

CORPORATION OF THE
TOWNSHIP OF BILLINGS

AGENDA

February 15th, 2022 7:00 p.m.

Electronic

1. OPEN
2. APPROVAL OF AGENDA
3. DISCLOSURE OF PECUNIARY INTEREST
4. ADOPTION OF MINUTES
5. DELEGATIONS
6. COMMITTEE REPORTS
7. OLD BUSINESS
8. NEW BUSINESS
 - a) District Social Services Board Apportionment
 - b) Planning for Future Vacancies in Management Positions
9. CORRESPONDENCE
10. INFORMATION
11. ACCOUNTS FOR PAYMENT
12. CLOSED SESSION
13. CONFIRMING BY-LAW
14. ADJOURNMENT

Memorandum

To: Mayor, Council
cc: Staff, Public
From: Staff
Date: February 11th, 2022
RE: February 15th, 2022 Special Council Meeting

4. Minutes

None.

5. Delegations

None.

6. Committee Reports

None.

7. Old Business

None.

8. New Business

a) District Social Services Board Apportionment

Recommendation:

That Council agrees with the current apportionment formula from the District Social Services Board and does not support a change in the way the apportionment is calculated by the Municipal Tax Equity Consultants.

At the DSB's board meeting on January 27th, 2022, the board members passed Resolution 22-10 which has been included in the agenda package.

Before the Board considers this matter further, the Board wanted to determine where municipalities were on this issue and whether a majority of the member municipalities representing a majority of the electors of those member municipalities (and TWOMOS) would consent to a change from the Current Formula to the Proposed Formula.

The ask:

*Each municipality and TWOMO representative is being asked, **by February 22, 2022**, to consider the matter and, by resolution inform the DSB Board whether your municipality **would consent to a change in the cost apportionment formula from the Current Formula to the Proposed Formula shown in Table 3 of the Municipal Tax Equity Consultants Inc., dated December 20, 2021, for the year 2023.***

To be clear the Board is not considering a change in the formula from the current formula to the default formula. The DSB Board does not support this change.

b) Planning For Future Vacancies in Management Positions

Mayor and Council will need to start planning for future vacancies in management positions within the Township.

Option 1. Hire from within – is there anyone who is capable/willing to fill that position.
Discussion on individual staff members and how they would fit into a management position will need to be in a closed session. This is a discussion that should take place during any time there is a potential for promotion.

Pros

- You know what to expect
- Familiar with municipality and people – some knowledge of specific skills required for the job
- Faster transition times
- You know what you are getting
- Staff members may be more willing/comfortable to work with who they know
- Training would be easier, as training could start immediately
- Potentially reduces the risk of hiring the wrong person, because the person is more of a known quantity

Cons

- Leaves gap in existing workforce - staff member will need to be replaced
- Difficulty in finding qualified, experienced replacement staff locally – the workforce characteristics of most local municipalities is very similar
- There is a very real housing/accommodation supply shortage on the island.
- Potentially missing out on vast talent pool from the broader municipal world
- An existing employee will need to learn and develop additional management skills

Option 2. Advertise/Recruit for the position, outside the organization, ourselves

Pros

- Possibility of wide range of applicants to choose from
- Brings in new ideas, approaches, fresh perspective.

Cons

- Housing shortage, so difficult to fill positions from outside of district
- Experienced rural/small municipal management candidates are very difficult to find
- Off island advertising will cost upwards of \$1000.
- Hiring process relies on education and management experience but it is challenging to really discern an unknown person's actual ability to competently do the job, and to "fit" into the organization.
- Recruits people with limited understanding of the township
- Requires more training
- Increased risk of turnovers

Option 3. Hire a Recruitment Agency to advertise and recruit select candidates on our behalf

Pros

- Head hunters will screen all potential applicants before Council proceeds to interview a select group of applicants.

- Will actively look for someone to fill that position (some companies email every municipal staff member they think will be eligible for the position)
- Less staff time searching for replacement

Cons

- Costly - Head hunters usually work on a percentage of the salary of the position they are searching to fill.
- Turn-around time for this process may be in excess of 6 months, but so may be municipal advertising attempts
- Housing market makes it difficult for someone to relocate for a position.
- Hiring organizations tend to overestimate how skills and experience can easily be applied to new organizations.
- Head hunters don't have the same "stake" in the outcome - they get paid by getting someone hired. The ongoing suitability and "fit" is not their concern.

9. Correspondence

None.



