

**TOWN OF ESPANOLA DISTRICT SOCIAL SERVICES BOARD
APPORTIONMENT REVIEW**

TREATMENT OF POWER DAM GRANT REVENUE

Prepared For:
THE TOWN OF ESPANOLA

By:
MUNICIPAL TAX EQUITY (MTE) CONSULTANTS INC.
GEORGETOWN, ONTARIO
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Regulatory and statutory references are, in many instances, not directly quoted excerpts and the reader should refer to the relevant provisions of the legislation and regulations for complete information.

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

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INTRODUCTION

The Town of Espanola is a member municipality of the Manitoulin-Sudbury District Services Board (MSDSB) and as such, contributes to the funding of the Board. The Town and the other member municipalities share in these costs in accordance with an established sharing formula established under the District Social Services Administration Boards Act, R.S.O. 1999 (*The Act*) and Ontario Regulation 278/98 (*Regulation*) made and amended under that *Act*.

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

The Town has enlisted the assistance of Municipal Tax Equity (MTE) Consultants Inc. to review the sharing formula utilized by the MSDSB and in particular, the manner in which the power dam revenue is treated and incorporated. Town Staff expressed a concern that the manner in which the sharing formula treated the power dam grants did not account for changes in the Board-wide property assessment demographics overtime. That is, while the base formula using relative shares of weighted assessments served to redistribute most of the burden as the size and shape of the 19 member communities changed from year-to-year, the treatment of the power dam revenue has been held static. Without adjustment, the weight being assigned to this revenue stream has become disproportionate to the assessment-based measures.

Having completed our review and analysis, this report has been prepared to summarize our efforts and to suggest how the sharing formula might be modernized to achieve and, more importantly, maintain a greater degree of fairness overtime. That is, how the power dam revenue could be better accounted for on a year-over-year basis, not what the “correct” dollar amount should be for any given year. This determination should be an output from an equitable sharing model, not a forgone conclusion or starting point.

Scope and Context

It is important to set out the scope and approach of this review in order for the reader to understand and interpret the outcome and suggestions in proper context. First and foremost, while we consider and discuss various statutory provisions that serve to structure and define the relationship between the Town and the Board, we have not undertaken a legal review and this report is not a legal opinion. Instead our review has been conducted from a public policy perspective. In doing this, we do consider *The Act* and its intent but with it a focus on optimizing outcomes and serving that intent rather than making judgements as to whether a party has violated or failed to satisfy a statutory condition or requirement.

REVIEW OF CURRENT SHARING FORMULA AND MSDSB PROTOCOLS

As a first step in our review, we looked at the manner in which the power dam revenue is treated within the MSDSB's annual cost apportionment formula. For clarity, we were not tasked with questioning or considering whether these amounts should be included within the formula, but simply to review the manner in which they are captured by the calculations.

In addition to the *Act* and *Regulation*, MTE referenced the following MSDSB materials within the context of this review, all of which are included as Addendum A to this report:

- Resolution 04-110 regarding the inclusion of power dam revenue;
- Annual weighted assessment and power dam revenue confirmation worksheet;
- 2020 Municipal Apportionment worksheet;
- 2020 Power Dam Grant Share Worksheet; and
- Resolution 19-91 reaffirming the inclusion of power dam revenue the apportionment and a covering letter to the Town that was provided along with that resolution.

Regulated Apportionment Formula

By default, section 6 of *The Regulation* provides the following formula for the apportionment of eligible costs of the DSAB among member municipalities.

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

A = The amount each municipality shall contribute;

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

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

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

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

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

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

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

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

Each member municipality must provide the DSAB with a copy of their annual tax ratio by-law in order to facilitate this calculation. The implication is that a DSAB cannot finalize its annual calculation until such time as the assessment roll has been returned for the year and each municipality has finalized its tax ratios.

Inclusion of Power Dam Revenue

Section 6 of *The Regulation* does allow a DSAB to establish an alternate approach to apportioning costs as long as the approach is agreed to by a double majority of the membership.¹ The MSDSB relied on this provision to facilitate the inclusion of the power dam revenue in its apportionment methodology as of the Board's 2005 budget year.

In reviewing that resolution (04-110), the Board's intent to include the power dam revenue is clear but there is limited direction as to the mechanism by which those amounts would be incorporated on an ongoing basis. In this regard, the Board's intent is limited to stating that it will "include the Power Dam revenues in the weighted assessment formula that it uses to determine the portion of the municipal shares of the DSSAB's approved annual budget...".

