



Town of Newmarket

Agenda

Committee of the Whole

Date: Monday, June 17, 2019
Time: 10:00 AM
Location: Council Chambers
Municipal Offices
395 Mulock Drive
Newmarket, ON L3Y 4X7

Pages

1. Additions & Corrections to the Agenda

2. Declarations of Pecuniary Interest

3. Presentations & Recognitions

3.1 Protection of Trees on Private Property

Note: Ted Horton, Planner will be in attendance to address the Committee on this matter.

Presentation to be distributed when available.

3.2 Newmarket Hydro Holdings Inc. 2018 Annual General Meeting (12:30 PM) 2

Note: This item will be considered from 12:30 PM onward.

Paul Ferguson, President, Newmarket-Tay Power Distribution Ltd. will be in attendance to address the Committee on this matter.

3.3 ENVI 2018 Annual General Meeting (12:30 PM) 12

Note: This item will be considered from 12:30 PM onward.

Gianni Creta, President, Envi Network will be in attendance to address the Committee on this matter.

4. Deputations

4.1 Property Water Damage 20

Note: John Day will be in attendance to provide a deputation on this

matter.

4.2 Protection of Trees on Private Property 22

Note: Chris Howie will be in attendance to provide a deputation on this matter.

4.3 Routes Connecting Communities 36

Note: Danielle Koren will be in attendance to provide a deputation on this matter.

4.4 Traffic Signage on Wayne Drive 50

Note: Ahmad El-Farram will be in attendance to provide a deputation on this matter.

5. Consent Items

5.1 Newmarket Hydro Holdings Inc. Report of the President 52

That the Newmarket Hydro Holdings Inc. Report of the President dated June 4, 2019 regarding the financial statements of Newmarket Hydro Holdings Inc. (the “Corporation”), the written resolutions of Newmarket – Tay Power Distribution Ltd. (“NT Power”), the written resolutions of Envi Networks Ltd. (“Envi”) and appointment of the sole director and auditors be received and the following recommendations be adopted:

Whereas the Corporation of the Town of Newmarket (the “Sole Shareholder”) is the sole shareholder of the Corporation; and,

Whereas the Sole Shareholder by a Shareholder Declaration dated November 1, 2000 appointed the Mayor as its legal representative for the purpose of communicating any shareholder consent or approval required by either the terms of the Shareholder Declaration or the Business Corporations Act (Ontario) (the “OBCA”); and,

Whereas the Corporation owns a majority of the common shares of NT Power and Envi; and,

Whereas pursuant to s.102(2) of the OBCA where a body corporate is the shareholder of a corporation the corporation shall recognize any individual properly authorized by the body corporate to represent it at meetings of shareholders of the corporation; and,

Whereas pursuant to s.104 of the OBCA a written resolution dealing with all the matters required to be dealt with at a shareholders meeting and signed by the shareholders entitled to vote at that meeting satisfies all requirements of the OBCA relating to that meeting of shareholders;

Now therefore be it resolved by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1. That the Mayor, as the Sole Shareholder's legal representative, is directed to sign the following Corporation Shareholder resolutions:
 - a. That the Corporation's financial statements for the financial year ended December 31, 2018 together with the report of the Corporation's auditors, Baker Tilly KDN LLP ("Baker Tilly"), Chartered Accountants, formerly Collins Barrow, thereon dated May 14, 2019 be approved and adopted; and,
 - b. That Baker Tilly, Chartered Accountants, be appointed auditors of the Corporation to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the sole director and the sole director is authorized to fix such remuneration; and,
 - c. That Jag Sharma be appointed as the sole director of the Corporation to hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed; and,
 - d. That Jag Sharma, so long as he or she is the sole director of the Corporation, shall represent the Corporation at meetings of the shareholders of NT Power and Envi; and,
 - e. That all acts, contracts, bylaws, proceedings, appointments, elections and payments, enacted, made, done and taken by the sole director and sole officer of the Corporation to December 31, 2018, as the same are set out or referred to in the resolutions of the sole director, or in the financial statements of the corporation, are approved, sanctioned and confirmed; and,
2. That the Mayor, as the Sole Shareholder's legal

representative, direct Jag Sharma, the sole director and legal representative of the Corporation, to sign the following NT Power shareholder resolutions in lieu of an annual meeting:

- a. That the financial statements of NT Power for the financial year ended December 31, 2018 together with the report of NT Power's auditors, Baker Tilly, thereon dated April 30, 2019 be approved and adopted; and,
 - b. That Baker Tilly, Chartered Accountants, be appointed auditors of NT Power to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration; and,
 - c. That J. Taylor, T. Walker, B. Gabel, R. Betts, D. Charleson, C. Prattas and P. Ferguson are elected directors of NT Power to hold office until the next annual meeting of shareholders or until their successors are elected or appointed; and,
 - d. That all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the directors and officers of NT Power to December 31, 2018, as the same are set out or referred to in the resolutions of the board of directors, the minutes of the meetings of the board of directors or in the financial statements of NT Power, are approved, sanctioned and confirmed; and,
3. That the Mayor, as the Sole Shareholder's legal representative, direct Jag Sharma, the sole director and legal representative of the Corporation, to sign the following Envi shareholder resolutions in lieu of an annual meeting; and,
- a. That the financial statements of Envi for the financial year ended December 31, 2018 together with the report of Envi's auditors, Baker Tilly, thereon dated April 18, 2019 be approved and adopted; and,
 - b. That Baker Tilly, Chartered Accountants, be appointed auditors of Envi to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration; and,

- c. That I. Collins, J. Schatz, T. Van Bynen and B. Kwapis are elected directors of Envi to hold office until the next annual meeting of shareholders or until their successors are elected or appointed; and,
- d. That all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the directors and officers of Envi to December 31, 2018, as the same are set out or referred to in the resolutions of the board of directors, the minutes of the meetings of the board of directors or in the financial statements of Envi, are approved, sanctioned and confirmed.

5.2 Protection of Trees on Private Property 156

- 1. That the report entitled Protection of Trees on Private Property dated June 17, 2019 be received; and,
- 2. That staff be directed to take the proposed approach for internal and public consultation; and,
- 3. That following the internal and public consultation, issues identified in this report, together with comments from the public, and Committee, be addressed by staff in a comprehensive report to the Committee of the Whole with a draft by-law; and,
- 4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

5.3 Asset Management Policy 192

- 1. That the report entitled Asset Management Policy dated June 17, 2019 be received; and,
- 2. That the Asset Management Policy (Appendix A) be approved; and,
- 3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

5.4 Application for Draft Plan of Condominium (19CDMN-2019-001) 955 and 995 Mulock Drive Lorne Park Gardens Inc. 208

- 1. That the report entitled Application for Draft Plan of Condominium (19CDMN-2019-001) dated June 17, 2019 be received; and,

2. That approval be given to draft plan of condominium 19CDMN-2019 001 subject to the Schedule of Conditions attached and forming part of this report; and,
3. That Michael Vani, Weston Consulting, 201 Millway Ave. Suite 19, Vaughan, ON L4K be notified of this action.

5.5 Implications of Bill 108 - More Homes More Choice Act 218

1. That the report entitled Implications of Bill 108 – More Homes More Choices Act dated June 17, 2019 be received; and,
2. That the report entitled Implications of Bill 108 – More Homes More Choices Act dated June 17, 2019 be submitted to the province as feedback; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

5.6 Fire Learning Management System Software 234

The Joint Council Committee recommends:

1. That Fire Services Report 2019-04 Fire Learning Management System Software dated 2019-04-18 be received; and,
2. That Council approve Central York Fire Service (CYFS) enter into a long-term, non-competitive agreement with the current web based Fire Learning Management System (FLMS) service provider, being Stillwater Consulting Limited, at a cost of approximately \$153,000.00 over a ten (10) year time frame and renewable annually thereafter for support, maintenance and licence fees based on available approved budgets.

5.7 Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment 240

1. That the report entitled Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment dated June 17, 2019 be received; and,
2. That staff be directed to continue the initiatives related to Youth Engagement and Diversity and Inclusivity that are outlined in this report; and,
3. That staff be directed to plan a Climate Change Open

House for Fall 2019 and a Spring 2020 e-Waste Collection event as part of a one-year pilot environmental consultation program and report back in 2020 with a review of this program; and,

4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

*5.8 2019 Development Charges Review

Note: This item has been withdrawn.

*5.9 Site-Specific Employment Land Conversion Requests

248

1. That the report entitled Site-Specific Employment Area Conversion Requests dated June 17, 2019 be received; and,
2. That Council support the Site-Specific Employment Area Conversion Requests submitted to York Region regarding the following properties:
 - a. 520, 521, 550 & 630 Newpark Boulevard (Weston Consulting)
 - b. 20 properties within the Mulock Station Area Secondary Plan (Town of Newmarket); and,
3. That Council not support the Site-Specific Employment Area Conversion Request submitted to York Region regarding the following property:
 - a. 1240 Twinney Drive & 1250 Davis Drive (Rice Group); and,
4. That the report entitled Site-Specific Employment Area Conversion Requests dated June 17, 2019 be submitted to York Region as input to the Municipal Comprehensive Review; and,
5. That Attachment 2 to the report entitled Site-Specific Employment Area Conversion Requests dated June 17, 2019, be submitted to the province; and,
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

5.10 Central York Fire Services Joint Council Committee Meeting Minutes of March 5, 2019

276

1. That the Central York Fire Services Joint Council Committee Meeting Minutes of March 5, 2019 be received.
- 5.11 Elman W. Campbell Museum Board of Management Meeting Minutes of April 18, 2019 282
1. That the Elman W. Campbell Museum Board of Management Meeting Minutes of April 18, 2019 be received.
- 5.12 Heritage Newmarket Advisory Committee Meeting Minutes of May 7, 2019 288
1. That the Heritage Newmarket Advisory Committee Meeting Minutes of May 7, 2019 be received.
- 5.13 Item 3.1 of Heritage Newmarket Advisory Committee Meeting Minutes of May 7, 2019
- The Strategic Leadership Team/Operational Leadership Team recommend that the following be referred to staff for review and implementation:
1. That the Heritage Newmarket Advisory Committee recommend that the Council of the Town of Newmarket direct staff to investigate a new plaque, including associated costs to denote the location of the historic Trading Tree and provide the Town history associated with the Tree.
- 5.14 Main Street District Business Improvement Area Board of Management Meeting Minutes of April 17, 2019 294
1. That the Main Street District Business Improvement Area Board of Management Meeting Minutes of April 17, 2019 be received.
- 5.15 Newmarket Downtown Development Committee Meeting Minutes of March 29, 2019 302
1. That the Newmarket Downtown Development Committee Meeting Minutes of March 29, 2019 be received.
- 5.16 Newmarket Environmental Advisory Committee Meeting Minutes of June 20, 2018 308
1. That the Newmarket Environmental Advisory Committee Meeting Minutes of June 20, 2018 be received.

- 5.17 Newmarket Public Library Board Meeting Minutes of April 17, 2019 312
1. That the Newmarket Public Library Board Meeting Minutes of April 17, 2019 be received.

- 5.18 Outstanding Matters List 318
1. That the list of outstanding matters be received.

6. Action Items

7. Reports by Regional Representatives

8. Notices of Motions

9. Motions

9.1 Single-Use Plastics (Councillor Simon)

1. That Council direct staff to bring back a report which outlines the roles and responsibilities of the Province, the Region and the Town in relation to recycling and diversion and provides the following:
 - a. information on what work is currently being done to address the reduction and eventual elimination of single use plastics; and,
 - b. clear options for Council to consider to ensure the town is taking steps within its jurisdiction to reduce and eventually eliminate single use plastics.

10. New Business

11. Closed Session (if required)

12. Public Hearing Matter (7:00 PM)

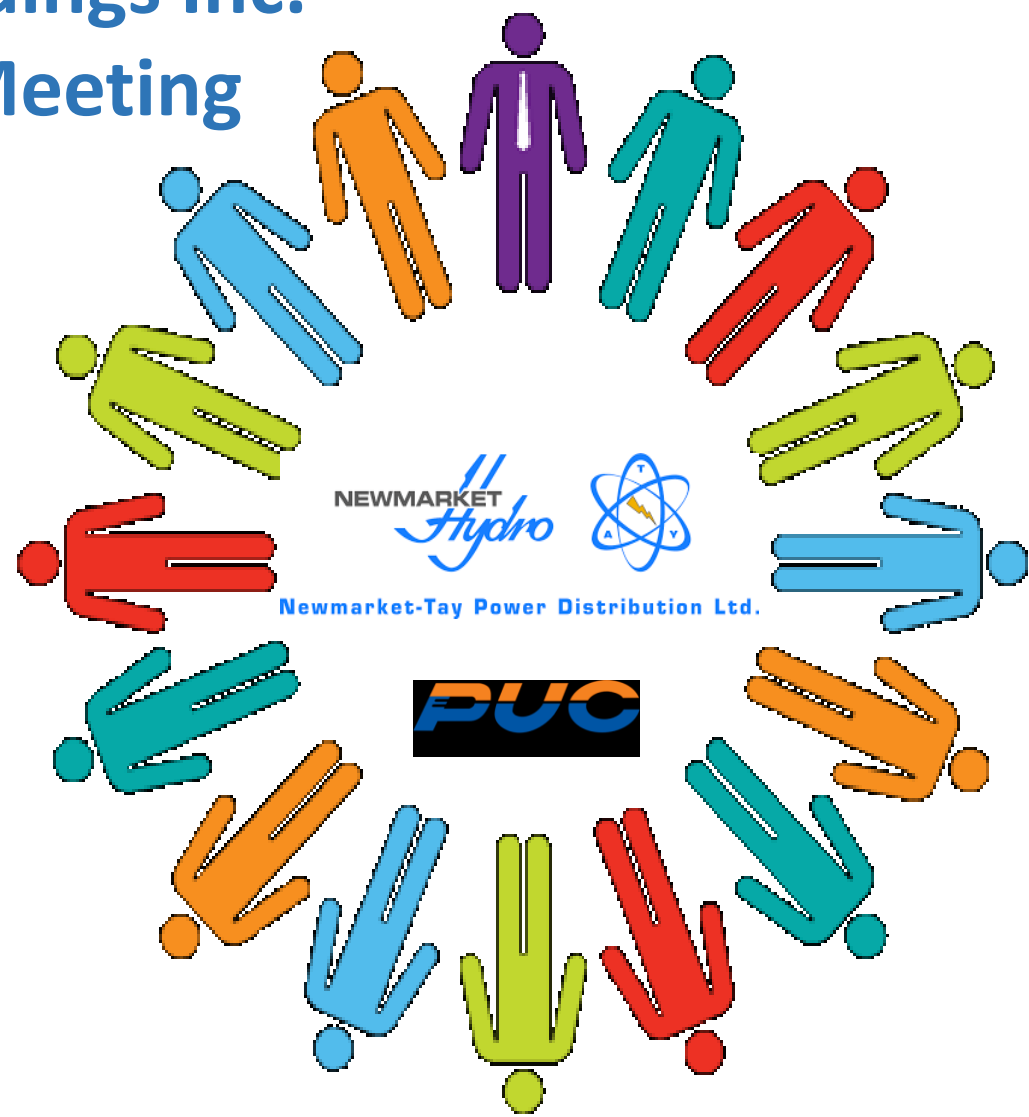
12.1 Official Plan Amendment and Zoning By-law Amendment (900 Mulock Drive / 605 Ferndale Ave - Stickwood Walker Farm)

Note: Jason Unger, Acting Director, Planning will be in attendance to provide a presentation on this matter.

Presentation to be distributed when available.

13. Adjournment

Newmarket Hydro Holdings² Inc. 2018 Annual General Meeting



June 17, 2019

2018 in Review

Newmarket – Tay Power Distribution

- Strategic Framework Developed
 - Risk based using all-hazards analysis
- Acquisition of Midland Power Utility
- Electric bus pilot – Davis Drive
 - YRT has ordered busses
 - NT Power has ordered on-route charger system
- Ameresco Battery Energy Storage
 - 4 MW distribution connected storage facility
 - Under an Independent System Operator contract
 - Achieved commercial operation this year

2018 in Review

Newmarket Hydro Holdings Inc. Tay Hydro Inc.

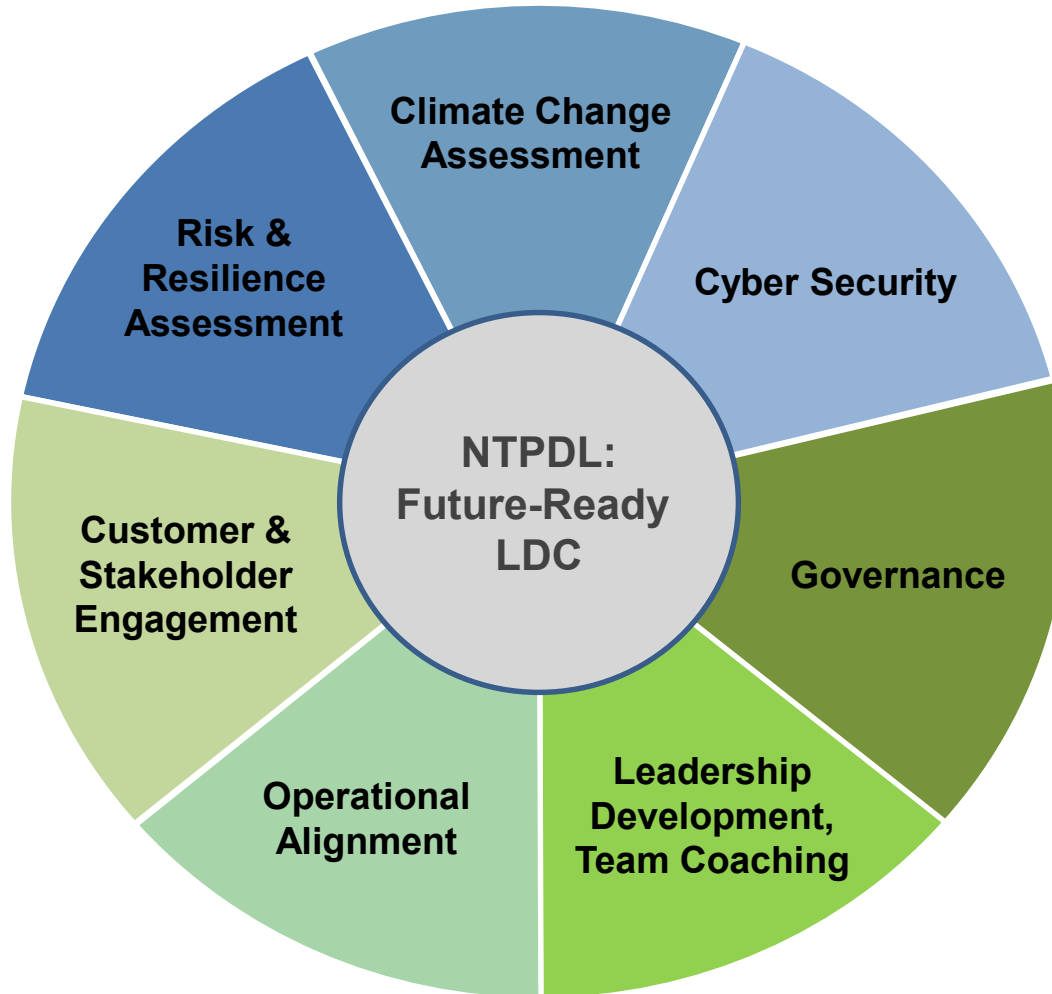
- Developed a business Plan, preliminary pro-forma financials and financing arrangements for a community based broadband company
- Launched Envi Networks Ltd.

NT Power

Strategic Framework

All Hazards Analysis

5



Newmarket-Tay – Strategic Framework 2017-2022



Newmarket-Tay Power Distribution Ltd.

Our Vision

An independent, industry-leading LDC committed to our customers' changing needs.

Our Mission

Earning the trust of our customers by safely and reliably meeting their electricity needs.

Core Values

Employees are the strength of our company. We demonstrate the following values in everything we do:

- Safety First – our top priority on the job and in the communities we serve.
- Respect – is how we treat each other and our customers.
- Reliable – our customers depend on us to provide electricity and the services they need.
- Customer-focus – serving our customers is why we exist.

Strategic Imperatives

1. Enhance the company and its governance to meet the changing demand profile
2. Continuously develop our strong and capable team
3. Develop and deliver strategic growth

Key Objectives

Ensure Leadership Alignment	Empower Employees	Deliver on Customer Needs	Continuously Improve Operations	Achieve Smart Control Across the Distribution System	Run an Effective, Efficient and Financially Sustainable LDC	Assess Emerging Needs in Context
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Financial Highlights

7

Newmarket – Tay Power Distribution

- Statements reflect the purchase of Midland Power on Sept. 7, 2018
 - Purchase price plus acquisition costs (Legal, Consulting)
 - Cash on hand and debt utilized for the purchase
- Recovery of lost revenue from 2012 to 2018 due to conservation
- Costs of asset registry development and strategic planning

Performance Highlights

Safety First

- Zero lost time injuries
- Fully compliant Public Safety Audit under Ontario Regulation 22/04

Respect

- 88% of customers reported they had a good experience when contacting the company (National 84%, Ontario 83%)

Reliable

- 92% of customers reported reliability met their expectations (National 88%, Ontario 88%)

Customer Focus

- 95% of customers reported they are very or fairly satisfied with our service (National 91%, Ontario 89%)

2018 Dividends

Newmarket Shareholder:

- Dividend of \$1,336,000.00

Tay Shareholder

- Dividend of \$101,000.00

Newmarket Hydro Holdings Inc. & Tay
Hydro Inc:

- Dividend of \$1,620,000.00
 - Envi start-up capital

2018

Other Payments

Newmarket Shareholder:

- Promissory Note Interest
\$1,205,600.00
- Facility Rent
\$275,000.00

Tay Shareholder

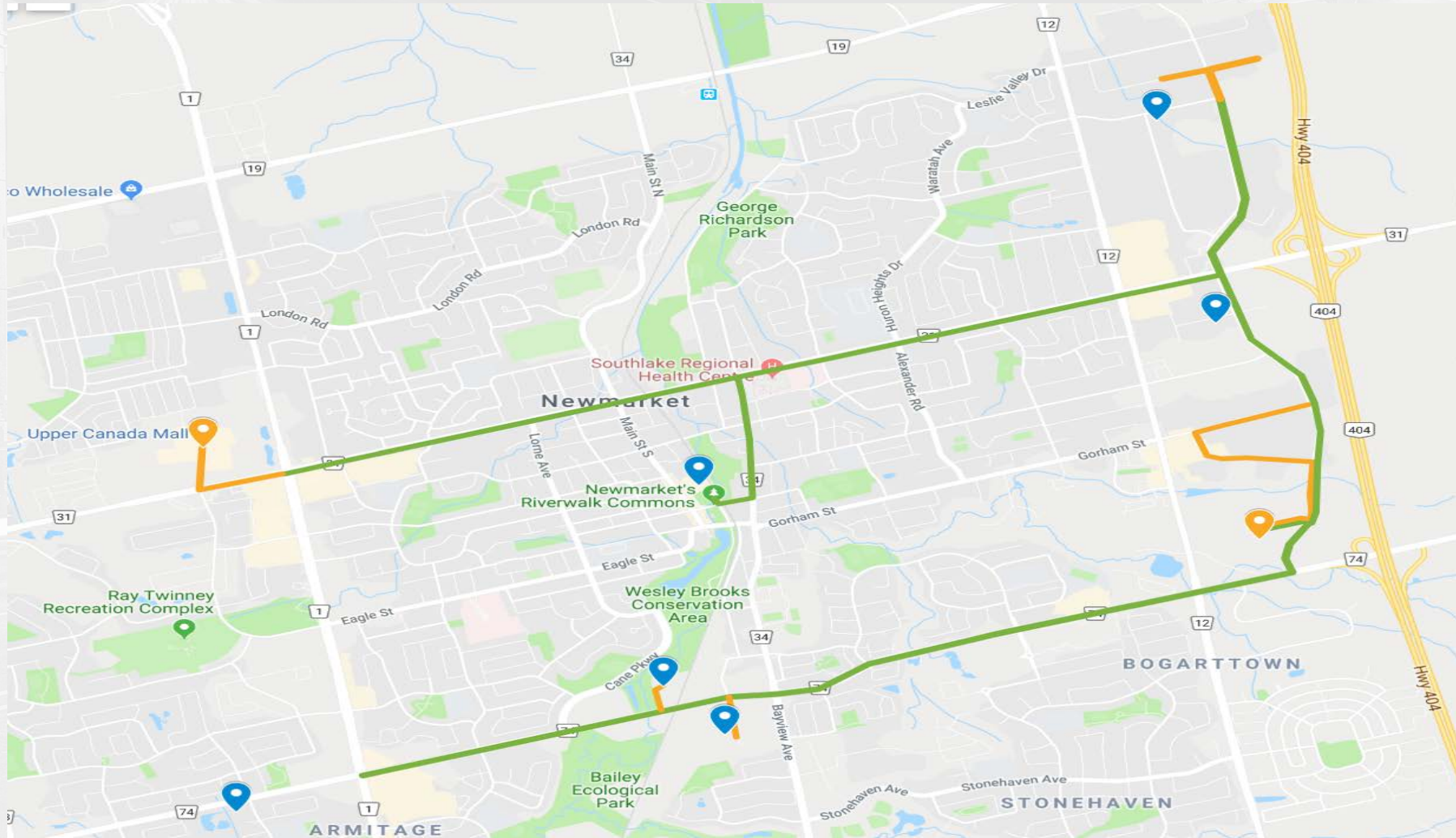
- Promissory Note Interest
\$95,616.00



Envi Network President's Report – Council AGMs June 2019

Envi Network

NETWORK UPDATE



Envi Network

NETWORK UPDATE

- Core Network Equipment
 - Primary Points of Presence installed and operational
 - Town Operations Centre
 - Upper Canada Mall
 - Connectivity to Toronto via diverse connections installed and operational
 - 4 Secondary Points of Presence installed and operational
- Fibre Connectivity
 - $\frac{3}{4}$ of ring topology completed (Mulock, Harry Walker, and Davis). Need to complete ring along Yong Street between Davis and Mulock
 - Fibre built out along Harry Walker corridor including the following cross roads:
 - Nicholson
 - Gorham
 - Kerrisdale
 - Ringwell
 - Engineering to complete work along Stellar and Pony, and to gain access to Leslie



