

**THE CORPORATION OF THE TOWNSHIP OF ESSA
COMMITTEE OF THE WHOLE MEETING
WEDNESDAY, FEBRUARY 19, 2025
6:00 p.m.**

AGENDA

Members of the public wishing to attend can do so by attending in person to the Council Chambers in the Administration Centre located at 5786 County Road 21, Utopia.

1. OPENING OF MEETING BY THE MAYOR

The Township of Essa acknowledges that we are situated on land within the area of Treaty 18, also known as the Lake Simcoe-Nottawasaga Treaty, signed on October 17, 1818 between the Government of Upper Canada and the Anishinaabe Indigenous peoples. The Anishinaabe include the Ojibwe, Odawa and Pottawatomi Nations collectively known as the Three Fires Confederacy. We are dedicated to honouring Indigenous history and culture and committed to moving forward in the spirit of reconciliation and respect with all First Nation, Metis and Inuit People.

2. DISCLOSURE OF PECUNIARY INTEREST

3. DELEGATIONS / PRESENTATIONS / PUBLIC MEETINGS

STAFF REPORTS

4. PLANNING AND DEVELOPMENT / BUILDING

- p. 1 a. **Staff Report PD003-25 submitted by the Development Planner, re: Proposed Official Plan Amendment (OPA 47) and Zoning By-law Amendment (Z15-23) – 8949 Smith Road.**

Recommendation: **BE IT RESOLVED THAT** That Staff Report PD003-25 be received;
and

THAT Council adopt a by-law to authorize the Mayor and Clerk to execute an Amendment to the Official Plan, which would redesignate a portion of the property municipally known as 8949 Smith Road from 'Rural' to 'Industrial', 'Transport and Utility', 'Commercial', and 'Residential'; and

THAT Council approve an amendment to the Township's Zoning By-law (2003-50), for a portion of the lands municipally known as 8949 Smith Road from the 'Agricultural (A) Zone' to the 'General Industrial with Special Provisions (M1-2) Zone', 'Residential, Low Density, Detached (R1) Zone', 'Core Commercial (C2) Zone', and 'Public Services (PS) Zone'.

- p. 17 b. **Staff Report PD004-25 submitted by the Development Planner, re: Proposed Housekeeping By-law (Z2-25) – Provincial Changes to ARU Policy.**

Recommendation: **BE IT RESOLVED THAT** That Staff Report PD004-25 be received;
and

THAT 'Section 3: Definitions' of By-law No. 2003-50, is amended by adding the following to Section 3:

"Additional Residential Unit" or "In-law Suite" means a separate and self-contained dwelling unit that is subordinate to the Primary Dwelling and located within the same building or within a detached accessory building/structure on the same lot as the Primary Dwelling; and

THAT 'Section 4.38.1' of By-law No. 2003-50, is amended by adding the following to Section 4.38.1:

o) An additional residential unit may exceed the maximum lot coverage requirements up to a total of 45% and not preclude maximum gross floor area restrictions.

p) All other provisions of the respective zone are complied with.

- p. 20 c. **Staff Report PD005-25 submitted by the Manager of Planning, re: Additional Residential Unit Guide.**

Recommendation: **BE IT RESOLVED THAT** Staff Report PD005-25 be received; and **THAT** Council consider approving the Additional Residential Unit Guide and directing Staff to promote the material online and in-person.

5. **PARKS AND RECREATION / COMMUNITY SERVICES**

6. **FIRE AND EMERGENCY SERVICES**

7. **PUBLIC WORKS**

- p. 47 a. **Staff Report PW002-25 submitted by the Manager of Public Works, re: Street Lighting Policy.**

Recommendation: **BE IT RESOLVED THAT** Staff Report PW002-25 be received; and **THAT** Council adopt the attached draft street lighting policy.

8. **FINANCE**

9. **CLERKS / BY-LAW ENFORCEMENT / IT**

10. **CHIEF ADMINISTRATIVE OFFICER (C.A.O.)**

- p. 54 a. **Staff Report CAO002-25 submitted by the Chief Administrative Officer, re: Municipal Insurance Pool.**

Recommendation: **BE IT RESOLVED THAT** Staff Report CAO002-25 be received; and

THAT Council direct Staff to join the local Municipal Insurance Pool and execute the Form of Subscription in the Municipalities in the County of Simcoe Subscribers' Agreement, in the form substantially attached hereto; and

THAT Council authorize the Manager Finance/Treasurer or designate to represent the Township of Essa on the Pool Advisory Board.

11. OTHER BUSINESS

12. ADJOURNMENT

Recommendation: **BE IT RESOLVED THAT** *this meeting of Committee of the Whole of the Township of Essa adjourn at _____pm., to meet again on the 5th day of March, 2025 at 6:00 p.m.*



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: PD003-25

DATE: February 19th, 2025

TO: Committee of the Whole

FROM: Owen Curnew, Development Planner

SUBJECT: Proposed Official Plan Amendment (OPA 47) and Zoning By-law Amendment (Z15-23) – 8949 Smith Road

RECOMMENDATION

That Staff Report PD003-25 be received; and

That Council:

- a. Adopt a by-law to authorize the Mayor and Clerk to execute an Amendment to the Official Plan, which would redesignate a portion of the property municipally known as 8949 Smith Road from 'Rural' to 'Industrial', 'Transport and Utility', 'Commercial', and 'Residential'; and
- b. Approve an amendment to the Township's Zoning By-law (2003-50), for a portion of the lands municipally known as 8949 Smith Road from the 'Agricultural (A) Zone' to the 'General Industrial with Special Provisions (M1-2) Zone', 'Residential, Low Density, Detached (R1) Zone', 'Core Commercial (C2) Zone', and 'Public Services (PS) Zone'.

BACKGROUND

Innovative Planning Solutions (IPS), on behalf of TC Land Inc. submitted an Official Plan Amendment, Zoning By-law Amendment, Site Plan Control, and Draft Plan of Subdivision applications in October of 2023. The applicant originally proposed to amend the Official Plan and Zoning By-law 2003-50, to support a Draft Plan of Subdivision and Site Plan Control application on the property known municipally known as 8949 Smith Road (see Attachment 1 – Original Proposal).

The Official Plan and Zoning By-law Amendments would have supported a Draft Plan of Subdivision, which proposed to create twenty-eight (28) Blocks, twenty-five (25) of which would be used for industrial uses, two (2) for the purpose of SWM Blocks and one (1) for an Environmental Protection.

A Public Meeting was held on February 21st, 2024, for the application to be heard by Council and members of the public where residents raised concerns related to the proposed development (Attachment 2 – Public Comment Matrix).

To address all concerns raised by departments, agencies and residents, the applicant made significant changes to the scope of the proposed Official Plan Amendment (OPA), Zoning By-law Amendment (ZBA), and Site Plan Control (SPC) applications in the 3rd Submission. In November 2024, the applicant submitted a new proposal which will separate the proposed Draft Plan of Subdivision application from the above-mentioned applications to allow for the development of a new facility for Trans Canada Wood Products, which has changed the location of the proposed facility (Attachment 3 – Revised Site Plan).

The OPA is now proposing to redesignate the 'Rural' section of the property to 'Industrial', 'Transport and Utility', 'Commercial', and 'Residential'. The ZBA is proposing to rezone 'Agricultural (A)' section of the property to 'General Industrial with Special Provisions (M1-2) Zone', 'Public Services (PS) Zone', 'Core Commercial (C2) Zone', and 'Residential, Low Density, Detached (R1) Zone' (Attachment 4 – Proposed Official Plan Schedule and Zoning By-law Schedule).

A non-statutory public meeting was held on February 5th, 2025, to allow the applicant to provide a presentation to Council and residents highlighting the changes to the proposal as well as how the concerns of departments, agencies and residents had been addressed (Attachment 5 – Applicant Response Matrix).

Inclusive of the generally well received presentation at the February 5th, 2025 public meeting, Staff believes that the applicant has addressed all relevant concerns pertaining to the OPA and ZBA applications, and Council should consider approval of both at this stage.

There are still technical concerns from staff related to the SPC application, so it should be noted that an approval of the OPA and ZBA will not directly relate to a subsequent approval of the SPC at this time. Additionally, OPA/ZBA approval does not constitute approval of the Draft Plan of Subdivision, as there are several outstanding concerns from Departments and Agencies that will still need to be addressed before *that* approval is provided.

COMMENTS AND CONSIDERATIONS

The Township has received comments from the following agencies, departments, consultants, and individuals to date in relation to the applications:

1. County of Simcoe
2. Nottawasaga Valley Conservation Authority (NVCA)
3. Ainley Group
4. Jade Acoustics

- 5. Azimuth Environmental
- 6. SLR Consulting
- 7. Fire Department
- 8. Enbridge
- 9. Public Works
- 10. Numerous Residents.

Most of the outstanding issues pertaining to the development are related to the technical submission documents which staff believes can be addressed in further circulation of the SPC application and updated submission materials.

Agency Comments:

The NVCA provided a clearance email on January 21st, 2025, pertaining to the revised proposal for the OPA and ZBA, stating that it had no issue with the proposed redesignation and rezoning.

The County of Simcoe provided comments on June 27th, 2024, identifying that their remaining concerns only apply to the Draft Plan of Subdivision and SPC applications. Given that staff is recommending that only the OPA and ZBA be approved at this time, the applicant will still be required to address the County's concerns, and the remaining concerns should not bear any weight on the approval of the OPA and ZBA.

Peer Review Consultant Comments:

The Township has circulated all materials to Ainley Group and Azimuth Environmental as well as their respective sub consultants. The Township has done extensive review on the proposal due to the sensitivity of the site and comments have been provided by agencies, departments, and residents. Planning staff can confirm that the remaining issues for the peer review consultants only pertain to the SPC and Draft Plan of Subdivision applications, allowing staff to support the approval of the OPA and ZBA at this time.

Public Comments:

Numerous concerns were raised by residents within close vicinity to the proposed development (Attachment 2 – Public Comment Matrix) during the public meeting on February 21st, 2024. The applicant met with immediate residents and provided a presentation to show how the revised proposal addresses public concerns. After review of the proposal, as well as a generally well-received non-statutory public meeting on February 5, 2025, Staff believes that the applicant has reasonably addressed concerns raised by residents related to the OPA and ZBA.

Staff is of the opinion that all comments and concerns from Agencies, Departments, and the Public pertaining to the OPA & ZBA application have been satisfied by the applicant. The application should be considered appropriate as it conforms to all relevant planning policy and should be considered good planning.

4a

FINANCIAL IMPACT

No financial impacts.



Manager of Finance

SUMMARY/OPTIONS

Council may:

1. **Adopt a by-law to authorize the Mayor and Clerk to execute an Amendment to the Official Plan, which would redesignate the property municipally known as 8949 Smith Road from ‘Rural’ to ‘Industrial’, ‘Transport and Utility’, ‘Commercial’, and ‘Residential’; and Approve an amendment to the Township’s Zoning By-law (2003-50), for lands municipally known as 8949 Smith Road from ‘Agricultural (A)’ to the ‘General Industrial with Special Provisions (M1-2) Zone’, ‘Public Services (PS) Zone’, ‘Core Commercial (C2) Zone’, and ‘Residential, Low Density, Detached (R1)’.**
2. Direct staff in another manner.

CONCLUSION

Option #1 is recommended.

Respectfully submitted by:

Reviewed by:

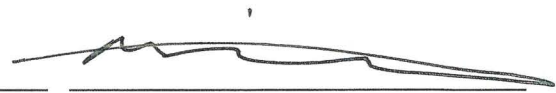
Reviewed by:



Owen Curnew,
Development Planner



Sam Haniff, Manager of
Planning



Michael Mikael, CAO

ATTACHMENTS:

Attachment 1 – Original Proposal

Attachment 2 – Public Comment Matrix

Attachment 3 – Revised Site Plan

Attachment 4 – Proposed Zoning By-law Amendment Schedule

ATTACHMENT 1



SITE PLAN

PART OF LOT 32, COMMISSION 6
(GEOGRAPHIC TOWNSHIP OF ESSA)
TOWNSHIP OF ESSA
COUNTY OF BRUCE

5743 COUNTY ROAD 90
& 8949 SMITH ROAD



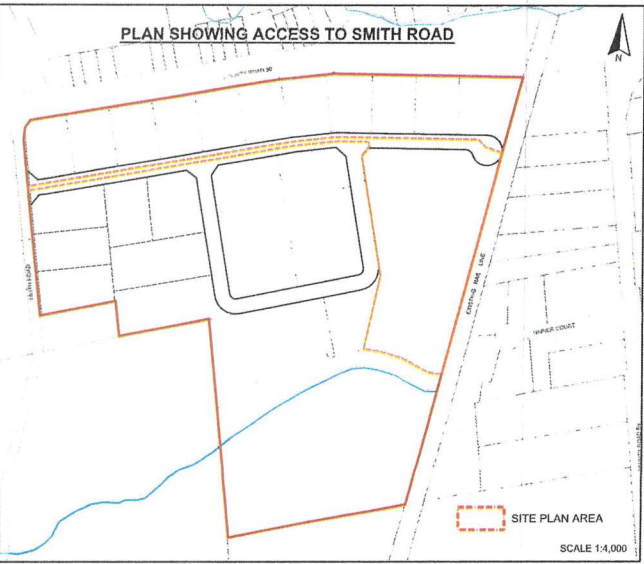
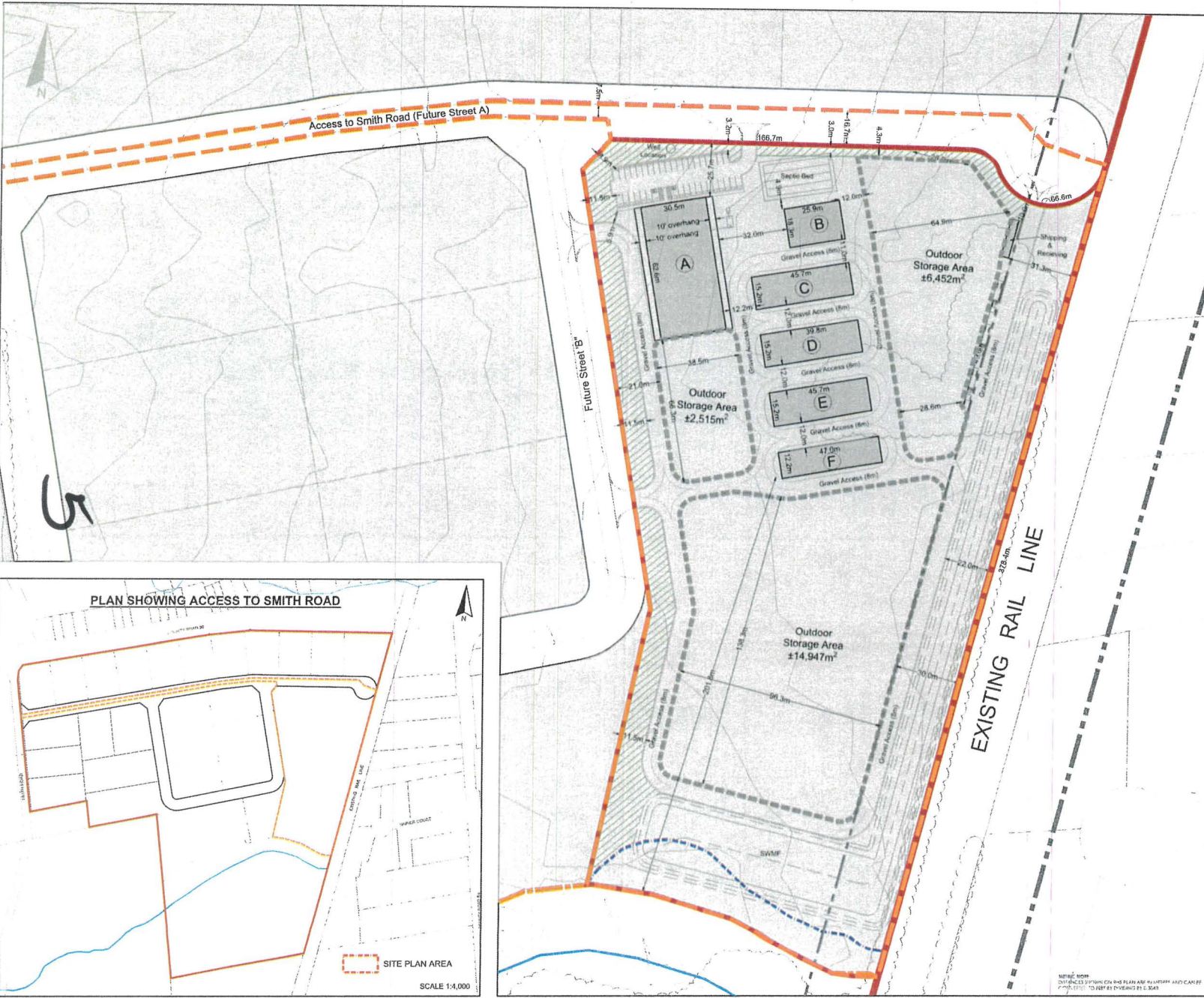
- LEGEND**
- SITE PLAN - TRANS CANADA POLE
72,788.51m² (17.99 ac.)
 - SITE PLAN - BLOCK 12 ONLY
63,992.93m² (15.81 ac.)
 - BUILDINGS
 - FUTURE BUILDING EXPANSION
 - OUTDOOR STORAGE AREAS
±23,515m² (5.81 ac.)
 - 30m SETBACK FROM RAIL LINE
 - 15m SETBACK FROM DRIPLINE
 - 12m CENTRELINE TURNING RADII
(8m inside radii on gravel access roads)
 - LANDSCAPED / BUFFER AREAS

	REQUIRED	PROVIDED
Lot Area (m ²)	7,200m ²	72,788.51m ²
Lot Frontage (m)	30.0m	28.102m (Block 12)
Lot Width (m)	30.0m	235.0m (Block 12)
Front Yard Setback (m)	15.0m	25.7m (Block 12)
Side Yard Setback (m)	6.0m	2.0m
Rear Yard Setback (m)	15.0m	21.6m (Block 12)
Lot Coverage (%)	40.0%	7.9%
Building Height (m)	15.0m	< 15.0m
Parking (spaces)	20 spaces	15 spaces
Storm Water (m ³)	7,000m ³	7,000m ³

IPS INNOVATIVE PLANNING SOLUTIONS
PLANNERS • PROJECT MANAGERS • LAND DEVELOPERS

Date: August 3, 2023
File: 23 - 1275 (A)

Drawn By: B.H.
Checked: K.B.