Generally we do not question the intent, purpose or latitude of the Board in its decision to incorporate the power dam amounts in its apportionment formula, however, it appears that limited attention was given to how this would be managed over time. Further, the power dam revenue does not appear to be included in the weighted assessment formula as much as it is used to offset the total amount shared in accordance with that formula.

Based on the various materials and worksheets we have reviewed, it seems clear that the power dam revenue is not integrated into the apportionment formula in any way that accounts for broader changes to the assessment and tax demographics within the Board's jurisdiction as shifted and evolved over time. Instead, all indications suggest that the Board claims a static flat share of the Town's prior year grant as an offset to the costs that will be shared among member municipalities. The remaining costs are then shared based on relative shares of weighted assessment.²

Assessment and Tax Data

The other departure from the prescribed formula that we identified in our review was the reliance on prior year rather than current year tax ratios. The *Regulation* clearly contemplates that a DSAB will undertake their apportionment calculations each year based on the actual

¹ Resolutions of agreement from a majority of members (municipalities + members representing areas without municipal organization) and the group approving must also represent a majority of the Board's electors.

² We can only assume the same for the grants received by Sables-Spanish Rivers and Nairn and Hyman.

assessment roll as returned and the tax parameters (ratios and subclass discounts) adopted by their member municipalities.

By relying on the prior year's ratios, the shares apportioned to each member municipality may not match the actual circumstances for the year. This is particularly true where levy restriction applies, which generally means that the tax ratios for the restricted class will be lower each year than what was contained in the by-law for the prior year. A reliance on prior year ratios under these circumstances would result in an overstatement of the municipality's share of the apportioned costs. Similar overstatements would occur in any year where a municipality chooses to reduce a tax ratio.

Conversely, where prior year ratios are used and a member municipality subsequently increases a ratio for one more classes, that municipality's apportionment would be erroneously understated.

Technically, this departure from the prescribed formula must be ratified by way of a resolution accepted by a double majority of the DSAB members. MTE is unaware of any such resolution that would support the use of prior year tax parameters; however, one may exist.

IDENTIFIED ISSUES AND CONCERNS

Based on our review as discussed above, MTE identified two areas of concern which can be further clarified, or summarized as follows:

- 1) The lack of indexing, or mechanism within the apportionment calculation to scale the power dam contribution over time undermines the integrity and equity of the annual outcome; and
- 2) The reliance on prior year rather than current year tax parameters results in apportioned shares that may not reflect the actual circumstances for any given budget year. Further, if this approach has not been duly ratified in accordance with the *Regulation*, it could pose a compliance issue.

While we are primarily concerned with the first issue, it does appear that the reliance on prior vs. current tax ratios has had some impacts on the Town's apportioned shares over time. As the materiality of these impacts are relatively mild, and this issue was not the primary impetus for our review, we have not considered it in any further detail. We could not, however, have left the observation unaddressed once we had identified it.

Power Dam Integration is Not Sensitive to Changes Over Time

In terms of the manner in which the apportionment calculation incorporates the power dam revenue, it seems clear that it fails to account for ongoing changes in the broader assessment and tax demographics within the Town of Espanola or among the Board's member communities. This in turn has resulted in the portion of that revenue being claimed by the Board to fall out of sync and become disproportionate to the Town's share in weighted assessment.

While the objective of the sharing formula is to consider each member community's relative portion of the Board-wide assessment base, as a proxy for revenue base, the approach to the power dam revenue does not incorporate any measure of this base as it exists today or how it has changed over time. That is, rather than considering how much of the grant would be shared if the amount were raised from the assessment base now, the current approach only considers what that share would be if it were 2001.³

This approach is incapable of producing an outcome reflective of current circumstances because it does not incorporate any measures from the current apportionment exercise. Instead it simply perpetuates the apportionment outcomes of 20 years ago, which are no longer relevant to or reflective of today's circumstances.

Quantifying Impacts

It is clear that the current approach to incorporating the power dam revenue relies on historic rather than current circumstances. Recognizing this we endeavored to quantify the implications and answer the question; *what portion of this revenue would be shared if it were raised from the assessment base?* In other words, what would the share be if it were truly included in the weighted assessment calculation used to apportion eligible costs.