Envi Network

SALES

- SIGNED CONTRACTS / CUSTOMERS TO DATE
 - 50 Customer Locations signed
 - 20 Enterprise Locations
 - 30 SMB Locations
 - Total Monthly Recurring Charges : \$21,000
 - Total One Time Charges : \$31,700
- Customers Installed to Date

Canadian Mental Health	Gulco International	Newmarket Hydro	Toronto Concrete Solutions
Chaggares & Bonhomme	hvGrid-Tech	Pretium GRG	Toronto Automatic Doors
Completely Managed	International Safety	Technical Concrete Solutions	Town of Newmarket
Dynamic Functional Solutions	New Market Group		

Envi Network

2018 AUDITED FINANCIAL HIGHLIGHTS

- 2018 was the first year of reporting audited financials
- The financials included all costs related to ENVI from 2016, 2017, and 2018
- Much of the costs from 2016 and 2017 were related to consulting and legal to establish ENVI as an entity
- Baker Tilley (formerly Collins Barrow) were used as the auditor



Envi Network

2018 AUDITED FINANCIAL HIGHLIGHTS

- Financing Activities to date
 - Equity financing of \$1.92M
 - Newmarket Hydro Holdings – 93% shareholder
 - Tay Hydro Inc. – 7% shareholder
 - Commercial Debt Guarantee (TD Bank) : \$1.2M
- Revenue was effectively \$0 for the year as we were in build mode
- Operating Expenses : \$1.04M
- Capital Expenditures to end of 2018 : \$1.15M





Deputation and Further Notice Request Form

Please complete this form to speak at a meeting of Town Council or Committee of the Whole or to receive further notification regarding an item on the agenda. If filling out by hand please print clearly.

Please email to clerks@newmarket.ca, fax to 905-953-5100 or mail or drop off at Legislative Services Department, Town of Newmarket Municipal Offices, 395 Mulock Drive, PO Box 328, STN Main, L3Y 4X7

Name: <i>JOHN R. DAY</i>	
Organization / Group/ Business represented:	
Address: [REDACTED]	Postal Code: [REDACTED]
Daytime Phone No: [REDACTED]	Home Phone:
Email: [REDACTED]	Date of Meeting:
Is this an item on the Agenda? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item No:
<input checked="" type="checkbox"/> I request future notification of meetings	<input checked="" type="checkbox"/> I wish to address Council / Committee
Describe in detail the reason for the deputation and what action you will be asking Council/Committee to take (if applicable): <i>- PROPERTY WATER DAMAGE</i>	
Do you wish to provide a written or electronic communication or background information <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Please submit all materials at least 5 days before the meeting.	

Deputation Guidelines:

- Deputations related to items on the agenda can be accommodated up to and including the meeting day;
- Deputations related to items not on the agenda may be scheduled within sixty (60) days of receipt of this form;
- Deputations will not be heard on a matter decided upon by Council until ninety (90) days have passed from the date of the matter's disposition by Council;
- Deputations are limited to 5 minutes.

Be advised that all Council and Committee of the Whole meetings are audio-video recorded and live streamed online. If you make a presentation to Council or Committee of the Whole, your presentation becomes part of the public record and you will be listed as a presenter in the minutes of the meeting. We post our minutes online, so the listing of your name in connection with the agenda item may be indexed by search engines like Google.

Personal information on this form will be used for the purposes of sending correspondence relating to matters before Council. Your name, address, comments, and any other personal information, is collected and maintained for the purpose of creating a record that is available to the general public in a hard copy format and on the internet in an electronic format pursuant to Section 27 of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M.56, as amended. Questions about this collection should be directed to the Director of Legislative Services/Town Clerk, Town of Newmarket, 395 Mulock Drive, P.O. Box 328, STN Main, Newmarket, ON L3Y 4X7; Telephone 905 895-5193 Ext. 2211 Fax 905-953-5100

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Name: Chris Howie	
Organization / Group/ Business represented: Park Avenue and Beechwood residents	
Address: [REDACTED]	Postal Code: [REDACTED]
Davtime Phone No: [REDACTED]	Home Phone:
Email: [REDACTED]	Date of Meeting: June 21st 2019
Is this an item on the Agenda? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Agenda Item No:
<input checked="" type="checkbox"/> I request future notification of meetings	<input checked="" type="checkbox"/> I wish to address Council / Committee
Describe in detail the reason for the deputation and what action you will be asking Council/Committee to take (if applicable): Over 50 trees have been removed by Builders without requiring approval or paying compensation due to a known loophole: Builders can clear cut trees then submit an application; demolition or building, THEN they are asked for a Tree Protection and Preservation Plan	
Do you wish to provide a written or electronic communication or background information <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please submit all materials at least 5 days before the meeting.	

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Tree Removal and Protection Bylaw in Newmarket



Chris Howie started this petition to [Town of Newmarket Council and Staff](#)

Heritage Trees are being clear cut by greedy developers that do not care about our neighbourhood or the immense value of mature trees for all of us.


Petition Closed

This petition had 302 supporters





Town of Newmarket and Town of Aurora: Tree Removal and...

 **Share on Facebook**

 Send a Facebook message

 Send an email to friends

 Tweet to your followers

 Copy link

Alex Sodo · 2 years ago

How is it possible that there are no laws protecting mature trees in Newmarket's residential areas? The environmental benefits to having mature trees and canopy in growing cities and towns are well documented but on top of that the beauty and environment they provide are what make these areas special to the residents and everyone who passes by them. Developers will fight tooth and nail for their own best interests. As residents, we have to rely on town council to do this on our behalf. The question is, why aren't they? If you allow one developer to do this, what message does that send to other developers? How long will it be until the landscape is completely changed?

Catherine Wellesley · 2 years ago

I am both saddened and disgusted at this most recent assault on mature trees in our neighbourhoods. I've lived on Park Avenue now for a few years and I feel sick to my stomach every time I hear a chainsaw -- sometimes it's simply tree maintenance, but many other times is tree removal by one of my neighbours. In the case of this particular property, it's the sheer volume of destruction that is so shocking and truly evil. I know a woman who walked these woods as a child and I often tell her that I am protecting her trees (at least on my property). If these home owners don't love mature trees, then why move here(?) Absolutely no trees should be removed without being reviewed and approved by the Town. And if a tree has to be removed (i.e. disease), then the owner should be required to replace it.



Jennifer Douglas

2 years ago

I grew up in the historical district, and these trees are integral to the landscape of the core of the town. There is enough suburban sprawl on the edges of the town, why aren't the town councillors protecting the heart of our beautiful community?



[Report](#)



Lois Fowler

2 years ago

I have lived here 30 years and I'm mad as can be. I wrote the Mayor and asked for this area to be declared an "area of distinction" to ensure our homes, lots, trees and uniqueness of the area be preserved to a certain level. I got no where. Let's band together and save our unique neighbourhood.

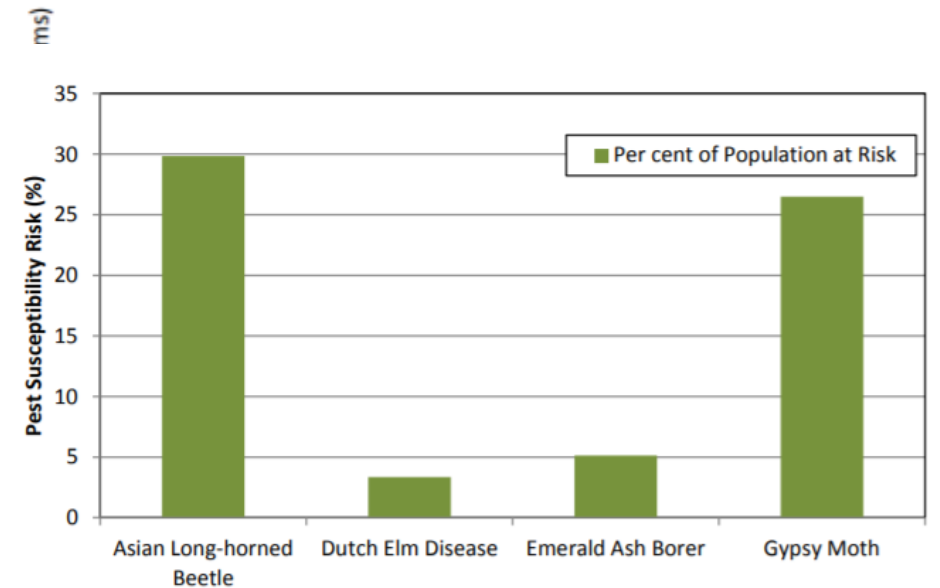
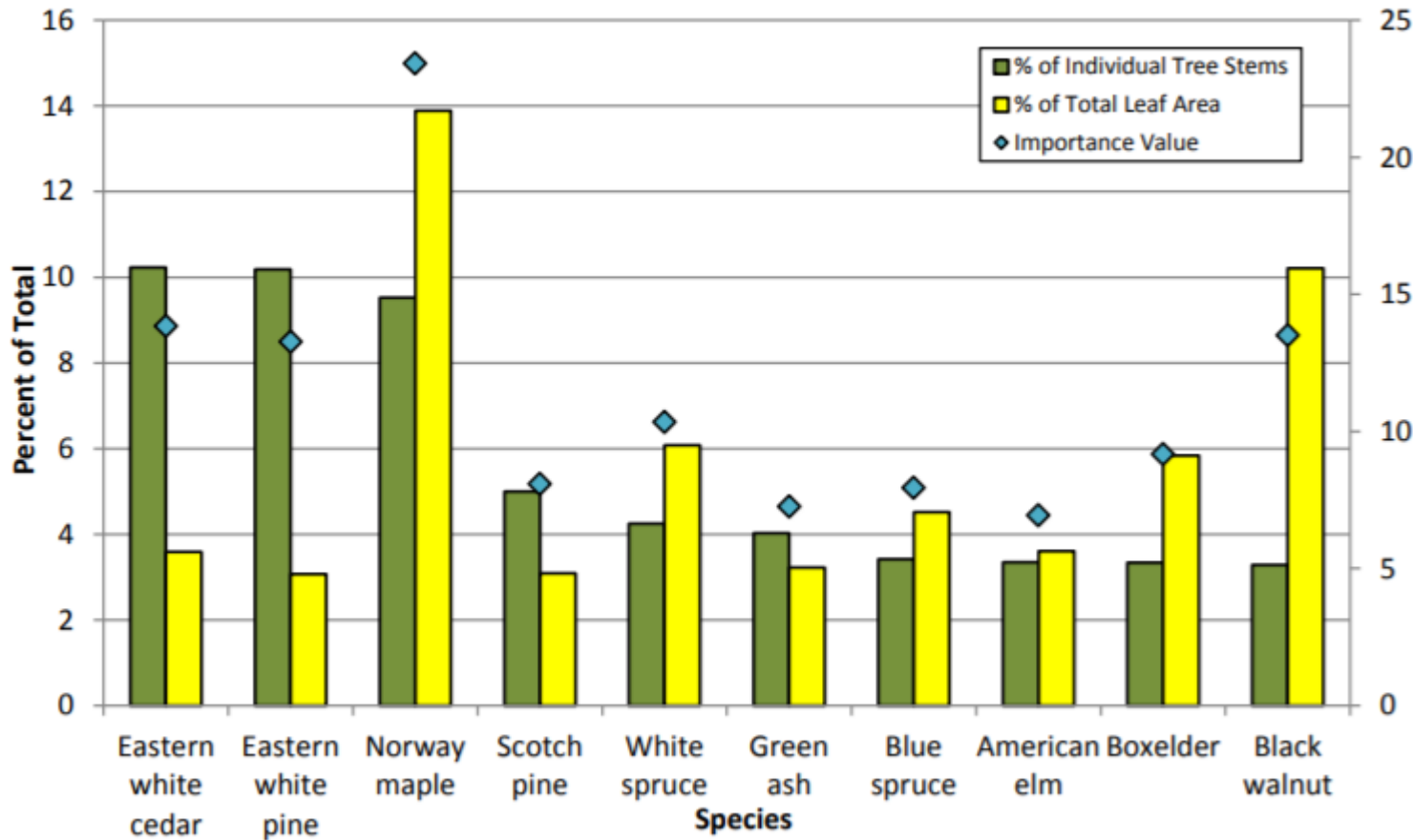


[Report](#)

Over 50 Trees have been removed²⁸ by Builders on Park Avenue, Beechwood, Woodmount, Avenue Road, Sherwood Court...without requiring an approval!

- Builders know the loophole that I requested to be changed over 3 years ago: prior to an application; demolition or building, builders can clear cut trees WITHOUT approval or payment then when the application is submitted they are ask for a Tree Preservation Plan
- 181 Beechwood: I warned Council and Planning in November 2016 of the career Builder that bought the Boyd property then 12 trees including the Largest Sugar Maple in the neighbourhood were removed.
- Planning then accepted cash for the removal of 8 more trees including the oldest Tamarac/Larch, oldest Cheery and 2 more 100+ year old Sugar Maples which enable the Builder to max out the lot coverage of the house being built. How much was paid? Trees should be planted NOT cash!
- How many more trees are going to be removed for the 5400 sq ft proposed house on the West Lot?
- How many trees are coming down at 258 Park Avenue? How much cash is Planning ask for?
- Planning Dept was asked to review each application for this area as a whole not as a Lot however they continue to accept cash at the expense of the Heritage Trees that make up this Historic neighbourhood!

Quality of trees – where are the Oaks, Sugar Maples, Beech? Poor quality outside of Heritage area and Town planted trees; Cherry/Ash...are not what is needed



Tree canopy coverage does³⁰ not take into consideration that many trees have structural issues and/or are diseased without younger trees to replace them



Cytospora fungus canker is damaging Sugar Maples



Many older trees have Structural issues and may be lost due to wind/ice



Beech scale and bark disease are wiping out Beeches

Call before you cut!

Tree Preservation By-law in effect.

Markham enacted its Tree Preservation By-law - regulating the destruction or injury of trees - for all properties on June 24, 2008. The by-law is effective immediately.

The Tree Preservation By-law was adopted by Council to support a greener community and a healthier environment. It exists to preserve significant trees on all properties within the City and to sustain Markham's urban forest.

Call before you cut! - Permit required

Property owners must apply for a permit before injuring or destroying **any tree** in Markham with a trunk diameter of 20 centimetres (about 8 inches) or more, measured at 1.37 metres (about 54 inches) above the ground at the base of the tree.

Call before you cut! You need a permit before cutting a tree with a diameter of 20 cm (8 inches) or more measured at 1.37 metres (54 inches) above the ground. Anyone contravening the Tree Preservation By-law and found guilty of an offence will be subject to penalties.

Permit Process

Note: This process applies to both permit applications and bylaw exemption requests.

Submit a Tree Permit Application using one of the following methods:

[Online Tree Permit Application](#) or fill out the [Tree Permit Application Form \[PDF\]](#) and submit completed application in person to the Contact Centre, Unionville Entrance at the Markham Civic Centre, 101 Town Centre Boulevard.

If your tree is exempt, no permit fee is required. A written confirmation – a permit – will be issued by Markham where a permit is applicable, fees may apply. Applications can take up to 30 days to process.

Following the review of a permit application, the City may determine the removal of the tree does not require a permit and will refund any fees paid or confirm that a site inspection is required.

- [Construction Related Tree Permit Application Process](#)
- [Standard Tree Permit Application Process](#)



Private Tree Protection Bylaw Approval

On May 24, 2016 the Town of Aurora Council approved a revised by-law regarding the destruction of trees on private property and enacted Bylaw Number **5850-16**. The new bylaw is called the "Private Tree Protection Bylaw.

The purpose of this bylaw is to regulate the cutting and injuring of trees within the Town of Aurora. It also helps to preserve the very valuable urban tree canopy now estimated to cover 28 per cent of the Town's overall land which is considerably more coverage than many other Greater Toronto Area (GTA) Municipalities.

- Newmarket has the lowest Tree coverage, lowest population of Large Trees and the only Town in the GTA without a Tree Removal Bylaw
- Severe lack of quality trees 40-75 years old to replace the Heritage trees that are being destroyed and are dying off

Table 9: Tree density, carbon storage and annual carbon sequestration by urban forests in Canadian cities that have completed an i-Tree Eco analysis.

City	Tree Density (trees/ha)	Carbon Storage (tonnes/ha)	Carbon Sequestration (tonnes/ha/yr)
Newmarket, ON	76.5	9.1	0.4
Aurora, ON	395.5	20.8	0.8
Richmond Hill, ON	250.9	16.2	0.7
Vaughan, ON	182.6	13.1	0.5
Markham, ON	148.3	10.8	0.4
Pickering, ON	354.4	22.1	0.9
Oakville, ON	192.9	13.4	0.6
London, ON	185.5	15.3	0.5
Toronto, ON	160.4	17.4	0.7
Brampton, ON	134.3	6.5	0.3

TOWN OF NEWMARKET

URBAN FOREST STUDY

Technical Report
March, 2016

Recommendation 8: Evaluate and develop strategic steps to protect and increase the proportion of large, mature trees in the urban forest. This can be achieved using a range of tools including Official Plan policy, by-law enforcement and public education. Where tree preservation cannot be achieved, Official Plan policy can be considered that will require compensation for the loss of mature trees and associated ecosystem services.

Recommendation 9: Develop municipal guidelines and regulations for sustainable streetscape and subdivision design that ensure adequate soil quality and quantity for tree establishment and eliminate conflict between natural and grey infrastructure.

Recommendations

1. Finally get a Tree Removal bylaw in place with hefty fines for any removal without a Permit.
2. Reduce Minimum caliper size to protect as many young trees as possible
3. Planning to consider Heritage area as exactly that vs a Lot: 185 Beechwood – 8 Heritage Trees could have been saved by moving the house forward and telling the career Builder that he would have to build a house less than the 35% Lot coverage.
4. Stop the practice of Planning accepting cash and use the cash to plant trees!
5. Establish a Permit Fee that fund trees being planted (possibly on Private land).
6. Start planting Larger trees that add more value: hardwood Maples, Oaks...
7. Start planting better quality trees on Town property.
8. Tax Rebate for residents that plant trees on their own property.
9. Inventory of Heritage Trees should have been done already. Trees are a critical asset however there is no care: pruning, fertilizing, aerating
10. Town Arborist should be able to enforce the Tree Preservation Plan and assess corrective treatments: aerating, fertilizing...

Deputation and Further Notice Request Form

Please complete this form to speak at a meeting of Town Council or Committee of the Whole or to receive further notification regarding an item on the agenda. If filling out by hand please print clearly.

Please email to clerks@newmarket.ca, fax to 905-953-5100 or mail or drop off at Legislative Services Department, Town of Newmarket Municipal Offices, 395 Mulock Drive, PO Box 328, STN Main, L3Y 4X7

Name: Danielle Koren	
Organization / Group/ Business represented: Routes Connecting Communities Inc.	
Address: [REDACTED]	Postal Code: [REDACTED]
Daytime Phone No: [REDACTED]	Home Phone:
Email: [REDACTED]	Date of Meeting: June 17, 2019
Is this an item on the Agenda? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item No:
<input type="checkbox"/> I request future notification of meetings	<input checked="" type="checkbox"/> I wish to address Council / Committee
Describe in detail the reason for the deputation and what action you will be asking Council/Committee to take (if applicable): Creating awareness of Routes Connecting Communities	
Do you wish to provide a written or electronic communication or background information <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please submit all materials at least 5 days before the meeting.	

Deputation Guidelines:

- Deputations related to items on the agenda can be accommodated up to and including the meeting day;
- Deputations related to items not on the agenda may be scheduled within sixty (60) days of receipt of this form;
- Deputations will not be heard on a matter decided upon by Council until ninety (90) days have passed from the date of the matter's disposition by Council;
- Deputations are limited to 5 minutes.

Be advised that all Council and Committee of the Whole meetings are audio-video recorded and live streamed online. If you make a presentation to Council or Committee of the Whole, your presentation becomes part of the public record and you will be listed as a presenter in the minutes of the meeting. We post our minutes online, so the listing of your name in connection with the agenda item may be indexed by search engines like Google.