RESOLUTION 22-10

DATE: January 27, 2022

MOVED BY: Richard Malette

SECONDED BY: Richard Stephens

WHEREAS The Corporation of the Town of Espanola (“Espanola”) has commenced a legal proceeding against the Manitoulin-Sudbury District Services Board (the “Board”) respecting the Board’s current cost apportionment formula (the “Current Formula”) and is asking that the Court set it aside;

AND WHEREAS Espanola has proposed that a new formula (the “Proposed Formula”) be established to replace the Current Formula, with the Proposed Formula being the formula proposed in the attached [report](#) from Municipal Tax Equity Consultants Inc., dated December 20, 2021 and as shown in Table 3 in this report;

AND WHEREAS DSB staff have reviewed Tables 4 and 5 in the aforementioned report and, while there is no intention to return to the default formula, staff are of the view that such tables do not represent the default formula as they contain Payments In Lieu (PIL);

AND WHEREAS pursuant to subsection 6(5) of Ontario Regulation 278/98 (the “Regulation”), the cost apportionment formula therein may not be changed to the Proposed Formula unless the following requirements are met:

- a) the Proposed Formula is approved by the Board; and
- b) a majority of municipalities and members representing territory without municipal organization consent to the establishment of the Proposed Formula and those municipalities and members represent a majority of the electors in the Board’s district;

AND WHEREAS a resolution of the municipal council is required for a municipality to consent and a signed consent of a member representing territory without municipal organization is required for the member to consent to the Proposed Formula change;

AND WHEREAS, in light of the current legal proceeding, it is appropriate and advisable, before the Board considers the matter further, to first determine whether a majority of the member municipalities representing a majority of the electors of those member municipalities (and TWOMOS) consent to a change in the formula from the Current Formula to the Proposed Formula;

NOW THEREFORE be it resolved as follows:

That each municipality and member be asked to, by February 22, 2022, consider the matter and, by resolution or signed consent, as the context requires, inform the Board whether such municipality or member would consent to a change in the cost apportionment formula from the Current Formula to the Proposed Formula shown in Table 3 of the Municipal Tax Equity Consultants Inc., dated December 20, 2021 for the year 2023, provided that the legal proceeding is satisfactorily resolved.

Carried



 CHAIR

MEMBER	YEAS	NAYS	MEMBER	YEAS	NAYS
BEER, JILL			LOVELACE, EDGAR		
BURKE, KEVIN			MALETTE, RICHARD		
GORHAM, VERN			SANTI, DAVID		
HAM, DAVID			SCHOPPMANN, PAUL		
HAYDEN, ARTHUR			STEPHENS, RICHARD		
KILLAH, BRUCE			VAN ALSTINE, MAUREEN		
LEVESQUE, MICHAEL			ROOK, JIM		

DISTRICT SOCIAL SERVICES BOARD APPORTIONMENT
ALTERNATE MODEL FOR THE
TREATMENT OF POWER DAM GRANT REVENUE

Prepared For:
THE TOWN OF ESPANOLA

Prepared By:
MUNICIPAL TAX EQUITY (MTE) CONSULTANTS INC.
GEORGETOWN, ONTARIO
WWW.MTE.CA

Published On:
MONDAY DECEMBER 20, 2021

(Replaces Version Dated Nov. 29, 2021)



DISCLAIMER AND CAUTION

The information, views, data and discussions in this document and related material are provided for general reference purposes only.

Regulatory and statutory references are, in many instances, not directly quoted excerpts and the reader should refer to the relevant provisions of the legislation and regulations for complete information.

The discussion and commentary contained in this report do not constitute legal advice or the provision of legal services as defined by the *Law Society Act*, any other Act, or Regulation. If legal advice is required or if legal rights are, or may be an issue, the reader must obtain an independent legal opinion.

Decisions should not be made in the sole consideration of or reliance on the information and discussions contained in this report. It is the responsibility of each individual in either of a decision-making or advisory capacity to acquire all relevant and pertinent information required to make an informed and appropriate decision with regards to any matter under consideration concerning municipal finance issues.

MTE is not responsible to the municipality, nor to any other party for damages arising based on incorrect data or due to the misuse of the information contained in this study, including without limitation, any related, indirect, special, or consequential damages.