We suggest that the most transparent and precise approach to this is to consider what the weighted assessment would be if the revenue were raised from the tax base today. In other words, what would the outcome be if this revenue were shared in the same manner as property tax revenue. This gives us a ready and objective measure for modeling the discrepancy between the grant share calculated using 2001 circumstances and what it would be if it were considered in light of current circumstances.

³ See worksheet included as Appendix B to this report, which was provided to the Town of Espanola by way of documenting the methodology utilized by the MSDSB to determine what portion of the Town's 2019 power dam grant would be claimed by the Board.

For the purposes of the 2020 apportionment calculation the Board relied on 2019 tax parameters and a total power dam grant of \$797,281.06. As weighted CVA is simply a restatement of actual CVA if it were all residential (or base) CVA, the amount of equivalent weighted CVA can be calculated by dividing the grant amount by the residential tax rate. When this calculation is applied to the base information relied upon for the Board's 2020 apportionment, we get the following.

$$\begin{array}{rcc} \$797,281 & \div & 0.0154077 = 51,745,390 \\ \text{(Grant \$)} & & \text{(Tax Rate)} \quad \text{(Equivalent CVA)} \end{array}$$

We can utilize this equivalent Weighted CVA in isolation to consider the relative portion of grant being contributed in comparison to the relative portion of property tax revenue. According to the Board's 2020 Municipal Apportionment Schedule, the Town was required to remit \$171,793 or approximately 21.55% of their 2019 grant amount based on 2001 apportionment factors. When we consider this in the context of equivalent weighted CVA, the Town was required to pay \$3,320 per million dollars of weighted CVA in respect of this grant revenue.

This is in sharp contrast to the fact that the Board-wide apportionments based on actual weighted CVA were a mere \$2,021 per million dollars of weighted CVA. The end result is that the Town of Espanola was required to pay almost 62% more per dollar of revenue raised from the grant compared to what they had to share from every dollar of property tax revenue.

This inequity is not limited to the difference between Espanola's two revenue sources; the prevailing approach impacts the equity of the overall apportionment outcome among member communities.

All member municipalities, including Espanola contributed \$2,021 per million of weighted CVA for 2020 from their property tax revenue while the Town contributed \$3,320 per dollar of equivalent weighted CVA in respect of their power dam revenue. When the grant and property tax apportionments are blended, the Town's contribution works out to \$2,141 per million of net weighted + equivalent weighted CVA. This is \$140 per million of weighted CVA, or 7% higher than all non-power dam municipalities.

ALTERNATE APPROACH TO ACHIEVE INTENT AND EQUITY

The Town of Espanola is contributing power dam revenue at a different proportion than that being applied to property tax revenue to a significant degree. While we have not undertaken the rigorous year-by-year calculations that would confirm this, all indications are that this discrepancy has simply widened over time as the original 2001 measures have become less and less representative of current day circumstances across the Board's jurisdiction.

In order to restore a measure of equity, the approach to including revenue in the weighted assessment apportionment formula will be necessary to leverage the subject revenue based on current weighted assessment circumstances and current proportional share measures rather than ones that are over 20 years out of date.

MTE suggests that a simple, objective, and transparent alternative exists, which would achieve greater equity for all member communities on a go forward basis. Similar to the approach we have utilized to compare the rate of contribution between tax and grant revenue above, this approach would simply rely on an equivalent weighted CVA amount rather than a historic share of grant factors.

For 2020, this would have meant restating the Town’s weighted CVA to include a portion that directly reflected its grant revenue.

$$\begin{array}{rcccl}
 506,674,038 & + & 51,745,390 & = & 558,419,428 \\
 \text{(Wtd. CVA)} & & \text{(Equiv. Wtd CVA)} & & \text{(Net Equiv. Wtd. CVA)}
 \end{array}$$

This would not require any special information or any significant adjustments to the Boards calculation. In fact, it could simplify and streamline the calculation for both Board and municipal Staff. Given that the Board relies on prior year grant amounts and tax parameters, establishing proxy or equivalent weighted CVA to be used in the apportionment formula would be very simple. The only difference would be updating weighted CVA input for each municipality that contributes power dam revenue to reflect the relative weight of that grant.

Power Dam Municipalities	Weighted CVA	Grant Equivalent Weighted CVA	Net Equivalent Weighted CVA
Espanola	506,674,038	51,745,390	558,419,428
Nairn & Hyman	69,654,294	3,614,192	73,268,486
Sables-Spanish	328,282,233	2,503,940	330,786,173

For the purposes of this hypothetical model we have used the equivalent weighted CVA as calculated above for Espanola and in the absence of more specific information and applied that outcome proportionally to Nairn and Hyman and Sables-Spanish Rivers grant allocations.⁴

⁴ Due to the modest amounts involved we feel that the outcome this achieves is generally representative. For actual calculation purposes this would need to be based on actual municipal specific factors and grant amounts.