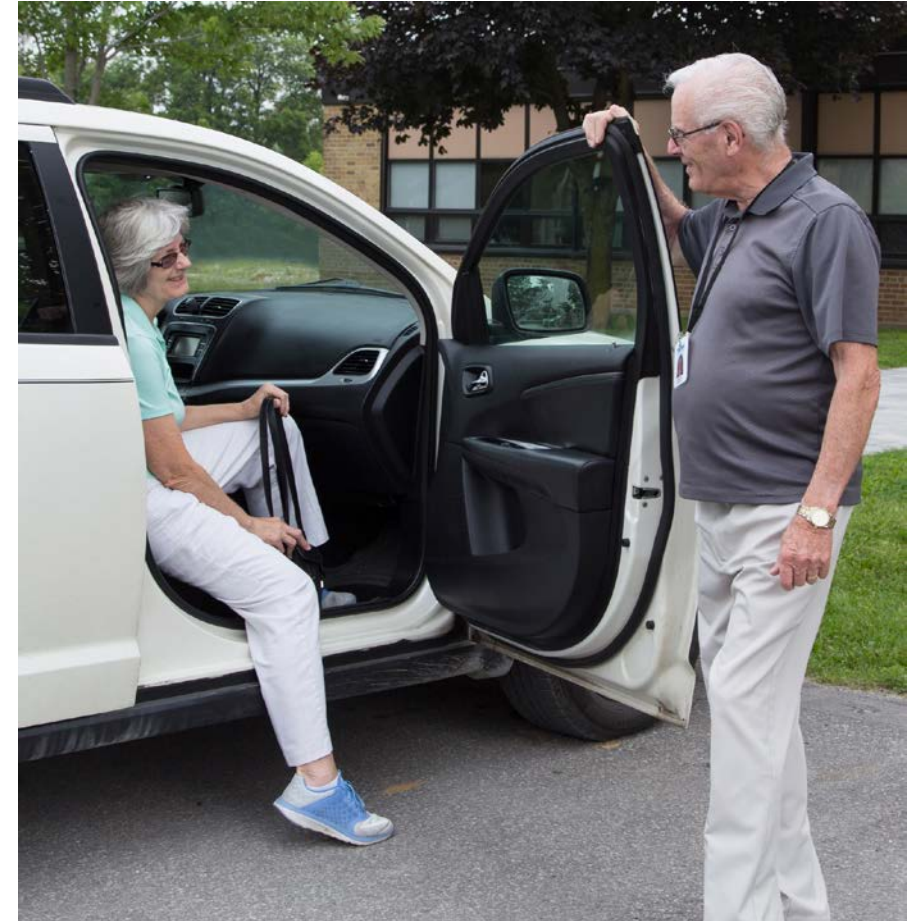
Personal information on this form will be used for the purposes of sending correspondence relating to matters before Council. Your name, address, comments, and any other personal information, is collected and maintained for the purpose of creating a record that is available to the general public in a hard copy format and on the internet in an electronic format pursuant to Section 27 of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M.56, as amended. Questions about this collection should be directed to the Director of Legislative Services/Town Clerk, Town of Newmarket, 395 Mulock Drive, P.O. Box 328, STN Main, Newmarket, ON L3Y 4X7; Telephone 905 895-5193 Ext. 2211 Fax 905-953-5100



About Us

- York Region community based not-for-profit
- Helping people who are dealing with life challenges get to where they need to go
- Timely, safe, affordable transportation
- Caring conversation along the way

- Located in Sutton
- Since 1989



Our Funders



An agency of the Government of Ontario
Un organisme du gouvernement de l'Ontario

Our Numbers 2018



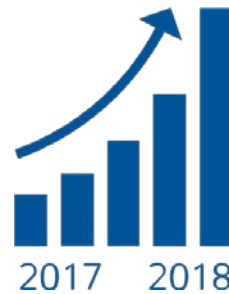
15,135
Rides



7,283
Riders



43
Volunteer
Drivers



38%
Annual
Growth



948
Unique
Clients



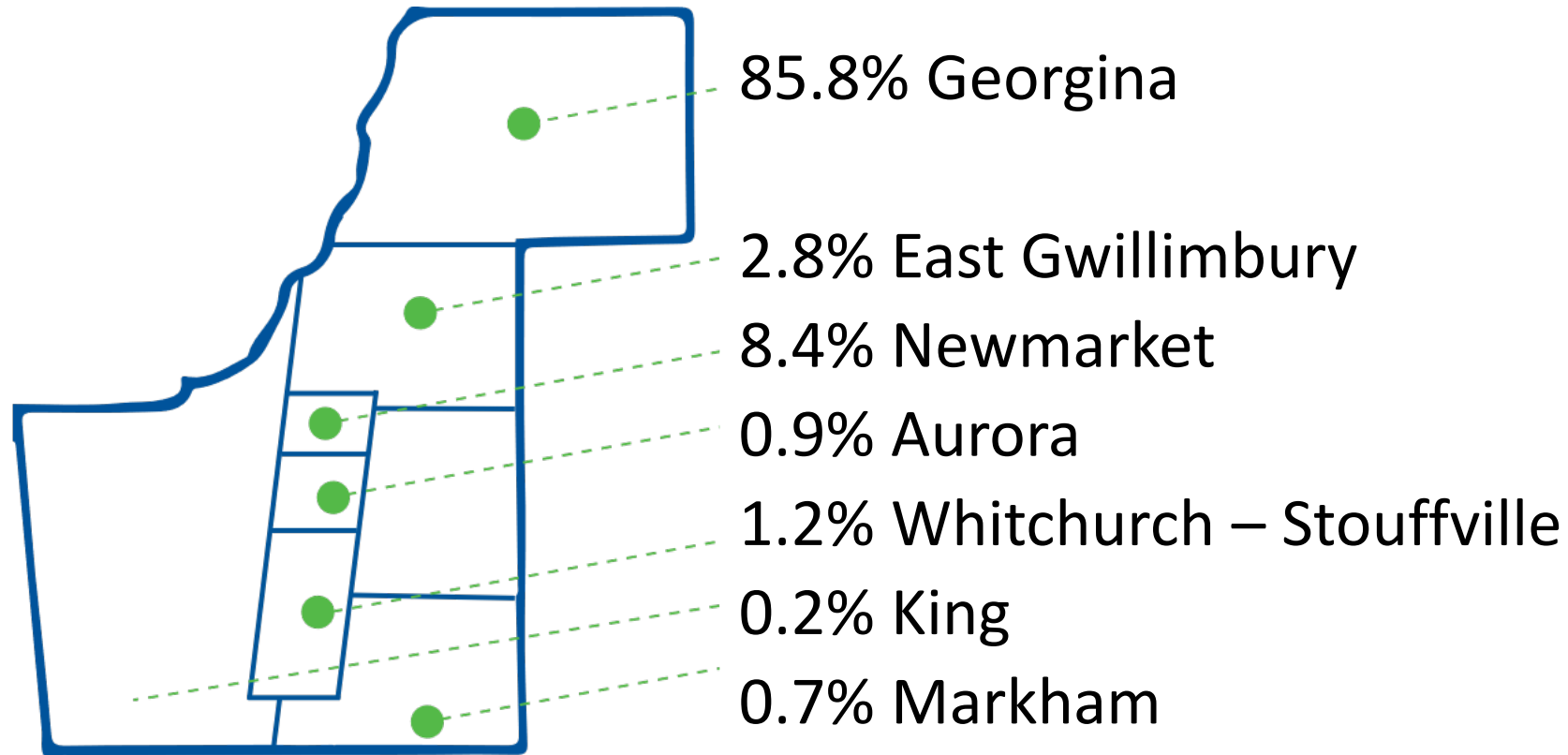
27
Bus Trips

Our Services – Compassionate Transportation

- For people facing
- Social, physical, mental and/or financial barriers
- To timely, safe and compassionate transportation.
- Volunteer transportation program
- Community Vehicle



Our Clients



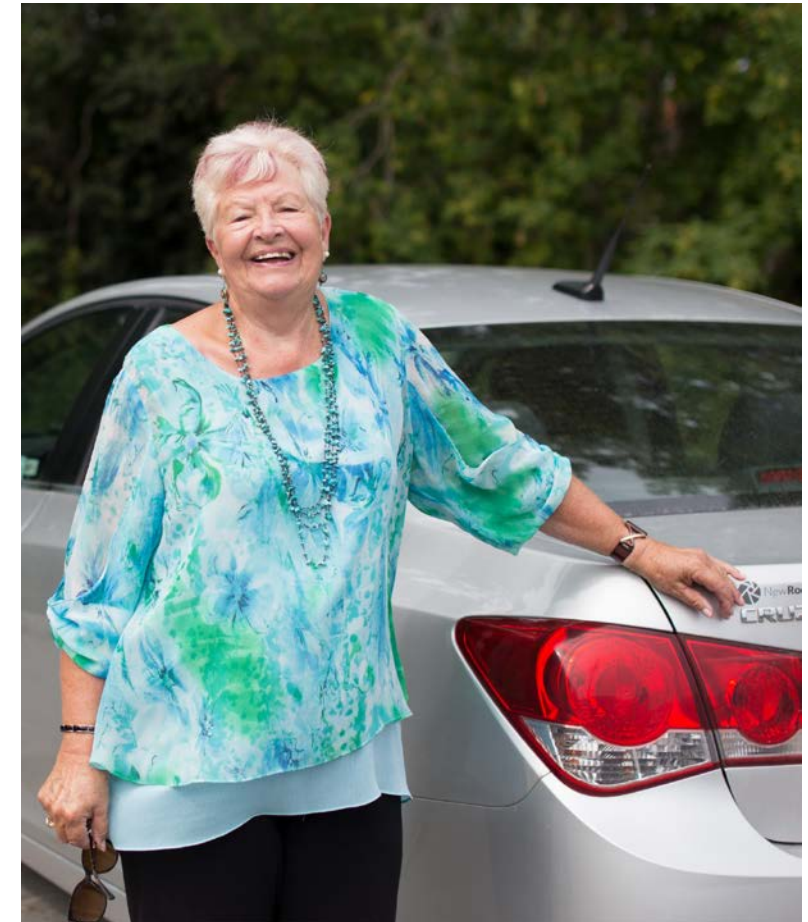
Our Costs

- Cash rides: based on \$0.47/km
- Paid by third party (i.e. ODSP)
- Fee subsidy assistance available
- Fully subsidized rides to Food Pantries/Banks, Community Meals



Our Destinations

• Ontario Addiction Treatment Centre	8.5%
• Georgina Community Food Pantry	7.9%
• Southlake Regional Health Centre	6.5%
• Maple Hill Baptist Church	4.9%
• Rose of Sharon	3.2%
• York Medical Centre	3.0%
• Canadian Mental Health Centre	3.0%
• Newmarket Food Pantry	2.5%



Our Volunteer Drivers

- Reimbursement for mileage at \$0.47
- Flexible hours based on their availability
- Appreciation and support
- Training opportunities



Our Services – Bus Trips

- Malls
 - Ripley's
 - ROM
 - St. Lawrence Market
 - Orillia Boat cruise
 - Canada Blooms
 - Blue Mountain
 - Christmas Shows
-
- To reduce social isolation



Our Most Needed Support

- Corporations to sponsor rides
- Volunteer drivers to Food Pantry once per month



Questions and Comments



Deputation and Further Notice Request Form

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Name: Ahmad El-Farram	
Organization / Group/ Business represented: Glen Cedar Public School - Council Chair	
Address: [REDACTED]	Postal Code: [REDACTED]
Daytime Phone No: [REDACTED]	Home Phone:
Email: [REDACTED]	Date of Meeting: June 17th, 2019
Is this an item on the Agenda? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item No:
<input type="checkbox"/> I request future notification of meetings	<input checked="" type="checkbox"/> I wish to address Council / Committee
Describe in detail the reason for the deputation and what action you will be asking Council/Committee to take (if applicable): This is a followup deputation from January 14th, 2019 regarding street safety on Wayne Drive in front of Glen Cedar Public School. I have been working with town engineer Mark Kryzanowski and members of the YRDSB on ways to improve the safety during pick up and drop off at the school. Based on Marks recommendation, I will present a community petition in favour of the suggested street signage changes we would like to see moving forward.	
Do you wish to provide a written or electronic communication or background information <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please submit all materials at least 5 days before the meeting.	

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590 Steven Court, Newmarket, Ontario L3Y 6Z2

Tel: [905] 895-2309

Fax: [905] 895-8931

Email: nmhydro@nmhydro.ca

Newmarket Hydro Holdings Inc.

June 4, 2019

Newmarket Hydro Holdings Inc. Report of the President

TO: Town of Newmarket Committee of the Whole

SUBJECT: Newmarket Hydro Holdings Inc. 2018 Annual General Meeting

ORIGIN: President, Newmarket Hydro Holdings Inc.

RECOMMENDATIONS:

THAT the Newmarket Hydro Holdings Inc. Report of the President dated June 4, 2019 regarding the financial statements of Newmarket Hydro Holdings Inc. (the "Corporation"), the written resolutions of Newmarket – Tay Power Distribution Ltd. ("NT Power"), the written resolutions of Envi Networks Ltd. ("Envi") and appointment of the sole director and auditors be received and the following recommendations be adopted:

WHEREAS the Corporation of the Town of Newmarket (the "Sole Shareholder") is the sole shareholder of the Corporation;

AND WHEREAS the Sole Shareholder by a Shareholder Declaration dated November 1, 2000 appointed the Mayor as its legal representative for the purpose of communicating any shareholder consent or approval required by either the terms of the Shareholder Declaration or the *Business Corporations Act* (Ontario) (the "*OBCA*");

AND WHEREAS the Corporation owns a majority of the common shares of NT Power and Envi;

AND WHEREAS pursuant to s.102(2) of the *OBCA* where a body corporate is the shareholder of a corporation the corporation shall recognize any individual properly authorized by the body corporate to represent it at meetings of shareholders of the corporation;

AND WHEREAS pursuant to s.104 of the *OBCA* a written resolution dealing with all the matters required to be dealt with at a shareholders meeting and signed by the shareholders entitled to vote at that meeting satisfies all requirements of the *OBCA* relating to that meeting of shareholders;

Newmarket Hydro Holdings Inc. 2018 Annual General Meeting

NOW THEREFORE BE IT RESOLVED by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1. THAT the Mayor, as the Sole Shareholder's legal representative, is directed to sign the following Corporation Shareholder resolutions:

- a. THAT the Corporation's financial statements for the financial year ended December 31, 2018 together with the report of the Corporation's auditors, Baker Tilly KDN LLP ("Baker Tilly"), Chartered Accountants, formerly Collins Barrow, thereon dated May 14, 2019 be approved and adopted.
- b. THAT Baker Tilly, Chartered Accountants, be appointed auditors of the Corporation to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the sole director and the sole director is authorized to fix such remuneration.
- c. THAT Jag Sharma be appointed as the sole director of the Corporation to hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed.
- d. THAT Jag Sharma, so long as he or she is the sole director of the Corporation, shall represent the Corporation at meetings of the shareholders of NT Power and Envi;
- e. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the sole director and sole officer of the Corporation to December 31, 2018, as the same are set out or referred to in the resolutions of the sole director, or in the financial statements of the corporation, are approved, sanctioned and confirmed.

2. AND THAT the Mayor, as the Sole Shareholder's legal representative, direct Jag Sharma, the sole director and legal representative of the Corporation, to sign the following NT Power shareholder resolutions in lieu of an annual meeting:

- a. THAT the financial statements of NT Power for the financial year ended December 31, 2018 together with the report of NT Power's auditors, Baker Tilly, thereon dated April 30, 2019 be approved and adopted.
- b. THAT Baker Tilly, Chartered Accountants, be appointed auditors of NT Power to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration.

Newmarket Hydro Holdings Inc. 2018 Annual General Meeting

c. THAT J. Taylor, T. Walker, B. Gabel, R. Betts, D. Charleson, C. Prattas and P. Ferguson are elected directors of NT Power to hold office until the next annual meeting of shareholders or until their successors are elected or appointed.

d. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the directors and officers of NT Power to December 31, 2018, as the same are set out or referred to in the resolutions of the board of directors, the minutes of the meetings of the board of directors or in the financial statements of NT Power, are approved, sanctioned and confirmed.

3. AND THAT the Mayor, as the Sole Shareholder's legal representative, direct Jag Sharma, the sole director and legal representative of the Corporation, to sign the following Envi shareholder resolutions in lieu of an annual meeting:

a. THAT the financial statements of Envi for the financial year ended December 31, 2018 together with the report of Envi's auditors, Baker Tilly, thereon dated April 18, 2019 be approved and adopted.

b. THAT Baker Tilly, Chartered Accountants, be appointed auditors of Envi to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration.

c. THAT I. Collins, J. Schatz, T. Van Bynen and B. Kwapis are elected directors of Envi to hold office until the next annual meeting of shareholders or until their successors are elected or appointed.

d. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the directors and officers of Envi to December 31, 2018, as the same are set out or referred to in the resolutions of the board of directors, the minutes of the meetings of the board of directors or in the financial statements of Envi, are approved, sanctioned and confirmed.

Background**Financial Statements of the Corporation**

The audited financial statements for the Corporation, NT Power and Envi are attached. The financial statements of the Corporation and NT Power are in

Newmarket Hydro Holdings Inc. 2018 Annual General Meeting

International Financial Reporting Standards (“IFRS”) format. The CFO of NT Power will answer any questions regarding them. The Envi financial statements are also in IFRS format. The President and CEO of Envi will answer any questions regarding them.

Appointment of Auditors

The Board of Directors of NT Power (the “Board”) notes that, with the implementation of IFRS over the next few years and the acquisition of Midland Power Utility Corporation, the additional workload that would be involved with a request for proposal for audit services and the possible change in audit firms will hamper these initiatives. The Board therefore recommends the re-appointment of the current auditors, Baker Tilly for the period January 1 to December 31, 2019 for the Corporation and NT Power. The Board of Directors of Envi concurs with this recommendation for Envi as well as they are still a new company in start-up mode and would similarly be hampered by a change in audit firms.

Election of Directors for the Corporation

Esther Armchuk is currently the sole director of the Corporation. With the recent appointment of Jag Sharma as the CAO of the Town of Newmarket, the Shareholder has requested that he be appointed to this position.

Election of Directors – NT Power

The existing directors of NT Power are:

J. Taylor, Mayor of the Town of Newmarket
T. Walker, Mayor of the Township of Tay
R. Betts, Independent Director
B. Gabel, Independent Director
C. Prattas, Independent Director
D. Charleson, Independent Director
P. Ferguson, President of NT Power

The appointments of The Mayor of Newmarket, the Mayor of Tay and the President of NT Power are de facto. In response to a request by the Township of Tay, The Corporation of the Town of Newmarket, The Corporation of the Township of Tay, Tay Hydro Inc. Newmarket Hydro Holdings Inc. and NT Power have agreed to amend the Shareholders Agreement between them to allow for the Mayors to designate a sitting member of Council in their place on the board of directors. At present, both the Mayor of Newmarket and the Mayor of Tay have chosen to sit on the board of directors. The independent directors being Betts, Prattas, Charleson and Gabel are eligible for re-appointment and are recommended by the Board of Directors of NT Power.

Newmarket Hydro Holdings Inc. 2018 Annual General Meeting

Election of Directors – Envi

The existing directors of Envi are:

- I. Collins, Independent Director
- J. Schatz, Independent Director
- T. Van Bynen, Independent Director
- B. Kwapis, Ward 5 Councillor, Town of Newmarket

In accordance with the Envi Shareholders Agreement, the Town of Newmarket is to appoint one sitting member of Council to the board of Envi. Ward 5 Councillor B. Kwapis was appointed to the inaugural board in January, 2019 and no change to this appointment has been requested. The independent directors being Collins, Schatz and Van Bynen are eligible for re-appointment and are recommend by the Board of Directors of Envi.

[Original signed by]

P.D. Ferguson P.Eng.
President,
Newmarket Hydro Holdings Inc.



**CONSOLIDATED
FINANCIAL STATEMENTS OF**

NEWMARKET HYDRO HOLDINGS INC.

December 31, 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	1 - 2
Consolidated Statement of Changes in Equity and Accumulated Other Comprehensive Income	3
Consolidated Statement of Income	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 36



Baker Tilly KDN LLP
 272 Charlotte Street
 Peterborough, ON
 Canada K9J 2V4

D: 705.742.3418
F: 705.742.9775

www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
 Newmarket Hydro Holdings Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Newmarket Hydro Holdings Inc., which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of changes in equity and accumulated other comprehensive income, income and comprehensive income and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the company as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Company as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawartha LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

Emphasis of Matter

We draw attention to note 3 and note 28 of the consolidated financial statements, which describes the purchase of Midland Power Utility Company effective September 7, 2018.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.



INDEPENDENT AUDITOR'S REPORT, continued

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 14, 2019

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018



	2018	2017
	\$	\$
ASSETS		
Current assets		
Cash (note 29)	-	10,711,573
Short term investment (note 5)	25,084	-
Accounts receivable (note 6)	17,283,094	13,274,599
Unbilled revenue	11,856,298	9,221,039
Inventories	882,196	858,956
Prepaid expenses	460,089	281,898
Income taxes receivable	1,483,659	682,111
	<u>31,990,420</u>	<u>35,030,176</u>
Other assets		
Investments (note 7)	100	-
Property, plant and equipment (note 8)	108,523,738	96,740,058
Intangible assets (note 9)	7,696,753	997,723
Goodwill (note 10)	6,864,284	-
Deferred income taxes (note 11)	844,922	2,466,971
Refundable deposit	-	1,000,000
	<u>123,929,797</u>	<u>101,204,752</u>
	155,920,217	136,234,928
Regulatory deferral account debit balances (note 12)	<u>10,985,630</u>	<u>2,894,845</u>
	<u>166,905,847</u>	<u>139,129,773</u>

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018



	2018	2017
	\$	\$
LIABILITIES AND EQUITY		
Current liabilities		
Bank indebtedness (note 29)	2,037,029	-
Accounts payable and accrued liabilities (note 13)	15,613,407	12,833,230
Bank loan (note 14)	1,200,000	-
Due to shareholder	-	87,412
Current portion of long-term debt (note 15)	3,232,267	657,006
Current portion of deposits held (note 18)	705,212	498,000
	<u>22,787,915</u>	<u>14,075,648</u>
Long-term liabilities		
Long-term debt (note 15)	26,072,837	5,076,065
Interest rate swaps (note 16)	1,296,751	-
Subordinate debt (note 17)	23,742,821	23,742,821
Contributed capital (note 19)	33,141,061	31,358,906
Deferred income taxes (note 11)	1,498,793	-
Deposits held (note 18)	2,426,324	3,343,159
Employee future benefits (note 20)	1,157,004	1,047,729
	<u>89,335,591</u>	<u>64,568,680</u>
EQUITY		
Equity of the owners of the parent		
Share capital (note 22)	29,609,342	29,609,342
Retained earnings	18,148,244	18,565,713
Accumulated other comprehensive income	30,665	30,665
	<u>47,788,251</u>	<u>48,205,720</u>
Non-controlling interest (note 23)	<u>3,381,444</u>	<u>3,397,609</u>
	<u>51,169,695</u>	<u>51,603,329</u>
	163,293,201	130,247,657
Regulatory deferral account credit balances (note 12)	<u>3,612,646</u>	<u>8,882,116</u>
	<u>166,905,847</u>	<u>139,129,773</u>

Subsequent event (note 36)

Approved on behalf of the Board

Director

Director

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND ACCUMULATED OTHER
COMPREHENSIVE INCOME
For the year ended December 31, 2018



	Share capital \$	Retained earnings \$	Accumulated other comprehensive income \$	Total \$	Non- controlling interest \$	Total equity \$
Balance, December 31, 2016	29,609,342	17,639,031	131,010	47,379,383	3,350,906	50,730,289
Net income for the year	-	2,255,129	-	2,255,129	162,809	2,417,938
Other comprehensive loss	-	-	(100,345)	(100,345)	(7,553)	(107,898)
Dividends paid	-	(1,336,000)	-	(1,336,000)	(101,000)	(1,437,000)
Balance, December 31, 2017	29,609,342	18,558,160	30,665	48,198,167	3,405,162	51,603,329
Net income for the year	-	926,084	-	926,084	56,282	982,366
Investment in Envi Networks Ltd.	-	-	-	-	134,400	134,400
Dividends paid	-	(1,336,000)	-	(1,336,000)	(214,400)	(1,550,400)
Balance, December 31, 2018	29,609,342	18,148,244	30,665	47,788,251	3,381,444	51,169,695

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF INCOME
For the year ended December 31, 2018



	2018	2017
	\$	\$
Revenue		
Distribution revenue	21,616,917	15,108,008
Cost of power revenue	80,224,152	74,225,796
	101,841,069	89,333,804
Cost of power purchased	85,026,423	75,934,541
Gross profit	16,814,646	13,399,263
Other income (note 24)	2,225,644	1,219,972
Gross income from operations	19,040,290	14,619,235
Expenses		
Amortization	6,151,855	3,598,756
Operating expenses (note 25)	12,510,889	9,404,893
Loss on interest rate swap (note 16)	1,296,751	-
Gain on disposal of property, plant and equipment	(469,800)	(23,480)
	19,489,695	12,980,169
Income (loss) before undernoted items and income taxes	(449,405)	1,639,066
Finance costs (income)		
Finance income (note 26)	(412,214)	(322,760)
Finance costs (note 26)	1,737,568	1,481,411
	1,325,354	1,158,651
Income (loss) before income taxes and net movement on regulatory accounts, net of deferred tax	(1,774,759)	480,415
Provision for income taxes (note 11)		
Current	908,522	845,889
Deferred	3,120,842	473,987
	4,029,364	1,319,876
Loss before net movement on regulatory accounts, net of deferred tax	(5,804,123)	(839,461)
Net movement on regulatory accounts, net of deferred tax	6,786,489	3,257,399
Net income for the year	982,366	2,417,938
Attributable to		
Owners of the parent	926,084	2,255,129
Non-controlling interests	56,282	162,809
	982,366	2,417,938

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2018



	2018	2017
	\$	\$
Net income for the year	982,366	2,417,938
Comprehensive loss		
Actuarial loss, not reclassified to net income	-	(146,800)
Actuarial loss related deferred income tax not reclassified to net income	-	38,902
Comprehensive loss	-	(107,898)
Net income and comprehensive income for the year	982,366	2,310,040
Attributable to		
Owners of the parent	926,084	2,154,784
Non-controlling interests	56,282	155,256
	982,366	2,310,040

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2018



	2018	2017
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Net income for the year	982,366	2,417,938
Items not affecting cash		
Amortization of property, plant and equipment	5,968,367	3,678,454
Amortization of intangible asset	582,770	175,389
Deferred income taxes	3,120,842	473,987
Loss (gain) on disposal of property, plant and equipment	483,939	(23,480)
Change in employee future benefits	109,275	24,421
Current income tax	908,522	845,889
Net finance costs	1,325,354	1,158,652
Recognition of contributed capital	(1,229,868)	(707,028)
Loss on interest rate swap	1,296,751	-
	13,548,318	8,044,222
Change in non-cash working capital items (note 27)	(6,029,089)	2,373,866
	7,519,229	10,418,088
Investing activities		
Purchase of investments	(100)	-
Purchase of short-term investments	(25,084)	-
Purchase of property, plant and equipment	(18,275,985)	(5,454,494)
Proceeds on disposal of property, plant and equipment	-	23,480
Purchase of goodwill	(6,864,284)	-
Refundable deposit	1,000,000	(1,000,000)
Change in regulatory deferral accounts	(13,360,255)	(391,411)
Proceeds of contributed capital	3,012,023	1,405,507
Purchase of intangible assets	(7,241,800)	(737,353)
	(41,755,485)	(6,154,271)
Financing activities		
Advances to parent company	(87,412)	-
Repayment of long-term debt	(747,843)	(641,183)
Proceeds of long-term debt	24,319,877	-
Interest paid	(1,737,568)	(1,481,412)
Increase in bank indebtedness	1,200,000	-
Dividends paid	(1,459,400)	(1,437,000)
	21,487,654	(3,559,595)
Increase (decrease) in cash	(12,748,602)	704,222
Cash - beginning of year	10,711,573	10,007,351
Cash (bank indebtedness) - end of year	(2,037,029)	10,711,573



1. NATURE OF OPERATIONS

Newmarket Hydro Holdings Inc. ("the Company") was incorporated April 10, 2000 under the Business Corporations Act of the Province of Ontario. The Company commenced operations on November 1, 2000. Newmarket Hydro Holdings Inc. is wholly-owned by the Town of Newmarket. The address of its registered office and its principal place of business is 590 Steven Ct, Newmarket, ON L3Y 6Z2.

