastructure investment in areas with limited/no service, working with SWIFT and other available programs
	Continue participating in the GTA and provincial recovery planning efforts to identify best practices and synergies across communities in recovery efforts	Advocate for digitization of Region permits and applications, where possible, to assist business cost savings	Immediate and longer term: Continued advocacy for infrastructure investments for
	Monitor Provincial direction and decisions on childcare services through communication with Niagara Region Children's Services department and communicate to ERRT for assessment on local impact	Advocate to keep COVID-19 relief programs in place for employees while they are in re-training or re-skilling process	major/regionally significant projects and expediting those already in process

RESILIENCE PILLAR	IMMEDIATE	MID-TERM	LONG-TERM
RESILIENCE PILLAR	<p>Conduct significant engagement with stakeholders representing tourism, manufacturing and agri-business and Task Force members (see below)</p>	<p>Work with Public Health to provide clear guidance on public safety and appropriate PPE for businesses</p>	<p>Monitor level of demand for office and retail space due to increased adoption of online technologies and work-from-home options by business. Creative thinking to repurpose use of any excess space made available.</p>
	<p>Expedite approval and coordination of use of public realm spaces by businesses to allow for distancing while supporting business resiliency</p>	<p>Assist businesses in procurement of PPE by maintaining database on ERRT website and other tools</p>	
	<p>Execute targeted business retention efforts (BR&E) led by the EDOs in the local area municipalities with specific strategies to assist businesses in distress</p>	<p>Work with partners in workforce development – helping displaced workers find employment and deploy talent attraction initiatives to fill gaps</p>	<p>Supply chains have been strained. Seek opportunities for import replacement – sourcing new domestic suppliers, or supporting repatriation of manufacturing.</p>
	<p>Encourage “buy-local” promotion via Social Media, particularly Linked-In & www.openinniagara.com. and amplify existing or complementary buy-local initiatives across Niagara</p>	<p>Identify programs/funds for workforce training/re-training/re-skilling for a more flexible and adaptive workforce and assist employers in accessing them</p>	<p>Re-focus FDI strategies and messaging to opportunities post- COVID. Develop new tools to undertake investment attraction, including site selection virtually</p>
	<p>Strive for increased digitization of government services including but not limited to: digital business advisory/support services, consultations and webinars, pre-consultation meetings, online applications, virtual town hall meetings, etc.</p>	<p>Assist businesses in increasing their online presence – promotion of Digital Main Street and/or other resources to get gain virtual presence</p>	<p>Retain and develop OpenInNiagara tool to be a comprehensive online, regional business directory tool with input from municipalities</p>
	<p>Assist businesses that need access to capital by partnering on the promotion of the Regional Recovery & Relief fund at Venture Niagara</p>	<p>Review decision-making process to allow for expedited approvals on development initiatives to support business re-opening</p>	<p>Include a portion in the Long Term Economic Strategy that addresses mitigation plans for future pandemic impact.</p>
	<p>Maintain a listing of Niagara PPE suppliers on the ERRT website.</p>	<p>Monitor any future wave of business closures or bankruptcies that may occur when relief programs end.</p>	

The ERRT cannot achieve these actions on their own. There is a large group of community enablers whose support and resources will be necessary to achieve these actions. This group will provide input to the plan and provide resources and feedback.

This group of supporters will be referred to as the Niagara Economic Recovery Task Force (“the Task Force”). This group will be used as a channel for communication to provide updates on the recovery plan actions, as well as solicit feedback and engage in assessment of relevancy of these actions as time progresses. Information will be shared by Niagara Economic Development at regular intervals, through email and virtual meetings.

The proposed Economic Recovery Task Force members would include, but not be limited to:

- Niagara Region Economic Development
- EDO representatives from each of the Local Area Municipalities
- Niagara Workforce Planning Board
- Chambers of Commerce
- Innovate Niagara
- Niagara Falls Small Business Enterprise Centre & St. Catharines Enterprise Centre
- Niagara Association of Realtors
- Employment Ontario service providers
- Niagara Region Social Assistance and Employment Opportunities
- Niagara Region Children’s Services
- Business Development Bank of Canada and Venture Niagara
- Brock University and Niagara College
- Private sector participation
- Tourism, manufacturing and agri-business stakeholders
- Niagara Industrial Association
- Niagara Home Builders Association
- Niagara Construction Association
- St. Lawrence Seaway Management Corporation
- Tourism Partnership of Niagara and local DMOs
- Any additional members will be added where applicable to deliver on pillar activities

Underscoring the work being done by the Economic Recovery Task Force, there will be extensive public-private sector consultation and participation from Tourism, Manufacturing and Agri-business sectors to guide the work being done by the group. Additional industry sector consultation will be pursued as needed.

The Niagara Region Economic Development department will act as a Project Manager on this recovery plan. Encouraging participating in the Pillar groups, liaising with the Pillar Leads (where applicable), coordinating the meet-ups of different advisory stakeholders, compiling the updates and sending communications to all Task Force members.

Joe Schonberger

November 5, 2020.

Planning and Economic Development Committee
c/o Regional Clerk, 1815 Sir Issac Brock Way
P.O. Box 1042, Thorold, Ontario L2V 4T7
clerk@niagararegion.ca

Re: Woodlands Conservation Bylaw Advisory Committee Considerations

Dear Valued Members of the Planning and Economic Development Committee,

I am an independent commentator. All the words and ideas herein contained are my own and are not meant to be reflective of any organization or committee that I may now or ever have served on.

As long as there have been Woodlands Bylaws in Niagara Region there has been an Advisory Committee. Within the context of Niagara Region there is nothing irregular about having one. The Advisory Committee worked closely with Staff to develop versions of circumference limit Bylaws as well as the Good Forestry Practices Bylaw of 2006. Much of that Bylaw has survived revisions in 2008 and 2020. The Advisory Committee was the “Project Team” of the day.

It is my understanding that the Planning and Economic Development Committee will be discussing the issue of whether to reinstate an Advisory Committee and that Staff has recommended that this function should be assigned to APAC.

A Woodlands Conservation Bylaw is more than just an opportunity for Staff to lay charges, collect fines, and order replanting. A successful Bylaw facilitates the proper harvesting of trees that are in woodlands using Good Forestry Practices and makes sure that the rules are followed when woodlands are lost for urban development. It is very important to understand what a Woodlands Conservation Bylaw can and cannot do.

I was a long time member of the Advisory Committee both at the Region and the NPCA. It should be understood that the Advisory Committee was a diverse group of Stakeholders which included farmers, loggers, Planners and other Municipal Staff, conservationists, and a person with a Forestry Management company. This was an experienced, engaged and knowledgeable group with a good mix of veterans and new arrivals. We were in a position of trust and responsibility at the Region and the Advisory Committee worked very well. At the NPCA it did not work well because of a poorly written section on the Advisory Committee, NPCA culture, and because there was no motivation for Staff to work with it. The Advisory Committee was purposely left to rot.

Now that the Bylaw is returning to the Region there is opportunity to reinstate a meaningful Bylaw Advisory Committee if Council so chooses.

I have reviewed PDS 25-2020. I am puzzled as to why Staff is so uninformed about the history of the Bylaw. There has, in fact, always been an Advisory Committee. There has also been an Agricultural Exemption to clear lands for Agricultural Purposes from at least the last Circumference Limit Bylaw to the present. What was added in 2006 was a requirement for a Farm Business Registration Number to qualify for an Agricultural Exemption to clear lands for Agricultural Purposes. What was also added to the 2006 Bylaw was an Exemption for personal use. Neither the agricultural exemption or the personal use exemption applied if the woodland was a Sensitive Natural Area as defined which includes Provincially Significant Wetlands. A Good Forestry Practices Permit has been required to harvest and sell timber since 2006.

The Advisory Committee was NOT formed in 2008 for the benefit and appeasement of the agricultural community. Regional Staff had proposed its elimination because no other Municipality had one. The NPCA asked for it to be retained and the existing Advisory Committee from the Region with

all of its diverse stakeholders moved to the NPCA with the Bylaw. When we saw the final version and the wording of the Advisory Committee section we knew that we had been had. We went anyway and did the best we could. We tried a lot harder than they did.

In the Fall of 2007 our Federation did meet with the NPCA General Manager, the Director of Water Management, and the Director of Land Management to discuss a variety of issues only one of which was the delegation of the Bylaw to the NPCA.

“Come work with us.” They said.

“It will be great.” They said.

“The Advisory Committee will play an important role at the NPCA.” They said.

One of life’s lessons is that sometimes people do not mean what they say. Another is that when Staff makes promises their successors feel no obligation to keep them.

In my experience on the Advisory Committee most Woodland problems involved urban development and golf courses

The Planning and Development Committee must carefully consider whether APAC which is an agricultural committee is the correct place to engage a diverse group of stakeholders in woodlands conservation matters and if there is interest in APAC to do it. Does APAC have the time and experience to do this function? I would see this as a better than nothing solution designed to create the appearance of public engagement. Is that enough?

There is merit in an Advisory Committee if its duties are properly prescriptive, if it meets on a regular basis, if it is properly informed, and if Staff is properly motivated to work with the Advisory Committee.

Thank you for your consideration of this. It is hoped that it was helpful.

Yours truly,

Joe Schonberger.

Subject: Miller's Creek Marina
Report to: Planning and Economic Development Committee
Report date: Monday, November 9, 2020

Recommendations

1. That this report **BE RECEIVED** by Planning and Economic Development Committee for information.

Key Facts

- The purpose of this report is to provide information with regards to Miller's Creek Marina.
- There is an established history of support from the Town of Fort Erie and the Region for the development of Miller's Creek Marina.
- The Regional Official Plan includes policy that supports development and redevelopment of Miller's Creek Marina.

Financial Considerations

Not applicable.

Analysis

Miller's Creeks Marina is owned by the Niagara Parks Commission (NPC). It is located on the Niagara River, along the Niagara Parkway, in Fort Erie. The facility includes 110 seasonal boat slips and minor amenities that support boating, a small restaurant and active and passive recreation facilities. As of April 2020, reports indicated that the NPC suspended the marina operations for the boating season and that investment was required to update facilities and infrastructure, this also coincided with the closure of NPC facilities due to covid.



Figure 1: Miller's Creek Marina

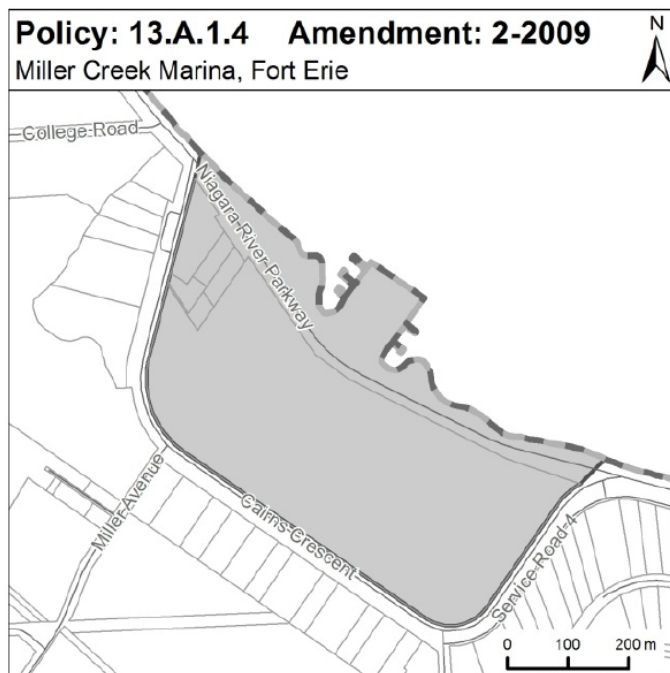


Figure 2: Miller's Creek Marina – Area covered by Regional Official Plan policy.

Economic Development

The NPC released Requests for Proposals for the redevelopment of the marina in 2005, 2012 and 2017, all were unsuccessful. At Planning and Economic Development Committee on January 10, 2018, Memorandum ED-C 01-2018 (attached) prepared by the Director of Economic Development provided “*context to support and endorse the motion approved by The Town of Fort Erie regarding the Niagara Parks Commission (NPC) proposed expansion and enhancement of Miller’s Creek Marina.*”

At the Regional Council meeting on January 18 2018, the following motion was passed in relation to Memorandum ED-C 01-2018:

*That Correspondence Item ED-C 01-2018, being a memorandum from D. Oakes, Director, Economic Development, dated January 10, 2018, respecting Niagara Parks Commission’s Proposed Expansion and Enhancement – Marina and Resort Development at Miller’s Creek, **BE RECEIVED**; and*

*That the resolution passed by Council for the Town of Fort Erie respecting Niagara Parks Commission’s Proposed Expansion and Enhancement – Marina and Resort Development at Miller’s Creek **BE ENDORSED and Niagara Region coordinate a meeting with the Town of Fort Erie and NPC to determine how the Region and Town can best support the project moving forward.***

The redevelopment of Miller’s Creek Marina has the potential to become a major tourism asset contributing significantly to the regional economy through the investment itself, the creation of new, well paying jobs and local supplier opportunities. A development in excess of \$100 million would not only revitalize and expand the existing marina infrastructure, but play an important role in the growth of the Town as a vibrant and liveable community.

Planning and Development

Policy 13.A.1.4 of the Regional Official Plan provides support for the development of Miller’s Creek Marina. A development proposal that is submitted would be assessed by Regional planning staff based on the policy that is provided below.

Policy 13.A.1.4

A marina with ancillary rural land uses is permitted on approximately 19 hectares, including water lots, east of Cairns Crescent in the Town of Fort Erie. The marina use, the marina redevelopment, and the ancillary uses are considered to be a resource-based rural recreational use which meets the policy objectives of the Growth Plan for the Greater Golden Horseshoe and the Provincial Policy Statement 2014. The rejuvenation and redevelopment of the marina is encouraged to support the tourism and boating economy on the Niagara River. The following special policies shall apply to the development and redevelopment of the marina:

a) The marina is the principal land use.

b) Ancillary uses including, the management or use of resources, resource-based recreational uses (including recreational dwellings), home occupations and home industries, limited residential development, cemeteries, and other rural land uses are permitted.

c) With regard to recreational dwellings and residential development, the following shall apply:

- i. All forms of tenure will be permitted for new, expanded or redevelopment of the marina property*
- ii. Accommodation units within the marina property will be made available to the travelling public and will provide ongoing services and recreational facilities normally provided in a commercial setting.*

d) Development and redevelopment shall be subject to the following being satisfactorily addressed:

- i. The scale, size and density of development*
- ii. Compatibility of use*
- iii. Site characteristics*
- iv. Water quality*
- v. Protection of shoreline*
- vi. Environmental features and policies*
- vii. Navigability of the Niagara River*
- viii. Servicing*
- ix. Transportation*

e) Details of the development and redevelopment shall be addressed through the Town of Fort Erie Official Plan and Zoning By-law and in accordance with the provisions of this Plan.

f) Policy 11.C.1 b) iii) shall not apply. (Policy 11.C.1 b) iii) there shall be no overnight accommodation for users or guests of the facility.)

Alternatives Reviewed

Not applicable.

Relationship to Council Strategic Priorities

This development would relate to the following Council Strategic Priority:

- Supporting Businesses and Economic Growth

Other Pertinent Reports

- ED-C 01-2018

Prepared by:

Doug Giles
Acting Commissioner
Planning and Development Services

Prepared by:

Valerie Kuhns
Acting Director
Economic Development

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

Appendix

Appendix 1 ED-C 01-2018 Niagara Parks Commission's Proposed Expansion and Enhancement – Marina and Resort Development at Miller's Creek

MEMORANDUM

ED-C 01-2018

Subject: Niagara Parks Commission's Proposed Expansion and Enhancement – Marina and Resort Development at Miller's Creek

Date: December 15, 2017

To: Planning and Economic Development Committee

From: David Oakes, Director Economic Development

The purpose of this memo is to provide Planning and Economic Development Committee with context to support and endorse the motion approved by The Town of Fort Erie regarding the Niagara Parks Commission (NPC) proposed expansion and enhancement of Miller's Creek Marina.

Economic development staff have been working in collaboration with Fort Erie Economic Development and Tourism Corporation (FEDTC) on supporting the NPC in their pursuit to redevelop Miller Creek Marina as a major tourism asset of regional significance. Town and regional staff met with NPC officials throughout the process to provide advice while offering support by providing the opportunities to business networks and answering any questions on the project relating to issues outside the jurisdiction of Niagara Parks Commission. Request from both Regional and Town staff to be directly involved in the procurement process was respectfully denied. As a result, the Niagara Parks Commission was the lead on the procurement process, which resulted in zero submissions.

Discussions with FEDTC have indicated that Warren DAC Investments Limited remains interested in proceeding to develop the marina and adjacent lands at Miller's Creek Marina. As a result, a motion (attached) approved by the Town of Fort Erie is requesting that the NPC enter direct discussions with Warren DAC Investments Limited to move forward with the marina and resort development at the Miller's Creek Marina. Economic development staff support the intent of the Town motion and would recommend that Regional Council endorse.

Respectfully submitted and signed by

David Oakes EC.D., CEcD, MAES
Director, Economic Development

Community Services

Legislative Services

December 12, 2017

Sent via email:

jthomson@niagaraparks.com

Janice Thomson, Chair
The Niagara Parks Commission
7400 Portage Road South
Niagara Falls, ON, L2E 6T2
Canada

Dear Chair Thomson:

Re: Niagara Parks Commission's Proposed Expansion and Enhancement - Marina and Resort Development at Miller's Creek

Please be advised the Municipal Council of the Town of Fort Erie at its meeting of December 11, 2017 passed the following resolution:

Whereas the Niagara Parks Commission ("NPC") considered options for the operation or closing of its marina on the Niagara River in Fort Erie, near Miller's Creek, and

Whereas in 2005, the NPC agreed to work with the Town of Fort Erie to permit the Fort Erie Economic Development & Tourism Corporation ("EDTC") to undertake a Request for Proposals process for the expansion and enhancement of the marina and potential development of the lands between the Niagara Parkway and Cairns Crescent, and

Whereas as a result of the cooperative efforts of the NPC, Town of Fort Erie and the EDTC, the submission of a successful proponent for expansion and enhancement of the marina and the development of a resort on the adjacent lands was accepted by the NPC and a Memorandum of Understanding ("MOU") was executed by the NPC and Warren DAC Investments Limited ("WDAC") on February 18, 2007, and

Whereas over the next 4 years, WDAC fulfilled its responsibilities pursuant to the MOU, including operating the marina, obtaining appropriate land use approvals and in-water engineering works, and

..../2

Mailing Address:

The Corporation of the Town of Fort Erie
1 Municipal Centre Drive, Fort Erie ON L2A 2S6
Phone: (905) 871-1600 FAX: (905) 871-4022

Office Hours 8:30 a.m. to 5:00 p.m.

Web-site: www.forterie.ca

Whereas since 2012, the NPC has embarked on a number of processes with a view to proceed with a marina/resort development at the Miller's Creek Marina, and

Whereas over the next 4 years, WDAC fulfilled its responsibilities pursuant to the MOU, including operating the marina, obtaining appropriate land use approvals and in-water engineering works, and

Whereas the NPC did not extend the MOU, which it has claimed expired on or about January 26, 2012, despite WDAC's desire to continue with the MOU and the development of the marina and adjacent land; and

Whereas since 2012, the NPC has embarked on a number of processes with a view to proceed with a marina/resort development at the Miller's Creek Marina, and

Whereas the NPC's most recent initiative resulted at the end of August 2017 in no proponent submitting a response to the NPC's Request for Proposals for development at the marina, and

Whereas the NPC maintains that it continues to be committed to marina enhancements and development on the adjacent lands, but there seems to be no forward progress in that direction, and

Whereas the Council of the Town of Fort Erie understands that WDAC remains interested in proceeding to develop the marina and adjacent lands at Miller's Creek Marina.

Now therefore be it resolved,

That: Council of the Town of Fort Erie reiterates its continuing support for the expansion and enhancement of the marina and a resort development on the adjacent lands at the NPC's Miller's Creek Marina, and further

That: Council urges the NPC to engage with WDAC to move forward with the marina and resort development at the Miller's Creek Marina without any further delays, and further

That: A copy of this resolution be forwarded to the Chair of the NPC for action, and further

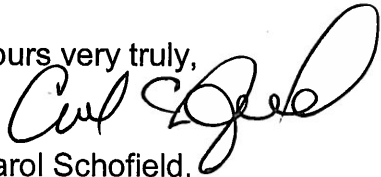
That: A copy of this resolution be forwarded to the Premier of the Province of Ontario, the Minister of Tourism, Culture and Sport, the Minister of Infrastructure, the Chair of the Region of Niagara, the M.P.P.'s in Niagara, the Honourable Rob Nicholson, M.P., and Warren DAC Investments Limited, and further

.../3

That: A copy of this resolution be circulated to the mayors of the local municipalities in Niagara for their support.

We thank you for your attention to this very important matter.

Yours very truly,



Carol Schofield,
Interim Manager, Legislative Services/Clerk
cschofield@forterie.ca

CS:dlk

cc:

The Honourable Kathleen Wynne, Premier of Ontario, Sent via email: kwynne.mpp@liberal.ola.org/premier@ontario.ca
The Honourable Eleanor McMahon, Minister of Tourism, Culture and Sport Sent via email: eleanor.mcmahon@ontario.ca
The Honourable Bob Chiarelli, Minister of Infrastructure Sent Via Email: bob.chiarelli@ontario.ca
Alan Caslin, Chair, Niagara Region Sent via email: Alan.caslin@niagararegion.ca
Mr. Wayne Gates, MPP-Niagara Falls, Legislative Assembly of Ontario Sent via email: wqates-co@ndp.on.ca
Ms. Cindy Forster, MPP-Niagara Centre, Legislative Assembly of Ontario Sent via email: cforster-qp@ndp.on.ca
Mr. Sam Oosterhoff, MPP-Niagara West-Glanbrook, Legislative Assembly of Ontario Sent via email: sam.oosterhoff@pc.ola.org
Mr. James Bradley, MPP-St. Catharines, Legislative Assembly of Ontario Sent via email: jbradley.mpp.co@liberal.ola.org
Mr. Rob Nicholson, MP-Niagara Falls, Parliament of Canada Sent via email: rob.nicholson@parl.gc.ca
Bob, O'Dell, Warren DAC Investments Limited Sent via email: bob@robertodell.com
Niagara Area Mayors Sent via email

From: Niagara Chapter Trout Unlimited Canada; SORE; Peninsula Field Naturalists, Niagara Falls Nature Club; Niagara Beekeepers' Association of Niagara; Ontariogreen Conservation Association; Bert Miller Nature Club; Niagara Birding Conservation and Tourism Collaborative; Hamilton Naturalists; Friends of One Mile Creek; Extinction Rebellion Niagara; Miriam Richards, Professor Biological Sciences, Brock University; and members of the Biodiversity and Climate Action Niagara

To: Members of the Planning and Economic Development Committee

Nov. 3 2020

Re: Woodland Tree Bylaw and Its Impact on Natural Heritage and Water Resource System Planning

Dear Members of the Planning and Economic Development Committee:

The information that came forward to the Planning and Economic Development Committee about the Woodland Bylaw makes the issue of adopting the most robust Natural Heritage and Water Resource Systems more important than ever.

As was made clear in answer to Councillor Butters' specific question about what the bylaw would do to preserve or enhance the existing 17% forest cover in Niagara, staff replied that there was nothing in this bylaw that would add to the existing tree cover in the Region. In fact, there is little in this bylaw that will actually protect our *existing* tree cover. Staff explained they were limited in making improvements to the Region's Forestry Bylaw by the Municipal Act and Forestry Act.

For instance, forests that have suffered tree loss due to emerald ash borer, and no longer meet the density requirements under the Forestry Act, including woodlands currently mapped as Significant Woodland or Environmental Conservation Area under the Official Plan, can be reclassified as not significant and can lose their protection. Nothing in the new bylaw changes this.

The new bylaw will not prevent the practice of some woodland owners from clearing the understory, which ensures that the woodland will lose its significance over time as no new trees will grow to replace the old.

The new bylaw only applies to specific lands and therefore does not cover much of the remaining wooded areas in Niagara. For the same reason, the bylaw cannot set tree replacement rules/ratios. Replacement orders are only put into effect, at the discretion of the Region's enforcement officer, if he determines a violation has occurred on woodlands covered by the bylaw. Tree removals that occur through applications under the Planning Act cannot be covered by the Region's bylaw. To protect any other wooded area, group of trees or specific trees, or removal of trees due to applications covered by the Planning Act, each municipality would have to enact their own Private Tree Bylaws.

There is no ongoing monitoring of woodlands covered by the bylaw. Offences are pursued on a complaint basis and the time limit is tight. The Region hoped to increase the time limit for pursuing charges from 6 months to two years but found out they couldn't because of the Provincial Offences Act.

Any fines levied due to an offense against the new Woodland Bylaw will not go to restoration efforts, tree planting grants or to land acquisition. Fines under this bylaw “are divided up on a pro rata share with the lower tier municipalities based on legislated requirements” — as contained in an answer by staff to public comments on the bylaw.

The old bylaw contained numerous exemptions to the bylaw, including many added in 2008 for agricultural use, and the new bylaw includes one more plus it no longer protects hedgerows less than 20 m wide. These will inevitably lead to further woodland losses.

Finally, there is nothing in the new bylaw that addresses two of the greatest threats we face — climate change and biodiversity loss.

While questions were asked about possible tree planting/restoration programs, it's important to note that these are significantly limited by three factors:

1. a severe lack of funding for those efforts,
2. lack of readily available land for naturalization, and
3. the reliance on volunteers and community groups to carry out work that should be paid employment by professionals.

Furthermore, unless restoration plantings outstrip the continuous losses due to development and other land uses — and there is zero evidence that they do — then Niagara's irreplaceable natural ecosystem will continue to diminish over time.

In summary, the Region's new Woodland Bylaw does not address the concerns articulated so well by Chair Bradley and Councillors Butters, Fertich, Easton and Greenwood about improving the Region's limited tree cover. Staff suggested that Council look to the Natural Heritage System and Water Resource System planning to address concerns about protection of our unique, but diminished and fragmented, local ecology.

That makes it more important than ever that you approve only the most robust Natural Heritage and Water Resource Systems.

Natural Heritage System (NHS) and Water Resource System (WRS) plans map significant environment and water resource features, delineate sufficient buffers to protect them and link them together to form an ecological system that is sufficient to provide:

1. the green infrastructure benefits we require,
2. enough nature to support local flora and fauna and
3. a resilient ecosystem that will continue to exist over time.

Given the development pressure Niagara Region is under, this is the last chance we have to save Niagara's unique natural environment for future generations.

Taking all types of ecosystems into account including forests, wetlands, meadowlands etc. a 2011 study by the NPCA estimated that the watershed's remaining natural areas contribute only 56 per cent towards what the system needs to remain viable, and therefore persists as a highly environmentally degraded and fragmented landscape. <https://npca.ca/our-voice/post/restoring-and-improving-niagara-peninsula-watershed>

What Planning staff identified to you as their preliminary preferred options at the July 15 PEDC meeting, 3B for the NHS and 2A for the WRS, come nowhere close to protecting our remaining natural areas. Option 3C for the NHS and 2B for the WRS is the best of the options presented, however, we think they could be improved upon and we will present some ideas to you in future correspondence/presentations. Please see the chart that shows the differences between the current options.

Natural Heritage System	
Staff's preliminary recommendation	Best option to protect environment and meet Region's stated goals
NHS Option 3B	NHS Option 3C
- Identifies additional features in and outside settlement areas	- Identifies additional features in and outside settlement areas
- Identifies supporting features outside of settlement areas such as potential enhancement areas	- Identifies supporting features inside and outside of settlement areas including potential enhancement areas
- Includes large and medium linkages outside of settlement areas	- Includes large, medium, and small linkages outside of settlement areas
	- Includes small linkages inside of settlement areas where the potential area is in a natural state
- Suggests policy minimum for buffers outside of provincial NHSs and both inside and outside of settlement areas	- Prescribes mandatory buffer minimums outside of settlement areas with suggested policy minimums inside of settlement areas
Water Resource System	
Staff's preliminary recommendation	Best option to protect water resources and meet Region's stated goals
WRS Option 2A	WRS Option 2B
- Would identify additional features only outside of settlement areas	- Would identify additional features and areas Region-wide, including within settlement areas

Please be aware that developing these options is just the first step to the creation of a Regional NHS and WRS. This phase only develops a concept of what features, buffers and linkages should be considered inside and outside of settlement areas. The next layer will be the mapping, then the consultation with municipal planning staff

and likely with other stakeholders including developers. There will be many opportunities to include or exclude areas from the final plan.

As well, there are municipal boundary expansions coming forward from Niagara Falls and Welland, and significant development applications in Fort Erie and elsewhere, that will affect what is left to protect.

The decision on the NHS/WRS may be the most important decision you make during this term of Council, that will have the greatest impact on future generations.

During the recent public consultations on both the Woodland Bylaw Review and the NHS/WRS, the public made it clear that they want the strongest possible protection for our remaining natural areas. We trust that you will give the public's concerns serious consideration.

Sincerely,

Dennis Edell, Niagara Chapter Trout Unlimited Canada

Lyle Hall, SORE, Niagara-on-the Lake

Bob Highcock, President, Peninsula Field Naturalists

Joyce Sankey, Conservation Director, Niagara Falls Nature Club

Lucy Sardella, Niagara Beekeepers' Association of Niagara

Liz Benneian, Executive Director, Ontariogreen Conservation Association

Lynda Goodridge, Bert Miller Nature Club

Marcie Jacklin, Niagara Birding Conservation and Tourism Collaborative

Miriam Richards, Professor Biological Sciences, Brock University

Chris Motherwell, Hamilton Naturalists

Klara Young-Chin, Friends of One Mile Creek, Niagara-on-the-Lake

Ryan Forster and Team, Extinction Rebellion Niagara

Annette Gibbons, Grimsby, Biodiversity and Climate Action Niagara

Dr. Carol Tuck-Riggs, Grimsby, Biodiversity and Climate Action Niagara

Jackie Oblak, Town of Pelham, Biodiversity and Climate Action Niagara

Christine Knighton, Biodiversity and Climate Action Niagara

Melissa McGlashan, Welland, Biodiversity and Climate Action Niagara

Minute Item No. 6.6
PW 49-2020
Niagara-on-the-Lake Drainage

That Report PW 49-2020, dated November 10, 2020, respecting Niagara-on-the-Lake Drainage, **BE RECEIVED** for information;

That Niagara Region staff **BE DIRECTED** to meet with Mr. Watson's drainage engineer as well as staff from the Town of Niagara-on-the-Lake to further discuss this matter; and

That the Town of Niagara-on-the-Lake **BE ADVISED**.

Minute Item No. 5.1
PW 48-2020
Residential Blue Box Program – Proposed Producer Responsibility Regulation

That Report PW 48-2020, dated November 10, 2020, respecting Residential Blue Box Program – Proposed Producer Responsibility Regulation, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That staff **BE AUTHORIZED** to send comments on the proposed Blue Box regulation to the Ministry of Environment, Conservation and Parks (MECP) before the close of the consultation period on December 3, 2020, following further internal and external coordination and analysis of the proposed regulation.

Minute Item No. 5.2
PW 47-2020
Approval of Public Works Single Source Purchase Requests Over \$100,000

That Report PW 47-2020, dated November 10, 2020, respecting Approval of Public Works Single Source Purchase Request Over \$100,000, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That a change request to Purchase Order PO23236, assigned to WSP Consulting Engineers, per proposal 2017-RFP-08 for Niagara Falls Water Treatment Plant Phase II Upgrades, to increase the pre-tax amount of \$593,634.00 by \$96,400.00 for a new total of \$690,034.00 **BE APPROVED**.

Minute Item No. 5.3

PWC-C 44-2020

Recommendations for Consideration from the Linking Niagara Transit Committee meeting held October 21, 2020

That Correspondence Item PWC-C 44-2020, being a memorandum from A.-M. Norio, Regional Clerk, dated November 10, 2020, respecting Recommendations for Consideration from the Linking Niagara Transit Committee meeting held October 21, 2020, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than February 28, 2021; and
2. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than February 28, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Minute Item No. 6.1

PWC-C 41-2020

COVID-19 Response and Business Continuity in Public Works

That Correspondence Item PWC-C 41-2020, being a memorandum from B. Zvaniga, Interim Commissioner, Public Works, dated November 10, 2020, respecting COVID-19 Response and Business Continuity in Public Works, **BE RECEIVED** for information.

Minute Item No. 6.2

PW 46-2020

NRT OnDemand – Update

That Report PW 46-2020, dated November 10, 2020, respecting Niagara Regional Transit OnDemand – Update, **BE RECEIVED** and **BE CIRCULATED** to the municipalities of Pelham, Lincoln, Grimsby, West Lincoln and Wainfleet for information.

Minute Item No. 6.0
Consent Items for Information

That the following items **BE RECEIVED** for information:

PWC-C 40-2020

Update on Extended Producer Responsibility – Electrical and Electronic Equipment

PWC-C 42-2020

Stewardship Ontario's Proposed Plan to Windup the Residential Blue Box Program and Transition to the New Producer Responsibility Framework

PWC-C 43-2020

Proposed Changes to Ontario's Food and Organic Waste Policy Statement

**THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC WORKS COMMITTEE
MINUTES**

**PWC 10-2020
Tuesday, November 10, 2020
Council Chamber / Video Conference
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee Members Present in the Council Chamber: Rigby (Committee Chair)

Committee Members Present via Video Conference: Chiocchio, Diodati, Disero, Edgar (Committee Vice-Chair), Fertich, Foster, Gale, Heit, Insinna, Ip, Junkin, Nicholson, Sendzik, Steele, Ugulini, Witteveen, Zalepa

Absent/Regrets: Bradley (Regional Chair)

Staff Present in the Council Chamber: S. Guglielmi, Technology Support Analyst, A.-M. Norio, Regional Clerk, R. Tripp, Acting Chief Administrative Officer, B. Zvaniga, Interim Commissioner, Public Works

Staff Present via Video Conference: M. Cruickshank, Legal Counsel, S. Fraser, Transportation Lead, D. Gibbs, Director, Legal & Court Services, C. Habermebl, Director, Waste Management Services, T. Harrison, Commissioner/Treasurer, Corporate Services, L. Lane, Transit Services Planning Analyst, B. Menage, Director, Procurement and Strategic Acquisitions, M. Robinson, Director, GO Implementation Office, C. Ryall, Director, Transportation Services, R. Salewytsch, Transit Services Program Manager, S. Tait, Waste Management Program Manager, H. Talbot, Financial & Special Projects Consultant, J. Tonellato, Director, Water & Wastewater Services, M. Trennum, Deputy Regional Clerk, B. Wilson, Legal Counsel

1. CALL TO ORDER

Committee Chair Rigby called the meeting to order at 9:30 a.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. **PRESENTATIONS**

There were no presentations.

4. **DELEGATIONS**

4.1 **Niagara-on-the-Lake Drainage (Report PW 49-2020 (Agenda Item 6.6))**

Steve Watson, resident, Town of Niagara-on-the-Lake, and Tom Richardson, Sullivan Mahoney LLP, appeared before Committee to express concerns over the construction of a drainage outlet on part of Lot 141 in the Town of Niagara-on-the-Lake, located on the south side of York Road.

There being no objection, Report PW 49-2020 (Agenda Item 6.6), respecting Niagara-on-the-Lake Drainage, was considered at this time.

6. **CONSENT ITEMS FOR INFORMATION**

6.6 **PW 49-2020**

Niagara-on-the-Lake Drainage

Moved by Councillor Fertich

Seconded by Councillor Disero

That Report PW 49-2020, dated November 10, 2020, respecting Niagara-on-the-Lake Drainage, **BE RECEIVED** for information;

That Niagara Region staff **BE DIRECTED** to meet with Mr. Watson's drainage engineer as well as staff from the Town of Niagara-on-the-Lake to further discuss this matter; and

That the Town of Niagara-on-the-Lake **BE ADVISED**.

Carried

Councillor Information Request(s):

Request that staff include the Niagara Peninsula Conservation Authority in discussions related to the proposed drainage outlet. Councillor Insinna.

5. **ITEMS FOR CONSIDERATION**

5.1 **PW 48-2020**

Residential Blue Box Program – Proposed Producer Responsibility Regulation

Sherri Tait, Program Manager, Policy and Planning, provided information respecting Residential Blue Box Program - Proposed Producer Responsibility Regulation. Topics of the presentation included:

- Background
- Regulations
- Designated Materials
- Responsible Producer
- Common Collection System
- Collection/Service, and Management Requirements
- Transition Schedule
- Comments
- Next Steps

Moved by Councillor Edgar
Seconded by Councillor Steele

That Report PW 48-2020, dated November 10, 2020, respecting Residential Blue Box Program – Proposed Producer Responsibility Regulation, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That staff **BE AUTHORIZED** to send comments on the proposed Blue Box regulation to the Ministry of Environment, Conservation and Parks (MECP) before the close of the consultation period on December 3, 2020, following further internal and external coordination and analysis of the proposed regulation.

Carried

5.2 PW 47-2020

Approval of Public Works Single Source Purchase Requests Over \$100,000

Moved by Councillor Zalepa
Seconded by Councillor Foster

That Report PW 47-2020, dated November 10, 2020, respecting Approval of Public Works Single Source Purchase Request Over \$100,000, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That a change request to Purchase Order PO23236, assigned to WSP Consulting Engineers, per proposal 2017-RFP-08 for Niagara Falls Water Treatment Plant Phase II Upgrades, to increase the pre-tax amount of \$593,634.00 by \$96,400.00 for a new total of \$690,034.00 **BE APPROVED**.

Carried

5.3 PWC-C 44-2020

Recommendations for Consideration from the Linking Niagara Transit Committee meeting held October 21, 2020

Moved by Councillor Insinna
Seconded by Councillor Chiocchio

That Correspondence Item PWC-C 44-2020, being a memorandum from A.-M. Norio, Regional Clerk, dated November 10, 2020, respecting Recommendations for Consideration from the Linking Niagara Transit Committee meeting held October 21, 2020, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than February 28, 2021; and

2. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than February 28, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Carried

Councillor Information Request(s):

Provide information respecting the transition of transit expenditures from local municipal budgets to a single Regional budget, taking into account projected revenue ridership increases and projected assessment growth. Councillor Sendzik.

6. CONSENT ITEMS FOR INFORMATION

6.1 PWC-C 41-2020

COVID-19 Response and Business Continuity in Public Works

Moved by Councillor Ugolini

Seconded by Councillor Nicholson

That Correspondence Item PWC-C 41-2020, being a memorandum from B. Zvaniga, Interim Commissioner, Public Works, dated November 10, 2020, respecting COVID-19 Response and Business Continuity in Public Works, **BE RECEIVED** for information.

Carried

6.2 PW 46-2020

NRT OnDemand - Update

Rob Salewytch, Program Manager, Transit Services, and Leah Lane, Planning Analyst, Transit Services, provided information respecting Niagara Region Transit OnDemand - Update. Topics of the presentation included:

- Background
- Pilot Objectives
- Promotional Efforts
- Community Engagement
- Ridership Statistics
- Operational Changes/Improvements
- Reporting Frequency

Moved by Councillor Fertich
Seconded by Councillor Gale

That Report PW 46-2020, dated November 10, 2020, respecting Niagara Regional Transit OnDemand – Update, **BE RECEIVED** and **BE CIRCULATED** to the municipalities of Pelham, Lincoln, Grimsby, West Lincoln and Wainfleet for information.

Carried

6. CONSENT ITEMS FOR INFORMATION

Moved by Councillor Ip
Seconded by Councillor Witteveen

That the following items **BE RECEIVED** for information:

PWC-C 40-2020

Update on Extended Producer Responsibility – Electrical and Electronic Equipment

PWC-C 42-2020

Stewardship Ontario's Proposed Plan to Windup the Residential Blue Box Program and Transition to the New Producer Responsibility Framework

PWC-C 43-2020

Proposed Changes to Ontario's Food and Organic Waste Policy Statement

Carried

7. OTHER BUSINESS

7.1 Tender 2020-T-116

Councillor Gale raised concerns with respect to Tender 2020-T-116 respecting the Port Dalhousie Waste Water Treatment Plant. He requested the following information be provided at the Regional Council meeting being held on November 19, 2020:

- The analysis of the redesign of the blower system, and whether this was completed by Regional staff or a third party;
- The sole source purchase of the blower system; and
- Why the sole source purchase was not considered by the Public Works Committee.

7.2 Vision Zero Road Safety

Councillor Insinna requested information respecting the use of technology, such as radar and red light cameras, as part Vision Zero road safety program. Carolyn Ryall, Director, Transportation Services, advised that staff will be presenting details of the program to the local area municipalities to seek approval for an inter-municipal agreement. Should approval be given, the program would be operational in the spring of 2021.

7.3 Traffic Study, City of Welland

Councillor Chiocchio requested staff review traffic at the intersection of Regional Rd 54 (Prince Charles Dr.) and Lincoln Street in the City of Welland.

8. **NEXT MEETING**

The next meeting will be held on Tuesday, December 8, 2020, at 9:30 a.m. in the Council Chamber, Regional Headquarters.

9. **ADJOURNMENT**

There being no further business, the meeting adjourned at 12:06 p.m.

Councillor Rigby
Committee Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk

Subject: Niagara-on-the-Lake Drainage

Report to: Public Works Committee

Report date: Tuesday, November 10, 2020

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- The purpose of this report is that it be received as an information only report to provide background context to a delegation request by a Town of Niagara-on-the-Lake resident.
- On May 7, 2018, the Town of Niagara-on-the-Lake received a petition from a resident for an improved drainage outlet for his private drains in Pt Lot 141, Concession 6, Niagara Township.
- Section 4 of the Drainage Act (R.S.O. 1990, c.D.17) allows landowners the right to petition to improve drainage works in order to increase the effectiveness of a drainage system or obtain a legal outlet for their drainage system.
- Under the Drainage Act, a petition for drainage works must be filed with the clerk of the local municipality in which the area is situated. This is led by the Town of Niagara-on-the-Lake as this falls under their jurisdiction.
- As the subject drainage system includes the Region's right-of-way ditch, Niagara Region is considered a landowner in this matter.
- The Town of Niagara-on-the-Lake appointed K. Smart Associates Limited on July 9, 2018, to prepare an engineer's report on the petition received pursuant to the Act.
- The Town of Niagara-on-the-Lake Council will consider the engineer's report for approval at its meeting on November 23, 2020.

Financial Considerations

If approved by the Town of Niagara-on-the-Lake, there will be costs assessed to Niagara Region for benefit, and outlet liability as per Section 21 of the Act, in the amount of \$16,046, for an improved outlet provided by the drainage works. The drainage works will provide an outlet, established through by-law, for drainage from the Region's road allowance to flow through downstream lands to a sufficient outlet. The

Region will be assessed maintenance costs, when maintenance is deemed necessary by the Town's Drainage Superintendent. Those maintenance costs will be assessed in the proportions determined in the Engineer's Report, adopted by the Town. Initial assessments and future maintenance costs will be paid for out of Transportation's Capital and Operating Budgets.

Analysis

The Town of Niagara-on-Lake received complaints about flooding, drainage issues and erosion from a property owner abutting York Road, Regional Road 81, west of Concession 6 Road. In addition, a property on the north side of York Road in this area expressed they were experiencing erosion problems from water discharging thorough a culvert under the road.

The Town of Niagara-on-the-Lake undertook meetings with residents, Ministry of Transportation (MTO), Niagara Region and Niagara Peninsula Conservation Authority (NPCA) to review the drainage concerns, discuss solutions and attempt to reach an agreement on how to resolve the matter.

On May 7, 2018, the Town received a petition from a property owner for an improved drainage outlet for his lands. The Town appointed K. Smart Associates Limited to prepare a report on the petition received. Various options were reviewed with each of the property owners involved, plus the MTO, Niagara Region and the NPCA.

K. Smart Associates Limited presented a number of options with cost estimates to address the flooding, erosion and drainage issues in their report (attached as Appendix 2) presented to Niagara-on-the-Lake Council on September 28, 2020.

Niagara Region has a responsibility to formalize ditch and culvert water flows to a downstream property through a legal outlet agreement. The application of the Drainage Act addresses Niagara Region's responsibility to secure a sufficient outlet for drainage and therefore staff are in support of the Municipal Drain application.

Niagara Region staff have advised the Town of Niagara-on-the-Lake that the Region accepts the recommendation presented in the K. Smart Associates Limited report.

Alternatives Reviewed

Do-Nothing

- This alternative does not meet the objectives of the Transportation Master Plan or the 2019-2022 Council Strategy Implementation Plan.

Support Municipal Drain Process

- Niagara Region is in support of the Municipal drainage system recommended by the Town of Niagara-on-the-Lake's engineer's report.

Relationship to Council Strategic Priorities

- Supporting Businesses and Economic Growth
- Healthy and Vibrant Community
- Responsible Growth and Infrastructure Planning

Other Pertinent Reports

N/A.

Prepared by:

Carolyn Ryall
Director Transportation Services
Public Works Department

Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Shawn McCauley, Associate Director Operations, Carolyn Ryall, Director Transportation Services, and reviewed by Bruce Zvaniga, Commissioner Public Works (Interim).

Appendices

Appendix 1 PW5.R01.3 Road Cross Section

Appendix 2 Town of Niagara-on-the-Lake Report (OPS-20-025)

PUBLIC WORKS DEPARTMENT POLICY MANUAL

PW5.RO1.3

SECTION	NAME OF POLICY
Transportation	Road Cross Section

Page 1 of 6

DEVELOPED BY: TRANSPORTATION ENGINEERING

APPROVED BY: PUBLIC WORKS & UTILITIES COMMITTEE DATE: November 15, 2005

EFFECTIVE DATE: December 6, 2005

LATEST REVISION: December 15, 2005

POLICY STATEMENT:

The Regional Road system forms the critical transportation link between the twelve municipalities of the Niagara Region. This arterial roadway network provides consistency in planning and design for motorists commuting across the Region.

This policy provides guidance regarding cross-section elements. These elements consist of the travelled way, shoulders, curb and gutter, drainage features, roadway structure, side and back slopes, and utility locations. They include provisions for pedestrians, cyclists, and parking. These elements are designed with consideration of design speed and traffic volumes and the rural or urban character of the roadway to create a safe, efficient, and economical transportation system.

The Region of Niagara policy will supplement current roadway standards used in Ontario which are referenced in Section 6.

DEFINITIONS

- AADT = Average Annual Daily Traffic volume
- B = Base Thickness
- Design Speed = is the highest continuous speed vehicles can travel with safety on a road when conditions are favourable and traffic density is so low that the safe speed is determined by the geometric features of the road.
- Design Year = period in years to the first necessary rehabilitation by means of overlay or resurfacing when performance has become inadequate (anticipated life span of proposed improvement)
- DHV = Design Hourly Vehicles
- Highway = Synonymous with through-road
- HM = Hot Mix Asphalt
- OPSD = Ontario Provincial Standard Drawings
- OPSS = Ontario Provincial Standards and Specifications

- ROW = Right of Way

POLICY

Section 1.0 Roadway Cross-Section

The roadway cross-section Policy is based on Ontario Provincial guidelines for municipal roads and highways.

Section 1.1 Pavement Width

The pavement width is the sum of the widths of travelled lanes and median within the roadway and is always measured from edge of pavement to the edge of pavement. This width may also include parking facilities, bike way facilities, and vehicle breakdown amenities.

The Region of Niagara recognizes that truck and bus widths (including mirrors) can easily extend up to 3.2m and has therefore adopted a minimum through lane width of 3.5m. Additional lane width is relative to the design speed and volume of traffic for a given roadway and is outlined in the Geometric Design Standards for Ontario Highways.

The minimum urban pavement width for a Regional Road is 10m. The MTO Geometric Design Standards for Ontario Highways notes that "urban arterial streets normally experience average daily traffic volumes (AADT) of 5,000 to 50,000." The previous Ministry B-36 Directive dictated that the minimum pavement width for a two lane urban roadway with these traffic volumes was 10m which the Region has adopted as the minimum standard.

The minimum rural road pavement width in the Region of Niagara consists of two 3.5m lanes plus 0.5m partially paved shoulders for a total of 8.0m. The Region also recognizes that a minimum shoulder width of 2.0m is necessary for disabled vehicles.

The Regional road network as noted above is an arterial link through our region. This road system is recognized in the Road Closure Action Plan in the case of highway closures and would constitute main routes in the case of evacuations. Furthermore, unless otherwise posted, the road system is also recognized as the designated truck route. As such, the regional road system must reflect the ability to carry traffic efficiently and not be limited by vehicle breakdowns. Therefore, the minimum pavement and shoulder width standards must be maintained.

Section 1.2 Medians

Medians separate opposing traffic and reduce the risk of head-on collisions. Raised centre medians can control ingress/egress access at entranceways and side streets.

The MTO Standards dictate that the raised centre median should be 2.0m minimum. However, if the MTO minimum is cost prohibitive or creates problems with lane alignments, then the Transportation Association of Canada (TAC) minimum standard of 1.5m would also be acceptable.

Flush medians should be used on five lane cross sections where raised medians are not included. Flush medians must also be used on the approach to raised medians to reduce accidents.

Section 1.3 Shoulders

Shoulders provide a recovery area for errant vehicles and a storage area for stopped emergency/disabled vehicles. As outlined in the MTO Geometric Design Standards, the minimum desirable shoulder width should be 2.0m.

Paved shoulders supply support to the travelled lane pavement improving surface drainage and reducing maintenance. Paved shoulders shall be either full or partial (minimum 0.5m) depending on design requirement and available cross section.

Section 1.4 Curb and Gutter

Curb and gutter is placed adjacent to a lane or paved shoulder and is intended to control and conduct storm water as well as inhibit or at least hinder vehicles from leaving the roadway. Curb and gutter design is outlined in section D.8.1 of the Geometric Design Standards for Ontario Highways and construction should be consistent with OPSS and OPSD standards.

Section 1.5 Boulevards

The boulevard area extends from the back of curb to the sidewalk. This area provides a buffer from traffic for pedestrians and can accommodate street accessories such as signs, streetscape appurtenances as well as being a snow storage area. Boulevard widths should be 3.0m or greater with a minimum desirable width of 1.5m. Boulevards less than 1.5m wide should be considered for a hard surface treatment and "kill strips" of 600mm should be considered in problem areas.

Sidewalks in the Niagara Region are the responsibility of the local municipality. The MTO Guidelines point out that a minimum sidewalk width should be 1.5m. Sidewalk ramps at intersections should be a minimum of 1.8m wide. At the discretion of the local municipality, sidewalks in urban commercial areas may be wider as required.

Section 1.6 Ditches and Side Slopes

Ditches carry storm water runoff from the roadway as well as adjacent lands. These ditches must have adequate hydraulic capacity with relief systems that will not limit the operation of the arterial roadway.

Side slopes should follow the standards found in section D.9 Grading and Drainage Channels of the Geometric Design Standards for Ontario Highways. Side slopes shall be a maximum 3:1 front slope for vehicle recovery and ease of maintenance.

Section 1.7 Roadway Structure

For purposes of this section, it is assumed Niagara's arterial urban/rural road network carries 10% commercial trucks and that the foundation is a competent non-saturated subgrade of silty-clays having moderate to high susceptibility to frost heaving.

A geotechnical consultant shall be retained to determine the general soil type(s) from which it will recommend the most appropriate and cost-effective structure best suited to the specific project conditions (i.e. subgrade soil characteristics, drainage, traffic volume and loading, and the use of recycled materials).

1.7.1 Pavement Types

a) Flexible Pavements

All flexible pavement structures are to be designed having a minimum thickness that will produce a service life of 10-12 years. Design year for reconstruction projects shall be 20 years. Pavement structures shall be conventional comprised of an asphaltic wearing surface and binder course and granular "A" base course (crushed limestone or approved equivalent recycled material).

i) Minimum Rural Structure

HM	130mm (min. 50mm top course)
B	400mm
GBE	660mm

ii) Minimum Urban Structure

HM	130mm (min. 50mm top course)
B	500mm
GBE	760mm

b) Rigid Pavements

All rigid pavement structures are to be designed having a minimum thickness that will produce a service life of 20-25 years. Design year for reconstruction projects shall be 40 years. Pavement structures shall be composite plain concrete (Portland Cement Concrete) with short random contraction joint spacing with transverse load transfer devices and ties bars at all longitude joints. The pavement structure shall be either plain (exposed) or composite. Exposed pavements shall be comprised of a minimum 260mm of 30 MPa (at 28 days), concrete having a base of 120mm of granular "O" and sub-base of 80mm of granular "A" (crushed limestone), composite pavements shall be comprised of a minimum of 80mm of asphaltic wearing course over 225mm of 30 MPa (at 28 days) concrete, have a base of 120mm of granular "O", and sub-base of 80mm of granular "A" (crushed limestone).

Section 1.8 Utilities and Servicing

Utility placement should not inhibit the future expansion of the roadway. Underground utilities should be installed in a uniform alignment parallel to the right-of-way lines. Sewer manhole covers and watermain valves should not be located in the wheel track path. Above ground plant must conform to the MTO Roadside Safety Manual.

Section 2.0 Right-of-Way

Right-of-way refers to the public lands designated for the roadway. For more information on right-of-way, refer to the Region of Niagara Right-of-Way Policy and MTO Geometric Design Guidelines for Ontario Highways section D.10.

Section 3.0 Retrofit Construction of Roadways

The Region recognizes that existing conditions such as right-of-way, roadway geometrics, structure locations, ditches, utilities, and other variables may limit possible retrofit work. The costs to retrofit a pre-developed roadway may greatly exceed those of new construction because of existing deficiencies. In such cases, the design should reflect reasonable costs without compromising current safe conditions.

Section 4.0 New Construction

Construction of roadways in areas previously undeveloped should follow the design standards. These standards should not be compromised except in the case of extraordinary conditions.

Section 5.0 Extraordinary Conditions

Design judgements are made with safety as the predominant factor. Conditions such as extreme costs may limit the design and MTO specifications may not be practical. If for reasons beyond the designers control the MTO standards can not be achieved, the designer will utilize Transportation Association of Canada (TAC).

Section 6 REFERENCES

- Ref. 1 Geometric Design Standards for Ontario Highways first published in 1985 and updated by the MTO (2002)
- Ref. 2 MTO Roadside Safety Manual (1993)
- Ref. 3 Ontario Provincial Standards and Specifications and Ontario Provincial Standard Drawings
- Ref. 4 MTO Pavement Design and Rehabilitation Manual (1990)
- Ref. 5 Niagara Peninsula Standard Contract Documents

REFERENCES:

<u>Report</u>	<u>Committee Date</u>	<u>Council Date</u>
PWA 208-2005	December 6, 2005	December 15, 2005



The Town of Niagara-On-The-Lake

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Report: OPS-20-025 **Committee Date:** September 21, 2020

Due in Council: September 28, 2020

Report To: Operations Advisory Committee
Subject: Lament Drain 2020 Engineering Report – Meeting to Consider

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council adopt the Engineering Report (Option 1) for the Lament Drain dated April 9, 2020 prepared by K. Smart Associates Limited; and
- 1.2 That Council, having adopted the Engineering Report, give the attached Provisional By-law the two readings required by Section 45(1) of the *Drainage Act*, R.S.O. 1990; and
- 1.3 That Council direct the Clerk to set a date for the first sitting of the Court of Revision and to distribute the Provisional By-law and the Notice of the Court of Revision, in accordance with Sections 46(2) and 46(3) of the *Drainage Act*, R.S.O. 1990.

2. PURPOSE / PROPOSAL

The purpose of this report is to seek Council's adoption of the Engineering Report for the construction of a drainage works for an improved drainage outlet for the private drains on property roll no. 020-019-10400, part of Lot 141 on the south side of York Road.

Drawing 1 of 8 showing the watershed and the route of the drain and drawings 4 and 5 of 8 showing details of the Main Drain are attached.

The drainage works consists of:

- excavation of ±230m (metres) of existing open roadside ditch on York Road and an existing watercourse on property roll no. 020-019-10305, including seeding of new banks
- power brushing in the watercourse and for a 10m width on the south side of the watercourse for the necessary work area
- removal of the existing 600mm ø (diameter) CSP culvert at the entrance to properties 020-019-10305 and 020-019-10300 and replacing it with a 600mm ø HDPE pipe
- installing a concrete catchbasin and connecting same to the new 600mm ø HDPE culvert

- lowering an existing 9 metres long 450mm ø plastic pipe on property roll no. 020-019-10305
- removing an existing 400mm ø CSP on property roll no. 020-019-10305 and replacing it with 9m of 450mm ø plastic pipe
- constructing an overflow weir at the outlet of an existing pond on property roll no. 020-019-10400
- constructing an earth berm along the north side of the north ditch of Hwy 405
- placing riprap at appropriate locations

Adoption of the Engineering Report will allow the Town to proceed with the requirements of the *Drainage Act* , R.S.O 1990.

3. BACKGROUND

The Engineering Report is pursuant to Section 4 of the *Drainage Act* , R.S.O.1990.

The Town has received numerous complaints about flooding and drainage issues from a property owner abutting the Lament property. As well, the property on the north side of York Road is subjected to erosion problems caused by water discharging through a culvert under York Road in the vicinity of the Lament property.

In an attempt to try to resolve the drainage issue, the Town held a “scoping meeting” on Tuesday, July 18, 2017. The meeting was attended by representatives from the Ministry of Transportation, the Regional Municipality of Niagara, the Niagara Peninsula Conservation Authority, an engineer from K. Smart Associates, two landowners, Stanley Lament and Mr. Steve Watson and Town staff. The only invited party who did not attend was Mr. Brzecka, the owner of the property on the north side of York Road.

The intent of the meeting was to review the problems, discuss solutions and attempt to reach an agreement on how to resolve the problem. The preferred and most realistic solution was to have one or more of the affected parties petition to have the existing watercourse become a municipal drain so that it could be properly managed and maintained. None of the parties were willing to sign a petition at that time, so the problem was not resolved. The Town does not have any lands or roads in the immediate area so the Town has no authority to proceed with any type of remedial work to deal with the drainage and erosion problems.

On May 7, 2018, the Town received a petition from Mr. Lament for an improved drainage outlet for his private drains on his property in Pt Lot 141, Concession 6, Niagara Township. Refer to attached report OPS 18-020.

Pursuant to Section 8(1) of the *Drainage Act*, on July 16, 2018, K. Smart Associates Limited was appointed by By-law 5074-18 to prepare a report on the petition received.

The on-site meeting required by the *Drainage Act* was held August 13, 2018. At this meeting, landowners suggested several options to be investigated to provide a legal

outlet for the proposed and existing tile drainage systems on the petitioner's properties roll no. 020-019-10300 and 020-019-10400.

Input from the landowners at the on-site meeting is detailed on page 5 of the Engineering Report. (Page 5 is attached).

A second meeting with the landowners was held on June 4, 2019. A representative from the MTO was present because the issue of runoff from Hwy 405 had been raised. At this meeting, the results of the investigation to date were presented along with a summary of the design options and preliminary cost estimates and assessments. The design options are described on pages 2, 3 and 4 of the Engineering Report. (Pages 2, 3 & 4 are attached) Comments from the attendees are listed on pages 8 and 9 of the Engineering Report. (Pages 8 & 9 are attached).

On February 21, 2020, a third meeting was held at the Centennial Arena. No representatives from the MTO, the Niagara Region or other affected agencies attended. The three affected private landowners were present as well as the engineer, Town staff and Councillor Erwin Wiens.

A summary of the final design cost estimates and assessments was presented by the engineer. Comments from the attendees are listed on page 11 of the Engineering Report. (Page 11 is attached).

After the second meeting of June 4, 2019, the engineer attempted to set-up an on-site meeting with Mr. Brzecka on July 11, July 22, August 12, September 4 and September 11, 2019; none of which worked out for Mr. Brzecka.

On October 15, 2018, an on-site meeting was held with Steve Watson (Roll No. 019-10305) at which time Mr. Watson stated that:

- there are flowering white dogwoods on his property
- there is currently a lawsuit with his neighbour (Lament)
- the neighbour (Lament) has recently dug the perimeter ditch such that it no longer flows into the Lament pond but instead goes around it
- the neighbour has increased the size of the outlet pipe from the pond
- the neighbour has increased the tiling to York Road
- Mr. Watson would prefer that the increased water not go through his property but go to the York Road ditch instead
- he would like that the two culverts, the one at his driveway entrance and the other in the bush, be improved
- there should be minimal cleanout of the ditch on his property

Due to concerns expressed by Mr. Watson about the impact of the proposed drainage works on the forest on his property; another on-site meeting was held at the Watson property at 835 York Road on March 9, 2020. The meeting was attended by the engineer, Jason Culp of the NPCA, Dan Drennan, the NPCA Forester / Forest Conservation By-law Officer, and Town staff Brett Ruck and Brandon Enns. The landowner, Steve Watson, was notified of the meeting but did not attend.

Dan Drennan, the NPCA Forester / Forest Conservation By-law Officer commented that:

- the working buffer around the Eastern Flowering Dogwood is 25 metres and thus the location will be safe in relation to where the drainage work will be completed
- the area along the watercourse as it flows through 835 York Road had been impacted in the past, whereas the rest of the bush has been left intact
- there is a Walnut tree in close proximity to the proposed culvert that should be protected
- most of the trees in the work area are dead Ash trees and the canopy will be minimally affected by the drainage works
- the Green Belt Plan is superseded by the Drainage Act and works of this nature do not pose an issue or conflict with the Green Belt Plan.

Mr. Ruck stated that larger trees will not be removed due to the drainage works, that provisions will be made to work around such trees.

At the conclusion of the meeting, the NPCA staff generally indicated that if the work is maintained within the proposed working limits and the rest of the bush is left intact, no harm is anticipated to the health or function of the forest.

4. DISCUSSION / ANALYSIS

The total estimated cost of the project is \$152,360.00. A portion of the Town road allowance of Concession 6 Road is assessed for \$738.00, the Region of Niagara is assessed \$16,046.00 for York Road and the MTO \$45,139.00 for Hwy 405. The remaining \$90,437.00 is assessed to three properties within the watershed.

The Engineering Report establishes a 6m wide corridor for future maintenance, measured from the top of the bank, on each side of the municipal drain. A 10m wide working area is established along the south side of the drain on the Watson property, but this width will only be in effect during the construction; once the engineer certifies that the work is completed the work area will be reduced to the 6m wide maintenance corridor. All the work will be done on the south side to reduce possible damage to the trees along the north side of the drain. Allowances (compensation) for right-of-way and for damages are provided to properties owned by Mr. Lament and Mr. Watson and an insufficient outlet allowance is provided to the Brzecka property.

The allowances are summarized as follows:

Property	Right-of-way Width (m) \$	Damages Width (m) \$	Insufficient Outlet	Total \$
Brzecka (020-019-07900)	-----	-----	\$4,500	\$4,500
Lament (020-019-10300)	7.5m \$2,100	10m \$300	-----	\$2,400
Watson				

(020-019-10305)	10m \$8,400	15m \$700	-----	\$9,100
Lament (020-019-10400)	6m \$100	15m \$100	-----	\$200

At the Meeting to Consider, prior to passing the Provisional By-law, Council shall give any person who signed the petition the opportunity to withdraw from it; and any person present who owns land in the area requiring drainage and has not signed the petition, the opportunity to do so.

Once the Engineering Report is formally adopted and the Provisional By-law has been established, this project will be able to move forward under the legislative requirements of the *Drainage Act*, R.S.O. 1990 and the appeal procedures under the Act will become available to the affected land owners.

Council should keep in mind that complaints about the assessed amount to a property cannot be dealt with at the Meeting to Consider. Appeals about the cost assessed must first be dealt with at a Court of Revision; and adopting the Engineering Report will trigger the appeals procedure.

The Provisional By-law for the Lament Drain 2020 should receive first and second readings at the Council meeting of September 28, 2020. In accordance with Section 46(3) of the *Drainage Act*, R.S.O. 1990, the first sitting of the Court of Revision must be held on a day not earlier than twenty (20) nor later than thirty (30) days from the date of completing the mailing of the copies of the Provisional By-law. Assuming that the mailing to the assessed owners of the Provisional By-law and the notice of the time and place of the sitting of the Court of Revision is completed on October 2nd, 2020; the first sitting of the Court of Revision must be held between October 22 and October 30 2020 inclusive to meet this condition of the Act.

5. OPTIONS

Council only has three options at the Meeting to Consider.

1. Adopt the Engineering Report and continue the process under the Drainage Act, which allows affected parties to file appeals.
 2. Not adopt the Report, in which case the petitioner(s) can appeal Council's decision to the Drainage Tribunal.
 3. Refer the report back to the Engineer for reconsideration.
- Section 57 of the Drainage Act allows Council to refer the Engineering Report back to the engineer for reconsideration for any reason, but this option is primarily used if it appears that there are or may be significant errors in the Report. Staff has reviewed the Engineering Report and there does not appear to be any reasons to refer the Report back to the engineer. Staff believes that it is in the best interest of the Town and the affected landowners to accept the recommendations and proceed with the adoption of the Engineering Report.

6. FINANCIAL IMPLICATIONS

The Town will be required to front end the costs of this project until completed at which time these costs will be recovered through assessments on lands within the watershed.

In accordance with the provisions of Section 85 of the Drainage Act, and OMAFRA's ADIP policies, a grant not exceeding 1/3 (33-1/3%) may be available on the assessments against privately owned parcels of land which are used for agricultural purposes and are eligible for the Farm Property Class Tax Rate. Based on Town assessment roll information, parcels that have the Farm Property Tax Class are identified with an "F" in the first column of assessment schedule C, the schedule for the actual cost by-law.

Section 88 of the Drainage Act provides for the Town to apply for this possible grant upon certification of completion of the drain provided for in the Engineering Report. The Town will first confirm the Farm Property Tax Class for the parcel in the current assessment roll, and then deduct the grant from the assessments prior to collecting the final assessments.

If an assessed owner feels that their property should be eligible for the grant, and they can provide proof to the Town of this eligibility as noted prior to the final cost levy then the property could have the 1/3 (33-1/3%) grant deducted from the final cost levy.

Council should note that OMAFRA retains the final right to determine eligibility under the grant program, regardless of the designation in the Engineering Report.

8. COMMUNICATIONS

The Notice of the Meeting to Consider has been mailed to the affected owners within the watershed, as well as to the Secretary-Treasurer of the Niagara Peninsula Conservation Authority and the Director of the Ontario Ministry of Agriculture, Food and Rural Affairs; all as required by the Drainage Act.

All parties to this drainage works have been advised that the Meeting to Consider will be held via video teleconferencing and that arrangements to participate will be done through the Clerk's Department. The affected landowners have been informed that an Open House, via video teleconferencing, will be held from 4:00 to 5:30 p.m. on September 28, prior to the Meeting to Consider. The engineer and Town drainage staff will be available during the Open House to discuss the Engineering Report.

The affected landowners will be notified of the date of the first sitting of the Court of Revision as well as the other appeals which are available to them.

The appropriate appeal forms will be included with the mailing of the Provisional By-law and Notice of the sitting of the Court of Revision.

9. CONCLUSION

It is in the best interest of the Town and the landowners within the Lament Drain watershed for Council to adopt the Engineering Report for the Lament Drain 2020 prepared by K. Smart Associates Limited.


Respectfully submitted,



Rene Landry
Drainage Support Technician



Brett Ruck
Irrigation & Drainage Superintendent



Jeffrey Vyse, C.S.T.
Manager, Operations



Sheldon Randall
Chief Administrative Officer (I)

ATTACHMENTS



COTW Report OPS-18-020 re Accept Petition.pdf Final Report - complete April 9 2020.pdf



Drawings 1, 4 & 5- Engineering Report Lament Drain.pdf Pages 2, 3 & 4 - Engineering Report Lament Drain.pdf



Page 5 - Engineering Report Lament Drain.pdf Pages 8 & 9 - Engineering Report Lament Drain.pdf



Page 11 - Engineering Report Lament Drain.pdf

WEB ATTACHMENTS

ATTACHMENTS FOR LINK

First Capital of Upper Canada - 1792



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Report: OPS-18-020 **Committee Date:** June 04, 2018

Due in Council: June 11, 2018

Report To: Operations Advisory Committee
Subject: Petition for Drainage Works - York Road

1. RECOMMENDATION

It is respectfully recommended:

- 1.1 That Council consider the attached Petition for Drainage Works filed by the property owner of 865 York Road under the provisions of Section 4 of the *Drainage Act* R.S.O. 2010.
- 1.2. That Council proceeds with the drainage works and directs that notice of its decision be sent to the appropriate parties in accordance with Section 5(1) of the *Drainage Act* R.S.O. 2010.

2. PURPOSE / PROPOSAL

The purpose of this report is to request that Council consider the attached Petition for Drainage Works which was filed by Mr. Stanley Lament and that Council consider proceeding with the drainage works requested by Mr. Lament (see attached map).

3. BACKGROUND

The Town has received numerous complaints about flooding and drainage issues from a property owner abutting the Lament property. As well, the property on the north side of York Road is subjected to erosion problems caused by water discharging through a culvert under York Road in the vicinity of the Lament property.

In an attempt to try to resolve the drainage issue, the Town held a "scoping meeting" on Tuesday, July 18, 2017. The meeting was attended by representatives from the Ministry of Transportation, the Regional Municipality of Niagara, the Niagara Peninsula Conservation Authority, an engineer from K. Smart Associates, two landowners, Stanley Lament and Steve Watson and Town staff. The only invited party who did not attend was Mr. Brzezcka, the owner of the property on the north side of York Road.

The intent of the meeting was to review the problems, discuss solutions and attempt to

reach an agreement on how to resolve the problem. The preferred and most realistic solution was to have one or more of the affected parties petition to have the existing watercourse become a municipal drain so that it could be properly managed and maintained. None of the parties were willing to sign a petition at that time, so the problem was not resolved. The Town does not have any lands or roads in the area so the Town has no authority to proceed with any type of remedial work to deal with the drainage and erosion problems.

4. DISCUSSION / ANALYSIS

Proceeding with the drainage works will provide the necessary outlet and will greatly help to resolve the drainage and erosion issues. Once the watercourse becomes a municipal drain, the Town will be able to repair and maintain the watercourse as required at the expense of the contributing lands.

There are still many steps to the process: appointing an engineer, a site meeting, determining the validity of the petition and more; but through the entire process, the landowners will have opportunities to voice concerns, make suggestions and provide input.

There is the potential that the watershed may extend into the City of Niagara Falls; if so, notification to the City of Niagara Falls in the early stages of the process will be prudent.

5. STRATEGIC PLAN

N/A

6. OPTIONS

Council has only two options when dealing with a petition for drainage works.

One is to decide **not** to proceed with the drainage works, in which case the petitioner(s) can appeal the decision to the Drainage Tribunal; an appeal which the petitioner will very likely win in this situation.

The other option is to decide to proceed with the drainage works, as is recommended in this report.

7. FINANCIAL IMPLICATIONS

The Town will initially carry the costs during the process under the Drainage Act however the costs will be recovered through assessment to the lands within the watershed.

It does not appear that there are any Town owned lands or roads within the watershed affected by the petition therefore in the end, there should not be any costs to the Town associated with this drainage works.

The magnitude of this type of project exceeds the current staffing level that we have and will require the assistance of Contract Staff to manage this project internally. Funds associated with this project are not included in the Operating Budget, however these costs will be assessed to the benefitting land owners within the watershed.

8. COMMUNICATIONS

The petitioner, all affected landowners and road authorities, the Niagara Peninsula Conservation Authority and other relevant agencies will be notified of Council's decision, as well as all future procedures in the process of establishing the drainage works.

9. CONCLUSION

Proceeding with the drainage works will improve the efficiency of the watercourse which will be of benefit not only to the petitioner but also to the other lands within the watershed.

Respectfully Submitted



Brett Ruck
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ATTACHMENTS



Drainage Petition - Lament.pdf



LamentProperty-YorkRdCon6.pdf

ENGINEERING REPORT

For

LAMENT DRAIN

Town of Niagara-on-the-Lake

(Geographic Township of Niagara)

Region of Niagara

Date: April 9, 2020

File No. 18-218



K. SMART ASSOCIATES LIMITED

Kitchener

Sudbury

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APPENDIX A – CALCULATION OF ASSESSMENTS FOR SCHEDULE A

APPENDIX B – CALCULATION OF ASSESSMENTS FOR SCHEDULE B

SPECIFICATIONS

- Section 200 - General Conditions
 - Section 300 - Special Provisions (See Drawing 10)
 - Section 400 - Standard Specifications for Construction of Drains
 - Section 410 – Standard Specifications for Open Drains
- DRAWINGS 1 TO 7

Definitions:

“Act” means The Drainage Act RSO 1990
 “CSP” means corrugated steel pipe
 “Drain” means Lament Drain
 “Grant” means grant paid under the Agricultural Drainage Infrastructure Program
 “HDPE” means high-density polyethylene
 “Municipality” means Town of Niagara-on-the-Lake
 “NPCA” means Niagara Peninsula Conservation Authority
 “OMAFRA” means the Ontario Ministry of Agriculture, Food and Rural Affairs
 “MECP” means Ministry of Environment, Conservation and Parks
 “DFO” means Fisheries and Oceans Canada
 “Tribunal” or “Drainage Tribunal” means Agriculture, Food and Rural Affairs Appeal Tribunal

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April 9, 2020

File No. 18-218

LAMENT DRAIN TOWN OF NIAGARA-ON-THE-LAKE

1 EXECUTIVE SUMMARY

This report is prepared in accordance with Section 4 of the Drainage Act RSO 1990 (the Act).

On May 7, 2018, the Municipality received a petition from Stanley Lament for improved drain outlet for his private drains in Pt Lot 141, Concession 6, Niagara Township. Pursuant to Section 8(1) of the Act, on July 9, 2018, K. Smart Associates Limited was appointed by By-law No. 5074-18, dated July 16, 2018 of Council to prepare a report on the petition received.

To address the petition received, this report recommends the following:

- Improvement of 295m of open drain

The estimated cost of this project is \$152,360.

The watershed served is approximately 28.1 hectares (69.4 acres).

Assessment schedules are provided for construction and future maintenance of the drainage works.

- Schedule A shows the assessment of the total estimated cost
- Schedule B will be used for prorating future maintenance cost
- Schedule C will be used for levying the final cost of the Drain.
- Appendix A illustrates the calculation of the assessments outlined in Schedule A.
- Appendix B illustrates the calculation of the assessments outlined in Schedule B.

2 BACKGROUND

The Town had received numerous complaints about flooding and drainage issues from a property owner abutting the Lament property. As well, the property on the north side of York Road is subjected to erosion problems caused by water discharging through a culvert under York Road in the vicinity of the Lament property.

In an attempt to try to resolve the drainage issue, the Town held a “scoping meeting” on Tuesday, July 18, 2017. The meeting was attended by representatives from the Ministry of Transportation, the Regional Municipality of Niagara, the Niagara Peninsula Conservation Authority, an engineer from K. Smart Associates, two landowners, Stanley Lament and Steve Watson and Town staff. The only invited party who did not attend was Mr. Brzezcka, the owner of the property on the north side of York Road.

The intent of the meeting was to review the problems, discuss solutions and attempt to reach an agreement on how to resolve the problem. The preferred and most realistic solution was to have one or more of the affected parties petition to have the existing watercourse become a municipal drain so that it could be properly managed and maintained. None of the parties were willing to sign a petition at that time, so the problem was not resolved. The Town does not have any lands or roads in the area, so the Town has no authority to proceed with any type of remedial work to deal with the drainage and erosion problems.

Proceeding with the drainage works will provide the necessary outlet and will greatly help to resolve the drainage and erosion issues. Once the watercourse becomes a municipal drain, the Town will be able to repair and maintain the watercourse as required at the expense of the contributing lands.

At the on-site meeting on August 13, 2018, discussions with landowners indicated that several options be investigated to provide a legal outlet for proposed and existing tiling on the petitioner’s properties (Roll No. 019-10300 and 019-10400) located in Pt Lot 141, Concession 6, Township of Niagara.

At the second meeting on June 4, 2019, the following options were presented.

The first option would be to improve and incorporate the existing ditch downstream of York Road across Roll No. 019-07900 and 019-16000 and incorporate the existing culvert across Concession 7 Road and then across and upstream of York Road to the west side of Concession 6 Road. This option is an open ditch with an estimated total project cost of \$224,550. See Figure 1 for the route on the following page.

The second option would be to improve and incorporate the existing ditch downstream of York Road and across Concession 7 Road as in the first option, incorporate the York Road culvert, improve and incorporate the existing ditch and culvert along the south side of the road to Roll No. 019-10305, then a pipe drain



along the south side of the road to Roll No. 019-10400, and then south along the property line to the existing ditch on Roll No. 019-10400 and then improve and incorporate the existing ditch to the west side of Concession 6 Road. This option would have a tile system from the east side of Roll No. 019-10300 along York Road, then south along the property line to the existing pond on Roll No. 019-10400. An

overflow swale would still be required through the existing bush on Roll No. 019-10305. An open ditch along the route of the pipe drain was also investigated but was felt to be a public safety concern. This option has an estimated total project cost of \$300,765. See Figure 1 for the route.

The third option would be to improve and incorporate the existing road ditch along the south side of York Road, from a possible outlet into Six Mile Creek approximately 230m west of Concession 7 Road, east to Roll No. 019-10305, then improving and incorporating the existing ditch and culverts southeasterly to the west side of Concession 6 Road as in the first option. This option has an estimated cost of \$259,890. See Figure 1 for the route.

The options were presented at the second meeting with costs and schedules, and also further letters were sent to, and discussions were had with the downstream owners (Roll No. 019-07900, 019-10300, 019-10305 and 019-10400) and the MTO. The landowners were informed that if they wanted option 2 or 3, the increased cost would be assessed to them.

A fourth option was suggested by a landowner for the engineer to investigate. This option was to tile through the bush, and the remaining work would be the same as option 1. This would involve the installation of a 600x600DICB, 158m of 300mm plastic tubing and establishing the existing swale as an overflow route. The estimated cost of this option is \$230,960. See Figure 1 for the route.

3 DRAINAGE HISTORY

The proposed Drain is not in the watershed of nor does have any common watershed boundaries with any existing municipal drains.

There is an existing ditch/ravine downstream of Concession 7 Road, which outlets into Six Mile Creek. There is a 1200mm CSP existing culvert crossing Concession 7 Road. A ditch/ravine and several culverts/crossings currently exist along the proposed drain in Lot 142, Concession 6 (Niagara Twp.) between Concession 7 Road and York Road.

There is a 900mm CSP culvert across York Road and a roadside ditch with several laneway culverts along the south side of York Road. From York Road, a shallow ditch with several culvert/crossings runs southeasterly across Roll No. 019-10305 to the west side of Roll No. 019-10400, then south along that west limit to the HWY 405 right-of-way then east along that property limit to the west side of Concession 6 Road.

4 INVESTIGATION

4.1 On-Site Meeting

On August 13, 2018, an on-site meeting was held in accordance with S. 9(1) and 9(2) of the Act. Notice of the meeting was sent to the petitioner and landowners most affected by the drain and the affected agencies.

Attendees:

- Stanley Lament (Petitioner) and son (Roll No. 019-10300 and 019-10400)
- Steve Watson (Roll No. 019-10305)
- Brandon Enns and Rene Landry – Town of Niagara-on-the-Lake
- Neal Morris, P.Eng. – K. Smart Associates Limited

Those in attendance provided the following input:

Stanley Lament

- Wants an outlet for his pond
- Would like his pond longer to provide more storage for irrigation
- His property line runs along the edge of the bush on the Watson property
- The perimeter ditch along his property has existed for many years and was already in place when he acquired the property
- He has not excavated the perimeter ditch
- Some of the water comes from the MTO HWY 405 right-of-way which enters his property in two locations
- He removed the plum trees that were originally on the property and planted grapes
- Seven years ago he installed a tile down each vine row
- Most of his land is tiled to the north, to the roadside ditch along York Road
- Says that Steve Watson caused his own problems because the ditch on his property is not cleaned out

Steve Watson

- Wants the water from the Lament property to go to York Road
- Excavation of the perimeter ditch and land levelling done by Lament is now causing flooding on his property
- Lament disconnected the perimeter ditch from the pond and the size of the pond outlet pipe was increased, all of which caused an increase in water which is damaging his property and downstream properties

Mr. Brzeczka (Roll No. 019-079) (905-682-5862)

- Did not attend but called the engineer
- He has erosion problems from the water from upstream lands and that this drain does not involve him.

4.2 Site Examination and Survey

The route of the drain was examined after the on-site meeting and on several occasions during 2018 and 2019. A topographic (GPS) survey was completed in November and December 2018 along an existing open ditch, from the west side of Concession Road 7 southeasterly crossing York Road and upstream to the east side of Concession Road 6 and also along several option routes.

4.3 Watershed Description

The perimeter watershed of the Drain has been established based on a site investigation, topographic information and historical reports.

Land use in the watershed is predominately agricultural except for the road allowances and scattered bush areas.

5 AUTHORITY FOR REPORT

Section 4 of the Drainage Act provides for the construction of new drainage works for an area requiring drainage. As a result of discussion at the site meeting and on-site examination, the area requiring drainage was determined to be Pt Lot 141, Concession 6, Niagara Twp., the properties owned by the petitioner, to provide a tile outlet. The signature on the petition represents 84% of the area requiring drainage and 66% of the owners; thus, the petition is valid in accordance with Sections 4(1)(a) and 4(1)(b) of the Drainage Act.

6 DESIGN CONSIDERATIONS

6.1 Sufficient Outlet

Section 15 of the Act requires that the proposed work be continued downstream to a sufficient outlet. Section 1 of the Act defines sufficient outlet as “a point at which water can be discharged safely so that it will do no damage to lands or roads.” For this project, it was determined that the proposed work will cause damages to lands owned by Roll No. 019-07900 as there was existing erosion problems along the ditch. While the outlet is an adequate outlet for functional purposes, it was determined not to be a sufficient outlet, so an insufficient outlet allowance was given to the downstream owner, based on the cost of works to repair the existing ditch.

6.2 Drain Capacity (Sizing)

The open ditch is designed to provide adequate depth for tile drain outlets and will also convey the 2-year storm within the channel cross-section. It is customary for open municipal drains serving agricultural or rural lands to be sized for a 2-year storm.

The tile options were sized using the Drainage Guide for Ontario drainage coefficient of 45mm/ day. Tile sizes were based on open inlets surface water and high-value specialty crop subsurface drainage.

Laneway culverts are designed for the 5-year storm.

The York Road crossing will satisfy a 25-year storm.

A PC-SWMM model was created to model the flows from upstream and the MTO lands. It was found that for the existing conditions, a 2-year storm would spill into the existing system. For this reason and the requests from the owners of Roll Number 019-10305 and 019-07900, a berm will be incorporated along the HWY 405 ditches from Concession 6 Road. The berm, identified as Interval 3, is approximately 650m long and between 0.7m to 1.1m in height from the bottom of the MTO ditch to the top of the berm, with 3:1 side slopes and a 1.5m width top width. This berm would contain the 100 year storm.

6.3 Soil Conditions

The Region of Niagara soil mapping for this area indicates that the soils adjacent to this drain are primarily Beverly loamy phase along the proposed ditch and berm work.

The Beverly loam phase soils have loamy textures over lacustrine silty clay, have imperfect drainage, are smooth basin to level and are stone free.

Based on available information, no adverse subsurface conditions are expected on this project, and the use of conventional construction equipment is anticipated.

7 MEETING(S)

7.1 Meeting with Steve Watson

On October 15, 2018, an on-site meeting was held with Steve Watson (Roll No. 019-10305) at which time Mr. Watson stated that:

- There are flowering white dogwoods on his property
- There is currently a lawsuit with his neighbour (Lament)

- The neighbour (Lament) has recently dug the perimeter ditch such that it no longer flows into the Lament pond but instead goes around it
- The neighbour has increased the size of the outlet pipe from the pond
- The neighbour has increased the tiling to York Road
- He would prefer that the increased water not go through his property but go to the York Road ditch instead
- He would like that the two culverts, the one at his driveway entrance and the other in the bush, to be improved
- There should be minimal cleanout of the ditch on his property

7.2 Second Meeting

On June 4, 2019, a second meeting with landowners was held. Notice for the meeting was sent to all landowners in the watershed, the MTO, affected agencies and the Municipality. At the meeting, the results of the investigation to-date were presented along with a summary of the design alternatives and preliminary cost estimates and assessments.

Attendees:

Landowners Stan & Michelle Lament, Eric Galloway (Roll No. 019-14605), Mike Brzezcka (Roll No. 019-07900 and 019-07925), S.C. Watson (Roll No. 019-10305), Kyle Saulnier (MTO), and Neal Morris, P.Eng. (K. Smart Associates Ltd.)

The engineer explained the Drainage Act, the proposed work and the assessment schedules.

Stan Lament

- He preferred the berm be placed on HWY 405 land or the property line.
- Wanted to know if he could do the work on his own property. No.
- Wanted the MTO to clean out their own ditch.
- He preferred the water on Concession 6 Road to stay on the Town road
- Wanted another berm along the top end of the drain near Concession 6 Road and HWY 405.
- Did not want the proposed control structures on the perimeter ditch.
- Wanted the pond extended to the south, not to the north.
- Wanted the drain process to move forward.
- Thought that his assessment was high.

Mike Brzezcka

- Wants to know where the spoil will go. The engineer said haul away or level along the drain.
- Concerned about restrictions to the use of his land.

- Earlier, he had asked if he could enclose part of the ditch.

Steve Watson

- Commented many times that the only problem is that HWY 405 water enters this system.
- Does not want to pay the increased cost for the system to go around his property.
- Said that the perimeter ditch was dug reasonably by Stan Lament.
- Asked for a damage study.
- Asked for the tile plan for the Lament property. Was informed that the tile plan is shown on the watershed plan.
- Thinks that he should not have to pay anything since all the water is from the MTO.
- Was concerned that one landowner's name on a petition can cause all these project costs.
- Also concerned about the cost of the project

Kyle Saulnier

- Wants to know if their water is actually flowing into this system.
- Will report back to his team.

7.3 On-site Meeting with Mr. Brzecka

After the second meeting, the engineer attempted to set-up an on-site meeting with Mr. Brzecka on July 11, July 22, August 12, September 4 and September 11, 2019, all of which did not work for Mr. Brzecka.

7.4 Letter to Mr. Brzezka

On November 5, 2019, a letter and drawings were sent to the landowner (Roll No. 019-07900), outlining two options for him to consider in regards to the existing ditch on his property that has erosion problems due to the water from the upstream lands. The letter stated that a sufficient outlet for the upstream water could not be made without the involvement of his property to achieve the requirements of the Drainage Act.

Option1 would be to make the ditch a municipal drain and would involve placing riprap on eroded banks and the cleanout out of 100m of ditch downstream of York Road and incorporating the ditch from York Road to Concession 7 Road. The estimated net assessment would be -\$4,000, or in other words, \$4,000 provided/paid to him. The net assessment is based on little new construction and allowances for ROW and damages.

Option 2 would be to provide him with an insufficient outlet allowance in accordance with Section 32 of the Drainage Act. The allowance would cover the costs, as described in Option 1. The allowance would allow the upstream lands to drain through his property. He would not be able to block the water, and no future work would be done on his property unless the flow is blocked or it becomes a municipal drain. The allowance would be registered on the title of the property, and if it became a municipal drain in the future, the allowance would be added to the assessment at that time. The estimated insufficient outlet allowance would be \$4,000 provided to his property.

The landowner was to respond to this letter by November 22, 2019. If no response were submitted, then the insufficient outlet allowance would be provided.

On November 15, 2019, a letter was received from the landowner. The letter was dated November 9, 2019. The landowner opposed both options as he did not want us or any contractors doing any work on his property. He does, however, look forward to reviewing and commenting on the report once submitted.

7.5 Letter and Discussions with MTO

On December 23, 2019, a letter was sent to the MTO, which provided the results of models of the Highway 405 north ditch between Concession 6 Road and Concession 7 Road right-of-way, as requested by MTO staff. A PC-SWMM model was created for this ditch and detailed the results for a berm with an overflow.

The results show that the existing highway ditch has sufficient capacity to drain the road surface with the addition of the proposed berm along the property line without the use of the current overflow route across private lands.

After several discussions with MTO, it was agreed that the MTO would construct a berm along the north side of the north ditch of HWY 405, from Concession 6 Road for approximately 650m to the west. The berm is going to be part of the drain to ensure the maintenance of the berm to protect the downstream landowners. The MTO has agreed to pay for all costs of the berm. The existing road ditch is to be regraded with MTO forces to the west to Six Mile Creek. The ditch is not part of the municipal drain.

7.6 Third Meeting

On February 21, 2020, a meeting was held at the Centennial Arena. Notice for the meeting was sent to all landowners in the watershed, the MTO, affected agencies and the Municipality. At the meeting, a summary of the final design cost estimates and assessments was presented.

Attendees:

Landowners Stan Lament (Roll No. 019-1040), William Brzezcka (Roll No. 019-07900 and 019-07925), Steve Watson (Roll No. 019-10305), Brett Ruck (Town of Niagara-on-the-Lake), Rene Landry (Town of Niagara-on-the-Lake),) Brandon Enns (Town of Niagara-on-the-Lake), Erwin Wiens(Councilor), and Neal Morris, P.Eng. (K. Smart Associates Ltd.)

Steve Watson

- Concerned that MTO and Concession 6 Road water should not go through his property.
- Stated that there is a sensitive forest on his property.
- The existing watercourse on his property is not a natural watercourse with fish habitat but does give him riparian water rights.
- Does not want his trees cleared.
- Claims that Stan Lament changed the perimeter ditch, and he wants it filled in.
- Said that he did block the ditch from the Lament property at one time.
- Asked what the size of the Area Requiring Drainage is. The Engineer replied that it is 5.3 ha.
- Asked if a tile would be cheaper. The Engineer replied that it would not be cheaper.
- Is concerned that the Town staff is prejudiced against him.

Stan Lament

- Stated that he has no problem with MTO water on his property.
- Wants to change the pond outlet to match the existing ditch.

William Brzezcka

- Thinks that he did not have enough time to make a choice.
- Feels that there was a lack of communication.

Rene Landry

- Reminded attendees that Stan Lament, as the petitioner, will have the right to appeal to the Drainage Tribunal if Council does not adopt the Engineer's Report.
- If the petitioner withdraws his name from the petition, he will be responsible for all engineering costs associated with the petition.

7.7 NPCA Third Meeting

Due to concerns from the landowner and the NPCA of the proposed drain on the existing forest, an on-site meeting was held at 835 York Road on March 9th, 2020. The meeting was attended by Neal Morris (Engineer), Jason Culp(NPCA), Dan Drennan (NPCA), Brett Ruck (Drainage Superintendent for NOTL) and Brandon

Enns (Town of NOTL). The landowner, Steve Watson, was notified of the meeting but did not attend.

The proposed drain route was walked. Neal Morris also noted the area where a rock check dam and a culvert will be installed. The rock check dam is meant to reduce velocity and dissipate energy. The culvert will allow for a crossing to link the walking trail on either side of the watercourse. Dan Drennan commented that the area along the watercourse as it flows through 835 York Road had been impacted in the past. It was also noted that there is a Walnut tree close to the proposed culvert that should be protected.

The general area of the Eastern Flowering Dogwood was pointed out by Dan Drennan. He explained that the working buffer around that species is 25 metres, and thus the location would be safe with where the drainage work would be completed.

Jason, Dan, and Neal made a note of the species composition of the trees in the area where drainage works would occur. Dan explained that most of the trees in that area were dead Ash trees and that the canopy would be minimally affected by the drainage works.

Brett Ruck reassured that larger trees would not be removed due to the drainage work. He explained that provisions would be made to work around those trees.

At the conclusion of the meeting, the NPCA staff generally indicated that if the work is maintained within the proposed working limits and the rest of the bush is left intact, there would be no harm anticipated to the health or function of the forest.

8 ENVIRONMENTAL CONSIDERATIONS

8.1 Agency Notification

Contact was made with the Niagara Peninsula Conservation Authority (NPCA), the MECP and DFO.

8.2 Agency Responses

8.2.1 NPCA

The NPCA did not request an environmental appraisal under Section 6 of the Act. The Conservation Authority was sent notice of the public meetings. There were several sit down meetings with the NPCA to discuss the proposed work for this drain, on February 22, 2019, January 1, 2019, and October 29, 2019. There was no concern put forward with the proposed drainage works at those meetings. An application for Development, Interference with Wetlands and Alteration to Shorelines and Watercourses permit, along with a project description and drawing

package, were provided to the NPCA on December 20, 2019. The site was walked with NPCA staff on March 9, 2020.

8.2.2 MECP

A screening request for Species at Risk was submitted to MECP on June 14, 2019. There has been no response from the Ministry to date. There is a known Eastern Flowering Dogwood near the proposed drain. The works are to occur more than 25m from the Eastern Flowering Dogwood and, therefore, outside the regulated area.

8.2.3 DFO

An existing drain downstream and the proposed work have been classified as an F Drain.

A Request for Review was submitted to the DFO on June 26, 2019, along with a project description, drawings and photo package. Also, there was a site visit on September 20, 2019, and email correspondence between Neal Morris, P.Eng. and the DFO on September 26-27, 2019.

The response from the DFO in an email/letter dated October 3, 2019, indicated that to avoid and mitigate the potential for prohibited effects to fish and fish habitat that the following measures be implemented: a permanent rock sediment trap be installed near the downstream end of the proposed drain and that the work is conducted in dry conditions.

Provided that these measures are incorporated into the project, it is the DFO's view that the project will not require authorization under the Fisheries Act or the Species at Risk Act.

The DFO should be notified at least 10 days before starting construction on this project.

9 RECOMMENDED WORK

A description of the drain for construction and future maintenance can be found in the Special Provisions and Drawings.

9.1 Culverts

Table 9.1-1 – Summary of Culverts identifies culverts that are part of the Drain and specifies minimum capacity for future culverts that may be installed by landowners

at their expense, subject to the approval of the Municipality as required by the “Maintenance” section of this report.

Table 9.1-1 – Summary of Culverts

Roll Number or Road	Station	Existing	Proposed	Responsibility
York Road (Region of Niagara)	0+000 to 0+025	25m of 900mm dia. CSP	Retain existing 25m of 900mm dia. CSP	Road
019-10300 / 019-10305	0+071 to 0+092	21m of 600mm CSP	Lower and retain existing 21m of 600mm CSP	Drain
019-10305	0+093 to 0+102	9m of 450mm plastic pipe	Lower and retain existing 9m of 450mm plastic pipe	Owner
019-10305	0+215 to 0+224	6m of 400mm CSP	9m of 450mm plastic pipe	Owner

Based on the responsibility noted above, culverts constructed under this report are assessed as follows:

- Drain – 50% to the listed roll number and 50% to the upstream watershed
- Road – special assessment to the road authority per Section 26
- Owner – 100% to the registered roll number

Refer to the “Maintenance” section of this report for instructions regarding assessing future maintenance costs.

9.2 Changes to the Drain After the Bylaw is Passed

If a substantial addition, deletion, or change is made to the drain proposed in this report, a revised report can be prepared and processed through the Act, or an application can be made under the Act to the Drainage Tribunal to recognize the substantial addition, deletion or change. The appeal to the Tribunal must occur before final costs are levied.

10 CONSTRUCTION CONSIDERATIONS

10.1 Pre-Construction Approvals

Before starting work, the Contractor shall ensure all public utilities are located and shall contact all landowners along the proposed drain route to determine the location of any private utilities.

A permit from NPCA has been submitted for the proposed work.

An Encroachment Permit application has been submitted to the MTO for the berm work in the Highway 405 right-of-way.

Along the north side of York Road, there is an existing underground Bell line, and along the south side of the road, there may be an underground gas line and a watermain.

10.2 Construction Scheduling

Construction cannot commence until 10 days after a bylaw to adopt this report is given third reading in accordance with the Act.

The timing windows identified by the DFO require that work is to be done in dry conditions and that DFO should be notified at least 10 days before starting the construction of this project.

10.3 Minor Adjustments During Construction

Minor changes to the drain may be made during construction if the changes are approved by the Engineer and the Municipality in accordance with the Specifications in this report. Such changes must occur before final costs are levied.

Additional work desired by the landowner(s), which is not part of the drainage works, may be arranged with the Contractor provided the cost of the work is paid by the landowner(s), and the additional work is reviewed by the engineer in advance. Such additional work is not part of the drainage works for future maintenance.

10.4 Substantial Alterations to the Drain

Any alterations that would affect the function of the drain, which are requested by landowners, agencies or other authorities after the bylaw is passed, cannot be undertaken unless the report is amended.

10.5 Alignment of Drains

All drains shall be constructed and maintained generally to the alignment, as noted on the plans and specified by the Special Provisions. In the absence of survey bars, existing fences and similar boundary features represent property lines.

Should landowners desire a more precise location for the drains in relation to their property line or if there is a dispute about the location of any property line, it is recommended that landowners obtain a legal survey at their own cost prior to construction and maintenance.

11 DRAWINGS AND SPECIFICATIONS

11.1 Drawings

The location of the drain, watershed boundary and the affected properties are shown on Drawing No. 1 included with this report. The numbers adjacent to the drain are station numbers, which indicate in metres the distance along the drain from the outlet.

The profiles for the Drain is on Drawing 2. The profiles show the depth and grade for proposed work and future maintenance.

Drawings No. 3 to 6 contain the details and cross-sections. Drawing 7 contains the Special Provisions.

11.2 Specifications

This report incorporates the General Conditions, Standard Specifications and Special Provisions listed in the Table of Contents.

12 COST ESTIMATE

The estimated cost of this project includes allowances to owners, the construction cost, the engineering cost and other costs associated with the project.

12.1 Allowances

Sections 29 to 33 of the Drainage Act provides for allowances (compensation) to owners affected by proposed drain construction. On this drain, there are allowances for Sections 29, 30, 31 and 32.

12.1.1 Section 29 – Right of Way

Section 29 provides for payment of an allowance to landowners for the right-of-way required for construction and maintenance of the new drain. This allowance compensates the owners for land to accommodate the drain, access routes to the drain and for a corridor along the drain for construction and maintenance purposes. A Right of Way, corridor 6 metres wide, measured from the top of the bank, along

both sides of the drain, exists for maintenance. Current municipal assessment rolls were reviewed to establish land values for computing right of way allowances. For this project, Section 29 allowances are based on the following rates:

Table 12.1-1 - Section 29 Allowance Rates

Land Use	Area Land Value
Cultivated Lands	\$ 4.88/m ²
Bush Lands	\$ 3.66/m ²

There is a minimum Section 29 allowance of \$100.

12.1.2 Section 30 - Damages

Section 30 provides for payment of an allowance to landowners along the drain for damages caused by the construction of the drain. Where separate access routes to the working area are specified in this report, Section 30 allowances also account for access route damage. In agricultural areas, crop damages are computed based on published crop values and declining productivity loss in the years following construction. For this project, Section 30 allowances are based on the following rates:

Table 12.1-2 - Section 30 Allowance Rates

Land Use	Area Land Value
Cultivated Lands	\$ 0.3850/m ²
Bush Lands	\$ 0.1925/m ²

There is a minimum Section 30 allowance of \$100.

12.1.3 Section 32 – Insufficient Outlet

Section 32 provides for payment of an allowance to owners affected when a drain is not constructed to a sufficient outlet. The proposed drain is not constructed to sufficient outlet, so an allowance is required under Section 32.

Insufficient outlet allowance can be given if the costs of constructing the drainage works exceed the amount of injury likely to be caused downstream of the drainage works. An insufficient outlet can only be given when there is an adequate outlet, an outlet that has no potential of injury due to poor drainage on the area requiring drainage.

The proposed work will cause damages to lands downstream of York Road owned by Roll No. 019-07900. This landowner will receive an insufficient outlet allowance of \$4,500, which is based on the cost of works to repair the existing ditch. In this case, the injury to the area requiring drainage is low because the outlet is adequate as the existing York Road ditch is an adequate outlet.

An insufficient outlet was investigated for Roll Number 019-10305, but in the engineer's opinion, there is not an adequate outlet for the petitioner's property. An adequate outlet for the petitioner's land would be a ditch through the bush. So an insufficient outlet could not be done as there is not an adequate outlet for the petitioner.

The table below summarizes the dimensions and amounts of the allowances to be provided under this report.

Table 12.1-3 - Summary of Allowances

	R.O.W.	(Sec.29)	Damages	(Sec.30)	Insufficient Outlet	
Roll Number	Width		Width		(Sec.32)	Total
(2627-020-)	(m)	(\$)	(m)	(\$)	(\$)	(\$)
019-07900	--	--	--	--	4,500	4,500
019-10300	7.5	2,100	10	300	--	2,400
019-10305	10	8,400	15	700	--	9,100
019-10400	6	100	15	100	--	200
Highway 405 (MTO)						
TOTAL ALLOWANCES:		10,600		1,100	4,500	16,200

In accordance with Section 62(3) of the Act, the allowances shown may be deducted from the final assessment levied. Payment to the owner would only be made when the allowance is greater than the final assessment. The allowances are a fixed amount and are not adjusted at the conclusion of construction.

12.2 Construction Cost Estimate

The estimated cost for Labour, Equipment and Materials to construct the proposed drain is outlined in detail in Table 12.6-1 Estimated Costs Summary. The construction cost estimate is based on recent costs for comparable work. A contingency amount is included to cover additional work that may be required due to field conditions or minor alterations to the project.

The contract for the drain will be awarded by public tender. If the contract price is more than 33% over the engineer's estimate, Section 59 of the Act requires a Council meeting with the petitioner to determine if the project should proceed.

12.3 Engineering Cost Estimate

Engineering costs include report preparation and attending the Council meeting to consider the report and the Court of Revision

Construction Phase Services may include: preparing tender documents and tender call, review of tenders, attending pre-construction meeting, periodic construction inspection, payments, final inspection, post-construction follow-up, final cost analysis and preparation of the grant application.

The cost for report preparation is usually not altered unless the report is referred back, or the report is appealed to the Drainage Tribunal, which would result in additional costs. The amount shown for meetings is an estimate. The final cost will be based on the actual time required for meetings. The estimate shown for construction phase services is based on experience and assumes good construction conditions and a Contractor who completes the construction in an efficient manner. The final cost for the construction phase will vary as per the actual time spent during and following drain construction. Engineering costs are summarized in Table 12.6-1 Estimated Costs Summary.

12.4 Estimate of Section 73 Costs

Section 73(2) and 73(3) of the Act direct that the cost of services provided by municipal staff and the Council to carry out the Act process shall not form part of the final cost of the drain. However, Section 73(1) outlines that the following costs incurred by the Municipality can be included in the cost of the drain: *“cost of any application, reference or appeal and the cost of temporary financing.”*

The estimate of Section 73 costs is included to cover the above-referenced items from Section 73(1) and primarily provides for interest charges on financing the project until it is completed. This cost estimate may not be adequate to cover legal or engineering costs incurred by or assessed to the Municipality should the project be appealed beyond the Court of Revision though such costs will form part of the final drain cost.

Grant policy indicates that municipal cost for photo-copying and mailing required to carry out the required procedures under the Act can do not affect the final drain cost. This cost estimate includes an allowance for these costs.

Section 73 costs are summarized in Table 12.6-1 Estimated Cost Summary.

12.5 Harmonized Sales Tax

The Harmonized Sales Tax (HST) will apply to most costs on this project. The Municipality is eligible for a partial refund on HST paid, the net 1.76% HST is included in the cost estimates in this report.

Estimated Cost Summary

Table 12.5-1 – Estimated Cost Summary

DESCRIPTION						TOTAL COST
ALLOWANCES						\$16,200
CONSTRUCTION COST ESTIMATE						
Item	Stations	Description	Unit	Quantity	Unit Price	Cost
1	-0+035 to 0+000	Ditch excavation (1.0m bottom, 2:1 side slopes). Haul spoil away.	m	35	50.00	\$ 1,800
2	-0+035 to 0+000	Seeding new banks (3m sides)	m ²	105	1.00	100
3	0+000 to 0+025	No work required. Existing 25m of 900mm CSP road culvert to remain and to be incorporated.		25	0.00	0
4	0+000 & 0+025	Place 5m ² of riprap	m ²	10	90.00	900
5	0+025 to 0+071	Ditch excavation (1.0m bottom, 2:1 side slopes). Haul spoil away.	m	46	20.00	900
6	0+025 to 0+071	Seeding new banks (3m sides)	m ²	138	1.00	200
7	0+081	Install new 600x600mm concrete catchbasin with traffic grate, with 5m lead and 5m ² of rip-rap	L.S.	1	4,100.00	4,100
8	0+071 to 0+092	Remove existing 600mm CSP and install 21m new 600mm HDPE culvert. Place 5m ² riprap at each end (10m ² riprap total). Restore laneways.	L.S.	1	8,000.00	8,000
9	0+093 to 0+102	Remove & reinstall (lower) existing 9m of 450mm plastic pipe	L.S.	1	2,000.00	2,000
10	0+102 to 0+260	Power brushing in ditch and 10m width on south side (15m total width)	m ²	2,370	2.00	4,900
11		Place 5m ² rip-rap rock check dam	m ²	5	90.00	500
11	0+092 to 0+093 & 0+102 to 0+260	Ditch excavation (0.5m bottom, 2:1 side slopes). Level spoil on south side.	m	150	30.00	4,600
12	0+215 to 0+224	Remove and dispose of existing 400mm CSP. Replace with 9m of 450mm plastic pipe. Place 5m ² riprap at each end (10m ² riprap total). Restore laneway	L.S.	1	4,000.00	4,000
14	0+250	Place 5m ² of riprap on east bank	m ²	5	90.00	500
15	0+102 to 0+260	Seeding banks (3m sides)	m ²	474	1.00	500
16	0+260±	Construct overflow weir including 30m long berm, 10m ² riprap, water control structure and 6m of 250mm HDPE pipe	L.S.	1	8,000.00	8,000
18	-0+487 to 0+164 HWY 405	Construct 652m long earth berm along north side of north ditch of HWY 405	m	652	25.00	16,300
		Sub Total				\$57,300

DESCRIPTION						TOTAL COST
Contingencies						
19		Lump sum contingency allowance	L.S.	1	5,700	5,700
Net HST (1.76%)						1,110
TOTAL CONSTRUCTION COST ESTIMATE:						\$64,110
ENGINEERING COST ESTIMATE						
Report Preparation						62,500
Consideration of Report Meeting						1,200
Court of Revision						1,200
Construction Phase Services						2,200
Net HST (1.76%)						1,185
TOTAL ENGINEERING COST ESTIMATE:						\$68,285
SECTION 73 COSTS ESTIMATE						
Printing (\$100 KSAL plus \$250 Town costs for printing of reports)						350
Printing of tender documents						200
Agencies Permit Fee						500
Interest Estimate						1,150
Unforeseen costs						1,500
Net HST (1.76%)						65
TOTAL SECTION 73 COSTS ESTIMATE:						\$ 3,765
TOTAL ESTIMATED COST:						\$152,360

13 ASSESSMENTS

The Drainage Act requires that the total estimated cost be assessed to the affected lands and roads under the categories of Benefit (Section 22), Outlet Liability (Section 23), Injuring Liability (Section 23), Special Benefit (Section 24) and Increased Cost (Section 26). On this project assessment for Benefit, Special Benefit and Outlet Liability are involved.

13.1 Calculation of Assessments

The method of calculating the assessments for the Drain is illustrated in Appendix A, which has been included in this report. The first step in the assessment calculation is to determine the benefit assessment to the affected lands and roads, then special benefits and special assessments to roads and utilities are determined, where applicable. After deducting the total benefit, special benefit and special assessments from the cost the balance of the cost is then assessed as outlet liability on a per hectare basis to all lands and roads in the watershed.

13.2 Benefit Assessments (Section 22 and 24)

Section 22 benefits were determined based on the estimated value the drain provides to the property and are not proportional to the watershed area.

Section 24 special benefit is assessed to lands where additional work or features are requested that do not affect the functionality of the drain. Special benefit examples include hauling spoil offsite, aesthetic features and installing lateral drains. Non-grantable benefits relate to work that is not eligible for Grant according to the current OMAFRA policy. Non-proratable benefits are not used to determine the actual cost factor for the final cost levy. Some examples would be lateral drains, culverts or hauling of spoil. Columns with non-grantable and non-proratable are used to complete the final assessment. Table 13.2-1 - Benefit Assessments provides a summary of the benefit assessments. The Special Benefit to Roll No. 019-10300 in Interval 1 is for 25% of the culvert cost from Sta. 0+071 to 0+092. The Special Benefit to Roll No. 019-10305 in Interval 1 is for 25% of the culvert cost from Sta. 0+071 to 0+092. The Special Benefit to Roll No. 019-10305 in Interval 2 is for 50% of the culvert cost from Sta. 0+093 to 0+102 plus 50% of the culvert costs from Sta. 0+125 to 0+224.

Table 13.2-1 - Benefit Assessments

Roll Number (Owner)	Location	Section 22	Section 24	Total Benefit	Non-grantable	Non-proratable
York Road	Interval 1	14,400		14,400		
019-10300	Interval 1	15,100	2,000	17,100		2,000
019-10305	Interval 1		2,000	2,000	2,000	2,000
York Road	Interval 2	100		100		
019-10305	Interval 2	9,800	8,000	17,800	4,000	8,000
019-10400	Interval 2	19,100	8,000	27,100		8,000
TOTALS:		58,500	12,000	78,500	6,000	24,000

13.3 Outlet Liability Assessments (Section 23)

Section 23(3) of the Drainage Act states that outlet liability assessment is to be based on the volume and rate of flow of the water artificially caused to flow. To satisfy this requirement, the lands and roads in the watershed are assessed on a per hectare basis, with adjustments made to recognize the different amount of runoff generated by different land uses. The basis for the adjustments is 1 hectare of cleared agricultural land contributing both surface and subsurface water to the drain. Land uses with a different runoff rate are adjusted by the factors given in Table 13.3-1 - Runoff Factors Table.

Table 13.3-1 - Runoff Factors Table

Land Use	Runoff factor
Agricultural	1.0
Forest/Tiled Elsewhere	0.5
Built-up	1.5
Gravel Road	1.5
Paved Road	2.0

13.4 Increased Cost (Special) Assessments (Section 26)

Section 26 of the Drainage Act directs that any increased cost due to a public utility (utility) or road authority (road) shall be paid for by that utility or road. This assessment is known as a Special Assessment.

The estimated special assessments are presented in **Error! Reference source not found..** The equivalent drain cost is based on the length of Drain affected by the road allowance or utility right of way and the normal cost of drain construction. The increased cost caused by the road or utility is determined by subtracting the equivalent drain cost from the construction and engineering costs.

Table 13.4-1 - Estimated Special Assessments

Location	Interval 3
Road/Railroad/Utility	HWY 405
Authority/Owner	MTO
Construction Cost	\$17,900
+ Engineering Cost	\$25,400
+ Section 73 Costs	0
- Equivalent Drain Cost	0
+ Net HST	\$765
= Estimated Special Assess.	\$44,065

The actual special assessments will be determined after construction by inserting the actual construction and engineering costs in the Special Assessments Table. Any additional costs identified by the engineer will be added to the Special Assessment where appropriate.

The road authority or utility may elect to construct the Drain within their right of way with their forces. In this case, the special assessment is calculated by inserting zero for the construction cost.

If there are increased costs to the drain project due to a utility or road not listed in the table above, a Special Assessment will be based on the actual costs incurred.

Special Assessments do not apply to future maintenance assessments.

13.5 Assessment Schedules

13.5.1 Schedule A- Schedule of Assessments

The estimated cost for the drainage works in this report is distributed among lands, roads and utilities, as shown in Schedule A, the Schedule of Assessments. In Schedule A each parcel of land assessed has been identified by the municipal assessment roll number at the time of the preparation of this report. The size of each parcel was established using the assessment roll information. For convenience only, each parcel is also identified by the owner name(s) from the last revised assessment roll.

13.5.2 Schedule B -Schedule of Assessments for Maintenance

In accordance with Section 74 of the Act, the drain shall be maintained by the Municipality, and the cost of maintenance shall be assessed to lands and roads upstream of the maintenance location, prorata with the amounts in Schedule B. The amounts in Schedule B are derived from the cost distribution shown in Appendix B, and will not be levied with the final cost of the drainage works.

Roll numbers are per the Municipality's last revised assessment roll, names included for convenience. Amounts are not payable at this time, and they determine the share of future maintenance costs. The Municipality will confirm eligibility for the grant at the time the maintenance cost is levied.

Schedule B is divided into columns to reflect the different drain intervals where maintenance work may be undertaken. These column intervals assist in identifying upstream lands and roads to be assessed for future maintenance. The percentages shown in Schedule B determine the share of future maintenance to be levied to property or road. For example, a \$1,000 repair will result in a \$50 assessment to a property with a 5% maintenance assessment.

A minimum assessment of 0.01% is to be applied to all future small lots in the watershed per interval.

13.5.3 Schedule C – Schedule for Actual Cost Bylaw

After the construction of the drain is certified complete by the engineer, the Municipality will determine the actual cost of the drain. Actual assessments will be determined by prorating the actual cost of the drain using Schedule C. Schedule C illustrates the estimated net assessments after deducting allowances and grants from the total assessments shown in Schedule A. Eligibility for the grant will be confirmed by the Municipality at the time the actual cost is levied. Actual assessments in Schedule C will be levied to the owner of the identified parcel at the time the Actual Cost Bylaw is passed. Roll numbers are per the Municipality's last revised assessment roll, and the names are included for convenience.

14 GRANT

In accordance with the provisions of Section 85 of the Act, a grant not exceeding 1/3 (33-1/3%) may be available on the assessments against lands used for agricultural purposes. The current OMAFRA grant policy defines agricultural lands as privately owned parcels of land which have the Farm Property Class Tax Rate. Based on Municipal assessment roll information, parcels that have the Farm Property Tax Class are identified with an 'F' in the first column of the assessment schedules.

Section 88 of the Act provides for the Municipality to apply for this grant after the construction of the drain is certified complete by the engineer. The Municipality must confirm the Farm Property Tax Class on the assessed parcels at the time the

grant application is completed and submitted to OMAFRA. OMAFRA has the authority to determine grant eligibility regardless of the designation herein.

If any portion of the drainage works is not eligible for the grant, those ineligible costs have been separately identified in this report.

15 PRIVACY OF LANDS

Although a municipal drain is situated on the property of various landowners, one landowner may not enter another landowner's property through the drain. Persons authorized to enter private lands to carry out duties authorized under the Act include Engineers (or their assistants), Contractors (or their assistants) and the appointed Drainage Superintendents (or their assistants).

16 MAINTENANCE

16.1 General

Section 74 of the Act requires the Drain, as outlined in this report, to be maintained by the Municipality, and the cost of maintenance to be assessed to the upstream lands and roads prorata with the assessments in Schedule B.

All parties affected by the Drain, are encouraged to periodically inspect the drain and report any visible or suspected problems to the Municipality.

A right-of-way along the drain and access routes to the drain exist for the Municipality to maintain the drain. The right-of-way for the drain, as described in the Allowances section of this report, shall remain free of obstructions. The cost of removing obstructions is the responsibility of the owner.

Any landowner making a new connection to the Drain shall notify the Drainage Superintendent before making the connection. If the Drainage Superintendent is not notified, the cost to remedy new connections that obstruct or otherwise damage the drain will be the responsibility of the owner.

The discharge of anything but clean, unpolluted water into a drain is regulated by other provincial legislation. Any non-compliance will be reported to the appropriate environmental agency. The costs incurred by the Town of Niagara-on-the-Lake associated with containing and cleaning up spills or other pollution of the Drain will be charged to person(s) responsible for the pollution.

It is recommended that each abutting owner work no closer than 1.2m (4') to any ditch bank. Such area does not have to be grassed, but it should not be cultivated.

16.2 Updating Future Maintenance Schedules

To ensure future maintenance assessments are equitable, the assessments provided in this report should be reapportioned under Section 65 when severances

or amalgamations occur, when new lands are connected to the Drain or when a land-use change occurs that can be accommodated by the existing Drain. If a future land-use change causes the drain capacity to be exceeded, a report under Section 4 or 78 may be required to provide increased capacity.

16.3 Culvert Maintenance

- The costs of cleaning through all culverts shall be assessed as drain maintenance to upstream lands and roads.
- The cost for future structural repair, extension or replacement of road culverts will be assessed fully to the road authority.
- When the responsibility for an access culvert is designated in Table 9.1-1 – Summary of Culverts as “Drain,” the cost for repair or replacement shall be assessed 50% to the abutting landowner and the remainder to the upstream watershed. The cost of additional culvert length is assessed to the owner.
- When the responsibility for an access culvert is designated as “Owner,” the cost for installation, repair, replacement and removal are the responsibility of the roll number listed in Table 9.1-1 – Summary of Culverts
- Culverts installed to service public utilities, if any, shall be assessed 50% to the utility and 50% to the affected land or road.
- Prior approval of the Municipality is required before a landowner installs a culvert not constructed under this report and culvert shall be installed per sizing and design grade specified in this report. If culverts smaller than the minimum recommended size are installed, such culverts will be deemed an obstruction to the drain and removed at the landowner’s expense.

17 BYLAW

This report, including the drawings and specifications, assessment schedules and appendices, when adopted by bylaw in accordance with the Act, provides the basis for construction and maintenance of the Drain.

All of which is respectfully submitted,

K. SMART ASSOCIATES LTD.

Neal Morris



N. Morris, P. Eng.

mw

LAMENT DRAIN

Town of Niagara-on-the-Lake

Con	Lot	Roll No.	Owner	Total Ha Affected	Benefit (\$)	Outlet (\$)	Total (\$)
<u>(26-27-020-) (Niagara Twp)</u>							
6	Pt 142	019-07900	W. & M. Brzezczka	0.00	-	-	-
6	Pt 141	019-10300	S. Lament	4.60	17,100	2,370	19,470
6	Pt 141	019-10305	P. Watson	4.10	19,800	5,019	24,819
6	Pt 141	019-10400	S. Lament	17.00	27,100	19,048	46,148
Sub-total (Lands):				25.70	64,000	26,437	90,437
Concession 6 Rd. Town of Niagara-On-The-Lake				0.40	-	738	738
General Brock Parkway (Hwy 405) M.T.O.				0.50	44,065	1,074	45,139
York Road (Reg. Road 81) Region of Niagara				1.50	14,500	1,546	16,046
Sub-Total (Roads):				2.40	58,565	3,358	61,923
TOTAL LAMENT DRAIN:				28.10	122,565	29,795	152,360

Note:

- Section 21 of the Drainage Act, RSO 1990 requires that assessments be shown opposite each parcel of land and road affected. The affected parcels of land have been identified using the roll number from the last revised assessment roll for the Township. For convenience only, the owners' names as shown by the last revised assessment roll, has also been included.

**SCHEDULE B - SCHEDULE OF ASSESSMENTS
FOR FUTURE MAINTENANCE
LAMENT DRAIN
Town of Niagara-on-the-Lake**

Conc.	Lot	Roll No.	Owner	Interval 1 0+350 to 0+092 Assess.		Interval 2 0+092 to 0+255 Assess.		Interval 3 Berms Assess.	
				(\$)	%	(\$)	%	(\$)	%
		<u>(26-27-020-)</u>	<u>(Niagara Twp)</u>						
6	Pt 142	019-07900	W. & M. Brzezczka	-	-	-	-	-	-
6	Pt 141	019-10300	S. Lament	445	22.25	-	-	-	-
6	Pt 141	019-10305	P. Watson	404	20.20	1,247	49.88	-	-
6	Pt 141	019-10400	S. Lament	720	36.00	1,177	47.08	-	-
Sub-total (Lands):				1,569	78.45	2,424	96.96	-	-
Concession 6 Rd. Town of Niagara-On-The-Lake				33	1.65	22	0.88	-	-
General Brock Parkway (Hwy 405) M.T.O.				21	1.05	54	2.16	6,500	100.00
York Road (Reg. Road 81) Region of Niagara				377	18.85	-	-	-	-
Sub-Total (Roads):				431	21.55	76	3.04	6,500	100.00
TOTAL LAMENT DRAIN:				2,000	100.00	2,500	100.00	6,500	100.00

Notes:

- Section 21 of the Drainage Act, RSO 1990 requires that assessments be shown opposite each parcel of land and road affected.
The affected parcels of land have been identified using the roll number from the last revised assessment roll for the Township.
For convenience only, the owners' names as shown by the last revised assessment roll, has also been included.
- The dollar amounts shown are not amounts to be paid at this time. These amounts are only to be used to create the percentages or portion that each property (parcel) and road will pay for any future maintenance repair or maintenance costs.
- Grant eligibility to be determined at the time of maintenance cost levy.

SCHEDULE C - SCHEDULE FOR ACTUAL COST BYLAW
LAMENT DRAIN
Town of Niagara-on-the-Lake

Con	Lot	Roll No.	Owner	Gross Total (\$)	1/3 Grant (\$)	Allowance (\$)	NET (\$)
(26-27-020-) (Niagara Twp)							
F	6	Pt 142	019-07900 W. & M. Brzezczka	-	-	4,500	(4,500)
F	6	Pt 141	019-10300 S. Lament	19,470	6,490	2,400	10,580
	6	Pt 141	019-10305 P. Watson	24,819	-	9,100	15,719
F	6	Pt 141	019-10400 S. Lament	46,148	15,383	200	30,565
Sub-total (Lands):				90,437	21,873	16,200	52,364
Concession 6 Rd. Town of Niagara-On-The-Lake				738	-	-	738
General Brock Parkway (Hwy 405) M.T.O.				45,139	-	-	45,139
York Road (Reg. Road 81) Region of Niagara				16,046	-	-	16,046
Sub-Total (Roads):				61,923	-	-	61,923
TOTAL LAMENT DRAIN:				152,360	21,873	16,200	114,287

Notes:

1. Section 21 of the Drainage Act, RSO 1990 requires that assessments be shown opposite each parcel of land and road affected. The affected parcels of land have been identified using the roll number from the last revised assessment roll for the Town. For convenience only, the owners' names as shown by the last revised assessment roll, has also been included.
2. "F" denotes lands with current Farm Property Tax Class designation that may qualify for grant.
3. Net assessment is leveled to the owner at the time of actual cost levy.
4. Amounts in brackets () would be paid to the respective owner.
5. Grant eligibility subject to Farm Property Tax Class at the time of actual cost levy.

**APPENDIX A - CALCULATION OF ESTIMATED COSTS FOR SCHEDULE A
LAMENT DRAIN
Town of Niagara-on-the-Lake**

COST ESTIMATE Allowances: Construction: Engineering: Administration						Interval 1 -0+035 to 0+092		Interval 2 0+092 to 0+260		Interval 3 0+260 to 0+952		TOTAL					
						7,400		8,800		0		16,200					
				17,910		27,985		18,215		64,110							
				21,270		22,285		24,730		68,285							
				1,525		1,120		1,120		3,765							
TOTAL COST ESTIMATE:				48,105		60,190		44,065		152,360							
Con	Lot	Roll No.	Owner	Affected Area (Ha)	Adjusted Area (Ha)	Benefit (\$)	Adjusted Area (Ha)	Outlet (\$)	Benefit (\$)	Adjusted Area (Ha)	Outlet (\$)	Benefit (\$)	Adjusted Area (Ha)	Outlet (\$)	Total Benefits	Total Outlets	TOTAL
<u>(26-27-020-)</u> <u>(Niagara Twp)</u>																	
6	Pt 142	019-07900	W. & M. Brzezcka	0.00	0.00		0	0		0	0		0	0	0	0	0
6	Pt 141	019-10300	S. Lament	4.60	4.60	17,100	4.60	2,370		0	0		0	0	17,100	2,370	19,470
6	Pt 141	019-10305	P. Watson	4.10	2.45	2,000	2.45	1,262	17,800	2.30	3,757		0	0	19,800	5,019	24,819
6	Pt 141	019-10400	S. Lament	17.00	17.00		17.00	8,758	27,100	6.30	10,290		1.00	0	27,100	19,048	46,148
Sub-Total (Lands):				25.70	24.05	19,100	24.05	12,390	44,900	8.60	14,047	0	1.00	0	64,000	26,437	90,437
Concession 6 Rd. Town of Niagara-On-The-Lake				0.40	0.80		0.80	411		0.20	327		0.20	0	0	738	738
General Brock Parkway (Hwy 405) M.T.O.				0.50	0.50		0.50	258		0.50	816	44,065	0.50	0	44,065	1,074	45,139
York Road (Reg. Road 81) Region of Niagara				1.50	3.00	14,400	3.00	1,546	100	0	0		0	0	14,500	1,546	16,046
Sub-Total (Roads):				2.40	4.30	14,400	4.30	2,215	100	0.70	1,143	44,065	0.70	0	58,565	3,358	61,923
TOTAL LAMENT DRAIN:				28.10	28.35	33,500	28.35	14,605	45,000	9.30	15,190	44,065	1.70	0	122,565	29,795	152,360

**APPENDIX B - CALCULATION OF ESTIMATED COSTS FOR FUTURE MAINTENANCE
LAMENT DRAIN
Town of Niagara-on-the-Lake**

TOTAL COST ESTIMATE:						Interval 1				Interval 2				Interval 3			
						-0+035 to 0+092				0+092 to 0+260				-0+487 to 0+164			
				Affected Area (Ha)	Adjusted Area (Ha)	\$ 2,000 Benefit (\$)	\$15/m for Ditch Cleanout Adjusted Area (Ha)	0+092 Outlet (\$)	%	\$ 2,500 Benefit (\$)	\$15/m for Ditch Cleanout Adjusted Area (Ha)	Outlet (\$)	%	\$ 6,500 Benefit (\$)	(Berms) Adjusted Area (Ha)	Outlet (\$)	%
Con	Lot	Roll No.	Owner														
<u>(26-27-020-)</u> <u>(Niagara Twp)</u>																	
6	Pt 142	019-07900	W. & M. Brzezcka	0.00	0.00		0	0	0.00		0.00	0	0.00		0	0	0.00
6	Pt 141	019-10300	S. Lament	4.60	4.60	250	4.60	195	22.25		0.00	0	0.00		0	0	0.00
6	Pt 141	019-10305	P. Watson	4.10	2.45	300	2.45	104	20.20	1,000	2.30	247	49.88		0	0	0.00
6	Pt 141	019-10400	S. Lament	17.00	17.00		17.00	720	36.00	500	6.30	677	47.08		0	0	0.00
Sub-Total (Lands):				25.70	24.05	550	24.05	1,019	78.45	1,500	8.60	924	96.96	0	0	0	0.00
Roads																	
Concession 6 Rd. Town of Niagara-On-The-Lake				0.40	0.80		0.80	33	1.65		0.20	22	0.88		0	0	0.00
General Brock Parkway (Hwy 405) M.T.O.				0.50	0.50		0.50	21	1.05		0.50	54	2.16	6,500	0	0	100.00
York Road (Reg. Road 81) Region of Niagara				1.50	3.00	250	3.00	127	18.85		0.00	0	0.00		0	0	0.00
Sub-Total (Roads):				2.40	4.30	250	4.30	181	21.55	0	0.70	76	3.04	6,500	0	0	100.00
TOTAL LAMENT DRAIN:				28.10	28.35	800	28.35	1,200	100.00	1,500	9.30	1,000	100.00	6,500	0.00	0	100.00

THE POSITION OF POLE LINES, CONDUITS, WATERMAINS, SEWERS AND OTHER UNDERGROUND AND OVERGROUND UTILITIES AND STRUCTURES IS NOT NECESSARILY SHOWN ON THE CONTRACT DRAWINGS, AND, WHERE SHOWN, THE ACCURACY IS NOT GUARANTEED. BEFORE STARTING WORK, THE CONTRACTOR SHALL BE INFORMED OF THE EXACT LOCATION OF ALL SUCH UTILITIES AND STRUCTURES, AND SHALL ASSUME ALL LIABILITY FOR DAMAGE TO THEM.





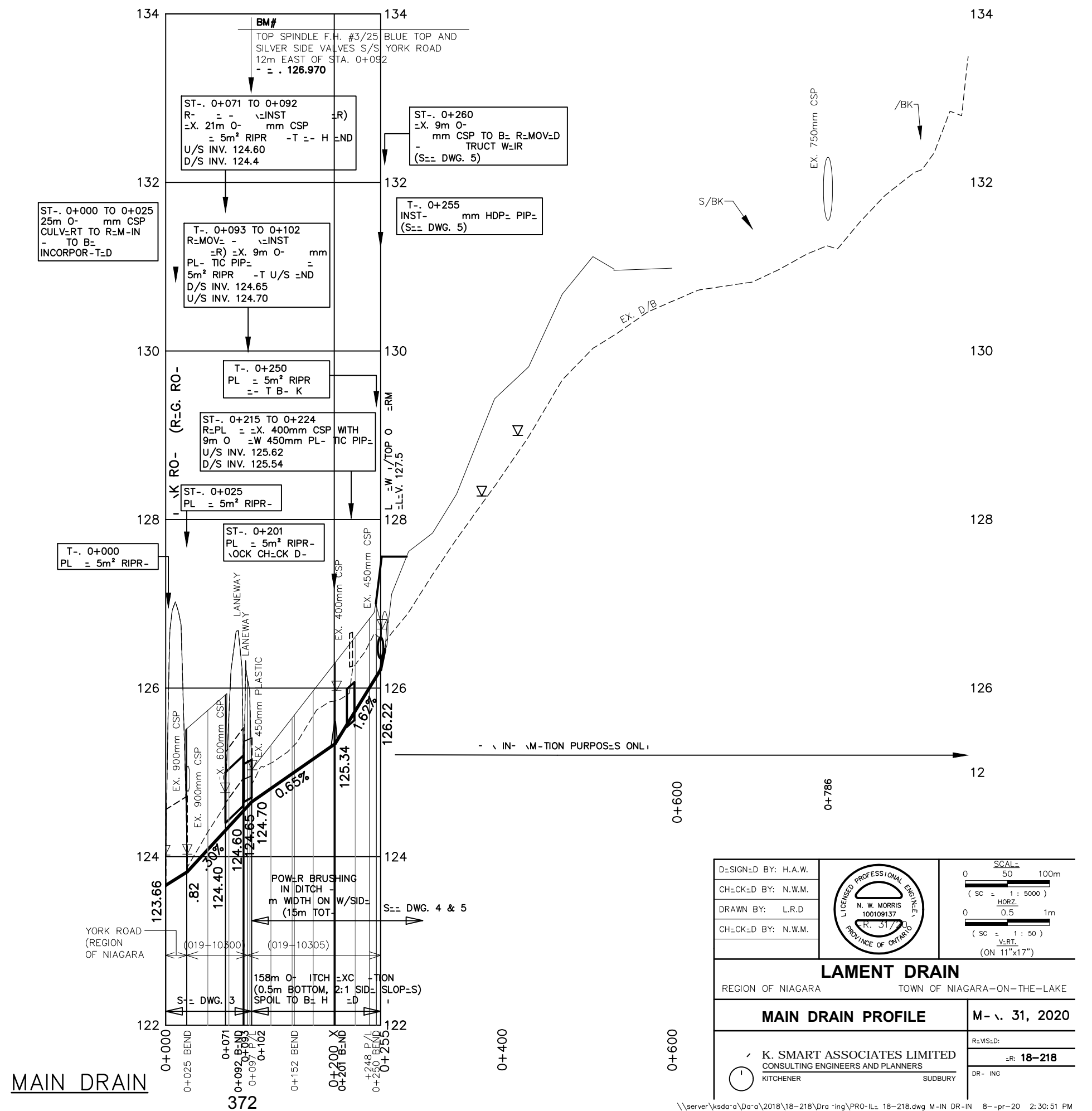
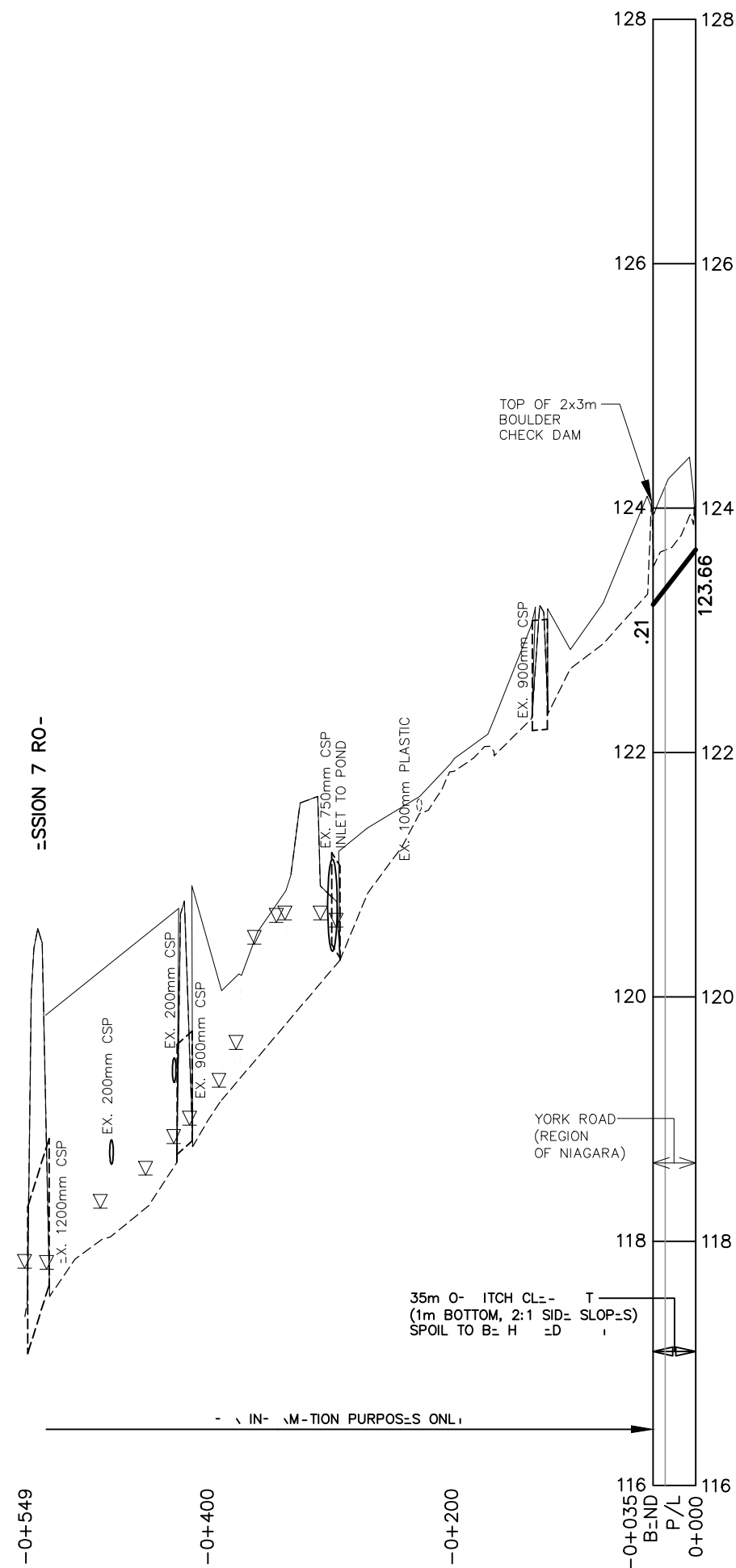
BENCHMARK / VERTICAL DATUM
ELEVATIONS SHOWN ARE REFERENCED TO THE CANADIAN GEODETIC VERTICAL DATUM OF 1928 (CGVD28:78). THE BENCHMARK 10920020089 AT ELEVATION 123.206 WAS USED FOR THIS PROJECT. BENCHMARK INFORMATION WAS ACQUIRED FROM THE NIAGARA REGION CONTROL POINTS WEBSITE

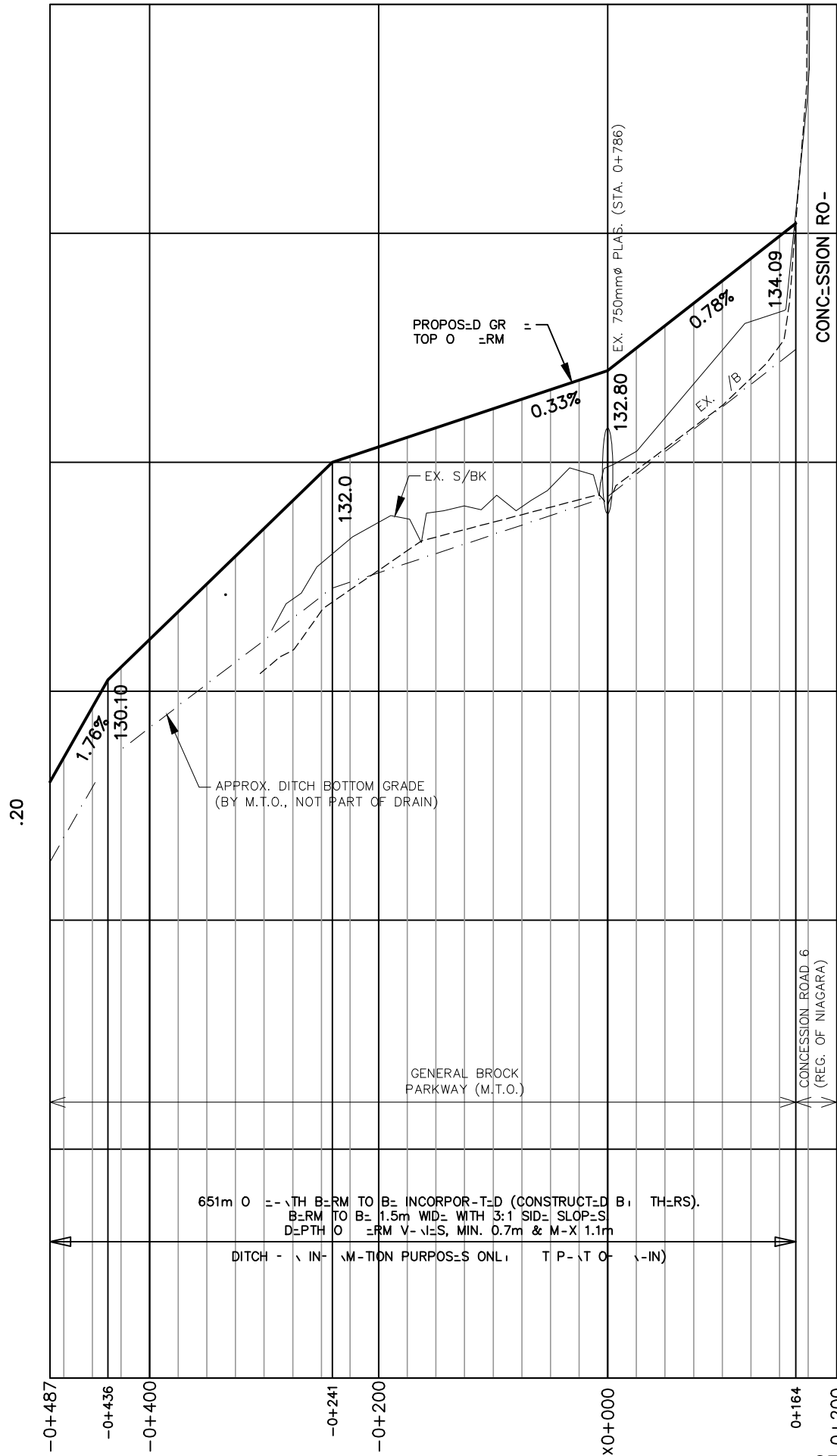
PLAN LEGEND


- MAJOR WATERSHED
- INTERMEDIATE WATERSHED
- PROPOSED WORK OR INCORPORATION
- EXISTING WATERCOURSE
- ACCESS WAY
- (5.3) APPROXIMATE HECTARES IN WATERSHED
- (019-10300) ASSESSMENT ROLL NUMBER
- BUSH/WETLAND

GEOGRAPHIC TOWNSHIP OF NIAGARA

DESIGNED BY: H.A.W.		<div>SCALE</div> <div><div>050100m</div><div>(1:5000 ON 11"x17")</div></div>
CHECKED BY: K.A.S.		
DRAWN BY: N.M.B.		
CHECKED BY: K.A.S.		
<div>LAMENT DRAIN</div> <div>REGION OF NIAGARA TOWN OF NIAGARA-ON-THE-LAKE</div>		
<div>WATERSHED PLAN</div>		<div>MAR. 31, 2020</div>
	K. SMART ASSOCIATES LIMITED	
	CONSULTING ENGINEERS AND PLANNERS	
	KITCHENER	SUDBURY
	REVISED:	
JOB NUMBER: 18-218		DRAWING
		1 OF 8






D=SIGN=D BY: H.A.W.		SCAL=
CH=CK=D BY: N.W.M.		50 100m
DRAWN BY: A.M.P.		(SC ± 1 : 5000)
CH=CK=D BY: N.W.M.		HORZ.
		0 0.5 1m
		(SC ± 1 : 50)
		V=RT.
		(ON 11"x17")

LAMENT DRAIN

REGION OF NIAGARA TOWN OF NIAGARA—ON—THE—LAKE

HWY 405 BERM INTERVAL 3
PROFILE

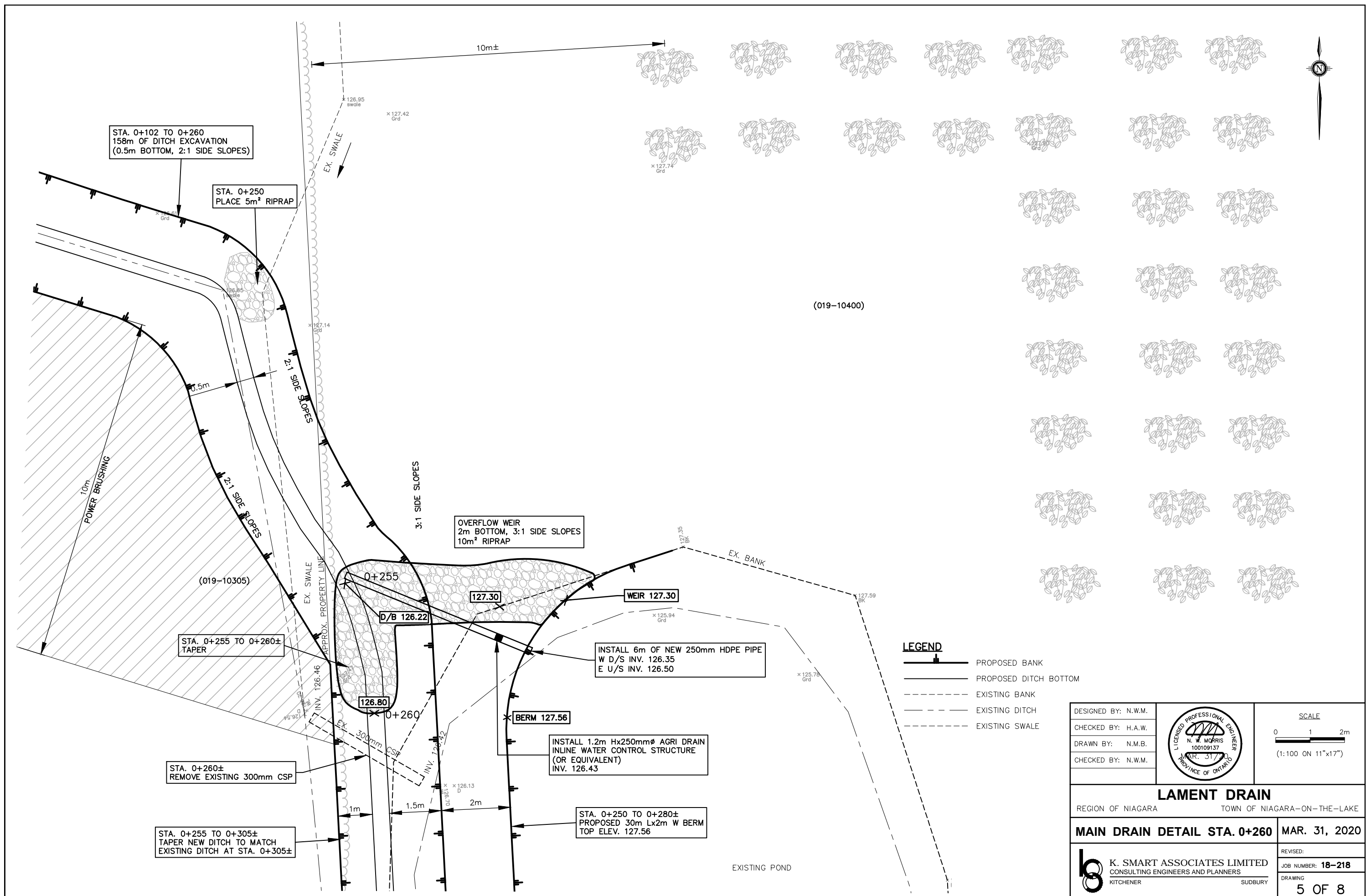
M - ±. 31, 2020

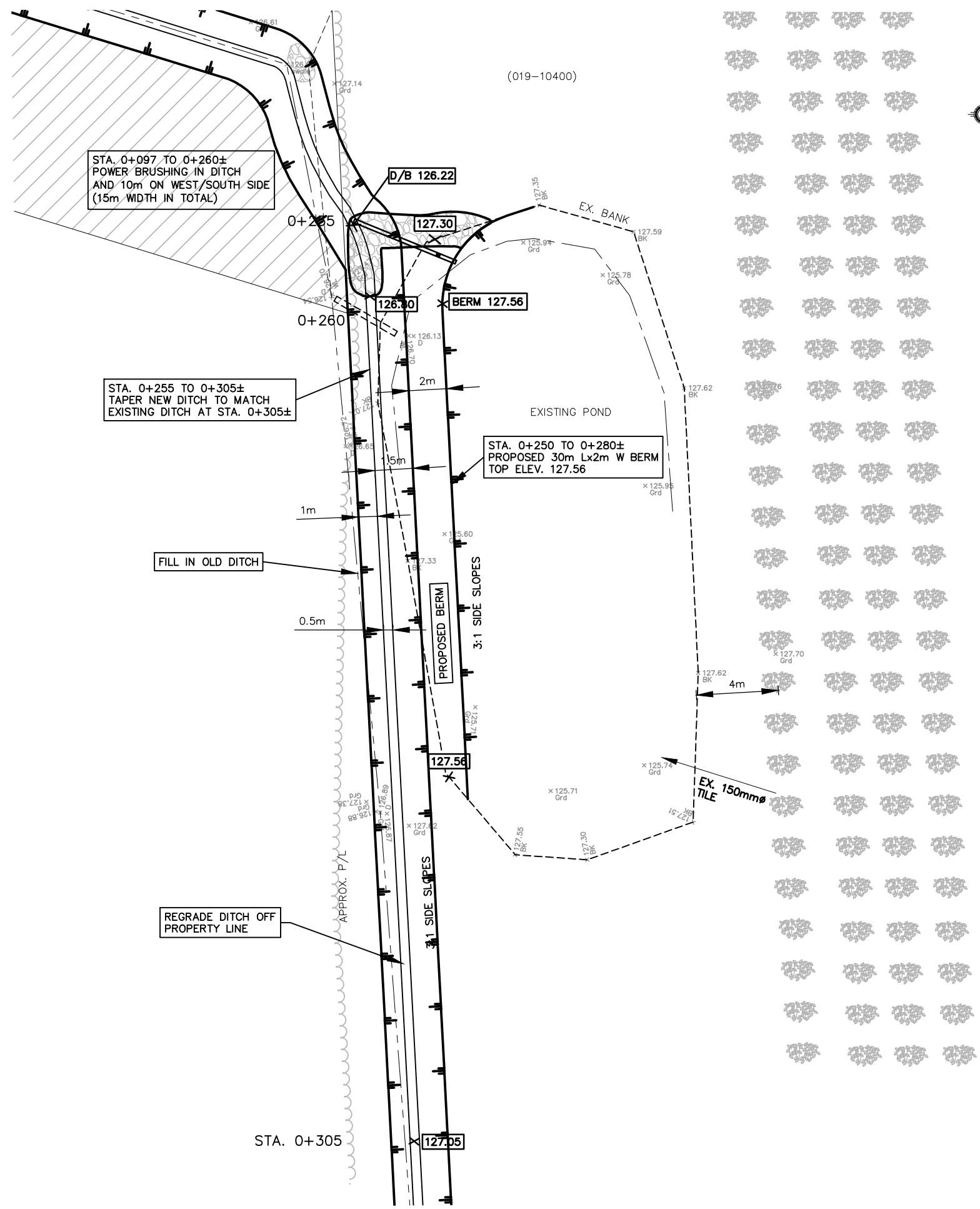
 K. SMART ASSOCIATES LIMITED
CONSULTING ENGINEERS AND PLANNERS
KITCHENER SUDBURY

R ± MS ± D:

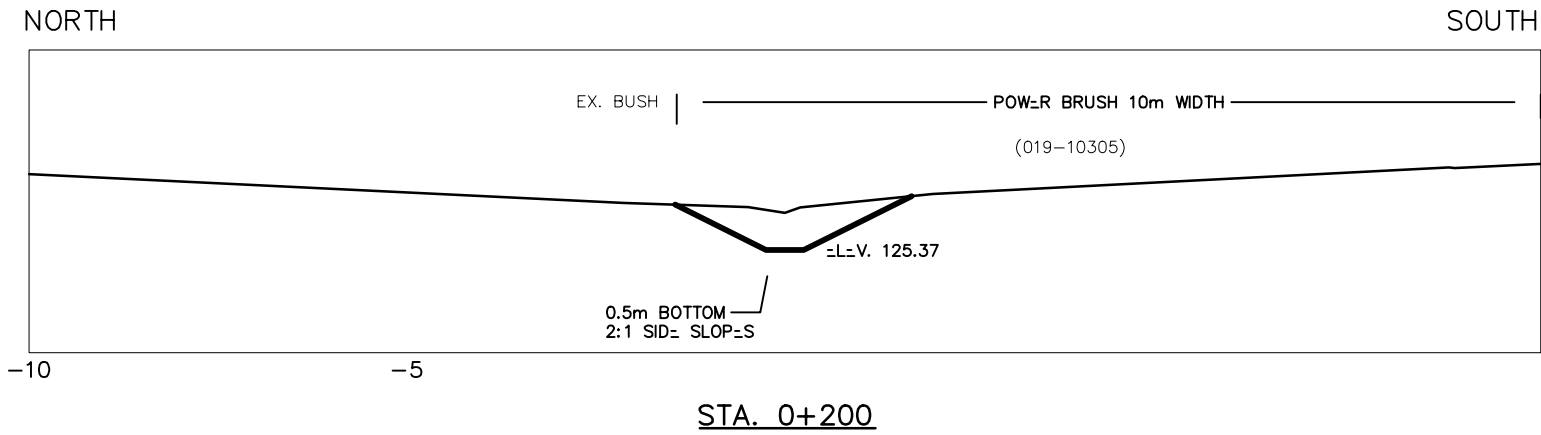
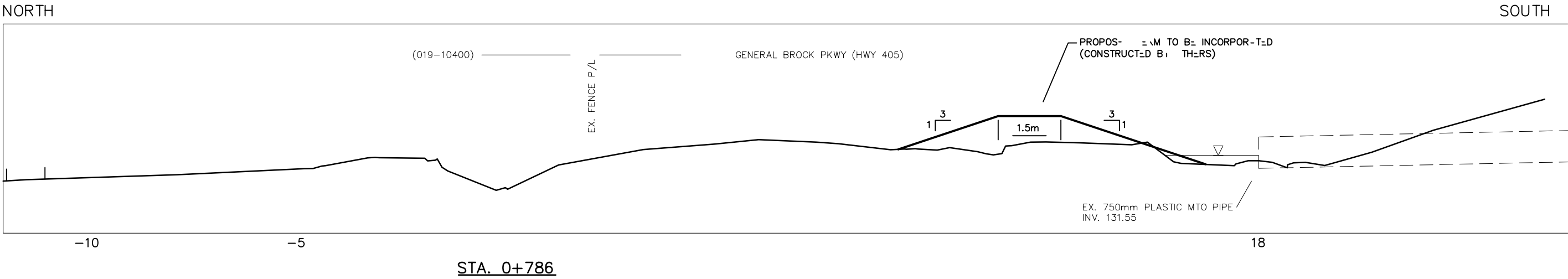
± R: **18-218**


DR - ING





DESIGNED BY: N.W.M.		<p>SCALE</p> <p>0 2.5 5m</p> <p>(1:250 ON 11"x17")</p>
CHECKED BY: H.A.W.		
DRAWN BY: N.M.B.		
CHECKED BY: N.W.M.		
<p>LAMENT DRAIN</p> <p>REGION OF NIAGARA TOWN OF NIAGARA-ON-THE-LAKE</p>		
<p>MAIN DRAIN DETAIL STA. 0+260</p>		<p>MAR. 31, 2020</p>
	<p>K. SMART ASSOCIATES LIMITED</p> <p>CONSULTING ENGINEERS AND PLANNERS</p> <p>KITCHENER SUDBURY</p>	<p>REVISED:</p> <p>JOB NUMBER: 18-218</p> <p>DRAWING</p>
	<p>6 OF 8</p>	



DESIGNED BY: H.A.W.			SCAL = 0 1 2m (SC = 1 : 100) HORZ 0 1 2m (SC = 1 : 100) VERT (ON 11"x17")		LAMENT DRAIN REGION OF NIAGARA TOWN OF NIAGARA-ON-THE-LAKE	
CHECKED BY: N.W.M.			MAIN DRAIN CROSS-SECTIONS		M - A. 31, 2020	
DRAWN BY: N.M.B.			K. SMART ASSOCIATES LIMITED CONSULTING ENGINEERS AND PLANNERS KITCHENER SUDBURY		REVISIONS: DATE: 18-218 DRAWING	
CHECKED BY: N.W.M.						

300) CONSTRUCTION NOTES (SPECIAL PROVISIONS)

300.1) SPECIFIC NOTES

Sta.	Description
York Road (Region of Niagara)	
-0+035 to 0+000	- 35m of ditch cleanout (1m bottom, 2:1 side slopes). Spoil to be hauled away. - Seed new banks (3m sides)
0+000 to 0+097±	- See detail on Drawing 4
0+000	- Place 5m² riprap on the north bank of the ditch
0+000 to 0+025	- Existing 25m of 900mm dia. CSP across the road to be incorporated. No work required.
0+025	- Place 5m² riprap
0+025 to 0+071	- 46m of ditch cleanout (1m bottom, 2:1 side slopes). Spoil to be hauled away. - Seed new banks (3m sides)
0+071	- Place 5m² riprap
0+071 to 0+092	- Remove and lower existing 21m of 600mm dia. CSP and restore laneways
0+081	- Construct offset 600 x 600mm CB and connect to lowered 600mm CSP with 9m of 200mm dia. plastic pipe
0+092 to 0+093	- Place 5m² riprap
S. Watson (Roll No. 019-10305)	
0+093 to 0+102	- Remove and lower existing 9m of 450mm dia. plastic pipe and reinstate/restore the existing berm
0+102	- Place 5m² riprap
0+102 to 0+260±	- Selective power brushing in the ditch and 10m width on the south side (15m width total). Work around all trees larger than 30cm in diameter that are not dead. - 150m of ditch excavation (deepening and widening) (0.5m bottom, 2:1 side slopes). Level spoil on south side - Seed banks (3m sides)
0+201	- Place 5m² rip-rap rock check dam
0+215 to 0+224	- Remove and dispose of existing 400mm CSP. Replace with 9m of 450mm plastic pipe. Place 5m² riprap at each end (10m² riprap total). Restore laneway

0+248 to 0+260	- See details on Drawings 4 and 5
0+248 to 0+260	- Ditch to taper to match the existing ditch from Sta. 0+255 to 0+260±. Level spoil. - Seed banks (3m sides)
0+250	- Place 5m² riprap on the north bank at the swale entry location
S. Lament (Roll No. 019-10400)	
0+255 to 0+260±	- Construct overflow weir from pond including 30m long earth berm, 10m² riprap, 1.2m high x 250mm diameter agricultural drain inline water control structure and 6m of 250mm dia. HDPE pipe and removal of existing 4m of 300mm CSP.
Highway 405 (MTO)	
-0+487 to 0+164	- Construct 651m long earth berm along the north bank of the existing ditch on the north side of Highway 405. The berm shall have 3:1 side slopes with a 1.5m top width. See cross-section on Drawing 7

300.2) PROJECT NOTES

300.2.1) Working Area

The working area is to be as shown on Drawings 3 to 6. Refer to Section 400.4 of Standard Specifications for Construction of Drains for exceptions.

300.2.2) Access

The contractor shall have access to the drain along the routes if any, shown on Drawing 1. The access routes shall be along existing laneways or paths or where none exist, along a 6m wide (maximum) path. No other access routes shall be used unless first approved by the Engineer and affected landowner. The contractor shall also contact each owner using designated accesses. Refer to Section 400.5 of the Standard Specifications for the Construction of Drains. Telephone numbers for contact are:

019-10300, 019-10400	S. Lament	(To be Supplied at
019-10305	P. Watson	time of Tendering)
Neal Morris, P.Eng. (K. Smart Associates Limited)		
Niagara On-The-Lake Hydro (Kevin Sidey)	519-748-1199 ext. 240	
Niagara On-The-Lake	905-468-1285 ext. 530	
(Brett Ruck, Drainage Superintendent)	905-468-3278 ext. 255	
Ministry of Transportation (Kyle Saulnier)	416-235-5534	
One Call Centre	1-800-400-2055	

300.2.3) Soils Considerations

The Region of Niagara soil's mapping for this area indicates that the soils adjacent to this drain are primarily Beverly loamy phase.

The Beverly loam phase soils have loamy textures over lacustrine silty clay, have imperfect drainage, are smooth basin to level and are stone free.

Based on available information, no adverse subsurface conditions on this project and the use of conventional construction equipment is anticipated.

300.2.4) Environmental

The following agencies have been notified of the project:

- Applications to MECP, DFO and NPCA have been submitted in regards to Species at Risk dated June 14, 2019, June 26, 2019, and December 20, 2019, respectively.
- DFO has been notified regarding working in water and associated permits.
- There has been no response from MECP or NPCA to date.
- The response from DFO dated October 3, 2019, indicated that, provided the erosion measures we have shown in this report (drawings, etc.) are adhered to, it is DFO's view that the project will not require authorization under the Fisheries Act or the Species at Risk Act. The work should be conducted in dry conditions, and DFO is to be notified at least ten days before starting the construction of this project.



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200 GENERAL CONDITIONS**200.1 SCOPE**

The work to be done under this contract consists of supplying all labour, equipment and materials to construct the drainage work as outlined in the Instructions to Tenderers, the Form of Tender and Agreement, the Schedule of Tender Prices, the Drawings, the General Conditions, Special Provisions and the Standard Specifications.

200.2 ORDER OF PRECEDENCE

In case of any inconsistency or conflict between the drawings and specifications, the following order of precedence shall apply: Addenda, Form of Tender and Agreement, Schedule of Tender Prices, Special Provisions, Contract Drawings, Standard Specifications, General Conditions.

200.3 MUNICIPALITY

Municipality refers to a municipal corporation in the Province of Ontario. Where reference to Township, County, Region, Town, City or Owner appears it shall be deemed to be the same as the word Municipality. Where reference to owner appears in the specifications it is usually in reference to the owner of the property on which the drain is being constructed.

200.4 TENDERS

Tenders are to be submitted on a lump sum basis for the complete works or a portion thereof, as instructed by the Municipality. The Schedule of Tender Prices must be completed and submitted with the Form of Tender and Agreement even though the Contract will be a lump sum. As outlined in the Instructions to Tenders a deposit in the form of a certified cheque, bank draft, bonding or irrevocable letter of credit must accompany each tender as a guarantee of good faith. The deposit shall name the Municipality as the payee. All deposits, except that of the Tenderer to whom the work is awarded, will be returned within 10 days of the time the contract is awarded. The certified cheque of the Tenderer awarded the work will be retained as Contract Security and returned with the Completion Certificate for the work. A Performance Bond may also be required to ensure maintenance of the work for a period of one year after the date of the Completion Certificate.

200.5 EXAMINATION OF SITE, PLANS AND SPECIFICATIONS

Prior to the submission of the Tender, the Tenderer must examine the premises and site to compare them with the Drawings and Specifications in order to be satisfied with the existing conditions and the extent of the work to be done. The Tenderer must ensure that the meaning and intent of the drawings, estimated quantities and specifications is clearly understood before submission of the Tender. No allowances shall be made on behalf of the Contractor by reason of any error made in the preparation of the tender submission.

Any estimates of quantities shown or indicated on the drawings or elsewhere in the tender document are provided for the convenience of the Tenderer. The Tenderer should check the estimate of quantities for accuracy. Any use made of the estimated quantities by the Tenderer in calculating the tendered amounts is done at the Tenderers risk.

200.6 COMMENCEMENT AND COMPLETION OF WORK

The work must commence immediately after the Tenderer is notified of the contract award or at a later date, if set out as a condition in the Form of Tender and Agreement. If weather and ground conditions are unsuitable, work may be started at a later date from either of the above two dates if such delay is approved by the Engineer. The Contractor shall provide a minimum of 48 hours advance notice to the Engineer and the Municipality before commencement of any work. The work must proceed in such manner as to ensure its completion at the earliest possible date consistent with first class workmanship and within the time limit set out in the tender/contract document. Failure to commence or complete the work as set out in the tender/contract document may result in a forfeiture of all or part of the Contract Security if the Engineer deems that damages have been sustained to the Municipality or to any landowner because of the non-commencement or non-completion of the contract as awarded and that the failure to meet the specified dates has been the fault of the Contractor.

200.7 NOTICES RE COMMENCEMENT OF WORK

If the Contractor leaves the job site for a period of time after initiation of work, a minimum of 48 hours advance notice shall be given to the Engineer and the Municipality before commencement of any further work. If any work is commenced without the advance notice the Contractor shall be fully responsible for all such work undertaken prior to such notification and shall make good any works or materials judged to be inadequate or constructed in any manner that may have been subject to alteration if made known to the Engineer prior to commencement of construction.

200.8 PERMITS, NOTICES, LAWS AND RULES

The Contractor shall apply and pay for all necessary permits or licenses required for the execution of the work. This shall not include the obtaining of permanent easements or rights or servitude. The Contractor shall give all necessary notices and pay all fees required by the law and comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of the public's health and safety and if the specifications and drawings are at variance therewith, any resulting additional expense incurred by the Contractor shall constitute an addition to the contract price.

200.9 HEALTH AND SAFETY

Contractor must comply with the Occupational Health and Safety Act (OHSA) and the associated Regulations for Construction Projects. Contractor will also follow any site-specific safety and training requirements of the Municipality, agencies, utility companies or other authorities.

Communication about site-specific hazards and safety requirements shall occur at the pre-construction meeting. If no pre-construction meeting is conducted, Contractor will communicate site-specific hazards and safety requirements before beginning work.

Contractor shall immediately report any workplace incidents, near misses, injuries and occupational illnesses to the Engineer.