INTRODUCTION AND PURPOSE

The Town of Espanola is a member municipality of the Manitoulin-Sudbury District Services Board (MSDSB) and as such, contributes to the funding of the Board. The Town and the other member municipalities share in these costs in accordance with an established sharing formula established under the District Social Services Administration Boards Act, R.S.O. 1990 (*The Act*) and Ontario Regulation 278/98 (*Regulation*) made and amended under that *Act*.

This formula relies primarily on the proportional share of weighted property assessment within each local municipality but also captures a specific pool of grant money that three of the members receive from the Province in respect to exempt hydro electric power dams.

The Town enlisted the assistance of Municipal Tax Equity (MTE) Consultants Inc. to review the sharing formula utilized by the MSDSB and in particular, the manner in which the power dam revenue is treated and incorporated. The outcome of this review suggested that the current approach is not sensitive to changes in the overall property demographics of the MSDSB as a whole. We suggest that the reliance on a historical grant share factor prevents the Power Dam revenue from being apportioned in a manner that reflects current circumstances or the Town's current proportional position with the MSDSB.

This report has been prepared to document a potential, alternate approach to the current revenue sharing model that would treat revenue related to Power Dam Grants within a current, rather than historical context.

ALTERNATE APPROACH

The alternative approach has been prepared to ensure that all municipalities receiving Power Dam grants share the same proportion of that revenue with the Board as they would if the funds were raised by the property tax. That is, a municipality in receipt of a Power Dam grant that shares 10% of every property tax dollar it raises, will share 10% of each grant dollar it receives.

This is accomplished by translating each municipality's grant amount into equivalent weighted CVA. Put another way, how much more weighted CVA would each municipality be reporting if they were in fact raising the grant money from the property tax base. This is a very straightforward, objective and transparent calculation.

Equivalent Weighted CVA = Grant Revenue ÷ Residential Tax Rate

In this instance, MTE recommends using the notional, or starting tax rate for the year for which the apportionment exercise applies (Subject Year). This will not make a difference while reassessment is paused, but it will be an important step once reassessment restarts to ensure accuracy in the calculation and outcome.

As the Municipal Property Assessment Corporation (MPAC) has delayed the release of final roll return data for 2022, we have undertaken a restatement of the Board's 2021 apportionments in order to illustrate the specific mechanics of this alternate approach.

Table 1 sets out the approach to confirming CVA, Weighted CVA and Equivalent Weighted CVA.

Table 2 is a revised Board-wide apportionment summary table.

Table 1
Restated 2021 CVA and Tax Ratio Confirmation

MPAC Assessment at Roll Return (Year-End Tax File or Municipal Change Profile MCP)	Current Value Assessment ¹		Base Year Tax Parameters		Weighted CVA	
	<i>Base Year End</i>	<i>Subject Year Returned</i>	<i>Tax Ratio</i>	<i>Subclass Factor</i>	<i>Base Year</i>	<i>Subject Year</i>
	A	B	C	D	$E = A * C * D$	$F = B * C * D$
RT	333,313,993	333,313,993	1.000000	1.00	333,313,993	333,313,993
RG	130,600	130,600	1.000000	1.00	130,600	130,600
RP	14,800	14,800	1.000000	1.00	14,800	14,800
FT	285,300	285,300	0.250000	1.00	71,325	71,325
TT	1,085,200	1,085,200	0.250000	1.00	271,300	271,300
MT	6,019,500	6,019,500	2.000000	1.00	12,039,000	12,039,000
CT	33,067,387	33,067,387	1.808670	1.00	59,807,991	59,807,991
XT	2,365,900	2,365,900	1.808670	1.00	4,279,132	4,279,132
ST	3,703,300	3,703,300	2.609186	1.00	9,662,599	9,662,599
CF	3,073,000	3,073,000	1.808670	1.00	5,558,043	5,558,043
CG	1,226,600	1,226,600	1.808670	1.00	2,218,515	2,218,515
CH	310,500	310,500	1.808670	1.00	561,592	561,592
CU	198,500	198,500	1.808670	1.00	359,021	359,021
CX	1,386,500	1,386,500	1.808670	1.00	2,507,721	2,507,721
IH	63,000	63,000	2.325000	1.00	146,475	146,475
IT	2,294,500	2,294,500	2.325000	1.00	5,334,713	5,334,713
IU	14,000	14,000	2.325000	1.00	32,550	32,550
IX	330,000	330,000	2.325000	1.00	767,250	767,250
JT	597,300	597,300	2.325000	1.00	1,388,723	1,388,723
JU	102,400	102,400	2.325000	1.00	238,080	238,080
LT	8,307,013	8,307,013	8.219640	1.00	68,280,656	68,280,656
HT	9,200	9,200	1.100000	1.00	10,120	10,120
PT	1,824,000	1,824,000	1.245563	1.00	2,271,907	2,271,907
Totals	399,722,493	399,722,493			509,266,104	509,266,104