The principal activity of the Company is to distribute electricity to the residents and businesses in the Town of Newmarket, the Town of Midland and the Township of Tay under licence issued by the Ontario Energy Board (OEB). The Company is regulated by the OEB and adjustments to its distribution rates require OEB approval.

The Company also offers high speed internet to the Newmarket community by providing its customers with the necessary infrastructure and equipment to utilize the service. The Company is looking to expand its operations into other surrounding local areas. The Company is regulated by the Canadian Radio-television Telecommunications Commission ("CRTC") and American Registry for Internet Numbers ("ARIN").

2. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements for the year ended December 31, 2018 were approved and authorized for issue by the board of directors on May 14, 2019.

3. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of its subsidiaries Newmarket-Tay Power Distribution Ltd. and Envi Networks Ltd. The purchase of Midland Power Utility Corporation ("Midland PUC") was approved by the Ontario Energy Board (OEB) in 2018. Midland PUC was amalgamated by Newmarket-Tay Power Distribution Ltd. effective September 7, 2018. Tay Hydro Inc. has a 7% interest in Newmarket-Tay Power Distribution Ltd and Envi Networks Ltd. All significant intercompany transactions and balances have been eliminated on consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards. The significant policies are detailed as follows:

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(a) *Basis of measurement*

The financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at their fair values, as explained in the relevant accounting policies.

The consolidated financial statements are presented in Canadian dollars which is also the Company's functional currency.

(b) *Electricity regulation*

The Company is licensed and regulated by the Ontario Energy Board (OEB). The OEB is charged with the responsibility of approving rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfil obligations to connect and service customers.

The following regulatory policy is practiced in a rate regulated environment:

Regulatory accounts

Regulatory accounts represent future revenue or expenses incurred in the current or prior periods that are expected to be recovered (repaid) through the rate setting process.

These assets and liabilities include various rate and retail variance accounts which arise from differences in amounts billed to customers (based on regulated rates) and the actual cost of electricity services to the Company. These amounts are accumulated for accounting purposes because it is probable that they will be recovered (repaid) in future rates. The Company continually assesses the likelihood of the recovery of regulatory assets and likelihood or repayment of regulatory liabilities. If recovery or repayment is no longer considered probable, the amounts are charged to operations in the year the assessment is made.

Regulatory accounts recognized at December 31, 2018 and December 31, 2017 are disclosed in note 12.

(c) *Revenue recognition*

The Company recognizes revenue when it transfers control over a promised good or service, a performance obligation under the contract, to a customer and where the company is entitled to consideration as a result of completion or the performance obligation.

Prior to January 1, 2018, revenue was recognized to the extent that it was probable that economic benefits will flow to the company and that the revenue can be reliably measured.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(c) *Revenue recognition, continued*

Distribution Revenue

Distribution revenue is measured based on the OEB approved rate and the meter readings for customer usage, net of sales tax and debt retirement charge. Distribution revenue also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. Revenue is recognized as electricity is delivered and consumed by customers and measured.

Cost of Power Revenue

Cost of power revenue is recorded on the basis of the power billed by the Independent Electricity System Operator ("IESO").

Contributed Capital

Contributed capital represent certain items of property, plant and equipment which are acquired or constructed with financial assistance in the form of contributions from developers. Prior to January 1, 2018 such contributions, whether in cash or in-kind, were recognized as contributed capital and amortized into income over the life of the related assets. Contributed capital in-kind were valued at their fair value at the date of their contribution.

On implementation of IFRS 15, contributions received from customers where the Company has an ongoing performance obligation to the customer are within the scope of IFRS 15. These contributions will be initially recorded at fair value recognized on a straight-line basis over the estimated life of the contract with the customers. Where contracts are perpetual, the contributed asset will be used to provide ongoing goods or services to customers and as such the estimated life of the contract with the customers is estimated to be equivalent to the economical useful life of the asset to which the contribution relates.

Contributions from developers are not within the scope of IFRS 15 as they do not give rise to a contract with a customer. Currently, there is no specific IFRS guidance on accounting for contributions received from developers. The Company has an accounting policy for the initial recognition of such contributions and subsequent recognition of the related revenue, as described in note 4(i).

Conservation and Demand Management Revenue

Revenues related to Conservation and Demand Management ("CDM") agreements with the Independent Electricity System Operator ("IESO") are recognized on a net basis. Performance fees are recognized as CDM programs are delivered.

Other Income

Other operating revenue is recorded when services are provided.

(d) *Cash*

Cash consists of balances with financial institutions.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) *Foreign exchange*

Monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

(f) *Inventories*

Inventories, which consist of parts and supplies acquired for internal construction or consumption, are valued at the lower of cost and net realizable value. Cost is determined on a weighted-moving average basis and includes expenditures incurred in acquiring the inventories and other costs to bring the inventories to their existing location and condition.

(g) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated amortization and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset or its development when those costs are necessarily incurred for the asset to function in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

All assets having limited useful lives are amortized using the straight-line over their estimated useful lives. Assets are amortized from the date of acquisition. Internally constructed assets are amortized from the time an asset is capable of operating in the manner intended by management.

In the year of acquisition, amortization is taken at one-half of the below rates.

The residual value, useful life and amortization method applied to each class of assets are reassessed at each reporting date.

The amortization rates applicable for each class of asset are calculated on a straight-line basis as follows:

Land and building:	
- Building	25 - 30 years
- Shelters	10 years
Distribution equipment	10 - 50 years
Transportation and fibre equipment:	
- Transportation equipment	5 - 10 years
- Fibre cable and network equipment	5 - 25 years
Office and other	5 - 10 years

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) *Property, plant and equipment, continued*

An impairment loss is recognized when the carrying amount of these assets is not recoverable and exceeds their fair value.

(h) *Goodwill and intangible assets*

Intangible assets include computer software, land rights, licensed customer lists and goodwill. They are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, if applicable. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The useful lives of the intangibles are as follows:

Computer software	3-5 years
Land rights	30 years
Licensed customer list	not amortized
Goodwill	not amortized

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software, (expenditure relating to patches and other minor updates as well as their installation), are expensed as incurred.

Land rights are capitalized based on the payments made for easements, right of access and right of use over land for which the Company does not hold title. Land rights are measured at cost less accumulated amortization and accumulated impairment losses.

The licensed customer list is measured at cost and not amortized but assessed for impairment annually.

Goodwill represents the cost of acquired local distribution companies in Midland in excess of fair value of the net identifiable assets purchased. Goodwill is measured at cost and is not amortized but assessed for impairment annually.

(i) *Contributed capital*

Contributions for capital construction consist of contributions from customers and developers toward the cost of constructing distribution assets. The contributions are calculated through an economic evaluation as per the OEB Distribution Service Code (represents fair value) and are recorded as received. Contributed capital is amortized over the same period as the asset to which they relate, 10 to 50 years.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(j) *Impairment of non-financial assets*

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(k) *Related parties*

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Details of related party transactions and balances are disclosed in note 21.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(l) *Employee future benefits*

The Company accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi employer public sector pension fund, as a defined contribution plan. Both participating employers and employees are required to make plan contributions based on the participating employees' contributory earnings. The Company recognizes the expense related to this plan as contributions are made. No liability has been established for this plan.

The Company pays certain medical and life insurance benefits on behalf of its retired employees. These plans are not funded and accordingly have no plan assets. The Company's net obligation is calculated by estimating the amount of future benefits that are expected to be paid out discounted to determine its present value. This calculation is actuarially performed using the projected unit credit method. The last full valuation performed was as at December 31, 2017 for Newmarket-Tay Power Distribution Limited and December 31, 2016, updated September 7, 2018, for Midland Power Utility Corporation ("Midland PUC"). Service costs are recognized in the Statement of Income in operating expenses, and include current and past service costs as well as gains and losses on curtailment. Net interest expense is included in finance costs.

Details related to the employee future benefits are detailed in note 20.

(m) *Income taxes*

Under the Electricity Act, 1998, the Company is required to make payments in lieu of income taxes (PILS) to the Ontario Electricity Financial Corporation (OEFC). Deferred income taxes are calculated using the liability method of tax accounting. In providing for income taxes, temporary differences between the tax basis of assets or liabilities and their carrying amounts are reflected as deferred income taxes. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred income taxes. Additional details related to the calculation and method of accounting for PILS is included in note 11.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(n) *Significant accounting estimates and judgements*

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates, judgements and assumptions include the following:

Useful lives of depreciable assets - Depreciation and amortization expense is based on estimates of the useful lives of property, plant and equipment and intangible assets. The Company estimates the useful lives of its property, plant and equipment and intangible assets based on management's judgment, historical experience and an asset study conducted by an independent consulting firm.

Payment in lieu of taxes payable - The Company is required to make payments in lieu of taxes calculated on the same basis as income taxes on taxable income earned. Significant judgement is required in determining the provision and liability or asset for income taxes. Changes in deferred taxes may be required due to changes in future tax rates.

Employee future benefits - The cost of providing certain health, dental and life insurance benefits on behalf of its retired employees are determined using actuarial valuations. The actuarial valuation uses managements assumptions which have been outlined in note 20.

Accounts receivable impairment - In determining the allowance for doubtful accounts, the Company considers the life-time expected credit losses that result from all possible default events over the expected life of the account balance.

(o) *Provisions*

A provision is recognized in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Some of the Company's assets may have provision obligations. As the Company expects to use the majority of its fixed assets for an indefinite period, no removal costs can be determined and, consequently, a reasonable estimate of the fair value of any asset retirement obligations has not been made at this time.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(p) *Financial instruments*

Financial assets are identified and classified based on the business model used by the Company for managing those financial assets, as one of the following: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Prior to January 1, 2018, the financial assets were identified and classified as one of the following: measured at fair value through profit or loss or loans and receivables. Financial assets that were not classified in any of the above categories were designated as available-for-sale financial assets. Financial liabilities continue to be classified as measured at fair value through profit or loss or at amortized cost, as there is no change in classification of financial liabilities under IFRS 9.

Financial assets and financial liabilities are presented on a net basis when the Company has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

At amortized cost

Accounts receivable, due from related parties and unbilled revenue are classified as financial assets at amortized cost. These financial assets are recognized initially at fair value plus directly attributable transaction costs, if any. After initial recognition, they are measured at amortized cost when they are held for collection of cash flows, where those cash flows solely represent payments of principal and interest using the effective interest rate. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or a shorter period when appropriate, to the gross carrying amount of the financial asset.

The Company's bank indebtedness, accounts payable and accrued liabilities, customer deposits, subordinate debt, due to related parties and long term debt are classified as financial liabilities at amortized cost and recognized on the date at which the Company becomes a party to the contractual arrangement. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire. Financial liabilities are initially recognized at fair value including discounts and premiums, plus directly attributable transaction costs, such as issue expenses, if any. Subsequently, these liabilities are measured at amortized cost using the effective interest rate method.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(p) *Financial instruments, continued*

At fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows solely represent payments of principal and interest, are classified as financial assets at fair value through other comprehensive income. These financial assets are initially recognized at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income, except for the recognition of impairment losses, reversal of impairment losses, interest income and foreign exchange gains and losses, gain or loss previously recognized in net income. On de-recognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to net income. Interest income from these financial assets is recognized as other income using the effective interest rate method. As at December 31, 2018, the Company does not have any financial assets, classified at fair value through other comprehensive income.

At fair value through profit or loss

Financial instruments at fair value through profit or loss include instruments that are designated as financial instruments at fair value through profit or loss or those financial instruments that do not meet the criteria for classification under any other category. Upon initial recognition, directly attributable transaction costs are recognized in net income as incurred. Changes in fair value of financial instruments measured at fair value through profit or loss are recognized in net income.

Impairment of financial assets at amortized cost

The policy for accounts receivable and unbilled revenue allowances is to measure at an amount equal to the life-time expected credit losses that result from all possible default events over the expected life of a financial instrument. The policy for other financial assets is at life-time expected credit loss if credit risk increased significantly, if not, then at 12-month expected loss.

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(q) *Change in accounting policies*

IFRS 9 Financial Instruments

The Company adopted IFRS 9 using the retrospective approach. The adoption resulted in no impact to the opening balances of retained earnings as of January 1, 2018. IFRS 9 replaces IAS 30 - Financial Instruments: Recognition and Measurement. The new standard amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 retains but simplifies the mixed measurement model and establishes profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The Company's updated accounting policies resulting from implementation of the new standard, along with analysis of the changes from the previous accounting standard as set of in the Financial Instruments section of the significant accounting policies.

IFRS 15 Revenue from Contracts with Customers

The Company adopted IFRS 15 using the modified retrospective approach with the cumulative effect of any adjustments recognized in the opening balance of retained earnings as of January 1, 2018. However, the implementation of IFRS 15 did not result in any adjustment to the retained earnings or to the presentation of the financial statements. IFRS 15 is based on the core principal to recognize revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 focuses on the transfer of control. IFRS 15 replaces all of the revenue guidance that previously existed in IAS 11 - Construction Contracts and IAS 18 - Revenue and related interpretations. The Company's updated accounting policies resulting from implementation of the new standard, along with analysis of the changes from the previous accounting standard are set out in the Revenue Recognition section of the significant accounting policies.



4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(r) *New Standards and interpretations not yet effective or adopted*

Effective for annual periods beginning on or after January 1, 2019

IFRS 16 replaces IAS 17 Leases and brings leases onto companies' balance sheets, increasing the visibility of their assets and liabilities. IFRS 16 removes the classification of leases as either operating or finance leases for the lessee treating all leases as finance leases. Short term and low value assets are exempt from these requirements.

IFRIC 23 Uncertainty over Income Tax Treatments provides guidance on the recognition and measurement of current and deferred tax assets and liabilities under IAS 12 - Income Taxes, where there is uncertainty over income tax treatments.

Effective for annual periods beginning on or after January 1, 2020

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors have been amended by the IASB in October 2018. The amendments clarify the definition of material and how it should be applied. The amendments ensure that the definition is consistent across all IFRS standards. Early adoption is permitted.

The Company is currently assessing the impact that the standards will have on the statements.

5. **SHORT TERM INVESTMENT**

	2018	2017
	\$	\$
Term deposit held with TD Canada Trust at an interest rate of 1.4% per annum with a maturity date of January 4, 2019.	25,084	-

This short-term investment is related to a stand-by letter of guarantee in the amount of \$25,000

6. **ACCOUNTS RECEIVABLE**

	2018	2017
	\$	\$
Accounts receivable	17,512,722	13,354,959
Less: Allowance for doubtful accounts	229,628	80,360
	<u>17,283,094</u>	<u>13,274,599</u>

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



7. **INVESTMENTS**

	2018	2017
	\$	\$
Utility Collaborative Services Inc. (UCS), recorded using the cost method, 100 common shares, 16.7% interest	100	-

Utility Collaborative Services Inc. (UCS) provides billing, mailing, call centre and IT infrastructure services for Midland PUC customers. The Company gave formal notice of retraction of the shares in UCS on January 16, 2019 effective May 16, 2019. The notice period is 3 years or a penalty equal to the previous 3 years of service fees will be levied.

8. **PROPERTY, PLANT AND EQUIPMENT**

	Land and building \$	Distribution equipment \$	Transportation and fibre equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2018	5,768,783	100,777,027	1,584,860	2,045,656	110,176,326
Additions	342,480	18,329,033	2,090,466	656,183	21,418,162
Disposals	(69,278)	(602,099)	(311,366)	(16,637)	(999,380)
At December 31, 2018	6,041,985	118,503,961	3,363,960	2,685,202	130,595,108
Amortization					
At January 1, 2018	36,180	11,577,090	866,788	956,210	13,436,268
Additions	(8,433)	8,291,633	604,484	181,927	9,069,611
Disposals	(8,264)	(182,859)	(226,749)	(16,637)	(434,509)
At December 31, 2018	19,483	19,685,864	1,244,523	1,121,500	22,071,370
Net book value at December 31, 2018	6,022,502	98,818,097	2,119,437	1,563,702	108,523,738

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



8. **PROPERTY, PLANT AND EQUIPMENT, continued**

	Land and building \$	Distribution equipment \$	Transportation and fibre equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2017	5,756,446	96,257,378	1,446,777	1,261,232	104,721,833
Additions	12,337	4,519,649	138,083	784,424	5,454,493
At December 31, 2017	5,768,783	100,777,027	1,584,860	2,045,656	110,176,326
Amortization					
At January 1, 2017	27,068	8,348,699	591,468	790,580	9,757,815
Additions	9,112	3,228,391	275,320	165,630	3,678,453
At December 31, 2017	36,180	11,577,090	866,788	956,210	13,436,268
Net book value at December 31, 2017	5,732,603	89,199,937	718,072	1,089,446	96,740,058

Included in distribution equipment additions is amortization expense of \$86,445 (2017 - \$255,087) and work in progress of \$1,968,992 (2017 - \$15,115). Included in land and building is land with a value of \$5,576,475 (2017 - \$5,556,475). Included in the 2018 cost additions are amounts related to the Midland PUC purchase, refer to note 28 for business combination disclosures.

9. **INTANGIBLE ASSETS**

	Cost \$	Accumulated amortization \$	2018 Net book value \$	2017 Net book value \$
Computer software	1,063,130	723,039	340,091	997,723
Land rights	417,871	76,576	341,295	-
Licensed customer list	7,015,367	-	7,015,367	-
	8,496,368	799,615	7,696,753	997,723

During the year, the Company had additions of \$7,241,801 (2017 - \$737,353), disposals of \$559,719 (2017 - \$Nil) and amortization of \$582,770 (2017 - \$175,389). Additions are a result of the Midland PUC purchase during 2018, refer to note 28 for business combination disclosures.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



10. **GOODWILL**

	Cost \$	Accumulated amortization \$	2018 Net book value \$	2017 Net book value \$
Goodwill	6,864,284	-	6,864,284	-

Goodwill, representing 4.2% of the Company's total assets, is allocated to the entire business as a cash generating unit. The goodwill at December 31, 2018 of \$6,864,334 (2017 - \$Nil) represents the cost of acquired local distribution companies in excess of fair value of the net identifiable assets purchased and is not amortized.

Based on the results of the annual goodwill impairment test, Newmarket determined the recoverable amount of the cash generating unit is more than its carrying value. No impairment has been recorded in the period ended December 31, 2018.

The impairment analysis involves the use of an income approach that relies on estimating the net future cash flows and applying the appropriate discount rate to those future cash flows. This approach employs several assumptions: projected revenue growth, market expectations, financial margin, operating and administrative expenses, working capital requirements, future capital expenditure requirements, income tax rates, regulatory capital management requirements, as well as an appropriate discount rate. If future growth and results of the CGU differs significantly from management's current best estimates, it is reasonably possible that this could have an adverse impact on the estimate recoverable amounts of the CGU, including the amounts allocated to goodwill.

11. **INCOME TAXES**

(a) The provision for income taxes recorded in the consolidated financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 39.5% (2017 - 39.5%) to the income (loss) for the years as follows:

	2018 \$	2017 \$
Income (loss) for the year before income taxes	(1,774,759)	480,415
Net movement in regulatory deferral accounts	4,802,272	3,522,000
	3,027,513	4,002,415
Anticipated income tax	1,195,868	1,580,954
Tax effect of the following:		
Permanent expense differences	8,025	230,026
Other comprehensive income	-	(57,986)
General rate reduction	(393,577)	131,523
Impact of deferred taxes and other	3,219,048	(564,641)
Provision for income taxes	4,029,364	1,319,876

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



11. **INCOME TAXES, continued**

(b) Deferred income tax assets are calculated using the liability method of tax accounting. In providing for income taxes, temporary differences between the tax basis of the underlying assets and their carrying amounts as per the financial statements are reflected as deferred income taxes. When the tax basis is greater than the carrying amount, a deferred tax asset is created. When the tax basis is less than the carrying amount, a deferred tax liability is created. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred income taxes.

	Opening balance at January 1, 2018 \$	Recognize in net income \$	Closing balance at December 31, 2018 \$
Deferred tax assets			
Property, plant and equipment and cumulative eligible capital	2,189,320	(2,189,320)	-
Reserves deductible when paid	277,651	275,200	552,851
Loss carryforward	-	292,071	292,071
	2,466,971	(1,622,049)	844,922

	Opening balance at January 1, 2017 \$	Recognize in net income \$	Closing balance at December 31, 2017 \$
Deferred tax assets			
Property, plant and equipment and cumulative eligible capital	1,859,780	329,540	2,189,320
Reserves deductible when paid	232,275	45,376	277,651
	2,902,055	374,916	2,466,971

	Opening balance at January 1, 2018 \$	Recognize in net income \$	Closing balance at December 31, 2018 \$
Deferred tax liability			
Property, plant and equipment	-	1,498,793	1,498,793
	-	1,498,793	1,498,793

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



11. **INCOME TAXES, continued**

	2018	2017
	\$	\$
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	844,922	2,466,971
Deferred tax liability		
Deferred tax liability to be recovered after more than 12 months	1,498,793	-

The Company expects to be able to use the above tax loss carryforward before expiration. Included in reserves deductible when paid are post-employment benefits and net unrealized losses. Included in tax basis of property, plant and equipment are goodwill and intangible assets.