Using this approach, we prepared the following model as a hypothetical restatement of the 2020 apportionment calculation. As can be seen, when we *Translate or Restate* the municipalities' power dam revenue as if it were property tax revenue we are able to achieve full relative equity among member municipalities in terms of the rate of contribution each jurisdiction makes against the chosen sharing measure (weighted CVA). For the power dam municipalities, it will mean that each dollar of municipal revenue, whether tax or grant, will be contributed at a consistent rate.

Hypothetical Restatement of 2020 Apportionment vs. 2001 Revenue Share Proportions

Member Municipality	Actual 2020 Apportionment			Hypothetical Alternate			Difference	
	Share		\$ Per Mil of Wtd. CVA	Share	Share %	\$ Per Mil of Wtd. CVA		
Assiginack	\$374,968	4.41%	\$2,021	\$378,314	4.45%	\$2,039	\$3,346	0.89%
Gordon & Barrie	\$286,675	3.37%	\$2,021	\$289,233	3.40%	\$2,039	\$2,558	0.89%
Cockburn Island	\$23,563	0.28%	\$2,021	\$23,774	0.28%	\$2,039	\$210	0.89%
Billings	\$350,480	4.12%	\$2,021	\$353,608	4.16%	\$2,039	\$3,127	0.89%
Central Manitoulin	\$796,861	9.38%	\$2,021	\$803,971	9.46%	\$2,039	\$7,110	0.89%
Burpee & Mills	\$147,057	1.73%	\$2,021	\$148,370	1.75%	\$2,039	\$1,312	0.89%
Tehkummah	\$155,612	1.83%	\$2,021	\$157,000	1.85%	\$2,039	\$1,388	0.89%
NEMI	\$1,058,015	12.45%	\$2,021	\$1,067,455	12.56%	\$2,039	\$9,440	0.89%
Gore Bay	\$140,379	1.65%	\$2,021	\$141,631	1.67%	\$2,039	\$1,253	0.89%
Killarney	\$666,075	7.84%	\$2,021	\$672,018	7.91%	\$2,039	\$5,943	0.89%
Baldwin	\$123,244	1.45%	\$2,021	\$124,344	1.46%	\$2,039	\$1,100	0.89%
Chapleau	\$198,157	2.33%	\$2,021	\$199,925	2.35%	\$2,039	\$1,768	0.89%
Espanola	\$1,195,727	14.07%	\$2,141	\$1,138,576	13.40%	\$2,039	-\$57,152	-4.78%
French River	\$1,185,513	13.95%	\$2,021	\$1,196,091	14.07%	\$2,039	\$10,578	0.89%
Markstay-Warren	\$579,855	6.82%	\$2,021	\$585,029	6.88%	\$2,039	\$5,174	0.89%
Nairn & Hyman	\$152,763	1.80%	\$2,085	\$149,389	1.76%	\$2,039	-\$3,374	-2.21%
Sables-Spanish	\$671,737	7.90%	\$2,031	\$674,448	7.94%	\$2,039	\$2,712	0.40%
St. Charles	\$392,928	4.62%	\$2,021	\$396,434	4.66%	\$2,039	\$3,506	0.89%
Total Municipal	\$8,499,609	100%		\$8,499,609	100%		0.00	0.00%

In terms of the implications of this change it would result in an adjustment of less than 1% for most member communities but on the equity and precision side of things it would represent a significant update and modernization. Further, by relying on current rather than historical measures, the apportionment would be updated naturally each year sensitive to the changing assessment, tax, and grant circumstances within the Board's jurisdiction.

CONCLUSION AND NEXT STEPS

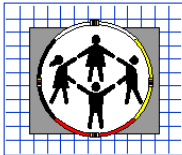
Within the context of our review it became clear that the reliance on a historical grant share factor meant that the Town's power dam revenue was not being apportioned in a manner that reflects current circumstances, or the Town's current proportional position with the MSDSB.

As discussed in detail above, this can only be resolved if a change is made to the Board's apportionment approach so that it relies on current factors and indicators rather than historic ones. Quite simply, there can be no expectation that this revenue will be shared in a manner that reflects the current and evolving shape of the Board-wide base if the sharing formula does not incorporate any new information.

