



The Corporation of the Town of Espanola  
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December 18, 2020

Mr. Bruce Killah, Vice Chair  
Manitoulin Sudbury District Services Board  
210 Mead Blvd  
Espanola, ON P5E 1R9

Dear Mr. Killah,

The Town of Espanola remains concerned with how the power dam grant is included in the municipalities apportionment. In reviewing previous years' apportionments, the Town appears to be paying a greater share of its power dam grant in relation to the proportional share of weighted assessment. In consideration of this, we engaged Municipal Tax Equity (MTE) Consultants Inc. to conduct a review of the methodology used in including the power dam grant in the formula. The report is enclosed for your review.

The report finds that the power dam revenue is not being apportioned in a manner that reflects current circumstances or the Town's current proportional position with the MSDSB but rather a flat stipend percentage from 2001. In 2020, while Espanola's proportional share of weighted assessment represented 11.27% of the total apportionment, 21.5% of the power dam grant was then paid in addition to the proportion based on weighted assessment. The report further suggests a more objective and transparent method of inclusion which would modernize this historic approach while providing a more equitable position for all municipalities. Peter Frise of MTE has offered to attend a delegation with the Board or a phone call with MSDSB staff if further clarification or assistance may be of assistance in reviewing this formula.

The Town respectfully requests a more detailed review of this method of inclusion for the power dam grant prior to the 2021 apportionment being finalized. We look forward to your response.

Sincerely,

Jill Beer  
Mayor

The Town of Espanola is committed to serving the needs of our community by supporting the positive, well-balanced, social, economic, environmental and physical growth of the town. We will continue to pursue excellence by providing accountable and affordable services while promoting the highest quality of life.