200.10 LIMITATIONS OF OPERATIONS

Except for such work as may be required by the Engineer to maintain the works in a safe and satisfactory condition, the Contractor shall not carry out operations under the contract on Sundays or Statutory Holidays without permission in writing from the Engineer. The Engineer may direct in writing to the Contractor to cease or limit operations under the contract on any day or days if the operations are of such a nature, or if the work is so located, or if the traffic is of such a volume, that the Engineer deems it necessary or expedient to do so.

200.11 SUPERVISION

The Contractor shall provide constant supervision of the construction work and shall keep a competent foreman in charge at the site.

200.12 CHARACTER AND EMPLOYMENT OF WORKERS

The Contractor shall employ only orderly, competent and skillful workers to do the work and shall give preference to available qualified residents in the area of the contract. Whenever the Engineer informs the Contractor in writing that any workers are, in the opinion of the Engineer, disorderly, incompetent, or breaking the law, such workers shall be discharged from the job site and shall not again be employed on the job site without the written consent of the Engineer.

200.13 SUB-CONTRACTORS

If the Municipality so directs, the Contractor shall not sublet the whole or any part of this contract without the approval of the Engineer.

200.14 PAYMENT

Progress payments in cash equal to about 90% of the value of the work done and materials incorporated in the work will be made to the Contractor monthly. If directed by the Engineer the Contractor may be required to provide a written request for the progress payment amount. An additional 7% will be paid 45 days after the date of the Completion Certificate by the Engineer and 3% of the contract price may be reserved by the Municipality as a maintenance holdback for one year from the date of the Completion Certificate.

The holdbacks noted above may be increased by the Municipality if, in the written opinion of the Engineer, particular conditions of the contract require such greater holdback.

After the completion of the work any part of maintenance holdback may be used to correct defects from faulty construction and/or materials provided that notice shall first be given by the Engineer in writing to the Contractor stating that the Contractor has seven (7) days in which to remedy the defect in construction and/or materials.

200.15 TERMINATION OF CONTRACT BY THE MUNICIPALITY

Termination of the contract by the Municipality may be considered if the Contractor:

1. should be adjudged bankrupt or make a general assignment for the benefit of creditors or if a receiver should be appointed on account of insolvency;
2. should refuse or fail to supply enough properly skilled workmen or proper materials after having received seven (7) days' notice in writing from the Engineer to supply such additional workmen or materials in order to commence or complete the works;
3. should fail to make prompt payment to sub-contractors or for materials or labour;
4. should persistently disregard laws, ordinances, or instructions from the Engineer, or otherwise be guilty of a substantial violation of the provisions of the contract;

then the Municipality, upon Certificate of the Engineer that sufficient cause exists to justify such action, may without prejudice to any other right or remedy, give written notice to the Contractor to terminate the employment of the Contractor and take possession of the premises, and of all materials, tools and appliances thereon, and may finish the work by whatever method the Municipality may deem expedient, but without undue delay or expense. In such case, the Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the contract price will exceed the expense of finishing the work including compensation to the Engineer for additional

services and including other damages of every name and nature, such excess shall be paid to the Contractor. If such expense will exceed such unpaid balance including the Contract Security, the Contractor shall pay the difference to the Municipality. The expense incurred by the Municipality, as herein provided, shall be certified by the Engineer. If the contract is terminated by the Municipality due to the Contractor's failure to properly commence the works, the Contractor shall forfeit the Contract Security and furthermore shall pay to the Municipality an amount to cover the increased costs, if any, associated with a new tender for the contract being terminated.

If any unpaid balance and the Contract Security do not equal the monies owed by the Contractor upon the termination of the contract, the Municipality may also charge such expenses against any money which is or may thereafter be due to the Contractor from the Municipality.

200.16 LIQUIDATED DAMAGES

It is agreed by the parties to the Contract that in case all the work called for under the Contract is not finished or complete within the period of time as set forth in the Tender/Contract Document, damage will be sustained by the Municipality. It is understood by the parties that it will be impracticable and extremely difficult to ascertain and determine the actual damage which the Municipality will sustain in the event of and by reason of such delay. The parties hereto agree that the Contractor will pay to the Municipality a sum as set out in the Form of Tender and Agreement for liquidated damages for each and every calendar day delay, including Saturdays, Sundays and Statutory Holidays, in finishing the work in excess of the number of working days prescribed. It is agreed that the liquidated damages amount is an estimate of the actual damage to the Municipality which will accrue during the period in excess of the prescribed number of working days.

The Municipality may deduct any amount due under this section from any monies that may be due or payable to the Contractor on any account whatsoever. The liquidated damages payable under this section are in addition to and without prejudice to any other remedy, action or other alternative that may be available to the Municipality.

The Contractor shall not be assessed with liquidated damages for any delay caused by acts of nature, or of the Public Enemy, Acts of the Province or of any Foreign State, Fire, Flood, Epidemics, Quarantine Restrictions, Embargoes or any delays of Sub-Contractors due to such causes.

If the time available for the completion of the work is increased or decreased by reason of alterations or changes made under the provisions of the Contract, the number of working days shall be increased or decreased as determined by the Engineer.

If the Form of Tender and Agreement does not show an amount for Liquidated Damages then Liquidated Damages do not apply for this contract.

200.17 CONTRACTOR'S LIABILITY

The Contractor and all workers, agents or any party under the Contractor's control, including Sub-Contractors, shall use due care that no person or property is injured and that no rights are infringed during the construction work outlined in the contract. The Contractor shall be solely responsible for all damages by whomsoever claimable in respect of any injury to persons or to lands, buildings, structures, fences, livestock, trees, crops, roadways, ditches, drains and watercourses, whether natural or artificial, or property of whatever description and in respect of any infringement of any right, privilege or easement wherever occasioned in the carrying on of the work or any part thereof, or by any neglect, misfeasance or non-feasance on the Contractor's part or on the part of any workers, agents or parties under the Contractor's control including Sub-Contractors, and shall bear the full cost thereof. The Contractor shall be fully responsible to make such temporary provisions as may be necessary to ensure the avoidance of any such damage, injury or infringement and to prevent the interruption of or danger or menace to the traffic in any railway or any public or private road entrance or sidewalk and to secure to all persons and corporations the uninterrupted enjoyment of all their

rights, in and during the performance of the work. The Contractor shall indemnify and save harmless the Municipality and the Engineer from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted in any manner based upon, occasioned by, or attributed to any such damage, injury or infringement.

Wherever any work is of such an extent and nature that it must necessarily be confined to particular areas of a roadway, a working area, or private property, the Contractor shall use reasonable care not to damage or deface the remaining portions of the property, and if any damage is occasioned as a result of the Contractor's operations, it shall be rectified by and at the expense of the Contractor, to the satisfaction of the Engineer. Notwithstanding the indemnity provisions contained in this section, where in the opinion of the Engineer the Contractor has failed to rectify any damage, injury or infringement or has failed to adequately compensate any person for any damage, injury or infringement for which the Contractor is responsible under the contract, the Engineer, following notice in writing to the Contractor of an intention so to do, may withhold payment of any monies due the Contractor under this or any other contract until the Contractor has rectified such damage, injury or infringement or has paid adequate compensation for such damage, injury or infringement, provided however, that the Municipality will not withhold such monies where in the opinion of the Engineer there are reasonable grounds upon which the Contractor denies liability for such damage, injury or infringement and the Contractor has given the claimant a reasonable time in which to establish the validity of the claim, and provided further that the amount withheld under this section shall not exceed the amount of such claims against the Contractor.

Where the Contractor uses privately owned lands for pits or waste disposal areas, the Contractor shall comply with applicable laws and provide the Engineer with a release signed by or on behalf of the owner of each pit or waste disposal area used by the Contractor. If the said release is not obtained, then sufficient monies will be withheld from the Contractor except, however, where the owner's signature is withheld solely on the basis of damage, injury, or infringement it will be dealt with as provided elsewhere in this subsection.

Nothing herein contained shall be construed as in any way restricting or limiting the liability of the Contractor under the laws of the country, province or locality in which the work is being done. Neither the Completion Certificate nor final payment thereunder, nor any provision in the Contract Document shall relieve the Contractor from this liability.

200.18 LIABILITY INSURANCE

The Contractor shall take out and keep in force until the date of acceptance of the entire work by the Engineer, a comprehensive policy of public liability and property damage insurance providing insurance coverage of at least \$3,000,000 for each and every accident, exclusive of interest and cost, against loss or damage resulting from bodily injury to or death of one or more persons and loss of or damage to property and such policy shall where, and as requested by the Municipality, name the Municipality and the Engineer as an additional insured thereunder and shall protect the Municipality against all claims for all damage or injury including death to any person or persons and for damage to any property of the Municipality or any other public or private property resulting from or arising out of any act or omission on part of the Contractor or any of his servants or agents during the execution of the Contract.

200.19 LOSSES DUE TO ACTS OF NATURE, ETC.

All damage, loss, expense and delay incurred or experienced by the Contractor in the prosecution of the work, by reason of unanticipated difficulties, bad weather, strikes, wars, acts of nature, or other mischances, shall be borne by the Contractor and shall not be the subject of a claim for additional compensation.

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400 STANDARD SPECIFICATIONS FOR CONSTRUCTION OF DRAINS**400.1 ABBREVIATIONS**

- i) M.T.O. means the Ministry of Transportation of Ontario.
- ii) A.S.T.M. means the American Society for Testing Materials.
- iii) C.S.A. means the Canadian Standard Association.
- iv) O.P.S.D. means Ontario Provincial Standard Drawings
- v) O.P.S.S. means Ontario Provincial Standard Specifications
- vi) DFO means Fisheries and Oceans Canada
- vii) MNRF means Ministry of Natural Resources and Forestry
- viii) MECP means Ministry of Environment, Conservation and Parks

400.2 PRE CONSTRUCTION MEETING

The Contractor should arrange a pre-construction meeting with the Engineer, Municipality, affected landowners prior to commencement of construction.

If there is no pre-construction meeting or if a landowner is not present at the pre-construction meeting, the following shall apply. The drain is to be walked by the Contractor and each landowner prior to construction to ensure that both agree on the work to be done. Any difference of opinion shall be referred to the Engineer for decision. If the landowner is not contacted for such review, they are to advise the Engineer and/or Municipality.

400.3 COLD WEATHER

When working in cold weather is approved by the Engineer, the Contractor shall provide suitable means for heating, protection, and snow and ice removal. All work completed in cold weather conditions shall be to the satisfaction of the Engineer and any additional cost to remedy unsatisfactory work, or protect the work shall be borne by the Contractor. All backfilling operations shall be done as soon as possible to avoid backfilling with ground containing frozen particles. The Contractor will assume all responsibility for damages to any tile drains and for settlements or bank slippages that may result from work in cold weather.

400.4 WORKING AREA

Where any part of the drain is on a road allowance, the road allowance shall be the working area. For a closed drain the working area shall be a 10 metre width on either side of the trench or any combination not exceeding 20 metres. A 10m x 10m working area shall exist around any catchbasin, junction box or access point. For an open drain the working area shall be 17 metres on the side for leveling and 3 metres on the opposite side. A 10m working area shall exist for any overflow swale or grassed waterway. If any part of the drain is close to a property line then the fence line shall be one of the limits of the work area. Reduced or increased working areas will be described in detail on the Drawings.

400.5 ACCESS

The Contractor shall have access to the drain by entering the working area directly from road allowances or along access routes shown on the Drawings. All specifications governing fences, livestock and crops during drain construction apply to access routes. No other access routes shall be used unless first approved by the Engineer and the affected landowner. The Contractor shall contact each landowner prior to using the designated access routes. Contractor shall make good any damages caused by using the designated access routes.

400.6 ACCESS TO PROPERTIES ADJOINING THE WORK

The Contractor shall provide at all times and at no additional cost, adequate pedestrian access to private homes and commercial establishments unless otherwise authorized by the Engineer. Where interruptions to access have been authorized by the Engineer, reasonable notice shall be given by the Contractor to the affected landowners and such interruptions shall be arranged to minimize interference to those affected.

400.7 DRAINAGE SUPERINTENDENT

Where a Drainage Superintendent (Superintendent) is appointed by the Municipality, the Engineer may designate the Superintendent to act as the Engineer's representative. If so designated, the Superintendent will have the power to inspect and direct the execution of the work.

Any instructions given by the Superintendent which change the proposed work or with which the Contractor does not agree shall be referred to the Engineer for final decision.

400.8 ALTERATIONS TO WORK

The Engineer shall have the power to make alterations, additions and/or deletions in the work as shown or described in the Drawings or Specifications and the Contractor shall proceed to implement such changes without delay. Alterations ordered by the Engineer shall in no way render the contract void.

If a landowner desires deviations from the work described on the Drawings, the landowner shall submit a written request to the Engineer, at least 48 hours in advance of the work in question.

In every such case, the contract amount shall be increased or decreased as required according to a fair evaluation of the work completed. Where such changes involve additional work similar to items in the contract, the price for additional work shall be determined after consideration is given to the tendered price for similar items.

In no case shall the Contractor commence work considered to be extra work without the Engineer's approval. Payment for extra work is contingent on receipt of documentation to the satisfaction of the Engineer. Refer to the Extra Work Summary included in the Special Provisions.

400.9 ERRORS AND UNUSUAL CONDITIONS

The Contractor shall notify the Engineer immediately of any error or unusual conditions which may be found. Any attempt by the Contractor to correct the error without notice shall be done at the Contractor's risk. Any additional cost incurred by the Contractor to remedy an error or unusual condition without notice shall be borne by the Contractor. The Engineer shall direct the alteration necessary to correct errors or unusual conditions. The contract amount shall be adjusted in accordance with a fair evaluation of documentation for the work added, deleted or adjusted.

400.10 TESTS

The Engineer reserves the right to subject any materials to a competent testing laboratory for compliance with the standard. If any materials supplied by the Contractor are determined to be inadequate to meet the applicable standards, the Contractor shall bear full responsibility to remove and/or replace all such inadequate materials with materials capable of meeting the standards.

The cost of testing the materials supplied by the Contractor shall be borne by the Contractor.

400.11 BENCHMARKS AND STAKES

Prior to construction, the Engineer will confirm the benchmarks. The Contractor shall be held liable for the cost of replacing any benchmarks destroyed during construction.

If the Engineer provides layout stakes, the Contractor shall be held liable for the cost of replacing any layout stakes destroyed during construction.

Where property bars are shown on the Drawings, they are to be protected and if damaged by the Contractor, they will be reinstated by an Ontario Land Surveyor at the expense of the Contractor. Where property bars not shown on the Drawings are damaged, they will be reinstated by an Ontario Land Surveyor at the expense of the project.

400.12 OPENING UP OF FINISHED WORK

If ordered by the Engineer, the Contractor shall make such openings in the work as are needed to re-examine the work, and shall forthwith make the work good again. Should the Engineer find the work so opened up to be faulty in any respect, the whole of the expense of opening, inspecting and making the work good shall be borne by the Contractor. Should the Engineer find the work opened up to be in an acceptable condition the Contractor shall be paid for the expense of opening and making the work good, unless the Contractor has been obligated by any specification or by the direction of the Engineer to leave the work open for the Engineer's inspection.

400.13 FINAL INSPECTION

Final inspection by the Engineer will be made within twenty (20) days after receiving notice in writing from the Contractor that work is complete, or as soon thereafter as weather conditions permit. All the work included in the contract must at the time of final inspection have the full dimensions and cross-sections.

Prior to commencing the final inspection an on-site meeting may be held by the Engineer and landowners directly affected by the construction of the drain. The Contractor will attend this meeting upon notice by the Engineer.

If there is no on-site meeting with the Engineer and landowners, the Contractor shall obtain from each landowner a written statement indicating that the work has been performed to the owner's satisfaction. If the Contractor is unable to obtain a written statement from the landowner, the Engineer will determine if further work is required prior to issuing the Completion Certificate.

400.14 WARRANTY

There shall be a one-year warranty period on all completed work. The warranty period will commence on the date of the Completion Certificate.

When directed by the Engineer, the Contractor shall repair and make good any deficiencies in the work that may appear during the warranty period.

Before the work shall be finally accepted by the Municipality, the Contractor shall complete all work as directed by the Engineer and remove all debris and surplus materials and leave the work neat and presentable.

400.15 MATERIALS**400.15.1 Concrete Drain Tile**

Concrete drain tile shall conform to the requirements of the most recent ASTM C412 specifications for heavy duty extra quality, unless a stronger concrete tile is required by the Special Provisions or Drawings. All tile furnished shall be subject to the approval of the Engineer.

The minimum nominal lengths of the tile shall be 750mm for 150 to 350mm diameter tile and 1200mm for 400 to 900mm diameter tile.

All tile should be of good quality, free from distortions and cracks and shall meet the standards specified. The ends should be smooth and free from cracks or checks. All rejected tile are to be immediately removed from the site.

Granular backfill, where required, shall consist of approved sand or gravel having no particles retained on a screen having 50mm square openings.

Earth backfill shall consist of approved material having no large lumps or boulders.

400.15.2 Corrugated Plastic Tubing

Corrugated plastic tubing shall conform to the *Land Improvement Contractors of Ontario Standard Specification for Corrugated Plastic Drainage Tubing, 2006*. Type of material (solid or perforated) and need for filter sock will be specified on the Drawings or in the description of the work in the Special Provisions. Filter sock where specified shall be a standard synthetic filter material as provided by a recognized plastic tubing manufacturer unless noted differently on the contract drawings or elsewhere in the contract document. Protect coils of plastic tubing from damage and deformation.

400.15.3 Corrugated Steel Pipe

Corrugated Steel Pipe (CSP) shall be according to OPSS 1801 (CSA G401). Unless stated otherwise in the Special Provisions the pipe shall be:

- galvanized
- helical corrugation with lock seam and re-rolled annular ends
- 68mm x 13mm corrugation profile for diameters up to 1200mm
- 125mm x 25mm corrugation profile for diameters 1200mm and larger
- minimum wall thickness of 1.6mm for diameters up to 500mm
- minimum wall thickness of 2.0mm for diameters 600mm and larger
- joined using standard couplers matching the pipe diameter and material

Other coatings that may be specified include aluminized Type 2 or polymer. Polymer coating shall be a 254mm polymer film laminated to both sides of the pipe.

400.15.4 Plastic Pipe

Plastic Pipe shall be a high density polyethylene (HDPE) double wall corrugated pipe with smooth inner wall, solid with no perforations in accordance with OPSS 1840.

A minimum stiffness of 320 KPa at 5% deflection

The pipe shall be joined with snap-on or split couplers.

400.15.5 Concrete Sewer Pipe

Concrete sewer pipe shall be in accordance with OPSS 1820.

Non-reinforced concrete sewer pipe shall be used for pipe 375mm in diameter and smaller and reinforced concrete sewer pipe shall be used for pipe over 375mm.

Classes shall be as shown on the Contract Drawings or as described in the Form of Tender.

All new concrete sewer pipe shall have rubber-type gasket joints.

Where concrete sewer pipe “seconds” are specified, the pipe should exhibit no damage or cracks on the barrel section and shall be capable of satisfying the crushing strength requirements of OPSS 1820. The pipe may contain cracks or chips in the bell or spigot which prevent the use of rubber gaskets but the joints must be protected with filter cloth.

400.16 RIPRAP

All riprap is to be placed on a geotextile underlay (Terrafix 360R or equal) unless directed otherwise in the specific construction notes. The riprap is to be graded heavy angular stone (quarry stone is recommended) with particles averaging in size from 225mm to 300mm and is to be placed at 300mm thickness. Fine particles may be included to fill voids. Along upstream edges of riprap, where surface water will enter, underlay is to extend a minimum of 300mm upstream from riprap and then be keyed down a minimum of 300mm. Wherever riprap is placed, the area is to be over-dug so that finished top of riprap is at design cross-section, at design elevation or flush with existing ground.

400.17 GEOTEXTILE

To be non-woven fabric that is rot proof, non-biodegradable, chemically resistant to acidic or alkaline soils and is dimensionally stable under different hydraulic conditions. The filter fabric is to be a material whose primary function is to act as a highly permeable, non-clogging soil separator for fine soils (Terrafix 360R or equal). Contractor is to avail himself of manufacturer's recommendations for cutting, installation and precautions necessary to avoid damage to fabric. Other approved equals will be considered by the Engineer prior to construction.

400.18 DISPOSAL OF MATERIALS

The Contractor shall remove all surplus materials from the job site at the end of the project. The Contractor shall locate the disposal site for all materials to be disposed of. Disposal of materials shall comply with applicable regulations.

400.19 NOTIFICATION OF RAILROADS, ROAD AUTHORITIES AND UTILITIES

Contractor will notify any Railroad, Road Authority or Utility at least 48 hours in advance regarding work to be performed on their property or affecting their infrastructure. The notice will be in writing and is exclusive of Saturdays, Sundays and Holidays.

A utility includes any entity supplying the general public with necessities or conveniences.

400.20 WORKING IN ROAD ALLOWANCES

400.20.1 General

Work within public road allowances shall be done in accordance with the Ontario Traffic Manual Book 7, latest edition.

400.20.2 Road Crossings

If no specific detail is provided for road crossings on the drawings or in the specifications the following shall apply:

- A Road Authority will supply no labour, equipment or materials for the construction of the road crossing.
- Contractor will not commence road crossing work until any required permits have been obtained. The Engineer may apply for any required permits prior to construction.
- Contractor will notify the Road Authority at least 72 hours in advance of any construction in the road allowance.
- Road crossings may be made with an open cut unless otherwise noted.
- Exact location of crossing shall be verified with the Road Authority and the Engineer.
- Pipe shall be placed on a minimum 150mm depth of Granular A shaped for the pipe.
- Pipe backfill shall be compacted Granular A and extend 300mm above the top of the pipe.
- Trench shall be backfilled with acceptable native material for the base width of the road bed.
- The material shall be placed in lifts not exceeding 300mm in depth and shall be thoroughly compacted with an approved mechanical vibrating compactor.
- Top 600mm of the road bed backfill shall consist of 450mm Granular B and 150mm of Granular A placed in lifts and fully compacted.
- Any surplus excavated material within the road allowance may be spread on the right-of-way with consent of the Road Superintendent otherwise the surplus material shall be hauled away.
- Existing asphalt or concrete pavement or surface treatment shall be replaced by the Contractor to the satisfaction of the Engineer and Road Authority.
- Contractor shall be responsible for correcting any backfill settlement during construction and during the warranty period. Upon approval of the road authority, surplus gravel shall be stockpiled near gravel road crossings to provide backfill for future trench settlement.
- All road crossings shall meet the approval of the Road Authority.
- If any road crossing is not left in a safe manner at the end of the working day barricades and warning signs shall be erected to guarantee the safety of the travelling public.
- If the Engineer deems a road to surface to have been damaged by the construction of a drain, either across or along the road, the Engineer may direct the Contractor to restore the road surface to existing or better condition at no additional cost.

400.20.3 Maintenance of Traffic

Unless directed otherwise on the drawings or in the specifications the Contractor shall keep the road open to traffic at all times. The Contractor shall provide suitable warning signs and/or flagging to the satisfaction of the Road Authority to notify of the construction work.

If a detour is required, the Contractor shall submit a proposal as to the details of the detour for approval by the Road Authority. If necessary to close the road to through traffic, the Contractor shall provide for and adequately sign the detour route. Contractor shall undertake all notifications required for a road closure in consultation with the Municipality.

400.21 LOCATIONS OF EXISTING UTILITIES

The position of pole lines, conduits, watermains, sewers and other underground and overhead utilities are not necessarily shown on the Contract Drawings, and, where shown, the accuracy of the position of such utilities and structures is not guaranteed. Before starting work, the Contractor shall have all utilities located in accordance with the Ontario Underground Infrastructure Notification System Act.

All utilities shall be exposed to the satisfaction of the utility company to verify that the construction proposed will not conflict with the utility structure. Additional payment will be allowed for relocation of utilities if conflicts should occur.

The Contractor is responsible for protecting all located and exposed utilities from damage during construction. The Contractor shall assume liability for damage caused to all properly located utilities.

400.22 LANEWAYS

If no specific detail is provided for laneway crossings on the Drawings or in the Specifications the following shall apply:

- Pipe backfill shall be acceptable native material that can be compacted in place.
- Top 450mm of laneway backfill shall consist of 300mm Granular B and 150mm of Granular A placed in lifts and fully compacted.
- Minimum cover on laneway culverts shall be 300mm.
- Existing asphalt or concrete pavement or surface treatment shall be replaced by the Contractor.
- The width of surface restoration shall match the existing laneway.
- Contractor shall be responsible for correcting any backfill settlement during construction and during the warranty period.

The timing of laneway closures will be coordinated by the Contractor to the satisfaction of the landowner.

400.23 EXISTING CROSSING CLEANOUT

Where the Special Provisions require an existing crossing to be cleaned, the Contractor shall provide a bottom width and depth that provides capacity equivalent to the capacity of the channel on either side. Excavated materials shall be hauled away unless adjacent landowners give permission for leveling. Care shall be taken to ensure that existing abutments or any portion of the structure are not damaged or undercut. The method of removing the material is to be pre-approved by the Engineer.

400.24 FENCES

If the Contractor is responsible to remove and install fences, the following shall apply:

- All fences removed by a Contractor are to be re-erected in as good a condition as existing materials permit.
- All fences shall be properly stretched and fastened. Where directed by the Engineer, additional steel posts shall be placed to adequately support a fence upon re-erection.
- Where practical and where required by the landowner, the Contractor shall take down an existing fence at the nearest anchor post and roll the fence back rather than cutting the fence and attempting to patch it.
- Where fence materials are in such poor condition that re-erection is not possible, the Contractor shall replace the fence using equivalent materials. Such fence material shall be approved by the Engineer and the landowner. Where the Engineer approves new fence material, additional payment will be provided.

Any fences paralleling an open drain, that are not line fences, that hinder the proper working of the excavating machinery for drain construction or maintenance shall be removed and rebuilt by the landowner at their own expense. If such parallel fences are line fences they shall be removed and reinstalled by the Contractor.

No excavated or cleared material shall be placed against fences.

The installation of all fences shall be done to the satisfaction of the Engineer and the landowner.

400.25 LIVESTOCK

If any construction will be within a fenced field containing livestock that are evident or have been made known to the Contractor, the Contractor shall notify the owner of the livestock 48 hours in advance of access into the field. Thereafter, the owner shall be responsible for the protection of the livestock in the field during construction and shall also be liable for any damage to or by the livestock.

Where the owner so directs or where the Contractor has failed to reach the owner, the Contractor shall adequately re-erect all fences at the end of each working day. No field containing livestock shall have a trench left open at the end of the working day, unless the trench has been adequately backfilled or protected. Failure of the Contractor to comply with this paragraph shall render the Contractor liable for any damage to or by the livestock.

Where livestock may be encountered on any property the Contractor shall notify the Engineer to arrange for inspection of the work prior to backfilling.

400.26 STANDING CROPS

The Contractor shall not be held responsible for damages to standing crops within the working area for the drain. However, the Contractor shall notify the owner of the crops 48 hours prior to commencement of construction so as to allow the owner an opportunity to harvest or salvage the crop within the drain working area. If this advance notice is not given the Contractor may be liable for the loss of the standing crops.

400.27 CLEARING VEGETATION

400.27.1 General

The area for clearing, if not defined elsewhere, shall be 15m on each side of the drain.

400.27.2 Trees to Remain

Where it is feasible to work around existing trees that do not impede the function of the drainage works, the Contractor shall not remove any deciduous tree larger than 300mm and any coniferous tree larger than 200mm, unless authorized by the Engineer.

400.27.3 Incidental Clearing

Incidental clearing includes removal of trees, brush or other vegetation with an excavator during construction activities, and the cost is to be included in the price for the related construction activity.

400.27.4 Power Brushing

Power brushing includes removal of above-ground vegetation with a rotary brush cutter or other mechanical means. Stump and root removal is not required. Power brushed vegetation in a channel cross-section shall be removed and leveled in the working area. Excavated material may be placed and leveled on power brushed vegetation.

400.27.5 Close-Cut Clearing

Close-cut clearing includes removal of above-ground vegetation cut flush with the ground. Stump and root removal is not required.

400.27.6 Clearing And Grubbing

Clearing and grubbing includes removal of vegetation, including stumps and roots. Removal of earth from the grubbed area into the windrows or piles is to be minimized.

400.27.7 Disposal of Cleared Vegetation**400.27.7.1 In Bush Areas**

Cleared vegetation is to be pushed into windrows or piles at the edge of the cleared area. Stumps and roots are to be piled first at the edge of the cleared area, followed by other vegetation (trunks, branches, etc.). Provisions for lateral drainage are required through all windrows. Windrows are not to block any laneways or trails. After removing cleared vegetation, the working area shall be leveled to the satisfaction of the Engineer.

400.27.7.2 In Field Areas

Cleared vegetation resulting from incidental clearing or power brushing may be hauled away, mulched in place or reduced to a size that permits cultivation using conventional equipment without causing undue hardship on farm machinery.

Cleared vegetation resulting from close-cut clearing or clearing and grubbing is to be hauled away to an approved location. Disposal sites may be in bush areas or other approved locations on the same farm. No excavated material shall be levelled over any logs, brush or rubbish of any kind.

400.27.8 Landowner Requested Salvage

A landowner may request that wood be separated from the windrows for the landowner's future use. This additional work would be eligible for extra payment, subject to the approval of the Engineer. The cost of the additional work would be assessed to the landowner.

400.27.9 Clearing by Landowner

Wherever the Special Provisions indicate that clearing may be undertaken by the landowner, work by the landowner shall be in accordance with the Clearing Vegetation requirements of this specification and must be completed so as not to cause delay for the Contractor. If the landowner does not complete clearing in accordance with these requirements, the Contractor will undertake the clearing at a price approved by the Engineer.

400.28 ROCK REMOVAL**400.28.1 General**

Rock shall be defined as bedrock and boulders that are greater than one-half cubic metre in size and that require blasting or hoe-ram removal. Bedrock or boulders that can be removed with a standard excavator bucket are not considered rock removal.

400.28.2 Blasting Requirements

All blasting shall be performed by a competent, qualified blaster in accordance with OPSS 120. Blasting mats are required. A pre-blast survey meeting the requirements of OPSS 120 must be completed for any structure within 200m of any blasting. The cost for pre-blast survey shall be included in the tender price for rock removal.

400.28.3 Typical Sections and Pay Limits

For tile drains and road culverts, rock shall be removed to 150mm below the proposed grade shown on the profile so that pipes are not in direct contact with rock. The width of rock removal shall be 1m minimum or the diameter of the pipe plus 600mm.

For open drains, rock removal shall match the proposed grade and bottom width shown on the Drawings. Side slopes shall be vertical or sloped outward. Side slopes shall be free of loose rock when excavation is completed.

Payment for the quantity of rock removed will be based on the typical sections described in these specifications and confirmed by field measurements. There will be no payment for overbreak.

400.28.4 Disposal of Rock

Excavated rock shall be piled at the edge of the working area at locations designated by the landowner. The cost to pile excavated rock shall be included in the tender price for rock removal. If the Special Provisions or the landowner require excavated rock to be hauled away, additional payment will be considered.

Where approved by the Engineer, excavated rock may be used in place of imported riprap.

400.29 SEEDING

400.29.1 General

Contractor responsible for re-seeding as necessary for uniform catch during warranty period. Areas that remain grassed after construction may not need to be seeded unless directed otherwise by the Engineer.

400.29.2 Drainage Works and Road Allowances

All disturbed ditch banks, berms and road allowances are to be seeded at the end of the day.

The following seed mixture shall be applied at 60kg/ha using a mechanical (cyclone) spreader:

- 35% Creeping Red Fescue
- 25% Birdsfoot Trefoil
- 25% Kentucky Bluegrass
- 10% Cover Crop (Oats, Rye, Barley, Wheat)
- 5% White Clover

Provide temporary cover for late fall planting by adding an additional 10 kg/ha of rye or winter wheat.

400.29.3 Hydroseeding

Where hydroseeding is specified, disturbed areas will be restored by the uniform application of a standard roadside mix, fertilizer, mulch and water at a rate of 2,000 kg/ha and be in accordance with OPSS 804.

400.29.4 Seeding Lawns

Unless specified otherwise, lawn areas shall be seeded with Canada No. 1 lawn grass mixture applied at 300 kg/ha using a mechanical (cyclone) spreader on 100mm of topsoil. Fertilizer shall be 5:20:20 or 10:10:10 applied at 300 kg/ha. Seed and fertilizer shall be applied together. Contractor shall arrange for watering with landowners.

400.29.5 Sod

Where sod is specified, sod is to be commercial grade turfgrass nursery sod, Kentucky Bluegrass placed on 50mm of topsoil. Fertilizer shall be 5-20-20 applied at 10kg/ha. Place sod in accordance with supplier instructions. Contractor is responsible for saturating the sod with water on the day of sod placement. Subsequent watering is the responsibility of the landowner.

400.30 EROSION CONTROL BLANKETS

Erosion Control Blankets (ECB) shall be biodegradable and made of straw/coconut (Terrafix SC200, Nilex SC32 or equal) or coconut (Terrafix C200, Nilex C32 or equal) with photodegradable, double net construction. The blanket and the staples shall be supplied and installed as per OPSS 804.

Erosion control blanket shall be placed and stapled into position as per the manufacturer's installation instructions on slopes as directed by the Engineer. Blankets shall be installed in direct contact with the ground surface to form a uniform, cohesive mat over the seeded earth area. The blankets are to be single course with 150mm overlap between blankets and joints are to be staggered. The Contractor shall ensure that the ECB is anchored to the soil and that tenting of the ECB does not occur.

On slopes, when the ECB cannot be extended 1m beyond the crest of the slope, the uppermost edge of the ECB shall be anchored in a 150mm wide by 150mm deep trench. The trench shall be backfilled with earth and compacted.

400.31 SEDIMENT CONTROL**400.31.1 General**

Contractor shall install sediment control features at the downstream limits of the project and at other locations as shown on the drawings or directed by the Engineer.

Sediment control features shall be installed prior to any excavation taking place upstream of that location. The Contractor shall maintain all sediment control features throughout construction and the warranty period.

Sediment that accumulates during construction shall be removed and levelled as required.

400.31.2 Flow Check Dams**400.31.2.1 Temporary Straw Bale Flow Check Dam**

The straw bale flow check dam shall consist of a minimum of 3 bales. Each bale is to be embedded at least 150mm into the channel bottom and shall be anchored in place with 2 T-bar fence posts or 1.2m wooden stakes driven through the bale.

Straw bales shall be hauled away at the end of the warranty period. Accumulated sediments shall be excavated and levelled when the temporary straw bale flow check dam is removed.

400.31.2.2 Temporary Rock Flow Check Dam

The temporary rock flow check dam shall extend to the top of the banks so that dam overtopping does not cause bank erosion. Rock shall be embedded a minimum of 150mm into the ditch bottom and banks. No geotextile is required for temporary rock flow check dams.

Accumulated sediments shall be excavated and levelled when the temporary rock flow check dam is removed at the conclusion of the warranty period.

400.31.2.3 Permanent Rock Flow Check Dam

The requirements of temporary rock flow check dams shall apply except rock shall be placed on geotextile and the dam shall remain in place permanently.

400.31.3 Sediment Traps**400.31.3.1 General**

The channel bottom shall be deepened in accordance with the dimensions provided in the Drawings or Special Provisions. If dimensions are not specified on the Drawings, the sediment trap shall be excavated within the channel cross-section at least 0.3m below the design grade.

The Contractor will monitor the sediment trap during construction and cleanout accumulated sediments as required to maintain the function of the sediment trap.

If specified to be temporary, no sediment trap maintenance is required after construction is complete.

If specified to be permanent, the contractor will clean out the sediment trap at the conclusion of the warranty period, unless directed otherwise by the Engineer.

400.31.3.2 Sediment Trap with Flow Check Dam

A permanent rock sediment trap shall include a permanent sediment trap and a rock flow check dam.

A temporary rock/straw sediment trap shall include a temporary sediment trap and a rock/straw flow check dam.

400.31.4 Turbidity Curtains

A turbidity curtain is required when there is permanent water level/flow and a sediment trap is not feasible.

Turbidity curtains shall be in accordance with OPSS 805 and installed per manufacturer's instructions.

Turbidity curtains shall be sized and anchored to ensure the bottom edge of the curtain is continuously in contact with the waterbody bed so that sediment passage from the enclosed area is prevented. The curtain must be free of tears and capable of passing the base flow from the drainage works. Turbidity curtain locations may be approved by the Engineer.

Turbidity curtains are to remain functional until work in the enclosed area is completed. Prior to relocating or removing turbidity curtains, accumulated sediment is to be removed from the drain and levelled.

Where a turbidity curtain remains in place for more than two weeks it shall be inspected for damage or clogging and replaced, repaired or cleaned as required.

400.31.5 Silt Fence

Silt fence shall be in accordance with OPSS 805.07.02.02 and OPSD 219.110 (light-duty).

400.32 GRASSED WATERWAYS AND OVERFLOW SWALES

Grassed waterways and overflow swales typically follow low ground along the historic flow route. The cross-section shall be saucer shaped with a nominal 1m bottom width, 8:1 side slopes and 300mm depth unless stated otherwise in the Special Provisions.

All grassed waterways are to be permanently vegetated. Grassed waterways shall be seeded with the following permanent seed mixture: 50% red fescue, 45% perennial ryegrass and 5% white clover, broadcast at 80 kg/ha. Fertilizer to be 7-7-7 applied at 80 kg/ha.

Provide temporary cover for late fall planting by adding an additional 10 kg/ha of rye or winter wheat.

Overflow swales may be cropped using conventional farming practice.

400.33 BUFFER STRIPS

Open drains shall include minimum 3m wide, permanently vegetated buffer strips on each side of the drain. Catchbasins shall include a minimum 1m radius, vegetated buffer strip around the catchbasin.

Cultivation of buffer strips using conventional farming practice may be undertaken, provided sediment transport into the drain is minimized.

400.34 MAINTENANCE CORRIDOR

The maintenance corridor along the route of the drain, as established in the report, shall be kept free of obstructions, ornamental vegetation and structures. When future maintenance is undertaken, the cost of removing such items from the corridor shall be assessed to the landowner.

400.35 POLLUTION

The Contractor shall keep their equipment in good repair. The Contractor or any landowner shall not spill or cause to flow any polluted material into the drain that is not acceptable to the MECP. The local MECP office and the Engineer shall be contacted if a polluted material enters the drain. The Contractor shall refill or repair equipment away from open water. If the Contractor causes a spill, the Contractor is responsible to clean-up the spill in accordance with MECP clean-up protocols.

400.36 SPECIES AT RISK

If a Contractor encounters a known Species At Risk designated by the MECP, MNRF or DFO, the Contractor shall notify the Engineer immediately and follow the Ministry's guidelines for work around the species.

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410.1 DESCRIPTION

Work under this item shall include the supply of labour, equipment and materials required for: channel excavation to the cross-section specified, leveling or disposal of all excavated material (spoil) as directed, reconstruction of all intercepted drains as required and any other items related to open drain construction as required by the Schedule of Tender Prices, Special Provisions or the Drawings.

410.2 MATERIALS

Refer to Section 400, Standard Specifications for Drain Construction for any materials required for open drain construction.

410.3 CONSTRUCTION**410.3.1 Excavation**

The bottom width and the side slopes of the ditch shall be as shown on the profile drawing. If the channel cross-section is not specified in the Special Provisions it shall be a 1m bottom width with 1.5m horizontal to 1m vertical (1.5:1) bank slope. At locations along the drain where the specified side slopes change there shall be a transitional length of not less than 5m between the varying side slopes. At locations along the drain where the specified bottom width changes there shall be a transitional length of not less than 5m. In all cases there shall be a smooth transition between changes in any part of the channel cross-section. Where the bottom width of the existing ditch matches the specified bottom width, ditch excavation shall be completed without disturbing existing banks.

410.3.2 Low Flow Channels

Unless specified otherwise in the Special Provisions, all intermittent open drains with a bottom width greater than 1.8m and a grade less than 0.07%, shall have a low flow channel. The bottom of the low flow channel shall be the grade shown on the profiles.

The low flow channel shall have a U-shaped cross-section with an average top width of 0.5m and a minimum depth of 0.3m. The low flow channel will not be seeded and may meander along the main channel bottom provided it remains at least .3m from the toe of main channel bank slope.

410.3.3 Line

The drain shall be constructed according to the alignment shown on the drawings or shall follow the course of the existing ditch. All bends shall have a minimum inside radius of 2m. There shall be a smooth transition between changes in the channel alignment. The Contractor shall contact the Engineer before removing any bends or irregularities in an existing ditch.

410.3.4 Grade Control

The profile shows the grade line for the bottom of the ditch. Cuts may be shown on the profile from the existing top of bank and/or from the existing ditch bottom to the new ditch bottom. These cuts are shown for the convenience of the Contractor and are not recommended for quantity estimate or grade control. Accurate grade control must be maintained by the Contractor during ditch excavation. The ditch bottom elevation should be checked every 50 metres and compared to the elevation on the profile.

Benchmarks are identified on the Contract Drawings. The Engineer will confirm all benchmark elevations prior to construction.

410.3.5 Variation from Design Grade

A variation of greater than 25mm above the design grade line may require re-excavation. Excavation below design grade up to 150mm is recommended so that sediment accumulation during or following excavation will not place the ditch bottom above the design grade at completion. Under some circumstances the Engineer may direct that over excavation greater than 200mm will have to be backfilled. No additional payment will be made if backfilling is required to remedy over excavation.

410.3.6 Excavated Material

Excavated material (spoil) shall be deposited on either or both sides of the drain within the specified working area as directed in the Special Provisions. The Contractor shall verify the location for the spoil with each landowner before commencing work on their property. If not specified, spoil shall be placed on the low side of the ditch or opposite trees and fences. The spoil shall be placed a minimum 1m from the top of the bank. No excavated material shall be placed in tributary drains, depressions, or low areas such that water is trapped behind the spoil bank. Swales shall be provided through the leveled or piled spoil at approximately 60m intervals to prevent trapping water behind the spoil bank.

The excavated material shall be placed and leveled to a maximum depth of 250mm; unless otherwise instructed. If excavating more than 450mm topsoil shall be stripped, stockpiled separately and replaced over the leveled spoil, unless stated otherwise in the Special Provisions. The edge of the spoil bank furthest from the ditch shall be feathered down to existing ground. The edge of the spoil bank nearest the ditch shall have a maximum slope of 2:1. The material shall be leveled such that it may be cultivated with conventional equipment without causing undue hardship on farm machinery.

Wherever clearing is necessary prior to leveling, the Contractor shall remove all stumps and roots from the working area. No excavated material shall cover any logs, brush or rubbish of any kind. Large stones in the leveled spoil that are greater than 300mm in diameter shall be moved to the edge of the spoil bank nearest to the ditch but in general no closer than 1m to the top of bank.

Lateral channels that outlet into the drain shall be tapered over a distance of 10m to match the grade of drain excavation. No additional payment will be made for this work.

Where the elevation difference between the lateral channel and the drain is greater than 450mm, a rock chute or similar bank protection approved by the Engineer shall be provided. Additional payment may be allowed for this work.

Where it is specified to straighten any bends or irregularities in the alignment of the ditch or to relocate any portion of an existing ditch, the excavation from the new cut shall be used for backfilling the original ditch. Regardless of the distance between the new ditch and old ditch, no additional payment will be allowed for backfilling the existing ditch.

The Contractor shall contact the Engineer if a landowner indicates in writing that spoil on the owner's property does not need to be leveled. The Engineer may release the Contractor from the obligation to level the spoil and the Engineer shall determine the credit to be applied to the Contractor's payment. No additional compensation is provided to the owner if the spoil is not leveled.

The Engineer may require the Contractor to obtain written statements from any or all of the landowners affected by the leveling of the spoil. Final determination on whether or not the leveling of spoil meets the specification shall be made by the Engineer.

410.3.7 Excavation at Existing Bridge and Culvert Sites

The Contractor shall excavate the drain to the specified depth under all bridges and to the full width of the structure unless specified otherwise in the Special Provisions. All necessary care and precautions shall be taken to protect permanent structures. Temporary bridges may be removed and left on the bank of the drain. In cases where the design grade line falls below the top of footings, the Contractor shall take care to not over-excavate below the grade line. The Contractor shall notify the Engineer if excavation of the channel exposes the footings of the bridge or culvert, so the Engineer can make an evaluation.

The Contractor shall clean through all pipe culverts to the grade line and width specified on the profile. The Contractor shall immediately contact the Engineer after a culvert cleanout if it is found that the culvert bottom is above the grade line or where the structural integrity of the culvert is questionable.

Material resulting from cleanout through bridges or culverts shall be levelled on the adjacent private lands or hauled offsite at the expense of the bridge/culvert owner.

410.3.8 Bridges and Culverts

The size and material for any new ditch crossings shall be as outlined in the Special Provisions.

For culvert installation instructions, refer to the General Specifications for Drain Construction and the Drawings.

Any crossings assembled on-site shall be assembled in accordance with the manufacturer's specifications.

If directed on the drawings that the existing crossing is to be salvaged for the owner, the Contractor shall carefully remove the existing crossing and place it beside the ditch or haul to a location as specified by the owner. If the existing crossing is not to be saved then the Contractor shall remove and dispose of the existing crossing. Disposal by burying on-site must be approved by the Engineer and the owner.

All new pipe crossings shall be installed at the invert elevations as specified on the Drawings, usually a minimum of 50mm below design grade. If the ditch is over excavated greater than 200mm below design grade the Contractor shall confirm with the Engineer the elevations for installation of the new pipe crossing.

For backfill and surface restoration, refer to the General Specifications for Drain Construction and the Drawings.

Installation of private crossings during construction must be approved by the Engineer.

410.3.9 Obstructions

All trees, brush, fallen timber and debris shall be removed from the ditch cross-section and as required for spreading of the spoil. The roots shall be left in the banks if no bank excavation is required as part of the new channel excavation. In wooded or heavily overgrown areas all cleared material may be pushed into piles or rows along the edge of the cleared path and away from leveled spoil. All dead trees along either side of the drain that may impede the performance of the drain if allowed to remain and fall into the ditch, shall be removed and put in piles, unless directed otherwise by the Engineer.

410.3.10 Tile Outlets

The location of all existing tile outlets may not be shown on the profile for the drain. The Contractor shall contact each owner and ensure that all tile outlets are marked prior to commencing excavation on the owner's property. If a marked tile outlet or the tile upstream is damaged due to construction, it shall be replaced at the Contractor's expense. Additional payment will be allowed for the repair or replacement of any unmarked tile outlets encountered during excavation. In all cases, if an existing tile outlet requires replacement the Contractor shall confirm the replacement tile outlet with the Engineer. Where riprap protection exists at any existing tile outlet such protection shall be removed and replaced as necessary to protect the outlet after reconstruction of the channel.

If any tile outlet becomes plugged as a result of construction, the Contractor shall remove the obstruction.

410.3.11 Completion

At the time of final inspection, all work in the contract shall have the full dimensions and cross-sections specified.

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420 STANDARD SPECIFICATIONS FOR TILE DRAINS**420.1 DESCRIPTION**

Work under this specification will consist of supplying, hauling, laying and backfilling subsurface drainage conduit with the conduit materials as described on the Drawings and in the location, depth and invert grade as shown on the Drawings. In this specification the word "tile" will apply to all described conduit materials. Lengths are in millimeters (mm) and meters (m).

The work shall include the supplying of all labour, tools, equipment and extra materials required for the installation of the tile; the excavation and backfilling of the trenches; the hauling, handling, placing and compaction of the excavated material for backfill, the loading, hauling, handling and disposal of surplus excavation material; the removal and replacing of topsoil and sod where required by the Engineer.

All existing laterals crossed by the new line shall be reconnected in an approved manner. Either special manufactured connections shall be used or another method of sealing connections as approved by the Engineer. The Contractor shall also construct catchbasins, junction boxes and other structures where directed by the Engineer.

Except where complete removal of an existing pipe is required by new construction, existing pipes to be abandoned shall be sealed with a concrete or mortar plug with a minimum length of 300mm to the satisfaction of the Engineer.

Sections 6 and 7 of the current version of the *Drainage Guide for Ontario*, OMAFRA Publication 29 shall provide a general guide to all methods and materials to be used in the construction of tile drains except where superseded by this Contract.

The licensing requirements of the *Agricultural Tile Drainage Installation Act, 1990* will not be applicable to this Contract unless specified otherwise by this Contract.

420.2 MATERIALS

Refer to Section 400, Standard Specifications for Drain Construction for any materials required for tile drain construction.

420.3 CONSTRUCTION**420.3.1 Outlet**

A tile drain outlet into a ditch or creek shall be protected using a 6m length of rigid pipe with a hinged grate for rodent protection. Maximum spacing between bars on the rodent grate shall be 50mm. Material for rigid pipe will be specified in the Special Provisions, plastic pipe is preferred. The joint between the rigid pipe and the tile drain shall be wrapped with filter fabric. All outlets will be protected with rock riprap to protect the bank cut and as a splash apron. In some locations riprap may also be required on the bank opposite the outlet. The quantity of riprap required will be specified in the Special Provisions. A marker stake as approved by the Engineer shall be placed at each tile outlet.

420.3.2 Line

The Engineer will designate the general location of the new drain. A landowner may indicate a revised location for the drain which must be approved by the Engineer. Where a change in alignment is required that is not accommodated in a catchbasin, junction box or similar structure the alignment change shall run on a curve with a radius not less than the minimum installation radius specified for the tile material.

The Contractor shall exercise care to not disturb any existing tile drains which parallel the course of the new drain, particularly where the new and existing tile act together to provide the necessary capacity. Where an existing tile is disturbed or damaged the Contractor shall perform the necessary correction or repair with no additional compensation.

NOTE: It is the Contractor's responsibility to ascertain the location of, and to contact the owners of all utility lines, pipes and cables in the vicinity of drain excavations. The Contractor shall be completely responsible for all damages incurred.

420.3.3 Grade Control

Tile is to be installed to the elevation and grade shown on the profiles. Accurate grade control must be maintained by the Contractor at all times during tile installation. The tile invert elevation should be checked every 50m and compared to the elevation on the profile.

Benchmarks are identified on the Contract Drawings. The Engineer will confirm all benchmark elevations prior to construction.

420.3.4 Variation from Design Grade

No reverse grade will be allowed. A small variation in grade can be tolerated where the actual capacity of the drain exceeds the required capacity. The constructed grade should be such that the drain will provide the capacity required for the drainage area. Constructed grade should not deviate from design grade by more than 10% of the internal diameter for more than 25m. Grade corrections shall be made gradually over a distance not less than 10m.

420.3.5 Installation

At each work stoppage, the exposed end of the tile shall be covered by a tight fitting board or metal plate. No installed tile shall be left exposed overnight. Any tile damaged or plugged during construction shall be replaced or repaired at the Contractor's expense.

Topsoil over the trench shall be stripped, stockpiled separately and replaced after the trench is backfilled. Where installation is across a residential lawn, existing sod over the trench shall be cut, lifted and replaced in a workmanlike manner or new sod laid to match pre-construction conditions.

420.3.5.1 *Installation of Concrete Tile*

Concrete tile shall be installed by a wheel trencher unless an alternate method of construction is noted on the Drawings.

Digging of the trench shall start at the outlet end and proceed upstream. The location and grade shall be as shown on Drawings but shall be liable to adjustment or change by the Engineer on site with no additional payment allowed except where the change involves increased depth of cut beyond the limitation of the wheel trencher in use at the time of the change. The trench width measured at the top of the tile should be at least 150mm greater than the tile diameter.

The bottom of the trench is to be cut accurately to grade and shaped so that the tile will be embedded in undisturbed soil or in a compacted bed at least for 10% of its overall height. Where hard shale, boulders or other unsuitable bedding material is encountered, the trench shall be excavated to 75mm below grade and backfilled with granular material compacted to a shaped, firm foundation. If the trench is overcut below the proposed grade, it is to be backfilled with granular material to the correct grade and compacted to a shaped, firm foundation.

Where the depth for the tile installation exceeds the depth capacity of the wheel trencher the Contractor shall excavate a trench of sufficient depth so that the wheel trencher can install the tile at the correct depth

and grade. The tender price shall include the cost of the additional excavation and backfilling and stripping and replacing topsoil over the trench.

The inside of the tile is to be kept clean during installation. All soil and debris should be removed before the next tile is laid. Maximum spacing at joints between tiles should be about 3mm. Directional changes can be made without fittings or structures provided the centre-line radius of the bend is not less than 15m radius. The tiles are to be beveled, if necessary, to ensure close joints on all bends.

All tile joints and connections with other pipe materials are to be fully and tightly wrapped with a minimum 300mm width of geotextile drain wrap. A 150mm overlap on top is required. No additional payment will be made for joint wrapping.

420.3.5.2 *Installation of Corrugated Plastic Tubing*

Corrugated plastic tubing shall be installed by a drainage plow or wheel trencher unless an alternate method of construction is specified on the Drawings. For other installation methods, proper bedding and backfill is required to maintain the structural integrity of the plastic tubing so that surface and earth loads do not deflect the tubing by more than 20% of its nominal diameter.

For all installation methods:

- the plastic tubing should not be stretched by more than 7% of its normal length
- protect tubing from floating off grade when installing in saturated soil conditions
- directional changes can be made without fittings provided the centre-line radius of the bend is not less than five times the tubing diameter

Drainage plow equipment should construct a smooth bottomed opening in the soil and maintain the opening until the tubing is properly installed. The size of the opening in the soil should conform closely to the outside diameter of the tubing.

420.3.5.3 *Installation of Concrete Sewer Pipe or Plastic Pipe*

The Contractor may install pipe using a wheel trencher. For concrete sewer pipe, the bells must be recessed.

The Contractor may install pipe using an excavator by shaping the bottom of the trench to receive and support the pipe over 10% of its diameter if the trench is backfilled with native material. Shaping the trench bottom is not required where 150mm of granular bedding is placed to the satisfaction of the engineer.

420.3.6 Backfilling

All tile should be blinded by the end of the day's work to protect and hold them in place against disturbances. After tile is inspected, it shall initially be backfilled with a minimum cover of 300mm.

For blinding and initial backfilling use clean native soil with no organic matter. Initial backfill shall be tamped around the pipe by backhoe bucket or similar if directed by the Engineer.

The tile shall be backfilled with native material such that there is a minimum cover of 600mm. In addition, a sufficient mound must be placed over the trench to ensure that no depression occurs after settling along the trench.

420.3.7 Tile Connections

All lateral drains encountered along the route of the new tile drain are to be connected to the new drain if the intercepted tile are clean and do not contain polluted water. Lateral drains that are full of sediments or contain polluted waters will be addressed by the Engineer at the time of construction. All lateral drains are to be connected to the new tile using a pipe material and size that will provide the same flow capacity as the existing lateral drain unless a different connection is described in the Special Provisions. Corrugated plastic tubing can be used for all tile connections. Tubing can be solid or perforated, filter sock is not required.

Contractor is responsible for installation and backfilling in a manner than maintains the structural integrity of the connection. Manufactured fittings should be used to ensure tight connections. Where an opening must be made in the new tile drain for a connection, the opening shall be field cut or cored. After the opening is cut in the new tile any gaps or voids around the connection shall be sealed with mortar, low-expanding spray foam or geotextile. Lateral tubing shall not protrude more than 25mm beyond the inside wall of the new tile drain. The Contractor shall ensure than any material used to seal the connection does not protrude beyond the inside wall of the new tile drain.

All connections that are described in the Special Provisions are considered to be part of the original Contract price. For all other connections the Contractor will be paid in accordance with the price established in the Schedule of Tender Prices. The Contractor must list all connections on the Lateral Connection Summary sheet, if included in the Special Provisions, in order to qualify for payment. The Lateral Connection Summary sheet describes all tile encountered based on location (station), side of trench, size and type of tile and approximate length and type of material used for the connection.

420.3.8 Stones and Rock

The Contractor shall immediately contact the Engineer if bedrock or stones of sufficient size and number are encountered such that installation by wheel trencher cannot continue. The Engineer may direct the Contractor to use some other method of excavation to install the tile. The basis of payment for such extra work shall be determined by the Engineer. Stones greater than 300mm in diameter that are removed during excavation shall be disposed of by the Contractor at an offsite location. No additional payment for excavating or hauling these stones will be provided.

420.3.9 Brush, Trees and Debris

Unless stated otherwise in the Special Provisions, the following requirements shall apply for installation of a tile drain in a wooded area. The Contractor will clear and grub a minimum corridor width of 30m centered on the tile drain alignment. The resulting debris shall be placed in a windrow along the edge of the working area. No additional payment will be made for such work.

420.3.10 Subsoil Instability

If poor subsoil conditions are encountered during tile installation by wheel trencher an attempt shall be made to install the tile with a continuous geotextile underlay in the trench bottom. The cost of the underlay, if approved by the Engineer, will be paid as an extra. If the continuous geotextile underlay is not sufficient then the tile will be installed by backhoe or excavator on a bedding of 19mm clear crushed stone (300mm depth) to achieve trench bottom stability for the new tile. If approved, the above work will be paid based on the unit price provided on the Form of Tender. The unit price shall include the cost to supply and place the stone. If more than 300mm depth of stone is required for bottom stability, additional payment will be allowed for the additional depth of stone. The additional quantity of stone shall be supported by weigh tickets and the suppliers invoice.

If poor subsoil conditions are encountered during tile installation by backhoe or excavator, the tile shall be installed on stone bedding as noted above. For this installation only the material cost of the stone will be paid as an extra. Supply of stone and cost to be supported by weigh tickets and supplier's invoice.

If the subsoil is a fine grained soil it may necessary to place the stone on a geotextile with the geotextile wrapped over the stone before laying the tile. Additional payment will be allowed to supply and install the geotextile.

420.3.11 Broken or Damaged Tile

The Contractor shall dispose of all damaged or broken tile and broken tile pieces off-site.

420.3.12 Excess Tile

All excess tile shall be removed from the job site.

420.3.13 Catchbasins**420.3.13.1 General**

All catchbasins shall have minimum inside dimensions matching the dimensions shown on the Drawings. Contractor is responsible for ordering catchbasins to match the inlet and outlet connections and top elevations required by the Special Provisions and the Drawings.

420.3.13.2 Materials

Requirements in this section apply to catchbasins in non-travelled locations. Where catchbasins are proposed for travelled locations, refer to the Special Provisions and the Drawings for applicable OPSD information.

Precast concrete catchbasins shall be manufactured by as Coldstream Concrete or approved equal. Minimum wall thickness for catchbasins without reinforcement is 150mm and with reinforcement 100mm. The joints between precast catchbasin sections shall be protected with geotextile to prevent soil material from entering into the catchbasin. Joint protection using mortar or water tight barrier is also acceptable. Grates are to be birdcage grates as manufactured by Coldstream Concrete or approved equal unless specified otherwise on the Drawings. All grates to be secured with corrosion resistant hardware.

HDPE catchbasins shall be as fabricated by ADS, Armtec, Hancor or approved equal. Steel catchbasins shall be the Heavy Duty Steel Catch Basin as manufactured by AgriDrain or approved equal. PVC catchbasins shall be Nyloplast as manufactured by ADS or approved equal. HDPE, steel and PVC catchbasins shall be supplied with integral stubouts fabricated by the manufacturer and sized according to the pipe connections shown on the Drawings. Grates for HDPE, steel or PVC catchbasins shall be in accordance with the Special Provisions and manufacturer recommendations.

Marker stakes as supplied by Coldstream Concrete or equal are to be placed beside each catchbasin unless specified otherwise on the Drawings.

420.3.13.3 Installation

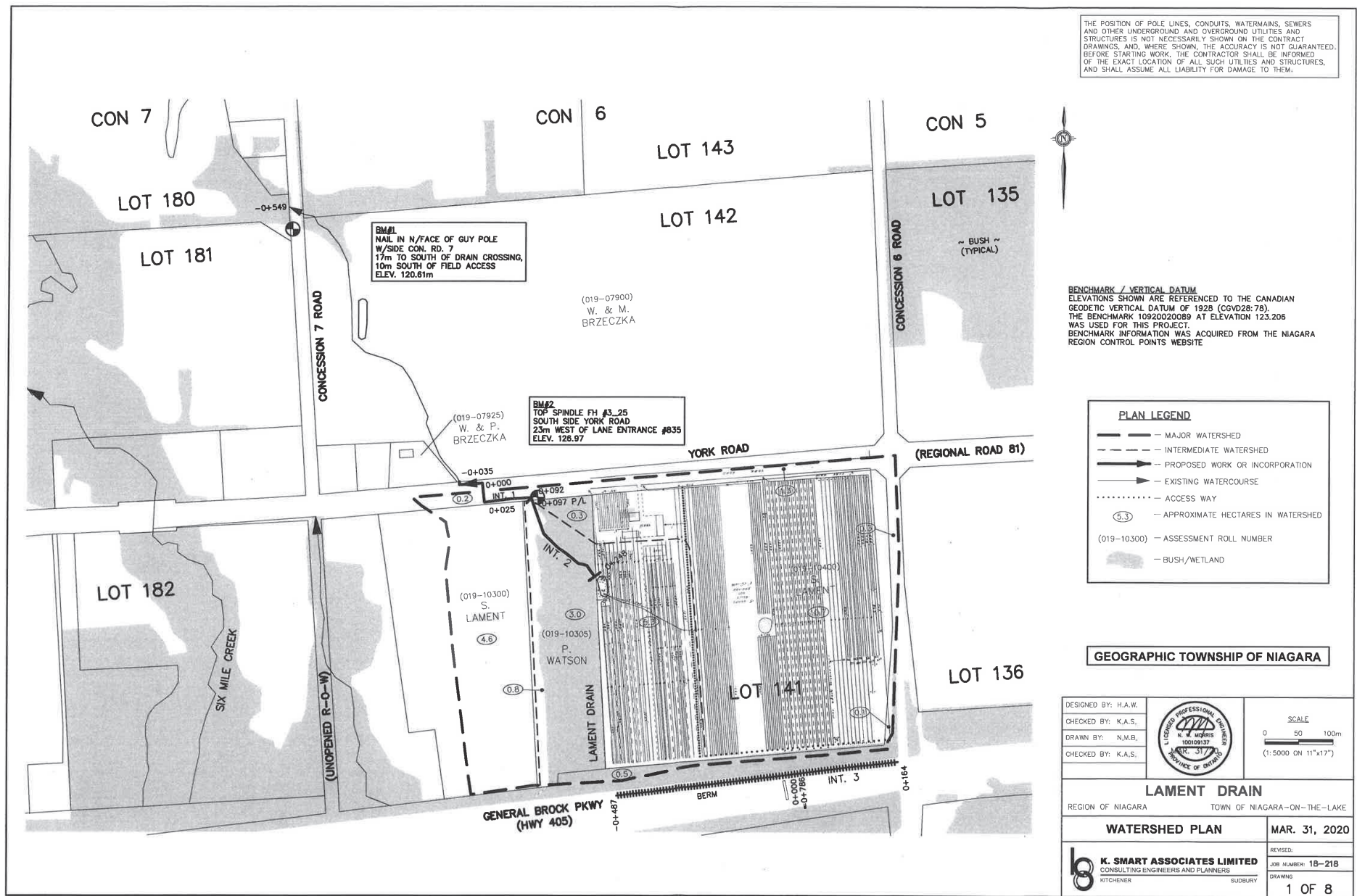
All tile or pipe connected to concrete catchbasins shall be mortared or secured in place so that no gaps remain at the connection. Mortar is to be applied on both the inside and outside wall surfaces.

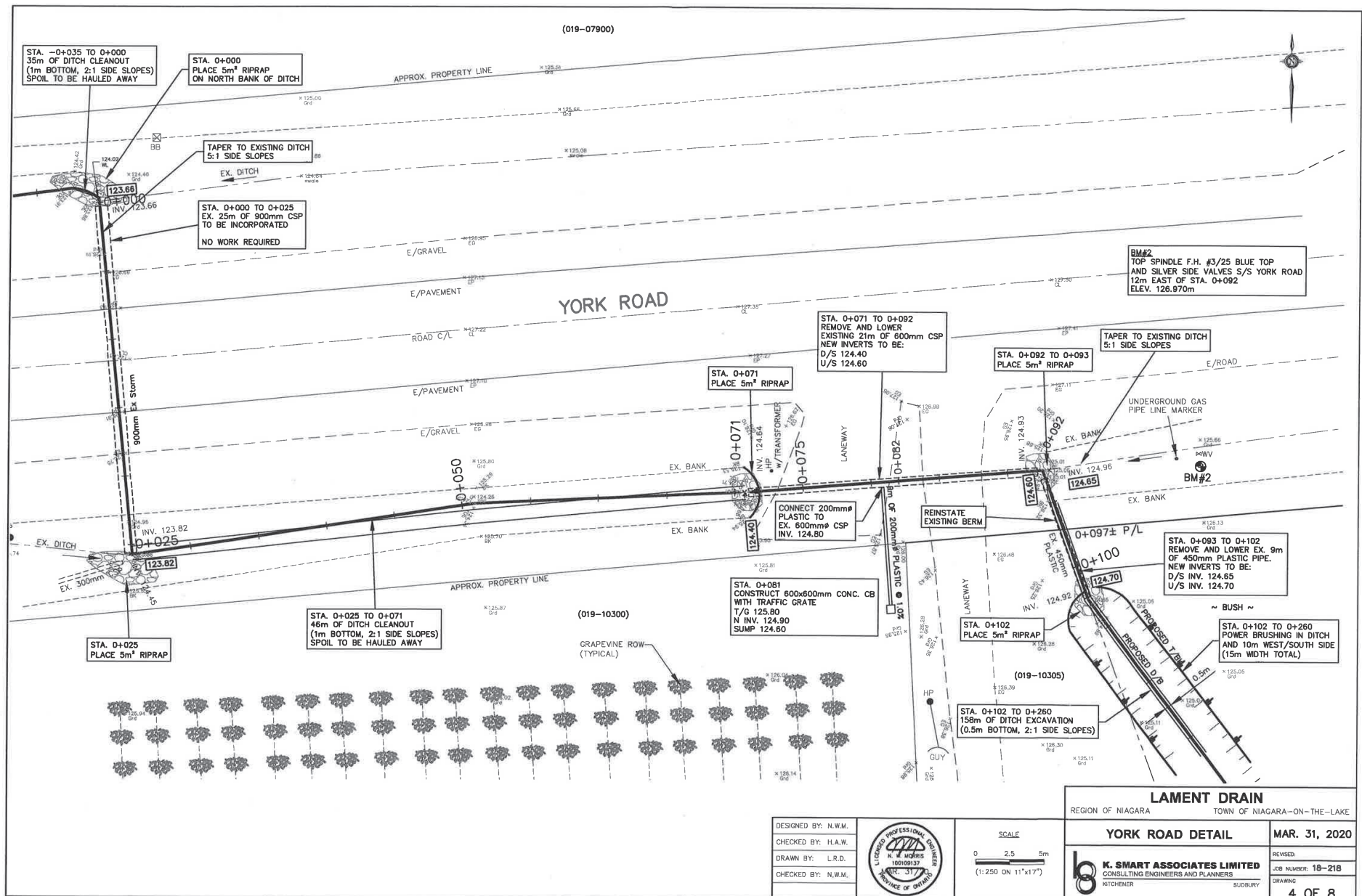
Backfill around all new catchbasins is recommended to be 19mm clear crushed stone to avoid future settlements. The Contractor shall be responsible backfilling all settlement areas around catchbasins during the contract warranty period. No additional payment will be provided for adding backfill to settlement areas around catchbasins.

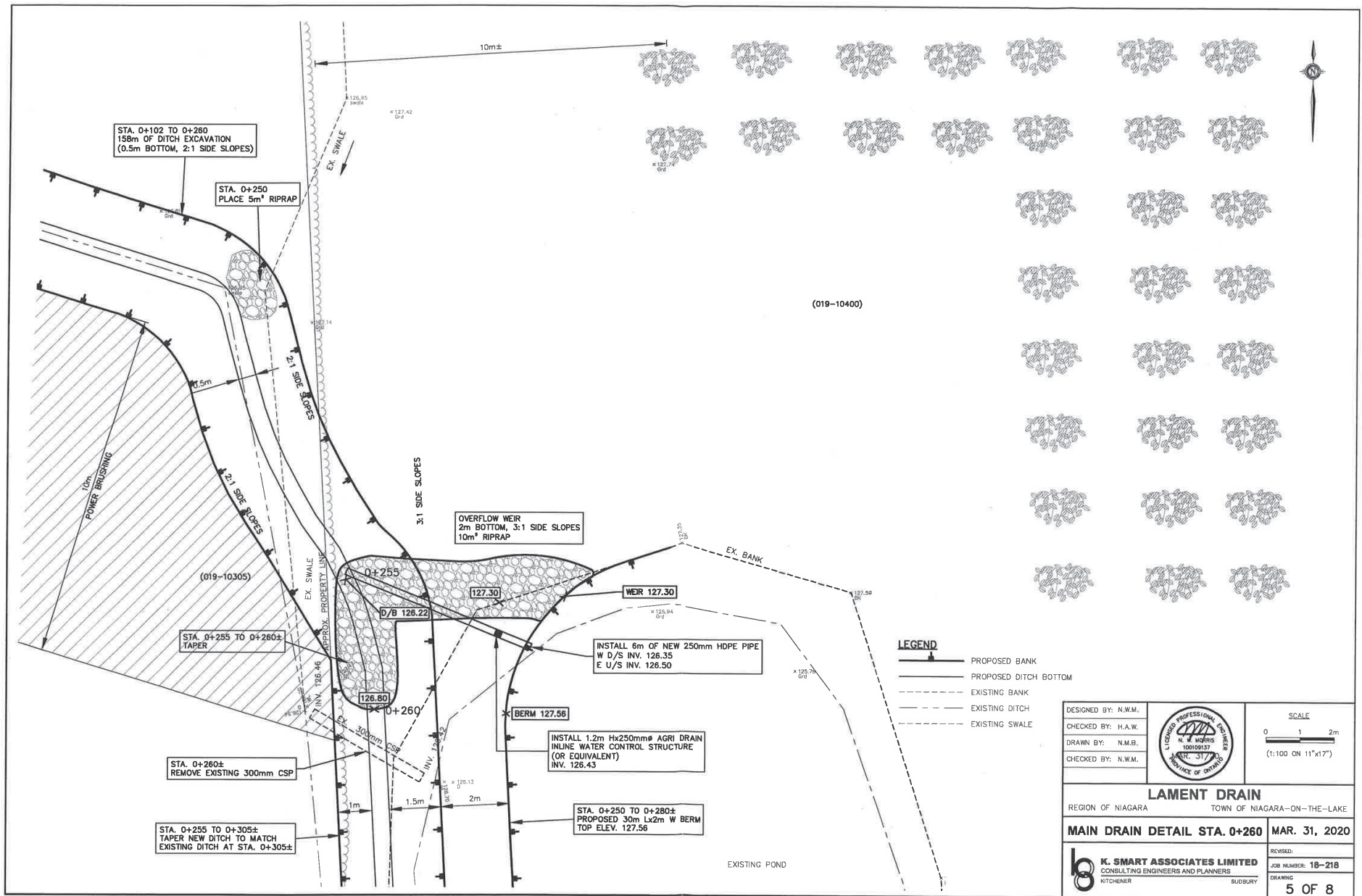
All catchbasin sumps to be fully cleaned by the Contractor after completion of drain installation and backfilling.

420.3.14 Junction Boxes

Junction boxes shall be precast concrete to the same specification as above for catchbasins except that the junction box shall have a solid lid. The lid shall be a minimum of 125mm thick with wire mesh reinforcement and 2 lifting handles. The top of the junction box should have a minimum ground cover of 450mm.







2 BACKGROUND

The Town had received numerous complaints about flooding and drainage issues from a property owner abutting the Lament property. As well, the property on the north side of York Road is subjected to erosion problems caused by water discharging through a culvert under York Road in the vicinity of the Lament property.

In an attempt to try to resolve the drainage issue, the Town held a “scoping meeting” on Tuesday, July 18, 2017. The meeting was attended by representatives from the Ministry of Transportation, the Regional Municipality of Niagara, the Niagara Peninsula Conservation Authority, an engineer from K. Smart Associates, two landowners, Stanley Lament and Steve Watson and Town staff. The only invited party who did not attend was Mr. Brzezcka, the owner of the property on the north side of York Road.

The intent of the meeting was to review the problems, discuss solutions and attempt to reach an agreement on how to resolve the problem. The preferred and most realistic solution was to have one or more of the affected parties petition to have the existing watercourse become a municipal drain so that it could be properly managed and maintained. None of the parties were willing to sign a petition at that time, so the problem was not resolved. The Town does not have any lands or roads in the area, so the Town has no authority to proceed with any type of remedial work to deal with the drainage and erosion problems.

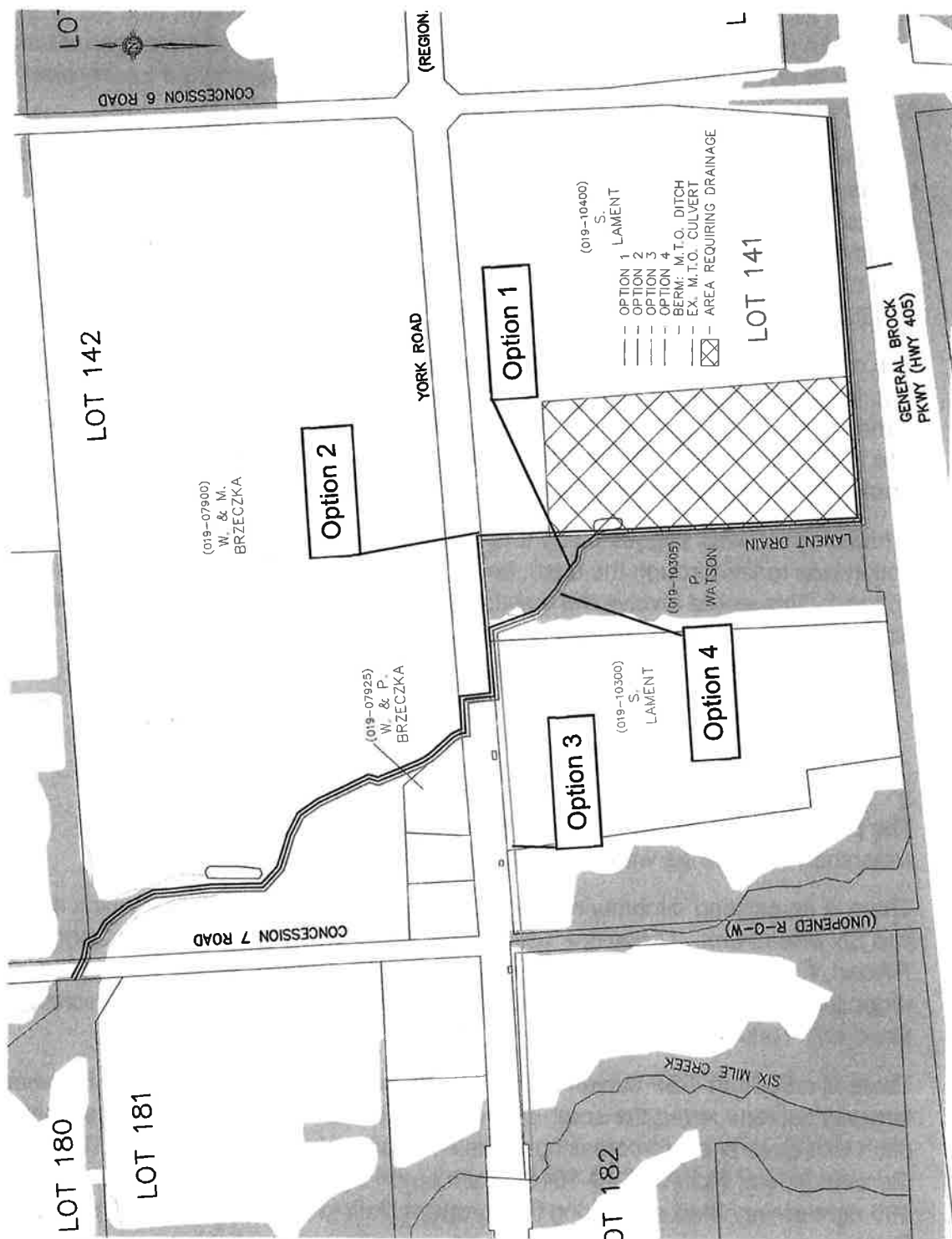
Proceeding with the drainage works will provide the necessary outlet and will greatly help to resolve the drainage and erosion issues. Once the watercourse becomes a municipal drain, the Town will be able to repair and maintain the watercourse as required at the expense of the contributing lands.

At the on-site meeting on August 13, 2018, discussions with landowners indicated that several options be investigated to provide a legal outlet for proposed and existing tiling on the petitioner's properties (Roll No. 019-10300 and 019-10400) located in Pt Lot 141, Concession 6, Township of Niagara.

At the second meeting on June 4, 2019, the following options were presented.

The first option would be to improve and incorporate the existing ditch downstream of York Road across Roll No. 019-07900 and 019-16000 and incorporate the existing culvert across Concession 7 Road and then across and upstream of York Road to the west side of Concession 6 Road. This option is an open ditch with an estimated total project cost of \$224,550. See Figure 1 for the route on the following page.

The second option would be to improve and incorporate the existing ditch downstream of York Road and across Concession 7 Road as in the first option, incorporate the York Road culvert, improve and incorporate the existing ditch and culvert along the south side of the road to Roll No. 019-10305, then a pipe drain



along the south side of the road to Roll No. 019-10400, and then south along the property line to the existing ditch on Roll No. 019-10400 and then improve and incorporate the existing ditch to the west side of Concession 6 Road. This option would have a tile system from the east side of Roll No. 019-10300 along York Road, then south along the property line to the existing pond on Roll No. 019-10400. An

overflow swale would still be required through the existing bush on Roll No. 019-10305. An open ditch along the route of the pipe drain was also investigated but was felt to be a public safety concern. This option has an estimated total project cost of \$300,765. See Figure 1 for the route.

The third option would be to improve and incorporate the existing road ditch along the south side of York Road, from a possible outlet into Six Mile Creek approximately 230m west of Concession 7 Road, east to Roll No. 019-10305, then improving and incorporating the existing ditch and culverts southeasterly to the west side of Concession 6 Road as in the first option. This option has an estimated cost of \$259,890. See Figure 1 for the route.

The options were presented at the second meeting with costs and schedules, and also further letters were sent to, and discussions were had with the downstream owners (Roll No. 019-07900, 019-10300, 019-10305 and 019-10400) and the MTO. The landowners were informed that if they wanted option 2 or 3, the increased cost would be assessed to them.

A fourth option was suggested by a landowner for the engineer to investigate. This option was to tile through the bush, and the remaining work would be the same as option 1. This would involve the installation of a 600x600DICB, 158m of 300mm plastic tubing and establishing the existing swale as an overflow route. The estimated cost of this option is \$230,960. See Figure 1 for the route.

3 DRAINAGE HISTORY

The proposed Drain is not in the watershed of nor does have any common watershed boundaries with any existing municipal drains.

There is an existing ditch/ravine downstream of Concession 7 Road, which outlets into Six Mile Creek. There is a 1200mm CSP existing culvert crossing Concession 7 Road. A ditch/ravine and several culverts/crossings currently exist along the proposed drain in Lot 142, Concession 6 (Niagara Twp.) between Concession 7 Road and York Road.

There is a 900mm CSP culvert across York Road and a roadside ditch with several laneway culverts along the south side of York Road. From York Road, a shallow ditch with several culvert/crossings runs southeasterly across Roll No. 019-10305 to the west side of Roll No. 019-10400, then south along that west limit to the HWY 405 right-of-way then east along that property limit to the west side of Concession 6 Road.

4 INVESTIGATION

4.1 On-Site Meeting

On August 13, 2018, an on-site meeting was held in accordance with S. 9(1) and 9(2) of the Act. Notice of the meeting was sent to the petitioner and landowners most affected by the drain and the affected agencies.

Attendees:

- Stanley Lament (Petitioner) and son (Roll No. 019-10300 and 019-10400)
- Steve Watson (Roll No. 019-10305)
- Brandon Enns and Rene Landry – Town of Niagara-on-the-Lake
- Neal Morris, P.Eng. – K. Smart Associates Limited

Those in attendance provided the following input:

Stanley Lament

- Wants an outlet for his pond
- Would like his pond longer to provide more storage for irrigation
- His property line runs along the edge of the bush on the Watson property
- The perimeter ditch along his property has existed for many years and was already in place when he acquired the property
- He has not excavated the perimeter ditch
- Some of the water comes from the MTO HWY 405 right-of-way which enters his property in two locations
- He removed the plum trees that were originally on the property and planted grapes
- Seven years ago he installed a tile down each vine row
- Most of his land is tiled to the north, to the roadside ditch along York Road
- Says that Steve Watson caused his own problems because the ditch on his property is not cleaned out

Steve Watson

- Wants the water from the Lament property to go to York Road
- Excavation of the perimeter ditch and land levelling done by Lament is now causing flooding on his property
- Lament disconnected the perimeter ditch from the pond and the size of the pond outlet pipe was increased, all of which caused an increase in water which is damaging his property and downstream properties

Mr. Brzeczka (Roll No. 019-079) (905-682-5862)

- Did not attend but called the engineer
- He has erosion problems from the water from upstream lands and that this drain does not involve him.

- The neighbour (Lament) has recently dug the perimeter ditch such that it no longer flows into the Lament pond but instead goes around it
- The neighbour has increased the size of the outlet pipe from the pond
- The neighbour has increased the tiling to York Road
- He would prefer that the increased water not go through his property but go to the York Road ditch instead
- He would like that the two culverts, the one at his driveway entrance and the other in the bush, to be improved
- There should be minimal cleanout of the ditch on his property

7.2 Second Meeting

On June 4, 2019, a second meeting with landowners was held. Notice for the meeting was sent to all landowners in the watershed, the MTO, affected agencies and the Municipality. At the meeting, the results of the investigation to-date were presented along with a summary of the design alternatives and preliminary cost estimates and assessments.

Attendees:

Landowners Stan & Michelle Lament, Eric Galloway (Roll No. 019-14605), Mike Brzezcka (Roll No. 019-07900 and 019-07925), S.C. Watson (Roll No. 019-10305), Kyle Saulnier (MTO), and Neal Morris, P.Eng. (K. Smart Associates Ltd.)

The engineer explained the Drainage Act, the proposed work and the assessment schedules.

Stan Lament

- He preferred the berm be placed on HWY 405 land or the property line.
- Wanted to know if he could do the work on his own property. No.
- Wanted the MTO to clean out their own ditch.
- He preferred the water on Concession 6 Road to stay on the Town road
- Wanted another berm along the top end of the drain near Concession 6 Road and HWY 405.
- Did not want the proposed control structures on the perimeter ditch.
- Wanted the pond extended to the south, not to the north.
- Wanted the drain process to move forward.
- Thought that his assessment was high.

Mike Brzezcka

- Wants to know where the spoil will go. The engineer said haul away or level along the drain.
- Concerned about restrictions to the use of his land.

- Earlier, he had asked if he could enclose part of the ditch.

Steve Watson

- Commented many times that the only problem is that HWY 405 water enters this system.
- Does not want to pay the increased cost for the system to go around his property.
- Said that the perimeter ditch was dug reasonably by Stan Lament.
- Asked for a damage study.
- Asked for the tile plan for the Lament property. Was informed that the tile plan is shown on the watershed plan.
- Thinks that he should not have to pay anything since all the water is from the MTO.
- Was concerned that one landowner's name on a petition can cause all these project costs.
- Also concerned about the cost of the project

Kyle Saulnier

- Wants to know if their water is actually flowing into this system.
- Will report back to his team.

7.3 On-site Meeting with Mr. Brzecka

After the second meeting, the engineer attempted to set-up an on-site meeting with Mr. Brzecka on July 11, July 22, August 12, September 4 and September 11, 2019, all of which did not work for Mr. Brzecka.

7.4 Letter to Mr. Brzezka

On November 5, 2019, a letter and drawings were sent to the landowner (Roll No. 019-07900), outlining two options for him to consider in regards to the existing ditch on his property that has erosion problems due to the water from the upstream lands. The letter stated that a sufficient outlet for the upstream water could not be made without the involvement of his property to achieve the requirements of the Drainage Act.

Option1 would be to make the ditch a municipal drain and would involve placing riprap on eroded banks and the cleanout out of 100m of ditch downstream of York Road and incorporating the ditch from York Road to Concession 7 Road. The estimated net assessment would be -\$4,000, or in other words, \$4,000 provided/paid to him. The net assessment is based on little new construction and allowances for ROW and damages.

Attendees:

Landowners Stan Lament (Roll No. 019-1040), William Brzezcka (Roll No. 019-07900 and 019-07925), Steve Watson (Roll No. 019-10305), Brett Ruck (Town of Niagara-on-the-Lake), Rene Landry (Town of Niagara-on-the-Lake),) Brandon Enns (Town of Niagara-on-the-Lake), Erwin Wiens(Councilor), and Neal Morris, P.Eng. (K. Smart Associates Ltd.)

Steve Watson

- Concerned that MTO and Concession 6 Road water should not go through his property.
- Stated that there is a sensitive forest on his property.
- The existing watercourse on his property is not a natural watercourse with fish habitat but does give him riparian water rights.
- Does not want his trees cleared.
- Claims that Stan Lament changed the perimeter ditch, and he wants it filled in.
- Said that he did block the ditch from the Lament property at one time.
- Asked what the size of the Area Requiring Drainage is. The Engineer replied that it is 5.3 ha.
- Asked if a tile would be cheaper. The Engineer replied that it would not be cheaper.
- Is concerned that the Town staff is prejudiced against him.

Stan Lament

- Stated that he has no problem with MTO water on his property.
- Wants to change the pond outlet to match the existing ditch.

William Brzezcka

- Thinks that he did not have enough time to make a choice.
- Feels that there was a lack of communication.

Rene Landry

- Reminded attendees that Stan Lament, as the petitioner, will have the right to appeal to the Drainage Tribunal if Council does not adopt the Engineer's Report.
- If the petitioner withdraws his name from the petition, he will be responsible for all engineering costs associated with the petition.

7.7 NPCA Third Meeting

Due to concerns from the landowner and the NPCA of the proposed drain on the existing forest, an on-site meeting was held at 835 York Road on March 9th, 2020. The meeting was attended by Neal Morris (Engineer), Jason Culp(NPCA), Dan Drennan (NPCA), Brett Ruck (Drainage Superintendent for NOTL) and Brandon

Residential Blue Box Program – Proposed Producer Responsibility Regulation

Public Works Committee
PW 48-2020

November 10, 2020

Sherri Tait, Program Manager, Policy and Planning

Residential Blue Box Program – Proposed Producer Responsibility Regulation

Public Works Committee

November 10, 2020

Background

- Ontario is shifting to a full producer responsibility model for the residential Blue Box Program.
- Timelines specific to new Blue Box Regulation:
 - **Oct. 19 to Dec. 3, 2020– Consultation on Draft Regulation**
 - 2021 – Approval of Regulation
 - 2021 - 2022 – Stakeholders organize and prepare for producer responsibility
 - 2023 - 2025 – Producers take full responsibility from communities
- Concurrent Wind-up for Existing Blue Box Program:
 - **Sept. 30 to Nov. 10, 2020 – Resource Productivity and Resource Recovery Authority (RPRA) consulting on Stewardship Ontario (SO) Blue Box Transition Plan**
 - 2020 – RPRA approves plan by Dec 31
 - 2021 – 2025 – SO implements plan and each community continues to be 50% funded until they transition to producer responsibility, with all communities transitioning by the end of 2025

Regulations

Ministry of Environment, Conservation and Parks (MECP) has addressed the following in the proposed Blue Box regulation:

1. Definition and scope of designated materials;
2. Determining responsible producer;
3. Collection and accessibility requirements;
4. Management requirements that producers must meet; and
5. Transition Schedule – the timing of when communities will transition from the current Blue Box program to the producer responsibility framework under the Resource Recovery and Circular Economy Act (RRCEA) in each of 2023-2025.

Designated Materials

DESIGNATED

The following items made from paper, metal, glass, plastic, or any combination of these materials including:

- Packaging
- Printed and unprinted paper
- Non-alcoholic beverage containers
- Single-use packaging-like products such as foils, wraps, trays, boxes, bags
- Single-use items such as straws, cutlery, plates and stir sticks
- Compostable materials (for reporting requirements only)

NOT INCLUDED

- Any materials designated under a different diversion regulation (e.g. tires, batteries, Electronics and Electrical Equipment, Municipal Hazardous and Special Waste)
- Items intended for disposal in sewage works (e.g. toilet paper)
- Paper fibres used for sanitary purposes (e.g. paper towels, napkins),
- Blue Box packaging that cannot be easily separated from hazardous waste,
- Containers used to contain waste (e.g. garbage bags)
- Books and hardcover periodicals
- Alcoholic beverage containers or their associated packaging (under the existing Ontario Deposit Return Program)

Responsible Producer

- Proposing a cascading hierarchy to ensure the person with the closest connection to the designated products and packaging is made the responsible producer.
- Captures retailers that are located outside of Ontario but who supply designated products and packaging to Ontario consumers through the internet.
- Producers with less than \$2 million in sales annually would be exempt.
- The Province has also included a weight based factor as well which would exempt those with more than \$2 million in sales annually if they supply less than the prescribed weight.

Common Collection System

- Includes requirements for producers to establish collection services to all eligible sources through a common collection system.
- Producers would be required to collect a consistent set of materials across the Province (i.e. all designated materials).
- Alternatives to the common collection system are permitted provided certain requirements are met.
- Requires producers or any Producer Responsibility Organizations (PROs) to send all collected material to a registered processor.
- The proposed regulation would require the development of an annual allocation table, according to which the common collection system would be delivered.

Collection/Service Requirements

- Eligible sources include:
 - Permanent and season dwellings;
 - Multi-unit residential buildings;
 - Public and private schools;
 - Long term care and retirement homes; and
 - Specified public spaces.
- Industrial, Commercial & Institutional (IC&I) sector is not included; however the Province intends to move forward on the IC&I waste framework.
- Producers to maintain the same collection service types, standards and levels as delivered by the local municipal program until December 31, 2025.
- As of January 1, 2026, the service standards as contained in the proposed regulation would apply to the relevant eligible sources.

Collection/Service Requirements (cont'd)

Curbside Collection

- Curbside collection to those municipalities that provide that service.
- Blue Box collection at least every other week.
- Curbside collection must be collected within a single day.
- Blue Box receptacles to each residence and at least one replacement per year upon request.

Depot Collection

- Provide as many depots as there are garbage collection depots and have similar operating hours.
- One container and one replacement per year upon request.

Collection/Service Requirements (cont'd)

Facilities (e.g. schools, long term care)

- Provide the Blue Box receptacles needed until material is collected.
- Receptacles collected prior to being full.
- Provide any replacements of receptacles.

Public Spaces

- Provide collection at defined public spaces only where the community provides garbage collection containers (excludes streetscapes outside business improvement area)
- Recycling receptacles must be twinned with garbage containers.
- Receptacles at parks will be required to be collected year round and located at entry or exit points and other areas where people congregate.
- Provide replacement as required.

Management Requirements

- Require producers to achieve diversion targets based on the weight of Blue Box materials they supplied to consumers.
- Introduces recycled content credits.

Material Category	Proposed Target: 2026-2029	Proposed Target: 2030 onward
Paper	90%	90%
Glass	75%	80%
Metal	67%	75%
Rigid Plastic	55%	60%
Flexible Plastic	30%	40%
Non-Alcoholic Beverage Containers	75%	80%

Transition Schedule

- The preferred municipal transition dates were taken into consideration while trying to balance net program costs and materials managed over the three years.
- Niagara Region has been identified to transition in 2024.
- No specific date has been identified in 2024 and it is anticipated municipalities would transition throughout the year identified.
- The Province will consult on specific dates and they will be included within the final regulation.

Comments

- Niagara Region has been advocating for the transition of the Blue Box to a producer responsibility framework for many years and is pleased the Province is moving forward with this initiative.
- With the proposed Blue Box regulations, the Province responded to many of the concerns identified by municipalities including the following:
 - A broad list of designated materials to be collected and managed by producers
 - The harmonized approach to material collected throughout the province as this will help reduce confusion for residents and increase efficiencies related to promotion and education material.
 - The inclusion of multi-residential, public and private school, long term care, retirement homes, etc. and specified public spaces as eligible spaces.
 - The three year transition period with one-third of municipalities transitioning at a time, helping to modulate the cost of the program to producers.
 - That the curbside collection system must remain in place for the existing programs and expanded where possible.

Comments (cont'd)

There are some items that Staff consider have not been adequately addressed in the regulation that Staff would propose to include in comments to the Ministry on behalf of the Region as highlighted below and on next slides:

- Producers should be required to collect from community events held in public spaces where there may be a need for receptacles or an increase in receptacles and receptacles outside the business improvement areas.
- The Province or producers should fund volunteers to sort waste at community events.
- Niagara Region supports the inclusion of multi-residential, facilities including schools, long term care homes and public spaces as eligible sources but also recommends the inclusion of public facing municipal buildings (ex. libraries, community centres).
- Niagara Region does not support the exclusion of books and hardcover periodicals.
- Niagara Region recommends that wording in the proposed regulations be added to ensure producers are collecting and recycling any broken and/or damaged receptacles.

Comments (cont'd)

- Niagara Region requests designating all packaging, whether it is recycling or compostable.
- Producers should pay for management of designated materials regardless of the stream in which they end up.
- Paper products intended for hygienic use (paper towels) diverted as part of the Green Bin or other designated materials diverted through other systems should be an eligible program cost for which municipalities should receive payment and appropriate targets/measurements should be developed.
- Niagara Region supports the continuation of curbside services to those municipalities currently receiving curbside service; however, is concerned with the requirement to provide collection at a minimum of every-other-week.
- Consumer convenience should be maintained or improved, and access to existing services should not be negatively impacted by any changes to Blue Box program.

Comments (cont'd)

- Individual sectors (low density residential, IC&I, multi-residential) and materials should have their own measurable targets and metrics.
- Concerns with inclusion of recycled content credits.
- Inclusion of positive incentives to go beyond minimum targets in addition to penalties for producers not meeting targets.
- Payment of net verified costs (actual municipal costs) from SO should be increased to 75% in year one increasing annually until transition is complete.
- Transition plans particularly for the Blue Box program must address municipal contracts and assets and how to avoid stranded assets.
- Performance audits for producers are required every three years under the proposed regulation. Niagara Region recommends that they be annual, similar to the Beer Store and LCBO.
- Niagara Region supports amendments to Regulations 101/94 to remove municipal Blue Box requirements.

Next Steps

- **Regulations**

- Niagara Region will continue to advocate for regulations that support best-practices.
- Submission of comments to MECP.

- **Municipal Role**

- It is expected that producers will be interested in having municipalities provide Blue Box services on their behalf, should mutually agreeable terms be negotiated. These discussions would start once the Blue Box regulation is finalized.
- Niagara Region will need to decide whether to continue to collect non-designated material after full transition of the Blue Box program.

- **Mitigating risks**

Questions?

Subject: Residential Blue Box Program – Proposed Producer Responsibility Regulation

Report to: Public Works Committee

Report date: Tuesday, November 10, 2020

Recommendations

1. That staff **BE AUTHORIZED** to send comments on the proposed Blue Box regulation to the Ministry of Environment, Conservation and Parks (MECP) or before the close of the consultation period on December 3, 2020, following further internal and external coordination and analysis of the proposed regulation.

Key Facts

- The purpose of this report is to seek Council's support for the submission by staff of comments on the Blue Box regulation to the Ministry of Environment, Conservation and Parks (MECP) on behalf of Niagara Region.
- On October 19, 2020, the Province released a [proposed new regulation under the Resource Recovery and Circular Economy Act \(RRCEA\)](https://ero.ontario.ca/notice/019-2579). (<https://ero.ontario.ca/notice/019-2579>) and amendments to the Regulation 101/94 to the Environmental Registry of Ontario (ERO) for a 45-day comment period (see Appendix 2, 3 and 4 for a copy of the proposed regulation and supporting documentation).
- Staff have undertaken a review of the regulation, and have included an outline of preliminary comments for submission to MECP in Appendix 1, subject to further refinement as a result of ongoing analysis and consultation.
- The Blue Box regulation defines a timeframe for transition, ensures a common collection system, designates materials to be collected, standardizes materials accepted in the Blue Box, identifies eligible sources, sets effective targets and promotes increased diversion from the landfill.
- Under the proposed regulation, Niagara Region would transition from the current Blue Box program to the full producer responsibility model in the year 2024. A specific date within 2024 was not provided.
- Under the proposed regulation, the producer shall establish a collection and management system of designated materials and it is expected that producers will be interested in having municipalities provide Blue Box services on their behalf, should mutually agreeable terms be negotiated. These discussions would start once the Blue Box regulation is finalized and Niagara Region will engage in discussions

with producers to continue collection as part of the integrated collection system and report to Committee with a recommendation.

- Staff will continue to provide reports to Committee with further updates on the proposed legislative changes.

Financial Considerations

As stated in PW 23-2020, Stewardship Ontario (SO) is a not-for profit organization funded and governed by industries that are the brand owners, first importers or franchisors of products and packaging material, including those managed through the residential Blue Box Program. Under the current Blue Box Program, the municipal sector and SO each pay 50% of net residential Blue Box-related costs; however, Niagara Region's payment from SO has exceeded the 50% threshold over the last four years based on the funding formula which reflects good program performance.

The 50% payment structure would continue to be applied during the residential Blue Box Program transition period if a municipality has not yet transitioned. For Niagara Region, the 50% payment structure would continue until transition sometime in the year 2024.

As per PW 23-2020, taxpayers currently incur approximately \$8.2 million annually for residential recycling collection and processing net of the 50% blue box funding including the impact of the new contract costs with Miller Waste Systems Inc. (Miller) and GFL Environmental Inc. (GFL), which commenced on October 19, 2020 and expire March 5, 2028. If Niagara Region does not continue to provide collection and haulage service on behalf of the producers, the savings (estimated at \$8.2 million annually) attributable to not having to share recycling and processing costs may be eroded (at least initially) by costs to exit the component of the collection contract(s) related to the residential Blue Box Program. However, if Niagara Region does not provide residential Blue Box collection and haulage, Miller and GFL must make commercially reasonable efforts to re-deploy to other contracts or sell assets at fair market value. A formula was designed and included in the contracts to calculate the compensation payable by Niagara Region.

Additionally, even if municipalities provide collection and haulage service under contract to the producers, existing contracts may need to be amended to reflect the new service requirements, standards and other factors on which the payments by the producers will be determined. Under the proposed regulation, producers must maintain collection service types, standards and levels the same as delivered by the local municipal

program until December 31, 2025 and starting January 1, 2026, the service standards set out in the proposed regulation would apply.

The proposed regulation includes a transition schedule and Niagara Region is identified to transition in 2024. There is no specific date within 2024 identified; however, based on the formula within the curbside collection contract, a transition date of January 1, 2024 would result in an estimated maximum compensation payment of \$5,664,530.

Niagara will continue to be responsible and incur costs for non-eligible sources (e.g. the Industrial, Commercial and Institutional sector) of the Blue Box program. Collection of non-designated materials such as books and alcoholic beverage containers and associated packaging (which still make it into the Blue Box program despite the deposit return program) would also be at full cost to Niagara Region, if Niagara Region decides to continue to collect this material for recycling. The costs to continue to collect this material will be the subject of future analysis and reports.

Analysis

Background

Under the RRCEA, the Province is shifting to a full producer responsibility framework for products, packaging, and packaging-like products, making producers and brand holders accountable for recovering resources and reducing waste associated with products. The Waste Diversion Transition Act, 2016 (WDTA) allows for the products and packaging currently managed under existing waste diversion programs to be transitioned to the new full producer responsibility framework. The Resource Productivity and Recovery Authority (RPRA) was created to support the transition to a circular economy and waste-free Ontario through oversight of existing waste diversion programs, including the Blue Box Program, and the transition of recycling programs to full producer responsibility models per the RRCEA. The RPRA will be responsible for oversight and enforcement of the residential Blue Box regulation, ensuring that expected outcomes are met by producers.

As per PW 23-2020, in order to support development of the regulation associated with the framework, and to begin planning for transition, Association of Municipalities of Ontario (AMO) had requested that municipalities with residential Blue Box programs notify AMO and MECP of both preferred transition date and of intent to consider provision of collection, haulage, and/or processing of Blue Box materials on behalf of producers after transition.

As per report PW 23-2020, Niagara Region's preferred date to transition the residential Blue Box program to full producer responsibility is January 1, 2023, subject to cost benefit analysis when the Blue Box regulation is finalized and expressed interest in providing curbside and depot Blue Box collection and haulage services on behalf of producers, subject to mutually agreeable commercial terms, including service duration, beginning on January 1, 2023.

On October 19, 2020, the Province released a proposed new regulation under the RRECA and amendments to the Regulation 101/94 to the ERO for a 45 day comment period. Comments are due by December 3, 2020. Staff have undertaken a review of the regulation, and have included an outline of preliminary comments for submission to MECP in Appendix 1, subject to further refinement as a result of further analysis and consultation (which was ongoing as of the timing of the submission of this report to Committee).

Review of Proposed New Regulation

The proposed new regulation under the RRCEA makes producers responsible for collecting and managing the full life cycle of designated products and packaging.

The sections below provide a summary of key elements of the proposed new regulation. The full proposed regulation can be found in Appendix 2.

It is important to note that the proposed regulation would require producers to maintain the same collection service types, standards and levels as delivered by the local municipal program until December 31, 2025. As of January 1, 2026, the designated materials, eligible sources, service standards, etc. as contained in the proposed regulation would apply.

1. Designated Materials

The proposed regulation designates Blue Box materials under the RRCEA that producers would be responsible for collecting and managing which consists of items made from paper, metal, glass, plastic, or any combination of these materials including:

- packaging
- printed and unprinted paper
- non-alcoholic beverage containers
- single-use packaging-like products such as foils, wraps, trays, boxes, bags

- single-use items such as straws, cutlery, plates and stir sticks

The list of designated materials under the proposed regulations is an expansion to the current designated Blue Box material with the addition of such materials as unprinted paper, foils, wraps, trays, bags, straws, cutlery, plates and stir sticks.

The regulation excludes materials that are subject to other producer responsibility requirements such as tires, batteries, electric and electronic equipment, municipal hazardous and special waste and pharmaceuticals and sharps. In addition, items intended for disposal in sewage works (e.g. toilet paper), paper fibres used for sanitary purposes (e.g. paper towels, napkins), Blue Box packaging that cannot be easily separated from hazardous waste, garbage bags, books and hardcover periodicals and alcoholic beverage containers or their associated packaging which is currently handled under the existing Ontario Deposit Return Program are also excluded. Niagara Region currently accepts paperback books and hardcover books (with cover removed) and alcoholic beverage containers and their associated packaging in the Blue Box program. Niagara Region will need to decide whether to continue to collect this material after full transition of the Blue Box program if the final regulation does not include an expanded material list.

Under the proposed regulations, producers of designated materials would be responsible for collection, management, promotion and education, registration, reporting and auditing, except for producers of compostable products, which would only be subject to registration and reporting requirements. The Province has indicated this would allow them to gather more data on compostable materials while it works with stakeholders on a producer responsibility approach for these materials.

2. Responsible Producer

The regulation is proposing a cascading hierarchy of producers to ensure the person with the closest connection to the designated products and packaging is made the responsible producer. The regulation would capture retailers that are located outside of Ontario but who supply designated products and packaging to Ontario consumers through the internet.

Producers with less than \$2 million in sales annually would be exempt from collection and management requirements, as well as registering with RPRA and promotion and education requirements. The Province has also included a weight based factor as well

which would exempt those with more than \$2 million in sales annually from management requirements if they supply less than the prescribed weight.

3. Common Collection System and Allocation Table

The proposed regulation includes requirements for producers to establish collection services to all eligible sources through a common collection system where producers would be required to collect a consistent set of materials across the Province (i.e. all designated materials). Alternatives to the common collection system are permitted provided certain requirements are met, such as higher diversion targets than the common collection system.

The proposed regulation would require producers or any Producer Responsibility Organizations (PROs) to send all collected material to a registered processor.

The proposed regulation would require the development of an annual allocation table, the purpose of which is to identify which producers are responsible for collection from which sources and according to which the common collection system would be delivered.

The regulation contains thresholds for size of PROs that can participate in negotiation of the common collection system.

4. Collection/Service Requirements

The Province has indicated that collection requirements in the proposed regulation have been structured to ensure there are continued collection services to eligible sources while also providing producers with flexibility on how they establish their collection systems. Eligible sources are permanent and season dwellings, multi-unit residential buildings, public and private schools, long term care and retirement homes, and specified public spaces.

By April 21, 2021, all communities with a program will need to register with RPRA and detail the services they provide (i.e. number of residences being serviced, how serviced, etc.).

The proposed regulation would require producers to maintain the same collection service types, standards and levels as delivered by the local municipal program until

December 31, 2025. As of January 1, 2026, the service standards as contained in the proposed regulation would apply to the relevant eligible sources.

a. Curbside Collection

Those municipalities who have curbside collection retain curbside collection. Producers can offer depot collection if that what was in place prior. Blue Box material must be collected at least every other week and all Blue Box material set out for curbside collection must be collected within a single day. Producers are to provide Blue Box receptacles to each residence prior to the first day of collection and at least one replacement per year is to be provided within one week of request.

b. Depot Collection

Where producers provide depot collection, the regulation stipulates they need to provide at least as many depots as there are depots for garbage collection, have similar operating hours and one container provided prior to start of program and at least one replacement per that is to be provided within one week of request.

c. Facilities (e.g. Schools, Long Term Care)

Producers are required to provide Blue Box receptacles as needed for the storage of Blue Box material at the facility until it is collected, including insuring it has these receptacles before the first day of collection from the producer and providing any replacements within one week of the request. Producers must also collect the material before the receptacles are full.

d. Public Spaces

The proposed regulation requires producers to provide collection at public spaces only where the community provides garbage collection containers. Producers are to provide and ensure that Blue Box receptacles are placed next to every garbage receptacle at the public space and provide collection before the Blue Box receptacle is full. This includes street scape public litter bins located with a business improvement area. Where the public space is a park or playground, producers will be required to collect throughout the year and locate receptacles at entry or exit points and other areas where people congregate. Producers are to provide any replacements as requested by the eligible community within one week of the request and provide receptacles that are appropriate for the public space.

e. Management Requirements

The proposed regulation would require producers to achieve diversion targets (i.e. management requirements), based on the weight of Blue Box materials they supplied in one of six given material categories for the years 2026 to 2029 and 2030 and beyond. These targets are listed in Table 1.

Table 1: Proposed Diversion Targets

Material Category	Proposed Target: 2026-2029	Proposed Target: 2030 onward
Paper	90%	90%
Glass	75%	80%
Metal	67%	75%
Rigid Plastic	55%	60%
Flexible Plastic	30%	40%
Non-Alcoholic Beverage Containers	75%	80%

Producers are to make their best effort to meet targets set out in the regulation during the transition period.

The proposed regulation introduces recycled content credits where a producer that uses recycled content sources from Blue Box materials would be allowed to reduce their supply for that material category for the next calendar year in proportion to the initiatives undertaken.

The proposed regulation would require performance audits for producers every three years and set out promotion and education requirements to educate consumers about producer-run Blue Box services.

Producers of compostable products are not subject the management requirements but are subject to reporting requirements.

5. Transition Schedule

The proposed regulation included a transition schedule that identifies the year eligible communities are to transition. Producers would be responsible for transitioning municipalities on or before the dates contained in the schedule. The schedule and map and geographical groupings are found in Appendix 3 and 4.

The preferred municipal transition dates were taken into consideration while trying to balance net program costs and materials managed over the three years. Of the 151 municipalities that indicated their preference, 63 received their preferred transition year.

Niagara Region has been identified to transition in 2024. It is important to note that no specific date has been identified in 2024 yet. The Province will consult on the proposed transition plan including the best way to determine the specific calendar date for each municipal transition. The transition schedule will be updated when the regulation is finalized and will include calendar dates for each transitioning program.

The proposed regulation would require producers to maintain service types, standard, and levels the same as delivered by the municipal program between 2023 and 2025.

6. Ontario Regulation 101/94

Ontario Regulation 101/94 sets out requirements for eligible municipalities to establish, operate and maintain Blue Box services. Implementation of the producer responsibility framework would make these requirements obsolete and therefore the Province will be required to make amendments to the Regulation.

7. Industrial, Commercial & Institutional (IC&I) Sector

The IC&I sector is not included in the proposed regulation as an eligible source; however, the Province has indicated they intend to move forward on the IC&I waste framework in the coming months and will include stakeholder consultation.

8. Municipal Role

There is no prescribed role for municipalities within the proposed regulation after transition. It was expected that municipalities would have the opportunity to provide the collection, haulage and processing of residential Blue Box materials and this may still be the case, but it is up to the producers to set up the collection and management systems that meet the standards set out in the proposed regulation.

Niagara Region Comments on the Proposed Regulation

Niagara Region has provided comments on the producer responsibility framework on various occasions. Appendix 5 contains Niagara Region's previous comments and identifies if they have been addressed and how in the proposed regulation.

Niagara Region has been advocating for the transition of the Blue Box to a producer responsibility framework for many years and is pleased the Province is moving forward with this initiative. With the proposed Blue Box regulations, the Province responded to many of the concerns identified by municipalities including the following:

- A broad list of designated materials to be collected and managed by producers
- The harmonized approach to material collected throughout the province as this will help reduce confusion for residents and increase efficiencies related to promotion and education material.
- The inclusion of multi-residential, public and private schools, long term care, retirement homes, etc. and specified public spaces as eligible spaces.
- The three year transition period with one-third of municipalities transitioning at a time, helping to modulate the cost of the program to producers.
- That the curbside collection system must remain in place for the existing programs and expanded where possible.

Niagara Region comments on the proposed regulation including areas of concern are found in Appendix 1.

Next Steps

The MECP will be hosting sessions to seek stakeholder feedback and input on the proposed regulation. Niagara Region will continue to participate in consultation sessions.

Niagara Region will submit comments on the proposed regulation, consistent with the themes presented in the preliminary comments found in Appendix 1, following further internal and external (ex. AMO) coordination and analysis of the proposed regulations

The Continuous Improvement Fund and Regional Public Works Commissioners of Ontario formed three steering committees to examine:

- Inbound contamination of Blue Box material with the goal of developing a consistent definition of inbound contamination and evaluating the impact contamination has on recycling operations;
- How new technologies could help reduce costs and improve operation efficiencies; and
- Municipal enforcement strategies that municipalities could implement to mitigate unintended consequences as the Province transitions to full producer responsibility.

The resulting work and reports from these steering committees are to assist municipalities' pre and post transition. Once these reports are finalized, staff will report back to Committee on any decision points, recommendations and associated financial impacts.

It is expected that producers will be interested in having municipalities provide Blue Box services on their behalf, should mutually agreeable terms be negotiated. These discussions would start once the Blue Box regulation is finalized. It is recommended that Niagara Region engage in discussions with producers to continue collection as part of the integrated collection system. As per PW 23-2020, this would be subject to Niagara Region's expectations that there would be:

- 100% payment by producers; and
- Reasonable and quantitative measures for standards and requirements related to collection and haulage that would be applied and overseen by RPRA as an independent entity.

Niagara Region anticipates completion of the Material Recovery Facility (MRF) Phase Opportunity Review in early 2021, which will inform how or if the MRF asset will be potentially divested and Niagara Region's potential role in processing services.

Alternatives Reviewed

No alternatives were reviewed as part of this report.

Relationship to Council Strategic Priorities

This report supports Council's Strategic Priority of Responsible Growth and Infrastructure Planning.

Other Pertinent Reports

- WMPSC-9-2019 A Made-in-Ontario Environment Plan
- WMPSC 32-2019 Modernizing Blue Box Program
- WMPSC-C 2-2020 Update on Provincial Initiatives for Extended Producer Responsibility
- PW 23-2020 Blue Box Program Transition to Full Producer Responsibility

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Appendices

Appendix 1	Comments on the Proposed Blue Box Regulation
Appendix 2	Proposed Blue Box Regulation
Appendix 3	Blue Box Transition Schedule: Explanatory Note
Appendix 4	Blue Box Transition Complementary Document: Map and Geographic Groupings
Appendix 5	Previous Waste Management Comments and How Addressed in Proposed Regulation

Comments on the Proposed Blue Box Regulation

The following is a preliminary outline of the comments proposed to be provided by staff on behalf of the Region regarding the Proposed Blue Box Regulation

1. Producers should be required to collect from community events held in public spaces where there may be a need for receptacles or an increase in receptacles during events. The Province or producers should provide funding for volunteers to help sort waste properly at events.
2. Niagara Region supports the inclusion of multi-residential properties, facilities, schools and public spaces as eligible sources; however, Niagara Region also currently provides collection to small to medium industrial and commercial buildings and at a minimum the proposed regulations should include public facing municipal buildings such as libraries, community centres etc. Niagara Region also provides street litter receptacle collection outside the business improvement areas and would request inclusion of this in the regulations.
3. Niagara Region supports the expanded list of designated material to include materials such as straws, cutlery, wraps, laminated packaging etc., however, is not supportive of the exclusion of soft cover and hard cover books. Soft cover books and hard cover books (with cover removed) are currently accepted in Niagara Region's Blue Box program and should continue to be diverted through re-use or recycling.
4. A product designed for the containment of waste is not included in the list of proposed designated materials and although the proposed regulations specify that producers must replace receptacles used for the storage of material at least once a year upon request, it does not include language around the responsibility of producers to collect and recycle broken and/or damaged receptacles. Niagara Region recommends that wording in the proposed regulations be added to ensure producers are responsible for the collection of any broken and/or damaged receptacles and recycling same.
5. Niagara Region requests the Province designate all packaging, whether it is recycling or compostable. Producers should pay for management of designated materials regardless of the stream in which they end up. Niagara Region appreciates that producers of compostable products are subject to reporting requirements but Niagara Region recommends that compostable packaging/products should also be designated and thereby subject to all requirements set out in the proposed regulations.

6. Fibre such as paper products intended for hygienic use (paper towels) diverted as part of the organics stream or other obligated/targeted materials diverted through other systems should be an eligible program cost for which municipalities should receive payment and appropriate targets/measurements should be developed.
7. Niagara Region supports the continuation of curbside services to those municipalities currently receiving curbside service; however, is concerned with the requirement to provide collection at a minimum of every-other-week. If a producer chooses to collect recycling every-other-week after January 1 2026, it would be a reduction in service to Niagara Region residents. A reduction in service could result in designated material being placed in other waste streams collected by Niagara Region. Producers should pay for the management of the material anywhere in the waste management system.
8. Consumer convenience should be maintained or improved, and access to existing services should not be negatively impacted by any changes to Blue Box program. Niagara Region has concerns that alternatives to the common collection system may result in a decrease in convenience and or negatively impact access to services.
9. Niagara Region encourages inclusion of positive incentives to go beyond minimum targets in addition to penalties for producers not meeting targets. Incentives supporting the use of secondary materials over virgin material such as tax incentives or other financial benefits would support and recognize producer efforts. Targets should be re-assessed on a pre-defined schedule and progress monitored to ensure continual improvement.
10. Niagara Region's position is that individual sectors should have their own measurable targets and metrics (LDR, ICI and Multi-Residential). To increase program effectiveness, Niagara Region supports individual recovery targets for individual materials rather than the six categories proposed in the regulations.
11. Niagara Region has concerns regarding the proposed recycled content credits and the producers' ability to reduce targets by using recycled content. The concern is some products like glass, aluminum already include recycled content and this could be incenting producers who already made this business decision and recycled content is difficult to verify.
12. To reduce financial impact on any municipalities who do not transfer in the early phase, payment of net verified costs (actual municipal costs) from Stewardship Ontario (SO) should be increased to 75% in year one increasing annually until transition is complete, through authority by the Minister. Niagara Region also does not support application of in-kind advertising (funding) for newspapers for either non-transitioned or transitioned municipalities.

13. Transition plans for the Blue Box program must address municipal contracts and assets and how to avoid stranded assets. Transition to a producer responsibility regime could lead to Niagara Region's Recycling Centre becoming a stranded asset depending on the strategies put forth to achieve producer responsibility. The transition plan must clearly address provision of fair market compensation for stranded municipal assets. Provisions for maximizing use of existing infrastructure should be included. For example, the plan should clearly incentivize use of existing facilities or otherwise potentially stranded assets (i.e. equipment, rolling stock, carts and boxes) and/or any amortized capital costs that extend beyond the transition date, should be factored into considerations for municipal compensation.
14. Performance audits for producers are required every three years under the proposed regulations. Niagara Region recommends that they be annually similar to the Beer Store and LCBO.
15. The municipal Blue Box requirements set out in Regulation 101/94 should be removed when municipalities transition.

Caution:

This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the content, structure, form and wording of the consultation draft are subject to change, and to editing and correction by the Office of Legislative Counsel. This draft is confidential and not to be shared.

CONSULTATION DRAFT

[Bilingual]

ONTARIO REGULATION

to be made under the

RESOURCE RECOVERY AND CIRCULAR ECONOMY ACT

BLUE BOX

Part I

INTERPRETATION

Definitions

1. In this Regulation,

“annual allocation table” means the annual allocation table created in accordance with Part III;
(French)

“alcoholic beverage container” means,

- (a) a regulated container within the meaning of Ontario Regulation 13/07 (Ontario Deposit Return Program) made under the *Liquor Control Act*, and
- (b) any packaging that is provided exclusively for the use of a container described in clause (a); **(French)**

“blue box material” has the meaning provided for in section 2; **(French)**

“blue box packaging” means,

- (a) primary packaging, convenience packaging, or transport packaging that is provided with a product,
- (b) ancillary products that are provided with or attached to another product to facilitate that use of the product, and
- (c) products such as disposable straws, cutlery or plates that are supplied with a food or beverage product, that facilitate the consumption of that food or beverage product,

and that are ordinarily disposed of after a single use, whether or not they could be reused; **(French)**

“blue box receptacle” means a container, bin, cart, bag or other receptacle that holds blue box material, and from which blue box material is collected; **(French)**

“Blue Box Transition Schedule” means the document entitled “Blue Box Transition Schedule” dated [XX], as amended from time to time, and available on the Registry; **(French)**

“compostable materials” means materials that are designed to be managed at end of life through composting, anaerobic digestion, or other processes that result in decomposition by bacteria or other living organisms; **(French)**

“consumer”, in respect of blue box material means,

- (a) an individual who obtains blue box material, other than a non-alcoholic beverage container, for personal, family or household purposes and does not include a person who obtains blue box material for business purposes; and
- (b) a person who is the end user of the beverage contained in a non-alcoholic beverage containers and includes a person who uses the beverage for personal, family, household, or business purposes; **(French)**

“eligible community” means,

- (a) a local municipality or local services board that is not located in the Far North, or
- (b) a reserve,
 - (i) that is not located in the Far North, and
 - (ii) **that has registered with the Authority in accordance with section 48; (French)**

“eligible source” means any residence, facility, or public space; **(French)**

“facility” means,

- (a) a building that contains more than one dwelling unit but that is not a residence,
- (b) a long-term care home licensed under the *Long-Term Care Homes Act, 2007*,
- (c) a retirement home licensed under the *Retirement Homes Act, 2010*, or
- (d) a public school or private school under the *Education Act*; **(French)**

“Far North” has the same meaning as in the *Far North Act, 2010*; **(French)**

“flexible plastic” means any product or packaging made primarily from un moulded plastic, such as plastic bags, films, wraps, pouches, or laminates; **(French)**

“franchise” has the same meaning as in the *Arthur Wishart Act (Franchise Disclosure)*, 2000; **(French)**

“franchisor” has the same meaning as in the *Arthur Wishart Act (Franchise Disclosure)*, 2000; **(French)**

“local municipality” has the same meaning as in the *Municipal Act*, 2001; **(French)**

“management requirement” means the minimum amount of blue box material, determined under section 34, that a producer is required to manage; **(French)**

“marketplace facilitator” means a person who,

- (a) contracts with marketplace sellers to facilitate the supply of the marketplace seller’s products by,
 - (i) owning or operating an online marketplace or forum in which the marketplace seller’s products are listed or advertised for supply, or
 - (ii) transmitting or otherwise communicating the offer or acceptance between the marketplace seller and a buyer, and
- (b) provides for the physical distribution of a marketplace seller’s products to the consumer, such as by the storage, preparation, or shipping of products;

“marketplace seller” means a person who contracts with a marketplace facilitator to supply its products; **(French)**

“material category” means the following categories of blue box material, determined in accordance with the Verification and Audit Procedure:

1. Glass.
2. Flexible plastic.
3. Rigid plastic.
4. Metal.
5. Paper.
6. Compostable material.

7. Non-alcoholic beverage containers; (French)

“municipality” has the same meaning as in the *Municipal Act*, 2001; **(French)**

“non-alcoholic beverage container” means a container that is not an alcoholic beverage container and that is,

- (a) marketed to contain a beverage product,
- (b) made from metal, glass, paper, or rigid plastic, or any combination of these materials, and
- (c) sealed by its manufacturer; **(French)**

“packaging-like product” means any product such as aluminum foil, metal trays, plastic film, plastic wrap, wrapping paper, paper bags, plastic bags, cardboard boxes, and envelopes that,

- (a) is used for the containment, protection, handling, delivery, presentation or transportation of products, and
- (b) is ordinarily disposed of after a single use, whether or not it could be reused; **(French)**

“paper” includes printed and unprinted paper, such as newspapers, magazines, promotional materials, directories, catalogues, and paper used for copying, writing, or any other general use, other than,

- (a) hard or soft cover books,
- (b) hardcover periodicals, and
- (c) any paper that, at the time it is supplied to a blue box consumer, is blue box packaging or a packaging-like product; **(French)**

“permanent establishment” has the meaning,

- (a) assigned by subsection 400 (2) of the *Income Tax Regulations* (Canada), in the case of a corporation, or
- (b) assigned by subsection 2600 (2) of the *Income Tax Regulations* (Canada), in the case of an individual; **(French)**

“processor” means a person who processes, for the purpose of resource recovery, blue box material that was supplied to a consumer in Ontario; **(French)**

“producer” means the producer determined in accordance with Part II; **(French)**

“producer’s blue box supply” means blue box material supplied to consumers in Ontario as required to be reported in the previous year pursuant to section 45; **(French)**

“producer responsibility organization” means a person retained by a producer for the purposes of carrying out one or more of the following producer responsibilities relating to blue box material but does not include a processor retained solely for the purposes of processing blue box material:

1. Arranging for the establishment or operation of a collection or management system.

2. Establishing or operating a collection or management system.

3. Preparing and submitting reports; (French)

“public space” means any land in any park, playground, or any outdoor area which is owned by, or made available by, a municipality, and that is located in a business improvement area designated under the *Municipal Act, 2001* or by a by-law made under the *City of Toronto Act, 2006*; **(French)**

“reserve” means a reserve within the meaning of the *Indian Act* (Canada); **(French)**

“residence” means,

- (a) a single-unit residential dwelling, including a seasonal residential dwelling, in an eligible community, or
- (b) a building that contains more than one dwelling unit but receives garbage collection at the same frequency as single-unit residential dwellings in an eligible community; **(French)**

“resident in Canada” means having a permanent establishment in Canada; **(French)**

“resident in Ontario” means having a permanent establishment in Ontario; **(French)**

“retailer” means a business that supplies to consumers; **(French)**

“rigid plastic” means product and packaging made primarily from moulded plastic, such as food and product containers; **(French)**

“supplemental collection system” means a collection system in which blue box material supplied to consumers in Ontario is collected, other than a collection system established and operated under Part IV or Part V; **(French)**

“supply” means the provision of a product in any manner and includes sale, transfer, barter, exchange, distribution, rental, lease, gift or disposition; **(French)**

“Verification and Audit Procedure” means the document entitled “Verification and Audit Procedure” published by the Authority and dated [XX], as amended from time to time, and available on the Registry. **(French)**

Blue box material

2. (1) Subject to subsection (2), “blue box material” means material that is primarily made from paper, glass, metal, flexible plastic, rigid plastic or compostable material that is,

- (a) blue box packaging,
- (b) paper, or
- (c) a packaging-like product.

(2) “ Blue box material” does not include the following materials:

1. A material included in another designated class under section 60 of the Act as a material other than blue box material.
2. A pharmaceutical or sharp in respect of which there are collection or disposal obligations prescribed under Ontario Regulation 298/12 (Collection of Pharmaceuticals and Sharps - Responsibilities of Producers) made under the *Environmental Protection Act*.
3. A material included in the Municipal Hazardous or Special Waste Program, if that program is in operation under the *Waste Diversion Transition Act, 2016*.
4. A product designed for the containment of waste.
5. A health, hygiene or safety product that, by virtue of its anticipated use, become unsafe or unsanitary to recycle.
6. Blue box packaging that cannot be easily separated from hazardous waste within the meaning of Regulation 347 of the *Revised Regulations of Ontario 1990 (General - Waste Management)* made under the *Environmental Protection Act*.
7. An alcoholic beverage container.
8. Blue box packaging, paper or a packaging-like product for which Brewers Retail Inc. or the Liquor Control Board of Ontario would be the producer if it were not for this paragraph.

(3) For the purposes of Parts III, IV V, VI, VIII and Part IX, blue box packaging, paper or packaging-like product that would, but for this subsection, be blue box material in the material category that is compostable material is not blue box material.

Designated material

3. For the purposes of section 60 of the Act, blue box material is a designated class of material.

PART II

DETERMINATION OF THE PRODUCER

Producer, blue box packaging

4. (1) Where blue box packaging for a product is supplied in Ontario to a consumer, the producer of that blue box packaging shall be determined in accordance with the following rules:

1. For the portion of the blue box packaging of a product that was added by a brand holder of the product, the producer is,

- i. the brand holder of the product, if the brand holder is resident in Canada,
 - ii. if there is no person described in subparagraph i, the importer of the product, if the importer is resident in Ontario, or
 - iii. if there is no person described in subparagraph i or ii, the retailer who supplied the product to the consumer.
2. For the portion of the blue box packaging of a product that was added by a person who imported the product into Ontario, the producer is,
 - i. the person who imported the product into Ontario, if that person is resident in Ontario, or
 - ii. if there is no person described in subparagraph i, the retailer who supplied the product to the consumer.
3. For any portion of the blue box packaging not described in paragraph 1 or 2, the producer is the retailer who supplied the product to the consumer.

(2) For the purposes of determining the producer in accordance with subsection (1), the following rules apply:

1. If there are two brand holders resident in Canada, the producer is the brand holder who is most closely connected to the production of the product.
2. Packaging added to a product includes packaging added at any stage of the production, distribution and supply of the product.
3. A person adds blue box packaging to a product if the person,
 - i. makes the blue box packaging available for use by another person who adds the packaging to the product,
 - ii. causes another person to add the blue box packaging to a product, or
 - iii. inserts a product into the blue box packaging or otherwise combines the product and the blue box packaging

Producer, paper and packaging-like products

5. (1) Where paper or packaging-like products are supplied in Ontario to a consumer, the person who is the producer of the paper or packaging-like products shall be determined in accordance with the following rules:

1. The producer is the brand holder of the paper or packaging-like product, if the brand holder is resident in Canada.
2. If there is no person described in paragraph 1, the producer is the importer of the paper or packaging-like product, if the importer is resident in Ontario.

3. If there is no person described in paragraph 1 or 2, the producer is the retailer who supplied the paper or packaging-like product to the consumer.

(2) For the purposes of determining the producer in accordance with subsection (1), if there is more than one brand holder resident in Canada, the producer is the brand holder most closely connected to the production of the paper or packaging-like product.

Franchises

6. Where a producer determined in accordance with section 4 or 5 is a business operated wholly or in part as a franchise, the producer is the franchisor, if that franchisor is resident in Canada.

Marketplace sellers

7. If a marketplace seller is a producer under subparagraph 1 iii or 2 ii of subsection 4 (1), paragraph 3 of subsection 4 (1), or paragraph 3 of subsection 5 (1), the marketplace facilitator that contracts with the marketplace seller shall be deemed to be the producer under those provisions, if the marketplace facilitator is resident in Canada.

Part III

ANNUAL ALLOCATION TABLE

Criteria for rule creators

8. (1) Persons who meet the criteria in subsection (2) and who register with the Authority in respect of this provision before July 31, 2021 shall create the rules that govern the creation of the annual allocation table in accordance with this Part.

(2) For the purposes of subsection (1), the person must either,

- (a) be a producer of an amount of blue box material supplied to consumers in Ontario that is equal to or greater than the amount published by the Authority in accordance with subsection (4), and have not entered into an agreement with a producer responsibility organization for which they are required to be registered in accordance with section 41, or
- (b) be a producer responsibility organization that has,
 - (i) entered into agreements that are required to be registered under section 41 with persons that combined are producers for an amount of blue box material supplied to consumers in Ontario that is equal to or greater than the amount published by the Authority in accordance with subsection (4), and
 - (ii) agreed to establish and operate a collection system that meets those producers' collection obligations under this Regulation.

(3) The Authority shall determine an amount that is 10 per cent of the total tonnage of blue box material supplied to consumers in Ontario by all producers, as reported by producers under section 40, as of April 2, 2021.

(4) The Authority shall publish the amount in subsection (3) on the Registry on or before April 8, 2021.

Creation of rules

9. The rules for the creation of the annual allocation table must,

- (a) identify the person or persons that will create the annual allocation table each year, or identify a procedure for identifying this person or persons;
- (b) set out how producers will be allocated residences, facilities or public spaces in the annual allocation table each year, including how the following factors will contribute to this allocation:
 - (i) ensuring that the estimated weight of blue box material that a producer is responsible for collecting from eligible sources is proportionate to the weight of blue box material supplied by the producer in the previous year,
 - (ii) the relative cost of establishing and operating collection systems in different regions of Ontario and in communities with different population levels,
 - (iii) the relative cost of providing curbside or depot collection for residences,
 - (iv) the relative cost of providing collection services for different kinds of facilities and public spaces,
 - (v) a person's registration of an alternative collection system for some of the material categories of the blue box material for which the person is a producer,
 - (vi) the producer responsibility organization that has agreed to establish and operate a collection system for the producer,
 - (vii) the producer's establishment and operation of a collection system for a residence, public space or facility in previous years,
 - (viii) how residences, public spaces and facilities will be allocated between producers during the 2023-2025 transition period;
- (c) subject to clause (d), ensure that every person who is a producer of blue box material in a year is assigned responsibility for one or more residences, public spaces or facilities in the annual allocation table in the following year;
- (d) ensure a person is not included in the annual allocation table for a given year if, in the previous year,

- (i) the person has registered the establishment and operation of an alternative collection system for every material category for which the person is a producer of an amount of blue box material in Ontario supplied to a consumer that exceeds the minimum amount set out in section 37 for the relevant material category, or
 - (ii) the amount of blue box material supplied to consumers in Ontario for which the person was a producer is less than the minimum amounts set out in section 37 for every material category;
- (e) ensure that every residence, public space and facility in a community is assigned a producer that is responsible for the collection of their blue box material,
- (f) ensure that the annual allocation table for a year is submitted to the Authority by July 1 of the preceding year, so that the Authority can post it on the Registry,
- (g) provide for any circumstances in which in year adjustments must be made to the annual allocation table and the procedures for these adjustments, including when they would be effective; and
- (h) include procedures for the amendment of the rules for the creation of the annual allocation table, including the required approval from the persons specified in subsection 11 (2).

Conditions for application

10. The rules for the creation of the annual allocation table, if they are made by the persons specified in section 8, apply only if,

- (a) they are submitted to the Registry; and
- (b) every person who registered with the Authority under section 8 registers their agreement with the rules.

Amendment

11. (1) Rules made in accordance with section 9 may be amended at any time by the persons specified in subsection (2), in accordance with the amendment procedures made under clause 9 (h).

(2) The persons who may amend the rules are,

- (a) any producer responsibility organization who registered with the Authority to provide collection services in accordance with paragraph 3 of subsection 41 (3); and
- (b) persons who are producers of an amount of blue box material in a material category that exceeds the minimum amounts set out in section 37 for that material category in the previous reporting period and who do not have a contract with a producer responsibility organization for collection services.

(3) Unless the persons referred to in subsection (2) specify a later date, amendments to the rules for the creation of the annual allocation table made by the persons referred to in subsection (2) apply when the amendments to the rules are published on the Registry.

Where Minister creates rules

12. (1) If the persons referred to in section 8 have not made the rules for the annual allocation table, the Minister may make the rules for the creation of the annual allocation table.

(2) If the Minister is of the view that the rules for the creation of the annual allocation table must apply by a certain date in order for collection under Part V to commence on January 1, 2023 and for the first annual allocation table to be submitted by the date in subsection 13 (2), and the persons referred to in section 8 have not made the rules apply by that date, the Minister shall make the rules for the creation of the annual allocation table.

(3) The Minister may make the rules for the creation of the annual allocation table and substitute them for some or all of the rules made by the persons referred to in section 8 and that apply in accordance with section 10.

(4) If the Minister creates the rules for the creation of the annual allocation table under subsection (1), (2) or (3),

- (a) the persons referred to in section 8 may not amend the rules for the creation of the annual allocation table that the Minister made, and
- (b) the Minister may amend the rules for the creation of the annual allocation table that the Minister made at any time.

(5) Unless the Minister specifies a later date, the rules for the creation of the annual allocation table made by the Minister apply when the rules are published on the Registry.

(6) Unless the Minister specifies a later date, amendments to the rules for the creation of the annual allocation table made by the Minister apply when the amendments to the rules are published on the Registry

Annual application

13. (1) Where rules are in place for the creation of the annual allocation table, an annual allocation table shall be created every year in accordance with those rules.

(2) The first annual allocation table must be submitted to the Registry by March 31, 2022.

(3) Each subsequent annual allocation table must be submitted to the Registry each year by March 31 of the applicable year.

(4) Amendments to an annual allocation table must be submitted to the Registry promptly.

Publication, rules

14. (1) The Authority shall make any rules made under this Part available on the Registry.

(2) The Authority shall make amendments to rules available on the Registry promptly.

Publication, annual allocation table

15. (1) Every year, the Authority shall make the annual allocation table available on the Registry.

(2) If amendments to an annual allocation table are submitted on the Registry, the Authority shall make the amended annual allocation table available on the Registry.

Part IV

COLLECTION UNDER ANNUAL ALLOCATION TABLE

Joint and several liability

16. A producer responsibility organization that is required to register for collection services in accordance with section 41 in respect of a producer is jointly and severally liable for the following collection requirements in this Regulation with that producer:

1. Section 17.
2. Section 18.
3. Section 19.
4. Section 20.
5. Section 21.
6. Section 22.
7. Section 23.
8. Section 24.
9. Section 25.

Duty to collect

17. Every producer who has been assigned collection responsibilities for residences, public spaces and facilities in the annual allocation table shall establish and operate a collection system for those residences, public spaces and facilities in accordance with this Part.

Curbside collection

18. A producer shall provide curbside collection of blue box material to the residences that are assigned to the producer under the annual allocation table that receive curbside garbage collection from a municipality, local services board or reserve.

Depot or curbside collection

19. A producer may provide either depot or curbside collection of blue box material to residences assigned to the producer under the annual allocation table that are not required to be provided curbside collection under section 18.

Obligations for curbside collection

20. A producer who provides curbside collection shall,

- (a) collect blue box material at least every other week;
- (b) collect in a single day all blue box material set out for curbside collection at an eligible source; and
- (c) provide blue box receptacles for the storage of blue box material until it is collected, including,
 - (i) ensuring that each residence has a blue box receptable before the day on which the producer commences collecting from that residence, and
 - (ii) providing at least one replacement blue box receptable each year, to any residence, upon request of a person residing at the residence, provided within one week of the request.

Obligations for depot collection

21. A producer who provides depot collection in a municipality, local services board or reserve shall,

- (a) provide at least as many depots for the collection of blue box material as there are depots for household garbage in that municipality, local services board or reserve;
- (b) ensure the depots for the collection of blue box material have operating hours that are at least as accessible as the hours for depots for household garbage in that municipality, local services board or reserve;
- (c) collect the blue box material from the depot before the blue box receptacles at the depot are full; and
- (d) provide blue box receptacles for the storage of blue box material until it is collected, including,
 - (i) ensuring that each depot has a blue box receptable before the day on which the producer commences operating the depot, and
 - (ii) providing at least one replacement blue box receptable each year, upon request by an operator of a depot, within one week of the request.

Facilities

22. A producer shall collect blue box material from every facility that is assigned to the producer in the annual allocation table.

Obligations for facilities

23. A producer who collects blue box materials from facilities shall,

- (a) provide blue box receptacles as required for the storage of blue box material at the facility until it is collected, including,
 - (i) ensuring that each facility has the number of blue box receptacles it requires for the collection of blue box material before the day on which the producer commences collecting from the facility, and
 - (ii) providing any replacement blue box receptacles requested by the owner or operator of the facility, within one week of the request;
- (b) provide receptacles that are appropriate for the facility; and
- (c) collect blue box material from the eligible facility before the blue box collection receptacles are full.

Collection for public spaces

24. A producer shall collect blue box material from every public space that is assigned to the producer in the annual allocation table, but only where an eligible community provides garbage collection at the public space.

Obligations for public spaces

25. A producer who collects blue box materials from public spaces shall,

- (a) ensure that blue box receptacles for the storage of blue box material are placed next to every receptacle for garbage at the public space;
- (b) provide for the collection of blue box material which is in a blue box receptacle located next to a receptacle for garbage;
- (c) provide blue box receptacles for the storage of blue box material until it is collected, including,
 - (i) ensuring that each public space has a receptacle before the day on which the producer commences collecting from the public space,
 - (ii) providing any replacement receptacles requested by the eligible community, within one week of the request, and
 - (iii) providing receptacles that are appropriate for the public space;

- (d) collect blue box material from the public space before the blue box receptacles are full; and
- (e) where the public space is a park or playground,
 - (i) collect blue box material throughout the year, and
 - (ii) locate receptacles at entry or exit points, and other areas where persons congregate

Reserves

26. A producer is not required to provide collection services in respect of eligible sources in an eligible community that is a reserve, until that reserve has registered its acceptance of the offer of collection services in accordance with section 49.

Part V

ALTERNATIVE COLLECTION SYSTEM

Producers and alternative collection system

27. This Part applies with respect to producers who register the establishment and operation of an alternative collection system for one or more material categories for which they are a producer of an amount of blue box material in a material category that exceeds the minimum amounts set out in section 37 for the relevant material category.

Registration

28. On or after January 1, 2023, a producer may register its establishment and operation of an alternative collection system for a material category in accordance with section 40, if, immediately before registration,

- (a) the alternative collection system enabled the producer to collect the blue box material that it supplied to consumers in Ontario;
- (b) the alternative collection system would enable the producer to meet its management obligations under Part VI for a material category using only blue box material described in clause (a); and
- (c) any collection sites such as depots or return-to-retail locations included in the alternative collection system were,
 - (i) located in every eligible community where the blue box material in respect of which it is a producer is supplied,
 - (ii) operated year-round, and
 - (iii) open during normal business hours.

Depot requirements

29. A producer who has registered an alternative collection system for a material category that includes collection sites such as depots or return-to-retail locations, shall, during every year that the registration applies, ensure that the collection sites are,

- (a) located in every eligible community where the blue box material in respect of which the person is a producer is supplied;
- (b) operated year-round; and
- (c) open during normal business hours.

Revocation of registration

30. A producer's registration of an alternative collection system for a material category is revoked if, twice in a three-year period, the producer does not meet its management obligation under Part VI for that material category using only blue box material collected through the alternative collection system for which it is registered.

Multiple producers

31. For greater certainty, more than one producer may share in the establishment and operation of an alternative collection system.

PART VI

MANAGEMENT

Producer obligation

32. Every producer shall establish and operate a system for managing blue box material in accordance with this Part.

Accounting and reporting

33. Each year, beginning in 2026, the producer shall account for, and report on, a weight of recovered resources for each material category that equals or exceeds the producer's management requirement for that material category.

How blue box material managed

34. (1) . The producer shall determine its management requirement for a material category using the formula,

Management Requirement = (A- B) x C x D

Where,

“A” is the weight of a producer’s blue box supply for a material category, in tonnes, reported in the previous year under section 45;

“B” is the weight of recycled content in the producer’s blue box supply for a material category, reported in the previous year under section 45, subject to the requirements in section 35, in tonnes;

“C” is the recovery percentage for the previous year for a material category, set out in the Table to section 37, in a percentage;

“D” is the redistribution factor for the previous year, calculated and published on the Registry by the Authority in accordance with section 38.

(2) Despite subsection (1), a producer does not have a management requirement for a material category for a year if the weight of a producer’s blue box supply for a material category, in tonnes, reported in the previous year under section 45 is less than the minimum amount for that material category set out in the Table to section 37.

Recovered resources

35. (1) A producer may only account for, and report on, recovered resources in accordance with this section.

(2) A producer may only report recovered resources that satisfy subsection (3), and

- (a) that the producer recovered, if the producer is a registered processor, or
- (b) that a registered processor, other than the producer, recovered, if that registered processor either,
 - (i) reported the recovered resources on the Registry in the name of the producer, or
 - (ii) reported the recovered resource on the Registry in the name of a producer responsibility organization that entered into an agreement with the producer and which the producer responsibility organization then allocated between the producers who have contracts with the producer responsibility organization.

(3) The requirements referred to in subsection (2) are the following:

- 1. The recovered resources must be,
 - i. marketed for re-use for their original purpose or function, or
 - ii. marketed for use in new products or packaging.

2. The weight of the recovered resources may only be counted one time by the producer and must not be counted by more than one producer.
3. The recovered resources must be recovered from blue box materials supplied to consumers in Ontario.
4. The recovered resources must have been processed within three months of the registered processor who reported the recovered resources receiving the Blue Box material from which they were recovered.

(4) Recovered resources that meet any of the following conditions shall not be accounted for, or reported on, in respect of a producer's management requirement for a material category:

1. The recovered resources are supplied for use in a product that is land cover, unless the land cover is,
 - i. aggregate and the recovered resources in the aggregate do not account for more than 15 per cent of the producer's management requirement for any material category, or
 - ii. a product that supports soil health or crop growth that is,
 - A. created through the combination of the recovered resources with organic matter, and
 - B. the recovered resources used for the product are recovered from paper.
2. The recovered resources are supplied for use in a product that is fuel or a fuel supplement.
3. The recovered resources are supplied to an incinerator for use in incineration.
4. The recovered resources are land filled or land disposed by the processor, producer or the producer responsibility organization.

Weight requirements

36. The requirements for calculating the weight of recycled content referred to in section 34 are as follows:

1. The weight of a producer's recycled content for a material category may not exceed 50 percent of the weight of the producer's blue box supply in a material category.
2. Only recycled content derived from blue box materials managed in accordance with this Regulation during the previous year may be counted.
3. The weight of recycled content must be verified in accordance with the Verification and Audit Procedure.

Minimum requirements

37. The minimum amount and recovery percentages for the purposes of section 34 are set out in the following Table:

TABLE

Recoverable Material	Minimum (in tonnes)	Recovery percentage 2026 -2029 (expressed as a percentage)	Recovery percentage 2030 onwards (expressed as a percentage)
Paper	9	90	90
Rigid Plastic	2	55	60
Flexible Plastic	2	30	40
Glass	1	75	85
Metal	1	67	75
Non-Alcoholic Beverage Containers	1	75	80

Redistribution factor

38. (1) The Authority shall calculate the redistribution factor for each material category using the formula,

$$E / (E-F)$$

Where

“E” is the sum of all producers’ blue box supply reported in the previous year for a material category, in tonnes; and

“F” is the sum of the recycled content of all producers’ blue box supply reported in the previous year for that material category, in tonnes.

(2) The Authority shall publish on the Registry its calculation of the redistribution factor for every material category by June 1 of the year the information was reported.

PART VII

REGISTRATION, REPORTING, AUDITING, AND RECORD KEEPING

Verification and Audit Procedure

39. A person who is required to register or report under this Part shall do so in accordance with the Verification and Audit Procedure.

Registration, producers

40. (1) Every person who is a producer of blue box material supplied to consumers in Ontario on or before April 1, 2021 shall register with the Authority, through the Registry, by submitting the information set out in subsection (3) on or before that date.

(2) If a person becomes a producer of blue box material supplied to consumers in Ontario after April 1, 2021, that person shall register with the Authority, through the Registry, by submitting the information set out in subsection (3), within 30 days of first becoming a producer.

(3) The information referred to in subsections (1) and (2) is the following:

1. The producer's name and contact information and any unique identifier assigned by the Registrar.
2. The name, contact information and any unique identifier assigned by the Registrar of any producer responsibility organizations retained by the producer, as well as,
 - i. a list of collection services provided by the producer responsibility organization under Part IV,
 - ii. a list of promotion and education services provided by the producer responsibility organization under Part VIII, and
 - iii. a list of any other services provided by the producer responsibility organization to the producer.
3. The name and contact information of an employee of the producer who has authority to bind the producer and who is responsible for ensuring the registration is complete and up to date.
4. If the producer is operating an alternative collection system that satisfies Part V in respect of any material category of blue box material, a description of the alternative collection system, including reference to each material category of blue box material collected in the alternative collection system.
5. If the producer is operating a supplemental collection system, a description of the supplemental collection system.
6. The material categories contained in the producer's blue box material.
7. For producers to whom subsection (1) applies,
 - i. the weight of the producer's blue box material supplied to consumers in Ontario in the previous year,
 - ii. the weight of each material category in the producer's blue box material supplied to consumers in Ontario in the previous year, and

- iii. the weight, if any, of recycled content contained in each material category in the producer's blue box material supplied to consumers in Ontario in the previous year.

Registration, producer responsibility organizations

41. (1) A producer responsibility organization that has been retained by a producer on or before June 15, 2021 shall register with the Authority, through the Registry, by submitting the information set out in subsection (3) on or before July 1, 2021.

(2) A producer responsibility organization that is first retained by a producer after June 15, 2021, shall register with the Authority, through the Registry, by submitting the information set out in subsection (3) within 30 days of being retained.

(3) The information referred to in subsections (1) and (2) is the following:

1. The producer responsibility organization's name, contact information and any unique identifier assigned by the Registrar.
2. The name, contact information and any unique identifier assigned by the Registrar each producer who has retained the producer responsibility organization.
3. A list of all collection services under Part IV.
4. A list of services the producer responsibility organization is retained to provide for each producer,
 - i. in respect of Part V,
 - ii. in respect of Part VIII, and
 - iii. in respect of any other Part.
5. The material categories of blue box material in respect of which the producer responsibility organization provides services for each producer.
6. The name and contact information of an employee of the producer responsibility organization who has authority to bind the corporation or entity and who is responsible for ensuring the registration is complete and up to date.

(4) The producer responsibility organization shall submit updated information within 15 days of any change to the information required under this section.

Registration, rule creators

42. (1) Every person who registers in respect of section 8 shall submit information demonstrating its compliance with the criteria set out in subsection 8 (2) on or before July 31, 2021.

(2) For greater certainty, a person who has registered in accordance this section may de-register prior to the rules being submitted in accordance with section 9.

Registration, blue box processors

43. (1) Every person who registers in respect of section 44 shall submit the information demonstrating its compliance with the criteria set out in subsection 44 (2).

(2) For greater certainty, a person who has registered in accordance with this section may de-register at any time.

Information, blue box processors

44. (1) Every processor shall register with the Authority, through the Registry, by submitting the information set out in subsection (2),

- (a) on or before April 1, 2022, if the processor processed blue box material supplied to consumers in Ontario before January 1, 2021, or
- (b) on or before January 31 of the calendar year immediately following the year in which the processor first processed blue box material supplied to consumers in Ontario, if the processor was not required to register under clause (a).

(2) The information referred to in subsection (1) is the following:

1. The name and contact information and any unique identifier assigned by the Registrar of the processor.
2. The name and contact information of an employee of the processor who has authority to bind the processor, and who is responsible for ensuring the registration is complete and up to date.
3. Each material category of blue box material supplied to consumers in Ontario the person processes, the location of each site where the person receives and processes this material and the types of recovered resources that result from the processing.
4. The producers and producer responsibility organizations that have contracts with the processor to process blue box materials supplied to consumers in Ontario.

(3) The processor shall submit updated information within 15 days of any change to the information required under this section.

Annual report, producers

45. (1) On or before April 30 of each year, beginning in 2024, every producer who is required to register under section 40 shall submit an annual report to the Authority, through the Registry, that contains the following information with respect to the previous calendar year:

1. The weight of blue box material supplied to consumers in Ontario in the previous year for which the person was a producer.
2. The weight of each material category in the blue box material reported under paragraph 1.
3. The weight of recycled content contained in each material category reported under paragraph 2.
4. A description of the actions taken by the producer in the previous year to fulfil their responsibilities relating to the requirements set out under Part IV, Part V, Part VI and Part VIII.
5. A description of the actions undertaken by producer responsibility organizations, on behalf of the producer, to fulfil their responsibilities relating to the requirements set out under Part IV, Part V, Part VI and Part VIII.
6. The following weights in respect of blue box material supplied to consumers in Ontario, with amounts in respect of blue box material collected under Part IV and Part V and pursuant to a supplemental collection system reported separately:
 - i. The total weight of recovered resources from each material category that was allocated by a producer responsibility organization to the producer, in accordance with section 35.
 - ii. The weight of recovered resources for each material category that was reported under subparagraph i that was,
 - A. marketed for re-use for their original purpose or function in accordance with subparagraph 1 i of subsection 35 (3), excluding recovered resources referred to in subsection 35 (4), or
 - B. marketed for use in new products or packaging in accordance with subparagraph 1 ii of subsection 35 (3), excluding recovered resources referred to in subsection 35 (4).
7. The following weights in respect of blue box material supplied to consumers in Ontario, allocated between each producer to whom a producer responsibility organized is providing services, with the weights in respect of Part VI, and weights in respect of Blue box material collected under Part IV, reported separately:
 - i. The weight of recovered resource for each material category that was,
 - A. used in a product that is land cover, unless the land cover is,
 1. Aggregate and the recovered resources in the aggregate do not account for more than 15 per cent of the producer's management requirement for any material category, or

2. a product that supports soil health or crop growth that is created through the combination of the recovered resources with organic matter, and the recovered resources used for the product are recovered from paper,
- ii. used in a product that is fuel or a fuel supplement,
- iii. supplied to an incinerator for use in incineration, and
- iv. landfilled or land disposed by the processor.

(2) The only requirement in this section that applies in respect of blue box material that is in the material category of compostable material is the requirement pursuant to paragraph 2 of subsection (1).

Annual report, producer responsibility organizations

46. (1) On or before April 30 in each year, beginning in 2024, every producer responsibility organization that is required to register under section 41 shall submit an annual report to the Authority, through the Registry, that contains the following information with respect to the previous year:

1. A description of collection services arranged, established or operated on behalf of each producer that retained the producer responsibility organization, including,
 - i. the producer's name, contact information and any unique identifier assigned by the Registrar,
 - ii. if the producer responsibility organization provided collection services to pursuant to Part IV,
 - A. the weight of blue box material collected by the producer responsibility organization on behalf of the producer, and
 - B. the eligible sources allocated to a producer for which the producer responsibility organization provided collection services,
 - iii. if the producer responsibility organization provided collection services on behalf of a producer in respect of an alternative collection system,
 - A. the weight of blue box material by material category collected by the producer responsibility organization on behalf of the producer,
 - B. the location and business hours of all collection sites in the alternative collection system, and
 - C. a description of all methods of collection in the alternative collection system,

- iv. if the producer responsibility organized provided a supplemental collection system on behalf of a producer, a description of the supplemental collection system.
- 2. A description of the management services, arranged, established or operated on behalf of each producer that retained the producer responsibility organization, including
 - i. a list of every processor that the producer responsibility organization retained to process blue box material supplied to consumers in Ontario,
 - ii. any unique identifier assigned by the Registrar to each processor referred to in subparagraph i, and
 - iii. the weight of recovered resources recovered by each processor referred to in subparagraph i from blue box materials supplied to consumers in Ontario,
 - iv. The following weights in respect of blue box material supplied to consumers in Ontario, allocated between each producer to whom producer responsibility organized is proving services in respect of Part VI , with the weights in respect of blue box material collected under Part IV, Part V, and through a supplemental collection system, reported separately.
 - A. The total weight of recovered resources from each material category
 - B. The weight of recovered resources for each material category that was reported under sub-subparagraph A that was,
 - 1. marketed for re-use for their original purpose or function in accordance with subparagraph 1 i of subsection 35 (3), excluding recovered resources referred to in subsection 35 (4), or
 - 2 marketed for use in new products or packaging in accordance with subparagraph 1 ii of subsection 35 (3), excluding recovered resources referred to in subsection 35 (4),
 - v. In respect of blue box material supplied to consumers in Ontario, allocated between each producer to whom producer responsibility organized is proving services in respect of Part VI, with the weights in respect of blue box material collected under Part IV and Part V, the weight of recovered resource for each material category reported separately, that was,
 - A. used in a product that is land cover, unless the land cover is,

1. aggregate and the recovered resources in the aggregate do not account for more than 15 per cent of the producer's management requirement for any material category, or
 2. a product that supports soil health or crop growth that is created through the combination of the recovered resources with organic matter, and the recovered resources used for the product are recovered from paper,
- B. used in a product that is fuel or a fuel supplement, and supplied to an incinerator for use in incineration, or
- C. landfilled or land disposed by the processor

(2) For greater clarity, a producer responsibility organization does not have a reporting requirement in respect of blue box material that is in the material category that is compostable materials.

Reports, processors

47. (1) On or before April 30 every year starting 2024, every processor who is required to register under section 43 shall submit an annual report to the Authority, through the Registry, that contains the following information with respect to the previous calendar year:

1. The following weights, with amounts in respect of blue box material received from collection systems operating under Part IV, Part V and a supplemental collection system reported separately:
 - i. blue box material supplied to consumers in Ontario received by the processor,
 - ii. blue box material supplied to consumers in Ontario processed by the processor,
 - iii. recovered resources recovered from blue box material supplied to consumers in Ontario processed by the processor,
 - iv. recovered resources referred to in subparagraph iii that was recovered from each material category,
 - v. recovered resources from each material category reported in subparagraph iv that the processor is reporting in respect of blue box material for which the processor was the producer
 - vi. recovered resources from each material category reported in subparagraph iv that the processor is reporting pursuant to a contract with a producer and the identification number of that producer assigned by the Registrar,
 - vii. recovered resources from each material category reported in subparagraph iv that the processor is reporting pursuant to a contract with a producer

responsibility organization and the identification number of the producer responsibility organization assigned by the Registrar

- viii. recovered resources for each material category that was reported under subparagraph v, vi or vii that were,
 - A. marketed for re-use for their original purpose or function in accordance with subparagraph 1 i of subsection 35 (3), excluding recovered resources referred to in subsection 35 (4), or
 - B. marketed for use in new products or packaging in accordance with subparagraph 1 ii of subsection 35 (3), excluding recovered resources referred to in subsection 35 (4).
- 2. The following weights, with amounts in respect of blue box material received from collection systems operating under Part IV and Part V, reported separately:
 - i. The weight of recovered resource for each material category that was
 - A. used in a product that is land cover, unless the land cover is,
 - 1. aggregate and the recovered resources in the aggregate do not account for more than 15 per cent of the producer's management requirement for any material category, or
 - 2. a product that supports soil health or crop growth that is created through the combination of the recovered resources with organic matter, and the recovered resources used for the product are recovered from paper.
 - B. used in a product that is fuel or a fuel supplement,
 - C. supplied to an incinerator for use in incineration, and
 - D. landfilled or land disposed by the processor.
 - 3. If the processor is part of a producer's management system, the name, contact information and any unique identifier assigned by the Registrar of,
 - i. the producer, and
 - ii. any producer responsibility organization retained by the producer.

(2) For greater clarity, a processor does not have a reporting requirement in respect of blue box material that is in the material category that is compostable materials.

Registration, local municipalities, local service boards

48. (1) Eligible communities that are local municipalities and local service boards that are included in the Blue Box Transition Schedule shall register with the Authority, through the

Registry, by submitting the following information, on or before April 15, 2021 about the municipality or local services board:

1. Number of residents.
2. A list of residences, including the number and location of each residence, that,
 - i. receive curbside garbage collection, or
 - ii. are serviced by depot garbage collection.
3. A list of depots at which garbage is currently collected, including location.
4. A list of public spaces at which garbage is currently collected, including location.
5. If blue box or waste collection services are delivered in partnership with another municipality, local services board or reserve, details about how the services are provided.
6. A contact person responsible for waste management and that person's mailing address.
7. Information required for a producer to determine the service standards for the blue box program operated in that municipality or local services board, as of August 15, 2019, in accordance with section 62.

(2) An eligible community that is a local municipality or local services board that is not listed in the Transition Schedule shall submit the information in subsection (1), other than the information in paragraph 7, on or before December 31, 2023.

(3) An eligible community that is a local municipality or local services board shall update their registration under section 15 within 30 days of,

- (a) ceasing to provide curbside garbage collection to any residence;
- (b) changing the method of garbage collection for a residence; or
- (c) a new residence becoming occupied.

Registration, reserves

49. (1) An eligible community that is a reserve may register with the Authority, through the Registry, by submitting the following information in respect of the reserve:

1. The number of residents.
2. A list of residences, including the number and location of each residence, that,
 - i. receive curbside garbage collection, or

ii. are serviced by depot garbage collection.

3. A list of depots at which garbage is currently collected, including location.
4. A list of public spaces at which garbage is currently collection, including location.
5. If blue box or waste collection services are delivered in partnership with another municipality, local services board or reserve, details about how the services are provided.
6. A contact person responsible for waste management and that person's mailing address
7. A list of languages that communications in respect of waste collection is currently being provided in.
8. Information required for a producer to determine the service standards for the blue box program operated in that reserve, as of August 15, 2019, in accordance with section 62, if that reserve is on the Blue Box Transition Schedule.

(2) A reserve that registered under subsection (1) shall update its registration within 30 days of,

- (a) ceasing to provide curbside garbage collection to any eligible residence;
- (b) changing the method of garbage collection for an eligible residence; or
- (c) new residences becoming occupied.

(3) The producers or producer responsibility organization that is assigned eligible sources in a reserve that has registered under subsection (1) in the first year that that reserve is included in the annual allocation table shall provide an offer of collection services under Part IV to that reserve,

- (a) no less than nine months before the date the reserve is eligible to receive collection services under the Blue Box Transition Schedule, if the reserve is on the Blue Box Transition Schedule and registered on or before April 15, 2021;
- (b) on or before April 1, 2025, if clause (a) does not apply and the reserve registered on or before December 31, 2024; or
- (c) within nine months of registration under subsection (1), if the reserve registered after December 31, 2024.

(4) A reserve that receives an offer under subsection (3) may register its acceptance of this offer with the Authority, through the Registry, by submitting information that,

- (a) identifies the producer or producer responsibility organization that made the offer; and

- (b) provides written consent from the Band Council or another authorized decision-making authority that the residents on reserve will allow a producer or a producer responsibility organization to collect blue box materials from all eligible sources on the reserve in accordance with this regulation.

(5) For greater certainty, a reserve may revoke its acceptance of the offer with the Authority, through the Registry.

Registration, facilities

50. (1) A facility that is not eligible to receive collection services during the transition period pursuant to clause 62 (2) (f) shall register with the Authority to receive collection services under Part IV.

(2) Registration under this Part constitutes consent by the facility for a producer or its producer responsibility organization to collect blue box material from the facility.

(3) For greater certainty, a facility that has registered with the Authority may revoke its registration with the Authority, on the Registry.

Brewers Retail Inc. and the LCBO

51. (1) Brewers Retail Inc. and the Liquor Control Board of Ontario shall each prepare and submit a report, on or before April 30 of each year that contains the following information:

1. The amount of alcohol beverage containers the Brewers Retail Inc. and the Liquor Control Board of Ontario supplied and diverted in the previous year.
2. The amount of materials that would be blue box material in a material category, but for the exemption in paragraph 8 of subsection 2 (2), for which Brewers Retail Inc. or the Liquor Control Board of Ontario are the producer, that were supplied and diverted in the previous year.
3. A description of how the materials in described in paragraphs 1 and 2 were diverted.

(2) In addition to the information described in subsection (1), the annual report prepared by Brewers Retail Inc. shall contain the following information:

1. A list of all brewers participating in its container return program in the previous year.
2. A list of addresses of the return locations that operated in the previous year.
3. An analysis as to whether the weight of recovered resources that Brewers Retail Inc. caused to be recovered from alcohol beverage containers would equal or exceed 85 per cent of the of the weight of alcohol beverage containers supplied by Brewers Retail Inc.
4. An analysis as to whether the weight of recovered resources for any glass, flexible plastic, rigid plastic, metal, paper, compostable material, or non-alcoholic beverage container for which Brewers Retail Inc. would be the producer, but for the exception

in paragraph 8 of subsection 2 (2), equals or exceeds the applicable management requirement as set out in section 34.

(3) In addition to the information described in subsection (1), the annual report prepared by the Liquor Control Board of Ontario shall contain the following information,

1. An analysis as to whether the weight of recovered resources from alcohol beverage containers managed through the Ontario Deposit Return Program equals or exceeds 85 per cent of the weight of the total supply of alcohol beverage containers in the Ontario Deposit Return Program
2. An analysis as to whether the weight of recovered resources for any glass, flexible plastic, rigid plastic, metal, paper, compostable material, or beverage container for which Liquor Control Board of Ontario would be the producer, but for the exception in paragraph 8 of subsection 2 (2), equals or exceeds the applicable management requirement as set out in section 34.

(4) Despite the definition of “alcoholic beverage container” in section 1, a reference to “alcohol beverage container” in this section only refers to the containers described in clause (a) of that definition.

(5) The Liquor Control Board of Ontario may consent to Brewers Retail Inc. preparing and submitting the Liquor Control Board of Ontario's annual report.

(6) The Authority may not recover its costs by requiring Brewers Retail Inc. or the Liquor Control Board of Ontario to pay fees, costs and charges imposed under section 41 of the Act.

(7) The annual reports under subsection (1) must be prepared in accordance with the Verification and Audit Procedure and, before submission must be audited by an independent auditor who is licensed or holds a certificate of authorization under the *Public Accounting Act, 2004*.

Records

52. Every producer, producer responsibility organization, and processor shall keep the following records in a paper or electronic format that can be examined or accessed in Ontario for a period of five years from the date of creation, as applicable:

1. Records related to arranging for the establishment or operation of a collection and management system for the purpose of fulfilling responsibilities relating to Blue Box material.
2. Records related to information required to be submitted to the Authority through the Registry.
3. Records related to implementing a promotion and education program required under this Regulation.

4. Records related to the weight of blue box material supplied to blue box consumers in Ontario for which the person is a producer.
5. Any agreements that relate to the information described in this section.

Small producers

53. If section 65 applies to a producer, the producer shall keep any records which demonstrate that its annual revenue from products and services is less than \$2,000,000 in a paper or electronic format that can be examined or accessed in Ontario for a period of five years from the date of creation.

Audit, management systems

54. (1) On or before April 30, 2026, and every third year after that, every producer shall cause an audit to be undertaken of the practices and procedures the producer implemented in respect of Part VI, with respect to each material category of Blue Box material for which the producer was responsible in the three immediately preceding calendar years.