12. **REGULATORY DEFERRAL ACCOUNTS**

All amounts deferred as regulatory deferral account debit balances are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators. Remaining recovery periods are those expected and the actual recovery or settlement periods could differ based on OEB approval. Due to previous, existing or expected future regulatory articles or decisions, the Company has the following amounts expected to be recovered in future periods which are comprised of the following:

	Note	Remaining recovery/ reversal period (years)	December 31, 2017 \$	Net balances arising/ recovered in the period \$	Recovery/ reversal \$	December 31, 2018 \$
Regulatory deferral account debit						
Retail settlement variance account	i	1	(54,843)	4,438,205	-	4,383,362
Other	ii	A	758,386	1,588,549	-	2,346,935
Deferred tax debit balance	iii	A	2,191,302	2,064,031	-	4,255,333
			2,894,845	8,090,785	-	10,985,630

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



12. **REGULATORY DEFERRAL ACCOUNTS, continued**

Regulatory deferral account credit

Recovery						
account	iv	A	508,729	209,795	(688,655)	29,869
Other	ii	A	203,217	(111,505)	-	91,712
IFRS						
conversion	v	1	7,648,830	(645,620)	(4,378,158)	2,625,052
Deferred tax						
credit						
balance	iii	A	521,340	344,673	-	866,013
			8,882,116	(202,657)	(5,066,813)	3,612,646

- (a) These amounts are expected to reverse when the Company submits their next cost of service filing which is anticipated to be within the next ten years.
- (i) Retail Settlement Variance Account variances represent the difference between the amounts charged by the company to its customers, and the amounts paid by the company to the Independent Electricity System Operator ("IESO") and Hydro One for the cost of energy. The settlement variances include network and connection service charges, energy sales and the global adjustment. The balance for settlement variances and carrying charges are calculated and recorded on a monthly basis.
- (ii) Other Deferral Accounts include debit and credit balances in other regulatory assets, including Lost Revenue Adjustment Mechanism variances, Smart Metering Entity Charge variances, Retail Cost variances, IFRS transition expenditures, payments in lieu of taxes and Smart Meter expenditures. The costs incurred in these deferral accounts have been captured for future recovery or settlement. Carrying charges are recorded monthly on the opening balances.
- (iii) Deferred tax on the regulatory balances that will ultimately be recovered from/paid back to its customers.
- (iv) Recovery Accounts are used to record the disposition of deferral and variance account balances that have been approved by the OEB. The variances are to be recovered or settled when the company submits their next Cost of Service filing.
- (v) In 2012, the Company adjusted the estimated useful life related to the amortization period for certain capital assets, based upon the Ontario Energy Board's regulatory accounting direction as contained in the revised 2012 Accounting Procedures Handbook for Electricity Distributors. As a result of OEB direction related to the settlement of these amounts, the company has recorded a payable in the deferral account of \$2,625,052 (2017 - \$7,648,830).

In 2018, the Company was approved through its annual Incentive Regulation Mechanism (IRM) application to the OEB for the settlement of this balance. The Company is continuing to refund this balance until April 30th of 2019, after which any remainder is expected to be approved for settlement through their 2019 IRM and the amount will be refunded to its respective customers by class over a one year period. This balance also includes \$569,566 of carrying charges based on the Company's weighted average cost of capital.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



13. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2018	2017
	\$	\$
Accounts payable - purchased power	6,329,726	5,201,533
Other trade accounts payable and accrued liabilities	5,030,167	3,249,271
Water and sewer billings payable (note 21)	2,490,850	2,606,698
Credits on customer accounts	1,430,903	1,482,348
Conservation demand management programs	331,761	293,380
	15,613,407	12,833,230

14. **BANK LOAN**

	2018	2017
	\$	\$
Interim construction facility loan	1,200,000	-

The Company has an interim construction facility loan with total credit available of \$3,500,000. The loan is payable on demand with interest to be paid monthly bearing a rate of prime plus 0.25% per annum. The loan will be fully repaid in five years with the proceeds of a committed reducing term facility loan. The contract term starts five years from the date of drawdown of the interim construction facility loan.

A general security agreement covering all assets of Envi Networks Ltd. and assignment of business/liability insurance has been pledged as security for the interim construction facility.

Newmarket-Tay Distribution Ltd. is a limited guarantor of advances in the amount of the \$3,500,000 credit available to Envi Networks Ltd.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



15. **LONG-TERM DEBT**

	2018	2017
	\$	\$
(a) Bank loan payable, 4.41% fixed rate, payable in blended monthly payments of \$50,957	10,142,213	-
(b) Bank loan payable, 4.4% fixed rate, payable in blended monthly payments of \$42,611	7,721,893	-
(c) Bank loan payable, 2.44% fixed rate, payable in blended monthly payments of \$65,738	5,076,065	5,733,071
(d) Bank loan payable, 4.26% fixed rate, payable in blended monthly payments of \$33,088	4,364,933	-
(e) Bank loan payable, 30 day bankers acceptances, interest only, no defined terms of repayment	2,000,000	-
	<u>29,305,104</u>	<u>5,733,071</u>
Less principal payments due within one year	3,232,267	657,006
	<u>26,072,837</u>	<u>5,076,065</u>

(a) The bank loan payable is a 30 year term loan due October 9, 2048 with a payment due at maturity of \$50,957. Refer to note 16 and 32 for details on interest swap agreements.

(b) The bank loan payable is a 10 year term loan due October 10, 2028 with a payment due at maturity of \$5,633,365. Refer to note 16 and 32 for details on interest swap agreements.

(c) The bank loan payable is a 5 year term loan due December 10, 2020 with a payment due at maturity of \$3,771,150. Refer to note 16 and 32 for details on interest swap agreements.

(d) The bank loan payable is a 15 year term loan due October 11, 2033 with a payment due at maturity of \$33,088. Refer to note 16 and 32 for details on interest swap agreements.

(e) The Company has \$4,000,000 available in the form of a demand loan bearing interest at prime plus 0%. As at year-end \$2,000,000 has been drawn upon.

Estimated principal repayments are as follows:

	\$
2019	3,232,267
2020	4,986,701
2021	609,758
2022	636,812
2023	665,056
Subsequent years	19,174,510
	<u>29,305,104</u>

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



16. **INTEREST RATE SWAPS**

To reduce exposure to interest rate fluctuations, the Company entered into four interest rate swaps during the year where they pay a fixed interest rate over the term of the loan. As at December 31, 2018, the mark-to-market loss related to the swap agreement is \$1,296,751.

17. **SUBORDINATE DEBT**

	2018	2017
	\$	\$
Note payable, 5.48% - Township of Newmarket	22,000,000	22,000,000
Note payable, 5.48% - Township of Tay	1,742,821	1,742,821
	23,742,821	23,742,821

Estimated principal repayments are as follows:

	\$
Unspecified	23,742,821

The notes payable are unsecured and have no specific terms of repayment. Since the holders of the notes have confirmed they will not request repayment of this amount during the next fiscal year, these amounts have been classified as a non-current liability in the accompanying financial statements.

18. **DEPOSITS HELD**

Deposits held represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

Deposits from electricity distribution customers are refundable to customers demonstrating an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

Construction Deposits represent cash payments from developers in order to secure the performance of the developer's obligations under the Construction Agreement for Expansion Facilities and Connection Assets Supplied by Developer - Residential Subdivision (The Construction Agreement).

	2018	2017
	\$	\$
Current portion of customer deposits	705,212	498,000
Long-term portion of customer deposits	2,208,681	2,322,251
Long-term portion of construction deposits	217,643	1,020,908
	2,426,324	3,343,159

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



19. **CONTRIBUTED CAPITAL**

	2018	2017
	\$	\$
Deferred contributions, net, beginning of year	31,358,906	30,660,427
Contributed capital received	3,012,023	1,405,507
Contributed capital recognized as revenue (note 24)	(1,229,868)	(707,028)
Deferred contributions, net, end of year	33,141,061	31,358,906

20. **EMPLOYEE FUTURE BENEFITS**

The Company provides certain health, dental and life insurance benefits for retired employees pursuant to the Company's policy. The accrued benefit obligation and net periodic expense for the year were determined by an actuarial valuation. The most recent valuation was performed for December 31, 2017 for Newmarket-Tay Hydro Distribution Limited and December 31, 2016 for Midland PUC, updated for September 7, 2018.

Information about the Company's defined benefit plan is as follows:

	2018	2017
	\$	\$
Accrued benefit obligation, beginning of year	1,047,729	876,508
Accrued benefit obligation, Midland PUC, September 7, 2018	92,705	-
Current service cost	30,207	38,200
Interest expense	36,945	33,300
Benefits paid	(57,174)	(47,079)
Actuarial loss	6,592	146,800
	1,157,004	1,047,729

Current service costs and interest on accrued benefit obligation are recognized in the statement of income. Actuarial losses arising from changes in financial assumptions are accounted for in other comprehensive income. The total benefit costs for the year is \$73,744 (2017 - \$218,300).

The actuarial assumptions used in the valuation of Newmarket-Tay staff are the discount rate of 3.4% (2017 - 3.4%), salary increase rate of 2.8% (2017 - 2.8%), cost trend including health benefits of 5.96% (2017 - 6.20%) and dental benefits 4.5% (2017 - 4.5%) and retirement age of 65 (2017 - 65). The health benefits are expected to decrease at 0.25% per year until 2025 when it reaches 4.50% and dental benefits will remain at 4.50% to 2025. The actuarial assumptions used in the valuation of Midland PUC is a discount rate of 3.7%.

The actuarial assumptions used in the valuation of Midland PUC staff for post-retirement life insurance is an assumed 10% of the total benefit obligation (2017 - 10%).

The impact of a change in the actuarial assumptions would have the following impact on the obligation:

	Reasonable possible change	Defined benefit obligation \$	Difference \$	Difference %
Discount rate	+1%	1,017,100	(139,904)	(12)
Discount rate	-1%	1,335,100	178,096	15

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



21. RELATED PARTY TRANSACTIONS AND ADVANCES FROM PARENT COMPANY

- (a) The Company entered into transactions with its parent, the Town of Newmarket which is the sole shareholder of Newmarket Hydro Holdings Inc. Revenue charged during the year included energy, street light capital and street light maintenance charged at commercial rates to the Town of Newmarket.

Included in accounts payable (note 13) are water and sewer amounts collected which are due to the Town. These amounts are collected and remitted in accordance with a contract with URB Olameter and remitted on their behalf.

Included in subordinate debt (note 17) are notes payable to related parties.

- (b) Transactions

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2018	2017
	\$	\$
Revenue		
Energy sales	2,707,348	2,035,574
Services - Street light capital	1,380	25,770
Services - Street light maintenance	19,686	59,268
	<u>2,728,414</u>	<u>2,120,612</u>
Expenses		
Interest	1,205,600	1,205,600
Rent and property tax	440,874	424,988
	<u>1,646,474</u>	<u>1,630,588</u>

- (c) The following amount is due from the Town of Newmarket and included in the financial statements:

	2018	2017
	\$	\$
Accounts receivable	310,709	310,627

The key management personnel of the company has been defined as members of its board of directors, executives, and other management personnel. Total wages and benefits to these individuals total \$2,606,622 (2017 - \$2,136,294).

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



22. **SHARE CAPITAL**

Authorized

Unlimited number of common shares

Issued

	2018	2017
	\$	\$
10,000 Common shares	29,609,342	29,609,342

23. **NON-CONTROLLING INTEREST**

The changes in non-controlling interest consist of:

	2018	2017
	\$	\$
Non controlling interest, beginning of year	3,405,162	3,350,906
Income	56,282	162,809
Dividends paid	(214,400)	(101,000)
Other comprehensive income	-	(7,553)
Investment in Envi Networks Ltd.	134,400	-
Non-controlling interest, end of year	3,381,444	3,405,162

24. **OTHER INCOME**

Other income consists of the following:

	2018	2017
	\$	\$
Account set up fees	132,142	121,290
Pole rentals	237,278	137,535
Collection charges	125,994	133,932
Non rate-regulated utility operations, net	214,034	-
Recognition of contributed capital (note 19)	1,229,868	707,028
Other	286,328	120,187
Other income	2,225,644	1,219,972

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



25. **OPERATING EXPENSES**

Operating expenses consist of the following:

	2018	2017
	\$	\$
Wages and benefits	5,295,734	4,253,254
Materials, equipment and other operating expenses	2,098,184	1,678,827
Administration and overhead	5,116,971	3,472,811
Operating expenses	12,510,889	9,404,892

The prior year amounts have been restated to conform to current year classifications.

26. **FINANCE INCOME AND FINANCE COSTS**

Finance income recognized in net income consists of the following:

	2018	2017
	\$	\$
Interest income on accounts receivable	188,923	186,503
Income on cash balance	130,329	109,120
Interest income on regulatory balances	92,962	27,137
	412,214	322,760

Finance costs recognized in net income consists of the following:

	2018	2017
	\$	\$
Interest on long-term debt	1,696,765	1,448,363
Customer deposit interest	40,803	33,048
	1,737,568	1,481,411

27. **CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

	2018	2017
	\$	\$
Decrease (increase) in accounts receivable	(3,965,095)	823,941
Decrease (increase) in unbilled revenue	(2,635,259)	2,145,538
Decrease (increase) in inventories	(23,240)	16,195
Decrease (increase) in prepaid expenses	(178,192)	201,361
Increase (decrease) in accounts payable and accrued liabilities	2,780,177	(1,641,205)
Increase (decrease) in deposits held	(709,623)	833,681
Interest received	412,214	322,760
Taxes paid	(1,715,758)	(1,528,000)
Taxes received	5,687	1,199,595
	(6,029,089)	2,373,866

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



28. **BUSINESS COMBINATIONS**

Effective September 7, 2018, the Company acquired all issued and outstanding common shares of Midland Power Utility Corporation ("Midland PUC"), an Ontario regulated local distribution company, from the Corporation of the Town of Midland. The acquisition was accounted for by the purchase method. The total purchase price for Midland PUC was \$21,969,487 plus working capital adjustment of \$256,147. The results of operations are included in the accounts from the effective date of acquisition. Details of the acquisition are as follows:

	\$
Fair value of net assets acquired:	
Cash and cash equivalents	291,344
Property, plant and equipment	13,911,878
Intangible assets	7,073,929
Regulatory assets	989,212
Goodwill	6,695,577
Long-term investments	100
Deferred Taxes	24,103
Working capital	(449,651)
Contributions in aid of construction	(2,142,898)
Customer and construction deposits	(223,845)
Long-term debt	(3,577,070)
Employee future benefits	(92,705)
Deferred taxes	(274,339)
	<u>22,225,635</u>
	\$
Consideration given:	<u>22,225,635</u>

Goodwill of approximately \$5,435,577 arising from the Midland PUC acquisition consists largely of the synergies and economies of scale expected from combining the operations of Newmarket and Midland PUC. This is in addition to goodwill of \$1,260,000 previously recorded as an asset by Midland PUC. Midland PUC contributed revenues of \$6,040,431 and \$285,871 of net loss to the Company's financial results for the year ended December 31, 2018. All costs related to the acquisition have been expensed through the Statement of Income.

29. SHORT TERM CREDIT FACILITIES

The Company has \$7,250,000 available in operating facilities from a major chartered bank, reduced from \$11,750,000 in the year. The facilities include a 364 day committed revolving operating loan, bearing interest at prime plus 0%, to be repaid within one year from date of acquisition unless extended by the bank. A commitment fee of 0.125% per annum, payable quarterly applies to any unused portion of the facility. As at December 31, 2018 the Company has \$2,865,805 (2017 - \$Nil) on this facility with reconciling items of \$915,182. The operating loan includes restrictive clauses with respect to repayment.

The Company has provided prudential support in the amount of \$3,861,670 to the Independent Electricity System Operator. The prudential support is secured by a letter of credit with a major chartered bank for \$3,861,670, contains restrictive clauses with respect to debt repayments and bears interest at 0.5% per annum.

A general security agreement covering all assets of the Company and assignment of business/liability insurance has been pledged as security for the operating facilities. At December 31, 2018, the Company was in compliance with all covenants.

Included in the Company's bank indebtedness balance is restricted cash in the amount of \$244,015, which consists of monies received by the Company from the Ontario provincial government to administer the Affordability Fund Trust (AFT) program.

The AFT was established as part of the Fair Hydro Act, to serve house-holds not eligible for income qualified electricity support services. The AFT exists as a legal trust and the Company is only able to offer disbursements to qualified beneficiaries.

30. PENSION AGREEMENT

The Company makes contributions to the Ontario Municipal Employees' Retirement Fund (O.M.E.R.S.), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of retirement benefits to be received by the employees based on the length of service and rates of pay.

The amount contributed to O.M.E.R.S. for the year ended was \$511,737 (2017 - \$423,036).

31. CAPITAL DISCLOSURES

The Company's primary objective when managing capital is to address the expectations as provided in the Shareholder Agreement with its shareholder, the Town of Newmarket. The expectation is that the Company will maintain a prudent financial structure in order to safeguard the Company's assets and to provide adequate returns for its shareholders and benefits to the stakeholders.

Changes to the Company's capital structure are constrained by existing covenants contained in the banking agreement. The Company must maintain a maximum debt to capitalization ratio of 0.60 to 1 and maintain a debt service coverage ratio of 1.2. As at year end the Company is compliant with these covenants.

32. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash, accounts receivable, unbilled revenue which will result in future cash receipts, as well as accounts payable and accrued liabilities, bank loan, deposits held, due to shareholder, long-term debt and subordinate debt which will result in future cash outflows.

The Company does not believe that it is exposed to significant foreign exchange risk.

The Company is exposed to the following risks in respect of certain financial instruments held:

(a) *Interest rate risk*

The Company manages exposure to interest rate risk through a combination of fixed and floating rate borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate cash flow risk to the extent that the floating rate credit facility bears interest at a floating rate. The Company is also exposed to interest rate price risk to the extent that loans bear interest at fixed rates and has entered into an interest rate swap arrangement to manage the impact of fluctuating interest rates on bank loan payable. The swaps require the periodic exchange of interest payments without the exchange of the notional principal amount on which the payments are based (notes 15, 16 and 21).

(b) *Credit risk*

Financial assets carry credit risk that a counter-party will fail to discharge an obligation which would result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers located in the service area. No single customer accounts for revenue in excess of 10% of total revenue.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of related impairment loss is recognized in the statement of income. Subsequent recoveries of receivables previously provisioned are credited to the income statement. The balance of the allowance for impairment at December 31, 2018 is \$229,628 (2017 - \$80,360). The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The Company has approximately 43,970 customers, the majority of which are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2018, the Company holds security deposits in the amount of \$3,131,536 (2017 - \$3,841,159). The Company's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk. The accounts receivable balance is expected to be fully repaid within 90 days excluding the allowance for doubtful accounts portion of the balance.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2018



32. **FINANCIAL INSTRUMENTS, continued**

(c) *Liquidity risk*

The Company does have a liquidity risk in accounts payable and accrued liabilities of \$15,613,407 (2017 - \$12,833,230). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long-term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low and is not material.

The following are contractual maturities of financial liabilities, including estimated interest payments:

	Between 0 -3 Months \$	Between 4 - 12 months \$	Over 1 year \$
Accounts payable and accrued liabilities	15,613,407	-	-
Deposits held	176,303	528,909	2,426,324
Long-term debt	808,067	2,424,200	49,815,658
Employee future benefits	-	-	1,157,004
Bank loan	-	-	1,200,000
	<u>16,597,777</u>	<u>2,953,109</u>	<u>54,598,986</u>

The bank loan is classified as current in the statement of financial position given the demand features of the loan. The expected payment of the loan is in 5 years and therefore, has been shown as due in over 1 year above.

33. **COMMITMENT**

The Company is in negotiations with the Town of Newmarket on a new lease agreement for the building which was not finalized as of the report date.

The Company entered into a 10 year lease agreement on September 7, 2018, with the Town of Midland, to rent office space for minimum lease payments of \$7,896 per month. In addition, an agreement was entered into with the Town of Midland to lease various substation properties for a period of twelve years at \$49,980 per annum for the first five years, followed by fair market rental rate per annum for the remaining term of the lease.

34. CONTINGENT LIABILITIES

(a) In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. The guarantees include indemnities under lease agreements, purchase and sale agreements, confidentiality agreements, outsourcing, service and information agreements. The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability related to the likelihood and predictability of future events. Historically, the Company has not made any significant payments under similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

(b) Indemnity has been provided to all directors and/or officers of the Company for various items including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential suits or actions. The amount of any potential future liability which exceeds the amount of insurance coverage cannot reasonably be determined.

(c) The Company participates with other municipal utilities in Ontario in an agreement to exchange reciprocal contracts of indemnity through the Municipal Electric Association Reciprocal Insurance Exchange. Under this agreement, the Company is contingently liable for additional assessments to the extent that premiums collected are not sufficient to cover actual losses, claims and costs experienced.

35. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. Due to a special audit performed in 2018, there was a reclass of \$1,813,255 between cost of power purchased and net movement in regulatory deferral accounts. The changes do not affect retained earnings or equity and is solely a reclass between accounts receivable and the regulatory deferral account balances on the balance sheet.

36. SUBSEQUENT EVENT

Subsequent to year end, the Company purchased shares in CustomerFirst, for total consideration of \$5,339. CustomerFirst designs high-quality energy efficient and renewable energy programs through partnerships with electric utilities, gas utilities and government agencies. This investment will be accounted for using the equity method.

FINANCIAL STATEMENTS OF**NEWMARKET-TAY POWER
DISTRIBUTION LTD.****December 31, 2018****TABLE OF CONTENTS**

	Page
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1 - 2
Statement of Changes in Equity and Accumulated Other Comprehensive Income	3
Statement of Income	4
Statement of Comprehensive Income	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 39



Baker Tilly KDN LLP
 272 Charlotte Street
 Peterborough, ON
 Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
 Newmarket-Tay Power Distribution Ltd.