NOTES:
1. ALL DIMENSIONS SHOWN ON THIS PLAN ARE IN METERS AND DECIMAL METERS.
2. REFER TO EXHIBIT B1.0.03A

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ATTACHMENT 2 ⁴⁹

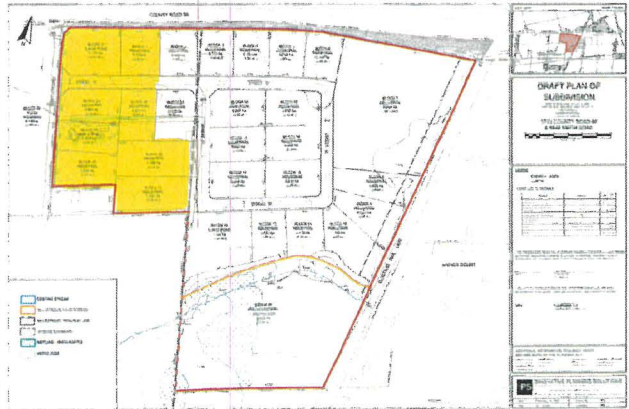
Public Meeting Comments

Response Matrix: 8949 Smith Road, Essa OPA/ZBA/DPS

IPS File No: 123-1275b (March 18th, 2024)

	Pre-Submission Comment	Received From	Consultant Responsibility	Consultant Response
1.	Carson Lutz (8865 Smith Road) provided the following comments:	Township Of Essa Resident	Innovative Planning Solutions	No comment required.
	a. He farms next to the subject site.	Township Of Essa Resident	Innovative Planning Solutions	No comment required.
	b. Having 28 industrial blocks next to his farming practice is concerning.	Township Of Essa Resident	Innovative Planning Solutions	Noted.

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7	<p>c. The portion zoned Agricultural should not be developed due to issues such as noise, light and air pollution.</p>	<p>Township Of Essa Resident</p>	<p>Innovative Planning Solutions</p>	<p>Land use compatibility issues such as the issues raised by Mr. Lutz have been considered and will be addressed with the Site Plan Application with the development of each industrial block. This review may lead to the restriction of land use activities in order to address potential conflicts relating to noise, odour and air quality and transportation.</p> <p>Blocks 1,19, 20, 22 23, 24,25, and 27 in the revised block plan (as shown below highlighted in yellow) which are adjacent to sensitive land uses will be restricted to Class I uses.</p>  <p>Class I Industrial Facility is defined as a place of business for a small scale, self contained plant or building which produces/stores a product which is contained in a package and has low probability of fugitive emissions. Outputs are infrequent, and could be point source or fugitive emissions for any of the following: noise, odour, dust and/or vibration. There are daytime operations only, with infrequent movement of products and/or heavy trucks and no outside storage.</p> <p>Class I uses typically have a 20 meter setback from sensitive land uses such as residential. By extension it is considered that they would have no significant impact on organic farming uses.</p>
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CLASS 1 INDUSTRIAL:

70 m. potential influence area



designation, zoning or property lines** of closest existing, committed or proposed Sensitive Land Use

designation, zoning or property lines* of closest existing, committed or proposed Class I Industrial Use

See below the characterization of Class I industrial uses:

Category	Outputs	Scale	Process	Operation /intensity	Possible examples **
Class I	<ul style="list-style-type: none"> Noise: Sound not audible off property Dust and/or Odour: Infrequent and not Intense Vibration: No ground borne vibration on plant property 	<ul style="list-style-type: none"> No outside storage Small scale plant or scale is irrelevant in relation to all other criteria for this Class 	<ul style="list-style-type: none"> Self contained plant or building which produces/stores a packaged product. Low probability of fugitive emissions 	<ul style="list-style-type: none"> Daytime operations only Infrequent movement of products and/or heavy trucks 	<ul style="list-style-type: none"> Electronics manufacturing and repair Furniture repair and refinishing Beverages bottling Auto parts supply Packaging and crafting services Distribution of dairy products Laundry and linen supply

Each of the lots will also be required to proceed through a site plan application prior to development – as such these concerns will also be assessed during the detailed design of the site plan application for each industrial lots.

b	d. The potential traffic and proposed access along Smith Road could be problematic for residents.	Township Of Essa Resident	RJ Burnside	<p>The access route reviewed in Burnside's Traffic Impact Brief was set out in the terms of reference for this study, as approved by the County. Westbound traffic on County Road 90 will turn at the intersection of County Road 90 / Smith Road and access the site from Smith Road at a location about 100 m south of County Road 90. Access from the south on Smith Road, as suggested in your email, results in an impractical circuitous route that would add significant travel time and therefore would not likely be chosen. This route would also direct traffic along Sideroad 30, which has a 60 km/h posted speed and has half-load restrictions in March and April, precluding heavy truck traffic. This route would also require traffic to use a significant length of Smith Road, which has a gravel surface and is subject to the spring half-load restriction.</p> <p>A center left-turn lane exists at the intersection of County Road 90/Smith Road, which will facilitate access to Smith Road, and the subject development. Burnside's Traffic Impact Brief forecasted that the westbound left turn movement at this intersection would have a Level of Service D in horizon year 2034, and a volume/capacity of 0.50. These traffic operations (i.e. delay and capacity) are considered to be quite acceptable and therefore would not be conducive to traffic using the traffic signals at the intersection of County Road 90 / County Road 56 as an alternate route.</p> <p>The development proposal includes improving the section of Smith Road, between County Road 90 and the development access, to accommodate heavy traffic. Beyond this section it is anticipated that Smith Road would remain gravel and that the existing spring half-load restrictions would continue to apply. Therefore, traffic would be directed to travel to the north to access County Road 90 at the Smith Road intersection.</p> <p>Based on the above we conclude that acceptable access to the subject development has been proposed and that there are no concerns regarding alternative travel routes.</p>
	e. His organic farming practices could be negatively impacted by the proposed industrial uses.	Township Of Essa Resident	Colville Consulting	A memorandum is being prepared by Colville Consulting, Agronomist, to review if the proposed industrial uses would have any potential negative impacts on adjacent organic farming practices and provide mitigation measures as needed.
	f. Blocks 11 and 12 (immediately east of the southern stormwater pond in the proposal) should be moved higher north in the proposal or removed entirely.	Township Of Essa Resident	Cotyledon	<p>There is a 15m setback that has been established between the development lands and the environmental feature.</p> <p>See Blocks 11 and 12 (previous version of draft plan).</p>

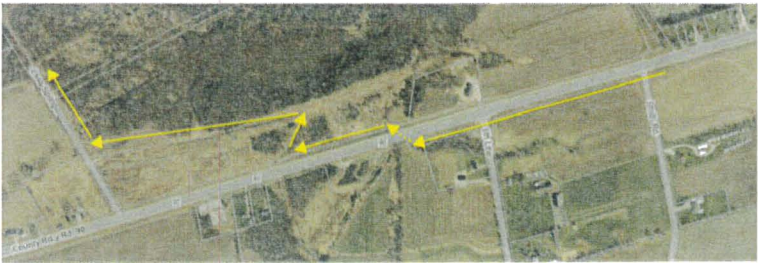
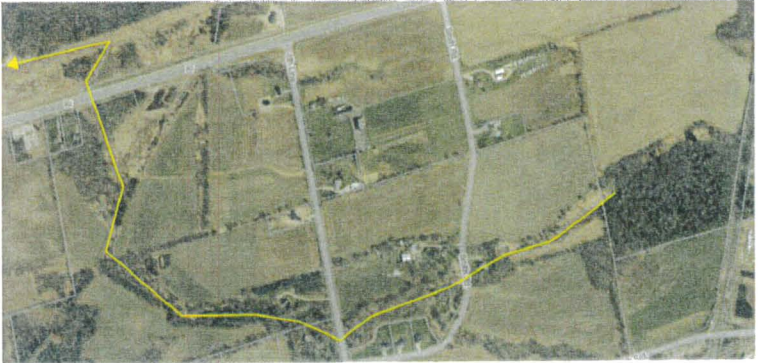
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Blocks 11 and 12 are not impacted by the wetland feature and are appropriate industrial development. Furthermore, Blocks 11 and 12 are zoned for Industrial Uses.

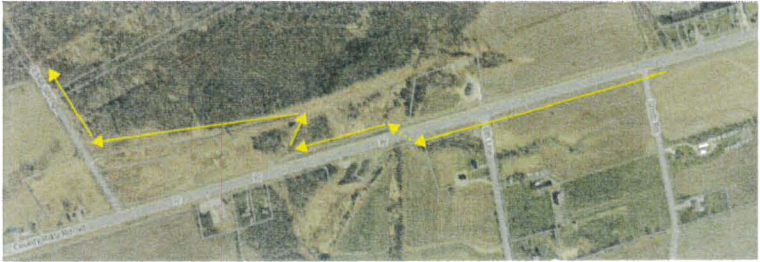
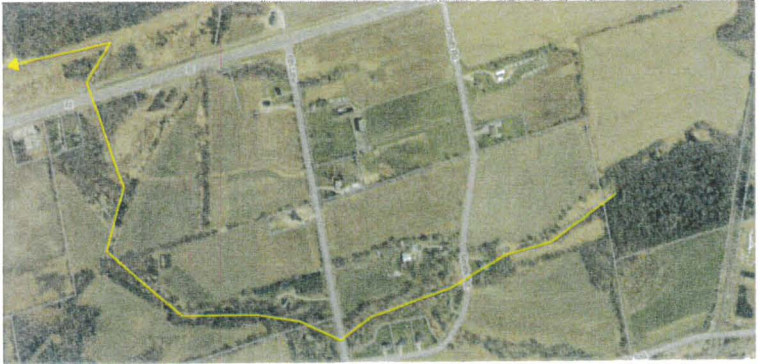
The Noise Impact Study prepared by EXP states that the proposed industrial blocks severed from the property at 8949 Smith Road in Essa can meet the MECP noise criteria based on the significant noise sources modeled in the report and that therefore should be approved from the noise aspect.

Site Specific Land Use Compatibility issues associated with Blocks 11 and 12 will be addressed through the Site Plan application.

2.	Tom Smith (8866 Smith Road) provided the following comments:	Township Of Essa Resident		
11	a. The property to the southeast of the subject site (8865 Smith Road) was tiled and this will affect drainage. The water from the proposed southern stormwater pond will likely get into the water system and organic fields.	Township Of Essa Resident	RJ Burnside	<p>Stormwater Management will be controlled and directed towards the Stormwater Ponds.</p> <p>The north pond drains to the County Road 90 (Hwy90) Ditch at Smith Road. From here drainage is conveyed in the Hwy90 ditch west of 6th Line where it crosses Hwy90 through a box culvert then continues west along Hwy90 and northwest along Essa-Springwater Boundary Road and eventually the Nottawasaga River as shown below.</p>  <p>The south pond discharges within the Environmental Protection portion of the subject lands to Arnum Creek. Arnum Creek traverses Smith Road then 6th Line before crossing Hwy90 through a box culvert and northwest along Essa-Springwater Boundary Road and eventually the Nottawasaga as shown below.</p> 

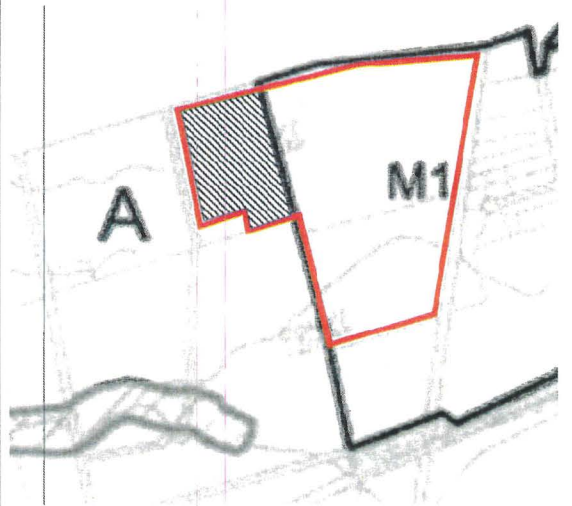


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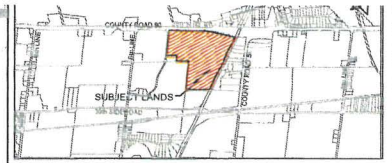
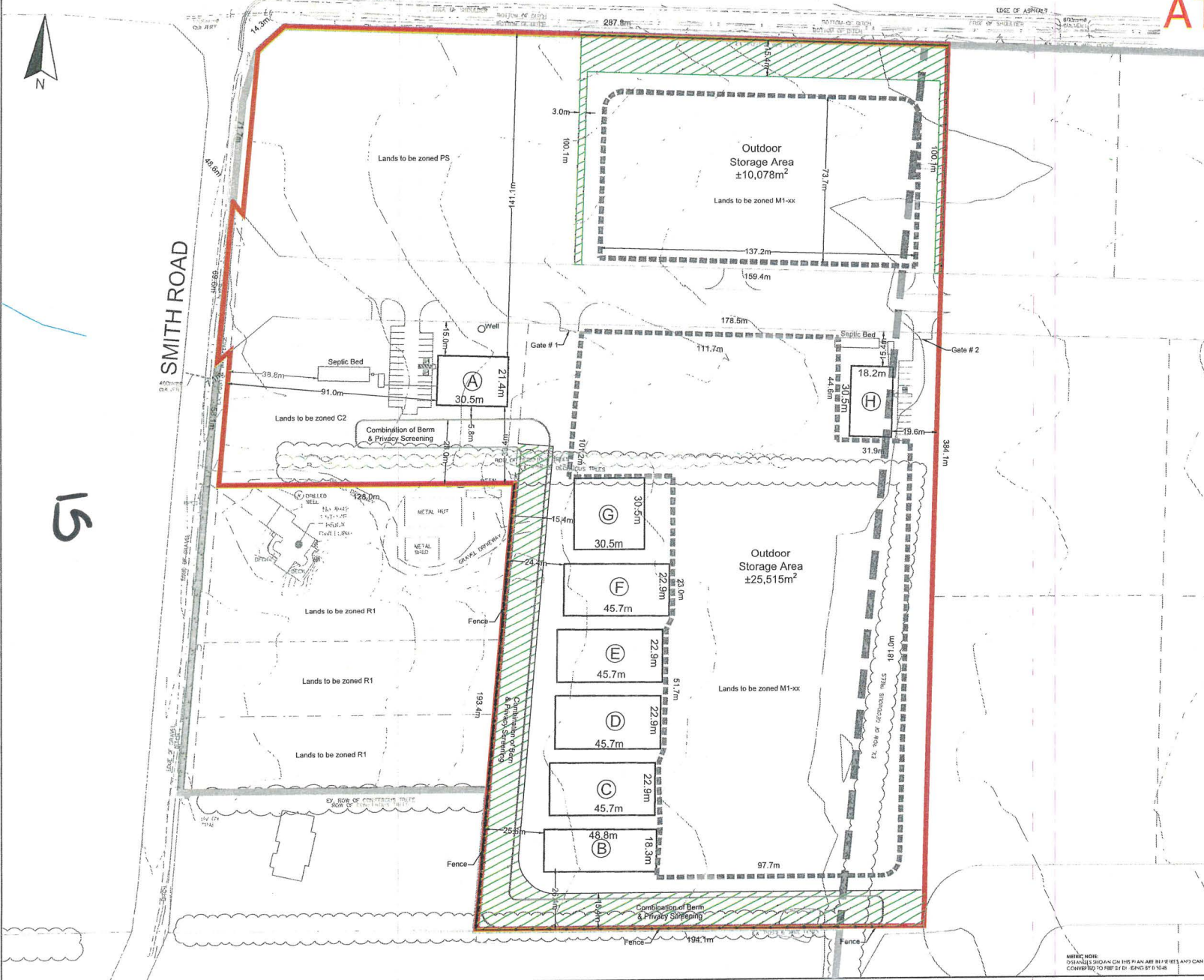
				<p>The drainage patterns shown above would not impact adjacent farming operations.</p>
	<p>b. The proposed stormwater pond to the north also borders organic fields to the west (across Smith Road) and north (across County Road 90).</p>	<p>Township Of Essa Resident</p>	<p>RJ Burnside/Coville Consulting</p>	<p>Both Stormwater ponds will filter for Total Suspended Solids.</p> <p>Stormwater Management will be controlled and directed towards the Stormwater Ponds.</p> <p>The north pond drains to County Road 90 (Hwy 90) Ditch at Smith Road. From here drainage is conveyed in the Hwy90 ditch west of 6th Line where it crosses Hwy90 through a box culvert then continues west along Hwy 90 and northwest along Essa-Springwater Boundary Road and eventually the Nottawasaga River as shown below.</p>  <p>The south pond discharges within the Environmental Protection portion of the subject lands to Arnum Creek. Arnum Creek traverses Smith Road then 6th Line before crossing Hwy90 through a box culvert and northwest along Essa-Springwater Boundary Road and eventually the Nottawasaga as shown below.</p> 