Base Year Residential Tax Rate	G	Input	0.01511116
Notional Tax	H	(Value of E)* G	\$7,695,602
Notional Rate	I	H / (Value of F)	0.01511116 ²
Base Year Grant Amount	J	Input	\$797,281
Equivalent Weighted CVA – Power Dam Grant	K	J / I	52,761,076
Total Equivalent Weighted CVA	L	(Value of F) + K	562,027,180

¹ Year-End CVA from the Base Year (2020) is derived from the same sources as the assessment returned for the Subject Year (2021).

² In a non-reassessment year, the Notional Rate will equal the prior year's actual rate. In a reassessment year, the notional rate will typically be lower when calculated against the new assessment/phase-in year values. If this is not done, the Equivalent Weighted CVA will be understated.

Table 2
Restated 2021 Apportionment Schedule

Municipality	Weighted CVA	Equivalent Weighted CVA	Total Weighted CVA	Share of Municipal Weighted CVA	Net Revenue Share	
Assiginack	189,394,624		189,394,624	4.48%	\$383,056	3.59%
Gordon & Barrie Island	144,396,265		144,396,265	3.42%	\$292,046	2.74%
Cockburn Island	11,650,750		11,650,750	0.28%	\$23,564	0.22%
Billings	178,484,600		178,484,600	4.23%	\$360,990	3.39%
Central Manitoulin	400,166,122		400,166,122	9.47%	\$809,348	7.59%
Burpee & Mills	74,636,709		74,636,709	1.77%	\$150,955	1.42%
Tehkummah	78,059,223		78,059,223	1.85%	\$157,877	1.48%
NEMI	534,986,650		534,986,650	12.67%	\$1,082,027	10.15%
Gore Bay	69,757,890		69,757,890	1.65%	\$141,087	1.32%
Killarney	329,007,905		329,007,905	7.79%	\$665,428	6.24%
Baldwin	61,627,606		61,627,606	1.46%	\$124,644	1.17%
Chapleau	98,106,759		98,106,759	2.32%	\$198,424	1.86%
Espanola	509,268,090	52,761,076	562,029,166	13.31%	\$1,136,721	10.66%
French River	593,434,159		593,434,159	14.05%	\$1,200,238	11.25%
Markstay-Warren	289,502,065		289,502,065	6.85%	\$585,527	5.49%
Nairn & Hyman	70,758,754	4,455,873 ³	75,214,627	1.78%	\$152,124	1.43%
Sables-Spanish Rivers	331,165,986	6,268,580 ⁴	337,434,566	7.99%	\$682,472	6.40%
St Charles	195,608,302		195,608,302	4.63%	\$395,624	3.71%
Total Organized Municipalities	4,160,012,460		4,223,497,988	100.00%	\$8,542,152	80.10%
Contribution for Territory without Municipal Organization (TWOMO)					\$2,122,209	19.90%
Total					\$10,664,361	100.00%

³ Based on an estimated Power Dam Grant of \$56,025 and a 2020 municipal tax rate of 0.01257330.

⁴ Based on an estimated Power Dam Grant of \$79,789 and a 2020 municipal tax rate of 0.01272838.

Table 3 has been prepared to document the net difference in apportionments between the actual 2021 schedule and the restated apportionments set out in Table 2.