D: 705.742.3418
 F: 705.742.9775

www.bakertilly.ca

Opinion

We have audited the financial statements of Newmarket-Tay Power Distribution Ltd., which comprise the statement of financial position as at December 31, 2018, and the statements of changes in equity and accumulated other comprehensive income, income, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with IFRS.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawarthas LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

Emphasis of Matter

We draw attention to note 1 and note 24 of the financial statements, which describes the purchase of Midland Power Utility Company effective September 7, 2018.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT, continued*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 30, 2019

NEWMARKET-TAY POWER DISTRIBUTION LTD.
STATEMENT OF FINANCIAL POSITION
As at December 31, 2018



	2018	2017
	\$	\$
ASSETS		
Current assets		
Cash (note 25)	-	10,381,961
Accounts receivable	17,287,521	13,274,180
Inventories	882,196	858,956
Prepaid expenses	447,373	281,898
Income taxes receivable	1,489,892	676,424
Unbilled revenue	11,856,298	9,221,039
	<u>31,963,280</u>	<u>34,694,458</u>
Non current		
Long-term investment (note 4)	100	-
Property, plant and equipment (note 5)	107,395,992	96,737,276
Intangible assets (note 6)	7,681,517	997,723
Goodwill (note 7)	6,864,284	-
Deferred income taxes (note 8)	552,850	2,466,971
Refundable deposit	-	1,000,000
	<u>122,494,743</u>	<u>101,201,970</u>
	154,458,023	135,896,428
Regulatory deferral account debit balances and related deferred tax (note 9)	<u>10,985,630</u>	<u>2,894,845</u>
	<u>165,443,653</u>	<u>138,791,273</u>

The accompanying notes are an integral part of these financial statements

NEWMARKET-TAY POWER DISTRIBUTION LTD.
STATEMENT OF FINANCIAL POSITION, continued
As at December 31, 2018



	2018	2017
	\$	\$
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness (note 25)	3,536,972	-
Accounts payable and accrued liabilities (note 10)	15,345,360	12,823,488
Current portion of long-term debt (note 11)	3,232,267	657,006
Current portion of deposits held (note 15)	705,212	498,000
	<u>22,819,811</u>	<u>13,978,494</u>
Non current		
Long-term debt (note 11)	26,072,837	5,076,065
Interest rate swaps (note 12)	1,296,751	-
Subordinate Debt (note 13)	23,742,821	23,742,821
Contributed capital (note 14)	33,141,061	31,358,906
Deferred income taxes (note 8)	1,483,328	-
Advances from parent company (note 17)	2,450,663	2,636,879
Deposits held (note 15)	2,426,324	3,343,159
Employee future benefits (note 16)	1,157,004	1,047,729
	<u>91,770,789</u>	<u>67,205,559</u>
	<u>114,590,600</u>	<u>81,184,053</u>
Shareholders' equity		
Share capital (note 18)	27,140,206	27,140,206
Retained earnings	20,067,228	21,551,925
Accumulated other comprehensive income	32,973	32,973
	<u>47,240,407</u>	<u>48,725,104</u>
	<u>161,831,007</u>	<u>129,909,157</u>
Regulatory deferral account credit balances and related deferred tax (note 9)	3,612,646	8,882,116
	<u>165,443,653</u>	<u>138,791,273</u>

Guarantee (note 19)

Approved on behalf of the Board

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

NEWMARKET-TAY POWER DISTRIBUTION LTD.**STATEMENT OF CHANGES IN EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME**

For the year ended December 31, 2018



	Share capital \$	Retained earnings \$	Accumulated other comprehensive income \$	Total \$
Balance, December 31, 2016	27,140,206	20,663,101	140,871	47,944,178
Net income for the year	-	2,325,824	-	2,325,824
Other comprehensive loss	-	-	(107,898)	(107,898)
Dividends paid	-	(1,437,000)	-	(1,437,000)
Balance, December 31, 2017	27,140,206	21,551,925	32,973	48,725,104
Net income for the year	-	1,572,303	-	1,572,303
Dividends paid	-	(3,057,000)	-	(3,057,000)
Balance, December 31, 2018	27,140,206	20,067,228	32,973	47,240,407

The accompanying notes are an integral part of these financial statements

NEWMARKET-TAY POWER DISTRIBUTION LTD.
STATEMENT OF INCOME
For the year ended December 31, 2018



	2018	2017
	\$	\$
Revenue		
Distribution revenue	21,616,917	15,108,008
Cost of power revenue	80,224,152	74,225,796
	101,841,069	89,333,804
Cost of power purchased	85,026,423	75,934,541
Gross profit	16,814,646	13,399,263
Other income (note 20)	2,225,644	1,219,972
Gross income from operations	19,040,290	14,619,235
Expenses		
Amortization	6,127,765	3,598,756
Operating expenses (note 21)	11,592,217	9,398,125
Loss on interest rate swap (note 12)	1,296,751	-
Gain on disposal of property, plant and equipment	(469,800)	(23,480)
	18,546,933	12,973,401
Income before undernoted items and income taxes	493,357	1,645,834
Finance income (note 22)	(412,185)	(322,760)
Finance costs (note 22)	1,845,190	1,602,606
Income (loss) before income taxes and net movement in regulatory deferral accounts, net of deferred tax	(939,648)	365,988
Provision for income taxes (note 8)		
Current	877,089	823,576
Deferred	3,397,449	473,987
	4,274,538	1,297,563
Loss before net movement in regulatory deferral accounts, net of deferred tax	(5,214,186)	(931,575)
Net movement in regulatory deferral accounts, net of deferred tax	6,786,489	3,257,399
Net income for the year	1,572,303	2,325,824

The accompanying notes are an integral part of these financial statements

NEWMARKET-TAY POWER DISTRIBUTION LTD.
STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2018



	2018	2017
	\$	\$
Net income for the year	1,572,303	2,325,824
Comprehensive loss		
Actuarial loss, not reclassified to net income	-	(146,800)
Actuarial loss related deferred income tax not reclassified to net income	-	38,902
Comprehensive loss	-	(107,898)
Net income and comprehensive income (loss) for the year	1,572,303	2,217,926

The accompanying notes are an integral part of these financial statements

NEWMARKET-TAY POWER DISTRIBUTION LTD.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018



	2018	2017
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Net income for the year	1,572,303	2,325,824
Items not affecting cash		
Amortization of property, plant and equipment	5,945,076	3,678,454
Amortization of intangible asset	581,968	175,389
Deferred income taxes	3,397,449	473,987
Loss (gain) on disposal of property, plant and equipment	483,939	(23,480)
Change in employee future benefits	109,275	24,388
Current income tax	877,089	823,576
Net finance costs	1,433,005	1,279,846
Recognition of contributed capital	(1,229,868)	(707,028)
Loss on interest rate swap	1,296,751	-
	14,466,987	8,050,956
Change in non-cash working capital items (note 23)	(6,303,438)	2,391,201
	8,163,549	10,442,157
Investing activities		
Purchase of long-term investment	(100)	-
Purchase of property, plant and equipment	(17,127,731)	(5,454,493)
Proceeds on disposal of property, plant and equipment	-	23,480
Change in regulatory deferral accounts	(13,360,255)	(391,411)
Purchase of intangible assets	(7,225,762)	(737,353)
Refundable deposit	1,000,000	(1,000,000)
Proceeds of contributed capital	3,012,023	1,405,507
Purchase of goodwill	(6,864,284)	-
	(40,566,109)	(6,154,270)
Financing activities		
Repayment of long-term debt	(747,844)	(641,184)
Proceeds of long-term debt	24,319,877	-
Advances from parent company	(186,216)	83,234
Interest paid	(1,845,190)	(1,602,606)
Dividends paid	(3,057,000)	(1,437,000)
	18,483,627	(3,597,556)
Increase (decrease) in cash	(13,918,933)	690,331
Cash - beginning of year	10,381,961	9,691,630
Cash (bank indebtedness) - end of year	(3,536,972)	10,381,961

The accompanying notes are an integral part of these financial statements



1. NATURE OF OPERATIONS

Newmarket-Tay Power Distribution Ltd. (the "Company") is a subsidiary of Newmarket Hydro Holdings Inc. and was formed as a result of the amalgamation of Newmarket Hydro Ltd. and Tay Hydro Electric Distribution Company Inc. on May 1, 2007. The purchase of Midland Power Utility Corporation ("Midland PUC") was approved by the Ontario Energy Board (OEB) in 2018. Midland PUC was amalgamated by the Company effective September 7, 2018. Tay Hydro Inc. has a 7% non-controlling interest in the Company. The address of its registered office and its principal place of business is 590 Steven Ct, Newmarket, ON L3Y 6Z2.

The principal activity of the Company is to distribute electricity to the residents and businesses in the Town of Newmarket, Town of Midland and the Township of Tay under licence issued by the Ontario Energy Board (OEB). The Company is regulated by the OEB and adjustments to its distribution rates require OEB approval.

2. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements for the year ended December 31, 2018 were approved and authorized for issue by the board of directors on April 30, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant accounting policies are detailed as follows:

(a) Basis of measurement

The financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at their fair values, as explained in the relevant accounting policies.

The financial statements are presented in Canadian dollars which is also the Company's functional currency.

(b) Electricity regulation

The Company is licensed and regulated by the Ontario Energy Board (OEB). The OEB is charged with the responsibility of approving rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfil obligations to connect and service customers.

The following regulatory policy is practiced in a rate regulated environment:

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(b) *Electricity regulation, continued*

Regulatory accounts

Regulatory accounts represent future revenue or expenses incurred in the current or prior periods that are expected to be recovered (repaid) through the rate setting process.

These assets and liabilities include various rate and retail variance accounts which arise from differences in amounts billed to customers (based on regulated rates) and the actual cost of electricity services to the Company. These amounts are accumulated for accounting purposes because it is probable that they will be recovered (repaid) in future rates. The Company continually assesses the likelihood of the recovery of regulatory assets and likelihood of repayment of regulatory liabilities. If recovery or repayment is no longer considered probable, the amounts are charged to operations in the year the assessment is made.

Regulatory accounts recognized at December 31, 2018 and December 31, 2017 are disclosed in note 9.

(c) *Revenue recognition*

The Company recognizes revenue when it transfers control over a promised good or service, a performance obligation under the contract, to a customer and where the company is entitled to consideration as a result of completion or the performance obligation.

Prior to January 1, 2018, revenue was recognized to the extent that it was probable that economic benefits will flow to the company and that the revenue can be reliably measured.

Distribution Revenue

Distribution revenue is measured based on the OEB approved rate and the meter readings for customer usage, net of sales tax and debt retirement charge. Distribution revenue also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. Revenue is recognized as electricity is delivered and consumed by customers and measured.

Cost of Power Revenue

Cost of power revenue is recorded on the basis of the power billed by the Independent Electricity System Operator ("IESO").

Contributed Capital

Contributed capital represent certain items of property, plant and equipment which are acquired or constructed with financial assistance in the form of contributions from developers. Prior to January 1, 2018 such contributions, whether in cash or in-kind, were recognized as contributed capital and amortized into income over the life of the related assets. Contributed capital in-kind were valued at their fair value at the date of their contribution.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Revenue recognition, continued

On implementation of IFRS 15, contributions received from customers where the Company has an ongoing performance obligation to the customer are within the scope of IFRS 15. These contributions will be initially recorded at fair value recognized on a straight-line basis over the estimated life of the contract with the customers. Where contracts are perpetual, the contributed asset will be used to provide ongoing goods or services to customers and, as such, the estimated life of the contract with the customers is estimated to be equivalent to the economical useful life of the asset to which the contribution relates.

Contributions from developers are not within the scope of IFRS 15 as they do not give rise to a contract with a customer. Currently, there is no specific IFRS guidance on accounting for contributions received from developers. The Company has an accounting policy for the initial recognition of such contributions and subsequent recognition of the related revenue, as described in note 3(h).

Conservation and Demand Management Revenue

Revenues related to Conservation and Demand Management ("CDM") agreements with the Independent Electricity System Operator ("IESO") are recognized on a net basis. Performance fees are recognized as CDM programs are delivered.

Other Income

Other operating revenue is recorded when services are provided.

(d) Cash

Cash consists of balances with financial institutions.

(e) Inventories

Inventories, which consist of parts and supplies acquired for internal construction or consumption, are valued at the lower of cost and net realizable value. Cost is determined on a weighted-moving average basis and includes expenditures incurred in acquiring the inventories and other costs to bring the inventories to their existing location and condition.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset or its development when those costs are necessarily incurred for the asset to function in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

All assets having limited useful lives are depreciated using the straight-line or declining balance method over their estimated useful lives. Assets are depreciated from the date of acquisition. Internally constructed assets are depreciated from the time an asset is capable of operating in the manner intended by management.

In the year of acquisition, depreciation is taken at one-half of the below rates on buildings, distribution equipment, transportation equipment, office and other.

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

The methods of depreciation and depreciation rates applicable for each class of asset are as follows:

Buildings	25-30 years
Distribution equipment	10-50 years
Transportation equipment	5-10 years
Office and other	5-10 years

An impairment loss is recognized when the carrying amount of these assets is not recoverable and exceeds their fair value.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) *Goodwill and intangible assets*

Intangible assets include computer software, land rights, licensed customer lists and goodwill. They are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, if applicable. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The useful lives of the intangibles are as follows:

Computer software	3-5 years
Land rights	30 years
Licensed customer list	not amortized
Goodwill	not amortized

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software, (expenditures relating to patches and other minor updates as well as their installation), are expensed as incurred.

Land rights are capitalized based on the payments made for easements, right of access and right of use over land for which the Company does not hold title. Land rights are measured at cost less accumulated amortization and accumulated impairment losses.

The licensed customer list is measured at cost and not amortized but assessed for impairment annually.

Goodwill represents the cost of acquired local distribution companies in Midland in excess of fair value of the net identifiable assets purchased. Goodwill is measured at cost and is not amortized but assessed for impairment annually.

(h) *Contributed capital*

Contributions for capital construction consists of contributions from customers and developers toward the cost of constructing distribution assets. The contributions are calculated through an economic evaluation as per the OEB Distribution Service Code (represents fair value) and are recorded as received. Contributed capital is amortized over the same period as the asset to which they relate, 10 to 50 years.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(i) *Impairment of non-financial assets*

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, intangible assets, goodwill and regulatory deferral account debit balances to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(j) *Related parties*

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Details of related party transactions and balances are disclosed in note 17.



3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(k) Employee future benefits

The Company accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi employer public sector pension fund, as a defined contribution plan. Both participating employers and employees are required to make plan contributions based on the participating employees' contributory earnings. The Company recognizes the expense related to this plan as contributions are made. No liability has been established for this plan.

The Company pays certain medical and life insurance benefits on behalf of its retired employees. These plans are not funded and accordingly have no plan assets. The Company's net obligation is calculated by estimating the amount of future benefits that are expected to be paid out discounted to determine its present value. This calculation is actuarially performed using the projected unit credit method. The last full valuation performed was as at December 31, 2017 for Newmarket-Tay Power Distribution Limited and December 31, 2016, updated to September 7, 2018, for Midland Power Utility Company ("Midland PUC"). Service costs are recognized in the Statement of Income in operating expenses, and include current and past service costs as well as gains and losses on curtailment. Net interest expense is included in finance costs.

Details related to the post-employment benefits are detailed in note 16.

(l) Income taxes

Under the Electricity Act, 1998, the Company is required to make payments in lieu of income taxes (PILS) to the Ontario Electricity Financial Corporation (OEFC). Deferred income taxes are calculated using the liability method of tax accounting. In providing for income taxes, temporary differences between the tax basis of assets or liabilities and their carrying amounts are reflected as deferred income taxes. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred income taxes. Additional details related to the calculation and method of accounting for PILS is included in note 8.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(m) Significant accounting estimates and judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates, judgements and assumptions include the following:

Useful lives of depreciable assets - Depreciation and amortization expense is based on estimates of the useful lives of property, plant and equipment and intangible assets. The Company estimates the useful lives of its property, plant and equipment and intangible assets based on management's judgment, historical experience and an asset study conducted by an independent consulting firm.

Payment in lieu of taxes payable - The company is required to make payments in lieu of taxes calculated on the same basis as income taxes on taxable income earned. Significant judgement is required in determining the provision and liability or asset for income taxes. Changes in deferred taxes may be required due to changes in future tax rates.

Employee future benefits - The cost of providing certain health, dental and life insurance benefits on behalf of its retired employees are determined using actuarial valuations. The actuarial valuation uses managements assumptions which have been outlined in note 15.

Accounts receivable impairment - In determining the allowance for doubtful accounts, the Company considers the life-time expected credit losses that result from all possible default events over the expected life of the account balance.

(n) Provisions

A provision is recognized in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Some of the Company's assets may have provision obligations. As the Company expects to use the majority of its fixed assets for an indefinite period, no removal costs can be determined and, consequently, a reasonable estimate of the fair value of any asset retirement obligations has not been made at this time.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(o) *Financial Instruments*

Financial assets are identified and classified based on the business model used by the Company for managing those financial assets, as one of the following: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Prior to January 1, 2018, the financial assets were identified and classified as one of the following: measured at fair value through profit or loss or loans and receivables. Financial assets that were not classified in any of the above categories were designated as available-for-sale financial assets. Financial liabilities continue to be classified as measured at fair value through profit or loss or at amortized cost, as there is no change in classification of financial liabilities under IFRS 9.

Financial assets and financial liabilities are presented on a net basis when the Company has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

At amortized cost

Accounts receivable, due from related parties and unbilled revenue are classified as financial assets at amortized cost. These financial assets are recognized initially at fair value plus directly attributable transaction costs, if any. After initial recognition, they are measured at amortized cost when they are held for collection of cash flows, where those cash flows solely represent payments of principal and interest using the effective interest rate. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or a shorter period when appropriate, to the gross carrying amount of the financial asset.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(o) *Financial Instruments, continued*

The Company's bank indebtedness, accounts payable and accrued liabilities, customer deposits, subordinate debt, due to related parties and long term debt are classified as financial liabilities at amortized cost and recognized on the date at which the Company becomes a party to the contractual arrangement. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire. Financial liabilities are initially recognized at fair value including discounts and premiums, plus directly attributable transaction costs, such as issue expenses, if any. Subsequently, these liabilities are measured at amortized cost using the effective interest rate method.

At fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows solely represent payments of principal and interest, are classified as financial assets at fair value through other comprehensive income. These financial assets are initially recognized at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income, except for the recognition of impairment losses, reversal of impairment losses, interest income and foreign exchange gains and losses, gain or loss previously recognized in net income. On de-recognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to net income. Interest income from these financial assets is recognized as other income using the effective interest rate method. As at December 31, 2018, the Company does not have any financial assets, classified at fair value through other comprehensive income.

At fair value through profit or loss

Financial instruments at fair value through profit or loss include instruments that are designated as financial instruments at fair value through profit or loss or those financial instruments that do not meet the criteria for classification under any other category. Upon initial recognition, directly attributable transaction costs are recognized in net income as incurred. Changes in fair value of financial instruments measured at fair value through profit or loss are recognized in net income.

Impairment of financial assets at amortized cost

The policy for accounts receivable and unbilled revenue allowances is to measure at an amount equal to the life-time expected credit losses that result from all possible default events over the expected life of a financial instrument. The policy for other financial assets is at life-time expected credit loss if credit risk increased significantly, if not, then at 12-month expected loss.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(p) Change in Accounting Policies

IFRS 9 Financial Instruments

The Company adopted IFRS 9 using the retrospective approach. The adoption resulted in no impact to the opening balances of retained earnings as of January 1, 2018. IFRS 9 replaces IAS 30 - Financial Instruments: Recognition and Measurement. The new standard amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 retains but simplifies the mixed measurement model and establishes profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The Company's updated accounting policies resulting from implementation of the new standard, along with analysis of the changes from the previous accounting standard as set out in the Financial Instruments section of the significant accounting policies.

IFRS 15 Revenue from Contracts with Customers

The Company adopted IFRS 15 using the modified retrospective approach with the cumulative effect of any adjustments recognized in the opening balance of retained earnings as of January 1, 2018. However, the implementation of IFRS 15 did not result in any adjustment to the retained earnings or to the presentation of the financial statements. IFRS 15 is based on the core principal to recognize revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 focuses on the transfer of control. IFRS 15 replaces all of the revenue guidance that previously existed in IAS 11 - Construction Contracts and IAS 18 - Revenue and related interpretations. The Company's updated accounting policies resulting from implementation of the new standard, along with analysis of the changes from the previous accounting standard are set out in the Revenue Recognition section of the significant accounting policies.



3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(q) *New Standards and interpretations not yet effective or adopted*

Effective for annual periods beginning on or after January 1, 2019

IFRS 16 replaces IAS 17 Leases and brings leases onto companies' balance sheets, increasing the visibility of their assets and liabilities. IFRS 16 removes the classification of leases as either operating or finance leases for the lessee treating all leases as finance leases. Short term and low value assets are exempt from these requirements.

IFRIC 23 Uncertainty over Income Tax Treatments provides guidance on the recognition and measurement of current and deferred tax assets and liabilities under IAS 12 - Income Taxes, where there is uncertainty over income tax treatments.

Effective for annual periods beginning on or after January 1, 2020

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors have been amended by the IASB in October 2018. The amendments clarify the definition of material and how it should be applied. The amendments ensure that the definition is consistent across all IFRS standards. Early adoption is permitted.

The Company is currently assessing the impact that the standards will have on the statements.

4. **LONG-TERM INVESTMENT**

	2018	2017
	\$	\$
Utility Collaborative Services Inc. (UCS), recorded using the cost method, 100 common shares, 16.7% interest	100	-

Utility Collaborative Services Inc. (UCS) provides billing, mailing, call centre and IT infrastructure services for Midland PUC customers. The Company has given formal notice of retraction of the shares in UCS on January 16, 2019 effective May 16, 2019. The notice period is 3 years or a penalty equal to the previous 3 years of service fees will be levied.

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



5. **PROPERTY, PLANT AND EQUIPMENT**

	Land and building \$	Distribution equipment \$	Transportation equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2018	5,766,004	100,777,027	1,584,860	2,045,656	110,173,547
Additions	20,000	18,329,033	1,276,849	644,025	20,269,907
Disposals	(69,278)	(602,099)	(311,366)	(16,637)	(999,380)
At December 31, 2018	5,716,726	118,503,961	2,550,343	2,673,044	129,444,074
Amortization					
At January 1, 2018	36,181	11,577,090	866,789	956,211	13,436,271
Additions	(11,186)	8,291,633	585,132	180,741	9,046,320
Disposals	(8,264)	(182,859)	(226,749)	(16,637)	(434,509)
At December 31, 2018	16,731	19,685,864	1,225,172	1,120,315	22,048,082
Net book amount at December 31, 2018	5,699,995	98,818,097	1,325,171	1,552,729	107,395,992

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



5. **PROPERTY, PLANT AND EQUIPMENT, continued**

	Land and building \$	Distribution equipment \$	Transportation equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2017	5,753,667	96,257,378	1,446,777	1,261,232	104,719,054
Additions	12,337	4,519,649	138,083	784,424	5,454,493
At December 31, 2017	5,766,004	100,777,027	1,584,860	2,045,656	110,173,547
Amortization					
At January 1, 2017	27,069	8,348,700	591,468	790,580	9,757,817
Additions	9,112	3,228,390	275,321	165,631	3,678,454
At December 31, 2017	36,181	11,577,090	866,789	956,211	13,436,271
Net book amount at December 31, 2017	5,729,823	89,199,937	718,071	1,089,445	96,737,276

Included in distribution equipment additions is amortization expense of \$86,445 (2017 - \$255,087) and work in progress of \$1,968,992 (2017 - \$15,115). Included in land and building is land with a value of \$5,576,475 (2017 - \$5,556,475). Included in the 2018 cost additions are amounts related to the Midland PUC purchase. Refer to note 24.

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



6. **INTANGIBLE ASSETS**

	Cost \$	Accumulated amortization \$	2018 Net book value \$
Computer software	1,047,092	722,237	324,855
Land rights	417,871	76,576	341,295
Licensed customer list	7,015,367	-	7,015,367
	8,480,330	798,813	7,681,517

	Cost \$	Accumulated amortization \$	2017 Net book value \$
Computer software	1,413,910	753,635	660,275
Land rights	400,375	62,927	337,448
	1,814,285	816,562	997,723

During the year, the Company had additions of \$7,225,762 (2017 - \$737,353), disposals of \$559,717 (2017 - \$Nil) and amortization of \$581,968 (2017 - \$175,389). Additions are a result of the acquisition of Midland PUC during 2018. Refer to Note 24 for business combination disclosures.

7. **GOODWILL**

	Cost \$	Accumulated amortization \$	2018 Net book value \$
Goodwill	6,864,284	-	6,864,284



7. **GOODWILL, continued**

Goodwill, representing 4.2% of the Company's total assets, is allocated to the entire business as a cash generating unit. The goodwill at December 31, 2018 of \$6,864,334 (2017 - \$Nil) represents the cost of acquired local distribution companies in excess of fair value of the net identifiable assets purchased and is not amortized.

Based on the results of the annual goodwill impairment test, the Company determined that the recoverable amount of the cash generating unit is more than its carrying value. No impairment has been recorded in the period ended December 31, 2018.

The impairment analysis involves the use of an income approach that relies on estimating the net future cash flows and applying the appropriate discount rate to those future cash flows. This approach employs several assumptions: projected revenue growth, market expectations, financial margin, operating and administrative expenses, working capital requirements, future capital expenditure requirements, income tax rates, regulatory capital management requirements, as well as an appropriate discount rate. If future growth and results of the CGU differs significantly from management's current best estimates, it is reasonably possible that this could have an adverse impact on the estimate recoverable amounts of the CGU, including the amounts allocated to goodwill.

8. **INCOME TAXES**

Deferred income taxes assets are calculated using the liability method of tax accounting. In providing for income taxes, temporary differences between the tax basis of the underlying assets and their carrying amounts as per the financial statements are reflected as deferred income taxes. When the tax basis is greater than the carrying amount, a deferred tax asset is created. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred income taxes.

	Opening balance at January 1, 2018 \$	Recognize in net income \$	Closing balance at December 31, 2018 \$
Deferred tax assets			
Property, plant and equipment and cumulative eligible capital	2,189,320	(2,189,320)	-
Reserves deductible when paid	277,651	275,199	552,850
	2,466,971	(1,914,121)	552,850

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



8. **INCOME TAXES, continued**

	Opening balance at January 1, 2017 \$	Recognize in net income \$	Closing balance at December 31, 2017 \$
Deferred tax assets			
Property, plant and equipment and cumulative eligible capital	1,859,780	329,540	2,189,320
Reserves deductible when paid	232,275	45,376	277,651
	<u>2,092,055</u>	<u>374,916</u>	<u>2,466,971</u>

Deferred income taxes assets are calculated using the liability method of tax accounting. In providing for income taxes, temporary differences between the tax basis of the underlying liabilities and their carrying amounts as per the financial statements are reflected as deferred income taxes. When the tax basis is less than the carrying amount, a deferred tax liability is created. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred income taxes.