				<p>The drainage patterns shown above would not impact adjacent farming operations.</p> <p>Both Stormwater ponds will filter for Total Suspended Solids.</p>
	c. Organic farmland is scarce compared to industrial land and should be protected.	Township Of Essa Resident		A memorandum is being prepared by Colville Consulting, Agronomist, to review if the proposed industrial uses would have any potential negative impacts on adjacent organic farming practices and provide mitigation measures as needed.
	d. Industrial uses may kill rural uses if permitted in this proposal.	Township Of Essa Resident		A memorandum is being prepared by Colville Consulting, Agronomist, to review if the proposed industrial uses would have any potential negative impacts on adjacent organic farming practices and provide mitigation measures as needed.
13	e. Smith Road is gravel and people might use the 6th Line for access to this proposed development instead of County Road 90.	Township Of Essa Resident		<p>The access route reviewed in Burnside's Traffic Impact Brief was set out in the terms of reference for this study, as approved by the County. Westbound traffic on County Road 90 will turn at the intersection of County Road 90 / Smith Road and access the site from Smith Road at a location about 100 m south of County Road 90. Access from the south on Smith Road, as suggested in your email, results in an impractical circuitous route that would add significant travel time and therefore would not likely be chosen. This route would also direct traffic along Sideroad 30, which has a 60 km/h posted speed and has half-load restrictions in March and April, precluding heavy truck traffic. This route would also require traffic to use a significant length of Smith Road, which has a gravel surface and is subject to the spring half-load restriction.</p> <p>A center left-turn lane exists at the intersection of County Road 90/Smith Road, which will facilitate access to Smith Road, and the subject development. Burnside's Traffic Impact Brief forecasted that the westbound left turn movement at this intersection would have a Level of Service D in horizon year 2034, and a volume/capacity of 0.50. These traffic operations (i.e. delay and capacity) are considered to be quite acceptable and therefore would not be conducive to traffic using the traffic signals at the intersection of County Road 90 / County Road 56 as an alternate route.</p> <p>The development proposal includes improving the section of Smith Road, between County Road 90 and the development access, to accommodate heavy traffic. Beyond this section it is anticipated that Smith Road would remain gravel and that the existing spring half-load restrictions would continue to apply. Therefore, traffic would be directed to travel to the north to access County Road 90 at the Smith Road intersection.</p> <p>Based on the above we conclude that acceptable access to the subject development has been proposed and that there are no concerns regarding alternative travel routes.</p>

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<p>11</p>	<p>f) The Agricultural zoning should not be changed.</p>	<p>Township Of Essa Resident</p>	<p>The land being rezoned from Agricultural to Industrial is shown below and represents only a 23% of the total property area. The remainder of the land is zoned for industrial use. Appropriate for rezoning for full development as per the intent of the Official Plan for Industrial use and to provide access.</p>  <p>LEGEND</p> <ul style="list-style-type: none"> Subject Lands Lands to be rezoned from "A – Agricultural" to "M1 – Industrial"
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ATTACHMENT 3



SITE PLAN

PART OF LOT 32, CONCESSION 8
(GEOGRAPHIC TOWNSHIP OF ESSA)
TOWNSHIP OF ESSA
COUNTY OF SIMCOE

5743 COUNTY ROAD 90
& 8949 SMITH ROAD



- LEGEND**
- SITE PLAN
95,974m² (23.72 ac.)
 - BUILDINGS
 - OUTDOOR STORAGE AREAS
±35,593m² (8.80 ac.)
 - LANDSCAPED / BUFFER AREAS

SITE REQUIREMENTS		PROVIDED
Lot Area (m ²)	7,599m ²	86,050m ² (20.21 x 10 ⁶ sq. ft.)
Lot Frontage (m)	20.0m	123.43m (322.81 x 10 ³ sq. ft.)
Front Yard Setback (m)	10.0m	14.0m (Side Plot - 20.0m) 10.0m (Side Plot - 20.0m) 10.0m (Side Plot - 20.0m)
Rear Yard Setback (m)	6.0m	19.0m (Side Plot - 20.0m) 17.0m (Side Plot - 20.0m) 26.0m (Side Plot - 20.0m)
Interior Side Yard Setback (m)	6.0m	24.0m (Side Plot - 20.0m) 19.0m (Side Plot - 20.0m)
Patio Side Yard Setback (m)	10.0m	141.1m (Side Plot - 20.0m) 10.0m (Side Plot - 20.0m)
Yard Setback from industrial buildings to Residential Uses (m)	20.0m	27.0m
Lot Coverage (max.)	40% Site Plan = 25.41% Base Zoning = 10.0%	4.0% Site Plan = 25.41% Base Zoning = 10.0%
Building Height (max.)	15.0m	≤ 15.0m
Parking (min)	12 spaces Base Zoning = 20.0m x 3.0m	30 spaces (10 spaces = 30.0m) 2.0m x 3.0m
Barrel Free Parking (min)	1 space (20.0m x 3.0m)	2 spaces (10.0m x 3.0m) 1.2m x 3.0m

IPS INNOVATIVE PLANNING SOLUTIONS
PLANNERS • PROJECT MANAGERS • LAND DEVELOPERS
647 WELHAM RD. UNIT 8, SAARVILLE, ONTARIO L4H 1B7
Tel: 705-812-3281 Fax: 705-812-3238 Email: info@innovativeips.com Website: www.innovativeips.com

Date: November 18, 2024 Drawn By: B.H.
File: 23-1275 (A) Checked: K.B.

METRIC NOTE:
DIMENSIONS SHOWN ON THIS PLAN ARE METRIC AND CAN BE
COVERED BY THE METRIC SYSTEM.

ATTACHMENT 4

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LEGEND

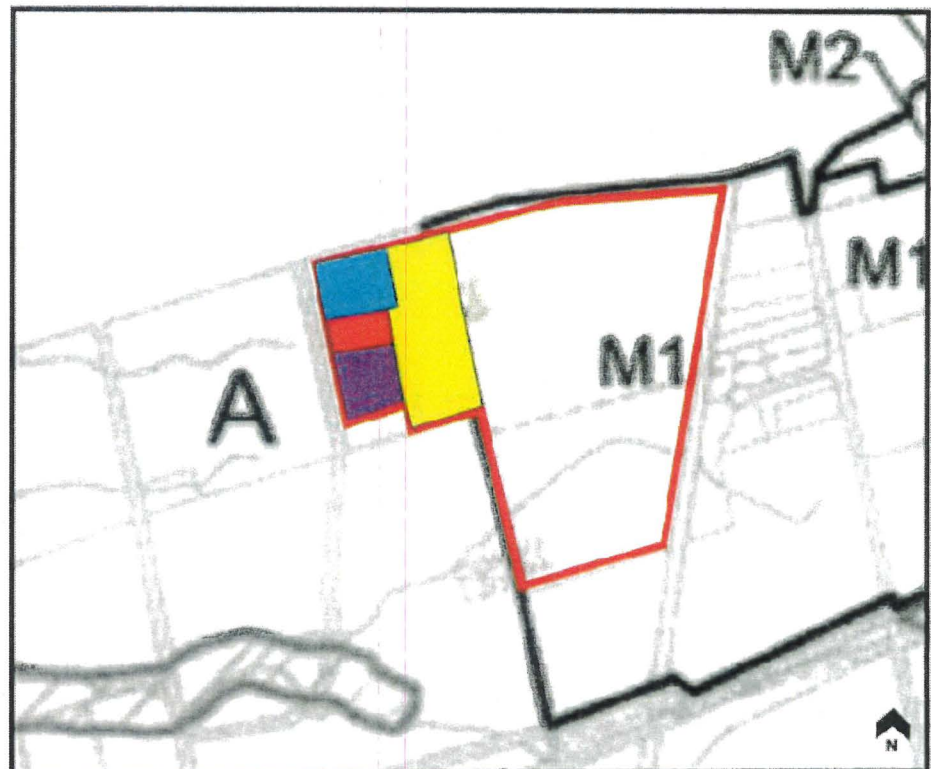
- Subject Lands
- Industrial
- Rural
- Lands to be redesignated from 'Rural' to 'Industrial'
- Lands to be redesignated from 'Rural' to 'Transport and Utility'
- Lands to be redesignated from 'Rural' to 'Residential'
- Lands to be redesignated from 'Rural' to 'Commercial'

Draft Official Plan Amendment Schedule

Source: Township of Essa Official Plan

Drawn By: JA	File: 23-1275b
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IPS INNOVATIVE PLANNING SOLUTIONS
PLANNING - PROJECT MANAGEMENT - LAND DEVELOPMENT



LEGEND

- Subject Lands
- Lands to be rezoned from "Agricultural (A) Zone" to "General Industrial (M1) zone – Special Provision – XX"
- Lands to be rezoned from "Agricultural (A) Zone" to "Public Services (PS)"
- Lands to be rezoned from "Agricultural (A) Zone" to "Low Density, Detached Residential (R1) Zone"
- Lands to be rezoned from "Agricultural (A) Zone" to "Core Commercial (C2) Zone"

Draft Zoning By-law Schedule Township of Essa Zoning

Source: Township of Essa Zoning By-law 2003-50

Drawn By: JA	File: 23-1275a
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IPS INNOVATIVE PLANNING SOLUTIONS
PLANNING - PROJECT MANAGEMENT - LAND DEVELOPMENT



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: PD004-25

DATE: February 19th, 2025

TO: Committee of the Whole

FROM: Owen Curnew, Development Planner

SUBJECT: Proposed Housekeeping By-law (Z2-25) – Provincial Changes to ARU Policy

RECOMMENDATION

That Staff Report PD004-25 be received; and

That Council consider approving an amendment to the Township's Zoning By-law 2003-50 related to the following items:

1. THAT 'Section 3: Definitions' of By-law No. 2003-50, is amended by adding the following to Section 3:

"Additional Residential Unit" or "In-law Suite"

means a separate and self-contained dwelling unit that is subordinate to the Primary Dwelling and located within the same building or within a detached accessory building/structure on the same lot as the Primary Dwelling.

2. THAT 'Section 4.38.1' of By-law No. 2003-50, is amended by adding the following to Section 4.38.1:
 - o) An additional residential unit may exceed the maximum lot coverage requirements up to a total of 45% and not preclude maximum gross floor area restrictions.
 - p) All other provisions of the respective zone are complied with.

COMMENTS AND CONSIDERATIONS

Staff believes that the abovementioned items are necessary to improve the interpretation of Zoning By-law (2003-50), make policy easier to administer, and to allow the Zoning By-

law to conform to recent policy changes. Please see the following rationales for each of the items below:

Item 1 (Section 3 - Definitions):

There are significant impacts to the community when Additional Residential Units (ARUs) are constructed with or without necessary permits and inspections. However, unregulated ARUs can result in unaccounted for stress on municipal servicing, intensification of predominantly low-density areas, unregulated parking, and inadequate access for emergency services.

For many, another popular option for providing additional housing, aging in place, and affordable housing, is In-law suites. An in-law suite can simply be described as a semi-independent space that exists within and is accessed through a primary dwelling and has its own bathroom and kitchen.

In-law suites are typically categorized as including many of the same requirements of an ARU. However, in-law suites have a common flow-through (access) between the units (e.g. a staircase). ARUs, on the other hand, are not allowed to have a flow-through between the units and need to be completely separated (See Table 1 for major differences between In-law Suites and ARUs). Additionally, Zoning By-law 2003-50 does not currently regulate In-law Suites.

In-Law Suites	Additional Residential Units
No external access	External/separate access
No parking requirement	Parking requirement
Internal connection to primary dwelling	No internal connection to primary dwelling

Table 1: Major Differences between In-law Suites and ARUs

Through this proposed amendment to the Zoning By-law, Staff proposes to make In-law Suites synonymous with Additional Residential Units.

The main reason for this Staff recommendation is that unregulated in-law suites can result in the same unintended effects of unregulated ARUs. Additionally, many unregulated in-law suites often evolve into unregulated ARUs, and the Township only discovers these units through enforcement or emergency calls.

As there already exists an ARU Registry program with the Township, Staff is recommending that any/all requests for in-law suites are regulated through the ARU provisions under the Zoning-By-law. In turn, the Building Department and Fire Department will regulate these proposed units as ARUs under the Ontario Building Code and Ontario Fire Code respectively.

Therefore, it is the opinion of staff the ARUs and In-law Suites should be made synonymous within Zoning By-law 2003-50.

Item 2 (Section 4.38.1):

Staff is asking that Council consider amending Zoning By-law 2003-50 to align our current policy regulating additional residential units within those mandate under O.Reg.299/19 (see attachment 1 – O. Reg. 299/19).

The amendment would allow ARUs in fully serviced lots to exceed lot coverage requirements up to a maximum of 45% lot coverage but not preclude the Township’s maximum gross floor area requirements. The change would ease restrictions regarding lot coverage that would normally prevent an ARU from being constructed. However, it does not allow them to build bigger than what is currently allowed.

Therefore, it is the opinion of staff that Section 4.38.1 of Zoning By-law 2003-50 be amended to reflect the provincial legislation regulating ARU policies.

FINANCIAL IMPACT

No financial impact.



Manager of Finance

SUMMARY/OPTIONS

Council may:

1. **Receive this Report for information and approve a Housekeeping By-law to amend the text of the Zoning By-law 2003-50 to make ‘In-law Suites’ and ‘Additional Residential Units’ synonymous in Section 3: Definitions; and to allow a 45% maximum lot coverage for fully serviced lots with ARUs.**
2. Direct staff in another manner.

CONCLUSION

Option #1 is recommended.

Respectfully submitted by:

Reviewed by:

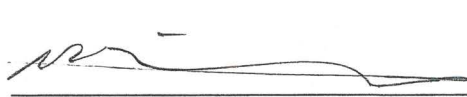
Reviewed by:



Owen Curnew,
Development Planner



Samuel Haniff,
Manager of Planning



Michael Mikael, CAO



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: PD005-25

DATE: February 19th, 2025

TO: Committee of the Whole

FROM: Samuel Haniff, Manager of Planning

RELATED APPLICATIONS: PD001-24
PD015-24

SUBJECT: Additional Residential Unit Guide

RECOMMENDATION

That Staff Report PD005-25 be received; and

That Council consider approving the Additional Residential Unit Guide and directing Staff to promote the material online and in-person.

BACKGROUND

In January 2024, Staff submitted an application for the 2023 Simcoe County Age-Friendly Community (AFC) Municipal Grant program under Stream 2 (Age-friendly projects). The Township proposal was for a Guide to Additional Residential Units with a lens towards aging-in-place.

In August 2024, the Township was officially offered the Grant with a 2024 calendar year completion date. In November 2024, the Township requested an extension to the end of February 2025.

COMMENTS AND CONSIDERATIONS

The Additional Residential Unit (ARU) Guide (Attachment 1), prepared in association with Ted Handy & Associates Inc. was completed in February 2025. The Guide includes details on what constitutes an ARU, the technical requirements that must be met, and a list of frequently asked questions about ARUs.

It is intended that the Guide will be released through the Township website and one or more in-person information sessions with Essa Public Library.

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FINANCIAL IMPACT

The project was fully funded during the 2024 calendar year. No additional funds are required at this time.



Manager of Finance

SUMMARY/OPTIONS

Council may:

1. **Approve the Additional Residential Unit Guide and direct Staff to promote the material online and in-person.**
2. Direct staff in another manner.

CONCLUSION

Option #1 is recommended.

Respectfully submitted by:

Reviewed by:



Samuel Haniff, Manager of Planning



Michael Mikael, CAO

Attachments:

1. Additional Residential Unit Guide



Essa Township Additional Residential Unit Guide

Administration Centre: 5786 County Road 21, Utopia

February 2025

INTRODUCTION

An Additional Residential Unit (ARU) is defined as a self-contained residence, with a kitchen, bathroom and external access, on a property with an existing primary residence. An ARU can be either within the primary residence (attached) or separate from the primary residence (detached).

Up to two (2) ARUs are permitted on any lot with a residence, subject to required zoning provisions. Both ARUs can be attached, but only one can be detached. In other words, where two ARUs are being introduced to a lot, they can both be attached to the main residence or one can be attached and one detached. Both ARUs cannot be detached.

This guide was created by the Township of Essa to provide information and advice to residents on Additional Residential Units (ARUs).

www.essatownship.on.ca



The Corporation of the Township of Essa

In Collaboration with:



TED
HANDY and
ASSOCIATES
Inc. ARCHITECT

Ted Handy and Associates Inc.