Table 3
Actual vs. Equivalent Weighted CVA Apportionments for 2021

Municipality	Actual		Espanola Proposed		Difference	
	\$	%	\$	%	\$	%
Assignack	\$380,156	3.56%	\$383,056	3.59%	\$2,900	0.76%
Gordon & Barrie Island	\$289,835	2.72%	\$292,046	2.74%	\$2,211	0.76%
Cockburn Island	\$23,385	0.22%	\$23,564	0.22%	\$179	0.77%
Billings	\$358,257	3.36%	\$360,990	3.39%	\$2,733	0.76%
Central Manitoulin	\$803,219	7.53%	\$809,348	7.59%	\$6,129	0.76%
Burpee & Mills	\$149,813	1.40%	\$150,955	1.42%	\$1,142	0.76%
Tehkummah	\$156,682	1.47%	\$157,877	1.48%	\$1,195	0.76%
NEMI	\$1,073,834	10.07%	\$1,082,027	10.15%	\$8,193	0.76%
Gore Bay	\$140,019	1.31%	\$141,087	1.32%	\$1,068	0.76%
Killarney	\$660,390	6.19%	\$665,428	6.24%	\$5,038	0.76%
Baldwin	\$123,700	1.16%	\$124,644	1.17%	\$944	0.76%
Chapleau	\$196,921	1.85%	\$198,424	1.86%	\$1,503	0.76%
Espanola	\$1,194,006	11.20%	\$1,136,721	10.66%	-\$57,285	-4.80%
French River	\$1,191,151	11.17%	\$1,200,238	11.25%	\$9,087	0.76%
Markstay-Warren	\$581,093	5.45%	\$585,527	5.49%	\$4,434	0.76%
Nairn & Hyman	\$154,028	1.44%	\$152,124	1.43%	-\$1,904	-1.24%
Sables-Spanish Rivers	\$673,035	6.31%	\$682,472	6.40%	\$9,437	1.40%
St Charles	\$392,628	3.68%	\$395,624	3.71%	\$2,996	0.76%
Total Organized Municipalities	\$8,542,152	80.10%	\$8,542,152	80.10%	\$0	0.00%
TWOMO	\$2,122,209	19.90%	\$2,122,209	19.90%	\$0	0.00%
Total	\$10,664,361	100.00%	\$10,664,361	100.00%	\$0	0.00%

Consideration of Default Approach

The Town's proposed alternate approach continues to incorporate the non-tax power dam revenue whereas a reversion to the default, regulated apportionment formula would not. By default, section 6 of the regulation provides the following formula for the apportionment of eligible costs of the DSAB among member municipalities.

$A = B \times (C \div D)$ Where:

A = The amount each municipality shall contribute;

B = The eligible costs to be apportioned amongst all member municipalities;

C = The weighted assessment for all properties within each single member municipality; and

D = The weighted assessment for all properties across all member municipalities.

Consistent with the commonly regulated protocols for the calculation of weighted assessment under the *Municipal Act, 2001*, the calculation of weighted assessment for the year is to be undertaken in the following manner.

Weighted Assessment = CVA X Tax Ratio X Subclass Discount Where:

CVA = The Assessment as Returned for the subject year by the Municipal Property Assessment Corporation (MPAC);

Tax Ratio = The Tax Ratio established by the Council of the member municipality for the subject year in accordance with section 308 of the *Municipal Act, 2001*; and

Discount = Any applicable subclass discount for vacant or excess land parcels or properties falling within one of the farmland awaiting development subclasses.

Tables 4 and 5 have been prepared to document the potential implications of the 2021 apportionment being recalculated based on the default regulated formula. Table 4 compares the default outcome against the Board's actual apportionment figures as originally calculated and imposed. Table 5 provides a comparison between the Town of Espanola's proposed approach and the outcome using the default rules.

Table 4
Actual vs. Default Apportionment Approach for 2021

Municipality	Actual		Regulated Default		Difference	
	\$	%	\$	%	\$	%
Assiginack	\$380,156	3.56%	\$388,902	3.65%	\$8,746	2.30%
Gordon & Barrie Island	\$289,835	2.72%	\$296,503	2.78%	\$6,668	2.30%
Cockburn Island	\$23,385	0.22%	\$23,924	0.22%	\$539	2.30%
Billings	\$358,257	3.36%	\$366,500	3.44%	\$8,243	2.30%
Central Manitoulin	\$803,219	7.53%	\$821,699	7.71%	\$18,480	2.30%
Burpee & Mills	\$149,813	1.40%	\$153,259	1.44%	\$3,446	2.30%
Tehkummah	\$156,682	1.47%	\$160,286	1.50%	\$3,604	2.30%
NEMI	\$1,073,834	10.07%	\$1,098,539	10.30%	\$24,705	2.30%
Gore Bay	\$140,019	1.31%	\$143,241	1.34%	\$3,222	2.30%
Killarney	\$660,390	6.19%	\$675,583	6.33%	\$15,193	2.30%
Baldwin	\$123,700	1.16%	\$126,546	1.19%	\$2,846	2.30%
Chapleau	\$196,921	1.85%	\$201,452	1.89%	\$4,531	2.30%
Espanola	\$1,194,006	11.20%	\$1,045,729	9.81%	-\$148,277	-12.42%
French River	\$1,191,151	11.17%	\$1,218,555	11.43%	\$27,404	2.30%
Markstay-Warren	\$581,093	5.45%	\$594,462	5.57%	\$13,369	2.30%
Nairn & Hyman	\$154,028	1.44%	\$145,296	1.36%	-\$8,732	-5.67%
Sables-Spanish Rivers	\$673,035	6.31%	\$680,015	6.38%	\$6,980	1.04%
St Charles	\$392,628	3.68%	\$401,661	3.77%	\$9,033	2.30%
Total Organized Municipalities	\$8,542,152	80.10%	\$8,542,152	80.10%	\$0	0.00%
TWOMO	\$2,122,209	19.90%	\$2,122,209	19.90%	\$0	0.00%
Total	\$10,664,361	100.00%	\$10,664,361	100.00%	\$0	0.00%