We have set out an approach that would be simple, objective, and transparent; however, the core issue is, no measures reflective of current circumstances are utilized in the formula. Whether it is an approach similar to the model contained herein or something different, an update is needed if the intent is to treat this revenue as if it were still property tax rather than simply a flat stipend.

It is recommended that that Town attempt to reengage the Board on the basis of examining the objective and approach to including this unique revenue stream in the apportionment formula.

While the dollar discrepancy may be the current *symptom* that has brought attention to this issue, we suggest the real issue is the absence of ongoing equity, and the absence of any mechanism that might achieve this. By modernizing the historic approach and tying it to current measures, ongoing equity could be achieved. While this might mean a downward adjustment to Espanola's current apportionment, it would also mean that under different growth trajectories in the future, increased proportions of the grant amounts would be shared if indicated.



**MANITOULIN-SUDBURY DISTRICT
SOCIAL SERVICES ADMINISTRATION BOARD
CONSEIL D'ADMINISTRATION DES SERVICES
SOCIAUX DU DISTRICT DE MANITOULIN-SUDBURY**

RESOLUTION 04-110

DATE: October 28, 2004

MOVED BY: Laurier Low SECONDED BY: Les Gamble

WHEREAS THE MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD canvassed its member municipalities to have them record whether or not they wished to see the DSSAB's annual municipal cost apportionment formula adjusted to include power dam grants in the revenues that its member municipalities receive in the DSSAB's determination of the municipal share of the annual DSSAB budget that is attributed to and payable by each of its municipal member;

AND WHEREAS the DSSAB's member municipalities have indicated, by way of a Double Majority Vote, that they would recommend the inclusion of said municipal Power Dam revenues in the DSSAB's calculation of the municipal share of its annual budget that is attributed to each member municipality;

BE IT THEREFORE RESOLVED THAT THE DSSAB accept the registered results of its member municipalities' Double Majority Vote and commence to include municipal Power Dam revenues in the weighted assessment formula that it uses to determine that portion of the municipal share of the DSSAB's approved annual budget that is apportioned to and payable by each of its member municipalities;

AND BE IT THEREFORE FURTHER RESOLVED THAT THE DSSAB's inclusion of Power Dam revenues in its annual municipal cost apportionment formula come into effect with the DSSAB's 2005 budget year which commences on January 1, 2005.

CARRIED

_____ Original Signed by Board Chair Frank Gillis _____
CHAIR

MEMBER	YEAS	NAYS	MEMBER	YEAS	NAYS
BEST, PAT			KILLAH, BRUCE		
BIDAL, FERNAND			LEHOUX, MIKE		
BOURGEOIS, COLLIN			LOW, LAURIER		
CHÉNIER, RAY			ROHN, BUD		
FREEBORN, EARLE			STEPHENS, RICHARD		
GAMBLE, LESLIE			VAN ALSTINE, MAUREEN		
GILLIS, FRANK			VAN EVERY, DALE		

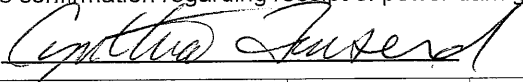
Included as Addendum A - Document 2: Annual Weighted assessment & power dam revenue confirmation - 2020 Version