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Section 1: Objectives

1.1 Residential and Community Safety

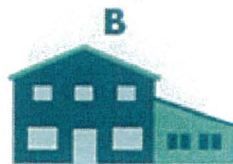
Provincial and Municipal regulations aim to bring existing informal arrangements into compliance with the Building, Electrical, and Fire Codes, improving safety for both residents and neighbours of Additional Residential Units (ARUs). The Township places safety as its top priority and seeks to ensure that all ARUs are safe for its inhabitants.

1.2 Supporting Affordable and Attainable Housing

The Township is dedicated to making it easier for residents, builders, and landlords to construct and legally register Additional Residential Units (ARUs). One of the ways the Township supports affordable housing is by including ARUs as permitted uses throughout all Residential Zones, including Agricultural and Rural zones. Under the [Zoning By-law \(2003-50\)](#), residential uses on lots are permitted to have up to two (2) ARUs. This eliminates the need for expensive and lengthy rezonings, allowing for faster building permit approvals.

The Township also recognizes that specific attention needs to be paid to aging residents. The financial burdens and socio-economic barriers that often affect older populations can make maintaining their homes difficult. With this in mind, this guide not only serves to provide information on how ARUs can be registered and built legally, but also how they can be made accessible and support residents who may want to age-in-place.

For more information on financial grants and social programs, see our Frequently Asked Questions (FAQs) at the end of this document.



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1.3 Breaking Down Our Policy Rationale

The Township recognizes that designing, complying with regulations, and submitting materials for building permits can be overwhelming. As such, the Township focuses on the following: (1) Ensuring safety; (2) Complying with regulations; and (3) Encouraging accessibility.

What is a safe ARU?

A safe ARU is one that is constructed in compliance with the Ontario Building Code and the Ontario Fire Code and is registered with the Township. By registering your ARU with the Township, emergency services will be aware of your additional residential unit, and the Building and Fire Departments will ensure compliance with the Building and Fire Codes.

When is an ARU considered compliant with regulations?

In addition to approvals by the Building and Fire Departments, the Planning Department also requires zoning compliance. Some Planning requirements include unobstructed walkways, external entrances and dedicated parking spaces. A zoning review is performed as part of the Building Permit application.

What is an accessible ARU?

An accessible ARU takes into consideration interior and exterior design elements such as entrance ramps, accessible washrooms, and wheelchair-friendly designs for aging-in-place.

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Section 2: Can I Have an ARU?

2.1 Where Can I Have an ARU?

An Additional Residential Unit (ARU) is permitted throughout all Residential Zones, including Agricultural and Rural zones.

2.2 Nottawasaga Valley Conservation Authority

The Nottawasaga Valley Conservation Authority (NVCA) is a public organization committed to the preservation of a healthy environment. NVCA provides expert guidance to protect our water and land. Follow the link below to determine if your property is within an NVCA regulated area. If your property is within a regulated area, a permit application will be required through the NVCA.

www.nvca.on.ca/planning-permits/find-your-property/ or 705-424-1479

2.3 Planning Department Considerations

The Planning Department conducts a Zoning Review as part of the Building Permit Review process. The main purpose of this review is to ensure that a proposed development is designed and built in accordance with the Township Zoning By-law, while considering factors such as the Conservation Authority Approval, compliance issues, existing legal agreements, and potential conflicts with neighboring uses. When planning for an ARU within Essa Township, applicants should consider the following:

1. Is my property within the Nottawasaga Valley Conservation Authority (NVCA) Regulated Area?
2. Do I need a permit or a clearance letter from the NVCA?
3. Is my property located near a livestock facility?
4. Does my property border a railway or County Road?
5. Are there any existing compliance issues with my property?

Answering 'yes' to any of these questions will delay the permit process, as these issues must be addressed before applying for a Building Permit. Once all issues have been addressed, applicants can proceed with applying for the Building Permit application. To facilitate the Zoning Review, a Site Plan must be submitted along with the application. This Site Plan will help assess compliance with the relevant provisions in the Zoning By-law. Site plans should be developed in accordance with the Township's Zoning By-law (2003-50), available on the Township's website.

When reviewing a site plan for compliance with the Zoning By-law, the Zoning Officer considers the following factors:

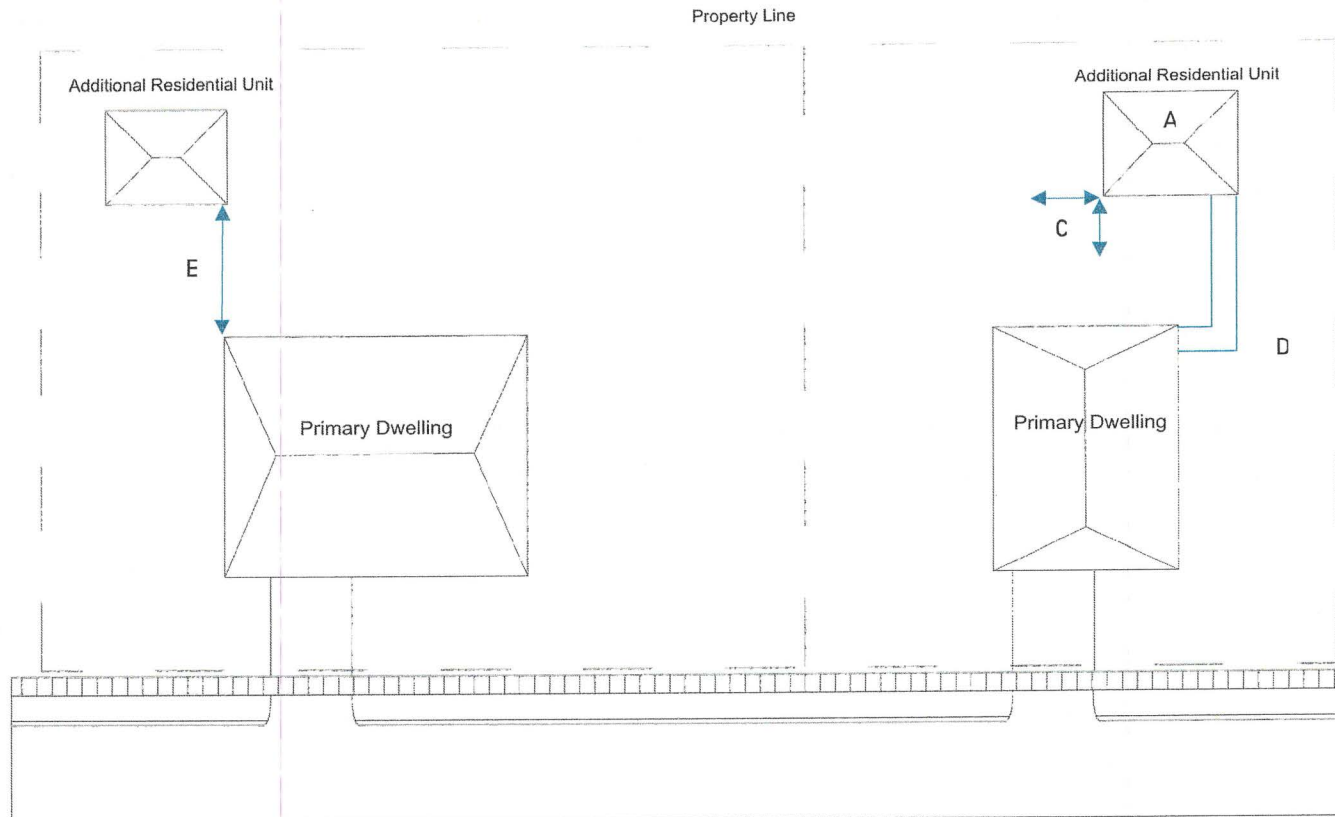
1. What is the *existing* use versus the *proposed* use?
2. Has the maximum number of primary residential units been met?
3. What is the front yard setback?
4. What is the side yard setback?
5. What is the exterior side yard setback (only applicable for corner lots)?
6. What is the rear yard setback?
7. What is the existing versus proposed lot coverage on the subject parcel?
8. What is the gross floor area of the ARU versus the primary dwelling?
9. What is the height of the ARU (if applicable)?
10. What is the open space coverage on the subject property?
11. How many parking spaces are being proposed?
12. Has a 1.2-meter-wide by 3.0-meter-tall unobstructed pathway been provided from the entrance of the property to the ARU entrance?
13. Is the entrance to the ARU located at the side or rear of the property?

A complete and detailed site plan will address all of these considerations. Once the Zoning Officer has reviewed the site plan, and all relevant information has been provided with no outstanding issues, approval is granted. This approval then triggers the Building Department to proceed with its review.

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- A) The maximum gross area of an Additional Residential Unit (ARU) shall be less than 102 square meters or 50% of the gross floor area of the primary dwelling unit.
- B) The maximum building height of the ARU shall not exceed 1 story (4.5 meters).
- C) A minimum of 1.5 meters shall be between the ARU and any other structure on said lot.
- D) A minimum of 1.2 meter wide walkway from the ARU to the primary dwelling shall be provided.
- E) The ARU shall not be located more than 30 meters from the primary residence.
- G) The ARU shall not have a basement

It is important to check the Township website for periodic updates to the zoning provisions by checking the Zoning By-law (2003-50) at <https://www.essatownship.on.ca/council-administration/by-laws/>

2.4 Building Department Considerations

When designing an ARU, it is important to consider factors such as minimum space and life safety requirements. Engaging a professional planner, engineer or architect can help ensure that spaces are safe and comply with the current and future building standards. Applicants are required to formally apply for a building permit through the Building Department. A hired professional can help with this process.

For more information, applicants are encouraged to visit the Township website at www.essatownship.on.ca or contact the Building Department at 705-424-9917. Staff can help guide applicants through the permitting process and assist with any application forms required to move a project forward.

Incorporating universal design principles into the layout will help ensure the space is accessible to all future residents or visitors, reducing the need for costly renovations or retrofits as residents age-in-place.

The Ontario Building Code sets the minimum size for an ARU at 17.5m² (188sqft). However, applicants can build larger ARUs up to the maximum size permitted by the Township's Zoning By-law.



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Minimum Room Size:

Kitchen	4.2m ² (45.2sqft)
Living Area	13.5m ² (145sqft)
Primary Bedroom	9.8m ² (95sqft)
Other Bedrooms	7m ² (75sqft)
Bathroom must have sufficient for sink, toilet, shower stall or tub	3.0m ² (32sqft)

Fire Separations:

Fire separations are required between units to acts as a physical barrier that slows the spread of fire from one part of a building to another. These fire separations must be continuous and include protected openings to ensure they function properly.

The proper placement of smoke and carbon monoxide alarms with both audio and visual signals is critical for safety. These alarms must be interconnected (either hard-wired or wi-fi enabled) and installed:

1. On every level of a house;
2. Adjacent to sleeping areas;
3. Inside each bedroom; and
4. Inside mechanical rooms.

In some cases, an induct smoke detector may also be required.

Exits (Egress):

Providing a second exit for an ARU is best practice, and at minimum, an escape window is required. The minimum area of the unobstructed opening is not less than 0.35m²(3.7sqft).

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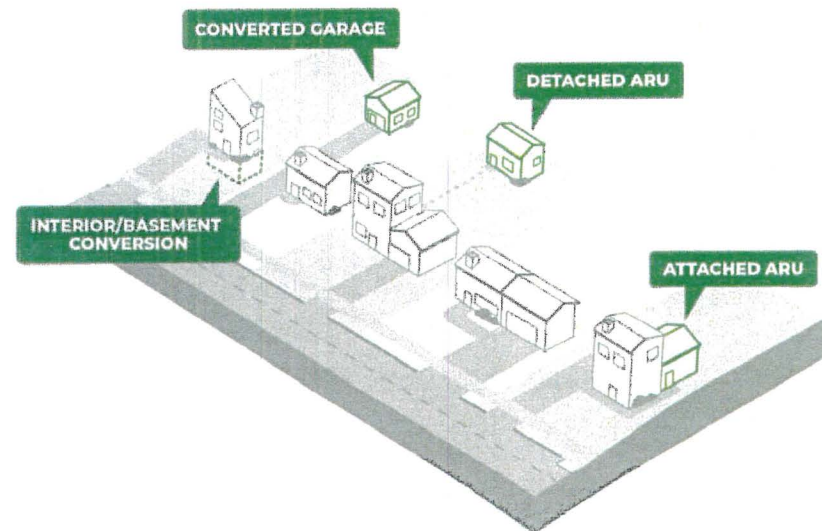
2.5 Fire Department Considerations

Fire or Building Inspectors are responsible for ensuring compliance with the Ontario Fire Code, which outlines the minimum fire safety provisions for residential buildings containing ARUs. These include standards for fire separation, exits, smoke alarms, Electrical Safety Authority (ESA) compliance and inspection requirements.

2.6 Checklists

Below is a checklist of important considerations when registering an ARU to your property.

- Municipal Zoning and Other By-Laws:
 1. Review the [Official Plan](#) and [Zoning By-law](#) policies.
 2. Ensure parking requirements are met.
 3. Obtain necessary approvals from applicable statutory authorities (e.g. County of Simcoe, NVCA, etc.)
- Building Permit:
 1. Apply for a building permit.
 2. Schedule required inspections.
 3. Register the ARU.
- Building Code Requirements for ARUs:
 1. Age of the house.
 2. Location of the ARU.
 3. Room size and floor area.
 4. Ceiling heights.
 5. Window placement and sizing.
 6. Plumbing compliance.
 7. Heating and ventilation systems.
 8. Electrical facilities and lighting.
 9. Fire safety measures.
 10. Smoke alarm installation.
 11. Carbon monoxide (CO) alarm installation.
 12. Exits.



Section 3: Design Considerations for Accessibility and Aging-in-Place



A key goal of promoting Additional Residential Units (ARUs) is to support accessible and age-friendly design, allowing residents to remain in their homes by providing access to smaller, more accessible units. Below are important design considerations for accessibility and age-friendly design.

3.1 Exterior Design Considerations

3.1.1 Ground-level Accessibility

For future accessibility needs, a pathway between a parking space and an ARU entrance can be designed as a continuous, level surface, free of steps or sudden changes in elevation and feature a slip-resistant surface. A path with a steep slope can be designed as a ramp with proper handrails. Additionally, it is important to consider the possible use of a wheelchair in the design of an accessible pathway.

3.1.2 Accessible Parking Spaces

Dimensions of accessible parking spaces are as follows:

Type A (van) – parking space width of 2.6 m with a 2 m aisle width
Type B (car) – parking space width of 2.4 m with a 1.5 m aisle width

3.1.3 External Lighting

Adequate lighting can be provided to ensure that key elements for orientation, such as handrails, pathways, doors, and glazed areas, are clearly visible. This should also include illumination of potential hazards and smaller items such as switches and controls to improve safety and accessibility.

3.1.4 Accessible Entrance Features

Providing sufficient unobstructed space on both sides of an entrance will allow people with mobility devices to maneuver and fully open the door. Where space is limited, consider installing automatic door operators.



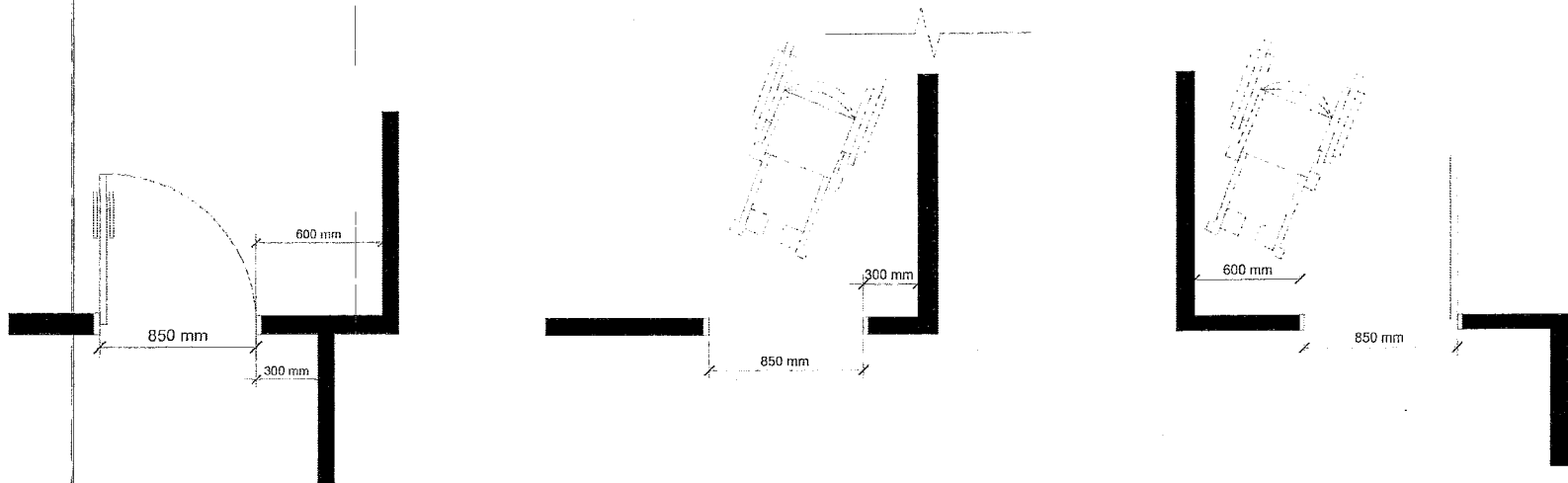
3.2 Interior Design Considerations

3.2.1 Entrances/Railways/Lifts

Sufficient unobstructed space can be provided in the entrance area to allow for easy movement of mobility devices. This space should be level, without steps or changes in elevation, to ensure accessibility and comfort when entering the ARU. If existing stairs are an obstacle, a chair lift can be installed to assist with transferring individuals between levels. Alternatively, a lift (residential elevator) can be utilized for both exterior and interior applications.