	Opening balance at January 1, 2018 \$	Recognize in net income \$	Closing balance at December 31, 2018 \$
Deferred tax liabilities			
Property, plant and equipment	-	1,483,328	1,483,328
		2018 \$	2017 \$
Deferred tax assets			
Deferred tax assets to be recovered after more than 12 months		552,850	2,466,971
		2018 \$	2017 \$
Deferred tax liabilities			
Deferred tax liability to be recovered after more than 12 months		1,483,328	-

Included in reserves deductible when paid are post-employment benefits and net unrealized losses. Included in tax basis of property, plant and equipment are goodwill and intangible assets.

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



8. INCOME TAXES, continued

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 39.5% (2017 - 39.5%) to the income (loss) for the years as follows:

	2018	2017
	\$	\$
Income (loss) for the year before income taxes	(939,648)	365,988
Net movement in regulatory deferral accounts	4,802,272	3,522,000
	<u>3,862,624</u>	<u>3,887,988</u>
Anticipated income tax	1,525,736	1,535,755
Tax effect of the following:		
Permanent expense differences	7,739	230,026
Other comprehensive income	-	(57,986)
General rate reduction	(502,141)	131,523
Impact of deferred taxes and other	3,243,204	(541,755)
Provision for income taxes	<u>4,274,538</u>	<u>1,297,563</u>

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



9. **REGULATORY DEFERRAL ACCOUNTS**

All amounts deferred as regulatory deferral account debit balances are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators. Remaining recovery periods are those expected and the actual recovery or settlement periods could differ based on OEB approval. Due to previous, existing or expected future regulatory articles or decisions, the Company has the following amounts expected to be recovered in future periods which are comprised of the following:

	Note	Remaining recovery/ reversal period (years)	December 31, 2017 \$	Net balances arising in the period \$	Recovered in the period \$	December 31, 2018 \$
Regulatory deferral account debit						
Retail						
settlement variance account	i	1	(54,843)	4,438,205	-	4,383,362
Other	ii	A	758,386	1,588,549	-	2,346,935
Deferred tax						
debit balance	iii	A	2,191,302	2,064,031	-	4,255,333
			2,894,845	8,090,785	-	10,985,630
Regulatory deferral account credit						
Recovery						
Account	iv	A	508,729	209,795	(688,655)	29,869
Other	ii	A	203,217	(111,505)	-	91,712
IFRS						
Conversion	v	1	7,648,830	(645,620)	(4,378,158)	2,625,052
Deferred tax						
credit balance	iii	A	521,340	344,673	-	866,013
			8,882,116	(202,657)	(5,066,813)	3,612,646

(A) These amounts are expected to reverse when the company submits their next cost of service filing which is anticipated to be within the next ten years.



9. REGULATORY DEFERRAL ACCOUNTS, continued

(i) Retail Settlement Variance Account variances represent the difference between the amounts charged by the company to its customers, and the amounts paid by the company to the Independent Electricity System Operator ("IESO") and Hydro One for the cost of energy. The settlement variances include network and connection service charges, energy sales and the global adjustment. The balance for settlement variances and carrying charges are calculated and recorded on a monthly basis.

(ii) Other Deferral Accounts include debit and credit balances in other regulatory assets, including Lost Revenue Adjustment Mechanism variances, Smart Metering Entity Charge variances, Retail Cost variances, IFRS transition expenditures, payments in lieu of taxes and Smart Meter expenditures. The costs incurred in these deferral accounts have been captured for future recovery or settlement. Carrying charges are recorded monthly on the opening balances.

(iii) Deferred tax on the regulatory balances that will ultimately be recovered from/paid back to its customers.

(iv) Recovery Accounts are used to record the disposition of deferral and variance account balances that have been approved by the OEB. The variances are to be recovered or settled when the company submits their next Cost of Service filing.

(v) In 2012, the Company adjusted the estimated useful life related to the amortization period for certain capital assets, based upon the Ontario Energy Board's regulatory accounting direction as contained in the revised 2012 Accounting Procedures Handbook for Electricity Distributors. As a result of OEB direction related to the settlement of these amounts, the company has recorded a payable in the deferral account of \$2,625,052 (2017 - \$7,648,830).

In 2018, the Company was approved through its annual Incentive Regulation Mechanism (IRM) application to the OEB for the settlement of this balance. The Company is continuing to refund this balance until April 30th of 2019, after which any remainder is expected to be approved for settlement through their 2019 IRM and the amount will be refunded to its respective customers by class over a one year period. This balance also includes \$569,566 of carrying charges based on the Company's weighted average cost of capital.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
	\$	\$
Accounts payable - purchased power	6,371,866	5,201,533
Other trade accounts payable and accrued liabilities	4,719,980	3,239,529
Water and sewer billings payable (note 17)	2,490,850	2,606,698
Credits on customer accounts	1,430,903	1,482,348
Conservation demand management programs	331,761	293,380
	15,345,360	12,823,488

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



11. **LONG-TERM DEBT**

	2018 \$	2017 \$
(a) Bank loan payable, 4.41% fixed rate, payable in blended monthly payments of \$50,957	10,142,213	-
(b) Bank loan payable, 4.4% fixed rate, payable in blended monthly payments of \$42,611	7,721,893	-
(c) Bank loan payable, 2.44% fixed rate, payable in blended monthly payments of \$65,738	5,076,065	5,733,071
(d) Bank loan payable, 4.26% fixed rate, payable in blended monthly payments of \$33,088	4,364,933	-
(e) Bank loan payable, 30 day bankers acceptances, interest only, no defined terms of repayment	2,000,000	-
	29,305,104	5,733,071
<u>Less principal payments due within one year</u>	<u>3,232,267</u>	<u>657,006</u>
<u>Due beyond one year</u>	<u>26,072,837</u>	<u>5,076,065</u>

(a) The bank loan payable is a 30 year term loan due October 9, 2048 with a payment due at maturity of \$50,957. Refer to note 12 and 28 for details on interest rate swap agreements.

(b) The bank loan payable is a 10 year term loan due October 10, 2028 with a payment due at maturity of \$5,633,365. Refer to note 12 and 28 for details on interest rate swap agreements.

(c) The bank loan payable is a 5 year term loan due December 10, 2020 with a payment due at maturity of \$3,771,150. Refer to note 12 and 28 for details on interest rate swap agreements.

(d) The bank loan payable is a 15 year term loan due October 11, 2033 with a payment due at maturity of \$33,088. Refer to note 12 and 28 for details on interest rate swap agreements.

(e) The Company has \$4,000,000 available in the form of a demand loan bearing interest at prime plus 0%. As at year-end \$2,000,000 has been drawn upon.

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



11. **LONG-TERM DEBT, continued**

Estimated principal repayments are as follows:

	\$
2019	3,232,267
2020	4,986,701
2021	609,758
2022	636,812
2023	665,066
Subsequent years	19,174,500
	<u>29,305,104</u>

12. **INTEREST RATE SWAPS**

To reduce exposure to interest rate fluctuations, the Company entered into four interest rate swaps during the year where they pay a fixed interest rate over the term of the loan. As at December 31, 2018, the mark-to-market loss related to the swap agreement is \$1,296,751.

13. **SUBORDINATE DEBT**

	2018	2017
	\$	\$
Note payable, 5.48% - Township of Newmarket	22,000,000	22,000,000
Note payable, 5.48% - Township of Tay	1,742,821	1,742,821
	<u>23,742,821</u>	<u>23,742,821</u>

Estimated principal repayments are as follows:

	\$
Unspecified	<u>23,742,821</u>

These promissory notes are subordinated and postponed to all the bank loans payable listed in Note 11. No repayment of this subordinated debt is permissible until all payment obligations of the bank loans payable listed in Note 11 are fulfilled.

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



14. **CONTRIBUTED CAPITAL**

	December 31, 2018	December 31, 2017
	\$	\$
Deferred contributions, net, beginning of year	31,358,906	30,660,427
Contributed capital received	3,012,023	1,405,507
Contributed capital recognized as revenue (note 20)	(1,229,868)	(707,028)
	33,141,061	31,358,906

15. **DEPOSITS HELD**

Deposits held represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

Deposits from electricity distribution customers are refundable to customers demonstrating an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

Construction Deposits represent cash payments from developers in order to secure the performance of the developer's obligations under the Construction Agreement for Expansion Facilities and Connection Assets Supplied by Developer - Residential Subdivision (The Construction Agreement).

	2018	2017
	\$	\$
Current portion of customer deposits	705,212	498,000
Long-term portion of customer deposits	2,208,681	2,322,251
Long-term portion of construction deposits	217,643	1,020,908
	2,426,324	3,343,159

16. **EMPLOYEE FUTURE BENEFITS**

The Company provides certain health, dental and life insurance benefits for retired employees pursuant to the Company's policy. The accrued benefit obligation and net periodic expense for the year were determined by an actuarial valuation. The most recent valuation was performed for December 31, 2017 for Newmarket-Tay Hydro Distribution Limited and December 31, 2016 for Midland PUC, updated for September 7, 2018.

Information about the Company's defined benefit plan is as follows:

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



16. **EMPLOYEE FUTURE BENEFITS, continued**

	2018	2017
	\$	\$
Accrued benefit obligation, beginning of year	1,047,729	876,508
Accrued benefit obligation, Midland PUC, September 7, 2018	92,705	-
Current service cost	30,207	38,200
Interest expense	36,945	33,300
Benefits paid	(57,174)	(47,079)
Actuarial loss	6,592	146,800
	<u>1,157,004</u>	<u>1,047,729</u>

Current service costs and interest on accrued benefit obligation are recognized in the statement of income. Actuarial losses arising from changes in financial assumptions are accounted for in other comprehensive income. The total benefit costs for the year is \$73,744 (2017 - \$218,300).

The actuarial assumptions used in the valuation of Newmarket-Tay staff are the discount rate of 3.4% (2017 - 3.4%), salary increase rate of 2.8% (2017 - 2.8%), cost trend including health benefits of 5.96% (2017 - 6.20%) and dental benefits 4.5% (2017 - 4.5%) and retirement age of 65 (2017 - 65). The health benefits are expected to decrease at 0.25% per year until 2025 when it reaches 4.50% and dental benefits will remain at 4.50% to 2025. The actuarial assumptions used in the valuation of Midland PUC is a discount rate of 3.7%.

The actuarial assumptions used in the valuation of Midland PUC staff for post-retirement life insurance is an assumed 10% of the total benefit obligation (2017 - 10%).

The impact of a change in the actuarial assumptions would have the following impact on the obligation:

	Reasonable possible change %	Defined benefit obligation change \$	Difference \$	Difference %
Discount rate	1	1,017,100	(139,904)	(12)
Discount rate	(1)	1,335,100	178,096	15

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



17. RELATED PARTY TRANSACTIONS AND ADVANCES FROM PARENT COMPANY

- (a) The Company entered into transactions with its majority parent, Newmarket Hydro Holdings Inc. (NHHI) and with The Town of Newmarket which is the sole shareholder of Newmarket Hydro Holdings Inc. Revenue charged during the year included energy, street light capital and street light maintenance charged at commercial rates to the Town of Newmarket.

Included in accounts payable (note 10) are water and sewer amounts collected which are due to the Town. These amounts are collected and remitted in accordance with a contract with URB Olameter.

Included in subordinate debt (note 13) are notes payable to related parties.

- (b) Transactions

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2018	2017
	\$	\$
Revenue		
Energy sales	2,707,348	2,035,574
Services - Street light capital	1,380	25,770
Services - Street light maintenance	19,686	59,268
	<u>2,728,414</u>	<u>2,120,612</u>
Expenses		
Interest	1,205,600	1,205,600
Rent and property tax	440,874	424,988
	<u>1,646,474</u>	<u>1,630,588</u>

- (c) The following amounts are due from the Town of Newmarket and Envi Networks Ltd. and included in the financial statements:

	2018	2017
	\$	\$
Town of Newmarket accounts receivable	310,709	310,627
Envi Networks Ltd. accounts receivable	153,451	-
	<u>464,160</u>	<u>310,627</u>

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



17. **RELATED PARTY TRANSACTIONS, continued**

(d) The following amount is due to the parent company:

	2018	2017
	\$	\$
Newmarket Hydro Holdings Inc.	2,450,663	2,636,879

Advances from the parent company, Newmarket Hydro Holdings Inc. includes promissory notes in the amount of \$2,153,000 (2017 - \$2,153,000) which are due March 16, 2022. The remainder of the balance has no specific terms of repayment. As the parent company has confirmed they will not request repayment of this amount during the next fiscal year, the amount has been classified as a non-current liability in the financial statements.

The balances are unsecured and bear interest at the OEB deemed debt rate of 5.48% for 2018 (2017 - 5.48%).

The key management personnel of the company has been defined as members of its board of directors, executives, and other management personnel. Total wages and benefits to these individuals total \$2,606,622 (2017 - \$2,136,294).

18. **SHARE CAPITAL**

Authorized

Unlimited number of common shares

Issued

	2018	2017
	\$	\$
10,000 Common shares	27,140,206	27,140,206

19. **GUARANTEE**

The Company has guaranteed loans of Envi Networks Ltd., a related company, to a maximum of \$3,500,000. As at December 31, 2018 Envi Networks Ltd. had \$1,225,000 of loans outstanding to which the guarantee applies.

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



20. **OTHER INCOME**

Other income consists of the following:

	2018	2017
	\$	\$
Account set up fees	132,142	121,290
Pole and building rentals	237,278	137,535
Collection charges	125,994	133,932
Non rate-regulated utility operations, net	214,034	-
Recognition of contributed capital (note 14)	1,229,868	707,028
Other	286,328	120,187
	2,225,644	1,219,972

21. **OPERATING EXPENSES**

Operating expenses consist of the following:

	2018	2017
	\$	\$
Wages and benefits	5,295,734	4,253,254
Materials, equipment and other operating expenses	2,098,184	1,678,827
Administration and overhead	4,198,299	3,466,044
	11,592,217	9,398,125

The prior year amounts have been restated to conform to current year classifications.

22. **FINANCE INCOME AND FINANCE COSTS**

Finance income recognized in net income consists of the following:

	2018	2017
	\$	\$
Interest income on accounts receivable	188,978	186,503
Income on cash balance	130,245	109,120
Interest income on regulatory balances	92,962	27,137
	412,185	322,760

Finance costs recognized in net income consists of the following:

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



22. **FINANCE INCOME AND FINANCE COSTS, continued**

	2018	2017
	\$	\$
Interest on long-term debt	1,804,387	1,569,558
Customer deposit interest	40,803	33,048
	1,845,190	1,602,606

23. **CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

	2018	2017
	\$	\$
Decrease (increase) in accounts receivable	(4,013,341)	824,122
Decrease (increase) in inventories	(23,240)	16,195
Decrease (increase) in prepaid expenses	(165,475)	201,361
Decrease (increase) in unbilled revenue	(2,635,259)	2,145,538
Increase (decrease) in accounts payable and accrued liabilities	2,521,872	(1,641,204)
Increase (decrease) in deposits held	(709,623)	833,681
Interest received	412,185	322,760
Taxes paid	(1,690,557)	(1,500,000)
Taxes received	-	1,188,748
	(6,303,438)	2,391,201

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



24. **BUSINESS COMBINATIONS**

Effective September 7, 2018, the Company acquired all issued and outstanding common shares of Midland PUC, an Ontario regulated local distribution company, from the Corporation of the Town of Midland. The acquisition was accounted for by the purchase method. The total purchase price for Midland PUC was \$21,969,487 plus a working capital adjustment of \$256,147. The results of operations are included in the accounts from the effective date of acquisition. Details of the acquisition are as follows:

	\$
Fair value of net assets acquired:	
Cash and cash equivalents	291,344
Property, plant and equipment	13,911,878
Intangible assets	7,073,929
Regulatory assets	989,212
Goodwill	6,695,577
Long-term investments	100
Deferred Taxes	24,103
Working capital	(449,651)
Contributions in aid of construction	(2,142,898)
Customer and construction deposits	(223,845)
Long-term debt	(3,577,070)
Employee future benefits	(92,705)
Deferred taxes	(274,339)
	<u>22,225,635</u>
	\$
Consideration given:	<u>22,225,635</u>

Goodwill of approximately \$5,435,577 arising from the Midland PUC acquisition consists largely of the synergies and economies of scale expected from combining the operations of Newmarket and Midland PUC. This is in addition to goodwill of \$1,260,000 previously recorded as an asset by Midland PUC. Midland PUC contributed revenues of \$6,040,431 and \$285,871 of net loss to the Company's financial results for the year ended December 31, 2018. All costs related to the acquisition have been expensed through the Statement of Comprehensive Income.



25. SHORT TERM CREDIT FACILITIES

The Company has \$7,250,000 available in operating facilities from a major chartered bank, reduced from \$11,750,000 in the year. The facilities include a 364 day committed revolving operating loan, bearing interest at prime plus 0%, to be repaid within one year from date of acquisition unless extended by the bank. A commitment fee of 0.125% per annum, payable quarterly applies to any unused portion of the facility. As at December 31, 2018 the Company has \$2,865,805 (2017 - \$Nil) on this facility with reconciling items of \$915,182. The operating loan includes restrictive clauses with respect to repayment.

The Company has provided prudential support in the amount of \$3,861,670 to the Independent Electricity System Operator. The prudential support is secured by a letter of credit with a major chartered bank for \$3,861,670, contains restrictive clauses with respect to debt repayments and bears interest at 0.5% per annum.

A general security agreement covering all assets of the Company and assignment of business/liability insurance has been pledged as security for the operating facilities. At December 31, 2018, the Company was in compliance with all covenants.

Included in the Company's bank indebtedness balance is restricted cash in the amount of \$244,015, which consists of monies received by the Company from the Ontario provincial government to administer the Affordability Fund Trust (AFT) program.

The AFT was established as part of the Fair Hydro Act, to serve house-holds not eligible for income qualified electricity support services. The AFT exists as a legal trust and the Company is only able to offer disbursements to qualified beneficiaries.

26. PENSION AGREEMENT

The Company makes contributions to the Ontario Municipal Employees' Retirement Fund (O.M.E.R.S.), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of retirement benefits to be received by the employees based on the length of service and rates of pay.

The amount contributed to O.M.E.R.S. for the year ended was \$511,737 (2017 - \$423,036).

27. CAPITAL DISCLOSURES

The Company's primary objective when managing capital is to address the expectations as provided in the Shareholder Agreement between the Company's parent company, Newmarket Hydro Holdings Inc. and its shareholder, the Town of Newmarket. The expectation is that the Company will maintain a prudent financial structure in order to safeguard the Company's assets and to provide adequate returns for its shareholders and benefits to the stakeholders.

Changes to the Company's capital structure are constrained by existing covenants contained in the banking agreement. The Company must maintain a maximum debt to capitalization ratio of 0.60 to 1 and maintain a debt service coverage ratio of 1.2. As at year end the Company is compliant with these covenants.

28. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash, accounts receivable and unbilled revenue which will result in future cash receipts, as well as accounts payable and accrued liabilities, deposits held, advances from parent company and long-term debt which will result in future cash outflows.

The Company does not believe that it is exposed to significant foreign exchange risk.

The Company is exposed to the following risks in respect of certain financial instruments held:

(a) Interest rate risk

The Company manages exposure to interest rate risk through a combination of fixed and floating rate borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate cash flow risk to the extent that the floating rate credit facility bears interest at a floating rate. The Company is also exposed to interest rate price risk to the extent that loans bear interest at fixed rates and has entered into an interest rate swap arrangement to manage the impact of fluctuating interest rates on bank loan payable. The swaps require the periodic exchange of interest payments without the exchange of the notional principal amount on which the payments are based (notes 11, 12 and 17).

(b) Credit risk

Financial assets carry credit risk that a counter-party will fail to discharge an obligation which would result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers located in the service area. No single customer accounts for revenue in excess of 10% of total revenue.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of related impairment loss is recognized in the statement of income. Subsequent recoveries of receivables previously provisioned are credited to the income statement. The balance of the allowance for impairment at December 31, 2018 is \$93,428 (2017 - \$80,360). The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The Company has approximately 43,970 customers, the majority of which are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2018, the Company holds security deposits in the amount of \$3,131,536 (2017 - \$3,841,159). The Company's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk. The accounts receivable balance is expected to be fully repaid within 90 days excluding the allowance for doubtful accounts portion of the balance.

NEWMARKET-TAY POWER DISTRIBUTION LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



28. **FINANCIAL INSTRUMENTS, continued**

(c) *Liquidity risk*

The Company does have a liquidity risk in accounts payable and accrued liabilities of \$15,345,360 (2017 - \$12,823,488). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintains an adequate line of credit to repay trade creditors and repays long-term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low and is not material.

The following are contractual maturities of financial liabilities, including estimated interest payments:

	Between 0-3 months \$	Between 4 - 12 months \$	Over 1 year \$
Accounts payable and accrued liabilities	15,345,360	-	-
Deposits held	176,303	528,909	2,426,324
Long-term debt	808,067	2,424,200	49,815,658
Employee future benefits	-	-	1,157,004
Advances from parent company	-	-	2,450,663
	16,329,730	2,953,109	55,849,649

29. **COMMITMENT**

The Company is in negotiations with the Town of Newmarket on a new lease agreement for the building which was not finalized as of the report date.

The Company entered into a 10 year lease agreement on September 7, 2018, with the Town of Midland, to rent office space for minimum lease payments of \$7,896 per month. In addition, an agreement was entered into with the Town of Midland to lease various substation properties for a period of twelve years at \$49,980 per annum for the first five years, followed by fair market rental rate per annum for the remaining term of the lease.

30. CONTINGENT LIABILITIES

(a) In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. The guarantees include indemnities under lease agreements, purchase and sale agreements, confidentiality agreements, outsourcing, service and information agreements. The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability related to the likelihood and predictability of future events. Historically, the Company has not made any significant payments under similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

(b) Indemnity has been provided to all directors and/or officers of the Company for various items including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential suits or actions. The amount of any potential future liability which exceeds the amount of insurance coverage cannot reasonably be determined.

(c) The Company participates with other municipal utilities in Ontario in an agreement to exchange reciprocal contracts of indemnity through the Municipal Electric Association Reciprocal Insurance Exchange. Under this agreement, the Company is contingently liable for additional assessments to the extent that premiums collected are not sufficient to cover actual losses, claims and costs experienced.

31. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. Due to a special audit performed in 2018, there was a reclass of \$1,813,255 between cost of power purchased and net movement in regulatory deferral accounts. The changes do not affect retained earnings or equity and is solely a reclass between accounts receivable and the regulatory deferral account balances on the balance sheet.



FINANCIAL STATEMENTS OF

ENVI NETWORKS LTD.

December 31, 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Changes in Equity	2
Statement of Loss	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 13



Baker Tilly KDN LLP
 272 Charlotte Street
 Peterborough, ON
 Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
 Envi Networks Ltd.