(2) On or before April 30 in any year in which an audit is required under subsection (1), the producer shall prepare and submit a copy of a report on the audit to the Authority, through the Registry, that includes the following for each material category of blue box material supplied to consumers in Ontario, for which the producer was responsible:

1. The weight of each material category of blue box material supplied to consumers in Ontario for which the person was a producer.
2. The following weights in respect of blue box material supplied to consumers in Ontario, with amounts material collected under Part IV, Part V, and pursuant to a supplemental collection system, reported separately:
 - i. . marketed for re-use for their original purpose or function in accordance with subparagraph 1 i of subsection 35(3), excluding recovered resources referred to in subsection 35 (4), or
 - ii. marketed for use in new products or packaging in accordance with subparagraph 1 ii of subsection 35 (3), excluding recovered resources referred to in subsection 35 (4),
 - iii. landfilled or land disposed,
 - iv. used in a product that is land cover, unless the land cover is,
 - A. Aggregate and the recovered recourses in the aggregate do not account for more than 15 per cent of the producer's management requirement for any material category, or
 - B. a product that supports soil health or crop growth that is,

1. created through the combination of the recovered resources with organic matter, and
 2. the recovered resources used for the product are recovered from paper,
- v. supplied for use in a product that is fuel or a fuel supplement, and
 - vi. supplied to an incinerator for use in incineration.
3. A statement confirming whether the producer satisfied their management requirement.

(3) The audit referred to in subsection (1) must be conducted by an independent auditor who is licensed or holds a certificate of authorization under the *Public Accounting Act, 2004* and in accordance with the procedures set out in the Verification and Audit Procedure.

Access to information and privacy

55. Information and data submitted under this regulation to the Authority through the Registry shall not be posted on the Registry unless it is posted in a manner that is consistent with the “Access and Privacy Code” published by the Authority and dated December 14, 2017, as amended from time to time, and available on the website of the Registry.

PART VIII

PROMOTION AND EDUCATION

Promotion and education, producers

56. Producers who are required to establish and operate a system for collecting blue box material under Part IV, or who register the establishment and operation of an alternative collection system for a material category under Part V, shall implement a promotion and education program in accordance with this Part.

Information to be included

57. (1) A promotion and education program must include the dissemination of the following information:

1. A complete list of blue box materials that may be included in blue box receptacles.
2. A list of materials that cannot be included in blue box receptacles.
3. A description of how blue box receptacles can be replaced, or how additional blue box receptacles can be requested.
4. A description of how the producer will fulfil its collection responsibilities, including,

- i. if the producer provides collection for a residence, facility, or public space, the dates on which collection will occur for specified eligible sources, and
 - ii. If the producer provides depot collection, the location of every depot, and its hours of operation.
5. Contact information of the producer, or its producer responsibility organization, including a telephone number and email address, at which persons may,
 - i. receive responses to questions or issues relating to collection, and
 - ii. request additional or new blue box receptacles.
6. If the information is being disseminated in print form, a website at which the information in described in paragraphs 1 through 5 is provided.

(2) During the period beginning on January 1, 2023 and ending on December 31, 2026, the promotion and education program must also include the dissemination of the following information:

1. A description of any significant change from the collection service that was previously provided by a municipality, including any change to what material may be included in the blue box receptacle, and any change in sorting procedures.
2. A description about how to prepare materials for placement in the blue box receptacle, including any direction about rinsing or flattening blue box material.
3. A description about how materials should be sorted or bagged

(3) Where a producer operates an alternative collection system in accordance with Part X, the producer must disseminate the following additional information in its promotion and education program:

1. A description of which blue box materials are collected by the alternative system.
2. A description of how the alternative collection system will operate, including,
 - i. The date and time of any collection events or other initiatives to collect blue box material
 - ii. How persons can arrange for pick up of blue box material
 - iii. If the producer operates a depot or a return-to-retail location, the location and hours of operation.

(4) Despite subsection (2), after the conclusion of its first year of operation, the producer is not required to disseminate the information specified in in paragraphs 2 and 3 of that subsection.

(5) The promotion and education program shall be provided in the following forms:

1. On a publicly accessible website.
 2. In print, and delivered by mail to each eligible source for which the producer has collection responsibilities, at least once per year.
- (6) The promotion and education program shall be provided in French and English.

Joint and several liability

58. A producer responsibility organization that is required to register under section 41 in respect of a producer is jointly and severally liable for the requirements in this Part with that producer.

Part IX

TRANSITION

Definition

59. In this Part,

“transition period” means the years 2023, 2024 and 2025.

When community included

60. If an eligible community is included in the Blue Box Transition Schedule, the person or persons who are required to prepare the annual allocation table shall include that eligible community in the annual allocation table beginning in the year in which the Blue Box Transition Schedule states that eligible community will start to receive collection services under this regulation.

First year

61. A producer who is assigned collection responsibilities in respect of an eligible community the first year it is included in the annual allocation table is not required to provide collection services before,

- (a) the date specified in the Blue Box Transition Schedule, if the eligible community is a local municipality or local services board, or
- (b) if the eligible community is a reserve that has registered under section 48, the later of the following,
 - i. the date specified in the Blue Box Transition Schedule,
 - ii. the date the reserve registered its acceptance of the offer of collection under subsection 49 (3).

Service standards

62. (1) A producer that is assigned collection responsibilities in respect of an eligible community during the transition period is required to provide service standards described in subsection (2) that equal or exceed the service standards applicable in that community on August 15, 2019.

(2) The service standards referred to in subsection (1) are,

- (a) collecting blue box materials that were collected under the eligible community's blue box system;
- (b) collecting blue box materials at the frequency they were collected under the eligible community's blue box system;
- (c) collecting blue box materials in the same number of streams as they were collected under the eligible community's blue box system;
- (d) providing curbside collection to all the residences that received curbside collection under the eligible community's blue box system;
- (e) providing depot collection at all the locations available under the eligible community's blue box system;
- (f) providing collection to all the facilities that received collection services under the eligible community's blue box system;
- (g) providing collection to all public spaces that receive collection services under the eligible community's blue box system;
- (h) providing collection to any residence or facility that was not occupied on August 15, 2019 as if that residence or facility was occupied on August 15, 2019; and
- (i) providing promotion and education communications, in accordance with Part VIII to residents of the eligible community using the languages used in the eligible community's blue box system.

Best efforts

63. During the transition period, a producer shall use best effort to comply with Part VI, as it would read if,

- (a) that Part applied during the transition period;
- (b) the management target for 2023 for a producer is reduced by two thirds;
- (c) the management target for 2024 for a producer is reduced by one third; and
- (d) the management target for 2025 is not reduced.

Information

64. The Authority shall provide the information in sections 48 and 49 in respect of eligible communities contained in the Transition Schedule to the persons who are required to prepare the annual allocation table no later than July 1, 2022.

Part X

GENERAL

Exemption, small producers

65. Any producer whose annual revenue from products and services is less than \$2,000,000 is exempt from the following parts of this Regulation:

1. Part IV.
2. Part VI.
3. Part VII, other than section 53.
4. Part VIII.

Ownership

66. Unless otherwise set out in an agreement with an applicable producer or producer responsibility organization, the owner or operator of a residence, public space or facility does not own the receptacles for the collection of blue box material provided under this Regulation.

Part XI

COMMENCEMENT

Commencement

67. [Commencement]

Blue Box Transition Schedule: Explanatory Note

The Ministry of the Environment, Conservation and Parks has proposed a producer responsibility regulation for the Blue Box Program.

The proposed regulation under the Resource Recovery and Circular Economy Act, 2016 would make producers responsible for the Blue Box Program, including meeting regulated outcomes for providing collection services to local communities, managing Blue Box materials, and achieving diversion targets to improve diversion, address plastic waste, and recover resources for use in the economy.

The draft regulation is currently posted for a 45-day consultation period on the province's Environmental and Regulatory Registries (<https://ero.ontario.ca/notice/019-2579>).

The Resource Productivity and Recovery Authority (RPRA) Datacall indicates that municipalities, unorganized territories and First Nations communities ran 249 local blue box programs in Ontario in 2018 under the Waste Diversion Transition Act, 2016.

The proposed regulation would transition existing blue box services to producer responsibility in three groups between 2023 and 2025 according to a "Blue Box Transition Schedule" referenced in the regulation.

The proposed "Blue Box Transition Schedule" (see page 3) identifies eligible municipal programs and the year they are proposed to transition. Producers would be responsible for transitioning communities on or before the dates contained in the schedule.

Please refer to the Environmental and Regulatory Registries linked above for more information on how the Ministry developed the proposed "Blue Box Transition Schedule".

At this time, the proposed "Blue Box Transition Schedule" includes municipalities and unorganized territories with Blue Box Programs in the Datacall with the Authority.

The Ministry will consult on the proposed transition groupings as it works to finalize the regulation, including the best way to determine the specific calendar date for each community's transition.

This will include engagement with First Nation communities to learn more about Blue Box Programs in their communities and assess their preferred dates for transition.

The “Blue Box Transition Schedule” will be updated when the regulation is finalized to include First Nation communities and identify calendar dates for each transitioning program within a given year.

Blue Box Transition Schedule

Eligible Community	Transition Year
Addington Highlands, Township of	2025
Admaston/Bromley, Township of	2025
Alfred and Plantagenet, Township of	2023
Algonquin Highlands, Township of	2024
Armour, Township of	2025
Armstrong, Township of	2025
Arnprior, Town of	2023
Ashfield-Colborne-Wawanosh, Township of	2025
Assiginack, Township of	2025
Athens, Township of	2025
Atikokan, Township of	2025
Augusta, Township of	2025
Aylmer, Town of	2023
Baldwin, Township of	2025
Bancroft, Town of	2025
Barrie, City of	2024
Bayham, Municipality of	2023
Beckwith, Township of	2023
Billings, Township of	2025
Blind River, Town of	2025
Bluewater Recycling Association	2024
Bonfield, Township of	2025
Bonnechere Valley, Township of	2025
Brant, County of	2025
Brantford, City of	2025
Brockville, City of	2025
Bruce Area Solid Waste Recycling	2025
Brudenell, Lyndoch and Raglan, Township of	2025
Burk's Falls, Village of	2025
Callander, Municipality of	2025
Calvin, Municipality of	2025
Carleton Place, Town of	2023
Carling, Township of	2025
Carlow Mayo, Township of	2025
Casey, Township of	2025
Casselman, Village of	2023
Central Elgin, Municipality of	2023
Central Frontenac, Township of	2025

Eligible Community	Transition Year
Central Manitoulin, Township of	2025
Charlton and Dack, Municipality of	2025
Chatham-Kent, Municipality of	2024
Chatsworth, Township of	2023
Chisholm, Township of	2025
Clarence-Rockland, City of	2023
Cobalt, Town of	2025
Cochrane, Corporation of the Town of	2025
Coleman, Township of	2025
Conmee, Township of	2024
Cornwall, City of	2025
Deep River, Town of	2025
Deseronto, Town of	2025
Drummond-North Elmsley, Township of	2023
Dryden, City of	2023
Dufferin, County of	2023
Durham, Regional Municipality of	2024
Dutton-Dunwich, Municipality of	2023
Dysart et al, Township of	2024
East Ferris, Municipality of	2025
Edwardsburgh Cardinal, Township of	2025
Elizabethtown-Kitley, Township of	2025
Elliot Lake, City of	2025
Emo, Township of	2025
Englehart, Town of	2025
Enniskillen, Township of	2023
Espanola, Town of	2025
Essex-Windsor Solid Waste Authority	2024
Evanturel, Township of	2025
Faraday, Township of	2025
Fort Frances, Town of	2025
French River, Municipality of	2025
Front of Yonge, Township of	2025
Frontenac Islands, Township of	2025
Gananoque, Town of	2025
Gauthier, Township of	2025
Georgian Bluffs, Township of	2023
Gillies, Township of	2024
Goulais Local Service Board	2023
Greater Madawaska, Township of	2025
Greater Napanee, Township of	2025
Greater Sudbury, City of	2025
Grey Highlands, Municipality of	2023
Guelph, City of	2025

Eligible Community	Transition Year
Haldimand, County of	2024
Halton, Regional Municipality of	2025
Hamilton, City of	2025
Hanover, Town of	2025
Harley, Township of	2025
Hastings Highlands, Municipality of	2024
Hawkesbury Joint Recycling	2023
Head, Clara and Maria, Townships of	2025
Hearst	2025
Highlands East, Municipality of	2024
Hilliard, Township of	2025
Hilton Beach, Village of	2025
Horton, Township of	2025
Howick, Township of	2024
Hudson, Township of	2025
Huron Shores, Municipality of	2025
James, Township of	2025
Kapuskasing, Town of	2025
Kawartha Lakes, City of	2024
Kearney, Town of	2025
Kenora, City of	2023
Kerns, Township of	2025
Killaloe, Hagarty, and Richards, Township of	2025
Killarney, Municipality of	2025
Kingston, City of	2025
Kirkland Lake, Town of	2025
Laird, Township of	2025
Lanark Highlands, Township of	2025
Larder Lake, Township of	2025
Latchford, Town of	2025
Laurentian Hills, Town of	2025
Leeds and the Thousand Islands, Township of	2025
Limerick, Township of	2025
London, City of	2023
Loyalist, Township of	2025
Macdonald, Meredith & Aberdeen Additional, Township of	2025
Machar, Township of	2025
Madawaska Valley, Township of	2025
Magnetawan, Municipality of	2025
Malahide, Township of	2023
Marathon, Town of	2025
Matachewan, The Corporation of the Township of	2025
Mattice-Val Cote, Municipality of	2025
McDougall, Municipality of	2025

Eligible Community	Transition Year
McGarry, Township of	2025
McKellar, Township of	2025
McMurrich/Monteith, Township of	2025
Mcnab-Braeside, Township of	2023
Meaford, Municipality of	2023
Merrickville-Wolford, Village of	2023
Minden Hills, Township of	2024
Mississippi Mills, Town of	2023
Montague, Township of	2023
Muskoka, District Municipality of	2024
Nairn & Hyman, Township of	2025
Neebing, Municipality of	2024
Newbury, Village of	2023
Niagara, Regional Municipality of	2024
Nipissing, Township of	2025
Norfolk, County of	2024
North Bay, City of	2025
North Dundas, Township of	2025
North Frontenac, Township of	2025
North Glengarry, Township of	2025
North Grenville, Municipality of	2023
North Huron, Township of	2025
North Stormont, Township of	2025
Northeastern Manitoulin & Islands, Town of	2025
Northern Bruce Peninsula, Municipality of	2025
Northumberland, County of	2024
O'Connor, Township of	2024
Oliver Paipooonge, Municipality of	2024
Orillia, City of	2024
Ottawa Valley Waste Recovery Centre	2025
Ottawa, City of	2023
Owen Sound, City of	2023
Oxford, Restructured County of	2025
Papineau-Cameron, Township of	2025
Parry Sound, Town of	2025
Peel, Regional Municipality of	2024
Perry, Township of	2025
Perth, Town of	2025
Peterborough, City of	2024
Peterborough, County of	2024
Petrolia, Town of	2023
Plympton-Wyoming, Town of	2023
Powassan, Municipality of	2025
Prescott, Town of	2025

Eligible Community	Transition Year
Prince, Township of	2023
Quinte Waste Solutions	2025
Rainy River, Town of	2025
Red Lake, Municipality of	2023
Renfrew, Town of	2025
Rideau Lakes, Township of	2025
Russell, Township of	2025
Sables-Spanish Rivers, Township of	2025
Sarnia, City of	2023
Sault Ste. Marie, City of	2023
Seguin, Township of	2025
Shuniah, Municipality of	2024
Simcoe, County of	2024
Sioux Lookout, The Corporation of the Municipality of	2025
Sioux Narrows Nestor Falls, Township of	2023
Smiths Falls, Town of	2025
South Dundas, Township of	2025
South Frontenac, Township of	2025
South Glengarry, Township of	2025
South Stormont, Township of	2025
Southgate, Township of	2023
Southwest Middlesex, Municipality of	2023
Southwold, Township of	2023
Spanish, Town of	2025
St. Charles, Municipality of	2025
St. Clair, Township of	2023
St. Joseph, Township of	2025
St. Thomas, City of	2023
Stone Mills, Township of	2025
Stratford, City of	2024
Strong, Township of	2025
Sundridge, Village of	2025
Tarbutt & Tarbutt Additional, Township of	2025
Tay Valley, Township of	2025
Temiskaming Shores, City of	2025
Terrace Bay, Township of	2025
Thames Centre, Municipality of	2023
The Archipelago, Township of	2025
The Blue Mountains, Town of	2023
The Nation, Municipality	2023
Thunder Bay, City of	2024
Timmins, City of	2025
Toronto, City of	2023
Tri-Neighbours	2025

Eligible Community	Transition Year
Tudor & Cashel, Township of	2025
Waterloo, Regional Municipality of	2024
Wellington, County of	2025
West Elgin, Municipality of	2023
West Grey, Municipality of	2025
West Nipissing, Municipality of	2025
Westport, Village of	2025
Whitestone, Municipality of	2025
Whitewater Region, Township of	2025
Wollaston, Township of	2025
York, Regional Municipality of	2025

Blue Box Transition Complementary Document: Map and Geographic Groupings

(This document is a draft – for consultation purposes only.)

The Ministry of the Environment, Conservation and Parks has proposed a producer responsibility regulation for the Blue Box Program.

The proposed regulation under the Resource Recovery and Circular Economy Act, 2016 would make producers responsible for the Blue Box Program, including meeting regulated outcomes for providing collection services to local communities, managing Blue Box materials, and achieving diversion targets to improve diversion, address plastic waste, and recover resources for use in the economy.

The draft regulation is currently posted for a 45-day consultation period on the province's Environmental and Regulatory Registries (<https://ero.ontario.ca/notice/019-2579>).

The Resource Productivity and Recovery Authority (RPRA) Datacall indicates that municipalities, unorganized territories and First Nations communities ran 249 local blue box programs in Ontario in 2018 under the Waste Diversion Transition Act, 2016.

The proposed regulation would transition existing blue box services to producer responsibility in three groups between 2023 and 2025 according to a Blue Box Transition Schedule referenced in the regulation.

The Blue Box Transition Schedule has been posted for consultation on the Environmental and Regulatory Registries (<https://ero.ontario.ca/notice/019-2579>).

This document is not the proposed Blue Box Transition Schedule.

This document is a complementary document developed to assist stakeholders in providing comments on the schedule by providing a map and listing of geographic groupings contained in each year of the proposed schedule.

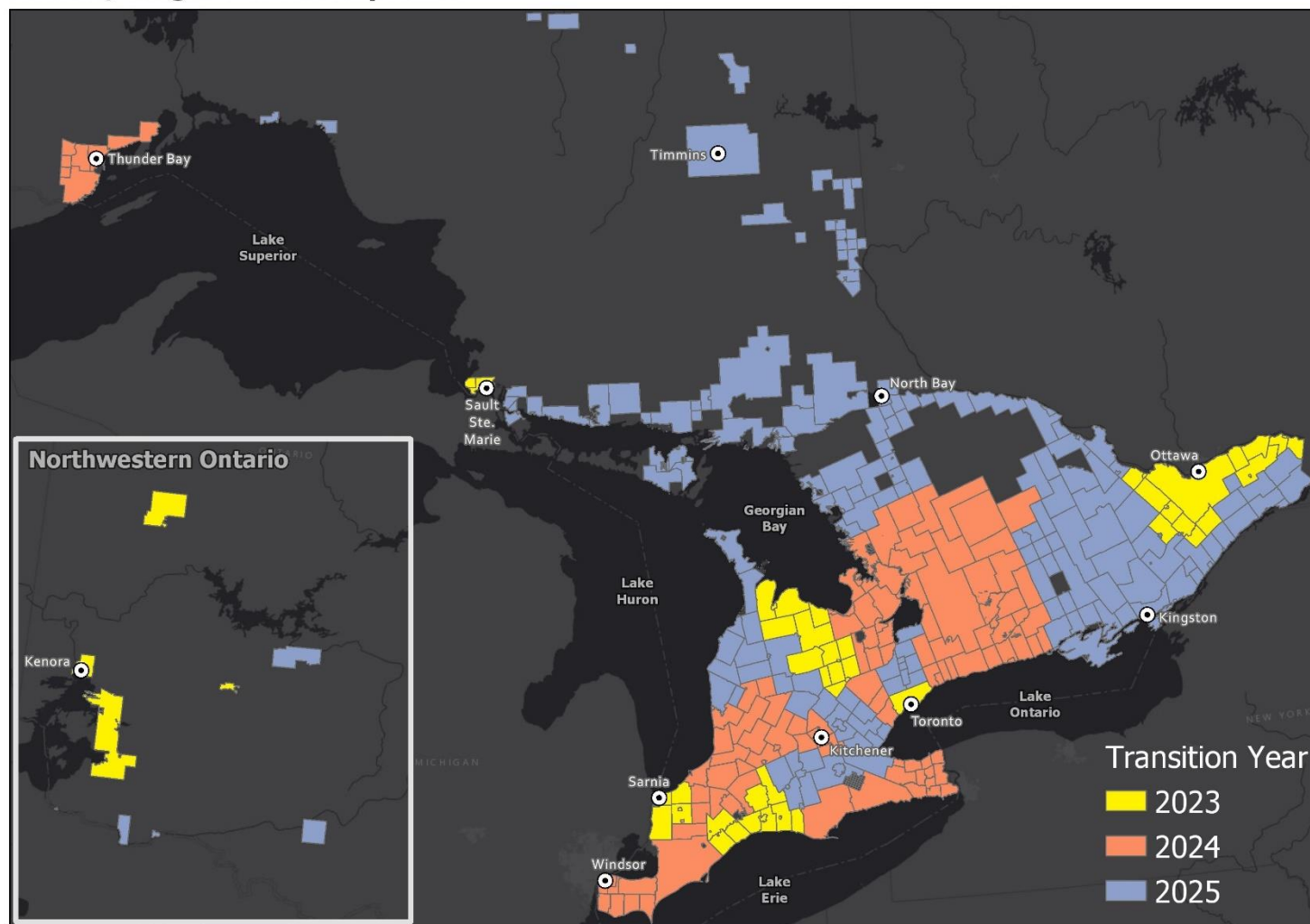
The Ministry will consult on the proposed transition groupings as it works to finalize the regulation, including the best way to determine the specific calendar date for each community's transition.

This will include engagement with First Nation communities to learn more about Blue Box Programs in their communities and assess their preferred dates for transition.

The Blue Box Transition Schedule will be updated when the regulation is finalized to include First Nation communities and identify a calendar date for the transition.

Blue Box Transition Complementary Document: Map

Blue Box Residential Recycling Program Lower / Single Tier Municipalities



Blue Box Transition Complementary Document: Proposed Geographic Groupings, By Year

2023: CENTRAL

Eligible Community	Transition Year
Chatsworth, Township of	2023
Dufferin, County of	2023
Enniskillen, Township of	2023
Georgian Bluffs, Township of	2023
Grey Highlands, Municipality of	2023
Meaford, Municipality of	2023
Newbury, Village of	2023
Owen Sound, City of	2023
Southgate, Township of	2023
The Blue Mountains, Town of	2023

2023: LONDON AREA

Eligible Community	Transition Year
Aylmer, Town of	2023
Bayham, Municipality of	2023
Central Elgin, Municipality of	2023
Dutton-Dunwich, Municipality of	2023
London, City of	2023
Malahide, Township of	2023
Southwest Middlesex, Municipality of	2023
Southwold, Township of	2023
St. Thomas, City of	2023
Thames Centre, Municipality of	2023
West Elgin, Municipality of	2023

2023: NORTHWEST

Eligible Community	Transition Year
Dryden, City of	2023
Kenora, City of	2023
Red Lake, Municipality of	2023

2023: EAST

Eligible Community	Transition Year
Alfred and Plantagenet, Township of	2023
Arnprior, Town of	2023
Beckwith, Township of	2023
Carleton Place, Town of	2023

Eligible Community	Transition Year
Casselman, Village of	2023
Clarence-Rockland, City of	2023
Drummond-North Elmsley, Township of	2023
Hawkesbury Joint Recycling	2023
McNab-Braeside, Township of	2023
Merrickville-Wolford, Village of	2023
Mississippi Mills, Town of	2023
Montague, Township of	2023
North Grenville, Municipality of	2023
Ottawa, City of	2023
The Nation, Municipality	2023

2023: SARNIA AREA

Eligible Community	Transition Year
Petrolia, Town of	2023
Plympton-Wyoming, Town of	2023
Sarnia, City of	2023
St. Clair, Township of	2023

2023: SAULT STE. MARIE AREA

Eligible Community	Transition Year
Goulais Local Service Board	2023
Prince, Township of	2023
Sault Ste. Marie, City of	2023
Sioux Narrows Nestor Falls, Township of	2023

2023: TORONTO

Eligible Community	Transition Year
Toronto, City of	2023

2024: CENTRAL

Eligible Community	Transition Year
Algonquin Highlands, Township of	2024
Barrie, City of	2024
Durham, Regional Municipality of	2024
Dysart et al, Township of	2024
Hastings Highlands, Municipality of	2024
Highlands East, Municipality of	2024
Kawartha Lakes, City of	2024
Minden Hills, Township of	2024
Muskoka, District Municipality of	2024
Northumberland, County of	2024

Eligible Community	Transition Year
Orillia, City of	2024
Peel, Regional Municipality of	2024
Peterborough, City of	2024
Peterborough, County of	2024
Simcoe, County of	2024

2024: HALDIMAND, NIAGARA AND NORFOLK

Eligible Community	Transition Year
Haldimand, County of	2024
Niagara, Regional Municipality of	2024
Norfolk, County of	2024

2024: SOUTHWEST

Eligible Community	Transition Year
Bluewater Recycling Association	2024
Chatham-Kent, Municipality of	2024
Essex-Windsor Solid Waste Authority	2024
Howick, Township of	2024
Stratford, City of	2024

2024: THUNDER BAY AREA

Eligible Community	Transition Year
Conmee, Township of	2024
Gillies, Township of	2024
Neebing, Municipality of	2024
O'Connor, Township of	2024
Oliver Paipoonge, Municipality of	2024
Shuniah, Municipality of	2024
Thunder Bay, City of	2024

2024: WATERLOO

Eligible Community	Transition Year
Waterloo, Regional Municipality of	2024

2025: CENTRAL

Eligible Community	Transition Year
Ashfield-Colborne-Wawanosh, Township of	2025
Bruce Area Solid Waste Recycling	2025
Burk's Falls, Village of	2025
Guelph, City of	2025
Halton, Regional Municipality of	2025

Eligible Community	Transition Year
Hamilton, City of	2025
Hanover, Town of	2025
North Huron, Township of	2025
Northern Bruce Peninsula, Municipality of	2025
Sundridge, Village of	2025
Wellington, County of	2025
West Grey, Municipality of	2025

2025: EAST

Eligible Community	Transition Year
Addington Highlands, Township of	2025
Admaston/Bromley, Township of	2025
Athens, Township of	2025
Augusta, Township of	2025
Bancroft, Town of	2025
Bonnechere Valley, Township of	2025
Brockville, City of	2025
Brudenell, Lyndoch and Raglan, Township of	2025
Carlow Mayo, Township of	2025
Central Frontenac, Township of	2025
Cornwall, City of	2025
Deep River, Town of	2025
Deseronto, Town of	2025
Edwardsburgh Cardinal, Township of	2025
Elizabethtown-Kitley, Township of	2025
Faraday, Township of	2025
Front of Yonge, Township of	2025
Frontenac Islands, Township of	2025
Gananoque, Town of	2025
Greater Madawaska, Township of	2025
Greater Napanee, Township of	2025
Head, Clara and Maria, Townships of	2025
Horton, Township of	2025
Killaloe, Hagarty, and Richards, Township of	2025
Kingston, City of	2025
Lanark Highlands, Township of	2025
Laurentian Hills, Town of	2025
Leeds and the Thousand Islands, Township of	2025
Limerick, Township of	2025
Loyalist, Township of	2025
Madawaska Valley, Township of	2025
North Dundas, Township of	2025
North Frontenac, Township of	2025

Eligible Community	Transition Year
North Glengarry, Township of	2025
North Stormont, Township of	2025
Ottawa Valley Waste Recovery Centre	2025
Papineau-Cameron, Township of	2025
Perth, Town of	2025
Prescott, Town of	2025
Quinte Waste Solutions	2025
Renfrew, Town of	2025
Rideau Lakes, Township of	2025
Russell, Township of	2025
Smiths Falls, Town of	2025
South Dundas, Township of	2025
South Frontenac, Township of	2025
South Glengarry, Township of	2025
South Stormont, Township of	2025
Stone Mills, Township of	2025
Tay Valley, Township of	2025
Westport, Village of	2025
Whitewater Region, Township of	2025
Wollaston, Township of	2025

2025: NORTH, NEAR NORTH, AND PARRY SOUND

Eligible Community	Transition Year
Armour, Township of	2025
Armstrong, Township of	2025
Assiginack, Township of	2025
Baldwin, Township of	2025
Billings, Township of	2025
Blind River, Town of	2025
Bonfield, Township of	2025
Callander, Municipality of	2025
Calvin, Municipality of	2025
Carling, Township of	2025
Casey, Township of	2025
Central Manitoulin, Township of	2025
Charlton and Dack, Municipality of	2025
Chisholm, Township of	2025
Cobalt, Town of	2025
Cochrane, Corporation of the Town of	2025
Coleman, Township of	2025
East Ferris, Municipality of	2025
Elliot Lake, City of	2025
Englehart, Town of	2025

Eligible Community	Transition Year
Espanola, Town of	2025
Evanturel, Township of	2025
French River, Municipality of	2025
Gauthier, Township of	2025
Greater Sudbury, City of	2025
Harley, Township of	2025
Hearst	2025
Hilliard, Township of	2025
Hilton Beach, Village of	2025
Hudson, Township of	2025
Huron Shores, Municipality of	2025
James, Township of	2025
Kapuskasing, Town of	2025
Kearney, Town of	2025
Kerns, Township of	2025
Killarney, Municipality of	2025
Kirkland Lake, Town of	2025
Laird, Township of	2025
Larder Lake, Township of	2025
Latchford, Town of	2025
Macdonald, Meredith & Aberdeen Additional, Township of	2025
Machar, Township of	2025
Magnetawan, Municipality of	2025
Marathon, Town of	2025
Matachewan, The Corporation of the Township of	2025
Mattice-Val Cote, Municipality of	2025
McDougall, Municipality of	2025
McGarry, Township of	2025
McKellar, Township of	2025
McMurrich/Monteith, Township of	2025
Nairn & Hyman, Township of	2025
Nipissing, Township of	2025
North Bay, City of	2025
Northeastern Manitoulin & Islands, Town of	2025
Parry Sound, Town of	2025
Perry, Township of	2025
Powassan, Municipality of	2025
Sables-Spanish Rivers, Township of	2025
Seguin, Township of	2025
Spanish, Town of	2025
St. Charles, Municipality of	2025
St. Joseph, Township of	2025
Strong, Township of	2025
Tarbutt & Tarbutt Additional, Township of	2025

Eligible Community	Transition Year
Temiskaming Shores, City of	2025
Terrace Bay, Township of	2025
The Archipelago, Township of	2025
Timmins, City of	2025
Tri-Neighbours	2025
Tudor & Cashel, Township of	2025
West Nipissing, Municipality of	2025
Whitestone, Municipality of	2025

2025: NORTHWEST

Eligible Community	Transition Year
Atikokan, Township of	2025
Emo, Township of	2025
Fort Frances, Town of	2025
Rainy River, Town of	2025
Sioux Lookout, The Corporation of the Municipality of	2025

2025: BRANT AND OXFORD

Eligible Community	Transition Year
Brant, County of	2025
Brantford, City of	2025
Oxford, Restructured County of	2025

2025: YORK

Eligible Community	Transition Year
York, Regional Municipality of	2025

Previous Waste Management Comments and How Addressed in Proposed Regulation

Niagara Region Comments	How Addressed in Proposed Regulation
<p>All community events should be mandated to have diversion programs (twinned with garbage) and the Province should provide funding for volunteers to help sort waste properly at events. Public events should be waste-free and generate only acceptable recyclable and compostable material.</p>	<p>Under the proposed regulation producers would be required collect blue box material from public spaces where eligible communities provide garbage collection at the public space and streetscapes within the business improvement areas. Where the public space is a park or playground, producers are to collect throughout the year and locate receptacles at entry or exit points, and other areas where persons congregate.</p> <p>Blue Box receptacles are to be placed next to every receptacle for garbage at the public space.</p> <p>Producers will not be responsible for providing additional Blue Box receptacles in parks during community events where there maybe a need for increased receptacles.</p>
<p>Niagara Region supports a consistent Provincial approach to standardization of materials accepted in the Blue Box program that should be done as part of the change to full producer responsibility. To achieve this, materials should not be removed from the program and if they are, alternative approaches for disposal must be considered, with producers paying for management of the material in the waste management system. Consumer convenience should be maintained or improved, and access to existing services should not be negatively impacted by any changes to Blue Box program.</p>	<p>The proposed regulation designates Blue Box materials under the RRCEA that producers would be responsible for collecting and managing which are items made from paper, metal, glass, plastic, or any combination of these materials including:</p> <ul style="list-style-type: none"> • packaging • printed and unprinted paper • non-alcoholic beverage containers • single-use packaging-like products such as foils, wraps, trays, boxes, bags • single-use items such as straws, cutlery, plates and stir sticks <p>Currently, Niagara Region's Blue Box program does not accept all items that will be designated such as straws, cutlery and stir sticks.</p> <p>Niagara Region does currently accept books (hardcover's removed) in the Blue Box program which is currently not included in the proposed regulations.</p>

Niagara Region Comments	How Addressed in Proposed Regulation
<p>All community events should be mandated to have diversion programs (twinned with garbage) and the Province should provide funding for volunteers to help sort waste properly at events. Public events should be waste-free and generate only acceptable recyclable and compostable material.</p>	<p>Under the proposed regulation producers would be required collect blue box material from public spaces where eligible communities provide garbage collection at the public space and streetscapes within the business improvement areas. Where the public space is a park or playground, producers are to collect throughout the year and locate receptacles at entry or exit points, and other areas where persons congregate.</p> <p>Blue Box receptacles are to be placed next to every receptacle for garbage at the public space.</p> <p>Producers will not be responsible for providing additional Blue Box receptacles in parks during community events where there maybe a need for increased receptacles.</p>
	<p>Through a common collection system, producers would be required to collect a consistent set of materials across the province. The proposed regulations do permit alternative collection systems provided certain conditions are met.</p> <p>The proposed regulation would require producers to maintain service types, standard, and levels the same as delivered by the municipal program between 2023 and 2025; however, after December 31, 2025, the service standards for eligible sources contained in the proposed regulations would apply (i.e. Blue Box material collected at least every-other-week and those municipalities currently receiving curbside collection would retain curbside collection).</p>
<p>Niagara Region is supportive of initiatives that target waste reduction and diversion in the ICI sector. Niagara Region currently offers unlimited curbside recycling and organic pick-up service to small and medium sized businesses. We have created an environmental program specific to businesses: Rethink Your Waste at Your Workplace. This recognition program includes an educational component and rewards businesses that make</p>	<p>The ICI sector is not included in the proposed regulation as an eligible source; however the province has indicated they intend to move forward on the IC&I waste framework in the coming months and will include stakeholder consultation.</p>

Niagara Region Comments	How Addressed in Proposed Regulation
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<p>efforts to maximize their waste diversion efforts.</p> <p>Similar voluntary programs have been in existence for a number of years, however, to make tangible progress towards reducing and recycling waste in the ICI sector, it would be beneficial to establish mandatory Provincial targets with firm timelines for the sector.</p> <p>Municipalities need to be compensated for ICI materials that are municipally collected as part of the integrated collection system.</p>	
<p>Niagara Region recommends the expansion of program service levels at multi-residential locations notwithstanding the challenges that may be presented including older buildings not designed for multiple waste streams and with space restrictions. Funding for upgrades supporting diversion in existing locations would encourage participation and new buildings should reflect design for proper waste diversion through approval processes. In many urban centres an increasing amount of the population resides in multi-residential locations and these residents must have access to the same programs as residents in the low-density residential sector. This also applies to residents in mixed-use properties.</p>	<p>The proposed regulations define eligible sources which include all residences, multi-residential properties, long-term care homes, retirement homes, public and private schools and public spaces.</p>

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<p>All community events should be mandated to have diversion programs (twinned with garbage) and the Province should provide funding for volunteers to help sort waste properly at events. Public events should be waste-free and generate only acceptable recyclable and compostable material.</p>	<p>Under the proposed regulation producers would be required collect blue box material from public spaces where eligible communities provide garbage collection at the public space and streetscapes within the business improvement areas. Where the public space is a park or playground, producers are to collect throughout the year and locate receptacles at entry or exit points, and other areas where persons congregate.</p> <p>Blue Box receptacles are to be placed next to every receptacle for garbage at the public space.</p> <p>Producers will not be responsible for providing additional Blue Box receptacles in parks during community events where there maybe a need for increased receptacles.</p>
<p>In addition, schools should be an eligible source, whether or not they are collected as part of a residential collection route.</p>	
<p>Niagara Region also supports designation and full producer responsibility of new materials such as additional electronics (appliances, electrical tools), florescent bulbs and tubes, mattresses, carpets, clothing and textiles, furniture and the bulky items.</p>	<p>Not addressed.</p>
<p>Niagara Region requests the Province take a firm stance, for example, designating all packaging, whether it is recycling or compostable. Producers should pay for management of designated materials regardless of the stream in which they end up. Niagara Region also supports designation and full producer responsibility of new materials such as additional electronics (appliances, electrical tools), florescent bulbs and tubes, mattresses, carpets, clothing and textiles, furniture and the bulky items.</p> <p>The list of designated materials should be reviewed and items such as construction and demolition waste included under producer responsibility.</p>	<p>Producers of compostable products are not subject to the management requirements but are subject to the reporting requirements.</p>

Niagara Region Comments	How Addressed in Proposed Regulation
All community events should be mandated to have diversion programs (twinned with garbage) and the Province should provide funding for volunteers to help sort waste properly at events. Public events should be waste-free and generate only acceptable recyclable and compostable material.	Under the proposed regulation producers would be required collect blue box material from public spaces where eligible communities provide garbage collection at the public space and streetscapes within the business improvement areas. Where the public space is a park or playground, producers are to collect throughout the year and locate receptacles at entry or exit points, and other areas where persons congregate. Blue Box receptacles are to be placed next to every receptacle for garbage at the public space. Producers will not be responsible for providing additional Blue Box receptacles in parks during community events where there maybe a need for increased receptacles.
Fibre such as paper products intended for hygienic use (paper towels) diverted as part of the organics stream or other obligated/targeted materials diverted through other systems should be an eligible program cost for which municipalities should receive payment and appropriate targets/measurements should be developed.	Not addressed.
Regulations should allow for addition of obligated materials as technology advances and products continue to evolve. Newly added materials should have management targets in early years to ensure they are not disposed at the expense of municipalities.	Although the proposed designated materials encompass a wide range of materials, the proposed regulations do not speak to the addition of obligated materials.
Niagara Region's position is that individual sectors should have their own measurable targets and metrics (LDR, ICI and Multi-Residential). Targets should be reassessed at defined intervals to promote continued improvement of diversion rates. Creation of data collection mechanisms to measure progress in waste reduction and resource recovery is vital. Development of standards and targets that reflect a minimum of the current state i.e. minimum diversion targets set for the LDR (that are at least as high as current achievements) should be maintained during the transition.	The proposed regulation sets diversion targets based on the weight of Blue Box materials supplied in one of six given material categories and are not by sector or individual materials. Targets are set for 2026-2029 and 2030 and beyond.

Niagara Region Comments	How Addressed in Proposed Regulation
All community events should be mandated to have diversion programs (twinned with garbage) and the Province should provide funding for volunteers to help sort waste properly at events. Public events should be waste-free and generate only acceptable recyclable and compostable material.	Under the proposed regulation producers would be required collect blue box material from public spaces where eligible communities provide garbage collection at the public space and streetscapes within the business improvement areas. Where the public space is a park or playground, producers are to collect throughout the year and locate receptacles at entry or exit points, and other areas where persons congregate. Blue Box receptacles are to be placed next to every receptacle for garbage at the public space. Producers will not be responsible for providing additional Blue Box receptacles in parks during community events where there maybe a need for increased receptacles.
To increase program effectiveness, Niagara Region supports individual recovery targets for individual materials. Despite the current challenges associated with recycling certain materials, such as multi-layer packaging, and the widespread use of single-use packaging, producers must be held accountable.	
Niagara Region encourages inclusion of positive incentives to go beyond minimum targets in addition to penalties for producers not meeting targets. Incentives supporting the use of secondary materials over virgin material such as tax incentives or other financial benefits would support and recognize producer efforts. Targets should be re-assessed on a pre-defined schedule and progress monitored to ensure continual improvement.	Not addressed.
To reduce financial impact on any municipalities who do not transfer in the early phase, payment of net verified costs (actual municipal costs) from Stewardship Ontario (SO) should be increased to 75% in year one increasing annually until transition is complete, through authority by the Minister. Niagara Region also does not support application of in-kind advertising (funding) for	Not addressed

Niagara Region Comments	How Addressed in Proposed Regulation
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<p>newspapers for either non-transitioned or transitioned municipalities.</p>	
<p>Transition plans particularly for the Blue Box program must address municipal contracts and assets and how to avoid stranded assets. Transition to a producer responsibility regime could lead to Niagara Region's Recycling Centre becoming a stranded asset depending on the strategies put forth to achieve producer responsibility.</p> <p>The transition plan must clearly address provision of fair market compensation for stranded municipal assets. Provisions for maximizing use of existing infrastructure should be included. For example, the plan should clearly incentivize use of existing facilities or otherwise potentially stranded assets (i.e. equipment, rolling stock, carts and boxes) and/or any amortized capital costs that extend beyond the transition date, should be factoring into municipal considerations for compensation.</p>	<p>Not addressed</p>

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<p>The province's plan must provide appropriate details (e.g. catchment areas if applicable) and timelines so that municipalities can make an informed decision whether to bid on processing services, divest themselves of facilities or formulate public/private partnerships.</p> <p>In preparation for a shift to producer responsibility, some municipalities, including Niagara Region, have included or will be including clauses in future collection and/or processing contracts to allow for early termination. Many of these clauses require a significant period of notice to contractors (e.g. six months to a year), placing further importance on the province to provide appropriate notice, details and timelines for municipalities.</p>	<p>The proposed regulation provides a transition schedule by year but no specific dates within the year has not been identified in proposed regulations. The Province will consult on specific transition dates and include them in the final regulations.</p> <p>Niagara Region is scheduled to transition in 2024, despite the preference to transition as early as possible on January 1, 2023.</p>
<p>Waste reduction (avoid waste generation) followed by reuse, and recycling (including composting) should continue to take priority in the definition of diversion. Targets to address reduction and reuse should also be developed as higher value objectives. Use of alternative recovery methods such as energy or chemical recovery is preferable to landfilling materials.</p>	<p>The proposed regulations have included re-use as a way to achieve targets.</p> <p>Recovered resources can not be accounted for if supplied for use in a product that is land cover (unless certain conditions met), are supplied for use in a product that is fuel or a fuel supplement or supplied to an incinerator or landfilled.</p>

Subject: Approval of Public Works Single Source Purchase Requests Over \$100,000

Report to: Public Works Committee

Report date: Tuesday, November 10, 2020

Recommendations

1. That a change request to Purchase Order PO23236, assigned to WSP per proposal 2017-RFP-08 for Niagara Falls Water Treatment Plant Phase II Upgrades, to increase the pre-tax amount of \$593,634.00 by \$96,400.00 for a new total of \$690,034.00 **BE APPROVED**.

Key Facts

- The purpose of this report is to seek Public Works Committee's approval to proceed with a Purchase Order (PO) Change Request that is cumulatively in excess of \$100,000.
- At the Special Council meeting on July 30, 2020, Regional Council instructed staff that, "If any single source [Public Works] procurement [over \$5000] is deemed essential there must be approval first received by the Public Works Committee."
- On August 18, 2020, the CAO provided Confidential Memorandum CONF-C 6-2020 providing key information in response to the July 30, 2020 staff direction. The memo identified that pursuant to a formal competitive procurement process, a change to the resulting contract (via the Change PO process) is required for any additional goods and/or services, which were not part of that formal process (consider Single Source additions). This includes most (if not all) instances where the "work" is underway when a Change PO request initiates.
- At the Council meeting on September 17, 2020, Regional Council approved an increase in the limit to \$100,000 above which approval must first be received by the Public Works Committee.
- At the Council meeting on August 13, 2020, Regional Council approved report PW 36-2020 to increase the original contract (2018-T-116) to Maple Reinders Constructors Ltd for the Niagara Falls Water Treatment Plant Phase II Upgrades. The increase in scope was to address additional concrete repairs, high performance coatings and enhance cleaning of the filter underdrain system.
- This report addresses an increase to the contract (2017-RFP-08) WSP Consulting Engineers for the contract administration and inspection of the works in alignment with the increase in contract scope for the constructor as noted above.

Financial Considerations

The Change PO request has approved funding in place from either Capital or Operating budgets in the respective divisions in Public Works.

Analysis

Staff within the Public Works Department are currently managing 1388 open active Purchase Orders related to essential infrastructure projects. These include planning, design, preventative maintenance and construction.

Niagara Region's Procurement By-law 02-2016 as amended February 28, 2019 provides controls and methods that ensure, among other things, that the procurement processes undertaken to procure Goods and/or Services achieves, "best value for the Corporation".

Pursuant to the formal procurement process, which culminates in contract award, there are occasions, when new information identified after award, requires further consideration of how these unforeseen additional requirements will impact the final project deliverable.

This report addresses a request to increase the current purchase order for the Niagara Falls Water Treatment Plant Phase II Upgrades.

Construction of the Niagara Falls Water Treatment Plant Phase II Upgrades is well underway, and based on recent schedule negotiations with Maple Reinders Constructors Ltd (MRCL), construction is expected to be completed by January 11, 2021.

The scope of the exterior works includes: exterior building repairs, exterior concrete coatings, new plant stairs and accessibility ramp, structural canopy for dehumidifier units and a new sloped roof on the chlorine storage building. Scope of the interior works includes: work specific to the Plants 1 and 2 filter areas, including lead paint removal and abatement, application of epoxy coatings, replacement of 12 mechanical heaters, filter troughs replacement and rehabilitation, inlet and drain gates replacement (Plant 2), filter media replacement and application of cementitious coatings in the filter tanks. MRCL is currently working on the final phase of work.

WSP was awarded 2017-RFP-08 competitively in June 2017 for the detailed design and tendering of the Project for a total of \$133,227.00. Throughout design, there were three scope changes initiated and approved by the Region, for a total of \$34,006.00.

In September 2019, WSP's contract was extended to complete the contract administration and inspection, following tender and award to MRCL. The total fee for this phase of work was originally \$306,726.00 based on 2017-RFP-08. The revised amount of \$329,429.00 was required to accommodate adjusted rates for the new construction year (2018 originally but moved to 2019 due to required budget adjustments) as well there was now a better understanding of construction duration and speciality inspection requirements.

The Region approved an additional scope change in May 2020 for a total of \$96,972.00. The change was for additional design required to better facilitate construction, more frequent site meetings to ensure construction schedule was maintained due to CWWF funding requirements, additional inspection time for accepted contract duration extension (from July 31, 2020 to October 31, 2020) and additional speciality inspection that was recognized to add significant value to the project.

This current request is for an extension to WSP existing contract that is required for additional contract administration and inspection services required to bring the project to completion, which MRCL anticipates by January/February 2021. The extension to the construction schedule is required by MRCL to adequately complete construction. The exact schedule is not yet known due to the unknown magnitude of extensive concrete repairs, additional testing and cleaning of filter underdrains, and curing of the new high-performance coating systems still remaining in Phase 4. This change for WSP fees reflects this anticipated timeframe. MRCL contract amount was revised to account for these changes in Council Report PW 36-2020.

Below is a summary of WSP fees on this project:

Originally contemplated fees (2017-RFP-08)	\$439,953.00
Total approved scope changes to date (single source)	\$153,681.00
Current request (single source)	\$ 96,400.00
Total fees for WSP	\$690,034.00

Staff recommend that WSP be awarded this PO increase in accordance with Purchasing By-law 02-2016, Section 18(a)(i) as WSP is familiar with this immediate area and this work is directly related to the system that is being upgraded as part of the

project. If WSP continues their assignment based only on their approved scope of work to date, the Region will not be able to effectively provide contract administration and inspection on this complex project.

Alternatives Reviewed

- (i) Do Nothing:
 - This alternative does not address the needs of the project and can result in further claims due to construction delays

- (ii) Proceed with competitive RFP process:
 - A competitive process will take more time than is available as there is immediate need for these services;
 - A different consultant will require additional cost, effort and time to become familiar with the project and requirements and will complicate the Contract Administration and Inspection process
 - A competitive RFP process will also hold up construction resulting in delay claims from the Contractor

Budget information is as follows:

Total Budget \$12,952,129.00

Expenditures including commitments \$12,610,842.28

Budget Remaining \$341,286.72

There is sufficient budget in the project budget to assign this change PO.

Relationship to Council Strategic Priorities

- Responsible Growth and Infrastructure Planning

Other Pertinent Reports

- PW 50-2019 Award of Tender 2018-T-116 Niagara Falls Water Treatment Plant Phase II Upgrades
- PW 36-2020 Niagara Falls Water Treatment Plant Phase II Upgrades – Contract Changes
- CONF-C 6-2020 Update from Special Council Meeting - July 30, 2020 Closed Session

- PW 42-2020 Approval of Various Single Source Public Works New Purchase Orders and Purchase Order Change Request - September 8, 2020
- PW 45-2020 Approval of Public Works Single Source Purchase Requests Over \$100,000

Prepared and Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Dan Ane, Manager Program Financial Support and Bart Menage, Director Procurement and Strategic Acquisitions

Appendices

None.

MEMORANDUM

PWC-C 41-2020

Subject: COVID-19 Response and Business Continuity in Public Works

Date: November 10, 2020

To: Public Works Committee

From: Bruce Zvaniga, P.Eng., Commissioner of Public Works

As reported previously, Public Works has remained focused on keeping the critical public infrastructure operational while responding to the COVID19 pandemic. Departmental staff continue to ensure that the community has: safe drinking water, reliable wastewater systems, recycling and waste collection/disposal, regional specialized and regular transit and a well-maintained regional road system. Public Works staff recognize and are dedicated to the essential role they play ensuring that healthcare, social services, emergency responders and the community-at-large can depend upon the reliable availability of these core municipal services.

Public Works leadership is actively participating in the Municipal Emergency Control Group. Working with all other departments, the Business Continuity Plan and staff redeployment strategy is monitored and adjusted to respond to changing conditions. Public Works staff who have been re-deployed outside of the department delivering essential services are returning to their home positions to address the increased needs in Public Works and to prepare for winter maintenance readiness.

The Department Leadership team continue to actively participating in virtual meetings with their counterparts in the Local Area Municipalities, and provincial committees to share our successes and learn how others have overcome challenges.

The following provides a brief highlight from each of the four (4) divisions on their respective status, service changes, actions taken and future outlook.

Water & Wastewater Services

Current Status of Operations

High quality, safe and reliable water and wastewater services in accordance with health regulations and standards continue to be provided.

Both the Drinking Water and Wastewater Quality Management Systems (QMS) remain active. A Water QMS external audit was completed July 6 to 10 where the Division retained its long standing QMS accreditation. Capital infrastructure projects are deemed essential and continue to be delivered.

Memorandums have been distributed to all W-WW staff and contractors regarding compliance with the new Niagara Region mask by-law.

Service/Operational Change Highlights

- Recreational Vehicle wastewater holding tank disposal service extended to seven (7) days a week at the Niagara Falls Wastewater Treatment Plant and Baker Rd Wastewater Treatment Plant. Both facilities will be open Monday through Saturday 5 - 7 p.m. and all day on Sunday 7 a.m. - 7 p.m.
- Wastewater Treatment Plants are now accepting heavy wine waste as the wine producing season has started.
- The new Niagara-on-the-Lake Wastewater Treatment Plant has started to receive wine waste and septic haulage since the week of September 28.

Significant Initiatives or Actions undertaken

- Developed a full divisional staffing mitigation strategy to deal with any staff shortages that may occur due to COVID-19.
- Developed a W-WW Division Pandemic Re-opening Framework to supplement the Region Re-opening Phase of the Pandemic Response Plan.
- Received license from Health Canada to produce disinfectant spray and hand sanitizer for Regional workplace use during the COVID-19 emergency response to alleviate supply chain shortages when required.
- Cancellation of all non-essential meetings, plant tours, training activities, visitor access.
- Implemented COVID-19 protocols for consultants, contractors and project managers at plant facilities.

- Enhanced focus on the health and well-being of staff operating the essential systems including limiting access to the plant and deferring all non-essential contracted services.
- W-WW training activities resumed in early September for mandatory Health and Safety courses only. Facility set-ups devoted to classroom(s) with registration numbers suitable for physical distancing practices. Training activities ongoing through 2020 Fall Learning Calendar.
- Assigned maintenance staff to dedicated areas and implemented flexible start and end work locations to avoid both unnecessary travel and exposure.
- One employee per vehicle where possible; If employees need to travel together they are required to wear a mask.
- Setup static sanitation stations in all staffed W-WW facilities and deployed mobile sanitation kits for all fleet vehicles.
- Implemented W-WW tailored weekly COVID-19 spot check reports including regular reporting of facility sanitation supply inventories.
- Adopted changes to ensure no physical interaction on deliveries, courier and lab samples.
- Changes to pickup and handling of uniform laundry.
- Portable washrooms have been setup at Wastewater and Water facilities to accommodate contractors, couriers and sewage haulers.
- Face shields, half mask respirators and surgical masks are being used as a form of source protection for staff where certain activities do not allow for proper physical distancing or when a facility is open to non-employees (ie. contractors, consultants, etc.); current protocols remain compliant with Niagara Region face covering by-law (By-law 2020-46) and Ontario Regulations 364/20 - Rules of Areas in Stage 3.
- Mandatory face masks for Contractor site visits/meetings (i.e. pre-tender meetings).
- Meeting room max occupancy signage, screening signage, screening protocol and limited door access have been implemented at all Water-Wastewater buildings. Daily reports of staff well-being and screening are being provided to management for recording and documentation purposes.
- Screening protocol for all vendors and contractors also implemented at all worksites.
- Constructors at various worksites have put into place proper distancing, working measures and PPE for the well-being of all staff.
- Accepting digital signatures for MECP form approvals.

- Capital project delivery through all phases continuing with proper protocols for consultants, contractors as well as for internal staff in place.
- Collaborating with Corporate Communications to develop strategies for Public outreach/engagement to satisfy the requirements of the MECP.
- Reducing production of hand sanitizer and sanitizing spray due to increased availability of commercial supplies.
- Increasing sampling as MECP regular relief expired August 30.
- Increasing by-law inspections and sampling while maintaining staff safety.

Operational Outlook

1 month

- Implementing phased W-WW Pandemic Re-Opening Plan in accordance with Public Health advisement and direction from the Region's Emergency Operations Centre.
- Developing 2021 Operational and Capital Budgets.

3 months

- Implementing phased W-WW Pandemic Re-Opening Plan in accordance with Public Health advisement and direction from the Region's Emergency Operations Centre.

6 months

- The focus continues to be on the maintenance of all key components, the sustainable supply of key chemicals and materials and most importantly on the well-being of the staff managing these essential systems.

Transportation Services

Current Status of Operations

Essential bridge, culvert and roadway works, forestry, traffic control, pavement markings and signage are critical services which continue to be provided.

Design, construction management and environmental assessments continue from engineering staff and consultants.

Staff continue to monitor all material shipments, supplies and construction contracts experiencing delays to understand larger impacts to ongoing construction project schedules.

Service/Operational Changes

- Dispatch has resumed to afterhours call support received by the Region; in particular directing residents for COVID-19 to Public Health and by-law enforcement (Local and Regional) seven days a week.
- Earlier in assessing the separation of staff in field operations, the normal weekday shift and management oversight had been split into two groups scheduled to not physically interact with each other. As a result, the hours of operation were stretched from 5 a.m. - 9:30 p.m. with the support of the union and management.
- Since the implementation of two (2) shifts, management have continued to review staffing levels and needs. Due to the number of redeployments to Long Term Care (LTC) and EMS in support of the pandemic, vacancies, plus sick time, management reassessed the two shifts and converted back to one shift per day from 7 a.m. - 3 p.m. Management is continuing to assess service levels against staffing needs and safety protocols and will adjust accordingly.
- As staff are returning from Long Term Care redeployments, staff are being limited to 1 to 2 staff per regional vehicle where possible; Health and Safety is being engaged for those instances where 2 or more staff per regional vehicle are being assigned due to a certain operational need or lack of fleet complement.

Significant Initiatives or Actions undertaken

- Separation of field staff in vehicles where possible is being administered. Vehicle assignment to specific staff with the responsibility to clean / maintain on a daily basis.
- Face masks and shields have been ordered for additional staff protection in certain circumstances.
- Staff continue to monitor supplies out of Fleet stores such as wipes, hand sanitizer, N95 masks and are supporting other Divisions with resources as required.
- Screening signage, screening protocol and limited door access have been implemented at all yards and the service center. Daily reports of staff well-being and screening are being provided to management for recording and documentation purposes.

- Screening protocol for all vendors and contractors also implemented at yards and service centers.
- Constructors at various worksites have put into place proper distancing, working measures and PPE for the well-being of all staff.
- Updated protocols based on provincial regulations/guidelines for working on construction sites has been sent to Heavy Construction Association of the Region of Niagara to notify their members that they must adhere to these measures.
- IT equipment to assist with working from home has been provided where applicable.
- A number of Transportation Staff have already been trained and redeployed to assist other Departments where needed. In assisting with the redeployments to LTC, Staff manufactured personal screening barriers for screener positions at entry points of the homes as an additional safety measure.
- In meeting essential service levels throughout the pandemic, management continue to review staffing; in particular the redeployment numbers and will be phasing the return of Transportation staff throughout Q4. Key operations (i.e. Winter Operations) will require staff to be recalled for training and availability to meet legislated service level requirements in keeping Niagara's roads safe.

Operational Outlook

1 month

- Essential and critical project interpretation based on Provincial announcements will affect the delivery of projects and levels of service to residents of Niagara region. This continues to be under review. The Business Continuity Plan with Redeployment Strategy of staff for the Division will be administered accordingly.

3 months

- Essential and critical project interpretation based on Provincial announcements will affect the delivery of projects and levels of service to residents of Niagara region. This continues to be under review. The Business Continuity Plan with Redeployment Strategy of staff for the Division will be administered accordingly.

6 months

- Contractors have shared their concern that once non-essential work can re-commence, there will be shortage within the trades due to demand. Contracts are continuing to be monitored by staff with regards to any shortages (supplies and trades) and updates will be highlighted.

Waste Management Services

Current Status of Operations

Restrictions to the curbside collection program and at the landfill sites/drop off depots have been lifted with minor restrictions still in place as noted below.

The processing of recyclable materials is being maintained. Storage capacity has become an issue. Staff have applied, and have been granted by the Ministry of Environment, Conservation and Parks to work on Sundays and during the hours of 11 p.m. - 6 a.m. to process the backlog of recyclables. When necessary, unprocessed recyclables have been shipped to other recycling facilities for processing resulting in additional costs and loss of revenue.

An online tool was successfully implemented in June to provide residents the ability to purchase garbage tags, CFC stickers and recycling and organic bins on line. Garbage tags and CFC stickers are mailed to the residents. For recycling and organic bins, payment is made on line and residents can pick up the bins at one of the Regional distributions centres. Some local municipalities have begun to sell or distribute recycling boxes and green bins, by appointment.

Strategic initiatives are continuing such as the MRF Opportunity Review, implementation of new collection contracts and services levels, construction projects, and operational tenders.

Service/Operational Changes

Landfill Service Changes

Preferred methods of payment are debit and credit, using the tap option.

Some /Green Bin Distribution Locations Remain Closed

For more information on [waste management services](https://www.niagararegion.ca/waste), visit <https://www.niagararegion.ca/waste>.

Community Events

Presentations, sites tours and special events recycling have been postponed until further notice. Requests for participation in 'modified' Santa Claus parade and staff will comply with Public Health protocols.

Significant Initiatives or Actions undertaken

- Screening signage, screening protocol and limited door access have been implemented at all facilities. Daily reports of staff well-being and screening are being provided to management for recording and documentation purposes.
- Screening protocol for all vendors and contractors has also been implemented at all facilities and sites.
- Staggering breaks and lunch to reduce amount of people taking breaks at one time at the Recycling Centre.
- Increased cleaning being completed at night and during the day (i.e. between lunch breaks and in high traffic areas).
- Installed plexi-glass between sorters on the processing line, and at the scale houses located at the landfill sites/drop off depots.
- Staff are travelling in separate vehicles to maintain physical distancing per health guidelines.

Operational Outlook

1 month

- After the commencement of the new waste collection contracts, staff will be working to address any major concerns and provide residents with information to fully participate in the curbside programs.
- Award the Humberstone Landfill Operations tender.
- RFP will be issued for the division's Long-term Strategic Plan.
- 2021 operational budgets to finalized.
- Review final draft Blue Box Final Regulations (issued Oct. 19/20) and report to Council.

3 months

- 2021 work plan will be developed.
- Recommendations brought forth as a result of the NRFP MRF Opportunity Review.

6 months

- Work to continue to on strategic initiatives.
- Preparation for the start of the new Humberstone contract.

Niagara Region Transit/Specialized Transit & GO Implementation

Current Status of Operations

Niagara Region Transit (NRT) is operating at a reduced level of service when compared to a typical September through December schedule. This is due to Brock University being 95% online, and Niagara College having significant enrollment reductions combined with many online programs and lower Niagara-based student residency:

- Express routes 40a, 40b, 45a, 45b, 60a, 65a were reinstated but only during morning and afternoon peak periods, 70a, 75a) effective March 23
- 7:00 a.m. - 11:00 p.m. operating hours effective Sept 7 (back up from 7:00 a.m. - 9:00 p.m. from May 4 to Sept 6)
- Hourly service (60 minutes) on most routes except 60 and 65 as those are typically well utilized student routes.

Niagara Specialized Transit (NST) continues operating at the normal level of service, except for trips whose origins or destinations are to/from a location with reported cases of COVID-19 are not being provided. Reducing hours of operation is not a necessity in this case as Niagara Region only pays for trips delivered, rather than an hourly rate. Overall, NST trip requests are significantly reduced, however NST continues to deliver all requested trips within the capacity available. Ridership has continues to show small signs of recovery but still sits at approximately 40-50% of typical usage.

NRT OnDemand service operates in Grimsby, Lincoln, Pelham, Wainfleet and West Lincoln from Monday to Saturday, 7 a.m. - 10 p.m. Now two months in, NRT OnDemand has continued to see significant growth despite challenges stemming from COVID-19.

Mandatory mask usage is required as per the Region's Face Covering By-law.

Service/Operational Changes

The "Rear door boarding" policy enacted on March 23 to temporarily limit driver contact and respect physical distancing has been lifted on July 2. Because Niagara's transit

providers have installed plexi-glass bio-barriers across the entire fleet of vehicles to protect bus operators, even if COVID-19 numbers increase, there will not be a need to return to rear door boarding and thus fare collection will be maintained as well.

A lower than typical service level began on September 7, however staff elected to maintain an adequate amount of express service as the student demand from Niagara College was unclear.

Significant Initiatives or Actions undertaken

- All NRT, and NST fleet vehicles continue to be professionally cleaned/disinfected/sanitized well beyond regular protocols, and Aegis antimicrobial spray was applied to all interior surfaces. This work was completed by the local transit service providers as they manage and operate the NRT fleet as part of their own.
- Due to the low volume of trips, BTS has made every effort to deliver trips with only a single occupant in each vehicle, although this has not been formalized as a public policy.
- NRT OnDemand does not permit the use of the front passenger seat in order to maintain distance between the drivers and passengers.

Operational Outlook

1 month

- NRT staff continue to review ridership data closely in order to determine appropriate levels of service.
- Staff continues to work with Brock University and the Brock University Student Union to maintain the U-Pass Program for the 2020-2021 academic year. Niagara College terminated the U-Pass agreement in response to COVID-19 and thus students will be purchasing monthly passes in September.

3 months

- Schedules for January through April 2021 have already been set. Due to the extremely low ridership, the loss of the bulk U-Pass revenue (i.e from Niagara College) and increasing COVID-19 numbers, the service level has been significantly scaled back as of January.
- Possible further service adjustments based on ridership and in reaction to any provincial changes. Staff will continue to work with the IMTWG in reviewing the

available data to ensure that adequate service is being provided while being mindful of the financial challenges faced by each municipality.

- The Niagara Transit Governance Study report will be complete by summer 2020. Introduction of the final report to LNTC with recommendation on a new governance model by the Project Team and study consultants will be done in consultation with the CAO Working Group and the LNTC Chair.

6 months

- The IMTWG will begin working towards the implementation of a new fare payment technology through the funding provided by the Investing in Canada Infrastructure Program (ICIP). Due to the complexity of the program, an implementation date in 2021 is most likely. Staff will continue to provide updates once a timeline has been established and at the major milestones.

As both the Province and Region move through the recovery process, staff at each of Niagara's transit providers will continue to collaborate in monitoring service levels, processes, and policies to ensure the safety of the residents and employees remain a priority and that decisions are made and communicated jointly wherever possible.

Respectfully submitted and signed by,

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)

MEMORANDUM

PWC-C 44-2020

Subject: Recommendations for Consideration from the Linking Niagara Transit Committee meeting held October 21, 2020

Date: November 10, 2020

To: Public Works Committee

From: Ann-Marie Norio, Regional Clerk

At its meeting held on October 21, 2020, the Linking Niagara Transit Committee passed the following motion for consideration by the Public Works Committee:

Minute Item 5.1

LNTC-C 4-2020

Niagara Transit Governance Study

That Report LNTC-C 4-2020, dated October 21, 2020, respecting Niagara Transit Governance Study, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Linking Niagara Transit Committee **SUPPORTS** the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than February 28, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than February 28, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Respectfully submitted and signed by,

Ann-Marie Norio
Regional Clerk

Subject: Niagara Region Transit Governance Study

Report to: Linking Niagara Transit Committee

Report date: Wednesday, October 21, 2020

Recommendations

1. That the Linking Niagara Transit Committee **ENDORSE-IN-PRINCIPLE** the resolution outlined in Appendix 1 to Report LNTC-C 4-2020;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of the results including any additional municipal feedback, no later than March 31, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than March 31, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Key Facts

- The purpose of this report is to provide to Council the results of the Niagara Transit Governance Study (NTGS) and seek the endorsement-in-principle of a Full Commission as the recommended governance model for Niagara's consolidated public transit system.
- There continues to be a strong argument in favour of the consolidation of transit services throughout Niagara. The ongoing COVID-19 pandemic has demonstrated the benefits of enhanced levels of coordination and organization between transit providers. As these providers look to implement recovery plans over the next number of years, there is an opportunity to align these efforts as part of the future consolidation of transit services across the region.
- The Full Commission model is recommended as it is expected to result in an enhanced degree of independence that will support effective decision making, as

well as provide more efficient and cost-effective service delivery through being restricted to funding all operations and unanticipated changes within its annual budget approved by Council. This recommendation is based on a comparative analysis of governance models through a series of fifteen (15) evaluation criteria across four (4) major categories: governance, finance, stakeholder input, and ease of implementation.

- Subject to the endorsement-in-principle of the Full Commission model by each of the twelve (12) local area municipalities (LAMs) and Regional Council, feedback and input received as part of this process will be used to expand and refine the recommended Full Commission model prior to the initiation of a triple-majority approval process anticipated in Q2 2021.
- Both a preliminary transition plan as well as an initial funding strategy have been developed that jointly outline the strategic, financial, and operational milestones required to transition from the existing independent transit systems to the new consolidated system. These plans will be expanded and refined through the approvals process, based on feedback and direction provided by Council and the twelve (12) LAMs. Based on the preliminary schedule outlined herein, responsibility for day-to-day service operation would transition to the new entity in late 2022.

Financial Considerations

To realize the consolidation of transit services across Niagara, a funding strategy must be developed that establishes:

- the baseline or start-up budgets for the Full Commission;
- the manner by which current transit funding provided by municipalities to existing operations is transitioned to the Commission;
- how one-time start-up and transition costs associated with the establishment of the Commission will be funded;
- and how transit-related assets currently owned by the local area municipalities will be transferred.

The recommended financial strategy provides a transition path which allows the Region to incorporate \$3.85 - \$4.96 million in transition costs, \$27.0 million in existing local municipal transit service, plan for the expansion of transit service, and ensure all

municipalities have equitable transit service prior to the redistribution of local transit expenditures through a Regional assessment levy.

The proposed strategy allows for a shorter transition time to upload transit costs in municipalities with minimal local transit service, while concurrently increasing connections to and service within communities outside St. Catharines, Niagara Falls, and Welland. The total Regional levy required to upload the existing local transit services, including transition costs, is 9.5%. The proposed five (5) year local transit upload transition plan requires an average annual separate Regional levy of 1.4% - 2.0% each year over the five (5) years.

This strategy was developed in consultation with local Area Treasurers and CAOs and considered variations between municipal transit grants and full regional upload to a single transit levy. The municipalities with robust transit services were primarily in favour of moving to a single Regional tax levy; municipalities with little or no transit service leaned towards a municipal transit grant to support the exiting local transit service while transit services increased within and to their communities. Conversations indicated that a phasing out of transit grants or a phasing in of a single transit levy may provide a favourable path for all municipalities. The proposed funding strategy incorporates feedback from the LAMs and aims to achieve a fair and equitable transition to a consolidated entity.

The feedback received through the approvals process, in parallel with continued dialogue with the Area Treasurers and CAOs, will be used to continue to refine the funding strategy and arrive at a final recommended strategy in parallel with the future triple-majority approval of the Commission, expected in Q2 2021.

While the recommended governance model for the new transit entity is technically independent from an agreed upon financial funding model, the financial strategy will be used to clearly map how the transition and operation costs associated with the NTGS will be funded.

Strategy Overview

A range of strategies have been considered to ensure existing, stable, and predictable levels of transit funding are transferred to the new Commission, representing a variety of options with regard to grant type, inflationary increases, recognition of existing administrative costs, and implementation timeframes.

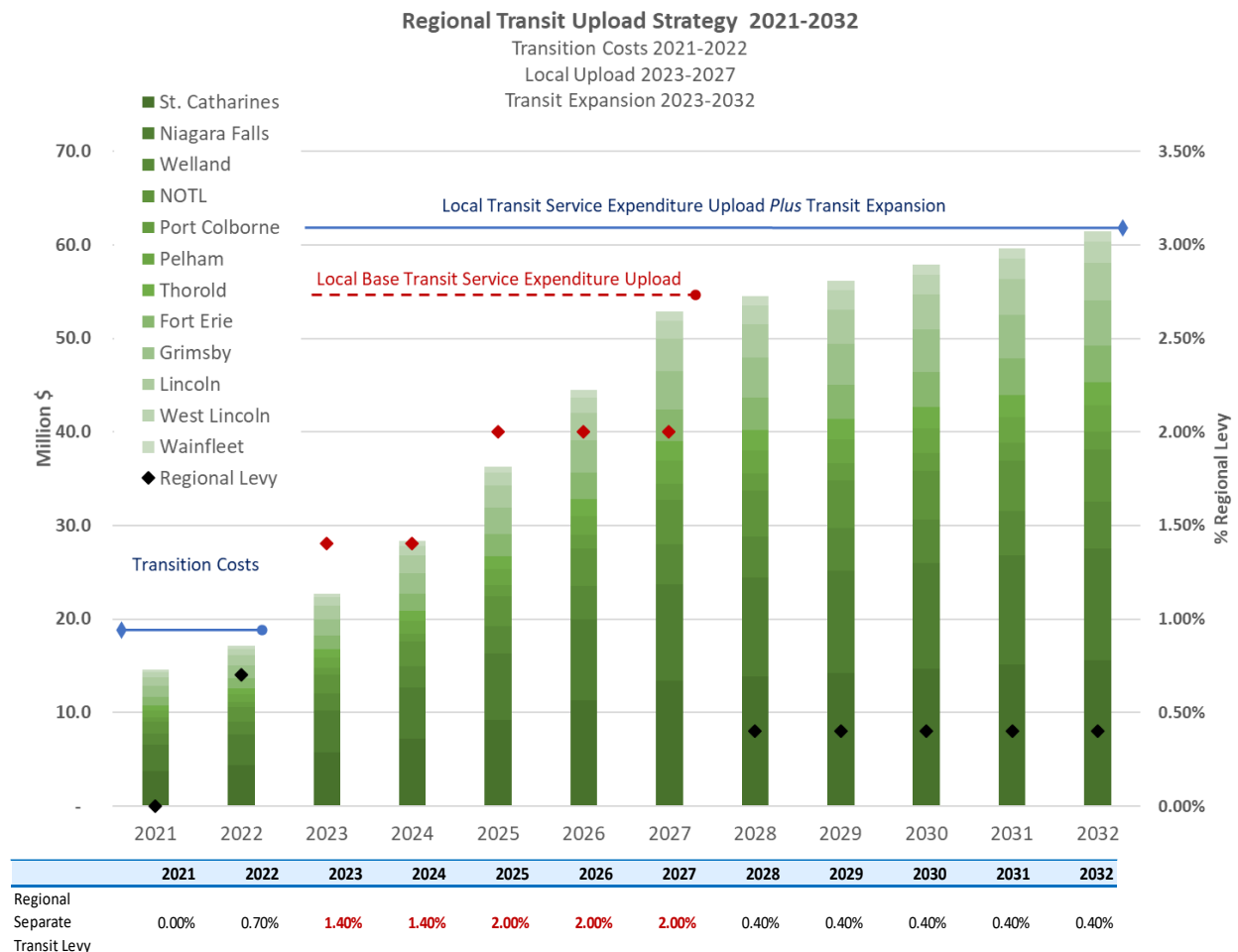
In consultation with the aforementioned groups, the proposed funding strategy recommends that all existing and incremental transit spending will be transferred to the new Commission, funded through a single Regional tax levy. The strategy includes:

- a two (2) year transition period (fiscal years 2021-2022) during which funding derived from the levy is primarily applied to the one-time costs associated with establishing the Commission;
- a transfer implementation period of five (5) years (fiscal years 2023-2027) where existing municipal transit costs are transferred to the Regional levy; and
- the expansion of transit services, running concurrent with the transfer of existing service, however finishing in 2032.

Transition costs are anticipated to be funded through a combination of existing budgets previously established by the Region through its leadership of the governance strategy and the implementation of the Regional levy as reflected in Figure 1 below.

Local transit costs assumed by the Regional levy would be offset by equivalent budgetary reductions at the local level, to support the “Fair” guiding principle that total residential taxpayer impact is minimized using the ‘one-municipal taxpayer approach.

Figure 1 - Regional Transit Consolidation Upload Strategy 2021 - 2032



The implementation time period for the offset will vary by municipality. The recommended funding strategy results in smaller municipalities transferring their transit budgets over to the new entity within the first two (2) years depending on their current transit spend, while larger municipalities transition over the full five (5) year transfer implementation period. The fixed annual municipal transit expenditure and reductions are outlined in Table 1 and Table 2 below.

Table 1 - Municipal Transit Expenditure Transition 2023 - 2027

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
St. Catharines	12,275,402	12,275,402	11,675,402	10,675,402	7,116,935	3,558,467	-	-	-	-
Niagara Falls	8,645,833	8,645,833	8,045,833	7,045,833	4,697,222	2,348,611	-	-	-	-
Welland	2,050,898	2,050,898	1,450,898	450,898	300,599	150,299	-	-	-	-
NOTL	497,223	497,223	-	-	-	-	-	-	-	-
Port Colborne	127,092	127,092	-	-	-	-	-	-	-	-
Pelham	261,156	261,156	-	-	-	-	-	-	-	-
Thorold	2,152,143	2,152,143	1,552,143	552,143	368,095	184,048	-	-	-	-
Fort Erie	826,323	826,323	226,323	-	-	-	-	-	-	-
Grimsby	250,000	250,000	-	-	-	-	-	-	-	-
Lincoln	265,829	265,829	-	-	-	-	-	-	-	-
West Lincoln	-	-	-	-	-	-	-	-	-	-
Wainfleet	-	-	-	-	-	-	-	-	-	-

Table 2 - Municipal Annual Budget Reductions 2023 - 2030

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
St. Catharines	-	-	(600,000)	(1,000,000)	(3,558,467)	(3,558,467)	(3,558,467)	-	-	-
Niagara Falls	-	-	(600,000)	(1,000,000)	(2,348,611)	(2,348,611)	(2,348,611)	-	-	-
Welland	-	-	(600,000)	(1,000,000)	(150,299)	(150,299)	(150,299)	-	-	-
NOTL	-	-	(497,223)	-	-	-	-	-	-	-
Port Colborne	-	-	(127,092)	-	-	-	-	-	-	-
Pelham	-	-	(261,156)	-	-	-	-	-	-	-
Thorold	-	-	(600,000)	(1,000,000)	(184,048)	(184,048)	(184,048)	-	-	-
Fort Erie	-	-	(600,000)	(226,323)	-	-	-	-	-	-
Grimsby	-	-	(250,000)	-	-	-	-	-	-	-
Lincoln	-	-	(265,829)	-	-	-	-	-	-	-
West Lincoln	-	-	-	-	-	-	-	-	-	-
Wainfleet	-	-	-	-	-	-	-	-	-	-

Note: base year transit expenditures have not been finalized for conventional and specialized transit services therefore estimates may fluctuate from estimates above

The transition path proposed by the funding strategy provides an opportunity to increase service levels or introduce transit services in municipalities where local residents are otherwise realizing a net increase from the transition to a regional levy. This opportunity will be provided as the levy funds initially assigned to transition costs are repurposed to fund service expansion in 2023 and beyond.

This proposed service expansion is intended to ensure that commensurate service levels exist across municipalities prior to a full upload of existing transit expenditures onto the Regional levy. Specific service increases will be determined by the initial strategic service plans developed by the Commission, and following the one (1) to two (2) year Service Launch phase of the transition plan.

The net transition of transit expenditures from local Municipal budgets to a Regional budget results in a redistribution across residential taxpayers as reflected in Figure 2 and Table 3 below.

Figure 2 - Taxpayer Redistribution from Municipal Levy to Regional Levy

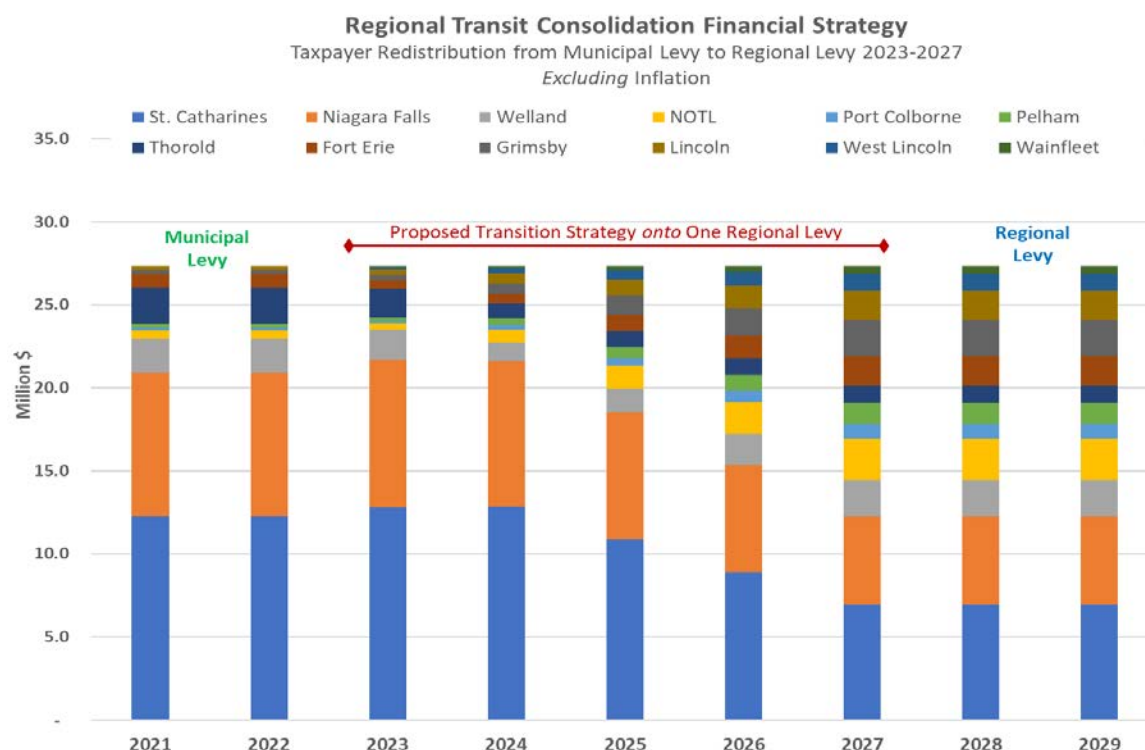


Table 3 - Municipal Residential Impact from Transfer to One Regional Levy

	2021	2022	2023	2024	2025	2026	2027	2028	2029
St. Catharines	12,275,402	12,275,402	12,791,572	12,863,367	10,887,725	8,912,083	6,936,442	6,936,442	6,936,442
Niagara Falls	8,645,833	8,645,833	8,904,086	8,728,219	7,596,686	6,465,153	5,333,620	5,333,620	5,333,620
Welland	2,050,898	2,050,898	1,805,203	1,145,422	1,497,557	1,849,693	2,201,828	2,201,828	2,201,828
NOTL	497,223	497,223	397,437	779,074	1,342,675	1,906,276	2,469,877	2,469,877	2,469,877
Port Colborne	127,092	127,092	141,282	276,947	477,296	677,646	877,996	877,996	877,996
Pelham	261,156	261,156	202,460	396,871	683,976	971,082	1,258,187	1,258,187	1,258,187
Thorold	2,152,143	2,152,143	1,726,875	894,660	958,397	1,022,133	1,085,870	1,085,870	1,085,870
Fort Erie	826,323	826,323	510,207	556,482	959,054	1,361,626	1,764,198	1,764,198	1,764,198
Grimsby	250,000	250,000	342,421	671,229	1,156,812	1,642,395	2,127,978	2,127,978	2,127,978
Lincoln	265,829	265,829	284,764	558,207	962,027	1,365,848	1,769,668	1,769,668	1,769,668
West Lincoln	-	-	164,168	321,810	554,616	787,421	1,020,226	1,020,226	1,020,226
Wainfleet	-	-	81,424	159,611	275,077	390,544	506,010	506,010	506,010
Total	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899	27,351,899

The figures presented in this analysis are draft and based on an assumed base reference year of 2020. The final financial strategy will confirm the base year to be utilized and actual transit expenditures, in consultation with local municipalities.

Transition Costs

The NTGS provides a range of estimated transition costs which include those costs that are related to the transition team plus other one time and incremental costs necessary for transit consolidation. Key activities include the legal establishment of the Commission, development of initial strategic and branding plans, development of transfer agreements, and performance monitoring. These one-time costs have been estimated at a total of \$3.85 - \$4.96 million over the course of four (4) years from 2021 through 2024, comprised of a combination of both capital and operating costs as summarized below in Table 4.

Table 4 - Transition Costs

Cost Category	Integration Approval	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Category Cost
Capital	--	\$275,000 to \$325,000	\$1,195,000 to \$1,700,000	\$200,000	--	\$1,670,000 to \$2,225,000
Operating	\$340,000 to \$500,000	\$110,000 to \$215,000	\$1,175,000 to \$1,465,000	\$350,000	\$200,000	\$2,175,000 to \$2,730,000
Total	\$340,000 to \$500,000	\$385,000 to \$540,000	\$2,370,000 to \$3,165,000	\$550,000	\$200,000	\$3,845,000 to \$4,955,000

While the transition costs are anticipated to be funded through a combination of existing budgets previously established, the implementation of the Regional levy as described above, and future capital budgets, provide a further opportunity to seek support from senior levels of government to offset these costs through programs such as Phase 2 of the Provincial government's Safe Restart program, which specifically identifies new transit governance structures as an eligible category. Staff will continue to develop the transition cost funding strategy throughout the approvals process, for inclusion as part of the final recommended funding model.

Asset Transfer and the Cummings Principle

Based on the recommendation from the consultants as part of the peer jurisdictional review, the CAO Working Group (established by the Linking Niagara Transit Committee (LNTC) to oversee and direct the Project Team to deliver the NTGS) has endorsed the use of applying the Cummings Principle to the future transfer of assets from the local area municipalities to the new Commission. The premise of the Cummings Principle is to transfer assets (and related outstanding liabilities), from one municipality to another with no additional compensation since transferring assets for additional compensation results in the taxpayer paying twice for the same public asset.

This principle, established through judicial precedent, has been applied for over four (4) decades in the municipal setting throughout Ontario, as well as in the vast majority of transit consolidations reviewed as leading practices. The use of the Cummings Principle is also well aligned to Niagara's established guiding principle of fairness, which respects the existing investments made by communities.

Analysis

Background

The completion of the NTGS represents the achievement of the next major milestone in the multi-year plan for the consolidation of transit services across Niagara region.

This consolidation process was first initiated in 2015 when Niagara's three major local transit operating municipalities of St. Catharines, Niagara Falls, and Welland - in partnership with the Region - formed an inter-municipal transit working group to improve inter-municipal transit (IMT) service delivery. This working group established a series of five (5) guiding principles which has continued to inform the process, summarized as:

- **Customer Driven** - continuously improve the rider experience and provide seamless connections and routes based on demand;
- **Unconventional Solutions** - investigate leading-edge technologies and delivery systems that establish Niagara as an innovator in the transit field;
- **Integrated** - be seamless with other modes of transportation, promote interconnectivity with systems that connect Niagara with the GTHA, and evolve according to overall transportation plans across Niagara;

- **Economically Responsible** - recognize inter-municipal transit is a public service funded through property taxes, grants, and partial cost recovery through user-fees, while balancing financial costs with potential ridership and benefits; and
- **Fair** - respect existing investments made by communities with public transit and existing service levels, and provide a basic level of services that can be accessed by as many Niagara residents as possible.

Since the establishment of the Guiding Principles, a series of further milestones have advanced work towards a consolidated transit system for Niagara:

- the Niagara Transit Service Delivery and Governance Strategy Report (known as the *Dillon Report*, 2017) identified several recommendations for service improvements and the following steps with respect to transit governance: approve a consolidated transit model; obtain triple majority for the recommended model; develop a consolidated transit model implementation plan; and implement an IMT service strategy;
 - as part of the IMT service strategy, the Region achieved triple-majority approval in 2017 to operate and deliver inter-municipal transit trips operating as Niagara Region Transit (NRT);
- The triple majority process also established the LNTC, composed of representatives from local and Regional councils and senior staff, to guide the overall IMT consolidation strategy. The mandate of the LNTC was to lead the harmonization and integration of operational and policy regimes of the existing transit properties, as well as advance a consolidated governance model. Through the LNTC, Niagara's four (4) major transit operators entered into a Memorandum of Understanding (MOU) in 2017 that, in principle, endorsed the creation of a consolidated transit system and outlined a governance framework based on the recommendations from the Niagara Transit Service Delivery and Governance Strategy Report;
- The Inter-municipal Transit Working Group (IMTWG), composed of transit staff from all twelve (12) municipalities together with the Region, was established to support the direction of the LNTC. Since its inception, the IMTWG has worked to harmonize, integrate and set the operational and policy foundation for a consolidated transit entity, reporting on all of its key deliverables to the LNTC;

- With considerable policy and operational consolidation achieved, in 2019 the LNTC directed accelerated timelines for developing the consolidated transit governance model, directing the creation of a team of CAOs (the CAO Working Group) to oversee the evaluation and recommendation of a preferred model.

The NTGS and the findings presented in this report represent the outcome of this direction provided by LTNC and the CAO Working Group, and sets out the next steps required to realize the implementation of a consolidated transit system for Niagara.

This report represents the initiation of the approvals process for adoption of the governance model, first seeking endorsement-in-principle of the Full Commission in advance of a future triple-majority approval vote. Should that vote be achieved, a transition period will take place during which the Commission will be set up and established while local transit service operation will remain with the existing entities. Based on the preliminary transition plan, the Commission would be established in Q3 2021 and assume responsibility for operations in Q3 2022.

The Case for Consolidation

The consolidation of transit services across Niagara has the strong potential to deliver a compelling series of economic, social, and mobility benefits to the residents and businesses of Niagara. A consolidated transit Commission is best positioned to deliver these benefits by bringing a scale and flexibility to transit that will:

- foster the consolidation of transit service across the region; in particular enhancing cross-boundary mobility for riders. The future state analysis completed as part of the NTGS identifies the future growth of transit in Niagara is closely linked with a latent demand for inter-municipal trips. While the recent impacts of COVID-19 have impacted current transit ridership levels, with long-term investment in targeted projects and services to grow the transit mode share throughout Niagara, transit ridership region-wide could grow by over 80% by 2031. This growth is only achievable through a consolidated and strategic region-wide approach;
- continue to support the expansion and connectivity of GO Transit service to the region, further enhancing the introductory levels of GO Train service, in addition to the high performing GO Transit Route 12 bus connections to neighbouring regions. For many commuters, the provision of local and regional transit

connections to GO stations is a critical link in their daily journey that must be enhanced through the seamless integration of these services;

- be able to quickly react to emerging transit technology, innovations, and philosophies including mobility-as-a-service and micro-transit. These developments represent an opportunity for Niagara to meet the wide variety of transit needs across the region that are less well served by the current system, through programs such as the recently launched Niagara Region Transit OnDemand (NRTOD) pilot program;
- facilitate economic development and investment through greater access to jobs and services both in Niagara and the GTHA. Providing convenient and seamless transit connections will enhance the ability of Niagara residents to access businesses in adjacent municipalities/regions, allow businesses to attract new customers and employees, and enhance the ability of visitors and tourists to explore all corners of Niagara;
- advance the mandate from Niagara's Heads of Council to Area CAOs, in response to the Provincial government's Governance Review, to pursue shared services between and among municipalities to better serve Niagara residents; and
- contribute to a high quality of life for Niagara residents and support community development through an enhanced ability of residents to choose sustainable (an increased shift to transit means Greenhouse Gas emissions are reduced, less vehicle congestions occurs, and travel time savings occurs), seamless, convenient, and connected mobility options. Transit is a significant contributing factor to the social determinants of health, enabling residents to have equitable access to the community and furthering their socio-economic wellbeing.

While the potential benefits outlined above have supported the ongoing development of a consolidated transit approach since the original adoption of the Guiding Principles in 2015, more recent developments in regards to transit in Niagara have only further enhanced the need for a consolidated transit system. The global COVID-19 pandemic has substantially affected all aspects of life for Niagara residents, including the use of public transit.

The ongoing pandemic has demonstrated the need for and benefits of enhanced levels of coordination and organization between transit providers across the region. As the early days of the pandemic unfolded, significant effort was undertaken via the IMTWG to ensure all transit agencies were unified, aligned and coordinated with the rapidly evolving changes to service levels, fare policy, cleaning protocols, and other operational and strategic changes necessary to effectively respond to the pandemic on behalf of Niagara's residents and transit users.

As Niagara's transit providers continue to monitor the changing environment and implement independent recovery plans over the next number of years, there is an opportunity to align these efforts as part of the future consolidation of transit services across the region. This alignment will ensure that the future state of transit service delivery across the region provides a consistent approach to recovery that is also well positioned to rapidly respond to the continually changing transit environment.

This approach is also closely aligned with the opportunity to seek COVID-19 recovery support from senior levels of government related to both operational needs and with regards to the one-time transition costs associated with consolidation. Under the Provincial governments' Safe Restart Agreement, municipalities and municipal transit systems are eligible to receive funding to address financial pressures associated with COVID-19. Recent direction provided with regards to Phase 2 of this program has identified fare integration and the consideration of new governance structures as among the key eligibility requirements for potential funding.

Niagara Transit Governance Study Process

The purpose of the NTGS was to build from the conclusions of the Niagara Transit Service Delivery and Governance Strategy Report and take the next steps in the consolidation process to determine which transit governance model would be best positioned to deliver the potential benefits of a consolidated transit entity. The analysis has lead to a Full Commission model being the recommended governance structure.

Under direction provided by the LNTC and the CAO Working Group, a consulting assignment (completed by Optimus SBR Inc. /Left Turn Right Turn Ltd.) was undertaken to evaluate and recommend a preferred transit model for Niagara (seen in Figure 3). The NTGS consisted of five (5) project stages, each of which built upon and advanced the work and key findings of earlier elements:

Figure 3 - Niagara Transit Governance Strategy Process



- **Current State and Jurisdictional Scan Report** - To understand the Niagara context, an analysis of the current state of operations of the various transit entities in Niagara was completed. Key results identified included the disparity of services across the region between smaller and larger municipalities and the associated financial contributions.
- **Future State Service Plan** – a forecast of different growth scenarios for transit ridership in Niagara was completed, which outlined the potential costs and revenues associated with those forecasts. Transit ridership forecasts indicate a latent demand for inter-regional transit travel. As a result, transit ridership growth across the region is driven by improved inter-regional transit trips.
- **Model Options Report** – Three candidate governance models were identified: Limited Commission, Full Commission, and Regional Division. An evaluation framework was developed that consisted of a series of fifteen (15) evaluation criteria across four (4) major categories: Governance, Finance, Stakeholder Input, and Ease of Implementation.
- **Recommendation Selection and Model Analysis** – The analysis of each of the candidate models against the selected criteria led to the conclusion that the Full Commission is the most suitable model for Niagara.

While many factors went into this recommendation, two of the primary benefits that made the Full Commission more attractive than other models were the greater autonomy offered in transit-focused decision making, and the determination that it will likely lead to the most cost-efficient service, best able to manage future transit growth in Niagara.

- **Transition Plan** - The transition plan provides a “roadmap” for the establishment of a new transit organization, across a series of five (5) phases: Integration, Commission Establishment, Commission Setup, Service Launch, and Enhancement and Growth. Based on the preliminary schedule contained herein, responsibility for day-to-day service operation would transition to the new entity in late 2022.

The final NTGS consultants’ report is provided as Appendix 2 to this report, which provides additional detail and discussion of the key findings from each of the five (5) project stage reports.

Consultation and Engagement

The project team engaged with a wide variety of stakeholders throughout the development of the NTGS to gather insights and perspectives about the current state of transit services and key considerations for a consolidated system. Consulted stakeholders included: current transit operators in Niagara, Chambers of Commerce, the Region’s Accessibility Advisory Committee, post-secondary institutions, the Amalgamated Transit Unions, and senior public officials such as the Area CAOs and Treasurers. Input received through these consultations was used to inform the overall development of the NTGS, with a particular focus on ensuring the evaluation framework captured the wide range of perspectives on transit throughout the region.

Full Commission Recommendation and Analysis

Benefits of the Full Commission

The Full Commission model is recommended on the basis that it is best suited for the Niagara context, providing the desired ability to deliver on the customer focused, innovative, integrated, economical, and fairness requirements for governance first articulated as part of the project’s Guiding Principles.

While the Full Commission model performed well across a strong majority of the criteria, two (2) of the primary benefits that established the Full Commission model as the preferred alternative were:

- **Autonomy of the Full Commission** - The independence of the Full Commission grants it several advantages that make it the most suitable option for the growth potential of transit in Niagara.
 - With this independence, the Full Commission can remain more strongly and singularly focused on transit and is more capable of formulating its

own responses to trends and pressures, making and owning decisions, and driving necessary change at a strategic and operational level.

- This governance model is able to move from idea to action quickly and reprioritize its resources to meet emerging demands and accommodate growth; and
 - The autonomy of the Full Commission provides advantages with respect to negotiating important elements such as collective bargaining agreements and the transfer of assets.
- **Financial Benefits** - The Full Commission is expected to result in the most cost-efficient service, in part due to a more streamlined decision-making process and being restricted to provide the most effective service within its defined annual budget.
 - From a dollars and cents perspective, a Full Commission is the more costly of the models in terms of administrative costs, but less costly on a per trip basis than other models due to a higher utilization of services realized through the outputs achieved via the autonomy of the Commission. This is particularly important as we look to the future and consider what ridership growth in Niagara could look like, and how services may expand to serve regional needs.
 - The Full Commission has the greatest flexibility to make strategic decisions which drive financial outcomes for transit services and is best positioned to make regionally-focused investments in service growth.

The evaluation process and how the full commission performed against each of the criteria is summarized in Table 5 below and is discussed in greater detail as part of the full NTGS report found in Appendix 2.

Table 5 - Summary of Analysis

	Criteria	Neutral across all models	Limited Commission Preferred	Full Commission Preferred	Regional Division Preferred
Governance & Operations	Authority and Accountability in Driving Change			✓	
	Agility and Flexibility			✓	
	Accommodates Future Growth			✓	
	Public Perception	✓			
Financial Impact	Lower Cost of Implementation	✓			
	Operating Costs and Efficiencies			✓	
	Financial Decision Making			✓	
	Potential for Ongoing Financial Support				✓
Stakeholder Input and Equity	Equity		✓		
	Serves the Public Interest				✓
	Municipal Input		✓		
Ease of Implementation	Staffing Resources Impacts				✓
	Labour Relations			✓	
	Legal Implications				✓
	Asset Transfer Implications			✓	

Nature and Composition of the Full Commission

Following the determination of the Full Commission as the preferred model for Niagara, further work was completed to define the nature of the Commission to be established. A

number of these characteristics have been identified as part of the proposed resolution outlined in Appendix 1 of this report, which seeks the endorsement-in-principle of the governance model.

This overall governance structure of the Commission will be refined through the approvals process and subsequent transition plan. The Regional by-law that will be passed as part of the triple-majority process will establish and confirm the composition of the Board and the governance relationship between the new Commission and Regional Council, including the processes for budgetary oversight and reporting to Council.

The Board of Directors of the Commission, when established, will make the final determination as to numerous elements of its internal structure (along with the CEO/General Manager), such as its initial functional organizational structure and reporting relationships.

Key characteristics of the recommended Commission structure include:

- A Board of Directors established using a hybrid governance model that would include membership comprised of a total of five (5) elected members of Regional Council appointed to the Commission as well as four (4) non-elected skills-based representatives with expertise in key areas such as transit operations, finance, and business operations. These nine (9) voting members would be joined on the board by the CEO/General Manager of the Commission as a non-voting ex-officio member.

This hybrid-governance structure and Board composition was recommended for Niagara as it provides the necessary blend of accountability to the public and representation of local municipal interests, delivered by the elected representatives, and the technical and transit operation expertise required to support efficient transit operations through the skills-based members. A nine (9) member board has been recommended as the appropriate balance between providing the necessary geographic representation across Niagara with supporting efficient-decision making. A nine (9) member board is in line with leading practices and the Boards of peer jurisdictions.

- An Advisory Committee would be established to incorporate local and public interests within the region into the decision-making structure of the Commission. This body would meet 1-2 times annually, or as needed, to present non-binding advice to the Board of Directors and provide an ongoing opportunity for

stakeholder input and engagement. Membership is recommended to be comprised of a variety of stakeholders including members of the public, members of the Accessibility Advisory Committee, representatives of post-secondary institutions, and the Niagara Chambers of Commerce.

- The proposed reporting structure of the organization would see a total of five (5) functional groups under the CEO/General Manager: Customer Service & Communications, Corporate Services, Operations, Strategy & Innovation, and Fleet & Facilities. Within the Corporate Services group there would be an opportunity to establish a number of intended shared-services relationships with existing Niagara Region corporate resources in areas such as finance, information technology, human resources, legal, and procurement.
- The Commission will assume all existing employees, vendors, contracts, and collective bargaining agreements currently held by existing local transit authorities, in accordance with the *Municipal Act* or *Labour Relations Act* as is appropriate. As existing contracts and collective agreements conclude, the Commission will assume responsibility for negotiating continuations or new agreements.

Approval Framework

In order to proceed with the establishment of the Commission, legally known as a Municipal Services Board, and ultimately the consolidation of transit services in Niagara, a series of Regional Council and LAM approvals are required. Should Council approve the recommendations of this report, it will represent the first step of a proposed two-phase approval and engagement framework.

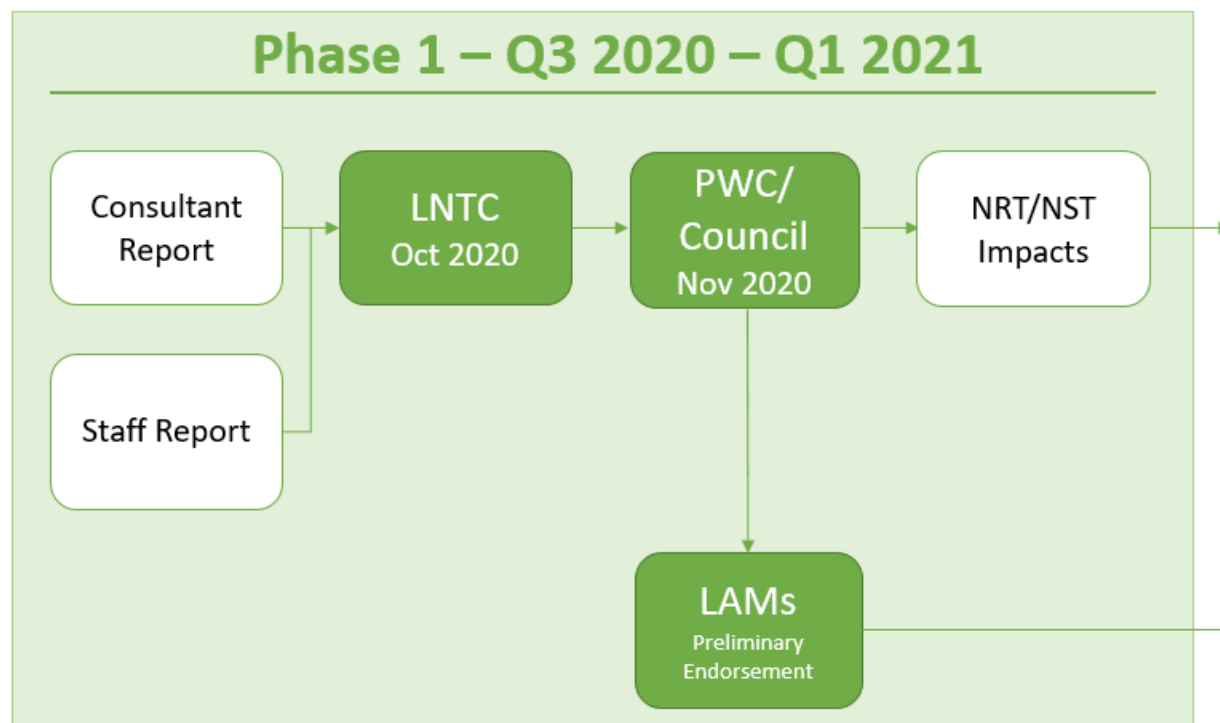
This framework has been developed with a focus on providing political decision making bodies across Niagara the necessary opportunities to provide informed feedback on the recommended governance and financial models and for them to be refined accordingly. Phase 2 of this process is a final triple-majority approval, scheduled for Q2 2021 which identifies, addresses, or incorporates the feedback received through Phase 1. The Phase 2 approval will also provide the necessary legal by-law authorities to proceed with the creation of the Commission as a Municipal Services Board.

Phase 1 Approvals

Phase 1 of the approvals framework (shown below in Figure 4) seeks the endorsement-in-principle of the recommended Commission governance model and the parallel

financial strategy. This process, initiated by this report, first seeks endorsement-in-principle from LNTC, which has had primary oversight of consolidation process to date.

Figure 4 - Phase 1 Approvals Process



Subject to the endorsement of LTNC, a similar endorsement-in-principle will be sought from each of the LAMs through Q4 2020 and Q1 2021. To facilitate this outreach procedurally, Niagara Region's Public Works Committee (PWC) and Council will be required approve the minutes of the LTNC meeting.

Each municipality will be asked to endorse-in-principle the resolution in Attachment 1 of this report, which outlines the key features of the Commission governance structure and financial strategy, including the transfer of assets, people and obligations, transition to a single regional levy, and maintenance of service levels for a defined period. As part of this consideration, each municipality will be also asked to provide any additional feedback on the recommended Full Commission governance model and the financial strategy by March 31, 2021.

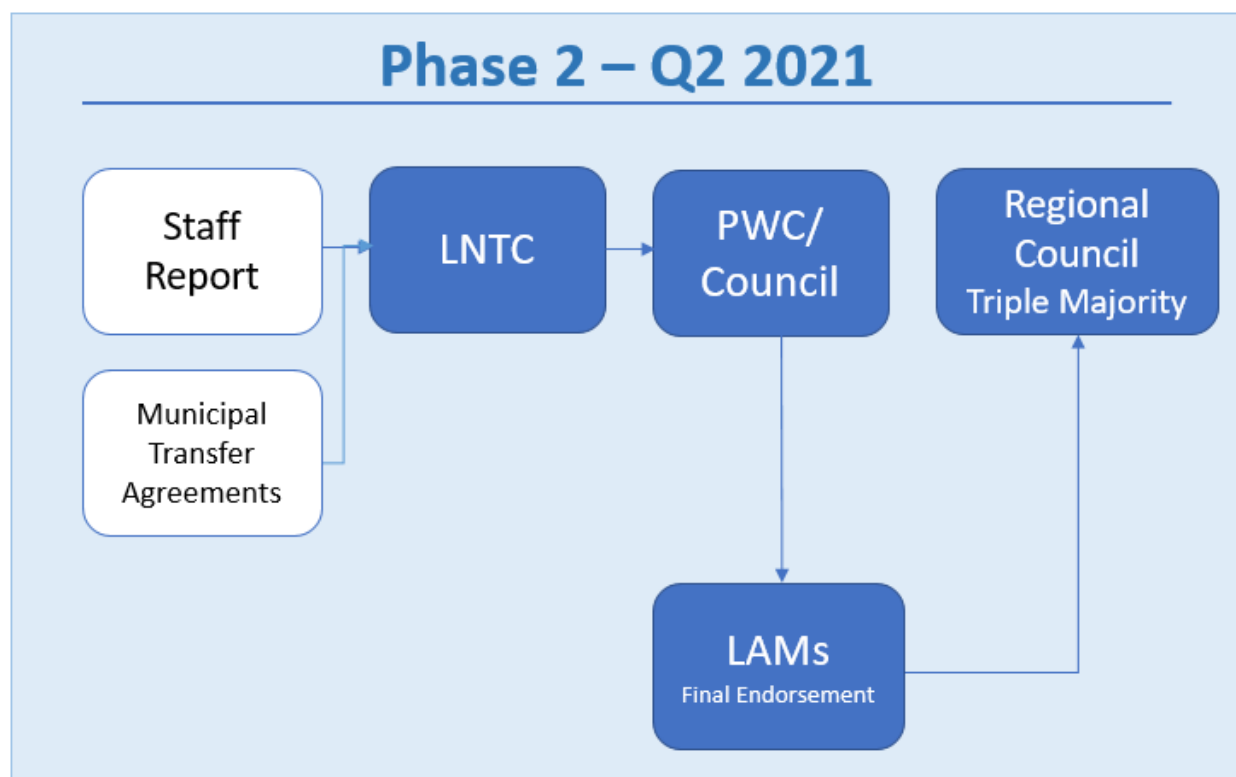
In parallel with the LAM considerations, Regional staff will undertake an analysis of considerations specific to the Region, including an assessment of the Regional levy impacts and the implications to the existing transit operations of Niagara Region Transit (NRT), Niagara Specialized Transit (NST), and Niagara Region Transit OnDemand

(NRTOD). This assessment will be returned to the Public Works Committee for consideration prior to March 31, 2021.

Phase 2 Approvals

Phase 2 of the approval framework (seen below in Figure 5) commences in Q2 2021 and focuses obtaining formal triple-majority approval of the governance model, the authorities required to proceed with the creation of the Commission, and the formal adoption of the recommended financial strategy. To achieve these objectives, a second staff report and series of recommendations will be brought to Council, reflecting the Phase 1 input on the recommended governance and financial models received from the LAMs and through the Regional assessment.

Figure 5 - Phase 2 Approvals Process



As part of Phase 2, a series of Municipal Transfer Agreements (MTAs) will be negotiated that outline the roles of the Region and each of the LAMs that currently operate transit services as the consolidation process unfolds, focused on how assets will be transferred and how transit-related decisions are made during the transitional period.

With the Cummings Principle as a foundation for asset transfer, MTAs will act as the mechanism through which local municipal partners enter the new Commission. They will outline the use and transfer of assets in their community (i.e. new fleet), continuance of existing capital projects and expenditures, debentures and debt financing, etc., giving Councils and transit providers opportunity to ensure consistency in the first (5) years of operation under the new Commission.

These MTAs will be appended to the final report for approval of the Region and the Council of each respective LAM that currently operates transit services. Additional detail regarding the MTAs is included in Appendix 2 as part of the Transition Plan discussion.

A consulting assignment will be undertaken to support Regional staff in the development of the MTAs, given the unique expertise requirements in the areas of the transition of transit operations, legal, and human resources. This assignment is included as part of the transition plan discussed below, covering activities through Phases 1 and 2 of the plan. Funding will be provided through available budgets previously approved for transit governance consulting services.

Considerations Regarding Triple Majority Approval

A triple-majority approval process must be undertaken to transfer the authorities necessary for the Commission to assume responsibility for the delivery of transit services across the region.

Currently Niagara Region holds the authority to operate inter-municipal specialized transit and conventional inter-municipal transit, the latter of which the result of previous triple-majority approvals obtained as part of the establishment of NRT. This previous authority does not extend to the operation of intra-municipal trips which currently resides with the municipalities responsible for local transit services under the *Municipal Act*.

The authorities required for the Commission to operate transit services in the region will be sought in the form of a by-law as part of the second phase of approvals. This by-law will represent the formal consent of the Region and local area municipalities to proceed with the creation of the new Commission.

The Commission will be established as a Municipal Services Board through the *Municipal Act, 2001*. The by-law will further establish the exclusivity of the Commission to operate public transit within Regional boundaries (excluding WEGO and GO Transit).

Appendix 3 provides a detailed legal overview of the current authorities held by Niagara Region and the amendments necessary to facilitate the transfer of powers that will allow

the new Municipal Services Board, operating as a Commission, to deliver services in Niagara.

Transition Plan

Bringing a new organization into existence and successfully consolidating transit services across the region will require a comprehensive series of preparatory activities across a number of categories including governance, service delivery, finance, human resources, legal, and operations. A preliminary transition plan has been developed to outline the scope, sequence, and resourcing requirements associated with undertaking these activities and to serve as a 'roadmap' for the establishment of the Commission.

The preliminary transition plan that has been developed is spread across as series of five (5) phases, which each culminate in a key project milestone, summarized below. Appendix 2 provides additional detail and discussion, including an overview of the key sub-tasks that compromise each of the phases.

- **Phase 1 – Integration Approval Process** – this phase of the transition plan includes the activities leading up to and including the two-phased approval process detailed in the “Approvals Framework” section of this report. This phase concludes with obtaining triple-majority approval of the governance model and authority to establish the Commission, scheduled for the end of Q2 2021.
- **Phase 2 – Establish Commission** – following the triple-majority approval, a two-month phase of work will be undertaken focused on executing the direction of Council and undertaking the tasks necessary to establish the Commission as a legal entity. This phase of work concludes with the appointment of representatives to the Commission’s Board, and the assumption of responsibility for the strategic direction of the consolidation and transition process.
- **Phase 3 – Commission Setup** – this phase of work encompasses all of the activities required to prepare the Commission for the assumption of day-to-day operations of all transit operations throughout Niagara. This will include tasks such as the appointment of the staff leadership team and filling of functional roles through the organization, development of strategic plans and policies, negotiation with relevant bargaining units, and the transfer of assets and contracts to the new Commission. This process is anticipated to take approximately one year, from Q3 2021 through Q2 2022.

- **Phase 4 – Service Launch** – responsibility for day-to-day operations would transfer to the new Commission at the start of this phase, anticipated for Q3 2022. Existing service levels at the time of transfer will be maintained for a defined period (approximately 1-2 years, subject to MTAs) to ensure the smooth transfer of operations to the Commission.
- **Phase 5 – Enhancement and Growth** – having successfully assumed responsibility for operations, the Commission will look to the continued development of the organization and opportunities to improve and expand transit services across the region.

This preliminary plan will continue to develop throughout the approvals process as feedback provided through the Phase 1 LAM engagement is reflected. As the Commission is established and it assumes responsibility for setup activities (Phase 3 below), this plan will need to be validated and adjusted as required to guide day-to-day transition activities.

Alternatives Reviewed

In order to arrive at the recommended governance model for the integration of transit services in Niagara, based on the peer jurisdictional review, the consultants identified and considered three (3) potential candidate models:

- **Limited Commission** – where transit service is governed by a Regional Commission with representation from local area municipality elected officials with regards to operational matters, with strategic decision making directed by Regional Council
- **Full Commission** – a distinct entity independent from Regional Council governed by a board of appointed members, equitably selected by Regional Council, and responsible for all transit planning and delivery
- **Regional Division** – within the Region's Public Works department where Regional Council remains the governing body of the transit division and is integrated into the Regional administration similar to other service delivery departments

An overview of the model options that were considered as part of the NTGS is provided as part of Appendix 2.

The three (3) candidate models were assessed by the means of an evaluation framework developed that would encapsulate the wide variety of interests, criteria, and perspectives that can be applied to transit. Special consideration was given to how the evaluation framework reflected the Guiding Principles set out at the initiation of the project, the ability to ensure fiscal responsibility, and how the governance model would deliver on the opportunity for future growth.

On this basis, a series of fifteen (15) detailed evaluation criteria were selected, across four (4) major categories: Governance and Operations, Financial Impact, Stakeholder Input and Equity, and Ease of Implementation. Each of the fifteen (15) evaluation criteria were evaluated using the 'Harvey Ball' method, which provides a relative rating reflecting the degree to which the candidate model is in alignment with the characteristics and objectives of the criteria.

An overview and detailed discussion of how each of the models were evaluated against the criteria is provided in Appendix 2.

During the development of the evaluation framework, consideration was given different criteria weighting scenarios to consider the impact that placing an enhanced level of importance on selected criteria may have on the final recommendation. However in all weighting systems considered there was no impact to the resulting preference of a Full Commission model.

Relationship to Council Strategic Priorities

The Niagara Transit Governance Strategy and the proposed consolidation of transit services across Niagara into a consolidated transit entity directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objective 3.1) through advancing regional transit and facilitating the movement of people and goods.

Other Pertinent Reports

CAO 8-2017	Niagara Region's Transit Service Delivery and Governance Strategy
LNTC-C 21-2018	Inter-Municipal Transit (IMT) Service Implementation Strategy

Prepared by:

Matt Robinson
Director, GO Implementation Office

Recommended by:

Bruce Zvaniga
Acting Commissioner
Public Works

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Scott Fraser, Transportation Lead - GO Implementation Office; Heather Talbot, Financial & Special Projects Consultant – Financial Management and Planning; and the NTGS CAO Working Group comprised of the CAOs from St. Catharines, Welland, Niagara Falls, Lincoln, and Niagara Region; and reviewed by Sterling Wood, Legal Counsel; Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer; Todd Harrison, Commissioner of Corporate Services/Treasurer.

Appendices

Appendix 1	Resolution for Endorsement-in-Principle
Appendix 2	Niagara Transit Governance Review – Final Report
Appendix 3	Legal Review of Niagara Region’s Role in Public Transit

Appendix 1 – Resolution for Endorsement in Principle

WHEREAS, a Full Commission model as described in Appendix 2 to Report LNTC-C 4-2020, and to be established as a Municipal Services Board of the Region in accordance with *Municipal Act, 2001*, has been recommended as the preferred governance model for the consolidation of Niagara's public transit system;

AND WHEREAS, the Cummings Principle, enacted through a series of Municipal Transfer Agreements, will be used to guide the transfer, use of, and access to assets and facilities from existing local area municipalities to the Commission;

AND WHEREAS, all existing employees, vendors, contracts, and collective bargaining agreements will be transferred to or assumed by the Commission, in accordance with the *Municipal Act, 2001* or *Labour Relations Act, 1995*;

AND WHEREAS, a minimum of 2021 transit service hours in local area municipalities will be maintained for a period of five (5) years from the assumption of delivery of service by the Commission, unless otherwise agreed to by the local area municipality;

AND WHEREAS, all existing and incremental transit spending will be transferred to the new Commission, funded through a single Regional tax levy to be enacted over a transfer implementation period of five fiscal (5) years as described in Report LNTC-C 4-2020;

AND WHEREAS, to achieve a net-neutral impact to the regional taxpayer, local transit costs assumed by the Regional tax levy will be offset by equivalent budgetary reductions by the local area municipality;

AND WHEREAS, funding previously committed under inter-governmental programs such as the Investing in Canada Infrastructure Program (ICIP) will be maintained and used within the receiving municipality;

AND WHEREAS, support will be sought from senior levels of government for the one-time transition costs associated with consolidation under programs such as the Provincial governments' Safe Restart Agreement;

AND WHEREAS, an integrated single regional fare will be established by the Commission within five (5) years of the assumption of delivery of service by the Commission;

BE IT RESOLVED THAT Council endorse, in principle, the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system.



Niagara Transit Governance Study

Final Report

→ October 2, 2020

Niagara  Region



Niagara Transit Governance Study

→ Final Report

→ Contents

1. Executive Summary

2. Full Report

1. Introduction
2. Current State & Leading Practices
3. Future State Transit Service Plan
4. Model Options, Analysis, and Recommendation
5. Transition Planning
6. In Summary

Purpose of this Document

- In 2019, the consulting firms of Optimus SBR and Left Turn, Right Turn (LRTR), were retained by the Region of Niagara, in partnership with the region's local area municipalities, to undertake a study of different integrated transit governance models and recommend the best path forward to ensure that the present and future transit needs of the region can be met.
- This document is the Final Report of the study undertaken (the Niagara Transit Governance Study) – setting the stage for transit integration across Niagara Region. It provides a comprehensive summary of all work undertaken during the course of this study.
- In this Final Report, readers will find:
 1. A summary of the current state of transit in Niagara Region;
 2. Lessons learned from other jurisdictions that have integrated transit services;
 3. A future state service plan that identifies the potential growth of transit in the region; and outlines the opportunity that integration can bring;
 4. An overview and analysis of different models for transit integration;
 5. The recommended model option for the region; and,
 6. A transition plan to guide the implementation of an integrated system.



Report Snapshot

Key Highlights

Research into the benefits and feasibility of an integrated transit system in Niagara Region has been considered for several years, and has culminated in **this Niagara Transit Governance Study**.

A review of the current state of transit in Niagara and a forecast of demand for transit services over the coming 10 years has shown that there is a **significant opportunity to increase transit usage in Niagara (over 80% by 2031)**.

To determine how Niagara could best accommodate this future growth, **three potential transit governance model options were developed**, each one reflecting a different approach to integrating transit in the region.

Each potential model was assessed against key evaluation criteria, and ultimately, an **independent Full Commission Model was recommended** as it provides the greatest opportunity for success by bringing the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of Niagara.

In order to create this new Commission, a five-phased Transition Plan has been developed to guide implementation activities. It is expected that **this Commission will be operational by the end of 2022**, and there is opportunity to **take advantage of government funding** to support the cost of transition to the Commission model.



Niagara Transit Governance Study

Executive Summary

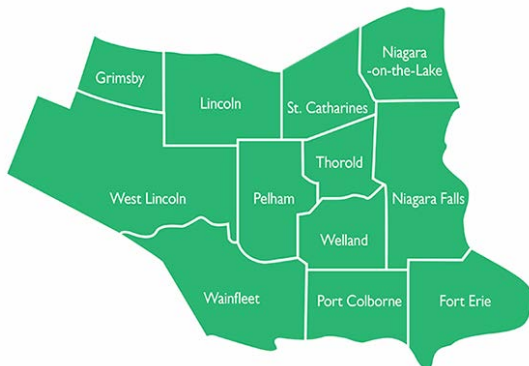


Context for this Study

Research into the benefits and feasibility of an integrated transit system in Niagara Region has been considered for several years, and has culminated in this project, the Niagara Transit Governance Study.

Transit in Niagara Region

- Niagara Region constitutes 12 municipalities that have varying levels of transit services available.



- The three largest providers are St. Catharines Transit, Niagara Falls Transit, and Welland Transit, who also support the existing Regional service.

2017 Service Delivery & Governance Review

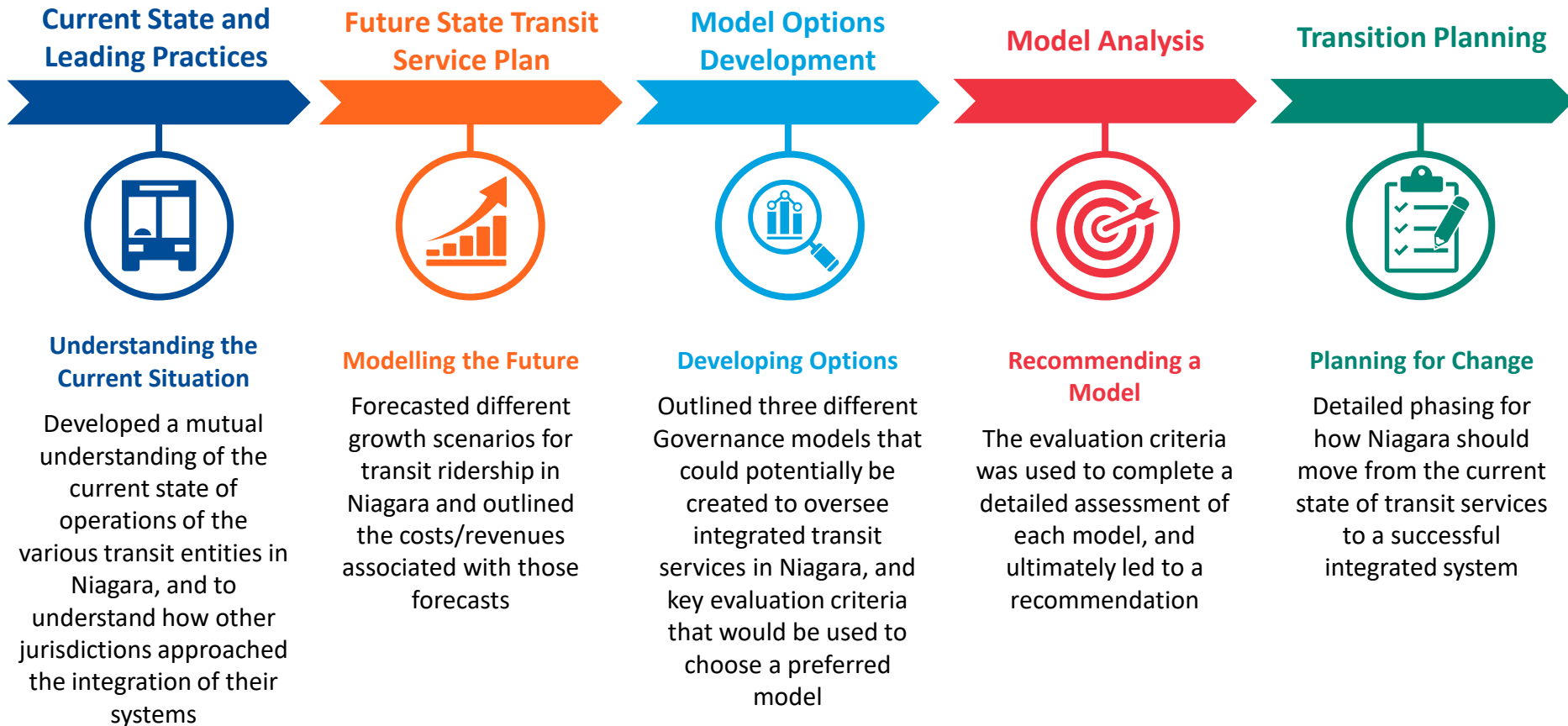
- Following agreement on Guiding Principles for integration in 2015, the Region completed the *Niagara Transit Service Delivery and Governance Strategy Report* in 2017. The report identified several recommendations for service improvements and the following steps with respect to transit governance:
 - Approve consolidated transit model
 - Obtain triple majority for recommended model
 - Develop consolidated transit model implementation plan
 - Implement inter-municipal transit service strategy

Governance Models

- To support the development of an integrated approach to transit, the Region formed the Linking Niagara Transit Committee (LNTC), and a working group was formed to evaluate transit governance models, consisting of the CAOs of St. Catharines, Niagara Falls, Welland, and Lincoln, and the Director of the Go Implementation Office.
- The consulting firms of Optimus SBR and Left Turn Right Turn (LTRT) were engaged by the working group to evaluate various transit service delivery models and to identify which option best accommodates Niagara's future transit operational and planning needs.

A Systematic Approach was Followed

To determine a preferred governance model for Niagara's integrated transit system, Optimus SBR and LRTT followed a systematic approach that followed five main steps. This report contains a summary of the key information and insights from each of these steps.



This report represents the culmination of research, analysis, and input from key stakeholders across Niagara Region to establish a way forward for transit integration



Guiding Principles for Transit

Guiding principles for transit in Niagara were developed in 2015 and helped inform the development and recommendation of the recommended transit governance model. These principles will continue to be important throughout the transition to an integrated system and in the life of the new transit entity.

**Customer
Driven**

**Unconventional
Solutions**

Integrated

**Economically
Responsible**

Fair

Adherence to guiding principles will be a fundamental factor in ensuring the success of the integration and the future of transit in Niagara for the benefit of all



There is a Significant Opportunity to Increase Transit Usage in Niagara Region

By way of investments and harmonization of services and fares, transit under an amalgamated system is anticipated to become a more frequently used means of transportation in the region, with ridership outpacing the status quo.

How?

Transit ridership forecasts indicate a **latent demand for inter-municipal transit** travel, which can be capitalized on through improved inter-municipal and connections to GO Transit rail services.

By investing in targeted projects and services to grow the transit mode share throughout the region, **transit ridership region-wide could grow by over 80% by 2031 under an amalgamated transit service.**

It is anticipated that Niagara Region, like its peer jurisdictions will experience a **transit mode share growth of 30% to 130% within ten years of amalgamation.**

By 2031, **operating costs in the high growth scenario will increase by approximately 55% over the status quo.**

Capital investment of between \$70M and \$155M between 2021 and 2031 may be required to address service and demand growth. Provincial Gas Tax revenue could result in up to \$50M - \$80M in revenue over the same ten years. Over \$ 70M-worth of near- and mid-term projects have committed funds from the federal and provincial governments through ICIP.

An integrated single fare is critical to driving ridership growth and could be achieved in a way that is revenue-neutral if implemented progressively as ridership grows. While an integrated payment system and harmonized fare structure will be required at the start of service, a single fare region-wide can be implemented over time.

The COVID-19 pandemic presents an opportunity to look beyond the status quo, bring the transit systems in Niagara together, and build a new and improved service that takes capitalizes on current funding programs to see this forecasted ridership growth become a reality.

Recommendation: Full Commission Model

Following the completion of the current state review, a jurisdictional scan, and the development of a future state service plan, three potential governance models were developed, and the **Full Commission Model** was ultimately recommended:

Limited Commission

- Transit Service is governed by a regional commission with representation from local elected officials.
- Commission reports to Regional Council
- Strategic decision making for Transit Service is directed by Regional Council
- Relies on corporate services but retains transit-related services in-house

Full Commission

- Distinct entity independent from Regional Council
- Governed by a board of appointed members, equitably selected by Regional Council
- Responsible for all transit planning and delivery
- Budget allotment approved by Regional Council
- Makes limited use of Regional services except where service sharing does not impede agility or independence

Regional Division

- Division within Niagara Region's Public Works department
- Regional Council remains the governing body of the transit division
- Strategic decision making for Transit Service is directed by Regional Council
- Integrated into the Regional administration similar to other service delivery departments

The Full Commission model brings the right balance of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region.



Benefits of the Full Commission

Ultimately, the analysis led to the conclusion that the Full Commission is the most suitable model for Niagara. While many factors went into this recommendation, two of the chief benefits that made the Full Commission more attractive than other models were:



The Autonomy of the Full Commission

- The independence of the Full Commission grants it several advantages that make it the most suitable option for the growth potential of transit in Niagara.
- With this independence, the Full Commission can remain more focused solely on transit and is more capable of formulating its own responses to trends and pressures, making and owning decisions, and driving necessary change at a strategic and operational level.
- This governance model is able to move from idea to action quickly and reprioritize its resources to meet emerging demands and accommodate growth.
- The autonomy of the Full Commission provides it advantages with respect to negotiating important elements such as collective bargaining agreements and the transfer of assets.



The Financial Benefits

- The Full Commission will likely have the most cost-efficient service, in part due to a more streamlined decision-making process and being restricted to provide the most effective service within the means previously defined in the annual budget.
- From a dollars and cents perspective, a Full Commission is the more costly of the models in terms of administrative costs, but less costly on a per trip basis than other models due to a higher utilization of services.
- This is particularly important when looking to the future and considering what ridership growth may be, and how services may expand to serve regional needs.
- The Full Commission has the greatest flexibility to make strategic decisions which drive financial outcomes for transit services and is best positioned to make regionally-focused investments in service growth.

The Full Commission is best suited to grow transit in the region while delivering the high quality, innovative, and seamless transit services that the citizens of Niagara deserve.



Proposed Composition of the Commission

Outlined below is the proposed composition of the Commission, which would be appointed by a Nominating Committee of the Regional Council.

Members of Regional Council

- (1) Welland
- (1) St. Catharines
- (1) Niagara Falls
- (2) Niagara Municipalities [*Selected amongst representatives of: West Lincoln, Lincoln, Grimsby, Pelham, Thorold, Niagara on the Lake, Wainfleet, Fort Erie, and Port Colborne*]

Skill-based or Public Members

- (4) Skills-based or Public members (appointed/nominated)

Ex-Officio

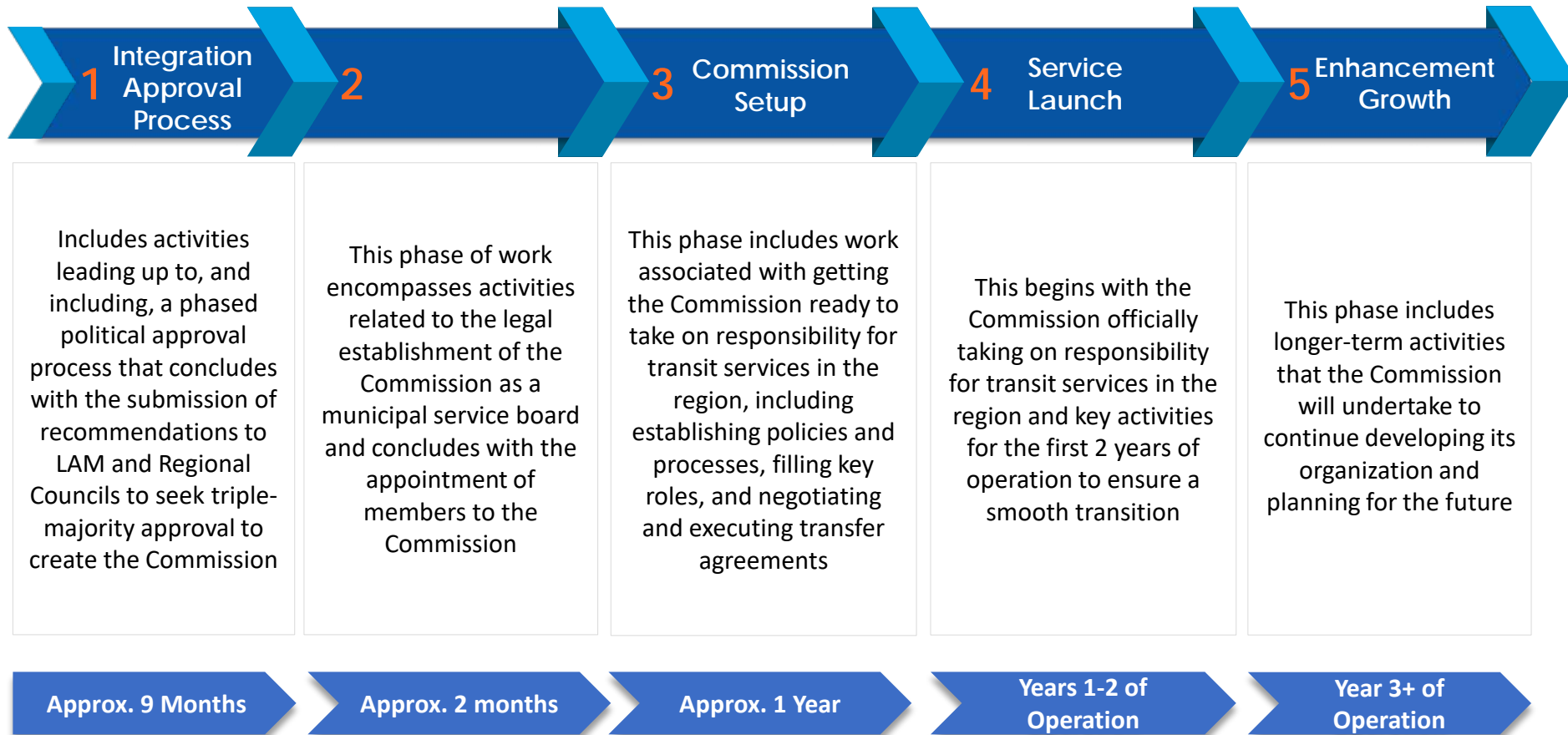
- (1) General Manager (non-voting member)

9 voting members

A Hybrid governance structure was recommended as it allows a combination of elected officials and skills-based members to provide guidance and oversight.

Transition to the Commission

A five-phased transition plan has been developed to guide implementation activities over the coming years to ensure the successful creation of the transit Commission.



The creation of a Regional Transit Commission will be transformative for Niagara, and its success is dependent on maintaining public and political support while transitioning services from the LAMs to create an effective regional network.

Funding the Transition

Regional staff are currently developing an initial funding model for the start-up budget of the Commission, that will strive for a fair and equitable funding baseline commensurate with the existing baseline services within each municipality. This funding model will be provided to all decision makers upon its completion.

The preliminary cost estimates of transition to the Full Commission model is between **\$3,845,000 and \$4,955,000**. Given the complexity and ongoing impact of the global pandemic, fluctuations in these costs should be considered.

Category	Items Included	Cost
Capital Costs	<ul style="list-style-type: none"> • Transit System Branding • Facility and Office Improvements • Transit Service Design • Technology and Equipment 	\$1,670,000 to \$2,225,000
Operating Costs	<ul style="list-style-type: none"> • Transit Integration Team • Legal Fees • Public Consultation • Human Resources Fees 	\$2,175,000 - \$2,730,000
		\$3,845,000 - \$4,955,000

Suitable investments into the start-up of the Commission will be critical in its early development and long-term success.



Niagara Transit Governance Study

Full Report

→ Niagara Transit Governance
Study

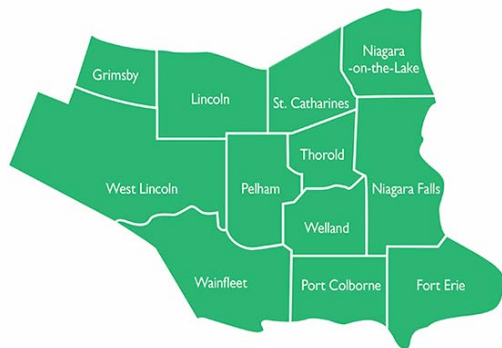


Introduction

Context for this Study

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- To support the development of an integrated approach to transit, the region formed the Linking Niagara Transit Committee (LNTC), and a working group was formed to evaluate transit governance models, consisting of the CAOs of St. Catharines, Niagara Falls, Welland, and Lincoln, and the Director of the Go Implementation Office.
- The consulting firms of Optimus SBR and Left Turn Right Turn (LTRT) were engaged by the working group to evaluate various transit service delivery models and to identify which option best accommodates Niagara's future transit operational and planning needs.

The concept of integrating transit systems in Niagara has been around for many years. Now, in 2020, a myriad of transit and non-transit related factors and pressures present an opportunity for the region's systems to reflect on its strengths and challenges, and consider new avenues for innovation and growth.

The Case for Integration

A multitude of global and local trends make the need to rethink transit more apparent than ever before. Globally, emerging technology and philosophies around transit, including concept of mobility as a service, has engendered the need to see different transportation methods jointly rather than as individual elements. Economic and cultural trends are also resulting in a trend towards lower personal vehicle ownership due to a reduction in buying power, and evolving perspectives on the environment and the importance of public transit in curbing climate change.

Locally, there is a strong desire improve mobility not only within the region, but with neighboring regions as well, along with a growing need to address the disparity of transit service across the region. Moreover, the current system does not provide the integrated and seamless experience that users are growing to expect, and as new commercial and residential developments emerge, the importance of quick and reliable transit will as well.

Finally, there is a need to look at transit and its benefits not at the local level, but more broadly. Transit can be a cornerstone of a strong and vibrant community and region, and is a key enabler to attracting new residents, tourists, and businesses. An integrated transit system that can more easily respond to the needs of the region can also help strengthen economic development, support environmental sustainability, and enhance quality of life for residents and visitors alike.

Unfortunately, the innovation and growth required to capitalize on these opportunities and accommodate these shifting needs won't be achieved by maintaining the status quo; an evolution of the current system is needed.

Integration isn't about creating a larger version of what already exists today, nor is it about bringing the status quo under a single roof. Rather, **integration is about bringing a scale and flexibility to transit** that will allow for greater innovation, more beneficial partnerships, and the ability to better accommodate the variety of transit needs in the region that won't be able to be served within the constraints of the current system.



Integration and COVID-19

The 2020 COVID-19 pandemic has undoubtedly affected transit ridership in Niagara, Ontario, and Canada as a whole. With ridership down 75% nationally,¹ operating revenues for transit agencies have also seen a significant decline. However, despite the devastating impacts that COVID-19 has had on the health of Canadians, the use of public transit, and the overall economy, now is an apt time to redesign transit in Niagara.

The ongoing pandemic has demonstrated the need for, and benefits of, enhanced levels of coordination and organization between transit providers across the region. In the early days of the pandemic, significant effort was undertaken to align and coordinate across delivery agencies the rapidly evolving changes to service levels, fare policy, cleaning protocols, and other operational and strategic changes necessary to effectively respond to the pandemic on behalf of Niagara residents.

In addition, there is an opportunity to align efforts with current funding programs associated with the province's economic recovery. In July 2020, the province announced that it had secured one-time urgent funding to support its municipalities' critical public services, including transit services. This Safe Restart Agreement funding may include up to \$2 billion for transit in the province and is already beginning to flow to municipalities and transit agencies, with eligible projects including service improvements and governance restructuring. This unique funding opportunity only strengthens the case for integration and the need for collaboration and alignment of effort across the region.

As transit providers continue to monitor the changing environment and implement recovery plans over the coming years, now is the ideal time to move integration forward and align efforts, especially given the significant work that will be needed to grow ridership in a safe and effective way, and the funding opportunities made available to municipalities.

Municipalities in the region need to look beyond the current situation and how to return to the status quo. Now is the time to reflect on what has worked and not worked in the past, take advantage of funding and growth opportunities, and collaborate on building a new system that provides a high-quality and user-friendly service for the region.

¹ Statistics Canada. Urban Public Transit, June 2020. <https://www150.statcan.gc.ca/n1/daily-quotidien/200831/dq200831d-eng.htm>



Guiding Principles for Integrated Transit

Guiding principles were first established in 2015 and subsequently endorsed by the Linking Niagara Transit Committee (LNTC). They have informed the development of the transit governance model for Niagara.

To achieve success the new transit entity will need to make regionally-focused decisions aligned to guiding principles. This will ensure that potential growth in ridership, efficiency of operations, and improved service delivery are realized.

1

Customer Driven

- Continuously improve the rider experience, including improvements throughout the pilot phase;
- Understand customers, particularly those who rely on transit the most;
- Provide seamless connections and routes based on demand;
- Take people to work, school, healthcare, shopping and recreation as efficiently as possible;
- Respect established local service levels and routes; and,
- Maintain and improve transit to Niagara College and Brock University users.

2

Unconventional Solutions

- Investigate leading-edge technologies and delivery systems that establish Niagara as an innovator in the transit field; and,
- Explore partnerships with other providers (e.g. GO Transit) where service delivery gaps exist.



Guiding Principles for Integrated Transit

Guiding principles were first established in 2015 and subsequently endorsed by the Linking Niagara Transit Committee (LNTC). They have informed the development of the transit governance model for Niagara.

3 Integrated

- Be seamless with other modes of transportation and evolve according to overall transportation plans across Niagara (e.g. Transportation Master Plan and local Master Transit plans);
- Integrated with and support daily GO train service;
- Connect municipalities at hubs that are most appropriate for customers and the community;
- Evolve according to long-term transportation planning, growth planning, and economic development opportunities; and,
- Promote interconnectivity with systems that connect Niagara with the GTHA (e.g. GO Transit, Hamilton Street Railway).

4 Economically Responsible

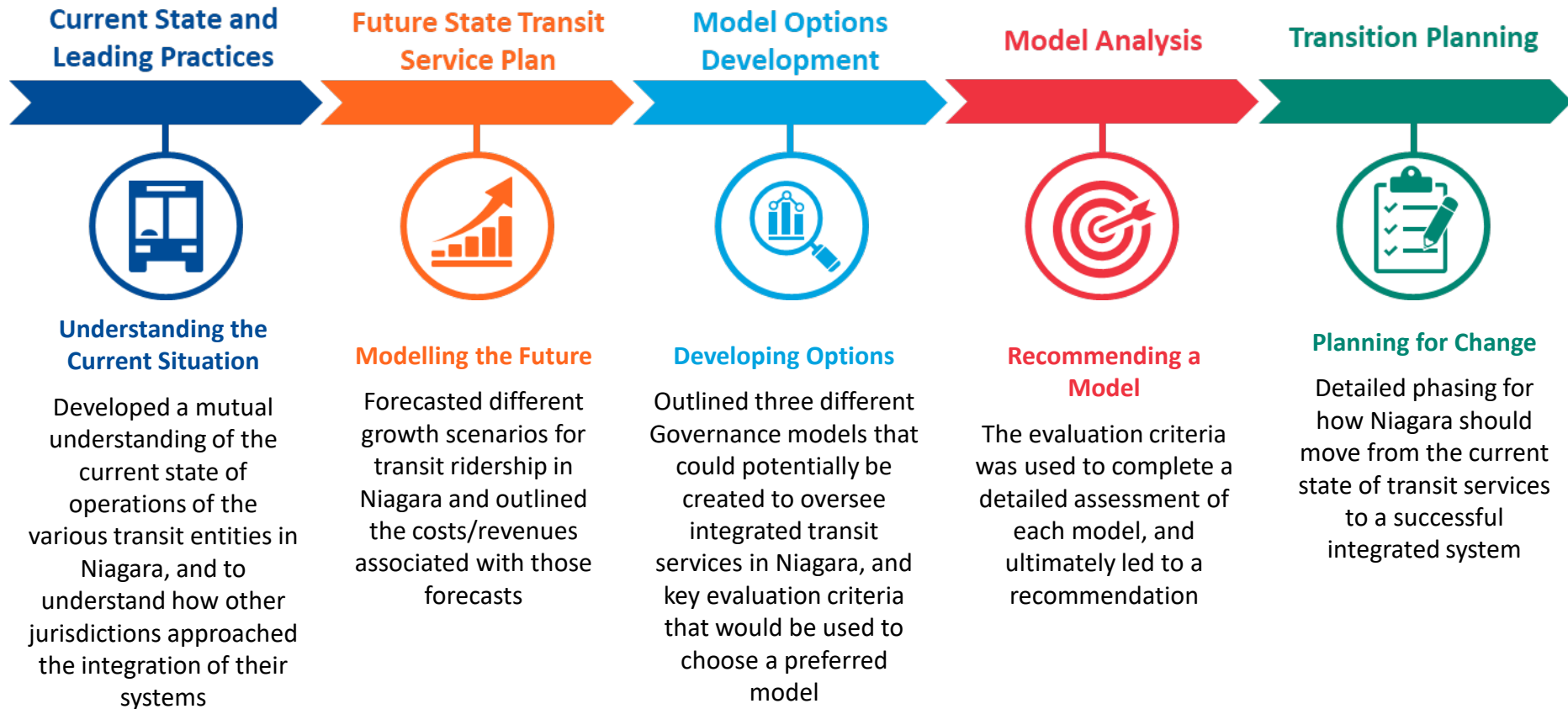
- Recognize inter-municipal transit is a public service funded through property taxes, grants, and partial cost recovery through user-fees;
- Balance financial costs with potential ridership and benefits;
- Build on past transit investments by enhancing, not duplicating, existing services; and,
- Explore alternative modes of delivery, particularly in small communities and rural areas.

5 Fair

- Respect existing investments made by communities with public transit and existing service levels;
- Provide a basic level of services that can be accessed by as many Niagara residents as possible;
- Balance respect for taxpayers with the ability of transit riders to pay fares; and,
- Respect existing transit collective agreements.

Reaching a Preferred Governance Model

To determine a preferred governance model for Niagara's integrated transit system, Optimus SBR and LRTT followed a systematic approach that followed five main steps. This report contains a summary of the key information and insights from each of these steps.



This report represents the culmination of research, analysis, and input from key stakeholders across Niagara Region to establish a way forward for transit integration.

→ Niagara Transit Governance
Study



Current State & Leading Practices

Introduction

The first phase of this project involved a thorough review of the current state of transit in Niagara to identify what was working well and what challenges exist, hear different stakeholder perspectives, and better understand the benefits that an integrated system could bring to the region.



Understanding the Current Situation

Before work on evaluating and selecting different models for an integrated transit system could begin, it was critical to undertake a thorough review of what transit looks like in the Niagara Region today. A clear picture of the current state allowed us to understand what was feasible and not feasible with respect to transit integration in Niagara. Through this understanding, it was possible to devise different options for moving forward, assess which option had the most potential, and develop a realistic transition plan for getting there.

This was accomplished through a review of key data, engaging with representatives from transit system and external organization (e.g. Amalgamated Transit Union, Brock University), and also included a review of other jurisdictions that have undergone similar transit system integrations in the past.

The findings from this phase of the project not only provided a sense of the transit-specific strengths/gaps in the current system and the potential size of an integrated one, but also enabled us to understand what was particularly important to different stakeholder groups with respect to transit in Niagara and what their initial impressions of an integrated system were. The data collected during this phase was also a key first step in forecasting future transit demand, and the information gained from researching how other jurisdictions structured and implemented their integration provided important insights and lessons learned that were applied to all subsequent phases of work.

In the following slides, please find a summary of the Current State and Leading Practices Report, which includes an overview and key statistics about transit in the region, a financial summary, a snapshot of themes identified during engagement with key stakeholders, and a summary of insights gained from the review of other jurisdictions.

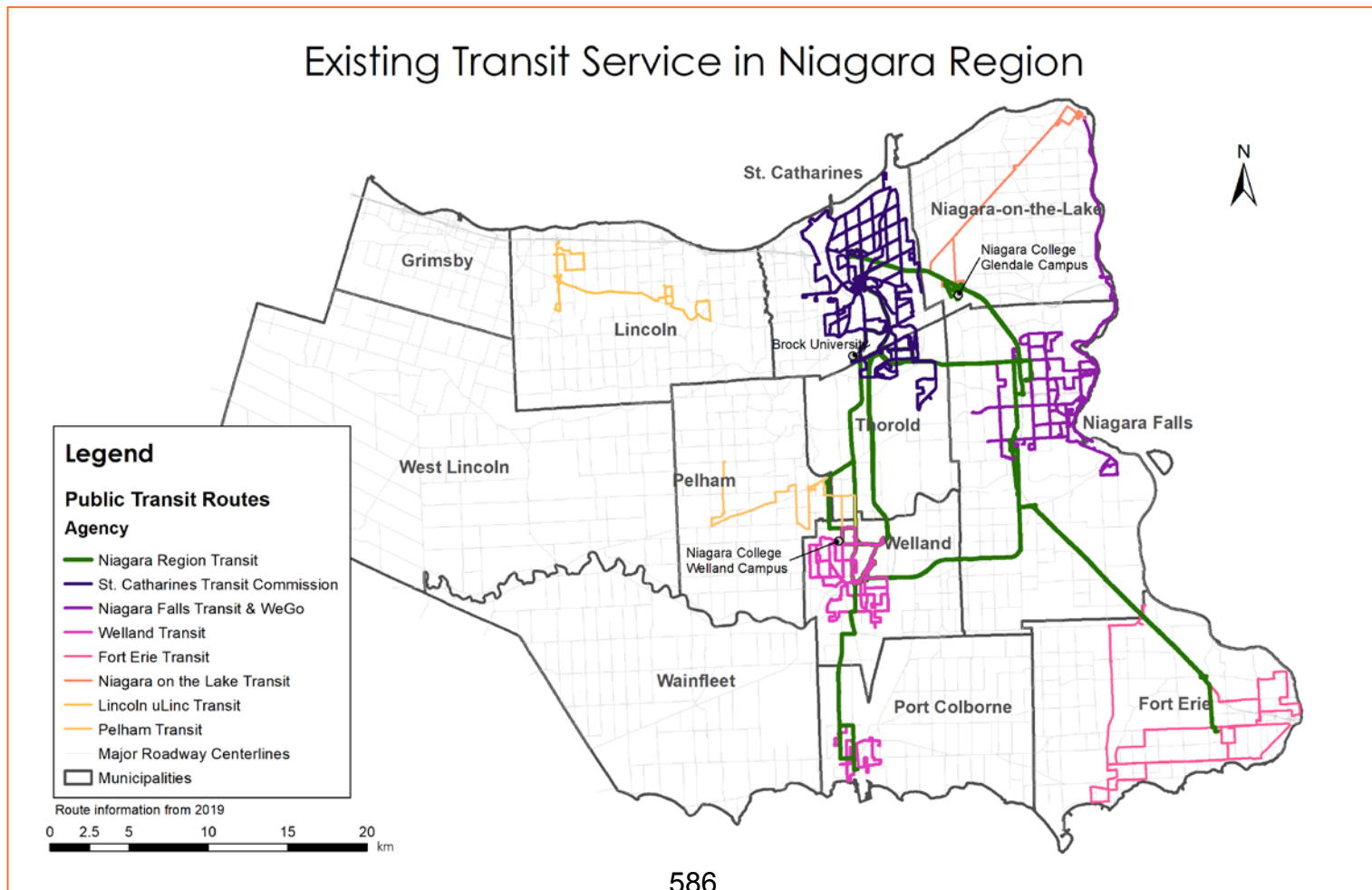
→ Current State & Leading
Practices

System Assessment



Niagara Transit System Overview

Niagara Region is home to twelve lower-tier municipalities and eight transit service providers. Cities, towns and hamlets are dispersed with large swaths of farmland and natural expanse between them.



Niagara Transit System Overview

The region experiences diverse levels of transit services. Higher-quality transit services are generally correlated with higher levels of urbanization.

Overview

Niagara Falls, St. Catharines and Welland are the largest local transit services and provide contracted service throughout the region.

- Niagara Region contracts service on all intermunicipal routes to Niagara Falls, St. Catharines and Welland
 - Thorold contracts service from St. Catharines Transit
 - Port Colborne contracts service from Welland Transit
-

Niagara Region, in partnership with several municipalities in western Niagara, launched NRT OnDemand, an alternative transit service on August 17, 2020.

- The service was initially designed as a regional transit alternative connecting the communities of Grimsby, Wainfleet, Lincoln and West Lincoln with the larger urban centres in Niagara Region
 - Grimsby opted to introduce a new local transit service as part of NRT OnDemand to provide transit access within the community and connectivity to the planned GO Station.
 - Additionally, Lincoln and Pelham have completely replaced their local fixed-route transit services with NRT OnDemand.
-

Fort Erie and Niagara-on-the-Lake operate their own local fixed-route transit services through third-party private contractors

- The contractors are responsible for all service as well as supply and maintenance of vehicles, equipment and other assets
 - Only Niagara-on-the-Lake reports into the Canadian Urban Transit Association
-

Wainfleet and West Lincoln Townships have no existing local transit service, but expansion of NRT OnDemand remains a future consideration.



Niagara Transit System Overview

The following is a summary of 2019 key characteristics for transit in the region for the different systems:

Municipality	Ridership	Service Hours	Routes	Revenue Vehicles	Operating Expenses	Operating Revenue	Specialized Ridership
Niagara Region Transit	1,065,933	85,070	18	21	\$ 12,228,435	\$ 4,878,503	29,995
Niagara Falls Transit	2,009,784	95,538	31	45	\$ 12,521,213	\$ 3,842,111	24,722
St. Catharines Transit Commission	4,731,453	152,181	24	73 14 Specialized	\$ 21,643,836	\$ 8,704,665	28,166
Thorold (Provided by St. Catharines Transit)	286,037	11,779	3	N/A	\$ 1,347,798	\$ 460,034	3,722
Welland Transit	738,998	42,509	9	18 4 Specialized	\$ 3,128,392	\$ 1,359,467	12,802
Port Colborne (Provided by Welland Transit)	12,700*	2,600	2	N/A	\$ 278,684	\$ 18,838	N/A
Fort Erie (Provided by 3 rd Party)	40,467	13,313	4	3	\$ 972,740	\$ 35,076	9,880
Lincoln (Provided by 3 rd Party)	2,000	2,064	3	1	\$ 317,680	\$ 51,851	N/A
Niagara-on-the-Lake (Provided by 3 rd Party)	29,510*	6,545*	2	2	\$ 667,416	\$ 22,357	N/A*
Pelham (Provided by 3 rd Party)	7,895	5,458	2	2	\$ 445,090	\$ 32,600	910

588

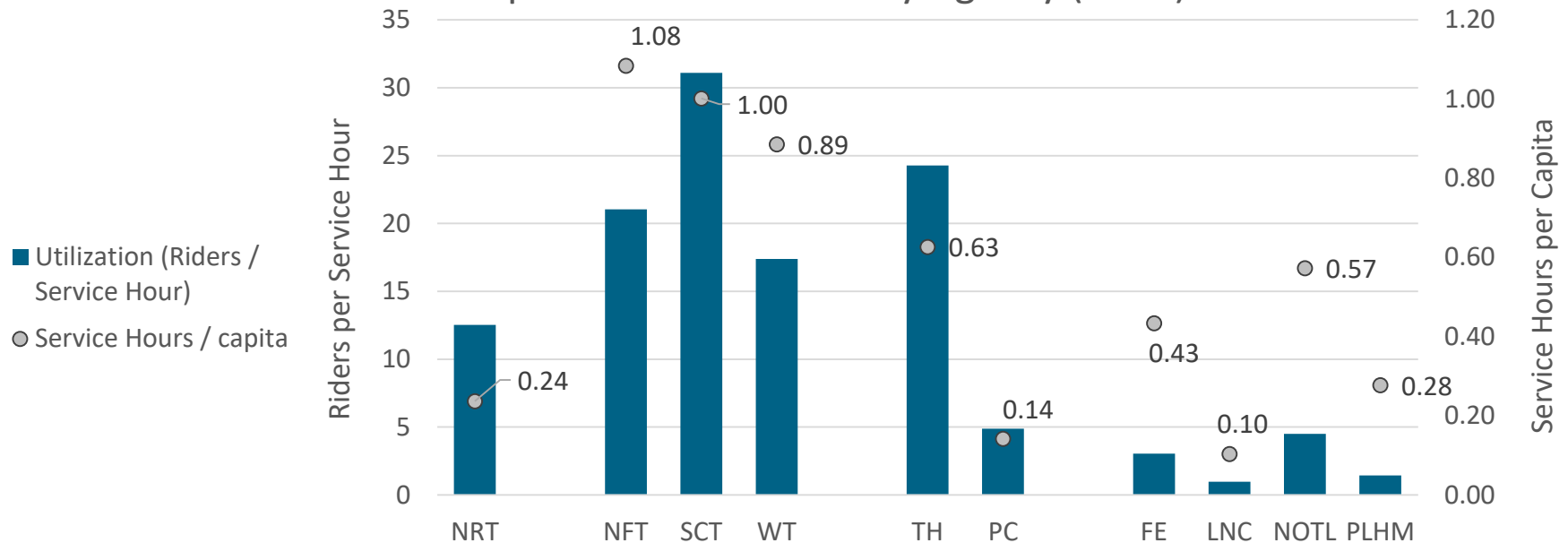
*Note that at the time of collection some data remains approximate since reporting may not yet have been complete



Access to Services

Conventional transit services are accessible to over 390,000 people or approximately 85% of the region's residents.

Ridership and Service Hours by Agency (2019)



- There is a stark discrepancy in the amount of service and the utilization of that service in large urban areas versus the smaller municipalities;
- While this could be largely related to the density and urban form, it does call attention to the fact that utilization is driven by availability and utility of the service; and,
- Note that service in Thorold is provided by St. Catharines Transit Commission and is considerably better performing than other smaller municipalities on the basis of riders per service hour.

→ Current State & Leading Practices

Financial Analysis



Financial Performance

A financial performance summary was compiled based on CUTA statistics and information from each of the transit operators in Niagara for the year 2018.

Key findings from the financial performance summary

The three largest systems provide the most service per capita and ultimately have a lower cost per trip and the highest revenue recovery since increased service frequency results in more ridership and revenue.

Previous U-Pass contracts at Brock University and Niagara College generate significant revenue and service obligations. However, as a result of COVID-19, the viability of these contracts is unknown.

The Capital Asset profiles and future capital needs are primarily for transit buses and their replacement.

The three largest systems use a different lifespan for buses so 12 years was used for comparative purposes, aligning with the standard warranty period on most transit vehicles.

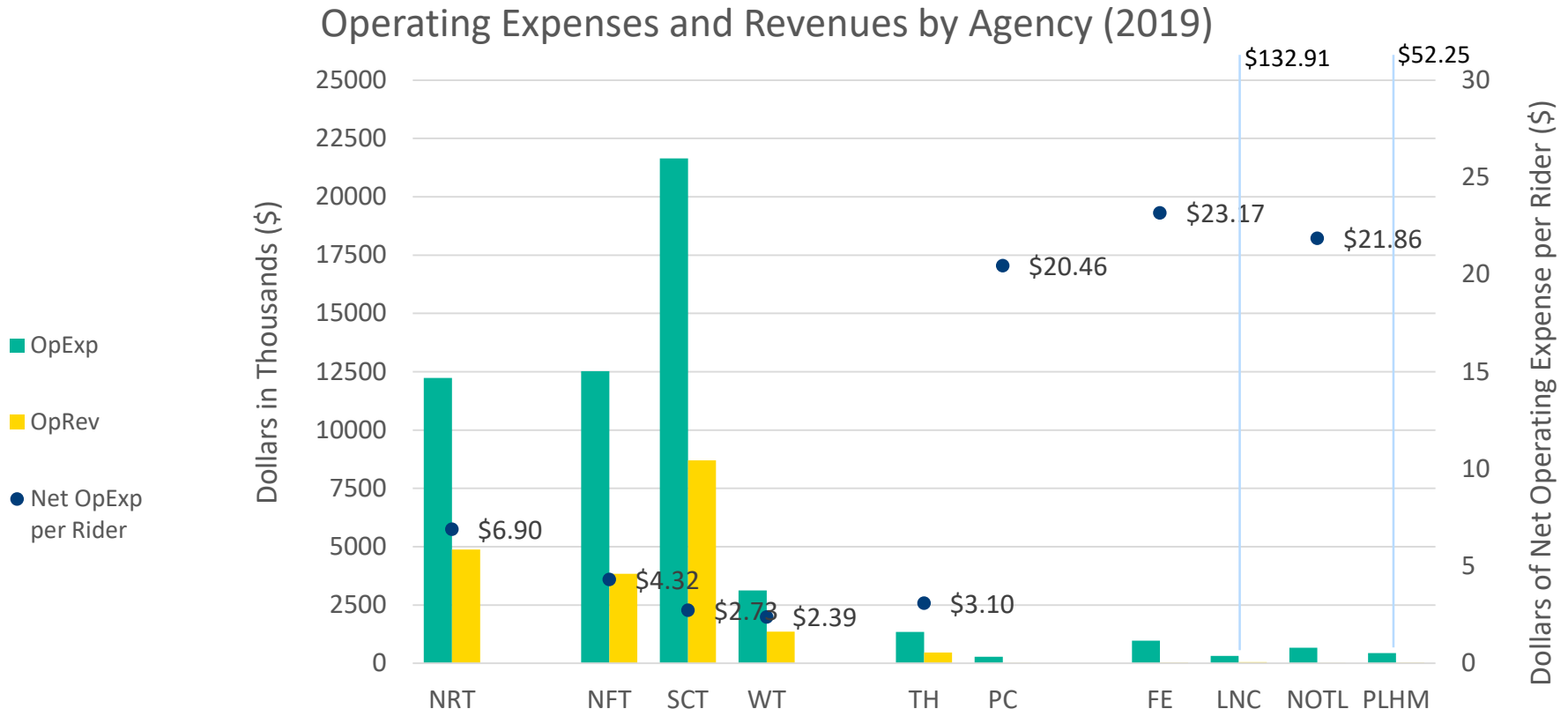
Financing of transit comes from a mix of fares, budgets, tax levies and Provincial and Federal funding.

A Regional Development Charge for transit investment can be used to fund infrastructure and growth.



Operating Expenses and Revenues

This chart reflects the considerably large disparity in the investment in service and the service area that these agencies are responsible for.



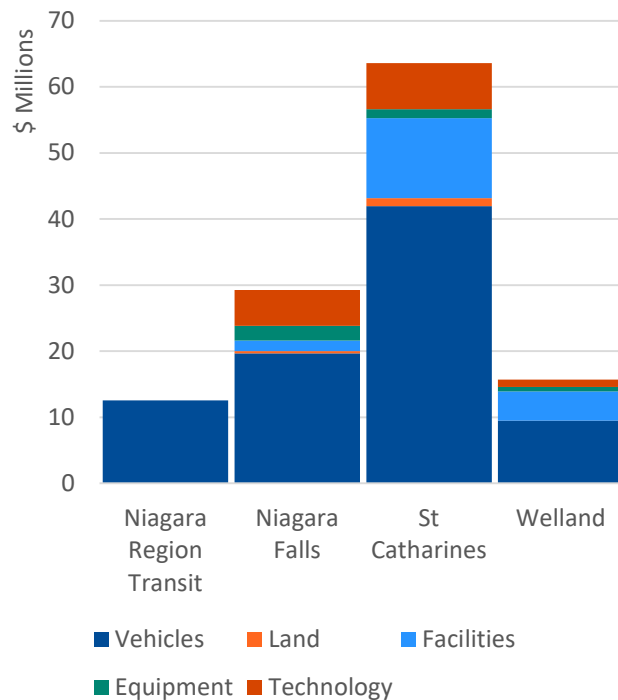
- St. Catharines, Niagara Falls and the Region have a considerably larger operating budget than any of the other agencies;
- Fixed route services require discrete capital investments to provide base services and are often under utilized in smaller rural communities resulting in higher net operating costs per rider; and,
- Note that for these purposes, operating revenue does not include grants and funding from external sources, such as gas tax funding applied to operating costs.