Table 5
Espanola Proposed vs. Default Apportionment Approach for 2021

Municipality	Espanola Proposed		Regulated Default		Difference	
	\$	%	\$	%	\$	%
Assignack	\$383,056	3.59%	\$388,902	3.65%	\$5,846	1.53%
Gordon & Barrie Island	\$292,046	2.74%	\$296,503	2.78%	\$4,457	1.53%
Cockburn Island	\$23,564	0.22%	\$23,924	0.22%	\$360	1.53%
Billings	\$360,990	3.39%	\$366,500	3.44%	\$5,510	1.53%
Central Manitoulin	\$809,348	7.59%	\$821,699	7.71%	\$12,351	1.53%
Burpee & Mills	\$150,955	1.42%	\$153,259	1.44%	\$2,304	1.53%
Tehkummah	\$157,877	1.48%	\$160,286	1.50%	\$2,409	1.53%
NEMI	\$1,082,027	10.15%	\$1,098,539	10.30%	\$16,512	1.53%
Gore Bay	\$141,087	1.32%	\$143,241	1.34%	\$2,154	1.53%
Killarney	\$665,428	6.24%	\$675,583	6.33%	\$10,155	1.53%
Baldwin	\$124,644	1.17%	\$126,546	1.19%	\$1,902	1.53%
Chapleau	\$198,424	1.86%	\$201,452	1.89%	\$3,028	1.53%
Espanola	\$1,136,721	10.66%	\$1,045,729	9.81%	-\$90,992	-8.00%
French River	\$1,200,238	11.25%	\$1,218,555	11.43%	\$18,317	1.53%
Markstay-Warren	\$585,527	5.49%	\$594,462	5.57%	\$8,935	1.53%
Nairn & Hyman	\$152,124	1.43%	\$145,296	1.36%	-\$6,828	-4.49%
Sables-Spanish Rivers	\$682,472	6.40%	\$680,015	6.38%	-\$2,457	-0.36%
St Charles	\$395,624	3.71%	\$401,661	3.77%	\$6,037	1.53%
Total Organized Municipalities	\$8,542,152	80.10%	\$8,542,152	80.10%	\$0	0.00%
TWOMO	\$2,122,209	19.90%	\$2,122,209	19.90%	\$0	0.00%
Total	\$10,664,361	100.00%	\$10,664,361	100.00%	\$0	0.00%

GENERAL SUMMARY AND POTENTIAL NEXT STEPS

This approach does not rely on any complex calculations and can be performed without impacting the Board's standard timing and processes for confirming each year's sharing details. It will, however, require approval by a double majority of the MSDSB membership as it represents an alternate approach to apportioning costs.⁵ First, like the current approach, it relies on prior year rather than subject year tax ratios and of course, it would include the power dam grant revenue, which is not contemplated by the default sharing formula.

Once assessment data has been released for 2022 roll return, which is expected to occur the week of November 29th, 2021, it will be possible to update these models to reflect actual 2022 circumstances. In the absence of reassessment, the proportional shares are not expected to be materially different than what we see here, however, the revised models would account for the Board's updated budget requirements and the impact of any assessment growth that has occurred during 2021.

This would also provide an opportunity to confirm the assumptions that have been made in regard to Nairn and Hyman and Sables-Spanish Rivers. In particular, we have utilized estimated grant amounts in this report and those numbers should be confirmed and/or updated to ensure accuracy in the modeling and observed impacts.

⁵ Resolutions of agreement from a majority of members (municipalities + members representing areas without municipal organization) and the group approving must also represent a majority of the Board's electors.