3.2.2 Doorways

Doorways should be designed in accordance with the 2024 Ontario Building Code (OBC). Accessibility considerations include wide clearance and vision panels (glass door features). For door hardware, select handles that are operable with a closed fist such as lever-style handles.



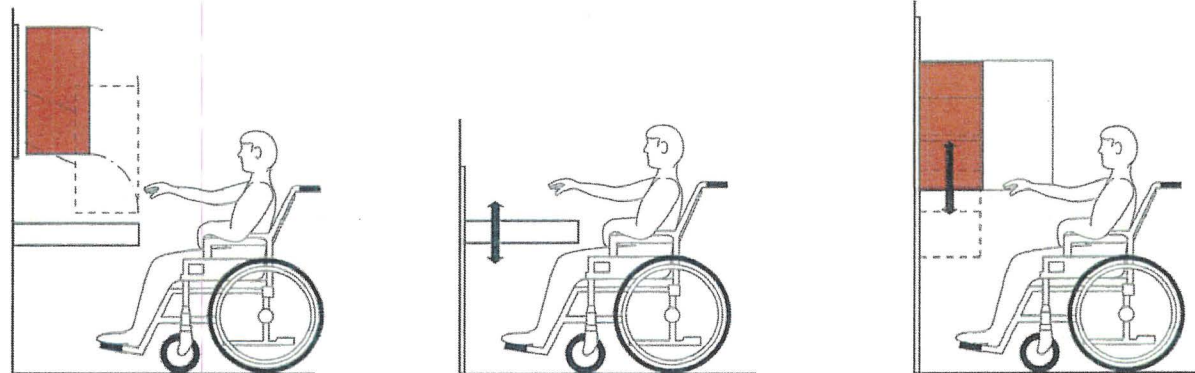
3.2.3 Exits

When planning accessible exit routes, prioritize accessible and age-friendly design. Ideally, exits should be at grade level and feature accessible hardware, such as wide doorways and large window wells. Where possible, avoid exit routes that require climbing.

3.2.4 Kitchen and Laundry

When designing an accessible kitchen, consider the following:

- Lower counter and sink heights
- Design appliance and storage spaces to be within easy reach of a seated person
- Sufficient turning radius for wheelchairs
- Side by side front-load units
- Control panels at front of units
- Laundry unit to be on the same level as the sleeping area



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3.2.5 Bathroom

When designing an accessible bathroom, consider the following:

- Grab bars at toilets, showers and bathtubs
- Roll-in shower
- Shower with bench seating
- Sufficient turning radius within bathroom
- Lower counter and sink heights

3.2.6 Bedroom

Bedrooms are ideally located on the main level for easy access. The room should be sized to accommodate a wheelchair turning radius and provide enough space for storing a wheelchair or walker. Additionally, proximity to a bathroom or an ensuite is highly recommended for convenience and accessibility.

Links to online standards:

Accessible Built Environment Standard <https://accessible.canada.ca/centre-of-expertise/built-environment>

CSA/ASC B651:23 Accessible design for the built environment https://www.csagroup.org/store/product/csa_asc%20b651%3a23/

e-Laws Ontario Building Code <https://www.ontario.ca/laws/regulation/120332>

e-Laws Planning Act <https://www.ontario.ca/laws/statute/90p13#BK57>



Section 4: Frequently Asked Questions (FAQs)

Does an ARU require a new mailing address?

Yes. An ARU will require municipal addressing, which must be applied for through the municipality.

Will separate water/sanitary connections be required?

Yes. ARUs shall be connected to both municipal water supply and municipal sanitary sewers, where available. If municipal services are not accessible, connections to private water (well) and sanitary (septic) systems may be permitted, subject to Township confirmation of sufficient capacity and compliance with the Ontario Building Code and other applicable regulations.

Will an ARU result in higher taxes?

Any increase in taxes for the landowner will be based on the property's assessment by the Municipal Property Assessment Corporation (MPAC).

Can an ARU be used for short-term rentals?

No, ARUs are not permitted as short-term rentals.

What is the maximum size I can build an ARU?

The maximum size of an ARU depends on the zoning of the property.

For example:

4. In any residential zone, an ARU can be built up to a maximum of 102.0m² or 50% of the gross floor area of the primary residence, whichever is lesser.
5. In the Agricultural (A) Zone or Rural (RL) Zone, an ARU can be built up to maximum of 139.0m² or 50% of the gross floor area of the primary residence, whichever is lesser.

Please note:

"Gross Floor Area" includes all floor area within the residence, including the basement, first floor, second floor, etc.

How far away can I build my ARU from my existing house?

As per Section 4.38.3f), a detached ARU can be located up to a maximum of 30.0 meters from the primary dwelling.

Can my ARU have a basement or a crawl space?

As per Section 4.38.3g), a detached ARU cannot have a basement, but it may have a crawl space as defined in the Ontario Building Code (OBC).

What are the setbacks for a detached ARU?

The required setbacks for a detached ARU vary depending on the zoning of the property. For example:

Setbacks	Front Yard	Side Yard Setback	Exterior Side Yard Setback	Rear Yard Setback
Residential Zones	7.5m	1.5m	7.5m	1.5m
Agricultural (A) and Rural (RL)	18.0m	3.0m	18.0m	3.0m

Note: The minimum exterior side yard setback may be reduced to 6.0 meters, provided that for every 0.3 meters the exterior side yard is reduced below the minimum, the front yard setback must be increased by an equal amount, at 1:1 ratio. Additionally, setbacks are measured by determining the distance between the closest point of the building and the relevant lot line.

What are the parking requirements for an ARU?

The Planning Act allows for up to one (1) parking space per ARU, and the Township asks for the maximum number of parking spaces.

Will ARUs on my lot result in decreased water pressure?

Additional residential units on a lot can result in changes to public services (water and sewer). Any necessary changes to utility infrastructure resulting from the introduction of ARUs will need to be made to the satisfaction of the Township and at the cost of the applicant. As such, it is important to contact the Public Works office if there are concerns related to potential infrastructure upgrades.

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Can I have two (2) ARUs on my property?

Up to two (2) ARUs are allowed on a property, provided all relevant provisions of the Zoning By-law are met.

Note: Up to two (2) attached ARUs are permitted, but only one (1) detached is permitted. In other words, where two ARUs are being introduced to a lot, they can both be attached to the main residence or one can be attached and one detached. Both ARUs cannot be detached.

Can I build more than two (2) ARUs?

The Township does not support further intensification of lots beyond the maximum permissible number of ARUs, as specified under the *Planning Act*.

Where can I find information on financial assistance for ARUs?

The County of Simcoe offers various funding programs aimed at supporting community members, especially seniors, low-to-moderate income renters, and those looking to increase the availability of affordable housing. These programs provide financial assistance for projects that promote accessibility, homeownership, and the creation of additional housing units. Below are some of the key programs available, along with eligibility requirements and application details.

Age-Friendly Seniors Housing Grant

The Simcoe County grant program, recommended in the 2018-2023 Positive Aging Strategy, supports projects that enhance accessibility and inclusivity to help seniors live independently in their communities. Homeowners and landlords of principal residences in Simcoe County are eligible to apply, with grant amounts determined by the number of applications and funding criteria.

Secondary Suites Program

The Secondary Suites Program offers up to \$30,000 per unit for the creation of secondary or garden suites, helping to increase affordable housing supply. Applications are accepted year-round, but funding is limited and awarded on a first-come, first-served basis.

Affordable Homeownership Program

The Affordable Homeownership Program helps low-to-moderate income renters in Simcoe County purchase a home by offering 10% down payment assistance (up to \$50,000) as a forgivable 20-year loan. The program promotes homeownership, increases housing availability, and supports social housing residents and Aboriginal households.

For more information on financial assistance for ARUs, you can contact the County of Simcoe:

Website: <https://simcoe.ca>

Phone: (705) 735-6901 or 1-800-263-3199

Email: service@simcoe.ca

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Essa Township Additional Residential Unit Guide





TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: PW002-25

DATE: February 19th, 2025

TO: Committee of the Whole

FROM: John Kolb, Interim Manager of Public Works

SUBJECT: Adoption of a Street Lighting Policy

RECOMMENDATION

That Staff Report PW002-25 be received; and

That Council adopt the attached draft street lighting policy.

BACKGROUND

Council has requested that staff investigate a potential street lighting policy at a previous Council meeting.

Street lighting plays a crucial role in ensuring safe and accessible public spaces. Effective lighting reduces accidents, deters crime, and improves visibility for pedestrians, cyclists, and motorists. However, inconsistent or outdated lighting infrastructure can lead to safety concerns, increased maintenance costs, and inefficient energy use.

The development of a formal Street Lighting Policy will provide a structured approach to decision-making regarding lighting placement, design standards, energy efficiency measures, and maintenance schedules.

COMMENTS AND CONSIDERATIONS:

Staff focused on presenting a comprehensive Street Lighting Policy (**Attachment no.1**) for Council’s consideration and approval. This policy aims to establish clear guidelines for the installation, maintenance, and operation of street lighting within the municipality to enhance public safety, energy efficiency, and community well-being.

The draft policy also addresses individual requests within the rural settlement boundaries of the township and provides a robust procedure, through establishing a standardized

and equitable petition procedure while addressing the associated costs in relation to any requests to come forward.

Key Objectives of the Policy:

1. **Public Safety & Security:** Adequate Street lighting reduces nighttime accidents and enhances visibility in public areas, contributing to crime prevention and community confidence.
2. **Energy Efficiency & Sustainability:** The policy encourages the use of LED and smart lighting technologies to reduce energy consumption and environmental impact.
3. **Standardization & Equity:** Establishing clear criteria for streetlight placement ensures consistency across neighborhoods and prioritizes areas with higher traffic or safety concerns.
4. **Cost-Effectiveness:** A structured cost split, maintenance and replacement plan helps manage costs and extends the lifespan of municipal lighting infrastructure.
5. **Community Enhancement:** Well-lit streets and public spaces improve the overall aesthetics and livability of the municipality, supporting economic development and public engagement.

FINANCIAL IMPACT

Short term: None

Long term: Minimal increase of the Township yearly street lighting hydro bills and aged asset replacement costs



Manager of Finance

SUMMARY/OPTIONS

Council may:

1. Receive this report
2. Adopt the attached draft street lighting policy
3. Direct Staff in another course of action

CONCLUSION

Options # 1,2 are recommended to ensure the safety and well-being of road users. This initiative also reflects Council's commitment to fostering a safer and more sustainable community.

Respectfully submitted by:

Reviewed by:



John Kolb, Manager of
Public Works

Michael Mikael, CAO

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ATTACHMENT NO.1

(Draft Street Lighting Policy)



Township of Essa

Draft Policy: Street-Lighting

Subject: Street-Lighting (Draft)	Approval Date:
Policy No.: xxx-2025	
Department: Public Works	Date of Amendment:

PURPOSE

- 1.1 The purpose of this policy is to establish a standard for the installation and management of streetlights and street lighting within the Township of Essa.

SCOPE

- 2.1 This policy shall apply to the installation and management of streetlights and street lighting within the Township of Essa.
- 2.2 This policy shall apply to all employees of the Township of Essa.

POLICY

- 3.1 This policy states that when streetlights are installed to service a specific group or property owners or in a subdivision that all capital costs of installation of the streetlights be charged directly to the residents that benefit from this service at their request while the operating and maintenance costs will be covered by the Township of Essa
- 3.2 Council, at its discretion, may install one or more lights chiefly for safety factors which would benefit all the residents of the Township, and Council may make at its discretion an exception to the rule and charge the cost of these installations to the general rate based on:
 - Road Geometry
 - Historical vehicular accidents of the road segment
 - Dead-end streets (Cul-de-sac & Hammer head)
 - Traffic data and speed data analysis.
- 3.3 All streetlights installed in the Township are to be LED lights and approved by the Manager of Public Works and based on the Township Engineering Standards.
- 3.4 Future Subdivisions:
 - For future subdivisions it is the policy that streetlights be installed on each hydro pole along the road segment and based on the Township Engineering Standards at the developer's cost and subject to conditions of the executed subdivision agreement.
 - Purchase and installation of the lighting system to Township specifications will be the responsibility of the subdivider and will be included in deposits required for the completion of services.
- 3.5 Request from Ratepayers:
 - Requests for installation of new streetlights in developed areas must be accompanied by a petition (*1st petition*) from the owners of land and businesses within the area where applicable. The petition must define the area and include an acknowledgement that the cost of installation will be charged to the owners and businesses within that defined area.

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- Upon receipt of a request for installation of new streetlights the Manager of Public Works will view the area for which the request has been received and provide a cost estimate for appropriate illumination. The estimate will then be forwarded to the Treasurer who will calculate costs on a per lot basis and advise all owners and businesses in the defined area as to the estimated costs required to be assessed to provide the installation
- A Petition Form (*2nd petition*) provided by the Township will then be forwarded to the original petitioner with a request to obtain sufficient signatures of owners of land and businesses in the defined area.
- For purposes of calculation, where a property or (business) is owned by more than one person, the majority of the owners must sign. Each assessed property or business counts as one. Multiple lots owned by the same owner will also be counted as one each.
- Upon receipt of a Petition signed by 51% of the assessed owners and businesses in the defined area, the percentage shall be sufficient to the Petition, the Clerk shall forward the Petition to Council for consideration
- Should Council in its discretion choose to respond positively to the petitioned request, all By-laws to authorize installation of street lighting will be prepared pursuant to the Municipal Act, S.O. 2001, Chapter 25, Section 11(3)4., and will provide for the levy of special rate on a defined area to cover all associated installation costs, including financing, engineering, and contingencies. No part of the cost is to be charged to the general rate.
- The By-law may provide for payment of special rates imposed over a 10-year period, with interest and financing costs
- A petition for streetlights will be considered closed as of the date of filing in the office of the Clerk

DEFINITIONS

- 4.1 Appointed boards and committees: governance bodies established and appointed by Council by-law to make decisions and/or recommendations in accordance with their prescribed legislative mandate determined by Council or Provincial statute.
- 4.2 Council: Council for the Corporation of the Township of Essa.
- 4.3 Certificate: A certificate or digital signature certificate is a unique, digitally signed document which authoritatively identifies the identity of an individual or organization.
- 4.2 Department Head: The appointed head of each department or their designate as identified in the Township of Essa organizational chart or through delegation.
- 4.3 Digital Signature: See Electronic Signature.
- 4.4 Electronic Submission: Refers to a document submitted electronically, including, but not limited to email, web form, facsimile or external device (ie: CD, hard drive, usb flash drive)
- 4.5 Electronic Signature: Refers to symbols or other data in digital form included with an electronic submission as verification of the sender's intent to sign. Electronic signatures include, but are not limited to, a typed name at the end of an email, a typed name on an electronic form or document, an image of a handwritten signature on an electronic submission, a personal identification number (PIN); clicking "agree" or "disagree", a handwritten but digitally captured signature made on a touch device, such as a tablet or



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: CAO002-25

DATE: February 19, 2025

TO: Committee of the Whole

FROM: Michael Mikael, P. Eng, Chief Administrative Officer

SUBJECT: Municipal Insurance Pool

RECOMMENDATION

That Staff Report CAO002-25 be received; and

That Council direct Staff to join the local Municipal Insurance Pool and execute the Form of Subscription in the Municipalities in the County of Simcoe Subscribers' Agreement, in the form substantially attached hereto; and

That Council authorize the Manager Finance/Treasurer or designate to be represent the Township of Essa on the Pool Advisory Board.

BACKGROUND

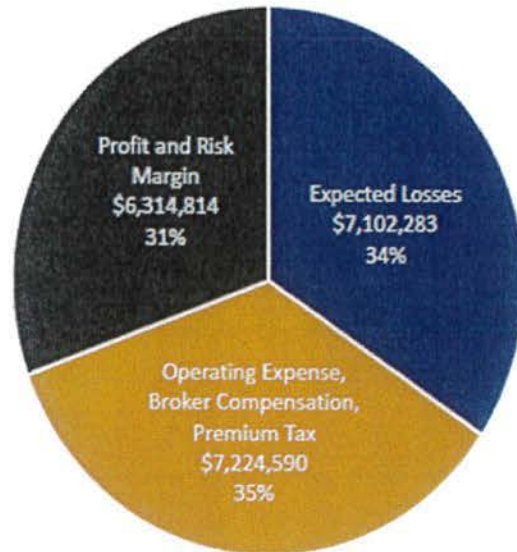
Approximately two years ago the County of Simcoe, all 16 member municipalities and the City of Orillia agreed in principle to begin work toward establishing a Municipal Insurance Pool. As part of that work an insurance pool feasibility study was completed which included an in-depth actuarial analysis since municipal insurance costs in Ontario have been soaring.

The substantial increases in costs have put significant pressure on municipal budgets, leading to difficult decisions about service levels and infrastructure investments. Most factors that have contributed to the increase are beyond municipal control, such as rising interest rates, climate changes and limited competition among municipal insurers. Additionally, a large portion of insurance premiums cover the overhead and profit margins for insurers and brokerage commissions.