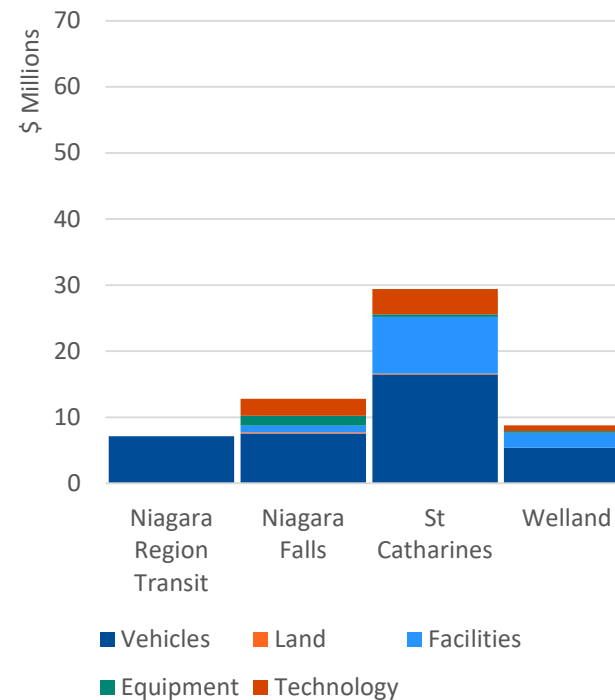
Capital Asset Summary by Agency

This slide provides an overview of the purchase and book value of different agency's capital assets

Capital Assets – Purchase Value



Capital Assets – Net Book Value



- Niagara Region Transit owns 21 vehicles that are designed to the standards by the local agency that operates the vehicle on behalf of the Region. Otherwise, the Region has no other major capital assets;
- Niagara Falls, St. Catharines and Welland have the largest capital asset inventory of the municipalities;
- The smaller agencies and municipalities contract out service, and do not own the assets for service; and,
- The exception is Fort Erie, which owns the smart card fare system technology onboard their vehicles.

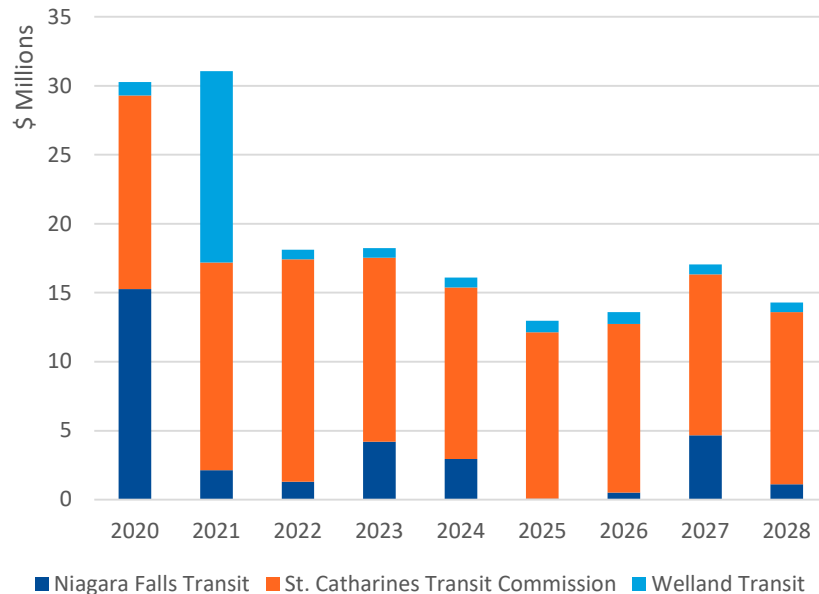
Note that all agencies use a different amortization period for their vehicles. For the purposes of this comparison, a 12-year amortization period (useful life) was used for conventional transit vehicles, cutaway minibuses were given a 7-year useful life and paratransit vans a 5-year useful life.



Total Forecast Capital Expenses

Local transit agencies are planning for large investments over the coming years.

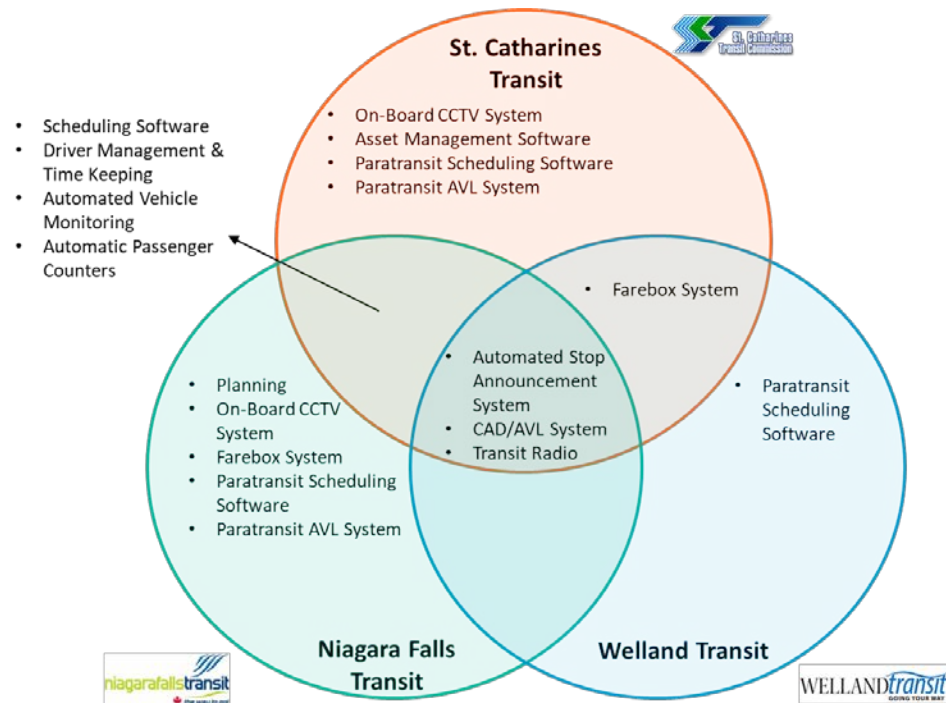
Total Forecast Capital Expenses 2020-2028



■ Niagara Falls Transit ■ St. Catharines Transit Commission ■ Welland Transit

In addition to fleet renewal and minor infrastructure improvements, the three properties have plans for major facility improvements. Many of these initiatives already have committed funding as part of ICIP, including matching municipal funds:

- Niagara Falls Transit had earmarked \$ 7M for transit terminal and storage facility expansion in 2020
- Welland Transit had earmarked \$ 13M for a new operations facility in 2021
- St. Catharines Transit had earmarked funds annually for major garage improvements totalling \$15M



While core operating technologies (such as the CAD/AVL system and related components) are shared and integrated across all three local transit agencies, ancillary technologies such as fareboxes, paratransit scheduling and AVL, and asset management systems are not presently integrated.

*Note that vehicles procured for Niagara Region Transit are configured based on the specifications of the local agency that will be providing the service and maintenance on the vehicle

*Note that Niagara Region Transit intermunicipal service fleet requirements are included in the capital projections



Funding and Financing Service and Investment

Operating Subsidies and Tax Levies

- Most municipalities contribute to funding transit agencies within their cities and towns through either through their annual budgeting process, or by dedicated tax levies that are specifically allocated to transit;
- In Niagara Region, most transit agencies operate as a division of the local municipality they reside in, and are funded directly through the annual municipal budget process; and,
- St. Catharines Transit Commission, which operates on a commission model, has secured a dedicated transit property tax levy approximately 0.07% or roughly \$210 per year on a \$300,000 home.

Provincial Funding

- Niagara Region Transit, as well as the local municipalities receive Gas Tax disbursements that are allocated to operating and capital transit investment. The 2018/19 allocations are listed below:

	Total	NRT	NFT	SCT	TH	WEL	PC	FE	LNC	NOTL	PEL
Operating	\$1,649,400	\$267,309	\$ 532,000	-	\$250,993	-	\$112,754	\$287,173	-	\$147,837	\$ 51,334
Capital	\$4,806,134	\$493,722	\$ 914,000	\$2,633,000	-	\$765,129	-	-	-	-	-
Total	\$6,455,534	\$761,031	\$1,446,374	\$2,633,000	\$250,993	\$765,129	\$112,754	\$287,173	-	\$ 47,837	\$ 51,334

- Lincoln will begin collecting Gas Tax disbursements in 2019/20.
- Funding from the Safe Restart Agreement is beginning to flow to municipalities and transit agencies as part of the COVID-19 response, with eligible projects including service improvements and governance restructuring



Funding and Financing Service and Investment cont.

Federal Funding

- Niagara Region Transit as well as Niagara Falls, St. Catharines and Welland applied for Public Transit Infrastructure Fund (PTIF) funding with the federal government for capital improvements and funding has been made available;
- PTIF funding, which was made available to transit agencies across Canada, is a limited pool of \$3.4 Billion that is allocated to transit agencies based on reported CUTA ridership figures;
- Active applications for PTIF funding will be ongoing until the funds expire; and,
- Investing in Canada Infrastructure Program (ICIP) funding has been approved, and provincial and federal funds have been committed for over \$ 74M worth of capital investments through the first round of funding

→ Current State & Leading
Practices

Stakeholder Perspectives



Stakeholder Engagement Findings

A number of stakeholders were engaged to gather insights and perspectives about the current state of transit services and key considerations for an integrated system. Some key considerations raised by stakeholders with regards to service and system planning included:

Findings

Connecting to Hubs: Integrated system should focus on connecting residents to important community hubs and landmarks in an efficient manner (e.g. hospitals, malls, schools, etc.). No trip to the hospital should take 2-3 hours.

Seamless Rider Experience: Prioritize aligning service schedules and stops so that riders can move from point A to point B – with integrated fares.

Collaboration with Regional and Municipal Staff: A coordinated effort will need to be undertaken to look at routes and determine the need that current construction projects will have for future transit service.

Connecting with other Transit Entities: Integrating and/or connecting with other transit systems in the area, including GO, HSR, or coach bus.

Building for Niagara's Current and Future Needs: Ensuring that appropriate services are built to accommodate future residential and business developments and creating inter-municipal corridors will be important.

Accessibility: Consider an automated booking service that allows users to book in advance given consistent medical needs.

Community Engagement: Importance of ongoing and regular public communication and engagement in transit planning to ensure the voice of the rider is understood.

→ Current State & Leading Practices

Leading Practices

Leading Practice Overview

The following is a summary of the findings from the jurisdictional scan of four municipalities, including the regions of Durham, Waterloo and York, and the Edmonton Metropolitan Region.



Both Commission model and
Centralized Delivery in use

Transit & Operations



Service Enhancements requires
prioritization and considerable,
investment

Lessons Learned

Transfer of human
resources to a new
organizational structure is
a significant undertaking

Need to consider the
magnitude of cultural
change and legacy systems
involved in transition
planning

A phased-in single tax levy
has been successful
elsewhere

Ongoing communication is
an important factor in
bringing key stakeholders
onboard

Financial



Cumming Principle used for asset
transfers and there is a varied
approach to levies

Transition



Significant communications efforts
required to engage staff, unions
and the public

Summary of Findings: Leading Practices

The following is a summary of the findings from the jurisdictional scan of four municipalities, including the regions of Durham, Waterloo and York, and the Edmonton Metropolitan Region.

Governance	<ul style="list-style-type: none"> • A governance body was set up for both the study for amalgamation, and the transition period. Membership often continued into the transition planning period. • With the exception of Waterloo Region, which was a staff-only led Committee (and reported directly to Regional Council), the remaining amalgamations had an operationally focused oversight body that reported to a politically appointed oversight body. • York and Waterloo Regions both selected a governance model where transit resided as a department within the Regional Corporation, and reports to Regional Council through the Chief Administrative Officer. Edmonton and Durham selected a Commission model.
Transit Service Planning & Operations	<ul style="list-style-type: none"> • Due to the difference in transit services across the amalgamated municipalities, often considerable service enhancements were identified. These were prioritized and completed in a phased approach over 5 to 7 years. • Significant planning and resourcing is required for the transfer of human resources related matters, including contract negotiation, and placing staff within a revised organizational structure. • Fares were integrated across the amalgamated regions. • Collection of service metrics continued to be a challenge well after the transition period as amalgamated bodies reconciled legacy systems across local transit providers.
Financial Considerations	<ul style="list-style-type: none"> • There was a varied approach to the fee levy: Durham and York Regions instituted a unified levy, Waterloo implemented a differentiated fee levy (with the goal of a unified levy), and Edmonton will receive funding from municipalities based on budgeted operating revenues and expenses. • Municipalities typically started with applying area rated tax levies to apportion the cost of the transit services being provided to each community, then moved to introduce single urban tax levy and maintain area rates for rural areas.

Summary of Findings: Leading Practices

The following is a summary of the findings from the jurisdictional scan of four municipalities, including the regions of Durham, Waterloo and York, and the Edmonton Metropolitan Region.

Financial Considerations	<ul style="list-style-type: none"> • The Cumming Principle was utilized in most cases for transfer of assets. • Transit related development charges were transferred to the regions of Durham and Waterloo.
Transition Planning	<ul style="list-style-type: none"> • All municipalities documented the transition plan in a joint agreement between transit providers and established a transition period between 1 to 2 years. • Most Plans focused that transition period on bringing the transit systems together, not on significant changes to services and service levels. • Significant communication resources required to inform and engage both impacted staff and unions, and members of the public.
Lessons Learned	<ul style="list-style-type: none"> • Consideration needs to be taken on how and why resources are transferred to the amalgamated organizational structure. • A single tax levy being implemented from the beginning, through a phased approach had been made successful through a concurring commitment to provide service in areas that had no transit services. • Do not underestimate the magnitude of cultural change and legacy systems involved in transition planning. • Ongoing communication to the public, province, and municipal governments is an important factor in bringing key stakeholders onboard.

→ Current State & Leading
Practices

Summary

Summary

The current state has broad implications for the future of transit in Niagara, and the long-term design and development of an integrated transit agency. Key findings that a future integrated system will need to consider include:

Implications for Integration

availability and frequency of service, and ensuring basic levels of equity for accessing services. with respect to

Manage the differences in transit service expectations from residents of different municipalities. The relative lack of population density in a large part of the region and the pockets of density located in the major municipalities – including the fact that 85% of the region’s population still lives within a 15-minute walk of transit services, and over half of the population within a 5-minute walk.

The large swathes of rural and undeveloped land within the region and how these will be served.

The differences in financial contribution of the three largest municipalities in terms of operating dollars per capita compared to the smaller transit agencies.

That the larger municipalities have substantial planned investments that will need to be maintained toward fleet and facility renewal.

That agencies have already begun to integrate technologies across the region.

The financial and legal impact of transferring existing contracts municipalities to the future integrated system.

How the three CBAs with the ATU are to be consolidated into a single agreement.

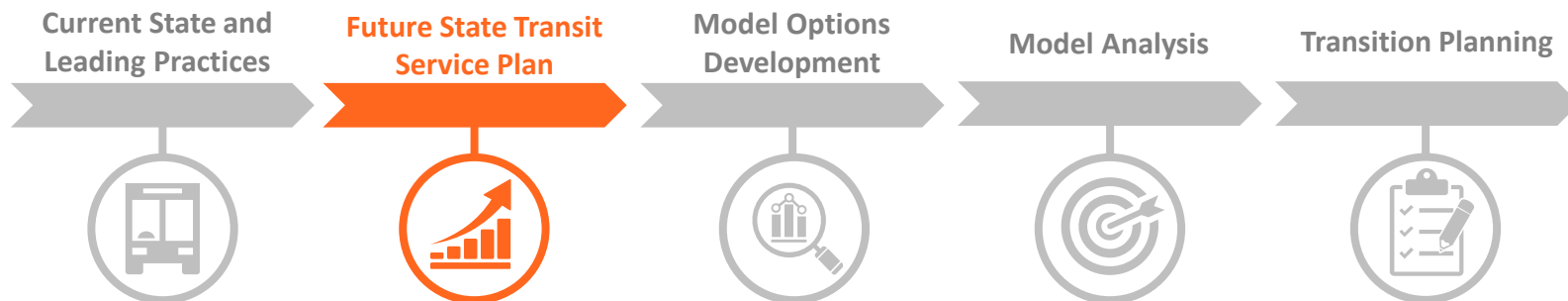
The means and degree to which the new integrated agency will take on the current staff complements of the different transit agencies, and the method by which leadership positions will be filled.

→ Niagara Transit Governance
Study

Future State Transit
Service Plan

Introduction

The second phase of work in this project, the Future State Transit Service Plan, was a critical milestone as it provided insight into the potential growth of transit in Niagara Region and its implications for an integrated transit system.



Modelling the Future

Understanding the future demand on the Region's transit network is an important consideration in planning for it. By forecasting ridership growth, and capital and operating costs, one can gain a clearer picture of the benefits that an integrated transit system could bring to Niagara, and also better understand the environment that this integrated system will be operating in. While not a direct input into the governance structure recommendations, the results of the Future State Transit Service Plan provide critical context of how residents and workers in Niagara Region will utilize the services provided by this new entity.

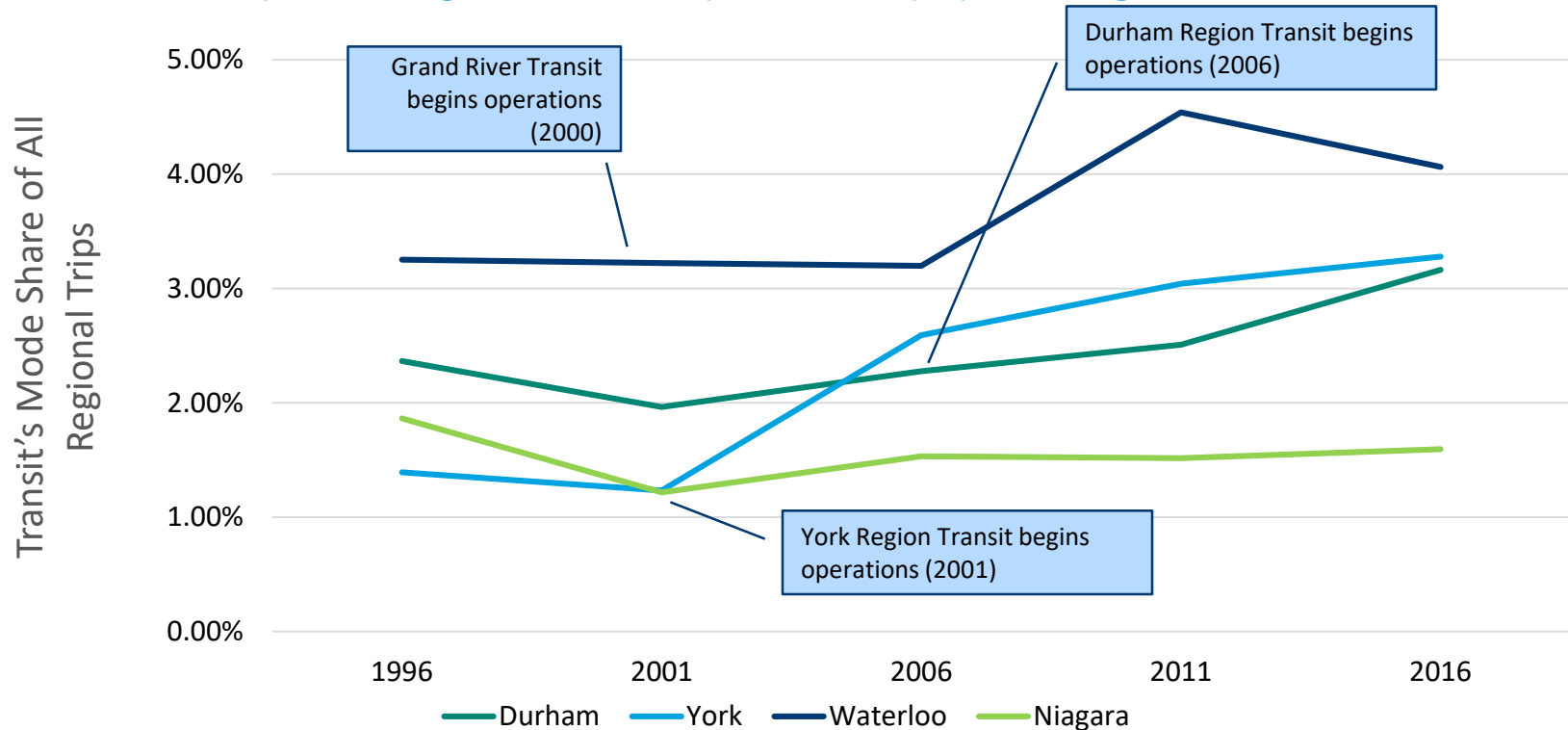
As part of this study, an in-depth analysis of the Transportation Tomorrow Survey and the Ontario Growth Plan was undertaken, as well as observed transit data to identify a set of changing trends and important considerations for the 2031 horizon. In addition to this, a forecast of future demand estimates for the preferred network was undertaken, which was achieved by adjusting information related to routes, headways, fare policy, and more.

The following slides contain a summary of this Future State Plan that outlines the potential growth in transit ridership in Niagara. The assessment has identified a latent demand for transit that the current status quo system is unable to accommodate because of its inability to effectively support inter-municipal trips with first- and last-mile connections. Through integration, however, Niagara has the opportunity to spur this latent demand and accommodate ridership growth throughout the Region. This new entity will have the capacity, scale, and flexibility to build a system that reacts to not only the demand within a particular municipality, but that drives transit ridership growth across the Region.



Within 10-years of amalgamation, transit mode share could increase between 0.9% – 1.8%

This is consistent with peer jurisdictions, who experienced between 30% and 130% mode share increases post amalgamation, independent of population growth.



After amalgamation of local transit services, Durham, Waterloo and York Regions all experienced a substantial increase in transit utilization.

In contrast, the local transit mode share in Niagara Region has remained largely constant over the past twenty years.

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Note: this chart excludes all "GO Transit Only" trips, and focuses entirely on transit trips that utilize some form of local transit



Transit Demand in the 2031 Horizon

In all tested scenarios with fully integrated transit services, the total number of transit trips greatly outpaces the status quo

The consultants worked in collaboration with IBI Group to produce a set of comparable 2031 AM Peak Period transit forecasts using the Region's Transportation Model. The future network in the model was updated to the preferred network, including the express service options, and a preliminary fare-policy was recommended.

The high growth scenario considers the results of the advanced modelling analysis and includes recent trends in growth and demand and identifies an apparent latent demand for improved regional transit integration. This scenario employs the increasing trends in modal share observed at peer transit agencies after amalgamation of local transit services. While this represents a considerably greater demand for transit in the 2031 horizon, the approach employed to consolidate these results ensures that the most current transit ridership trends are adequately captured.

Total Trips Originating from and/or Destined within Niagara Region			
	Status Quo	Low Growth	High Growth
AM Peak Period Transit Demand	4,770	6,990	15,180

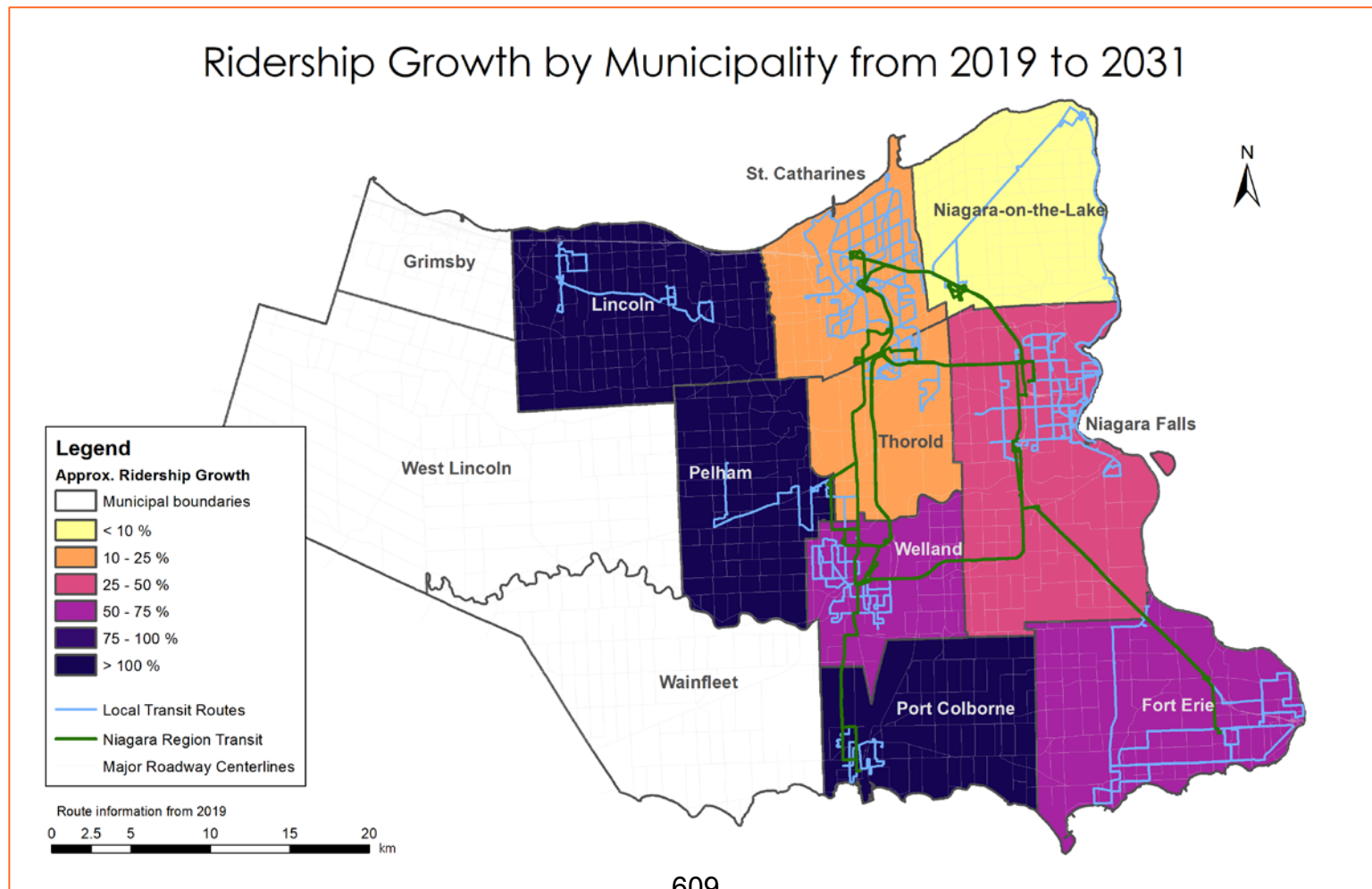
Note that this assessment does not represent a rigorous modelling exercise and should only be leveraged for the purposes of providing broader context to the overall transit governance strategy.

The Status Quo scenario assumes 2% annual growth.



After service integration, transit ridership is expected to grow by up to 80% region-wide by 2031 in the High-Growth Scenario

Service integration will allow for more seamless travel region-wide. With appropriate service enhancements, every local municipality will have substantial growth in transit ridership

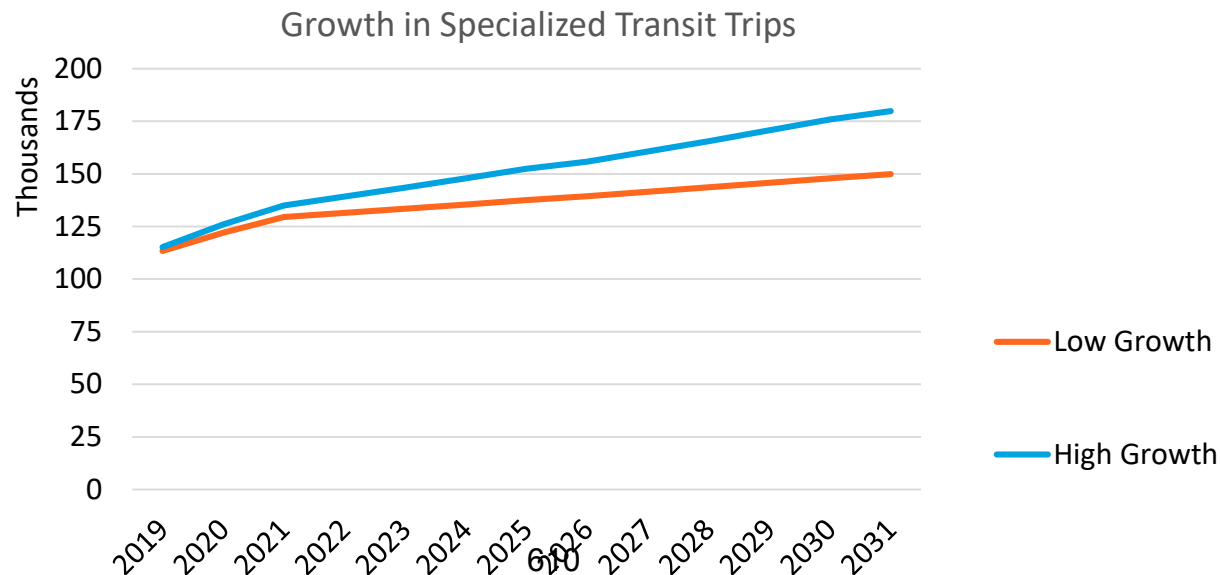


Note that growth rates for Grimsby, Wainfleet and West Lincoln are excluded since there was no transit service in 2019

Demand for specialized transit service is expected to grow between 20% and 40%

LNTC-C 4-2020
Appendix 2

	2018 Observed	2021 Forecast	2031 Forecast
Total Clients	4,390	4,580 – 4,780	5,300 – 6,360
Total Trips	124,087	129,460 – 135,025	149,865 – 179,840
<i>Ambulatory / Non-ambulatory Patient Trips</i>	30,684 / 93,403	32,015 – 33,390 / 97,445 – 101,635	37,058 – 44,470 / 112,810 – 135,370
<i>Trips with / without a support person</i>	22,725 / 101,362	23,710 – 24,730 / 105,750 – 110,295	27,445 – 32,935 / 122,420 – 146,905





Expected Service Growth

Transit service must increase dramatically over the first ten years to meet ridership demand after amalgamation. Region-wide, capacity must increase by over 300,000 service-hours (approximately 95% increase over 2019) in the high-growth scenario.

Municipality	Ridership (2019)	Anticipated Annual Trips (2031)	Service Hours (2019)	Estimated Service Hours Required (2031)
Intermunicipal Services	1,065,933	2,080,000 – 3,420,000	85,070	105,000 – 198,000
Niagara Falls	2,009,784	2,085,000 – 3,430,000	95,538	99,000 – 165,000
St. Catharines	4,731,453	4,600,000 – 7,100,000	152,181	148,000 – 230,000
Welland	738,998	870,000 – 1,440,000	42,509	50,000 – 83,000
Port Colborne	12,700	20,000 – 40,000*	2,600	8,500+
Thorold	286,037	255,000 – 450,000	11,779	12,000 – 19,000*
Fort Erie	40,467	49,000 – 81,000*	13,313	16,000 – 27,000
Niagara-On-The-Lake	29,510	22,000 – 37,000*	6,545	8,500+
Grimsby (On-Demand)~	N/A	5,000 – 9,000*	N/A	3,500+
Lincoln (On-Demand)~	2,000	6,000 – 10,000*	2,064	3,500+
Pelham (On-Demand)~	7,895	15,000 – 26,000*	5,458	5,500+
West Niagara (On-Demand)~	N/A	290,000 – 475,000*	N/A	42,000 – 56,000
Summary	8,924,777	10,030,000 – 16,200,000	417,057	502,000 – 803,000

- *Note: the demand models employed are less effective at predicting ridership precisely in smaller municipalities and areas with now existing transit service; these values should be considered carefully in this context.
- +Note: service hour growth for Port Colborne and Niagara-on-the-Lake is required for ensuring customers have equal access to transit throughout the region by providing equivalent service levels and span-of-service to other local municipalities
- ~Note: West Niagara Intermunicipal On-Demand is separate from local on-demand service in Grimsby, Lincoln or Pelham

Service Improvement Increments

Initialization Phase

2021 – 2022



- Initialization of the new integrated service
- Harmonize costs and hourly rates for operators and staff
- Initial phases of harmonized fares are implemented
- Implement an integrated fare system and associated technology to support region-wide travel
- Improve services in Port Colborne, Fort Erie and Niagara-on-the-Lake to ensure consistency across the region

Growth Phase

2023 - 2026



- Considerable investment in service hours across the region
- Expansion of fleet and facilities to accommodate growth
- Potential demand for incremental investment in transit priority measures such as queue jump lanes, transit signal priority and dedicated right-of-way

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Future Outlook

2026 - 2031



- Incremental transition to an integrated fare for region-wide travel to drive ridership growth and ensure seamless and fair access to opportunities by transit
- New services and infrastructure investment into higher-order transit such as Bus Rapid Transit
- Implementation of fixed-route services into West-Niagara to satisfy growing transit demand

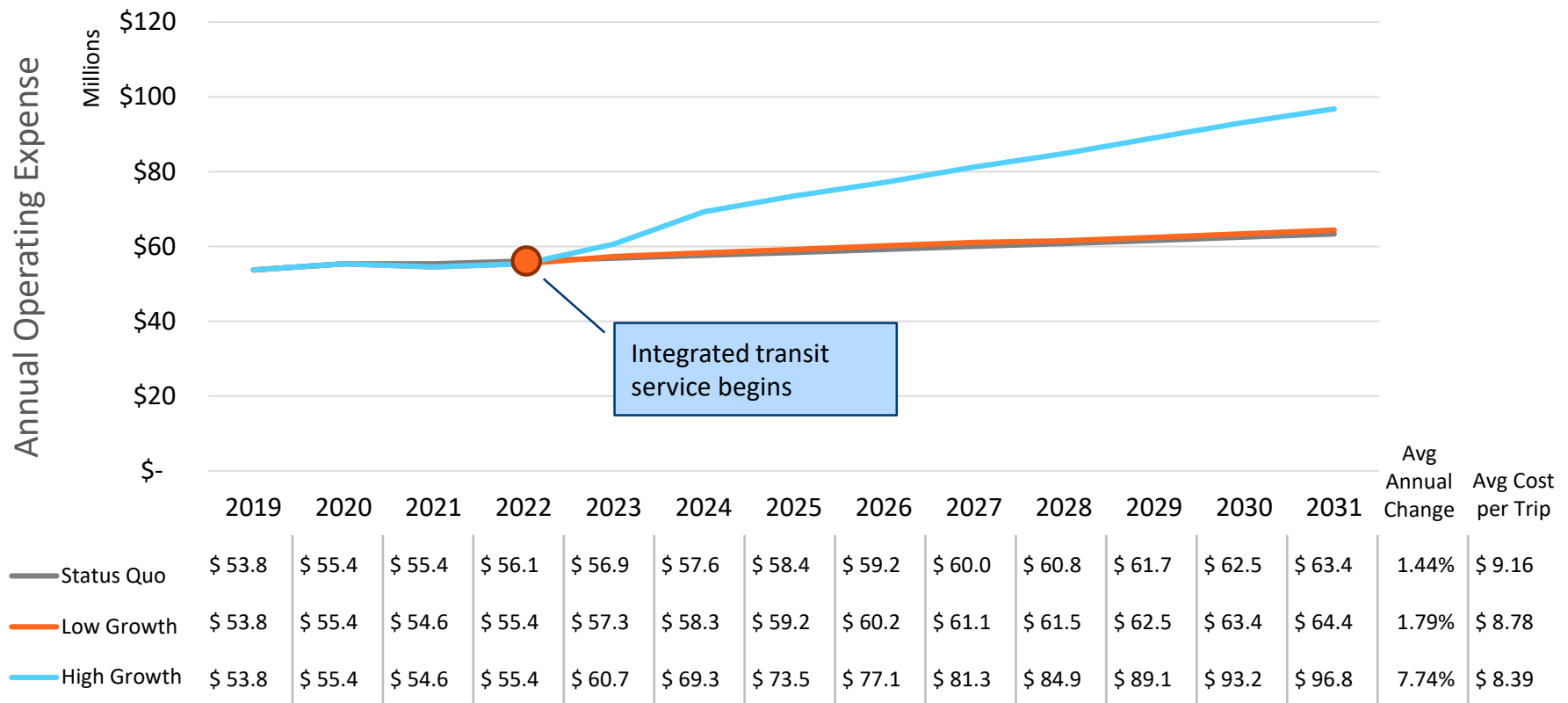
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Operating Cost Comparison Across Scenarios

Assuming a “Go-Live” date in the fiscal year of 2022, the new entity will need to make considerable investments in order to satisfy the demand for transit services in the region.

Service investment in order to achieve high growth is approximately 55% greater than the Status Quo scenario. Savings in the low-growth scenario are driven by lower more strategic investment in services and a reduced administrative burden over the status quo. Notice that the average cost-per-trip is lower in both the low growth and high growth scenarios.



Note that costs and revenues represent real dollars (\$2019) and are not adjusted for inflation

Operating Costs in Millions

Implementing an integrated fare structure is critical to achieving ridership growth targets

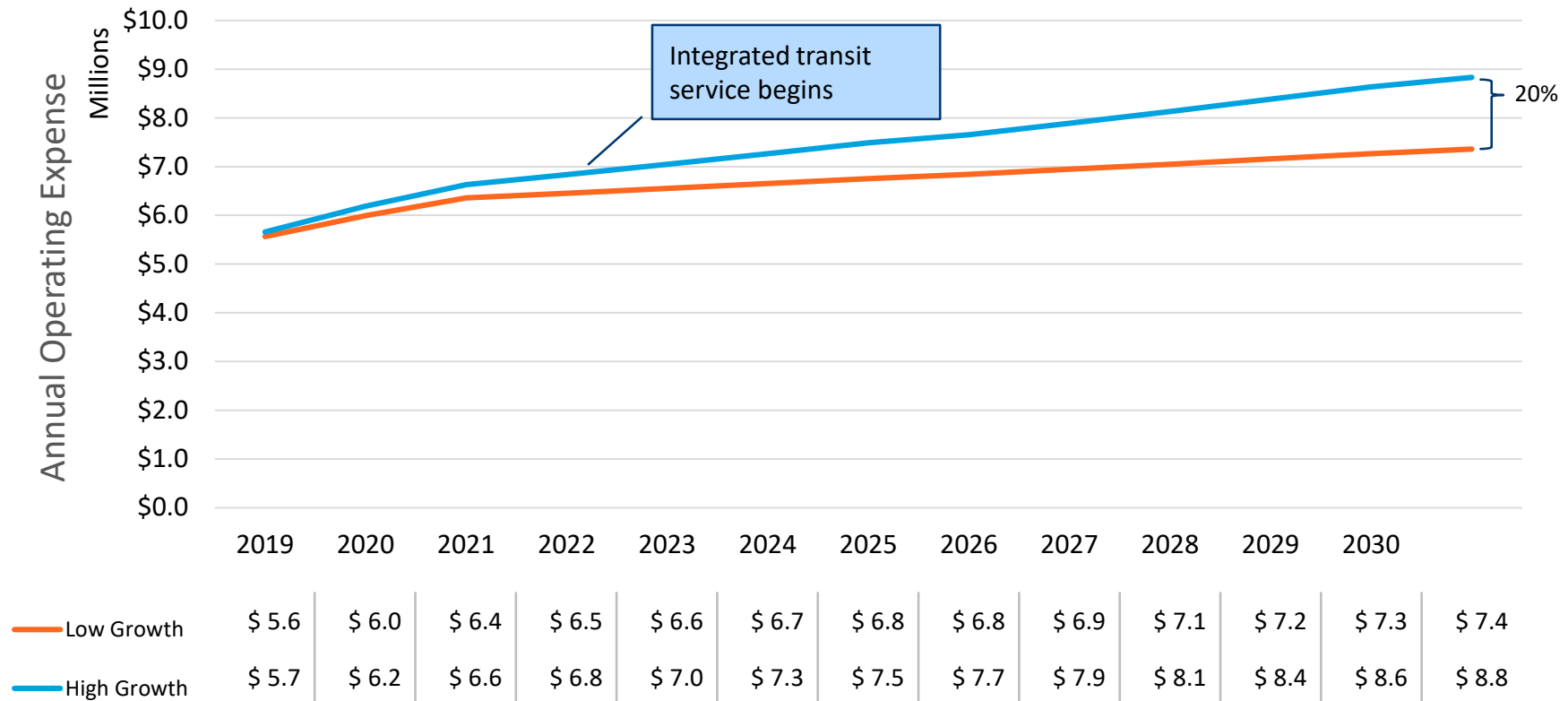
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Appendix 2

Additional consideration should be made for the impact on changing fare policy on the post-secondary student pass programs at Brock University and Niagara College. Note that for this analysis it is assumed that the Post-Secondary UPass Program is tied to enrollment, not student ridership, and thus remains constant under all future scenarios.

	2022		2031	
	Start-of-Service	Status-Quo	Integrated Transit Fares	
Regional Cash Fare	\$ 6.00	\$ 6.00	\$ 3.00 - \$ 3.50	
Local Cash Fare	\$ 3.00	\$ 3.00	\$ 3.00 - \$ 3.50	
Total Customer Journeys	6.2M – 6.5M	6.8M	7.3M – 10.8M	
Student Customers	3.6M	3.7M	4.0M – 5.4M	
Non-student Customers	2.7M – 2.9M	3.0M	3.3M – 5.4M	
Total Revenue	\$ 18.2M - \$ 18.5M	\$ 20.1M	\$ 20.3 – \$ 29.2M	
Post-Secondary Pass Program Revenue	\$ 10.5M	\$ 11.6M	\$ 11.6M	
General Fare Revenue	\$ 7.7M - \$ 8.0M	\$ 8.5M	\$ 8.7M – \$ 17.6M	
Average Revenue per Trip	\$ 2.84 – \$ 2.91	\$ 2.91	\$ 2.53 – \$ 2.77	614

Note that costs and revenues represent real dollars (\$2019) and are not adjusted for inflation

Specialized Transit Operating Cost Comparison



Operating Costs in Millions

615

Note that costs and revenues represent real dollars (\$2019) and are not adjusted for inflation



Major Capital Investments

While several key investments in technology and infrastructure will be required to address service growth throughout the region, over \$ 74M-worth of projects have committed funding from the federal and provincial governments through ICIP and are anticipated to advance within the next few years.



- Up to 82, 40' transit vehicles and 38, 60' articulated transit vehicles by 2031 (in the High Growth scenario)
- Further consideration for facilities may be required as alternative propulsion methods (e.g. hydrogen, battery-electric, etc.) are considered

\$ 95,000,000 between 2021 and 2031 (\$ 9.5M/year on average)



- Niagara Falls Transit indicated that they intend to commit capital funding to improve existing terminal facilities within the City.

\$ 4,500,000 in 2020/2021

- A new facility will replace the existing Welland Transit Garage, and is particularly useful for the high growth scenario
- The site is ideally situated in close proximity to most endpoints of inter-municipal services, making it preferable for servicing and overnight storage of those vehicles, in addition to vehicles assigned to Welland, Port Colborne and Fort Erie

\$ 13,000,000 to \$ 16,000,000 in 2022 to 2025

- St. Catharines Transit has indicated that garage facility upgrades will be required within the next ten years
- Services in St. Catharines will also experience the largest growth requirements for fleet, which will further strain existing garage facilities

\$ 15,000,000 to \$ 20,000,000 in 2025 to 2027

- Integrated electronic fare collection system is required at launch
- It is anticipated that the existing ITS systems will require replacement towards the end of the ten-year horizon.
- With a larger fleet and an expectation of changing technologies, this investment will be substantial

Up to \$ 7,500,000 for fare system depending on technology

\$ 20,000,000 to \$ 30,000,000 in 2028 to 2030

Note that these are intended for consideration and high-level estimation of capital cost requirements and not intended to replace a more fulsome business case or investment study.

→ Future State Transit Service
Plan

Summary

Integration Will Drive Ridership Growth

By way of investments and harmonization of services and fares, transit under an amalgamated system is anticipated to become a more frequently used means of transportation in the region, with ridership outpacing the status quo.

Key Highlights

Transit ridership forecasts indicate a **latent demand for inter-municipal transit** travel that the existing disconnected transit providers are unable to accommodate. As a result, transit ridership growth across the region is driven by improved inter-municipal transit trips and improved connections to GO Transit rail services.

By investing in targeted projects and services to grow the transit mode share throughout the region, **transit ridership region-wide could grow by over 80% by 2031 under an amalgamated transit service.**

It is anticipated that Niagara Region, like its peer jurisdictions will experience a **transit mode share growth of 30% to 130% within ten years of amalgamation.**

Capital investment of between \$70M and \$155M between 2021 and 2031 may be required to address service and demand growth. Provincial Gas Tax revenue could result in up to \$50M - \$80M in revenue over the same ten years. Over \$ 70M-worth of near- and mid-term projects have committed funds from the federal and provincial governments through ICIP.

An integrated single fare is critical to driving ridership growth and could be achieved in a way that is revenue-neutral if implemented progressively as ridership grows. While an integrated payment system and harmonized fare structure will be required at the start of service, a single fare region-wide can be implemented over time.

Key Considerations

Operating costs could be impacted by governance decisions around harmonization of salaries and hourly rates for staff and operators

Subsidy and alternative revenue generation will have to be considered, particularly the allocation of gas tax funds to capital and operating expenses.

The new entity will be responsible for delivering and investing in service to drive aspirational ridership growth, no matter what governance structure is implemented.

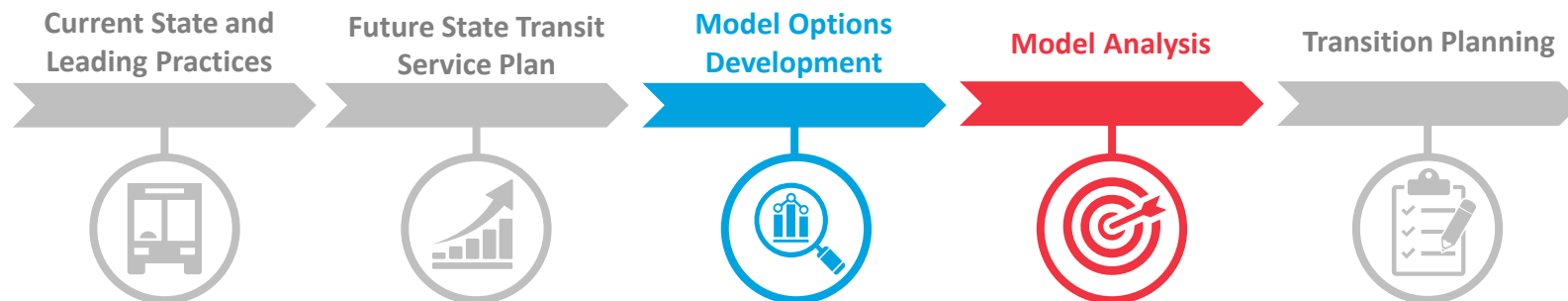
The new organization will be responsible for establishing transit service standards region-wide, which must balance cost effectiveness of various transit modes with the necessary levels of service to increase ridership and improve the public perception of transit's effectiveness in Niagara Region.

→ Niagara Transit Governance
Study

Model Options,
Analysis, and
Recommendation

Introduction

The third and fourth phases of work involved developing potential model options, evaluating their potential, and ultimately recommending a preferred model for Niagara's integrated transit system.



Developing and Evaluating Potential Options

Once a thorough understanding of the current state of transit and the potential future growth in Niagara was complete, the information gained was used to develop three potential governance models that would be capable of delivering transit services in the region and meeting service expectations now, and in the future.

All three of these options were considered to be capable of meeting Niagara's transit needs, but in order to determine which model would be best suited for the region, a thorough analysis was undertaken during which each option was evaluated against a series of criteria that spanned the domains of operations, finance, stakeholder equity and input, and ease of implementation. Once that analysis was completed, the preferred model was identified.

This section contains an overview of each of the proposed transit system models, a description of the evaluation criteria used to evaluate them against each other, and a summary of the results of this analysis. Moreover, the closing slides of this section contain a summary of the rationale for the recommended model, a brief overview of some key risks and considerations that will need to be addressed as the integration moves forward, and additional information around organizational and governance structure that has been recommended.

→ Model Options, Analysis, and
Recommendation



Model Options Overview



Model Options Overview

Following the completion of the current state review, the jurisdictional scan, and the development of the future state plan, three potential governance models were developed:

Limited Commission

- Transit Service is governed by a regional commission with representation from local elected officials.
- Commission reports to Regional Council
- Strategic decision making for Transit Service is directed by Regional Council
- Relies on corporate services but retains transit-related services in-house

Full Commission

- Distinct entity independent from Regional Council
- Governed by a board of appointed members, equitably selected by Regional Council
- Responsible for all transit planning and delivery
- Budget allotment approved by Regional Council
- Makes limited use of Regional services except where service sharing does not impede agility or independence

Regional Division

- Division within Niagara Region's Public Works department
- Regional Council remains the governing body of the transit division
- Strategic decision making for Transit Service is directed by Regional Council
- Integrated into the Regional administration similar to other service delivery departments

Transit System Examples

- Durham Region

- Edmonton
- TTC
- St. Catharines

- York Region
- Waterloo Region

Model: Limited Commission

The governance models highlighted in the previous slide have many similarities and differences. The following slides contain a comparison of them by reviewing a few key characteristics:

Governance Structure & Decision Making	<ul style="list-style-type: none">• Commission membership is a combination of Local and Regionally elected representatives and would have representation from all local area municipalities in the Region, selected by their respective Council and appointed by Regional Council. There is also opportunity for non-elected members of the public to be members of Commission.• Commission acts as an Advisory group to Council where strategic decisions for service standards, service levels, budgets, and fares are made by Regional Council.• Commission decision making is focused on operating policies to implement and deliver transit services and collect fares.
Organizational Structure and Shared Services	<ul style="list-style-type: none">• Will take advantage of Regional corporate services and therefore can expect a reduction in FTE. Shared corporate support services can be purchased from Niagara Region for areas such as Finance, HR, Legal, Service Planning, etc.• To ensure adaptability, the Commission will retain such transit-related services as procurement, fleet maintenance, and communications to ensure transit-specific autonomy is provided but also allows leveraging of corporate supports.
Funding Sources	<ul style="list-style-type: none">• Regional Council will make the funding decisions based on recommendations from the Commission regarding annual service levels and fare strategy.• Funding sources include transit fares, Provincial and Federal funds, with the Municipality subsidizing net operating costs and funding the capital program.

Model: Full Commission

Governance Structure & Decision Making

- Commission would be a distinct entity incorporated through the Municipal Act and independent from Regional Council. The Commission would be an agency of the Region of Niagara through the *Municipal Act*.
- Governed by a Commission of appointed members, who are composed of a combination of elected and non-elected individuals, nominated and appointed by Regional Council.
- Commission is single point of responsibility for transit service planning and delivery and is empowered to make strategic and operational decisions regarding transit service planning and delivery based on the funding approval from Regional Council.

Organizational Structure and Shared Services

- Commission is a 'purpose-built' transit planning and delivery agency.
- Financial reporting for Transit Commission is independent of Regional Council and has agency specific methods and systems in place.
- Transit agency-specific methods and systems in place for IT, HR, legal, service planning.

Funding Sources

- Commission will set fare policy and deliver service within the budget allotment approved by Regional Council.
- Funding sources include transit fares, Provincial and Federal funds, with the member municipalities subsidizing net operating costs and funding the capital program.

Model: Regional Division

Governance Structure & Decision Making

- The Regional Council remains the governing body of the transit division (much like Niagara Region Transit currently).
- A Transit Committee of Council should be created to provide oversight during transition and early years of operation. Regional Council makes decisions for service standards, service levels, budgets and fares.
- Staff administers the Transit program as approved by Regional Council to deliver transit services and collect fares.
- Decision making for Transit Service is directed by Regional Council which has locally elected representation.

Organizational Structure and Shared Services

- Transit Services are integrated into the Regional administration similar to other service delivery departments.
- Corporate support services will be provided and charged to transit services as determined by internal Regional policy.

Funding Sources

- Regional Council will make the funding decisions based on recommendations from Staff regarding annual service levels and fare strategy.
- Funding sources include transit fares, Provincial and Federal funds, from the Municipality subsidizing net operating costs and funding the capital program.
- Regional Council will determine tax levy and capital program needs and financing through debentures, capital reserves and development charges.

→ Model Options, Analysis, and
Recommendation

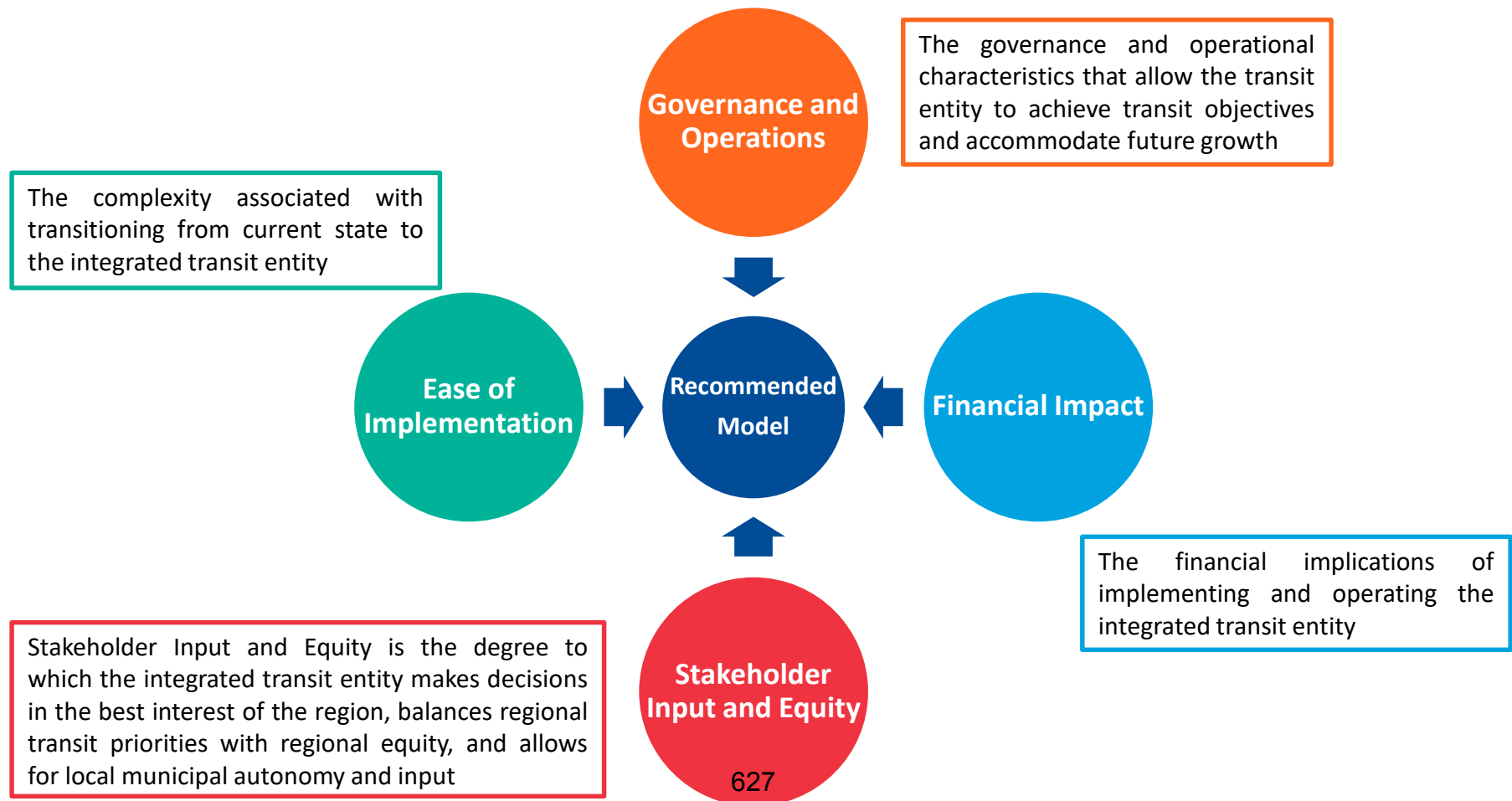


Evaluating the Different Model Options



Overview of Criteria

Four separate evaluation categories were used to evaluate and compare the different model options. Within each category are more detailed criteria upon which models were evaluated. The results of this evaluation will then enable the selection of a recommended model.





Overview of Analysis

The following points provide additional context for the development of evaluation criteria and how evaluation was conducted:

Perspective Taken for Analysis

- The objective of the model analysis is to determine which governance model would best deliver on the ambitions outlined in the Future State Transit Service Plan.
- The Future State Transit Service Plan was not a direct input into the governance structure recommendation, however it provided critical context of how residents and workers in Niagara region will utilize the services. Evaluation criteria may be perceived differently by different stakeholders. With regards to the evaluation, models were assessed by looking at which best serves the interest of the region and its aspirations to make transit a more viable alternative for commuters, students, residents, and tourists alike.

Structure of this Section

- The Summary of Analysis section in the following slides provides the scores within the four evaluation categories with a high-level rationale. The Harvey Ball Method was used, which depicts a visual representation of the model comparison. This method was chosen as they are useful in demonstrating the results of relative analysis, particularly for more qualitative measures. In the full 'Model Analysis Report', greater detail is provided on the rationale for the ratings of each criteria.

Evaluation Category and Criteria Weighting

- To further analyze the results of the model options analysis, several different weighting scenarios were applied to understand the impact that placing different levels of importance of particular categories or criteria would have on the final recommendation. It was found that there was no impact and therefore no weighting was applied.

Assumptions

To compare these different model options, some key assumptions were made to ensure a thorough and fair evaluation:

1. Initial transit services will be based on transfer of existing services

Meaning that service levels and commitments will remain largely the same for all municipalities at launch of the integrated transit entity for a defined period of time (likely 2-3 years, in agreement with Local Area Municipalities), with some expansion of service over the few years to ensure consistency across the region.

2. Cummings Principle will be used to transfer assets

The premise of the Cumming Principle is to transfer assets (and related outstanding liabilities), from one municipality to another with no additional compensation since transferring assets for additional compensation results in the taxpayer paying twice for the same public asset. This Principle has been applied for over four decades in the municipal setting throughout Ontario, and in the vast majority of transit consolidations reviewed as leading practices. The use of the Cummings Principle is also well aligned to the guiding principle of fairness, which respects the existing investments made by communities on behalf of taxpayers.

3. Investments in service will meet the transit demands across the network

This includes ensuring that the span of service across the Region is consistent and that all parts of the region have access to some form of transit service on a prioritized basis over time, and that as demand grows, service levels will increase to meet the demand.



Model Options, Analysis, and
Recommendation



Summary of Analysis:
Governance and
Operations





Summary

The governance and operational characteristics that allow the transit entity to achieve transit objectives and accommodate future growth.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Authority and Accountability in Driving Change	Speaks to the accountability and decision making power held by the transit entity.			
Agility and Flexibility	Ability for the entity to move from decision to action, and to react quickly to environmental changes, new legislation, advancing technology, and changing user demands.			
Accommodates Future Growth	Ability of the future transit entity to respond to projected ridership and service growth forecasted in the Future State Transit Service Plan.			
Public Perception	Public perception refers to the brand and image of the transit entity in the eyes of the citizens it is designed to serve.			



No alignment



Little alignment



631

Somewhat aligned






Well aligned



Strongly aligned

Authority and Accountability in Driving Change


A transit entity with greater authority to drive change is one that can make decisions to build the desired transit network in Niagara while demonstrating accountability to the public in order to maintain ongoing support for continued transit investment and growth.

Model	Assessment	Rationale
Limited Commission		The Limited Commission drives operational decision making and makes recommendations to Council on strategic matters, but may be viewed as less regionally accountable where recommendations are more locally focused resulting in lost support for transit growth.
Full Commission		The Full Commission is a separate body that operates independently of Regional Council apart from regular reporting and budgetary approvals, and are accountable for their own decisions, to maintain public and political support for ongoing transit investment.
Regional Division		The Regional Division model would rely on Regional Council for decision making and is expected to make more regionally-focused recommendations, although their accountability and support will be based on the broader perception of other Regional services delivery.

While Regional Council maintains control over annual funding approvals, the Full Commission is still more empowered to drive change and influence transit in Niagara Region than the other two models and will be directly accountable for their decisions to maintain public and political support for ongoing transit investment.

Agility and Flexibility




The agility and flexibility of the transit entity refers to its ability to move from decision to action, and to react quickly to environmental changes, new legislation, advancing technology, and changing user demands.

Model	Assessment	Rationale
Limited Commission		The challenges associated with the Limited Commission being an external organization but still relying on Council for key decisions and approvals will reduce its agility significantly.
Full Commission		The Full Commission's ability to make decisions and quickly reprioritize as needed makes it more agile and flexible than the other models.
Regional Division		The Regional Division benefits from its location within the Regional structure to make best use of shared services and understand competing priorities, but must still seek Council approval and coordinate with other Departments before taking action on strategic matters.

Full Commissions is more capable of reacting to environmental change, moving from idea to action, and mobilizing their workforce to pivot and respond to external pressure and needs.

Accommodates Future Growth




Accommodation of future growth speaks to the ability of the future transit entity to respond to projected ridership and service growth forecasted in the Future State Transit Service Plan.

Model	Assessment	Rationale
Limited Commission		Though exclusively focused on transit and able to leverage economies of scale, the Limited Commission may be less apt to making growth decisions with a regional lens.
Full Commission		The Full Commission's ability to make regionally-focused decisions and be flexible to growing and changing needs make it more able to accommodate it.
Regional Division		A Division's ability to secure ongoing funding, make regionally-focused decisions, and better coordinate with other regional services position it well to accommodate future growth.

The ability to accommodate future growth will be largely based on funding and ability to make regionally-focused decisions, thus making the Full Commission and Regional Division the strongest options.

Public Perception

Public perception refers to the brand and image of the transit entity in the eyes of the citizens it is designed to serve.

Model	Assessment	Rationale
Limited Commission		At launch, a regionally-focused transit entity delivering integrated and equitable service to Niagara residents can be expected to receive favorable feedback from the public.
Full Commission		However, neither a Commission or Regional Division governance model will hold an advantage in the long-term, as these systems have each received a share of scrutiny and critical attention from the public and media in the past.
Regional Division		Ultimately, the new entity’s perception will be built around its service consistency and quality, communication, branding initiatives, and accountability.

Either Commission or Regional Division model options are equally susceptible to scrutiny given historical controversies, and risk mitigation strategies and proper accountability measures will need to be incorporated into any chosen model.

→ Model Options, Analysis, and
Recommendation

Summary of Analysis:
Financial Impact



Summary

The financial implications of implementing and operating the integrated transit entity.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Lower Cost of Implementation*	The costs of implementing each model are associated with the complexity and the size of the organizations proposed.			
Operating Cost Efficiency*	Operating costs and efficiencies relate to how much a transit agency will spend, but more importantly how effectively those dollars are allocated to services throughout the region.			
Financial Decision Making	Financial decision making refers to decisions leading to transit operating and capital costs, and decisions regarding how to generate the necessary funding, and ability to secure budget approvals.			
Potential for Ongoing Financial Support	The potential for ongoing financial support to fund the necessary investment to build and maintain a transit network which offers seamless travel within Niagara, while also supporting connections with GO Transit services.			






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*With regards to Costs of Implementation and Operating Cost Efficiency, a full circle represents lower relative costs

Lower Cost of Implementation*

The costs of implementing each model are associated with the complexity and the size of the organizations proposed.

Model	Assessment	Rationale
Limited Commission		Both the Limited and Full Commission models will require an investment in start-up costs. These costs would include the legal costs associated with establishing the Commission in the Municipal Act and associated local bylaws as well as selecting and moving staff and physical resources to a consolidated office location.
Full Commission		
Regional Division		Implementing a Regional Division in municipal bylaw will likely require less effort. However the costs are not anticipated to be substantially lower than the Commission models.

The governance model options are anticipated to have similar order of magnitude' implementation costs



No alignment



Little alignment



Somewhat aligned



Well aligned



Strongly aligned



Operating Cost Efficiency*

Operating cost efficiency relates to how effectively those operating expenses are at providing highly efficient transit services.

Model	Assessment	Rationale
Limited Commission		The Limited Commission will have budgetary restrictions and be required to provide the desired service levels within their approved annual budget. However, a Limited Commission may receive greater local area municipality input on day-to-day service-related decisions which may result in changes to service that require sacrifices to service efficiency to address other priorities.
Full Commission		The Full Commission will likely have the greatest budgetary restrictions and will have to ensure that all operations and unanticipated changes to the service are accommodated within their approved annual budget. As such, they will likely be required to provide the most effective service within their financial means.
Regional Division		Regional Division will have greater budgetary flexibility, being able to capitalize on budget savings in other regional departments to make unanticipated changes to service. Additionally, a Regional Division may receive greater local area municipality input in day-to-day service-related decisions which may then be supported by budgetary amendments at council rather than identifying internal efficiencies.

A Full Commission could provide the greatest value for operating expenses invested in service by ensuring that services are allocated as efficiently as possible within budgetary constraints. This trend seems to be supported by peer agency review.



No alignment



Little alignment



Somewhat aligned






Well aligned



Strongly aligned

Financial Decision Making



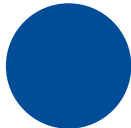
Financial decision making refers to decisions leading to transit operating and capital costs, along with decisions regarding how to generate the necessary funding, and the ability to secure budget approvals.

Model	Assessment	Rationale
Limited Commission		The Limited Commission defers to Council for all strategic decisions, which are informed by recommendations from the Commission.
Full Commission		Apart from annual operating and capital budget approvals, all financial decisions are made by the Commission.
Regional Division		The Regional Division must take a broader look at regional priorities when recommending action to Council.

Regional Council holds the ultimate financial decision-making responsibility through the approval of the annual budget for all models, but the Full Commission Model has the most independence to make strategic decisions which drive financial outcomes for transit services.

Potential for Ongoing Financial Support

The potential for ongoing financial support to fund the necessary investment over several years, to build and maintain a transit network which offers seamless travel within Niagara, while also supporting connections with GO Transit services

Model	Assessment	Rationale
Limited Commission		Financial recommendations to Council may not be supported if they are deemed to be too locally focused or not viewed as forwarding regional priorities. The budget request would be separate from the Region's internal budgetary process.
Full Commission		While exclusively focused on transit, the Full Commission may be less aligned with other regional priorities and achieve less Council support. The budget request would be separate from the Region's internal budgetary process.
Regional Division		This model offers the closest integration with other regional priorities and thus increases the potential for ongoing financial support.

Regional Council holds the ultimate financial decision-making responsibility, and the Regional Division offers an advantage by being integrated and aligned with other internal Regional priorities and can leverage this to obtain ongoing financial support.



Little alignment



Somewhat aligned



Well aligned



Strongly aligned



Model Options, Analysis, and
Recommendation



Summary of Analysis:
Stakeholder Input
and Equity





Summary

Stakeholder Input and Equity is the degree to which the integrated transit entity makes decisions in the best interest of the region, balances regional transit priorities with regional equity, and allows for local municipal autonomy and input.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Equity	Ability to balance the needs and perspectives of larger and smaller municipalities.			
Serves the Public Interest	The degree to which the integrated transit agency can make decisions that contribute to the broader public good and the region's aspirations overall, and informed by public engagement and input.			
Municipal Input	The degree to which local area municipalities will be able to provide input into service planning and delivery decisions, while also maintaining local autonomy.			



No alignment



Little alignment



Somewhat aligned






Well aligned



Strongly aligned

Equity

A transit entity with greater consideration of equity will be able to balance the various needs and interests across Niagara Region, and can implement decisions that may not always be the most popular, cost-effective, or well received by a particular community.

Model	Assessment	Rationale
Limited Commission		Due to the Limited Commissions more diverse and LAM-representative composition it is better suited to take on broader municipal input into the design of standards and strive to make them more equitable.
Full Commission		The Full Commission's independence allows it more flexibility to effectively apply the standards, however it is less effective at incorporating a regional focus.
Regional Division		This model can more effectively design standards through a broader approach to equity, but is less suited to apply the standards without influence.

The Limited Commission holds a slight advantage in terms of ability to promote equitable transit service delivery through more diverse and transit-focused decision making, and less impacted by external influence and political considerations.



Little alignment



Somewhat aligned




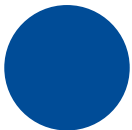
Well aligned



Strongly aligned

Serves the Public Interest

The degree to which the integrated transit agency can make decisions that contribute to the broader public good and the region's aspirations overall, and informed by public engagement and input.

Model	Assessment	Rationale
Limited Commission		A Commission model, whether Limited or Full, is similarly able to gather public input on transit services, in a more focused manner through an emphasis on transit users to inform decision making and long-term plans. It is recommended that an advisory committee be considered to ensure that stakeholder input is heard and reflected within the Commission model.
Full Commission		
Regional Division		Long term planning for transit should not only consider community, and the built environment but can influence future decisions made for the region to align transit and broader community needs.

A Regional Division holds an advantage, as the Region already provides a multitude of services that are connected to transit planning. Leading practices demonstrate that transit cannot be viewed as an isolated service, rather it is integrated with other disciplines.



Little alignment



Somewhat aligned






Well aligned



Strongly aligned

Municipal Input

The degree to which local area municipalities will be able to provide input into service planning and delivery decisions, while also maintaining local autonomy to influence tax policy related to municipal transit to enhance or increase local service.

Model	Assessment	Rationale
Limited Commission		This model provides LAMs with the greatest degree of input and influence over transit decision making through Regional Council and the representative Commission.
Full Commission		The Full Commission model is more independent and provides flexibility for LAMs to exert local autonomy and increase local services, but decreases their direct influence on overall decision making.
Regional Division		A Regional Division leverages existing decision-making structure and representation within Regional Council to make decisions regarding transit operations.

Overall, both Commission models allow for comparable degrees of municipal input into transit-related decisions and autonomy to influence local service, though the Limited Commission allows for more direct LAM input.



Little alignment



Somewhat aligned



Well aligned



Strongly aligned



Model Options, Analysis, and
Recommendation



Summary of Analysis:
Ease of
Implementation





Summary

The complexity associated with transitioning from current state to the integrated transit entity.

Criteria	Description	Limited Commission	Full Commission	Regional Division
Staffing Resources Impacts	Degree of suitability of the model with regards to transferring human resources to new entity, including the impact on FTE count.			
Labour Relations	Degree of suitability of the model with regards to conducting negotiations and harmonizing collective agreements.			
Legal Implications	Degree of suitability of the model with regards to the legal formation of the new transit entity.			
Asset Transfer Implications	Degree of suitability of the model with regards to implementing the Cummings Principle to the required transfer of assets from the local municipalities to the new entity.			



No alignment



Little alignment



Somewhat aligned






Well aligned



Strongly aligned

Staffing Resources Impacts

Degree of suitability of the model with regards to transferring human resources to new entity, including the impact on FTE count.

Model	Assessment	Rationale
Limited Commission		A Limited Commission may require the same or greater investment in staff resources than a Full Commission in order to handle the more frequent interactions with Regional Council despite the natural opportunities for increased utilization of shared services over a Full Commission.
Full Commission		A Full Commission will require greater investment in in-house staff resources since it will likely duplicate the majority of services that could otherwise be shared in a Regional Division.
Regional Division		A regional division will benefit from shared services in lowering their dedicated headcount. However, it is unclear what the FTE impact would be on the divisions responsible for providing the shared services.

The Regional Division will benefit from shared services opportunities to lower the headcount over either commission models. However, consideration must be made for the staffing required in partner divisions that will provide those shared services.



Little alignment



Somewhat aligned




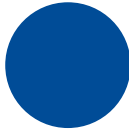

Well aligned



Strongly aligned

Labour Relations

Degree of suitability of the model with regards to conducting negotiations and harmonizing collective agreements.

Model	Assessment	Rationale
Limited Commission		While a Limited Commission would be a separate entity and engage in its own bargaining practices, it is likely that decisions will be guided by CBA's already negotiated at other Regional entities.
Full Commission		A Full Commission would have full autonomy over its bargaining agreements with the transit unions across the region, and the shared understanding of transit operations will benefit negotiations to a greater degree than other models.
Regional Division		A Regional Division will be beholden to negotiations and other agreements already in place in other Regional entities. Additionally it is possible that with other bargaining priorities the Region may not be able to negotiate.

Since a full commission will have the greatest autonomy over its own labour relations, it is likely that it will be easiest to transition these resources and agreements of the three proposed models.



Little alignment



Somewhat aligned






Well aligned



Strongly aligned

Legal Implications




Degree of suitability of the model with regards to the legal formation of the new transit entity.

Model	Assessment	Rationale
Limited Commission		Both commission models will require an extensive municipal engagement process in order to change the Municipal Act to form the Transit Commission. This will likely involve obtaining the Triple-Majority from local city councils prior to passage at Regional Council. Only then will the amendment be submitted to the Province for approval. Establishing an appropriate mechanism for local municipalities to exercise their autonomy would be critical in the establishing amendments and how their representation on the commission is structured.
Full Commission		
Regional Division		A regional division can be established directly by Regional Council through a bylaw amendment that allows the Region to assume responsibility of transit services. Negotiating the transfer of transit assets, liabilities and operating agreements may be met with some resistance from the local municipalities and establishing appropriate mechanisms to maintain local autonomy could be challenging.

While the Regional Division will be the most straightforward governance model to implement, owing to the fact that it should not require amendments to the *Municipal Act*, its acceptance by the local municipalities may be contingent on an appropriate mechanism to ensure their local autonomy over decision-making, particularly as it relates to their continued inclusion within this entity and the negotiation of asset transfer.

Asset Transfer Implications

Degree of suitability of the model with regards to implementing the Cummings Principle to the required transfer of assets from the local municipalities to the new entity.

Model	Assessment	Rationale
Limited Commission		With the Limited Commission reporting directly to Regional Council on an ongoing basis for decision-making, there may be some concerns with respect to turning over local control of assets to a commission with less independence.
Full Commission		A Full Commission will likely be best positioned to negotiate the transfer of assets, particularly if sufficient independence is established from Regional Council, and appropriate local municipal representation is provided.
Regional Division		Since a Regional Division will be managed directly by Regional Council without ongoing decision-making input from local municipalities, it is possible that there could be concerns regarding asset transfer from the local municipalities.

The Full Commission is best suited to accomplish the asset transfer through the implementation of the Cummings Principle so long as it is established as sufficiently independent from Regional Council.



Little alignment



Somewhat aligned



Well aligned



Strongly aligned

→ Model Options, Analysis, and
Recommendation

Recommended
Model

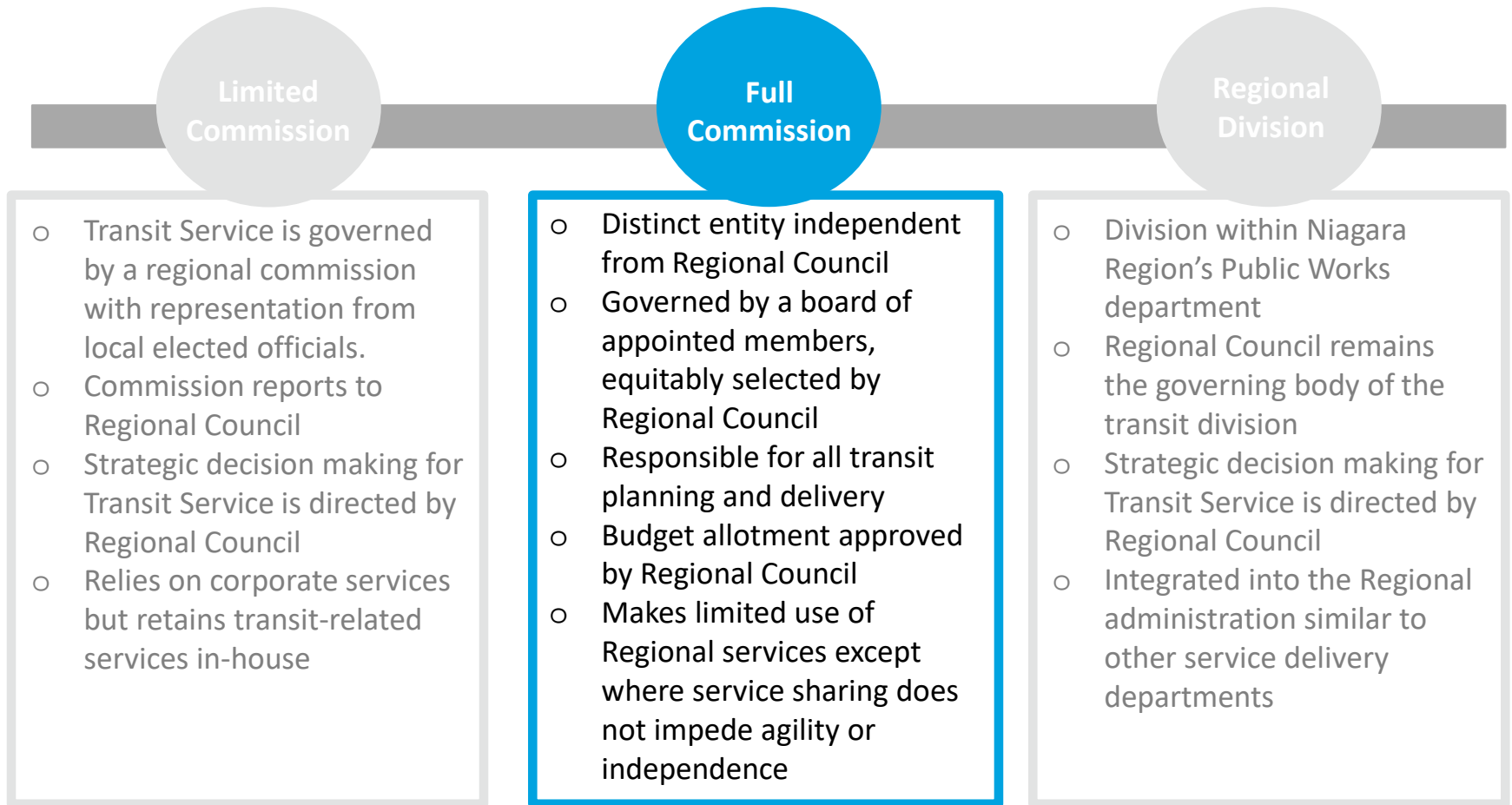
Summary of Analysis

A side-by-side comparison showing where each model performed best within each evaluation criteria. Based on the in-depth analysis conducted, the Full Commission ranked higher in most categories.

Criteria		Neutral across all models	Limited Commission Preferred	Full Commission Preferred	Regional Division Preferred
Governance & Operations	Authority and Accountability in Driving Change			✓	
	Agility and Flexibility			✓	
	Accommodates Future Growth			✓	
	Public Perception	✓			
Financial Impact	Lower Cost of Implementation	✓			
	Operating Costs and Efficiencies			✓	
	Financial Decision Making			✓	
	Potential for Ongoing Financial Support				✓
Stakeholder Input and Equity	Equity		✓		
	Serves the Public Interest				✓
	Municipal Input		✓		
Ease of Implementation	Staffing Resources Impacts				✓
	Labour Relations			✓	
	Legal Implications				✓
	Asset Transfer Implications		654	✓	

Recommendation: Full Commission

As the analysis demonstrates, the preferred model and recommendation is the Full Commission.



The Full Commission model brings the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region.



Benefits of the Full Commission

Ultimately, the analysis led to the conclusion that the Full Commission is the most suitable model for Niagara. While many factors went into this recommendation, two of the chief benefits that made the Full Commission more attractive than other models were:



The Autonomy of the Full Commission

- The independence of the Full Commission grants it several advantages that make it the most suitable option for the growth potential of transit in Niagara.
- With this independence, the Full Commission can remain more focused solely on transit and is more capable of formulating its own responses to trends and pressures, making and owning decisions, and driving necessary change at a strategic and operational level.
- This governance model is able to move from idea to action quickly and reprioritize its resources to meet emerging demands and accommodate growth.
- The autonomy of the Full Commission provides it advantages with respect to negotiating important elements such as collective bargaining agreements and the transfer of assets.



The Financial Benefits

- The Full Commission will likely have the most cost-efficient service, in part due to a more streamlined decision-making process and being restricted to provide the most effective service within the means previously defined in the annual budget.
- From a dollars and cents perspective, a Full Commission is the more costly of the models in terms of administrative costs, but less costly on a per trip basis than other models due to a higher utilization of services.
- This is particularly important when looking to the future and considering what ridership growth may be, and how services may expand to serve regional needs.
- The Full Commission has the greatest flexibility to make strategic decisions which drive financial outcomes for transit services and is best positioned to make regionally-focused investments in service growth.

The Full Commission is best suited to grow transit in the region while delivering the high quality, innovative, and seamless transit services that the citizens of Niagara deserve



Risks and Considerations

Identifying risks and developing mitigation strategies will be an important consideration for the implementation of the Commission model. While a more detailed exploration of risks is contained in the Transition Plan, some important elements to consider include:

Public Perception

While the launch of an independent entity designed to make regional transit easy and affordable for residents is likely to be viewed positively in the eyes of the public, the independence of a Full Commission could be a drawback as well, given that Regional Commissions in Niagara have previously faced accusations related to transparency and accountability.

It will be particularly important moving forward that the Full Commission build and maintain open communication and engagement with the public, LAMs, and Regional Council, and continually instill confidence with these stakeholders through strong service and accountable governance and operations.

Misalignment with Regional Priorities

With its separation from the Regional structure, there is a risk that a Full Commission will not be aligned with other Regional priorities and services. This could include initiatives related to poverty reduction, economic development, environment, accessibility, and more.

Developing strong communication channels and a culture of inter-municipal collaboration, providing regular updates to Regional and Municipal Councils, and viewing transit as a service to be integrated with other priorities, rather than isolated, will be critical to ensuring the integrated entity contributes to overall development of the region.

Complexity of Integration

Creating a new entity is a complex and challenging undertaking that will require the coordination and support of many different stakeholders. The implementation of this entity, from preliminary engagement of LAMs, to passage at a Council level, to the official launch will require significant and dedicated financial and human resources.

Failure to commit what is needed for implementation could result in delays and overruns. Having the proper resources in place to launch this entity will be critical for navigating the complex early stages of transition.

→ Model Options, Analysis, and
Recommendation

Organizational and Governance Structure Recommendations

Overview

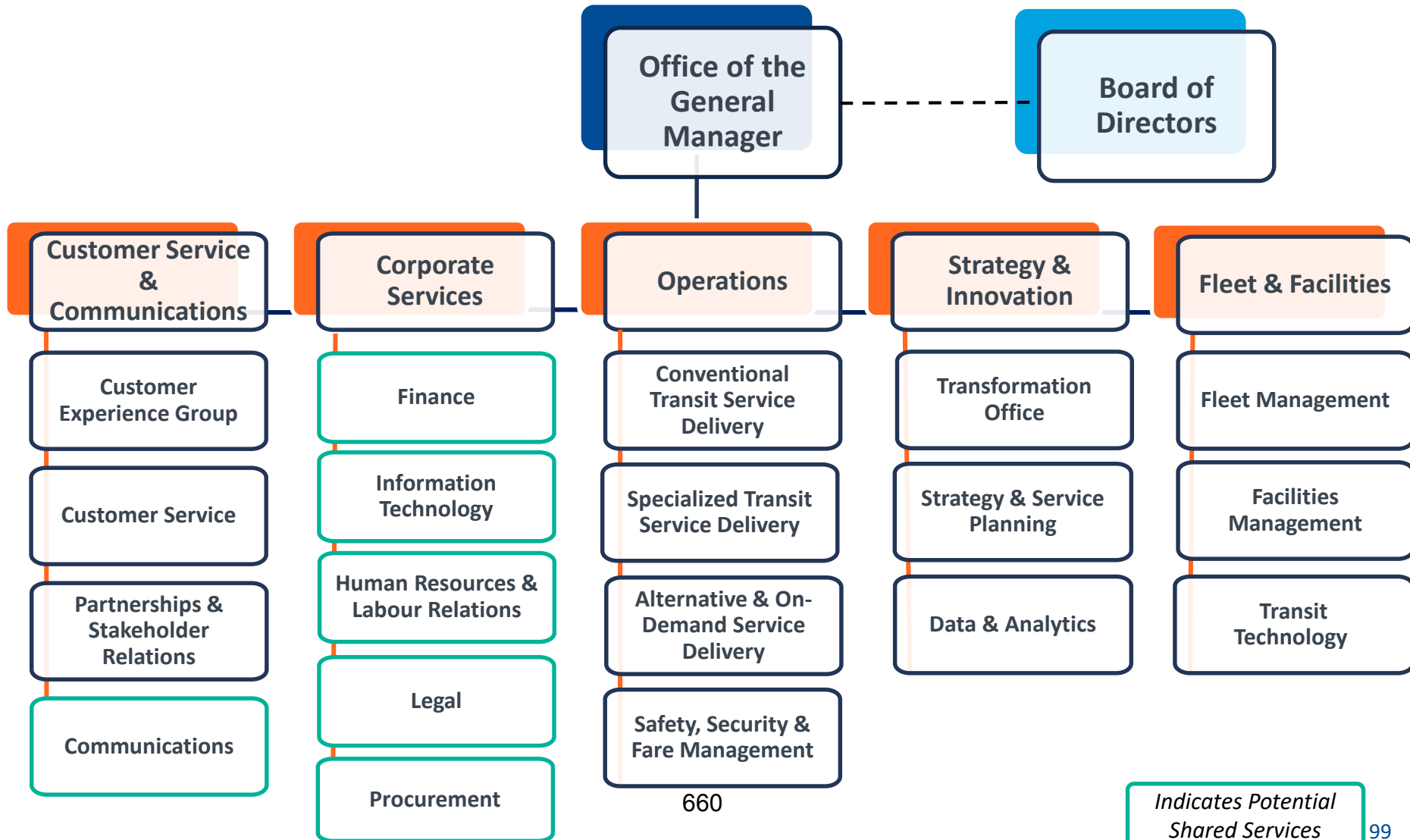
An organizational and governance structure for the new Commission model must be determined. Listed in this section are recommendations regarding key functional areas to include in the organizational structure, as well as considerations and a recommended composition for the Commission governance structure.

- As it relates to the organizational structure, a series of functional areas have been recommended for the consideration of the Commission. These can be amalgamated or divided as the Commission sees fit, however it is important to note that the span of control (the number of pillars across the organization) should complement the size of the organization and preferred leadership structure and encourage cross-functional collaboration.
- The organizational structure and positions within it (*titles and positions shall be determined by the Commission*) should be continually reassessed to ensure that it fits the strategic objectives of the Commission.
- The proposed composition of the Commission took into consideration different models, and best practices for good governance, and should be reviewed after 2 to 3 years of operation, by an independent third party to ensure that the board's size, composition and skills ensure it is an effective governing body and achieving the strategic objectives of the Commission.
- Both the organizational and governance structures of the Commission are preliminary and would be confirmed through the transition and implementation activities, by the Commission.



Proposed Organizational Structure

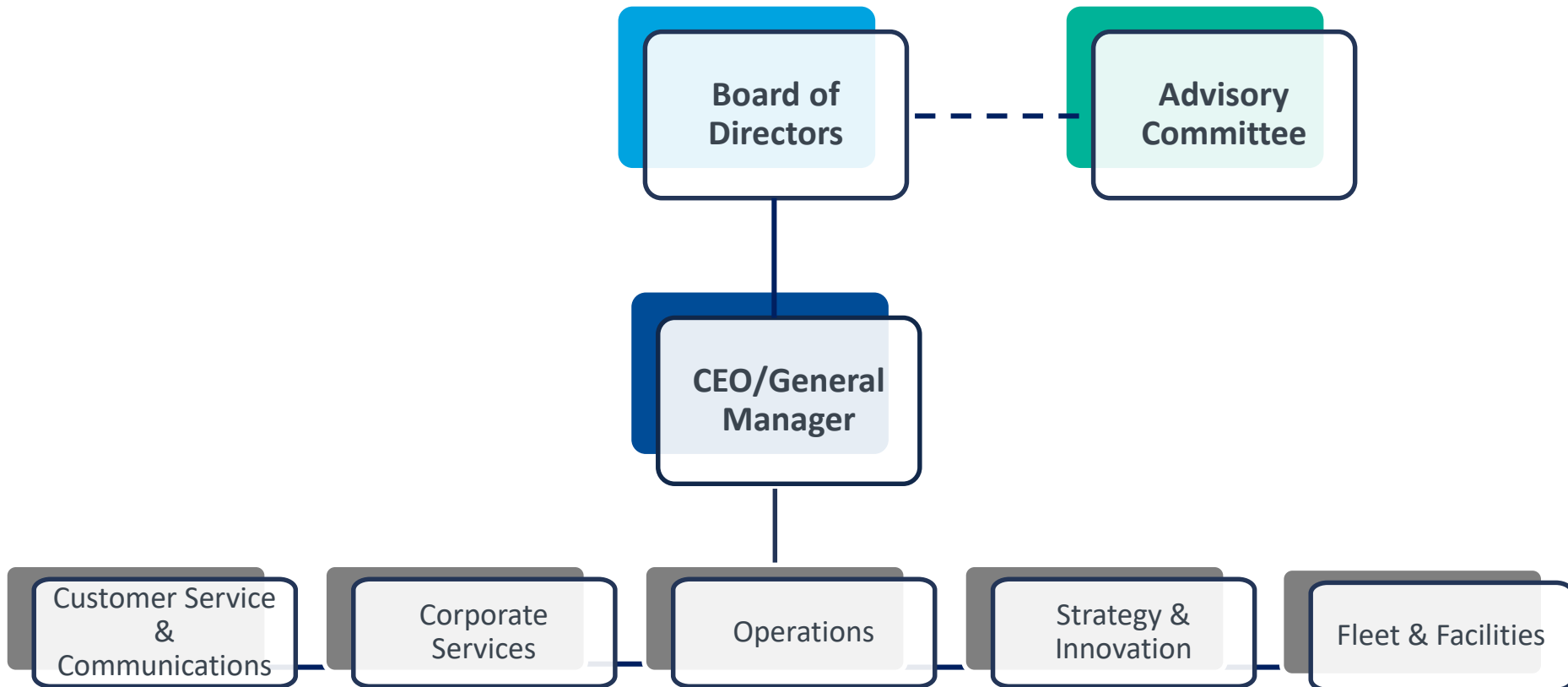
Outlined below is the proposed organizational structure for the Commission:





Proposed Governance Structure

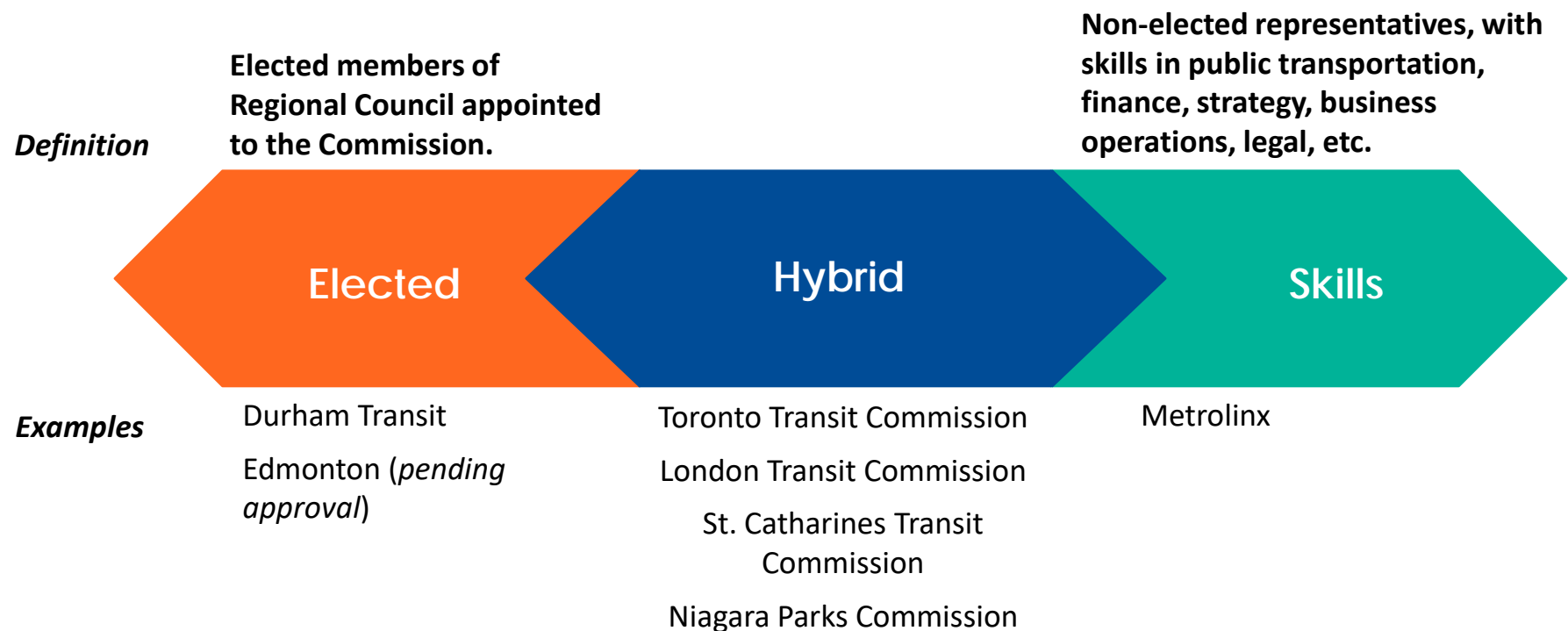
Outlined below is the overall reporting structure for the proposed governance structure of the Commission. The CEO or General Manager would report to the board whereas the Advisory Committee provides non-binding advice to the Commission.





Commission Membership Options

Membership structure of the Commission may fall on a continuum similar to the one below, each with its own advantages and challenges. Whereas elected officials are accountable to the public and represent local municipal interests, skills-based members bring a diverse set of skills and are less restrained by municipal interests.



A hybrid governance structure is recommended for Niagara, as it allows a combination of elected officials and skills-based members to provide guidance and oversight



Membership Recommendations

The recommended structure is a hybrid, including elected officials and skill-based members for effective and balanced governance of the Commission.

- A hybrid board governance structure is recommended for Niagara, as it provides a combination of elected officials and skills-based members. This allows member municipalities to represent local interests and for elected officials to have stewardship over the resources allocated to the Commission. In addition, skilled members can fill any gaps in skills or experience particular to the Commission through those who have experience in the industry or more broadly.
- The proposed governance structure should be reviewed after 2 to 3 years of operation, by an independent third party to ensure that the board's size, composition and skills ensure it is an effective governing body and achieving the strategic objectives of the Commission.
- In recommending the proposed governance body, the size of the body as well as the breakdown of elected and skilled members was considered. In line with leading practices, a board between 7 and 12 members is recommended for effective and efficient decision making. The proposed composition also took into consideration the dynamics between elected and skilled members and ensured that there was an almost even split between the two constituencies of the board for balanced oversight.
- It is recommended that a Nominating Committee of the Regional Council should select the Chair from among elected officials and the Vice-Chair be selected from among the skilled members for balanced leadership.
- Alternatively, a larger number of elected representatives of the local area municipalities was considered, however due to the reporting relationship to Regional Council, it was determined that the voice of elected members would be well represented.

Note: Any previous relationships and governance bodies for transit reporting would cease to exist once the Commission has been established (i.e. the Linking Niagara Transit Committee, NGTS CAO Working Group and the Inter-Municipal Working Group (IMTWG)) 102



Proposed Composition of the Commission

Outlined below is the proposed composition of the Commission, which would be appointed by a Nominating Committee of the Regional Council.

Members of Regional Council

(1) Welland

(1) St. Catharines

(1) Niagara Falls

(2) Niagara Municipalities *[Selected amongst representatives of: West Lincoln, Lincoln, Grimsby, Pelham, Thorold, Niagara on the Lake, Wainfleet, Fort Erie, and Port Colborne]*

Skill-based or Public Members

(4) Skills-based or Public members (appointed/nominated)

Ex-Officio

(1) General Manager (non-voting member)

9 voting members



Membership Criteria

Skills based or Elected Public members of the board would be appointed based on their qualifications, and their ability to contribute to strategic decision making.

Skills based or Elected Public members of the board shall have executive-level and governance experience with a range of skills, knowledge, and experience with one or more large organizations. These members may provide knowledge on several different perspectives including finance, human resources, legal, public transit, etc. Some criteria that is considered for public members includes, but is not limited to:

- strategic business management;
- financial management, accounting, law, and engineering;
- customer service or marketing management;
- management or planning with a rail or public transit organization, or understanding and/or experience with transit operations;
- transformative change management;
- formulation and/or management of public-private partnerships;
- capital project/construction management or capital procurement/supply chain management;
- operations and information technology;
- labour relations/industrial safety management; or,
- professional knowledge and working experience of urban sustainability, intersectionality, and inclusive governance.



Proposed Advisory Committee

In order to incorporate the local and public interests within the region into the decision-making structure of the Commission, an Advisory Committee is recommended.

Advisory Committee

- (12) Niagara region residents**
- (2) Members of the Accessibility Advisory Committee**
- (2) Member of a student association from Niagara College and Brock University**
- (1) Member of Niagara Chamber of Commerce**
- (1) General Manager, or designate**

- The composition of the Advisory Committee should balance the membership structure of the Commission and can have input into the policies, procedures and operational concerns
- The Advisory Committee would be supported by Commission, and it is recommended they meet 1 to 2 times annually, as needed.
- By establishing an advisory body, the Commission will gain insights into current and upcoming challenges or opportunities and explore these in a thorough way
- It is recommended that a blended approach of broad public consultation and soliciting input of the advisory committee be employed

→ Model Options, Analysis, and
Recommendation

Summary

Summary

The development and analysis of model options, along with the recommendation of the Full Commission, represent one of the most significant undertakings of this study.

Key Takeaways

Following the completion of the current state review, the jurisdictional scan, and the development of the future state plan, three potential governance models were developed.

An analysis of each model option was performed against a range of evaluation criteria to determine which model was the preferred option for Niagara.

While all models have the potential to successfully integrate and lead transit services in Niagara, the Full Commission Model was recommended as it brings the right balance of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region.

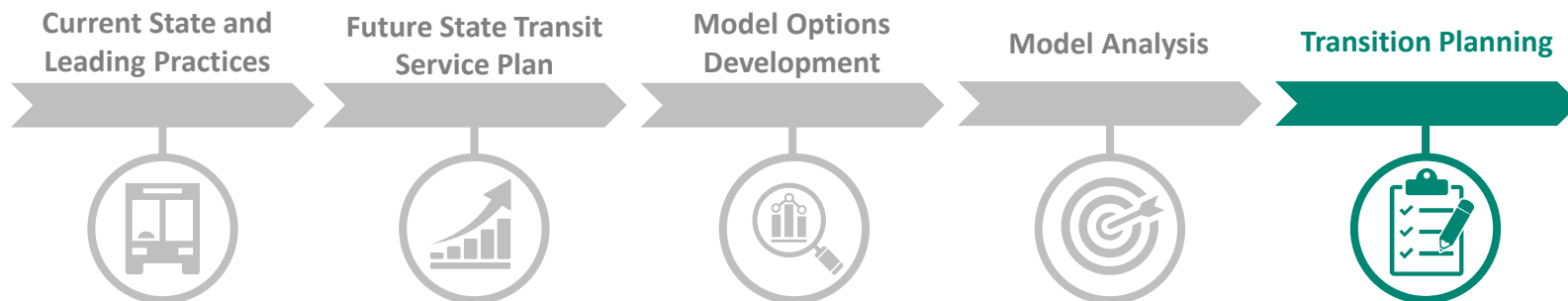
A nine member hybrid governance structure has been recommended as it allows a combination of elected officials and skills-based members to provide guidance and oversight of the Commission.

→ Niagara Transit Governance
Study

Transition Planning

Introduction

The fifth and final phase of this study involved plotting out the key steps and timelines required to amalgamate all of the transit systems in the region into the recommended Full Commission Model.



Planning for Change

Once an integrated transit governance model was identified and recommended for Niagara, the final phase of this project involved outlining implementation activities* needed to move existing transit services and their supporting resources into this integrated model. In order to ensure a thorough and feasible transition from the current to future state, a five-phase transition plan was developed that identified the key milestones and the expected timelines for their completion.

The transition to this integrated system, from preliminary approval all the way through to the new organization taking charge of transit services in Niagara, is expected to take approximately two years, with additional time then required before new services can be launched. In fact, a principle in the development of the Transition Plan was to limit service enhancement and growth activities in the first years of operation. A key learning from the jurisdictional scan was to avoid taking on too many new initiatives early in the life of the Commission and focus rather on integrating existing services and stabilizing operations over a few years before beginning major projects.

In the following slides, please find a high-level summary of the Transition Plan, which provides an overview of key steps and timelines for each phase of implementation. This section also ends with a summary of forecasted costs of the transition to the integrated transit system.

**It should be noted that while this Transition Plan recommends activities that need to be carried out, along with their sequencing, the group tasked with leading the transition will need to validate and refine this, and build-out further levels of detail to guide day-to-day activities.*

Implementation Phases

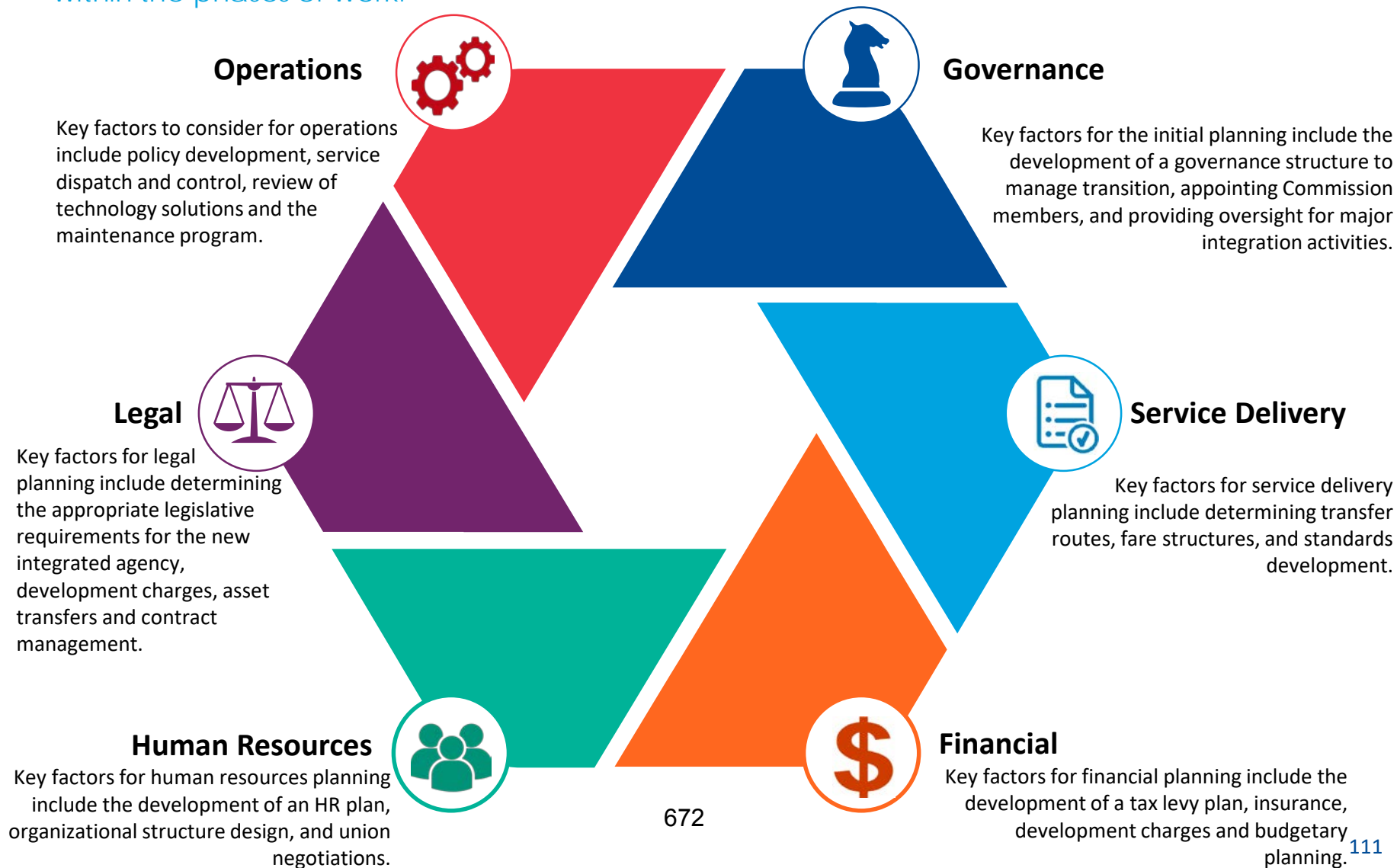
Transition activities are divided across five distinct phases of work:





Considerations for Transition Planning

Considerations for future-state planning encompassed six primary categories of activities within the phases of work:



→ Transition Plan

Implementation Activities

Integration Approval Process Overview

(Approx. 9 months)

This phase of work includes all activities leading up to, and including, a two-phased political approval process that includes receiving an in-principle endorsement on recommendations, followed by the refinement of recommendations and their submission to LAM and Regional Councils to seek triple-majority approval to create the Commission

Seek In-Principle Endorsement

- 1 Recommendations will be presented to the LNTC and PW Committees, and to the LAMs to seek feedback and a preliminary in-principle endorsement on the creation of the transit Commission

Staff Report and Public Engagement

- 2 Conduct public consultations and incorporate feedback received on the transit governance recommendations and financial model into a staff report to be submitted to support the decision-making process to establish the Commission

Municipal Transfer Agreements

- 3 Draft agreements with LAMs who currently operate transit to outline the steps for transferring assets to the Commission from existing systems, and puts parameters around what transit-related decisions can be made by the LAMs so as not to impact transit integration or unfairly impact the residents

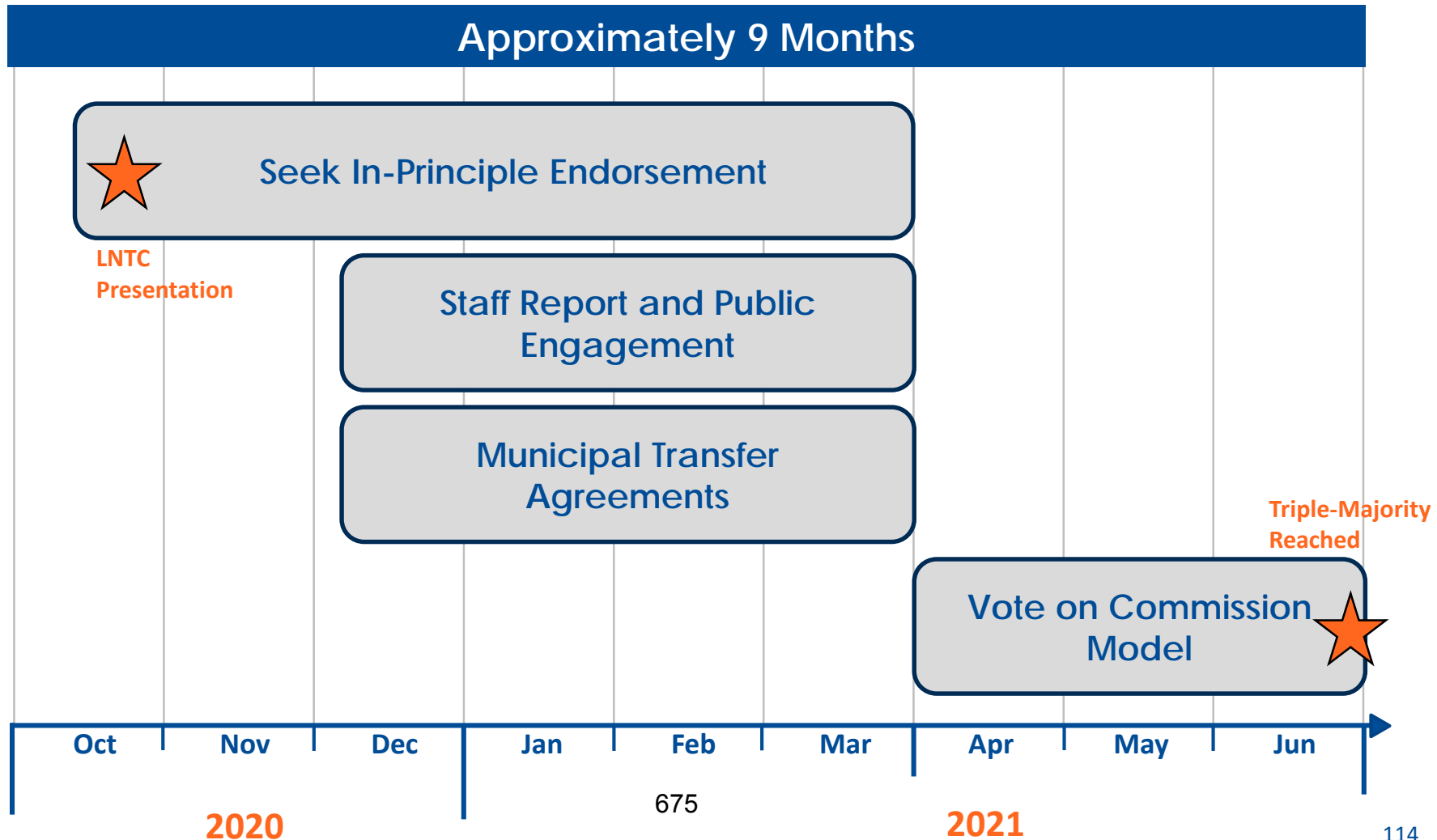
Vote to Move Forward with Commission Model

- 4 The first step in the legal process involves receiving a triple-majority vote to create a by-law that grants power for transit services to the Region so that the Region may then establish the Commission



Integration Approval Process Timelines

This phase of work begins with the initial LNTC presentation and ends with the triple-majority vote to move forward with the Commission.



Commission Establishment Overview

(Approx. 2 months)

This phase of work encompasses activities related to the legal establishment of the Commission as a municipal service board and concludes with the appointment of members to the Commission

Legal Establishment of Commission

- 1 Pass a Regional by-law to create a Municipal Service Board (the Commission) and delegate control and management of transit services to this board

Setup Governance Infrastructure

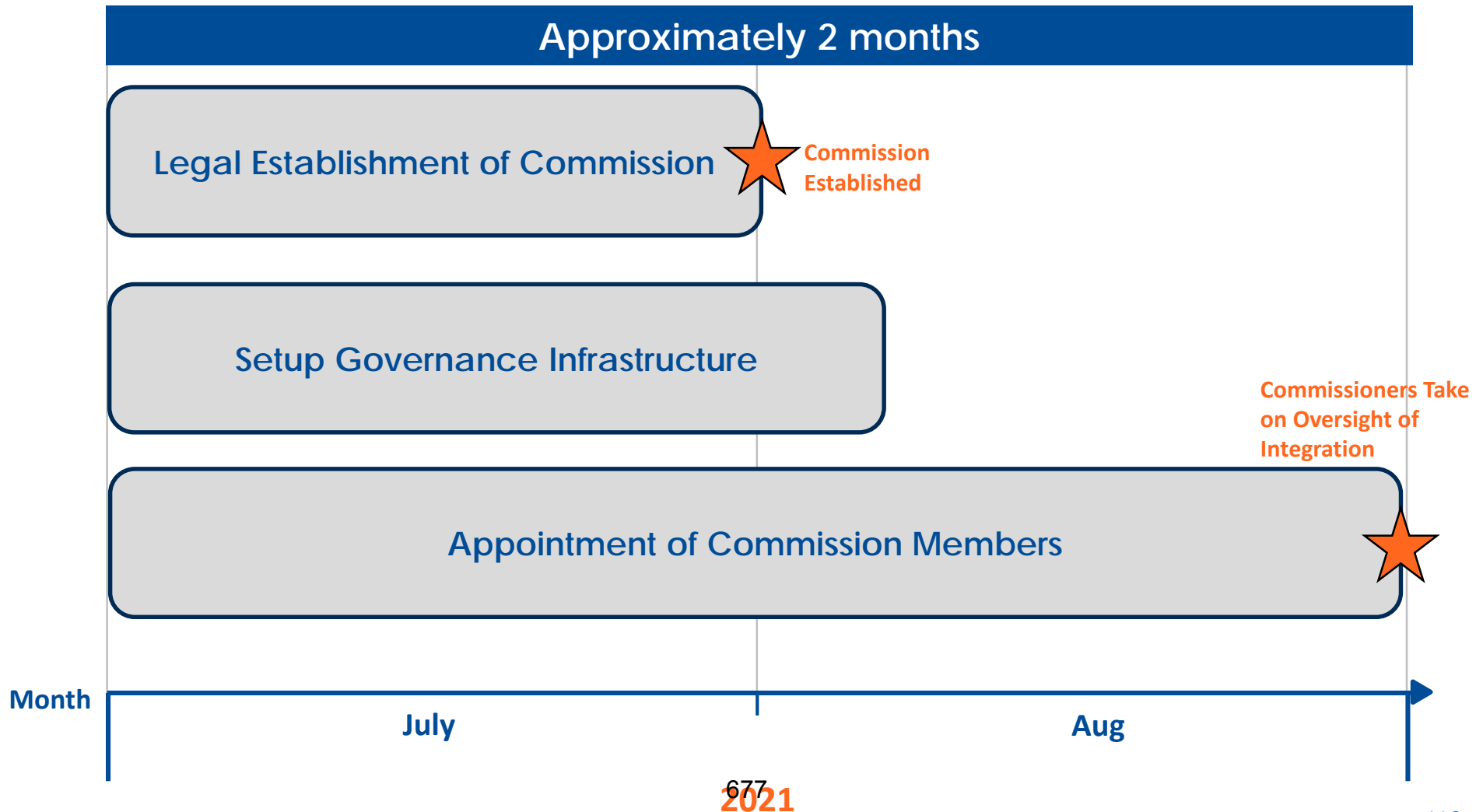
- 2 Establish policies, procedures, committees, and reporting mechanisms for the Commission and formalize their oversight responsibilities during the transition period

Appointment of Commission Members

- 3 Appoint individuals who will compose the members of the Commission based on agreed-upon Commission governance structure

Commission Establishment Timelines

This phase of work begins with the creation of a municipal service board (the Commission) and ends with the appointment of Commission members.



Commission Setup Overview

(Approx. 1 Year)

This phase includes work associated with getting the Commission ready to take on responsibility for transit services in the region, including establishing policies and processes, filling key roles, negotiating and executing transfer agreements

Appoint Leadership Team

- 1 Identify the Commission's GM and SLT and confirm the structure of the organization to begin filling roles

Develop Human Resources Plan and Negotiate with Bargaining Units

- 2 Develop a Human Resources and Change Management plan to guide all staff-related activities to setup Commission and begin negotiations with bargaining units

Fill Functional Roles

- 3 Develop job descriptions/postings for functional positions and fill roles

Establish Organizational Infrastructure and Policies

- 4 Develop key business infrastructure, policies, processes, and more required for day-one of service operations

Inaugural Strategic and Branding Plans

- 5 Undertake strategic and branding plan exercises to guide the work of all staff and leadership and begin building a unified image for transit in the region

Formalize Working Relationships with Partners

- 6 Begin development of formal working relationships with key partner organizations, including LAMs and Regional departments

Development of Transfer Agreements

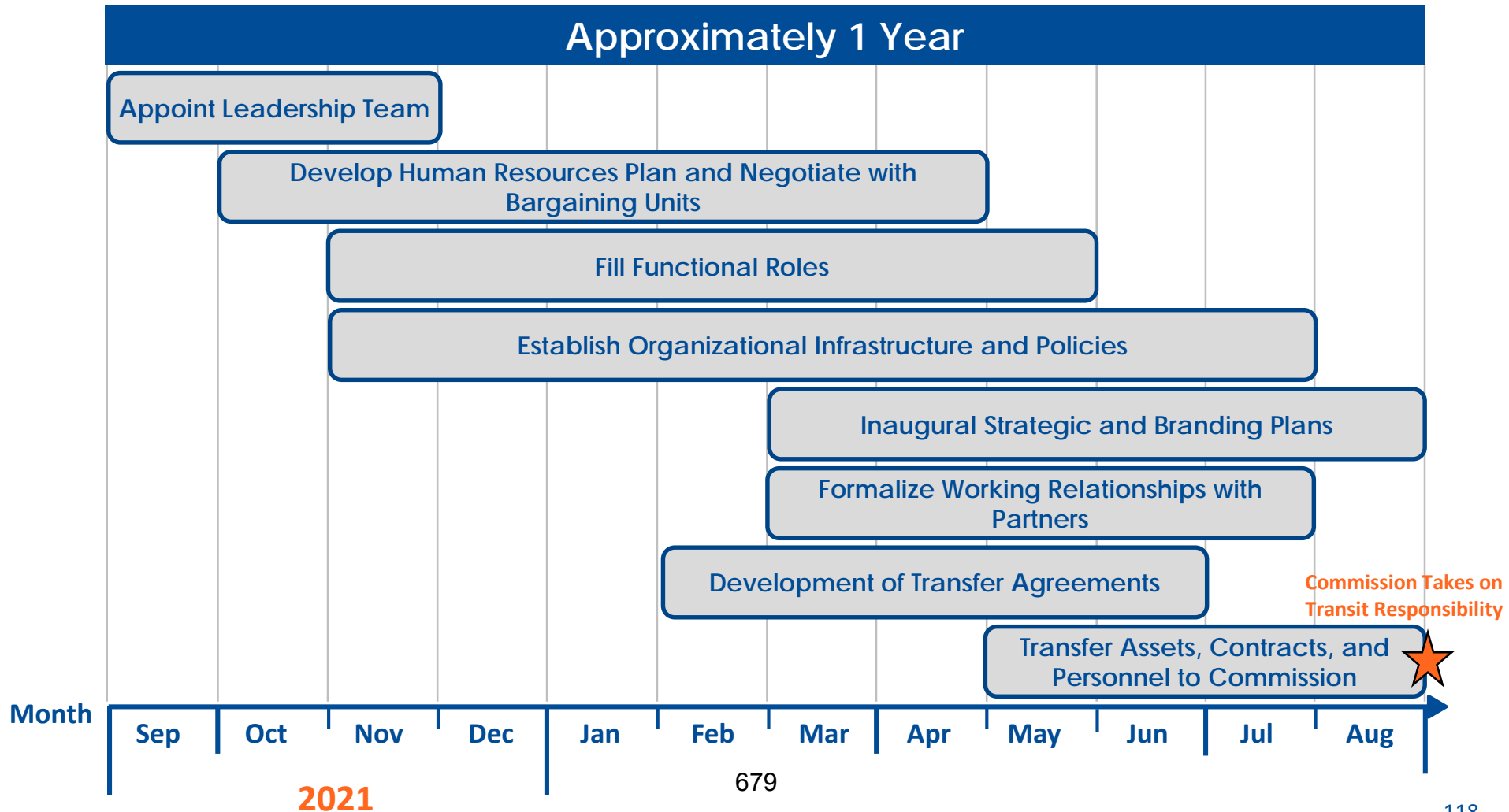
- 7 Formalize agreements between the Commission and existing transit entities detailing how assets, liabilities, and contracts will be transferred over to the Commission

Transfer Assets, Contracts, and Personnel to Commission

- 8 Transfer of transit related assets and liabilities, and personnel, to the Commission from LAMs and Region to officially take over responsibility for transit in Niagara

Commission Setup Timelines

This work begins with the appointment of a senior leadership team, involves all work associated with getting the Commission setup to take on responsibility for transit services in the region, and ends with the transferring of assets and resources to the Commission.



Service Launch Overview

(Years 1 and 2 of Operation)

This begins with the Commission officially taking on responsibility for transit services in the region and key activities for the first years of operation to ensure a smooth transition

Launch of Transit Services

- 1 The responsibility for transit services across Niagara is transferred to the new Commission, with service levels being maintained while the existing systems cease operations

Performance Monitoring and Improvement

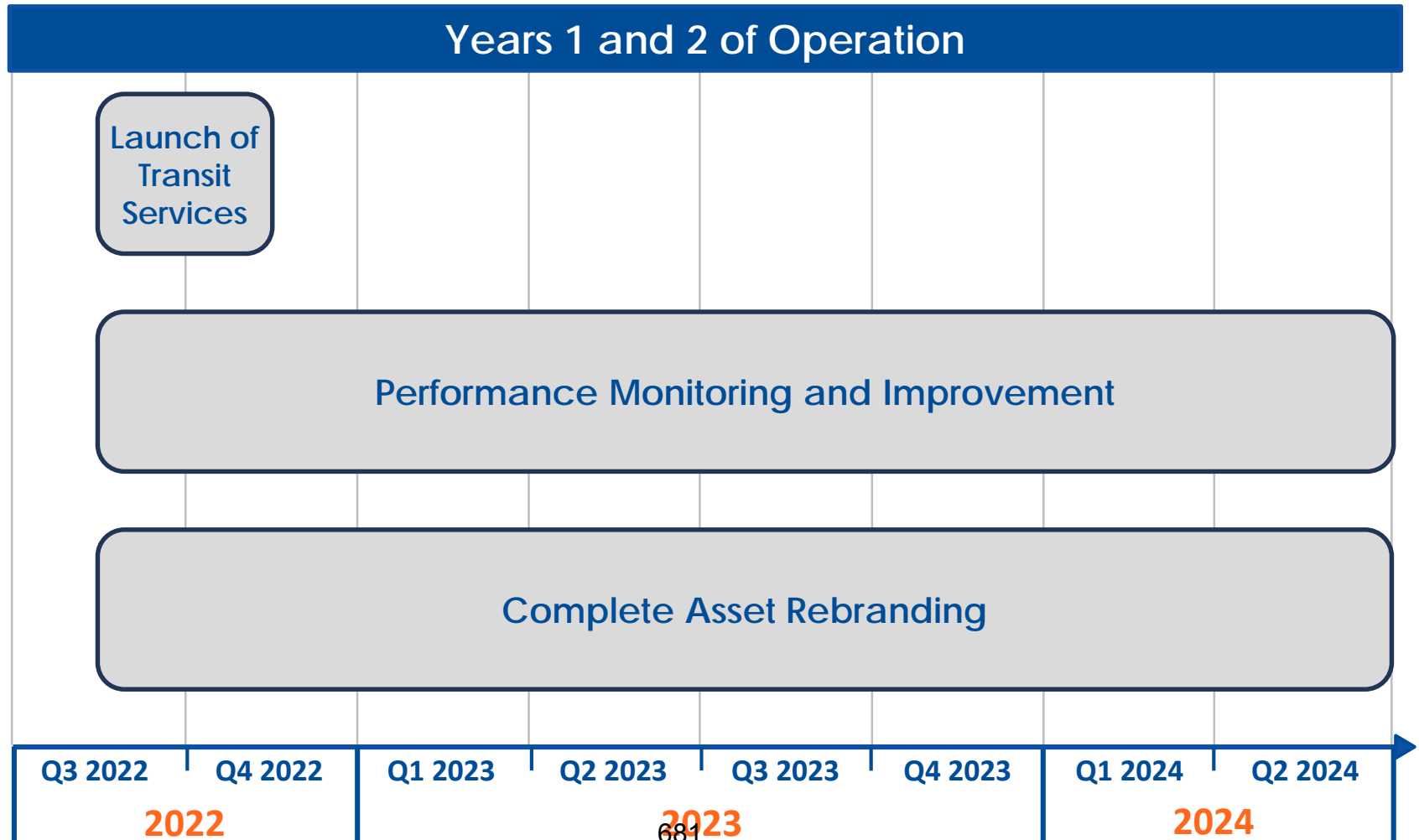
- 2 As the Commission takes on responsibility for transit services, performance monitoring is undertaken to ensure no interruption to service occurs. As the Commission stabilizes and the status quo starts to form, public engagement activities along with minor process and service enhancements are identified and implemented

Complete Asset Rebranding

- 3 Remaining assets will be modified to align with the Commission's brand

Service Launch Timelines

This begins with the Commission officially taking on responsibility for transit services in the region and key activities for the first 2 years of operation to ensure a smooth transition.



Enhancement and Growth Overview

(Year 3+ of Operations)

This phase includes longer-term activities that the Commission will undertake to continue developing its organization and planning for the future

Ongoing Monitoring, Reporting, and Enhancement

- 1 The Commission will continue to monitor and report on its successes and challenges, while continually building ties with the Region and LAMs to ensure alignment of priorities

Transit Service Planning

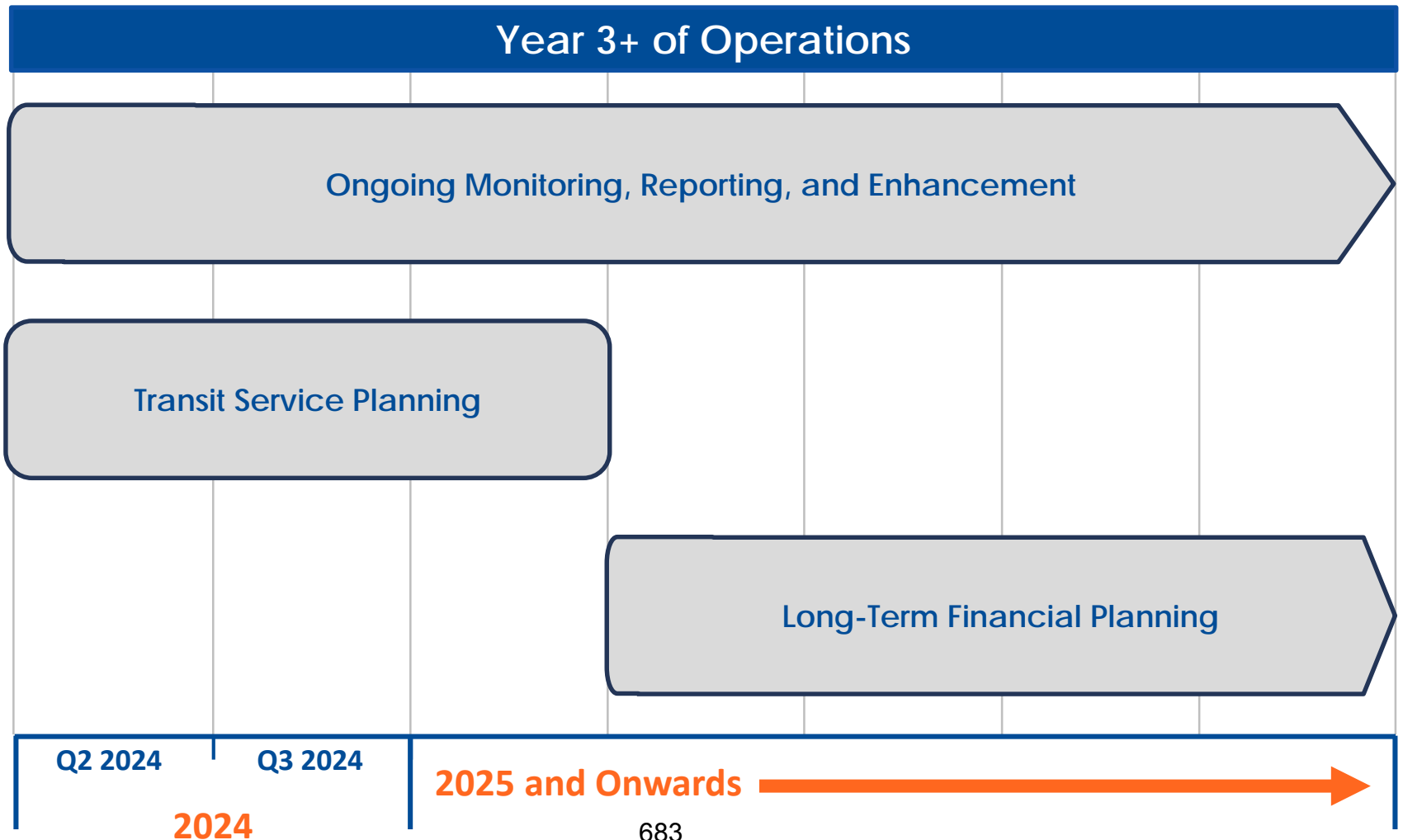
- 2 A long-term Transit Service Plan will be developed to guide the improvement and expansion of transit services in the Niagara Region

Long-Term Financial Planning

- 3 To support the expansion of services, the Commission will develop a long-term financial plan to maintain and increase funding to support priorities

Enhancement and Growth Timelines

This phase includes longer-term activities that the Commission will undertake to continue developing its organization and planning for the future.



→ Transition Plan

Transition Costs

Funding the Transition

Critical to the successful transition to the integrated transit model, and of particular relevance given the potentially long-term financial implications of COVID-19, is a clear understanding of the one-time costs of implementation and clarity on the sources of this funding.

Although not developed as part of this study, Regional staff are currently developing an initial funding model for the start-up budget of the Commission, that will strive for a fair and equitable funding baseline commensurate with the existing baseline services within each municipality. Following the initial start-up funding, subsequent transit investments are assumed to be funded through a single regional tax levy.

Upon its completion, this funding model will be provided alongside the recommendations contained in this report and all subsequent staff reports, so that decision makers have a comprehensive view of all considerations and implications of integrating transit in Niagara.

The following slides provide an overview of forecasted operating and capital transition costs.

Note: The provincial government recognizes that municipalities have sustained significant financial pressures as a result of the global pandemic, and in July 2020, announced it has secured one-time emergency assistance for Ontario's municipalities, the Safe Restart Agreement. Niagara Region has been able to secure funding through Phase 1, which is targeted at relieving immediate transit pressures, with potential for securing ongoing funding support in a second phase.



Cost Overview

The setup of the Commission includes one-time transition costs, such as branding, communications, stakeholder engagement, and program management. The types of costs associated with the transition and operation of the Commission are summarized by phase.

	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement Growth
Transition Team & Planning	✓	✓	✓		
One time start up costs		✓	✓	✓	
Operational costs before delivery	✓		✓		
Steady State of Operations*				✓	✓

The cost estimates provided are preliminary estimates provided for planning consideration. Given the complexity and unknown impact of the global pandemic, there could be fluctuations in these costs. The estimated total cost of transition is between **\$3,845,000 - \$4,955,000**. This includes:

- **Capital costs** are between \$1,670,000 to \$2,225,000;
 - Capital costs specific to the fare collection system are between \$5,000,000 and \$7,500,000, but will be borne regardless of integration
- **Operational costs** are between \$2,175,000 - \$2,730,000.

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*Note: Steady state operational costs have not been outlined within the transition plan as they will be determined by the Commission



Estimated Cost Summary: Capital

Transition costs include those one-time capital costs incurred to establish the Commission and its regular operations. A summary is provided below:

Item Category	Integration Approval Process	Commission Establish-ment	Commission Setup	Service Launch	Enhancement & Growth	Estimated Total Item Category Cost
Transit System Branding	n/a	n/a	\$400,000 to \$800,000	\$200,000	n/a	\$600,000 to \$1,000,000
Facility and Office Improvements	n/a	n/a	\$50,000 to \$100,000	n/a	n/a	\$50,000 to \$100,000
Transit Service Design	n/a	n/a	\$700,000	n/a	n/a	\$700,000
Technology & Equipment	n/a	\$275,000 to \$325,000	\$45,000 to \$100,000	n/a	n/a	\$320,000 to \$425,000
Estimated Total Phase Cost	\$0	\$275,000 to \$325,000	\$1,195,000 to \$1,700,000	\$200,000	\$0	\$1,670,000 to \$2,225,000



Fare Collection System

The Inter-Municipal Transit Working Group (IMTWG) has requested funding for the fare collection system through ICIP, the procurement of this system is proceeding in parallel and required for the success of the new governance structure.

Item Category	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Estimated Total Item Category Cost
Fare Collection System	n/a	n/a	n/a	\$5,000,000 to \$7,500,000	n/a	\$5,000,000 to \$7,500,000
Estimated Total Phase Cost	\$0	\$0	\$0	\$5,000,000 to \$7,500,000	\$0	\$5,000,000 to \$7,500,000



Estimated Cost Summary: Operating

Operational costs related to the transition have been summarized in the relevant categories below:

Item Category	Integration Approval Process	Commission Establishment	Commission Setup	Service Launch	Enhancement & Growth	Estimated Total Item Category Cost
Transit Integration Team	\$250,000 - \$370,000	\$40,000 - \$105,000	\$650,000 - \$900,000	n/a	n/a	\$940,000 - \$1,375,000
Legal Fees	\$80,000 - \$120,000	\$60,000 - \$100,000	n/a	n/a	n/a	\$140,000 - \$220,000
Public Consultation	\$10,000	\$10,000	\$15,000	\$150,000	n/a	\$185,000
Human Resources	n/a	n/a	\$510,000 - \$550,000	\$200,000	\$200,000	\$910,000 - \$950,000
Estimated Total Phase Cost	\$340,000 - \$500,000	\$110,000 - \$215,000	\$1,175,000 to \$1,465,000	\$350,000	\$200,000	\$2,175,000 - \$2,730,000



Transition Costs: Year over Year

The transition costs for both capital and operating budgets have been provided for the period 2021 - 2024:

Year	Cost	Integration Approval Process	Commission Establish-ment	Commission Setup	Service Launch	Enhance-ment & Growth	Estimated Total Cost	Estimated Total Annual Cost
2021	Operating	\$340,000 - \$500,000	\$110,000 - \$215,000	\$195,000 - \$245,000	n/a	n/a	\$645,000 - \$960,000	\$1,185,000 - \$1,585,000
	Capital	n/a	\$275,000 - \$325,000	\$265,000 - \$300,000	n/a	n/a	\$540,000 - \$625,000	
2022	Operating	n/a	n/a	\$980,000 - \$1,220,000	\$90,000	n/a	\$1,070,000 - \$1,310,000	\$2,150,000 - \$2,860,000
	Capital	n/a	n/a	\$930,000 - \$1,400,000	\$150,000	n/a	\$1,080,000 - \$1,550,000	
2023/ 24	Operating	n/a	n/a	n/a	\$260,000	\$200,000	\$460,000	\$510,000
	Capital	n/a	n/a	n/a	\$50,000	n/a	\$50,000	
Estimated Total Phase Cost		\$340,000 - \$500,000	\$385,000 - \$540,000	\$2,370,000 - \$3,165,000	\$550,000	\$200,000	\$3,845,000 - \$4,955,000	

→ Niagara Transit Governance
Study

In Summary



Report Wrap-Up

Key Highlights

Research into the benefits and feasibility of an integrated transit system in Niagara Region has been considered for several years, and has culminated in **this Niagara Transit Governance Study**.

A review of the current state of transit in Niagara and a forecast of demand for transit services over the coming 10 years has shown that there is a **significant opportunity to increase transit usage in Niagara**.

To determine how Niagara could best accommodate this future growth, **three potential transit governance model options were developed**, each one reflecting a different approach to integrating transit in the region.

Each potential model was assessed against key evaluation criteria, and ultimately, an **independent Full Commission Model was recommended** as it provides the greatest opportunity for success by bringing the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of Niagara.

In order to create this new Commission, a five-phased Transition Plan has been developed to guide implementation activities. It is expected that **this Commission will be operational by the end of 2022**, and there is opportunity to take advantage of government funding to support the cost of transition to the Commission model.



There is a Significant Opportunity to Increase Transit Usage in Niagara Region

By way of investments and harmonization of services and fares, transit under an amalgamated system is anticipated to become a more frequently used means of transportation in the region, with ridership outpacing the status quo.

How?

Transit ridership forecasts indicate a **latent demand for inter-municipal transit** travel, which can be capitalized on through improved inter-municipal and connections to GO Transit rail services.

By investing in targeted projects and services to grow the transit mode share throughout the region, **transit ridership region-wide could grow by over 80% by 2031 under an amalgamated transit service.**

It is anticipated that Niagara Region, like its peer jurisdictions will experience a **transit mode share growth of 30% to 130% within ten years of amalgamation.**

By 2031, **operating costs in the high growth scenario will increase by approximately 55% over the status quo.**

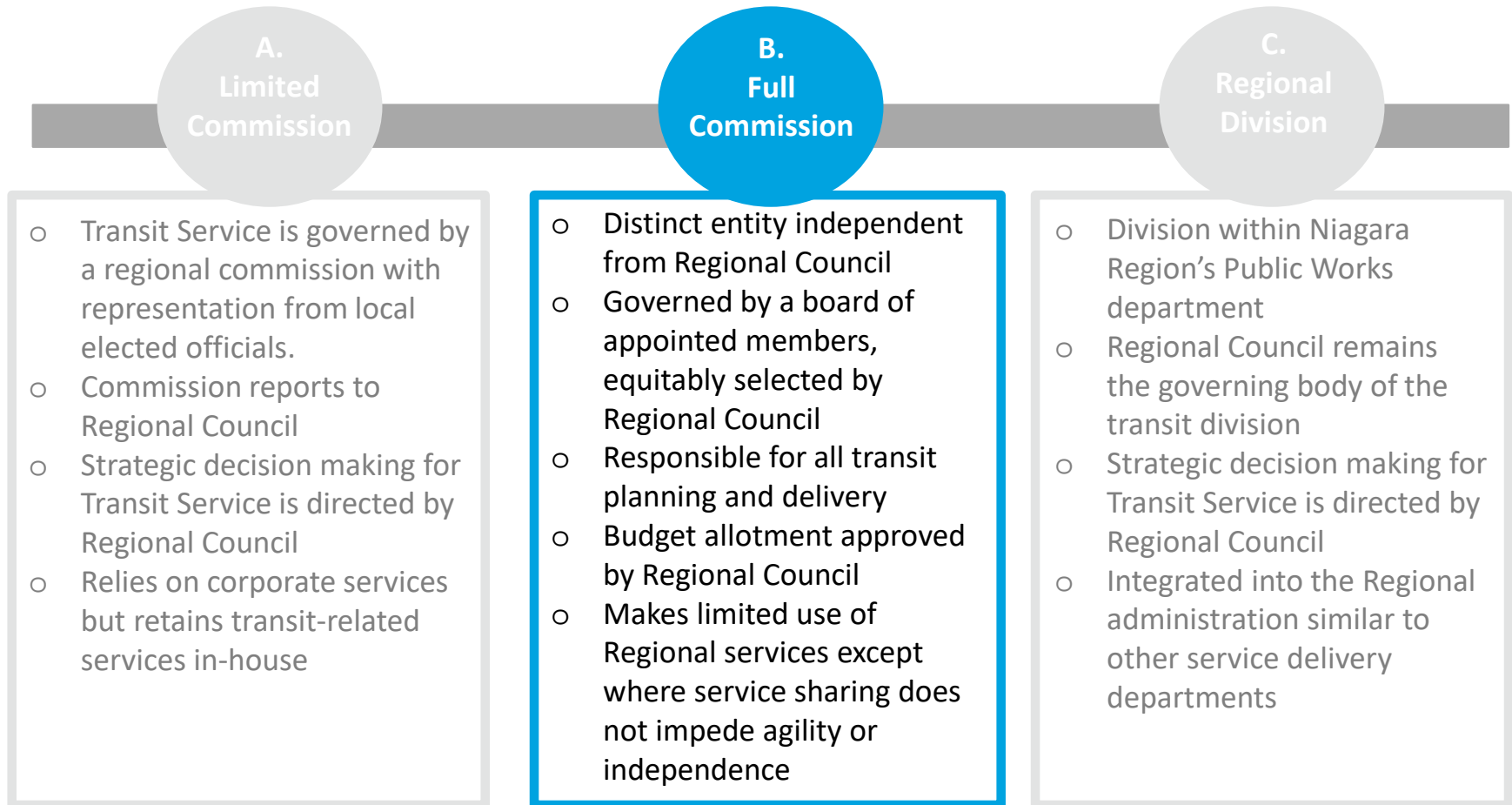
Capital investment of between \$70M and \$155M between 2021 and 2031 may be required to address service and demand growth. Provincial Gas Tax revenue could result in up to \$50M - \$80M in revenue over the same ten years. Over \$ 70M-worth of near- and mid-term projects have committed funds from the federal and provincial governments through ICIP.

An integrated single fare is critical to driving ridership growth and could be achieved in a way that is revenue-neutral if implemented progressively as ridership grows. While an integrated payment system and harmonized fare structure will be required at the start of service, a single fare region-wide can be implemented over time.

The COVID-19 pandemic presents an opportunity to look beyond the status quo, bring the transit systems in Niagara together, and build a new and improved service that takes capitalizes on current funding programs to see this forecasted ridership growth become a reality.

A Full Commission Model is Recommended

Analysis shows that a Full Commission model would be most effective:



The Full Commission model brings the right degree of autonomy and flexibility to innovate, drive growth, and meet the diverse and changing needs of the region

Follow a Sequenced Transition Plan

Creating a new entity is a complex and challenging undertaking that will require the coordination and support of many different stakeholders and will suffer should it lack the required resources.



The creation of a Regional Transit Commission will be transformative for Niagara, and its success is dependent on maintaining public and political support while transitioning services from the LAMs to create an effective regional network.



Guiding Principles for Transit

To achieve success, the new entity will need to make regionally focused decisions, aligned to the guiding principles, in order to ensure that growth in ridership, efficiency of operations, and improved service delivery are realised.

**Customer
Driven**

**Unconventional
Solutions**

Integrated

**Economically
Responsible**

Fair

Adherence to guiding principles will be a fundamental factor in ensuring the success of the integration and the future of transit in Niagara for the benefit of all.



SULLIVAN | MAHONEY LLP
LAWYERS

October 2, 2020

Reply to St. Catharines office
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Dear Sirs:

We have been requested to provide our opinion on matters related to the possibility of creating a Niagara Region Transit Commission to provide inter- and intra-municipal transit throughout the Regional Municipality of Niagara. The letter below addresses a brief history of ongoing developments in the creation of a Regional transit system, the need for a triple-majority in the uploading of lower-tier municipal powers and the creation of a Regional Transit Commission.

Facts

The Regional Municipality of Niagara is a Municipal Corporation pursuant to the provisions of the *Municipal Act, 2001*. Within the area of the Regional Municipality, there exists twelve (12) local area municipalities. The Region is termed an “upper-tier” municipality while the local area municipalities are captioned “lower-tier” municipalities.

The *Municipal Act, 2001*, Section 11, refers to “Spheres of Jurisdiction”. It then assigns those spheres of jurisdiction which are exclusive to the upper-tier municipality or some of them throughout Ontario. Subsection 11(3) provides, in part, that a lower-tier municipality and an upper-tier municipality may pass by-laws respecting matters within the listed spheres of jurisdiction, one of which is “transportation systems, other than highways”. Consequently, both

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Official Counsel

the lower-tier municipalities and the Regional Municipality of Niagara as an upper-tier municipality may pass by-laws for transportation systems.

The City of St. Catharines has a Transit Commission which was established pursuant to special Provincial legislation. The City of Niagara Falls formerly had a Transit Commission which was also established pursuant to special Provincial legislation; however, the Commission has been disbanded and Niagara Falls Transit operates now as a division of the Transportation department. The City of Welland Transit also operates as a municipal department. So far as we have been able to determine, it was created by the passage of a by-law or by-laws. The City of Thorold contracts transit service from the St. Catharines Transit Commission. Port Colborne contracts transit service from Welland Transit. Lincoln, Fort Erie, Pelham and Niagara-on-the-Lake operate their own local transit services through third-party private contractors authorized by by-law. Grimsby, Township of Wainfleet and Township of West Lincoln have no existing conventional transit service.

The Regional Municipality of Niagara has established inter-municipal specialized transit services for persons with disabilities pursuant to By-law No. 64-2004, being “A By-law to assume inter-municipal specialized transit services within the Regional Municipality of Niagara”. The Regional Municipality of Niagara has established an inter-urban transit system pursuant to By-law No. 2017-21, being “A By-law to establish an inter-municipal passenger transportation system in the Region of Niagara”. Those by-laws were passed pursuant to the provisions of the *Municipal Act, 2001* and were each subject to the condition that a triple-majority, described below, was achieved. It is our understanding that those conditions have been met, in both instances and consequently the Region has established a Niagara Region inter-municipal transit system serving several municipalities, and inter-municipal specialized transit services. In addition, the Region has recently established an inter- and intra-municipal transit service in the lower-tier municipalities of Grimsby, Lincoln and Pelham, by contract with those municipalities.

The Region is now considering the establishment of a Regional Transit Commission to provide inter-and intra-municipal transit services throughout the Regional Municipality of Niagara.

Transfer of Powers Between Lower and Upper Tiers

The provisions of the *Municipal Act, 2001* provide for the “transfer of powers between tiers”. Specifically, subsection 188(1) defines “Lower-Tier Power” and “Upper-Tier Power”. Public transportation systems, other than highways, are defined as both a “Lower-Tier Power” and an “Upper-Tier Power”.

Subsection 189(1) provides that “an Upper-Tier Municipality may pass a by-law to provide for:

- (a) The transfer of all or part of a Lower-Tier Power to the Upper-Tier Municipality from one or more of its lower-tier municipalities which are specified in the by-law; and
- (b) Transitional matters to facilitate the assumption of the Lower-Tier Power.”

Subsection 189(2) imposes conditions which are required to be met before a by-law to provide for the transfer of a Lower-Tier Power to an Upper-Tier Municipality may come into force. Those conditions are as follows:

- (a) “A majority of all votes on the Council of the upper-tier municipality are cast in its favour;
- (b) A majority of the Councils of all the lower-tier municipalities forming part of the upper-tier municipality for municipal purposes have passed resolutions giving their consent to the bylaw; and
- (c) The total number of electors in the lower-tier municipalities that have passed resolutions under clause (b) form a majority of all the electors in the upper-tier municipality.”

Consequently, in order to transfer the Lower-Tier Power of public transportation systems to the upper-tier municipality, it will require a by-law passed by the Regional Municipality of Niagara subject to the conditions listed above.

The by-law to transfer the power from the lower-tier municipalities to the upper-tier municipality may come into effect upon receipt of the Triple-Majority or, it may come into effect, after obtaining the Triple-Majority, at a date specified in the by-law.

Legal Process for Establishing a Regional Transit Commission

We have been asked for confirmation on the proposed process for establishing the Commission and how consent is to be achieved from the local area municipalities (Lower-Tier).

We have described above the manner in which the transfer of the Lower-Tier Power of public transportation systems, other than highways, to the upper-tier municipality must occur. Once the power to establish a transit system has been effected pursuant to the provisions of subsections 189(1) and (2), the Region is then in a position to determine the manner in which it will operate the transit system. Section 196 of the *Municipal Act, 2001*, provides to a municipality to establish a “Municipal Service Board”. Section 197 of the *Municipal Act, 2001*, provides, in part, that a Municipal Service Board is a body corporate unless the municipality provides otherwise when establishing the board. It also provides a Municipal Service Board is an agent of the municipality and is a local board of the municipality for all purposes.

Section 198 of the *Municipal Act, 2001* describes the functions of Municipal Service Boards and provides that a municipality may give a Municipal Service Board the control and management of such services and activities of the municipality as the municipality considers appropriate and shall do so by delegating the powers and duties of the municipality to the board in accordance with the *Municipal Act, 2001*.

The *Municipal Act, 2001*, subsection 203(1) authorizes a municipality to establish a corporation.

In our opinion, the appropriate methodology to create a Transit Commission for the operation of the Regional transit system is pursuant to the provisions of Sections 195, 196 and 197, which

permits the creation of a Municipal Service Board. Having transferred the Lower-Tier Power to operate a public transportation system other than highways, through the obtaining of the “Triple-Majority” described above, it is not necessary to obtain a Triple-Majority with respect to the creation of the Commission. No additional consent is required from the lower-tier municipalities to operate intra-municipal transit routes. No further approvals should be required.

As noted above, the Region has, through the “Triple-Majority” process, already transferred the power to operate inter-municipal specialized transit services within the Regional Municipality of Niagara for persons with disabilities.

Securing the Exclusive Right to Operate Public Transit in Niagara

The intent of the proposed by-law is to transfer power relating to public transportation systems from the lower-tier municipalities to the Region with the exception of GO Transit and WEGO, which will continue to operate independently of the Regional Commission.

The *Municipal Act, 2001* addresses the process by which the Region may secure exclusive rights to operate public transit in Niagara, with the exception of GO Transit and the WEGO system. The ability to secure exclusive rights is provided in subsection 190(1) and 69(2).

Subsection 190(1) provides as follows:

“When a by-law passed under Section 189 comes into force,

- (a) the upper-tier municipality may exercise the transferred lower-tier power of the lower-tier municipalities specified in the by-law;
- (b) The lower-tier municipality specified in the by-law and its local boards are bound by the by-law and no longer have the power to exercise the transferred Lower-Tier Power; (emphasis added)
- (c) An existing by-law or resolution of the lower-tier municipality and its local boards that relate to the transferred lower-tier power shall to the extent it applies in any part of lower-tier municipality, be deemed to be a by-law or resolution of the upper-tier municipality; and
- (d) The existing by-law or resolution referred to in clause (c) shall remain in force in that part of the lower-tier municipality until the earlier of two (2) years after the transfer by-law comes into force and the day the existing by-law or resolution is repealed by the upper-tier municipality.”

The effect of subsection 190(1)(b) is that, upon the passing of the by-law, the lower-tier municipalities will lose the ability to exercise any power related to public transportation systems. By-laws and resolutions of the lower-tier municipality regulating the transit service then become by-laws and resolutions of the upper-tier municipality. The upper-tier municipality then has a

period of two (2) years in which to replace the lower-tier by-laws and resolutions with its own by-laws.

The *Municipal Act, 2001* subsection 69(2) provides:

“A municipality that has authority to establish, operate and maintain a type of passenger transportation system may,

- (a) By by-law provide that no person except the municipality shall establish, operate and maintain all or any part of a passenger transportation system of that type within all of the municipality or that area of the municipality designated in the by-law; and
- (b) Despite section 106 and any by-law under clause (a) enter into an Agreement granting a person the exclusive or non-exclusive right to establish, operate or maintain all or any part of a passenger transportation system of that type within all of the municipality or that area of the municipality designated in the Agreement under such conditions as the municipality provides, including a condition that the municipality pay any deficit incurred by the person in establishing, operating and maintaining the system.”

Subsection 69(2)(a) provides authority for the municipality to prohibit anyone, other than the municipality, whether public or private, from establishing, operating or maintaining all or any part of a passenger transportation system of the same type within the municipality.

In order that a by-law passed under subsection 69(2)(a) not affect WEGO’s ability to operate, the Region should enter into an Agreement with WEGO pursuant to subsection 69(2), to permit WEGO to continue to operate.

Approval of a Financial Model to Fund the New Transit Commission

In our opinion, there is no further requirement to obtain a Triple-Majority vote on the Commission’s financial model once the power has been transferred.

As noted above, we have recommended the establishment of the Regional Transit Commission as a Municipal Service Board, pursuant to subsection 196(1). Subsection 196(1)(1) specifically authorizes a municipality to establish a Municipal Service Board and to provide for matters such as the name, composition, quorum and budgetary process of the Board.

Implications for Existing Public Vehicle Licences

We are informed that as Niagara Region Transit services are contracted to the transit systems of Niagara Falls, St. Catharines and Welland, the Region does not hold any public vehicle licences. We believe that the St. Catharines Transit Commission, the Niagara Falls Transit Commission and the Welland Transit Commission hold public vehicle licences as their buses service routes beyond the lower-tier municipality boundary.

The *Public Vehicles Act*, R.S.O. 1990, c.P.54, ("*Public Vehicles Act*") requires the operators of public vehicles to have an operating licence. The definition of "Public Vehicle" explicitly provides that it does not include "motor vehicles operated solely within the limits of one local municipality". The public vehicles act defines the term "Local Municipality" as not including a municipality that had the status of a Township on December 31, 2002 and, but for the enactment of the *Municipal Act, 2001*, would have had the status of a Township on January 1, 2003." Further, the *Municipal Act, 2001*, defines "Local Municipality" as "a single-tier municipality or a lower-tier municipality".

The above review leads us to conclude that those local municipalities which have public vehicle licences do so because some of their routes extend into other municipalities.

It is our opinion that upon the passage of the proposed by-law to transfer the power relating to public transportation systems to the Region, public vehicles licences will be required, as the public vehicles would be operated beyond the respective limits of the lower-tier municipalities. As noted above, we have been informed that Niagara Region Transit does not currently have any public vehicle licences. As a result, the Commission would need to obtain new public vehicle licences for the public vehicles which will be operated in inter-municipal routes. Moreover, the licences currently held by the lower-tier municipalities, or their Transit Commissions, will be required to be transferred to the Regional Commission.

The *Public Vehicles Act*, subsection 7(1) provides that a licence may only be transferred with the permission of the Ontario Highway Transfer Board. The process for the transfer of such licences is outlined in Section 7 and Ontario Regulation 982.

Yours very truly,

SULLIVAN, MAHONEY LLP

Per:



Thomas A. Richardson, C.S.
Thomas Richardson Legal
Professional Corporation



Andrea M. Mannell

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**THE REGIONAL MUNICIPALITY OF NIAGARA
LINKING NIAGARA TRANSIT COMMITTEE
MINUTES**

LNTC 3-2020

Wednesday, October 21, 2020

Council Chamber / Video Conference

**Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee Members Present in the Council Chamber: M. Siscoe (Municipal Councillor - St. Catharines) (Committee Chair), M. Robinson, Director, GO Implementation Office

Committee Members Present via Video Conference: Campion (Mayor - Welland), Redekop (Mayor - Fort Erie), Sendzik (Mayor - St. Catharines), Fertich (Regional Councillor), C. Dabrowski (Municipal Councillor - Niagara Falls), G. Miller (Municipal Councillor - St. Catharines), L. Van Vliet (Municipal Councillor - Welland) (Committee Vice-Chair), S. Chemnitz, Chief Administrative Officer (City of St. Catharines), K. Todd, Chief Administrative Officer (City of Niagara Falls), R. Tripp, Acting Chief Administrative Officer (Niagara Region), S. Zorbas, Interim Chief Administrative Officer (City of Welland)

Absent/Regrets: Ip (Regional Councillor)

Staff Present in the Council Chamber: H. Chamberlain, Deputy Treasurer/Director, Financial Management & Planning, S. Fraser, Transportation Lead, S. Guglielmi, Technology Support Analyst, A.-M. Norio, Regional Clerk, H. Talbot, Financial & Special Projects Consultant, B. Zvaniga, Interim Commissioner, Public Works

Staff Present via Video Conference: C. Lam, Program Financial Analyst, R. Salewytch, Transit Service Planning Coordinator, L. Tracey, Project Coordinator, GO Implementation, M. Trennum, Deputy Regional Clerk

Others Present via Video Conference: C. Briggs, St. Catharines Transit Commission, G. Morrison, St. Catharines Transit, T. Price, Niagara College, R. Rehan, Brock University Student Union, D. Stuart, Niagara Falls Transit.

1. CALL TO ORDER

Committee Chair M. Siscoe called the meeting to order at 2:02 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. **PRESENTATIONS**

3.1 **Niagara Transit Governance Study - Final Report**

Matt Robinson, Director, GO Implementation Office, provided introductory remarks respecting the Niagara Transit Governance Study.

Brendan McIlhone, Optimus SBR, Yuval Grinspun, & Eric Gillespie, Left Turn, Right Turn, provided information respecting the Niagara Transit Governance Study - Final Report. Topics of the presentation included:

- Project Overview
- The Case for Integration
- Current State and Leading Practices
- Forecasting the Future
- Model Options, Analysis
- Recommendation: Full Commission Model
- Commission Composition
- Transitioning to the Commission
- Funding Model

Heather Talbot, Financial and Special Projects Consultant, and Scott Fraser, Transportation Lead, Niagara Region, provided information respecting the Niagara Transit Governance Study - Final Report: Funding Model & Next Steps. Topics of the presentation included:

- Financial Strategy
- Transition to Regional Levy
- Asset Transfer
- Summary
- Recommendations and Next Steps

Councillor Information Request(s):

Provide information respecting the net taxpayer redistribution from the local area municipal levies to the regional levy. Councillor Redekop.

4. **DELEGATIONS**

There were no delegations.

5. **ITEMS FOR CONSIDERATION**

5.1 **LNTC-C 4-2020**

Niagara Transit Governance Study

Moved by Councillor Campion

Seconded by Councillor Fertich

That Report LNTC-C 4-2020, dated October 21, 2020, respecting Niagara Transit Governance Study, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Linking Niagara Transit Committee **SUPPORTS** the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than March 31, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than March 31, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

The following friendly **amendment** was accepted by the Committee Chair, and the mover and seconder of the motion:

2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than ~~March 31, 2021~~ **February 28, 2021**; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than ~~March 31, 2021~~ **February 28, 2021**, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

The Committee Chair called the vote on the motion, as amended, as follows:

That Report LNTC-C 4-2020, dated October 21, 2020, respecting Niagara Transit Governance Study, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Linking Niagara Transit Committee **SUPPORTS** the Full Commission as the recommended governance model for the consolidation of Niagara's public transit system;
2. That Report LNTC-C 4-2020 **BE FORWARDED** to the Clerks of Niagara's twelve (12) local area municipalities and that they **BE REQUESTED** to have the Council's of the twelve (12) local area municipalities consider the resolution outlined in Appendix 1 to Report LNTC-C 4-2020, advising the Regional Clerk of any municipal feedback, no later than February 28, 2021; and
3. That Council **DIRECT** staff to undertake an assessment of the proposed resolution outlined in Appendix 1 to Report LNTC-C 4-2020 and **REPORT BACK** to the Public Works Committee, no later than February 28, 2021, evaluating the expected impacts to Niagara Region Transit, Niagara Specialized Transit, Niagara Region Transit OnDemand, and the Regional tax levy from the proposed resolution.

Carried

5.2 LNTC-C 5-2020

2021 Linking Niagara Transit Committee meeting schedule

Moved by G. Miller

Seconded by Councillor Campion

That Correspondence Item, LNTC-C 5-2020, being a memorandum from A.-M., Norio, Regional Clerk, dated October 21, 2020, respecting 2021 Linking Niagara Transit Committee meeting schedule, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the Linking Niagara Transit Committee meetings **BE HELD** on Wednesdays at 2:00 p.m. on the following dates in 2021:

February 3, February 24, March 31, April 28, June 2, June 30, July 28, September 1, September 29, October 27, and November 24.

Carried

6. CONSENT ITEMS FOR INFORMATION

6.1 LNTC 2-2020

Linking Niagara Transit Committee Minutes - March 4, 2020

Moved by Councillor Sendzik

Seconded by Councillor Campion

That Report LNTC 2-2020, being the minutes of the Linking Niagara Transit Committee meeting held on March 4, 2020, **BE RECEIVED** for information.

Carried

7. OTHER BUSINESS

There were no items of other business.

8. NEXT MEETING

The next meeting will be held on Wednesday, November 25, 2020 at 2:00 p.m. in the Council Chamber.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 4:25 p.m.