Manitoulin-Sudbury District
Services Board

Espanola

Description	Current Value Assessment	Province Ratio	Tax Reductions	Weighted Ratio	Weighted Assessment 2017	Weighted
Residential/Farm (RT) & New Multi Res	330,001,300	1.000000	0.000	1.000000	330,001,300	
Multi-Residential (MT)	6,029,500	2.008511	0.000	2.008511	12,110,317	
Residential Taxable: Full Shared PIL						
Commercial (CT) & (XT)	34,681,687	1.871472	0.000	1.871472	64,905,806	
Commercial Taxable: Full Shared PIL (CH)	310,500	1.871472	0.000	1.871472	581,092	
Industrial (IT) & (JT)	2,891,800	2.400000	0.000	2.400000	6,940,320	
Industrial Taxable: Full Shared PIL (IH)	63,000	2.400000		2.400000	151,200	
Large Industrial (LT)	8,307,013	8.127115	0.000	8.127115	67,512,050	
Pipeline (PT)	1,815,000	1.255199	0.000	1.255199	2,278,186	
Managed Forests(TT)	1,037,700	0.250000	0.000	0.250000	259,425	
Shopping Centre (ST)	3,720,900	2.606733	0.000	2.606733	9,699,393	
Farmlands Taxable:Full (FT)	285,300	0.250000		0.250000	71,325	
	389,143,700				494,510,414	
Commercial Excess/Vacant (CU)	198,500	1.871472		1.871472	371,487	
Commercial Vacant Land (CX)	1,386,500	1.871472		1.871472	2,594,796	
Industrial Excess/Vacant Unit (IU) & (JU)	116,400	2.400000		2.400000	279,360	
Industrial Taxable: Vacant Shared PIL (IX)	302,500	2.400000		2.400000	726,000	
Large Industrial/Excess Vacant (LU)				0.000000	0	
Shopping Centre Vacant Unit (SU)				0.000000	0	
	2,003,900				3,971,643	
Total Before PIL					498,482,057	
Commercial - Full (CF)	3,073,000	1.871472	0.000	1.871472	5,751,033	
Landfill (HF)		1.100000				
Commercial - General (CG)	1,226,600	1.871472	0.000	1.871472	2,295,548	
Multi-Residential-Full			0.000	0.000000	0	
Industrial Payment-in-Lieu:General				0.000000	0	
Res/Farm Taxable Full Tenant of Province (RP)	14,800	1.000000	0.000	1.000000	14,800	
Res/Farm-Full			0.000	0.000000	0	
Res/Farm - General (RG)	130,600	1.000000	0.000	1.000000	130,600	
	4,445,000				8,191,981	
Total Current Value Assessment	395,592,600				506,674,038	
Exempt	59,309,600					
	454,902,200					

Please provide confirmation regarding receipt of power dam grant in 2019 in the amount of \$797,281.06 \$ 797,281.06

Confirmation: 



Conseil des Services du District de
Manitoulin-Sudbury
District Services Board

Total Municipal 2020 Apportionment												
Municipality	Land Ambulance	% of EMS Apport.	Social Housing	% of Social Housing Apport.	Ontario Works	% of Ontario Works Apport.	Child Care	% of Child Care Apport.	2020 Municipal Apportionment	Power Dam Apport.	Total 2020 Municipal Apportionment	% of Total
	\$		\$		\$		\$				\$	
Assiginack	239,750	3.53%	78,718	3.53%	32,893	3.53%	23,606	3.53%	374,967		374,967	3.53%
Gordon & Barrie Island	183,297	2.70%	60,183	2.70%	25,148	2.70%	18,048	2.70%	286,676		286,676	2.70%
Cockburn Island	15,066	0.22%	4,947	0.22%	2,067	0.22%	1,483	0.22%	23,563		23,563	0.22%
Billings	224,093	3.30%	73,578	3.30%	30,745	3.30%	22,065	3.30%	350,481		350,481	3.30%
Central Manitoulin	509,504	7.51%	167,288	7.51%	69,902	7.51%	50,167	7.51%	796,861		796,861	7.51%
Burpee & Mills	94,027	1.39%	30,872	1.39%	12,900	1.39%	9,258	1.39%	147,057		147,057	1.39%
Tehkummah	99,496	1.47%	32,668	1.47%	13,651	1.47%	9,797	1.47%	155,612		155,612	1.47%
NEMI	676,483	9.97%	222,113	9.97%	92,811	9.97%	66,608	9.97%	1,058,015		1,058,015	9.97%
Gore Bay	89,757	1.32%	29,470	1.32%	12,314	1.32%	8,838	1.32%	140,379		140,379	1.32%
Killarney	425,881	6.28%	139,832	6.28%	58,429	6.28%	41,933	6.28%	666,075		666,075	6.28%
Baldwin	78,801	1.16%	25,873	1.16%	10,811	1.16%	7,759	1.16%	123,244		123,244	1.16%
Chapleau	126,699	1.87%	41,600	1.87%	17,383	1.87%	12,475	1.87%	198,157		198,157	1.87%
Espanola	654,692	11.27%	214,959	11.27%	89,821	11.27%	64,463	11.27%	1,023,935	171,793	1,195,728	11.27%
French River	758,003	11.17%	248,879	11.17%	103,995	11.17%	74,635	11.17%	1,185,512		1,185,512	11.17%
Markstay-Warren	370,753	5.58%	121,731	5.58%	50,866	5.58%	36,505	5.58%	579,855		579,855	5.46%
Nairn & Hyman	90,003	1.40%	29,551	1.40%	12,348	1.40%	8,862	1.40%	140,764	11,999	152,763	1.44%
Sables-Spanish Rivers	424,185	6.25%	139,275	6.25%	58,197	6.25%	41,766	6.25%	663,423	8,313	671,736	6.33%
St Charles	251,234	3.70%	82,489	3.70%	34,468	3.70%	24,737	3.70%	392,928		392,928	3.70%
Total Organized Municipalities	5,311,724	80.10%	1,744,026	80.10%	728,749	80.10%	523,005	80.10%	8,307,504	192,105	8,499,609	80.10%
			0	0.00%	0	0.00%	0	0.00%	0		0	0.00%
TWOMO	1,350,157	19.90%	443,304	19.90%	185,237	19.90%	132,940	19.90%	2,111,638		2,111,638	19.90%
Total Municipal Share Budget	6,661,881	100.00%	2,187,330	100.00%	913,986	100.00%	655,945	100.00%	10,419,142	192,105	10,611,247	100.00%