The completed feasibility study showed the potential for substantial savings for all, and it was agreed to move forward with implementation. The actuarial analysis was updated with current information from all potential participants and used to develop a proposed insurance pool structure for each coverage class. A technical working group made up of a volunteer subset of members of participating municipalities was established and met regularly through the summer and fall of 2024 to review and discuss the actuarial analysis and then finalize the proposed components of the Municipal Insurance Pool.

Based on the estimates in the feasibility study for the 2025 year, for every dollar of insurance paid by local municipalities, about 66% of premiums are expected to go to something other than claim losses.

**Breakdown of Simcoe County Municipalities'
Projected 2025 Insurance Premiums (\$20,641,687)**



On November 26, 2024, Council of the County of Simcoe passed a resolution to approve the start up of the Municipal Insurance Pool and to sign the Form of Subscription within the Subscribers' Agreement (Attachment No.1).

ANALYSIS

The actuarial analysis reviewed:

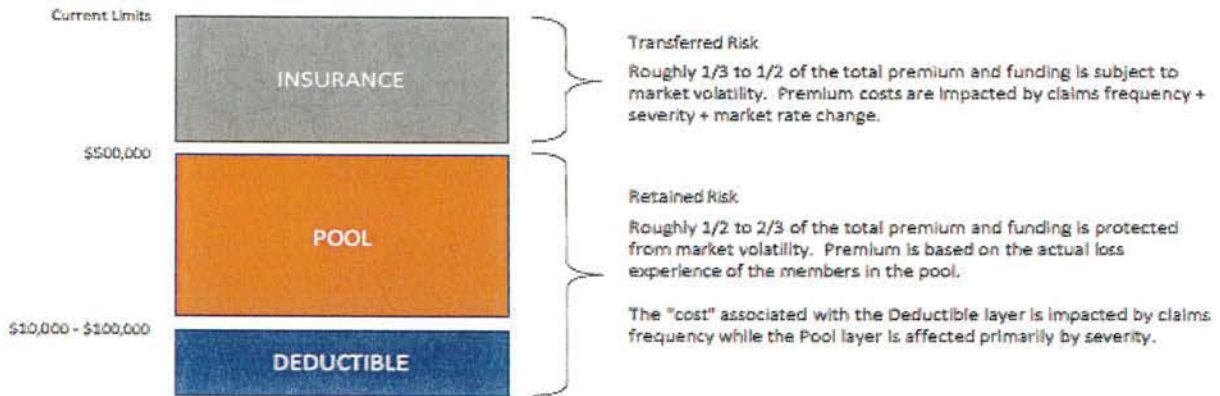
- Historical claims data
- Projection of claims to their ultimate value upon maturity and projects of the 2024 exposures
- Historical policy information and wordings
- Most recent insurance premiums

Three major coverages were considered in the analysis, these include liability, property and equipment breakdown, and automobile. Frequency and severity distributions were selected for each major coverage to be applied to the individual municipality's deductible and loss profile.

INSURANCE POOL STRUCTURE

The insurance pool structure consists of three layers (shown in the chart below) outlining where risk is either transferred (3rd party insurance coverage) or retained as part of the pool or deductible layer.

Pool Structure



Deductible Layer:

The "cost" associated with the deductible layer is impacted by claims frequency while the Pool layer is affected primarily by severity of the claims. Several factors were considered by the actuary when determining the deductibles that were selected for each member.

- Size of municipality (insurance exposure units)
- Historical deductible levels
- Expected losses under the municipality deductible and the pool layers

The deductible for each member needs to provide an appropriate balance of taking some individual responsibility for the results of each member's loss prevention or reduction programs, while providing the benefit of risk sharing for larger amounts. The deductible amounts range from \$10,000 to \$100,000; the table below presents the current and the proposed deductibles for each municipality under each major coverage. In the case of municipalities facing increased deductible levels, the pool levies will be adjusted, as required, to ensure municipalities are not incurring unexpected additional costs as compared with the status quo. Proposed deductibles are as follows:

County of Simcoe Pool - Implementation Study
Deductible Selection

Municipality	Liability			Property			Automobile		
	2024	Deductible		2024	Deductible		2024	Deductible	
	Population	Current	Proposed	TIV (in millions)	Current	Proposed	# of Vehicles	Current	Proposed
Adjala - Tasarantio	10,997	20,000	25,000	21	25,000	10,000	41	10,000	10,000
Town of Bradford West Gwillimbury	48,168	50,000	50,000	406	25,000	50,000	133	10,000	10,000
Town of Midland	18,414	25,000	25,000	231	50,000	25,000	76	5,000	10,000
County of Simcoe	566,588	100,000	100,000	429	100,000	100,000	382	10,000	10,000
City of Orillia	33,000	50,000	50,000	328	25,000	50,000	86	5,000	10,000
Township of Tay	11,091	25,000	25,000	54	10,000	10,000	46	5,000	10,000
Town of Collingwood	26,330	25,000	25,000	272	10,000	25,000	125	-	10,000
Town of New Tecumseth	51,047	50,000	50,000	484	50,000	50,000	133	10,000	10,000
Town of Penetanguishene	10,077	25,000	25,000	101	10,000	25,000	40	5,000	10,000
Township of Clearview	15,227	10,000	25,000	105	25,000	25,000	72	5,000	10,000
Township of Oro-Medonte	24,294	15,000	25,000	83	10,000	25,000	96	5,000	10,000
Township of Ramara	10,959	5,000	25,000	79	10,000	25,000	52	5,000	10,000
Township of Severn	14,114	10,000	25,000	76	25,000	25,000	63	10,000	10,000
Township of Springwater	23,459	25,000	25,000	72	10,000	25,000	86	10,000	10,000
Township of Tiny	13,729	25,000	25,000	52	10,000	10,000	87	5,000	10,000
Town of Innisfil	47,968	25,000	50,000	385	25,000	50,000	149	10,000	10,000
Town of Wasaga Beach	24,862	50,000	25,000	155	25,000	25,000	111	10,000	10,000
Township of Essa	23,200	20,000	25,000	51	15,000	10,000	58	-	10,000

Proposed Pool Retention per Claim

= \$500,000 - Proposed Deductible

*ex: The maximum exposure for the Pool for a claim in Liability for Adjala - Tasarantio is \$475,000 (\$500,000 - \$25,000)*Pool Layer (below & up to \$500,000):

The pool layer provides coverage above the deductible layer and up to \$500,000. The premium assessed for this layer is based on the actual loss experience of the members in the pool. The total municipalities' retention level (losses under the municipality's deductible plus losses in the Pool layer) should represent a significant portion of the overall insurance cost to eliminate a significant part of the insurance market friction costs and generate savings. It is important that the retention level does not jeopardize the municipalities' financial health and that extreme insurance events such as catastrophic losses be covered by the insurance market, which is why the actuary set the limit at \$500,000.

Insurance Layer (above \$500,000):

The insurance layer (the risk transferred to the commercial insurance market) provides for claims above \$500,000 so that extreme insurance events such as catastrophic losses continue to be covered by the insurance market. A pool structure reduces costs because it is less reliant on commercial insurance with roughly 1/3 to 1/2 of the total insurance premiums being subject to the vagaries of the market, friction costs (broker commissions) and profits for shareholders.

FINANCIAL ANALYSIS

The actuarial analysis conducted by Axxima offered an in-depth and comprehensive evaluation of the Municipal Insurance Pool's feasibility and financial viability. This analysis underscored the anticipated cost savings, the significance of reserve management, and the advantages of a structured pool approach to managing municipal insurance risk.

The study began with a preliminary assessment, followed by a detailed study that explored various alternative structures and their potential benefits. The analysis utilized historical claims data, exposure data, and premiums provided by the municipalities. This data was projected to its ultimate value, with trends applied to account for inflation and other influencing factors.

Each municipality will be assessed a pool levy. The main considerations for the levy/premium allocation are outlined below:

Premium Allocation Considerations

Equitable	<ul style="list-style-type: none"> Levies should be fair amongst municipalities Reflect risk profiles of each municipalities
Based on Expiring to Start	<ul style="list-style-type: none"> Until credible pool data is available, use expiring commercial rates as baseline
10% Savings Recommended	<ul style="list-style-type: none"> Recommend Scenario 3, with 10% overall savings over status quo Additional savings allocated for increased deductibles
Expect Inflationary Forces	<ul style="list-style-type: none"> Expect inflation in levies over time Exposures and claims costs are generally rising
Move to Experience Basis in Time	<ul style="list-style-type: none"> In time, move to a levy allocation model that reflects pool experience, but still promotes year over year stability

Below is a summary of projected savings for each Municipality over the next 5 years (mandatory period). The startup pool Levy is based on a minimum potential savings of 10% per Municipality. Over the 5-year period, if all participants were added as subscribers, the 5-year total potential savings would be approximately \$37,651,786. Based on the data received, the analysis concludes that significant savings could be achieved under a Municipal Insurance Pool and may vary from 13.0% to 20.1% during the set-up phase and from 19.1% to 27.2% at maturity and over the long term. This equates to approximately \$4.3M annually during the set-up phase and \$5.8M annually at the maturity phase. These amounts include the pool levy, discounted losses retained by the pool, risk margin, operating expenses, excess insurance premium and surplus contributions.

One of the main purposes of implementing a Pool comes from the potential savings that the Pool can generate as compared with traditional insurance. An estimate of the potential savings included the total insurance costs under the status quo structure (i.e. traditional insurance) and under the recommended one (i.e. under the Pool). Projected losses retained by the pool participants and projected market insurance premiums were estimated. The total insurance costs were then compared to the total potential savings.

The five (5) year total potential savings for each subscriber is outlined below:

Municipality	(3a)	(3b)	(3c)	(4)	(5)
	5-Years Potential Pool Levy vs Insurance Premium	Municipalities Savings under Municipality Deductible	Overall Savings for Municipalities	5-Years Equity under the Pool	5-Years Total Potential Savings
Adjala - Tosorontio	(649,527)	24,464	(625,063)	(517,447)	(1,142,511)
Town of Bradford West Gwillimbury	(1,659,489)	88,734	(1,570,755)	(1,282,897)	(2,853,652)
Town of Midland	(1,089,302)	(27,328)	(1,116,629)	(918,920)	(2,035,549)
County of Simcoe	(6,005,217)		(6,005,217)	(5,000,635)	(11,005,852)
City of Orillia	(1,039,597)	97,694	(941,903)	(765,881)	(1,707,785)
Township of Tay	(600,853)	14,135	(586,718)	(488,430)	(1,075,148)
Town of Collingwood	(1,228,543)	143,533	(1,085,011)	(881,149)	(1,966,159)
Town of New Tecumseth	(1,354,747)		(1,354,747)	(1,113,249)	(2,467,996)
Town of Penetanguishene	(271,050)	34,286	(236,764)	(191,772)	(428,536)
Township of Clearview	(759,813)	214,324	(545,488)	(517,750)	(1,063,238)
Township of Oro-Medonte	(940,591)	138,863	(801,728)	(662,996)	(1,464,723)
Township of Ramara	(727,023)	126,982	(600,041)	(472,585)	(1,072,626)
Township of Severn	(737,168)	215,003	(522,165)	(462,303)	(984,467)
Township of Springwater	(602,190)	15,642	(586,548)	(485,555)	(1,072,102)
Township of Tiny	(731,453)	26,833	(704,620)	(587,376)	(1,291,996)
Town of Innisfil	(1,986,400)	528,441	(1,457,958)	(1,228,999)	(2,686,957)
Town of Wasaga Beach	(1,055,731)	(87,026)	(1,142,757)	(1,014,293)	(2,157,050)
Township of Essa	(711,275)	66,329	(644,946)	(530,492)	(1,175,437)
Total	(22,149,968)	1,620,909	(20,529,059)	(17,122,728)	(37,651,786)

OTHER COMMENTS AND CONSIDERATIONS

All participating municipalities will require their respective Councils to approve the subscribers' agreement (Attachment no.1). This agreement details the terms and conditions of the insurance pool, the running of the advisory board, the funding arrangement for the purchase of insurance, accounting and financial reporting, subscriber terms, operation of the fund and other general provisions.

The subscriber's agreement requires **a commitment of a minimum of five years**. The deadline for signing the Form of Subscription within the Subscriber's Agreement is March 1, 2025. This timeline will ensure that all administrative preparations for the insurance pool can be completed before its effective date on June 1, 2025.

The Subscribers' Agreement establishes an **Advisory Board** that will direct future decisions regarding the Municipal Insurance Pool. The Advisory Board will be composed of **One Member** appointed by each Subscriber and each Member will have one vote.

Also requiring Council approval, an appropriate staff member will need to be authorized to represent the municipality on the **Municipal Insurance Pool Advisory Board**. This ensures that each municipality has a representative on the Advisory Board to provide input within the Municipal Insurance Pool governance structure.

Worth to mention; the County of Simcoe will host the administration and provide the necessary resource requirements needed to support the pool. As with other municipal insurance pools in Ontario the management and administration are paid for by the insurance pool and governed by the advisory board. The insurance pool launch date is set for June 1, 2025 to allow for the formation of the advisory board and time to put the necessary administrative functions in place. Administration functions that the pool team would be responsible for are risk management, centralized data and claims handling, contract reviews, special events reviews, inspection programs and standard operating procedures.

FINANCIAL IMPACT


The municipal insurance pool startup costs of approximately \$250,000 will be incurred by the County of Simcoe. These costs will be reimbursed by the insurance pool and are included in the financial projections.

The Township of Essa potential savings over the next five (5) years is projected at approximately \$1,175,437 (cost avoidance) or average of \$235,086 per year and is broken down as follows:

	2025	2026	2027	2028	2029	Total 5-Years
Status Quo	\$655,646	\$701,541	\$750,649	\$780,579	\$814,615	\$3,703,031
Pool*	571,203	611,187	599,827	624,140	651,728	3,058,085
Savings	\$84,443	\$90,354	\$150,823	\$156,438	\$162,887	\$644,946
Equity in Pool	99,742	118,679	85,410	103,417	123,244	530,492
Savings Incl. Equity	\$184,185	\$209,033	\$236,233	\$259,856	\$286,131	\$1,175,437

* Adjusted for change in deductible

***Note: After committing to the five (5) year term, founding subscribers may opt out of the Pool and their portion of the Pool Equity of surplus funds would be returned to the exiting subscriber.**

Manager of Finance Approval: 

CONCLUSION

The Municipal Insurance Pool will allow all subscribers to gain greater control of and reduce an existing substantial expense by 13 to 20% immediately, and then by 19 to 27% after set-up. Representing \$37.7 million in total potential savings for all 18 potential subscribers.

The Township of Essa potential savings over the next five (5) years is projected at approximately \$1,175,437 (cost avoidance), the potential cost savings can be utilized/re-invested to enhance the level of service in areas such as Public Transit or infrastructure improvements to our residents.

Staff recommend that the Town of Essa join the municipal insurance pool as a founding subscriber. **Waiting is not likely a viable option since any potential new member will need to buy into the established reserve and be approved by the existing members.** Based on the experience of the existing municipal insurance pools in Ontario, it is unlikely new pool members will be sought or approved. The pools have been very successful, and are operating well, so there was no desire to disturb that success by adding members.

Upon Council approval to join the pool, Staff will provide the County of Simcoe with the Township's signed Form of Subscription. Staff will also work with our current insurer to make necessary arrangements and to give proper notice related to the cancellation of the insurance being provided under the Pool; Automobile, Property and Equipment Breakdown and Liability. **The Township Cyber Insurance will remain in place, as the pool currently doesn't offer this coverage.**

SUMMARY/OPTIONS

Council may:

1. Take no further action.
2. Direct Staff to join the local Municipal Insurance Pool and execute the Form of Subscription in the Municipalities in the County of Simcoe Subscribers' Agreement, in the form substantially attached hereto
3. Authorize the Manager Finance/Treasurer or designate to be represent the Township of Essa on the Pool Advisory Board.
4. Direct Staff in another course of action.

CONCLUSION

Options #1,2,3 are recommended.

Respectfully submitted:



Michael Mikael, P. Eng
CAO

Attachments:

MITCOS Subscribers Agreement – Draft

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ATTACHMENT NO.1

*MUNICIPALITIES IN THE COUNTY OF SIMCOE
INSURANCE POOL DRAFT SUBSCRIBERS' AGREEMENT*

10a

MUNICIPALITIES IN THE COUNTY OF SIMCOE

DRAFT SUBSCRIBERS' AGREEMENT

FOR THE ESTABLISHMENT OF AN INSURANCE POOL
AND
THE PURCHASE OF INSURANCE

Effective as of June 1, 2025

Municipalities in The County of Simcoe

Establishment of an Insurance Pool and for the Purchase of Insurance

Subscribers' Agreement

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Schedule A Founding Subscribers

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- Appendix A Form of Subscription
- Appendix B Form of Termination

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THIS AGREEMENT is effective as of the 1st day of June 2025

AMONG

THOSE MUNICIPALITIES THAT SUBSCRIBE TO THIS AGREEMENT BY EXECUTING A COPY OF THE FORM OF SUBSCRIPTION ATTACHED AS APPENDIX "A", SUBJECT TO AND IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT

(referred to collectively as "Subscribers" and individually as Subscriber")

WHEREAS the Subscribers to this Agreement wish to secure long-term, stable and economical insurance coverage.