Mat Siscoe
Committee Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk

Niagara Region Transit On-Demand - Update

Public Works Committee
PW 46-2020

November 10, 2020

Robert Salewytsch, Program Manager, Transit Services
Leah Lane, Planning Analyst, Transit Services

Niagara Region Transit On-Demand

Update Presentation to Public Works Committee
November 10, 2020

Robert Salewytsch – Program Manager – Transit Services, Niagara Region

Leah Lane, Planning Analyst, Transit Services, Niagara Region

**MOVING
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FORWARD**

CONNECTING MORE PEOPLE TO MORE POSSIBILITIES

710

Niagara Region

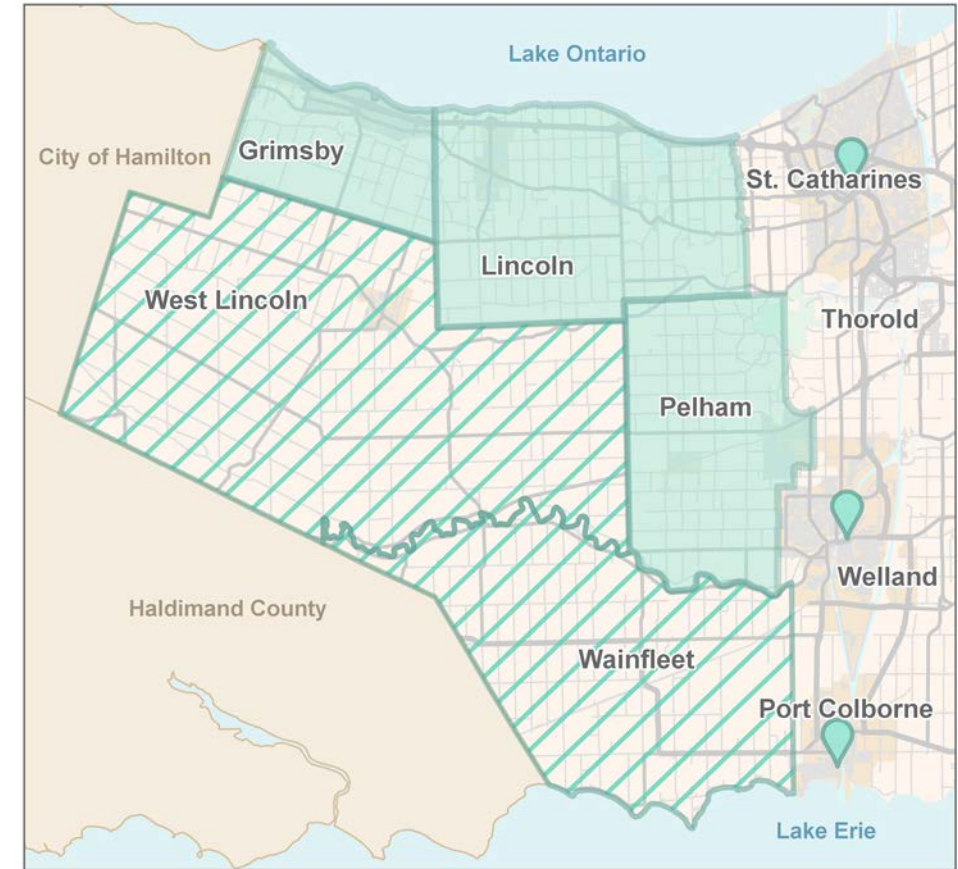
Agenda

- Background
- Pilot Objectives
- Promotional Efforts
- Community Engagement
- Ridership Statistics
- Operational Changes/Improvements
- Reporting Frequency



Background

- Municipal Contributors:
 - Grimsby, Pelham and Lincoln
- 12 month pilot with option to extend for another 12 months
- August 17th Launch Date
- Inter **and** intra-municipal trips
 - Grimsby, Lincoln, Pelham
- Inter-municipal trips **only**
 - Wainfleet and West Lincoln
- Connections to nearest transit hubs



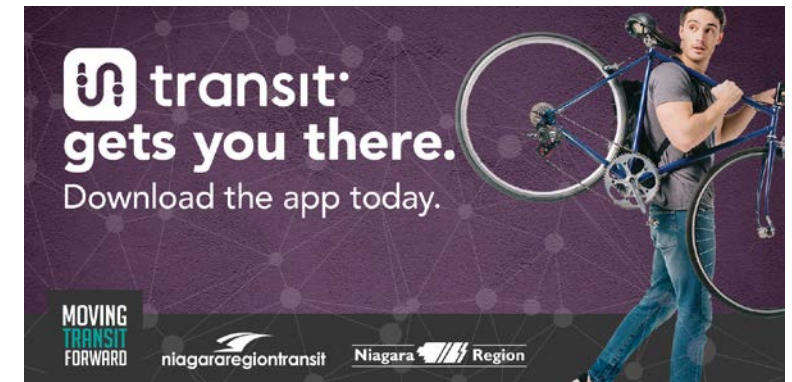
Background

- Service Hours: 7 a.m. – 10 p.m.
- Fare Structure:
 - \$3.00 for intra-municipal
 - \$6.00 for inter-municipal
 - NRT Transfer tickets
- Maximum 1 hour wait time and maximum 20 minute detour time
- 7-10 vehicles (+1 spare)
 - *3 Wheelchair Accessible Vehicles (WAV's)
 - 7 vehicles with bicycle racks
- COVID-19 Policy



Pilot Objectives

- Assess Via's software for on-demand service
- Balance customer satisfaction with service parameters
- Maximize coverage areas – access for everyone with increased connectivity
- Ensure cost containment
- Strong service utilization
- Assess potential to include specialized transit



Promotional Efforts

- Newspaper advertising
 - Grimsby's News Now and The Voice of Pelham
- Social Media
 - Niagara Region Twitter and Facebook
 - Paid advertising on Facebook and Instagram by Via Mobility
- Advertising Campaign
 - Promotions on Spotify
- Media / Public Relations
 - Media events in Grimsby, Lincoln and Pelham
 - Media coverage and interviews with local agencies
- Print media
 - Postcards and posters were distributed throughout West Niagara



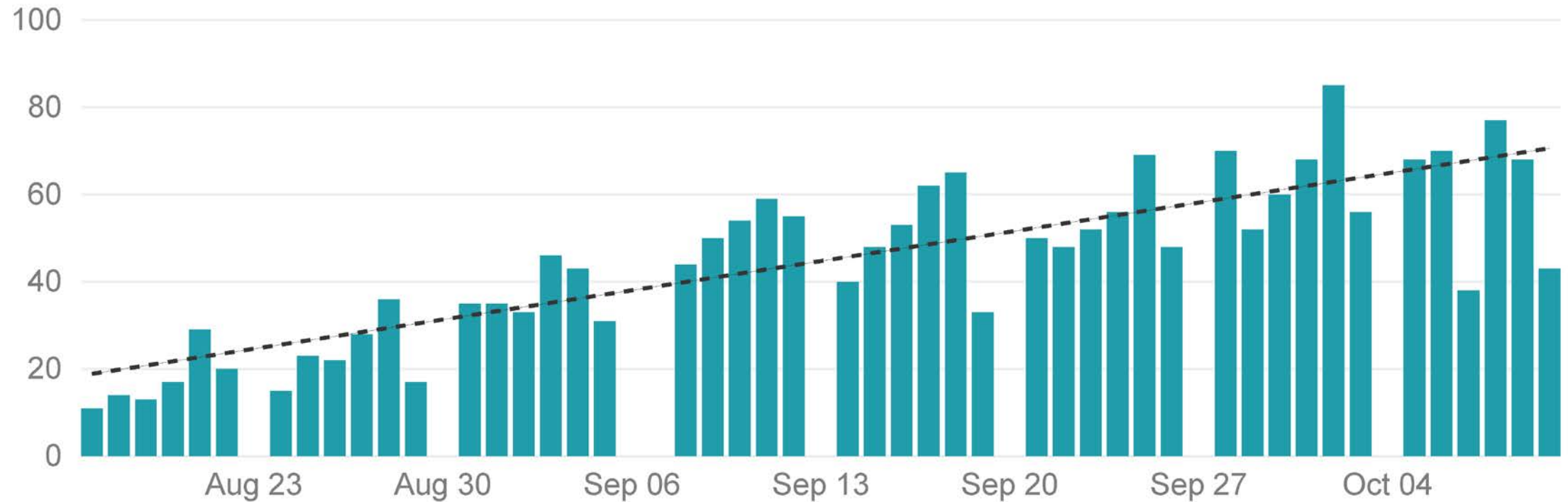
Community Engagement

- Regional and Local Collaboration
- Community engagement
 - Foodbanks
 - Employment centres
 - Long-term care facilities
 - Secondary schools
- BIA Engagement
 - Local business partnerships
 - Festival and event promotional opportunities

Ridership Statistics

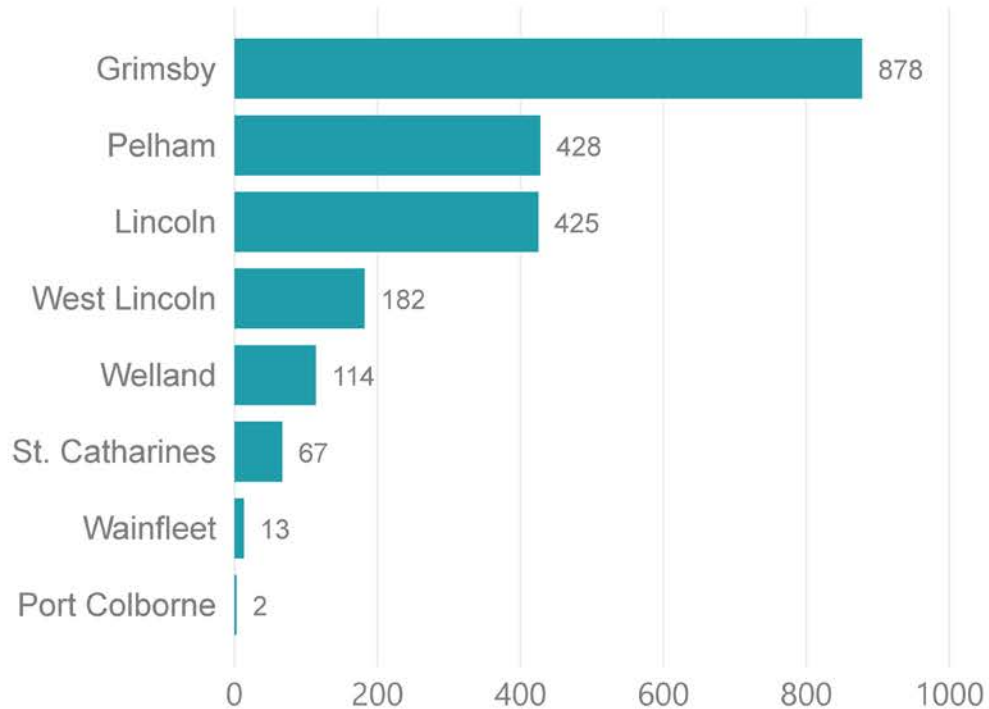
All graphics were generated using data from August 17th to October 10th , 8 full weeks of service.

Ridership

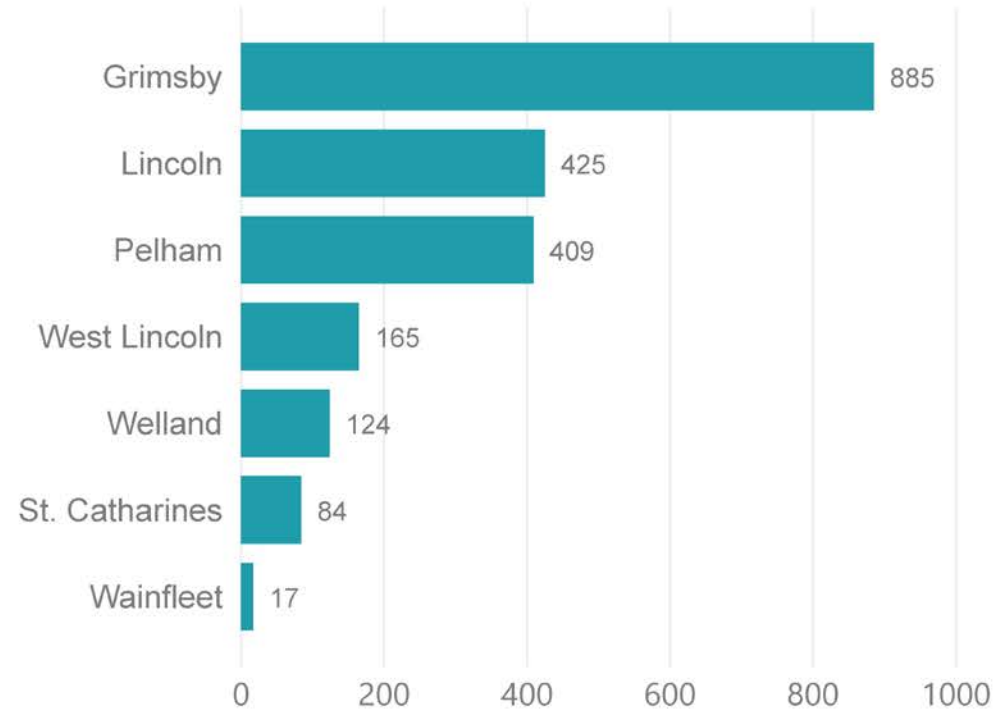


Ridership Statistics

Origin Municipality

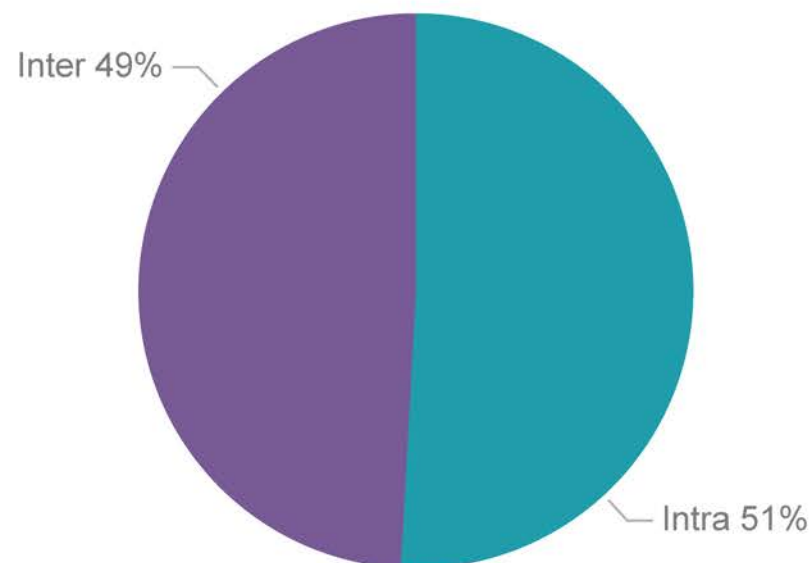


Destination Municipality

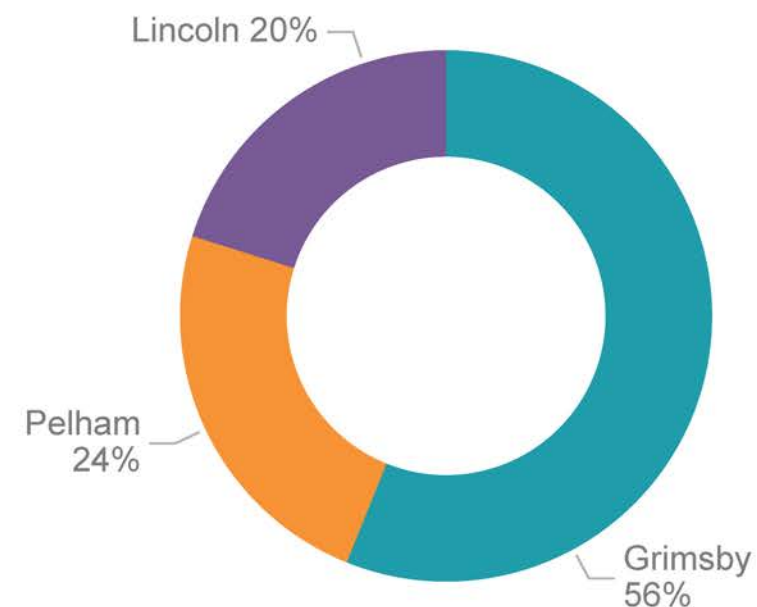


Ridership Statistics

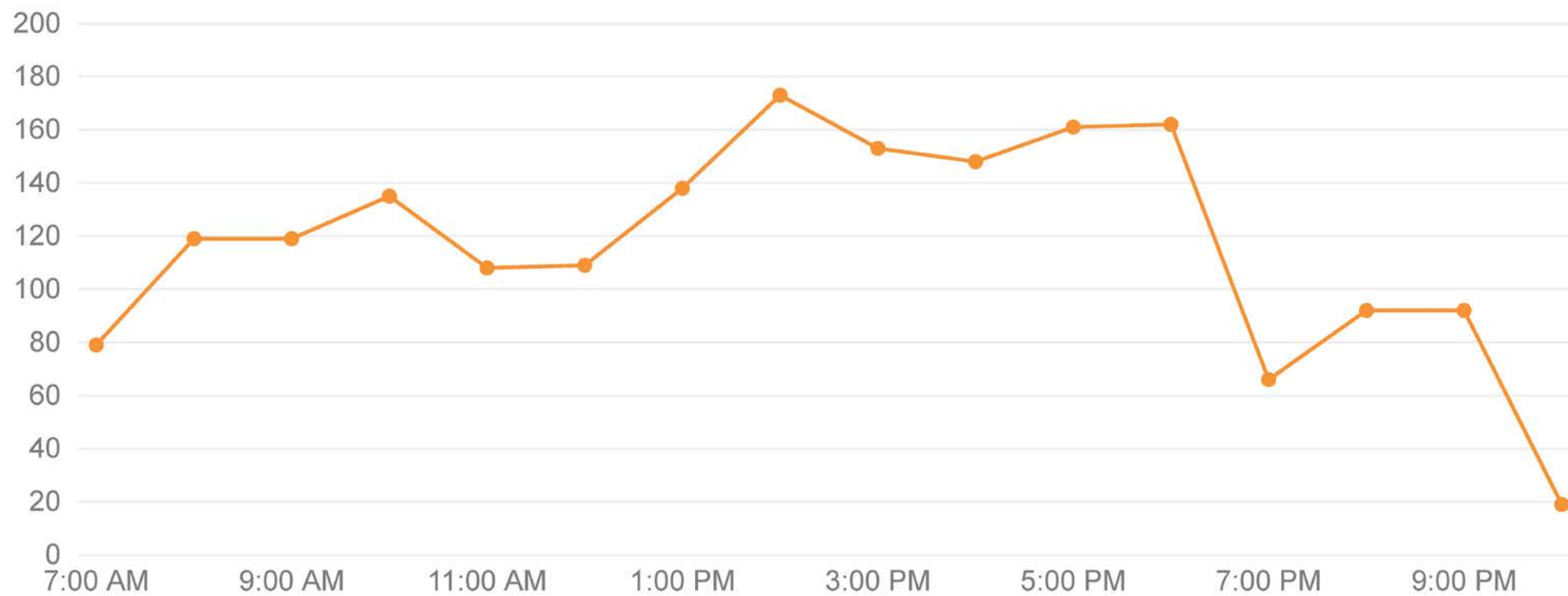
Inter vs. Intra-Municipal Trips



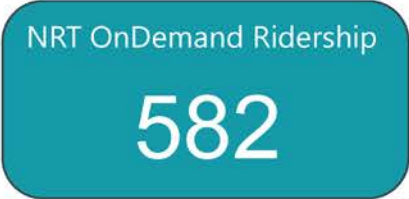
Intra-Municipal Trips



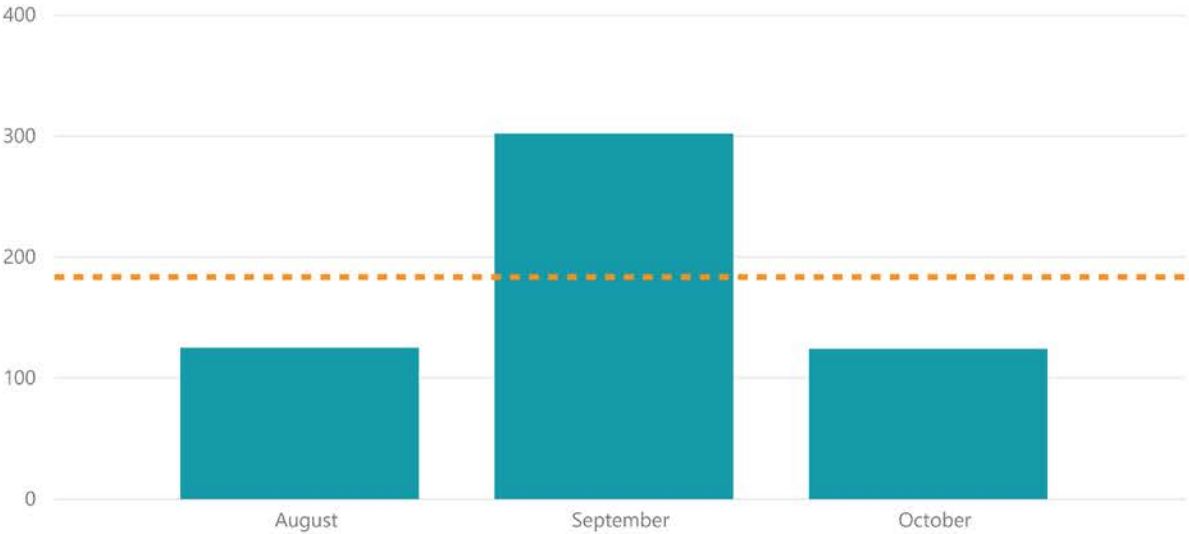
Ridership Statistics – Time of Day



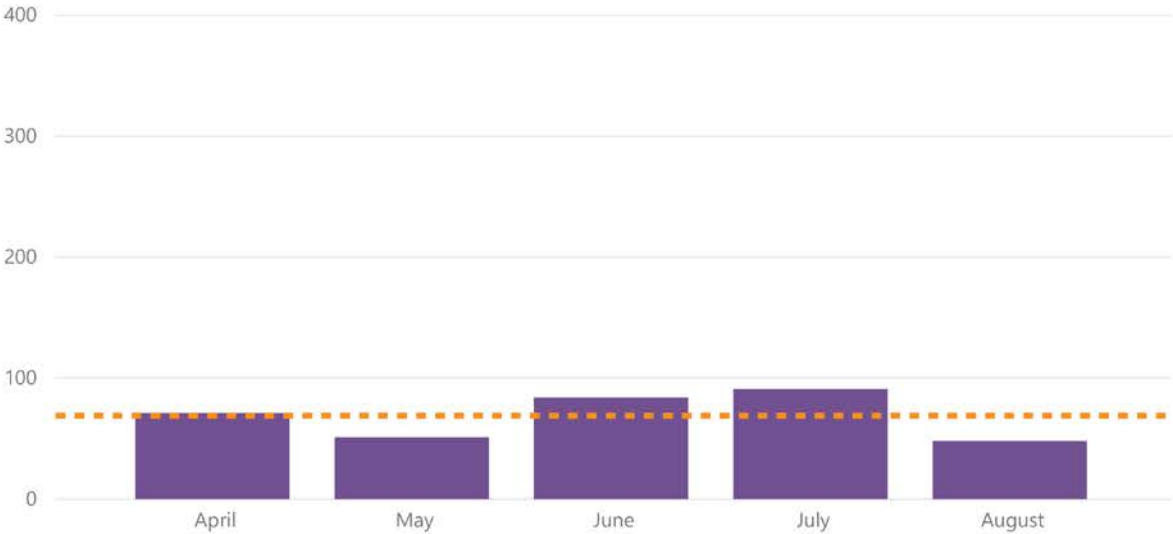
Ridership Statistics – NRT OnDemand vs. Pelham Transit



NRT OnDemand Ridership - August 17th - October 10th 2020



Pelham Transit Ridership - April - August 2020



Ridership Statistics – NRT OnDemand vs. uLinc

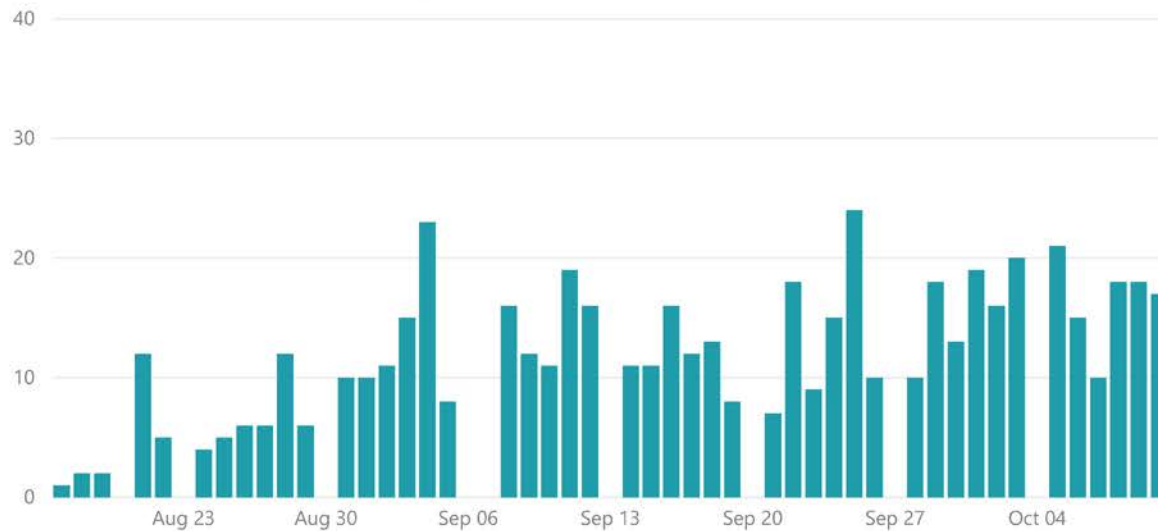
NRT OnDemand Ridership

634

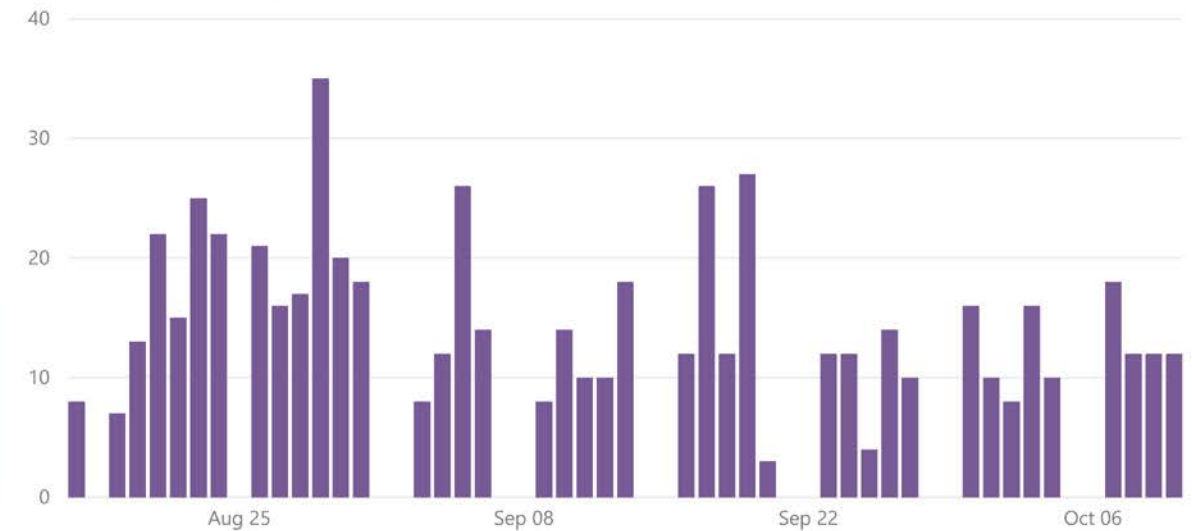
uLinc Ridership

605

NRT OnDemand Ridership - August 17th - October 10th 2020



uLinc Ridership August 17th - October 10th 2019



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Niagara  Region

Operational Changes/Improvements

- Potential for improved and/or additional connections
 - More direct connections between West Niagara municipalities and existing transit hubs
 - Hospitals
 - Winona Crossing Shopping Centre
- Expanded Service Area
 - Niagara-on-the-Lake – Approved – November Launch
 - Thorold
 - Fort Erie
- Web portal for bookings
 - Currently in development

Reporting Frequency

- Public Facing Dashboard
 - Daily updates - TBD
- Local Partners
 - Monthly report of service metrics
- Public Works Committee
 - November 10, 2020
 - January 2021

Questions?

Robert Salewytsch

Program Manager, Transit Services

GO Implementation Office

Robert.Salewytsch@niagararegion.ca

905-980-6000, ext. 3232

Subject: NRT OnDemand - Update

Report to: Public Works Committee

Report date: Tuesday, November 10, 2020

Recommendations

1. That Report PW 46-2020 **BE RECEIVED** for information; and
2. That Report PW 46-2020 **BE CIRCULATED** to the municipalities of Pelham, Lincoln, Grimsby, West Lincoln and Wainfleet for information.

Key Facts

- The purpose of this report is to provide an update on the NRT OnDemand pilot service reflecting its first two months of operation.
- NRT OnDemand launched in West Niagara on August 17, 2020 with a second deployment area in Niagara-on-the-Lake targeted for a November 23, 2020 launch.
- Initial estimates indicate that the pilot program is on track to remain within budget.
- In the first two months of service, the program has seen significant growth in ridership and increased connectivity for the residents of West Niagara.
- A public-facing dashboard is being developed to enable transparency and will soon be available through the Region's website.
- A reporting timeline has been established to ensure that staff can execute the will of Council with respect to the potential renewal of the contract.

Financial Considerations

Over the first two months of service, the service is on track to stay within the approved operating budget based on 8 months of operation (May through December) of \$1,604,688 gross budget cost and \$1,521,013 net budget cost after fare revenue inclusion. This success can partially be credited to the decision to pay an hourly rate instead of a per trip rate as was done in the Niagara Specialized Transit contract. It should also be noted that as the service becomes more popular and more rides are taken, there is the potential that the service could finish under budget due to higher than forecasted revenues.

Pilot Objectives

In the presentation to Public Works Committee on July 14, 2020, staff shared its intended goals for the NRT OnDemand pilot. For ease of reference, these have been restated below and additional context provided.

1. Assess to Via Mobility's software for an on-demand service – there are two components of this assessment. The first is whether Via is able to provide the type of service that was requested per the terms of the service agreement. Additionally, various service metrics, including but not limited to Cost per Trip, Vehicle Utilization and On-time Performance, will be measured and compared to existing contracted/similar services such as Niagara Specialized Transit.
2. Balance customer satisfaction with service parameters – the assessment of this goal will be partially anecdotal and partially based on the Driver/Ride rating submitted by the riders at the end of their trips. Staff will review the overall ratings with the subjective/anecdotal comments received from riders and staff at the local municipalities.
3. Maximize coverage areas and increase connectivity to provide access for everyone – this particular goal will only be fully applicable to the West Niagara service area and not the newly added Niagara-on-the-Lake service area due to the extremely different nature of the service areas. West Niagara covers entire municipal boundaries; whereas Niagara-on-the-Lake opted for a limited service area leaving areas such as St. David's and Queenston without access to the service. However, in both cases, staff will compare inter- versus intra-municipal trips as well as review origin and destination trip patterns.
4. Ensure cost containment – ensuring that the service stays within the approved budget is a priority for this pilot. NRT OnDemand utilizes a fixed per hour rate which allows for a set number of service hours thus ensures greater budget certainty. Whereas, the NST service utilizes a per trip pricing structure which has, in past years, created budget pressures when ride demand out paces the budget. Additionally, service parameters for NRT OnDemand, such as maximum wait time or maximum detour time, could be adjusted to increase capacity.
5. Strong service utilization – this objective refers to two main metrics; one being overall ridership which is simply the total number of riders that utilized the service. These numbers will be compared to existing services as well as assessed against the total cost of delivering the service. The second is vehicle utilization which is a combination of trips that were requested for more than one person at a time, and the number of times that a vehicle was re-routed to pick up additional passengers.

6. Assess potential for combining NRT OnDemand with Niagara Specialized Transit – as part of the Niagara Transit Governance Study, Niagara Region engaged IBI Group to conduct a Specialized Transit Service Review during 2018-2019. A number of recommendations came from this review for Niagara Region to consider as part of the overall transit consolidation efforts. Some of these recommendations included:
- Provide a web-portal for trip booking
 - Use computer aided dispatch and routing
 - Allow for same day, potentially on-demand booking
 - Evaluate the potential for eliminating applications
 - Connect riders to existing fixed route services where applicable

Currently, NRT OnDemand has implemented four out of five of these Specialized Transit recommendations with the fifth, the web portal, currently in development. However, the NRT OnDemand pilot is effectively permitting riders to book trips directly using a smartphone application.

It is important to reiterate that although total ridership is a metric, it is not the singularly defining metric of the pilot's success. Access to safe, convenient, and affordable transit is key to providing opportunities to residents of all demographics and is a Strategic Priority of Council.

Promotion Efforts

A number of communications and marketing tactics were undertaken by Niagara Region and our partner Via Mobility to launch NRT OnDemand service in West Niagara, with input from our municipal partners. The objective was to introduce the service to the community while allowing a new start-up transit service an opportunity to begin operations. The following is a summary of the promotion efforts undertaken thus far:

- Newspaper advertising: on August 20th and August 27th advertisements were placed in both Grimsby's News Now, which has approximately 27,000 home distributions and the Voice of Pelham, which has 7,000 home distributions and 14,000+ readership.
- Social Media: regular posts have been made on the Niagara Region Twitter and Facebook feeds in addition to Via Mobility's paid advertising on Facebook and Instagram.
- Advertising Campaign: promotions on Spotify to engage a younger rider demographic.
- Media / Public Relations: media events were hosted in Grimsby, Lincoln and Pelham and media coverage and interviews with local agencies including, 610 CKTB and CHCH-TV.

- Print media: postcards and posters were distributed throughout West Niagara by our local municipal partners and Niagara Region staff

Niagara Region, in consultation with its local municipal partners and Via Mobility is developing a communications and marketing plan to promote and attract riders to NRT OnDemand over the remaining year of the pilot project, specifically through Q4 2020 and into 2021. The objective is to raise awareness and increase ridership in the target demographics of youth and seniors. There will also be efforts to develop partnerships with local community agencies and groups who could benefit from transit in their community. The following is a list of some of the items being considered for future promotional efforts:

- Development of video media (i.e. instructional and/or promotional)
- Digital advertising at local area municipality facilities (i.e. libraries, community centres, etc.)
- Widespread mail campaign to ensure coverage in rural areas
- Second rounds of advertising campaigns (i.e. newspaper, Spotify, social media)

Community Engagement

For this pilot to be successful, it is imperative that there be sustained collaboration between not only Regional and local staff, but also with community agencies and programs. There have been a number of efforts to ensure that there is support across the service area, from conference calls to workshops to presentations. These efforts have provided a significant amount of local expertise that the Region's transit team would otherwise not have access to (i.e. points of interest, distribution channels, etc.). These collaborative efforts have also been effective in creating local content experts, as often residents will direct their inquiries to those they are most familiar with. A great example of this has been with Halee Braun at Pelham's Meridian Community Centre who has been providing firsthand triaging support for both drivers and riders since the service launched. Through these partnerships, transit staff were able to quickly identify an issue with call-in wait times in the first week of the service, whereby the service provider was able to pivot and reallocate additional staff.

Staff at Niagara Region is committed to ongoing community engagement efforts with regular updates and conference calls. Moreover, staff is currently developing additional plans to reach potential riders through services which they already access. Examples of this include local foodbanks, employment help centres, long-term care facilities, and secondary schools. Through the community engagement process, it was identified that a number of caregivers are booking trips for riders. As a result, a web-portal to assist third parties in booking trips is currently in development with the service provider. This will also provide an option for those that have access to the internet but not necessarily a smart phone.

There has also been some interest in reaching more of the community through various BIA's to create partnerships and promotional opportunities with local businesses, festivals and events. This is still very much in its infancy, but may present a wide range of avenues to promote the various aspects of the service as well as local businesses.

Ridership Statistics

As of October 10, NRT OnDemand completed 1,873 trips of which 15 (0.8%) were accessible and had transported 2,109 riders. Given the fact that 30% of the NRT OnDemand fleet is wheelchair accessible, the service has significant capacity to deliver additional accessible trips.

The average ridership for NRT OnDemand has continued to grow week over week from 17 passengers to 61 passengers. From the first week to eighth week, there was a 259% growth in average rides taken (Figure 1).

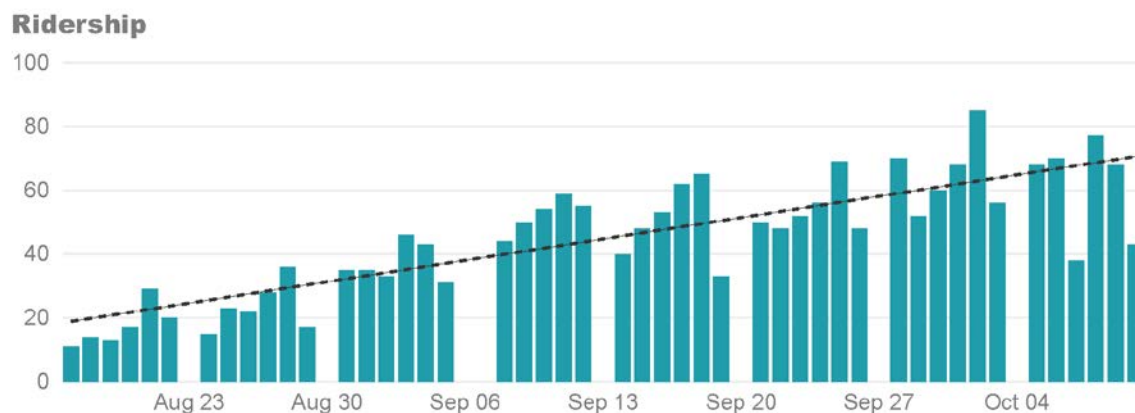


Figure 1 – Ridership by Week

As part of the program, staff are also tracking the ridership within and between municipalities to ensure that the local municipal partners have a sense of where their residents are traveling. Figure 2 highlights Grimsby being the most popular in both origin and destination, and that both Pelham and Lincoln are approximately equal. It is also important to note that riders are making connections to the satellite hubs in St. Catharines and Welland. This evidence highlights the need to ensure connection for residents to all parts of Niagara with travel that occurs west-east across the region.

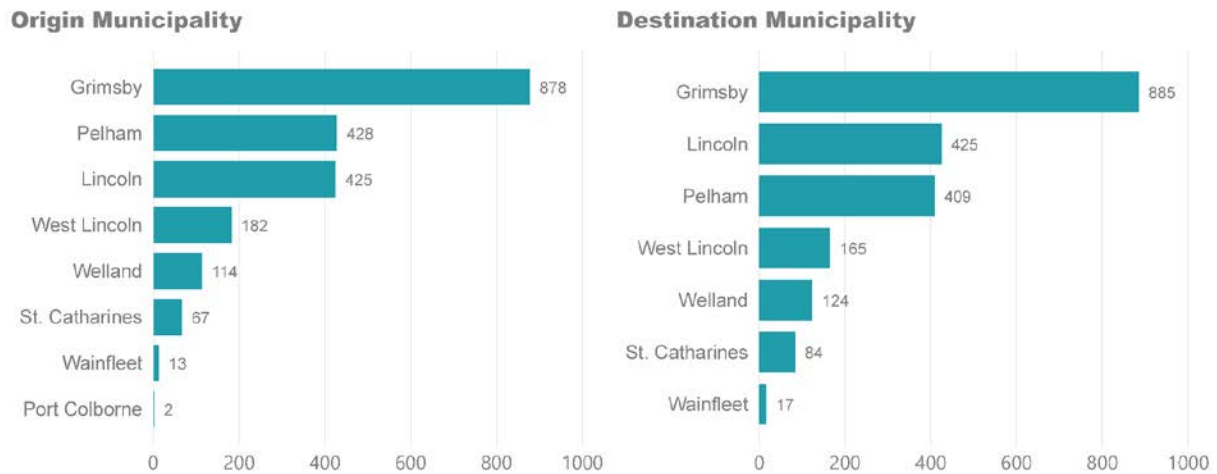


Figure 2 – Origin: Destination by Municipality

Figure 3 highlights the number of rides are essentially equal when comparing inter-municipal and intra-municipal trips. This is indicative of the fact that residents in rural communities often need to travel inter-municipally to access jobs and services. Furthermore, it shows that of the 50% intra-municipal trips, Grimsby is taking the majority at 56%, followed by a relatively even split between Lincoln and Pelham for the remainder.

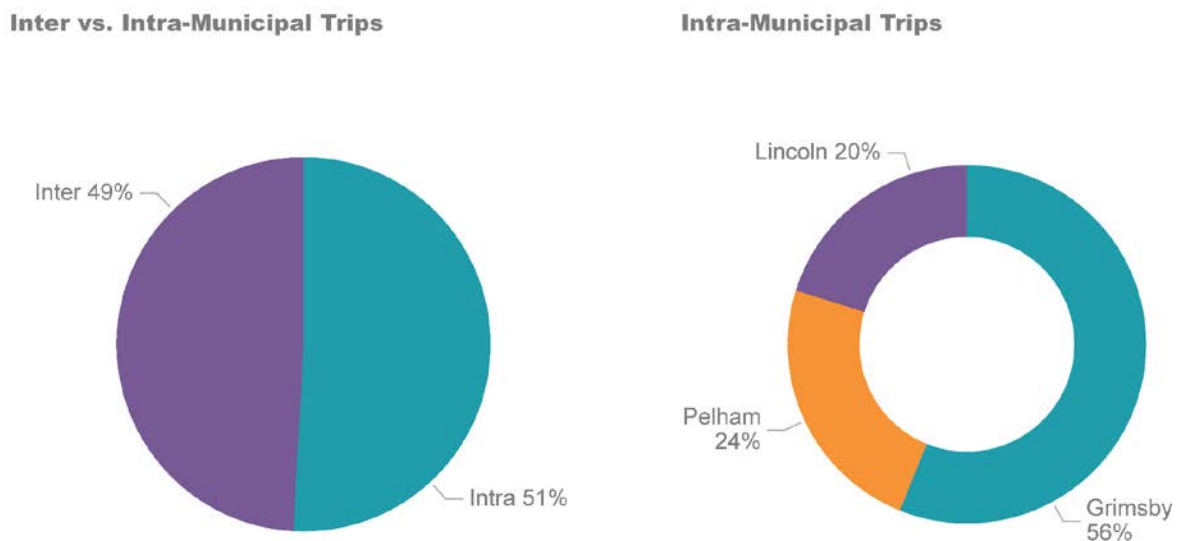


Figure 3 – Comparison and Distribution of Inter-municipal and Intra-municipal Trips

Additionally, trip time of day metrics are being reviewed to ensure that the service hours are relevant and beneficial. Figure 4 shows that the service is being utilized throughout the entirety of the service hours from 7 a.m. through to 10 p.m. with the hours between 2 and 3 p.m. and 5 and 6 p.m. having the highest demand.

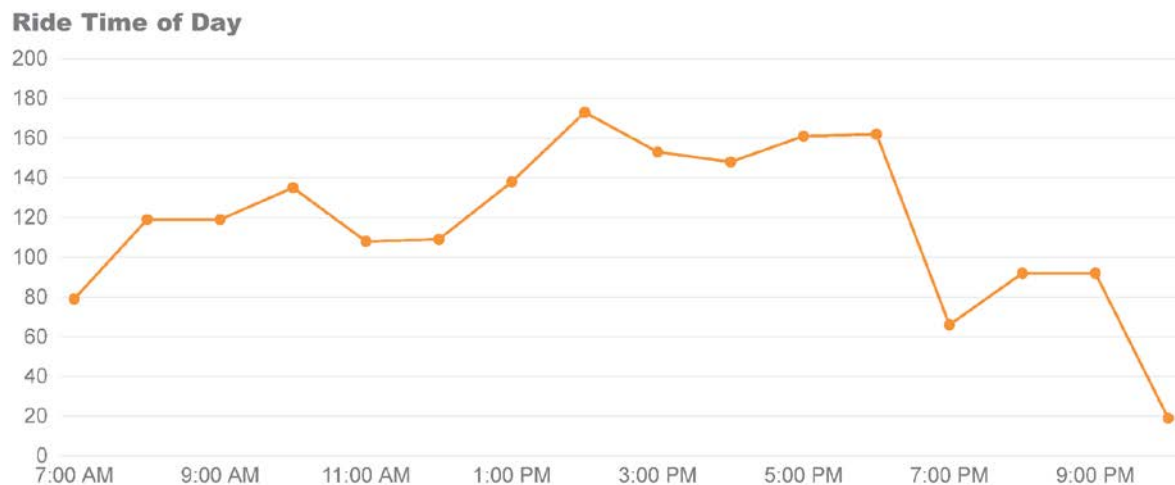


Figure 4 – Ridership by Time of Day

For more in-depth service metrics and mapping, refer to Appendix 1.

Operational Changes/ Improvements

One of the key reason for selecting Via Mobility as the service provider for NRT OnDemand was their ability to make nimble changes throughout the pilot. For example, since the launch of the program, a car seat/booster seat policy has been implemented to further support families wanting to utilize the service.

As the pilot matures and staff are able to assess travel demand patterns, decisions will be made around providing additional connections between municipalities. These could include providing more direct connections from current service areas to existing satellite connection hubs in St. Catharines, Welland and Port Colborne, or providing additional connections to the St. Catharines and Welland Hospitals. Any decision to provide enhanced connections must be weighed against its potential effect on the existing systems ability to continue delivering trips on time and within budget. One item of specific note is the potential for a connection at the Winona Crossing Shopping Centre (Stoney Creek Costco). Niagara Region staff has connected with staff at Hamilton

Street Railway (HSR) who will be bringing a report for approval to their local Council in November.

While preparing for the launch in West Niagara, staff continued to have discussions with other local area municipalities in order to assess their interest in bringing an on-demand transit service to their residents. In that time, the Town of Niagara-on-the-Lake formally requested that Niagara Region permit a secondary service area in the town to operate under the NRT OnDemand brand. This was approved by Niagara Region Council on September 17, 2020 and is tentatively set to launch in mid-late November. In addition, the City of Port Colborne has shown a renewed interest in the pilot and is evaluating potential opportunities. Just recently, the Town of Thorold inquired about the potential to service some of its newest developments locations although, those discussions are in their infancy. In a previous presentation, Niagara Region staff was asked to re-engage with the Town of Fort Erie and while the Town is interested in on-demand transit, its staff have elected to pursue an RFP sometime in early 2021 for introduction later that year.

As was identified in the Community Engagement section, a web portal for booking trips is currently in development, although at the time of finalizing this report there is not a definitive launch date available.

Reporting Frequency

Since the inception of this pilot, Niagara Region transit staff has committed to regular and transparent reporting. This will help to ensure that each partnering municipality will have a fulsome understanding of how the program has fared, but to also ensure that adjustments can be made to the service in a timely manner.

Niagara Region is currently developing a public facing dashboard to facilitate the aforementioned goals. This dashboard will ensure that transparency is maintained while also providing timely access to the data. Staff is working to automate the update process to minimize the lag between the data being submitted by Via and it being available to the public. Until that process is finalized, staff will be posting statistics on the [NRT OnDemand Pilot Project's webpage](https://www.niagararegion.ca/projects/nrt-on-demand/default.aspx) (<https://www.niagararegion.ca/projects/nrt-on-demand/default.aspx>) and providing the data directly to staff at the local area municipalities on a monthly basis. At the timing of finalizing this report, the tentative deployment date for the dashboard is November 1, 2020; however this date has yet to be confirmed by Niagara Region's IT department nor by Via's data science team.

In addition to the publicly available dashboard, Niagara Region transit staff intends to bring at least three reports to the Public Works Committee (PWC) of which this report is

the first. The next planned report will be brought to PWC during the January meeting. In addition to containing a summary of the pilot project during the first four months of operation, the January report will be a report for consideration to provide direction to staff on whether to seek renewal of the pilot with Via Mobility for year two of the pilot, or to proceed with a Request for Proposal (RFP).

Although additional details will be provided in that report, the January meeting was identified as the latest possible date to determine whether the contract with Via Mobility should be renewed because the RFP process, including RFP preparation, procurement and accommodating time needed for a new proponent to mobilize operations and fleet, is expected to require approximately six months. The original service agreement (and approval from Council) with Via Mobility was for a 12 month term, but also contains a provision to extend the pilot for another 12 months, at which time the pilot would be reviewed and an RFP would be issued for a longer term on-demand delivery partner.

The current state of the Niagara Transit Governance Study will be another major factor in this decision. While the final transit governance decision will not be available by January, Niagara Region Council and the CAO working group will have a stronger indication of the impacts of the Study's recommendations and the potential for transition of the new governance model.

Alternatives Reviewed

As this report is for information purposes only, there were no alternatives considered.

Relationship to Council Strategic Priorities

The NRT OnDemand Pilot Project directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objective 3.1) through advancing regional transit and GO rail services and facilitating the movement of people and goods.

Other Pertinent Reports

- CAO 8-2017 Niagara Region's Transit Service Delivery and Governance Strategy
- LNTC-C 21-2018 Inter-Municipal Transit (IMT) Service Implementation Strategy
- LNTC-C 22-2018 Inter-Municipal Transit Financial Impact Analysis
- LNTC-C 23-2018 Inter-Municipal Transit Capital Plan, 2019
- PW 60-2019 On-Demand Transit – Pilot Authorization (Simulation Results)
- PW 41-2020 Niagara Regional Transit OnDemand – Niagara-on-the-Lake Inclusion

Prepared by:

Robert, Salewytch
Program Manager, Transit Services
Public Works Department

Recommended by:

Bruce Zvaniga, P. Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Heather Talbot, Financial and Special Projects Consultant, and reviewed by Matt Robinson, Director, GO Implementation Office.

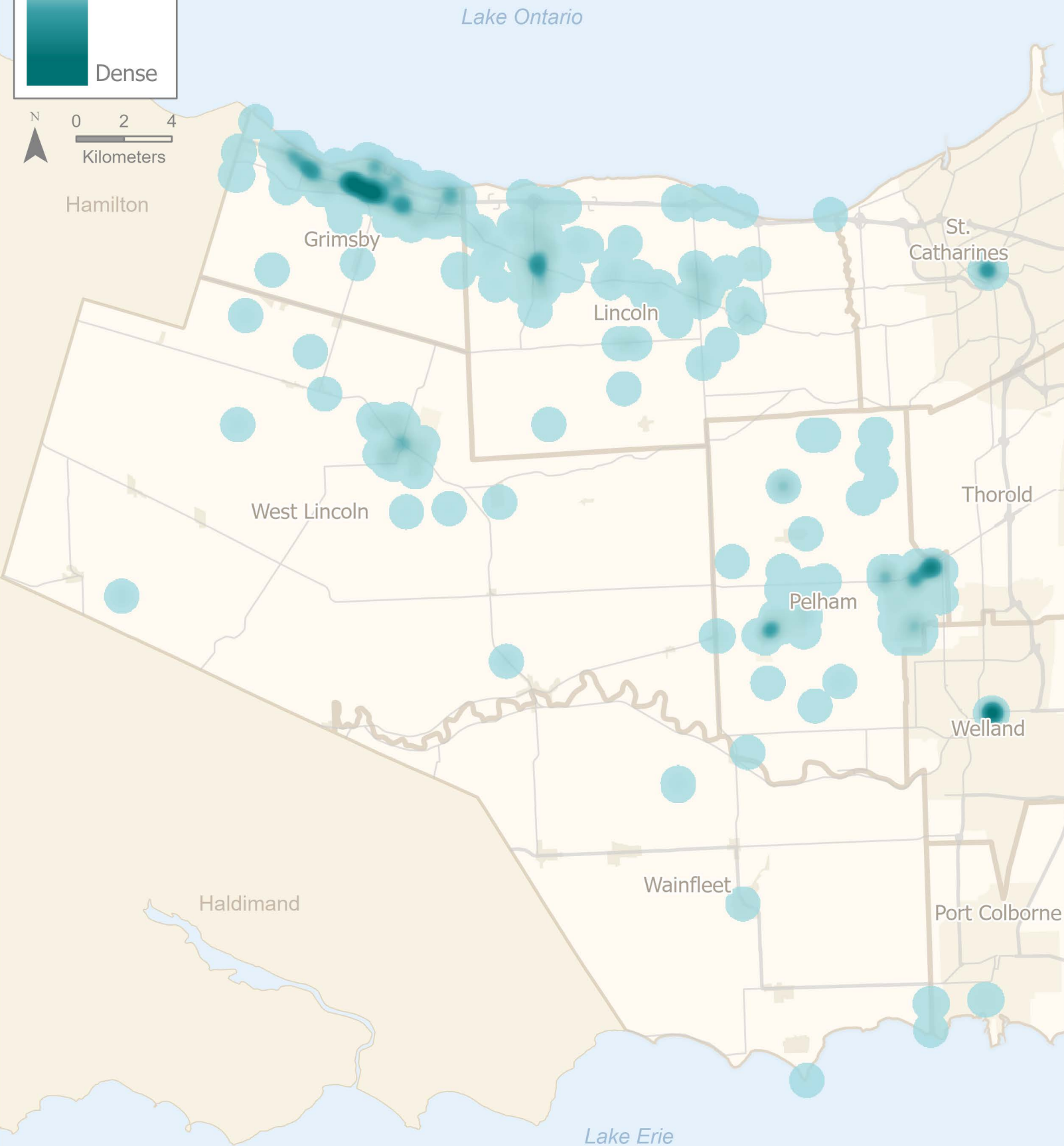
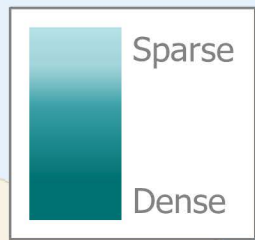
Appendices

Appendix 1	PW 46-2020 - Appendix 1 - Overview and Municipality Specific Maps and Metrics
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PW 46-2020 - Appendix 1
Overview and Municipality Specific Maps and Metrics

NRT OnDemand Distribution of Ridership by Trip Origin

Based on data from 2020-08-14 - 2020-10-10



NRT OnDemand Metrics: Overall

Number of Riders

2109

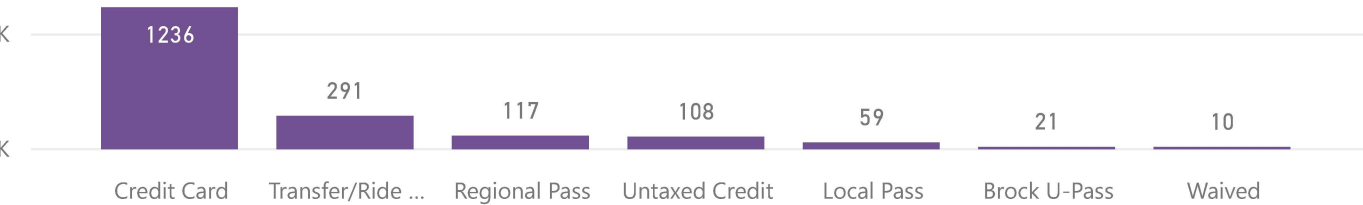
Number of Accessible Trips

15

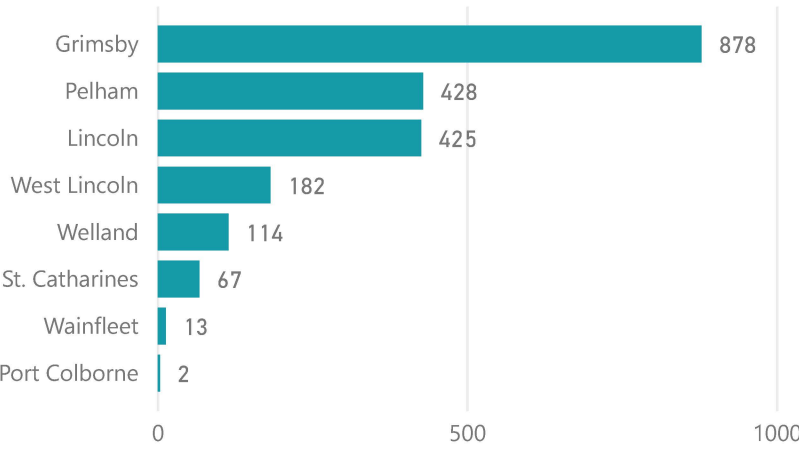
Number of Trips

1873

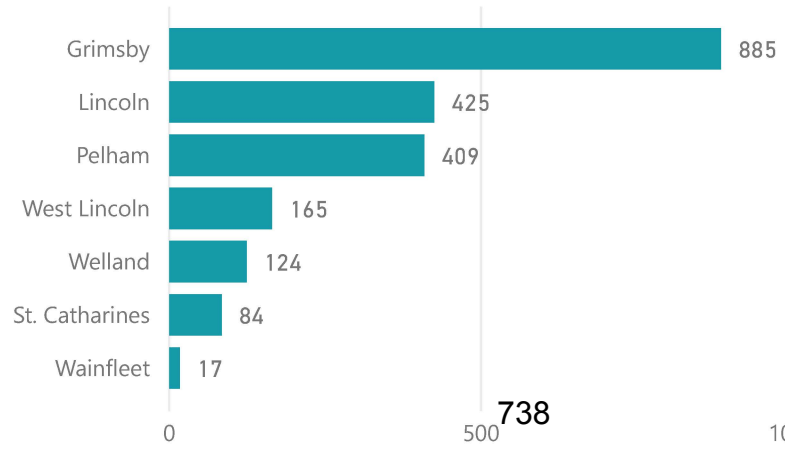
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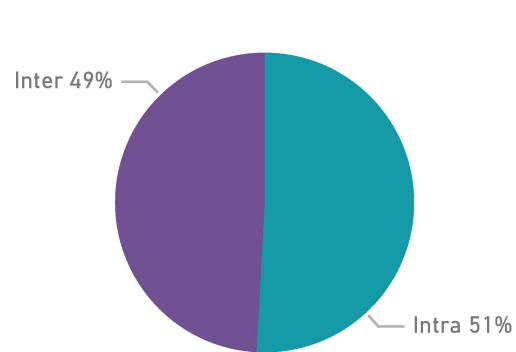
Origin Municipality



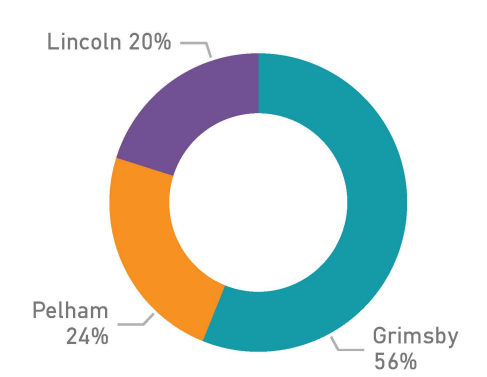
Destination Municipality



Inter vs. Intra-Municipal Trips

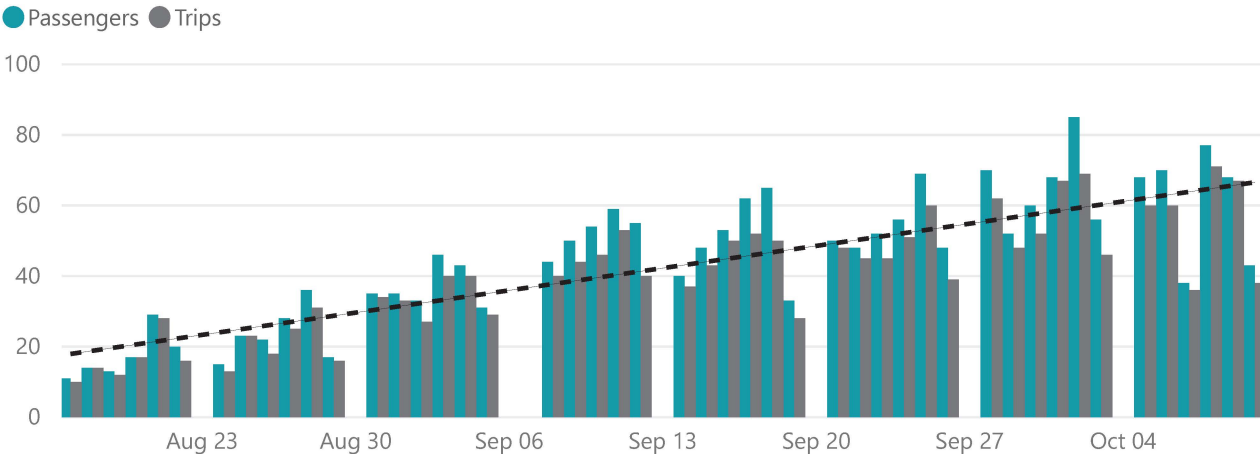


Intra-Municipal Trips

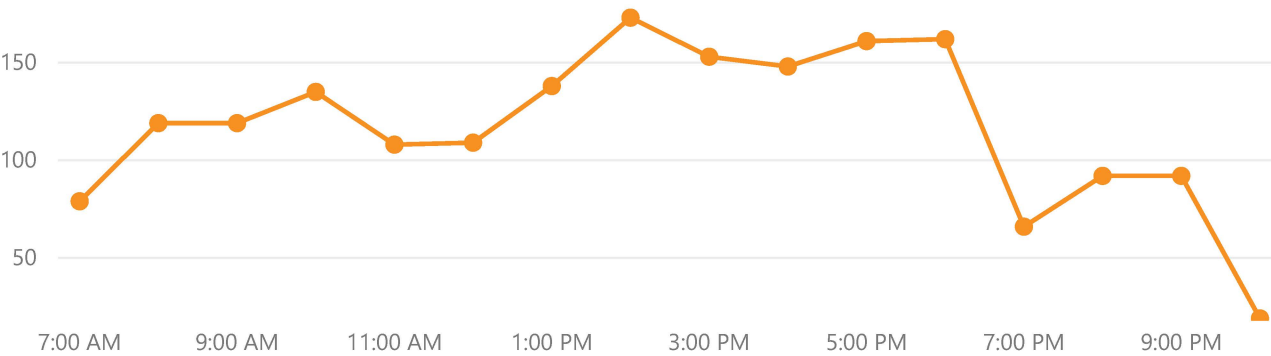


Data from 2020-08-17 to 2020-10-10

Ridership

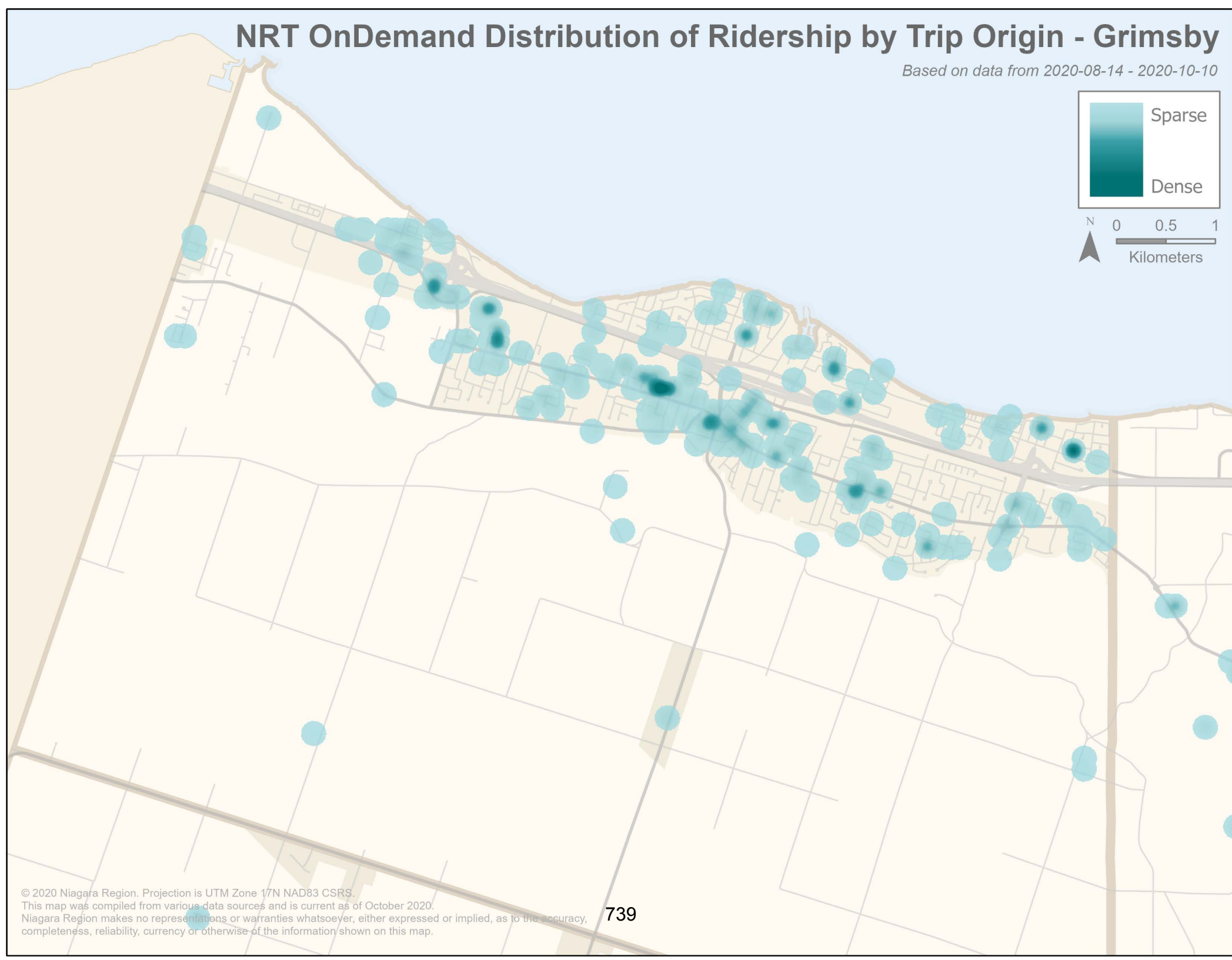
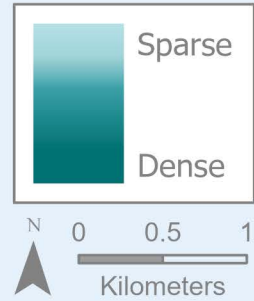


Ride Time of Day



NRT OnDemand Distribution of Ridership by Trip Origin - Grimsby

Based on data from 2020-08-14 - 2020-10-10



NRT OnDemand Metrics: Grimsby

Number of Riders

1161

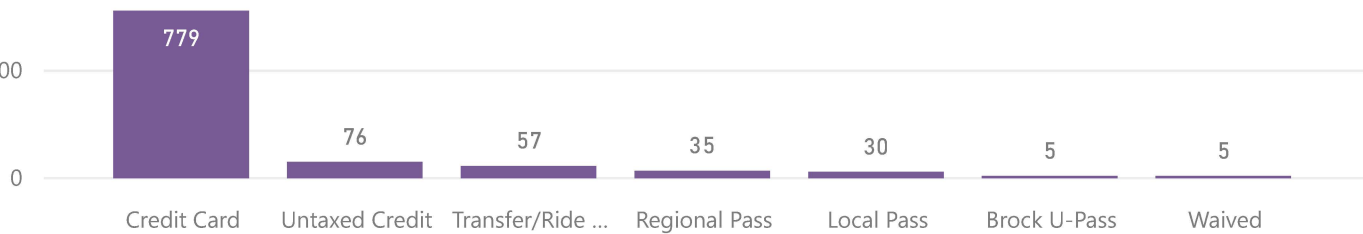
Number of Accessible Trips

12

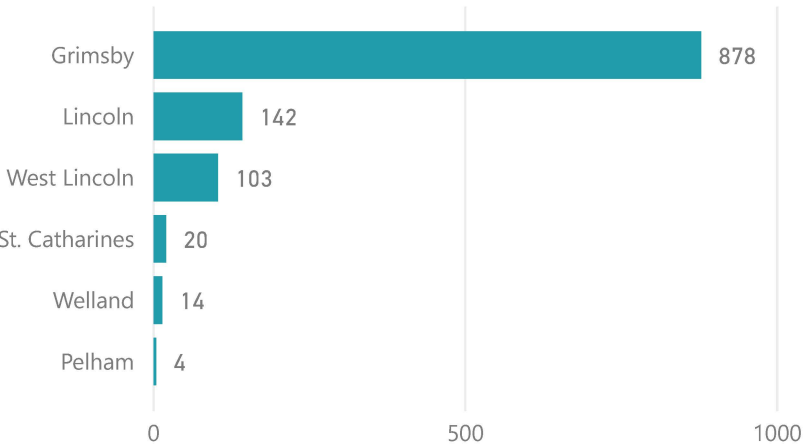
Number of Trips

1004

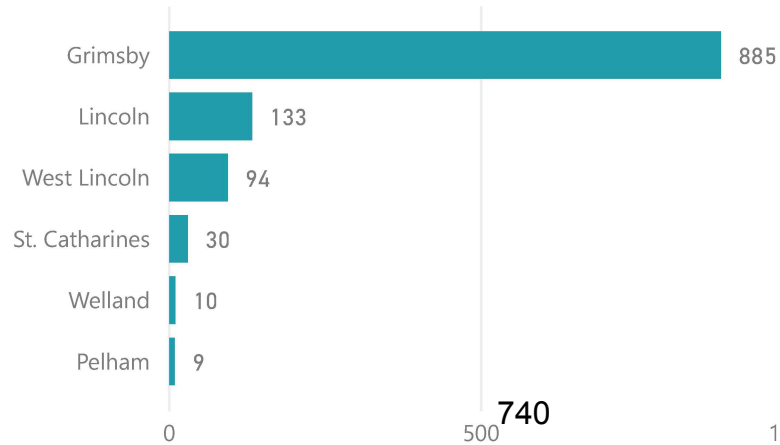
Payment Method



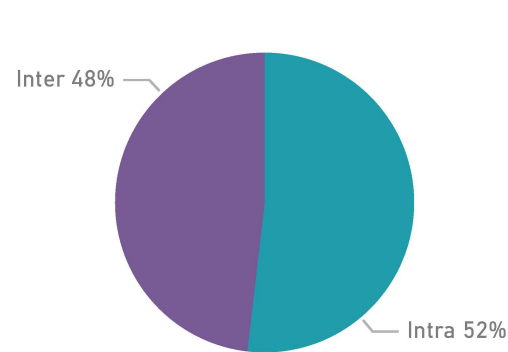
Origin Municipality



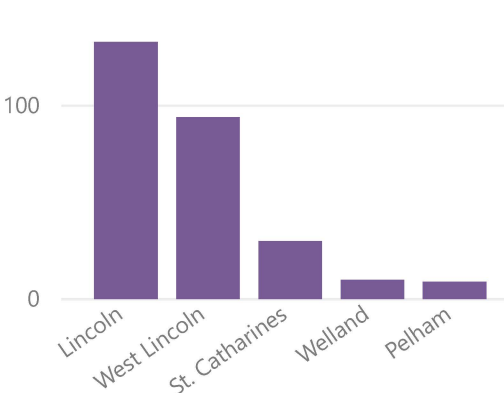
Destination Municipality



Inter vs. Intra-Municipal Trips



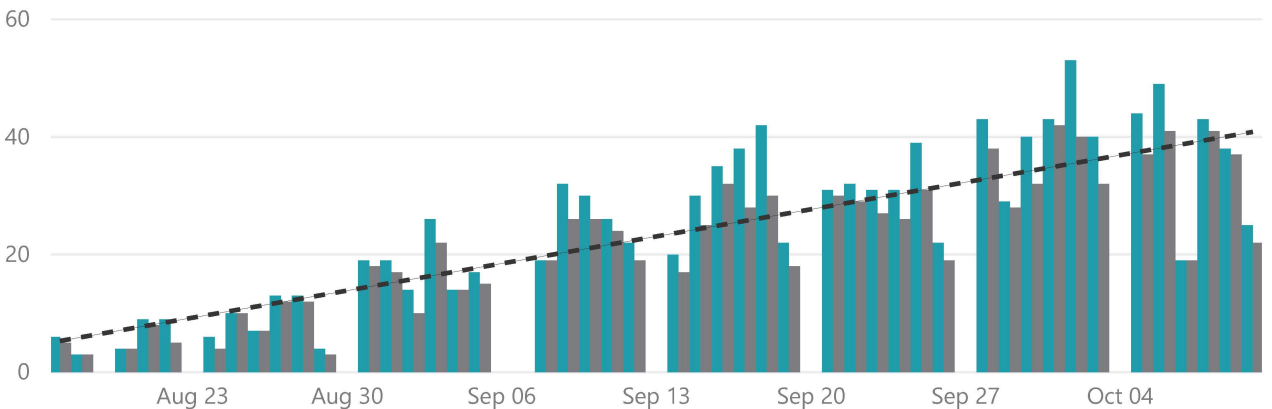
Inter-Municipal Trips



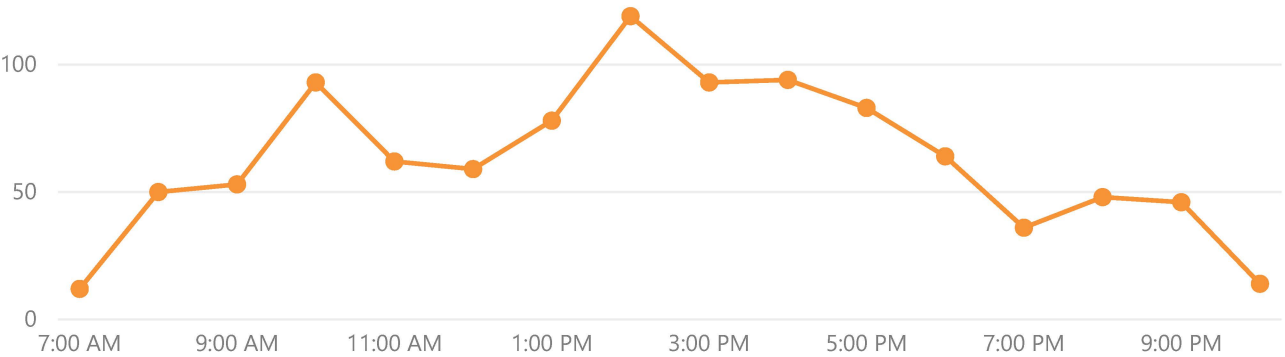
Data from 2020-08-17 to 2020-10-10

Ridership

Passengers Trips

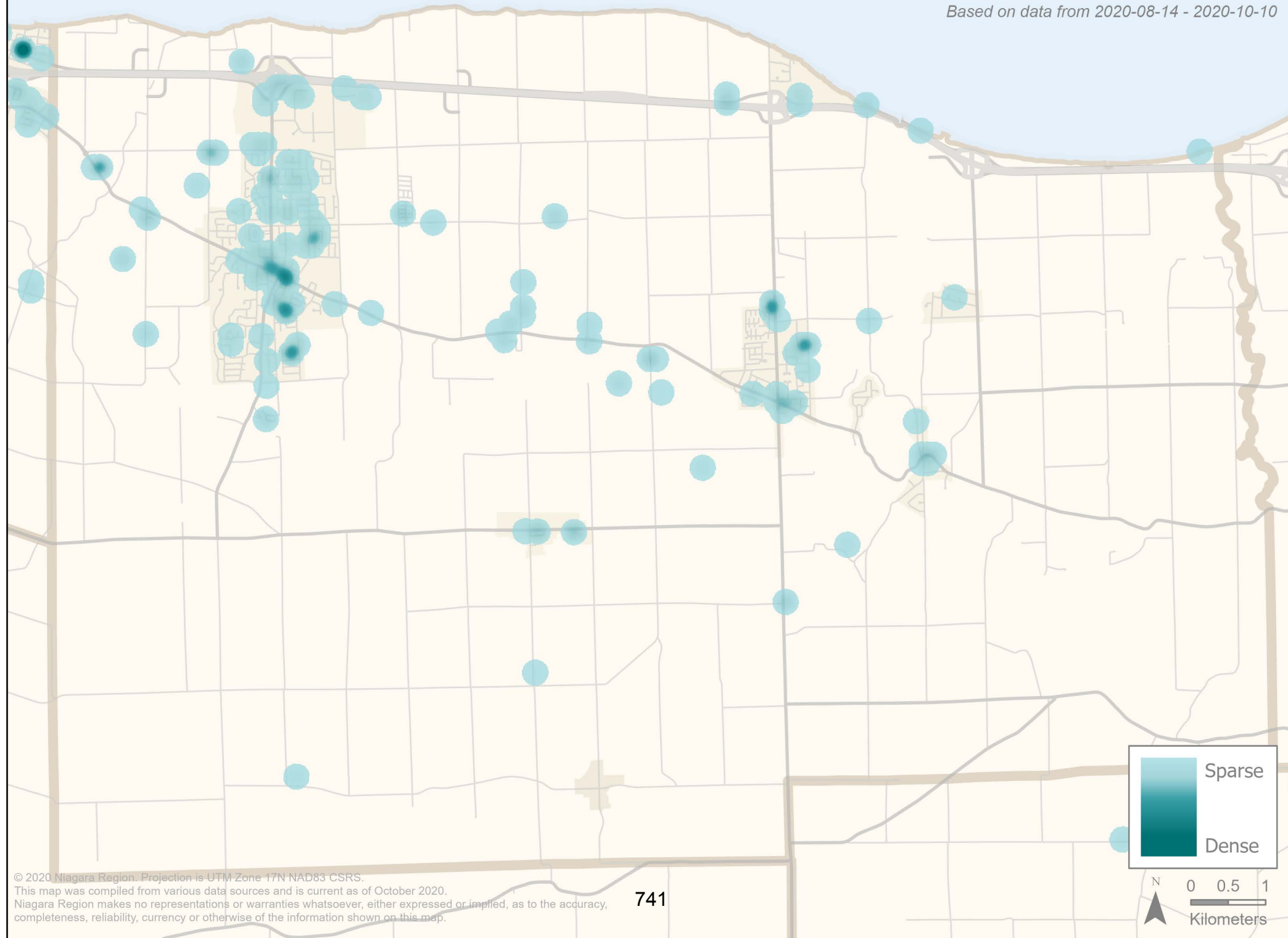


Ride Time of Day



NRT OnDemand Distribution of Ridership by Trip Origin - Lincoln

Based on data from 2020-08-14 - 2020-10-10



NRT OnDemand Metrics: Lincoln

Number of Riders

634

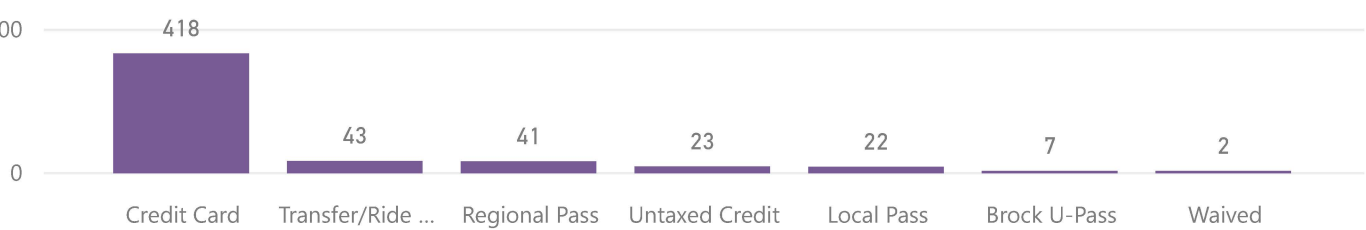
Number of Accessible Trips

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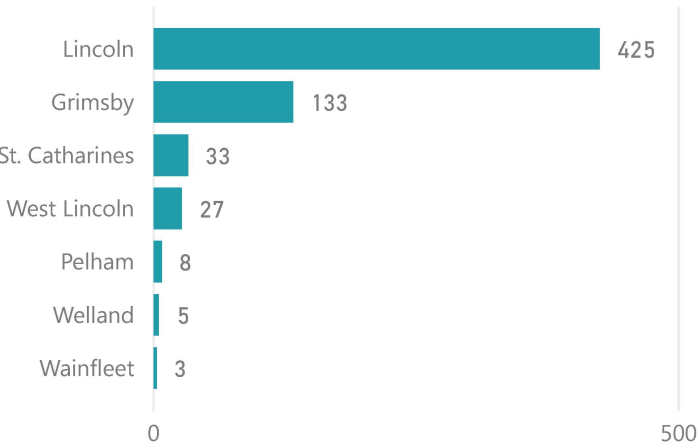
Number of Trips

561

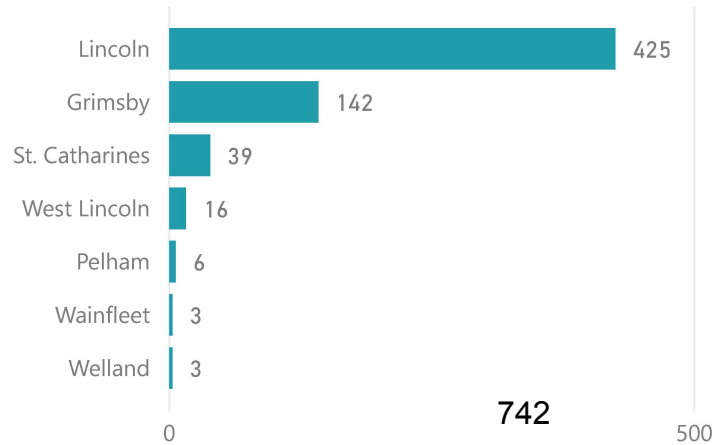
Payment Method



Origin Municipality



Destination Municipality

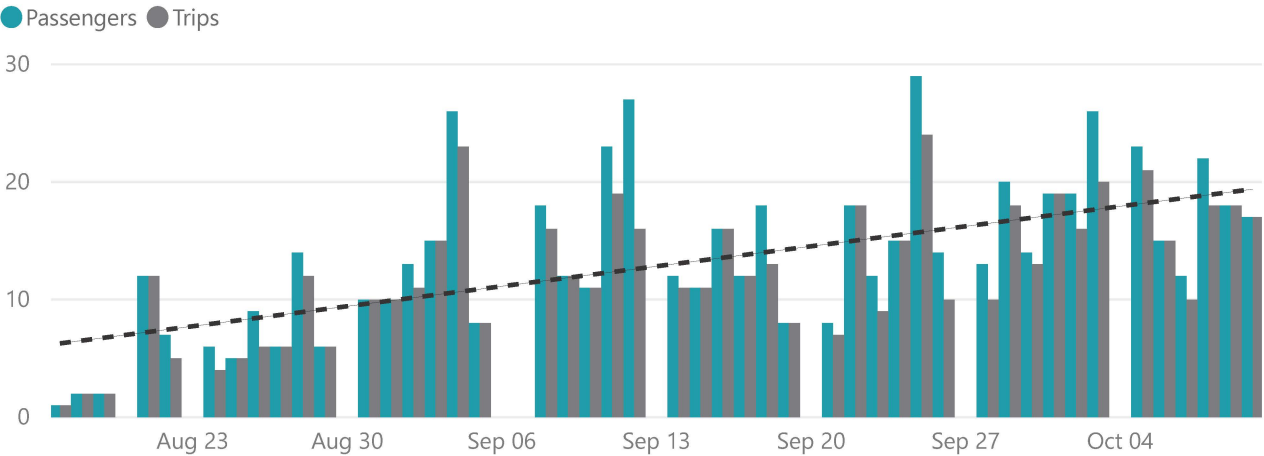


742

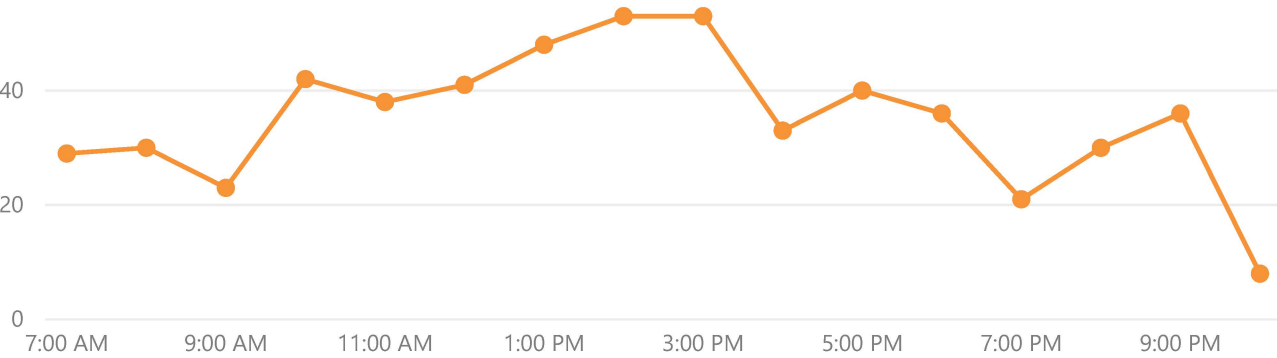
Trip Rating



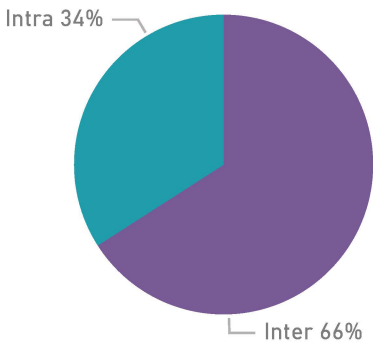
Ridership



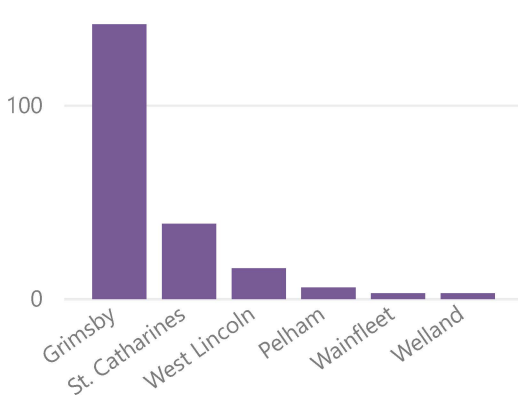
Ride Time of Day



Inter vs. Intra-Municipal Trips



Inter-Municipal Trips



Data from 2020-08-17 to 2020-10-10

NRT OnDemand Metrics: NRT OnDemand vs. uLinc

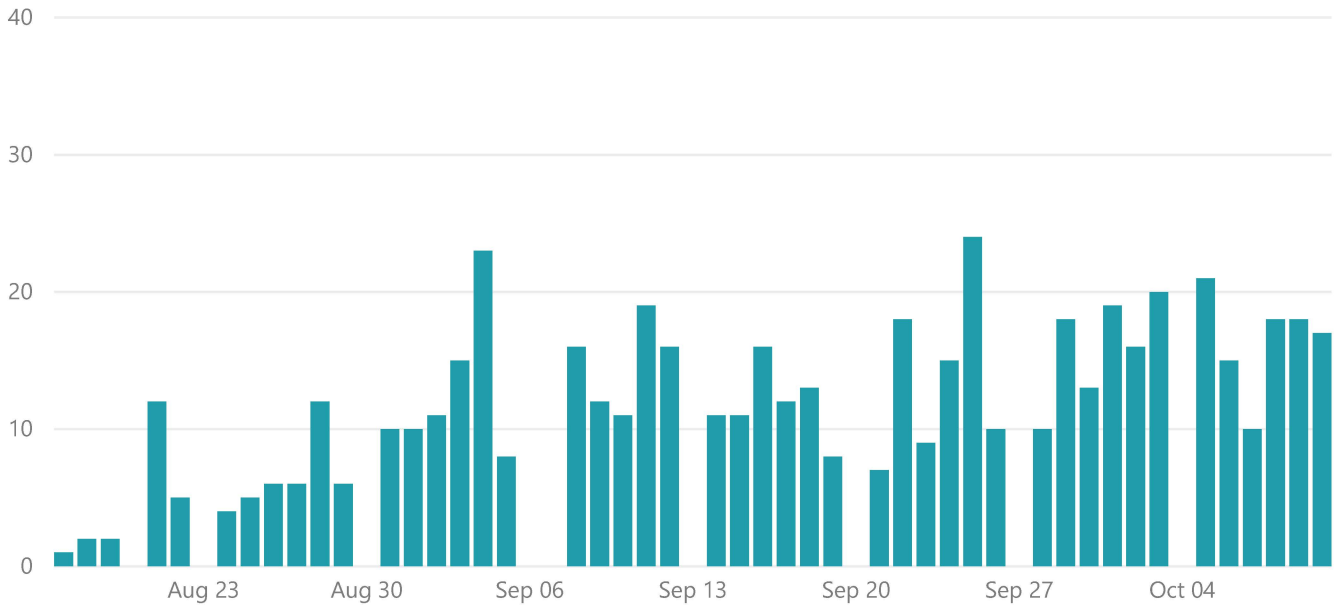
NRT OnDemand Ridership

634

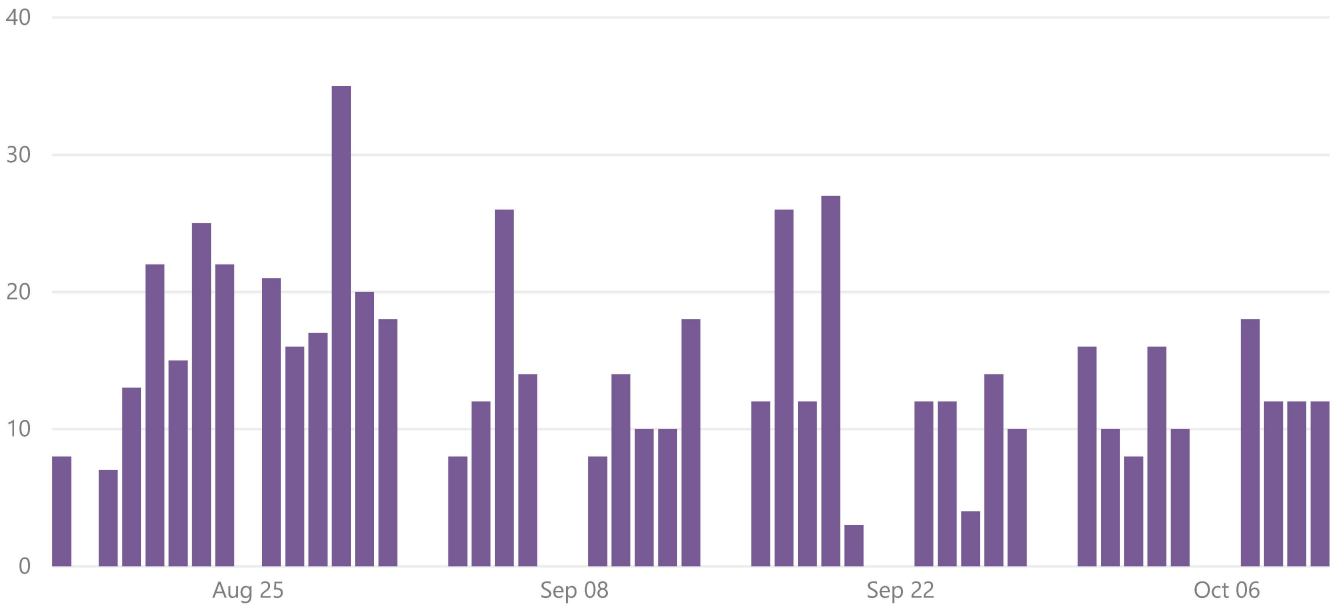
uLinc Ridership

605

NRT OnDemand Ridership - August 17th - October 10th 2020

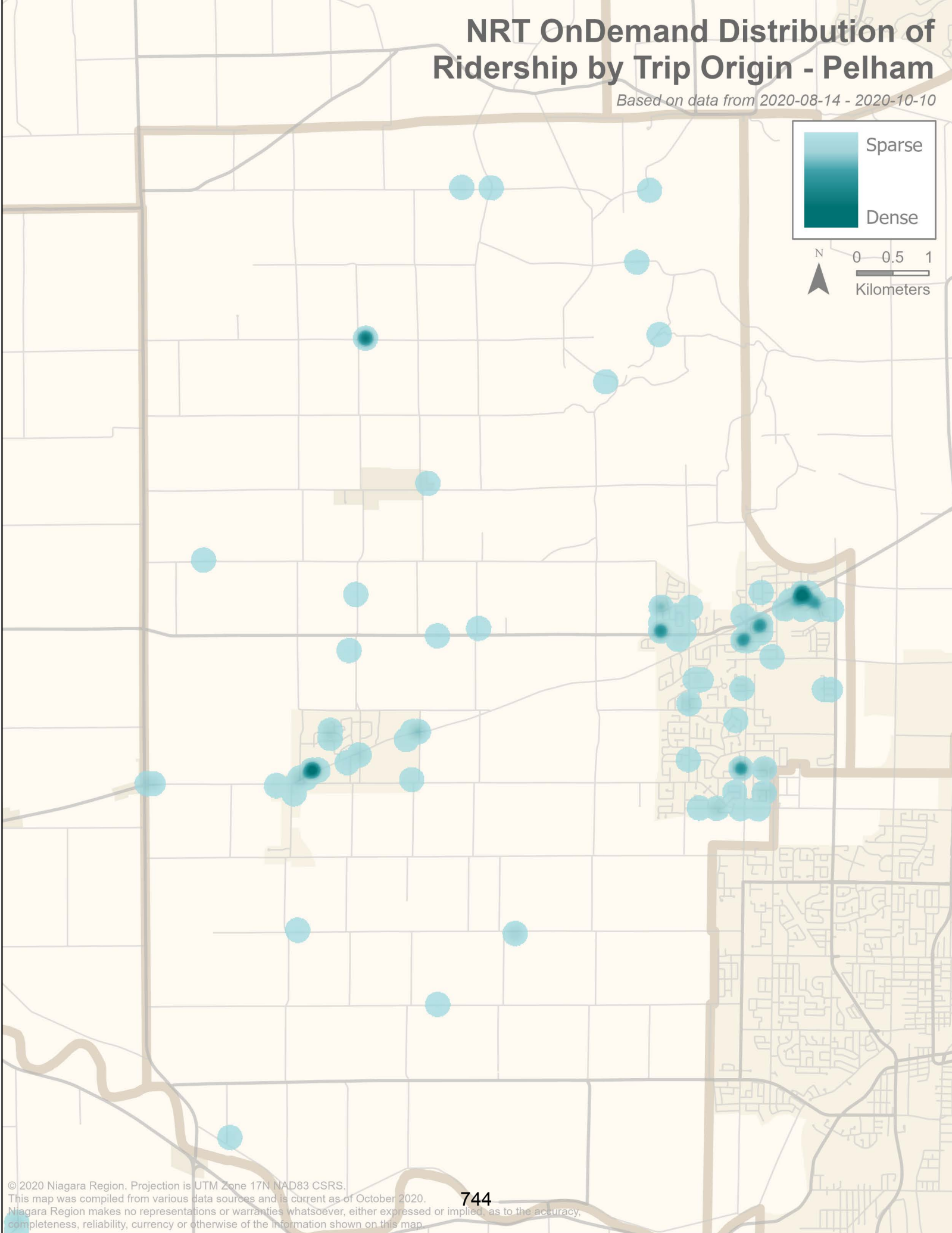


uLinc Ridership August 17th - October 10th 2019



NRT OnDemand Distribution of Ridership by Trip Origin - Pelham

Based on data from 2020-08-14 - 2020-10-10



NRT OnDemand Metrics: Pelham

Number of Riders

582

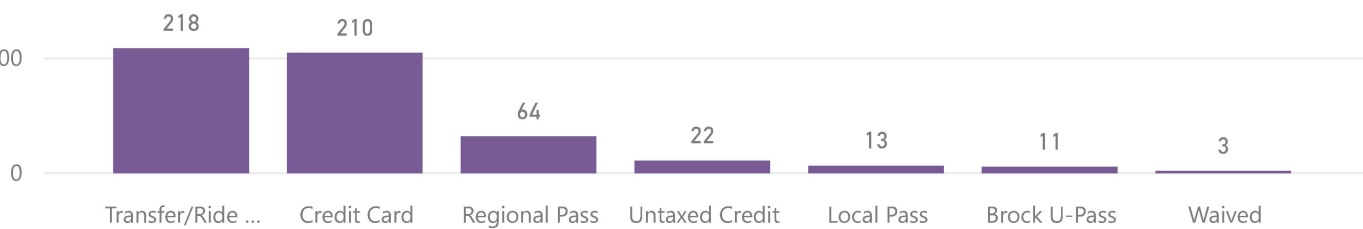
Number of Accessible Trips

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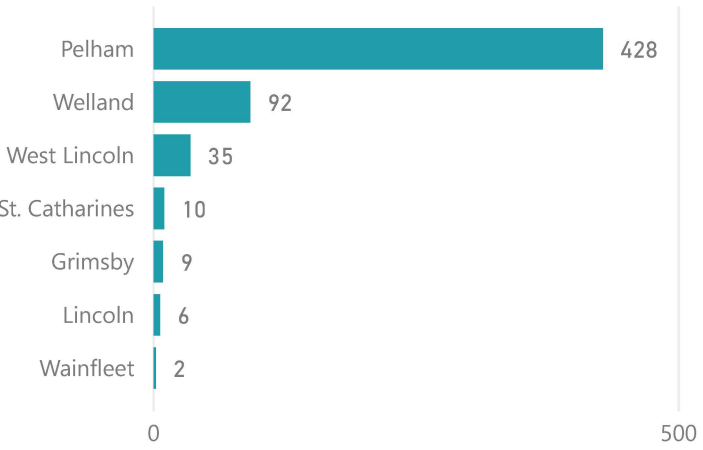
Number of Trips

551

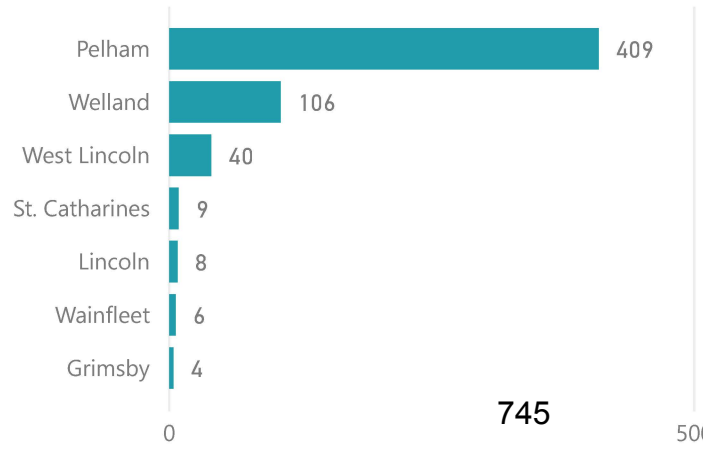
Payment Method



Origin Municipality



Destination Municipality

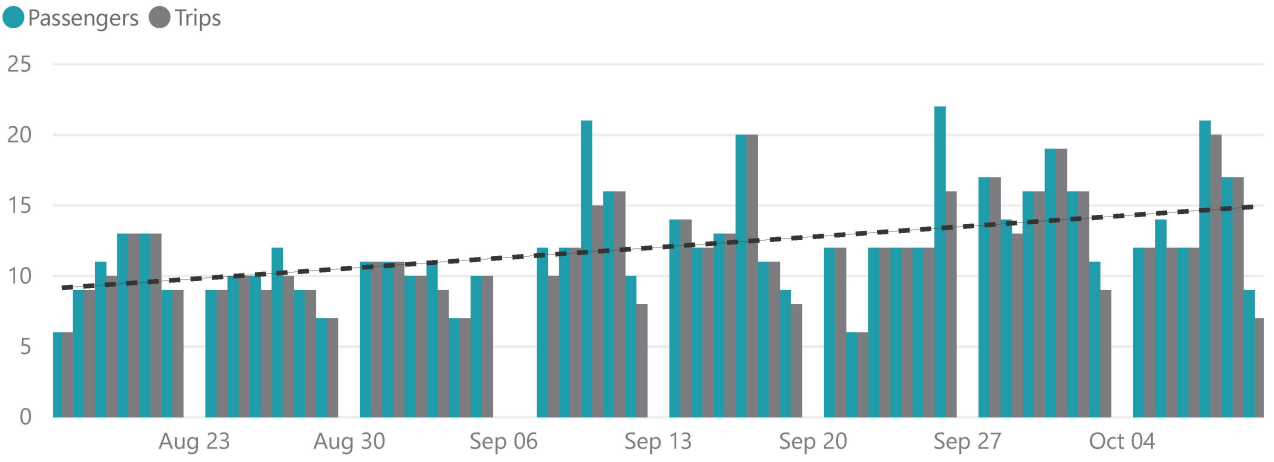


745

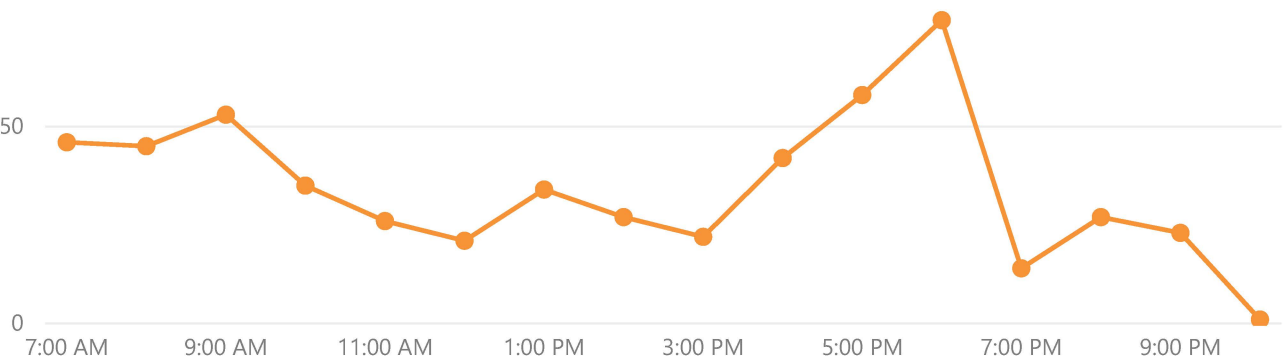
Trip Rating



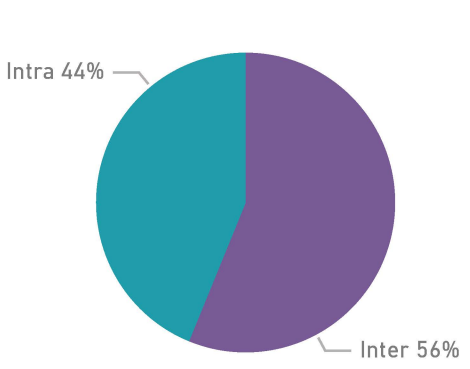
Ridership



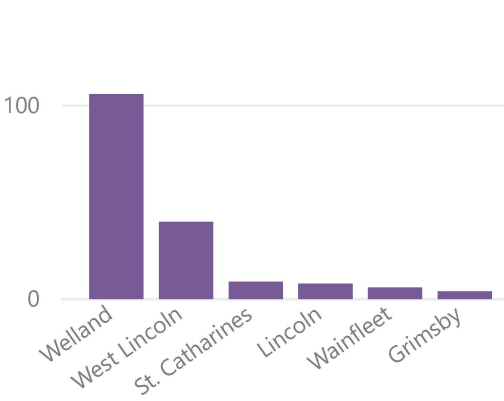
Ride Time of Day



Inter vs. Intra-Municipal Trips



Inter-Municipal Trips



Data from 2020-08-17 to 2020-10-10

NRT OnDemand Metrics: NRT OnDemand vs. Pelham Transit

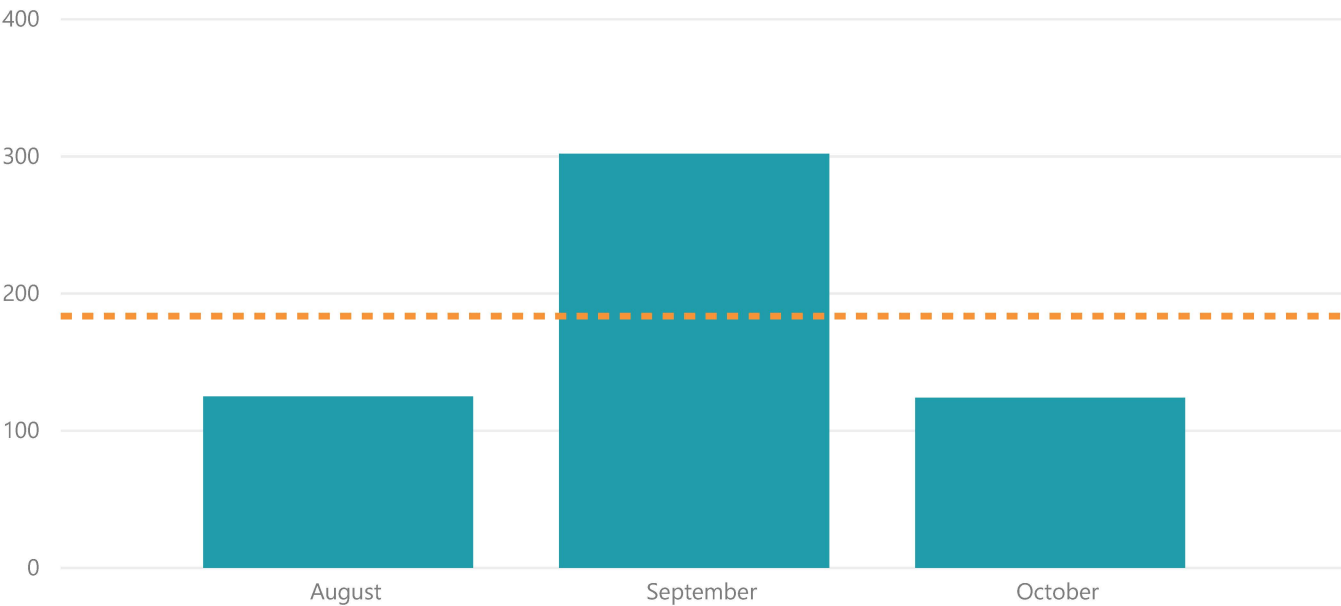
NRT OnDemand Ridership

582

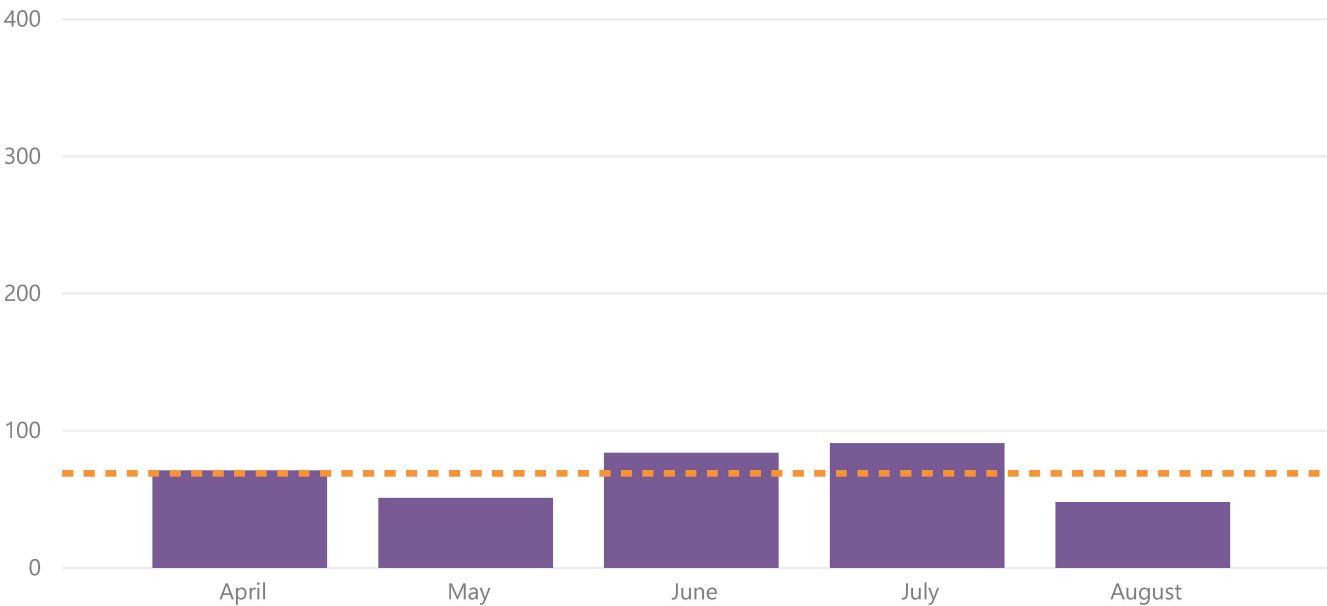
Pelham Transit Ridership

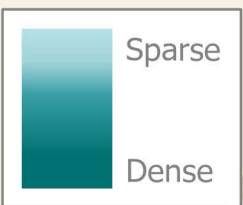
345

NRT OnDemand Ridership - August 17th - October 10th 2020



Pelham Transit Ridership - April - August 2020

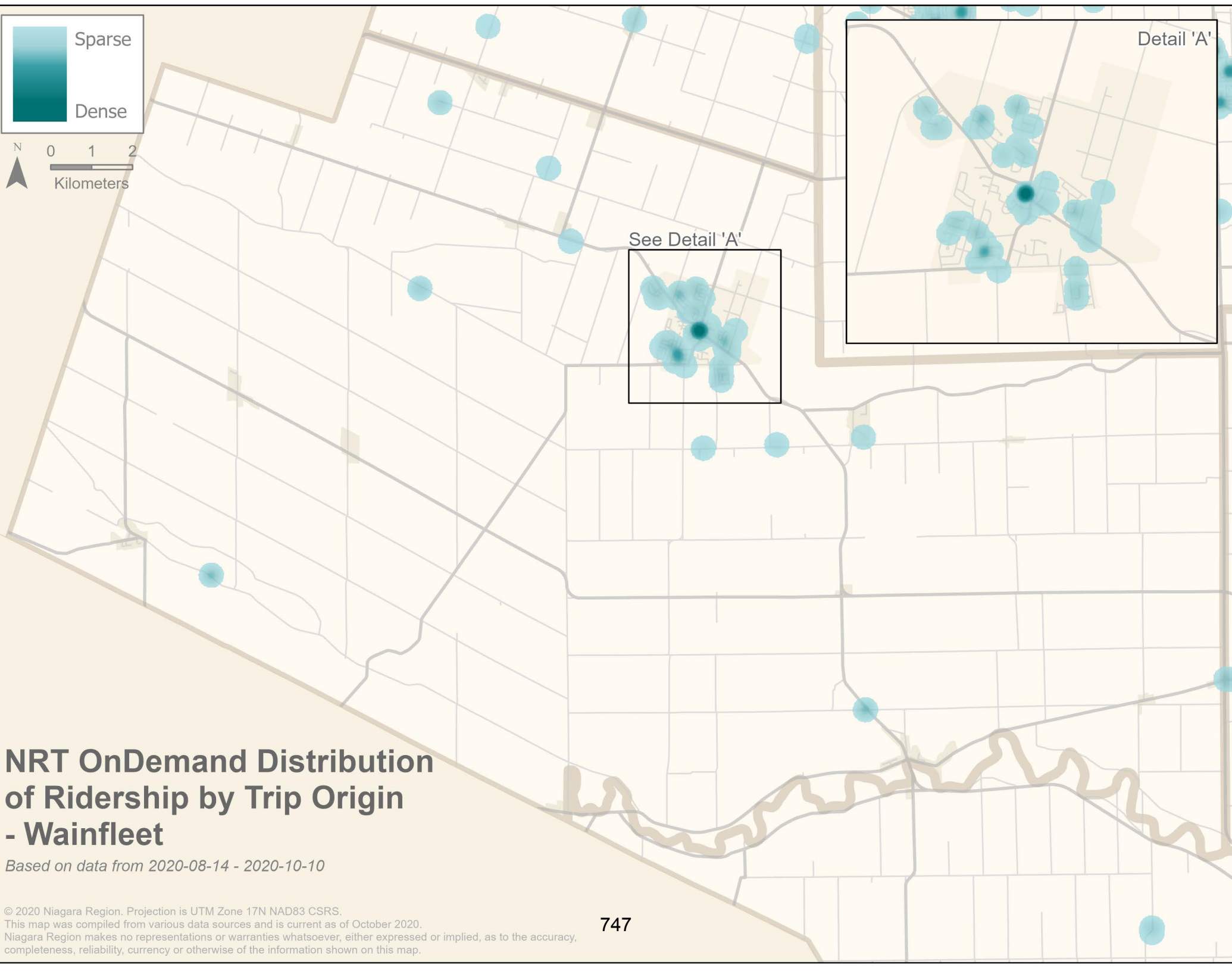




NRT OnDemand Distribution of Ridership by Trip Origin - Wainfleet

Based on data from 2020-08-14 - 2020-10-10

© 2020 Niagara Region. Projection is UTM Zone 17N NAD83 CSRS.
This map was compiled from various data sources and is current as of October 2020.
Niagara Region makes no representations or warranties whatsoever, either expressed or implied, as to the accuracy, completeness, reliability, currency or otherwise of the information shown on this map.



NRT OnDemand Metrics: Wainfleet

Number of Riders

30

Number of Accessible Trips

0

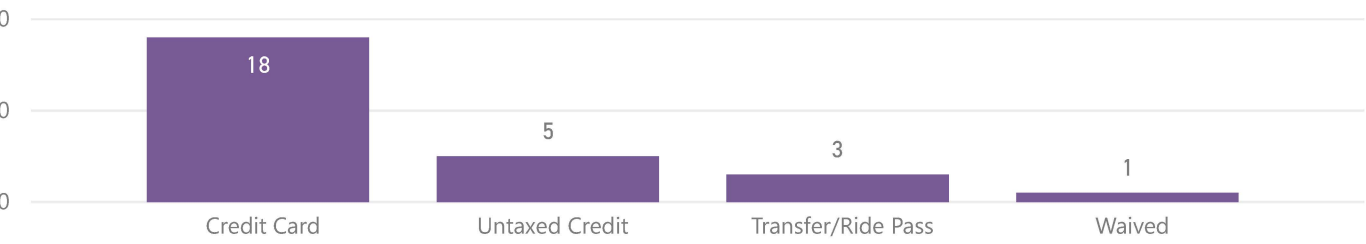
Number of Trips

27

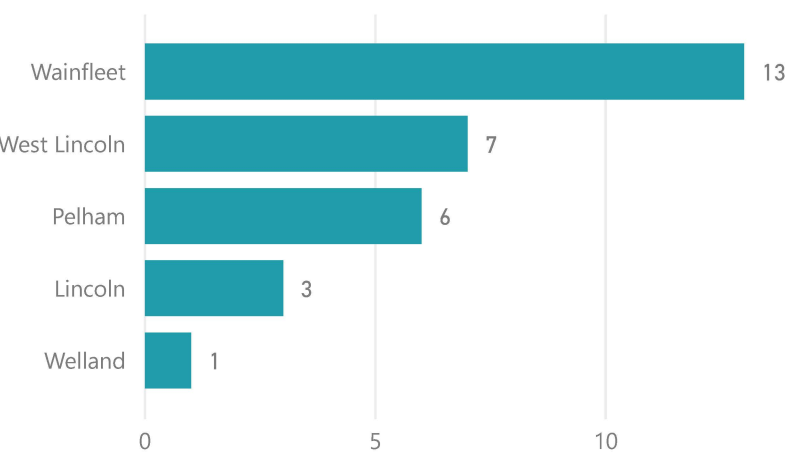
Trip Rating



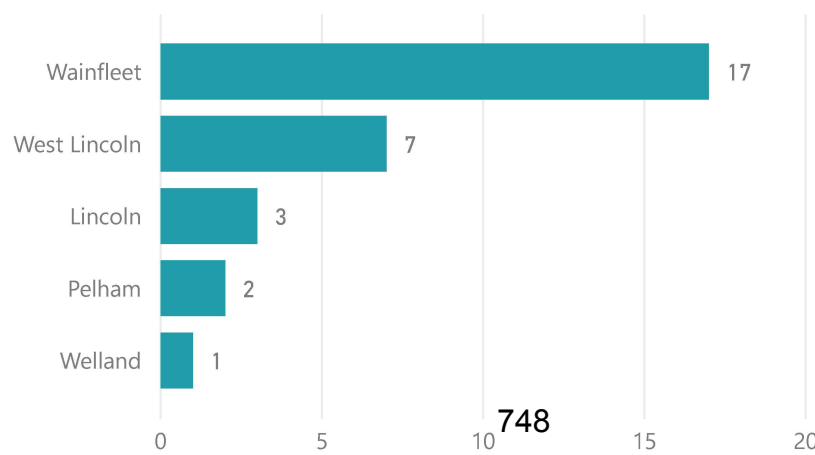
Payment Method



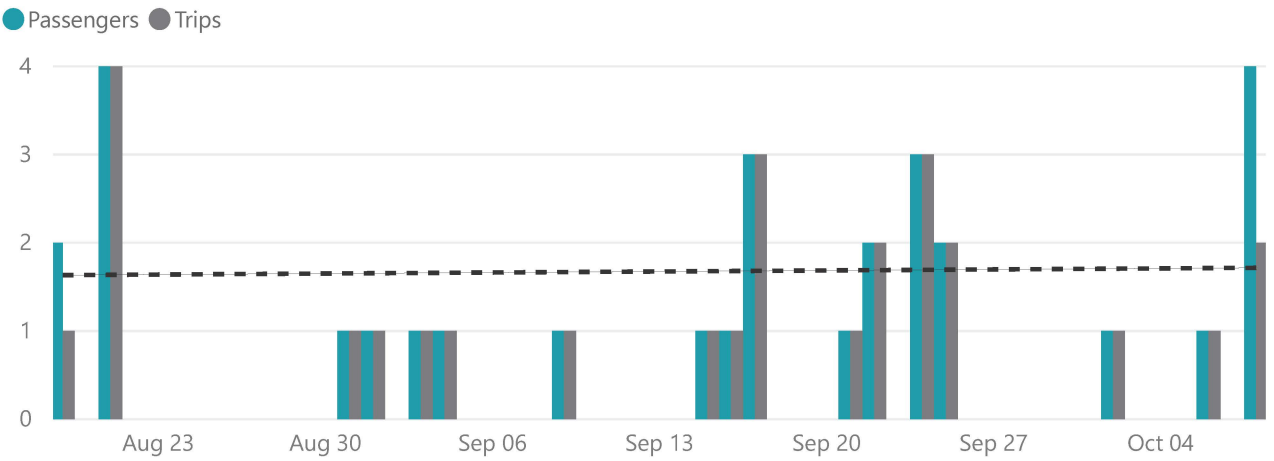
Origin Municipality



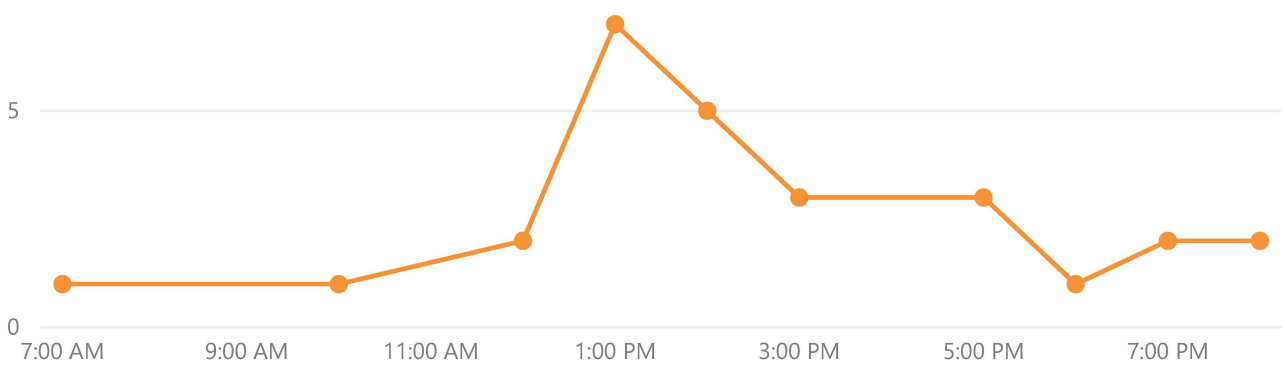
Destination Municipality



Ridership



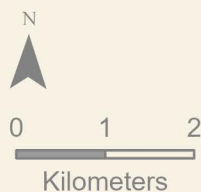
Ride Time of Day



748

NRT OnDemand Distribution of Ridership by Trip Origin - West Lincoln

Based on data from 2020-08-14 - 2020-10-10



NRT OnDemand Metrics: West Lincoln

Number of Riders

347

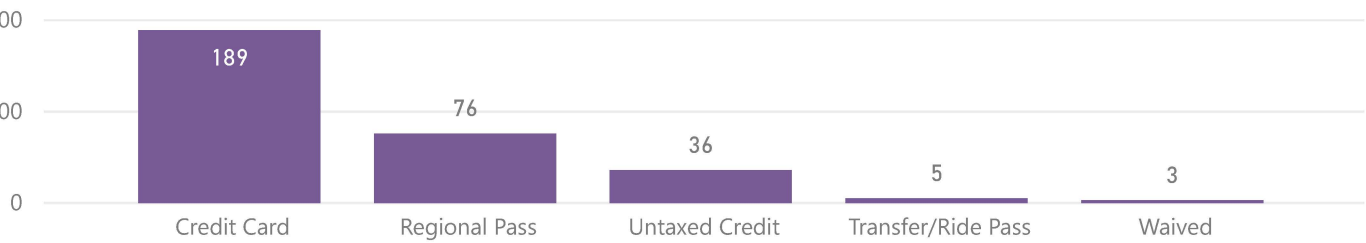
Number of Accessible Trips

2

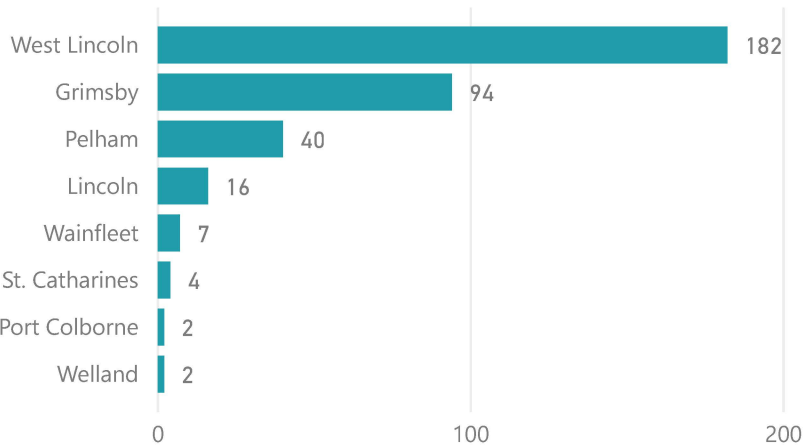
Number of Trips

319

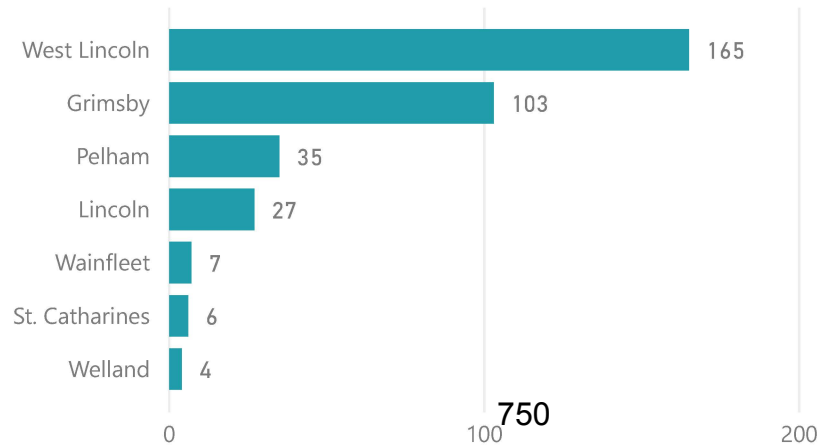
Payment Method



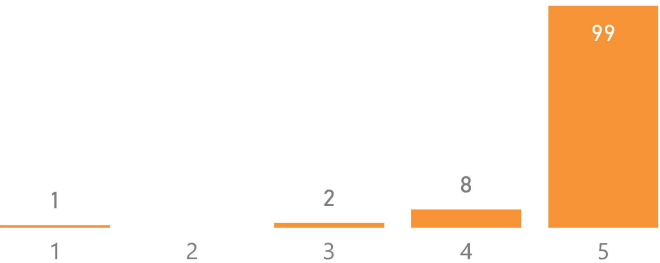
Origin Municipality



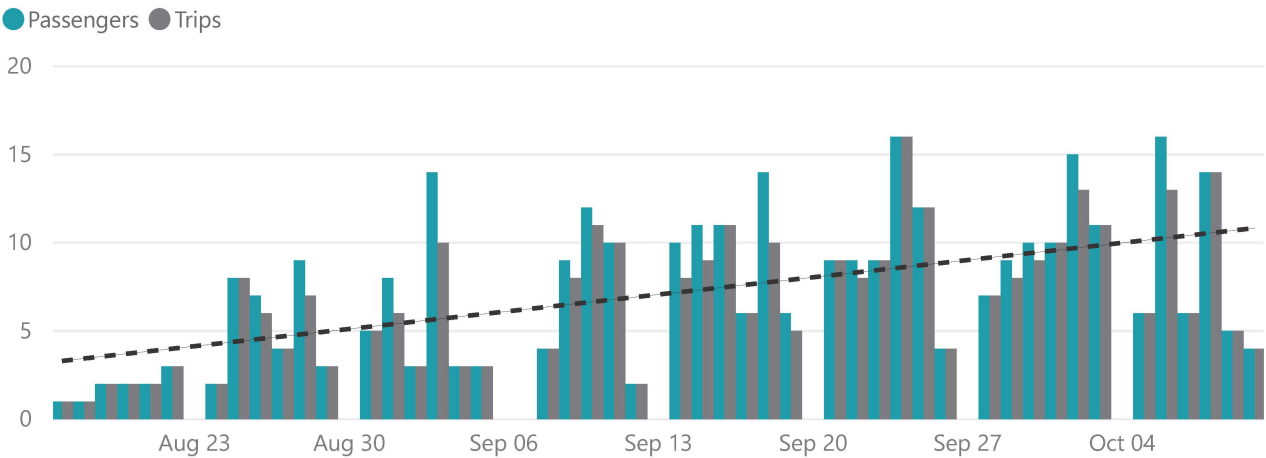
Destination Municipality



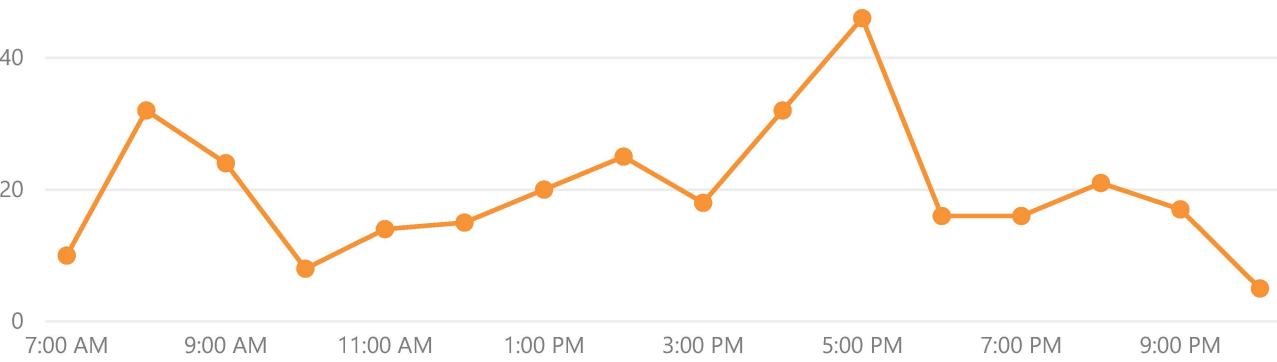
Trip Rating



Ridership



Ride Time of Day



MEMORANDUM

PWC-C 40-2020

Subject: Update on Extended Producer Responsibility – Electrical and Electronic Equipment

Date: Tuesday, November 10, 2020

To: Public Works Committee

From: Lucy McGovern, Collection & Diversion Program Manager

The purpose of this memorandum is to provide an update on Niagara Region's Electrical and Electronic Equipment (EEE) collection and recycling program with the transition to the Extended Producer Responsibility (EPR) model as of January 1, 2021.

Overview of Electrical and Electronic Equipment Current Collection Program

Regional EEE Collection Sites

Niagara Region has operated an EEE collection program for recycling since April, 2009 under a recycling agreement with the Ontario Electronic Stewardship (OES). Phase 1 of the EEE recycling program began in 2009 and included televisions, computers, printers and monitors. Phase 2 of the program, implemented in 2010, included phones, cameras, stereos and audio visual equipment. The program continues to be available at no charge to Niagara region residents at the following waste and/or recycling drop-off depots:

- 7015 Concession 7 Rd. (Niagara Road 12) - West Lincoln
- 700 Humberstone Rd. – Welland
- 1300 Bridge St. – Fort Erie
- Regional Recycling Centre, 5030 Montrose Rd. - Niagara Falls.

In addition to these drop-off locations, many reuse and recycling options are also available to residents for the free disposal of EEE materials for recycling such as return-to-retailer outlets and at the Walker Environmental Group Waste and Recycling Drop-Off Depot in Thorold.

Prior to the agreement with OES, Niagara Region collected EEE at their annual Environment Days.

A Niagara Region ban on the curbside collection of EEE to divert this material away from disposal into landfills in region, and encourage recycling at available collection sites came into effect in November 2013. The diversion of EEE from landfills has many environmental benefits such as reducing the entry of potential hazardous components into landfills and the recovery of precious metals, aluminum, copper and plastics.

OES offers Niagara Region a funding incentive for EEE collected at the participating Regional sites on a per tonne basis. Between 2009 and the end of 2019, a total of 3,890 tonnes of EEE have been diverted from disposal in landfills, generating a financial return of \$717,650. Region staff time is included within annual operating budgets, and promotional education costs are minimal. OES is fully responsible for all of the collection service expenses.

Multi-residential EEE Collection

In April of 2015, and in partnership with OES, Niagara Region initiated a program to collect EEE from eligible multi-residential properties resulting in enhanced collection services for the residents of participating apartments and high-rise condominiums. While there is no financial incentive for EEE collected from multi-residential properties, this collection program is delivered at no cost to Niagara Region and results in reduced disposal of recyclable and hazardous materials to Region landfills. OES is fully responsible for all of the collection service expenses of the multi-residential program. Between 2015 and the end of 2019, a total of 50 tonnes of EEE material was collected for recycling from this sector.

The cost for promotional materials at multi-residential properties including posters, information sheets, door hangers and tabletop displays has totaled approximately \$3,000 since 2015.

Extended Producer Responsibility

With the enactment of the Resource Recovery and Circular Economy Act, 2016 (RRCEA), the Province is shifting to a producer responsibility framework for products and packaging, making producers and brand holders accountable for recovering resources and reducing waste associated with their products.

The Province's Made-in-Ontario Plan, released on November 29, 2018, refers to and reinforces the Province's position on Extended Producer Responsibility (EPR): "Make producers responsible for the waste generated from their products and packaging"

(<https://prod-environmental-registry.s3.amazonaws.com/2018-11/EnvironmentPlan.pdf>). Public Works Committee was informed of this plan in WMPSC-C 9-2019.

On July 2, 2019, the Ministry of Environment, Community and Parks (MECP), under the Waste Diversion Transition Act, issued direction to OES to wind-up and cease operations of the waste electrical and electronic equipment program by December 31, 2020 to prepare for the new EPR model. Starting on January 1, 2021, producers of EEE will be individually accountable and financially responsible for collecting and reusing, refurbishing or recycling their products when consumers discard them.

The Electrical and Electronic Equipment Regulation, O. Reg. 522/20, under the Resource Recovery and Circular Economy Act, 2016 designates information technology, telecommunications, audio-visual (ITT/AV) and lighting equipment under Ontario's producer responsibility regulatory framework. The ITT/AV equipment that falls within the new framework includes:

- Computers
- Printers (desktop and floor-standing)
- Printer cartridges
- Video gaming devices
- Telephones, including cellular phones
- Display devices
- Radios and stereos, including after-market vehicle stereos
- Headphones
- Speakers
- Cameras, including security cameras
- Video recorders
- Drones with audio or visual recording equipment
- Peripherals and cables used to support the function of information technology, telecommunications and audio visual equipment, including charging equipment
- Parts of information technology, telecommunications and audio visual equipment sold separately, such as hard drives
- Handheld point-of-sale terminals or devices
- Musical instruments
- Audio recording equipment

Responsibilities for lighting do not come into effect until January 1, 2023, and more information on lighting will be made available in the future.

OES currently administers the electronics program through an operating agreement with the Electronics Product Recycling Association (EPRA). EPRA is an industry led not-for-profit organization that currently manages and operates OES.

With the Province moving to an EPR funding model, and Niagara Region's desire to maintain existing funding incentives, Niagara Region will merge both the multi-residential and Regional collection site EEE agreements with the EPRA for a period of one year until December 31, 2021. A 30-day termination clause without cause will be included in this agreement. This will allow adequate time to release a public tender for both of these EEE collection programs in an effort to obtain possible increased funding incentives from other Producer Responsibility Organizations (PROs). At the current time, there are five registered PRO organizations in Ontario. The extension will allow time for a larger roster of registered PROs to be available from which Niagara Region can develop a new agreement. Further, it will allow the existing EEE collection containers to remain in place at participating multi-residential properties and at the Regional collection sites, offering residents continued service during the transition. The decision for this extension is reasonable based on EPRA's experience, existing EEE producer agreements, existing and in-place collection containers, established EEE recycling infrastructure and current funding rates.

Staff will report back with the details of a new funding agreement once available.

Respectfully submitted and signed by

Lucy McGovern
Collection & Diversion Program Manager

MEMORANDUM

PWC-C 42-2020

Subject: Stewardship Ontario's Proposed Plan to Windup the Residential Blue Box Program and Transition to the New Producer Responsibility Framework

Date: Tuesday, November 10, 2020

To: Public Works Committee

From: Sherri Tait, Program Manager, Policy, Planning and Engagement

This memorandum provides Public Works Committee with Waste Management staff comments (attached as Appendix A) to the Resource Productivity and Recovery Authority (RPRA) regarding Stewardship Ontario (SO) proposed plan to windup the residential Blue Box program and transition it to the new individual producer responsibility framework.

Background

In the summer of 2019, the Minister of Environment, Conservation and Parks issued direction to SO to develop a plan to transition the current Blue Box program which is a shared cost model (50% funded by producers and 50% funded by municipalities) to the new individual producer responsibility framework (funded 100% by producers). The plan was to be submitted to RPRA by the August 31, 2020 deadline, which was extended from June 30, 2020 due to the COVID-19 pandemic. SO is currently the Industry Funding Organization (IFO) for the current Blue Box program and is funded by stewards of designated Blue Box materials.

SO submitted the [Blue Box Program Transition and Stewardship Ontario Windup Plan](#) (the Plan) to RPRA and as per the Ministers direction, RPRA is required to review, consult and approve the plan. The Plan is found in Appendix B. RPRA has consulted with stakeholders via a series of webinars and group discussions that were held from October 13 to 23, 2020. Stakeholder comments on the Plan were required by November 10, 2020.

SO Blue Box Transition and Windup Plan

Highlights of the Plan including the Minister's specific direction where applicable are outlined below.

1. Communication

Minister's Direction: *"Parties affected by the transition should be consulted and have opportunities for meaningful engagement during the development and implementation of the plan."*

"The public, Indigenous peoples and affected stakeholders, including stewards, municipalities and service providers (e.g. collectors, haulers, processors, recycled product manufactures) will receive transparent and clear communication from SO on a regular basis during the development and implementation of the plan."

The Plan outlines communication activities that will occur between 2020-2026, the objectives, stakeholders and communication methods. A detailed communication timeline for each year of the transition is provided in Appendix B of the Plan.

2. Conflict of Interest

Minister's Direction: *"SO shall take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementation the plan."*

"[...]the plan should address:

Any real, potential or apparent conflict of interest in respect to SO's relationship with the Canadian Stewardship Services Alliance (CSSA)

Any necessary steps to ensure that the CSSA does not receive preferential treatment over other markets that may be created under the RRCEA (Resource Recovery and Circular Economy Act)."

Prior to the development of the Plan, there were several changes made at the Board and management level to ensure compliance with the above direction. At the board level, changes included no cross appointment of directors between SO and CSSA, no director or director's company is permitted to participate in an organization designed to deliver compliance services under the RRCEA, while serving on the board of SO and a revised code of conduct. At the management level, there was a new independent

management team for the development of the Plan and day-to-day management of SO responsibility and obligations, all managers working on the Plan are restricted from providing services to CSSA or any other potential market participants that may be created under RRCEA and all material management and policy decisions will be made by the independent management team and subject to oversight by the Board.

3. Data Management

Minister's Direction: *"A description of all data and information that is within SO's custody or control and that is related to the operation of the SO Program since the Minister's program request letter of September 23, 2002, and a proposal for transferring all data and information to the Resource Productivity and Recovery Authority (the Authority)"*

"A proposal for identifying confidential or personal data and information and indicating how such data and information will be supplied in confidence when transferring it to the Authority, which will assist the Authority in determining its treatment of such data and information based on applicable law and policies."

"The plan shall support competition, in, and not adversely affect, Ontario's current and future marketplace for the collection and recovery of paper products and packaging. The plan shall not provide for unfair or preferential treatment of the public or any affected parties, or barrier to competition during or following the windup of the program."

"Demonstrate and documentation that any party currently having access to SO data and information only retain data that is equivalent to the information that will be shared through a fair, open and transparent process."

SO outlined in their Plan how they will ensure security and privacy of Blue Box data which includes storage on a shared SAP (Systems, Applications and Products) enterprise and resource planning system that is hosted in a Tier 3 data centre and data security and privacy maintained through access industry standard control process and protocols. SO will identify all data required to be stored in relation to statutory and regulatory requirements and will store data in a secure manner. SO will continue to publish an annual report but are not proposing to release additional data on program performance publically other than what is included in their Plan, annual reports and annual RPRA filings on program performance.

All confidential information will be marked as such and will continue to be protected following the termination of the current Blue Box program and eventually destroyed as

per their Plan. SO will provide RPRA with an attestation that destruction has taken place for data that need destroying (i.e. no longer required for legal or regulatory reasons).

SO will transfer Blue Box program data to RPRA mostly in a digital format. Once Blue Box program data has been transferred, only Blue Box program data that is retained for tax and legal purposes will not be accessible and access will require authorization from SO's CFO and approval of RPRA.

SO has market intelligence generated through market development initiatives and SO will compile an inventory of this knowledge and transfer the inventory to RPRA by end of 2021.

The legal ownership rights of the SO trademark and website domain name will transfer to RPRA following the end of the current Blue Box program.

The Plan contemplates data and intellectual property owned by CSSA but used by SO as part of its arrangement with CSSA would be retained by CSSA including the new proposed Material Cost Differentiation (MCD) methodology for setting steward fees.

4. Maintaining Program Performance

Minister's Direction: *"There shall be no disruption in payments made by SO to a municipality or First Nation community under the SO Program until the time when that municipality or First Nation community is no longer eligible to receive funding based on criteria established in the plan."*

"Ontarians' access to and experience with the Blue Box program shall not be negatively impacted. It is my expectation that, while allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities and First Nation communities shall not reduce or expand existing levels of Blue Box services that are eligible for funding under the SO Program."

SO consulted with RPRA on how to best address the Ministers direction on maintaining business as usual. RPRA developed an updated Datacall User Guide to reflect new conditions for cost eligibility where Blue Box program changes made after January 1, 2020 led to cost increases. RPRA developed a process whereby a municipality could get confirmation of cost eligibility prior to making changes to the Blue Box program. Also, RPRA is monitoring changes to service levels that do not generate cost increases but impact resident's access to and experience with the Blue Box program (e.g. a

decision to discontinue collection of a material). As reported by SO *“such changes would be tracked provincially and reported annually by both RPRA and Stewardship Ontario to determine whether such changes represented a systemic change to Ontario’s residents’ experience with Blue Box recycling and what remedial action maybe required”*.

5. Market Development and Promotion and Education (P&E)

There are no active market development projects being undertaken at this time and SO is recommending that no new projects be undertaken during the transition period. Funds that currently exist for market development would be reimbursed to stewards through their 2021 fees.

SO proposes to continue to educate residents on recycling during the transition period and will only target municipal areas that have not transitioned. SO’s Plan outlined their P&E objectives, planning progress and budget of \$400,000.

6. Municipal Funding and Datacall

Municipalities will submit their final Datacall report in the year prior to the year they are scheduled to transition out of the Blue Box program. If a municipality transitions part way through a year, the payments will be pro-rated based on the number of days in the year the municipality was part of the current Blue Box program. The Plan outlines requirements and payment calculations.

SO is proposing a change to the steward fee setting methodology from the current Activity Based Cost (ABC) to the four step MCD methodology. In summary the ABC methodology is dependent on field data (i.e. from recycling facilities) where the MCD methodology does not rely on field data but lab measurements and system and costing information. As stated earlier the MCD methodology is proprietary to CSSA.

The methodology results in a significant increased obligation to printed paper stewards who do not directly pay fees but contribute through the In-Kind program. This would have been a difference of \$3.5 million or a 70% increase in 2020. SO is proposing implementation of the new fee setting methodology in 2 stages. The 2021 fees would be calculated using 50% of the existing methodology and 50% new methodology and in 2022 fees would be calculated using 100% of the new methodology.

7. Financials and Steward Operations

Minister's Direction: *"The plan must include a proposal for dealing with the assets, liabilities, rights and obligations of SO in relation to the SO program must be dealt with in a fair, open and transparent process in accordance with applicable law."*

All monies held in trust by SO related to the SO program shall be treated appropriately in accordance with the WDTA (Waste Diversion Transition Act) and its regulations."

A proposed timeline according to which key aspects of the plan will be implemented."

SO will maintain sufficient operation capital during transition to bridge its cash flows and to ensure it has sufficient funds to meet its obligations (e.g. to municipalities and other creditors). Reserves should provide for windup costs without the need to levy additional fees and reserves in excess of what is necessary for cash flow and windup costs will be returned to stewards. The unused market development funds (approximately \$5.6 million) is to be returned to stewards via a fee reduction for the relevant materials.

SO has no capital or leased assets but has financial assets and non-financial assets (i.e. intellectual property). SO has budgeted for retention and other related costs associated with their two employees and potential legal fees associated with any future legal claims or actions during the windup period.

Details of the financial forecast are found within SO's Plan; however, SO's financial forecast includes \$131 million for stewards obligations in 2020, \$143 million in 2021, \$147 million in 2022 and then decreases each year during the transition period from 2023 to 2025.

The Plan also details the stewards' business cycle during transition.

8. Continuous Improvement Fund (CIF) Windup

Ministers Direction: *"The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025."*

CIF is a partnership between the Association of Municipalities of Ontario (AMO), City of Toronto, SO and RPRA. As per CIF, its mandate is to improve the effectiveness and efficiency of Ontario's municipal Blue Box Programs and its mandate is fulfilled through the provision of funding, technical support and training to aid municipalities and program

stakeholders in the identification and development of best practices and technological and market based solutions that lead to program improvements.

A Draft Final CIF Windup Plan has been posted to the CIF website and contains the following key recommendations:

- CIF grants will cease as of September 30, 2020.
- Disburse surplus funds to municipalities in 2021 and 2022 and after all CIF obligations are discharged in 2024.
- Continue transition and CIF program support services with emphasis on transitional support until December 31, 2023.
- Terminate public operation of CIF program on December 31, 2023.
- Initiated windup of the CIF's operations in 2024 by no later June 30, 2024.

CIF has significant intellectual assets (e.g. research projects, pilot studies, training materials) and an inventory of these assets will be completed. A Request for Expression of Interest has been issued to solicit interest from parties who may wish to maintain these assets.

A new governance model is also being proposed once the Blue Box regulations are formally approved by the Province

Niagara Region Comments

Appendix A contains Niagara Region's comments on the SO Plan which include:

- concerns related to a potential conflict of interest with the use of CSSA's propriety fee setting methodology;
- a suggestion to further reduce conflict of interest and ensure fair competition;
- concerns related to returning funds to stewards set aside for market development
- ensuring financial estimates and forecast take into consideration the significant increase in program costs related to collection and processing of Blue Box materials seen by municipalities; and
- not supporting SO's proposal to implement the MCD fee setting methodology during the wind up of the Blue Box program

Next Steps

Niagara Region will submit the comments found in Appendix A to RPRA and will continue to participate in consultation sessions related to the transition of the Blue Box program to full producer responsibility.

Respectfully submitted and signed by

Sherri Tait
Program Manager, Policy, Planning and Engagement

Niagara Region Comments on Blue Box Program Transition and Stewardship Ontario Windup Plan

Niagara Region appreciates the opportunity to provide the Resource Recovery and Productivity Authority (RPRA) comments on Stewardship Ontario's Blue Box Program Transition and Stewardship Windup Plan.

Niagara Region's comments and concerns on the Framework, are included below and are generally in line with the Association of Municipalities of Ontario (AMO), Regional Public Works Commissioners of Ontario (RPWCO), the Municipal Waste Association (MWA) and the City of Toronto's previously submitted comments on the proposed Plan in July 2020.

Conflict of Interest and Supporting Competition

The new fee setting methodology is owned and proprietary to CSSA and it appears to be a real, perceived or potential conflict of interest for this fee setting methodology to be a part of SO's Plan.

To further reduce conflict of interest and ensure fair competition, it appears as there is nothing that prevents someone currently working for or hired by SO to leave and start working for Canadian Stewardship Services Alliance (CSSA). Niagara Region would support a required time period (or buffer) between when an individual stops working for SO before they can start employment for CSSA.

Market Development Funds

SO has no further plans for market development and plans to return funds set aside for market development for plastics and glass (approximately \$5.6 million) to stewards in 2021. With the release by the federal government of a Discussion Paper: A Proposed Integrated Management Approach to Plastic Products to Prevent Waste and Pollution, instability of recycling commodities and continued concern of non-recyclable plastic packaging and products entering the market place due to lack of viable end-markets, it does appear to be a good time to stop investment into market development during between now and 2025.

Financial Forecast

The Financial estimates and forecasts should take into consideration, if they have not already, the significant increase in program costs related to collection and processing of Blue Box materials seen by municipalities that had to recently go out tender for these services.

Fee Setting Methodology

Niagara Region does not support SO's proposal to implement the MCD fee setting methodology during the windup of the Blue Box program. As indicated by SO, this change would significantly increase the amount of in-kind payments by printed paper stewards to municipalities instead of cash. Municipalities have seen a significant decrease in newspapers in the Blue Box and it does not seem reasonable that newspaper management costs would increase. This change will directly impact municipal budgets and costs of program to taxpayers.



Stewardship Ontario

Blue Box Program Transition & Stewardship Ontario Windup Plan

Submitted to: Resource Productivity and Recovery
Authority

Submitted on: August 31, 2020

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Appendices

- Appendix A - Blue Box Program Transition Plan Consultation Report
- Appendix B - Detailed Communications Timeline
- Appendix C - Material Cost Differentiation (MCD) Methodology Consultation Report

The following schedules contain confidential information and were provided separately to RPRA on August 31, 2020:

- Confidential Schedule I - Blue Box Program Transition Plan Implementation Plan and Timelines
- Confidential Schedule II - Blue Box Program Transition Plan Financial Forecast and Budget
- Confidential Schedule II(a) - BBTP Cash Flow Assumptions
- Confidential Schedule II(b) - CIBC Investment Statement Act 52683
- Confidential Schedule II(c) - CIBC Investment Statement Act 2434694
- Confidential Schedule III - Human Resources

GLOSSARY

ABC: Activity Based Costing

AMO: Association of Municipalities of Ontario

BAU: Business as usual

BBPM: Blue Box Program Materials

BBPP: Blue Box Program Plan

CIF: Continuous Improvement Fund

CRA: Canada Revenue Agency

CSSA: Canadian Stewardship Services Alliance Inc.

HST: Harmonized Sales Tax

IFO: Industry Funding Organization

IP: Intellectual Property

IT: Information Technology

Local Blue Box Recycling Services: The collection and processing systems that Participating Communities have established to recycle BBPM

MFAM: Municipal Funding Allocation Model

MIPC: Municipal-Industry Programs Committee

MECP: Ministry of the Environment, Conservation and Parks

MRF: Materials Recovery Facility

P&E: Promotion and Education

PPP: Printed Paper and Packaging

Participating Communities: Municipalities, recycling associations & First Nations communities that are part of the program

RPRA: Resource Productivity and Recovery Authority

RRCEA: *Resource Recovery and Circular Economy Act, 2016*

RRSP: Registered Retirement Savings Plan

SAP: Systems, applications and products

WDTA: *Waste Diversion Transition Act, 2016*

IMPACT OF COVID-19 ON TRANSITION PLAN DEVELOPMENT

On August 15, 2019, the Minister of the Environment, Conservation and Parks [issued a letter](#) directing Stewardship Ontario to develop a plan to transition the Blue Box Program to full producer responsibility by 2025, and subsequently wind up Stewardship Ontario as an organization. The letter required Stewardship Ontario to submit a Blue Box Program Transition Plan (Transition Plan) to the Resource Recovery and Productivity Authority (RPRA) by June 30, 2020.

To support meaningful consultations with all Blue Box stakeholders during the COVID-19 pandemic, the Minister [granted](#) Stewardship Ontario's request for a 60-day extension for submitting the transition plan to RPRA. Consultation webinars that were originally scheduled for April 7 and 8, 2020, were postponed and rescheduled for June 16 and 17, 2020, with stakeholder feedback due by July 15, 2020.

Stewardship Ontario's Blue Box Program Transition Plan was approved by the Stewardship Ontario Board on August 26, 2020 and submitted to RPRA on August 31, 2020. The Minister anticipates RPRA will approve the Transition Plan no later than December 31, 2020, meaning there will be no delay in the transition timelines originally set out in the Minister's 2019 direction letter.

SECTION 1: CURRENT PROGRAM OVERVIEW

1.1 History of the Blue Box Program Plan

The [Waste Diversion Act, 2002](#) (WDA) required companies that introduce packaging and printed paper into the Ontario market to contribute funding to Stewardship Ontario. That funding has been used to partially offset the costs to Ontario municipalities and First Nations to manage packaging and printed paper in their residential recycling programs.

The WDA also established Waste Diversion Ontario (WDO).¹ WDO was mandated to develop, implement and operate waste diversion programs for a wide range of materials, including packaging and printed paper commonly managed by Participating Communities.

In 2002, WDO directed Stewardship Ontario to develop the [Blue Box Program Plan](#) (BBPP). The BBPP was designed as a funding program for packaging and printed paper managed in municipally-run Local Blue Box Recycling Services. The BBPP required producers (or stewards) of packaging and printed paper to fund up to 50% of municipal net operating costs to manage these materials. It also set diversion targets for packaging and printed paper of 50% by 2006 and 60% by 2008. The BBPP was approved by the Ontario Government on December 22, 2003.

In 2003, Stewardship Ontario registered 3,300 companies as potential stewards and received data reports from 1,200 stewards. Payments to municipalities and First Nations communities began in 2004.

Stewardship Ontario and the BBPP currently operate under the authority of [Waste Diversion Transition Act, 2016](#) (WDTA), which replaced the WDA on November 30, 2016. At the same time, the Resource Productivity and Recovery Authority (RPRA) replaced WDO.

1.2 Blue Box Program Compared to Other Waste Programs

The BBPP differs from the stewardship programs established for tires, electronics and household hazardous or special waste, which have either wound up or are in the process of winding up. When these newer programs were established, consumers had limited access to suitable material collection services. Further, there was not enough processing capacity to manage the volume of materials available for collection. Accordingly, for the tires, electronics and Municipal Hazardous or Special Waste (MHSW) programs, the business community was assigned primary responsibility for funding, expanding and operating the necessary recycling infrastructure to manage those materials at end-of-life.

In contrast, municipalities with a population over 5,000 have been required since 1994 to operate Local Blue Box Recycling Services for packaging and printed paper under [O.Reg.101/94](#). Widespread municipal Blue Box recycling was taking place long before [O.Reg.101/94](#) was established. By 2003, when the BBPP was established, there was already a mature province-wide recycling system for discarded packaging and printed paper operated by Ontario municipalities and First Nations communities. Regular curbside collection was accessible to most Ontario residents. Depot-based collection was accessible in almost all areas of low population density where curbside collection was not feasible.

¹ WDO is a non-crown corporation and is the predecessor to RPRA.

The BBPP was created in the form of a funding program to partially offset municipalities' costs to manage packaging and printed paper in their Local Blue Box Recycling Services. Under the BBPP, municipalities continued to manage the recycling supply chain (i.e., Ontario businesses would not become involved in the operation of the recycling system), but costs were shared between municipalities that ran the recycling system and the Ontario businesses that supplied packaging and printed paper into the Ontario residential market. Over the years, local recycling associations and First Nations communities also developed recycling programs and became eligible for funding under the BBPP.

1.3 Program Roles and Responsibilities

There are defined roles and responsibilities for key participants in the program, and mechanisms have been established, unique to the Blue Box Program, to coordinate efforts and facilitate joint decision-taking.

1.3.1 Stewardship Ontario

Stewardship Ontario is a not-for-profit organization that is designated under the WDTA as the Industry Funding Organization (IFO) for the BBPP. Stewardship Ontario is funded by the companies that are the brand owners, first importers or franchisors (referred to as stewards) of the packaging and printed paper materials covered by the BBPP. These stewards pay fees to Stewardship Ontario to enable it to fulfill its funding and operational obligations. Stewardship Ontario's board of directors (Board) is composed of representatives from steward companies and steward trade associations, as well as an independent board member.

Stewardship Ontario is responsible for:

- Collecting data from stewards on the weight of designated materials stewards supply to market.
- Determining annual steward fee rates according to an approved process.
- Consulting with stakeholders on fee rates and other proposed program changes.
- Invoicing stewards and collecting fees sufficient to discharge Stewardship Ontario's obligations under the BBPP (see [1.4 Key Elements of the Current Program, Annual Steward Obligation](#)), as well as Stewardship Ontario operating costs and RPRA regulatory charges.
- Distributing funds to municipalities, recycling associations and First Nations communities (see [1.4.5 Determining the Allocation of Funding to Participating Communities, MFAM](#)) in accordance with the annual municipal funding obligation (the "Annual Steward Obligation") set by RPRA.
- Providing guidance to stewards on the Blue Box Program and their obligations.
- Seeking, where possible, to support the development of markets for recycled materials.
- Engaging in promotion and education efforts that support improvements to the recycling system.
- Participating in joint governance structures and activities such as the Municipal-Industry Programs Committee (MIPC) and its sub-committees, and the Continuous Improvement Fund (CIF) Committee under the auspices of the RPRA Board (see [1.3.3 Resource Recovery and Productivity Authority \(RPRA\)](#)).

1.3.2 Municipalities, Recycling Associations and First Nation Communities

Municipalities, recycling associations and First Nations communities (Participating Communities) design and manage their own Local Blue Box Recycling Services, subject to the requirements set out in O.Reg.101/94, which predates the BBPP (see [1.5 Overview of the Current Consumer Experience and Accessibility](#)).

Some Local Blue Box Recycling Services are operated directly by municipal staff via municipally-owned facilities and equipment, while others are contracted to the private sector or use a mix of municipal facilities and contracted services.

In addition to the management, planning and operational activities undertaken to manage their respective programs, Participating Communities are also responsible for:

- Tracking and compiling Blue Box recycling system costs, and collection and processing performance data.
- Submitting cost and performance information to RPRA via the Datacall (see [1.4.3 Datacall](#)).

Participating Communities also participate in joint governance structures such as the MIPC and its sub-committees, as well as the CIF Committee. Municipalities, with the exception of the City of Toronto, participate via the [Association of Municipalities of Ontario](#) (AMO) (see [1.3.3 Resource Productivity and Recovery Authority](#)).

1.3.3 Resource Productivity and Recovery Authority (RPRA)

RPRA is the regulator mandated to enforce the province's circular economy legislation and regulations. It receives its authority from the [Resource Recovery and Circular Economy Act, 2016](#) (RRCEA) and the [Waste Diversion Transition Act, 2016](#) (WDTA).

RPRA's responsibilities include:

- Carrying out its own separate consultation on windup plans submitted by IFOs.
- Approving windup plans developed by IFOs and overseeing their implementation.
- Developing and operating a registry for producers responsible for materials under the RRCEA to register with RPRA and report on waste recovery.
- Carrying out compliance and enforcement activities.

RPRA has additional responsibilities specific to the BBPP, including:

- Managing the Datacall and undertaking audits of Datacall reports
- Determining the Annual Steward Obligation to Participating Communities.
- Managing the Municipal Funding Allocation Model (MFAM).
- Administering municipalities' access to in-kind advertising (see [1.4.6 Contributions from Newspaper Industry \(the In-Kind Program\)](#)).
- Participating in joint governance structures and activities such as MIPC and its sub-committees (as Chair), and the CIF Committee.

1.3.3.1 Municipal-Industry Programs Committee (MIPC)

The MIPC and its sub-committees are chaired by RPRA and have equal representation from municipalities (via AMO and the City of Toronto) and Stewardship Ontario.

While MIPC no longer has a role in establishing the Annual Steward Obligation, it is the key mechanism for consultation and discussion regarding the operation of the BBPP between Ontario municipalities and Stewardship Ontario.

1.3.3.2 Continuous Improvement Fund (CIF)

The CIF is a partnership between AMO, the City of Toronto, Stewardship Ontario and RPRA.

Its mandate is to improve the effectiveness and efficiency of municipalities' Local Blue Box Recycling Services and the provincial Blue Box system as a whole in accordance with Section 6.6 of the BBPP.

This mandate has been fulfilled primarily by providing funding, training and technical assistance to Participating Communities and other Blue Box recycling system stakeholders. These resources are intended to support initiatives that identify, develop and apply 'best practices' and preferred approaches to program operations to reduce operating costs and/or improve material capture rates across all programs.

The CIF has played a key role in fostering and supporting innovation through the development and introduction of technological, market and supply chain-based solutions. The CIF also established performance metrics and benchmarking for municipal program operations across the province. These efforts ensure that all Participating Communities have access to the information and resources necessary to maximize the performance of their Local Blue Box Recycling Services.

The CIF operates as a committee of RPRA. RPRA is responsible for setting the overall strategic priorities and budget for the CIF.

1.4 Key Elements of the Current Blue Box Program

1.4.1 Current Blue Box Program Materials

[O.Reg.101/94](#) requires that all municipalities with a population in excess of 5,000 operate a Blue Box recycling system that collects, at minimum, the following five basic materials:

1. Aluminum food or beverage cans (including cans made primarily of aluminum).
2. Glass bottles and jars for food or beverages.
3. Newsprint.
4. Polyethylene terephthalate (PET) bottles for food or beverages.
5. Steel food or beverage cans (including cans made primarily of steel).

[O.Reg.101/94](#) lists supplementary materials. According to the regulation, municipalities must add at least two categories of supplementary material to their Local Blue Box Recycling Services. The supplementary materials are:

1. Aluminium foil (including items made from aluminium foil).
2. Boxboard and paperboard.
3. Cardboard (corrugated).
4. Expanded polystyrene food or beverage containers and packing materials.
5. Fine paper.
6. Magazines.
7. Paper cups and plates.
8. Plastic film, being:

- i. linear low-density or low-density polyethylene grocery bags or bags used for food or beverages, and
 - ii. linear low-density or low-density polyethylene used for wrapping products.
9. Rigid plastic containers, being:
 - i. high-density polyethylene bottles used for food, beverages, toiletries or household cleaners (including bottles made primarily of high-density polyethylene), and
 - ii. polystyrene containers used for food or beverages (including containers made primarily of polystyrene).
10. Telephone directories.
11. Textiles (not including fibreglass or carpet).
12. Polycoat paperboard containers, being containers made primarily of paperboard and coated with low-density polyethylene or aluminium, and used for food or beverages.

The BBPP provides further information about the scope of funding available to Participating Communities under the Blue Box Program.

1.4.2 Current Blue Box Program Funding

The Blue Box Program currently is funded through a shared responsibility model, in which municipalities and industry share costs.

The Annual Steward Obligation is the amount of money that Stewardship Ontario must pay out to Participating Communities each year. Funding for the Annual Steward Obligation is provided by obligated packaging and printed paper stewards. These stewards pay fees to Stewardship Ontario based on the amount of packaging and printed paper they supply annually into the Ontario residential market.

The total amount owing to Stewardship Ontario by stewards in a given year is equal to 50% of the net costs incurred by Participating Communities as a result of the Blue Box Program, plus Stewardship Ontario's share of RPRA's management and oversight costs, as well as Stewardship Ontario's Blue Box Program management costs.

RPRA determines the Annual Steward Obligation to municipalities, and Stewardship Ontario's share of RPRA management and oversight costs. Stewardship Ontario's Blue Box Program management costs are determined by the Stewardship Ontario Board.

The fee rates paid by stewards are determined by Stewardship Ontario according to a process set out in the BBPP. Each year, the Blue Box Program's annual budget, its program performance and the fee rates are:

- presented to stewards and other stakeholders; and
- reviewed and approved by both the Stewardship Ontario and RPRA boards of directors.

1.4.3 Datacall

The Datacall is an online portal and process managed by RPRA. It is the first step in determining the Annual Steward Obligation to Participating Communities. Participating Communities report cost and performance data to RPRA via the Datacall. Each Ontario program providing recycling services must complete the Datacall to be eligible for Blue Box Program funding.

RPRA also uses the Datacall to determine residential waste diversion rates. Stewardship Ontario uses information from the Datacall, in part, to determine material-specific recovery rates, which are a component of the methodology used to determine steward fees (see [1.4.9 Current Process for Determining Steward Fees](#)).

RPRA is responsible for validating Participating Communities' financial and operational recycling data supplied to the Datacall. RPRA provides data from the Datacall to Stewardship Ontario for it to complete the fee setting process. (see [1.4.9 Current Process for Determining Steward Fees](#)).

1.4.4 Determining the Annual Steward Obligation to Participating Communities

The Annual Steward Obligation is the amount of money that Stewardship Ontario must pay out to Participating Communities each year. The Minister's letter to RPRA regarding the transition of the Blue Box Program and windup of Stewardship Ontario states that RPRA will have sole responsibility for determining the Annual Steward Obligation. Therefore, this element of the BBPP is beyond the scope of this Transition Plan.

1.4.5 Allocating Funding to Participating Communities

The Municipal Funding Allocation Model (MFAM) sets out how the Annual Steward Obligation is to be distributed among the Participating Communities. Stewardship Ontario prepares and distributes funding cheques to Participating Communities as determined by MFAM.

Like the Annual Steward Obligation, the Minister's direction specifies that RPRA will have sole responsibility for administering MFAM. As such, the MFAM is beyond the scope of this Transition Plan.

1.4.6 Contributions from Newspaper Industry (the In-Kind Program)

Under the BBPP, members of News Media Canada (formerly the Canadian Newspaper Association) and the Ontario Community Newspaper Association are entitled to fulfill the Annual Steward Obligation component of their Stewardship Ontario fees by supplying Participating Communities with advertising space in their publications at no charge.

Advertising space is allocated to Participating Communities in the same manner as MFAM, and may be used for the promotion of waste diversion generally (not just Blue Box recycling).

The amount of advertising space that is made available depends on the share of the Annual Steward Obligation that is allocated to newspaper stewards. This is determined during Stewardship Ontario's annual fee-setting process (see [1.4.9 Current Process for Determining Steward Fees](#)).

RPRA is responsible for administering the In-Kind Program.

1.4.7 Promotion and Education

Promotion and education activities are eligible for funding under the BBPP and are mostly designed and delivered locally by Participating Communities.

Stewardship Ontario supports Participating Communities by providing annual province-wide promotion and education initiatives.

Stewardship Ontario also provides Participating Communities with advertising templates for each of its campaigns. Participating Communities can customize these templates with their website URL, logo, etc., and use them for their own promotion and education initiatives, including advertising provided by the In-Kind Program.

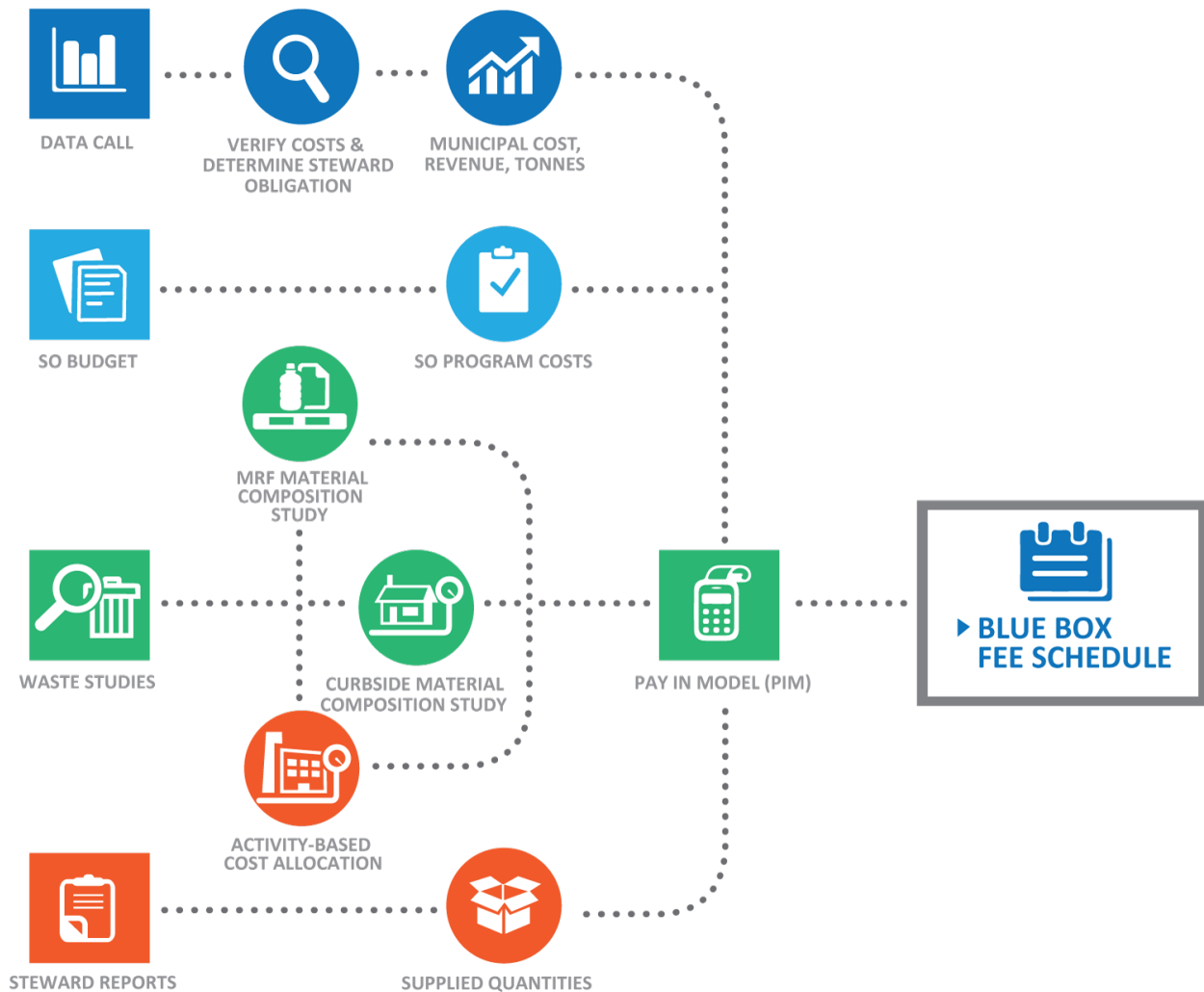
1.4.8 Market Development

Stewardship Ontario has an obligation under the BBPP to seek to improve markets for recyclable materials. Over the course of the Blue Box Program, Stewardship Ontario has partnered with manufacturers, collectors, recovery facilities and material processors, equipment suppliers, packaging manufacturers and their industry participants to address barriers in the recycling supply chain that may prevent materials from reaching market. Stewardship Ontario has committed substantial funding to researching, investing in and supporting markets for materials such as mixed rigid plastics, clamshell packaging, glass, film plastic, composite paper packaging and laminated packaging, among others.