Conseil des Services du District de
Manitoulin-Sudbury
 District Services Board

2020 Municipal Weighted Assessment Compared to 2019 Municipal Weighted Assessment with 2020 Apportionment							
Municipality	2020 Weighted Assessment		2019 Weighted Assessment		% change	2020 Apportionment	
	\$	%	\$	%		\$	%
Assiginack	185,545,523	4.51%	179,531,860	4.51%	0.01%	374,967	3.53%
Gordon & Barrie Island	141,855,540	3.45%	135,855,700	3.41%	0.04%	286,676	2.70%
Cockburn Island	11,659,850	0.28%	11,252,556	0.28%	0.00%	23,563	0.22%
Billings	173,428,350	4.22%	168,209,748	4.22%	-0.01%	350,481	3.30%
Central Manitoulin	394,311,028	9.59%	378,999,942	9.52%	0.07%	796,861	7.51%
Burpee & Mills	72,768,535	1.77%	70,355,343	1.77%	0.00%	147,057	1.39%
Tehkummah	77,001,466	1.87%	74,259,548	1.86%	0.01%	155,612	1.47%
NEMI	523,538,135	12.74%	511,707,174	12.85%	-0.11%	1,058,015	9.97%
Gore Bay	69,463,715	1.69%	68,865,740	1.73%	-0.04%	140,379	1.32%
Killarney	329,594,344	8.02%	314,217,280	7.89%	0.13%	666,075	6.28%
Baldwin	60,985,015	1.48%	57,114,321	1.43%	0.05%	123,244	1.16%
Chapleau	98,054,025	2.39%	94,010,734	2.36%	0.02%	198,157	1.87%
Espanola	506,674,038	12.33%	494,469,621	12.42%	-0.09%	1,195,728	11.27%
French River	586,627,803	14.27%	570,625,821	14.33%	-0.06%	1,185,512	11.17%
Markstay-Warren	286,929,884	6.98%	279,543,334	7.02%	-0.04%	579,855	5.46%
Nairn & Hyman	69,654,294	1.69%	68,338,316	1.72%	-0.02%	152,763	1.44%
Sables-Spanish Rivers	328,282,233	7.99%	317,678,168	7.98%	0.01%	671,736	6.33%
St Charles	194,432,742	4.73%	187,128,216	4.70%	0.03%	392,928	3.70%
Total Organized Municipalities	4,110,806,521	100.00%	3,982,163,422	100.00%	0.00%	8,499,609	80.10%
TWOMO						2,111,638	19.90%
Total Municipal Share Budget						10,611,247	100.00%