AND WHEREAS the Subscribers wish to enter into this Agreement, pursuant to which the Subscribers, among other things, will arrange to purchase policies of insurance, will enter contracts of Indemnity with the Insurer in respect of the Retention amount, and will agree to fund the purchase of such insurance policies.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants of the parties hereinafter contained and for good and other valuable consideration, the receipt of which is hereby acknowledged, the Subscribers, one with each and each with all, covenant and agree as follows:

ARTICLE 1.00 - DEFINITIONS

In this Agreement and any amendment to this Agreement, the following terms will have the following meanings unless the context otherwise requires:

- 1.01 "Actuary" means the actuary retained by the Advisory Board from time to time.
- 1.02 "Advisory Board" means the Advisory Board established pursuant to Section 3.01.
- 1.03 "Alternate" means the person who is designated pursuant to Section 3.02 to act in the place and stead of the Member, when unavailable.
- 1.04 "Annual Incurred Losses" means paid losses in respect of claims occurred, actuarially determined estimates for reported cases, and actuarially determined estimates for incurred but not reported claims.
- 1.05 "Assessment" means a charge against a Subscriber, as determined by the Advisory Board pursuant to Section 6.03, which is in addition to levies.

- 1.06 "Claims Fluctuation Reserve" means actuarially determined reserve funds maintained by the Insurance Pool to adequately cover anticipated losses.
-
- 1.07 "Closure Date" for a particular Underwriting Period means the date that is three years after the last day of such Underwriting Period, or such other date as is determined by the Advisory Board on the advice of the Actuary that no further liability to or of the Subscribers exists.
- 1.08 "Deductible" means the amount which a Subscriber has elected for a particular coverage under the Policy for which that Subscriber is responsible in respect of any claim with respect to that coverage.
- 1.09 "Eligibility Criteria" means the criteria which may be determined by the Advisory Board from time to time which must be met to be eligible to become a Subscriber.
- 1.10 "Extraordinary Resolution" means:
- (a) a resolution passed at a meeting of the Advisory Board by the affirmative vote of at least 80% of the members in attendance at such meeting; or
 - (b) any written resolution signed in one or more counterparts by all of the Members.
- 1.11 "Fiscal Year" means the calendar year ending May 31.
- 1.12 "Founding Subscriber" means each Subscriber who, as of March 1, 2025, has executed and delivered the Form of Subscription attached hereto as Appendix A.
- 1.13 "Insurance Pool" means the fund established pursuant to Section 2.01.
- 1.14 "Indemnity" means each agreement each Subscriber has entered with the Insurer to indemnify the Insurer upon the payment of claims within the Retention and Indemnities means all such agreements.
- 1.15 "Insurer" means the insurance company with whom each Subscriber has entered into a contract of insurance.
- 1.16 "Insurance Policy" means the policy of insurance purchased for each type of coverage from the Insurer by each Subscriber. Each Subscriber will purchase one or more Insurance Policies and any references in this Agreement to Insurance Policy applies to each and all of them, as applicable.
- 1.17 "Member" means a member of the Advisory Board as provided in Section 3.02 and includes, where the context requires, an Alternate.

1.18 "Municipality" means a municipality as defined in the *Municipal Act*, S.O. 2001, as amended.

1.19 "Ordinary Resolution" means:

- (a) any resolution passed at a duly constituted meeting of the Advisory Board by affirmative votes of a majority of the Members in attendance at such meeting, or
- (b) any written resolution signed in one or more counterparts by 80% of the Members of the Advisory Board.

1.20 "Prime" means the prime interest rate per annum established by Scotiabank from time to time as the reference rate of interest for the determination of interest rates that Scotiabank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada and payable on demand and referred to by it as the "prime rate".

1.21 "The County" means the geographic area of the County of Simcoe.

1.22 "Retention" means the amount per claim, as determined from time to time, by the Advisory Board on the advice of the Actuary, for which the Insurer is responsible on any claim, subject to any applicable excess of loss, stop loss or similar insurance, less the Deductible, and for which each Subscriber is responsible under the Indemnity and the funds for which shall come from the Insurance Pool.

1.23 "Rules" means the rules and regulations established pursuant to Section 3.04.

1.24 "Subscriber" means a Municipality which has been accepted for participation and which has executed and delivered the Form of Subscription attached hereto.

1.25 "Subscriber Participation Percentage" means, with respect to a Subscriber, at any date during a given Underwriting period, a fraction, the numerator of which is the total of the levies paid and payable by such Subscriber to that date with respect to that Underwriting Period, and the denominator of which is the total of the levies paid and payable by all Subscribers to that date with respect to that Underwriting Period, expressed as a percentage, [except that in the case of the use of this formula for determining assessments, levies paid by any Subscribers which are not liable to pay assessments will not be included.

1.26 "Subscription Date" means, for a particular Subscriber, the date referred to in Section 5.01 or Subsection 5.02(c) as appropriate.

1.27 "Underwriting Period" means the period of five years commencing 12:01 a.m. on June 1, 2025 and ending on 12:01 a.m. on May 31, 2030 and each successive

five-year period (or such period as the Advisory Board determines) thereafter during which the Insurance Pool continues to operate.

ARTICLE 2.00 - THE FUNDING ARRANGEMENT

2.01 Establishment of the Insurance Pool

The Subscribers hereby agree to the establishment of the Insurance Pool.

2.02 Purpose of the Insurance Pool

It is the intention of the Subscribers to use the Insurance Pool in order to purchase insurance, to pay the premiums for contracts of insurance arranged on behalf of the Subscribers, to enter into contract(s) of Indemnity with the Insurer in respect of such insurance, to refund and pay claims as and when required in respect of the Retention, to provide funds for the Claims Fluctuation Reserve, and to pay the administrative expenses of the Insurance Pool. The Insurance Pool shall have the power to do any and every act and thing necessary, proper, convenient, or incidental to the accomplishment of these purposes.

2.03 Not a Partnership or Trust

Nothing in this Agreement is to be construed to constitute any of the Subscribers a partner, agent, or representative of the others, or to create any trust, constructive, implied, or otherwise, or any commercial or other partnership among the Subscribers. The Subscribers agree that in matters involving this Agreement, they will not rely on the provisions of any partnership or trust legislation in any province or territory.

2.04 No Authority to Bind

Except as expressly provided in this Agreement, a Subscriber does not have the authority to bind any other Subscriber or the Subscribers.

2.05 Indemnification for Unauthorized Acts

Each Subscriber (in this section called the "Indemnitor") hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other Subscribers (in this section called the "Indemnitees") from and against any and all liability, loss, harm, damage, cost or expense, including reasonable legal fees, which the Indemnitees may suffer, incur or sustain as a result of any act of the Indemnitor outside of the scope of or in breach of this Agreement.

2.06 Several Liability

The obligations of each Subscriber with respect to the Insurance Pool and/or the Indemnity and contracts and obligations entered by or on behalf of the Subscribers in connection with the Insurance Pool will, in every case, be several and not joint and several.

ARTICLE 3.00 - ADVISORY BOARD

3.01 Establishment

The Subscribers hereby establish an Advisory Board for the purpose of implementing this Agreement and operating the Insurance Pool.

3.02 Constitution of the Advisory Board

The Advisory Board will be composed of one Member duly appointed by each Subscriber. Each Member will have one vote. Any Subscriber may designate in writing from time to time an Alternate who is entitled to act in the place and stead of such Member when such Member is unavailable. The Member and the Alternate, if designated, must meet the qualifications set out in Section 3.03.

3.03 Qualification of Members of Advisory Board

Any individual may be a Member of the Advisory Board provided that, and for so long as, he or she:

- (a) is a person who is eighteen years of age or more.
- (b) is not a person who is of unsound mind, having been so found in Canada or elsewhere.
- (c) is not a person who has the status of a bankrupt.
- (d) is an employee of a Subscriber, preferably with a background relevant to the operation of the Insurance Pool, and has been duly appointed by such Subscriber.

No appointment of a person as a Member is effective unless he or she consents to act as a Member before or after the appointment.

3.04 Rules

For the purpose of administering this Agreement, the Advisory Board may establish from time to time such rules and regulations as it considers appropriate, provided that the Rules and any amendments thereto will be subject to approval of the Advisory Board by Extraordinary Resolution.

3.05 Power and Authority of the Advisory Board

Except as otherwise provided for in this Agreement, the Advisory Board has the power and authority, and the Subscribers hereby direct the Advisory Board to give any approvals and to make any decisions and determinations required or permitted to be given or made by the Subscribers with respect to the Insurance Pool and any matter arising out of or under this Agreement. Without limiting the generality of the foregoing, it is acknowledged and agreed that the Advisory Board is authorized on behalf of and without further authority from the Subscribers:

- (a) to supervise the funding of the Retentions by the Subscribers in accordance with such terms and conditions as the Advisory Board may deem proper and to change, cancel, extend or insure such obligations and to secure insurance and/or reinsurance excess of the Retentions as the Advisory Board may deem proper.
- (b) to set the levies and Assessments required of Subscribers pursuant to the provisions of this Agreement, which levies and assessments are to include each Subscribers' share of the expenses of the Insurance Pool.
- (c) to effect policy changes affecting the operation of the Insurance Pool by Extraordinary Resolution.
- (d) to supervise the demanding, collection and receipt of all moneys which may become due by the Subscribers under this Agreement or the Indemnity or under any contract of indemnity or insurance.
- (e) to give and receive all notices necessary or proper under the Indemnity or any contract of indemnity or insurance in respect of the Insurance Pool or the Subscribers, and to adjust, compromise and settle all claims and losses thereunder.
- (f) to retain an auditor, Actuary, legal counsel, and such other professional advisors as the Advisory Board considers appropriate to perform its duties under this Agreement.
- (g) to open and operate in the name of the Insurance Pool an account or accounts in a bank or other financial institution to deposit and to distribute funds with respect to the operation of the Insurance Pool.
- (h) to invest funds in accordance with any applicable law and to make or approve policies with respect to the investment of such funds and for the custody and safekeeping of any securities in which such funds may be invested.

- (i) to borrow such funds, in such amounts, on such terms and otherwise as the Advisory Board may determine by Extraordinary Resolution are necessary or desirable to fulfill obligations under this Agreement.

- (j) to pay all taxes, fees and other expenses relating to the orderly maintenance and management of the Insurance Pool.
- (k) to appoint a Manager and other staff, if considered appropriate, to manage the affairs of the Insurance Pool on behalf of the Subscribers on such terms and conditions, including remuneration, as the Advisory Board may determine from time to time.
- (l) to establish procedural rules with respect to the time, place, and number of Advisory Board meetings.
- (m) to require such additional information from any Subscriber as the Advisory board deems reasonably necessary in order to perform its duties under this Agreement.
- (n) to appoint such committees including any or all of an Executive Committee, Claims Committee, Policy Committee, Investments Committee and Audit Committee as may be deemed by the Advisory Board to be necessary or advisable for the operation of the Insurance Pool.
- (o) to take such steps as are necessary to comply with all applicable legislation.
- (p) to make and amend, by Extraordinary Resolution, such Rules as the Advisory Board considers appropriate pursuant to Section 3.04 including, without limitation, rules for the signing of cheques, negotiable instruments, and other documents.
- (q) to establish and maintain such reserve funds and surplus as the Advisory Board determines should be established and maintained for the purposes of this Agreement.
- (r) to establish policies with respect to the promotion of loss control and risk management.
- (s) to do and perform every other act and all things required to be done under this Agreement or necessary or proper to be done to fully carry out and perform the terms of this Agreement.

3.06 Payment for Services

Except as determined by the Subscribers from time to time, no payment will be made to any Member for their services in acting as a Member provided that any

Member is entitled to reimbursement of any reasonable expenses incurred in so acting as authorized by the Rules.

3.07 Term

Subject to Section 3.08, an appointed Member of the Advisory Board will hold office until their successor is duly appointed.

3.08 Resignation

A Member of the Advisory Board may resign from office upon giving a written resignation to the Advisory Board and the appointing Subscriber, and such resignation becomes effective when received by the Board and the appointing Subscriber, or at the time specified in the resignation, whichever is later.

3.09 Vacancies

Where there is a vacancy or vacancies in the Advisory Board, the remaining Members may exercise all of the powers of the Advisory Board. When a vacancy occurs, the Subscriber who appointed the member no longer in office will fill the vacancy as soon as practicable.

3.10 Decisions of the Advisory Board

All decisions of the Advisory Board require approval by Ordinary Resolution unless otherwise provided for in this Agreement. A decision of the Advisory Board with respect to any matter will be binding on all the Subscribers.

3.11 Chair and Officers

- (a) The Advisory Board will appoint a Chair and a Vice-Chair from among its Members. The Chair, and in their absence the Vice-Chair, will chair all meetings of the Advisory Board. In the absence of the Chair and the Vice-Chair, the Members of the Advisory Board in attendance at the meeting will appoint another Member to act as chair of such meeting.
- (b) The Advisory Board may appoint such other officers and designate such responsibilities for such officers as the Advisory Board determines from time to time.
- (c) The Chair, the Vice-Chair and any officers appointed pursuant to Subsection 3.10(b) will hold office for one year or until a successor is appointed. The chair will not have a second or casting vote in respect of any matter voted on by the Advisory Board.

- (d) The Chair will appoint a Secretary (who need not be a Member of the Advisory Board) to keep complete and accurate minutes of all meetings of the Advisory Board.
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3.12 Signing Officers

Except where the Advisory Board has otherwise authorized the execution of documents on behalf of the Advisory Board, the execution of all documents required under this Agreement will be:

- (a) by both of the Chair and the Vice-Chair,
- (b) by one of the Chair and the Vice-Chair together with one of two or more other Members designated by the Advisory Board, or
- (c) in the event that a Manager is appointed, by one of the Chair and the Vice-Chair together with the Manager.

3.13 Meetings Generally

- (a) The Advisory Board will hold regular meetings at such time as the Advisory Board will determine from time to time.
- (b) The Chair may call additional meetings of the Advisory Board if he considers it advisable to do so and will do so if requested by another Member.

3.14 Virtual Meetings

Any Member may participate remotely in a meeting of the Advisory Board by means of which all persons participating in the meeting can hear each other, and a Member participating in such a manner will be deemed to be present in person at the meeting.

3.15 Notice

The Chair must, at a minimum, give each Member written notice of the time and place of each meeting of the Advisory Board at least 24 hours (excluding any part of a Sunday or holiday as defined in *the Legislation Act of Ontario* for the time being in force) before the time when the meeting is to be held, save that no notice of a meeting is necessary if all Members are present or if those absent have waived notice in writing to the holding of such meeting. Such waiver, whether given before or after the meeting of which notice is required to be given, will cure any default in giving such notice.

3.16 Location

Meetings of the Advisory Board are to be held at such place as may be agreed upon by the Advisory Board from time to time.

3.17 Quorum

A quorum for meetings of the Advisory Board is a majority of the number of Members in office at the particular time and no action is to be taken at a meeting of the Advisory Board unless a quorum is present.

3.18 Agenda

Matters which are not referred to in the agenda of the meeting of the Advisory Board are not to be voted on at that meeting unless all of the Members are present and consent thereto.

3.19 Agreement Without Voting

Any matter within the competence of the Advisory Board that is agreed or consented to in writing by every Member is binding on all the Subscribers.

3.20 Duty of Care

Every member, in exercising their powers and discharging their duties, must:

- (a) act honestly and in good faith, with a view to the best interests of the Subscribers as a group in respect of the Insurance Pool; and
- (b) exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

3.21 Limitation of Liability

No Member is liable for the acts, receipts, neglects or defaults of any other Member in any respect, or for any loss, damage or expense happening to any Subscriber in respect of the Insurance Pool, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Subscribers is invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Subscribers in respect of the Insurance Pool be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which happens in the execution of the duties of their office or in relation thereto, unless the same are occasioned by their own willful neglect or default; provided that nothing herein will relieve any Member of the duty to act in accordance with this Agreement or of liability for any breach thereof.

3.22 Indemnity of Members

Every Member and every former Member of the Advisory Board and every officer and every former officer appointed by the Advisory Board and their heirs and legal representatives will, from time to time, be indemnified and saved harmless by the Subscribers from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by him/her in respect of any action or proceeding to which he/she is made a party by reason of being or having been a Member or officer if:

- (a) they acted in good faith with a view to the best interests of the Subscribers as a group in respect of the Agreement; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he/she had reasonable grounds for believing that their conduct was lawful.

3.23 Liability Insurance

The Subscribers may purchase and maintain insurance for the benefit of any person referred to in Section 3.21 against any liability incurred by him/her in respect of their duties, except where the liability relates to the failure to act honestly and in good faith, with a view to the best interests of the Subscribers as a group in respect of the Agreement.

ARTICLE 4.00 - ACCOUNTING AND FINANCIAL REPORTING

4.01 Fiscal Period

Accounts for the Insurance Pool will be prepared and settled as of the last day of each Fiscal Year or as of any other date the Advisory Board may agree upon.

4.02 Books and Records

Proper and complete books, records, reports, and accounts of the Insurance Pool will be accessible at the administrative office of the Insurance Pool and will be open and available for inspection and copying by any Subscriber or its authorized representative at any reasonable time during normal business hours. The said books and records will fully and accurately reflect all transactions of the Insurance Pool and will be maintained in conformity with generally accepted accounting principles or customary practices.

4.03 Subscriber Accounts

Individual accounts will be kept for each Underwriting Period showing for each Fiscal Year each Subscriber's participation in the operations and the operating results of the Insurance Pool in the manner determined by the Rules.