Significant investments have been funded through special levies on targeted materials established during the fee-setting process (see next section, [1.4.9 Current Process for Determining Steward Fees](#)).

1.4.9 Current Process for Determining Steward Fees

Each year Stewardship Ontario sets the fees that stewards must pay to fund the Annual Steward Obligation, the regulatory fees that Stewardship Ontario pays to RPRA, and its own program operation costs. The diagram below shows the process for calculating fees, and the data inputs that are used.



As noted earlier, RPRA determines the Annual Steward Obligation and provides Stewardship Ontario with the quantum of its regulatory charges for the coming year. These costs, plus the Stewardship Ontario operating budget (which is set by the Stewardship Ontario Board), determines how much money Stewardship Ontario needs to raise from steward fees in the upcoming year. The operating budget reflects Stewardship Ontario's management costs, promotion and education and market development costs, along with any adjustments the Board may consider prudent to its operating reserves.

Stewardship Ontario also undertakes research and analysis into how different materials impact program costs, which includes studies of Blue Box material composition and activity-based costing. Curbside material composition studies, conducted in partnership with CIF, help to clarify the mix of materials put out by Ontario residents in their recycling and garbage. Material Recycling Facility (MRF) material composition studies examine the processed recyclables after they have been sorted in the facility. The end-to-end costs of municipal recycling operations have also been studied, but it has been difficult to keep this analysis up to date due to restrictions on access to current operating facilities.

These analyses are combined with data from stewards on the quantities of each material supplied to market to allocate costs to each of the material categories and determine fee rates for the coming year.

Costs are allocated to materials based on the Three Factor Formula set out in the BBPP, which seeks to equitably allocate costs to all obligated materials. The Three Factor Formula is influenced by the actual cost of managing the material, the recovery rate for the material, and the extent to which a material falls short of the 60% recycling target. The data, research and factors are brought together in the Pay-in-Model (PIM), that produces the material-specific fees and fee rates.

Once all the research and calculations are completed, the results are presented to stewards as part of an Annual Steward Meeting.

Following the Annual Steward Meeting, fee rates for the coming year receive final review and approval by both the Stewardship Ontario and RPRA boards of directors.

1.4.10 Business Cycle and Operations

Stewardship Ontario's annual business cycle is straightforward. It consists of data gathering and research, data analysis, and participation in the joint governance processes such as MIPC and CIF and stakeholder consultation, as required. Stewardship Ontario is not involved in the contracting or management of supply chain services for Blue Box services.

The process required to issue payments to Participating Communities spans a four-year cycle in which available data from the first year of a cycle is used as a proxy for costs incurred in the third year of the cycle (the final payout for which is made in the fourth). This is illustrated by Table 1: Business Cycle and Operations, below, which sets out the timeline for data collection and analysis to determine steward fees and municipal payouts for 2019.

Table 1: Business Cycle and Operations

2017	Participating Communities incurred costs to deliver Blue Box services to residents and stewards supplied paper products and packaging into the Ontario market.
May/June 2018	Participating Communities reported net cost and recovery data for 2017 and stewards reported supplied to market data for 2017.
July 2018	RPRA provided Stewardship Ontario with the Annual Steward Obligation and projected regulatory fees for 2019.
June/September 2018	Stewardship Ontario compiled data on costs, material composition and related research, and developed draft fees and fee rates, which were approved by the Stewardship Ontario Board for presentation to stewards.
October 2018	Fee rates were presented to stewards at CSSA's Annual Steward Meeting.
December 2018	Stewardship Ontario and RPRA boards reviewed and approved 2019 fee rates.
January 2019	Stewards submitted the first quarterly payment of 2019 fees.
June 2019	Participating Communities received their first quarterly payment of the Annual Steward Obligation for 2019.
March 2020	Participating Communities received their final quarterly payment of the Annual Steward Obligation for 2019.

Although the 2019 Annual Steward Obligation paid to Participating Communities was determined using data from 2017, payments to Participating Communities are not paid in arrears. The payments made to Participating Communities in 2019 are for the 2019 Annual Steward Obligation.

1.4.11 Steward Rules

The final key element of the current BBPP is the [Steward Rules](#). These rules include:

- A detailed definition of Blue Box Program terms.
- Provisions to determine who is designated as a steward.
- Requirements for filing steward reports.
- Potential penalties and interest in the event of non-compliance.
- Expectations with respect to providing and retaining data, including calculation methodology, packaging data and audit reports.
- An explanation of what constitutes “resident in Ontario” for the purposes of the program.
- The payment and reporting schedule for the given program year.

The Steward Rules are reviewed and updated each year to adjust dates, improve clarity and address issues that come to the attention of Stewardship Ontario. The RPRA and Stewardship Ontario boards are responsible for approving the Steward Rules annually.

1.5 Overview of the Current Consumer Experience

O.Reg.101/94 requires every municipality with a population of more than 5,000 to have a Blue Box recycling system for materials designated in that regulation. The regulation sets out a variety of requirements that each municipality must satisfy.

As noted earlier in [this section](#), each Participating Community determines its own material collection and processing strategies according to local needs, desires and circumstances.

Local Blue Box Recycling Services vary across the province. While there are 249 municipal programs designed to meet the unique needs of their communities, they have many elements in common. Some of the main differences relate to:

- What is collected from the list of “supplemental materials” in O.Reg.101/94.
- Whether residents receiving curbside collection need to separate materials into different containers (dual stream) or mix them up in a single container (single stream).
- Whether residents are required to use boxes or wheeled bins.
- Whether residents receive collection weekly or fortnightly.
- The extent to which multi-family service is part of the municipal program or managed privately.

Since municipal Blue Box recycling system collection is one component of a broader waste management strategy, the design of municipal services tends to reflect other choices municipal program managers make (for green bin wastes, garden wastes, etc.).

Table 2 below summarizes household accessibility to Local Blue Box Recycling Services, as determined through the Datacall process (which collects information on those receiving curbside and depot service, but not the type of curbside service they receive).

It also summarizes the extent to which municipalities collect Blue Box materials beyond the minimums set out in O.Reg.101/94.

Table 2: Number of Households with Blue Box Services Beyond Five Basic Materials (2018)

Blue Box Material	2018 Households Served	Number of Programs	2018 Households Served as % of Total Households Reported
Paper-based Packaging			
Corrugated Containers	5,277,180	249	100.0%
Boxboard	5,273,103	246	99.9%
Polycoat			
Gable Top Containers	5,190,482	220	98.4%
Aseptic Cartons	5,100,575	194	96.7%
Metals			
Aluminum Foil Packaging	5,239,666	235	99.3%
Empty Aerosol Cans	4,652,959	164	88.2%
Empty Paint Cans	4,983,086	180	94.4%
Plastics			
HDPE Containers	5,265,952	239	99.8%
Other Containers (#3,4,5,7)	5,200,454	225	98.5%
HDPE/LDPE Film (#2,4)	3,745,677	178	71.0%
Polystyrene Foam	3,343,120	115	63.4%
Polystyrene Crystal	4,366,964	141	82.8%

Source: RPRA

1.6 Risks to the Consumer Experience and Program Costs

Ontario's Local Blue Box Recycling Services are facing certain challenges. Ontario's recycling system supplies material into global markets. Prices in recent years have been depressed, in part because increased recycling throughout the world has increased supply.

At the same time, the types of packaging and printed paper material supplied into the consumer market have changed. Years ago, newspaper was by far the dominant material in recycling bins. However, digitization of the news media has reduced newspaper volumes over time. Innovation has also altered and diversified the types of materials used for consumer packaging. Commonly referred to as "the evolving tonne", these trends have the combined effect of increasing the cost of material processing per tonne while depressing revenues. The extent to which these trends will continue is not yet clear, especially in light of changes to global supply chains that are likely to follow from COVID-19.

These trends create cost pressures for waste management service providers, who may not be able to continue to provide services under existing contracted terms.

Recycling contracts typically run for 10 years or more. There may be fewer contractors bidding on contracts that expire during the transition period (2021-2025), since prospective contractors will have fewer years over which to amortize any capital costs they may incur in order to take on a new contract. Some Participating Communities may consider changes to their Local Blue Box Recycling Services, especially those that have contracts that expire during the transition period.

The trends of rising costs and decreased revenue may make it necessary for some Participating Communities to change their collection policies and strategies, which may demand more effort from consumers or a change in recycling behaviour. For example, a Participating Community might decide to switch from dual-stream to single-stream recycling, or vice versa, if such a change could improve the cost competitiveness of its next tender.

Similarly, a Participating Community might choose to switch to bi-weekly collection from weekly, in an effort to contain the rate of growth in cost, while maintaining comprehensive curbside service.

See [Section 7.2.2](#) for further information on how this Transition Plan proposes to address potential impacts of economic trends and program changes on the consumer experience.

1.7 Key Financial Metrics for the Current Program

1.7.1 Profile of Stewardship Ontario's Operating Costs

As noted earlier, Stewardship Ontario's costs for a given year are largely determined in advance by RPRA. The Annual Steward Obligation and RPRA's regulatory costs represent approximately 96% of Stewardship Ontario's total annual budget. Stewardship Ontario's operating costs comprise approximately 4% of its total annual expenses.

Stewardship Ontario's program management costs consist of:

- Program management costs such as employee salaries, payments for contracted management services and rent and other office expenses.
- Field studies (e.g. waste composition and ABC to support fee setting).
- Legal and audit fees.
- Promotion and education initiatives.
- Market development initiatives.
- Any necessary adjustments to financial reserves.

These costs are reviewed in September by the Stewardship Ontario Board during the fee-setting process, prior to presentation to stewards in October.

1.7.2 Financial Reserves

Stewardship Ontario has three types of financial reserves for the Blue Box Program:

- A **Sustaining Fund** was initially established to ensure that Stewardship Ontario could carry out its non-profit activities and meet its management obligations over the course of a short windup of one or two years.
- **General Reserve** represents the accumulation of excess revenues over expenses over the course of the program.

- **Material-Specific Market Development Funds** are collected from stewards of specific materials to support Stewardship Ontario's market development efforts, and currently include a:
 - Glass Market Development Fund; and
 - Plastic Market Development Fund.

1.7.3 Historical Costs and Reserves

Table 3: Historical Costs and Reserves (2015-2019)

Historical Costs and Reserves 2015-2019 (\$000 Includes HST)					
	2015	2016	2017	2018	2019
Steward Obligation to Participating Communities	105,641	110,833	116,716	118,888	121,257
Program Management	4,445	3,885	4,268	4,157	4,106
Field Studies	206	442	258	287	316
Legal & Audit Fees	93	11	60	26	163
Market Development/Research Projects	264	130	27	507	79
Promotion & Education	4	135	363	383	413
Regulatory Charges	1,017	1,994	1,545	2,397	2,642
Total Operating Costs	111,670	117,430	123,237	126,645	128,976
General Reserve	13,808	16,276	15,538	18,018	17,884
Sustaining Fund	1,400	1,400	1,400	1,400	5,404
Plastic Market Development Fund	5,028	4,964	4,964	4,964	4,964
Blue Box Fund	1,285	1,066	1,066	1,066	0
Glass Market Development Fund	666	666	666	666	666
Total Reserves	22,187	24,372	23,634	26,114	28,918

1.7.4 Factors that Impact Costs

The largest component of Stewardship Ontario's budget is the Annual Steward Obligation, set by RPRA and disbursed to Participating Communities. The Annual Steward Obligation is beyond Stewardship Ontario's control. It is affected by numerous economic, supply chain, technology and operational variables.

Local Blue Box Recycling Services are capital, labour and energy-intensive, and operate within a global recycling market. Many economic factors have an impact on costs. Trends in labour rates and long-term interest rates tend to impact Participating Communities' costs as contracts expire and are renewed or retendered. Fluctuating fuel costs and global commodity prices (which impact revenues received for processed recyclables) can significantly influence year-to-year costs, since contracts often include provisions for fuel surcharges when fuel prices are high, and usually do not include guaranteed revenues.

General economic conditions are also important, since consumers buy more products when times are good, generating more packaging material to recycle.

Technology and innovation affect the costs of Local Blue Box Recycling Services in two competing ways. First, as noted earlier, innovation tends to increase the range and diversity of material used in

packaging, contributing to the “evolving tonne” and creating upward pressure on costs. Conversely, technological innovation within the recycling system can reduce labour costs by automating activities.

Changes to consumer behaviour also have an impact, by contributing to the “evolving tonne” and increasing or decreasing the amount of material available for recycling. Online shopping, for example, has generated a significant increase in the amount of corrugated cardboard handled by residents and disposed of via Local Blue Box Recycling Services. Growing interest in prepared foods, particularly from grocery stores, also changes the nature of packaging used in the home.

Finally, the costs to stewards are affected by decisions made by RPRA when determining the Steward Obligation to Municipalities. For example, a Municipal Cost Containment amount is deducted from the reported costs to reflect the potential for Participating Communities to reduce costs through program efficiencies. The model RPRA uses to determine this amount is currently under review.

The recycling industry is complex, global in scope and rapidly evolving. It is virtually impossible to predict future costs over an extended period.

However, as noted in [Section 1.4.4](#), the method used for setting the Annual Steward Obligation and steward fees is based on historical/past data and is not dependent on predicting costs. Therefore, Stewardship Ontario’s financial outlook for the BBPP for a single year is predictable.

1.7.5 Steward Fee Rates

Table 4: Stewardship Ontario 2020 Steward Fee Schedule

STEWARDSHIP ONTARIO FEE SCHEDULE (CENTS/KG)				
Category	Material	2020 Fee Rates (cents/ kg)	2019 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint - CNA/OCNA	0.63	0.59	6.8%
	Newsprint - Non-CNA/OCNA	6.90	5.98	15.4%
	Magazines and Catalogues	12.70	9.04	40.5%
	Telephone Books	13.25	11.06	19.8%
	Other Printed Paper	16.00	18.45	-13.3%
PAPER PACKAGING	Corrugated Cardboard	11.28	10.13	11.4%
	Boxboard	11.28	10.13	11.4%
	Gable Top Cartons	28.33	22.44	26.2%
	Paper Laminates	28.33	22.44	26.2%
	Aseptic Containers	28.33	22.44	26.2%
PLASTICS	PET Bottles	17.39	19.65	-11.5%
	HDPE Bottles	13.92	13.21	5.4%
	Plastic Film	36.67	33.07	10.9%
	Plastic Laminates	36.67	33.07	10.9%
	Polystyrene	36.67	33.07	10.9%
	Other Plastics	36.67	33.07	10.9%
STEEL	Steel Food & Beverage Cans	6.97	7.10	-1.8%
	Steel Aerosols	6.97	7.10	-1.8%
	Steel Paint Cans	6.97	7.10	-1.8%
ALUMINUM	Aluminum Food & Beverage Cans	5.16	3.68	40.2%
	Other Aluminum Packaging	13.32	7.96	67.3%
GLASS	Clear Glass	4.07	3.80	7.1%
	Coloured Glass	7.95	6.76	17.6%
IN-KIND	In-Kind Amount	\$4,860,588	\$5,112,007	-4.9%

1.7.5.1 Factors Impacting Steward Fee Rates

Steward fee rates are impacted by the factors set out in [Section 1.4.9](#). Layered on top of this complexity are factors that impact how fees for a material category are translated into *fee rates per kilogram* for materials supplied into the market. When tonnes of one material are increasing, total fees for that material are spread over a larger total quantum of that material. *Fee rates* for that material would tend to decrease (all else being equal), and vice versa. Fee rates can also be affected by trends in recovery rates for different materials and changes to the way in which resources are deployed within the recycling system.

SECTION 2: MINISTER'S DIRECTION AND SCOPE OF THE BLUE BOX PROGRAM TRANSITION PLAN

The Minister's direction letter sets out requirements for Stewardship Ontario in relation to the preparation and implementation of this Transition Plan. The Minister provided specific direction to Stewardship Ontario in seven major areas:

1. Consultation
2. Conflict of Interest
3. Promoting Competition
4. Demonstrating Fairness to Stewards and Supporting Competition.
5. Maintaining Program Performance
6. Windup of the CIF
7. Implementation Plan and Timelines

These specific directions are set out in italics below and are addressed by Stewardship Ontario in the same order in subsequent sections of this plan.

Given the shared nature of responsibilities related to the Minister's instructions pertaining to 5. Maintaining Program Performance and 6. Windup of the CIF, Stewardship Ontario has taken advice provided by both RPRA and Participating Communities in the preparation of this plan in relation to those matters.

This Transition Plan deals specifically and exclusively with how the Blue Box Program will be wound up. It does not set out what the new requirements will be for those who have obligations under the RRCEA. These new obligations, and the manner and timing with which Participating Communities will transition out of the current program, is expected to be set out in regulation. The MECP is currently consulting on the development of this regulation through a separate process, in which Stewardship Ontario is not participating. Adjustments will be made to this plan as required to ensure that it is consistent with the regulation that is developed.

2.1 Consultation

"Parties affected by the transition should be consulted and have opportunities for meaningful engagement during the development and implementation of the plan."

"The public, Indigenous peoples and affected stakeholders, including stewards, municipalities and service providers (e.g. collectors, haulers, processors, recycled product manufacturers) will receive transparent and clear communications from SO on a regular basis during development and implementation of the plan."

2.2. Conflict of Interest

"SO shall take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan."

2.3 Supporting Competition

“The plan shall support competition in, and not adversely affect, Ontario’s current and future marketplace for the collection and recovery of paper products and packaging. The plan shall not provide for unfair or preferential treatment of the public or any affected parties, or barrier to competition during or following the transition of the program.”

“SO’s sharing of data and information to parties other than the Resource Productivity and Recovery Authority (the Authority) must be done through a fair, open and transparent process that does not result in preferential treatment of one person or group over another or release of any confidential information.”

2.4 Demonstrating Fairness to Stewards and Protecting Consumers

“The assets, liabilities, rights and obligations of SO related to the SO Program must be dealt with in a fair, open and transparent process in accordance with applicable law.”

“All monies held in trust by SO related to the SO Program shall be treated appropriately in accordance with the WDTA and its regulations.”

2.5 Maintaining Program Performance

“There shall be no disruption in payments made by SO to a municipality or First Nation community under the SO Program until the time when that municipality or First Nation community is no longer eligible to receive funding based on criteria established in the plan.”

“Ontarians’ access to and experience with the Blue Box program shall not be negatively impacted. It is my expectation that, while allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities and First Nation communities shall not reduce or expand existing levels of Blue Box services that are eligible for funding under the SO Program.”

“The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.”

“I am directing that the plan describe a mechanism for determining the steward fees necessary to provide for payments to municipalities and First Nation communities until the time they transfer responsibility for providing Blue Box services to producers.”

2.6 Windup of Stewardship Ontario as an Organization

“I am directing Stewardship Ontario (SO), to develop a plan in respect of the funding program for material under the Blue Box Program under the WDTA (SO Program) and for SO itself”.

2.7 Implementation Plan and Timelines

The plan should include “A proposed timeline according to which key aspects of the plan will be implemented.”

SECTION 3: COMMUNICATION WITH STAKEHOLDERS

3.1 Introduction

The Minister's direction letter states that, *"Parties affected by the transition should be consulted and have opportunities for meaningful engagement during the development and implementation of the plan."*

The Minister's direction letter also requires *"The public, Indigenous peoples and affected stakeholders, including stewards, municipalities and service providers (e.g. collectors, haulers, processors, recycled product manufacturers) will receive transparent and clear communications from SO on a regular basis during development and implementation of the plan."*

The following outlines Stewardship Ontario's plan to fulfill this obligation. Communication initiatives during the implementation of the Transition Plan will remain consistent with the information Stewardship Ontario currently provides to stakeholders during normal operations, with additional emphasis on information and updates related to key windup dates and deadlines. While this plan provides details about the majority of communication activities that will occur between 2020 – 2026, the need for other communications will likely arise.

3.2 Objectives

Stewardship Ontario is committed to the following communication objectives during implementation of the Blue Box Program Transition Plan. We will:

- deliver clear, timely and transparent communications to stakeholders.
- communicate regularly with affected stakeholders in a way that builds trust and fosters two-way communication.
- make resources and materials from meetings, including webinar recordings, meeting presentations, question and answer documents, etc., available
- encourage open dialogue and opportunities for stakeholder questions, feedback and suggestions.
- ensure stakeholders understand its proposals, changes, timelines, etc. through its communication activities.
- remain unbiased and support fair treatment of all stakeholders.

3.3 Stakeholder Groups

Blue Box stakeholders are as follows:

- Obligated packaging and printed paper stewards and steward trade associations
- Municipalities, First Nation communities and municipal associations (Participating Communities)
- Waste management industry
- Environmental non-government organizations (ENGOS)
- General public
- Stewardship Ontario employees
- RPRA

- MECP

Stewardship Ontario will continue to take steps to ensure its communications reach all stakeholders. Contact lists have been developed and regularly maintained and Stewardship Ontario will continue to update its contact lists on an ongoing basis.

3.4 Communications Methods

Stewardship Ontario recognizes the importance of effective two-way communication throughout the transition period. Below are the communication methods Stewardship Ontario will continue to use during implementation of the Transition Plan:

All stakeholders:

- Website updates.
- Email blasts.
- Webinars.
- One-on-one meetings, as requested.
- Phone calls, as requested.

Stewards:

- Quarterly steward newsletter.

General public:

- Annual promotion and education initiatives.
Social media posts (recycling tips and reminders via Twitter).

Blue Box stakeholders will have the opportunity to ask questions, as well as provide comments and feedback throughout implementation of the Transition Plan using the following methods:

- Online form on the [Blue Box Program Transition webpage](#).
- Email to consultation@Stewardshipontario.ca.
- Webinar submissions.
- Phone: 416-323-0101.
- Mail: 1 St. Clair Ave W, Suite 700, Toronto, ON M4V 1K6.
- In-person meeting, as requested.

3.5 Consultation on Blue Box Transition Plan Proposals

Stewardship Ontario hosted webinar consultations to review its Blue Box Transition Plan proposals with stakeholders in June 2020. The webinar recordings, presentations and question and answers were emailed to all stakeholders and posted on the [Blue Box Program Transition](#) webpage on the Stewardship Ontario website.

Feedback was requested by July 15, 2020. Stakeholders were able to submit feedback by:

- Emailing consultation@Stewardshipontario.ca.
- Using the [online form](#).

Stewardship Ontario also received the results of the national consultation on the proposed shift from using Activity Based Costing (ABC) to the Material Cost Differentiation (MCD) Methodology in the determination of steward fees.

All feedback was carefully reviewed and considered when finalizing the Transition Plan. The consultation report in Appendix A includes all feedback Stewardship Ontario received, and outlines how Stewardship Ontario consulted with affected stakeholders and how it met the Minister's consultation requirements. Also included is the consultation report on the MCD project (Appendix C).

3.6 Communications Timeline

A detailed communications timeline for each year of transition is set out in Appendix B.

3.7 Feedback on Stewardship Ontario's Consultation Approach

Stewardship Ontario received three comments from stakeholders about its consultation process: one from a steward association, one from a municipality and one from an individual steward. The first two emphasized the importance of continuing to communicate transparently and engage stakeholders after the plan is submitted and throughout the transition process. One steward expressed frustration that there was not sufficient time during the webinar to answer questions live. Since live questions are always a challenge in a webinar format, Stewardship Ontario encouraged attendees to submit questions in writing and published all questions and answers received and will continue to do so. Stewardship Ontario also held one-on-one meetings with steward associations and other groups representing many individual stakeholders, where there was more opportunity for live questions and answers. As noted during the webinar, Stewardship Ontario views the consultation not as a single event in time, but as an ongoing activity that will continue throughout the transition process to provide as much opportunity as possible for interested parties to obtain the information they require, express their views and have their views considered in the decision-making process as it evolves.

SECTION 4: ADDRESSING CONFLICT OF INTEREST

The Minister's direction letter states that *"SO shall take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan."*

After receiving the Minister's letter Stewardship Ontario engaged with RPRA to jointly determine what changes Stewardship Ontario should make to ensure that it complies with this direction.

4.1 Changes to Stewardship Ontario's Board and Management Structure

The following five-point plan was agreed to and implemented prior to development of this plan:

1. Cross-appointments of directors between Stewardship Ontario and Canadian Stewardship Services Alliance (CSSA) were eliminated. Changes were made to Stewardship Ontario's Board in August 2019 and again in March 2020 following the Board election pursuant to O. Reg. 388/16. A list of the current Board of Directors can be [found here](#).
2. The Chair of the Board is recused from all Board votes on MHSW, given her company's simultaneous board involvement with Automobile Materials Stewardship (AMS).
3. An expanded Code of Conduct was implemented for Board members and contract management, to be acknowledged in writing. The Code of Conduct prohibits both parties, including the companies for which they work, from simultaneously becoming involved in an organization that intends to offer compliance services under the RRCEA related to materials for which Stewardship Ontario is responsible. A copy of the Code of Conduct is [available here](#).
4. A new independent management team was established, to which the Board delegated responsibility for the development of the Transition Plan and the day-to-day management of Stewardship Ontario's responsibilities and obligations. A list of members of the Stewardship Ontario management team is [available here](#).
5. While Stewardship Ontario may continue to contract with professional services firms for technical advice and administrative support, all material management and policy decisions will be made by the independent management team and subject to oversight by the Board.

4.2 Consultation Feedback on Addressing Conflict of Interest

Comments were received from several Participating Communities and municipal organizations, from two stewards and one steward association. With respect to the steward comments, Stewardship Ontario will provide assurance that the Code of Conduct provisions will be applied to any new board members, employees or consultants that may be appointed or retained during the transition process. Participating Communities expressed concern that Stewardship Ontario's reliance on CSSA for the fee-setting review represented a potential conflict. Stewardship Ontario notes CSSA has no role in any decision to adopt or not adopt a revised fee-setting model (except for the provision of professional and technical services related to this project). The fee reform process was initiated several years ago, in part to address a significant weakness in the current methodology, namely, out-of-date ABC costing information. Stewardship Ontario believes that it has an obligation to consider ways to address that weakness, including changing the basis upon which material management costs are attributed to Blue Box materials. This is not feasible without outside technical expertise, such as that provided by CSSA.

SECTION 5: SUPPORTING COMPETITION VIA INFORMATION SHARING

“The plan shall support competition in, and not adversely affect, Ontario’s current and future marketplace for the collection and recovery of paper products and packaging. The plan shall not provide for unfair or preferential treatment of the public or any affected parties, or barrier to competition during or following the transition of the program.”

“SO’s sharing of data and information to parties other than the Resource Productivity and Recovery Authority (the Authority) must be done through a fair, open and transparent process that does not result in preferential treatment of one person or group over another or release of any confidential information.”

There are two risks that Stewardship Ontario needs to manage effectively to meet these requirements:

1. That any individual or group might gain unauthorized access to commercially confidential steward-supply data that is used to calculate fees.
2. That any individual or group might gain unauthorized access to Stewardship Ontario’s market knowledge in order to gain unfair competitive advantage under the RRCEA.

Sub-sections 5.1 to 5.4 of this section address the first risk. Subsection 5.5 addresses the second risk.

5.1 Security and Privacy

Through the operation of the Blue Box Program, Stewardship Ontario collects data from stewards, Participating Communities, other stakeholders and the general public. Blue Box data that is collected includes:

- Steward and Participating Community contact information.
- Steward supply reports, related adjustments, invoices and payments.
- Program cost information and recovery data from Participating Communities (via Datacall).
- Banking information for the purpose of paying Participating Communities and vendors.

Other stakeholder and public information related to the Blue Box Program is limited to inquiries or feedback in response to stakeholder consultations and market surveys.

Stewardship Ontario Blue Box data has been collected since 2002 during the initial development of the Blue Box Program and in all subsequent years of operation. Stewardship Ontario’s program data is stored in a shared SAP (Systems, Applications and Products) enterprise resource planning system. The SAP system is hosted in a Tier 3 data centre, which is an industry-standard certification specifying levels of security, redundancy and availability and subject to annual third-party System and Organizational Control audits. Stewardship Ontario is one of six companies serviced by this shared environment and its data and processes are segregated from other companies using standard organizational structures such as company codes, divisions, sales and purchasing functions. This type of segregation follows SAP best practices for operating several business entities on one shared software application.

Data security and privacy is maintained through access control processes and protocols that are consistent with industry standards for information governance and comply with legal and regulatory obligations.

With respect to Stewardship Ontario and CSSA staff engaged in the administration of the Blue Box Program, access to Blue Box data files is maintained via role-based permissions governed by Stewardship Ontario's Chief Financial Officer. Access and permissions will continue to be monitored on a regular basis for adherence to Stewardship Ontario's data security and privacy policies.

5.2 Retention and Sharing

5.2.1 Corporate Data Retention

Stewardship Ontario will identify all data required to be stored in relation to statutory and regulatory requirements and make necessary arrangements for retention of that data in a secure manner while those legal obligations exist.

5.2.2 Public Information

Stewardship Ontario will continue to publish an annual report (per Section 30 of the WDTA) and submit an annual RPRA filing on program performance. The last such report will be a report on the completion of the Transition Plan, to be published before the dissolution of Stewardship Ontario in September 2026. These public reports include aggregated program information but do not include any confidential or commercially sensitive information in relation to program stewards, service providers or other stakeholders.

Stewardship Ontario is not proposing, as part of the Transition Plan or dissolution of Stewardship Ontario as an entity, to release additional data on program performance publicly other than the information included in this Transition Plan or provided in the annual reports and annual RPRA filings on program performance noted above.

5.2.3 Confidential Information

Confidential information submitted to RPRA as part of this Transition Plan is attached as appendices and marked as confidential. These will be excluded from publication.

All confidential and commercially sensitive information held by Stewardship Ontario in relation to the Blue Box Program will continue to be protected following the termination of the program and eventually destroyed in accordance with the proposal in 5.3 below.

Currently, each steward organization has access to its historic submission data via the Stewardship Ontario website, for each of its reported obligation years. Steward access to this portal and historic submission data will be terminated as part of the final program windup activities. Historic program data will be in RPRA's possession and future access to this data will be subject to its policies.

5.3 Destruction

Where Stewardship Ontario does not require Blue Box Program data for legal or regulatory reasons, the process of destroying program data from active and back-up access points will begin. Upon completion of the destruction process, Stewardship Ontario will provide RPRA with an attestation that the destruction process is complete.

5.4 Data Transfer

Stewardship Ontario will transfer Blue Box Program data in its possession to RPRA. Most of this information will be provided to RPRA in a digital format with measures implemented to maintain data security during the transfer process.

Any confidential or commercially sensitive information that is provided to RPRA as part of the transfer process will be identified so that RPRA can take appropriate steps to ensure secure data storage and protection of such information.

Once Blue Box Program data has been transferred to RPRA, only Blue Box Program data that has been retained for tax and legal purposes will be accessible. Access to these data will require authorization from Stewardship Ontario's CFO and approval of RPRA.

5.5 Intellectual Property – Market Knowledge

Stewardship Ontario has accumulated knowledge of the recycling industry in Ontario through its various research and pilot projects, and other initiatives. While much of this information is likely to be outdated, it may be useful to potential participants after the transition. Accordingly, Stewardship Ontario will review its archives, including material collected by CSSA on behalf of Stewardship Ontario, and compile an inventory of such market knowledge. It will transfer the inventory to RPRA by the end of 2021 so that RPRA may make the information available to the market as it sees fit.

SECTION 6: DEMONSTRATING FAIRNESS TO STEWARDS AND PROTECTING CONSUMERS

The Minister's direction letter states that, *"The assets, liabilities, rights and obligations of SO related to the SO Program must be dealt with in a fair, open and transparent process in accordance with applicable law."*

The direction letter also states that, *"All monies held in trust by SO related to the SO Program shall be treated appropriately in accordance with the WDTA and its regulations."*

6.1 Assets & Liabilities

Stewardship Ontario does not operate the recycling supply chain and therefore has no commercial relationships or contracts with recycling system service providers that need to be wound down. Similarly, there are no active market development projects that must be terminated.

6.2 General Principles for Treatment of General Reserve Funds and Market Development Funds

Since visible consumer fees are not part of the of the BBPP, and stewardship fees have always been internalized as a cost of business, any excess cash that Stewardship Ontario may have after satisfying its obligations to creditors will be returned to stewards and/or applied as a discount to their fees prior to windup.

Stewardship Ontario's current cash reserves (excluding market development funds and CIF) amount to about 16.5%² of annual expenditures. [Section 11.8](#) provides information about the quantum of reserves and Stewardship Ontario's plans regarding their management. Plans for reserve disposition reflect the following principles:

- Stewardship Ontario must maintain sufficient operating capital during transition to bridge its cash flows and ensure that it always has sufficient funds to meet its obligations to municipalities and other creditors on time.
- Reserves should provide for windup costs without the need to levy additional fees for this purpose.
- Reserves in excess of what is necessary for cash flow and windup costs should be returned to stewards before transition is complete.
- Unused market development funds should be returned to stewards via a reduction in fees for the relevant materials.

² Calculated as cash reserves (excluding market development funds and CIF) as a percentage of 2020 total projected costs.

SECTION 7: MAINTAINING PROGRAM PERFORMANCE

7.1 Operating Plan

7.1.1 General Approach to the Transition of the BBPP

Stewardship Ontario's goal for transition of the BBPP is to maintain as much operational stability as possible in order to enable the parties (Participating Communities, the obligated stewards, and those who will be obligated under a new regulation expected under the RRCEA) to prepare as effectively as possible for the implementation of producer responsibility.

With this objective in mind, and in keeping with the Minister's direction, no changes are proposed with respect to the roles and responsibilities of the parties set out in [Section 1.3](#), with the exception of the CIF (see [7.2.2 Continuous Improvement Fund](#)).

Similarly, no changes are recommended to the following key elements of the BBPP:

- Obligated materials.
- Determination of the Annual Steward Obligation (out of scope).
- Administration of the Municipal Funding Allocation Model (out of scope).
- Newspaper In-Kind Program.

Stewardship Ontario intends to continue providing province-wide promotion and education initiatives during the transition.

7.2 Recommended Changes to Key Elements of the Program

7.2.1 Transition Date for Participating Communities and Final Payments

The Minister's direction letter states that, *"There shall be no disruption in payments made by SO to a municipality or First Nation community under the SO Program until the time when that municipality or First Nation community is no longer eligible to receive funding based on criteria established in the plan."*

Specific transition dates for each Participating Community will be determined by the MECP. As a result, this issue is out of scope for this Transition Plan. However, the dates that are chosen will have implications for this plan.

Stewardship Ontario recommends that RPRA be responsible for determining the final payout to Participating Communities for their transition year as part of the process of establishing the Annual Steward Obligation and administering MFAM.

Participating Communities will submit their final Datacall report in the year prior to the year they are scheduled to transition out of the Blue Box Program. This final Datacall report will continue to follow the Datacall User Guide, and will include costs for the full calendar year, regardless of whether or not their final year in the Blue Box Program is a full year or a partial year.

If a Participating Community is to transition part way through a year, its payment will be pro-rated based on the number of days in the year the Participating Community is part of the Blue Box Program (i.e., number of days in the program divided by the total number of days in the year).

Reporting requirements and payment calculations for Participating Communities in the final year of participation are set out in [Section 10](#).

7.2.2 Datacall and ‘Business as Usual’

The Minister’s direction letter states that *“Ontarians’ access to and experience with the Blue Box program shall not be negatively impacted. It is my expectation that, while allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities and First Nation communities shall not reduce or expand existing levels of Blue Box services that are eligible for funding under the SO Program.”*

In what has become known as the “Business as Usual” or BAU requirement, this aspect of the Minister’s direction relates directly to the program management decisions that individual municipalities make regarding the scope and operation of the Local Blue Box Recycling Services within their jurisdiction. Stewardship Ontario obtained input from RPRA on how best to develop appropriate proposals to address this requirement.

RPRA developed a two-part plan in collaboration with stakeholders through the MIPC Transition Subcommittee. The first part consists of an update of the Datacall User Guide to reflect new conditions for cost eligibility where changes to programs lead to cost increases (e.g., changes in collection type, method and frequency, and accepted materials). This applies to changes made to services on or after January 1, 2020. Since these decisions are made well in advance of the date at which a municipality would report such costs to RPRA, municipalities would appreciate a means to determine whether the changes they are contemplating will be eligible for funding under the program. RPRA has therefore developed a process whereby a municipality may obtain a ruling in advance. Details on the cost eligibility conditions and the “pre-approval” process are set out on the RPRA website [here](#).

The second part is designed to address situations in which a municipality could make changes to its Local Blue Box Recycling Service that do not result in an increase in costs, but could change the way residents experience Blue Box recycling in that community. An example is a decision to discontinue collection of a material not widely collected in Ontario, such as expanded polystyrene foam. Such changes would be tracked provincially and reported annually by both RPRA and Stewardship Ontario to determine whether such changes represented a *systemic* change to Ontario residents’ experience with Blue Box recycling, and what remedial action may be required.

7.2.3 Continuous Improvement Fund

The Minister’s direction letter states that *“The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.”*

Had the CIF not been established in order to hold back a portion of annual steward funding for investments in the recycling system, those funds would have otherwise been distributed to Participating Communities as part of their annual payments. In the fall of 2019, CIF staff with representatives of AMO and the City of Toronto solicited views on the future of the CIF and the factors that should be considered in preparing a windup plan, including recommendations regarding the disposition of fund balances.

Based on these discussions, a proposed windup plan was developed and reviewed by the CIF Committee. The [Draft Final CIF Windup Plan](#) was posted on the CIF website.

The key recommendations included in the Draft Final CIF Windup Plan are as follows:

- Cease provision of CIF grants as of September 30, 2021.
- Disburse surplus funds to Participating Communities in 2021 and 2022.
- Continue delivery of transitional and CIF program support services with emphasis being placed on transitional support activities until December 31, 2023.
- Cease public operations of the CIF program on December 31, 2023.
- Initiate a windup of the CIF's operations in 2024 with an expectation that such activities will be completed by no later than June 30, 2024.

A new governance model for the operation of the CIF is also proposed to take effect once the new RRCEA paper and packaging regulation is formally approved by government.

Stewardship Ontario recommends the adoption of the CIF windup plan.

7.2.4 Promotion and Education

Stewardship Ontario proposes to continue to educate residents on recycling matters as the province transitions to full producer responsibility between 2021 to 2025.

As a number of Participating Communities will be exiting the Blue Box Program each year between 2023 and 2025, promotion and education (P&E) initiatives will only target municipal areas that are still part of the program, and not those that have transitioned. Since collection methods and materials differ from community to community, P&E initiatives will focus exclusively on issues and/or materials that are common across all Participating Communities in order to maximize the collection of certain materials while avoiding contamination.

7.2.4.1 Objectives of P&E Activities

- Maintain consistent initiatives in order to educate and improve residents' recycling behaviour.
- Continue to provide guidance and make templates available to assist Participating Communities with their own P&E initiatives.
- Ensure initiatives reflect the current recycling system landscape and common themes of all Participating Communities within the program.

7.2.4.2 Planning

Each year between 2021 and 2025, Stewardship Ontario will determine the focus of its P&E initiatives.

The process will include the following activities:

1. **Develop strategy:** Each year in Q1, Stewardship Ontario will begin developing its P&E strategy for the year and may seek input from the following:
 - Waste audits – Stewardship Ontario will look for any trends, problematic materials or issues coming out of its regular waste audit data.
 - Engage Participating Communities – Stewardship Ontario may contact and/or survey municipalities to better understand their recycling issues, and identify gaps in P&E initiatives.
 - Repurpose past campaigns – At times, Stewardship Ontario may determine that previous years' campaigns can be repurposed and used again for another year. This is a cost-effective way to reach more Ontario residents.

2. **Develop media plan and creative:** Once Stewardship Ontario has determined its P&E focus and finalized its strategy, it will identify its goals, initiatives and media selection for each initiative. Stewardship Ontario will use information from the previous year's research along with its strategic goals to determine the best use of media resources. Following a finalized media plan, Stewardship Ontario will develop its creative assets for the initiatives.

P&E initiatives could include, but are not limited to:

- Advertising campaigns
 - Out of home media (billboards, transit posters)
 - Print (newspapers, magazines, flyers, etc.)
 - Radio
 - Digital (geo-targeting, social media ads, behavioral targeting, web ads, etc.)
 - Experiential marketing (events, on the ground promotions, etc.)
 - Social media
 - Recycling tips and reminders
 - Contests
 - Website
 - Educational pages
3. **Execute initiatives:** Stewardship Ontario will launch its P&E initiatives, monitor progress and review where necessary. In order to support municipalities' ability to repurpose creative materials, P&E resources and templates will be available for Participating Communities to customize and use for their own initiatives.
 4. **Measurement:** Ad recall research will be conducted after each major advertising campaign. Results will provide guidance for future campaigns, as well as provide a benchmark for residents' recycling awareness. Data will also be collected for each medium used in the media plan and compiled into a post-campaign package.
 5. **Reporting:** P&E updates and results will be reported quarterly to Stewardship Ontario's Board, as well as to RPRA within the quarterly and annual filings. A summary of each year's initiatives will also be included in Stewardship Ontario's annual report.

7.2.4.3 Budget

Consistent with previous budgets, the annual budget for all Blue Box Program-related P&E initiatives will be \$400,000. The table below indicates historical P&E expenses. It is important to note that these are variable expenses and could change based on the P&E strategy each year, but in no case will they exceed \$400,000.

Table 5: Annual Promotion and Education Budget

Expense	Budget
Creative development	\$90,000
Media buy and planning	\$250,000
HST	\$45,000
Post-campaign recall research	\$15,000
TOTAL	\$400,000

7.2.4.3 Stakeholder Feedback

Most respondents were supportive of Stewardship Ontario's proposed P&E plans.

7.2.5 Market Development

Many improvements have been made to Ontario's Blue Box Program as a result of research, investments and innovations initiated by Stewardship Ontario and its partners. There are no active market development projects at this time. Market development initiatives typically involve some financial risk and, depending on their scope and complexity, require several years to generate results. Stewardship Ontario therefore recommends that no new projects be undertaken during the transition period.

Some past projects have resulted in intellectual property that may be of value to the marketplace after the transition. As noted earlier, Stewardship Ontario will compile an inventory of studies, research and reports commissioned in support of its market development efforts and other activities for transfer to RPRA by the end of 2021.

7.2.5.1 Stakeholder Feedback

Most respondents to the consultation commented on Stewardship Ontario's plans to discontinue market development initiatives. Stewards were consistently supportive of this proposal and municipalities were consistently opposed. Several municipalities have urged Stewardship Ontario to continue market development efforts, arguing that (1) the continuing challenges facing the recycling system require urgent action; and (2) stewards stand to benefit from whatever improvements arise out of Stewardship Ontario's market development efforts.

Stewardship Ontario is mindful of the challenges facing Blue Box recycling in Ontario. However, it is important that Stewardship Ontario refrain from making decisions or initiating activities that will shape the recycling system after the transition, and that it remains neutral about how the system should be structured and managed in the future. To engage in activities whose impacts would be felt almost entirely post-transition is not consistent with this approach. Stewardship Ontario also notes that its proposal to cease market development activities is consistent with municipal recommendations not to initiate new projects under the CIF, which have widespread support among municipalities.

7.2.6 Determination of Steward Fees

The Minister's direction letter states: *"I am directing that the plan describe a mechanism for determining the steward fees necessary to provide for payments to municipalities and First Nations communities until the time they transfer responsibility for providing Blue Box services to producers."*

The mechanism used to determine steward fees has been a subject of debate among stewards and other stakeholders since the program began in 2004.

While Stewardship Ontario has endeavoured to ensure that steward fees are fair, and that they are developed in a transparent process based on sound analytics, meeting these objectives has been a continuing challenge. The BBPP requires that Stewardship Ontario set its fees in a manner that is transparent, has analytical integrity, and is replicable. Anything that compromises those requirements is not in keeping with the BBPP, particularly when there is a known approach which is more transparent, has more analytical integrity and is more readily replicable.

There are several reasons why satisfying steward expectations and fulfilling the requirements of the plan has been a challenge.

First, fee setting is a "zero-sum game": if fees for one category of material go down, fees for other materials must go up. Stewards of materials whose fees increase or are perceived to be high in relation to other fees naturally want to understand why, and be satisfied that the explanation is sound.

Second, many variables impact the fees assigned to a specific material category, and those variables can change from year to year. Sometimes changes can be counter-intuitive. Stewards may, for example, observe that commodity revenue for a material category has increased and assume that will mean a decrease in fees. However, because commodity revenues are applied on a three-year rolling average basis in Ontario, it can take a number of years for such a change to have an impact on fees, and any positive financial impact could be offset by other countervailing changes—for example, in the amount of material supplied and managed or in a program's annual budget.

Third, fee-setting has been a challenge because fees must be set using a Three Factor Formula as mandated by the BBPP (see [1.4.9 Current Process for Determining Steward Fees](#)). This formula is complex and leads to questions about its fairness.

Finally, and most importantly, there is a significant practical limitation on the ability of Stewardship Ontario to ensure that fee setting reflects sound analytics. As noted under [Section 1.4.9](#), the current process for setting fees depends in part on Activity-Based Costing (ABC). The ABC methodology requires that time and motion studies be conducted in representative Material Recovery Facilities (MRFs). Stewardship Ontario was last able to complete a study in 2012 and the recycling industry has changed substantially since then. The mix of materials has changed and strategies for recovering materials have become more automated, specialized and proprietary. Stewardship Ontario does not have access to privately owned MRFs to update its time and motion studies. While "best efforts" have been made to update these data inputs, the technical experts that carry out this work do not consider this dataset to be sound.

The issue is that the ABC methodology relies on access to 'real-world' representative recycling systems to inform the labour, capital and operating costs. These real-world systems can significantly differ in

their design – in the materials they collect; the methods and technologies used to sort and process them; and in the commodities produced. These differences make it difficult, if not impossible, for producers to compare one material's cost impacts to another when using data from different programs. Further, it assumes that Stewardship Ontario can gain access to these systems when in fact it has become increasingly difficult to obtain the requisite data because, in most cases, these systems are managed by private businesses and their methods and cost structures are proprietary.

Accordingly, in 2015, Stewardship Ontario agreed to participate with other packaging and printed paper programs in Canada in an in-depth review of the methodologies used to determine steward fees, led by CSSA. The project was designed to address the above-noted limitations and to harmonize fee setting as much as possible for programs in British Columbia, Saskatchewan, Manitoba and Ontario. The project has involved extensive research, analysis and consultation, and the active participation of stewards.

The project was conducted in two phases. The first phase was completed in 2016 and focused on the development of a new fee-setting methodology. Following extensive consultation with stewards, changes to the fee methodology, known as the [Four-Step Fee Methodology](#), have been implemented in British Columbia, Saskatchewan and Manitoba, but not, as yet, in Ontario. Stewardship Ontario and RPRA board members reviewed a proposal for Stewardship Ontario to adopt the Four-Step Fee Methodology in 2016; however, changes were deferred while stakeholders were pursuing an amended Blue Box Program Plan.

This Transition Plan provides an opportunity to reconsider adopting the Four-Step Fee Methodology. It involves replacing the current Three Factor Formula with this new model which is based on the following guiding principles:

1. All obligated materials should bear a fair share of the cost to manage the materials in the program irrespective of whether a material is collected, because all obligated stewards who put obligated materials into the marketplace should contribute to the recycling system.
2. The material management costs allocated to each material should reflect the material's impact on the cost to collect and manage it in the recycling system because a material's unique characteristics can drive costs in distinctive ways.
3. The commodity revenue should be attributed only to the materials that earn that revenue.

Phase 2 of the project involved modernizing the methodology used to calculate the cost inputs, which are a critical component of fee setting. Based on original research, and in collaboration with a group of engaged stewards, CSSA has developed a new costing methodology, referred to as the Material Cost Differentiation (MCD) methodology. The MCD produces a Material Cost Index (MCI) that expresses each material's impact on the cost of the recycling system, relative to other materials. Each material's value on that index provides an input to the fee-setting process.

The MCD project was initiated in 2017 to develop a new and better way to measure how program materials impact the cost of recycling system activities.

As illustrated in the graphic to the right, the MCD methodology has four components: its Guiding Principles; its context, which includes a conceptual recycling system engineered to include all activities necessary to prepare each material to be repurposed; a model providing instruction on how to conduct measurement studies, how to use the results of the studies and how to calculate the Material Cost Index (MCI); and instruction on how to maintain the methodology to ensure it keeps in step with the evolving tonne and changes in recycling technologies and processes.

Each material's value on MCI provides an "apples-to-apples" comparison of each material's impact on the cost of the recycling system activities. For example, a material with a lower position on the MCI has a lower impact on the cost of activities than a material with a higher position.

No methodology can eliminate the reality that material fee rates will fluctuate. The objective of both the Four-Step Fee Methodology and the MCD is to provide stewards with a mechanism for determining material fee rates that is understandable, fair, accurate, and replicable.

CSSA undertook to determine whether these objectives were met through a comprehensive stakeholder consultation that occurred parallel to Stewardship Ontario's consultation on this Transition Plan.

[CSSA's consultation documents](#) included a fee calculation tool that enabled stakeholders to compare the 2020 fee rates to those that would have been produced if the Four-Step and MCD methodologies were used when the 2020 fees were set, instead of the Three- Factor Formula and ABC data. The tool was provided for illustrative purposes only. Should Four-Step and MCD be adopted in Ontario in the future, fees for 2021 will be calculated using updated inputs.

Although changes to fee rates will impact all stewards, the change to one category in particular also impacts the municipal sector, the newsprint category. Under the BBPP, newspaper publishers are entitled to pay fees in the form of in-kind advertising lineage made available to Participating Communities. This means that an increase in the proportion of costs allocated to newsprint results in Participating Communities receiving a lower proportion of their compensation in cash.

For 2020, fee rates for newsprint were considerably higher when calculated using the Four-Step and MCD methodologies than when using the Three-Factor Formula and ABC inputs. As a result, the in-kind amount would have increased from \$4.9M to \$8.4M in 2020. However, this variance between the methodologies is projected to diminish over the course of transition as the volume of newsprint in the recycling system continues to rapidly decline.

Material Cost Differentiation Methodology

1 Guiding Principles

Developed by stewards to inform decision-making of the project team during the development of the remaining components of the MCD Methodology.



2 The MCD Context

1) **Material Characteristics:** Determine what impacts to measure.

2) **Material Categories:** Categories used for impact measurement tests.

3) **System Boundaries:** Where materials enter the system and extent of sorting activities needed.

4) **The MCD System:** Comprised of 18 distinct modules that collectively represent all activities and resources necessary to deliver repurpose-ready material.



3 The MCD Model

The MCD model includes the following:

- Costing assumptions for all resources needed to complete the activities defined for each of the 18 modules in the MCD system, and which in turn are used to calculate each module's "cost factor", i.e., its share of the overall MCD System costs.
- Each module's impact measurement metric that reflects the utilization of the module's resources.
- The impact measurement results produced when applying the measurement protocols to each material for each metric which are inputs to fee setting.



4 MCD Methodology Maintenance

The guidelines for monitoring the evolving tonne, market trends and technological developments to ensure the MCD Context continues to align with the Guiding Principles.



Recognizing that this outcome would be of concern to municipalities, Stewardship Ontario engaged with AMO and the City of Toronto to ensure that the full impact of Four-Step and MCD was understood by the municipal sector before the consultation process was complete.

7.2.6.1 Stakeholder Feedback

Stewards and the trade associations were generally supportive of adopting the MCD methodology. Conversely, all municipal respondents and the newspaper publishers expressed strong opposition to Stewardship Ontario proceeding with changes to the fee-setting methodology. Municipalities are concerned primarily about the impact it would have on the “in-kind” amount and the resulting reduction in cash payments. Municipal respondents also suggested that the direction provided by the Minister (that the plan “describe a mechanism” for determining steward fees) did not contemplate such a fundamental change. The newspaper publishers are opposed to MCD because of the additional costs attributed to newsprint stewards, and have questioned the assumptions upon which the analysis is based.

7.2.6.1 Proposed Mitigation

As noted, the ABC analysis is obsolete and does not provide the analytical rigour required for Stewardship Ontario to meet its obligation to set fees in a fair and transparent manner. A new process is required that is objective, analytically sound and replicable. Stewardship Ontario has made a significant investment in achieving such an end via the MCD project, and it is Stewardship Ontario’s considered opinion that its analytical soundness could not be replicated through another process, which would also involve significant new expenditure. Accordingly, this plan proposes the adoption of the Four-Step Methodology and MCD as its process for determining steward fees.

Nevertheless, in order to mitigate the impact of this change on stakeholders (both newsprint stewards and Participating Communities) who may be adversely impacted by this change, Stewardship Ontario proposes that the methodology be implemented over a two-year period to ease the transition, with 2021 fees based on a blend of the 3-Factor Formula/ABC methodology and the Four-Step/MCD methodology before adopting the full Four-Step/MCD methodology in 2022.

7.2.7 Business Cycle

The only proposed changes to Stewardship Ontario’s regular business cycle relate to:

- steward-initiated adjustments to prior steward reports; and
- Participating Communities adjustments to their data reported in the Datacall.

In order to complete the transition process in 2025 and the windup of Stewardship Ontario in 2026, Stewardship Ontario must issue its final fee schedule for the 2025 program year in Q4 2024. After the fee schedule is published, there can be no substantive changes to:

- Stewardship Ontario’s costs, including the municipal obligation as well as costs to manage the program and windup; or
- the allocation of costs to the material categories.

In the normal course of business, stewards are able to identify errors and submit changes to their reports for up to 24 months after the original report submission deadline. Similarly, Participating

Communities can make changes to their Datacall reports for up to 24 months from the submission deadline.

Where adjustments result in changes to either Stewardship Ontario's costs or fee allocation or both, these are recalibrated during the next fee-setting cycle. Since there will be no fee-setting cycle beyond the 2025 program year, the time provided to stewards and Participating Communities to make prior year adjustments must be reduced during the final years of the Blue Box Program.

Revised deadlines for finalizing steward reports and Datacall submissions are set out in [Section 8](#).

No other changes are recommended to the normal business cycle.

7.2.8 Steward Rules

Steward Rules are reviewed and updated each year as part of the fee-setting process. The only Steward Rule changes required to implement the Transition Plan are set out in [Section 9](#). Since these changes are not required until 2024 and 2025, Stewardship Ontario recommends that the changes required for 2024 be approved in December 2023, and that changes required for 2025 be approved in December 2024.

7.2.9 Auditing and Validation of Steward Data

Stewardship Ontario does not recommend any changes to the way in which steward reports are validated. Each year, between 10 and 15 steward reports are selected for validation by an independent third-party auditor. Candidates for audit are selected based on business analytics such as reporting inconsistencies and sectoral comparisons. The date of a steward's most recent third-party review is also considered, so that stewards are not repeatedly selected while others are ignored. Requests for adjustments to prior reports may also be audited by a third party, based on a similar risk analysis.

7.2.10 Reporting During Transition

Stewardship Ontario will continue to submit quarterly program performance reports and an annual regulatory filing to RPRA. Those reports will include a new section describing activities from the quarter specifically related to the transition. Stewardship Ontario will also continue to consult with RPRA on an ongoing basis and bring to RPRA's attention any material developments that impact the Transition Plan. The date on which Stewardship Ontario will file its reports is set out in [Section 10.1.1](#).

SECTION 8: WINDUP OF STEWARDSHIP ONTARIO

Stewardship Ontario's final year of operations for the Blue Box Program will be 2025. Corporate windup activities will commence on January 1, 2026. Corporate dissolution is projected to be complete by end of Q3 2026.

Key windup tasks to be completed in 2026 are outlined in Table 6 below.

Table 6: Key Windup Tasks for the Dissolution of Stewardship Ontario Corporation

Date	Task
March 31, 2026	<ul style="list-style-type: none"> Final municipal transfer payments 2025 financial audit
April 1, 2026	<ul style="list-style-type: none"> File 2025 annual regulatory report
Q2 2026	<ul style="list-style-type: none"> Board appointment of Stewardship Ontario liquidator Resignation of Stewardship Ontario Board Termination of management services agreement with CSSA and determination of final service date(s)
Q3 2026	<ul style="list-style-type: none"> Shut down of Stewardship Ontario's website and transfer of domain names and trademarks to RPRA, if requested Under the direction of the liquidator, final audit of 2026 transactions and preparation of financial statements Submission of windup report to RPRA and the Minister as required by WDTA section 20 Liquidator files notices under the <i>Corporations Act</i> Final distribution of any residual funds Liquidator makes arrangements for maintenance of tax records Liquidator files all necessary documentation for Stewardship Ontario corporate dissolution

SECTION 9: IMPLEMENTATION PLAN AND TIMELINE

Table 7: Major Transition Plan Milestones

Year	Milestone
2021	<ul style="list-style-type: none"> Business as usual Regulation will be established by MECP that will determine which Participating Communities will transition to the new regulatory funding framework in each of the transition years Transition year procedures for Participating Communities will be finalized and related communications will be distributed
2022	<ul style="list-style-type: none"> Business as usual Stewardship Ontario and Participating Communities plan for transition
2023	<ul style="list-style-type: none"> Transition begins, first group of Participating Communities will transition
2024	<ul style="list-style-type: none"> Transition continues, second group of Participating Communities will transition
2025	<ul style="list-style-type: none"> Transition complete, last group of Participating Communities will transition
2026	<ul style="list-style-type: none"> Corporate windup of Stewardship Ontario

Table 8: Key Dates for Participating Communities (Illustrated by Example)³

Transition Date (Examples)	Final Datacall Report	Includes Cost Data From	Final Obligation Year	Prorated Amount	Final Payment Received
Dec. 31, 2023	April 2022	2021	2023	100%	March 2024
June 30, 2024	April 2023	2022	2024	49.7%	Sept 2024
Apr. 30, 2025	April 2024	2023	2025	32.6%	June 2025
Dec. 31, 2025	April 2024	2023	2025	100%	March 2026

³ The transition date for an individual community could be any date in the calendar from January 1, 2023 through December 31, 2025. Accordingly, examples are used to illustrate how the amounts would be determined.

Table 9: Key Dates for Stewards

2021-2023	<ul style="list-style-type: none">Business as usual			
October 2024	<ul style="list-style-type: none">Final steward meeting on fees			
December 2024	<ul style="list-style-type: none">Final Steward Rules issued effective January 1, 2025			
October 2025	<ul style="list-style-type: none">Final steward payment due			
Deadlines for Finalizing Steward Data Reports				
Year Material Supplied to Market	Deadline for Initial Report to Stewardship Ontario	Year for which Data is used to Set Fees	Normal Deadline for Data to be Final	New Deadline for Data to be Final
2021	May 2022	2023	March 2024	No Change
2022	May 2023	2024	March 2025	May 2024
2023	May 2024	2025	March 2026	May 2024

Table 10: Key Dates for Stewardship Ontario

Year	Milestones
2021-2025	<ul style="list-style-type: none"> Transition Plan implementation, including all business as usual activities
March 2026	<ul style="list-style-type: none"> Final audit of 2025 financial results Appointment of liquidator by the Stewardship Ontario Board
April 2026	<ul style="list-style-type: none"> Final regulatory filing to RPRA
September 2026	<ul style="list-style-type: none"> Final filings as required under the <i>Corporations Act</i> Final report to RPRA Final distribution of any residual funds Transfer of all data to RPRA Corporate dissolution

SECTION 10: FINANCIAL FORECAST

10.1 Audits and Review Engagements

10.1.1 Annual Reports

During the transition period, Stewardship Ontario's annual regulatory filings will be prepared and submitted in accordance with statutory requirements.

Table 11: Schedule of Annual Reports

Annual Report Year	Submission Deadline
2020	April 1, 2021
2021	April 1, 2022
2022	April 1, 2023
2023	April 1, 2024
2024	April 1, 2025
2025	April 1, 2026

10.1.2 Financial Audits

Table 12: Schedule of Financial Audits

Financial Year	Interim Audit	Final Audit	Board Approval
2020	October 2020	Jan-Feb 2021	March 2021
2021	October 2021	Jan-Feb 2022	March 2022
2022	October 2022	Jan-Feb 2023	March 2023
2023	October 2023	Jan-Feb 2024	March 2024
2024	October 2024	Jan-Feb 2025	March 2025
2025	October 2025	Jan-Feb 2026	March 2026

10.1.3 2025 Financial Audit

Blue Box Program operations will end on December 31, 2025. Final invoice payments will be due from stewards on October 31, 2025, inclusive of all adjustments. Final municipal transfer payments will be disbursed on March 31, 2026. Final reconciliations will be completed and the financial audit for the last year of operations will be conducted on a timeline consistent with previous years and as shown in Table 12 above.

10.1.4 Final Financial Audit

A final audit will be conducted once all corporate windup requirements have been completed. It is estimated that this will be completed by end of Q3 2026.

10.2 Financial Forecast and Budget

10.2.1 Cash Flow Forecast

Stewardship Ontario has provided RPRA with a confidential forecast outlining anticipated cash inflows and outflows during the transition period. This forecast includes program and corporate windup costs until dissolution of the corporation.

10.2.2 Financial Forecast 2020 – 2026

A summary of estimated Stewardship Ontario costs for the period 2020 to 2026 is provided in Table 13 below. Further details on the use of reserves are set out in Section 13.

Table 13: Blue Box Transition Financial Forecast 2020 – 2026

Projected Municipal Obligation 2020-2026 (\$000)								
	2020	2021	2022	2023	2024	2025	2026	Total
Steward Obligation to Municipalities	130,738.7	142,632.8	147,358.7	133,197.1	85,169.7	33,832.6	-	672,929.5
Total	130,738.7	142,632.8	147,358.7	133,197.1	85,169.7	33,832.6	-	672,929.5
Projected Program Operation Costs 2020-2026 (\$000 Includes HST)								
	2020	2021	2022	2023	2024	2025	2026	Total
Program Management	4,088.1	4,516.8	5,266.6	5,689.7	5,663.3	5,455.8	1,524.2	32,204.6
Field Studies	675.0	575.0	475.0	350.0	0.0	0.0	0.0	2,075.0
Legal & Audit Fees	300.0	200.0	200.0	200.0	200.0	200.0	100.0	1,400.0
Research Projects	400.0	0.0	0.0	0.0	0.0	0.0	0.0	400.0
Promotion & Education	400.0	400.0	400.0	400.0	400.0	400.0	0.0	2,400.0
Regulatory Charges	2,531.2	3,616.0	3,616.0	2,938.0	2,373.0	1,808.0	565.0	17,447.2
Total	8,394.3	9,307.8	9,957.6	9,577.7	8,636.3	7,863.8	2,189.2	55,926.8
Projected Transition Costs 2020-2026 (\$000 Includes HST)								
	2020	2021	2022	2023	2024	2025	2026	Total
Contracted Services	917.5	913.1	1,095.9	1,077.6	1,034.5	1,059.2	1,031.6	7,129.5
Legal Counsel	83.2	11.3	11.3	11.3	56.5	226.0	11.3	410.9
CSSA Resources	148.0	-	-	-	-	-	-	148.0
Corporate Liquidator	-	-	-	-	-	-	113.0	113.0
Leasehold/Rent	65.0	69.1	89.0	89.0	89.0	89.0	-	490.3
Stakeholder Consultations	83.0	125.0	125.0	125.0	125.0	125.0	-	708.0
Regulatory Charges	1,084.8	-	-	-	-	-	-	1,084.8
Contingencies	-	-	170.0	341.8	170.0	260.0	170.0	1,111.8
Sub-Total	2,381.5	1,118.5	1,491.2	1,644.8	1,475.1	1,759.2	1,325.9	11,196.2
Consolidation/Summary of Projected SO Costs 2020-2026 (\$000 Includes HST)								
	2020	2021	2022	2023	2024	2025	2026	Total
Steward Obligation to Municipalities	130,738.7	142,632.8	147,358.7	133,197.1	85,169.7	33,832.6	-	672,929.5
Program Operations	8,394.3	9,307.8	9,957.6	9,577.7	8,636.3	7,863.8	2,189.2	55,926.8
Transition	2,381.5	1,118.5	1,491.2	1,644.8	1,475.1	1,759.2	1,325.9	11,196.2
Total	141,514.4	153,059.1	158,807.5	144,419.5	95,281.2	43,455.7	3,515.1	740,052.5
Less: Glass Market Development Fund		666.0		-				666.0
Plastic Market Development Fund		4,964.4		-				4,964.4
General Reserve	2,381.5	1,118.5	1,491.2	1,644.8	1,475.1	13,850.2	1,325.9	23,287.2
Net After Reserves	139,133.0	146,310.2	157,316.3	142,774.7	93,806.1	29,605.5	2,189.2	711,134.9

Key assumptions regarding the Blue Box transition and corporate windup of Stewardship Ontario are as follows:

- The projected municipal obligation uses 2020 as the baseline year, including the current proposed model for determining the Municipal Cost Containment, and adjusted upward each year according to the most recent two-year Cumulative Average Growth Rate (CAGR) through to 2026. The municipal obligation represents 90.9% of total projected costs.
- Municipal transition will begin in 2023 and will be complete on December 31, 2025.
- Municipalities will exit the program such that one-third of municipal transfer payment costs will exit each year, with 25% of costs in each year exiting at the end of each quarter.

Projected program operations represent 7.65% of total projected costs and consist mainly of:

- Projected costs for employee salaries, payment for contracted management services, rent and other office expenses.
- Field studies (waste composition and related studies to support fee setting).
- Promotion and education initiatives.
- Regulatory charges from RPRA.

Projected transition and corporate windup costs represent 1.5% of total projected costs and include:

- Contracted management fees for the windup team for the duration of the windup.
- Legal fees for work directly attributable to windup.
- Regulatory costs (RPRA) for 2020 only; regulatory costs for 2021 to 2026 are forecast in the program operations budget.
- Estimated fees payable to the liquidator in 2026.
- Leasehold and amortization costs resulting from additional space requirements to accommodate the Conflict of Interest Plan. These costs are split between Blue Box and MHSW windup projects in 2020 and 2021. The full cost will be charged to Blue Box from 2022 onward.
- Additional support for communications and stakeholder relations during the transition years.
- Contingencies, which include forecasted severance for two full-time staff resources with projected end dates in 2023 and 2025; as well as an estimate for an administrator (to facilitate Stewardship Ontario corporation windup activities, if required).

SECTION 11: ASSETS

Updates to the information noted below will be provided to RPRA on an annual basis.

11.1 Cash

11.1.1 Cash and Short-Term Investments

Stewardship Ontario has provided confidential information to RPRA regarding its bank accounts including account balances, account numbers, institutions, currencies, and types of accounts, as well as a list of individuals with signing authority and access to these accounts.

11.1.2 Short-Term Investments Requiring Liquidation

Stewardship Ontario does not have short-term investments in accounts which cannot be liquidated.

11.1.3 Monies Held in Trust

Stewardship Ontario holds a segregated bank account for the CIF. All transactions related to CIF flow through this account and it is not used for any other purpose.

11.2 Accounts Receivable

Schedules of account receivable balances at December 31, 2019, have been provided to RPRA as part of the Confidential Schedule II: Blue Box Program Transition Plan Financial Forecast and Budget.

11.2.1 Trade Receivables

The trade receivables schedule includes 82 outstanding steward balances with net receivables of \$2.4 million as of December 31, 2019.

11.2.2 Trade Receivables Accrued

Schedules of trade receivable balances accrued at December 31, 2019, have been provided to RPRA as part of the Confidential Schedule II: Blue Box Program Transition Plan Financial Forecast and Budget

The trade receivables accrued schedule details accruals for steward adjustments.

11.2.3 Allowance for Doubtful Accounts

Schedules of doubtful account balances at December 31, 2019, have been provided to RPRA as part of the Confidential Schedule II: Blue Box Transition Plan Financial Forecast and Budget.

Specific provisions for doubtful accounts have been made based on information available and ongoing risk assessment by CSSA's Compliance Department.

11.3 Prepaid Assets

Table 14: Prepaid Assets

Asset Description	Balance as at December 31, 2019
Directors' & Officers' insurance	\$11,858
Liability insurance	\$6,908
Umbrella insurance	\$4,410
Subscription	\$5,670
Total	\$28,575

Stewardship Ontario's insurance policies renew annually on June 30. The prepaid portion of these policies detailed in the Table 14 above represent six months of expenses to be amortized in the first half of 2020. Renewal requirements will be addressed closer to windup of the corporation to ensure that insurance coverage is adequate throughout the windup process. Carry-over insurance for directors and officers for an additional year after windup will also be considered. The subscription is for Diligent Board Books, a software system that provides a portal to facilitate access and storage of reference materials for Board and Finance Committee members.

11.4 Capital Assets

Stewardship Ontario has no capital assets.

11.5 Leased Assets

Stewardship Ontario has no leased assets.

11.6 Intellectual Property

Stewardship Ontario's intellectual property includes the domain name for the Stewardship Ontario website, stewardshipontario.ca, and the trademark for the business name Stewardship Ontario. Stewardship Ontario will continue to utilize these trademarks and domain names throughout the windup period. Following program termination, the legal ownership rights to the Stewardship Ontario trademark and website domain name will be transferred to RPRA.

Stewardship Ontario will also compile an inventory of studies, research and reports commissioned in support of its market development efforts and other activities for transfer to RPRA by the end of 2021.

11.7 Investments

Stewardship Ontario maintains investment accounts with CIBC Trust Corporation. As of December 2019, the portfolio consisted of cash (0.2%), money market funds (10.7%) and provincial and corporate bonds (89.1%). A confidential schedule of investments has been provided to RPRA.

Stewardship Ontario's investment policy has been implemented with laddered bond maturity dates that typically extend out seven-plus years in order to maximize returns and minimize risk. Stewardship

Ontario's investment manager at CIBC was advised in 2019 of the transition direction and has been provided with guidance to ensure no bonds mature beyond December 2025. Any maturities will be reinvested in bonds that expire evenly from 2020 to 2025 to align with the transition of the program. A schedule detailing maturing investment products is reflected in the schedule provided to RPRA.

11.8 Internally Restricted Assets

Stewardship Ontario's Blue Box Program has one internally restricted fund established for investment in infrastructure for plastic markets and activities for their development. On July 8, 2020, Stewardship Ontario's Board directed that this fund be disbursed to plastics stewards through their 2021 fees, in light of the hardship many stewards are facing due to COVID-19. The fund balance at the end of December 2019 was \$4,964,379.

Stewardship Ontario also holds a fund for glass market development in its deferred revenue account. This fund was restricted for glass market development purposes. On July 8, 2020, Stewardship Ontario's Board directed that this fund be disbursed to glass stewards through their 2021 fees in light of the hardship many stewards are facing due to COVID-19. The fund balance at the end of December 2019 was \$666,017.

SECTION 12: LIABILITIES

Updates to the information noted below will be provided to RPRA on an annual basis.

12.1 Trade Accounts Payable and Accrued Liabilities

Schedules detailing trade accounts payable and accrued liability balances as at December 31, 2019 are confidential and have been provided to RPRA.

Accrued liabilities of \$36 million at December 31, 2019, consist mainly of \$30 million in quarterly payments due to municipalities, steward adjustments and 2019 expense accruals.

12.2 Debt

Stewardship Ontario has no short- or long-term debt. Stewardship Ontario does not anticipate any need for debt financing associated with either the current Blue Box Transition Plan or the corporate windup plan.

SECTION 13: RESERVES

13.1 Types of Reserves

Stewardship Ontario has three types of financial reserves for the Blue Box Program ([Section 1.7.2 Financial Reserves](#)):

General Reserves that represent the accumulation of excess revenues over expenses over the course of the program. The General Reserve balance at December 31, 2019 is \$17,883,580 and is unrestricted.

A **Sustaining Fund** was initially established to ensure that Stewardship Ontario could carry out its non-profit activities and meet its management obligations over the course of a short windup in one or two years. The Sustaining Fund balance was \$5,403,635 at December 31, 2019 and was restricted by the Board of Directors for the purposes just outlined.

Material Specific Development Funds were collected from stewards of specific materials to support Stewardship Ontario's market development efforts and currently include a:

- **Glass Market Development Fund** with a balance at December 31, 2019 of \$666,017. This fund is classified as a deferred revenue in the financial statements and will be taken into income in the year in which it is disbursed to glass stewards (projected in 2021). It is restricted for the use of glass market development activities; and,
- **Plastics Market Development Fund** with a balance of \$4,964,379 at December 31, 2019. This fund was restricted by the Board of Directors for the purpose of plastics market development initiatives.

13.2 Changes to and Disbursement of Reserves

At December 31, 2019, the Blue Box reserve balance was \$28,251,594 (consisting of \$17,883,580 in unrestricted funds and \$10,368,014 in restricted funds). On July 8, 2020, Stewardship Ontario's Board authorized the transfer of the restricted Sustaining Fund to the unrestricted General Reserve Fund. This transfer is shown in Table 15.

Projected annual deficits over the course of transition and windup represent windup costs which are to be funded from the General Reserves and not through the fee-setting process. These are shown below as transition costs and are also included in [Section 10.2 Financial Forecast and Budget](#).

On July 8, 2020, Stewardship Ontario's Board authorized the disbursement of the Glass Market Development Fund and the Plastic Market Development Fund. These funds will be disbursed to the relevant stewards through their 2021 fees and are shown as coming out of the restricted reserve in 2021 in Table 15 below.

Full disbursement of the remaining reserve balance estimated in Table 15 below at \$12,090,988 will be completed no later than 2025, with the exception of funds set aside to complete corporate windup in 2026 of \$1,325,938. Once windup is complete, any residual amounts will be disbursed to Blue Box stewards to fully deplete the reserve fund. As noted in [Section 6](#), current financial projections are based on the assumption that reserve funds will be dispersed in 2025. Stewardship Ontario will review its operating capital requirements during the fee-setting process for 2023 and 2024 with a view to

accelerating the use of reserve funds, if Stewardship Ontario's cash reserves are sufficient to support prudent management of its operations over the remaining transition period.

Table 15: Blue Box Reserve Fund Estimates

Blue Box Reserve Fund Estimates 2020-2026			
	Unrestricted	Restricted	Balance
BB Reserve Balance at Dec 31, 2019	17,883,580	10,368,014	28,251,594
2020 - Board approved transfer of Sustaining Fund to General Fund	5,403,635	-5,403,635	28,251,594
- Transition costs	-2,381,476	0	25,870,118
2021 - Transition costs	-1,118,502	0	24,751,616
- Glass Market Development Fund to be recognized as revenue	0	666,017	25,417,633
- Disburse glass market fund to glass stewards	0	-666,017	24,751,616
- Disburse plastic markets restricted fund to plastics stewards	0	-4,964,379	19,787,237
2022 - Transition costs	-1,491,197	0	18,296,040
2023 - Transition costs	-1,644,791	0	16,651,249
2024 - Transition costs	-1,475,092	0	15,176,157
2025 - Transition costs	-1,759,221	0	13,416,936
- Reserve balance disbursement to stewards	-12,090,998	0	1,325,938
2026 - Corporate wind-up costs*	-1,325,938		0
Balance	0	0	0

* Any residual balance after covering corporate wind-up costs will be disbursed to BB stewards

Continuous Improvement Fund (CIF) – CIF funds are held in a segregated bank account in Stewardship Ontario and are not included in the financial forecasts. Forecasted depletion of CIF funds reflect the recommendations developed by CIF staff and representatives of AMO and the City of Toronto. Funds are in the control of the CIF committee and not Stewardship Ontario.

13.2.1 Consultation Feedback

While stewards were generally supportive of this approach to disbursing reserve funds during the consultation, some stewards were in favour of returning cash reserves as soon as possible, beginning in 2023. Stewardship Ontario is sympathetic to this perspective; however, it is the considered view of Stewardship Ontario's Board that it would not be prudent for Stewardship Ontario to assume it will be in position to reduce its operating capital beginning in 2023. As noted, Stewardship Ontario will review its projected financial obligations and operating capital requirements during the fee-setting process for 2023 and 2024 with a view to determine whether remaining reserve funds can be returned on an accelerated basis.

SECTION 14: HUMAN RESOURCES

14.1 Employees

Under current program operations, there is only a small number of Stewardship Ontario employees involved in the management and operations of the MHSW and Blue Box programs. Many of the administrative functions are performed on an outsourced basis either by contractors or by CSSA. These resources will diminish as the Blue Box Program winds up.

Potential employee severance, retention and other related costs have been included in the Blue Box Transition Plan Financial Forecast and Budget (see [Section 10.2](#)).

A Confidential Schedule III: Human Resources Information is attached to this Transition Plan. It includes a list of Stewardship Ontario employees potentially affected by the transition of the Blue Box Program including: the department and position held, length of service, severance and any benefit entitlements, etc.

14.2 Contractors

Stewardship Ontario has engaged independent senior management resources (Executive Director, Chief Financial Officer, Program Operations Officer and Project Manager) on a contract basis as part of the Conflict of Interest Plan.

Stewardship Ontario engages CSSA through a service agreement that can be extended through to the end of 2026. A description of the process to be followed regarding amendments to the Stewardship Ontario–CSSA service agreement is provided in [Section 15.5 Key Contracts](#).

There are no other contractors or potential sub-contracting costs associated with Blue Box Program operations.

14.3 Pension and RRSPs

Stewardship Ontario employees participate in a voluntary Registered Retirement Savings Plan (RRSP), managed by a third-party provider. Stewardship Ontario matches employee contributions (to a maximum of 5% of salary), which are deductions at source on payroll every pay period. Employees that leave Stewardship Ontario retain ownership of their account.

Stewardship Ontario employee costs relating to matching RRSP contributions have been factored into employee costs associated with the Blue Box Transition Financial Forecast & Budget (see [Section 10.2](#)). There are no additional pension or RRSP costs associated with termination of the Blue Box Program.

14.4 Communication with Personnel

Following approval of the Blue Box Transition Plan, Stewardship Ontario will arrange one-on-one meetings with all staff members potentially affected by the termination of the Blue Box Program to review potential employment adjustments and arrangements well in advance of their implementation.

SECTION 15: LEGAL CONSIDERATIONS

15.1 Litigation

The Blue Box Program has no ongoing litigation or claims and no litigation is anticipated at this time.

Stewardship Ontario will manage any legal claims or actions that arise during or following the Blue Box Program windup on an *ad hoc* basis. Stewardship Ontario's estimate of windup costs includes a contingency for legal fees and costs associated with resolving any such future legal claims or actions. Stewardship Ontario does not anticipate that run-off insurance will be required in relation to managing these risks.

15.2 Contracts

The Blue Box Program has no supply chain agreements in place related to the collection, transportation and processing of program materials.

Existing Stewardship Ontario contracts that will continue during the transition period are either:

- project-specific and will end prior to the dissolution of Stewardship Ontario as an entity, or
- provide for such termination without penalty.

15.3 Contingencies

The Blue Box Program has no known existing or future legal costs related to litigation, leases, property sales, undertakings or pensions.

Potential legal fees and costs associated with any legal claims or actions that might arise during the windup period have been included in the Financial Forecast and Budget (see [Section 10.2: Financial Forecast and Budget](#)).

15.4 Environmental Issues

Stewardship Ontario does not operate any transportation or processing facilities, and does not engage in or contract for any services that involve the collection, transport, processing, storage, sale or disposal of PPP recyclables. Any such services it does provide directly or under contract relate solely to the MHSW Program (another stewardship program operated by Stewardship Ontario, which will be terminated as a result of the MHSW Wind Up Plan). Therefore, Stewardship Ontario does not have any environmental claims/liabilities related to waste disposal relevant to the Blue Box Program Transition Plan.

15.5 Key Contracts

Stewardship Ontario's agreement with CSSA is the key contract. Many of the services necessary to operate the Blue Box and MHSW Programs are delivered by CSSA through an amended and restated management services agreement dated December 31, 2013 and an amendment to the management services agreement dated January 1, 2019 (collectively, the "Management Services Agreement"). The current term of the Management Services Agreement will end on December 31, 2021 allowing for automatic two-year renewal terms based on a reduced scope of work once the MHSW Program terminates.

Stewardship Ontario will manage any real, perceived and/or apparent conflicts of interest that may arise in relation to these contracts in accordance with the Minister's direction letters and pursuant to RPRA's guidance.

SECTION 16: TAX

16.1 Harmonized Sales Tax

The Blue Box Program has no unremitted sales taxes (HST) and no active proceedings with the Canada Revenue Agency (CRA).

16.2 Employee Source Deductions

All Stewardship Ontario employee source deductions are managed by CSSA as part of the Management Services Agreement. Employee-related expenses are included in the financial forecast as well as related employee termination during windup.

16.3 Other Tax Considerations

16.3.1 Final Tax Return

Stewardship Ontario's final tax return will be prepared and submitted to CRA by its appointed liquidator. Once a clearance certificate is obtained from CRA, final disbursement of any residual funds can be made.

16.3.2 Record Keeping

CRA requires Stewardship Ontario to retain tax records for a period of seven years. Stewardship Ontario will engage a third party to retain and manage these records for the required time. At the end of the seven-year period, the records will be securely destroyed.

APPENDIX A

Blue Box Program Transition Plan Consultation Report

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1. INTRODUCTION

1.1 Background

The transition of the Blue Box Program to full producer responsibility was initiated by a direction letter from the Minister of Environment, Conservation and Parks (MECP) in August, 2019, to make industry responsible for both the funding and operation of residential recycling in the province.

The Minister's letter directed Stewardship Ontario to submit a Blue Box Program Transition Plan (Transition Plan) to the Resource Productivity and Recovery Authority (RPRA) by August 31, 2020 (deadline extended from June 30, 2020 due to COVID-19). It is expected that RPRA will approve the plan by December 31, 2020.

The direction letter also stated the Transition Plan must include:

A detailed report of SO's communications with affected parties and the public during the development of the plan.

A detailed report of how SO has met the consultation requirements of subsection 14(13) of the WDTA during the development of the plan, including:

- A list of the stewards, municipalities, Indigenous peoples, service providers and other affected parties that were consulted during the development of the plan.*
- A summary of comments received by SO from affected parties.*
- A report of how the comments were considered by SO in the development of the plan.*

This report outlines the communications activities and consultation approach Stewardship Ontario undertook when developing the Blue Box Program Transition Plan, as well as summarizes all the feedback received.

1.2 Stakeholder Groups

Stewardship Ontario communicated and consulted with stakeholders from the following groups when developing its Transition Plan:

- Obligated packaging and printed paper stewards and steward trade associations
- Municipalities, First Nation communities and municipal associations
- Waste management industry
- Environment non-government organizations
- Stewardship Ontario employees

2. STAKEHOLDER COMMUNICATION

While developing the Transition Plan, Stewardship Ontario communicated with stakeholders through email notifications, website news posts and a dedicated Blue Box Program Transition Plan webpage.

2.1 Email Notifications

Email notifications were sent to stakeholders via Stewardship Ontario's mass email distribution software to provide updates and invite them to the consultation webinars.

The below chart shows the emails that were sent to stakeholder groups throughout the development of the Transition Plan. Please note: CSSA-related emails (steward newsletters and MCD notices) were sent to a higher number of individuals because they also included stewards from the other provincial stewardship programs.

Date	Stakeholder Group(s)	Subject and Link to Email	Number Sent To	Open Rate	Click Rate
August 12, 2019	Stewards	Advisor report outlines transition to full producer responsibility for Ontario's Blue Box Program	2,483	32%	20%
August 15, 2019	All	Stewardship Ontario receives Minister's direction letter to begin Blue Box transition	2,556	33%	16%
October 2, 2019	Stewards	2019 Q3 CSSA newsletter	3,186	34%	14%
November 19, 2019	All	MECP hosting webinar on development of new Blue Box Regulation	2,797	26%	-
December 19, 2019	Stewards	2019 Q4 CSSA newsletter	3,668	30%	11%
March 6, 2020	Stewards	2020 Q1 CSSA newsletter	3,659	28%	10%
March 19, 2020	All	Register for the Blue Box Wind Up Plan consultation webinars	3,764	28%	36%
April 4, 2020	All	Postponed: Blue Box Transition Plan consultation webinars	3,831	28%	7%
April 9, 2020	All	Minister grants extension for submitting Blue Box Program Transition Plan to RPRA	3,844	27%	7%
May 19, 2020	All	Blue Box Program Transition Plan consultation webinars rescheduled	3,841	31%	36%
May 27, 2020	All	Reminder: Blue Box Program Transition Plan consultations on June 16 and 17	3,851	27%	24%
June 1, 2020	Stewards	2020 Q2 CSSA newsletter	2,513	29%	12%
June 10, 2020	All	Reminder: Blue Box Program Transition Plan consultations on June 16 and 17	3,831	26%	23%

Date	Stakeholder Group(s)	Subject and Link to Email	Number Sent To	Open Rate	Click Rate
June 15, 2020	All	Reminder: Blue Box Program Transition Plan consultations this week	3,819	25%	23%
June 17, 2020	All	Blue Box Program Transition Plan consultation materials available	4,102	26%	21%
June 18, 2020	All	Join CSSA for a Consultation on the Material Cost Differentiation Methodology	5,073	22%	19%
June 23, 2020	All	Material Cost Differentiation Methodology Consultation: June 25, 2020	5,070	23%	20%
June 26, 2020	All	Material Cost Differentiation Methodology Consultation Materials Available	5,150	23%	10%
June 29, 2020	All	Blue Box Program Transition Plan: Consultation Q&As and Feedback Reminder	4,092	21%	17%
July 2, 2020	All	MCD Consultation Q&As and Program Fee Calculators Now Available	5,138	20%	13%
July 13, 2020	All	Blue Box Program Transition Plan: Feedback Requested by July 15	4,063	21%	11%
July 13, 2020	All	Feedback on the MCD Methodology Requested by July 23	5,213	21%	10%

2.2 Website Updates

All updates regarding the Transition Plan were posted as news items and featured on the homepage of the Stewardship Ontario website.

As well, Stewardship Ontario created a Blue Box Program Transition Plan webpage (StewardshipOntario.ca/BlueBox-Transition) on its website where it housed all information, updates and consultation materials for stakeholders to easily access. Throughout the development of the Transition Plan, the webpage had:

- 2,676 page views
- 2,377 unique visitors

3. CONSULTATION APPROACH

While developing the Transition Plan, Stewardship Ontario was committed to transparent communication and meaningful consultations with its stakeholders. Stewardship Ontario conducted three stakeholder-specific consultation webinars, as well as one-on-one meetings with certain stakeholder groups to gather feedback and address specific concerns and questions.

3.1 Consultation Webinars

Three stakeholder-specific webinars took place in June. During these webinars, Stewardship Ontario presented its proposals for the Transition Plan and encouraged stakeholders to submit feedback.

- **June 16, 2020, 10 – 12 p.m.:** Steward consultation
 - 475 registrants
 - 310 attendees
- **June 16, 2020, 1 – 3 p.m.:** Municipal, First Nations communities and waste management industry consultation
 - 367 registrants
 - 250 attendees
- **June 17, 2020, 1 – 3 p.m.:** Environmental non-government organization (ENGO) consultation
 - 112 registrants
 - 70 attendees

Please note: registrant and attendee metrics represent each individual who attended a consultation. More than one individual may have attended from an organization, and some individuals may have attended more than one consultation. A complete list of organization's Stewardship Ontario consulted with can be found in [Section 6](#) of this report.

The webinar presentations, replays and Q&As were emailed to all stakeholders and made available on the [Blue Box Program Transition Plan webpage](#). A full list of stakeholders Stewardship Ontario consulted with can be found in [Section 6](#) of this report.

Canadian Stewardship Services Alliance (CSSA) held a consultation on the Material Cost Differentiation (MCD) Methodology for packaging and paper stewardship program stewards in British Columbia, Saskatchewan, Manitoba and Ontario. All Stewardship Ontario Blue Box stakeholders were invited to participate in the consultation to learn about the Methodology so they could submit feedback on Stewardship Ontario's proposal to adopt the Four-Step Fee Methodology and MCD Methodology during transition.

3.2 One-on-one Consultation Meetings

After the broad consultation webinars, Stewardship Ontario met with stakeholder groups to review the Transition Plan proposals specific to them and answer any questions. The below table outlines the one-on-one meetings that occurred during the consultation period.

Date of Meeting	Stakeholder Group	Attendees
June 29, 2020	Steward trade associations	<ul style="list-style-type: none"> • Canadian Consumer Specialty Products Association (CCSPA) • Canadian Federation of Independent Grocers (CFIG) • Canadian Franchise Association • Canadian Vehicle Manufacturers' Association (CVMA) • Chemistry Industry Association of Canada • Cosmetics Alliance Canada • Electronics Product Stewardship Canada (EPSC) • Food & Consumer Products Of Canada (FCPC) • Restaurants Canada • Retail Council of Canada (RCC)

Date of Meeting	Stakeholder Group	Attendees
June 29, 2020	Waste management associations	<ul style="list-style-type: none"> Ontario Waste Management Association (OWMA) Miller Waste
July 6, 2020	ENGOS	<ul style="list-style-type: none"> Environmental Defence Recycling Council of Ontario Toronto Environmental Alliance
July 7, 2020	Municipal representatives	MICP Committee Members: <ul style="list-style-type: none"> Association of Municipalities of Ontario (AMO) City of Toronto
July 10, 2020	Newspaper industry	<ul style="list-style-type: none"> News Media Canada

4. CONSULTATION FEEDBACK

4.1 Feedback Approach

Feedback on Stewardship Ontario's Transition Plan proposals was requested by July 15, 2020. Feedback could be provided via email to consultation@stewardshipontario.ca or via the feedback form on the [Blue Box Program Transition Plan webpage](#). All feedback received was carefully considered as the Transition Plan was developed and finalized.

4.2 Summary of Feedback Received

Stewardship Ontario received 28 written feedback submissions from stakeholders, as well as additional verbal feedback during one-on-one meetings and comments during the consultation webinars.

The 28 written feedback submissions were received from the following stakeholders:

Steward Community

- Canadian Beverage Association
- Canadian Consumer Specialty Products Association
- Costco Canada
- CropLife
- Electronics Product Stewardship Canada
- Food & Consumer Products of Canada
- Keurig Dr. Pepper
- Lutron Electronics Co Inc.
- News Media Canada
- Premier Tech Home & Garden
- Retail Council of Canada
- Scotts Canada
- Van de Water-Raymond 1960 Ltd.

Municipalities and First Nations Communities

- City of Hamilton
- City of Kenora
- City of Ottawa

- City of Toronto
- County of Simcoe
- Niagara Region
- Region of Peel
- The Association of Municipalities of Ontario, the City of Toronto, the Regional Public Works Commissioners of Ontario and the Municipal Waste Association
- Township of Bonnechere Valley
- Township of Perry
- York Region

ENGOS

- Canadian Association of Recycling Industries
- Environmental Defence Canada, Toronto Environmental Alliance, Citizens' Network on Waste Management and HEJ! Support

Packaging Associations

- Carton Council of Canada

Other

- Pollock Environmental

All feedback received is summarized below, organized by topic in relation to the [Minister's direction letter](#).

4.3 Demonstrating Transparency and Meaningful Consultation

Steward feedback:

Stewards were supportive of the extension being granted by the Minister to submit the Transition Plan to RPRA by August 31, 2020 instead of June 30, 2020 in light of the COVID-19 situation. Some stewards, however, commented that the consultation process should be paused until the province returns back to normal. It was also recommended that Stewardship Ontario consider ways to encourage a more interactive dialogue during the consultation webinars, as well have more opportunities to consult.

Municipal feedback:

It was recommended that Stewardship Ontario should provide for more interactive dialogue and sharing of questions and feedback during the webinars.

How this feedback was considered in the Transition Plan:

Stewardship Ontario will take these recommendations into consideration when planning future events related to the Transition Plan.

Relevant section in Transition Plan: Section 3

4.4 Supporting Competition and Preventing Conflict of Interest

4.4.1 Supporting Competition

Steward feedback:

Stewards supported Stewardship Ontario's approach to protecting stewards' confidential information. According to stewards, confidential business information includes such things as managers' names, emails, and phone numbers from a steward company which should not be included on any public registry. It was also recommended that solicitation lists

should not be provided by RPRA to undisclosed third parties for the purpose of soliciting business from stewards. Stewards also requested that Stewardship Ontario inform stewards when there has been a request from RPRA for steward-specific information.

Municipal feedback:

Municipalities suggested that information, intellectual property and knowledge collected by CSSA in the operation and support of Stewardship Ontario should be shared publicly.

How this feedback was considered in the Transition Plan:

Stewardship Ontario will take all necessary steps to ensure confidential business information remains protected throughout the transition. The plan has also been revised to clarify that Stewardship Ontario's inventory of intellectual property will include material that was compiled by CSSA on behalf of Stewardship Ontario.

Relevant section in Transition Plan: Section 5

4.4.2 Addressing Conflict of Interest

Steward feedback:

Stewards indicated that they were confident Stewardship Ontario staff have the expertise to meet the requirements of managing the Transition Plan. It was suggested that the Code of Conduct be reviewed to ensure consultants adhere to the same standards as Stewardship Ontario staff.

Municipal feedback:

Municipal governments supported the emphasis being placed on ensuring the avoidance of a real or perceived conflict of interest. There was some concern raised over the Material Cost Differentiation (MCD) Methodology initiative due to it being run by CSSA staff.

How this feedback was considered in the Transition Plan:

The Transition Plan has been revised to clarify that the code of conduct applies to Board members, employees and consultants, including any that are brought on after the plan is approved. The plan has also been revised to clarify the purely technical (non-decision making) role that CSSA has played with respect to Stewardship Ontario's consideration of the adoption of MCD.

Relevant section in Transition Plan: Section 4

4.5 Demonstrating Fairness to Stewards and Protecting Consumers

Steward feedback:

It was suggested that Stewardship Ontario preserve the integrity of the Blue Box Program until transition is complete. This includes maintaining auditing and compliance activities and closely reviewing steward reports to detect any material discrepancies, while also maintaining all efforts to pursue free-riders until transition is completed.

ENGO feedback:

ENGOS were interested in ensuring that consumer interests are protected during transition and that all communities have the same level of access to recycling services as they do now.

How this feedback was considered in the Transition Plan:

Stewardship Ontario will continue to operate its steward services function (including steward review and audit) on a "business as usual" basis throughout transition.

Relevant section in Transition Plan: Section 6

4.6 Maintaining Program Performance During Transition

4.6.1 Program Performance

Municipal feedback:

Municipalities were very supportive of maintaining program performance during transition. They encouraged maintaining a reasonable level of continuity with existing municipal recycling programs to avoid any negative impacts to municipal waste management programs. It was noted that reducing the recycling program service level would be a disincentive for many residents which could lead to additional materials being sent to landfill and higher costs imposed on municipalities.

How this feedback was considered in the Transition Plan:

Stewardship Ontario appreciates the broad-based support for Stewardship Ontario's, RPRA's and CIF's plans in regard to maintaining program performance.

Relevant section in Transition Plan: Section 7

4.6.2 Market Development Initiatives

Steward feedback:

Most stewards supported Stewardship Ontario's proposal to not pursue new market development initiatives during transition.

Municipal feedback:

Municipalities suggested that Stewardship Ontario continue market development initiatives during the transition period to improve current conditions in the recycling industry, assist with rebuilding Ontario's economy and ensure a strong recycling infrastructure post-transition. It was also noted that market development initiatives are important to ensure continued markets for materials that post challenges to the system.

ENGO feedback:

ENGOS were also in favour of continuing market development initiatives in order to support improved recycling in Ontario. They suggested Stewardship Ontario work with producers to develop a plan for transitioning any ongoing projects to appropriate producers and/or PROs in 2026.

Packaging association feedback:

The one packaging association that submitted feedback noted that it made sense to stop market development efforts during transition.

How this feedback was considered in the Transition Plan:

Stewardship Ontario is mindful of the challenges facing the recycling system in Ontario. However, since Stewardship Ontario will not have a role in the future recycling system, it must remain agnostic about how the system should be structured and managed in the future. To engage in market development activities that assume future system needs, the impact of which would be felt almost entirely post-transition is not consistent with Stewardship Ontario's restricted role. Also, Stewardship Ontario's plans are consistent with municipal recommendations to wind up the CIF, (i.e. not to initiate new projects) which have widespread support among municipal stakeholders.

Relevant section in Transition Plan: Section 7.2.5

4.6.3 Promotion and Education Initiatives

Municipal feedback:

Municipalities supported the continuation of promotion and education efforts throughout transition. They recommended stewards be responsible for providing ongoing promotion and educational materials for the Blue Box Program to reinforce positive consumer behaviours required to maintain program performance.

ENGO feedback:

ENGOS supported Stewardship Ontario's plans to continue promotion and education initiatives during the transition period to maintain public confidence, sorting behaviour, and system performance.

Packaging association feedback:

The one packaging association that submitted feedback also agreed with continuing promotion and education efforts during transition in order to reinforce consumer behaviours, stating this is particularly important given the rise in contamination levels and the loss of consumer confidence that the system has experienced in recent times.

How this feedback was considered in the Transition Plan:

Stewardship Ontario appreciates the broad support that exists for it to continue its proposed promotion and education efforts throughout transition.

Relevant section in Transition Plan: Section 7.2.4

4.7 Windup of the CIF

Steward feedback:

No comments were received from stewards on the windup of the Continuous Improvement Fund (CIF). One steward requested additional detail regarding exactly how much stewards have contributed to the CIF since its inception.

Municipal feedback:

Municipal governments found the proposed approach by the CIF Committee to complete the windup of this fund to be reasonable. It was recommended that intellectual property assets including previous research projects, pilot studies and training materials completed under the auspices of the CIF continue to be readily available to municipalities.

How this feedback was considered in the Transition Plan:

Stewardship Ontario notes the broad support that exists for the windup plan developed by CIF.

Relevant section in Transition Plan: Section 7.2.3

4.8 Timelines for Transition and Related Costs

Steward feedback:

Stewards were concerned about dual reporting requirements to both Stewardship Ontario and future PROs being very complex. It was noted that the proposed reporting deadlines are unrealistic and would be difficult to meet given that they would have to prepare two reports (one for Stewardship Ontario and one for the PRO under the new framework). Some stewards expressed concern about changes to the filing deadlines under the mistaken understanding that filing deadlines were being shortened from the normal May deadline to a March deadline. Stewards that submitted feedback on this topic suggested Stewardship Ontario hold a consultation on steward reporting timelines before making any final decisions.

Municipal feedback:

Municipalities had questions about the rationale for paying the Steward Obligation in any given year based on costs in the Datacall from two years prior. They noted that the proposed method does little to protect municipal taxpayers should there be a continued increase in recycling program costs later in the transition period. It was requested that Stewardship Ontario and RPRA provide documentation and a rationale for this approach.

How this feedback was considered in the Transition Plan:

With regard to submission deadlines, stewards will continue to have until the end of May to complete their **prior year reports**; however, deadlines for applying for **prior-year adjustments** will need to be truncated so that a final fee schedule can be published. Stewardship Ontario is committed to making transition as easy as possible, with steward reporting remaining the same. A clearer explanation of changes to reporting deadlines which impact only the timelines to make revisions to prior reports, can be found in Section 9 of the BBPTP. Stewardship Ontario does not have any influence over how stewards will report to future PROs. This will be determined in the new regulation released by the MECP.

Stewards began paying their obligation the year the program began in 2004. In order to begin payments to participating communities in 2004, the Blue Box Program plan set out to calculate municipal costs for 2004 on best available information from prior years. The data used to determine the steward obligation was refined and improved in subsequent years, but has always been calculated using information from the most recent Datacall report, as contemplated in the Transition Plan. A participating community that transitions at the end of 2023 will have participated in the program for 20 years and will have received payments from Stewardship Ontario for 20 years.

Relevant section in Transition Plan: Section 9 and 10

4.9 Ensuring Continuity of Funding for Municipalities and First Nation Communities

Municipal feedback:

Municipalities noted that the Transition Plan proposals highlight numerous potential risks that could impact the financing of the program (i.e. new Ministerial direction letters, delay of Regulation etc.). Municipalities agree that it is prudent to ensure sufficient contingency funds to manage any potential issues.

How this feedback was considered in the Transition Plan:

Stewardship Ontario has always ensured prudent management of its finances to ensure that it meets its obligations and will continue to do so.

Relevant section in Transition Plan: Section 7.2.1

4.10 Determining Steward Fees During Transition

4.10.1 Material Cost Differentiation (MCD) Methodology

Steward feedback:

The steward community was generally supportive of implementing the MCD Methodology to replace the Activity Based Costing (ABC) mechanism currently used. Some suggested that the Methodology be implemented using a phased-in approach to help mitigate its cost impacts to all material categories. There were some concerns that the Methodology was too complex to implement during transition. Concerns were also expressed about the timing and administrative burden associated with changing stewards' reporting categories to align with the more granular material categories required under MCD. It was mentioned during the consultations that steward reporting will remain the same; however, in later stages of implementing the Methodology there may be changes to the material categories.

One trade association suggested the Methodology not be adopted as it would just add to the complexity of transition.

News Media Canada considered the MCD Methodology in detail. Overall, they expressed concern over the impact the MCD Methodology would have on their share of the obligation and have questioned some of the assumptions underlying the Methodology, noting that it overburdens the newsprint category. While they agreed the MCD guiding principles seemed fair, they suggested an additional principle around contamination costs being fairly allocated between materials. They also suggested that fulsome examples be provided for all material categories in order to better understand the how the system will work for each material.

Municipal feedback:

Municipal governments were strongly opposed to Stewardship Ontario's proposal to implement a new fee setting methodology during transition. They said that this change in methodology would directly impact municipal budgets and costs of the program to residents. Also, they noted that making a significant change in the fee setting methodology at this time would introduce more uncertainty and complexity for all stakeholders in an already complex and challenging transition process. The methodology proposed would also significantly increase the proportion of in-kind compensation that municipalities receive through the Steward Obligation.

Packaging association feedback:

One packaging association submitted feedback in support of the replacement of the Activity Based Costing (ABC) methodology used for allocating system costs with the MCD Methodology.

How this feedback was considered in the Transition Plan:

The Transition Plan proposes the adoption of the Four-Step Fee and MCD methodologies as its process for determining steward fees. That said, in order to mitigate the impact of this change on stakeholders (both newsprint stewards and municipalities) who may be adversely impacted by this change, Stewardship Ontario proposes that the methodology be implemented over a two-year period to ease the transition, with 2021 fees based on a blend of the Three Factor Formula/ABC Methodology and the Four-Step Fee/MCD methodologies before adopting the full Four-Step Fee/MCD methodologies in 2022.

Relevant section in Transition Plan: Section 7.2.6

4.11 How Reserve Funds Will be Applied to Offset Transition Costs and Steward Fees

Steward feedback:

There were varying views related to reserve funds. Some stewards suggested the money be returned to stewards promptly, while others were supportive to returning the market development funds in 2023 and general reserve funds in 2025, holding money back as a contingency. It was recommended that the Transition Plan include options for returning surplus funds to stewards.

Municipal feedback:

Municipalities encouraged Stewardship Ontario to use the market development funds to continue market development initiatives related to challenging materials.

ENGO feedback:

ENGOS did not support returning market development funds to stewards. They suggested these funds be use to improve recycling education, collection, processes or markets through new initiatives. ENGOS also suggested Stewardship Ontario consult with stewards on opportunities to invest in research and development to boost recycling content levels in plastic packaging and improve end markets for mixed broken glass.

How this feedback was considered in the Transition Plan:

Stewardship Ontario is sympathetic to the desire of some stewards that it reduce fees as soon as possible and as a result

of the feedback received will propose to return market development funds in 2021. However, with respect to the General Reserve, Stewardship Ontario cannot at this stage commit to reducing its operating capital as early as 2023. Stewardship Ontario will review its forecasts annually with a view to determining whether it is in position to accelerate the return of a portion of the General Reserve prior to 2025. Many factors could affect pressures on the General Reserve including steward adjustments, bankruptcies and increases in the scope and activities of the wind up. These will be monitored carefully as they affect the General Reserve in positive/negative ways.

Relevant section in Transition Plan: Sections 6 and 13

5. CONCLUSION

As reflected above, the feedback received during consultations on the Blue Box Program Transition Plan was carefully considered and extremely useful to Stewardship Ontario as the plan was finalized. Stewardship Ontario's proposed Transition Plan was submitted to RPRA by the August 31, 2020 deadline, as directed by the Minister.

6. STAKEHOLDERS CONSULTED WITH

A total of 460 organizations participated in consultations during the development of the Blue Box Program Transition Plan. These organizations are listed in the table below.

Company	Stakeholder Group
3M Canada	Steward
A&W Food Services of Canada Inc	Steward
A. Lassonde Inc.	Steward
A.M. Jensen Limited	Steward
AbbVie	Steward
ACH Food Companies, Inc	Steward
Active Tire & Auto Centre Inc.	Other
Adonis Group Inc.	Steward
AHAM	Trade Association
Algonquins of Pikwakanagan Ontario First Nation	First Nations Community
ANB Canada Inc	Steward
Apotex Inc.	Steward
Aquaterra Corporation	Steward
ARYZTA Ltd.	Steward
Association of Municipalities of Ontario	Municipal Association
Atron Electro Industries Inc.	Steward
BASF Corporation	Other
Bearskin Airlines	Steward
Beausoleil First Nation	First Nations Community
Beckwith Township	Municipality
Bell Canada	Steward
Bell Mobility	Steward
Benefect	Other
Benjamin Moore & Co.	Steward

Company	Stakeholder Group
Best Buy Canada	Steward
Blount Canada Ltd	Steward
Bluesky Strategy Group	Other
Bluewater Recycling Association	Municipality
BMW Canada Inc.	Steward
Boehringer Ingelheim	Steward
Booster Juice	Steward
Bose Ltd	Steward
Boston Pizza International	Steward
Brock University	Steward
Brockville	Municipality
Bruce Area Recycling	Municipality
BSH Home Appliances Ltd	Steward
Bushnell Corporation of Canada	Steward
C&D	Steward
C&J Clark Canada Limited	Steward
C.B.Powell Ltd.	Other
Campbell Soup	Steward
Campbell Soup of Canada	Steward
Canadian Association Of Recycling Industries	ENGO
Canadian Beverage Association	First Nations Community
Canadian Consumer Specialty Products Association	Trade Association
Canadian Environmental Law Association	ENGO
Canadian Franchise Association	Trade Association
Canadian Health Food Association	Trade Association
Canadian Hickory Farms, Ltd.	Steward
Canadian Medical Association	Steward
Canadian Plastics Industry Association	Packaging Association
Canadian Springs	Steward
Canadian Tire Corporation	Steward
Canadian Vehicle Manufacturers Association	Trade Association
Canon Canada Inc.	Steward
CANPREV NATURAL HEALTH PRODUCTS	Steward
Carton Council Canada	Packaging Association
Cascades Recovery	Waste Management
Catelli	Steward
Central Frontenac Township	Municipality
Chapman's Ice Cream	Steward
Chatham-Kent	Municipality
Chemistry Industry Association of Canada	Trade Association

Company	Stakeholder Group
Chudleighs Ltd	Steward
CIBC	Steward
Citi Cards Canada Inc.	Steward
Citizens' Network on Waste Management	Other
City of Barrie	Municipality
City of Belleville	Municipality
City of Brantford	Municipality
City of Brockville	Municipality
City of Clarence-Rockland	Municipality
City of Elliot Lake	Municipality
City of Guelph	Municipality
City of Hamilton	Municipality
City of Kawartha Lakes	Municipality
City Of Kenora	Municipality
City of Kingston	Municipality
City of London	Municipality
City of Markham	Municipality
City of North Bay	Municipality
City of Orillia	Municipality
City of Ottawa	Municipality
City of Pembroke	Municipality
City of Peterborough	Municipality
City of Sarnia	Municipality
City of Stratford	Municipality
City of Thunder Bay	Municipality
City of Timmins	Municipality
City of Toronto	Municipality
City of Toronto, Solid Waste Management Services	Municipality
City of Vaughan	Municipality
City of Windsor	Municipality
CKF Inc.	Steward
Cleanfarms	Other
Clorox	Steward
Clover Leaf Seafoods	Steward
Columbia Sportswear Canada	Steward
Compass Minerals	Steward
Concord Premium Meats Ltd.	Steward
ConstantineLegal	Other
Continuous Improvement Fund	CIF
Costco Wholesale Canada Ltd	Steward

Company	Stakeholder Group
County of Brant	Municipality
County of Dufferin	Municipality
County of Peterborough	Municipality
County of Simcoe	Municipality
County of Wellington	Municipality
Crayola Canada	Steward
CRC Industries, Inc.	Steward
CropLife Canada	Trade Association
Crossmark Canada	Steward
CUPE	Other
D&G Laboratories Inc	Steward
D&H Canada ULC	Steward
Dairy Queen	Steward
Danby Products	Steward
Danone Canada	Steward
Dart Container	Steward
Dell Canada Inc	Steward
Diana's Seafood delight inc.	Steward
Dillon Consulting Ltd.	Other
District Municipality of Muskoka	Municipality
Dorel Juvenile Canada	Steward
Dormer Laboratories Inc.	Steward
Duracell	Steward
Dural	Other
Earnscliffe	Other
Éco Entreprises Québec	Other
EcoCompass	Other
Economical INSurance	Steward
Edwardsburgh Cardinal Township	Municipality
EFS PLASTICS	Other
Electronics Product Stewardship Canada	Trade Association
Emterra Group	Waste Management
Enbridge Gas Inc.	Steward
Environmental Defence	Other
EPI	Steward
Epson America Inc.	Steward
Eunomia Research & Consult, INC.	Other
exp	Other
FaithLife Financial	Steward
Farm Boy Company Inc.	Steward

Company	Stakeholder Group
FCA	Steward
FCC	Steward
Ferring Inc.	Steward
FIGR	Steward
Fine Choice Foods Ltd.	Steward
Finica Foods	Steward
Food & Consumer Products Of Canada	Trade Association
Freud Canada, Inc.	Steward
Fromagerie Coopérative St-Albert Inc.	Steward
Front of Yonge Township	Municipality
Fruit of the Loom	Steward
fujifilm holdings america corp	Steward
Gambles Ontario Produce Inc.	Steward
Garant GP	Steward
Garth Hickle Consulting	Other
Gary Garland Consulting	Other
Gay Lea Foods Co-operative Ltd.	Steward
General Mills Canada	Steward
General Motors of Canada	Steward
Genuine Health	Steward
Georgian Bluffs	Municipality
GFL	Waste Management
GKPC	Steward
Global Automakers of Canada	Trade Association
Golder	Other
Golder Associates	Other
GoodLife fitness	Steward
Goodyear Canada Inc.	Steward
Goulais River LSB	Municipality
GOURMET TRADING CO LTD	Steward
GRACE FOODS CANADA INC	Steward
Gracious Living Corporation	Steward
Greater Sudbury Utilities	Other
Green VI	Other
Greenhawk	Steward
Greenview Environmental Management Limited	Other
Guy Perry & Associates	Other
Haldimand County - Environmental Operations	Municipality
Halton Region	Municipality
HAWKESBURY JOINT RECYCLING	Municipality

Company	Stakeholder Group
HBC	Steward
HDR	Other
Henkel of America, Inc	Steward
HEXO Corp	Steward
HFC International Prestige Inc.	Steward
Holt Renfrew	Steward
Howick Township	Municipality
Hudson's Bay Company	Steward
Ice River Springs	Other
Ice River Springs Water Co. Inc	Steward
I-D Foods Corp	Steward
Independent	Other
Iovate Health Sciences International Inc.	Steward
Iroquois Falls	Municipality
Janssen (J&J)	Steward
Johnson & Johnson	Steward
JVCKENWOOD Canada	Steward
Kapuskasing Moonbeam Landfill Site Management Board	Municipality
Kelleher Environmental	Other
Keurig Dr Pepper Canada	Steward
Kia Canada	Steward
Kidcentral Supply Inc	Steward
kidcentral.ca	Steward
KitchenCraft	Steward
Kohl & Frisch Limited	Steward
Krikorian Co. Ltd	Steward
L.H. Gray & Son Limited	Steward
Lactalis (Parmalat) Canada	Steward
Lambton College	Steward
Lasko Products/Air King America	Steward
Lee Valley Tools	Steward
LEGO Systems Inc	Steward
Lenovo	Steward
Lexmark International, Inc.	Steward
LG Electronics Canada, Inc.	Steward
LINCit	Other
Lindt	Steward
Lindt & Sprungli Canada	Steward
Loblaws Inc.	Steward

Company	Stakeholder Group
LONG & MCQUADE	Steward
Lontours Canada Ltd	Steward
Love Environment	Other
Lovell Drugs	Steward
LOWE'S Canada	Steward
Loyalist Public Affairs	Other
Loyalist Township	Municipality
Lush Handmade Cosmetics	Steward
Lutron Electronics Co., Inc.	Steward
LVMH FRAGRANCE BRANDS	Steward
Makita Canada Inc.	Steward
Mapei Inc	Steward
Maple Leaf Foods	Steward
Maricann Inc.	Steward
Mary Kay Cosmetics	Steward
Mattel Canada	Steward
Mattice - Val Côté	Municipality
McConnell Weaver Strategic Communication	Other
McKesson Canada	Other
MECP	MECP
Medical Pharmacies Group	Steward
Melitta Canada	Steward
Mentholatum	Steward
Metro Ontario Inc.	Steward
MFOA	Municipal Association
Minute Maid Canada	Steward
Mississippi Mills	Municipality
Mitsubishi Motor Sales	Steward
Mitsubishi motor sales of Canada, INC	Steward
MMSCAN	Steward
Moen	Steward
Mohawk College	Steward
Mondelez	Steward
Movado Group	Steward
MPS Group	Other
Multi-Material Stewardship Manitoba Inc.	Other
Municipal Waste Association	Municipal Association
Municipalité Alfred & Plantagenet	Municipality
Municipality of Calvin	Municipality
Municipality of Central Elgin	Municipality

Company	Stakeholder Group
Municipality of Dysart et al	Municipality
Municipality of Grey Highlands	Municipality
Municipality of Hastings Highlands	Municipality
Municipality of Highlands East	Municipality
Municipality of Huron Shores	Municipality
Municipality of Kincardine	Municipality
Municipality of Magnetawan	Municipality
Municipality of North Grenville	Municipality
Municipality of Powassan	Municipality
Municipality of South Dundas	Municipality
Municipality of Trent Lakes	Municipality
Municipality of West Grey	Municipality
Municipality of West Nipissing	Municipality
Muskoka Roastery Coffee Co.	Steward
National Presto Industries, Inc.	Steward
NATIONAL Public Relations	Other
Nespresso Canada	Steward
Nestle Canada	Steward
Nestle Purina	Steward
Nestle Water Canada	Steward
News Media Canada	ENGO
Niagara Region	Municipality
Nissan Canada Inc.	Steward
Norfolk County	Municipality
Northumberland County	Municipality
OCAD University	Steward
Ogemawahj Tribal Council	First Nations Association
Omron Healthcare	Other
Ontario Lottery & Gaming	Steward
Ontario Waste Management Association (OWMA)	Waste Management
Oppy	Steward
Ottawa Valley Waste Recovery Centre	Municipality
Owens Corning	Steward
Oxford County	Municipality
Papineau-Cameron Township	Municipality
Partylite Gifts, LTD.	Steward
PepsiCo	Steward
Pharmasave	Steward
Policy Integrity	Other
Pollock Environmental	Other

Company	Stakeholder Group
Postmedia Network Inc	Steward
PPEC	Packaging Association
PPG	Steward
Premier Tech Home & Garden	Steward
Premier Tech Ltd.	Steward
Prestone Products Corp.	Steward
Procter & Gamble Inc.	Steward
Quinte Waste Solutions	Municipality
R.J. Burnside & Associates Limited	Other
RBC	Steward
RBI	Steward
Recycling Council of Ontario	ENGO
Red Bull Canada	Steward
Regal	Steward
Region of Durham	Municipality
Region of Peel	Municipality
Region of Waterloo	Municipality
Regional Municipality of Durham	Municipality
Regional Municipality of Waterloo	Municipality
Renin Canada Corp	Steward
Resideo	Steward
Resource Productivity and Recovery Authority	RPRA
Restaurants Canada	Trade Association
Retail Council of Canada	Trade Association
Rexall	Steward
Ripley's Aquarium of Canada	Steward
RLGA	Steward
Robins Environmental	Other
Rogers Communications	Steward
RSE	Steward
Rustoleum Canada	Steward
RW Consumer Products Ltd.	Steward
RWDI	Steward
Ryse Solutions	Waste Management
S&F Food Importers	Steward
SC Johnson	Steward
Scotts Canada Ltd.	Steward
Scout Environmental	Other
Sheridan College	Steward
Shurtape	Steward

Company	Stakeholder Group
Silva Custom Furniture	Steward
Simply Good Foods Canada, Inc.	Other
Sir	Steward
Six Nations of the Grand River	First Nations Community
Sleep Country Canada	Steward
Smucker Foods of Canada Corp.	Steward
Sony of Canada Ltd.	Steward
St. Clair Township	Municipality
Staples Canada	Steward
Stewardship Ontario	Stewardship Ontario
Stikeman Elliott	Other
Strategy Matters Inc.	Other
Stratford Festival	Steward
Sun-Rype Products Ltd	Steward
Sussex Strategy Group	Other
Swissmar Ltd.	Steward
T&T Supermarket Inc	Steward
Tay Valley Township	Municipality
TERRA Greenhouses	Steward
Terrapure	Waste Management
Tetra Tech Canada Inc.	Other
The CIF	Other
The Co-operators	Steward
The Corporation of the Town of Renfrew	Municipality
The Corporation of the Township of North Frontenac	Municipality
The Dominion of Canada General Insurance Company	Steward
The Home Depot	Steward
The Nation Municipality	Municipality
The Shopping Channel	Steward
Tim Hortons	Steward
Timex Group	Steward
TMF Foods - Lou's Kitchen	Steward
TOMRA	Waste Management
Toronto and Region Conservation Authority	Other
Town of Arnprior	Municipality
Town of Aylmer	Municipality
Town of Carleton Place	Municipality
Town of Cochrane	Municipality

Company	Stakeholder Group
Town of Englehart	Municipality
Town of Espanola	Municipality
Town of Fort Frances	Municipality
Town of Gananoque	Municipality
Town of Goderich	Municipality
Town of Greater Napanee	Municipality
Town of Newmarket	Municipality
Town of Parry Sound	Municipality
town of Perth	Municipality
Town of Plympton-Wyoming	Municipality
Town of Prescott	Municipality
Town of Saugeen Shores	Municipality
Town of Smiths Falls	Municipality
Town of Spanish	Municipality
Town of The Blue Mountains	Municipality
Town of Whitchurch-Stouffville	Municipality
Township of Addington Highlands	Municipality
Township of Admaston/Bromley	Municipality
Township of Algonquin Highlands	Municipality
Township of Armour	Municipality
Township of Augusta	Municipality
Township of Baldwin	Municipality
Township of Beckwith	Municipality
Township of Bonfield	Municipality
Township of Chatsworth	Municipality
Township of Chisholm	Municipality
Township of Drummond/North Elmsley	Municipality
Township of Edwardsburgh Cardinal	Municipality
Township of Eanturel	Municipality
Township of Georgian Bluffs	Municipality
Township of Greater Madawaska	Municipality
Township of King	Municipality
Township of Limerick	Municipality
Township of Machar	Municipality
Township of Malahide	Municipality
Township of Matachewan	Municipality
Township of McNab/Braeside	Municipality
Township of Minden Hills	Municipality
Township of North Glengarry	Municipality
Township of O'Connor	Municipality

Company	Stakeholder Group
Township of Perry	Municipality
Township of Sables-Spanish Rivers	Municipality
Township of South Frontenac	Municipality
Township of South Glengarry	Municipality
Township of South Stormont	Municipality
Township of Southgate	Municipality
Township of Southwold	Municipality
Township of Terrace Bay	Municipality
Township of the Archipelago	Municipality
Township of Whitewater Region	Municipality
Tree of Life Canada	Steward
Twp of Brudenell, Lyndoch and Raglan	Municipality
UAP INC	Steward
uccmm	First Nations Community
UNFI Canada Inc.	Steward
Unica Insurance	Steward
Unilever Canada	Steward
United Townships of Head, Clara & Maria	Municipality
University of Waterloo	Steward
University of Western Ontario	Steward
Valpak	Steward
VHS	Steward
Village of Burk's Falls	Municipality
Village of Point Edward	Municipality
Walmart	Steward
Waste Watch Ottawa	ENGO
Waste Watch Ottawa (WWO)	ENGO
Wawanesa Mutual Insurance Company	Steward
Wentworth Technologies	Other
West Elgin	Municipality
West Park Healthcare Centre	Steward
Western University	Steward
Whole Foods Market	Steward
Wikwemikong Unceded Territory	First Nations Community
Wrigley	Steward
Yamaha Canada Music Ltd	Steward
Yamaha Motor Canada	Steward
York Region	Municipality
York University	Steward

APPENDIX B: Detailed Communications Timeline

The following outlines Stewardship Ontario's plan to fulfill this obligation. Communication initiatives during the implementation of the Transition Plan will remain consistent with information stakeholders receive during normal operations, with additional emphasis on information and updates related to key transition dates and deadlines as applicable. This section indicates whether a communication is **normal business (NB)** or **transition-related (TR)**. It's important to note that while this plan provides the majority of communication activities that will occur between 2020 – 2026, the need for other communications will likely arise.

2020

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
January 1, 2020	Fee invoices for 2021 calendar year	Email	Stewards	NB
January 31, 2020	Annual obligation payment due	Email	Stewards	NB
January 31, 2020	Quarterly fees payment due (1/4)	Email	Stewards	NB
February, 2020	CSSA 'Ready to Report' webinars and updated reporting resources	Website Email Webinars	Stewards	NB
March, 2020	Q1 steward newsletter	Email	Stewards	NB
March 31, 2020	Final payment made to municipalities for 2019 obligation	Email	Municipalities and First Nations communities	NB
April 1, 2020	Stewardship Ontario's annual filing on 2019 program performance submitted to RPRA	Website	All	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
April 30, 2020	Quarterly fees payment due (2/4)	Email	Stewards	TR
June, 2020	Q2 steward newsletter	Email	Stewards	NB
June, 2020	Late reporting notices	Email	Stewards	NB
June 16 & 17, 2020	Stewardship Ontario's consultation on its Blue Box Transition Plan proposals	Webinars	All	TR
June 30, 2020	First payment made to municipalities for 2020 obligation	Email	Municipalities and First Nations communities	NB
June 30, 2020	RPRA announces 2021 obligation	Website Email	Stewards Municipalities and First Nations communities	NB
July 1, 2020	Annual report released	Website Email Steward newsletter	All stakeholders	NB
July 15, 2020	Stakeholder feedback due to Stewardship Ontario	Website Email	All	TR
July 31, 2020	Annual steward reporting deadline (2019 data) – extended due to COVID-19	Website Email	Stewards	NB
July 31, 2020	Deadline for stewards to submit adjustment requests (2018 supply data)	Website Email	Stewards	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
July 31, 2020	Quarterly fees payment due (3/4)	Email	Stewards	NB
Aug 31, 2020	Stewardship Ontario submits Blue Box Transition Plan and consultation report to RPRA	Email	All	TR
September, 2020	Q3 steward newsletter	Email	Stewards	NB
October, 2020	Annual steward meeting (2021 fees published)	Website Email Webinar	Stewards	NB
September 30, 2020	Second payment made to municipalities for 2020 obligation	Email	Municipalities and First Nations communities	NB
October 31, 2020	Quarterly fees payment due (3/4)	Email	Stewards	NB
December, 2020	Q4 steward newsletter	Email	Stewards	NB
December 31, 2020	Anticipated date RPRA will approve Stewardship Ontario's Blue Box Program Transition Plan	Website Email	All	TR

2021

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
January 1, 2021	RPRA's approval of the Blue Box Program Transition Plan	Website Email blast	All	TR
January 1, 2021	Fee invoices for 2021 calendar year	Email	Stewards	NB
January 31, 2021	Annual obligation payment due	Email	Stewards	NB
January 31, 2021	Quarterly fees payment due (1/4)	Email	Stewards	NB
February, 2021	CSSA 'Ready to Report' webinars and updated reporting resources	Website Email Webinars	Stewards	NB
March, 2021	Q1 steward newsletter	Email	Stewards	NB
March 31, 2021	Final payment made to municipalities for 2020 obligation	Email	Municipalities and First Nations communities	NB
April 1, 2021	Stewardship Ontario's annual filing on 2020 program performance submitted to RPRA	Website	All	NB
April 30, 2021	Quarterly fees payment due (2/4)	Email	Stewards	TR
Tentative April/May	New Blue Box regulations released by MECP	Website Email	All	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
May 31, 2021	Annual steward reporting deadline (2020 data)	Website Email	Stewards	NB
June, 2021	Q2 steward newsletter	Email	Stewards	NB
June, 2021	Late reporting notices	Email	Stewards	NB
June 30, 2021	RPRA announces 2022 obligation	Website Email	Stewards Municipalities and First Nations communities	Both
June 30, 2021	First payment made to municipalities for 2021 obligation	Email	Municipalities and First Nations communities	NB
July 1, 2021	Annual report released	Website Email Steward newsletter	All stakeholders	NB
July 31, 2021	Deadline for stewards to submit request for fee adjustments (2019 supply data)	Website Email	Stewards	NB
July 31, 2021	Quarterly fees payment due (3/4)	Email	Stewards	NB
September, 2021	Q3 steward newsletter	Email	Stewards	NB
October, 2021	Annual steward meeting (2022 fees published)	Website Email Webinar	Stewards	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
September 30, 2021	Second payment made to municipalities for 2021 obligation	Email	Municipalities and First Nations communities	NB
October 31, 2021	Quarterly fees payment due (3/4)	Email	Stewards	NB
December, 2021	Q4 steward newsletter	Email	Stewards	NB
December, 2021	Submission of inventory of intellectual property/market knowledge to RPRA	Email	All	TR
December 30, 2021	Third payment made to municipalities for 2021 obligation	Email	Municipalities and First Nations communities	NB

2022

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
January 1, 2022	Fee invoices for 2022 calendar year	Email	Stewards	NB
January 31, 2022	Annual obligation payment due	Email	Stewards	NB
January 31, 2022	Quarterly fees payment due (1/4)	Email	Stewards	NB
February, 2022	CSSA 'Ready to Report' webinars and updated reporting resources	Website Email Webinars	Stewards	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
March, 2022	Q1 steward newsletter	Email	Stewards	NB
March 31, 2022	Deadline for stewards to submit request for fee adjustments (2019 supply data)	Email	Stewards	TR
March 31, 2022	Final payment made to municipalities for 2021 obligation	Email	Municipalities and First Nations communities	NB
April 1, 2022	Stewardship Ontario's annual filing on 2021 program performance submitted to RPRA	Website	All	NB
April 30, 2022	Quarterly fees payment due (2/4)	Email	Stewards	NB
May 31, 2022	Annual steward reporting deadline (2021 data)	Website Email	Stewards	NB
June, 2022	Q2 steward newsletter	Email	Stewards	NB
June, 2022	Late reporting notices	Email	Stewards	NB
June 30, 2022	RPRA announces 2023 obligation	Website Email	Stewards Municipalities and First Nations communities	Both
June 30, 2022	First payment made to municipalities for 2022 obligation	Email	Municipalities and First Nations communities	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
July 1, 2022	Annual report released	Website Email Steward newsletter	All stakeholders	NB
July 31, 2022	Deadline for stewards to submit request for fee adjustments (2020 supply data)	Website Email	Stewards	NB
July 31, 2022	Quarterly fees payment due (3/4)	Email	Stewards	NB
September, 2022	Q3 steward newsletter	Email	Stewards	NB
October, 2022	Annual steward meeting (2023 fees published)	Website Email Webinar	Stewards	NB
September 30, 2022	Second payment made to municipalities for 2022 obligation	Email	Municipalities and First Nations communities	NB
October 31, 2022	Quarterly fees payment due (3/4)	Email	Stewards	TR
December, 2022	Q4 steward newsletter	Email	Stewards	NB
December 30, 2022	Third payment made to municipalities for 2022 obligation	Email	Municipalities and First Nations communities	NB

2023

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
January 1, 2023	Fee invoices for 2023 calendar year	Email	Stewards	NB
January 31, 2023	Annual obligation payment due	Email	Stewards	NB
January 31, 2023	Quarterly fees payment due (1/4)	Email	Stewards	NB
February, 2023	CSSA 'Ready to Report' webinars and updated reporting resources	Website Email Webinars	Stewards	NB
March, 2023	Q1 steward newsletter	Email	Stewards	NB
March 31, 2023	Deadline for stewards to submit request for fee adjustments (2020 and 2021 data)	Email	Stewards	TR
March 31, 2023	Final payment made to municipalities for 2022 obligation	Email	Municipalities and First Nations communities	NB
April 1, 2023	Stewardship Ontario's annual filing on 2022 program performance submitted to RPRA	Website	All	NB
April 30, 2023	Quarterly fees payment due (2/4)	Email	Stewards	NB
May 31, 2023	Annual steward reporting deadline (2022 data)	Website Email	Stewards	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
May 31, 2023	Deadline for stewards to submit request for fee adjustments (2021 supply data)	Website Email	Stewards	NB
June, 2023	Q2 steward newsletter	Email	Stewards	NB
June, 2023	Late reporting notices	Email	Stewards	NB
June 30, 2023	RPRA announces 2024 obligation for remaining municipalities	Website Email	Stewards Municipalities and First Nations communities	Both
June 30, 2023	First payment made to remaining municipalities for 2023 obligation	Email	Municipalities and First Nations communities	NB
July 1, 2023	Annual report released	Website Email Steward newsletter	All stakeholders	NB
July 31, 2023	Quarterly fees payment due (3/4)	Email	Stewards	NB
September, 2023	Q3 steward newsletter	Email	Stewards	NB
October, 2023	Annual steward meeting (2024 fees published)	Website Email Webinar	Stewards	NB
September 30, 2023	Second payment made to remaining municipalities for 2023 obligation	Email	Municipalities and First Nations communities	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
October 31, 2023	Quarterly fees payment due (3/4)	Email	Stewards	NB
December, 2023	Q4 steward newsletter	Email	Stewards	NB
December 30, 2023	Third payment made to remaining municipalities for 2023 obligation	Email	Municipalities and First Nations communities	NB

2024

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
January 1, 2024	Fee invoices for 2024 calendar year	Email	Stewards	NB
January 31, 2024	Annual obligation payment due	Email	Stewards	NB
January 31, 2024	Quarterly fees payment due (1/4)	Email	Stewards	NB
February, 2024	CSSA 'Ready to Report' webinars and updated reporting resources	Website Email Webinars	Stewards	NB
March, 2024	Q1 steward newsletter	Email	Stewards	NB
March 31, 2024	Deadline for stewards to submit request for fee adjustments (2022 data)	Email	Stewards	TR

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
March 31, 2024	Final payment made to remaining municipalities for 2023 obligation	Email	Municipalities and First Nations communities	NB
April 1, 2024	Stewardship Ontario's annual filing on 2023 program performance submitted to RPRA	Website	All	Both
April 30, 2024	Quarterly fees payment due (2/4)	Email	Stewards	NB
May 31, 2024	Annual steward reporting deadline (2023 data)	Website Email	Stewards	NB
May 31, 2024	Deadline for stewards to submit request for fee adjustments (2022 supply data)	Website Email	Stewards	NB
June, 2024	Q2 steward newsletter	Email	Stewards	NB
June, 2024	Late reporting notices	Email	Stewards	NB
June 30, 2024	RPRA announces 2025 obligation for remaining municipalities	Website Email	Stewards Municipalities and First Nations communities	Both
June 30, 2024	First payment made to remaining municipalities for 2024 obligation	Email	Municipalities and First Nations communities	NB
July 1, 2024	Annual report released	Website Email Steward newsletter	All stakeholders	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
July 31, 2024	Quarterly fees payment due (3/4)	Email	Stewards	NB
September, 2024	Q3 steward newsletter	Email	Stewards	NB
October, 2024	Annual steward meeting (2025 fees published)	Website Email Webinar	Stewards	NB
September 30, 2024	Second payment made to remaining municipalities for 2024 obligation	Email	Municipalities and First Nations communities	NB
October 31, 2024	Quarterly fees payment due (3/4)	Email	Stewards	NB
December, 2024	Q4 steward newsletter	Email	Stewards	NB
December 30, 2024	Third payment made to remaining municipalities for 2024 obligation	Email	Municipalities and First Nations communities	NB

2025

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
January 1, 2025	Fee invoices for 2025 calendar year	Email	Stewards	NB
January 31, 2025	Annual obligation payment due	Email	Stewards	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
January 31, 2025	Quarterly fees payment due (1/4)	Email	Stewards	NB
February, 2025	CSSA 'Ready to Report' webinars and updated reporting resources	Website Email Webinars	Stewards	NB
March, 2025	Q1 steward newsletter	Email	Stewards	NB
March 31, 2025	Deadline for stewards to submit request for fee adjustments (2023 data)	Email	Stewards	TR
March 31, 2025	Final payment made to remaining municipalities for 2024 obligation	Email	Municipalities and First Nations communities	NB
April 1, 2025	Stewardship Ontario's annual filing on 2024 program performance submitted to RPRA	Website	All	Both
April 30, 2025	Quarterly fees payment due (2/4)	Email	Stewards	NB
June, 2025	Q2 steward newsletter	Email	Stewards	NB
June, 2025	Late reporting notices	Email	Stewards	NB
June 30, 2025	First payment made to remaining municipalities for 2025 obligation	Email	Municipalities and First Nations communities	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
July 1, 2025	Annual report released	Website Email Steward newsletter	All stakeholders	NB
July 31, 2025	Quarterly fees payment due (3/4)	Email	Stewards	NB
September, 2025	Q3 steward newsletter	Email	Stewards	NB
September 30, 2025	Second payment made to remaining municipalities for 2025 obligation	Email	Municipalities and First Nations communities	NB
October 31, 2025	Quarterly fees payment due (4/4)	Email	Stewards	TR
December, 2025	Q4 steward newsletter	Email	Stewards	NB
December 30, 2025	Third payment made to remaining municipalities for 2025 obligation	Email	Municipalities and First Nations communities	NB

2026

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
April 1, 2026	Stewardship Ontario's annual filing on 2025 program performance submitted to RPRA	Website	All	Both
March 31, 2026	Final payment made to remaining municipalities for 2025 obligation	Email	Municipalities and First Nations communities	NB

Date	Description	Communication Method(s)	Stakeholder Group(s)	NB / TR
Q3, 2026	Submission of windup report to RPRA and the Minister	Email	All	TR
Q3, 2026	Final distribution of residual funds	Email	Stewards	TR
September, 2026	Stewardship Ontario completes corporate windup	Website Email	All stakeholders	TR



A Proposed Material Cost Differentiation Methodology

Consultation Report

August, 2020

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1 Introduction

The Material Cost Differentiation (MCD) Methodology is a new and innovative way to measure the cost impacts of materials on the recycling system. If approved, it will provide a significant input to setting fair and principle-based fee rates for the Recycle BC, MMSW, MMSM and Stewardship Ontario's packaging and paper product (PPP) recycling programs. Given that the MCD Methodology will produce this important input for fee setting, and therefore has significant impacts on all stewards, CSSA undertook a comprehensive consultation process with a wide cross-section of stakeholders to seek their input and answer their questions on the proposed methodology. This consultation report provides an overview of the MCD Methodology, the consultation process, stakeholder feedback, CSSA's responses to questions and concerns raised, and next steps for the MCD project.

1.1 Background on the MCD Methodology Project

In 2016 CSSA, in consultation with the producer community, developed a new fee setting methodology, known as the Four-Step Fee Methodology. Now in its fourth year, the methodology is principle-based and strives for fairness in setting fees for PPP for participating programs. The fee methodology is dependent on the quality of its inputs, chief among them the metric that reflects each material's unique impacts on the cost of recycling system activities. To date, this input has been generated by conducting Activity Based Costing (ABC) studies, but a number of factors have driven the need for a modernized approach: ABC's inability to satisfy steward priorities; ongoing challenges with regularly collecting data that is typically private and confidential; and the evolution of materials and recycling systems since ABC was created almost two decades ago.

In order to address these issues, the MCD project was initiated in 2017 to develop a new and better way to measure how PPP materials impact the cost of recycling system activities, taking into consideration each material's characteristics and the trends emerging in recycling technology and packaging design. The new methodology will produce a critical input to fee setting that is intended to replace today's ABC approach for the Recycle BC, MMSW, MMSM and Stewardship Ontario programs.

1.2 Governance and Development of the MCD Methodology

The MCD Methodology's development has been supported by a dedicated group of stewards who formed the Steward Consultation Committee (SCC). These stewards participated in a series of workshops beginning in 2018 and collectively represent all materials, as well as the interests and concerns of the wider steward community. SCC participants included the companies identified by their logos seen here.

The project was also supported by CSSA staff, program leaders, industry subject matter experts and the lead consulting firm, Resource Recycling Systems (RRS). The work of the SCC was guided by a Steering Committee representing each of the program's Board of Directors. In January 2020 the SCC completed its work and along with the Steering Committee and program Boards of Directors, approved the MCD Methodology for consultation with the stakeholder community.

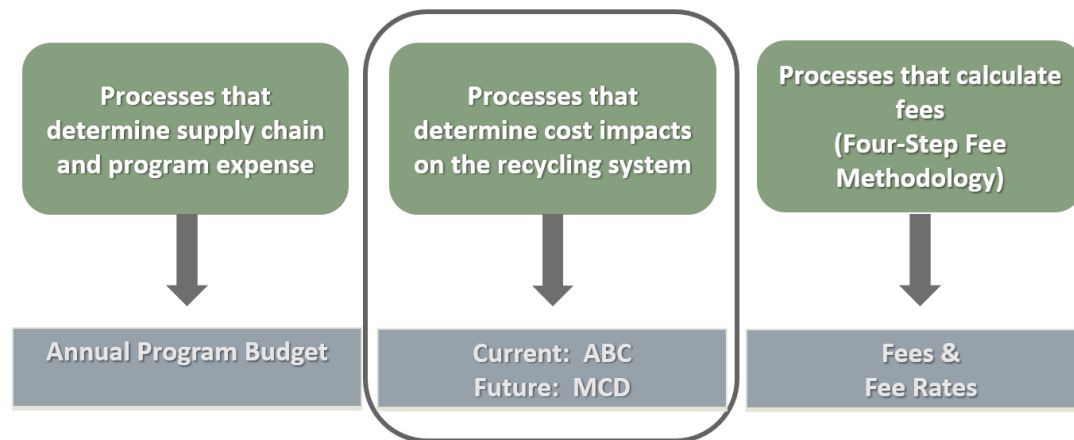


With the consultation process now complete, the MCD Methodology and this MCD Consultation Report will be submitted to the Boards of Recycle BC, MMSW, MMSM and Stewardship Ontario to approve the methodology's use in setting fees for their respective programs.

1.3 Overview of the MCD Methodology

Calculating the fees for each PPP program involves three distinct sets of activities: 1) setting the program budget; 2) determining material cost impacts on the recycling system; and 3) calculating fees and fee rates, as illustrated in Figure 1 below.

Figure 1 – Three distinct sets of processes for fee setting



The MCD Methodology applies to and supports the second set of activities, (i.e., measures material cost impacts in the recycling system), and, if approved, will replace current Activity Based Costing. In turn, the MCD Methodology's results will provide the key input to the third process set seen here -- calculating fees and fee rates.

The MCD Project's objective was to develop a methodology that:

1. Differentiates the cost impacts to manage each material in a recycling system in a manner that reflects the impact of the material's characteristics on the system;
2. Is clearly articulated and supported by procedures that are easily replicated;
3. Is based on defensible assumptions; and
4. Generates results that are sound and comparable over the long term.

The MCD Methodology has four components as illustrated below.

- 1) **Guiding Principles:** Created by stewards, these principles informed decision making when developing the remaining components of the MCD Methodology.
- 2) **The MCD Context** provides the assumptions, definitions and concepts necessary for the MCD model to successfully measure and calculate cost impacts. The MCD Context consists of four key elements: 1) material characteristics and the impacts to be measured; 2) material categories are identified and used to measure material cost impacts; 3) system boundaries that demarcate how materials enter the system and the extent of sorting activities needed; and 4) the conceptual MCD system, that is comprised of 18 distinct modules that collectively represent all activities and resources needed to deliver repurpose-ready material.
- 3) **The MCD Model** consists of the costing assumptions, impact measurement metrics, and measurement protocols used to calculate each material category's cost impacts, which informs fee setting.
- 4) **The Maintenance Procedures** that instructs how to monitor the evolving tonne, recycling processes and technology and their costs to ensure that the MCD model itself can change over time to stay in step with the marketplace.

Material Cost Differentiation Methodology

1 Guiding Principles

Developed by stewards to inform decision-making of the project team during the development of the remaining components of the MCD Methodology.



2 The MCD Context

1) **Material Characteristics:** Determine what impacts to measure.

2) **Material Categories:** Categories used for impact measurement tests.

3) **System Boundaries:** Where materials enter the system and extent of sorting activities needed.

4) **The MCD System:** Comprised of 18 distinct modules that collectively represent all activities and resources necessary to deliver repurpose-ready material.



3 The MCD Model

The MCD model includes the following:

- Costing assumptions for all resources needed to complete the activities defined for each of the 18 modules in the MCD system, and which in turn are used to calculate each module's "cost factor", i.e., its share of the overall MCD System costs.
- Each module's impact measurement metric that reflects the utilization of the module's resources.
- The impact measurement results produced when applying the measurement protocols to each material for each metric which are inputs to fee setting.



4 MCD Methodology Maintenance

The guidelines for monitoring the evolving tonne, market trends and technological developments to ensure the MCD Context continues to align with the Guiding Principles.



2 Consultation Process

The MCD Methodology will produce a key input to the fee setting process and therefore warrants extensive engagement with the PPP programs' stakeholder community. In addition to the work carried out by the SCC in the MCD's development, CSSA managed a consultation with stakeholders through an extensive process that ran from June 9th through to the close of the comment period on July 23, 2020, and included an information webinar held on June 25, 2020. The full range of stakeholders across the PPP supply chain, representing all sectors and materials, was invited to participate. In addition, as part of its Blue Box Program Transition Plan consultations, Stewardship Ontario separately consulted with stakeholders on implementation of the Four-Step fee methodology and adoption of the MCD Methodology. Participants in the Stewardship Ontario consultation were encouraged to visit CSSA's dedicated MCD webpage for detailed information on the MCD methodology. Consequently, CSSA received feedback from stakeholders via two consultation processes. A summary of the feedback received via both consultation channels is provided below.

2.1 Stakeholder Engagement

Stakeholders were notified of the opportunity to learn more about the MCD methodology and provide input or questions through a series of communications and a [dedicated page](#) on the CSSA website. They were distributed to the full range of stakeholders representing all sectors across the recycling supply chain including material suppliers, waste management organizations, Ontario municipalities, recyclers, producers and their trade associations. CSSA engaged the stakeholder community via email notifications, an information session on June 25, 2020, and one-on-one meetings as requested, with supporting resources available on the dedicated webpage.

2.1.1 Communication and Education

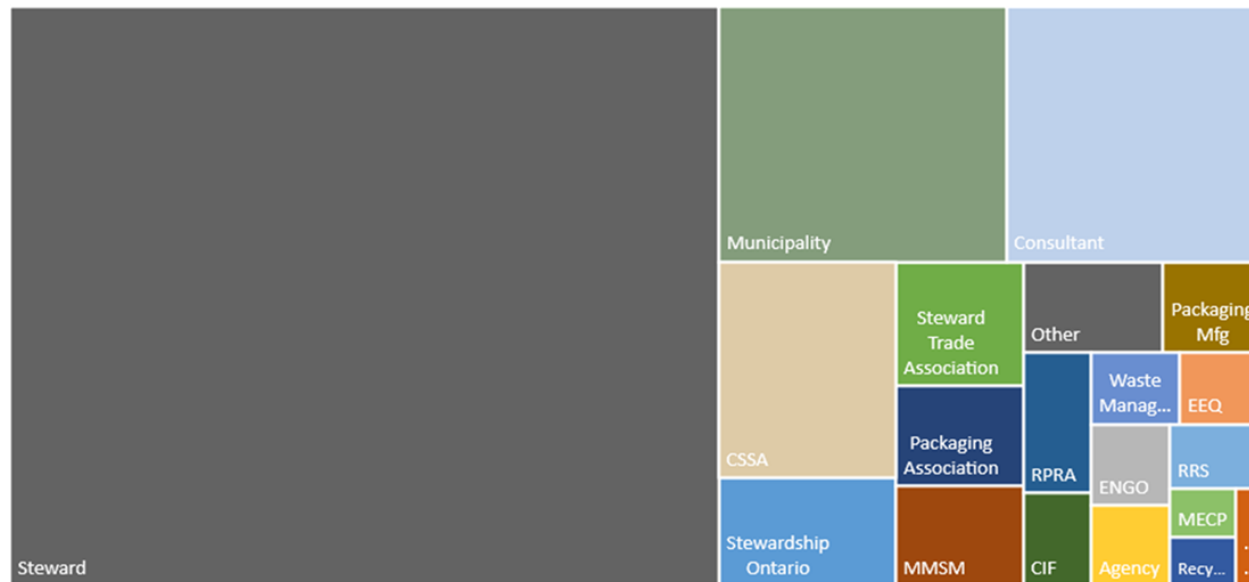
The following emails were distributed to stakeholders:

- The invitation to the MCD Methodology consultation webinar on June 25, 2020 was sent to over 5,300 individuals. The invite and reminders were sent on June 9, 18 and 23, 2020.
- Following the June 25, 2020 webinar, a notice was sent containing links to the webinar recording and the presentation slides; a reminder of the specific questions for which CSSA requested input, and the feedback submission deadline.
- An email on July 13 again reminded stakeholders of the availability of the above-mentioned resources, the deadline to submit comments and the availability of the Q&A document from the webinar.

2.1.2 MCD Methodology Webinar

On June 25, 2020 CSSA hosted a webinar to introduce stakeholders to the MCD Methodology and answer questions. Participation in the webinar was high with 406 registrants and 212 participants representing a good cross-section of sectors along the recycling value chain as illustrated in Figure 2. More than half of webinar attendees were from 115 steward organizations and those stewards in turn represented 41% of total fees paid, across all four PPP programs.

Figure 2: Webinar Participants



During the webinar, CSSA reviewed with stakeholders:

- Project development and governance
- The MCD Methodology and its outcomes
- How the methodology impacts fees, fee rates and stewards
- Consultation questions, timelines and how to submit comments and questions
- Next steps

A recording of the webinar and the presentation are [available here](#).

2.1.3 Consultation Resources

CSSA created a [dedicated page](#) on its website that contains a variety of resources aimed at improving stakeholders' understanding of the proposed MCD methodology including:

- Video: An introduction video explaining the need for a new material specific costing model.
- Project update notices were distributed on a quarterly basis throughout the project's lifecycle.

- A pre-read consultation document was distributed prior to the webinar that outlined the MCD Methodology in detail with a full explanation of its development, how it works and how it feeds into the fee setting process.
- Summary Document: An abridged description of the methodology, along with its key features and benefits, was sent to stakeholders prior to the webinar.
- A fee calculator comparison tool was available immediately following the webinar. It enables producers to compare material fees using the current Four-Step/ABC Fee Methodology¹ with the new Four-Step/MCD Fee Methodology based on the relevant 2020 program fee schedules. Note that it cautions stewards that the tool is designed to provide only an order of magnitude variance in fees, as there are many other data inputs used to calculate fees that differ from year to year.
- Q&A Document: CSSA received questions during the consultation period and frequently updated the Q&A page. A list of all the questions and answers is also available as Appendix A to this report.

Access to these resources culminated in 979 visits to the MCD webpage and the following number of downloads:

- **Webinar recording:** 23
- **Webinar presentation PDF:** 166
- **Pre-read consultation document:** 412
- **Overview document:** 348
- **Q&As:**
 - V1 (posted June 30): 25
 - V2 (posted July 13): 20
 - V3 (posted July 21): 5
 - V4 (posted July 23): 3
 - V5 (posted July 24): 17
- **Calculator tools:**
 - Recycle BC: 100
 - MMSW: 48
 - MMSM: 50
 - Stewardship Ontario: 119

2.1.4 One-on-one Consultation Meetings

In addition to the webinar, CSSA met with individual organizations upon request. CSSA thanks FCPC, RCC and CBA for reviewing an early version of the MCD presentation and providing valuable feedback on how to tell the MCD story. CSSA met with Restaurant Canada and 22 of its member companies

¹ For Stewardship Ontario, the fee calculator comparison tool compared the 3-factor formula/ABC to the Four-Step/MCD

to discuss the MCD Methodology and answer questions relevant to the restaurant sector. CSSA supported Stewardship Ontario at a meeting with representatives from the Ontario municipal community to review the MCD Methodology. CSSA also held individual meetings with the Canadian Beverage Association and the Carton Council of Canada to discuss questions related to the impact of the methodology on the materials most commonly used by their members.

3 Stakeholder Feedback

CSSA received feedback on the MCD methodology through two channels:

- 1) CSSA MCD Methodology consultation process; and
- 2) Stewardship Ontario Blue Box Program Transition Plan consultations.

3.1 Summary of Feedback to CSSA's MCD Methodology Consultation

CSSA posed the following four questions to help frame feedback:

1. Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive? If not, why not?
2. Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?
3. Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?
4. What else do you want to tell us about the proposed Material Cost Differentiation Methodology?

The following organizations provided feedback as part of the MCD consultation:

- Home Hardware Stores
- Loblaw
- Procter and Gamble
- Saputo
- Andrew Pollock Environmental
- Val de Raymond Water
- Staples
- My Green Planet
- V Tech
- Retail Council of Canada
- Federated Co-operatives Limited
- Carton Council of Canada
- Food & Consumer Products of Canada
- Restaurants Canada
- News Media Canada

CSSA received the following feedback to its questions. See Appendix B for respondents' detailed feedback and CSSA's responses.

Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive? If not, why not?

The majority of respondents who answered this question indicated that they agreed that the MCD methodology is principle-based, fair, defensible and comprehensive. One steward-respondent suggested that the MCI could be helpful to those engaged in the Circular Economy “to compare materials and allow for future modifications”. An exception, within the steward community is News Media Canada, representing newspaper publishers. It is concerned about the impact that the MCD Methodology will have on fees for newsprint. Their questions, together with CSSA’s responses are provided in Appendix A to this report. Details of their submission are also provided in Appendix B.

Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?

The majority of respondents who answered this question indicated that they felt it was clear how the MCD methodology will be applied to the fee setting process.

Following the June 25 MCD consultation webinar, CSSA posted fee calculator tools for each of the four PPP programs it supports. The tools provide stewards of each of the programs with an order-of-magnitude variance in fees by comparing each program’s current approach with the new approach, based on 2020 inputs. Download statistics for these tools (see above) indicate that they were popular.

Some members of the steward community expressed concern that the potential for fee increases for some materials may be difficult for stewards to absorb all at once, particularly in light of the challenges presented by the COVID-19 pandemic. The Retail Council of Canada suggested that it may be beneficial to conduct a staged implementation of the MCD Methodology to mitigate its impacts. This suggestion is highly appreciated and will be carefully considered.

Concern was also expressed about the potential complexity, timing and administrative burden associated with changing stewards’ reporting categories to align with the more granular material categories of the MCD Methodology. It is CSSA’s intention to initiate a project to explore if steward reporting categories should be aligned with MCD material categories because precision in the categories contributes to the fairness of the MCD Methodology and resulting fees. To that end, CSSA is planning a harmonization project that will examine the existing reporting categories. We will request steward participation in the project. Timing and potential complexity of implementation will certainly be part of that work and all efforts will be made to minimize administrative burden to stewards, while staying true to the principles of the MCD Methodology and the Four-Step Fee Methodology.

Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?

The majority of respondents who answered this question agreed that the pre-read materials were helpful and the resources provided were adequate.

What else do you want to tell us about the proposed Material Cost Differentiation Methodology?

In response to this question, a number of respondents indicated their support for the adoption of the MCD methodology. Some respondents, while recognizing that their comments were out of the MCD Project scope, took the opportunity to express their concern about rising stewardship costs in

general. Other respondents underscored their concern that difficult-to-recycle materials be attributed their fair share of costs. (The MCD Methodology ensures that all obligated materials are attributed an MCI value whether or not they are actually collected in individual recycling programs.)

3.2 Summary of Feedback to Stewardship Ontario's Blue Box Program Transition Plan Consultations

Stewardship Ontario held its Blue Box Program Transition Plan consultation webinars on June 16th and June 17, 2020. As part of those sessions, Stewardship Ontario asked for feedback on implementation of the Four Step Fee Setting Methodology and the Material Cost Differentiation Methodology. Stewardship Ontario asked stakeholders two specific questions to help frame stakeholder comments:

1. Should Stewardship Ontario proceed with the implementation of the Four-Step Fee Methodology?
2. Should Stewardship Ontario replace Activity Based Costing (ABC) used for allocating system costs with Material Cost Differentiation (MCD)?

Stewardship Ontario received seven MCD-related questions during its webinars. They are available on the Stewardship Ontario Program Transition Plan Consultation Q&A page here (please see questions 12, 46-50 and 67) and are also included in Appendix A of this report. In addition, Stewardship Ontario received submissions from the following organizations that contained feedback on the MCD Methodology, as follows:

- Carton Council of Canada
- Electronics Product Stewardship Canada
- City of Hamilton
- Lutron Electronics Company Inc.
- Retail Council of Canada
- County of Simcoe
- City of Toronto
- Joint submission from: City of Toronto, AMO, Regional Public Works Commissioners of Ontario and municipal Waste Association
- Canadian Beverage Association
- Canadian Consumer Specialty Products Association
- City of Ottawa
- News Media Canada
- Food & Consumer Products of Canada

A summary of feedback to Stewardship Ontario's MCD Methodology questions is provided here. See Appendix B for all comments and responses.

1. **Should Stewardship Ontario proceed with the implementation of the Four-Step Fee Methodology?**
2. **Should Stewardship Ontario replace Activity Based Costing (ABC) used for allocating system costs with Material Cost Differentiation (MCD)?**

Stakeholder responses to these questions reflect a difference in perspective between the Ontario municipal sector and the steward community. Municipalities are concerned about the implications for in-kind payments if the Four-Step Fee Methodology and the MCD Methodology are implemented in Ontario because in-kind payments to municipalities would increase by almost \$3.5M when comparing the outcomes using 2020 inputs and the cash payment would decrease by the same amount.² While the Material Cost Index value for newsprint is relatively low, (it ranks sixth on an index of 36 material categories) new measurement metrics, protocols and full costing for all obligated materials means that the MCD Methodology, together with the Four-Step Fee Methodology, shifts additional cost to newsprint. Municipalities and the City of Toronto argue that now is not the time to change the fee calculation methods because Stewardship Ontario is transitioning to wind-up of its program by 2025.

Alternatively, most steward organizations are supportive of implementing both methodologies in Ontario, although they too are concerned with resulting cost shifts (both increases and decreased, depending on the material) and suggest a phased implementation approach. They support adoption of both methodologies because it represents a harmonized approach to fee setting (Stewardship Ontario is the only CSSA-supported program that has not yet adopted the Four-Step Methodology). They recognize that the MCD Methodology is an improvement over the three-factor formula because the former is principle-based, better reflects the current state of technology and materials in the marketplace and provides a clearer, more comprehensive and transparent way to assess the cost impacts to manage each material in the recycling system.

3.3 Next Steps

CSSA would like to thank everyone who took the time to participate in the consultation and provide comments. All feedback received during the consultation period and contained in this consultation report will be submitted to the Boards of Directors of Recycle BC, MMSW, MMSM and Stewardship Ontario for consideration at their September board meetings. The Boards will carefully consider all stakeholders comments and concerns when deciding whether to approve the MCD Methodology. If approved, the intention is to use the Material Cost Index (MCI) as an input when setting 2021 fees.

² Based on 2020 inputs, in-kind payments from newspaper publishers would increase by \$3.5M. 2020 fees calculated using the Three Factor Formula and Activity Based Costing (density and composition updates only) result in municipalities receiving \$4.9M in-kind (i.e., newspaper advertising lineage in lieu of cash) and \$130.3M in cash payment for recycling packaging and printed paper. Had 2020 fees been calculated using the Four-Step Fee Methodology and the MCI input, the In-Kind portion would have been \$8.4M and the cash payment to municipalities would have been \$126.8M.