2001 Apportionment Comparing Power Dam Grant

Municipality	2001 Total Apportionment	2001 Total Apport. with PD	Difference	2001 PD Grant	Original Grant %	2018 PD Grant	Total PD Apport.				
	\$	\$									
Assiginack	275,587.76	266,215.47	-9,372.30								
Gordon & Barrie Island	29,795.14	28,781.86	-1,013.28								
Cockburn Island	38,275.97	36,974.26	-1,301.70								
Billings	235,986.47	227,960.95	-8,025.52								
Gordon	178,792.90	172,712.44	-6,080.46								
Central Manitoulin	556,320.53	537,400.97	-18,919.56								
Burpee/Mills	128,503.49	124,133.29	-4,370.20								
Tehkummah	128,707.25	124,330.13	-4,377.13								
NEMI	841,196.45	812,588.72	-28,607.73								
Gore Bay	157,200.13	151,854.01	-5,346.12								
Killarney	467,203.44	451,314.60	-15,888.84								
Baldwin	92,867.91	89,709.62	-3,158.29								
Chapleau	343,689.07	332,000.76	-11,688.31								
Espanola 18.5%	1,256,109.30	1,405,703.28	149,593.98	\$ 694,250.00	21.548%	\$797,281.06	\$ 171,794.00	EMS	SH	OW	CC
French River	715,190.14	690,867.67	-24,322.46					109,843	36,065	15,070	10,815
Markstay/Warren	388,740.07	375,519.65	-13,220.42								
Nairn & Hyman	129,150.16	139,599.69	10,449.53	\$ 48,786.00	21.419%	\$ 56,026.53	\$ 11,999.00	7,672	2,519	1,053	755
Sables-Spanish	473,810.04	481,050.11	7,240.08	\$ 69,485.00	10.420%	\$ 79,797.59	\$ 8,314.00	5,316	1,745	729	523
St Charles	340,835.55	329,244.28	-11,591.27								
Total Organized Munic.	6,777,961.76	6,777,961.76	0.00	812,521.00		933,105.18	192,107.00	122,831	40,329	16,852	12,093

EMS	SH	OW	CC	
9,153.58	3,005.42	1,255.83	901.25	14,316.08
639.33	209.92	87.75	62.92	999.92
443.00	145.42	60.75	43.58	692.75
10,235.92	3,360.75	1,404.33	1,007.75	16,008.75



November 28, 2019

The Corporation of the Town of Espanola
Attention: Cynthia Townsend
100 Tudhope Street, Suite 2
Espanola, ON
P5E 1S6

Re: Power Dam Apportionment

Dear Cynthia:

The Manitoulin-Sudbury DSB acknowledges receipt of your letter dated October 25, 2019 in regard to Power Dam Apportionment. The [DSSAB Act](#) does legislate that apportionment is based on weighted assessment, but it also states that:

6. (5) The board may agree to apportion costs of social services in its district, including the costs of administration, in a way other than that provided in subsections (2) and (4) if,
(a) a majority of the municipalities and members representing territory without municipal organization consent to that apportionment; and
(b) those municipalities and members who have consented represent a majority of the electors in the board's district. O. Reg. 37/99, s. 3.

At the October 28, 2004 Board meeting, the Manitoulin-Sudbury DSB approved [Resolution 04-110](#), after obtaining a double majority vote.

Manitoulin-Sudbury DSB Power Dam apportionment allocation is based on the apportionment that would have been paid in 2001 if the Power Dam had not been removed from taxable assessment. When the Power Dam grant, received by a municipality, increases, the apportionment allocation increases proportionally.

The Power Dam apportionment was broken up by department, but the total amount is the correct amount to be apportioned.

The 2020 Apportionment will show the Power Dam separate from the rest of the Apportionment calculation.

If you have any questions or concerns, please contact me at 705-222-0496 connie.morphet@msdsb.net.

Sincerely,

Connie Morphet
Director of Finance and Administration



RESOLUTION 19-91

DATE: November 28, 2019

MOVED BY:

SECONDED BY:

WHEREAS the Town of Espanola’s [letter](#) dated Oct 25, 2019 has requested that the Board review the method in which the Power Dam apportionment is calculated; and

WHEREAS the Board has reviewed the letter from the Town of Espanola and the original Power Dam Apportionment [Resolution 04-110](#) that was carried after a double majority vote in 2004.

THEREFORE BE IT RESOLVED THAT the Board reaffirms 2004 resolution that the Power Dam revenues be included in the apportionment formula; and

FURTHER BE IT RESOLVED THAT the Board direct staff to clearly show the power dam revenues in the 2020 Apportionment documents that are distributed to municipalities.

Original signed by Chair

CHAIR

MEMBER	YEAS	NAYS	MEMBER	YEAS	NAYS
BEER, JILL			LEVESQUE, MICHAEL		
GAMBLE, LESLIE			MALETTE, RICHARD		
GORHAM, VERN			ROOK, JIM		
HAM, DAVID			SANTI, DAVID		
HAYDEN, ARTHUR			STEPHENS, RICHARD		
KILLAH, BRUCE			VAN ALSTINE, MAUREEN		
LEONARD, DAVID			WHYNOTT, NED		