4.04 Annual Report

Within 120 days after the end of each Fiscal Year, the Advisory Board will cause the accountants of the Insurance Pool to furnish to each Subscriber an annual report consisting of:

- (a) the financial statements of the Insurance Pool at the end of the Fiscal Year.
- (b) the report of the Actuary.
- (c) the Subscriber Participation Percentage of each Subscriber for the Fiscal Year.
- (d) any additional information that may be required by the Advisory Board or any government or governmental authority under applicable legislation.

4.05 Audit

The accounting records and reports of the Insurance Pool will be reviewed or audited annually (as determined from time to time by the Advisory Board) by such firms as the Advisory Board may choose from time to time.

4.06 Bank Accounts

The bank of the Insurance Pool will be such Canadian chartered bank or banks as the Advisory Board may from time to time determine. All moneys received from time to time on account of the Insurance Pool will be paid immediately into the bank account of the Insurance Pool in the same drafts, cheques, bills and cash in which they are received. Until changed by a decision of the Advisory Board, all cheques, negotiable instruments and withdrawals from bank accounts up to but not exceeding \$100,000.00 require the signature of the Manager of the Insurance Pool, if any, and one signing officer appointed by the Advisory Board and, if there is no manager, of two signing officers appointed by the Advisory Board and all cheques, negotiable instruments and withdrawals from bank accounts exceeding \$100,000.00 require the signature of two signing officers appointed by the Advisory Board.

ARTICLE 5.00 - SUBSCRIBERS

5.01 Founding Subscribers

Each Municipality whose name appears in Schedule A attached hereto, and who executes and delivers the Form of Subscription attached hereto as of March 1, 2025 or before, will automatically become a Subscriber with effect from June 1, 2025 ("Subscription Date").

5.02 Additional Subscribers

The Subscribers may accept additional qualified Municipalities to become a party to this Agreement and thereby become Subscribers in accordance with the following provisions:

- (a) any Municipality, whether contained within The County or not, may apply to become a Subscriber provided that:
 - (i) such Municipality submits a written application in acceptable form and remits the application together with such application fee as may be prescribed by the Advisory Board from time to time.
 - (ii) such Municipality provides the historical claims information, data and other relevant information that the Advisory Board, the Actuary and the insurers/reinsurers deem necessary or appropriate to properly assess participation qualifications.
 - (iii) such Municipality co-operates with the Advisory Board in providing such information and documentation as it may require.
- (b) The Advisory Board will review the application to become a Subscriber and may accept the Municipality's application subject always to the following:
 - (i) receipt of a duly executed Form of Subscription from such Municipality in the form attached as Appendix A.
 - (ii) receipt of a copy of the resolution of the Municipality's council authorizing Subscription to the Insurance Pool.
 - (iii) receipt of any fees required to be paid by such Municipality.
- (c) Commencement of participation in the Insurance Pool will be the date specified on the notification of acceptance of any Municipality's application to become a Subscriber ("Subscription Date").

5.03 Effective Date of Subscription

The effective date of Subscription ("Subscription Date") for any particular Subscriber, is:

- (a) if the Subscriber is a Founding Subscriber, June 1, 2025; or
- (b) if the Subscriber is not a Founding Subscriber, the Subscription Date as defined in 5.02(c).

5.04 Minimum Period of Subscription

If the Subscriber's Subscription Date is coincident with, or on or before the expiry of the first year in an Underwriting Period, the minimum period of subscription will be the balance of the Underwriting Period. If the Subscriber's Subscription Date is after the expiry of the first year of an Underwriting Period, the minimum period of subscription will be the balance of the then-current Underwriting Period plus the immediately subsequent Underwriting Period.

5.05 Termination of Subscription

- (a) The Advisory Board is empowered to remove, by Extraordinary Resolution, a Subscriber by providing such Subscriber with a notice in writing to that effect, if the Subscriber:
 - (i) fails to comply with any term of this Agreement after having been given 30 days' written notice by the Advisory Board of the details of its failure to comply and the Subscriber has not rectified such non-compliance within 30 days after receipt of such notice.
 - (ii) fails to pay any premium, levy or other fee or assessment within seven (7) days when due hereunder.
 - (iii) fails, in the opinion of the Advisory Board, to continue to meet the Eligibility Criteria for participation in the Insurance Pool and the Subscriber fails to rectify this condition within 90 days after receipt of such notice.
- (b) The effective date of termination of participation in the Insurance Pool in the event of termination:
 - (i) pursuant to Paragraph 5.06(a)(i), will be 30 days after receipt of the written notice if the failure has not been rectified.
 - (ii) pursuant to Paragraph 5.06(a)(ii), will be seven days after receipt of written notice that such premium, levy, or other fee or assessment has not been paid.

(iii) pursuant to paragraph 5.06(a)(iii), will be at the expiration of 90 days following the date of receipt of written notice of termination.

(c) Subject to the minimum period of subscription set out in Section 5.05, a Subscriber may withdraw from participation in the Insurance Pool at the end of any Underwriting Period, provided that it provides the Insurance Pool with six months' written notice of its intention to withdraw, in which event, such withdrawal will take effect upon the expiry of that Underwriting Period. If there is a failure to give such notice, the Subscriber will be deemed to have elected to participate in the immediately succeeding Underwriting Period.

5.06 Subscriber Dissolution, Merger, or Break-Up

- (a) If a Subscriber is dissolved, it will cease to be a Subscriber as of the date of its dissolution.
- (b) If a Subscriber is merged with another Municipality that is not a Subscriber, the Subscriber will cease to be a Subscriber unless the merged entity elects to continue as a Subscriber and it meets the conditions set by the Advisory Board. The newly merged municipality may only continue by applying to the Advisory Board as set out in Article 5.03.
- (c) If a Subscriber is merged with another Municipality that is a Subscriber, the merged entity will be deemed to be a Subscriber as of the effective date of the merger.
- (d) If a new Municipality is formed from a Subscriber, the Subscriber will remain a Subscriber and the new entity will be a Subscriber provided that it continues to meet the conditions set by the Advisory Board.

5.07 Continuing Liability

If the Subscriber ceases to be a Subscriber, it will continue to be liable for any Assessment(s) arising during or after such cessation in respect of claims incurred prior to the effective date of its cessation of participation, unless satisfactory arrangements are made with the Advisory Board, and approved by way of Extraordinary Resolution of the remaining Members of the Advisory Board, to buy out such liability.

ARTICLE 6.00 - OPERATION OF THE FUND

6.01 Insurance Policies

The Advisory Board will arrange for Insurance Policies for the Subscribers with Deductibles as elected by each Subscriber, for Indemnities and Retentions and limits of liability as determined by the Advisory Board

6.02 Determination of Levies Payable

The Advisory Board will, in respect of each year, on the advice of the Actuary determine the levy payable by each Subscriber. The levy with respect to any year will be sufficient to fund any insurance/reinsurance, excess or stop-loss insurance premiums, to make payments under the Indemnities, to provide funds for the Claims Fluctuation Reserve and to fund the administrative expenses of the Insurance Pool. Such levies will take into account the Annual Incurred Losses for each Subscriber as determined by the Advisory Board, by Extraordinary Resolution, on the advice of an Actuary.

6.03 Assessments

- (a) Assessments in respect of an Underwriting Period will be made by the Advisory Board on the advice of the Actuary if the aggregate of the levies received for such Underwriting Period, after recognition of investment income earned thereon, is not sufficient to pay any insurance/reinsurance and excess and stop loss premiums attributable to such Underwriting Period, to pay the actual losses under the Indemnities, to provide funds for the Claims Fluctuation Reserve and to fund the administrative expenses of the Insurance Pool.
- (b) The Subscribers acknowledge that they may be responsible for additional assessments based on the actual loss experience of the Insurance Pool.
- (c) Loss claims experience for each Underwriting Period will be assessed annually and potential deficits and surpluses shall be estimated and amortized over three (3) years, or such other period as is determined by the Advisory Board.
- (d) If an assessment is required, the Advisory Board will so notify each Subscriber of the amount of the Assessment which each Subscriber is to pay and the Assessment will be due 30 days following receipt of such notice or at such later date as may be prescribed in such notice. The notice will set out in reasonable detail the reasons for the Assessment and the basis upon which the Assessment is determined.
- (e) Assessments will be allocated on the basis of the Subscriber Participation Percentage for each Subscriber in the Underwriting Period. All assessments will be automatic upon the advice of the auditor.

6.04 Obligation to Pay

- (a) Each Subscriber covenants and agrees to pay forthwith when due any levy or Assessment required pursuant to the terms of this Agreement. If the levy or Assessment is not paid by a Subscriber when due, an interest charge of Prime plus 2%, compounded monthly, will be payable by the Subscriber.
- (b) Interest will be payable as follows:
- (i) at an annual rate of interest expressed on the basis of a 365- or 366-day year, as the case may be, equal to Prime plus 2%.
 - (ii) interest shall be calculated monthly based on the number of days actually elapsed.
 - (iii) interest accrued is payable in arrears on the last day of each month except that, if the last day of the month is not a Business Day, on the immediately preceding Business Day (where Business Day means any day other than a Saturday, Sunday, statutory holiday or other day on which banks in Toronto, Ontario are required by law to close or are customarily closed).
 - (iv) changes in Prime cause immediate adjustment of the interest rate applicable thereto as and from the effective date of any such change without the necessity for any additional notice to the Subscriber.

6.05 Closure of Underwriting Period

- (a) Upon the Closure Date of an Underwriting Period, at the discretion of the Advisory Board, and subject to Section 7.01, the excess, if any, of the realized value of the Insurance Pool's assets over outstanding obligations of the Insurance Pool, will be credited, or returned, to the Subscribers in direct proportion to their Subscriber Participation Percentage.
- (b) Prior to the Closure Date of an Underwriting Period, as considered prudent by the Advisory Board, and subject to Section 7.01, excess assets of the Insurance Pool, or any part thereof, may be paid out to the Subscribers, applied to reduce the actuarially determined levy or retained and applied towards a Claims Fluctuation Reserve, in each case in direct proportion to each Subscriber's Participation Percentage.
- (c) A Subscriber will not share in that part of the excess attributable, as determined by the Actuary, to the period prior to the date on which that Subscriber became a Subscriber, and any Subscriber not participating in the next following Underwriting Period will not share in any excess of assets over

liabilities for the preceding Underwriting Period during which the Subscriber participated.

6.06 Excess and Stop Loss Insurance

The Advisory Board will endeavour to arrange insurance policies providing stop loss coverage and excess insurance coverage over and above the Retention, subject to other arrangements approved by Extraordinary Resolution of the Advisory Board. The insurance policies will name as insured the Subscribers who are accepted by the Insurer issuing the policy. To minimize the cost of such coverage, the Insurance Pool will perform the administrative services of collecting the premiums from the Subscribers for remittance to the insurer and will report claims to the Insurer based on notices of claim given by the Subscribers to the Insurance Pool.

6.07 Retention

The Advisory Board will endeavour to arrange the Indemnity between each Subscriber and the Insurer to cover claims for the Retention. The Retention required under the Indemnity shall provide for payment by the Subscriber to the Insurer of amounts within the Retention which shall come from the Insurance Pool. Claims are to be paid out to the Insurer under the Indemnity as they arise in accordance with its terms.

ARTICLE 7.00 - TERMINATION

7.01 Termination of this Agreement

- (a) The Subscribers may terminate this Agreement by resolution of the Councils of each of the Subscribers. The appropriate termination form is attached as Appendix "B".
- (b) Upon termination, as and when determined by the Advisory Board, the assets of the Insurance Pool will be liquidated and the excess, if any, of the realized value of such assets over outstanding obligations (including the setting aside of an adequate reserve for future claims), will be returned to the Subscribers in direct proportion to their Subscriber Participation Percentage for each Underwriting Period not yet closed on the date of termination.
- (c) Notwithstanding the termination of this Agreement, the Advisory Board, and the Insurance Pool, are empowered to continue in operation for the limited purpose of winding up their affairs and, for such purpose, this Agreement will remain in full force and effect until all obligations of the Subscribers have been fulfilled.

- (d) If this Agreement is terminated, all Subscribers will continue to be responsible for all liabilities and Assessments relating thereto in respect of all Underwriting Periods or portions thereof in which each Subscriber participated unless satisfactory arrangements are made by the Advisory Board, satisfactory to the Advisory Board in its sole discretion, to buy out or bond such liability.

ARTICLE 8.00 - GENERAL PROVISIONS

8.01 Notice

All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another will be given in writing and served personally, or sent by registered mail, postage prepaid, addressed to:

- (a) each Subscriber at the address noted below its signature on the signature page hereof or on the Form of Subscription attached hereto as Schedule "A";
- (b) the Advisory Board or the Insurance Pool, c/o:

Attention: _____

or at such other address as may be given by any of them to the others in writing from time to time, and such notices, requests, demands, acceptances and other communications are deemed to have been received when delivered, or if sent by registered mail, are deemed to have been received on the third day following the date of mailing the letter.

8.02 Dispute Settlement

If any dispute occurs among the Subscribers hereto, or the Advisory Board is unable to reach an agreement, the dispute shall be settled in the following manner:

- a) First, the matter in dispute shall be referred to the CAOs of the Subscribers in dispute, who shall attempt to solve the matter.
- b) Next, if the matter is not resolved by the CAOs, then the matter in dispute shall be referred for mediation. The mediator selected shall be mutually agreed upon by all Subscribers involved.

- c) Next, if the matter is not resolved by mediation, then the matter in dispute shall be resolved by a single arbitrator pursuant to the provisions of the Arbitration Act, 1991 (Ontario) as amended.
-

8.03 Confidentiality

The Advisory Board shall adopt appropriate procedures to ensure that all information received by the Board remains confidential. Members of the Advisory Board and members of any Committee established by the Board shall keep all information confidential and shall not divulge or use such information other than in the course of his/her duties as a member of the Advisory Board or other committee unless required by due process of law.

8.04 Currency

All payments contemplated herein are to be made in Canadian funds.

8.05 Calculation of Time Periods

Unless otherwise specified in this Agreement, when calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference day in calculating such period is to be excluded. If the last day of the period is a non-business day, the period in question is to end on the next business day.

8.06 Subscriber's Right of Inspection

Any Subscriber by a duly authorized agent, upon reasonable notice, shall have the right, during regular business hours and subject to the reasonable demands of the business of the Insurance Pool, to inspect and, at its own expense, to copy the record books, the books of account, and any other book or document of the Insurance Pool other than such documents as the Advisory Board shall from time to time designate as confidential.

8.07 Severability

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement are not in any way to be affected or impaired thereby.

8.08 Entire Agreement

This Agreement constitutes the entire agreement among the parties relating to the establishment and operation of the Insurance Pool and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect thereto.

8.09 Waiver

No waiver by any party to this Agreement of any breach of any of the provisions of this Agreement by any other party will take effect or be binding unless in writing and signed by the party intended to be bound. Unless otherwise provided therein, such waiver is not to limit or affect the rights of such party with respect to any other breach.

8.10 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns provided that this Agreement may be assigned by a Subscriber only with the consent of the Advisory Board.

8.11 Further Acts

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary to give full effect to this Agreement and every part thereof.

8.12 Applicable Law

This Agreement will be construed and enforced in accordance with the rights of the parties hereto and is to be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

8.13 Amendments

This Agreement may be amended by written agreement of all the Subscribers.

8.14 Electronic Signatures

Digitally signed and/or scanned copies of the Form of Subscription appended to this Agreement shall be deemed to be original and shall be binding upon the parties executing same in the same manner as if each party executed an original.

IN WITNESS WHEREOF the parties have subscribed to this Agreement by execution of the Form of Subscription appended to this Agreement as fully as they would have by executing a copy of this Agreement.

SCHEDULE A

FOUNDING SUBSCRIBERS

The following Municipalities may become Founding Subscribers pursuant to Section 5.01:

10a

APPENDIX A

FORM OF SUBSCRIPTION

Pursuant to the form of Agreement dated the _____ day of _____, 20____
entitled "Municipalities in The County of Simcoe Subscribers' Agreement for the Purchase
of Insurance", as amended from time to time, (hereinafter referred to as the "Agreement")

Municipality

Address of the Municipality

(hereinafter referred to as the "Municipality"), hereby subscribes to the Agreement.

The execution of this Form of Subscription by the Municipality constitutes execution of
the Subscribers' Agreement dated March 1, 2025 (including any future amendments
made in accordance with the terms of the Agreement). The Agreement and the Forms of
Subscription executed by all other Municipalities shall together constitute the Agreement
of the Subscribers, as if all the Subscribers have executed the Agreement.

IN WITNESS WHEREOF The Municipality has caused to be affixed its corporate seal
duly attested to by the hands of its proper officers duly authorized in that behalf.

Dated this _____ day of _____ 20 ____.

(Name of Municipality)

(Authorized Signing Officer)

(Seal)

(Authorized Signing Officer)

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APPENDIX B

FORM OF TERMINATION

OF

MUNICIPALITIES IN THE COUNTY OF SIMCOE
SUBSCRIBERS' AGREEMENT
FOR THE PURCHASE OF INSURANCE

Subscriber

agrees

disagrees

to terminate the Agreement dated the ____ day of _____, 20__ and all amendments thereto, pursuant to Section 7.01 thereof.

Date: _____

Subscriber

(Seal)

Authorized Signing Officer

Authorized Signing Officer