Appendix A: Stakeholder Questions and Answers on the MCD Methodology

#	Question	Answer
1.	How does the MCD account for differences in labour and capital needs based on the varying mix of materials across the four packaging EPR programs?	<p>The MCD Methodology is focused on measuring the impacts that materials have on a standardized conceptual MCD recycling system so that all material impacts are measured on a level-playing-field basis. As stated on Page 8 of the pre-read document, setting the fees for each program consists of three distinct sets of activities. The MCD methodology supports the second set of activities, which is to determine each material's impact on the cost of the recycling systems as compared to all other materials.</p> <p>It is the first set of activities, the process by which annual budgets are set, when provincial programs costs are determined, that accounts for differences in labour and capital needs for the varying programs. It is the third set of activities of calculating the fees, that accounts for the varying mix of material supplied and managed for each program given that Step 1 of the Four-Step Fee Methodology requires that each material's relative share of gross cost considers both its cost impact value (the MCI) and the quantities of materials supplied and managed.</p>
2.	Will there be a set of MCI values specific to each of the four jurisdictions (ON, BC, MB, SK), in order to reflect differences in material mix?	No – expanding on the information above, the MCI represents a material's impact on recycling system resources defined for a standardized conceptual MCD system so there will be one Material Cost Index used by all four participating programs. As noted above, it is the first and third process that accounts for provincial differences.
3.	Given that about 50% of the tonnes collected in Ontario are collected in a two-stream bin program and that BC also has a significant number of two-stream programs, what is the impact on the accuracy of the MCI?	The MCI is not attempting to replicate the Ontario recycling system. This is a fundamental departure from the principles of the ABC methodology which attempted to replicate the cost of particular systems and then allocate the costs of participating study programs to materials or the commodities in which they are sorted. This resulted in different cost/tonne for each provincial program, reflecting the different mix of study programs. The MCD methodology is focused on the material and its characteristics rather than individual and varied system designs. The system design and other provincial system design differences are accounted for in process #1 illustrated above.
4.	Could you indicate what the CPS assumes in terms of how cartons are prepared by consumers for recycling? Will the CPS be	As it does for all materials, the CPS assumes that Cartons are placed into the collection cart clean and dry, free of all residual product. They are not modified by the consumer before being placed with other materials in the cart, e.g. they are not densified, broken down into a 2-dimensional format or

#	Question	Answer
	updated and if so, how and at what frequency?	<p>dismantled and they are not aggregated or nested. The CPS is silent on the handling of closures, i.e. caps may be on or off, but the expectation is that straws from drinking boxes would be removed from the package. The impact measurement protocols, e.g. various density measurements, exclude any materials that obviously did not conform to the CPS, e.g. if they contained residual product.</p> <p>The CPS is part of the MCD methodology context, specifically the system boundary conditions. While evolution of the system is expected to take place within a three to five-year timeframe, the system components and boundaries, including the CPS will be monitored annually. Updates would be guided by factors such as technological innovation and emerging technologies, consumption preferences, end market specifications, etc.</p>
5.	Can you confirm how cartons are managed between the QC Manual Sort/Mixed Paper Module and the Optical Sorter Module? Are all cartons assumed to be recovered into a PSI-52 grade? Or is a proportion of cartons assumed to be recovered with Mixed Paper#54?	<p>The MCD System and its boundary conditions are conceptual and standardized to all materials and jurisdictions. Using current or emerging technologies, all materials that can be, are sorted to a repurpose ready condition and all resources necessary to do this are accounted for.</p> <p>Cartons are assumed to be sorted optically and all recovered cartons are directed to the emerging Polycoat bale.</p> <p>The majority of the cartons are recovered by the primary optical sort module, Module #8.</p> <p>A portion of the cartons entering the system flow with the mixed paper stream because their characteristics are such that they cannot all be separated from the other fibre materials by the screens. This happens because they may be flattened during collection and behave like the fibre materials, or their light weight causes them to be entrained with the fibre. The portion of cartons that flow with the mixed fibre are therefore recovered in the QC Optical sort – Mixed Paper, Module #10.</p> <p>Therefore, Cartons have the combined mechanical sorting impacts from utilizing the resources of both these modules.</p>
6.	What is an Emerging Grade and why has the MCD not used the ISRI Grade 52, which is a recognized grade?	<p>To be repurpose ready, a material must be “prepared to meet the specification of an entity that will repurpose it without further sorting beyond general cleanup of prohibitive and undesirable materials using commercially available equipment that is not generally employed in MRFs.” The repurpose ready commodity specified for each material was determined through a standard set of criteria applied to all materials.</p> <p>The criteria considered the standard industry practice that either meets an established repurpose ready commodity specification (e.g. ISRI grade 52) or uses an emerging industry practice that meets an</p>

#	Question	Answer
		<p>emerging repurpose ready commodity specification when the predominant practice is declining. An emerging repurpose grade is one that has been successfully implemented in commercial applications.</p> <p>Recently, the predominant industry activity has been to sort cartons (ISRI grade 52 - aseptic and gable top) from other polycoat materials, but as pressure to repurpose other polycoat materials increases as well as the prevalence of optical sorting targeting all polycoated paper material, this sort is being displaced and mills are accepting the polycoat mix.</p>
7.	Can you clarify the difference between Paper laminates and Polycoated Paperboard, and clarify which is included and which is excluded using examples (i.e. frozen food trays, cold drink cups)?	<p>Polycoated Paperboard includes coated paper packaging used to package frozen foods such as ice cream and other food products and polycoated hot and cold drink cups. These are included for collection and sorting and repurposing in the MCD System.</p> <p>Paper Laminates includes packaging in which paper is the main component, and which may include metalized foil, wax or plastic coating, and other coated paper. They are typically flexible packaging and may include multi-layer bags with a poly-film, kraft or other paper layers in packaging. They are not included for collection, sorting and repurposing in the MCD System, but they still are assigned cost impacts according to their characteristics. As they are not repurposed, they would not share in the revenue in Step 2 of the Four-Step fee setting methodology.</p>
8.	Can you provide the Relative Impact Factors (RIF) and Cost Factor (CF) values associated with all the material categories under the different modules?	<p>We agree that understanding cartons' relative impacts in each of the relevant modules could be helpful to Carton Council and its members to understand where cartons' highest cost impacts may reside. However, providing you with RIF and CF values will not provide the kind of meaningful information you're seeking. Instead, CSSA recommends that a meeting be arranged with Carton Council and its interested members, sometime over the next couple of months, when CSSA can take you through in some depth how cartons behave in the various modules that make up the MCD conceptual system. Such a meeting is sure to foster an interesting and fulsome discussion.</p>
9.	Why are aluminum cans called "used beverage container"? Could they be called "aluminum beverage container" to avoid confusion?	<p>The MCD category 'Used Beverage Containers' is used to reflect the ISRI Scrap Circular Specification grade called "Baled Aluminum Used Beverage Can (UBC) Scrap" or Baled UBC for short. Because this grade can only be comprised of aluminum beverage cans, and not any other aluminum containers, the project team thought it was important to model the category name after the ISRI specification. However, given the potential for confusion and the fact that only one other MCD material category refers to materials in their post-consumer format, i.e. Used Beverage Containers (UBC) and Old Corrugated Cardboard (OCC), we will take into consideration your suggested name change going forward. As noted in the presentation deck, we will be initiating a full review of Material Categories in</p>

#	Question	Answer
		our next harmonization project and will do so at that time.
10.	In appendix E, UBCs (aluminum cans) are marked down as “manual, primary and secondary” sorting. Aren’t aluminum cans sorted with an eddy current?	<p>Yes. You will note that Appendix E identifies both Used Beverage Containers and Aluminum Foil and Other Aluminum Containers as the only two materials that utilize the ‘Electromagnetic Sort’ module. This is module #9 in the MCD system. You are correct that this is also referred to as sorting by ‘eddy current’. However, while not practiced in all MRFs, the predominate practice for repurposing and gaining value from aluminum packaging from recycling systems in North America is to sort used beverage containers from other aluminum packaging. This requires a secondary manual sort. Because of the tendency of aluminum used beverage containers to flow with other materials because of their light weight and because of their tendency to change shape (flattened, and therefore may go over the fibre screen in the MCD System), additional quality control sorting activities are required not only to ensure that used aluminum beverage containers are recovered to the degree specified by the MCD System, but also to ensure other materials can meet their specifications for repurposing. This additional sorting ensures that AL UBC satisfies Guiding Principle #4 – for it and other materials to become ready to be repurposed. For additional context, the electromagnetic/eddy current sort associated with AL Used Beverage Containers represents less than 10% of its MCI value whereas the secondary sorting and QC related sorts, just over 10%.</p> <p>The major contributor to this material’s MCI value is related to the Collection module (collection truck) where approximately 50% of its MCI value is assigned. In this module, the UBC has the 3rd highest MCDI (Module Cost Differentiation Index) value because UBC has a low compacted density relative to other materials, thus it takes up relatively more space in the collection vehicle and has a higher impact on this significant module.</p>
11.	Most members expected glass packaging to be higher on the material cost index due to its abrasiveness and damage to equipment. Why is it so low on the material cost index?	<p>When considering each of the Cart,-Collection, Infrastructure and Storage modules, which together represent approximately 75% of the MCD system costs, Glass has the highest density. In the Cart Module its density is second only to Magazines, Catalogues and Directories. Its high density means a lower impact on the resources of these modules relative to other materials.</p> <p>In addition, the MCD system is designed to deliver on the guiding principles outlined in Section 7. To adhere to these principles, including consideration of ‘emerging trends’, the MCD system’s design includes a Glass Separation module (Module 6) and this module’s impact is fully attributed to Glass and represents approximately 20% of its overall MCI value. Further, as you note, Glass does have abrasive and damaging characteristics (what we call ‘Impeding and Damaging Characteristics’). In Module 17, the ‘Abrabiveness’ module, Glass assumes almost 90% of the cost impacts of this module. Steel containers</p>

#	Question	Answer
		<p>and AL UBC are attributeded 8% and 4% respectively.</p> <p>The Impeding and Damaging Characteristics module for abrasiveness, Module 17, represents just less than 5% of the MCD system cost, i.e. a significant cost for primarily one material, such that its MCDI reflects just less than 50% of the value of glass within the MCI. Thus, it's MCDI respects both the impact and the cost so that high impacts on low cost modules are not overstated. This, of course, works both ways and ensures that materials with low impacts on high cost modules such as the Cart, Collection and Infrastructure Modules are not understated.</p>
12.	<p>Some members have questioned why PET water bottles and PET beverage bottles are high on the material cost index above cartons, PP containers and PVC. Could you let me know why PET bottles rank where they do, so I can communicate that back to CBA members?</p>	<p>While PET beverage and water bottles are regarded as highly recyclable within recycling systems because they are numerous and have a relatively high value, the cost impacts of PET bottles are higher than cartons, PP containers and PVC. This is primarily because of their generally lower density (higher impact since they take up more space), in the Cart,- Collection and Infrastructure modules, which together make up over 70% of the MCD System cost. Moreover, like PP, PVC and Cartons, PET water bottles tend to be misdirected and flow with other materials such as mixed paper and therefore require additional QC sorting to ensure recovery and to ensure all materials meet repurpose specifications. The light weight of water bottles results in a higher impact in these related QC sorting activities.</p>
13.	<p>Although MCD's purpose is not to address STINO, what is CSSA doing to address STINO and e-commerce packaging?</p>	<p>You are correct that MCD does not address STINO nor e-commerce but both issues are important and complex and are addressed through various initiatives. We'll address each separately.</p> <p>STINO (Stuff That is Not Ours): STINO is a term that we use to describe things like non-obligated materials that resemble obligated materials that find their way into the Blue Box (e.g. bound books and packaging-like product) as well as materials that are supplied by non-obligated producers (e.g. Magazines shipped direct to the resident from out-of-province and out-of-province companies selling products and their associated packaging directly to residential consumers) or materials from producers below the de minimis thresholds. In addition, we include contaminants as STINO – things such as plastic toys and other non-targeted materials.</p> <p>The approaches to managing STINO will differ for each PPP program and are influenced both by the regulatory environment as well as the level of control the stewardship program has over the recycling system itself. Where the program has control of the collection service standards and composition data such as Recycle BC, the program actively works with its collection partners to reduce contamination. You can read examples of the success of these initiatives on page 24 of the Recycle BC 2019 Annual Report.</p>

#	Question	Answer
		<p>e-Commerce: This is a global challenge and CSSA is actively researching solutions to the e-Commerce problem (mainly associated with out of province vendors selling and shipping directly to residential consumers). We have undertaken a three-part research project on the impact of e-commerce on EPR programs and potential policy, financial, regulatory, and other approaches to address it.</p> <p>Phase One, a global literature review, has been completed and Phase Two and Three are expected to be completed later this year. Phase two calls for in-depth interviews with key Canadian stakeholders and Phase three will provide recommendations on how to minimize or solve the issue. In addition, we are currently completing a backgrounder report based on the Phase One research that provides eight potential approaches to address e-commerce in EPR programs that have been implemented or considered in Europe and the pros and cons of each approach. That report will help inform Phases Two and Three of our research project.</p>
14.	<p>Could you please provide some specifics on the MCD Methodology for pizza boxes?</p>	<p>Pizza boxes may be covered by two MCD material categories: Large Format OCC and Small Format OCC - depending on the size of the pizza box. The reason there are two MCD categories for OCC is because its size impacts how it moves through the MRF and the resources utilized to move it from collection to preparing it to be repurposed. While two OCC material categories are important for assessing costs in the MCD model, both Large and Small format OCC map to one fee setting category in the PPP programs.</p> <p>Overall, when the impacts of Large and Small Format OCC are measured through the MCD system they are determined to have a lower than average measured impact compared to other materials. This is generally due to the material's higher than average median density reducing its impact particularly during compaction on the collection truck (a new metric measured under MCD but not measured as part of ABC). OCC also has a relatively low sorting impact – also a new measure under MCD.</p> <p>While the ranking in the MCI is relatively low, the relative value of OCC within the MCI is slightly higher than the relative value within the range of cost/tonne from past ABC studies. This is because of the measured impacts for other materials using the new metrics. For example, the impact of compaction on the utilization of truck space also benefits many other materials that are compressive, e.g. PE Film and Bags. Given that both the MCD methodology and the fee methodologies are allocating impacts and budgets to all obligated materials on a 'relative share' basis, this means that a reduction in one material will necessarily create an increase in others.</p> <p>The relatively low MCI value of Large and Small Format OCC (versus other materials) on the MCI means a lower impact on the cost of the recycling system. However, please be aware that a lower MCI value</p>

#	Question	Answer
		does not automatically translate into lower fee rates as the MCI value is only one of many inputs into the fee setting methodology. The quantity of material supplied and managed also impact Step 1 of the Four-Step Fee Methodology. In addition, the fee rates for OCC will be different in different programs due to each program's unique features such as full producer responsibility versus shared cost programs, quantities supplied and collected and other factors.
15.	As I understand it, the MCI is a factor in fee setting. Going under the assumption that well-established materials with unvarying characteristic/composition will consistently have the same material impacts that were determined in the system, will the MCI then have a constant value? In line with this, should we only expect MCI changes for new materials or materials that require further research and development?	<p>It is generally correct that well-established materials with unvarying characteristics and composition would have a more or less constant relative value within the MCI.</p> <p>However, we know that material characteristics and composition within a material category can vary from year to year. For example, as the form and density of PET thermoform packaging varies, this could impact the resulting MCI measurements for the PET Thermoform category. This variation would be captured in the measurements and resulting inputs to the MCI calculations. In addition, changes to the packaging and printed materials supplied by producers, such as light-weighting or material substitution would also be expected to result in some variation to inputs in the MCI calculations. While the changes are not expected to be dramatic year over year, some minor variation should be expected.</p> <p>It is also important to recall that even when the material's value on the MCI is constant, that does not suggest that the fee rate will be constant year over year. The reason is that the MCI is one variable when calculating the material's relative share of the Gross Cost in Step 1 of the Four-Step Fee Methodology. The other variables include supply quantities, collected/managed quantities, and the program's budget.</p>
16.	With an aim of lowering their remittances and helping create a more efficient system, how should stewards use the MCI in decision making when it comes to packaging selection, or should they not?	The MCI provides information about the relative cost impacts of materials on the recycling system such as how much does Material A impact costs compared to Material B and at what point in the system does it have those impacts? While this is an important input to the Four-Step Fee Methodology, it pertains only to Step One of the Methodology, i.e., the allocation of gross cost. Therefore, we do not recommend that it be used as the only indicator when making packaging choices because it is only one input to fees. The goal is to provide stewards with information about these cost impacts so that they have confidence in the MCI and therefore confidence in the fees that result.
17.	The pre-read document made reference to design assumptions that all programs are based on cart or commingled" collection. Our municipality (like many others) utilizes a two	The MCD conceptual recycling system includes the complete set of activities and technologies that collectively constitute a comprehensive, fully optimized, fully maintained system, that, operating at its highest level and efficiency, produces output material that is ready to be repurposed. As such, it establishes a common "level-playing field" set of conditions that enable all materials' cost impacts to be

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	stream (container/ fibre) system and the existing MRF infrastructure is designed for separate stream processing. Does this imply that all Ontario municipal programs will be transitioning from a blue box(es) system to a single stream cart-based system? If so would all related costs (collection containers, vehicles, MRF infrastructure) be 100% covered by stewards under full EPR program (post 2023)? Do municipalities have any say should they wish not to see carts deployed throughout their community?	consistently measured. Therefore, by nature and design, it does not reflect any particular municipal recycling program. While the conceptual system is rooted in real world recycling technologies and processes it is used only to determine relative cost impacts and has no bearing on particular collection systems, processes or technologies used by individual municipalities. Further, no municipality is expected to adjust their recycling system based on the design of the conceptual system used to determine the MCI.
18.	Collection module assumes single stream. What if collection was fibres and containers rather than commingled?	Please see answer above.
19.	What does the category 'used beverage containers' refer to in the MCI? Does it refer to aluminum beverage containers only?	Used Beverage containers include: aluminum sealed rigid beverage containers used for alcohol and spirits, carbonated beverages, juices, sports drinks, water and energy drinks.
20.	You mentioned that currently, aggregation of fee categories happens before the 4-step methodology is applied. I was under the impression that it was the opposite and each individual material category undergoes the 4-step methodology, which produces its fee. Then certain material category fees are aggregated. Can you clarify?	MCD impact measurement studies were done on a greater number of material categories than the number of material categories on which stewards report and pay fees. This provides an additional level of granularity and detail on how a broad range of material characteristics impact the cost of the system. However, the MCD study categories are mapped to the existing fee setting categories which necessarily includes some aggregation and this is done before input to the fee setting methodology. This aggregation is completed during the calculation of the final MCI used in fee setting.
21.	How flexible is the MCD to new material streams being added as a new material stream would change the overall metrics established by the previous mix of materials	One of the four primary components of the MCD is maintenance procedures that monitor the evolving tonne and evolving recycling processes and technologies and their associated costs. This will ensure that the MCD model can respond over time and stay in step with the marketplace and the evolving tonne and the introduction of new materials and packaging formats. As new materials are introduced, they will be included in measurement studies so that we can gather the necessary metrics that will help

#	Question	Answer
		inform their value on the Material Cost Index (MCI).
22.	Will any consideration be given adding more material categories? For example, newer plastics not in the exiting HDPE or PET categories.	Please see answer above. The evolving tonne refers to the ever-changing mix of materials in the recycling system as new materials and new formats are introduced into the marketplace. The MCD methodology has been built so that it has the flexibility and nimbleness to reflect these changing conditions.
23.	What happens if the PROs in Ontario do not approve the Four-Step fee methodology?	Stewardship Ontario will determine if it will propose the move to the Four-Step Fee Methodology and the Material Cost Differentiation methodology for use while it remains the designated IFO until wind up is complete. Once the transition is complete and the Ontario PROs assume operational responsibility, we cannot comment on how these organizations will go about setting their prices/fees.
24.	The MCD seems to categorize the recyclability of materials by cost of handling/processing/etc. Is there a similar study or ranking/scoring system that looks at the recyclability of materials regardless of cost? For example, PVC shows a lower cost than some other plastics but many MRF's do not want PVC mixed in their plastic. How will that be addressed?	The MCD Methodology was developed specifically to assess the relative cost impact of materials on the recycling system in order to appropriately allocate gross system costs to all materials in Step One of the Four-Step Fee Methodology. The MCD Methodology was not designed to assess each material's recyclability or end market value. When it comes to materials such as PVC, the MCD methodology is based on the principle that all materials count, all characteristics count and all the activities needed to prepare them to be repurposed are considered. Therefore, since PVC is in the system it must be included in the MCD system and its cost impacts determined based only on its material characteristics not on its recyclability. The MCI is only one input into the Four-Step Fee Methodology. The system costs associated with materials that are not recyclable or might be considered a contaminant are addressed in other aspects of the fee methodology including steps two and four.
25.	What about PVC in the general trends?	If there are innovations in technology that affect the management of PVC or changes to the supply of PVC, these will be considered as they evolve and incorporated into the MCD Methodology accordingly.
26.	How did you distribute the cost of cross contamination, for instance, a can ending up in the ONP and having to be removed at the MRF?	The MCD model, which is comprised of 18 distinct modules, ensures that all cost impacts related to the collection and sorting of each material category are considered. This includes quality control activities such as the impacts of materials that tend to be misdirected at various stages of the sorting process such as lightweight PET bottles that can be misdirected to the mixed paper stream and need to be recovered.
27.	For an excluded material (not collected) does that mean that the calculation for their share of gross cost allocation is based only on the 60% calculated from the contribution of	That is correct but it also means that this material will not receive any share of the commodity revenue under Step 2 of the Four-Step Fee Methodology. Further, this material may assume expense under Step 4 to fund research and development, end market development or other to improve its performance in

#	Question	Answer
	materials into the market - reported by stewards.	the system.
28.	Using your slide 19, if material two is a material that is not collected in a municipal collection program, its relative share would still be 66.7%. Would it be the expectation of a steward that material 2 should be collected in a blue box, otherwise if collected as trash, the taxpayer is paying twice.	In line with principle that all materials count and should contribute to program costs, material two in your example, will receive a 66.7% share of 60% of the cost of the program based on the supplied quantity as reported by stewards. This feature of the Four Step Fee Methodology ensures that all materials are contributing to the system costs whether or not they are collected for recycling. The steward of a material not collected in the recycling stream may also be contributing to the costs associated with improving its recyclability and/or the development recycling end markets under Step 4. Typically, a material is not collected in the recycling system if it cannot currently be recycled or recovered, due to lack of technology and/or lack of end-markets.
29.	With little to no commodity revenue in many categories, doesn't being a material that is not collected benefit you by avoiding the costs associated with collection, thus advantaging less environmentally sound materials?	The first principle of the Four-Step Fee Methodology is that all designated materials must bear a fair share of the costs of the recycling system irrespective of whether they are collected for recycling or waste disposal. This principle ensures that non-recyclables are not inadvertently rewarded through the fee methodology. Since all materials are assuming their relative share of 60% of the gross cost of the system whether or not they are collected, reduces the share of gross costs attributed to those materials that are collected and recycled, nor do uncollected materials earn commodity revenue, which is allocated in Step 2 of the Fee Methodology. In addition, Step 4 of the methodology attributes cost only to those materials that require investment to improve their cost and performance effectiveness in the recycling system or need development of recycling end markets. In these ways the Four-Step Fee Methodology ensures that materials not yet collected for recycling do not avoid their fair share of the system costs.
30.	What are the expected implications of this new costing model on the allocation between stewards who pay cash and those who pay in-kind? Is the new replacement costing methodology to the ABC methodology expected to have any implication on municipal funding?	The MCD project examined how the characteristics of different materials (density, weight, size, compaction, etc.) impact the cost of managing the blue box recycling system using scientifically controlled procedures. That process revealed that some materials, particularly but not exclusively newsprint, have a larger relative impact on the cost of the blue box recycling system than was previously understood. Adoption of MCD would result in a different distribution of costs among the materials than the current ABC process. Since this redistribution would result in an increase in newsprint fees, the effect would be to increase the proportion of the Steward Obligation that municipalities receive on an "in kind" basis. It should be noted that Stewardship Ontario's ongoing research suggests that the relative contribution of newsprint and therefore the in-kind amount is likely to decrease over time. Stewardship Ontario appreciates that municipalities will have concerns about the

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	Are any cost implications expected for municipalities/First Nations communities funding with replacement cost model that replaces ABC model?	impact MCD would have on the in-kind amount. As noted during the webinar, Stewardship Ontario intends to engage further with municipal representatives on the Transition Plan, including this issue. Additional details on the MCD project and its impacts will be provided at that time, to ensure that municipalities have the information they require to respond meaningfully to this consultation.
31.	Regarding the MCD Methodology, what is the difference between Area Weight vs. Weighted Area Weight? And Pick Rate vs. Weighted Pick Rate?	<p>The metric Area Weight is used to measure the impact on or utilization by a material of mechanical sorting equipment. For all mechanical sorting targeting specific materials, e.g. optical sorting of each plastic resin, electromagnetic sorting (eddy current) of aluminum, or sorting out OCC with an OCC screen, Area Weight is used to differentiate the utilization by materials targeted by that equipment.</p> <p>In the special case of quality control (QC) sorting The Area Weight metric is weighted by the proportion of each material undergoing the QC sorting. For example, several types of plastic packaging must be separated from the mixed paper stream in order for the mixed paper stream to meet the market specifications for its repurposing and to recover the plastic packaging for its repurposing. The screens are not able to separate the mixed paper and all the plastic packaging to the degree required because of the mix of characteristics of both the fibre materials and the plastic materials that flow together. Therefore, additional mechanical (optical) sorting is required to separate these materials. So in the case of this QC sorting, the Area Weight measurement for each material undergoing the optical QC sorting is weighted according to (multiplied by) the proportion of that material present and that must be separated.</p> <p>The difference between the metrics of [Manual] Pick Rate and Weighted [Manual] Pick Rate is precisely analogous. Pick Rate is used to measure the utilization of manual sorting labour and Weighted Pick Rate is used to measure the utilization of manual QC sorting labour. For example, manual QC sorting is required to separate materials that cannot be effectively separated by optical QC sorting, e.g. black plastics and fibre materials in the mixed paper stream. In this case the Pick Rate metrics of each material are weighted (multiplied) by the proportion of the material that utilizes the manual QC sort, in this case the black plastics and the fibre materials in the mixed paper stream.</p>
32.	Regarding the MCD Methodology, can you explain the Percent Contribution Metric?	Some impacts on the cost of the recycling system are difficult to measure with a simple measurement apparatus. This is because of the time over which the impact occurs and because of the challenge of establishing standard conditions under which to make the measurement. The impact of abrasiveness is an example. Therefore the Delphi method was adopted, in which a series of questions framed by the

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		<p>same context in which all other measurements are made, i.e. the MCD System, are posed to both a panel of industry experts knowledgeable about the issue and to a broad sample of recycling system managers and operators.</p> <p>The Delphi method is generally applied as follows:</p> <p>Questions are first posed and discussed in person to a panel of experts.</p> <p>The answers from the panel of experts are compiled and summarized.</p> <p>A second set of questions based on the answers of the expert panel are posed in a broad survey of recycling system managers and operators.</p> <p>The results of the survey are then compiled and summarized and then presented to and discussed with the industry experts with a view to determining whether their initial answers should be changed.</p> <p>The final results are then used as measurements in the MCD calculations.</p> <p>The metric Percent Contribution measures the contribution of a material to the total cost impacts of particular characteristic, say abrasiveness. For example, Glass contributes to X% of the cost impacts of abrasiveness, Steel, contributes Y% and so on.</p> <p>The Delphi method is employed to determine both the total impacts of material abrasiveness on the capital (life, replacement parts) and operating (maintenance) cost of all system activities, equipment and infrastructure and the Percent Contribution to those costs of each material having the characteristic of abrasiveness. Both are then subsequently used as inputs into the MCD calculations.</p>
33.	Regarding the MCD Methodology, how are materials being treated that may be accepted in some municipal systems vs. not accepted in other systems (e.g. coffee cups)?	<p>In accordance with the MCD Guiding principles, specifically:</p> <p><i>Guiding Principle #2:</i> All designated materials count. All designated materials of the packaging and printed paper programs should be considered when measuring cost impacts even when those materials are supplied and/or managed in small quantities because all materials are constituents of the recycling system.</p> <p><i>Guiding Principle #4:</i> All activities count. All activities necessary to prepare the material to be repurposed should be considered because the intention is that all materials supplied into the market should be repurposed.</p> <p>The MCD Methodology will produce a value for each material on the Material Cost Index (MCI) even</p>

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		<p>when the material is not targeted for collection in all municipal systems and even when it is not collected in any municipal system. This MCI value is then used in Step 1 of the Four-Step Fee Methodology to calculate each material's relative share of the Gross Cost (Collection and Processing) of managing the overall system. The Guiding Principles of the Fee Methodology require that all materials contribute to the funding of the system based both on the quantity of material supplied and the quantity of material managed.</p> <p>The conceptual MCD System includes a broader range of materials than typically collected in Canadian municipal recycling programs to help meet Guiding Principle #2 above. The value of each material on the MCI is determined based on impact measurements (cart density, compacted density, area weight, pick rate, etc). However, measurements are typically made with materials obtained from municipal systems. But for some materials, impact measurements cannot be made because they either are not generally collected in Canadian municipal recycling programs or because they occur in quantities insufficient for precise measurement. For the purpose of fee setting, these materials are either assigned a proxy MCI value or they are assigned proxy measurement results used to determine their value within the MCI. The proxies are based on the measurements and MCI values of materials with similar characteristics.</p> <p>MCD Material categories assigned proxy MCI values include Paper Laminates, Plastic Laminates and Other Film, Natural Textile packaging and some plastic packaging which is not yet accepted in commodity specs, such as soft plastic tubes. Materials which are assigned one or more proxy measurements include PVC packaging and rigid PS containers. Coffee cups are part of the MCD material category of polycoated paper and at this time this is included as part of the Paper Laminates category for the purpose of fee setting.</p> <p>Component #4 of the MCD Methodology does include maintenance processes where both materials and recycling process/technology changes are monitored so that as materials begin to be collected by municipal recycling programs, they would be incorporated into the MCD System and impact measurements could become feasible.</p>
34.	Regarding the MCD Methodology, what are the assumptions with the MCD Method and do these assumptions have longevity?	The MCD Methodology is grounded in the MCD Context, in addition to identifying material characteristics and categories, the context establishes a conceptual recycling system's entry and exit point and a corresponding conceptual recycling system design that includes all the activities necessary to move a material from the point of collection through to a state where it is ready to be repurposed

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		<p>without any subsequent operation.</p> <p>Key to this context are that all materials will be set out together, clean and dry in a 360 litre cart and collected as a single stream for the purpose of providing a consistent impact measurement condition only. Additionally, the MCD System includes all the necessary activities to move a material from the point of collection through to a state where it is ready to be repurposed without any subsequent operation. The methodology has defined the repurpose ready commodities based on a set of criteria rooted in the requirement to be ready to be repurposed without subsequent sorting and the predominate technologies and end market practices in the real world. Thus plastic packaging is generally sorted to its specific resin.</p> <p>The conceptual MCD System is assumed to be well maintained and achieves a 97% effectiveness, noting that only designated materials are included. The full cost of all activities and resources to achieve this have been included, rather than the varied financial and business conditions and objectives among municipal recycling programs.</p> <p>Lastly, the impact measurement studies (cart density, compacted density, area weight, manual pick rate, etc.) are conducted based on protocols that impose the same conditions on the measurements for all individual materials. This is so that only the characteristics of the individual materials are being addressed rather than those of the varied commodities which each different service provider or program chooses to produce and the conditions under which they choose to operate, as in the allocation determined by the ABC methodology.</p> <p>The conceptual MCD System has 18 modules, each of which is fully 'costed'. The labour rates, equipment costs, maintenance and operating expenses informing this model are sourced from referenceable sources such as Industry Canada for standard labour rates, equipment manufacturers for current cost of equipment, etc.</p> <p>All of these building blocks contribute to our ability to compare the relative impacts of the materials on a level-playing field basis.</p>
35.	What is the rationale on why in-kind amount for newspapers are doubled using four-step and MCI?	<p>Stewardship Ontario is seeking input on making two changes:</p> <p>First is the replacement of the three-factor formula fee methodology with the Four-Step Fee Methodology.</p>

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		<p>Second is the replacement of the ABC methodology with the MCD methodology.</p> <p>The combination of these replacements and the data and calculations that underpin them result in some materials having higher fees and some materials having lower fees. The replacements result in newsprint having higher fees.</p> <p>Both methodologies (Four-Step and MCD) are based on principles defined by stewards. There is no rationale pertaining to the outcome for any specific material, packaging or product, including that of newspaper.</p> <p>Newspapers are part of the newsprint MCD material category. Newsprint has a relatively low value and rank (sixth lowest) on the MCI. However, the relative value of all materials on the MCI is different than the relative value and ranking within the range of ABC cost/tonne and therefore the relative inputs to the Four Step Fee Methodology are different, resulting in different fees and a different in-kind contribution.</p> <p>The MCD methodology includes new measurement metrics and protocols and additional activities and full costing to ensure that the impacts of individual material characteristics are the focus and all materials are treated consistently.</p>
36.	How is relative cost applied?	As illustrated in the example provided to Q3, the 60% allocation of Gross Cost under Step 1 of the Four-Step Fee Methodology is based on quantities supplied by steward multiplied by the material's MCI value and the 40% allocation of gross cost is based on the quantities of material managed in the province.
37.	Why does PVC have such a low value on the MCI and, given this, might it incent stewards to move to this packaging?	<p>The MCD Methodology is based on the principle that all materials count, all characteristics count, and all the activities needed to prepare them to be repurposed are considered. Therefore, since PVC is a legally designated material under the EPR regulations, it must receive an MCI value and its cost and its impacts are determined based only on its material characteristics, not on its recyclability.</p> <p>It is important to emphasize that the MCI does not provide information about the recyclability of a packaging material or format. Rather the MCI provides information about the relative cost impacts of materials on the recycling system, specifically how much Material A impact costs compared to Material B.</p> <p>Further, while the MCI is an important input to the Four-Step Fee Methodology, it is only one input and pertains to Step One of the methodology i.e., the allocation of gross cost. The Four-Step Methodology can discourage use of materials that are not recyclable or might be considered as a contaminant,</p>

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		<p>specifically in its Step 2 (allocation of commodity revenue) and Step 4 (allocation of cost to materials that may require investment or to increase awareness of the inadvisability of a material, such as PVC).</p> <p>PVC is considered a contaminant if it is mixed with ‘other rigid plastics’ commodity bales. Other rigid plastics are sold as an engineered fuel ingredient. PVC creates issues of potential dioxin formation during combustion, if mixed with these other plastics. Accordingly, a PVC optical sorter is used in the MCD system to ensure PVC is separated from these other plastics and this, in part, accounts for its relative cost impacts on the system and its position on the MCI. In addition, PVC has a relatively high cart bulk density and average compacted density and a moderate area weight. These characteristics and the fact that no manual primary sortation or manual QC sorting is attributed to it, also account for its middle position on the MCI relative to the other rigid plastic packaging categories.</p> <p>In total, PVC is managed in 8 of the 18 MCD Modules in the MCD System. The cart and collection modules contribute to over 50% of PVC’s MCI value, with the ‘Mechanical Sort – Optical Sort’ and ‘QC Optical Sort – Mixed Paper’ modules contributing to roughly another 21%. An additional 20% of PVC’s MCI value is attributed System Infrastructure module, with 6% from Baling and Storage modules and the remaining % attributed to the Impeding and Damaging Characteristics – Residue module.</p>
38.	<p>While we fully understand that the MCD methodology measures the cost impacts of material characteristics in a “conceptual” recycling system and that the MCD system “could not mirror any one particular real-life recycling system”, it would seem that a given material’s impacts on the cost of recycling system activities would be directly correlated to its volume relative to other materials, and would be significantly different in a deposit vs a non-deposit system. For example, in a system which manages only non-beverage cartons due to the existence of a deposit system on all beverage containers (currently the case in Saskatchewan and soon to be the case in British Columbia), cartons would have</p>	<p>The MCD conceptual system is comprehensive and is indeed based on a standard mix of the full range of materials targeted for collection, including packaging that may be on deposit in some jurisdictions. In this way, the MCD system accounts for all the activities necessary to prepare the materials for repurposing and their associated relative cost impacts.</p> <p>However, the impact measurements, (which ultimately determine each material categories’ value and position on the MCI), are taken for each individual MCD material category’s set of characteristics, as they are expressed within each module. These measurements use the standardized metrics such as cart density, compacted density, area weight, manual pick rate, etc. The metrics that are used to measure the characteristics are not dependent on the relative quantity and mix of all of the MCD material categories, and in turn are not affected by them.</p> <p>Having said this, separate MCD material categories for beverage containers and non-beverage containers are defined when the measured impacts for these are different as they have different characteristics. For example, the impacts of PET Beverage Bottles and Jars were measured to be different from those of PET Non-beverage Bottles and Jars. The density of non-beverage bottles is greater than that of beverage bottles and even more different than lightweight PET bottles e.g. thin</p>

#	Question	Answer
	<p>an expected lower relative impact on the system due to the low volumes. Related to the point above, we are unclear whether and to what extent the relative mix of material categories impacts the MCI. In other words, does the MCD methodology consider a standard mix of materials in the collection truck when determining relative impacts? We look forward to discussing these points in further detail at a future meeting between the CSSA MCD team and CCC and its interested members, as proposed by CSSA.</p>	<p>walled 500 ml water bottles. The non-beverage bottles are quite varied and tend to be thicker walled. Notwithstanding these different impacts, the measurements are standardized and are conducted on each separate MCD category and therefore are not affected by the relative quantity and mix of these materials.</p> <p>In the case of cartons, measurements from the study collection operation were made with a mix of both beverage and non-beverage cartons (only wine and spirit were on deposit in the province where the tests were conducted). This is because the range of cartons used for beverages and those used for other non-beverage products, such as soups and mixes tend to be very similar, i.e., the same aseptic cartons were observed to be used in both applications and the gable-top cartons used in both applications were also observed to be very similar. Therefore, the measurements of density and area weight, etc. were expected to be very similar, such that there is no measurable difference between the impacts of beverage and non-beverage aseptic cartons and no measurable difference between the impacts of beverage and non-beverage gable-top cartons. Accordingly, measurements for cartons would not differ between jurisdictions in which cartons are on deposit and those in which they are not on deposit, and the MCI input would be the same. It is the Four Step Fee Methodology that accounts for differences between jurisdictions because this is where the total quantities supplied and managed come into play. The MCD Methodology, in its Maintenance component, requires that we monitor the characteristics of materials in the marketplace (among other things). Should differences emerge in the characteristics of beverage and non-beverage gable-top and cartons, this would demand we add new MCD study categories.</p>
39.	<p>In reference to Appendix E: Matrix of Material Categories and Modules, we are unclear as to why certain materials, including cartons, are assigned to the “Quality Control on the Optically Sorted Mixed Paper” module (i.e. why they are assigned the cost pertaining to this activity), while others are not. We would argue that all materials should assume some costs pertaining to this activity. As an example, HDPE Nat. Bottles & Jugs (both Beverage and Dairy Beverage) have been included as part of the “QC Optical Sort Mixed Paper” Module,</p>	<p>Only materials that tend to flow together over the mixed paper screens are subject to the QC Optical Sort Mixed Paper and/or the QC Manual Sort Mixed Paper modules. They need to be separated for mixed paper to meet specifications for repurposing and to enable the “misdirected” materials to be recovered for repurposing. These materials tend to flow together because they have some combination of characteristics that cause them to behave similarly, such that the screens cannot separate them. They may be two dimensional or may become two dimensional during collection, tipping or pre-sorting because they are compressible. Or, they may be friable and light and therefore travel with the fibre materials.</p> <p>A Material Category Test* was conducted on materials that tend to be misdirected in which the proportions of each material flowing with the mixed paper were measured. Materials that were observed to flow with the mixed paper stream consequently participate in the QC module.</p>

#	Question	Answer
	<p>but HDPE Colour Bottles & Jugs (both Beverage and Dairy Beverage) have been excluded. We look forward to further discussion on this point as well.</p>	<p>The test demonstrated that a portion of cartons were observed to flow with the mixed paper, and therefore they participate in the QC Module and are assigned measurements according to their Area Weight and their proportion flowing with the mixed paper**. However, Coloured HDPE Bottles and Jugs and Steel Containers were not observed to flow with the mixed paper in measurable quantities and therefore do not participate in the QC modules.</p> <p>* The material category test was conducted in a real facility with key attributes (materials, equipment, throughput) similar to the MCD System and fifty tonnes of material.</p> <p>** It should be noted that the QC modules are the only modules in which quantity is considered in determining the MCDI. Even then, it is not the mix of materials, rather only the portion of each material present, which is considered. Thus, the corresponding metrics for Optical Sorting (Area Weight) and Manual Sorting (Manual Pick Rate) for each material are “weighted” by the corresponding proportion of each material’s presence.</p>
40.	<p>Regarding the repurpose-ready commodities produced by the MCD system (Table 1 in the pre-read document), although the rationale for assigning “Emerging Grade” to the polycoat category was explained to CCC’s Managing Director at the July 24th call, we feel it is important to re-iterate that an official ISRI-sanctioned grade has been in existence for food and beverage cartons since 2011. While some carton end markets also accept other polycoated materials (such as hot beverage cups) – typically North American mills with de-inking capabilities – it is our understanding that this is very much on a case-by-case basis. CCC would like to better understand whether and how the MCD system’s inclusion of other polycoated materials in this grade affects the MCI values assigned to both carton types (gable top and</p>	<p>All materials that are targeted by the MCD System must be sorted to be prepared for repurposing and the MCD System is designed to employ existing or emerging technology to do so. The repurpose-ready commodity specifications define the extent of sorting required for each material within the MCD System.</p> <p>Notwithstanding the existence of an ISRI grade for cartons alone, the fact that existing mills can receive and repurpose the mix of cartons and other polycoat materials without the need for further sorting, even on a case by case basis, meets the definition of “repurpose”.</p> <p>Moreover, since the mix of cartons and other polycoat materials can be sorted for repurposing using existing technology, i.e., optical sorting, and since this is increasingly being done to meet the objectives of recovering this broader range of materials, the mix of cartons and polycoat materials is defined as the repurpose-ready commodity for these materials in the MCD system.</p> <p>The MCI values for cartons and other polycoat materials are determined according to the modules in which they participate and are assigned measurements. The measurements for cartons are independent of all other materials. Similarly, the measurements for other polycoated materials are independent of all other materials.</p> <p>Separation of other polycoat containers and cartons to meet the ISRI 52 grade would require an</p>

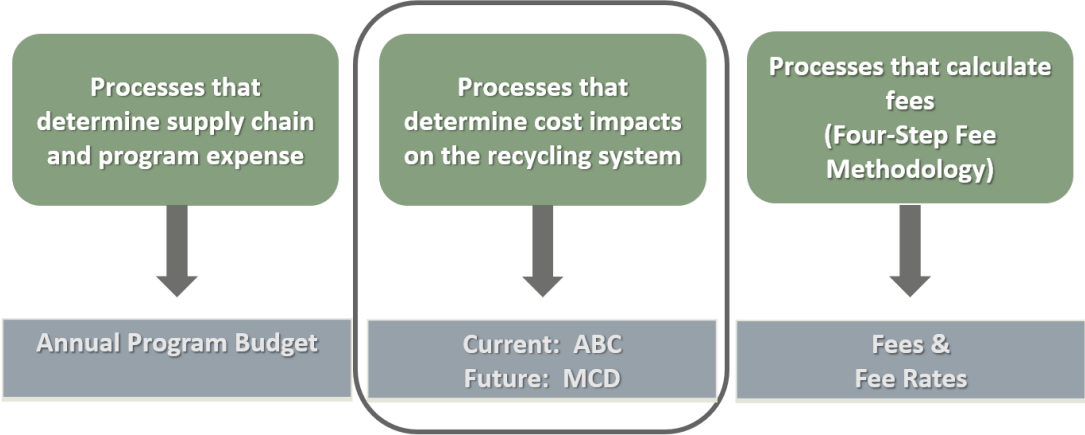
#	Question	Answer
	aseptic containers).	additional, secondary, likely manual sorting step after the initial optical sort and this would mean additional sorting impacts attributed to cartons, with the likely result of increasing its value within the MCI.
41.	<p>Re Guiding Principles: Eight principles as outlined are acceptable, but an additional principle is needed: Principle #9: Contamination by other materials should not be a burden to one material, and contamination removal costs should be fairly allocated between the material being prepared for market and the material causing the contamination. Page 14 of the pre-read document comments that because of its flat shape, a plastic package can find its way into the fibre stream. Newsprint should not have to pay for clean-up of plastics mixed in the newsprint because CSSA have modelled a 360 litre cart based single stream system (Page 20 and elsewhere), and then mis-directed into the fibre stream because of the flat plastic package shape. The flat plastic package then needs to be separated from fibres to clean up the fibre stream to meet market specs (this example is cited Page 14,21 and an example of a lightweight PET bottle misdirected to the mixed paper stream on page 22). Most or all of the clean-up costs should be assigned to</p>	<p>Both Guiding Principles #3 and #4³ were designed to address the very concern that you articulate in the proposed Principle #9. These instruct us to account for all activities necessary to ready a material to be repurposed and to account for all characteristics of a material that require those activities so that cost impacts are accurately measured and appropriately attributed.</p> <p>By respecting Principles 3 and 4, Newsprint assumes only the portion of the quality control sorting costs that reflect its characteristics. Newsprint does not assume the cost impact of sorting, for example, the PET Thermoforms or PE Rigid Containers and Lids that find their way into the Mixed Paper stream.</p> <p>Fibre screens are used to separate two-dimensional materials, such as corrugated cardboard and newsprint, from other materials, primarily plastic, metal and some paper packaging. The screens exploit the two-dimensionality and size of a fibre target material such as a large corrugated cardboard or smaller corrugated cardboard, newsprint and boxboard, to separate them from the rest of the stream. The effectiveness of the screens and the relative utilization of them is determined by the area weight of each of the individual fibre materials screened off and in this case the cost impacts are entirely attributed to fibre . The Area Weight metric is explained more fully below.</p> <p>Quality Control (QC) sorting of mixed paper is required because the fibre screens alone cannot separate materials sufficiently. Some plastic, paper and metal packaging tend to flow with the mixed paper over the screens because they share some combination of characteristics, either the packaging is two-dimensional like newsprint, or it becomes two-dimensional during the collection, tipping and pre-sorting process or because it is light and is entrained with the various fibre materials, like newsprint. These materials must be separated to enable the mixed paper to meet the market specifications and for the packaging to be effectively recovered.</p> <p>The QC modules (Module 10 – QC Optical Sort Mixed Paper and Module 11 – QC Manual Sort Mixed</p>

³ Principle 3: **All materials characteristics count.** When differentiating the cost impacts of one material as compared to another, all of a material's characteristics that can reasonably be measured, should be measured because each material's characteristics can impact costs in different ways.

Principle 4: **All activities count.** All activities necessary to prepare the material to be repurposed should be considered because the intention is that all materials supplied into the market should be repurposed.

#	Question	Answer
	<p>plastics in particular. Capital and operating costs of screens should at least be shared between ONP and plastic, but all be assigned to ONP.</p>	<p>Paper) together represent a small component (only 3%) of the overall system resources and assign cost impacts to each of the 23 of the 36 MCD Material categories, not only newsprint. The impacts are determined using the appropriate module metrics (area weight for optical sorting and manual pick rate for manual sorting) and the corresponding measurements for each participating material. The measurements express how the material characteristics impact system resources. Thus, each of the materials that require the resources of the QC modules generate impacts that are directly related to their characteristics.</p> <p>Finally, a note about how the eight MCD guiding principles were developed. They were created by a Guiding Principles Working Group, composed of a “steward” delegate from each of the four Packaging and Paper Product program Boards of Directors over the course of two workshops held in early 2017. They were subsequently carefully reviewed by the Steward Consultation Committee shared with the entire steward community first in July 2017 and then again during the 2017 Annual Steward Meeting, thus providing numerous opportunities for comment. They have actively guided the work of the project team during the development of the MCD Methodology.</p>
42.	<p>Newsprint is easy and inexpensive to recycle when collected in a 2-stream (fibres/containers) system. The decision to only model a cart based single stream system unfairly burdens ONP with higher costs than it would incur in a 2-stream system which is being encouraged in BC because 2-stream systems produce cleaner materials which are less costly to process, and produce higher quality materials for sale at higher revenues because of better quality to end markets.</p>	<p>Principle #6⁴ requires taking account of all designs as well as operation resources and their drivers. It requires that they be rooted in the real world, i.e., that they reflect the resources required by existing or emerging commercial technologies. However, it does not suggest that the methodology attempt to pick a specific, preferred or most cost-effective design, such as the dual-stream system you suggest. In fact, the objective of the Conceptual MCD System is to eliminate the influence of different system/program designs as they exist across jurisdictions.</p> <p>As well, it was important to put all materials on a level-playing field before measuring the impacts their characteristics have on the cost of the recycling system activities – a top priority for stewards. That is not to say that specific program designs are not taken into account. They are reflected in each program’s annual budget, expressed in the supply chain costs. Recall that calculating the fees for each PPP program involves three distinct sets of activities: 1) setting the program budget; 2) determining material cost impacts on the recycling system; and 3) calculating fees and fee rates, as illustrated in Figure 1 below.</p>

⁴ Principle 6: **System design and operations count.** The Material Cost Differentiation Methodology should be rooted in measurable recycling system activities, resource usage and costs drivers.

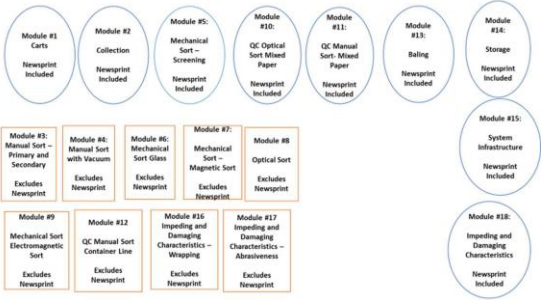
#	Question	Answer
		<p>Figure 1 – Three distinct sets of processes for fee setting</p>  <pre> graph TD A[Processes that determine supply chain and program expense] --> B[Annual Program Budget] C[Processes that determine cost impacts on the recycling system] --> D["Current: ABC Future: MCD"] E[Processes that calculate fees (Four-Step Fee Methodology)] --> F[Fees & Fee Rates] style C stroke-dasharray: 5 5 </pre> <p>The MCD Methodology applies to and supports the second set of activities, illustrated here, (i.e., measures material cost impacts in the recycling system), and, if approved, will replace current Activity Based Costing. In turn, the MCD Methodology’s results will provide the key input to the third process set seen here -- calculating fees and fee rates.</p> <p>The MCD methodology does not and should not suggest what design is most appropriate for a specific program as these design decisions are far more complex than the number of streams for collection and the type of box/cart itself. For example, they can extend to the level of sorting that is appropriate to do locally, based on proximity to end markets, the cost-benefit of utilizing technology locally, etc. These are all important inputs to a particular program’s operation, and are reflected in setting its annual budget as noted above.</p> <p>The choice of a conceptual system in which all materials are collected together in a cart ensures that all activities to recover and prepare all materials for repurposing are captured and that all resources are attributed in a standardized way, addressing Principle #4. No required activities are externalized, such as sorting by residents into separate streams. All sorting activities are included so that all commodities meet all market specifications for repurposing them.</p> <p>As with the selection of any different conceptual system design, the selection of dual stream collection</p>

#	Question	Answer
		<p>for the conceptual system would require a different MCD model, consisting of different modules and cost factors. Instead of QC sorting of mixed paper, it would rely on separation by residents and additional loading activity at the curb, likely resulting in higher collection costs. Processing costs might be lower, but there would be some additional dedicated processing infrastructure, such as tipping floor space and feed conveyors, in which newsprint would assume some cost impacts. How much higher and lower these costs would be and the impact on the MCI is unknown and would depend on specific design choices (such as whether a Mixed Paper (ISRI 54) or Sorted Residential Papers & News (SRPN) (ISRI 56).</p> <p>That said, the approach to measuring the impacts would be the same. The impacts of each individual material on the resources of all applicable activities would be measured using appropriate metrics, and standardized protocols would reflect the characteristics of the individual materials on those activities. In some cases, the measurements themselves would be the same whether the collection was single-stream or dual-stream, such as for cart (or other set out container) density and compacted density, whether the collection was single-stream or dual-stream.</p> <p>The impacts would be determined in the same way, but given different activities and corresponding cost factors, the precise effect on the MCI is unknown without full modelling of the modified MCD System. However, since the MCD conceptual system was designed specifically to meet all the guiding principles and the requirements of the Four Step Fee Methodology, this is not considered appropriate. for the additional collection costs, the dedicated infrastructure and equipment and for any externalized sorting costs.</p>
43.	<p>The MCD Model has 10 metrics, 10 protocols and 36 material categories, along with a model with 18 modules. Our interest is the newsprint category. The MCD calculation consists of 4 steps:</p> <ul style="list-style-type: none"> • Calculate the RIF (relative impact factors); • Calculate CF (cost factors) for each module; • Multiply RIF by CF for relevant modules (to create MCDI – module cost differentiation index) and 	<p>Thank you. Your comments about Appendix E are noted.</p>

#	Question	Answer
	<ul style="list-style-type: none"> • Sum MCDI to determine material position on MCI. <p>For newsprint, from Appendix E matrix the 9 relevant modules are:</p> <ul style="list-style-type: none"> • #1: Cart • #2: Collection • #5: Screens • #10: QC Optical sort mixed paper • #11: QC manual sort mixed paper • #13: Baling • #14: Storage • #15: System infrastructure • #18: Damaging residue <p>It is worth noting that the matrix in Appendix E does not number the modules, and the modules after “screens” (along the top) are in a different order to the numbering system in Appendices D and E, which was somewhat confusing.</p>	
44.	<p>Section 9.2. Producing the Relative Impact Factor (RIF): The RIF uses ten metrics, some of which are straightforward, but we would like more information on how two metrics in particular are fair to newsprint:</p> <ul style="list-style-type: none"> • #4 - Area weight and • #6 – Weighted area weight. <p>We have a concern that the measurements may not be accurate or fair to newsprint and would like to see the results on</p>	<p>Area Weight</p> <p>Fibre screens are used to separate two-dimensional materials such as corrugated cardboard and newsprint, from other materials primarily plastic, metal and some paper packaging. The screens exploit the two-dimensionality and size of a target material such as large corrugated cardboard or smaller corrugated cardboard, newsprint and boxboard, to separate them from the rest of the stream.</p> <p>And while screening is primarily a sizing operation, with some screens targeting large materials, e.g., large corrugated cardboard and some targeting smaller materials, e.g., small corrugated cardboard, boxboard and newsprint, size is not the characteristic that best reflects the relative impact of the screening module. Rather, the measurement that most effectively expresses the relevant characteristics and their relative impacts on screening materials is the weight per time of material that travels over a screen. More specifically, it is the weight of <i>a single layer</i> of material that travels over a</p>

#	Question	Answer
	which the calculations are based.	<p>screen (area weight) that best determines the material's utilization of the screen. Like other mechanical sorting equipment (e.g. optical sorting of each plastic resin, electromagnetic sorting (eddy current) of aluminum), screens need to spread material out into a single screening layer to be effective.</p> <p>Weighted Area Weight</p> <p>As noted above, several types of plastic, paper and metal packaging must be separated from the mixed paper stream in order for the mixed paper stream to meet market specifications for its repurposing and to recover the plastic and other packaging for their respective repurposing. The screens are not able to separate the mixed paper from all the plastic and other packaging to the degree required because of the mix of characteristics of both the fibre materials and the plastic, as well as other materials that flow together – characteristics such as flatness, size, lightness, etc.</p> <p>Therefore, additional mechanical (optical) and manual sorting is required to separate these materials. So, in the case of optical QC sorting, the Area Weight measurement for each material undergoing the optical QC sorting is weighted according to (i.e. multiplied by) the proportion of each material present that must be separated from the others.</p> <p>To illustrate, assume that X% of the PET Thermoforms, Y% of the EPS and Z% of newsprint flows with the mixed paper. Thus, the resulting Weighted Area Weight measurement will be Area Weight of PET Thermoform x X%; Area Weight of EPS x Y%; and Area Weight of Newsprint x Z%.</p> <p>Please note that the QC modules are the only modules in which quantity is considered in determining each Module Cost Differentiation Index. Even then, it is not the mix of materials, rather only the portion of each material present, that is considered. Thus, the corresponding metrics for Optical Sorting (Area Weight) and Manual Sorting (Manual Pick Rate) for each material are “weighted” by the corresponding proportion of each present material.</p> <p>Incidentally, the proportion of each material that required QC sorting was measured using a material category test and conducted in a real facility with key attributes (materials, equipment, throughput) that resembled the MCD System, with fifty tonnes of material.</p>
45.	Section 9.2.3 (P 27) Determining the Relative Impact Factors (RIF): We would like to see the inputs to developing the RIF for each module, to more fully understand how the relative	CSSA would be pleased to prepare a targeted presentation for Newsprint stewards, both Newspaper publishers and Retailers, interested in understanding more about the contributors to the category's MCI. We have been open to requests from all stakeholders throughout the consultation process and have hosted similar meetings with Restaurants Canada, Carton Council and Canadian Beverage

#	Question	Answer
	contribution of newsprint is calculated for the 9 modules which are considered relevant (listed above). We are also interested in the other 9 non-newsprint modules to see how much cost they proportionally contribute to the system total cost.	Association. We will be in contact to arrange a meeting with Newsprint stewards now that you have indicated your interest in learning more about the MCI. Our presentation will focus on the metrics used in the modules that impact the newsprint position on the MCI and provide comparison to other materials using the same modules.
46.	P 27 – Module Cost Factor (CF): We understand that MCF are developed or being developed for a system which processes 31.75 tonnes per hour each of the 18 modules. Is it possible to get the material mix on which the MCF is based – for newsprint in particular we would like to know the assumptions about the material mix which is being collected and processed. No detail was available in the report and it would be helpful to see what the relative costs of each of the 18 modules (as a % of the whole) are.	CSSA would be pleased to prepare a targeted presentation for Newsprint stewards, both Newspaper publishers and Retailers, interested in understanding more about the contributors to the category's MCI. We have been open to requests from all stakeholders throughout the consultation process and have hosted similar meetings with Restaurants Canada, Carton Council and Canadian Beverage Association. We will be in contact to arrange a meeting with Newsprint stewards now that you have indicated your interest in learning more about the MCI. Our presentation will focus on the metrics used in the modules that impact the newsprint position on the MCI and provide comparison to other materials using the same modules.
47.	P 29 – Module Cost Differentiation Index Is it possible to provide us with the RIF for each material and the CF for each module in your model. We have used the information in your pre-read to try to better understand the factors that go into the MCI for newsprint. The figure below shows your 18 modules, with the 9 impacting newsprint and the remaining 9 where newsprint is not involved. Understanding the relative cost of each of the 18 modules in your model as well the relative contribution of newsprint to the overall module cost (in the 9 modules where	CSSA would be pleased to prepare a targeted presentation for Newsprint stewards, both Newspaper publishers and Retailers, interested in understanding more about the contributors to the category's MCI. We have been open to requests from all stakeholders throughout the consultation process and have hosted similar meetings with Restaurants Canada, Carton Council and Canadian Beverage Association. We will be in contact to arrange a meeting with Newsprint stewards now that you have indicated your interest in learning more about the MCI. Our presentation will focus on the metrics used in the modules that impact the newsprint position on the MCI and provide comparison to other materials using the same modules.

#	Question	Answer
	<p>newsprint is included) would help us to better understand the material cost differentiation details. The figure shows the modules which include newsprint in round blue shapes, and the 9 modules where newsprint is not included in rectangular orange shapes. We have constructed this figure from the information in Appendices D, E and F of the pre-read.</p>  <p>Module #1: Carts Newsprint Included</p> <p>Module #2: Collection Newsprint Included</p> <p>Module #5: Mechanical Sort – Screening Newsprint Included</p> <p>Module #10: QC Optical Sort – Mixed Paper Newsprint Included</p> <p>Module #11: QC Manual Sort – Mixed Paper Newsprint Included</p> <p>Module #13: Baling Newsprint Included</p> <p>Module #14: Storage Newsprint Included</p> <p>Module #15: System Infrastructure Newsprint Included</p> <p>Module #16: Impeding and Damaging Characteristics Newsprint Included</p> <p>Module #3: Manual Sort – Primary and Secondary Excludes Newsprint</p> <p>Module #6: Manual Sort with Vacuum Excludes Newsprint</p> <p>Module #6: Mechanical Sort Glass Excludes Newsprint</p> <p>Module #7: Mechanical Sort – Magnetic Sort Excludes Newsprint</p> <p>Module #8: Optical Sort Excludes Newsprint</p> <p>Module #9: Mechanical Sort Electromagnetic Sort Excludes Newsprint</p> <p>Module #12: QC Manual Sort Container Line Excludes Newsprint</p> <p>Module #15: Impeding and Damaging Characteristics – Wrapping Excludes Newsprint</p> <p>Module #17: Impeding and Damaging Characteristics – Abrasiveness Excludes Newsprint</p>	
48.	<p>P31 Material Cost Index (MCI): The figure on Page 31 shows the relative MCIs of all materials. Is this the actual MCI or just an illustrative example? We understand why magazines, catalogues and directories could have a lower MCI than newsprint (assuming it is because of density), but we need more detail on how specifically the calculations were carried out that resulted in newsprint having a higher MCI than steel containers and glass packaging in particular. The video on the CSSA website uses glass packaging as an example of a material which is abrasive to equipment, increasing wear and tear, and</p>	<p>CSSA would be pleased to prepare a targeted presentation for Newsprint stewards, both Newspaper publishers and Retailers, interested in understanding more about the contributors to the category’s MCI. We have been open to requests from all stakeholders throughout the consultation process and have hosted similar meetings with Restaurants Canada, Carton Council and Canadian Beverage Association. We will be in contact to arrange a meeting with Newsprint stewards now that you have indicated your interest in learning more about the MCI. Our presentation will focus on the metrics used in the modules that impact the newsprint position on the MCI and provide comparison to other materials using the same modules.</p>

#	Question	Answer
	<p>therefore maintenance costs on collection vehicles and sorting equipment (also stated on Page 14 of the pre-read report). Newsprint which is easy to handle, with good markets should surely be lower than glass packaging on the MCI scale, therefore we took a more careful look at the factors that go into the MCI calculation and where we need more detail to assess whether the assumptions that went into the MCI were reasonable or not. These information requests are listed earlier.</p>	
49.	<p>P 17 – sorting protocol criteria. Point # 2: “when not the simplest sorting process, the sorting protocol represents the predominant industry practice. Can you confirm that screens are the predominant industry practice for cleaning up fibre at this time?</p>	<p>The use of non-wrapping screens to separate two-dimensional fibre materials from three-dimensional containers and other packaging formats has been incorporated into the MCD System design, because this is the predominant technology used in MRFs across North America today. When applying the “sorting protocol criteria”, as described on page 17 of the MCD pre-read, the two repurpose-ready commodities that emerge for fibres are OCC (ISRI 11) and Mixed Paper (ISRI 54).</p> <p>OCC (ISRI 11) While this does not represent the simplest sort of fibre materials (the simplest sort would be to sort all fibre to Mixed paper (54), it is overwhelmingly the predominant industry practice to sort large OCC from all other fibre materials. In addition, OCC (ISRI 11) is an established repurpose-ready commodity specification.</p> <p>Mixed paper (ISRI 54) Represents the simplest sort of remaining 2D fibre materials after large OCC is removed by the OCC screen. It is the emerging industry practice to produce a Mixed Paper (54) grade at MRFs across North America, noting that newsprint is a declining material or product in residential recycling programs. While some recycling programs still undertake some sorting of newsprint, it generally does not meet the Sorted Residential Paper and News (ISRI 56) specification. Mixed Paper (54) is an established repurpose-ready commodity specification.</p>
50.	<p>P17 – point #3: The sorting protocol represents and emerging industry practice –</p>	<p>Please refer to response above.</p>

#	Question	Answer
	can you confirm there are no emerging industry practices that would impact on newsprint recycling and increase the cost of recycling.	
51.	<p>P 18 – Commodities produced by the MCD System – we have noted that there is no separate newsprint category assumed and that paper is marketed as either mixed paper ISRI Grade 54 or OCC – ISRI Grade 11. Can you confirm what percentage of newsprint was directed to each of these bale categories?. Also confirm if possible how much boxboard was assumed to go into each of these bales.</p>	<p>In the MCD System, large format OCC is directed to the OCC bale (ISRI grade 11) using the OCC Screen. Small format OCC flows together with other fibre materials to the Mixed Paper (ISRI Grade 54) using the second level of fibre screens. The newsprint entirely flows with the Mixed paper stream. All boxboard flows with the mixed paper stream.</p> <p>OCC bale (ISRI grade 11) and Mixed Paper (ISRI Grade 54) are the repurpose-ready commodities defined for fibre in the MCD System and for each individual material category. A Material Category test was conducted to establish how materials flowed in the preparation of each of these bales and accounted for the need for any additional sorting. The test was conducted in a real facility with applicable equipment similar to the MCD System using 50 tonnes of material.</p> <p>Regarding your question about the proportion of newsprint and boxboard that went into the bales, the composition of the commodity bales is not relevant to the MCI because it only measures the cost impacts required to get them into bales (i.e., a repurpose-ready state).</p>

Appendix B: Stakeholder Feedback to the MCD Consultation with CSSA Responses

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
Home Hardware	Yes	Yes.	Yes. The in-depth [pre-read] gives a good background, and the abridged version was nice for a quick summary. I also like the video on CSSA's MCD webpage.	Two years into this, I think you have nailed everything you wanted to include, and the explanations are clear and consistent. I have nothing to add, or to question. I understand the reasoning, and think the process makes complete sense.	Thank you for your comments in support of the MCD Methodology.
Loblaw Company Limited			MCD methodology was well presented. After being involved in initial discussion and later with expanded group we only have positive comments on the methodology.	Establishing universal weightage/percentages is better option in applying across all provinces. New provinces joining CSSA will know beforehand how their total expense will be allocated to different material	Thank you for your comments in support of the MCD Methodology.
Procter & Gamble	Yes, we agree	Yes, it is clear	All materials are clear and helpful	It needs to be implemented as soon as possible	Thank you for your comments in support of the MCD Methodology.
Saputo	Agree with new methodology as all characteristics and cost impact for each material is being considered as well as being much more standardized.	Yes, all four components to material cost differentiation is understood.	Yes, pre-read is helpful		Thank you for your comments in support of the MCD Methodology.
Retail Council of Canada	RCC supports replacing the Activity Based Costing (ABC) Methodology with the proposed Material Cost Differentiation (MCD) Methodology. Given the age of	RCC suggests that there be a limit to annual fee increases introduced as a result of the methodology change. Limits		Despite RCC's support for the methodology, it is important to consider how implementation will impact other program aspects for	Thank you for your comments in support of the MCD Methodology.

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
	the ABC Methodology, RCC believes the MCD Methodology is more comprehensive, has strong guiding principles and better reflects the current state of technology and materials in the marketplace. The methodology will help provide a level-playing field for stewards as well as being repeatable, defensible, and adaptive to innovation in the marketplace.	are a common practice in other jurisdictions, including Quebec where Éco Entreprises Québec (ÉEQ) limits material fee increases to a maximum of 50% each year. Annual fee increase limits will also help provide stability as stewards take on additional responsibilities and costs as programs transition to extended producer responsibility, including the Ontario Blue Box. A way to better manage the potential cost increase for certain categories would be to introduce the MCD over two years, so the four provincial programs do not implement it all at once. If this approach is taken, reporting categories should be harmonized between provinces throughout transition, regardless of whether the MCD Methodology has been implemented or not.		stewards, such as reporting. Although changes in reporting categories can help incentivize desirable packaging behaviour, RCC calls on CSSA to avoid, as much as possible, any additional administrative burden for stewards to adjust IT procedures, databases, reporting templates and more to ensure compliance. Stewards need sufficient lead time to prepare for the implementation of the new methodology, particularly in programs undergoing transition such as the Ontario Blue Box. In addition, we recommend that any changes to reporting coincide with the end of a reporting period to simplify the process for stewards in terms of compiling data and producing reports	Concerns about potential changes to reporting categories are noted. It is CSSA's intention to explore whether steward reporting categories should be aligned with MCD material categories to balance precision in the categories where it contributes to the fairness of the MCD Methodology. Our next harmonization project will consist of an examination of the existing reporting categories and we will request steward participation in the project. Timing and potential complexity of implementation will certainly be part of that work and all efforts will be made to minimize administrative burden to stewards, while staying true to the principles of the MCD Methodology and the Four-Step Fee Methodology. The suggestion to phase in the implementation of the MCD Methodology to mitigate the cost implications for some stewards is appreciated, and will be carefully considered.
Van de Water-Raymond 1960	I agree the MCD methodology looks fair, but I don't know really if it's better than	The application from what I understand is pretty similar to		You want to change your methodology to MCD to change	Thank you for your comments. We believe that the MCD will improve the fairness of

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Ltd	the actual method used to calculate the fees. I supposed you also made some similar studies when you classified the actual fees we are paying? We are also paying the fees right now based on the material we are using.	the actual methodology for us. From my understanding, it will only impact the fees associated with a material, but it doesn't change the way we produce our reports, which is already based on the material multiplied by the weight.		the fee rates. From what I understand, this change would only have an impact between now and 2025 (end of Stewardship Ontario), so what is the point of changing make a lot of efforts to change the methodology for something that would only have an impact for 5 years. I hope the cost-benefit to do that makes sense.	<p>fee setting because it: is principle-based; establishes a level playing field by treating all materials in a standardized and consistent way; and differentiates the impacts that material characteristics have on the cost of the recycling system. All of these attributes are improvements over the current Activity Based Costing (ABC) method primarily because the ABC expresses the cost impacts to manage each material solely on a cost-per-tonne (i.e., weight basis). This is not sufficient to accurately assess the extent to which various materials impact the cost of a recycling system and therefore does not consider material impacts in a standardized way.</p> <p>Regarding the MCD Methodology's impact on steward reporting categories, It is CSSA's intention to explore whether steward reporting categories should be aligned with MCD material categories to balance precision in the categories where it contributes to the fairness of the MCD Methodology. CSSA is planning a harmonization project that will examine the existing reporting categories. We will request steward participation in the project. Timing and potential complexity of implementation will certainly be part of that</p>

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					<p>work and all efforts will be made to minimize administrative burden to stewards, while staying true to the principles of the MCD Methodology and the Four-Step Fee Methodology.</p> <p>Regarding implementation of the MDC Methodology, its application will not be limited to Stewardship Ontario's program. The Board of Directors of each of the four PPP programs, supported by CSSA (Recycle BC, MMSW in Saskatchewan, MMSM in Manitoba and Stewardship Ontario) will consider the results of this consultation in their decision whether to approve the MCD Methodology for use in fee setting.</p>
Andrew Pollock Environmental				<p>All non-recyclable packaging (e.g. multi-layer plastic pouches, plastic-lined paper bags, PVC thermoplastic, etc.) should be assessed, in addition to the proposed "proxy impact value", as "non-recyclable packaging surcharge" that reflects the following cost impacts:</p> <p>a) higher residue sorting and residue disposal costs at MRFs as a result of residents mistakenly placing non-recyclable packaging in their Blue Cart or Blue Box due to</p>	<p>Thank you for your suggestions.</p> <p>Regarding the treatment of "non-recyclable" formats such as PVC and plastic-lined paper bags, it is important to remember that the MCD Methodology was developed specifically to assess the relative cost impact of materials on the recycling system in order to appropriately allocate gross system costs to all materials in Step One of the Four-Step Fee Methodology.</p> <p>The MCD Methodology was not designed to</p>

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				<p>confusion with respect to its recyclability, and</p> <p>b) higher municipal garbage collection and disposal costs when non-recyclable packaging is sorted correctly by residents and placed in the garbage stream.</p> <p>2. The non-recyclable packaging surcharge also sends an important message to brand owners that the use of non-recyclable packaging has system impacts beyond the proposed proxy impact value</p> <p>PVC (No. 3) packaging should be moved to the excluded material list in Appendix B of the Consultation Document because PVC packaging cannot be marketed as a recyclable material and is not permitted in engineered fuel products.</p> <p>4. Packaging made from No. 7 plastic, listed as an included material in Appendix B, is usually defined as "other plastics not included in Nos.1 to 6, such as acrylic, nylon, polycarbonate, polylactic acid, and multilayer combinations of different plastics". Since these plastic types have</p>	<p>assess each material's recyclability or end market value. When it comes to materials such as PVC, the MCD methodology is based on the principle that all materials count, all characteristics count and all the activities needed to prepare them to be repurposed are considered. Therefore, since PVC is in the system it must be included in the MCD system and its cost impacts determined based only on its material characteristics not on its recyclability. The MCI is only one input into the Four-Step Fee Methodology. The system costs associated with materials that are not recyclable or might be considered a contaminant are addressed in other aspects of the Four-Step Fee Methodology including steps two (allocation of commodity revenue) and four (allocation of P&E and market development costs).</p> <p>If there are innovations in technology that affect the management of PVC or changes to the supply of PVC, they will be considered, and incorporated into the MCD Methodology.</p>

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				distinctly different properties, they should be evaluated individually to determine if any of them are actually recyclable. Non-recyclable No. 7 packaging should be added to the excluded material list and be assigned a non-recyclable packaging surcharge as described in Comment 1 above	
V Tech	Boundaries" description is lacking and/or kind of fuzzy, especially Exit. The "exit" part is fuzzy because it's not really something we will have had experience seeing since it's done at a transfer station. Or, do we review each item with first hand knowledge of what it is and, decide at what point it would be in a state for "repurpose"? I.e, "Corrugated Cardboard", all it needs is to be sorted out and baled. That's the exit point for the MCD methodology.	No, I feel that a set of examples that specifically tracks an item from start to finish would be very helpful.	<p>Would it be possible that CSSA provide a tool in the form of a spreadsheet which would lay out what factors in to setting an MCI for each item?</p> <p>That is, an example spreadsheet that includes all material categories, characteristics, metrics, and modules?</p> <p>Then, new Stewards would easily see what is expected because, as the described methodology is presently presented, it's a bit fuzzy.</p> <p>"Weight" has been replaced with ... then, list all applicable up front? All that apply (i.e., Appendix A, B, C, D and so on)</p>	<p>There's a lot of text that describes each well but, there is so much that one loses track of the forest for the trees. Suggest CSSA add a couple of "examples" leading off and then track it right through the "MCD Guide" where, at the end of each section description, show how it affects or, adds to those examples.</p>	<p>Thank you for your suggestion that more examples be provided. The June 25th webinar presentation provides a number of examples, not contained in the pre-read, that you might find useful and we invite you to review them, beginning on slide #45. They include the observation that HDPE colour bottles have a lower MCI value than HDPE natural bottles; newsprint has a higher value than magazines and why.</p> <p>If the MCD Methodology is approved, then each year in the fall at the Annual Steward Meeting, the Material Cost Index will be published, along with appropriate context and commentary on its use in fee setting, including helpful examples.</p>
My Green Planet				I read the pre-read and it is all but	Thank you for your comments. We do

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				<p>incomprehensible except to operations managers. As this program includes all businesses, the language of this publication should be at a level that all stewards can understand if they are expected to participate. The more complex reporting becomes (i.e. additional materials added to the reporting list etc.) the higher chance of poor and inaccurate reporting by the stewards. Many companies do not have the level of sophistication to be able to do the existing reporting let alone adding additional categories. I noticed that all the companies listed in the pre-read document are very large companies with considerable resources and money to hire consultants, if needed.</p> <p>Also, nothing in this document address the complexities of actually determining what the packaging is (boxboard, plastic film, PET etc.) for each product. For example, if a company has 6000 different SKU's ALL WITH DIFFERENT PACKAGING, just determining what the packaging is, and estimating a weight for each</p>	<p>recognize that the pre-read document has a great deal of detailed content. The pre-read document was provided for transparency purposes to detail the technical procedures and research that went into the MCD project and determining its outcomes. This kind of document is especially important for stewards who rely on consultants to formulate their feedback.</p> <p>To ensure this content is accessible to all stewards, we provided a five-page overview document for stewards that highlights the Material Cost Differentiation (MCD) project and summarizes its key elements. This includes a Features & Benefits summary that is intended to assist you when reviewing the Methodology with your colleagues. You may also find the MCD Methodology webinar held on June 25, 2020 helpful. A recording of the webinar is available here and the presentation is available here.</p> <p>We hope that these additional tools help, and please feel free to reach out to us if you have any questions.</p>

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				<p>SKU is a daunting task. I believe that allowing stewards to estimate their packaging weight based on different revenue streams, would be a much better idea. The small business cut off is too low.</p> <p>Finally, what is being done to make the manufacturer/packager of the products cut back on their packaging? The current system assumes that the resellers of, most likely, imported products have influence on how the manufacturer packages the product. Again, the only companies that have any influence on packaging are the large ones. As a small company, we have no influence and are penalized by having to pay fees for something we have no control over. Additionally, it is in the best interest of recycling organizations to keep the revenue stream going so encouraging the generator of the packaging to change their practices has not been pursued sufficiently. If stewardship programs are too good at their jobs, they will be put out of business.</p>	

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				Recycling regulations are deflecting attention away from the real problem.	
Staples	The new MCD Methodology is much needed to reflect the current recycling technology and changes in material characteristics. The MCI will be very helpful for Stewards engaged in the Circular Economy to compare materials and allow for future modifications.			<p>The MCD Methodology doesn't address some of the bigger issues facing Stewards. Namely, financial planning due to increasing costs. The fee calculator provided as part of the consultation to allow Stewards to gauge the potential difference in material fees is shocking. While some material fees decreased, many materials increased by 50% or more and some even over 100%. As a Retail Steward registered in all four provinces, these fees are becoming a financial burden and risk. We used the calculator to estimate potential fees for 2021 and saw our fees increase by approximately 50% across all four provinces.</p> <p>CSSA on behalf of the provincial programs should consider implementing a maximum annual material fee increase to allow stewards to better plan their financial obligations. Each year when the fees are released during the CSSA annual meeting in</p>	<p>Thank you for your comments in support of the MCD Methodology.</p> <p>Thank you for your concerns regarding increasing costs. We agree that the MCD Methodology is not designed to address the issue of rising costs to recycle materials. However, your concerns are noted and the suggestion raised by Retail Council of Canada (above) to phase in the application of the MCD Methodology will be carefully considered.</p>

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				October, our Finance team must adjust and budget for these costs. The constant change and significant increases make this extremely challenging. For example, the 85% increase of General Paper fees between 2019 and 2020 in BC had a significant impact on our Blue Box fees.	
Federated Co-operatives Limited	<p>FCL supports the MCD Methodology design in that fees are set in consideration of current recycling technologies in addition to the impact of material's characteristics (weight, density, size, etc.) on collection and management costs. We also support the intended outcome: the lower the impact on the environment and the recycling system, the lower the fee. The methodology therefore seems consistent with FCL's principles for effective policy design in that they are:</p> <p>?</p> <ul style="list-style-type: none"> • Equitable – no jurisdiction, sector or entity should be expected to bear an unreasonable burden or be competitively disadvantaged; • Transparent – policy design and costs will be clearly communicated along with clearly defined objectives; 			<p>While FCL recognizes the benefits of advancing the MCD methodology, we are cognizant of the operational and administrative burdens that implementation of a change in fee structure will incur. These include, but are not limited to the following:</p> <ul style="list-style-type: none"> • Assessment of existing and potential alternative packaging and paper products; • Procurement of new packaging and paper products as warranted; • Adjustment of inventory data bases and reports in IT systems; • Development of new processes and administrative practices; and • Employee training 	<p>Thank you for your comments in support of the MCD Methodology.</p> <p>We note your concerns about the potential complexity, timing and administrative burden associated with adopting the MCD Methodology. All efforts will be made to minimize the administrative burden to stewards.</p> <p>The Retail Council of Canada's suggestion to phase in the implementation of the MCD Methodology to mitigate the cost implications for some stewards is also appreciated, and will be carefully considered.</p>

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	<ul style="list-style-type: none"> • Sustainable – policies are based on economic analysis and supported by feasibility and impact assessments that consider the balance of environmental, economic and social goals; and, • Achievable – must involve existing and contemplated technologies and policies that can be applied and sustained in both the immediate and long term. 			<p>In consideration of the time and costs that associated with the above, FCL requests a minimum of one of year notice between the dates of publication and implementation of new rates and reporting systems. We further request that the date of implementation coincide with the end of a reporting period.</p> <p>FCL is committed to developing cost-effective solutions that are effective in our environment and our communities. We support the adoption of the MCD Methodology with the understanding that time and administrative costs for implementation will be accounted for.</p> <p>In addition to this feedback, FCL strongly supports the Retail Council of Canada’s submission in its entirety.</p>	
Carton Council	We agree that the MCD methodology as presented to stakeholders on June 25 is sufficiently principle-based, defensible	Yes.	Yes, in particular we found the pre-read very helpful, as well as the program fee calculators.	Regarding the repurpose ready commodities produced by the MCD system (Table 1 in the pre-read document), although the rationale	Thank you for your comments in support of the MCD Methodology.

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	<p>and comprehensive.</p> <p>Although we also agree that the methodology is fair, we would like to make the following observations:</p> <p>While we fully understand that the MCD methodology measures the cost impacts of material characteristics in a “conceptual” recycling system and that the MCD system “could not mirror any one particular real-life recycling system”, it would seem that a given material’s impacts on the cost of recycling system activities would be directly correlated to its volume relative to other materials, and would be significantly different in a deposit vs a non-deposit system. For example, in a system which manages only non-beverage cartons due to the existence of a deposit system on all beverage containers (currently the case in Saskatchewan and soon to be the case in British Columbia), cartons would have an expected lower relative impact on the system due to the low volumes. Related to the point above, we are unclear whether and to what extent the relative mix of material categories impacts the MCI. In other words, does the MCD methodology consider a standard mix of</p>			<p>for assigning “Emerging Grade” to the polycoat category was explained to CCC’s Managing Director at the July 24th call, we feel it is important to re-iterate that an official ISRI-sanctioned grade has been in existence for food and beverage cartons since 2011. While some carton end-markets also accept other polycoated materials (such as hot beverage cups) – typically North American mills with deinking capabilities – it is our understanding that this is very much on a case-by-case basis. CCC would like to better understand whether and how the MCD system’s inclusion of other polycoated materials in this grade affects the MCI values assigned to both carton types (gable top and aseptic containers).</p> <p>CCC would like to commend CSSA for the quality and the thoroughness of the work conducted on the MCD project.</p>	<p>With respect to your first observation and question about a standard mix of materials, we offer the following explanation:</p> <p>The MCD conceptual system is comprehensive and is indeed based on a standard mix of the full range of materials targeted for collection, including packaging that may be on deposit in some jurisdictions. In this way, the MCD system accounts for all the activities necessary to prepare the materials for repurposing and their associated relative cost impacts.</p> <p>However, the impact measurements, (which ultimately determine each material categories’ value and position on the MCI), are taken for each individual MCD material category’s set of characteristics, as they are expressed within each module. These measurements use the standardized metrics such as cart density, compacted density, area weight, manual pick rate, etc. The metrics that are used to</p>

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	<p>materials in the collection truck when determining relative impacts? We look forward to discussing these points in further detail at a future meeting between the CSSA MCD team and CCC and its interested members, as proposed by CSSA.</p> <p>In reference to Appendix E: Matrix of Material Categories and Modules, we are unclear as to why certain materials, including cartons, are assigned to the “Quality Control on the Optically Sorted Mixed Paper” module (i.e. why they are assigned the cost pertaining to this activity), while others are not. We would argue that all materials should assume some costs pertaining to this activity. As an example, HDPE Nat. Bottles & Jugs (both Beverage and Dairy Beverage) have been included as part of the “QC Optical Sort Mixed Paper” Module, but HDPE Colour Bottles & Jugs (both Beverage and Dairy Beverage) have been excluded We look forward to further discussion on this point as well.</p>				<p>measure the characteristics are not dependent on the relative quantity and mix of all of the MCD material categories, and in turn are not affected by them.</p> <p>Having said this, separate MCD material categories for beverage containers and non-beverage containers are defined when the measured impacts for these are different as they have different characteristics. For example, the impacts of PET Beverage Bottles and Jars were measured to be different from those of PET Non-beverage Bottles and Jars. The density of non-beverage bottles is greater than that of beverage bottles and even more different than lightweight PET bottles e.g. thin walled 500 ml water bottles. The non-beverage bottles are quite varied and tend to be thicker walled.</p> <p>Notwithstanding these different impacts, the measurements are standardized and are conducted on</p>

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					<p>each separate MCD category and therefore are not affected by the relative quantity and mix of these materials.</p> <p>In the case of cartons, measurements from the study collection operation were made with a mix of both beverage and non-beverage cartons (only wine and spirit were on deposit in the province where the tests were conducted). This is because the range of cartons used for beverages and those used for other non-beverage products, such as soups and mixes tend to be very similar, i.e., the same aseptic cartons were observed to be used in both applications and the gable-top cartons used in both applications were also observed to be very similar. Therefore, the measurements of density and area weight, etc. were expected to be very similar, such that there is no measurable difference between the impacts of beverage and non-beverage aseptic cartons and no measurable difference between the impacts of beverage and</p>

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					<p>non-beverage gable-top cartons. Accordingly, measurements for cartons would not differ between jurisdictions in which cartons are on deposit and those in which they are not on deposit, and the MCI input would be the same. It is the Four Step Fee Methodology that accounts for differences between jurisdictions because this is where the total quantities supplied and managed come into play. The MCD Methodology, in its Maintenance component, requires that we monitor the characteristics of materials in the marketplace (among other things). Should differences emerge in the characteristics of beverage and non-beverage gable-top and cartons, this would demand we add new MCD study categories.</p> <p>With respect to your question about Appendix E we offer the following response:</p> <p>Only materials that tend to flow together over the mixed paper screens are subject to the QC Optical Sort Mixed Paper and/or the QC Manual Sort Mixed Paper modules. They need to be</p>

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					<p>separated for mixed paper to meet specifications for repurposing and to enable the “misdirected” materials to be recovered for repurposing. These materials tend to flow together because they have some combination of characteristics that cause them to behave similarly, such that the screens cannot separate them. They may be two dimensional or may become two dimensional during collection, tipping or pre-sorting because they are compressible. Or, they may be friable and light and therefore travel with the fibre materials.</p> <p>A Material Category Test* was conducted on materials that tend to be misdirected in which the proportions of each material flowing with the mixed paper were measured. Materials that were observed to flow with the mixed paper stream consequently participate in the QC module.</p> <p>The test demonstrated that a portion of cartons were observed to flow with the mixed paper, and therefore they</p>

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					<p>participate in the QC Module and are assigned measurements according to their Area Weight and their proportion flowing with the mixed paper**.</p> <p>However, Coloured HDPE Bottles and Jugs and Steel Containers were not observed to flow with the mixed paper in measurable quantities and therefore do not participate in the QC modules.</p> <p>* The material category test was conducted in a real facility with key attributes (materials, equipment, throughput) similar to the MCD System and fifty tonnes of material.</p> <p>** It should be noted that the QC modules are the only modules in which quantity is considered in determining the MCDI. Even then, it is not the mix of materials, rather only the portion of each material present, which is considered. Thus, the corresponding metrics for Optical Sorting (Area Weight) and Manual Sorting (Manual Pick Rate) for each material are “weighted” by the corresponding proportion of each material’s presence.</p>

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					<p>With respect to your question about emerging grade and polycoat containers we offer the following response:</p> <p>All materials that are targeted by the MCD System must be sorted to be prepared for repurposing and the MCD System is designed to employ existing or emerging technology to do so. The repurpose- ready commodity specifications define the extent of sorting required for each material within the MCD System.</p> <p>Notwithstanding the existence of an ISRI grade for cartons alone, the fact that existing mills can receive and repurpose the mix of cartons and other polycoat materials without the need for further sorting, even on a case by case basis, meets the definition of “repurpose”.</p> <p>Moreover, since the mix of cartons and other polycoat materials can be sorted for repurposing using existing technology, i.e., optical sorting, and since this is increasingly being done to meet the objectives of recovering this</p>

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
					<p>broader range of materials, the mix of cartons and polycoat materials is defined as the repurpose-ready commodity for these materials in the MCD system.</p> <p>The MCI values for cartons and other polycoat materials are determined according to the modules in which they participate and are assigned measurements. The measurements for cartons are independent of all other materials. Similarly, the measurements for other polycoated materials are independent of all other materials.</p> <p>Separation of other polycoat containers and cartons to meet the ISRI 52 grade would require an additional, secondary, likely manual sorting step after the initial optical sort and this would mean additional sorting impacts attributed to cartons, with the likely result of increasing its value within the MCI.</p>

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
Food & Consumer Products of Canada	An important element of the fee setting methodology is ensuring stewards pay their fair share for the materials in the system, and that the methodology reflects variances of how materials impact system operations and costs. FCPC supported the use of the Activity Based Costing (ABC) mechanism when it was developed and recognizes that given changes in the market and material composition ABC no longer provides the fairness it was designed to offer. The Material Cost Differentiation (MCD) initiative, was developed with engagement and input from a range of producers, including a number of FCPC members, and FCPC supports the inclusion of the MCD to replace ABC, in order to ensure costs are fairly attributable. The MCD is objective, replicable and verifiable.			As it is expected to impact fees, and specifically as it will impact the in-kind contribution offered to municipalities, FCPC recommends Stewardship Ontario develop a communications strategy to respond to potential concerns or public questions about the impact on some system partners.	Thank you for your support of the MCD Methodology.
New Media Canada	We agree that the principles outlined seem fair, but were not complete. We have suggested another principle #9, namely that: <i>Contamination by other materials should not be a burden to one</i>	No, it is not at all clear. The explanation became more opaque and difficult/impossible to follow part way through Section 9. A	Yes, the pre-read was very helpful, but honesty, we could not explain this to anyone without real numbers to explain how the bottom line is calculated for each material. We	We need to see a worked-up example for all materials, or at least one material in plastics, paper packaging, printed paper, glass and metal, to understand what factors	With respect to your suggestion that an extra principle is needed, we offer the following response. Both Guiding Principles #3 and #4 ⁵ were designed to address the very concern that

⁵ Principle 3: **All materials characteristics count.** When differentiating the cost impacts of one material as compared to another, all of a material’s characteristics that can reasonably be measured, should be measured because each material’s characteristics can impact costs in different ways.

Principle 4: **All activities count.** All activities necessary to prepare the material to be repurposed should be considered because the intention is that all materials supplied into the market should be repurposed.

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
	<p><i>material and contamination removal costs should be fairly allocated between the material being prepared for market and the material causing the contamination.</i></p> <p>Page 14 of the pre-read document comments that because of its flat shape, a plastic package can find its way into the fibre stream. Newsprint should not have to pay for clean-up of plastics mixed in the newsprint because CSSA has modelled a 360 litre cart based single stream (Page 20 and elsewhere), and then mis-directed into the fibre stream because of the flat plastic package shape. The flat plastic package then needs to be separated from fibres to clean up the fibre stream to meet market specs (this example is cited Page 14, 21 and an example of a lightweight PET bottle misdirected to the mixed paper stream on page 22). Most or all of the clean-up costs should be assigned to plastics in particular. Capital and operating costs of screens should at least be shared between ONP and plastic, but all be assigned to ONP.</p>	<p>real-life worked example would have helped considerably and we strongly suggest that examples worked up for each material be added.</p>	<p>consider this an essential next step.</p>	<p>impact on the bottom line by module and material.</p> <p>The webinar and to some extent the pre-read is quite repetitious and assumes that people are not following along. We are following along fine but need more actual numbers to get our heads around how these calculations impact on our own materials.</p>	<p>you articulate in the proposed Principle #9. These instruct us to account for all activities necessary to ready a material to be repurposed and to account for all characteristics of a material that require those activities so that cost impacts are accurately measured and appropriately attributed.</p> <p>By respecting Principles 3 and 4, Newsprint assumes only the portion of the quality control sorting costs that reflect its characteristics. Newsprint does not assume the cost impact of sorting, for example, the PET Thermoforms or PE Rigid Containers and Lids that find their way into the Mixed Paper stream.</p> <p>Fibre screens are used to separate two-dimensional materials, such as corrugated cardboard and newsprint, from other materials, primarily plastic, metal and some paper packaging. The screens exploit the two-dimensionality and size of a fibre target material such as a large corrugated cardboard or smaller corrugated cardboard, newsprint and boxboard, to separate them from the rest of the stream. The effectiveness of the screens and the relative utilization of them is determined by the area weight of each of the individual fibre materials screened off and in this case the</p>

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
					<p>cost impacts are entirely attributed to fibre . The Area Weight metric is explained more fully below.</p> <p>Quality Control (QC) sorting of mixed paper is required because the fibre screens alone cannot separate materials sufficiently. Some plastic, paper and metal packaging tend to flow with the mixed paper over the screens because they share some combination of characteristics, either the packaging is two-dimensional like newsprint, or it becomes two-dimensional during the collection, tipping and pre-sorting process or because it is light and is entrained with the various fibre materials, like newsprint. These materials must be separated to enable the mixed paper to meet the market specifications and for the packaging to be effectively recovered.</p> <p>The QC modules (Module 10 – QC Optical Sort Mixed Paper and Module 11 – QC Manual Sort Mixed Paper) together represent a small component (only 3%) of the overall system resources and assign cost impacts to each of the 23 of the 36 MCD Material categories, not only newsprint. The impacts are determined using the</p>

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
					<p>appropriate module metrics (area weight for optical sorting and manual pick rate for manual sorting) and the corresponding measurements for each participating material. The measurements express how the material characteristics impact system resources. Thus, each of the materials that require the resources of the QC modules generate impacts that are directly related to their characteristics.</p> <p>Finally, a note about how the eight MCD guiding principles were developed. They were created by a Guiding Principles Working Group, composed of a “steward” delegate from each of the four Packaging and Paper Product program Boards of Directors over the course of two workshops held in early 2017. They were subsequently carefully reviewed by the Steward Consultation Committee shared with the entire steward community first in July 2017 and then again during the 2017 Annual Steward Meeting, thus providing numerous opportunities for comment. They have actively guided the work of the project team during the development of the MCD Methodology.</p>

Organization	Do you agree that the MCD Methodology is sufficiently principle-based, fair, defensible and comprehensive?	Is it clear how the MCD methodology will be applied and how it will contribute to fee setting?	Did you find the pre-read and other project materials helpful and will you be able to use them to brief your colleagues? If not, what additional materials would be helpful?	What else do you want to tell us about the proposed Material Cost Differentiation Methodology?	CSSA Response
					With respect to your request for an example, we would be pleased to walk Newsprint stewards, both newspaper publishers and retailers, through a detailed example of how the MCI is used as an input to the Four Step Fee Methodology and in setting fees. Further, we would also be pleased to walk Newsprint stewards, both Newspaper publishers and Retailers, through a detailed discussion of how the Newsprint MCI compares to other materials and its corresponding impact on fees. We have been open to requests from all stakeholders throughout the consultation process and have hosted similar meetings with Restaurants Canada, Carton Council and Canadian Beverage Association. We will be in contact to arrange a meeting with Newsprint stewards now that you have indicated your interest in learning more about the MCI.

Feedback Received as Part of the Stewardship Ontario Blue Box Consultation		CSSA Response
City of Toronto	<ul style="list-style-type: none">○ Opposes proposal to implement a new fee setting methodology during the wind-up of the Blue Box Program,○ Questions the merit and timing of the change given that such a change directly impacts the amount of cash payments to municipalities through substantial changes to the amount allocated to in-kind lineage without sufficient rationale and documentation of the change from the previous to current proposed model to be followed in the wind-up plan.○ Implementing such a change now complicates the transition plan.	<p>CSSA notes concerns about the MCD Methodology’s impact on in-kind payments to municipalities. They will be carefully considered by Stewardship Ontario’s Board during its deliberations on whether to approve the MCD Methodology for use in Ontario.</p> <p>Regarding the concern about conflict of interest, CSSA was established by the steward community to provide harmonized administrative and management</p>

Feedback Received as Part of the Stewardship Ontario Blue Box Consultation		CSSA Response
	<ul style="list-style-type: none"> Conflict of interest given's CSSA's involvement in the new methodology presents concerns about the perception that CSSA and SO are not necessarily operating at arms length. 	services to all stewardship programs. Both the Four-Step Fee Methodology and the MCD Methodology projects are examples of how it fulfills its harmonization mandate to stewards and complies with its contractual obligations to Stewardship Ontario, Recycle BC, MMSW and MMSM.
County of Simcoe	<ul style="list-style-type: none"> Concern regarding the proposal to implement a new fee setting methodology during the wind-up of the Blue Box program and the increase in in-kind payments instead of cash payment; we feel strongly that all payments should be cash contributions and not in-kind. 	CSSA notes concerns about the MCD Methodology's impact on in-kind payments to municipalities. They will be carefully considered by Stewardship Ontario's Board during its deliberations on whether to approve the MCD Methodology for use in Ontario.
City of Hamilton	<ul style="list-style-type: none"> Stewardship Ontario's proposed fee setting methodology during the wind-up of the Blue Box program is a concern. Municipalities want to ensure that they receive fair payment for all applicable costs associated with delivering the Blue Box program during the transition period. 	CSSA notes concerns about the MCD Methodology's impact on in-kind payments to municipalities. They will be carefully considered by Stewardship Ontario's Board during its deliberations on whether to approve the MCD Methodology for use in Ontario.
Lutron Electronics Company Inc.	<ul style="list-style-type: none"> Stewardship Ontario should do what is necessary to keep the Blue Box program viable during the transition following the direction and guiding principles of the Ministry. Lessons learned from any changes in fee setting methodology and allocation of system costs should be made available to producers and PROs they transition to assuming funding and operational responsibility for continuing the Blue Box program into the future. Whatever methodology is used, fee accommodation, protection and incentivization should be considered for handling/recovery of materials with long life cycles (e.g. 10-20 years +) compared to the vast majority of waste which is understood to be in the 1-5 year life cycle range. 	Thank you for your comments.
Carton Council of Canada	<ul style="list-style-type: none"> We support Stewardship Ontario proceeding with the implementation of the four-step methodology, in order to harmonize fee setting in Ontario with the other packaging and paper stewardship programs who are serviced by CSSA. We support the replacement of the Activity Based Costing (ABC) methodology used for allocating system costs with the Material Cost Differentiation (MCD) methodology, as presented by CSSA to stakeholders on June 25th 	Thank you for your comments in support of the MCD Methodology.
AMO, City of Toronto, Regional Public Works Commissioners of Ontario (RPWCO) and the Municipal Waste Association	<ul style="list-style-type: none"> Concerned about the proposed implementation of a new fee setting methodology for two reasons: It appears to illustrate a real, perceived or potential conflict of interest for CSSA's proposed fee setting methodology to be a part of Stewardship Ontario's wind-up process. There are a number of slides that discuss CSSA's work on how materials impact recycling costs in SO's presentation and it adds a level of complexity to the process that is not necessary Municipal governments strongly oppose Stewardship Ontario's proposal to implement a new fee setting methodology during the wind-up of the Blue Box program as the adoption of the new methodology will double the amount of in-kind payments municipal governments would receive as part of the Steward 	<p>Regarding the concern about conflict of interest, CSSA was established by the steward community to provide harmonized administrative and management services to all stewardship programs. Both the Four-Step Fee Methodology and the MCD Methodology projects are examples of how it fulfills its harmonization mandate to stewards and complies with its contractual obligations to Stewardship Ontario, Recycle BC, MMSW and MMSM.</p> <p>CSSA notes concerns about the MCD Methodology's impact on in-kind payments to</p>

Feedback Received as Part of the Stewardship Ontario Blue Box Consultation		CSSA Response
	<p>Obligation instead of cash due to the cost of managing newspapers being under-allocated in previous years. However, no rationale or data to support why this change has occurred from the previous model to this model could be provided when requested. We believe the idea that newspaper management costs would double when all data points to rapidly decreasing amounts of newspaper in the system seems incredibly counter-intuitive.</p> <ul style="list-style-type: none"> While we understand the interest in updating an older model, the implications of this change, the lack of a rationale to explain the significant change in results and the added complexity this change would bring to this wind-up process cannot be supported. This change in methodology will directly impact municipal budgets and costs of the program to residents. Furthermore, the timing is unfortunate where Stewardship Ontario is proposing to introduce this new formula in a transitory period with little consultation and insufficient rationale 	<p>municipalities. They will be carefully considered by Stewardship Ontario's Board during its deliberations on whether to approve the MCD Methodology for use in Ontario.</p> <p>On July 7, 2020 CSSA supported Stewardship Ontario in a meeting with the Ontario municipal sector to review the MCD Methodology and its impacts on newsprint. During that meeting there was a fulsome discussion about the impacts of Stewardship Ontario implementing both the Four-Step Methodology and the MCD Methodology.</p> <p>Based on 2020 inputs, in-kind payments from newspaper publishers would increase by \$3.5M. 2020 fees calculated using the Three Factor Formula and Activity Based Costing (density and composition updates only) result in municipalities receiving \$4.9M in-kind (i.e., newspaper advertising lineage in lieu of cash) and \$130.3M in cash payment for recycling packaging and printed paper. Had 2020 fees been calculated using the Four-Step Fee Methodology and the MCI input, the In-Kind portion would have been \$8.4M and the cash payment to municipalities would have been \$126.8M.</p> <p>While the Material Cost Index value for newsprint is relatively low, (it ranks 6th on an index of 36 material categories) new measurement metrics, protocols and full costing for all obligated materials means that the MCD Methodology, together with the Four-Step Fee Methodology, does shift additional cost to newsprint.</p>
Electronics Product Stewardship Canada	<ul style="list-style-type: none"> EPSC recommends maintaining the current fee methodology through transition and wind up in Ontario. During this time SO will be using up surplus funds which were generated using the existing fee methodology. The proposed MCD Methodology may be an improvement over the current activity-based costing model, due to guiding principles and the addition of commodity values to the formula. However, it is difficult for us to review how the new methodology is built and how it impacts individual materials and steward costs using the fee calculators provided by CSSA. The MCD methodology is too complex. It would be helpful to have last years packaging weight data, including the total weights in each material category, and last years average commodity values, run through both methodologies to see the impact. The simpler the framework, calculations or methodology are, the simpler and more cost efficient the administration of your program will be. EPSC supports a transparent and efficient framework. It is clear that a great deal of work has gone into developing the MCD proposal. It is less clear if the costs of administering the new model are worth the change. We support a clear and transparent process that is supported by best practices. 	<p>Thank you for your comments. We regret that EPSC members did not find the fee calculator tools helpful. The tools were designed to provide stewards of each of the programs with an order-of-magnitude variance in fees by comparing each program's current approach with the new approach using the 2020 fees rates. They simply require a steward to input their 2019 material quantities into the calculator tools provided here.</p> <p>Thank you for the suggestion to apply last year's packaging weight data together with commodity revenues. However, this data will not provide EPSC members with information about how the Material Cost Index values will affect their fee rates. The application of commodity revenue represents Step 2 of the Four-Step Fee Methodology, which is outside the scope of the MCD Methodology project.</p>

Feedback Received as Part of the Stewardship Ontario Blue Box Consultation		CSSA Response
Retail Council of Canada	<ul style="list-style-type: none"> ○ RCC supports replacing the Activity Based Costing (ABC) Methodology with the proposed Material Cost Differentiation (MCD) Methodology. Given the age of the ABC Methodology, RCC believes the MCD Methodology is more comprehensive, has strong guiding principles and better reflects the current state of technology and materials in the marketplace. ○ With this in mind, RCC recognizes that the new methodologies will impact how costs are allocated among material categories and fees paid by stewards in cash or in-kind. Given the potential for challenges with municipalities as a result of the MCD Methodology, RCC wonders if the introduction of the methodology could be delayed until 2022 in order to fully understand and assess the cost impact for municipalities. A 2022 phase-in date for the methodologies could be included in the wind-up plan. This would allow programs in BC, Saskatchewan and Manitoba to implement the methodologies first and better identify its impacts, with Ontario being onboarded a year later given the complexities of transition. This approach would further protect the methodology developed by stewards for years from being questioned politically. 	<p>Thank you for your comments in support of the MCD Methodology.</p> <p>The suggestion to phase in the implementation of the MCD Methodology to mitigate the cost implications for some stewards is appreciated and will be carefully considered.</p>
Canadian Beverage Association	<ul style="list-style-type: none"> ○ The CBA strongly supports the implementation of the four-step fee methodology in Ontario. It aligns with the CBA's stewardship principles to: <ul style="list-style-type: none"> ○ distribute recycling system costs in an accurate and equitable manner; ○ allocate commodity revenue to those materials responsible for generating the revenue; and, ○ ensure no cross-subsidization among material categories ○ CBA supports the modernization of the costing methodology by transitioning from the Activity-Based Costing (ABC) methodology to the Material Cost Differentiation (MCD) methodology. A significant amount of work went into the development of the MCD over the past couple of years that involved the time and dedication of CBA members, as well as the members of the Retail Council of Canada and Food & Consumer Products Canada. ○ Our association agrees that replacing the ABC with the MCD methodology will provide a clearer, more comprehensive and transparent way to assess the cost impacts to manage each material in the recycling system. Like all good scientific approaches, the MCD is based on defensible assumptions and is supported by procedures that are easily replicated. ○ By moving forward with both the four-step fee and MCD methodologies, Ontario can harmonize requirements with other provinces and deliver a fairer, more effective system leading up to and during transition to the new producer-responsibility regulation. 	<p>Thank you for your comments in support of the MCD Methodology.</p>
City of Ottawa	<ul style="list-style-type: none"> ○ Municipal governments support the emphasis being placed on ensuring the avoidance of a real or perceived conflict of interest. However, we are concerned about the proposed fee setting methodology for two reasons: <ul style="list-style-type: none"> ○ It appears to illustrate a real, perceived or potential conflict of interest for CSSA's proposed fee setting methodology to be a part of Stewardship Ontario's wind-up process. There are a number of slides that discuss CSSA's work on how materials impact recycling costs in SO's presentation. 	<p>Regarding the concern about conflict of interest, CSSA was established by the steward community to provide harmonized administrative and management services to all stewardship programs. Both the Four-Step Fee Methodology and the MCD Methodology projects are examples of how it fulfills its harmonization mandate to stewards and complies with its contractual obligations to Stewardship Ontario, Recycle BC, MMSW and MMSM.</p>

Feedback Received as Part of the Stewardship Ontario Blue Box Consultation		CSSA Response
	<ul style="list-style-type: none"> ○ It adds a level of complexity to the process that is not necessary. ○ Municipal governments strongly oppose Stewardship Ontario's proposal to implement a new fee setting methodology during the wind-up of the Blue Box program ○ Stewardship Ontario has indicated that this change to the fee setting methodology will double the amount of in-kind payments municipal governments would receive as part of the Steward Obligation instead of cash. Stewardship Ontario has indicated that this is due to the cost of managing newspapers being under-allocated in previous years. However, no rationale or data to support why this change has occurred from the previous model to this model could be provided when requested. ○ We believe the idea that newspaper management costs would double when all data points to rapidly decreasing amounts of newspaper in the system seems incredibly counter-intuitive. ○ While we understand the interest in updating an older model, the implications of this change, the lack of a rationale to explain the significant change in results and the added complexity this change would bring to this wind-up process cannot be supported. This change in methodology will directly impact municipal budgets and costs of the program to residents. Furthermore, the timing is unfortunate where Stewardship Ontario is proposing to introduce this new formula in a transitory period with little consultation and insufficient rationale to validate the reasonableness of the conclusions they are putting forward. 	CSSA notes concerns about the MCD Methodology's impact on in-kind payments to municipalities. They will be carefully considered by Stewardship Ontario's Board during its deliberations on whether to approve the MCD Methodology for use in Ontario.
CCSPA	<ul style="list-style-type: none"> ○ Some of our members did participate in the MCD webinar and are currently evaluating the directional change in fees with the calculator that has been provided to stewards. ○ In general, we are in support of any improvement that fairly assigns fees to packaging categories. 	<p>Thank you for your comments in support of the MCD Methodology.</p> <p>We are pleased that CCSPA members are find the calculator tools helpful.</p>
Food & Consumer Products of Canada	<ul style="list-style-type: none"> ○ FCPC supports the proposal to include the four step fee setting methodology, bringing Ontario in line with Blue Box programs in British Columbia, Saskatchewan and Manitoba. Including the four step fee setting methodology in the Plan increases ease of use and fairness for stewards, and alignment among the provincial programs. FCPC recommended the inclusion of the four step methodology when it was first proposed in 2016, and supports its inclusion now. ○ An important element of the fee setting methodology is ensuring stewards pay their fair share for the materials in the system, and that the methodology reflects variances of how materials impact system operations and costs. ○ FCPC supported the use of the Activity Based Costing (ABC) mechanism when it was developed and recognizes that given changes in the market and material composition ABC no longer provides the fairness it was designed to offer. ○ The Material Cost Differentiation (MCD) initiative, was developed with engagement and input from a range of producers, including a number of FCPC members, and FCPC supports the inclusion of the MCD to replace ABC, in order to ensure costs are fairly attributable. The MCD is objective, replicable and verifiable. ○ As it is expected to impact fees, and specifically as it will impact the in-kind contribution offered to municipalities, FCPC recommends Stewardship Ontario develop a communications strategy to 	<p>Thank you for your support of the MCD Methodology.</p>

Feedback Received as Part of the Stewardship Ontario Blue Box Consultation		CSSA Response
	respond to potential concerns or public questions about the impact on some system partners.	

MEMORANDUM

PWC-C 43-2020

Subject: Proposed Changes to Ontario's Food and Organic Waste Policy Statement

Date: November 10, 2020

To: Public Works Committee

From: Sherri Tait, Program Manager, Policy, Planning & Engagement

This memorandum is intended to provide Committee members with an update on the proposed amendments to the province's Food and Organic Waste Policy Statement.

Background

In February, 2017, the province released its Strategy for a Waste-Free Ontario: Building the Circular Economy, supporting the Waste Free Ontario Act. This strategy identified the need to develop a provincial action plan to address food and organic waste from residential and industrial, commercial and institutional (IC&I) sectors.

On May 31, 2017, in an effort to engage the public and stakeholders and to solicit feedback for the framework, the Ministry of Environment, Conservation and Parks (MECP), released the Discussion Paper: Addressing Food and Organic Waste in Ontario, for which Niagara Region provided comment, as previously reported in WMPSC-C 29-2017.

On April 30, 2018, the MECP released the Food and Organic Waste Framework, which is comprised of two complementary components: Part A: Food and Organic Waste Action Plan; and Part B: Food and Organic Waste Policy Statement. The Framework generally aligned with Niagara Region's position and comments submitted for the Discussion Paper: Addressing Food and Organic Waste in Ontario, as mentioned above.

The Action Plan outlines strategic commitments to be taken by the province to address food and organic waste. The Policy Statement, under the Resource Recovery and Circular Economy Act, 2016, provides direction to the MECP, municipalities, the IC&I sector, owners and operators of resource recovery systems, and others to further the

provincial interest in waste reduction and resource recovery as it relates to food and organic waste.

The Policy Statement may be complemented by other future policy statements, as well as, municipal and private sector policies that contribute to waste reduction and resource recovery of food and organic waste. Further information on the Framework is found in PW 1-2018 and WMPSC-C 28-2018.

On November 29, 2018, the MECP posted the Preserving and Protecting Our Environment for Future Generations: A Made-in-Ontario Environment Plan. The Plan outlines actions to help protect and conserve air, land and water, address litter and reduce waste, increase the province's resilience to climate change and help reduce greenhouse gas emissions. Committee was informed of this Plan in WMPSC-C 9-2019.

On April 30, 2019 the MECP posted the Reducing Litter and Waste In Our Communities: Discussion Paper to consult on waste related actions in the Made-in-Ontario Environment Plan. The goals of the actions set out in the plan included decreasing the amount of waste going to landfill and increasing the overall diversion rate. The discussion paper was presented to Public Works Committee on April 16, 2019.

In both the Made-in-Ontario Environment Plan and the April 30, 2019 discussion paper there were commitments made to prevent food waste and to divert organic material from landfill.

The MECP also established a Food and Organic Steering Committee and Technical Working groups in the summer of 2019 to provide input to the province on the management of compostables in Ontario. As a result of the input received, amendments were proposed to the Food and Organic Waste Policy Statement to clarify the types of materials that should be collected in the Green Bin/Cart organics program and provide direction on the management of compostables.

On September 30, 2020, the province posted the proposed amendments to the Policy Statement on the Environmental Registry of Ontario for a 45 day public review period, which ends November 14, 2020. The province has stated the proposed amendments would help harmonize materials accepted into the Green Bin/Cart organics program and other collection systems, while recognizing the challenges in managing some of these materials (i.e. compostable products and packaging) in existing compost facilities. The Policy Statement with proposed amendments is found in Appendix A.

Niagara Region Comments on Proposed Amendments to the Food and Organic Waste Policy Statement

The Policy Statement amendments were reviewed to assess how Niagara Region's Green Bin/Cart organics program aligns with the amendments (Appendix B).

Niagara Region generally supports the amendments subject to the comments below that will be submitted to the MECP.

The proposed amendments include an updated section on compostable products and packaging including strengthening wording from municipalities being "encouraged" to "should" make waste reduction and resource recovery efforts in certified compostable coffee pods. Niagara Region had previously flagged the challenges that municipalities face with respect to compostable packaging such as coffee pods, namely that the material does not all break down in the various organics processing systems, at the same rate, and/or the material is incorrectly placed in the Blue Box program. Some producers may move toward compostable packaging to avoid producer responsibility for designated paper and packaging. The province still has not identified specific criteria or standards to limit this and still only encourages and not mandates that producers take responsibility for the *waste reduction and resource recovery of the compostable products and packaging* that is sold in Ontario.

In another amendment, it is unclear why the province changed the wording around soiled paper from "shall" to "should" as many municipalities currently accept this material, with the exception of paper ice cream boxes which are generally in greater volumes than compostable pods.

Amendments also include that *"municipalities and owners and operators of resource recovery systems that process food and organic waste, and persons or entities that are brand holders of or market compostable products and packaging, should support pilot projects and research on the processing of compostable products and packaging in order to maximize resource recovery and minimize contamination resulting from the recovery of compostable products and packaging."* In addition, amendments also encourage municipalities and owners and operators of resource recovery systems that process food and organic waste *"to examine the feasibility of updating existing processing technology to maximize the diversion of compostable products and packaging and minimize contamination resulting from the recovery of compostable products and packaging"* and to consider adopting new technology that is able to

process compostable products and packaging when planning for new processing technology or expanding capacity.

While Niagara Region is generally supportive of these amendments for effective management of compostable products and packaging, the province should take a firmer stance and designate all packaging. Producers need to take responsibility for branded (i.e. non-food) organics instead of relying on municipalities to manage and implement technologies to handle this material. There are costs to municipal taxpayers for running pilot project, implementing or upgrading technologies to handle compostable products and packaging. Municipalities must be fairly compensated for any additional costs related any new major costs, as a result of this Policy.

As stated in past comments, although brand holders are required to provide promotion and education (P&E) and ensure packaging is acceptable for municipal organics processing systems, there are variations between municipal processing systems (e.g. some programs accept diapers), which may make province-wide P&E messaging problematic and may contribute to resident confusion.

Niagara Region's Position and Next Steps

Niagara Region continues to support the Food and Organic Waste Policy as an important step in reducing food and organic waste generated in our community and diverting this material from landfill. With the implementation of every-other-week garbage collection, Niagara Region will continue to collect and expand the curbside Green Bin/Cart program to low density residential properties, as well as, multi-residential and small to medium sized mixed use and IC&I properties.

Additional guidance will be provided by the province to municipalities in the coming months regarding implementation of the Policy Statement.

Respectfully submitted and signed by

Sherri Tait
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FOOD AND ORGANIC WASTE POLICY STATEMENT

**Issued pursuant to s. 11 of the Resource Recovery
and Circular Economy Act, 2016**

Ministry of the Environment, Conservation and ~~Climate~~
~~Change~~Parks

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Part I: Preamble

The Food and Organic Waste Policy Statement (“the Policy Statement”) supports the provincial vision of a *circular economy* and is an important tool to help move towards the province’s visionary goals of zero waste and zero greenhouse gas emissions from the waste sector.

The Policy Statement focuses on *waste reduction* and *resource recovery* through preventing and reducing *food waste*, effectively and efficiently collecting and processing *food and organic waste*, and reintegrating *recovered resources* back into the economy.

The Policy Statement provides policy direction to further the provincial interest related to *waste reduction* and *resource recovery* of *food and organic waste*. In particular the policies that make up the Policy Statement further the following aims of the provincial interest set out in section 2 of the Resource Recovery and Circular Economy Act, 2016:

- Protect the natural environment and human health.
- Foster the continued growth and development of the *circular economy*.
- Minimize greenhouse gas emissions resulting from *resource recovery* activities and *waste reduction* activities.
- Minimize the generation of waste, including waste from products and packaging.
- Minimize the need for waste disposal.
- Minimize the environmental impacts that result from *resource recovery* activities and *waste reduction* activities, including from waste disposal.
- Provide efficient, effective, convenient and reliable services related to *waste reduction* and *resource recovery*, including waste management services.
- Increase the reuse and recycling of waste across all sectors of the economy.
- Increase opportunities and markets for recovered resources.
- Promote public education and awareness with respect to *resource recovery* and *waste reduction*.
- Promote co-operation and co-ordination among the various persons and entities involved in *resource recovery* activities and *waste reduction* activities.

Waste reduction and *resource recovery* of *food and organic waste* will help improve environmental outcomes, reduce greenhouse gas emissions and recover valuable nutrients, thus fostering a *circular economy*.

The policies within the Policy Statement may be complemented by other future policy statements issued to support the aims of the provincial interest in *waste reduction* and *resource recovery* as set out in section 2 of Resource Recovery and Circular Economy Act, 2016, as well as other actions, including provincial regulations, plans and guidelines. The Policy Statement may also be complemented by municipal policies and private sector initiatives that contribute to *waste reduction* and *resource recovery* of *food and organic waste*.

Part II: How to Read the Policy Statement

Legislative Authority

The Policy Statement is issued pursuant to section 11 of the Resource Recovery and Circular Economy Act, 2016 which came into force on November 30, 2016. The Policy Statement must be reviewed and considered for amendment within 10 years after it is issued.

Sections 12 and 13 of the Resource Recovery and Circular Economy Act, 2016 together require that when specified persons or entities subject to the Policy Statement exercise a power or perform a duty related to *food and organic waste*, they must ensure those things are done in a manner that is consistent with the Policy Statement.

The individual policies contained within the Policy Statement will specify the persons or entities that the policy applies to. The Policy Statement only applies to those persons or entities specified in the applicable policy.

Read the Policy Statement in its Entirety

Given the variety of persons and entities subject to the policies within the Policy Statement, and the variety of actions and activities that they undertake in the reduction and recovery of *food and organic waste*, not all policies are applicable to every person, entity or activity.

Reading the Policy Statement in its entirety will assist in understanding how its individual policies apply to specified persons or entities who are required to do things in a manner consistent with it. This Policy Statement is intended to support mutual understanding and co-operation among various persons and entities involved in *waste reduction* and *resource recovery* in Ontario in order to further the aims of the provincial interest.

Policy Language

When applying the Policy Statement it is important to consider the specific language of the policies.

Some policies set out positive directives, such as “shall”. Other policies use enabling or supportive language, such as “should,” “promote” and “encourage.” Some policies set out limitations, such as “should only”.

The choice of language is intended to distinguish between the types of policies and the nature of implementation. There is some discretion when applying a policy with enabling or supportive language in contrast to a policy with a directive or limitation.

Geographic Scale of Policies

The Policy Statement recognizes the geographic diversity of Ontario and that local context is important with respect to *waste reduction* and *resource recovery*. Policies are outcome-oriented, and some policies provide flexibility in their implementation provided that the aims of the provincial interest are supported.

While the Policy Statement is meant to apply to all of Ontario, there are times when specified policies will only apply to specific areas given their particular geographic circumstances. Other policies refer to *waste reduction* and *resource recovery* objectives that need to be considered in the context of the province as a whole.

Minimum Standards

The direction in the policies in the Policy Statement represents minimum standards. Persons or entities subject to the policies may go beyond these minimum standards to address matters of importance to specific activities, industries, sectors or communities, unless doing so would be inconsistent with any of the policies contained within the Policy Statement.

Defined Terms and Meanings

Italicized terms in the Policy Statement are defined in the Glossary section. For non-italicized terms, the normal meaning of the word applies. Terms may be italicized only in specific policies; for these terms, the defined meaning applies where they are italicized and the normal meaning applies where they are not italicized. Defined terms in the Glossary section are intended to capture both singular and plural forms of these terms in the policies.

Relationship to Provincial Policies, Plans, and Instruments

Provincial land use policies and plans, such as a provincial policy statement issued under subsection 3(1) of the Planning Act provide policy direction to address land use issues facing *municipalities* which are at times related to specific geographic areas in Ontario. The policies in this Policy Statement are intended to complement these policies and plans.

If there is a conflict between this Policy Statement and a provincial policy statement issued under subsection 3(1) of the Planning Act or any prescribed instrument, the policy statement or provision that provides the greatest protection to the natural

environment and human health governs, to the extent of the conflict. If they provide equal protection, the policy that best promotes the provincial interest in *waste reduction* and *resource recovery* described in section 2 of Resource Recovery and Circular Economy Act, 2016 governs, to the extent of the conflict.

Timing for Consistency

Section 14 of the Resource Recovery and Circular Economy Act, 2016 requires amendments to official plans, zoning by-laws, other by-laws and prescribed instruments related to *waste reduction* and *resource recovery* where necessary to ensure consistency with policy statements.

Municipalities and other planning authorities shall ensure that official plans are consistent with the Policy Statement by the end of the period determined under subsection 26 (1) of the Planning Act, while municipal zoning by-laws must be amended within three years after the related official plan amendment.

By-laws made under acts identified in Section 12 of the Resource Recovery and Circular Economy Act, 2016 that relate to *waste reduction* and *resource recovery*, as well as relevant prescribed instruments, must also be made consistent with the Policy Statement within 2 years of the Policy Statement being issued.

All persons or entities not exercising a power or performing a duty pursuant to instruments listed in the previous three paragraphs must make their activities relating to *waste reduction* and *resource recovery* consistent with the Policy Statement from the day it is issued subject to the following:

- i. Persons or entities subject to the policies in section 3 must make their activities consistent with the applicable policy within one year from the day the Policy Statement is issued by the Minister of the Environment, Conservation and Climate Change Parks.
- ii. Persons or entities subject to policies 4.2 to 4.5 or 4.10 to 4.18 must make their activities consistent with the applicable policies in accordance with the timelines established for these persons or entities in order to meet the targets in policy 2.1.

Part III: Policies

1. Ontario Food Recovery Hierarchy

The Policy Statement supports an Ontario Food Recovery Hierarchy in order to prioritize the highest and best use of our food resources in Ontario. The Ontario Food Recovery Hierarchy prioritizes actions that governments, businesses, organizations and consumers can take in order to move towards a sustainable model of *waste reduction* and *resource recovery*.

- 1.1 The Ontario Food Recovery Hierarchy consists of the following steps in order of importance:
 - i. Reduce: prevent or reduce *food and organic waste* at the source.
 - ii. Feed People: safely rescue and redirect surplus food before it becomes waste.
 - iii. Recover Resources: recover *food and organic waste* to develop end-products for a *beneficial use*.
- 1.2 Persons or entities engaging in *waste reduction* and *resource recovery* activities should consider prioritizing their activities according to the Ontario Food Recovery Hierarchy set out in policy 1.1.

2. Targets and Harmonization of Efforts

In order to ensure that *waste reduction* and *resource recovery* efforts are reflective of an evidence-based policy approach, targets need to be established.

The Policy Statement gives direction to prevent and reduce *food and organic waste* at each stage of the food supply chain, including the production, distribution, consumption and recovery of *food and organic waste*. The Policy Statement establishes *waste reduction* and *resource recovery* targets as a means of assessing progress in addressing *food and organic waste*.

The Policy Statement is an outcome-based tool that provides persons and entities with flexibility in meeting direction that is provided to them as they work towards achieving their outcomes including targets. The Policy Statement provides direction to persons and entities to achieve greater harmonization of efforts for the *waste reduction and resource recovery* of itemized categories of *food and organic waste*.

When engaging in *waste reduction* and *resource recovery* efforts, persons and entities should consider how best to manage and limit contamination in the management and recovery of *food and organic waste*.

2.1 Sector-specific *waste reduction* and *resource recovery* targets are included in the table below. The persons or entities set out in column 1 must meet the targets in column 2 by the dates set out in column 2.

COLUMN 1: PERSON OR ENTITY	COLUMN 2: TARGET
a) Municipalities subject to policy 4.1	70 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated by single-family dwellings in <i>urban settlement areas</i> by 2023
b) Municipalities in Southern Ontario subject to policy 4.2i	70 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated by single-family dwellings in <i>urban settlement areas</i> by 2025
c) Municipalities in Southern Ontario subject to policy 4.2ii	50 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated by single-family dwellings in <i>urban settlement areas</i> by 2025
d) Municipalities in Northern Ontario subject to policy 4.3	50 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated by single-family dwellings in <i>urban settlement areas</i> by 2025

COLUMN 1: PERSON OR ENTITY	COLUMN 2: TARGET
e) Multi-unit residential buildings subject to policy 4.10	50 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated at the building by 2025
f) Industrial and commercial facilities subject to policy 4.14	70 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated in the facility by 2025
g) Industrial and commercial facilities subject to policy 4.15	50 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated in the facility by 2025
h) Educational institutions and hospitals subject to policy 4.18	70 per cent <i>waste reduction</i> and <i>resource recovery</i> of <i>food and organic waste</i> generated in the facility by 2025

2.2 Persons or entities subject to policy 2.1 shall achieve their target through *waste reduction* and *resource recovery* efforts in respect of food waste and organic waste. For greater certainty, waste reduction and resource recovery efforts in respect of any categories of food waste or organic waste not identified in policies 2.3, 2.4, 2.5 and 2.6 would contribute to achieving targets.

2.3 In achieving targets, persons or entities subject to policy 2.1 shall make waste reduction and resource recovery efforts with respect to the following types of waste:

- i. *Food waste.*
- ii. ~~Organic waste, including:~~
- ~~iii. ii. Organic waste~~ inedible parts of plants and animals resulting from food preparation, and
 - a. ~~Soiled paper~~
- iii. Pet food waste.

~~2.3 Municipalities~~ 4 In achieving targets, municipalities subject to policy 2.1 shall, ~~in addition to the waste reduction and resource recovery efforts set out in policy 2.2, achieve their target through further~~ make *waste reduction* and *resource recovery* efforts with respect to the following types of *organic waste*:

- i. Leaf and yard waste
- ii. Seasonal outdoor wastes

iii. Flowers and houseplants

2.4—~~Persons~~⁵ In achieving targets, persons or entities subject to policy 2.1 ~~are encouraged to engage in additional, should -make~~ *waste reduction* and *resource recovery* efforts ~~to achieve their target,~~ with respect to the following types of *organic waste*:

i. ~~Personal hygiene wastes~~

i. Soiled paper including paper towels, tissues, and napkins

ii. Organic waste that results from the preparation of coffee and tea, including tea bags, coffee filters, and *certified* compostable coffee pods

iii. Soiled paper food packaging including soiled pizza boxes, flour bags, sugar bags, microwave popcorn bags, paper takeout containers, and paper ice cream boxes

iv. Wooden chopsticks, stir sticks, and toothpicks

v. *Certified* compostable bags that are used to contain food and organic waste

2.6 In achieving targets, persons or entities subject to policy 2.1 are encouraged to make *waste reduction* and *resource recovery* efforts with respect to the following types of *organic waste*:

i. Pet waste including animal bedding, cat litter and dog feces

ii. Sanitary and hygiene product waste such as diapers, incontinence products and feminine hygiene products

iii. ~~Shredded paper~~

iv. ~~Additional paper fibre products~~

v.iii. ~~Compostable~~ *Certified compostable* products and packaging not captured under policy 2.5.

vi. ~~Pet food and wastes~~

2.57 The targets referred to in policy 2.1 shall be achieved through *waste reduction* activities and *resource recovery* activities, relating to one or more of the following:

i. The prevention or reduction of *food and organic waste* at the source.

ii. The safe rescue and redirection of surplus food before it becomes waste.

iii. The recovery of *food and organic waste* to develop end-products for a *beneficial use*.

2.68 The targets referred to in policy 2.1 cannot be achieved through the following methods or uses:

- i. The use of *food and organic waste* to generate alternative fuels or energy from waste without the concurrent recovery of nutrients.
- ii. The direct discharge of *food waste* or *organic waste* into a municipal sewer, including when facilitated by food waste disposers or other grinding devices.
- iii. The use of recovered organic resources for landfill cover.

2.9 Persons and entities subject to policy 2.1 shall continue to meet their target after the dates set out in Column 2 in policy 2.1.

2.10 Persons and entities subject to policy 2.1 should make the results of their *waste reduction* and *resource recovery* activities listed under policy 2.7 publicly available on a website, which could include making the results publicly available through an industry, municipal, or institutional organization or association website.

3. Reduce Food Waste

Preventing food from becoming waste in the first place is essential in order to address the issue of *food waste*.

A substantial amount of food in Canada is wasted at the consumer level. Consumers are often unaware of the true amount they waste and its associated costs. Consumers often lack awareness not only about the extent of *food waste*, but also the actions that can be taken to prevent *food waste* at the household level. The underlying causes of consumer *food waste* include purchasing habits, confusion over expiry and best before dates, as well as preparation, serving and storage practices.

However, we also know that a significant amount of food is either lost or wasted along the food supply chain. For example, *food waste* in the supply chain could occur while the food is processed into a product or further along at the retail level or at restaurants. *Food waste* within the supply chain is the result of factors such as overproduction, food not meeting market standards as well as gaps in existing storage, inventory and manufacturing practices.

Promotion and Education

Preventing and reducing *food waste* requires a significant change in behaviour. Changing behaviour, in turn, requires a consistent and long-term effort to shift understanding of food in general and *food waste* specifically. It will also require the formation of new practices by both businesses and consumers.

Better promotion and education will encourage a change in behaviour and reduce the amount of food wasted in Ontario. From businesses to households, everyone has a role to play in preventing *food waste*.

- 3.1 *Retail shopping establishments and retail shopping complexes that generate food waste, restaurants and food processors that are large manufacturing establishments* shall develop and implement their own education programs aimed at preventing and reducing consumer *food waste*. The focus of the promotion and education program should primarily be on reaching consumers directly through information that will assist consumers in preventing and reducing *food waste*.
- 3.2 *Retail shopping establishments and retail shopping complexes that generate food waste, restaurants, hotels and motels and food processors that are large manufacturing establishments* shall, in partnership with their industry

associations, provide sector-based promotion and education to promote operational best practices that can prevent and reduce *food waste*.

- 3.3 *Municipalities* shall develop and implement their own promotion and education programs aimed at preventing *food waste*. The focus of the education program should primarily be on reaching consumers directly through information that will assist consumers in preventing and reducing *food waste*.

Reducing *Food Waste* by Businesses

The food industry also has a pivotal role to play in reducing *food waste* that occurs at earlier points in the supply chain before food even reaches consumers. Taking steps to prevent and reduce *food waste* in the processing and distribution stages of the supply chain, recognizes the clear linkage between *food waste* prevention and reduction measures and the subsequent net benefit to industry operations. These initiatives improve social, environmental and economic outcomes.

- 3.4 *Retail shopping establishments, retail shopping complexes, restaurants, hotels and motels* and food processors that are *large manufacturing establishments* that generate more than 300 kilograms of *food waste* per week should identify where *food waste* occurs in their operations, conduct regular *food waste* audits to quantify the amount and type of *food waste* and take measures to prevent and reduce the amount of *food waste* that is occurring.
- 3.5 *Retail shopping establishments, retail shopping complexes, restaurants, hotels and motels* and food processors that are *large manufacturing establishments* should, where feasible:
- i. Incorporate the use of *imperfect produce* in food processing and in food and meal preparation.
 - ii. Make *imperfect produce* available to consumers.

Rescue of Surplus Food

There are circumstances where food is edible yet becomes waste. The rescue of surplus food can be an effective means of redirecting nourishing, edible food that may otherwise not be used. Improving the accessibility, responsiveness and efficiency of efforts to redirect surplus food while ensuring health and safety concerns are also met, will help ensure that edible food is not lost to disposal.

- 3.6 *Retail shopping establishments, retail shopping complexes, restaurants, hotels and motels* and food processors that are *large manufacturing establishments* should:

- i. Develop relationships or partnerships with *food rescue organizations* in order to facilitate the safe distribution of surplus food in a timely and effective manner.
- ii. Explore the use of technology to help improve logistics and safely direct surplus food to distribution points more effectively.

4. Recover Resources from *Food and Organic Waste*

Increased *resource recovery* of *food and organic waste* from both the residential and the Industrial, Commercial and Institutional (IC&I) sector is essential in order to reach Ontario's goals of zero waste and zero greenhouse gas emissions from the waste sector.

Ontario's residential sector has made considerable progress in recovering *food and organic waste* from disposal. Additional efforts will increase collection in more communities across the province.

A growing number of people are living in multi-unit residential buildings. There is a need for greater efforts and innovative ways to recover *food and organic waste* in multi-unit residential buildings.

The IC&I sector generates large volumes of *food and organic waste* in Ontario. Significant effort to increase recovery is needed from major generators in this sector, such as grocery stores, shopping malls, restaurants, hotels, motels, educational institutions, food processing facilities and hospitals in order to build a *circular economy*.

Increasing *Resource Recovery* from the Residential Sector

Many of the existing *resource recovery* programs in Ontario for *food and organic waste* are currently offered in large urban areas with high density; however, opportunities exist to increase the availability of and participation in programs in more communities across the province.

Maintaining existing municipal curbside collection services

- 4.1 *Municipalities* that, as of the effective date, provide curbside collection of source separated *food and organic waste* shall maintain or expand these services to ensure residents have access to convenient and accessible collection services.
 - i. In addition to curbside collection of source separated *food and organic waste*, other collection methods, such as directing disposal streams to *mixed waste processing*, may be used to support collection of additional *food and organic waste*.

Increasing Residential *Resource Recovery* in Southern Ontario

- 4.2 *Municipalities* in Southern Ontario that, as of the effective date, do not provide curbside collection of source separated *food and organic waste* shall provide:
- i. Curbside collection of *food and organic waste* to single-family dwellings in an *urban settlement area* within a *local municipality* if the population of the *local municipality* is greater than 50,000 and the population density of the *local municipality* is greater than or equal to 300 persons per square kilometre.
 - ii. Collection of *food and organic waste* to single-family dwellings in an *urban settlement area* within a *local municipality* if:
 - a. The population of the *local municipality* is greater than 50,000 and the population density of the *local municipality* is less than 300 persons per square kilometre; or
 - b. The population of the *local municipality* is greater than 20,000 but equal to or less than 50,000 and the population density of the *local municipality* is greater than or equal to 100 persons per square kilometre.

Increasing Residential *Resource Recovery* in Northern Ontario

- 4.3 *Municipalities* in Northern Ontario that, as of the effective date, do not provide curbside collection of source separated *food and organic waste* shall provide curbside collection of *food and organic waste* to single-family dwellings in an *urban settlement area* within a *local municipality* if:
- i. The population of the *local municipality* is greater than 50,000 and the population density of the *local municipality* is greater than or equal to 300 persons per square kilometre.

Collection Preference and Alternatives for Residential *Resource Recovery*

- 4.4 For *municipalities* subject to policies 4.2(i) and 4.3:
- i. Collection of source separated *food and organic waste* is the preferred method of servicing single-family dwellings.
 - ii. Alternatives to the collection of source separated *food and organic waste* may be used if it is demonstrated that provincial *waste reduction* and *resource recovery* targets can be achieved efficiently and effectively.
- 4.5 For *municipalities* subject to policies 4.2 (ii):
- i. Curbside collection of source separated *food and organic waste* is the preferred method of servicing single-family dwellings.

- ii. Alternatives to curbside collection or source separation of *food and organic waste* may be used if it is demonstrated that provincial *waste reduction* and *resource recovery* targets can be achieved efficiently and effectively.

Supporting Residential *Resource Recovery* through Other Methods

- 4.6 Where collection of *food and organic waste* is not provided subject to policies 4.1 to 4.5, *municipalities* shall provide for the *resource recovery* of *food and organic waste* through means such as home composting, community composting and local event days.
- 4.7 *Municipalities* and other planning authorities should pursue regional approaches to facilitate the efficient and effective collection of *food and organic waste* from *urban settlement areas*.
- 4.8 *Municipalities*, working with municipal associations, shall provide promotion and education materials to residents that support and increase participation in *resource recovery* efforts available to residents of their community.
- 4.9 *Municipalities* and other planning authorities should ensure that their official plans, zoning by-laws, plan of subdivision approvals and site plan approvals support the *resource recovery* of *food and organic waste* for their residents.

Increasing *Resource Recovery* from Multi-unit Residential Buildings

Curbing urban sprawl, protecting agricultural land and promoting long-term economic growth has resulted in changes to how we plan, build and live in our communities. Shifts towards more compact urban forms and multi-unit residential developments are increasing demand for innovative ways to recover *food and organic waste*.

Improving access to *food and organic waste resource recovery* services for this growing segment of Ontarians is a key factor to moving towards greater *waste reduction* and *resource recovery*.

- 4.10 *Multi-unit residential buildings* shall provide collection of *food and organic waste* to their residents.
- 4.11 For *multi-unit residential buildings*:

- i. Collection of source separated *food and organic waste* is the preferred method of servicing *multi-unit residential buildings*.
 - ii. Alternatives to the collection of source separated *food and organic waste* may be used if it is demonstrated that provincial *waste reduction* and *resource recovery* targets can be achieved efficiently and effectively.
- 4.12 *Multi-unit residential buildings* should implement best practices that support convenient access to *resource recovery* efforts.
- 4.13 *Multi-unit residential buildings* shall provide promotion and education materials to residents that support and increase participation in *resource recovery* efforts.

Increasing Resource Recovery from the Industrial and Commercial Sectors

Generators in the industrial and commercial sectors account for a significant portion of *food and organic waste* sent for disposal in Ontario. This group represents the largest opportunity to recover *food and organic waste* across the entire province. Ontario's commitment to decreasing the amount of resources going to disposal will require significant increases in *waste reduction* and *resource recovery* from the sector.

- 4.14 All *retail shopping establishments, retail shopping complexes, office buildings, restaurants, hotels and motels* and *large manufacturing establishments*, subject to O. Reg. 103/94 under the Environmental Protection Act, that generate 300 kilograms or more of *food and organic waste* per week shall source separate *food and organic waste*.
- 4.15 All retail shopping establishments, retail shopping complexes, office buildings, restaurants, hotels and motels, and large manufacturing establishments, not subject to O. Reg. 103/94 under the Environmental Protection Act, that generate 300 kilograms or more of *food and organic waste* per week shall source separate *food and organic waste*.
- 4.16 All other retail shopping establishments, retail shopping complexes, office buildings, restaurants, hotels and motels and large manufacturing establishments that generate less than 300 kilograms of *food and organic waste* per week should source separate *food and organic waste*.
- 4.17 All *retail shopping establishments, retail shopping complexes, office buildings, restaurants, hotels and motels*, and *large manufacturing establishments* shall provide users of these facilities promotion and education materials that support and increase participation in *resource recovery* efforts.

Increasing *Resource Recovery* from the Institutional Sector

Larger institutions subject to O. Reg. 103/94 under the Environmental Protection Act such as schools, universities and colleges as well as hospitals have played a leading role in providing *resource recovery* opportunities outside the home. In order to develop a culture of *resource recovery*, our institutions will need to maximize source separation efforts as we build a *circular economy* in Ontario. Large institutions in particular have an important role to play in changing how Ontarians both reduce and recover *food and organic waste*.

- 4.18 *Educational institutions and hospitals*, subject to O. Reg. 103/94 under the Environmental Protection Act, that generate 150 kilograms or more of *food and organic waste* per week shall source separate *food and organic waste*.

Management of collected *food and organic waste*

In order to recover resources from *food and organic waste* and return these resources to Ontario's soils, those involved in the management of *food and organic waste* should take measures to maximize *resource recovery* and eliminate disposal. This is particularly important where waste not considered *food and organic waste* (e.g. non-compostable packaging, stickers on fruits and vegetables, rubber bands and ties) mixes with *food and organic waste*, creating costs for *resource recovery systems* and diminishing the quality of end-products that would have been derived from them.

- 4.19 Persons or entities subject to policies in section 4 shall ensure that:
- i. Steps have been taken to avoid the contamination of collected *food and organic waste* by non-organic materials.
 - ii. All collected *food and organic waste* is sent for *resource recovery*.
- 4.20 To maximize recovery of *food and organic waste*, *owners and operators of resource recovery systems* shall:
- i. Manage source separated waste streams in a manner that limits contamination.
 - ii. Use appropriate technologies that can effectively recover collected materials.
 - iii. Not direct or send source separated *food and organic waste* for disposal.
- 4.21 To promote effective and efficient *resource recovery*, *owners and operators of resource recovery systems* may adopt financial measures that encourage generators to maximize *resource recovery* and discourage disposal.

5 Compostable Products and Packaging

Compostable products and packaging are intended to be managed at end of life in a reasonable timeframe through composting, *anaerobic digestion*, or other processes that result in decomposition by bacteria or other living organisms.

Compostable products and packaging are a relatively new and emerging waste stream. While packaging in particular has traditionally been part of the Blue Box program in Ontario, new types of products and packaging, especially in relation to *food waste*, are creating both challenges and opportunities for *waste reduction* and *resource recovery* of the products and packaging.

Compostable products and packaging should be recovered for a *beneficial use* and should not be sent to disposal. As *compostable products and packaging* become more common in Ontario there is broad recognition that more work needs to be done to better integrate these new types of products and packaging into Ontario's *circular economy*.

~~New~~The province recognizes that the current *food and organic waste processing* infrastructure built, maintained and operated by municipalities and other *owners and operators of resource recovery systems* was built primarily to handle and recover nutrients and energy from *food and organic waste*. However, *new* ways of thinking are required in order to help ensure that ~~the resource recovery of compostable products and packaging results are recovered rather than sent to landfill~~. As a result, *changes* in materials with *beneficial uses* that are consistent with Ontario's vision ~~current processing technology is needed over time as we move towards the effective management of achieving zero waste and zero greenhouse gas emissions from the waste sector.~~*compostable products and packaging* in Ontario.

With the shift to greater amounts of *compostable products and packaging* being used in particular for food and food products, producer responsibility should be taken into account with regard to the *waste reduction* and *resource recovery* of the *compostable products and packaging* that producers sell in Ontario.

5.1 Persons or entities that are brand holders of or market *compostable products and packaging* should ensure they are *certified* ~~according to international, national or industry standards~~ and meet environmental standards in Ontario.

~~5.25.2~~ *Municipalities and owners and operators of resource recovery systems that process food and organic waste, and persons or entities that are brand holders of or market compostable products and packaging, should support pilot projects*

and research on the processing of *compostable products and packaging* in order to maximize *resource recovery* and minimize contamination resulting from the recovery of *compostable products and packaging*.

5.3 *Municipalities and owners and operators of resource recovery systems that process food and organic waste,* are encouraged to ~~support new~~examine the feasibility of updating existing processing technology ~~and innovation to recover~~maximize the diversion of *compostable products and packaging.* ~~and minimize contamination resulting from the recovery of *compostable products and packaging*.~~

5.35.4 A municipality or owner or operator of a resource recovery system that processes food and organic waste, that is planning for new processing technology or expanding capacity, is encouraged to consider adopting technology that is capable of collecting and processing compostable products and packaging in their system.

5.5 Persons or entities that are brand holders of or market *compostable products and packaging* should provide promotion and education to inform consumers on how to participate in *resource recovery* programs for *compostable products and packaging*.

6 Support Resource Recovery Infrastructure

Ontario's vision for zero waste and zero greenhouse gas emissions from the waste sector is dependent on effective, efficient and economical systems that maximize *resource recovery* and support a low-carbon economy.

As the province, *municipalities* and the private sector take action to increase *resource recovery* of *food and organic waste*, Ontario will face significant demand for new or expanded *resource recovery systems*.

Ontario will need to support existing *resource recovery systems* and develop additional capacity to process *food and organic waste*. These facilities must be well-planned and suitably sited to ensure the long-term effectiveness of our *resource recovery systems*.

Co-ordination and co-operation between the public and private sectors is needed to ensure that decisions related to *food and organic waste* take into account local and regional management needs, emerging trends and provincial climate change implications. Ontario will need to create conditions to foster investment in recovery capacity in order to build a *circular economy* for *food and organic waste*.

Strategic Infrastructure Planning

Strategic infrastructure planning is important for supporting the development of efficient and effective infrastructure capacity. When siting new capacity or re-designating neighbouring land uses, promoting compatibility, preventing encroachment and mitigating *adverse effects* are critical to ensuring that existing and planned facilities can contribute to building a *circular economy* in Ontario.

- 6.1 *Municipalities* and other planning authorities should protect existing and planned *resource recovery systems* from incompatible uses and plan for new systems, where appropriate, to meet projected needs.
- 6.2 *Municipalities* and other planning authorities are encouraged to pursue regional approaches to address *food and organic waste resource recovery* capacity needs, including supporting *resource recovery systems* that build economies of scale for *food and organic waste* processing.
- 6.3 To ensure appropriate siting and compatibility between uses and adjacent uses, *municipalities* shall ensure that approvals for new or expanded *resource*

recovery systems address the *D-Series Land Use Compatibility Guidelines* and the *Guideline for the Production of Compost in Ontario*.

- 6.4 To prevent or mitigate *adverse effects* from odour, noise and other contaminants, the *Director* shall address the *D-Series Land Use Compatibility Guidelines* and the *Guideline for the Production of Compost in Ontario* when reviewing approvals for new or expanded *resource recovery systems*.

Fostering Timely Approvals

Municipal and provincial approvals (e.g. land use and environmental approvals) ensure that *resource recovery systems* are designed, sited and developed to address matters related to the environment, economy and society. A strategic and collaborative approach will help facilitate timely decisions for these essential facilities.

- 6.5 The province, *municipalities* and other planning authorities should co-ordinate and complement approaches to provincial and municipal approvals, wherever possible, to facilitate timely decisions for *resource recovery systems*.
- 6.6 Proponents of new or expanded *resource recovery systems* should provide complete submissions for provincial and municipal approvals, as per provincial and municipal guidance.
- 6.7 When reviewing environmental approvals applications for new or expanded *resource recovery systems*, the *Director* should consider, in addition to considering the ministry's Statement of Environmental Values, regulations, guidelines and best management practices:
- i. The need to support regional approaches for increasing processing capacity.
 - ii. The need to support innovative methods to increase processing capacity in areas of rural, remote and Northern communities to facilitate *resource recovery* in these areas.
 - iii. Climate change impacts, including greenhouse gas emissions from the site or facility.
- 6.8 Proponents of new or expanded *waste management systems* for disposal should consider *resource recovery* opportunities for *food and organic waste*.

Ensuring Long-term Facility Sustainability

Ensuring that Ontario's ability to recover resources from *food and organic waste* remains viable in the long-term is an important part of building strong, healthy and

prosperous communities that can maximize *waste reduction*, engage in *resource recovery*, and fight climate change. The effective, efficient and responsive development and operation of *resource recovery systems* will support Ontario in achieving zero waste and zero greenhouse gas emissions from the waste sector.

- 6.9 *Owners and operators of resource recovery systems* are encouraged to reduce greenhouse gas emissions generated from their operations, where feasible. *Food and organic waste* should be managed as close to the source as is realistically possible to limit greenhouse gas emissions resulting from transportation and haulage.
- 6.10 *Owners and operators of resource recovery systems* that create *digestate* are encouraged to maximize any energy captured to reduce greenhouse gas emissions.
- 6.11 *Owners and operators of resource recovery systems* should develop outreach plans that ensure regular engagement of local communities, as well as processes to address public complaints, resolve disputes and communicate mitigation measures.

Recovering Viable Organic Resources From Disposal Streams Using Other Methods

The recovery of organic resources from disposal streams can support *resource recovery* where these processes produce viable organic resources that can be marketed or land applied in Ontario.

- 6.12 When undertaking *mixed waste processing*, *owners and operators of resource recovery systems* should only accept source separated *food and organic waste* in instances when contamination or availability issues arise.
- 6.13 When undertaking *mixed waste processing*, *owners and operators of resource recovery systems* should demonstrate that recovered organic resources will regularly meet all applicable environmental quality standards.
- 6.14 When undertaking *mixed waste processing*, *owners and operators of resource recovery systems* should send recovered organic resources for further processing, such as composting or *anaerobic digestion*, where necessary.
- 6.15 Existing wastewater treatment infrastructure may be considered to process source separated *food waste*, where there exists (or can be created, for example through approaches such as optimization, infrastructure upgrades or

adoption of advanced technology) excess capacity to create high-value end-products.

- 6.16 *Municipalities* are encouraged to plan for the management and *beneficial use* of *biosolids*, including considering new and enhanced *biosolids* processing technologies and co-management practices that support volume minimization and nutrient recovery.

7 Promote *Beneficial Uses*

Turning *food and organic waste* into valuable end-products supports healthy soils, promotes crop growth and enhances carbon storage.

Reintegrating *food and organic waste* into the economy recovers the resources embedded in these materials. As additional *food and organic waste* recovery capacity is developed, markets and end-uses should be expanded and diversified through new and innovative approaches.

- 7.1 *Owners and operators of resource recovery systems that create compost should:*
 - i. Promote the use and benefits of *compost*.
 - ii. Educate users on the rules and best practices for using *compost*.
 - iii. Make *compost* convenient and accessible to residents, community groups, farmers and services that could benefit from using *compost*.
- 7.2 *Owners and operators of resource recovery systems that create compost, digestate or other high-quality soil amendments should promote the beneficial use of these materials to create agricultural soil amendments that improve the quality of existing soils and promote the growth of crops, groundcover or other vegetation.*
- 7.3 *Owners and operators of resource recovery systems that recover organic resources should increase the beneficial use of recovered organic resources to build soils where they previously did not exist, where it is safe and appropriate to do so.*
- 7.4 *Municipalities should consider how their existing policies or procedures could encourage the use of compost, digestate and other soil amendments, such as facility and site maintenance, development, site and facility approvals, and green procurement.*

8 Implementation and Interpretation

- 8.1 The Policy Statement comes into effect on the day it is issued by the Minister of Environment ~~and Climate Change, Conservation and Parks, and may be amended from time to time.~~
- 8.2 The timing within which persons or entities must make their activities consistent with the Policy Statement is set out in Part II.
- 8.3 This Policy Statement shall be read in its entirety and all relevant policies are to be applied to each situation.
- 8.4 The province may issue guidance material and technical criteria from time to time to assist decision-makers with implementing the policies of the Policy Statement. Information, best practices, technical criteria and approaches outlined in guidance material are meant to support but not add to or detract from the policies of the Policy Statement.
- 8.5 The province may work with *municipalities*, the IC&I sector and others to develop guidance to support measurement and achievement of the targets established in the Policy Statement. Guidance could include:
- i. Clarification on the types of *food and organic waste* collected for *resource recovery*.
 - ii. Guidelines for establishing a baseline measurement used for measuring progress.
 - iii. Clarification on how prevention, the rescue of surplus food and *resource recovery* efforts can be counted towards the targets.
- 8.6 *Municipalities* are encouraged to establish performance indicators to monitor the implementation of the policies.
- 8.7 The Minister shall report on the progress of the Policy Statement as part of the 5 year progress reports on the Strategy for a Waste-Free Ontario: Building a Circular Economy.
- 8.8 The Minister shall review the Policy Statement within 10 years of the date it is issued and consider whether it should be amended. In considering whether to amend the Policy Statement, the Minister shall consult with representatives of *municipalities*, persons engaging in *waste reduction* and *resource recovery* activities, representatives of environmental organizations and the public.

GLOSSARY

Adverse effect: means one or more of:

- i. impairment of the quality of the natural environment for any use that can be made of it,
- ii. injury or damage to property or to plant or animal life,
- iii. harm or material discomfort to any person,
- iv. an *adverse effect* on the health of any person,
- v. impairment of the safety of any person,
- vi. rendering any property or plant or animal life unfit for human use,
- vii. loss of enjoyment of normal use of property, and
- viii. interference with the normal conduct of business.

(As defined in the *D-Series Land Use Compatibility Guidelines*.)

Anaerobic digestion: means the decomposition of organic matter by bacteria in an oxygen-limiting environment (as defined in Regulation 347 under the Environmental Protection Act). The biogas generated through *anaerobic digestion* can be used to fuel electrical generators, or it can be further processed into renewable natural gas. The *digestate* may also be used as a soil amendment that is most commonly used in agricultural operations.

Beneficial use: means the use of organic resources recovered from *food and organic waste* to deliver nutrients, organic matter, or moisture to improve soil fertility, soil structure or to help build soils where they do not exist. Use of recovered organic resources for landfill cover is not considered a *beneficial use*. The generation of energy or alternative fuels from recovered *food and organic waste* is not considered a *beneficial use*. The recovery of nutrients, such as *digestate* from *anaerobic digestion*, is considered a *beneficial use* where the *digestate* is used to build new or improve existing soils.

Biosolids: means the residue from a sewage treatment works following treatment of sewage and removal of effluent.

Certified: means certification according to international, national or industry standards.

Circular economy: means an economy in which participants strive to minimize the use of raw materials, to maximize the useful life of materials and other resources through *resource recovery*, and to minimize waste generated at the end of life of products and packaging (as defined in the Resource Recovery and Circular Economy Act, 2016).

Compost: means waste treated by aerobic decomposition of organic matter by bacterial action for the production of stabilized humus. *Compost* may be used as a soil amendment that is most commonly used in agricultural, horticultural and landscaping operations, as well as by residents in home gardens.

Compostable products and packaging: means products and packaging made that are intended to be managed at end of life through composting, *anaerobic digestion*, or other processes that result in decomposition by bacteria or other living organisms.

D-Series Land Use Compatibility Guidelines: means the environmental land use planning guides which provide environmental considerations and requirements for industrial land use, sensitive lands, sewage and water services, and private wells (<https://www.ontario.ca/page/environmental-land-use-planning-guides>).

Digestate: means the solid or liquid material that results from the treatment of *anaerobic digestion* materials in a mixed *anaerobic digestion* facility.

Director: means a Director appointed under section 5 of the Environmental Protection Act for the purposes of s.20.3 of the Act.

Educational Institution: means an operator of an educational institution to which section 14 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Food and organic waste: has the same meaning of *food waste* and *organic waste* when used together.

Food rescue organization: means a non-profit organization that rescues, gleans, transports, prepares and distributes excess or surplus food from food wholesalers, food processors, food retailers, grocery stores and restaurants.

Food waste: means the edible parts of plants and animals that are produced or harvested but that are not ultimately consumed.

Guideline for the Production of Compost in Ontario: means the guideline developed by the Ministry of the Environment and Climate Change to assist proponents of composting facilities, ministry staff and others in the siting, design, and approval of composting facilities. It also provides guidance on the production of compost based on engineering principles, practical experience, and current legislation, to protect public health and the environment (<https://www.ontario.ca/page/guideline-production-compost-ontario>).

Hospital: means an operator of a public hospital to which section 13 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Hotel and motel: means an owner of a hotel or motel to which section 12 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Imperfect produce: refers to whole and fresh fruits and vegetables that do not meet conventional grade and other non-food safety standards set by packers or retailers whether due to the size, shape or appearance of the item (for example, the presence of blemishes or discolouration), but are otherwise safe to consume and are not affected by rot, mold, insect damage or other contamination.

Large manufacturing establishment: means an owner or operator of a large manufacturing establishment to which section 15 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Local municipality: means a *single-tier municipality* or a *lower-tier municipality* (as defined in the Municipal Act, 2001).

Lower-tier municipality: means a municipality that forms part of an *upper-tier municipality* for municipal purposes (as defined in the Municipal Act, 2001).

Mixed waste processing: means *resource recovery* processes that recover *food waste* or *organic waste* from waste streams where *food and organic waste* is co-mingled with other wastes.

Multi-unit residential building: means an owner of a building to which section 10 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Municipalities: are geographic areas whose inhabitants are incorporated (as defined in the Municipal Act, 2001).

Northern Ontario: means the territorial districts of Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay and Timiskaming and The Regional Municipality of Sudbury (as defined in O. Reg. 101/94 under the Environmental Protection Act).

Office building: means an owner of a building or group of buildings to which section 9 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Ontario's Compost Quality Standards: means standards developed by the Ministry of the Environment and Climate Change for aerobic composting of organic waste

materials, supported by regulatory amendments (<https://www.ontario.ca/page/ontario-compost-quality-standards>).

Operator: means the person in occupation or having the charge, management or control of a *resource recovery system*.

Organic waste: means inedible parts of plants and animals, as well as other organic material that may be processed along with *food waste*. Examples of *organic waste* can include but are not limited to leaf and yard waste, *compostable products and packaging*, soiled paper, diapers and pet waste.

Owner: means a person that is responsible for the establishment or operation of a *resource recovery system*, or the person that owns the land in or on which a waste disposal site is located.

Resource recovery: means the extraction of useful materials or other resources from things that might otherwise be waste, including through reuse, recycling, reintegration, regeneration or other activities. This includes the collection, handling, and processing of *food and organic waste* for *beneficial uses*. Although energy from waste and alternative fuels are permitted as waste management options, these methods are not considered *resource recovery*. The recovery of nutrients, such as *digestate* from *anaerobic digestion*, is considered *resource recovery*.

Resource recovery system: means any part of a *waste management system* that collects, handles, transports, stores or processes waste for *resource recovery* purposes, but does not include disposal.

Restaurant: means an owner of a restaurant to which section 11 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Retail shopping complex: means an owner of a complex to which section 6 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Retail shopping establishment: means an owner of an establishment to which section 5 of O. Reg. 103/94 under the Environmental Protection Act applies as it read immediately before the day this Policy Statement was issued.

Single-tier municipality: means a municipality, other than an *upper-tier municipality*, that does not form part of an *upper-tier municipality* for municipal purposes (as defined in the Municipal Act, 2001).

Southern Ontario: means the parts of Ontario other than *Northern Ontario* (as defined in O. Reg. 101/94 under the Environmental Protection Act).

Upper-tier municipality: means a *municipality* of which two or more *lower-tier municipalities* form part for municipal purposes (as defined in the Municipal Act, 2001).

Urban settlement areas: means urban areas within *municipalities* (such as cities, towns, and villages) that are built up areas where development is concentrated and which have a mix of land uses.

Waste management systems: means any facilities or equipment used in, and any operations carried out for the management of waste including the collection, handling, transportation, storage, processing or disposal of waste, and may include one or more waste disposal sites.

Waste reduction: means the minimization of waste generated at the end of life of products or packaging, including through activities related to design, manufacturing and material use (as defined in the Resource Recovery and Circular Economy Act, 2016).

Appendix B: Summary of Food and Organic Waste Policy Statement and Proposed Amendments

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
1.0	No change	Ontario Food Recovery Hierarchy	<p>Supports an Ontario Food Recovery Hierarchy in order to prioritize the highest and best use of our food resources in Ontario.</p> <p>Consists of the following steps in order of importance:</p> <ul style="list-style-type: none"> i. Reduce: prevent or reduce <i>food and organic waste</i> at the source. ii. Feed People: safely rescue and redirect surplus food before it becomes waste. iii. Recover Resources: recover <i>food and organic waste</i> to develop end-products for a <i>beneficial use</i>. 	<p>The hierarchy will be considered when implementing the Framework in Niagara.</p> <p>Niagara Region is a participating member of the Ontario Food Collaborative (OFC) which mission is to bring together stakeholders to take a holistic food system approach in supporting individuals and families to eat well and prevent avoidable food waste.</p> <p>Niagara Region collects food and organic waste through the Green Bin/Cart and leaf and yard waste which is processed at the Walker Environmental composting facility which is turned into compost.</p>

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
2.0	New	Flexibility in meeting direction provided.	Added wording to clarify that the Policy Statement is an outcome based tool that provides entities with flexibility in meeting direction provided as they work towards achieving their outcomes including targets.	Niagara Region will leverage the flexibility provided by the province.
2.1	No change	Target for municipalities with curbside collection of source separated food and organic waste	Niagara Region's target would be set at 70 per cent waste reduction and resource recovery of food and organic waste generated by low density residential dwellings (referred to as single family in the Framework) by 2023.	Currently, Niagara Region provides curbside food and organics collection service to low density residential properties and the participation rate prior to implementation of every-other-week garbage collection was estimated to be around 48%. The implementation of every-other-week garbage is a mechanism to achieve this target along with other food waste avoidance and other reduction initiatives. participation is estimated
2.1	No change	Target for multi-residential buildings and IC&I facilities	Multi-residential buildings have a target of 50 per cent waste reduction and resource recovery of food and organic waste generated at the building by 2025	Niagara Region currently provides curbside food and organic waste collection through the Green Bin/Green Cart program to

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
			<p>IC&I facilities subject to O.Reg 103/94 that generate more than 300 Kg of food and organic waste per week- target of 70 per cent waste reduction and resource recovery of food and organic waste generated in the facility by 2025</p> <p>IC&I facilities not subject to O.Reg103/94 that generate more than 300 Kg of food and organic waste per week- target of 50 per cent waste reduction and resource recovery of food and organic waste generated in the facility by 2025</p>	multi-residential buildings and to small-medium sized IC&I properties.
2.3 and 2.4	Change to material list	Mandatory material ('shall')	<p>There are proposed changes to the types of material that count towards targets.</p> <p>The words 'organic waste' have been replaced with 'inedible parts of plants and animals'. Pet food waste has been added. Soiled paper has been removed. New text is underlined.</p> <p>The list now includes:</p> <ul style="list-style-type: none"> • Food waste; • <u>Inedible parts of plants and animals</u> resulting from food preparation; • <u>Pet food waste</u>; • Leaf and yard waste; 	Niagara Region provides year round curbside collection of food waste including inedible parts of plants and animals resulting from food preparation, pet food waste, leaf and yard waste, flowers and houseplants and seasonal collection of outdoor waste (i.e. branches) occurs twice per year. Christmas trees are collected one week per

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
			<ul style="list-style-type: none"> Seasonal outdoor waste; Flowers and Houseplants. 	year on residents' collection day.
2.5	Change to material list	Optional material ('should')	<p>Section 2.5 previously listed organic waste materials that entities were 'encouraged' to make waste reduction and resource recovery efforts to achieve their target. This language has been updated to 'should'.</p> <p>This list previous consisted of 'personal hygiene wastes'. This has been removed and the list is now as follows (new text underlined):</p> <ul style="list-style-type: none"> <u>Soiled paper including paper towels, tissues, and napkins;</u> <u>Organic waste that results from the preparation of coffee and tea; including tea bags, coffee filters, and certified compostable coffee pods;</u> <u>Soiled paper food packaging including soiled pizza boxes, flour bags, sugar bags, microwave popcorn bags, paper takeout containers, and paper ice cream boxes;</u> <u>Wooden chopsticks, stir sticks, and toothpicks;</u> <u>Certified compostable bags that are used to contain food and organic waste.</u> 	Niagara Region collects paper towels, tissues and napkins, tea bags, coffee filters, soiled pizza boxes, paper flour and sugar bags, paper microwaveable popcorn bags, paper drink trays, paper take-out containers, paper plates, egg cartons, wooden chopsticks, stir sticks and toothpicks in the Green Bin/Cart. Residents are permitted to use certified compostable bags to contain their food and organic waste in the Green Bin/Cart. Compostable coffee pods are currently not compatible with our composting technology, and do not breakdown in a typical municipal composting facility.

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
2.6	Change to material list	Optional material ('encouraged')	<p>The list of materials that entities are 'encouraged' to make waste reduction and resource recovery efforts has been revised.</p> <p>Shredded paper, paper fibre products and pet foods and waste have been removed. The list is now as follows (new text underlined):</p> <ul style="list-style-type: none"> • <u>Pet waste including animal bedding, cat litter and dog feces</u> • <u>Sanitary and hygiene product waste such as diapers, incontinence products and feminine hygiene products</u> • <u>Certified compostable products and packaging not captured under policy 2.5.</u> 	<p>Pet waste is currently accepted in Niagara Region's Green Bin/Cart program. Personal hygiene waste, sanitary products and certain compostable packaging are currently not compatible with our composting technology, and do not breakdown in a typical municipal composting facility.</p>
2.7	No change	Means of achieving targets	<p>The targets referred to in policy 2.1 shall be achieved through waste reduction activities and resource recovery activities, relating to one or more of the following:</p> <ol style="list-style-type: none"> The prevention or reduction of food and organic waste at the source. The safe rescue and redirection of surplus food before it becomes waste. The recovery of food and organic waste to develop end-products for a beneficial use. 	<p>Niagara Region recovers food and organic waste via the Green Bin/Cart program and leaf and yard waste collection. Organics processed at Regional landfill sites and through a contract with Walker Environmental are processed into compost.</p> <p>Niagara Region is a participating member of the OFC which includes the</p>

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
				objective to prevent avoidable food waste.
2.9	New Section	Timeline for targets	Persons and entities subject to policy 2.1 shall continue to meet their target after the dates set out policy 2.1.	Currently, Niagara Region provides curbside food and organics collection service to low density residential properties and prior to the implementation of the every other week garbage collection, the participation rate in the Green Bin program was around 48%. The 70 percent target could be achieved through the implementation of every-other-week garage collection, food waste avoidance and other reduction initiatives.
2.10	New Section	Public notice of results	Persons and entities subject to policy 2.1 should make the results of their <i>waste reduction</i> and <i>resource recovery</i> activities listed under policy 2.7 publicly available on a website, which could include making the results publicly available through an industry, municipal, or institutional organization or association website.	Niagara Region will make results of their waste reduction and resource activities public through reports and/or information posted on Niagara Region's website.

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
5	New wording	Promote changes in current processing technology over time to move towards effective management of compostable products and packaging.	The province recognizes that the current food and organic waste processing infrastructure built, maintained and operated by municipalities and other owners and operators of resource recovery systems was built primarily to handle and recover nutrients and energy from food and organic waste. However, new ways of thinking are required in order to help ensure compostable products and packaging are recovered rather than sent to landfill. As a result, changes in current processing technology is needed over time as we move towards the effective management of compostable products and packaging in Ontario.	Niagara Region regularly monitors and reports information to Committee/Council on alternative waste management technologies. The upcoming Waste Management Services Strategic Plan will build upon the research already completed and do a further review of alternative technologies including those for organic waste.
5.2	New Section	Encourage municipalities and owners or operators to support use of pilot projects and research on processing	Municipalities and owners and operators of resource recovery systems that process food and organic waste, and persons or entities that are brand holders of or market compostable products and packaging, should support pilot projects and research on the processing of compostable products and packaging in order to maximize resource recovery and minimize contamination resulting from the recovery of compostable products and packaging.	Niagara Region currently has a contract with Walker Environmental to compost organic waste and they have participated in pilot studies in the past for compostable products and packaging; however, it is at the discretion of the Walker Environmental.
5.3	Change to wording	Encourage municipalities and owners or operators	Municipalities and owners and operators of resource recovery systems that process food and organic waste, are encouraged to support	Niagara Region has a contract to process organic waste with Walker

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
		to examine feasibility of updating existing technology	new <u>examine the feasibility of updating existing processing technology and innovation to recover</u> maximize the diversion of compostable products and packaging <u>and minimize contamination resulting from the recovery of compostable products and packaging.</u>	Environmental until April 1, 2029 via windrow and using GORE™ technology and certain compostable packaging are currently not compatible with their composting technology. There are currently no plans or provisions in the contract to change or update the existing processing technology.
5.4	New Section	Encourage municipalities and owners or operators to consider adopting technology to collect and process food and organic waste when planning for new technology	A municipality or owner or operator of a resource recovery system that processes food and organic waste, that is planning for new processing technology or expanding capacity, is encouraged to consider adopting technology that is capable of collecting and processing compostable products and packaging in their system.	As stated above, Niagara Region regularly monitors new alternative waste management technologies including those for organic waste and a further review will be completed as part of the Waste Management Services Strategic Plan. This review will assist in planning for future processing of materials such as organics when the contract with Walker Environmental expires.
	No Change	Other key policies with no proposed	Policies that direct municipalities to:	Niagara Region will develop promotion and education

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
		amendments. WMPSC-C 28-2018 contains a more detail summary of all policies.	<ul style="list-style-type: none"> • Develop and implement their own promotion and education programs aimed at preventing food waste; • Maintain existing municipal curbside collection services of source separated food and organic waste for the low density residential sector; • Ensure all collected food and organic waste is sent for resource recovery; • Ensure that approvals for new or expanded resource recovery systems address the D- series Land Use Compatibility Guidelines and Ontario's Compost Quality Standards and Guideline <p>Policies that encourages municipalities to implement the following:</p> <ul style="list-style-type: none"> • Pursue regional approaches to: <ul style="list-style-type: none"> -facilitate effective collection of food and organic waste from urban settlements -address food and organic waste resource recovery capacity needs with a regional approach, including supporting resource recovery systems that build economies of scale for food and organic waste processing; 	<p>programs aimed at preventing food waste by leveraging work completed through the OFC and other initiatives.</p> <p>Niagara Region provides the required curbside collection of source separated food and organic waste to low density residential properties and has expanded the service to eligible multi-residential, mixed-use properties and small-medium IC&I properties.</p> <p>Planning and Development Services are aware of the Policy Statement.</p> <p>Organics processed at Regional landfill sites and through a contract with Walker Environmental are processed into compost.</p> <p>Niagara Region provides a regional approach to the food and organic waste collection from all twelve</p>

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
			<ul style="list-style-type: none"> • Coordinate with other levels of government to facilitate timely approvals for new resource recovery systems; • Ensure that their official plans, zoning by-laws, plan of subdivision approvals and site plan support the resource recovery of food and organic waste for their residents; • Protect existing and planned resource recovery systems from incompatible uses and plan for new systems, where appropriate, to meet projected needs; • Plan for the management and beneficial use of biosolids, including considering new and enhanced processing technologies and co-management practices that support volume minimization and nutrient recovery; • Encourage the use of compost, digestate and other soil amendments; • Provide promotion and education materials to residents that support and increase participation in resource recovery efforts available to residents of their community; 	<p>local area municipalities, as it assumed jurisdiction for waste management in 1996.</p> <p>Staff will support Planning and Development Services in the development of Niagara Region's Official Plan where connections exist, an example of which is having a Waste Management staff member participate in the internal climate change working group.</p> <p>Niagara Region evaluates projected tonnage requirements annually to determine ability of existing system/contract to accommodate future needs.</p> <p>Niagara Region does not utilize wastewater infrastructure to process source separated food waste.</p> <p>When reviewing existing policies and procedures,</p>

Section	Status	Policy Statement Element	Food and Organic Waste Policy Statement	Examples How Niagara Region Aligns or Plans to Align
			<ul style="list-style-type: none"> Establish performance indicators to monitor the implementation of the policies in their official plans. 	<p>Niagara Region will consider the use of compost in upcoming work.</p> <p>Niagara Region utilizes performance indicators to measure and monitor the performance of policies. Indicators may include, but are not limited to tonnages, participation rates, surveys, etc.</p>

Minute Item No. 5.1

PHD 10 -2020

Niagara Emergency Medical Services (EMS) System Transformation Update 3

That Report PHD 10-2020, dated November 10, 2020, respecting Niagara Emergency Medical Services (EMS) System Transformation Update 3, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the dedicated resources required for the sustainment of the Emergency Medical Services System Transformation **BE REFERRED** for consideration as part of the 2021 budget process.

Minute Item No. 5.2

PHD 9-2020

By-law Enforcement Officer Appointments for Outdoor Second-hand Smoking and Vaping By-law

That Report PHD 9-2020, dated November 10, 2020, respecting By-law Enforcement Officer Appointments for Outdoor Second-hand Smoking and Vaping By-law, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the following Regional staff **BE APPOINTED** as By-law Enforcement Officers for the purpose of enforcing Niagara Region By-law No. 112-2013, as amended, to Protect Children and Vulnerable Persons from Exposure to Outdoor Second-hand Smoke:
 - William Dwyer
 - Jesse Edsall
 - Jean-Marc Lemay
 - Ken MacLean
 - Rob Misener
 - Diana Teng
2. That the necessary by-law **BE PREPARED** and **PRESENTED** for Council's consideration.

Minute Item No. 6.1

COM-C 31-2020

COVID-19 Response and Business Continuity in Community Services

That Correspondence Item COM-C 31-2020, being a memorandum from A. Jugley, Commissioner, Community Services, dated November 10, 2020, respecting COVID-19 Response and Business Continuity in Community Services, **BE RECEIVED** for information.

Minute Item No 6.2

COM-C 32-2020

Niagara Regional Housing Emergency Loan and Grant Program

That Correspondence Item COM-C 32-2020, being a letter from Niagara Regional Housing to Ann-Marie Norio, Regional Clerk, dated October 30, 2020, respecting Niagara Regional Housing Emergency Loan and Grant Program (Report NRH 14-2020), **BE RECEIVED** for information.

Minute Item No. 6.3

CWCD 290-2020

Ontario's Long-Term Care COVID-19 Commission – Interim Report

That Correspondence Item CWCD 290-2020, being a memorandum from Adrienne Jugley, Commissioner, Community Services, dated October 30, 2020, respecting Ontario's Long-Term Care COVID-19 Commission – Interim Report, **BE RECEIVED** for information.

**THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC HEALTH & SOCIAL SERVICES COMMITTEE
OPEN SESSION**

**PHSSC 10-2020
Tuesday, November 10, 2020
Council Chamber/Video Conference
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee Members Present in the Council Chamber:	Chiocchio (Committee Co-Chair), Greenwood (Committee Co-Chair)
Committee Members Present via Video Conference:	Bradley (Regional Chair), Butters, Darte, Foster, Gibson, Insinna, Ip, Jordan, Nicholson, Rigby, Sendzik, Villella, Whalen, Witteveen
Absent/Regrets:	Bellows
Staff Present in the Council Chamber:	L. Glynn, Technology Support Analyst, Dr. M. M. Hirji, Acting Medical Officer of Health, A. Jugley, Commissioner, Community Services, A.-M. Norio, Regional Clerk
Staff Present via Video Conference:	B. Brens, Manager, Program Financial Support, H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, C. Cousins, Director, Homelessness and Community Engagement, R. Ferron, Deputy Chief/Associate Director, Emergency Medical Services, H. Koning, Director, Senior Services, S. Kearns, Director, Environmental Health, K. Lotimer, Legislative Coordinator, D. Lorenzo, Director, Clinical Services, K. Lutz, Deputy Chief/Associate Director, Emergency Medical Services, J. Shickluna, Manager, Housing Programs, Niagara Regional Housing, K. Smith, Chief/Director, Emergency Medical Services, D. Teng, Manager, Chronic Disease and Injury Prevention, R. Tripp, Acting Chief Administrative Officer, L. Watson, Director, Social Assistance and Employment Opportunities, D. Woiceshyn, Chief Executive Officer, Niagara Regional Housing

1. CALL TO ORDER

Committee Co-Chair Chiocchio called the meeting to order at 1:00 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

3.1 Homelessness Services Housing Focused Shelter Pilot

Nicole Cortese, Coordinated Access Program Analyst, Maggie Penca, Manager, Homelessness Services, along with Annie Froese, Executive Director, Southridge, and John Osczykko, Executive Director, Gateway/Mainstream, provided information respecting Homelessness Services Housing Focused Shelter Pilot. Topics of the presentation included:

- Built for Zero Canada
- By-Name List
- Why is Coordinated Access Important to Ending Homelessness?
- HIFIS - Homeless Individuals and Families Information System
- Housing Focused Shelter Pilot
- By-Name List Score Card
- The state of homelessness today in Niagara Region
- What does this mean for Niagara?
- Where do we go from here?

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 PHD 10 -2020

Niagara Emergency Medical Services (EMS) System Transformation Update 3

Kevin Smith, Chief/Director, Niagara Emergency Medical Services, provided information respecting Niagara Emergency Medical Services System Transformation Update 3. Topics of the presentation included:

- System Transformation
- One Year Post Full Implementation
- New Clinical Response Plan
- Economic Analysis
- Projected Resource Requirements
- Cost Avoidance
- System Sustainability
- Cost Avoidance vs. Investment
- Provincial Consultation

Moved by Councillor Insinna
Seconded by Councillor Whalen

That Report PHD 10-2020, dated November 10, 2020, respecting Niagara Emergency Medical Services (EMS) System Transformation Update 3, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the dedicated resources required for the sustainment of the Emergency Medical Services System Transformation **BE REFERRED** for consideration as part of the 2021 budget process.

Carried

5.2 PHD 9-2020

By-law Enforcement Officer Appointments for Outdoor Second-hand Smoking and Vaping By-law

Moved by Councillor Butters
Seconded by Councillor Witteveen

That Report PHD 9-2020, dated November 10, 2020, respecting By-law Enforcement Officer Appointments for Outdoor Second-hand Smoking and Vaping By-law, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the following Regional staff **BE APPOINTED** as By-law Enforcement Officers for the purpose of enforcing Niagara Region By-law No. 112-2013, as amended, to Protect Children and Vulnerable Persons from Exposure to Outdoor Second-hand Smoke:
 - William Dwyer
 - Jesse Edsall
 - Jean-Marc Lemay
 - Ken MacLean
 - Rob Misener
 - Diana Teng
2. That the necessary by-law **BE PREPARED** and **PRESENTED** for Council's consideration.

Carried

6. **CONSENT ITEMS FOR INFORMATION**

6.1 **COM-C 31-2020**

COVID-19 Response and Business Continuity in Community Services

Moved by Councillor Butters

Seconded by Councillor Jordan

That Correspondence Item COM-C 31-2020, being a memorandum from A. Jugley, Commissioner, Community Services, dated November 10, 2020, respecting COVID-19 Response and Business Continuity in Community Services, **BE RECEIVED** for information.

Carried

6.2 **COM-C 32-2020**

Niagara Regional Housing Emergency Loan and Grant Program

Moved by Councillor Foster

Seconded by Councillor Insinna

That Correspondence Item COM-C 32-2020, being a letter from Niagara Regional Housing to Ann-Marie Norio, Regional Clerk, dated October 30, 2020, respecting Niagara Regional Housing Emergency Loan and Grant Program (Report NRH 14-2020), **BE RECEIVED** for information.

Carried

6.3 **CWCD 290-2020**

Ontario's Long-Term Care COVID-19 Commission – Interim Report

Moved by Councillor Villella

Seconded by Councillor Witteveen

That Correspondence Item CWCD 290-2020, being a memorandum from Adrienne Jugley, Commissioner, Community Services, dated October 30, 2020, respecting Ontario's Long-Term Care COVID-19 Commission – Interim Report, **BE RECEIVED** for information.

Carried

7. OTHER BUSINESS

7.1 Remembrance Day

In light of the restrictions in place respecting the number of people allowed to participate in Remembrance Day services throughout the region due to the pandemic, Councillor Greenwood encouraged individuals to participate in a moment of silence at 11:00 a.m. on November 11.

7.2 Flu Vaccines

Councillor Insinna expressed concern regarding the limited number of flu vaccines being distributed to pharmacies and the shortage of the flu vaccine that is specifically for seniors. Dr. Hirji, Acting Medical Officer of Health, advised that the province is responsible for supplying flu vaccines to pharmacies.

8. NEXT MEETING

The next meeting will be held on Tuesday, December 8, 2020, at 1:00 p.m. in the Council Chamber, Regional Headquarters.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 3:52 p.m.

Councillor Chiocchio
Committee Co-Chair

Councillor Greenwood
Committee Co-Chair

Kelly Lotimer
Legislative Coordinator

Ann-Marie Norio
Regional Clerk

Homelessness Services Housing Focused Shelter Pilot

Nicole Cortese, Coordinated Access Program Analyst

Maggie Penca, Manager of Homelessness Services

Built for Zero Canada

- On July 23, 2019 Niagara Region was announced as a designated Built for Zero Canada community.
- Built for Zero Canada is an ambitious national change effort working toward an end to chronic homelessness.
- Chronic Homelessness = People currently experiencing homelessness and who experience at least one of the following:
 - Total of 6 months of homelessness over the past year; or
 - Recurrent experiences of homelessness over the past 3 years, with a cumulative duration of at least 18 months

Built for Zero Canada continued

Two objectives of Built for Zero include:

1. Develop a quality By-Name List as a record of all known individuals experiencing homelessness in the community, updated in real-time.
2. Establish a Coordinated Access system that standardizes a process for intake, assessment, referral, and prioritization of services based on need across all homelessness service providers in a community.

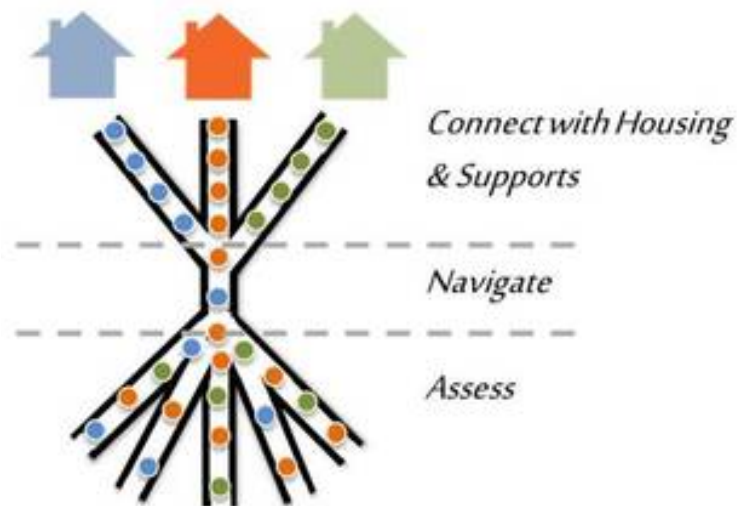
By-Name List

- A By-Name List is a best practice for an effective Coordinated Access system and critical to ending chronic homelessness
- A By-Name List is a **real-time** record of **all** people experiencing homelessness in your community.

Why is Coordinated Access Important to Ending Homelessness?



With out CA



With CA

HIFIS – Homeless Individuals and Families Information System

- Niagara's By-Name List is based on data collected through HIFIS- a web-based homeless management information system/database
- Most client information is shared across Niagara's homeless-serving providers (20+ community agencies)
- Staff record: client interactions, referrals made, housing history, participation in housing programs, and more
- Facilitates better coordination of services between staff at different locations and reduces duplication or the need for clients to tell their story multiple times

Housing Focused Shelter Pilot

- In June 2020 Niagara opened a Housing Focused Pilot Shelter
- Leveraged the By-Name List to select clients
 - Harm reduction and low barrier approach
 - Housing focused activities
 - Coordinated Access
- Using the By-Name List to become a By-Name Priority List:
 - Chronically Homeless
 - Indigenous
 - Sleeping rough
 - 55+ or Youth
 - Experiencing complex health issues
 - Common triage and assessment tools

Housing Focused Shelter Pilot continued

- The pilot has been running for five months, with tremendous success to date.
- Pilot program clients were selected from the By-Name List
- Those selected experienced an average of **318** days of homelessness in the past year, **639** days of homelessness in the past **3** years and averaged a score of **8** on the VI-SPDAT
- This **14** bed housing focused shelter pilot has had **27** intakes to date, with **13** exits to permanent housing, of which nine of these clients remain successfully housed

Client Journey

- Client is an individual over age 55
- He had been homeless for 499 days with a VI-SPADT score of 9 (meaning he is chronically homeless and has high acuity needs)
- Has not seen a doctor in over 20 years and shared he has mental health diagnosis of schizophrenia
- Has been self medicating to cope with mental health issues by using methamphetamine and crack cocaine
- Has no ID
- Has no pharmacy, knew he needed to be on medication but didn't know what kind or why
- Additionally identified some other underlying health issues
- No social or family connections

Client Journey continued

- Client spent 3.5 months at the housing focused shelter
- At his discharge he was connected to the following supports:
 - Health care through REACH Niagara
 - Medication and underlying health issues identified and supported
 - A pharmacy
 - Received dentures (100% covered) and was able to eat solid food again!
 - Got new ID
 - Received addiction support through harm reduction approach
 - Given support with basic life skills
 - Connected to Home for Good (supportive housing) 1:1 support for 2 years
 - Secured permanent housing

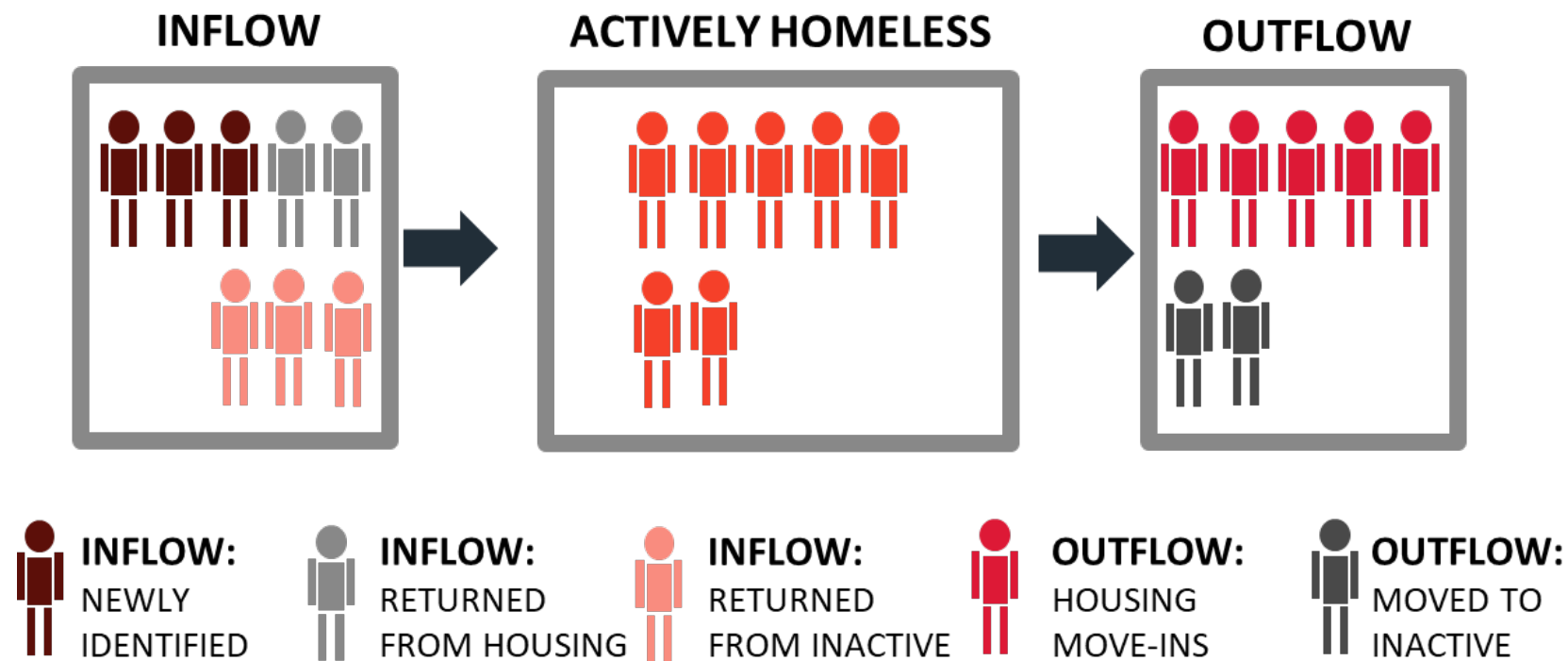
When this client moved in to his new home he stated: “ I finally feel like people treat me like I am human. Thank you”

By-Name List Score Card

Today, on November 10, 2020, Niagara Region is excited to announce that we have completed our By-Name List score card with Built for Zero Canada and have a quality By-Name List!

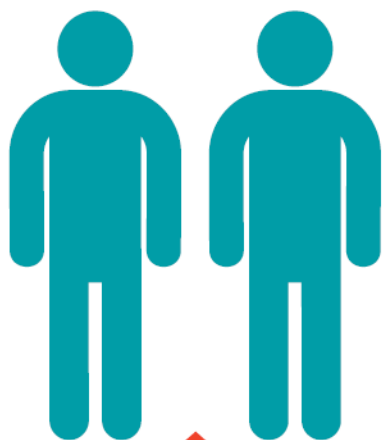
Niagara Region's quality By-Name List will be recognized nationally through Built for Zero Canada

The state of homelessness today in Niagara Region



What does this mean for Niagara?

INFLOW TO HOMELESSNESS



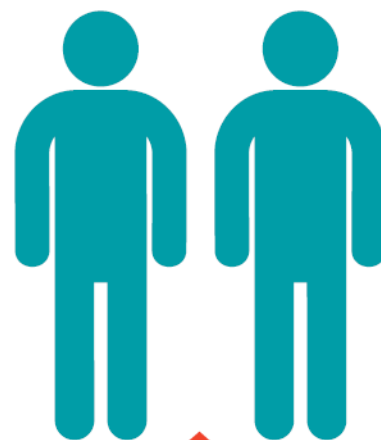
Understand who is becoming homeless to focus prevention efforts

ACTIVELY HOMELESS



Apply person-specific data to help refer and prioritize people to the right housing and supports

OUTFLOW TO HOUSING



Understands how people become housed to inform or accelerate further housing efforts

Where do we go from here?

- In 2021 Niagara Region will continue to focus efforts in transforming the homelessness system towards one that is directed through a Coordinated Access approach
- Applying the learnings we have gained through COVID-19 and the Housing Focused Pilot
- Developing a work plan that will focus on the BFZ best practices of Triage and Assessment, System Transformation, Policy and Process, Privacy and Quality Data, Data Driven System Change and decisions

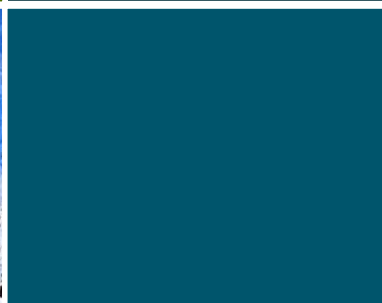
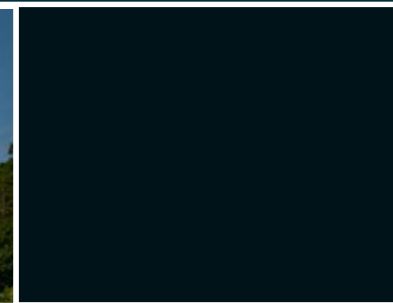
Questions



System Transformation Update 3

PHSSC

November 10, 2020



Background

PHD 20-2019 – November 5, 2019

- Provided an update to the System Transformation undertaken by Niagara EMS as first directed by Council in PHD 17-2017
- On September 24, 2019, the final key system changes were initiated and the system has been under observation to assess the impact of this major transformation

The Future of NEMS



Current patient journey

SYSTEM CENTERED CARE



Is there a better way to provide care?

“Central to each (country’s) vision is the concept of providing pre-hospital care as a system, rather than just a single service type, that can provide a flexible response to a wide range of patient complaints with other related healthcare providers.” (Sheffield, pg. 44)



Redefining the patient journey

Present healthcare system challenges

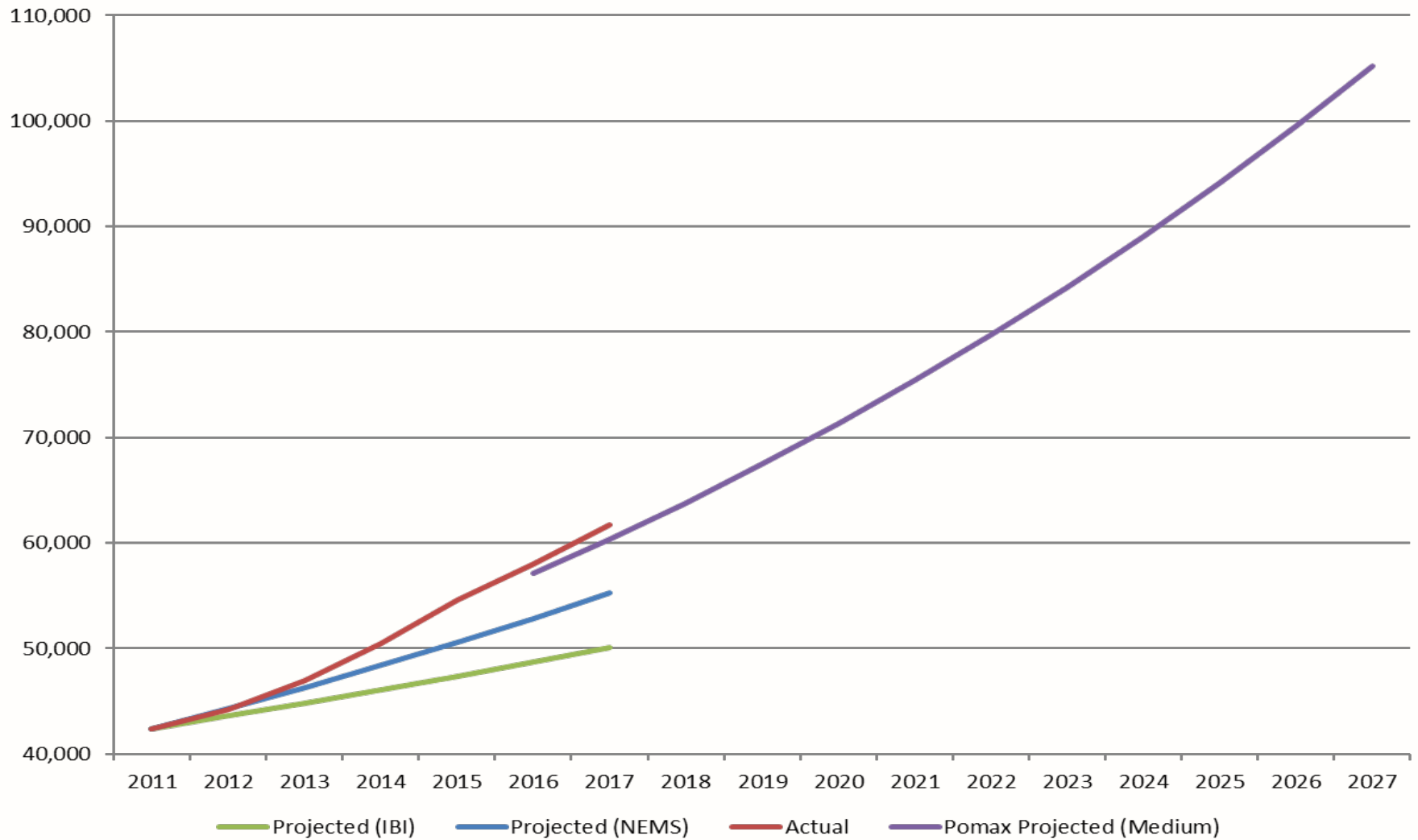


System Transformation

3 Phases

1. Mobile Integrated Healthcare model - implemented Q2 2018
2. Evidence-based Clinical Response Plan – implemented September 24, 2019
3. Emergency Communications Nurse (ECN) secondary triage – implemented September 24, 2019

EMS Call Volume Projected vs Actual



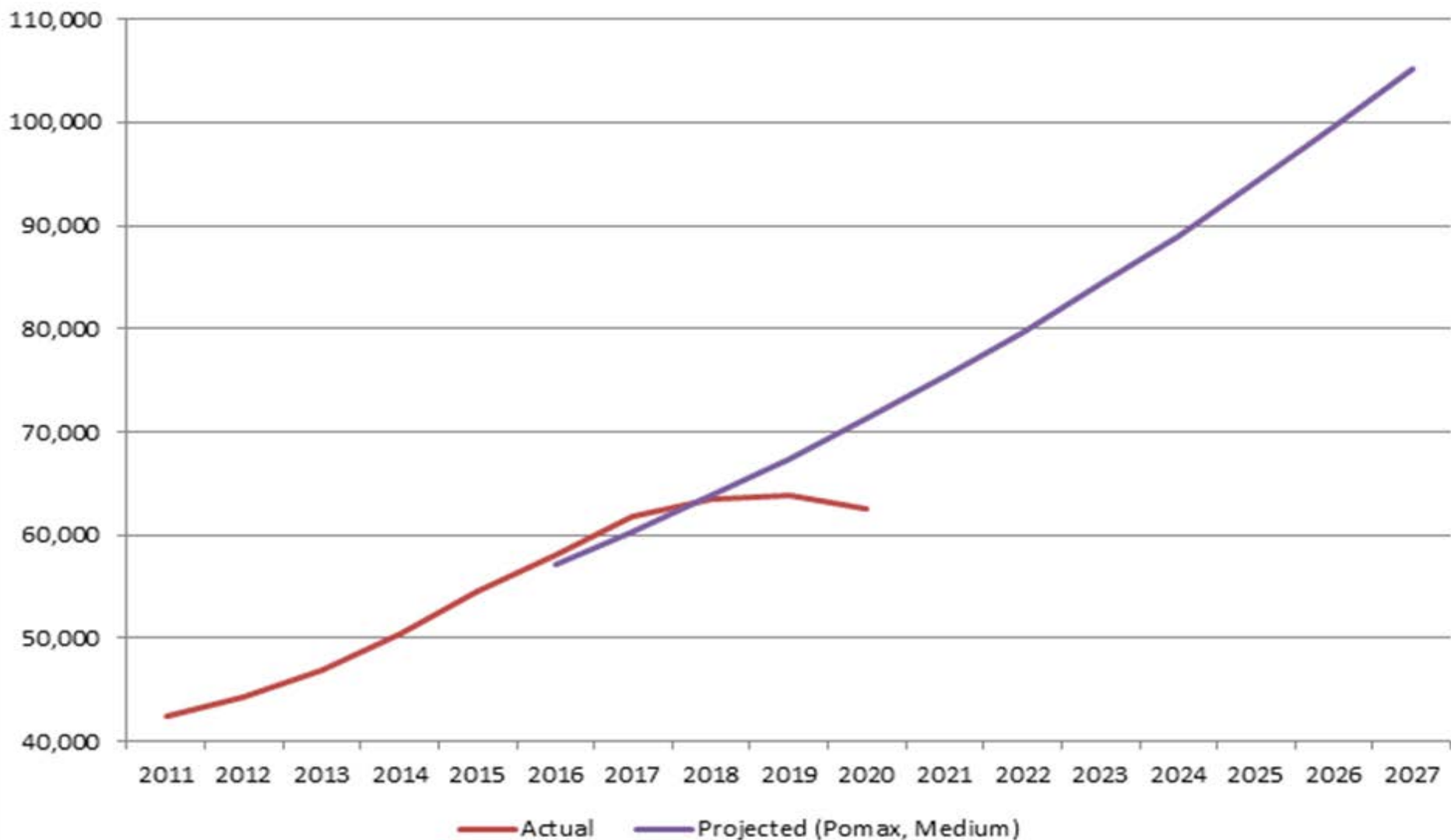
Top Five EMS Transports to EDs in Niagara (2013-2015)

Niagara	1	2	3	4	5
0<1 years	Resp. Distress	Seizure/Post Ictal	General Illness/ Weakness	Other Medical/ Trauma	Newborn/Neonatal
1-4 years	Seizure/Post Ictal	General Illness/ Weakness	Resp. Distress	Soft Tissue Pain/ Trauma/Edema	Other Medical/ Trauma
5-9 years	Musculoskeletal Trauma	Seizure/Post Ictal	Soft Tissue Pain/ Trauma/Edema	Behaviour/ Psychiatric	Resp. Distress
10-14 years	Musculoskeletal Trauma	Behaviour/ Psychiatric	Soft Tissue Pain/ Trauma/Edema	Syncope	Seizure/Post Ictal
15-19 years	Musculoskeletal Trauma	Behaviour/ Psychiatric	Alcohol Intoxication	Soft Tissue Pain/ Trauma/Edema	Drug Overdose
20-24 years	Musculoskeletal Trauma	Behaviour/ Psychiatric	Abdominal Pain NYD	Soft Tissue Pain/ Trauma/Edema	Seizure/Post Ictal
25-44 years	Musculoskeletal Trauma	Abdominal Pain NYD	Behaviour/ Psychiatric	Soft Tissue Pain/ Trauma/Edema	GI Problems/Pain/ Vomiting/Nausea
45-64 years	General Illness/ Weakness	Musculoskeletal Trauma	Abdominal Pain NYD	Soft Tissue Pain/ Trauma/Edema	Ischemic Chest Pain
65-74 years	General Illness/ Weakness	Resp. Distress	Musculoskeletal Trauma	Abdominal Pain NYD	GI Problems/Pain/ Vomiting/Nausea
75-84 years	General Illness/ Weakness	Musculoskeletal Trauma	Resp. Distress	GI Problems/Pain/ Vomiting/Nausea	Abdominal Pain NYD
85+ years	General Illness/ Weakness	Musculoskeletal Trauma	Resp. Distress	Soft Tissue Pain/ Trauma/Edema	GI Problems/Pain/ Vomiting/Nausea

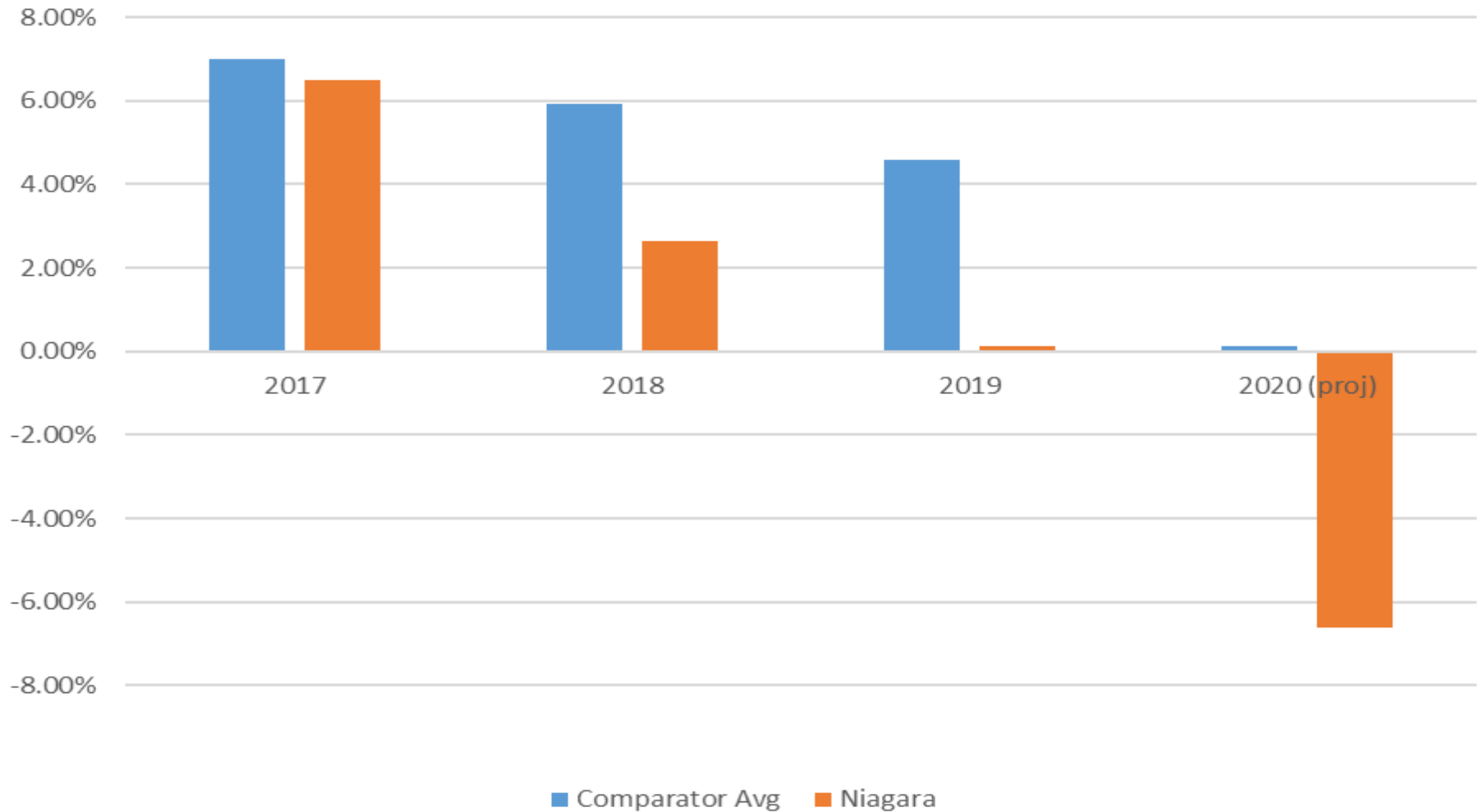
**Mental
Health**

**Falls &
Generally
Unwell**

EMS Call Volume Projected vs Actual



Call Volume Growth Niagara v. Provincial Comparators Average



“Unscheduled” Mobile Integrated Health Teams

Multidisciplinary teams – designed for purpose – alternative response to low acuity 911 calls and targeted populations:

- Falls Intervention Team (Paramedic/OT) – “FIT”
- Mental Health and Addictions Response Team (Paramedic/MH Nurse) – “MHART”
- Community Assessment and Response Team (Paramedic) – “CARE”
- Emergency Communications Nurse System (ECNS)
- Other
 - Palliative Care Teams
 - Consumption & Treatment Site
 - Shelters

One Year Post Full Implementation

- ✓ 3.8% decrease in number of calls for falls in 2019 compared to the previous 2 years of increases of 9.4% and 14.2% respectively
- ✓ 6.3% decrease of transports to hospital for falls patients compared to the same time frame - meaning falls patients are receiving real time support resources to mitigate against future falls where hospitalization is required
- ✓ a decrease of 6.9% in transports of mental health patients to the emergency department despite an increase of 8.1% in the number of mental health related calls - meaning these patients are accessing real time alternative, more appropriate health care through the MIH teams
- ✓ more than 3000 referrals to community health and social services

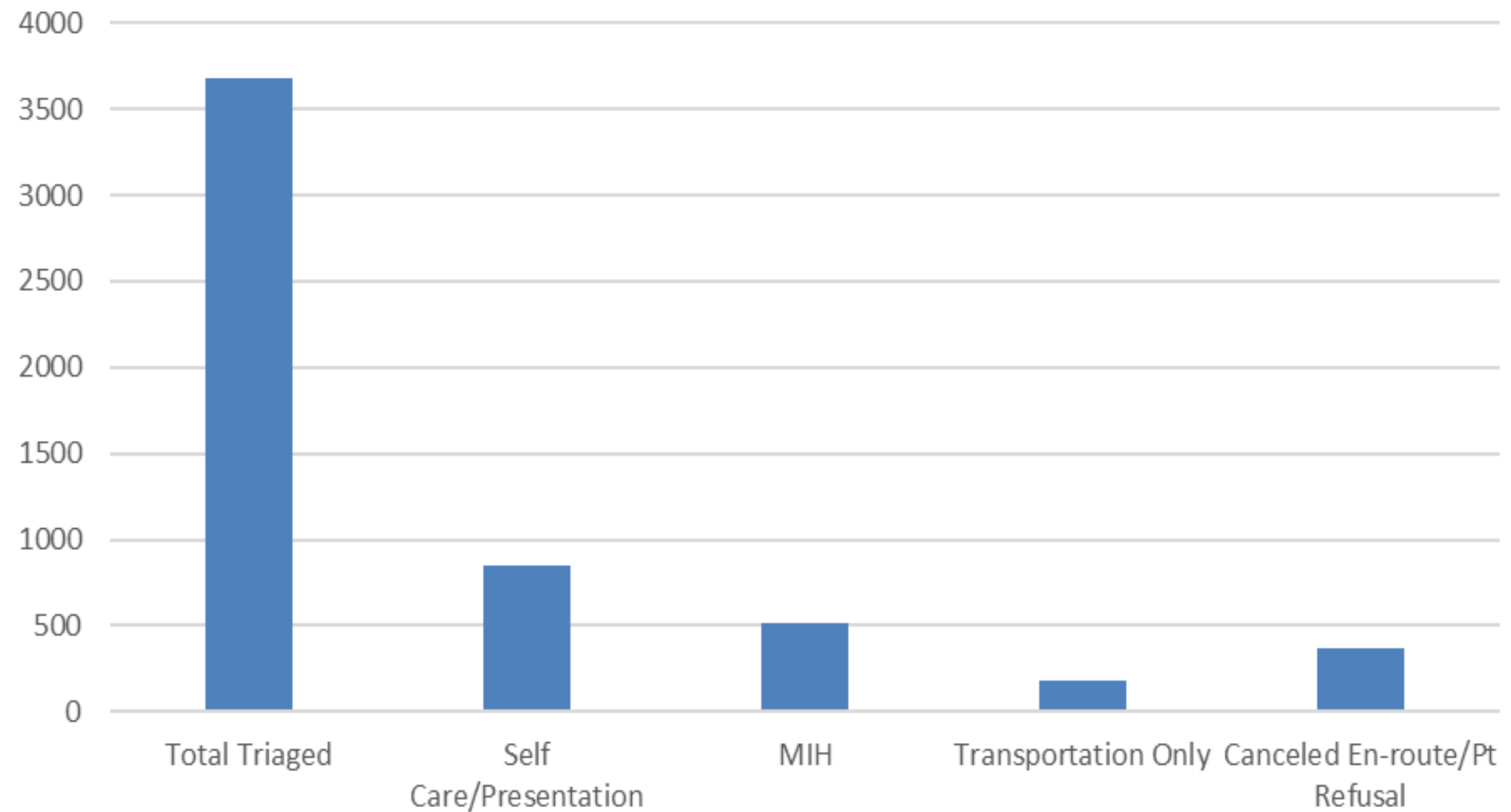
One Year Post Full Implementation

ECNS Specific

- 62K unique 911 calls
- ECNs triaged 3,675 of these
- represents 5.92% of total call volume

= increased availability for paramedics to respond to high acuity calls

Disposition of Pts Triageed by ECN



New Clinical Response Plan (CRP)

- Responses tailored to each Determinant rooted in Best Practice and Clinical Evidence
- Decreased risk through improved use of limited emergency resources – “Code Red” avoidance
- Decreased risk through decreased use of lights & siren from ~40% to ~10%
- Decreased consumption of municipal fire resources from ~20% to ~10%

Economic Analysis

- Conducted by Dr. Feng Xie, Health Economics Professor at McMaster University's Department of Health Research Methods, Evidence and Impact (HEI)
- MIH results in 50% fewer transports to ED for similar patient type
- traditional ambulance mean costs per minute of delivered service were estimated at \$1.865
- MIH mean costs per minute of delivered service were estimated at \$0.679
- this is 64% lower cost than traditional ambulance delivery model for same patient cohort

Economic Analysis

- Similar economic analysis underway for ECNS
- Early analysis of ECNS indicates reinvestment of \$613K of emergency resource time over 1 year
- The decrease in call volumes and the alternate, more cost efficient MIH means of response results in cost avoidance of adding traditional ambulance resources

Projected Resource Requirements

Table 33: Ambulance and Paramedic Requirement Models - 10-year Time Frame

Paramedic Enhancements Levels	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Totals
Low Growth Model 3.6% - Ambulances	2		1			1		1		1		1	7
Paramedic FTE	21.6		10.8			10.8		10.8		10.8		10.8	75.6
Supervisors		1.4		1.4		1.4			1.4		1.4		7
Emergency Response Units		1		1		1			1		1		5
Medium Growth Model 5.7% - Ambulances	2		1		1	1		2	1	1	1	1	11
Paramedic FTE	21.6		10.8		10.8	10.8		21.6	10.8	10.8	10.8	10.8	118.8
Supervisors		1.4		1.4		2.8		1.4	1.4		1.4		9.8
Emergency Response Units		1		1		2		1	1		2		8
High Growth Model 8.5% - Ambulances	2	1	1	1	1	1	2	2	1	2	2	2	18
Paramedic FTE	21.6	10.8	10.8	10.8	10.8	10.8	21.6	21.6	10.8	21.6	21.6	21.6	194.4
Supervisors		1.4		1.4		1.4		2.8		2.8		2.8	12.6
Emergency Response Units		1		1		1		2		2		2	9
Patient Based Model Ambulances	2					1					1		4
Paramedic FTE	21.6					10.8					10.8		43.2
Supervisors		1.4					1.4				1.4		4.2
Emergency Response Units		1					1				1		3

As per Pomax - PHD 27-2016

Cost Avoidance

- four 24-hour ambulances = \$4.8M (\$2.4M net) in offset operating costs to the Regional budget for each of the past two years
- Avoided need for increasing ambulance fleet = additional capital savings of approximately \$1.2M (90% eligible for DC funding)

System Sustainability

- Success primarily found through refocusing of priorities
- System changes supported through reserve and temp, one-time funding
- Sustaining the advances made require investment
- Continued demand for expanding role in community safety ie modifications to 911 mental health and addictions responses
- Recognition that 2020-21 continues to be a very difficult time to consider investments of program changes
- Outlay significantly less than traditional method

System Sustainability

In addition to reallocation of existing FTE

Recommended:

- Conversion of 4.8 Temp FTE's to permanent
- 6.75 new FTE
- Anticipated funding of >50% provided by the MOH
- Impact on the Regional levy is \$238K best case - \$834K worst case
- Further details will be provided as part of the 2021 operating budget.

Cost Avoidance vs Investment

Avoidance	Investment
4 - 24 hour ambulances 32 FTE	4.8 Temp FTE – Perm 6.75 FTE – New *Previous investment 3 FTE <ul style="list-style-type: none">• 1 Non union (2019)• 2 OT's (2020)
\$2.4M Net	\$238K – \$834K Net *\$140K Net
Total Levy Offset = \$2.16M – \$1.56M/year (*less \$140K)	

Provincial Consultation

- Staff continues to meet with Ministry officials
- MIH was a priority topic for Niagara Region during 2020 AMO
- Minister of Health Elliott briefed and aware of Niagara's leadership in provincial modernization of ambulance services



Thank
you

STARCARE 
Begins with me



Subject: Niagara Emergency Medical Services System Transformation Update 3

Report to: Public Health & Social Services Committee

Report date: Tuesday, November 10, 2020

Recommendations

1. That the following report pertaining to the recent changes made to the delivery of services provided by Niagara EMS **BE RECEIVED** for information.
2. That the dedicated resources required for the sustainment of the System Transformation **BE REFERRED** for consideration as part of the 2021 budget process.

Key Facts

- From 2007 to 2016, Niagara was the municipality with the largest growth in EMS calls in Ontario at 55.6%, almost double the Provincial growth of 30%.
- Increased call volume growth resulted in Niagara EMS being challenged in its ability to provide an affordable, sustainable, high quality and reliable EMS system for Niagara residents.
- Without system-wide changes to the delivery of EMS services, or a large infusion of resources, increased 911 calls and demand on ambulance services were forecast to continue to grow unsustainably.
- Council directed a new approach rather than the traditional model of continuously adding ambulance resources.
- In September 2019, staff implemented the final phase of its System Transformation Project that has used science and evidence to develop a mobile integrated health (MIH) model of service delivery that incorporates advanced clinical response plans to best meet the needs of Niagara through emergency response as well as alternate care pathways for persons not needing immediate EMS response.
- Since implementation, results include reduced call volumes, improved response times for critically ill patients, reduced patient transports to hospital, increased access to appropriate services for mental health, elderly falls and other specific cohorts such as palliative patients.
- The implementation of a MIH model of system design permitted an expedited response to COVID-19 focused services such as community testing and support.
- The transformation to a MIH model provides the best opportunity for the sustainment of an affordable, high quality and reliable EMS system for Niagara.

- The system transformation has contributed to the avoidance of an estimated \$4.8M per year (\$2.4M net) in operating costs for each of the past two years.
- Sustaining the system transformation program for long term success will require the addition of 6.75 net FTE (11.55 permanent less 4.8 temporary) with a net impact to the levy between \$238,500 to \$834,000 depending on the level of funding that is committed from the Ministry.
- With the addition of the recommended FTE positions, this represents a net cost avoidance of \$1.56M (net annual cost avoidance of \$2,400,000 less worse case levy impact of \$834,000) on future operating budgets.

Financial Considerations

Core components of the System Transformation Project (i.e. emergency communication nurses) was funded in 2019 through the Ambulance Dispatch Reserve (PHD 06-2018) and in 2020 one time funding (i.e. reserves and expected provincial funding) was provided to continue the observation of the system changes (CSD 78-2019).

A key outcome of the System Transformation is cost avoidance. To date, data indicates that the outcome of the system changes that are now one-year post full implementation has offset as many as four 24-hour ambulances that otherwise may have been required to maintain the same level of service over the past three years. At an operating cost of approximately \$1.2M gross (\$600K net of provincial 50/50 funding) for each additional 24 hour ambulance per year, this equates to \$4.8M in offset operating costs per year representing a \$2.4M (net) avoidance to the Regional budget for each of the past two years. Not adding additional ambulances also eliminated the need to increase the fleet and related equipment, which equates to additional savings on the capital budget of approximately \$1.2M, of which 90% would be eligible for Development Charge funding.

In addition to the avoidance of costs otherwise needed for direct salaries for increased ambulance staffing, the changes have also had a positive impact as they relate to staff working conditions and economical impacts such as decreased overtime and missed meal breaks that requires monetary compensation when paramedics are unable to take their entitled break periods.

Dedicated resources are required to continue the System Transformation into 2021 and onward. There are currently 4.8 temporary FTE positions that would need to be converted to permanent positions to continue the program. The annual gross cost for these positions is approximately \$486,000. Funding of \$43,000 would be recovered through the Land Ambulance funding formula applied by the Ministry of Health (MOH)

for one of these positions. It is also anticipated that 100% funding or \$400,000 would be granted for 3.8 of these FTE's as part of the MOH's Ambulance Communications funding. This latter funding source is yet to be confirmed. If the funding is not realized additional opportunities may exist to fund these positions from alternate sources and will continue to be explored, however, ultimately this may require funding from the Regional levy with a best case scenario of \$43,000 to worst of \$443,000.

In addition to the conversion of the above 4.8 FTE's to sustain the current System Transformation model, an additional 6.75 new permanent FTE's would be required to continue sustaining this program. The annual gross cost of these resources is estimated at \$782,000. It is anticipated that funding would be provided by the Ministry of Health for at least half this cost, likely more as some of these resources are expected to qualify for 100% funding as part of the MOH's Ambulance Communications funding. The impact on the Regional levy is a best case scenario of \$195,500 to worst of \$391,000. Further anticipated funding details will be provided as part of the 2021 operating budget.

Implementing these modifications on a permanent basis so that these system improvements can be sustained on an ongoing basis is a consideration for the 2021 operating budget. They will be evaluated by staff in concert with all other budget pressures and mitigation options inclusive of the use of assessment growth to fund the call volume/response impacts related to growth in Niagara.

Analysis

In September 2019, the final components of the System Transformation Project were implemented to further the change in service delivery of pre-hospital health services for Niagara. A summary of the changes follows.

Clinical Response Plan (CRP)

- approved by Council, the CRP underpins the service's Response Time Performance Plan (PHD-07 2019)
- assigns resources based on both clinical needs and in the time required
- reduced the use of lights and siren responses to 10% (previously 40%)
- reduced demand on municipal fire services response to medical calls
- decreased risk, improved work conditions and maximized resource effectiveness

Mobile Integrated Health (MIH)

- new model of system design and delivery utilizing a multi-disciplinary approach with other health professionals (mental health nurses, occupational therapists) and community partners working alongside paramedics for targeted real-time response to specific 911 health needs (mental health, elderly falls)
- this approach not only reduces the requirement for a fully staffed ambulance and transports to hospital, it is designed to improve healthcare options and decrease reliance on EMS for subsequent unscheduled healthcare needs.

Emergency Call Nurse (ECN)

- nurses embedded in the NEMS dispatch centre conducting secondary triage on low acuity 911 calls and developing alternate options for health/social care where appropriate
- 25% avoidance of ambulance response
- improved connections to community health and social service providers

These changes were implemented to stabilize system demand that, if left unchecked, would continue to deteriorate the performance of ambulance services creating poor outcomes with increased risk. As seen in Figure 1, the projected system demand would have been unsustainable if the system was left status quo. The changes made with the implementation of system transformation indicate 'bending the curve' and creating the best possible opportunity for the sustained delivery of quality, safe and affordable 911 mobile integrated health services.

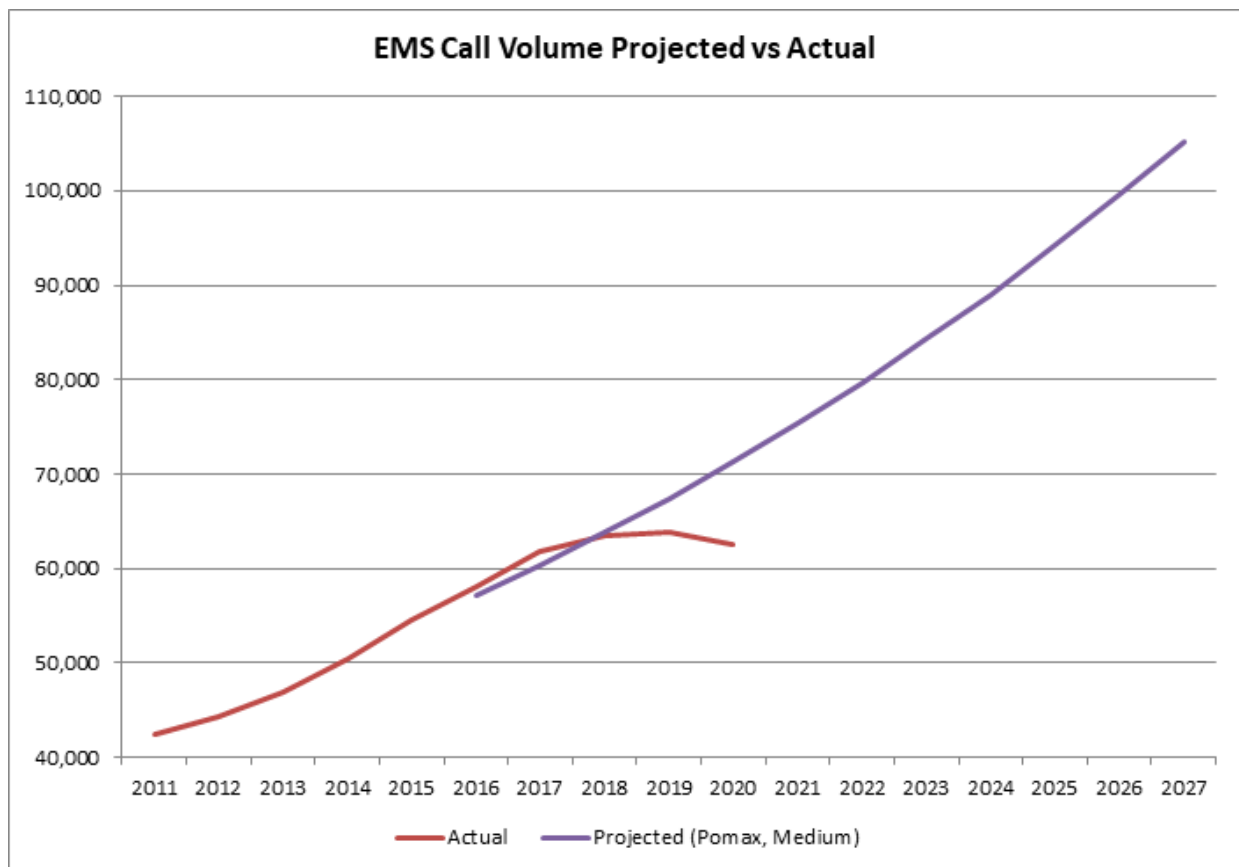


Figure 1. The negative growth in 2020 represents the first two months of the year (pre-COVID-19) as an annualized projection of -2%. Call volumes decreased by as much as 8% during the first 4 months of COVID-19 resulting in a YTD growth of -6.6%.

The above outcome is a result of a continued decrease in 911 call volume, a 1.2% decrease in 2019 in the number of patients transported to the hospital leading to a decrease in consumption time of ambulance resources and associated costs.

Relative to specific cohorts of patients including mental health and elderly falls, the impact of the system changes includes:

- 3.8% decrease in number of calls for falls in 2019 compared to the previous 2 years of increases of 9.4% and 14.2% respectively
- 6.3% decrease of transports to hospital for falls patients compared to the same time frame - meaning falls patients are receiving real time support resources to mitigate against future falls where hospitalization is required
- a decrease of 6.9% in transports of mental health patients to the emergency department despite an increase of 8.1% in the number of mental health related

calls - meaning these patients are accessing real time alternative, more appropriate health care through the MIH teams

- more than 3000 referrals to community health and social services as a result of the MIH teams

With respect to 911 call volume, from 2007 to 2016 Niagara was the municipality with the largest growth in EMS calls in Ontario, at 55.6%, almost double the Provincial growth of 30% (MOHLTC 2018). With the changes that have been implemented, Figure 2 provides data from comparator Ontario paramedic services to suggest that the change in Niagara is not a broad provincial phenomenon but rather supports that this is a result of the system changes in Niagara.

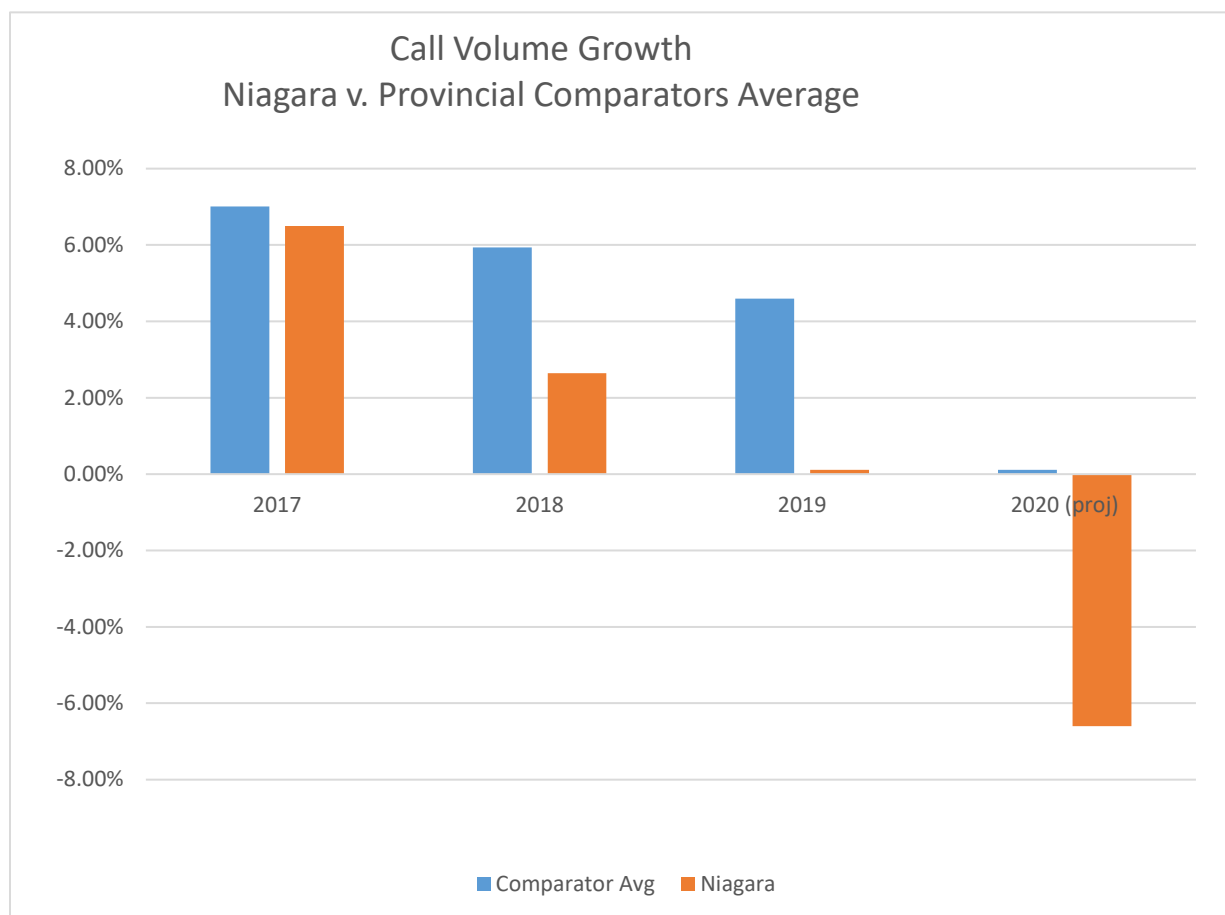


Figure 2 The negative growth represented in 2020 for the provincial comparators includes the decrease in call volumes inclusive of the effects of COVID-19. In absence of COVID-19 impact on call volume, Niagara would have a projected increase of -2%.

The comparator services referenced in Figure 2 added additional ambulances to meet the continued call demand at an average of 1.48 ambulances each year, equivalent of

\$1.8M per year. Had Niagara opted to do nothing and allow the system to continue status quo, a similar situation to what the comparator municipalities experienced is likely to have occurred in Niagara, which would have required increasing the number of ambulances as detailed in Table 1.

Table 33: Ambulance and Paramedic Requirement Models - 10-year Time Frame

Paramedic Enhancements Levels	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Totals
Low Growth Model 3.6% - Ambulances	2		1			1		1		1		1	7
Paramedic FTE	21.6		10.8			10.8		10.8		10.8		10.8	75.6
Supervisors		1.4		1.4		1.4			1.4		1.4		7
Emergency Response Units		1		1		1			1		1		5
Medium Growth Model 5.7% - Ambulances	2		1		1	1		2	1	1	1	1	11
Paramedic FTE	21.6		10.8		10.8	10.8		21.6	10.8	10.8	10.8	10.8	118.8
Supervisors		1.4		1.4		2.8		1.4	1.4			1.4	9.8
Emergency Response Units		1		1		2		1	1		2		8
High Growth Model 8.5% - Ambulances	2	1	1	1	1	1	2	2	1	2	2	2	18
Paramedic FTE	21.6	10.8	10.8	10.8	10.8	10.8	21.6	21.6	10.8	21.6	21.6	21.6	194.4
Supervisors		1.4		1.4		1.4		2.8		2.8		2.8	12.6
Emergency Response Units		1		1		1		2		2		2	9
Patient Based Model Ambulances	2					1					1		4
Paramedic FTE	21.6					10.8					10.8		43.2
Supervisors		1.4					1.4				1.4		4.2
Emergency Response Units		1					1				1		3

Table 1: POMAX recommended increase in front line staffing based on projected growth models.

As first reported in PHD 27-2016, using the forecast shown in Table 1, Niagara's growth, if assumed to be the medium model, would have required the addition of four 24 hour ambulances for an estimated cost of \$4.8M per year (\$2.4M net of provincial funding) with a further ambulance to be added in the 2021 operating budget for an additional \$1.2M (\$600K net on 2021 levy).

It should be noted that the model labeled in Table 1 as "Patient Based Model Ambulances" best describes the MIH model of system design, highlighting the reduction in the number of additional ambulances required compared to the status quo growth models.

The reduced volumes and avoidance of \$6M in additional resources is in contrast to the realities of other municipalities who have seen continual increase in call volumes and presumably patient transports to hospital.

Despite the decrease in call volumes and patients transported to local emergency departments, Niagara hospitals continue to be challenged with timely transfer of care of patients from paramedics to hospital staff resulting in lengthy offload delay times. The St. Catharines Site of Niagara Health has been of particular concern having one of the highest rates of offload times provincially. The continued loss of EMS resources to hospital delays has hampered the system in advancing to meet response time

standards. It is worthy to note that during the height of the first wave of the COVID-19 pandemic, 911 call volumes decreased by as much as 9% and with hospitals scaling back on services during this period, offload delays were virtually eliminated. During this period, improvements in response times was observed, further suggesting a correlation of offload delays and EMS response times. Work continues with Niagara Health to improve transfer of care performance to ensure availability of emergency resources to respond to the community.

The delivery of a mobile integrated health model of service provides opportunities for cost efficiencies as high as 64%. An independent economic analysis of the NEMS MIH model was led by Dr. Feng Xie, Health Economics Professor at McMaster University's Department of Health Research Methods, Evidence and Impact (HEI). The findings identified that

- MIH results in 50% fewer transports to ED for similar patient type
- traditional ambulance mean costs per minute of delivered service were estimated at \$1.865
- MIH mean costs per minute of delivered service were estimated at \$0.679
- this is 64% lower cost than traditional ambulance delivery model for same patient cohort

Professor Xie has stated "This service model could be a promising and viable solution to meeting acute healthcare needs in the community, while significantly improving the efficient use of healthcare resources".

The cost of delivery in the MIH model is significantly lower, creating opportunities to invest further in sustaining this approach through the reallocation of existing resources and the strengthening of key areas of system delivery. To sustain these transformational changes and establish MIH as the stable (not temporary) model of service delivery for Niagara EMS, dedicated resources will be required for the ongoing delivery, management and optimization of the system.

The accomplishments recognized to this point have been realized through the realignment of existing human resources including frontline staff, logistics support, IT, training, management and administration to refocus efforts towards research, design, construct and implementation of this new system. The efforts of all staff are to be commended. However, sustainment of this refocusing is posing challenges as other key areas of the business have been realized as being under resourced or not permanently resourced. If Niagara is to continue in this new model of Mobile Integrated Health,

investments must still be made to ensure system sustainability for the foreseeable future.

Recognizing and appreciating the significant budget pressures for 2021, Niagara EMS will be submitting business cases for consideration as part of the 2021 operating budget process to ensure operational and fiscal sustainability in the delivery of this new model.

Alternatives Reviewed

Previous Councils have endorsed staff recommendations and instructed staff not to simply follow traditional EMS service models but to actively look for innovative ways to deliver mobile health services that are not only more efficient but also better meet the needs of Niagara residents who call 911. Without these transformational changes, system demand would likely have continued to grow at the previously forecasted rates and consideration would have to be made for the addition of traditional resources (more staffed ambulances) to meet this pressure, or providing longer response times for Niagara residents experiencing emergencies. The cost avoidance of \$2.4M per year on the Regional tax levy would not have been realized and continuous investments of this magnitude would be likely for future budget years. In contrast, the investment of the recommended FTE's provide a net cost avoidance of \$1.56M.

Staff continue to participate in the development of the Niagara-Ontario Health Team of which Niagara EMS is to be a central agency in the enhanced coordination of the delivery of unscheduled and specialized health services such as mental health. The development and implementation of NEMS MIH model of service delivery aligns itself with the intentions of the provincial OHT restructuring and future opportunities for the pooling and provision of resources are likely to occur.

Relationship to Council Strategic Priorities

The System Transformation Project was a priority item for consultation with the Minister of Health during the 2020 Association of Municipalities of Ontario Conference. It further supports Council Strategic Priorities of fostering Healthy and Vibrant Communities through the delivery of quality, affordable and accessible MIH services. In addition, this model contributes to a Sustainable and Engaging Government with a high quality, efficient, fiscally sustainable and coordinated core delivery of MIH services that is possible only through enhanced communication, partnerships and collaborations with the community. An integrated health system promotes improved opportunities for Healthy and Vibrant Communities and contributes to reduced institutionalized care and

more aging at home supports. The new model of service delivery fosters engagement and collaborative planning to provide an integrated health service for Niagara communities.

Other Pertinent Reports

PHD 17- 2014 - EMS System Performance Sustainability
PHD 17- 2015 - EMS System Performance Sustainability
PHD 05- 2016 - Niagara EMS Master Plan
PHD 08- 2016 - Master Plan Award of RFP
PHD 19- 2016 - Niagara EMS Mobile Integrated Health Community Paramedic Update
PHD 21- 2016 - 2016 Update to EMS System Performance Sustainability
PHD 05-2017 - Niagara Emergency Medical Services Pomax Master Plan Review
PHD 17-2017 - Niagara Emergency Medical Services System Design Changes
PHD 19-2017 - NEMS Resource Investment
PHD 07-2019 - Response Time Performance Plan
Presentation to PHSSC August 6, 2019 – System Transformation Update
PHD 20-2019 - System Transformation Update 2
PHD 08-2020 - Occupational Therapists Request

Prepared by:

Kevin Smith

Chief, Niagara Emergency Medical Services & Director, Emergency Services
Public Health & Emergency Services

Recommended by:

M. Mustafa Hirji, MD, MPH, FRCPC

Medical Officer of Health & Commissioner (Acting)

Public Health & Emergency Services

Submitted by:

Ron Tripp, P.Eng.

Chief Administrative Officer (Acting)

This report was prepared in consultation with Jeff Garritsen, Labour Relations Manager and Michael Leckey, Program Financial Specialist

Subject: By-law Enforcement Officer Appointments for Outdoor Second-hand Smoking and Vaping By-law

Report to: Public Health and Social Services Committee

Report date: Tuesday, November 10, 2020

Recommendations

1. That the following Regional staff **BE APPOINTED** as By-law Enforcement Officers for the purpose of enforcing Niagara Region By-law No. 112-2013, as amended, to Protect Children and Vulnerable Persons from Exposure to Outdoor Second-hand Smoke:
 - William Dwyer
 - Jesse Edsall
 - Jean-Marc Lemay
 - Ken MacLean
 - Rob Misener
 - Diana Teng
2. That the necessary by-law **BE PREPARED** and **PRESENTED** for Council's consideration.

Key Facts

- By-law No. 112-2013 was amended August 2019 to include electronic cigarettes and cannabis as prohibited substances, in addition to prohibited places where tobacco could be used. The list of prohibited places was also expanded to include nine metres from entrances/exits to public buildings, beaches and recreational trails.
- Niagara Region By-law No. 112-2013, section 4(1) provides authority to Council to appoint officers to enforce the by-law.
- Officers utilize a progressive enforcement approach when implementing the by-law which includes education, warnings, and charges, as necessary for the offence.

Financial Considerations

The Ministry of Health provides funding for the Tobacco Protection and Enforcement program at 70% with the approved gross budget of \$662,828 for 2020. This funding covers the cost for five full-time Tobacco Control Officers (TCOs), one full-time Program Assistant,

12 part time youth test shoppers and one full-time Manager. Staff supported through this funding are responsible for the promotion, education, enforcement of the *Smoke Free Ontario Act, 2017* (**SFOA**), and Niagara Region's Smoke Free By-law No. 112-2013.

There are no financial implications from appointing TCOs to enforce the By-law No. 112-2013.

Analysis

The *SFOA* and Niagara Region By-law No. 112-2013 were amended, and aligned to include cannabis and vaping as prohibited substances where tobacco is prohibited. The *Municipal Act, 2001*, S.O. 2001, c.25, s. 115 provides municipalities the authority to develop by-laws to prohibit/regulate smoking of tobacco, e-cigarettes, and cannabis in public places and workplaces.

Appointment of the TCOs as By-law Enforcement Officers provides them with authority to enforce By-law No. 112-2013. As officers, they are able to utilize provisions contained in the *Provincial Offences Act*, R.S.O. 1990, c. P. 33 and the *Municipal Act, 2001*, S.O. 2001, c.25.

Enforcement of By-law No. 112-2013 consists of providing education, warnings, and then progresses into charges, as appropriate. Complaints are received through the Tobacco Hotline (phone or online). The World Health Organization (WHO) found that voluntary implementation of tobacco control policy in Spain, and the United Kingdom have resulted in limited protection for the community.¹ WHO has identified that effective tobacco control policy requires dedicated resources to support enforcement.²

¹ [World Health Organization. Making Cities Smoke-Free](https://www.who.int/tobacco/publications/second_hand/making_cities_smoke_free/en/). Geneva, Switzerland. Tobacco Free Initiative and WHO Centre for Health Development (Kobe Centre). 2011. [cited 2020 Aug 17]. Available from: https://www.who.int/tobacco/publications/second_hand/making_cities_smoke_free/en/

² [World Health Organization. Making Cities Smoke-Free](https://www.who.int/tobacco/publications/second_hand/making_cities_smoke_free/en/). Geneva, Switzerland. Tobacco Free Initiative and WHO Centre for Health Development (Kobe Centre). 2011. [cited 2020 Aug 17]. Available from: https://www.who.int/tobacco/publications/second_hand/making_cities_smoke_free/en/

Alternatives Reviewed

Local area municipalities (LAM) through Municipal By-law Officers are also authorized to enforce By-law No. 112-2013. LAM By-law Officers are responsible for multiple by-laws, and have limited capacity to enforce By-law No. 112-2013. Niagara Region's TCOs currently enforce the *SFOA*, and enforcement of By-law No. 112-2013 aligns these responsibilities and provides a dedicated response to tobacco, vaping and cannabis complaints.

Relationship to Council Strategic Priorities

The Tobacco Control Program supports Council's strategic priority related to health and vibrant communities. As smoking is the leading cause of preventable death with 16,000 from tobacco use each year in Ontario.³

Other Pertinent Reports

- [PHD 02-2019 – Outdoor Second-Hand Smoking By-law Amendment](#)
- [PHD 01-2019 – Cannabis Legalization](#)
- [PHD 13-2018 – Comprehensive Tobacco Control Report](#)
- [PHD 07-2018 – Cannabis Legalization](#)
- [PHD 01-2018 – Smoke-Free Ontario Modernization](#)
- [PHD 04-2017 - Ontario Student Drug Use and Health Survey Results](#)
- [PHD 09-2016 Revised - Cannabis Regulation and Control](#)

Prepared by:

Diana Teng
Manager, Chronic Disease and Injury
Prevention
Public Health and Emergency Services

Recommended by:

M. Mustafa Hirji, MD MPH RCPC
Medical Office of Health/Commissioner
(Acting)
Public Health and Emergency Services

³ Dobrescu A, Bhandari A, Sutherland G, Dinh T. The cost of tobacco use in Canada, 2012. Ottawa, ON: The Conference Board of Canada; 2017.

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Gillian Chappell, Health Promoter, David Lorenzo, Associate Director, Chronic Disease and Injury Prevention and reviewed by Dr. Mustafa Hirji, Medical Officer of Health (Acting).

Appendices

Appendix 1 By-law No. 112-2013 – TCO Designation

THE REGIONAL MUNICIPALITY OF NIAGARA
TO APPOINT BY-LAW ENFORCEMENT OFFICERS TO ENFORCE
BY-LAW NO. 112-2013
A REGIONAL BY-LAW TO PROTECT CHILDREN AND VULNERABLE PERSONS
FROM EXPOSURE TO OUTDOOR SECOND-HAND SMOKE

WHEREAS subsection 115(1) of the *Municipal Act, 2001*, S.O. 2001, c.25 as amended provides that a municipality may prohibit or regulate the smoking of tobacco in public places;

AND WHEREAS it is necessary to appoint certain Regional staff as by-law enforcement officers for the purposes of enforcement of by-law 112-2013, as may be amended from time to time;

AND WHEREAS by-law 112-2013 as amended states that the provisions of by-law 112-2013 respecting smoking in an outdoor public place “shall be enforced by any authorized person as designated by the Niagara Region or an area municipality”.

NOW THEREFORE BE IT RESOLVED THAT:

1. That for the purposes of enforcement of Regional By-law No. 112-2013, as amended, the following persons are hereby appointed as “authorized persons” pursuant to section 4 of By-law 112-2013 as amended and are hereby designated as By-law Enforcement Officers for the purpose of enforcement of By-law 112-2013 as amended:

William Dwyer
Jesse Edsall
Jean-Marc Lemay
Ken MacLean
Rob Misener
Diana Teng

2. This appointment takes effect on the day it is authorized.

PASSED, a majority of the members of the Regional Council assenting hereto, this ____ day of November, 2020

THE REGIONAL MUNICIPALITY OF NIAGARA
Original Signed By:

(James Bradley, Regional Chair)

Original Signed By:

(Ann-Marie Norio, Regional Clerk)

DRAFT

MEMORANDUM

COM-C 31-2020

Subject: COVID-19 Response and Business Continuity in Community Services

Date: November 10, 2020

To: Public Health & Social Services Committee

From: Adrienne Jugley, Commissioner, Community Services

This memo provides continued updates on the measures Community Services has taken to ensure the ongoing delivery of essential services during the COVID-19 pandemic, and the alternate approaches used to support those most vulnerable in Niagara.

Seniors Services – Long-Term Care

Long-Term Care COVID-19 Outbreak Updates

At the time of writing this report, there are two active outbreaks within regionally operated long-term care (LTC) homes.

Meadows of Dorchester

Public Health declared an outbreak at Meadows of Dorchester on October 2, 2020, triggered through a case identified in bi-monthly surveillance testing of staff (mandated by the Province of Ontario). The initial cluster of staff that were impacted at the onset of this outbreak have now returned to work. Two of the four units in the home are now out of outbreak.

The outbreak has not been cleared in the remaining two units as a further positive test result was identified through employee surveillance testing. In recent days, the home has identified a further positive case (employee/student/essential caregiver category) and as such, it has been determined, through an abundance of caution, that the declared outbreak should remain active. Public Health and the home continue to work together to bring this outbreak to a close.

Gilmore Lodge

Public Health declared an outbreak at Gilmore Lodge on October 22, 2020. The home took immediate steps to respond to the outbreak by suspending all visits (with the exception of essential caregivers), isolating all residents under full contact and droplet precautions, and obtaining additional PPE to ensure an adequate supply was available within the home. Public Health initiated contact tracing, and any staff who had contact with a positive case or presumptive case was put in isolation. While this resulted in a significant number of staff being sent home to isolate, staffing challenges were addressed by bringing in qualified and trained Regional casual and part time staff, staff contracted through agencies, and through additional hours of support from leadership staff.

At the time of writing this report, 13 positive staff cases and 17 positive resident cases have been identified. Unfortunately, as an added challenge, the area most impacted by the outbreak is a dementia care unit, where patient wandering is to be expected, and which may have contributed to the number of resident cases. One-to-one care to try to manage those most challenging to redirect continues, and staff are doing everything they can to reduce the risk of further transmission.

In addition to physician care, Seniors Services has arranged for a nurse practitioner to assess and monitor all residents on this dementia care unit to ensure any further signs of illness are identified promptly, and care and treatment are provided accordingly. Most residents have mild symptoms, however, COVID-19 has a compounding impact on these residents due to their existing health conditions, especially for those who are already facing 'end of life'.

This outbreak will continue until no additional cases are identified and the date of onset of any case is at least 14 days prior. Seniors Services has been working very closely with Public Health, and have implemented all required outbreak measures in order to bring this outbreak to a speedy close. All impacted resident families have been notified and are provided with regular updates so they remain informed of the efforts Seniors Services is taking to resolve this outbreak. Seniors Services has also ensured residents can continue to connect with family members virtually.

This outbreak reinforces that increased community spread of COVID-19 can lead to an increase in the risk of outbreaks in LTC homes. Staff, essential caregivers and visitors to LTC homes, despite all the precautions that they may be taking, can still bring COVID-19 into the homes and spread the virus to the residents. Seniors Services is

continuing efforts to reinforce and remind both staff and families about the risks of increased community spread of COVID-19 to LTC homes, and continue to look for additional preventative measures that can be implemented, above Public Health and Provincial direction.

Drive By Testing for Staff

All eight of Niagara's regionally operated LTC homes have implemented a new practice of providing testing for staff who develop mild symptoms through a "drive by" COVID-19 swabbing system at the homes. This allows for expedited testing given the long wait times at assessment centres, and avoids staff having to attend the assessment centres.

Homelessness Services & Community Engagement

Homelessness Services continues to operate the full emergency shelter system, overflow hotel rooms, the self-isolation facility and an enhanced street outreach service. As of October 26, 2020, 215 individuals have been referred to the isolation facility with testing administered in shelter, resulting in negative (COVID-19 testing) findings to date.

Niagara Region received confirmation on October 26, 2020, that the Region will receive \$3,013,826 as part of Phase 2 of the Social Services Relief Fund from the Province of Ontario. The Social Services Relief Fund has been provided to municipal service managers for improving homeless shelters and creating opportunities for longer-term housing that will continue to protect vulnerable individuals from COVID-19. Niagara's allocation includes \$2,000,000 in capital funding that must be spent by December 31, 2021 and an additional \$1,013,826 in operating dollars to continue supporting the needs of the homelessness system during the COVID-19 pandemic, which must be spent by March 31, 2021.

Niagara Region has also been working to develop a robust winter plan to support homeless clients during the winter months. The plan takes into consideration the additional requirements needed as a result of the COVID-19 pandemic. Details of this plan were provided to Regional Council on Friday, October 23, 2020 and will also be discussed during the Public Health and Social Services Committee meeting on November 10, 2020.

Children's Services

Niagara's licensed child care service providers have reopened centres through a staggered approach, after the Ministry of Education permitted all licensed child care centres to reopen at full capacity on September 1, 2020. EarlyON Child and Family Centres remain closed to on-site visits; however, the centres are continuing to offer virtual programs and services to children and families, with a small number of centres reopening to support supervised access visits for families that are involved with Family and Children's Services Niagara.

Licensed child care centres and home child care programs have documented 3,404 child absent days in the month of September that were directly related to COVID-19. These absent days were either for testing, due to children exhibiting COVID-19 like symptoms, or due to isolation by a child or family member. This does not include any absent days that were incurred by children for regular occurrences such as illness, injury, vacation, etc. The absences have resulted in a system's cost of approximately \$155,000 to Children's Services. Children's Services has supported licensed child care service providers with this cost through one-time support from COVID-19 relief funding. Children's Services expects this to rise as COVID-19 cases continue to increase and more testing is conducted, and isolation is directed.

At the time of writing this report, it can be noted that Children's Services experienced a COVID-19 outbreak at the Welland Regional Child Care Centre in October. There was one case associated with this outbreak, and while a single classroom was closed for a period, as directed by Public Health, the outbreak successfully came to a close at the end of the required 14 days and the classroom has since reopened.

Children's Services is continuing to monitor the reopening of child care centres and also continues to provide funding to child care service providers to support their ability to remain open.

As of October 27, 2020, there are approximately 4,800 child care spaces operating across 164 licensed child care centres and 75 home child care providers across Niagara. Prior to the COVID-19 pandemic, there was a total of 11,595 licensed child care spaces across 169 child care centres, and 90 home based providers across Niagara. At this time, there is approximately 41 percent of licensed child care spaces operating from the overall licensed child care system.

Social Assistance & Employment Opportunities (Ontario Works)

As of September 2020, Niagara's OW caseload was 8,872. Overall, the average caseload has decreased by 0.8% when compared to September of 2019.

With the introduction of federal temporary recovery benefits (e.g. the Canada Emergency Recovery Benefit) in April 2020, the social assistance intake line saw a decrease in the number of calls through April and August 2020, with an average of 620 calls per month compared to the pre-COVID average of 1,200. However, in September 2020 the calls increased to 900 and it is anticipated that for October 2020 the number of calls will exceed 1000. The two main drivers for this increase can be attributed to the discontinuance of the Canada Emergency Recovery Benefit, and the inability for many people to obtain employment. Over 20% of people applying have not previously been in receipt of social assistance.

In September 2020, SAEO implemented a blended service delivery model that incorporates in-person, telephone and virtual services to respond to the needs of high-risk clients. In September, 560 clients received in-person service and by the end of October, the number of clients receiving in-person services is expected to exceed 800.

The scale and timing of the overall impact to intake for social assistance and the OW caseload will depend on the speed and nature of economic recovery, federal policy and public health factors. SAEO continues to effectively and efficiently implement rapid responses to respond to the needs of clients.

Niagara Regional Housing (NRH)

The Housing Access Centre received over 1,300 calls in just four days after a mail out was provided to applicants that promoted the Canada Ontario Housing Benefit (COHB). This portable rent benefit assists applicants on the Centralized Waiting List, which is maintained by NRH, in paying rent to their current landlord within the private market. This benefit is timely as many households are anxious about moving during the COVID-19 pandemic.

NRH staff have been working on mapping out and configuring each common room within NRH buildings in an effort to provide a safe space for more services/programs to return safely. Outside and virtual programs have continued to take place on a limited basis.

NRH expects to be able to manage any rent and arrears impacts due to COVID-19 within the 2020 budget. Incremental operating costs due to COVID-19 have also been accommodated within the budget for 2020, as a result of deferred maintenance costs and decreased move outs (also caused by the COVID-19 pandemic). Anticipated incremental COVID-19 costs for 2021 are included in the NRH Board approved operating budget, which relate primarily to cleaning, security and PPE costs. These costs will be funded by the Municipal Safe Re-Start funding announced by the Province of Ontario. The 2021 budget is still subject to Regional Council approval.

As per the Regional by-law, NRH now requires tenants and visitors to wear a mask in the common areas of NRH buildings, including common rooms, elevators, laundry rooms, lobbies, hallways, garbage/recycling rooms and any other space that could be shared by others. NRH has communicated this update to Housing Providers. As mentioned in the previous report, all NRH households have received reusable masks.

Respectfully submitted and signed by

Adrienne Jugley, MSW, RSW, CHE
Commissioner



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October 23, 2020

Ann-Marie Norio, Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way
Thorold, ON L2V 4T7

Dear Ms. Norio,

At their October 23, 2020 meeting, the Niagara Regional Housing Board of Directors was informed that the attached report NRH 14-2020 would be forwarded to Council for information.

Your assistance is requested in moving report NRH 14-2020 through proper channels to Regional Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Sendzik", with a long horizontal line extending to the right.

Councillor Walter Sendzik
Chair



REPORT TO: Board of Directors of Niagara Regional Housing

SUBJECT: Niagara Regional Housing Emergency Loan and Grant Program

RECOMMENDATION

That the Niagara Regional Housing Board of Directors **RECEIVE** the implementation plan of the new Emergency Loan and Grant Program to support Social Housing Providers and forward to Niagara Region Council for information.

PURPOSE

To provide Niagara Regional Housing Board and Niagara Regional Council with the details for the creation and implementation of an Emergency Capital Repair Loan Program (the "Program") for non-profit and co-operative housing providers in the Region.

KEY FACTS

- On March 20, 2020 Report 20-188-4.3, the Niagara Regional Housing Board of Directors approved the Capital Loan and Grant Program in principle.
- Niagara Regional Housing worked with staff from the Niagara Region to begin establishing connections between NRH and the Niagara Region Grants and Incentives initiative, including sharing information regarding the Capital Loan and Grant Program.
- NRH, with the approval of the Board of Directors, will implement the program commencing January 1st, 2021.
- In the proposed Program Agreement, those social housing providers that could exit the social housing system at End of Agreement/Mortgage (EOA/M) would be eligible to apply for loan assistance, and conditions could be set that require them to remain a part of the Region's social housing system for a period of 15 years post EOA/EOM, and as such these providers may not request to leave the program (via a de-listing request to the Ministry).
- Two housing projects have already required financial assistance via a loan from NRH to address emergent capital needs. As of January 2021, an additional provider will enter into a loan agreement with NRH due to emergency repairs. Upon approval of this Board report, existing loans will be converted to the Loan and Grant Program in Q1 of 2021.

Summary

A comprehensive framework has been developed to guide the process of applications, review, awarding, and roles and responsibilities in reference to the Capital Loan and Grant Program.

Applications (Appendix 1) for the program will be accepted during the months of January through June. During this time a review committee will be established and trained.

Drawing on knowledge and expertise, members of the Review Panel will be engaged in the Niagara Regional Housing Application to the Loan and Grant awarding process. Specifically the review panel members will:

- Review and score all proposals (written) using an agreed upon scoring matrix ;
- Participate in discussions, bringing particular knowledge and judgement to support decision making;
- Make recommendations to determine successful proponents who will be successful in obtaining funds through the Capital Loan and Grant Program

The Review Panel will consist of up to 6 members. The representation may include the following:

- Service Manager - NRH
- Research/Academia;
- Members of the NRH Board of Directors
- Finance

Members of the Review Panel will be appointed by the Service Manager. Niagara Regional Housing will appoint the Panel based on relevant skills and experience. All members will be required to sign an oath of confidentiality and a conflict of interest declaration (Appendix 2) in addition to agree to the committee terms of reference (Appendix 3).

Qualified applications must be received in the first half of the year and will be shared with the Review Committee. Committee members will review, score and make final recommendations to the Committee Chair and CEO of Niagara Regional Housing.

In order to qualify for review, business case applications must confirm that the following conditions have been met, providers must:

- transfer any funds that they have in accumulated or operating surpluses to their capital reserve fund;
- retain, or demonstrate a plan to achieve, a threshold of three years capital reserve contributions in their reserve fund; and
- expend any funds in excess of the three year threshold to support all or a portion of the emergency capital repair.
- Submit a copy of the most recent preventative maintenance log which is less than 6 months old
- Submit a copy of an updated 10 year capital plan

The Review Committee will evaluate the below criterion and determine a score for each field using a pre-established scoring template. Scoring guidance can be found on the scoring template (Appendix 4).

- Priority of work requested
- Impact that eligible expenses will have on future building sustainability
- Governance of Housing Provider
- Financial Position of Housing Provider
- Whether the Building Condition Assessment (BCA) indicates the element is necessary
- Qualified Assessor supports requested project
- Long Term capital needs of the provider and the financial resources needed to address those needs
- Capital Expenditures Over the Last 3 years
- Current Capital Reserve balance
- Current Accumulated Surplus /Other reserve balance
- RGI/ Service level standards targets
- The requirement of a deficit reduction plan are being met
- Other specific conditions as identified on the conditions section of the agreement

Based on the recommendations of the Committee, available budget and urgency of the project, funding will be awarded to the successful applicants no later than September 1.

Successful applicants will need to submit their selection for a successful tender, along with contract and draw schedules. Work on successful projects are eligible to begin on or after January 1 of the following year. Projects must be completed prior to December 31 in the year construction begins.

Loan repayment may be forgiven up to 25% of the total loan value where housing providers meet the agreed upon time lines for the completion of the capital work for which the loan was granted, and where housing providers adhere to the loan terms including the provision of RGI units

CONSIDERATIONS

Financial

The business case and intake process will inform the Loan & Grant budget request as part of the program implementation in 2022 in conjunction with the results of the overall Grants and Incentives review currently being conducted by the Niagara Region.

Two housing projects are in the process of being provided loans for urgent emergency capital repairs totalling up to \$2.5 million, with the repair work to be completed before the end of 2020. These projects will be transferred into the Loan & Grant Program once it is created, with the 25% grant portion of up to \$625,000 to be funded out of NRH 2020 in-year operating surplus.

In addition, the proposed 2021 operating budget for NRH includes a one-time budget request of \$375 thousand, fully funding by the NRH reserve, for an urgent emergency capital project that cannot wait for formal project creation due to the urgent nature of the required repairs. The \$375 thousand represents the 25% grant portion of \$1.5 million in proposed total project costs. Similarly, This project will be transferred into the Loan & Grant Program once it is created.

Corporate

Timing of the call for business cases and the approval process must be adhered to closely as budgetary implications for the following year must be approved by Council.

Governmental Partners

In "A Home For All", Niagara Region articulates its vision for a 10-year community action plan to help people find and sustain housing. One of the goals identified in this action plan is to increase opportunities and options across the housing continuum. A key objective of which is to retain, protect, and increase the supply of affordable housing.

By implementing the Emergency Loan and Grant Program, NRH is demonstrating its commitment to the goal by focusing on the key objectives to keep and protect the supply of affordable housing in Niagara.

Housing Services Corporation has been a supporter of this program and developed the loan framework in consultation with NRH.

Public and or Service Users

Ensuring that existing social housing stock in Niagara remains a safe and affordable place for those who need it across Niagara is a priority. By investing into the stability of existing stock Niagara Regional Housing contributes to the updated 10 year Housing and Homelessness Action Plan goals and our shared commitment to provide affordable housing in Niagara Region.

ANALYSIS

Niagara Regional Housing is well positioned to successfully roll out the Capital Loan and Grant Program. With the reserves accumulated to date in combination with the approved end to the surplus sharing agreement, the budgetary requirements indicated by the 2018 Building Condition Assessment can be met. Additionally, within the reserves is an amount that has been identified specifically to address emergency repairs that affect the habitability of existing provider stock.

With the set Policy (Appendix 5) and procedure, the Loan and Grant Program is set up to provide fair and equitable access for providers to the Loan and Grant Program.

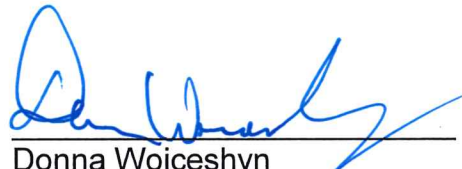
Collecting business cases in the year prior to work beginning is purposeful and allows the budgetary projections needed to ensure that all approved projects will be funded without risk to the corporation.

ALTERNATIVES REVIEWED

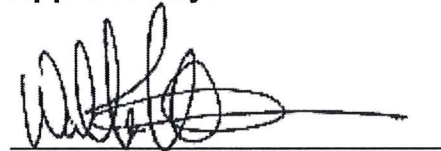
N/A

ORIGIN OF REPORT

This report has been brought forward by staff

Submitted by:

Donna Woiceshyn
Chief Executive Officer

Approved by:

Walter Sendzik
Chair

This report was prepared by Jenny Shickluna Manager Housing Programs in consultation with Donovan D'Amboise, Program Financial Specialist and Donna Woiceshyn, Chief Executive Officer.

Appendix 1 - Loan and Grant Business Case Template
Appendix 2 - Review Committee Conflict of Interest
Appendix 3 - Review Committee Terms of Reference
Appendix 4 - Review Committee Scoring Guide
Appendix 5 - Loan and Grant Program Policy

Niagara Regional Housing Capital Loan and Grant Program Draft Business Case Template

Date	
Housing Provider legal name	
Legal address	
Housing project	
Operating agreement expiry date	
Date funding required	

Loans provided under the program may only be used to finance capital repairs to the housing complex; there is no ability to use any portion of the loan for any other purpose. In order to qualify for the program funding, a housing provider must demonstrate that:

- the proposed capital work is required;
- the proposed remediation is the most cost effective approach; and that
- the work cannot proceed without financial support.

As this Program is intended to fund capital repairs which could otherwise not be funded by the housing provider, in order to access these funds the provider must first:

- transfer any funds that they have in accumulated or operating surpluses to their capital reserve fund;
- retain, or demonstrate a plan to achieve, a threshold of three years capital reserve contributions in their reserve fund; and
- expend any funds in excess of the minimum threshold to support all or a portion of the (emergency) capital repair.
- Have a preventative maintenance log is included and in less than 6 months old
- Have an updated 10 year capital plan

Social housing providers may not submit additional requests until 3 years after the termination of the current loan agreement, unless there are unforeseen and extraordinary circumstances that can be substantiated.

The business Case must be completed in its entirety and submitted no later than (the closing date)

Please be aware that the document you submit is final and the following regulations will be upheld in all circumstances:

- (1) no employee or agent of Niagara Regional Housing is authorized to amend or waive the requirements of the business case document in any way;
- (2) under no circumstances shall it rely upon any information or instructions from anyone other than the assigned representative; and,
- (3) neither the Niagara Regional Housing, its employees, nor its agents shall be responsible for any information or instructions given to the Bidder, with the exception of information or instructions provided in writing by way of addendum by NRH

Business Case

Each Loan Application must be accompanied by a business case. It is recommended that a template Business Case be created in order to ensure the consistency of information received and to support housing providers in doing their due diligence to support the Loan Application.

Key fields to be included in the Business Case include:

1. Executive Summary: Short description of the proposal
2. Housing Provider Information
 - a. Legal name
 - b. Project name
 - c. Project address
 - d. Building mandate or client group (where applicable)
3. Background of Proposed Capital Work and Rationale for necessary expenditure
4. Roles and Responsibilities of Parties Involved: A description of the people involved in the project, including their roles and responsibilities
5. Existing Residents: Identify the impact the work required will have on residents, and include a relocation plan if residents will be temporarily relocated as a result of the request.
6. Project Capital Budget
 - a. Breakdown of the amount of funding requested (Itemized costs, quote for cost if available)
 - b. Rationale for necessary expenditure
 - c. Provide a three year capital budget for work required (provide as an attachment).
 - d. Create a detailed development budget as an appendix including costs for development, repairs and administration (provide as an attachment).
 - e. Describe in detail how the work required will be funded and how the housing provider will deal with current financial obligations under their housing mortgages, including any early redemption charges and/or any accrued penalty charges.
 - f. Describe any other funding which might directly impact housing provider's current financial obligations and may require approval from the Region (i.e., bridge financing, construction financing, secondary financing, severances or partial discharges).
7. Financial Position: Provide financial statements and operating budget, describe how the provider will be financially viable post loan and indicating the provider's ability to repay the loan after mortgage expiry. Outline actions which will be undertaken to improve

financial viability (i.e. increase rents, reduce operating expenses). Include details of any existing loans, including discharge date (if loans exist, please append the agreement)

8. Project schedule, including draw schedule (if known)
9. Risks/constraints to the project: Describe any environmental concerns, shared facilities agreements, NIMBY, issues with adjacent properties.
10. Include a copy of the most recent preventative maintenance log (most recent inspection must less than 6 months old)
11. Include a copy of an updated 10 year capital plan
12. Contacts
13. Board approval

Please note: Successful projects will awarded no later that AUGUST 1. Tenders must be completed and the job awarded no later than November 15. All jobs must be completed between January and December of the project year.

14. Signatures

Draft CONFIDENTIALITY / CONFLICT OF INTEREST FORM
Capital Loan and Grant Application: Evaluation Team Members**Printed Name of Evaluation Team Member:**

You have been identified as a Team member for the above Business Case Evaluation. Please read the following information on confidentiality and conflict of interest to see if you have any problem or potential problem serving on this Team.

Confidentiality

Please note that as a Team member, all information received, reviewed and discussed from and about prospective providers as part of this Team is strictly **confidential** and may not be discussed with anyone who is not a member of the Evaluation Team or an NRH representative involved in the award process.

No Team member is authorized to amend or waive any of the requirements of the business case documents, or communicate any related information or instructions in any manner to prospective providers. The language within the business case states that the prospective bidders have been notified that

- (1) no employee or agent of the Niagara Regional Housing is authorized to amend or waive the requirements of the business case document in any way;*
- (2) under no circumstances shall it rely upon any information or instructions from anyone other than the assigned representative; and,*
- (3) neither the Niagara Regional Housing, its employees, nor its agents shall be responsible for any information or instructions given to the Bidder, with the exception of information or instructions provided in writing by way of addendum by NRH*

Code of Conduct

The Code of Ethics/Conflict of Interest policy for the Review Panel is “members shall avoid conflict of interest or unethical behavior”.

Conflict of Interest

No member of a Team shall participate in the evaluation if that Team member or any member of his or her immediate family:

- has direct or indirect financial interest in the award of the contract to any proponents
- is currently employed by, or is a consultant to or under contract to a proponent
- is negotiating or has an arrangement concerning the future employment or contracting with any proponent: or
- has an ownership interest in, or is an officer or director of, any proponent.

Please sign below acknowledging that you have received and read this information. Return a copy of the form to the Purchasing representative by the deadline provided. If you have a conflict or a potential conflict, please contact your manager or the Service Manager to discuss.

I have read and understand the provisions related to conflict of interest and confidentiality when serving on an Evaluation Team. If any conflict of interest arises during the review process, I will immediately report it to an NRH representative.

Signature: _____ **Date:** _____

NRH Capital Loan and Grant Review Panel Draft Terms of Reference

Background

Purpose and Role of Review Panel Members

Drawing on knowledge and expertise, members of the Review Panel will be engaged in the Niagara Regional Housing Application to the Loan and Grant awarding process. Specifically the review panel members will:

- Review and score all proposals (written) using agreed upon scoring matrix;
- Participate in discussions, bringing particular knowledge and judgement to support decision-making;
- Make recommendations to determine successful proponents who will be successful in obtaining funds through the Capital Loan and Grant Program

Membership and Selection of Members

The Review Panel will consist of up to 6 members. The representation may include the following:

- Service Manager- NRH
- Research/ academia;
- Members of the NRH Board of Directors
- Finance

Members of the Review Panel will be appointed by the Service Manager. Niagara Regional Housing will appoint the Panel based on relevant skills and experience (professional or voluntary) in line with the following selection criteria.

- No conflict or perceived conflict of interest that might prevent a very candid and thorough evaluation; specifically no relationship with an existing housing provider that has an agreement with NRH
- Professional qualifications and over 5 years of experience within the human services/housing services industry. Possible evidence of stature in the field includes experience in the field, membership on committees, boards, and/or advisory boards, involvement in community activities, academia etc.
- Knowledge of housing issues/context to engage in discussions to support a healthy and sustainable housing continuum in Niagara
- Have knowledge to contribute to discussions regarding needs within the Niagara
- Availability to contribute sufficient time to the full process

Structure

The Review Panel provides recommendations through the Manager of Housing Programs to the CEO, Niagara Regional Housing in the role of System Service Manager. The Manager of Housing Programs will chair the Review Panel.

Frequency of Meetings

The Review Panel will meet a maximum of 3 times (per funding envelope) between June and Spetember annually, unless otherwise necessary at the call of the Chair. We are looking at approximately 15 -20 hours per funding envelope. A reviewer may have more than one funding envelope.

Proposed Approach

Activity	Timelines
1. RFPs issued	January
2. Submission deadline:	June 1
3. Conflict of Interest Form submitted	Members must submit prior to review of applications
4. Reviewers receive orientation package and submissions	June/July
5. Review committee orientation meeting- one to one will be optional	Spring
6. Reviewers review written submission and to submit questions or clarifications based on written review	June/July
7. Email individual scoring	No later than August 1
8. Review committee deviation meeting – to confirm individual scores and confirm highest ranking proponent per zone	August
9. Communication of awards	No later than September 15

Confidentiality

Meetings are a forum for review panel members to be open and candid in discussing items that support the Service Manager in ensuring that the successful proponents meet the criteria outlined in the business case/application.

If through the discussion an item is identified as confidential, the item will be noted. Members are expected to respect the privacy of committee participants and agree not to disclose information including views expressed by individuals during confidential item discussion. Records of discussion will respect the principle of non-attribution.

Decision Making

Niagara Regional Housing is designated by the Niagara Region, as the Service Manager, responsible for the local management, sustainability and viability of non-profit and cooperative housing providers under agreement with NRH.

Review panel members will provide advice and recommendations to NRH. NRH will take into consideration the advice and recommendations provided by the Review Panel, when making final decisions.

Recorder/Minutes/Agenda

The Chair will set the agenda in collaboration with members of the Review Panel, and based on deliverables and timelines.

Recording and distribution of meeting minutes is the responsibility of the NRH.

NRH 14-2020 20-193-4.4. App. 4 October 23, 2020 Page 1 of 3				
Criterion	Description	Reviewer Notes	Score	Percent weight overall

<p>Opening Criterion:</p> <ul style="list-style-type: none">○ transfer any funds that they have in accumulated or operating surpluses to their capital reserve fund;○ retain, or demonstrate a plan to achieve, a threshold of three years capital reserve contributions in their reserve fund; and○ expend any funds in excess of the three year threshold to support all or a portion of the emergency capital repair. <p>A copy of the most recent preventative maintenance log is included and is less than 6 months old</p> <p>A copy of an updated 10 year capital plan</p>	<p>Yes or No questions one point each</p> <p>Failure to meet these requirements may disqualify applicants</p>		/5	
---	---	--	----	--

Priority of work requested	Does the work address Health and Safety, Accessibility, Overall building viability Is the work essential now to meet legislation? Is the work essential to building viability?			
Impact that eligible expenses will have on future building sustainability	Will this make the building safer, increase accessibility or extend the life of the property?			
Governance of Housing Provider	Is the board in good standing? Are there outstanding items from last operational review that have not been addressed or remediate? Outstanding legal issues?			
Financial Position of Housing Provider	Is the organization in good financial standing operationally?			
Whether the BCA indicates the element is necessary	Has this project been identified in the most recent Building Condition Assessment?			
Qualified Assessor supports requested project	If this project was not identified in the building condition assessment, has it been deemed necessary by a qualified consultant with an accompanying professional report.			
Long Term capital needs of the provider and the financial resources needed to address those needs	Based on the most recent building condition assessment, preventative maintenance log and 10 year capital plan, are the resources of the organization sufficient to address these needs? Will contribution to the current project impact the ability to fulfill future needs?			
Capital Expenditures Over the Last 3 years	Have the capital expenditures over the previous three years addressed either urgent issues or projects identified by the BCA, preventative maintenance or the 10 year capital plan?			
Current Capital Reserve balance /Accumulated Surplus /Other reserve balance	Are the current surplus/reserve balances sufficient to pay for the current project and still maintain the minimum reserve threshold?			
RGI/ Service level standards targets	Is the organization currently meeting SLS? Are the actively working toward fulfilling service level standards?			
The requirement of a deficit reduction plan are being met	Do they have a current deficit reduction plan? Are the requirements being met?			
Other specific conditions as identified on the conditions section of the agreement	TBD			

DRAFT Capital Loan and Grant Policy

Policy Owner	Niagara Regional Housing, Programs Division, Manager Housing Programs
Approval Body	Niagara Regional Housing Board of Directors
Approval Date	
Effective Date	
Review by Date	

1. Policy

This policy has been created to provide parameters and details regarding the Niagara Regional Housing Loan and Grant Program.

2. Purpose

The purpose of the Program is to provide loans to housing providers to allow them to address necessary and emergency capital repairs where their current capital reserves are insufficient to allow them to fund these repairs while maintaining the reserve balance necessary to address planned expenditures.

3. Scope

This policy applies to the administration of the Loan and Grant program by Niagara Regional Housing as well as all applicants and recipients of the program.

3.1. Roles and Responsibilities

It is the role of the Manager, Housing Programs to administer the program in conjunction with the Niagara Regional Housing team to administer this program.

Manager of Housing Programs- final approval of application, monitor budget, oversee compliance

Asset Administrator -Receive and assess application, assisting and recommending approval to Manager, Housing Programs

Housing Administrators- to review and monitor compliance to the terms of the agreement within provider operations.

4. Program Details

In order to qualify for the loan, housing providers will be required to complete an application and business case. Loans provided will be registered on title but, as required under the *Housing Services Act, 2011* ("HSA"), loans will be non-performing until the primary mortgage is paid in full. The approval of loans is subject to ministerial confirmation from lender. As the loan agreement template, policy and procedure are approved by Board and Council; housing providers are prohibited from negotiating terms, conditions and processes

DRAFT Capital Loan and Grant Policy

Loan repayment may be forgiven up to 25% of the total loan value where housing providers meet the agreed upon timelines for the completion of the capital work for which the loan was granted, and where housing providers adhere to the agreement terms; including the provision of RGI units.

Due to the fact that loans are intended to address capital repairs, loan agreements will be executed for a three (3) year period, or until EOA/M, whichever comes first. This will allow a proactive planning approach given that many providers will require work that spans more than one fiscal year to meet critical repair needs.

NRH will make payments for capital works in increments with the remainder of the funding held in trust for the housing provider where capital work is in progress and supported by invoices as the work is completed. A draw schedule will be determined at the beginning of the project.

Once a housing provider has reached EOA/M, they will borrow money from traditional lenders to undertake larger and longer-term capital repairs which will directly support long term building sustainability and repay NRH. Alternately, if a new mortgage is not procured, the provider will enter into a repayment agreement with Niagara Regional Housing.

Repayment will begin within 60 days of the mortgage discharge and will include a principal amount as well as interest calculated at the Canada Bond rate or 2%, whichever is higher.

Program Eligibility

All housing providers within the Niagara Region are eligible for funding under the Program. Those providers which are not subject to the terms and conditions of the HSA will be required to enter into an agreement with NRH in order to access this funding. The terms of this agreement will include the commitment of up to 25% of units in the building being RGI and that the waiting list will be accessed when there are RGI vacancies. Federal providers will agree to maintain their current targets and remain in a reporting relationship with NRH.

In order to qualify for the program funding, a housing provider must demonstrate that:

- the proposed capital work is required;
- the proposed remediation is the most cost effective approach; and that
- the work cannot proceed without financial support.

Each request for funding will be reviewed to ensure that it meets at least one of the eligible program costs. The housing provider must review, agree to and sign the Loan Agreement in order for funding to be issued.

DRAFT Capital Loan and Grant Policy

Eligible Project Costs

In order to be eligible for funding under the Program, the proposed repair or replacement must meet at least one of the following two criteria:

1. Health and Safety: Building elements are hazardous, may lead to loss of life or critical injury or threaten the health or well-being of residents and staff.

2. Building Deficiency Mitigation / Structural Integrity: Current and ongoing conditions or deficiencies that lead to the deterioration of the building's structure integrity.

Additional items beyond the scope of these two criteria may be considered on a case-by-case base, where appropriately justified by a business case.

Awarding Funding

All business cases will be reviewed for eligibility and suitability by a Review Committee selected by NRH.

The Review Panel will consist of up to 6 members. The representation may include the following:

- Housing sector representatives (current and/or retired);
- Research/ academia;
- Service Manager- NRH
- Members of the NRH Board of Directors

Members of the Review Panel will be appointed by the Service Manager. Niagara Regional Housing will appoint the Panel based on relevant skills and experience (professional or voluntary) in line with the selection criteria as outlined in the Review Committee Terms of Reference.

Social housing providers may not submit additional requests until 3 years after the termination of the current loan agreement, unless there are unforeseen and extraordinary circumstances that can be substantiated.

Successful applicants must agree to remain a social housing provider for a period of no less than 15 years.

Default of Loan Agreements

Providers who in default of their agreement will be subject to the penalties as outlined in the HSA.

DRAFT Capital Loan and Grant Policy**5. Related Policies****Approval History**

Approver(s)	Approved Date	Effective Date

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

MEMORANDUM

CWCD 290-2020

Subject: Ontario's Long-Term Care COVID-19 Commission – Interim Report

Date: October 30, 2020

To: Regional Council

From: Adrienne Jugley, Commissioner, Community Services

The provincial government launched a commission into COVID-19 in Ontario's long-term care system in September 2020. The intent of the commission is to provide the government with guidance on how to improve the long-term care system and better protect residents and staff from any future outbreaks.

The Ontario Long-Term Care COVID-19 Commission released their first interim letter to the Minister of Long-Term Care on October 23, 2020.

The letter provides a summary of what the Commission has heard to date, and offers some early recommendations given that Ontario is now in the second wave.

Respectfully submitted and signed by

Adrienne Jugley, MSW, RSW, CHE
Commissioner

MEMORANDUM

CAO 22-2020

Subject: Liquid Biosolids and Residuals Management Program

Date: November 19, 2020

To: Regional Council

From: Ron Tripp, P.Eng., Acting Chief Administrative Officer

This memo is to provide relevant facts to Regional Council regarding the Liquid Biosolids and Residuals Management Program to inform Council's consideration of Item 8.1.4 CL-C 106-2020 (A letter from B. Matson, City Clerk, City of Niagara Falls, dated October 30, 2020, respecting the tender process- Liquid Biosolids and Residuals Management Program) and Item 11.2 (Councillor Gale's motion regarding Liquid Biosolids Procurement Process) on the agenda.

Description of Program and Scope of Contracted Service

The Liquid Biosolids and Residuals Management service includes the essential daily transport of approximately 35 tanker trailer loads (1500 cubic metres) of material from the Niagara Region Wastewater Treatment facilities to the biosolids storage and processing facility. This service cannot be interrupted by more than a few days without severe consequences; therefore business continuity is critical.

Biosolids are the nutrient-rich organic materials (residuals) resulting from the treatment of domestic sewage. The Liquid Biosolids and Residuals Management contract includes the following components:

- Implementation of a biosolids land application program, compliant with the Nutrient Management Act and regulations, for 50% of Niagara Region's annual generated biosolids.
- Management, operation and maintenance of the Garner Road Biosolids Storage and Dewatering Facility (GRBSDF), including management of supernatant operation, biosolids transfers, lagoon mixing and general grounds keeping.
- Transportation of biosolids from wastewater treatment plants and residuals from water treatment plants to the GRBSDF.
- Transportation of wastewater biosolids and water treatment plant residuals between Niagara Region Facilities.
- Emergency response and after hours transportation services.

Request for Pre-Qualification 2019-RFPQ-232 posted August 7, 2019

Staff issued the RFPQ with the intention of inviting bids from interested vendors with the requisite qualifications to provide all necessary services in a planned competitive tender, which would be issued (to pre-qualified bidders) later in 2019. Of the eight vendors who downloaded the documents, Niagara Region received three submissions from Wessuc Inc, Revolution Environmental Solutions, and Thomas Nutrients/2386246 Ontario Inc. An RFPQ is a non-binding process; neither the municipality, nor the successful respondents are bound to any future procurement process.

As previously reported on February 11, 2020, in PWC-C 9-2020, Niagara Region cancelled the RFPQ process prior to completion because it was likely to have resulted in the prequalification of only one vendor. This would not have provided for a competitive tender of qualified bidders, which was the stated objective of the RFPQ.

A notification sent to all vendors on October 4 included an error, which indicated that they did not meet the requirements of the pre-qualification; this was corrected in a subsequent communication sent on October 25 noting that the process was cancelled.

Because the RFPQ process was cancelled prior to completion, a debriefing of the three proponents was not required as the intention of this process is to provide feedback to unsuccessful vendors for the purposes of future procurements. In accordance with Council direction, Staff did conduct a debrief with each vendor on February 19, 2020.

Request for Proposals 2020-RFP-60

At its meeting on September 24, 2020, Council had before it report PW 33-2020 Award of Request For Proposal 2020-RFP-60 Liquid Biosolids and Residuals Management Program.

The report was a result of the January 14, 2020, Public Works Committee direction that staff to initiate a Request for Proposal (RFP) process respecting the loading, haulage/transportation, lagoon management and land application of liquid biosolids and residual solids generated from Niagara Region water and wastewater treatment facilities.

An RFP process is distinct from a Request for Tender process. In a Request for Tender, the award is made to the lowest price compliant bid received whereas an RFP process is based on scoring of established evaluation criteria whereby award is to the

proponent with highest score (based on both technical criteria and price; as opposed to price alone).

At its meeting on February 11, 2020, staff were directed to engage a subject matter expert to provide input on the technical requirements of the RFP; and to employ a Fairness Advisor to oversee the RFP process. The Fairness Advisor was actively engaged in the entire procurement process and certified that it was fair, open and transparent.

In 2020-RFP-60, the proponents' response to the technical requirements represents 70% of the evaluation and 30% of the scoring is prorated to the prices of those proposals, which achieved at least 70% of the available technical points (49/70). This evaluation methodology was clearly outlined within the RFP documents. The RFP award was based upon the highest scoring proposal including both the technical and price components. It is possible for a proposal to pass the technical threshold, be the lowest price and not be the highest scoring. The intent of this methodology is to provide a greater price allowance for a technically superior quality proposal.

The recommendation to award to the successful proponent 2020-RFP-60 was ultimately made through Report PW 33-2020. Appendix 2 of Report PW 33-2020 described this process in greater detail and has been attached to this memorandum as Appendix B for ease of reference.

As requested by Council, the table below provides the details of the technical scoring and the final relative ranking of the bidders whose proposals met the submission requirements and achieved the mandatory minimum technical score. The second and third place bidders relative final rankings demonstrate that higher technical scores are counter-balanced by lower bid prices.

Bidder	Overall Technical Score (rounded to nearest %)	FINAL RANKING (after considering bid price)
2386246 Ontario Inc (Thomas Nutrients)	80%	1
Wessuc Inc.	72%	2
Revolution Environmental (Terrapure)	76%	3

Clarification Specifically Related to Councillor Gales' Motion

1. Prior contract with TNS (2017-2019) and proposed extension

- a. Prior contract was the result of Council approval in 2017
- b. Prior contract included an opportunity for the parties to renew the agreement for an additional term of 1 to 3 years upon mutually agreeable terms subject to Council approval
- c. Staff Jan 2020 report recommending an extension for Council's approval was not improper
- d. This was previously addressed in memo PWC-C 9-2020 submitted to PWC Feb 11, 2020 https://niagararegion.escribemeetings.com/Public%20Works%20Committee_Feb11_2020/eSCRIBE%20Documents/eSCRIBE%20Attachments/PWC-C%209-2020.pdf

2. RFPQ (cancellation and communication to vendors)

- a. RFPQ issued in 2019 was a separate and non-binding procurement process
- b. RFPQ was formally cancelled and communicated to all vendors Oct 25
- c. There was a previous communication issued to vendors Oct 4 in error indicating that they did not meet the requirements of the prequalification; but this was corrected in the Oct 25 notice.
- d. This was previously addressed in memo PWC-C 9-2020 submitted to PWC Feb 11, 2020 https://niagararegion.escribemeetings.com/Public%20Works%20Committee_Feb11_2020/eSCRIBE%20Documents/eSCRIBE%20Attachments/PWC-C%209-2020.pdf

3. Whistleblower investigation

- a. The whistleblower investigation is an ongoing confidential process therefore there should be no public comment by any party on it in order to preserve the integrity the investigation and public confidence in that process
- b. Council have been kept apprised of status/progress of investigation including process and anticipated timeframes
- c. The Region did not terminate the initial external investigation firm. CAO memo to Council on Aug 4 confirmed that the initial firm was engaged, and shortly after finalizing their interviews with the whistleblowers, advised that having obtained a better sense of the scope and nature of the allegations, it became very apparent to them that a large majority of the allegations fell outside their scope of practice
 - i. As a result, they advised it did not seem efficient nor clear due process for different external investigators to make findings regarding the same facts and so they recommended the second firm which were provided all of the information gathered by the initial firm, including the whistleblowers were contacted and approved the release their respective information to the second firm.
- d. It would be inappropriate to act on unproven allegations in a complaint or provide an “interim” report on findings; the policy requires a complete investigation be undertaken, following which Council will receive a report
- e. Link to the policy:
<http://collaboration.rmon.pri/Region/policy/Corporate%20Policy%20and%20Procedures/Whistleblower%20Policy.pdf>;
 - i. section 1.2, page 2 : No individual shall obstruct or interfere with the investigation
 - ii. section 1.5 page 4: All Niagara Region employees and officials aware of or participating in an investigation of wrongdoing shall treat all information received confidentially....Any information obtained during any investigation will not be disclosed unless the disclosure is necessary for the purposes of investigating or taking corrective action with respect to the incident, or is otherwise required by law.

4. Biosolids RFP

- a. Why an RFP?
 - i. On January 14, 2020, Council expressly directed Staff to undertake an RFP process for the biosolids program
- b. Difference between RFP and RFT

- i. Tender award is to lowest price compliant bidder; whereas RFP is based on scoring of established evaluation criteria whereby award is to the compliant proponent with highest score.
 - ii. Council specifically directed staff to conduct an RFP and therefore, cost was not the sole determinant of award.
 - iii. An independent subject matter expert was engaged at Council direction to support the procurement process, including providing input on the technical requirements of the RFP that represented 70% of the evaluation.
- c. Reporting Results to Council
 - i. Not all awards require Council approval (only those identified in section 24 of the Procurement By-law).
 - ii. For awards which are reported to Council, the reporting practices at the Region differ based on whether it is an RFP or a tender.
 - iii. In the case of a tender (where the only determinant of award is cost), Council is provided the pricing for all compliant bidders. In the case of an RFP, Council is provided only the pricing for the highest scoring proponent.
 - iv. Best practice in municipal procurement include the clear separation of political and administrative functions in the municipality's procurement operations; Council's role in awarding an RFP is to ensure the value of the financial commitment is in accordance with approved budget and that process was conducted in accordance with established governing rules (i.e. recommended supplier is the top-ranked proponent based on the evaluation criteria, scoring methodology and selection process established in the RFP; which is confirmed based on the staff report).
 - v. The Region (in the RFP) reserved the right to make public *the names* of any and all proponents, but also provided that the disclosure of information received in proposals would be subject to MFIPPA and recognized that proponents may identify some information as confidential.
 - vi. At November Procurement Advisory Committee (PAC) meeting, the committee requested a report to provide a summary of what other municipalities provide to their Council relating to RFP results.
- d. Role of Fairness Commissioner (FC)
 - i. FC retained at Council direction to provide independent oversight of procurement process
 - ii. FC role is to ensure fairness and transparency of process for all participants (all proponents and the Region)

- iii. One of areas of focus of the FC is to ensure bias for or against any proponent does not exist and that proponents are considered and evaluated based on their submissions only (not incidents outside of the procurement process).
- iv. FC was engaged from the outset and was fully involved in the entire procurement process, including evaluation of submissions. Related to the evaluation in their report the FC stated “In the final evaluation discussions, the evaluators demonstrated that they had been diligent in their responsibilities, that they were able to support their individual evaluation assessments and that they held no bias for or against any Respondent.”
- v. FC issued a written report certifying that the principles of openness, fairness, consistency and transparency were properly established and maintained throughout the entire procurement process

5. Cost differential/savings

- a. References have been made at both Regional Council and the City of Niagara Falls Council meeting to cost savings that could have been realized if Council did not accept the recommendation determined by the RFP process, or conversely, the cost increase that would have been experienced had Council accepted Staff’s recommendation through Report PW 3-2020. Without further detail or explanation, Staff can only speculate that these references are based on projections / estimates of variable factors included in both the previous and current contract terms. It also appears as though some of the financial references include cost projections for extension years that have yet to be considered or approved by Council.
- b. Staff can confirm that a financial comparison of the PW 3-2020 recommendation and the PW 33-2020 recommendation is not straight forward due to a number of factors. The analysis and discussion included in Appendix A to this memorandum was developed in order to provide Council with appropriate and accurate context regarding the annual expenditure impacts associated with each of the recommendations. As is evident in Appendix A, the calculation is quite dependent on variable factors such as annual quantity of materials handled, the price of diesel fuel and an annual CPI adjustment. An analysis of 2020 was not included as COVID-19 profoundly impacted these same variables. The analysis of

2021 and 2022 is based on what we currently understand to be the impact of COVID-19.

- c. Council has requested a Value for Money review of the Biosolids program for 2021. Due to the factors described above, this review will clarify actual savings over the life of the program.

Other Pertinent Reports

PW 12-2017, February 21, 2017 – Niagara Region Liquid Biosolids Management Program Contract Renewals

PW 3-2020, January 14, 2020 – Niagara Region Liquid Biosolids Management Program Renewal of Contract Agreement with Thomas Nutrient Solutions

PWC-C 9-2020, February 11, 2020 – Niagara Region Liquid Biosolids Management Program Renewal of Contract Agreement with Thomas Nutrient Solutions – Additional Information re: Procurement Process

PWC-C 10-2020, March 10, 2020 – Procurement Progress Report Liquid Biosolids and Residual Management

PWC-C 12-2020, May 12, 2020 – Procurement Progress Report Liquid Bio Solids and Residual Management

PWC-C 18-2020, June 16, 2020 – Procurement Progress Report Liquid Bio Solids and Residual Management

CSD 52-2020, Closed Session, July 30, 2020 – Advice that is Subject to Solicitor-client privilege under s. 239(2) of the Municipal Act, 2001 - 2020-RFP-60 Liquid Biosolids and Residuals Management Program Procurement

PW 33-2020, September 24, 2020 – Award of Request For Proposal 2020-RFP-60 Liquid Biosolids and Residuals Management Program

Respectfully submitted and signed by

Ron Tripp, P. Eng.
Acting, Chief Administrative Officer

Appendices

Appendix A Biosolids Contract Price Analysis – November 2020

Appendix B PW 33-2020 Appendix 2 Overview of Procurement Process for Liquid
Biosolids and Residuals Management Program 2020-RFP-60

Bio-solids Contract Price Analysis: November 2020

1) Background: Original Report Assumptions

The original report to renew the Bio-solids contract went to PWC on Jan 14, 2020 (PW 3-2020).

The prices in the contract fluctuate based on changes in the CPI and Diesel price, with CPI driving 80% of the increase and the Diesel price driving 20% of the increase. Rates for 2020 to 2022 were estimated using the CPI and Diesel forecast data available in Q4 2019.

For full transparency of the total estimated contract cost, the total contract value also included estimated volume increases annually in sludge haulage and a target land application volume. Table 2 reflects the original estimates from PW 3-2020.

TABLE No. 2: Estimated Contract Renewal Costs for Biosolids Management Services With Thomas Nutrient Solutions					
Year	Biosolids Loading & Haulage /Transportation	Biosolids Land Application	Lagoon Management	Total Annual Contract Value	Total Annual Contract % Change
2020F	\$3,392,049.71	\$1,085,454.09	\$54,463.52	\$4,531,967.31	9%
2021F	\$3,583,707.25	\$1,113,382.91	\$55,864.87	\$4,752,955.02	5%
2022F	\$3,782,068.58	\$1,140,786.04	\$57,239.84	\$4,980,094.46	5%

2) Differences in the Original Report and 2020-RFP-60

In order to compare the RFP cost to the original contract, the following differences must be recognized:

- **Volumes:** The New Contract, 2020-RFP-60, was based on updated volume estimates that were different from those used in PW 3-2020 due to updated information
- **Timing:** The COVID-19 pandemic caused significant changes in the economy, specifically in diesel prices and estimated CPI. Prices provided by bidders for the new RFP issued in the summer of 2020 could take into consideration these changes. The original report was done in 2019 prior to the pandemic impacting the economy and resulting diesel/CPI
- **New Haulage Service Routes:** 2020-RFP-60 included 13 new trips for transporting bio-solids. In the past, these trips were negotiated on an as needed basis. The cost of these trips were embedded in the original estimate in PW 3-2020 based on a weighted average price per trip

3) Contract Comparison

As a result of the differences noted above, the original contract estimate noted in PW3 -2020 is not a direct comparable to the new contract. In order to compare the new contract to the old contract, the following was calculated:

Scenario	Price Assumption	Volume Assumption
Base Case: 2020-RFP-60	RFP Pricing for 2021. Pricing in 2022 was estimated using the	RFP Volumes; excluding new services

Scenario	Price Assumption	Volume Assumption
	most up to date CPI/Diesel forecasts available.	
Scenario 1: Updated Price Assumptions; RFP Volume	Pricing was estimated using the most up to date CPI/Diesel forecasts available. This scenario estimates the price if the original contract had been renewed.	RFP Volumes; excluding new services

The new haulage service routes identified have been excluded from all scenarios as these services were not priced individually in the original contract. As well, the year 2020 has been excluded due to being subject to multiple temporary pricing contracts.

Total Cost Comparison:

Year	New Contract Pricing under RFP-60	Scenario 1: Updated Price Assumptions, RFP Volume Assumptions	Variance	
			\$	%
2021	\$ 4,049,170	\$ 4,133,554	\$ (84,384)	-2%
2022	\$ 4,163,350	\$ 4,250,114	\$ (86,764)	-2%
Total	\$ 8,212,520	\$ 8,383,668	\$ (171,148)	-2%

This comparison represents a more accurate estimate of what would have happened in terms of the pricing if the original contract had been renewed. There is an estimated savings of approximately \$171,148 over two years achieved by the RFP process.

Notes:

- Updated CPI information is as per the Canadian Economic Outlook from TD bank using the CPIX for Canada which excludes the 8 most volatile inputs. The actual contract price is based on the Ontario CPI.
- Updated Diesel pricing is based on a comparison of October 2020 rates vs. December 2019 prices, as well as the Corporate Guidelines comparing 2022 to October 2020. The year 2022 was used from the Corporate Guidelines as the estimate is done using the end of the year point vs. the average year and diesel prices are expected to increase in 2022.

Overview of Procurement Process for Liquid Biosolids and Residuals Management Program 2020-RFP-60(Appendix 2 PW 33-2020)

Pursuant to the January 14 and February 11 Public Works Committee meetings and the direction provided therein, Procurement in consultation with Staff in Water and Wastewater initiated a progressive procurement strategy for the Liquid Biosolids and Residuals Management Program, which included:

1. Retaining the Services of Optimus SBR Inc. to act as an independent third party Fairness Commissioner to oversee, guide and govern the entire procurement process from bid development culminating in providing support to Staff as they present a recommendation to award to the highest scoring proposal to Council.
2. Retaining the services of CH2M Hill Canada Limited (Jacobs) as an external Third Party Biosolids and Residual Solids Subject Matter Expert to provide industry expertise and technical guidance throughout all aspects of this process.

Regional Staff in consultation with the Fairness Commissioner and Subject Matter Expert developed the RFP.

Staff utilized the standard procurement agreement template provided by the Procurement Office. Legal worked with the Subject Matter Expert and procurement staff (who in turn communicated with WWW staff) to ensure the RFP documents reflected the advice of the Subject Matter Expert by adding provisions to either the contract and/or the scope of work as deemed appropriate (for example updating definitions related to diesel price adjustment, CPI adjustments and payment terms to ensure clarity and consistency).

On May 22, 2020, Procurement Staff, in consultation with Water and Wastewater Staff and with the support of the Fairness Commissioner and Subject Matter Expert retained by the Region for this project, posted the Request for Proposal 2020-RFP-60: Liquid Biosolids and Residuals Management Program to bids&tenders. During the open period, Niagara Region issued three (3) addenda (in consultation with the Subject Matter Expert and Fairness Commissioner) that provided Proponents with responses to questions received via bids&tenders.

Niagara Region received four (4) submissions at the scheduled closing of 2:00 PM on June 23, 2020, and all were compliant with mandatory submission requirements. Prior to providing the evaluation package, Procurement provided all evaluators with an evaluation guide (developed by Procurement) and with assistance from the Subject Matter Expert, a detailed scoring guide tool.

The evaluation panel comprised of four (4) evaluators submitted their individual scores to Procurement; following which Procurement facilitated the Deviation/consensus meeting under the oversight of the Fairness Commissioner.

The evaluation methodology for the RFP was as follows:

- Technical Proposal 70% (minimum threshold required to proceed to next stage of evaluation)
- Fee Proposal 30%

The overall ranking of proponents was determined by adding the scores from the technical and financial review stages calculated as set out in the RFP.

The RFP further provided that in the event of a tie, the selected proponent would be the proponent with the highest score on the technical criteria.

Following the evaluation process, three (3) submissions met the established minimum technical threshold based on the stated evaluation criteria.

At the conclusion of the evaluation process, the top ranked proponent based on the evaluation methodology prescribed by the RFP was 2386246 Ontario Inc. (Thomas Nutrients Solutions).

Procurement attests to the fact that a fair, transparent and competitive procurement process was undertaken as confirmed in the report of the Fairness Commissioner, and as such are supportive of this recommendation to Council.

Whereas the Niagara Parks Commission (“NPC”) has considered options for the operation or closing of its marina on the Niagara River in Fort Erie, near Miller’s Creek;

Whereas in 2005, the NPC agreed to work with the Town of Fort Erie to permit the Fort Erie Economic Development & Tourism Corporation (“EDTC”) to undertake a Request for Proposals process for the expansion and enhancement of the marina and potential development of the lands between the Niagara Parkway and Cairns Crescent (“the adjacent lands”);

Whereas as a result of the cooperative efforts of the NPC, Town of Fort Erie and the EDTC, submissions were received for expansion and enhancement of the marina and the development of a resort on the adjacent lands;

Whereas since 2012, the NPC has embarked on a number of processes with a view to proceed with a marina/resort development at the Miller’s Creek Marina, including consultations with the Town of Fort Erie and Niagara Region;

Whereas the NPC’s most recent initiative resulted at the end of August 2017 in no proponent submitting a response to the NPC’s Request for Proposals for development at the marina;

Whereas the NPC continues to be committed to marina enhancements and development on the adjacent lands;

Whereas the Council of the Region of Niagara understands that there remains developer interest in proceeding to develop the marina and adjacent lands at Miller’s Creek Marina.

NOW THEREFORE BE IT RESOLVED:

1. That the Council of the Region of Niagara **REITERATES** its continuing support for the expansion and enhancement of the marina and a resort development on the adjacent lands at the Niagara Park Commission’s Miller’s Creek Marina;
2. That Council **URGES** the Niagara Parks Commission to continue its discussions with the Province of Ontario regarding the transfer of a portion of the adjacent lands to facilitate redevelopment of the marina and development of a resort;
3. That Council **REQUESTS** the Niagara Parks Commission to review the realignment of the Niagara Parkway to allow for the development of the marina and resort development;

4. That Council **REQUESTS** that the Niagara Parks Commission work with the Town of Fort Erie and the Region of Niagara in the preparation and circulation of a public Request or Call for Proposals (RFP) that maintains the integrity of the mandate of the Niagara Parks Commission;
5. That a copy of this resolution **BE FORWARDED** to the Chair of the Niagara Parks Commission for action;
6. That a copy of this resolution **BE FORWARDED** to the Premier of the Province of Ontario, the Minister of Tourism, Culture and Sport, the Minister of Infrastructure, the Chair of the Region of Niagara, local area MPPs, and the Honourable Tony Baldinelli, MP; and
7. That a copy of this resolution **BE CIRCULATED** to the Councils of the local municipalities in Niagara for their support.

In accordance with the notice and submission deadline requirements of Sections 18.1 (a) and 11.3, respectively, of Niagara Region's Procedural By-law, the Regional Clerk received from Councillor Gale a motion to be brought forward for consideration at the November 19, 2020 Council meeting respecting the Liquid Biosolids Procurement Process.

Whereas the bio-solids program, a multi-million-dollar, multi-year-service contract was subject to the Region's Procurement By-law;

Whereas the procurement was abruptly cancelled;

Whereas in January 2020, staff recommended a non-competitive, sole source contract regarding the bio-solids program, be awarded to Thomas Nutrients;

Whereas Council received a delegation from Terrapure Environmental in January 2020, that alleged the staff procurement process related to the bio-solids program was "faulty and unfair", that the report contained inaccurate information, and that Council was being "misled" by staff;

Whereas on April 6, 2020 the Acting CAO and 4 Councillors, under the Council initiated Whistleblower Policy, actually received two whistleblower complaints in regards to issues within the Water and Wastewater division, which included the bio-solids program;

Whereas the Whistleblower Policy complaint requires that complaints be investigated expeditiously, and the current investigation has been delayed;

Whereas, due to the investigation delays, Council was made aware of the delay on July 30, 2020, and were assured by staff that the investigation would be initiated;

Whereas the whistleblower complaint investigation was further delayed, as senior management initially hired a labour law firm, and then terminated the firm, and hired an another investigative firm;

Whereas Council unanimously rejected the recommended sole source contract to Thomas Nutrients, and directed staff to conduct a competitive process for the multi-year, multi-dollar bio-solids program;

Whereas, even though the whistleblower complaint investigation was not complete, staff proceeded to recommend the awarding the bio-solids program to Thomas Nutrients;

Whereas the award to Thomas Nutrients, via a competitive process, was approximately \$2 million (over 5 years) less than the initial recommended sole source contract back in January;

Whereas the staff report that recommended the contract be awarded to Thomas Nutrients, did not contain the results (points and costs of each applicant) of the competitive process;

Whereas the Procurement By-law permits the results of the procurement process to be made public, that applications become property of the corporation, and applicants agree to have the results published;

Whereas, a local media report disclosed that the second place bidder was approximately \$900,000 per year lower in costs than the Thomas Nutrients bid, representing approximately \$4.5 million (over 5 years) of the contract;

Whereas the global pandemic has placed a financial strain on municipalities and families across Niagara, and every taxed dollar spent by Niagara should be reviewed;

Whereas Council received public advice from staff that the bio-solids contract should be awarded to the incumbent vendor or face the possibility of lawsuits;

Whereas the procurement process included a Fairness Commissioner, however the Fairness Commissioner was not involved in the scoring evaluation completed by staff;

Whereas a local media report has revealed that one of the unsuccessful applicants has challenged the procurement process, and the corporation may have to defend this challenge at additional costs;

NOW THEREFORE BE IT RESOLVED:

1. That staff **BE DIRECTED** to:

- a) Provide an interim report of the current status and preliminary results of the whistleblower complaint investigation, and that a representative from the initial law firm, and a representative from the current investigation firm, attend the Council meeting to answer any Council questions;
- b) Provide a public report to Council listing the procurement results (actual scores and prices), from the bio-solids procurement process, and a confidential appendix with the actual scoring sheets completed by staff; and
- c) Retain an external legal firm to provide Council advice on the legal aspects of the current contract and the current challenge of one of the vendors;

2. That this direction to staff **BE COMPLETED** by the next Council meeting.

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NUMBER < >

A BY-LAW TO APPROVE THE SUBMISSION OF AN APPLICATION TO ONTARIO INFRASTRUCTURE AND LANDS CORPORATION ("OILC") FOR THE LONG-TERM FINANCING OF CERTAIN CAPITAL WORK(S) OF THE REGIONAL MUNICIPALITY OF NIAGARA TO AUTHORIZE THE ENTERING INTO OF A RATE OFFER LETTER AGREEMENT PURSUANT TO WHICH THE MUNICIPALITY WILL ISSUE DEBENTURES TO OILC

WHEREAS the *Municipal Act, 2001* (Ontario), as amended, (the "**Act**") provides that a municipal power shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

AND WHEREAS the Council of the Municipality has passed the by-law(s) enumerated in column (1) of Schedule "A" attached hereto and forming part of this By-law ("**Schedule "A"**") authorizing the capital work(s) described in column (2) of Schedule "A" ("**Capital Work(s)**") in the amount of the respective estimated expenditure set out in column (3) of Schedule "A", subject in each case to approval by OILC of the long-term financing for such Capital Work(s) requested by the Municipality in the Application as hereinafter defined;

AND WHEREAS before the Council of the Municipality approved the Capital Work(s) in accordance with section 4 of Ontario Regulation 403/02 (the "**Regulation**"), the Council of the Municipality had its Treasurer calculate an updated limit in respect of its then most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing (as so updated, the "**Updated Limit**"), and, on the basis of the authorized estimated expenditure for the Capital Work or each Capital Work, as the case may be, as set out in column (3) of Schedule "A" (the "**Authorized Expenditure**" for any such Capital Work), the Treasurer calculated the estimated annual amount payable in respect of the Capital Work or each Capital Work, as the case may be, and determined that the estimated annual amount payable in respect of the Capital Work or each Capital Work, as the case may be, did not cause the Municipality to exceed the Updated Limit, and accordingly the approval of the Local Planning Appeal Tribunal

pursuant to the Regulation, was not required before any such Capital Work was authorized by the Council of the Municipality;

AND WHEREAS subsection 401(1) of the Act provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS the Act also provides that a municipality shall authorize long-term borrowing by the issue of debentures or through another municipality under section 403 or 404 of the Act;

AND WHEREAS OILC has invited Ontario municipalities desirous of obtaining long-term debt financing in order to meet capital expenditures incurred on or after the year that is five years prior to the year of an application in connection with eligible capital works to make application to OILC for such financing by completing and submitting an application in the form provided by OILC;

AND WHEREAS the Municipality has completed and submitted or is in the process of submitting an application to OILC, as the case may be to request financing for the Capital Work(s) by way of long-term borrowing through the issue of debentures to OILC, substantially in the form of Schedule "B" hereto and forming part of this By-law (the "**Application**");

AND WHEREAS OILC has accepted and has approved or will notify the Municipality only if it accepts and approves the Application, as the case may be;

AND WHEREAS at least five (5) business days prior to the passing of the debenture by-law in connection with the issue of Debentures as defined below, OILC will provide the Municipality with a rate offer letter agreement substantially in the form as provided to the Municipality on or prior to the date of this By-law (the "**Rate Offer Letter Agreement**");

NOW THEREFORE THE COUNCIL OF THE REGIONAL MUNICIPALITY OF NIAGARA ENACTS AS FOLLOWS:

1. The Council of the Municipality hereby confirms, ratifies and approves the execution by the Regional Treasurer of the Application and the submission by such authorized official of the Application, duly executed by such authorized official, to OILC for the long-term financing of the Capital Work(s) in the maximum principal amount of \$54,439,409.00, with such changes

- thereon as such authorized official may hereafter, approve such execution and delivery to be conclusive evidence of such approval.
2. The Regional Chair and the Regional Treasurer are hereby authorized to execute and deliver for and on behalf of the Municipality the Rate Offer Letter Agreement under the authority of this By-law in respect of the Capital Work(s) on such terms and conditions as such authorized officials may approve, such execution and delivery to be conclusive evidence of such approval.
 3. Subject to the terms and conditions of the Rate Offer Letter Agreement, the Regional Chair and the Regional Treasurer are hereby authorized to long-term borrow for the Capital Work(s) and to issue debentures to OILC on the terms and conditions provided in the Rate Offer Letter Agreement (the “**Debentures**”); provided that the principal amount of the Debentures issued in respect of the Capital Work or of each Capital Work, as the case may be, does not exceed the Authorized Expenditure for such Capital Work and does not exceed the related loan amount set out in column (4) of Schedule “A” in respect of such Capital Work.
 4. In accordance with the provisions of section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011*, as amended from time to time hereafter, the Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, amounts not exceeding the amounts that the Municipality fails to pay to OILC on account of any unpaid indebtedness of the Municipality to OILC under the Debentures (the “**Obligations**”) and to pay such amounts to OILC from the Consolidated Revenue Fund.
 5. For the purposes of meeting the Obligations, the Municipality shall provide for raising in each year as part of the general levy, the amounts of principal and interest payable in each year under the Debentures issued pursuant to the Rate Offer Letter Agreement, to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
 6. (a) The Regional Chair and the Regional Treasurer are hereby authorized to execute and deliver the Rate Offer Letter Agreement,

and to issue the Debentures, one or more of the Regional Clerk and the Regional Treasurer are hereby authorized to generally do all things and to execute all other documents and papers in the name of the Municipality in order to perform the terms and conditions that apply to the Municipality as set out in the Rate Offer Letter Agreement and to perform the Obligations of the Municipality under the Debentures, and the Regional Treasurer is authorized to affix the Municipality's municipal seal to any such documents and papers.

- (b) The money realized in respect of the Debentures, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to the issue of the Debentures, if any, shall be apportioned and applied to the respective Capital Work and to no other purpose except as permitted by the Act.
7. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: < >

Schedule "A"
to By-Law Number 2020-82
(Capital Work(s))

(1)	(2)	(3)	(4)
<u>By-Law Number</u>	<u>Description of Capital Work</u>	<u>Estimated Expenditure</u>	<u>Loan Amount</u>
		\$	\$
2015-100, 2016-80	GO Transit	40,000,000.00	15,000,000.00
2019-25	Struc Rehab - St. Paul W CNR Bridge - Bridge Replacement	2,250,000.00	562,500.00
2019-97	Struc Rehab - Schisler Road Bridge (027230)	2,000,000.00	991,909.00
2019-97	20-Struc Rehab-RR24 Sixteen Creek Culvert (024310)	200,000.00	200,000.00
2016-80 / 2015-100/ 2015-18	LTC Home Redevelopment	73,000,000.00	15,335,000.00
2017-105	18-Canada Summer Games	20,036,786.00	3,350,000.00
2019-25	WWTP Upgrade Prgm - Garner Road Access & Lagoon	6,700,000.00	2,300,000.00
2019-25	MCC Upgrade Wastewater Program	2,000,000.00	1,800,000.00
2019-25	19-Seaway WWTP Electrical Upgrade	295,000.00	295,000.00
2017-106	WTP Upgrade Prg-Port Colborne	13,600,000.00	500,000.00
2017-106	WTP Upg - Grimsby Lane & Valve	1,880,000.00	1,030,000.00
2017-106	2017-CNR Transmission Main	16,825,092.00	6,400,000.00
2019-25	Welland Canal WTM Extension	4,620,000.00	4,620,000.00
2019-25	Grimsby System Storage	22,914,000.00	1,155,000.00
2019-25	19-St.Davids Rd Main Phase 1 / combined Phase 2	2,140,000.00	900,000.00

Schedule "B" to By-Law Number 2020-82

**Infrastructure
Ontario**

Webloans Loan Application PDF

FA Number

Application for

Projects

ID	SIT Project ID	Project Name	Construction/Purchase Start	Construction/Purchase End	Project Cost	OILC Loan Amount
1283	1	20000140 GO Transit	03/01/2021	09/29/2023	\$40,000,000.00	15,000,000.00
1284	2	10RC1566 Struc Rehab St Paul W CNR Bridge Bridge Replacement	03/01/2021	10/01/2022	\$2,250,000.00	562,500.00
1285	3	20000661 Struc Rehab Schisler Road Bridge 027230	03/01/2021	03/01/2022	\$2,000,000.00	991,909.00
1286	4	20001189 20 Struc Rehab RR24 Sixteen Creek Culvert 024310	11/01/2020	12/31/2020	\$200,000.00	200,000.00
1287	5	10GD1505 LTC Home Redevelopment	01/01/2021	12/31/2024	\$73,000,000.00	15,335,000.00
1288	6	20000751 18 Canada Summer Games	01/01/2018	12/31/2021	\$20,036,786.00	3,350,000.00
1289	7	10SW1513 WWTP Upgrade Prgm Garner Road Access Lagoon	09/01/2019	01/21/2021	\$6,700,000.00	2,300,000.00
1290	8	20000684 MCC Upgrade Wastewater Program	02/01/2021	10/31/2021	\$2,000,000.00	1,800,000.00
1291	9	20000861 19 Seaway WWTP Electrical Upgrade	03/01/2021	10/29/2021	\$295,000.00	295,000.00
1292	10	20000187 WTP Upg Grimsby Lane Valve	08/01/2020	04/01/2021	\$1,880,000.00	1,030,000.00
1293	11	10CW1314 WTP Upg Grimsby Lane Valve	10/01/2020	03/31/2022	\$13,600,000.00	500,000.00
1294	12	20000467 2017 CNR Transmission Main	02/03/2020	11/30/2020	\$16,825,092.00	6,400,000.00
1295	13	20001057 Welland Canal WTM Extension	03/01/2021	12/31/2021	\$4,620,000.00	4,620,000.00
1296	14	10CW1302 Grimsby System Storage	01/02/2020	09/20/2021	\$22,914,400.90	1,155,000.00
1297	15	20000833 19 St Davids Rd Main	08/20/2020	08/01/2021	\$2,140,000.00	900,000.00

Details of Project 20000140 GO Transit			
Project Category	Public Transit Infrastructure		
Project Name	20000140 GO Transit		
Construction/Purchase Start	03/01/2021		
Construction/Purchase End	09/29/2023		
Energy Conservation <input type="checkbox"/>			
Project Address 1	Multiple locations		
Project Address 2			
City / Town	Multiple locations		
Province	ON		
Postal Code			
Description	Construction of Niagara Falls Station, St Catharines Station and Grimsby Station		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$40,000,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Reserves	Existing	\$11,300,000.00	
Future debt	Expected	\$13,700,000.00	
Other Project Funding/Financing Total (B)	\$25,000,000.00		
OILC Loan Amount (A-B)	\$15,000,000.00		
Only Include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$15,000,000.00	30	Serial
Long-term Borrowing Total	\$15,000,000.00		

Details of Project 10RC1566 Struc Rehab St Paul W CNR Bridge Bridge Replacement			
Project Category	Municipal Bridge Infrastructure		
Project Name	10RC1566 Struc Rehab St Paul W CNR Bridge Bridge Replacement		
Construction/Purchase Start	03/01/2021		
Construction/Purchase End	10/01/2022		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	JR Stork Bridget		
Project Address 2			
City / Town	St Catharines		
Province	ON		
Postal Code			
Description	Replacement of St Paul West CNR Bridge No. 081215 which carries RR81 over CN Tracks in west St Catharines		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$2,250,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
External Financing	Existing	\$500,000.00	
Development Charges	Existing	\$31,084.23	
Development Charges	Expected	\$156,415.77	
Debentures	Existing	\$1,000,000.00	
Other Project Funding/Financing Total (B)	\$1,687,500.00		
OILC Loan Amount (A-B)	\$562,500.00		
Only Include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$562,500.00	30	Serial
Long-term Borrowing Total	\$562,500.00		

Details of Project 20000661 Struc Rehab Schisler Road Bridge 027230			
Project Category	Municipal Bridge Infrastructure		
Project Name	20000661 Struc Rehab Schisler Road Bridge 027230		
Construction/Purchase Start	03/01/2021		
Construction/Purchase End	03/01/2022		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Schisler Road Bridge		
Project Address 2			
City / Town	Welland		
Province	ON		
Postal Code			
Description	Bridge Rehabilitation		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$2,000,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Reserves	Expected	\$300,000.00	
Debentures	Existing	\$708,091.00	
Other Project Funding/Financing Total (B)	\$1,008,091.00		
OILC Loan Amount (A-B)	\$991,909.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$991,909.00	30	Serial
Long-term Borrowing Total	\$991,909.00		

Details of Project 20001189 20 Struc Rehab RR24 Sixteen Creek Culvert 024310			
Project Category	Municipal Roads Infrastructure		
Project Name	20001189 20 Struc Rehab RR24 Sixteen Creek Culvert 024310		
Construction/Purchase Start	11/01/2020		
Construction/Purchase End	12/31/2020		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	RR24 Sixteen Creek Culvert		
Project Address 2			
City / Town	West Lincoln		
Province	ON		
Postal Code			
Description	Rehabilitation-RR24 Sixteen Creek Culvert (024310) in the Township of West Lincoln		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$200,000.00		
Other Project Funding / Financing (B):			
Other Project Funding/Financing Total (B)	\$0.00		
OILC Loan Amount (A-B)	\$200,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$200,000.00	30	Serial
Long-term Borrowing Total	\$200,000.00		

Details of Project 10GD1505 LTC Home Redevelopment			
Project Category	Long-Term Care Facilities		
Work Type	Renovation		
Project Name	10GD1505 LTC Home Redevelopment		
Construction/Purchase Start	01/01/2021		
Construction/Purchase End	12/31/2024		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Gilmore Lodge		
Project Address 2			
City / Town	Fort Erie		
Province	ON		
Postal Code			
Description	Replacement or redevelopment of existing long term care facilities including Gilmore Lodge in the Town of Fort Erie, Upper Canada Lodge in NOTL, and Linhaven in St. Catharines		
Comments and/or Special Requests			
Project Life Span (Years)	25		
Project Financial Information			
Project Cost (A)	\$73,000,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
External Financing	Expected	\$5,600,000.00	
External Financing	Existing	\$300,000.00	
Development Charges	Existing	\$912,285.44	
Development Charges	Expected	\$8,165,714.56	
Future Debt	Expected	\$42,687,000.00	
Other Project Funding/Financing Total (B)	\$57,665,000.00		
OILC Loan Amount (A-B)	\$15,335,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$15,335,000.00	25	Serial
Long-term Borrowing Total	\$15,335,000.00		

Details of Project 20000751 18 Canada Summer Games			
Project Category	Recreation Infrastructure		
Work Type	Muni Indoor & Outdoor Cap Infr		
Project Name	20000751 18 Canada Summer Games		
Construction/Purchase Start	01/01/2018		
Construction/Purchase End	12/31/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Varlos Location		
Project Address 2			
City / Town	Niagara Region		
Province	ON		
Postal Code			
Description	Construction of new facilities and amenities and improvement of existent facilities and amenities to collaborate with the Canada Summer Games		
Comments and/or Special Requests			
Project Life Span (Years)	10		
Project Financial Information			
Project Cost (A)	\$20,036,786.01		
Other Project Funding / Financing (B):			
Description	Timing	Amount	
Federal Gas Tax Revenue	Expected	\$13,686,786.00	
Debenture	Existing	\$3,000,000.00	
Other Project Funding/Financing Total (B)		\$16,686,786.01	
OILC Loan Amount (A-B)		\$3,350,000.00	
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$3,350,000.00	10	Serial
Long-term Borrowing Total		\$3,350,000.00	

Details of Project 10SW1513 WWTP Upgrade Prgm Garner Road Access Lagoon			
Project Category	Sewage Treatment Infrastructure		
Project Name	10SW1513 WWTP Upgrade Prgm Garner Road Access Lagoon		
Construction/Purchase Start	09/01/2019		
Construction/Purchase End	01/21/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Garner Road Access		
Project Address 2			
City / Town	Niagara Falls		
Province	ON		
Postal Code			
Description	Replacement of existing road network and reinforce/rehabilitate lagoon cell embankment walls.		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$6,700,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Reserves	Existing	\$4,400,000.00	
Other Project Funding/Financing Total (B)		\$4,400,000.00	
OILC Loan Amount (A-B)	\$2,300,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$2,300,000.00	30	Serial
Long-term Borrowing Total		\$2,300,000.00	

Details of Project 20000684 MCC Upgrade Wastewater Program			
Project Category	Sewage Treatment Infrastructure		
Project Name	20000684 MCC Upgrade Wastewater Program		
Construction/Purchase Start	02/01/2021		
Construction/Purchase End	10/31/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Port Weller		
Project Address 2			
City / Town	St Catharines		
Province	ON		
Postal Code			
Description	Replacement of Motor Controls Centres (MCC) at wastewater treatment plants and pumps stations Port Weller - St Catharines Oxford PS - Port Colborne Nickel PS - Port Colborne		
Comments and/or Special Requests			
Project Life Span (Years)	30		

Project Financial Information			
Project Cost (A)	\$2,000,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Reserves	Existing	\$200,000.00	
Other Project Funding/Financing Total (B)		\$200,000.00	
OILC Loan Amount (A-B)	\$1,800,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$1,800,000.00	30	Serial
Long-term Borrowing Total		\$1,800,000.00	

Details of Project 20000861 19 Seaway WWTP Electrical Upgrade			
Project Category	Sewage Treatment Infrastructure		
Project Name	20000861 19 Seaway WWTP Electrical Upgrade		
Construction/Purchase Start	03/01/2021		
Construction/Purchase End	10/29/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Prosperity Avenue		
Project Address 2			
City / Town			
Province	ON		
Postal Code			
Description	Replace various Motor Control Centres (MCC) and electrical components at Seaway Wastewater Treatment Plant (WWTP)		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$295,000.00		
Other Project Funding / Financing (B):			
Other Project Funding/Financing Total (B)	\$0.00		
OILC Loan Amount (A-B)	\$295,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$295,000.00	30	Serial
Long-term Borrowing Total	\$295,000.00		

Details of Project 20000187 WTP Upg Grimsby Lane Valve			
Project Category	Clean Water Infrastructure		
Project Name	20000187 WTP Upg Grimsby Lane Valve		
Construction/Purchase Start	08/01/2020		
Construction/Purchase End	04/01/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	North Service Road		
Project Address 2			
City / Town	Grimsby		
Province	ON		
Postal Code			
Description	Construction - Laneway Improvements at the Grimsby Water Treatment Plant and Valve Replacements		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$1,880,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Reserves	Existing	\$850,000.00	
Other Project Funding/Financing Total (B)	\$850,000.00		
OILC Loan Amount (A-B)	\$1,030,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$1,030,000.00	30	Serial
Long-term Borrowing Total	\$1,030,000.00		

Details of Project 10CW1314 WTP Upgrade Prg Port Colborne			
Project Category	Clean Water Infrastructure		
Project Name	10CW1314 WTP Upgrade Prg Port Colborne		
Construction/Purchase Start	10/01/2020		
Construction/Purchase End	03/31/2022		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	King St		
Project Address 2			
City / Town	Port Colborne		
Province	ON		
Postal Code			
Description	Port Colborne WTP upgrades that included improvements to the electrical, flocculation, setting and filter processes		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$13,600,000.00		
Other Project Funding / Financing (B):			
Description	Timing	Amount	
Federal Gas Tax	Existing	\$625,127.72	
Federal Gas Tax	Expected	\$874,872.28	
Reserves	Existing	\$11,600,000.00	
Other Project Funding/Financing Total (B)	\$13,100,000.00		
OILC Loan Amount (A-B)	\$500,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$500,000.00	30	Serial
Long-term Borrowing Total	\$500,000.00		

Details of Project 20000467 2017 CNR Transmission Main			
Project Category	Clean Water Infrastructure		
Project Name	20000467 2017 CNR Transmission Main		
Construction/Purchase Start	02/03/2020		
Construction/Purchase End	11/30/2020		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Baker Road - Grimsby		
Project Address 2			
City / Town			
Province	ON		
Postal Code	Grimsby		
Description	This project will replace a 500mm ductile iron watermain in the Town of Grimsby that has had several recent failures (breaks) and has been identified in the recent Master Servicing Plan (2017) as needing to be increased in size (diameter) to meet future flow demands.		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$16,825,092.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Reserves	Existing	\$2,025,092.00	
Development Charges	Existing	\$2,882,595.86	
Development Charges	Expected	\$5,517,404.14	
Other Project Funding/Financing Total (B)	\$10,425,092.00		
OILC Loan Amount (A-B)	\$6,400,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$6,400,000.00	30	Serial
Long-term Borrowing Total	\$6,400,000.00		

Details of Project 20001057 Welland Canal WTM Extension			
Project Category	Clean Water Infrastructure		
Project Name	20001057 Welland Canal WTM Extension		
Construction/Purchase Start	03/01/2021		
Construction/Purchase End	12/31/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Welland Recreational Canal		
Project Address 2			
City / Town	Welland		
Province	ON		
Postal Code			
Description	Construction - New transmission main crossing the Welland Recreation Waterway that will connect the Welland WTP to a new transmission main on the west side of the waterway		
Comments and/or Special Requests			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$4,620,000.00		
Other Project Funding / Financing (B):			
Other Project Funding/Financing Total (B)	\$0.00		
OILC Loan Amount (A-B)	\$4,620,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$4,620,000.00	30	Serial
Long-term Borrowing Total	\$4,620,000.00		

Details of Project 10CW1302 Grimsby System Storage			
Project Category	Clean Water Infrastructure		
Project Name	10CW1302 Grimsby System Storage		
Construction/Purchase Start	01/02/2020		
Construction/Purchase End	09/20/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	Park Road		
Project Address 2			
City / Town	Grimsby		
Province	ON		
Postal Code			
Description	Construction - Additional in ground water storage in the Town of Grimsby		
<div>Comments and/or Special Requests</div> <div></div>			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$22,914,400.91		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Development Charges	Existing	\$1,633,463.65	
Development Charges	Expected	\$13,760,805.80	
Reserves	Existing	\$6,365,131.45	
Other Project Funding/Financing Total (B)	\$21,759,400.91		
OILC Loan Amount (A-B)	\$1,155,000.00		
Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$1,155,000.00	30	Serial
Long-term Borrowing Total	\$1,155,000.00		

Details of Project 20000833 19 St Davids Rd Main			
Project Category	Clean Water Infrastructure		
Project Name	20000833 19 St Davids Rd Main		
Construction/Purchase Start	08/20/2020		
Construction/Purchase End	08/01/2021		
Energy Conservation	<input type="checkbox"/>		
Project Address 1	David's Rd		
Project Address 2			
City / Town	St Catharine's		
Province	ON		
Postal Code			
Description	Replacement / upgrade of 450 m of watermain on St David's Road from Collier to Sone Standfire		
<div>Comments and/or Special Requests</div> <div></div>			
Project Life Span (Years)	30		
Project Financial Information			
Project Cost (A)	\$2,140,000.00		
<u>Other Project Funding / Financing (B):</u>			
Description	Timing	Amount	
Reserves	Existing	\$1,240,000.00	
Other Project Funding/Financing Total (B)		\$1,240,000.00	
OILC Loan Amount (A-B)	\$900,000.00		
Only Include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.			
Required Date	Amount	Term	Type
11/02/2020	\$900,000.00	30	Serial
Long-term Borrowing Total	\$900,000.00		

Loan Purpose	Initial Amount Borrowed	Outstanding Amount	Annual Interest Rate	Date Borrowed	Maturity Year	Summary Pledges	Payment Plan	Payment Amount	Payment Frequency
Capital Works Financing	\$15,525,400.00	\$15,525,400.00	1.4300	07/31/2020	10		None	\$3,767,000.00	Annually

Please describe any re-financing plans for any existing "Interest only" debt, if applicable.

Non Re-payments of Loans or Debenture

In the last 10 years, has the borrower ever failed to make a loan payment or debenture repayment on time to any lender, including the Provincial Government?

If yes, please provide details.

OILC Loan Repayment Information

Please indicate the source(s) of revenue you plan to use to repay the OILC Loan

Taxation	100.00
User Fees	0.00
Service Charges	0.00
Development Charges	0.00
Connection Fees	0.00
Repayment Subsidies	0.00
Other	
Total	100.00%

Documentation and Acknowledgements

Please ensure all required documents are submitted with the signed application. OILC requires originals as noted below to be mailed or couriered. Also, please retain a copy of all documents submitted to OILC for your records.

To obtain templates for documents see listed below.

- Loan Application Signature Page signed and dated by the appropriate individual (original to be submitted)
- Certificate and sealed copy of OILC template By-law authorizing project borrowing and applying for a loan (original with seal)
- Certificate of Treasurer Regarding Litigation using the OILC template (original, signed & sealed)
- Updated Certified Annual Repayment Limit Calculation (original)

☒ I acknowledge and agree that all of the above referenced documents must be submitted in the form required by OILC and understand that the application will not be processed until such documents have been fully completed and received by Infrastructure Ontario.

Please note: OILC retains the right to request and review any additional information or documents at its discretion.

Confidential Information

OILC is an institution to which the Freedom of Information and Protection of Privacy Act (Ontario) applies. Information and supporting documents submitted by the Borrower to process the loan application will be kept secure and confidential, subject to any applicable laws or rules of a court or tribunal having jurisdiction.

Infrastructure Ontario

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THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. < >

A BY-LAW TO AMEND BY-LAW 2019-79 BEING A BY-LAW
TO DEFINE BUDGET PLANNING REQUIREMENTS FOR
THE REGIONAL MUNICIPALITY OF NIAGARA

WHEREAS Section 224(d) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, states that it is the role of council to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council;

WHEREAS Section 289(1) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, requires that for each year, The Regional Municipality of Niagara, in the year or the immediately preceding year, prepare and adopt a Budget including estimates of all sums required during the year;

WHEREAS By-law 2019-79 being a by-law to define budget planning requirements for The Regional Municipality of Niagara was passed on October 17, 2019, to set out policies with respect to the development of the Budgets; and

WHEREAS the Council of The Regional Municipality of Niagara wishes to amend By-law 2019-79 to include the consideration of social determinants of health in program and budget decisions.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the following wording be added to By-law 2019-79 in Section 1 - Purposes, Goals and Objectives:
 - 1.7 Establish social determinants of health as a consideration in program and budget decisions.
2. That the following wording be added to By-law 2019-79 in Section 2 – Definitions:

“Social Determinants of Health” means the economic, social and environmental conditions that influence individual and group differences in health status, including income, education, employment, early childhood development, food insecurity, housing, social exclusion and social safety network, health services, aboriginal status, gender, sexuality, race, and disability.

2. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: <date>

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. < >

A BY-LAW TO ADOPT, RATIFY AND CONFIRM THE ACTIONS OF
REGIONAL COUNCIL AT ITS MEETING
HELD NOVEMBER 19, 2020

WHEREAS subsection 5 (3) of the Municipal Act, S.O. 2001, Ch. 25, as amended, provides that, except if otherwise authorized, the powers of Regional Council shall be exercised by by-law; and,

WHEREAS it is deemed desirable and expedient that the actions of Regional Council as herein set forth be adopted, ratified and confirmed by by-law.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the actions of the Regional Council at its meeting held November 19, 2020, including all resolutions or motions approved, are hereby adopted, ratified and confirmed as if they were expressly embodied in this by-law.
2. That the above-mentioned actions shall not include:
 - a) Any actions required by law to be taken by resolution; or
 - b) Any actions for which prior Local Planning Appeal Tribunal approval is required, until such approval is obtained.
3. That the Chair and proper officials of The Regional Municipality of Niagara are hereby authorized and directed to do all things necessary to give effect to the above-mentioned actions and to obtain approvals where required.
4. That unless otherwise provided, the Chair and Clerk are hereby authorized and directed to execute and the Clerk to affix the seal of The Regional Municipality of Niagara to all documents necessary to give effect to the above-mentioned actions.
5. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: < >