D: 705.742.3418
F: 705.742.9775

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Opinion

We have audited the financial statements of Envi Networks Ltd., which comprise the statement of financial position as at December 31, 2018, and the statements of changes in equity, loss and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with IFRS.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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INDEPENDENT AUDITOR'S REPORT, continued

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
April 18, 2019

ENVI NETWORKS LTD.
STATEMENT OF FINANCIAL POSITION
As at December 31, 2018



	2018
	\$
ASSETS	
Current assets	
Cash	1,159,184
Short-term investments (note 4)	25,084
HST receivable (note 5)	148,431
Prepaid expenses	12,717
	<u>1,345,416</u>
Non current	
Property, plant and equipment (note 6)	1,124,966
Intangible assets (note 7)	15,236
Future income taxes (note 8)	292,072
	<u>1,432,274</u>
	<u>2,777,690</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Accounts payable and accrued liabilities	257,048
Due to Newmarket-Tay Power Distribution Ltd. (note 9)	153,451
Bank loan (note 10)	1,200,000
	<u>1,610,499</u>
Non current	
Future income taxes (note 8)	15,465
	<u>1,625,964</u>
Shareholders' equity	
Share capital (note 12)	1,300,000
Contributed surplus (note 11)	620,000
Deficit	(768,274)
	<u>1,151,726</u>
	<u>2,777,690</u>

The accompanying notes are an integral part of these financial statements

ENVI NETWORKS LTD.
STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2018



	2018
	\$
Retained earnings - beginning of year	-
<u>Net loss for the year</u>	<u>(768,274)</u>
Deficit - end of year	<u>(768,274)</u>

The accompanying notes are an integral part of these financial statements

ENVI NETWORKS LTD.
STATEMENT OF LOSS
For the year ended December 31, 2018



	2018
	\$
Revenue	
Interest Income	84
Expenses	
Professional fees (note 5)	503,526
Sub-contractors	209,475
Membership and licenses	138,119
Office and general	75,388
Advertising	60,830
Amortization	24,090
Bank charges and interest	16,232
Travel	6,635
Foreign exchange loss	3,850
Insurance	2,214
Meals and entertainment	2,157
Utilities	1,264
Repairs and maintenance	776
Training	409
	1,044,965
Loss before income taxes	(1,044,881)
Future income taxes	(276,607)
Net loss for the year	(768,274)

The accompanying notes are an integral part of these financial statements

ENVI NETWORKS LTD.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018



	2018
	\$
CASH PROVIDED FROM (USED FOR)	
Operating activities	
Net loss for the year	(768,274)
Items not affecting cash	
Amortization of property, plant and equipment	24,090
Future income taxes	(276,607)
	(1,020,791)
Change in non-cash working capital items	
Increase in HST receivable	(148,431)
Increase in prepaid expenses	(12,717)
Increase in accounts payable and accrued liabilities	257,048
Increase in due to Newmarket-Tay Power Distribution Ltd	153,451
	(771,440)
Investing activities	
Purchase of short-term investments	(25,084)
Purchase of property, plant and equipment	(1,148,254)
Purchase of intangible assets	(16,038)
	(1,189,376)
Financing activities	
Bank loan	1,200,000
Issuance of share capital	1,300,000
Contributed surplus	620,000
	3,120,000
Increase in cash	1,159,184
Cash - beginning of year	-
Cash - end of year	1,159,184

The accompanying notes are an integral part of these financial statements

1. **NATURE OF OPERATIONS**

Envi Networks Ltd. (the "Company") was incorporated under the Business Corporations Act of Ontario on October 6, 2000 and started operations in 2018. The Company is owned 93% by Newmarket Hydro Holdings Inc. and the remaining 7% by Tay Hydro Inc. The address of its registered office and its principal place of business is 590 Steven Ct, Newmarket, ON L3Y 6Z2.

Its primary activity is to provide high speed internet to the Newmarket community by providing its customers with the necessary infrastructure and equipment to utilize the service. The Company is looking to expand its operations into other surrounding local areas. The Company is regulated by the Canadian Radio-television Telecommunications Commission ("CRTC") and American Registry for Internet Numbers ("ARIN").

2. **STATEMENT OF COMPLIANCE**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements for the year ended December 31, 2018 were approved and authorized for issue by the board of directors on April 18, 2019.

3. **SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant accounting policies are detailed as follows:

(a) *Basis of accounting*

The financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at their fair values, as explained in the relevant accounting policies.

The financial statements are presented in Canadian dollars which is also the Company's functional currency.

(b) *Revenue recognition*

Revenue from service obligations is recognized when the service is rendered. All other revenues are recorded when amounts are known and collectible.

(c) *Cash*

Cash consists of balances with financial institutions.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(d) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if applicable. Cost includes expenditures that are directly attributable to the acquisition of the asset or its development when those costs are necessarily incurred for the asset to function in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

All assets having limited useful lives are depreciated using the straight-line or declining balance method over their estimated useful lives. Assets are depreciated from the date put in use. Internally constructed assets are depreciated from the time an asset is capable of operating in the manner intended by management.

In the year of acquisition, depreciation is taken at one-half of the below rates on property, plant and equipment.

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

The methods of depreciation and depreciation rates applicable for each class of asset are as follows:

Cable	25 years
Network equipment	5 years
Shelter	10 years
Fences	40 years
Computer hardware	5 years
Office equipment	7 years

(e) *Intangible assets*

Intangible assets include computer software. They are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The useful lives of the intangibles are as follows:

Computer software	5 years straight-line
-------------------	-----------------------

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software, (expenditure relating to patches and other minor updates as well as their installation), are expensed as incurred.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) *Foreign exchange*

Monetary assets and liabilities of the which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

(g) *Related parties*

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(h) *Income taxes*

Under the Electricity Act, 1998, the Company is required to make payments in lieu of income taxes (PILS) to the Ontario Electricity Financial Corporation (OEFC). Deferred income taxes are calculated using the liability method of tax accounting. In providing for income taxes, temporary differences between the tax basis of assets or liabilities and their carrying amounts are reflected as deferred income taxes. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred income taxes. Additional details related to the calculation and method of accounting for PILS is included in note 8.

(i) *Significant accounting estimates and judgements*

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates, judgements and assumptions include the following:

Useful lives of depreciable assets - Depreciation and amortization expense is based on estimates of the useful lives of property, plant and equipment and intangible assets. The Company estimates the useful lives of its property, plant and equipment and intangible assets based on management's judgment and historical experience.

HST receivable impairment - In determining the allowance for doubtful accounts, the Company considers the life-time expected credit losses that result from all possible default events over the expected life of the account balance.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(j) *Provisions*

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Some of the Company's assets may have provision obligations. As the Company expects to use the majority of its fixed assets for an indefinite period, no removal costs can be determined and, consequently, a reasonable estimate of the fair value of any asset retirement obligations has not been made at this time.

(k) *Financial Instruments*

Financial assets are identified and classified based on the business model used by the Company for managing those financial assets, as one of the following: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss or at amortized cost.

Financial assets and financial liabilities are presented on a net basis when the Company has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

(i) *At amortized cost*

Cash and short term investments are classified as financial assets at amortized cost. These financial assets are recognized initially at fair value plus directly attributable transaction costs, if any. After initial recognition, they are measured at amortized cost when they are held for collection of cash flows, where those cash flows solely represent payments of principal and interest using the effective interest rate. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or a shorter period when appropriate, to the gross carrying amount of the financial asset.

The Company's accounts payable and accrued liabilities and bank loan are classified as financial liabilities at amortized cost and recognized on the date at which the Company becomes a party to the contractual arrangement. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire. Financial liabilities are initially recognized at fair value including discounts and premiums, plus directly attributable transaction costs, such as issue expenses, if any. Subsequently, these liabilities are measured at amortized cost using the effective interest rate method.

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(k) *Financial Instruments, continued*

(ii) *At fair value through other comprehensive income*

Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows solely represent payments of principal and interest, are classified as financial assets at fair value through other comprehensive income. These financial assets are initially recognized at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income, except for the recognition of impairment losses, reversal of impairment losses, interest income and foreign exchange gains and losses, gain or loss previously recognized in net income. On de-recognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to net income. Interest income from these financial assets is recognized as other income using the effective interest rate method. As at December 31, 2018, the Company does not have any financial assets classified at fair value through other comprehensive income.

(iii) *At fair value through profit or loss*

Financial instruments at fair value through profit or loss include instruments that are designated as financial instruments at fair value through profit or loss or those financial instruments that do not meet the criteria for classification under any other category. Upon initial recognition, directly attributable transaction costs are recognized in net income as incurred. Changes in fair value of financial instruments measured at fair value through profit or loss are recognized in net income.

(iv) *Impairment of financial assets at amortized cost*

The policy of accounts receivable allowances is to measure at an amount equal to the life-time expected credit losses that result from all possible default events over the expected life of a financial instrument. The policy for other financial assets is at life-time expected credit loss if credit risk is increased significantly, if not, then at 12-month expected loss.

4. **SHORT-TERM INVESTMENTS**

	2018
	\$
Term deposit held with TD Canada Trust at an interest rate of 1.4% per annum with a maturity date of January 4, 2019.	25,084

This short-term investment is related to a stand-by letter of guarantee in the amount of \$25,000.

ENVI NETWORKS LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



5. **HST RECEIVABLE**

	2018 \$
HST receivable	250,431
Allowance for doubtful collection	(102,000)
	148,431

The allowance for doubtful collections has been included in professional fees as an expense on the statement of loss.

6. **PROPERTY, PLANT AND EQUIPMENT**

	Cost \$	Accumulated amortization \$	2018 Net book value \$
Cable	467,619	4,405	463,214
Network equipment	345,997	14,946	331,051
Shelter	304,326	2,752	301,574
Fences	18,154	-	18,154
Computer hardware	11,065	1,106	9,959
Office equipment	1,093	79	1,014
	1,148,254	23,288	1,124,966

In the current year there were no writedowns or disposals of property, plant and equipment.

7. **INTANGIBLE ASSETS**

	Cost \$	Accumulated amortization \$	2018 Net book value \$
Computer software	16,038	802	15,236

ENVI NETWORKS LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



8. FUTURE INCOME TAXES

The Company follows the tax allocation method of accounting for income taxes whereby the income tax provision is based on the income reported in the accounts. Under this method, the Company makes full provision for income taxes deferred as a result of claiming revenues and expenses for income tax purposes on a different basis than that for accounting purposes.

	2018
	\$
Future tax asset - loss carryforward	292,072

The Company expects to be able to use the above tax loss carryforwards before they expire.

	2018
	\$
Future tax liability - property, plant and equipment greater than undepreciated capital cost	15,465

9. RELATED PARTIES

During the year, the Company entered into transactions with Newmarket-Tay Power Distribution Inc. ("Newmarket-Tay") and Newmarket Hydro Holdings Inc., a majority shareholder.

Reimbursement of expenses paid on the Company's behalf of \$327,985 were paid to Newmarket-Tay and an amount of \$153,451 is due by the Company to Newmarket-Tay as at December 31, 2018.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. These amounts have no specific terms of repayment.

10. BANK LOAN

	2018
	\$
Interim construction facility loan	1,200,000

The Company has an interim construction facility loan with total credit available of \$3,500,000. The loan is payable on demand with interest to be paid monthly bearing a rate of prime plus 0.25% per annum. The loan will be fully repaid in five years with the proceeds of a committed reducing term facility loan. The contract term starts five years from the date of drawdown of the interim construction facility loan.

A general security agreement covering all assets of the Company and assignment of business/liability insurance has been pledged as security for the interim construction facility.

Newmarket-Tay Power Distribution Ltd. is a limited guarantor of advances in the amount of the \$3,500,000 credit available to Envi Networks Ltd.

ENVI NETWORKS LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2018



11. CONTRIBUTED SURPLUS

The Company received a non-share capital investment in Envi Networks Ltd. during 2018 of \$620,000. The investment contains no contractual obligation for the borrower to repay the contribution.

12. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	2018 \$
100 Common shares	1,300,000

During the year Newmarket Hydro Holdings Inc. purchased 93 shares and Tay Hydro Inc. purchased 7 shares in Envi Networks Ltd.

13. COMMITMENTS

Envi Networks Ltd. entered into a sublease agreement on January 1, 2019 with Newmarket-Tay Power Distributions Ltd. The terms of the lease state equal monthly installments to equal \$17,000 per annum with an increase of 3% per annum with no fixed end date.

14. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash, and short term investments which will result in future cash receipts, as well as accounts payable and accrued liabilities, due to Newmarket-Tay Power Distribution Ltd and bank loan which will result in future cash outflows.

The Company is exposed to the following risks in respect of certain financial instruments held:

(a) Interest rate risk

The Company manages exposure to interest rate risk through floating rate borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate cash flow risk to the extent that the floating rate credit facility bears interest at a floating rate.

14. **FINANCIAL INSTRUMENTS, continued**

(b) *Foreign exchange risk*

The Company is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the company by a customer, or that an obligation in a foreign currency was made to the company to a supplier, is different at the time of settlement than it was at time that the obligation was determined. The Company reduces its exposure to foreign exchange risk by carefully monitoring exchange rates on obligations that are made to the company. The company does not utilize financial instruments to manage its foreign exchange risk

(c) *Liquidity risk*

The Company does have a liquidity risk in accounts payable and accrued liabilities of \$257,048. Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long-term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low and is not material.

	Between 0-3 months \$	Between 4-12 months \$	Over 1 year \$
Accounts payable and accrued liabilities	257,048	-	-
Bank loan	-	1,200,000	-
	257,048	1,200,000	-

(d) *Credit risk*

The Company does have credit risk in HST receivable of \$148,431. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Company maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Company is low and is not material.



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Protection of Trees on Private Property Staff Report to Council

Report Number: 2019-61

Department(s): Planning & Building Services

Author(s): Meghan White and Ted Horton

Meeting Date: June 17, 2019

Recommendations

1. That the report entitled Protection of Trees on Private Property dated June 17, 2019 be received;
2. That staff be directed to take the proposed approach for internal and public consultation;
3. That following the internal and public consultation, issues identified in this report, together with comments from the public, and Committee, be addressed by staff in a comprehensive report to the Committee of the Whole with a draft by-law; and
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Executive Summary

Newmarket has long employed Planning tools to ensure that new trees are planted during development and that the removal of trees is discouraged. However, despite their critical ecological benefits and important defining role in most neighbourhoods, the Town has no tools that prevent the removal of most privately-owned trees.

Council identified Environmental Stewardship as one of its Strategic Pillars for its Strategic Priorities for the 2018-2022 term. Specifically this pillar relates to leading proactive planning and action related to climate change and other environmental initiatives. A main focus of this Pillar is protection of trees in Newmarket.

This report lays out the many benefits of trees, the results of public consultation related to increasing the protection of privately-owned trees, and a framework approach for how this may be achieved. Subject to Council approval, staff will continue to refine the details of this approach and return with an enacting by-law.

Purpose

The purpose of this report is to inform Council on the consultation to date on the matter of protecting trees on private property and propose a program for moving forward.

Background

As population pressure and economic demand for development increases, the sustainability of urban forests is threatened. Trees are an intrinsic part of our Town. They play a vital role in creating and maintaining sustainable communities that attract and retain residents and businesses. A healthy urban canopy is an investment which only appreciates over time.

Under the *Municipal Act*, municipalities have the responsibility to pass by-laws for the

Economic, social and environmental well-being of the municipality, including respecting climate change; and the

Health, safety and well-being of persons s. 10(2)

Trees are a vital part of each of these areas of responsibility, providing economic, social, and environmental benefits as are discussed in detail later in this report. Trees contribute to the wellbeing and success of all residents, although they are often impacted by the land development that also provides benefits to residents. Accordingly, it is important to develop an approach to tree protection that is both comprehensive by adequately reflecting the value of trees, but also balanced by ensuring that development and private property rights are not frustrated.

Tree protection can be achieved through the voluntary efforts from landowners, through municipal by-laws, and through considering them during the planning process. Since 2005, the Town's policies related to trees have advanced the state of tree protection and replanting in Newmarket. In recent years, Council has adopted a number of policy documents which reinforce the importance of tree protection. The Official Plan sets targets for woodlot tree cover, and in the recent Urban Forestry Study the Town, the Region, and the Lake Simcoe Region Conservation Authority outlined goals for growing overall tree canopy cover across the entire Town.

The *Municipal Act* gives municipalities the authority to enact by-laws to prohibit or regulate the destruction or injuring of trees. Such by-laws are created to protect trees and natural features from avoiding unnecessary injury, removal, or destruction of trees.

The Town currently uses a number of tools to manage canopy cover and the removal of trees, which will be discussed in the Discussion – Current Approach section below. However, these tools have gaps and flaws that leave natural heritage areas and the trees that define many neighbourhoods without any protections.

On November 7, 2016, a deputation to Committee of the Whole resulted in direction to staff to complete a review of the protection and regulation of trees. As the tools to influence tree protection can vary depending on property location (a forest versus a backyard), and a property's planning status (a small home addition versus a new subdivision), a complete review of tree preservation tools was necessary to consider how these tools can work together to protect this valuable asset.

On March 6, 2017, Council adopted the recommendations of Planning Report 2017-05 and directed staff to review three tools for tree preservation:

- The **Tree Policy** for properties subject to Planning Act applications
- A **by-law** regulating the removal of trees on Town-owned lands
- A **private** tree preservation by-law

Following this, staff presented two reports to Committee of the Whole. The recommendations of these reports updated the **Tree Policy** to refine the approach to compensation for trees removed during development. Pending Council's decision on whether to enact a by-law on the removal of privately-owned trees, further changes to the Tree Policy may also be required. These reports also led to the adoption of a **by-law** regulating the removal of trees on Town-owned lands, which was approved by Council on November 13, 2017.

This report is related to whether to adopt a **private** tree preservation by-law, and is the third branch in the Town's efforts to have a modern and comprehensive approach to the protection and enhancement of trees in Newmarket.

Context terms:

Tree Policy:

The Town's approach to tree compensation and protection during Planning Act applications. This only applies when a property is in a planning process, and cannot prevent tree removal or levy charges for the unauthorized removals.

Tree By-law:

A By-law that may be adopted by Council regulating when trees can be removed. A by-law can set conditions on the removal of trees, require permits, and levy fines for unauthorized removals. A by-law can apply to certain areas, sizes of trees, or numbers of trees.

Discussion

This section will present (1) the value of trees, (2) the Town's current approach to regulating the removal of trees, (3) the role of trees in maintaining stable neighbourhoods, (4) a scan of other municipalities' approaches, and (5) the approach that is proposed by staff.

Value of Trees

Trees are a capital asset; just as streets, buildings, and recreational facilities are a part of a community, so too are trees. The economic, environmental, and social benefits of trees are shared by their owners and surrounding residents, and thus while often privately-owned, they are akin to a public good. Moreover, trees increase resiliency against the effects of climate change.

Air Quality

Trees filter particulate matter and air pollutants to improve local air quality.¹ Trees accomplish this by taking up from the atmosphere fine particulate matter (PM_{2.5}) emitted by burning fossil fuels that has been linked to respiratory diseases, cardiovascular disease, and lung cancer among other effects. Trees in Newmarket remove 40 tonnes of air pollution annually, benefiting the health of Newmarket residents.

Flooding

Trees intercept rain and help reduce local flooding. Extreme precipitation events in Southern Ontario are projected to increase in both frequency and intensity under future climate change scenarios.² This will lead to increased risks of flooding, erosion, and property damage. Trees in Newmarket help avoid 215,058 cubic metres of water of runoff each year.

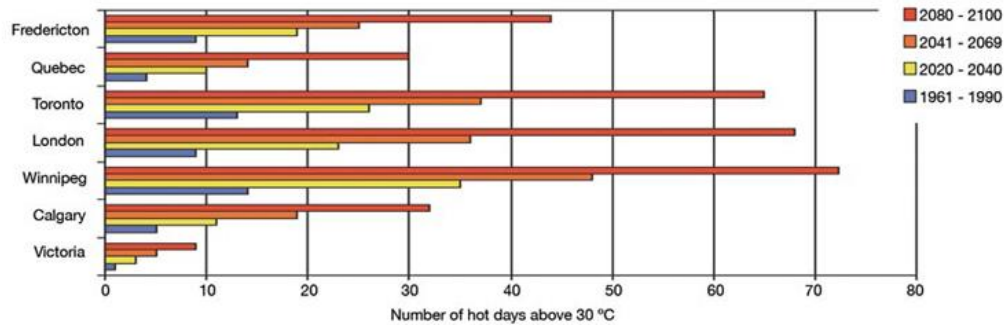
Temperature control

Trees reduce cooling costs in summer through providing shade and reduce heating costs in winter by blocking wind.³ Climate change will cause Newmarket to face warmer temperatures and greater volatility in weather and temperatures. The number of summer days with temperatures exceeding 30°C has increased annually and is projected to continue to increase, which poses health challenges for vulnerable groups such as seniors. The image provided by Natural Resources Canada below illustrates this projected trend.

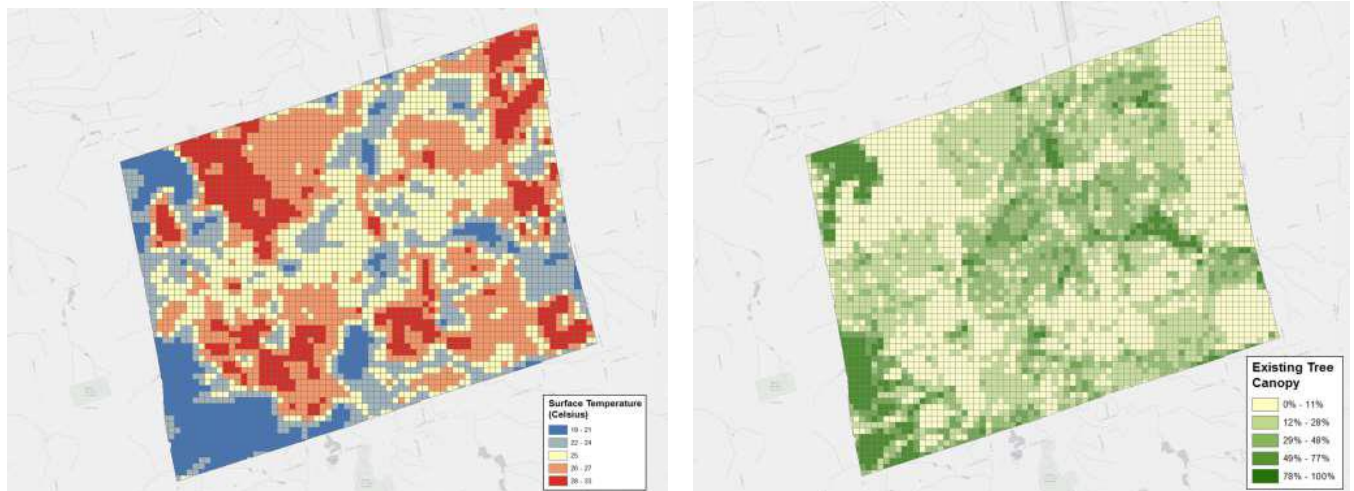
¹ D.J. Nowak et al. / Environmental Pollution 193 (2014) 119-129

² Hengeveld and Whitewood, 2005

³ McPherson & Simpson, 2003



Areas in Newmarket with fewer trees and less canopy coverage display higher surface temperatures. This can be easily seen in the pair of images below from the Urban Forestry Study completed by the Lake Simcoe Region Conservation Authority, the Region, and the Town. Areas appearing in red on the left map display higher surface temperatures, with areas appearing in green on the right map having greater canopy coverage.



Trees in Newmarket save residents \$334,000 annually in energy costs and prevent the release of 457 tonnes of carbon emissions from heating and cooling.

Property values

Trees increase property values. Whether located on public property adjacent to a home, on private residential property, or on an adjacent private property, the presence of mature trees increases the value of a property.⁴ Mature trees are a defining element of many of Newmarket's neighbourhoods.

⁴ Pandit, Ram & Polyakov, Maksym & Tapsuwan, Sorada & Moran, Timothy. (2013). The Effect of Street Trees on Property Value in Perth. *Landscape and Urban Planning*. 110. 134-142. 10.1016/j.landurbplan.2012.11.001.

Mental health and social benefits

Although more difficult to quantify, trees provide a variety of important social benefits related to health care costs and social connections. For example, urban trees have been linked with reduced neighborhood crime levels. Some studies have found that apartment buildings with high levels of trees and gardens planted on the grounds witnessed 52% fewer crimes than those without trees.⁵

Research has also shown that trees have demonstrably positive effects on the physical and mental health of urban residents. Hospital patients were found to recover from major surgery more quickly and with fewer complications when provided with a view of trees from their hospital beds.⁶

Trees and urban parks also improve mental health and overall wellbeing by conveying a sense of calm, relieving stress, and facilitating relaxation and outdoor activity. For example, one study found that residents reported better personal health and stronger social bonds in areas where there was access to green space within one kilometer of the home.⁷ Access to natural settings has also been linked to the improvement of children's mental health and academic performance,⁸ lower weight and BMI in children and teens,⁹ and increased longevity in seniors.¹⁰

Value conclusion

Trees in Newmarket provide a tremendous range of value to Newmarket residents. Whether publicly or privately owned, the ecological, social and economic benefits of trees are shared by all of Newmarket. However, the impact of removing trees is also shared by all Newmarket residents and is only loosely regulated.

Other forms of change to a property that may have impacts on the surrounding area are generally regulated by the Town to manage and avoid negative effects. For example, the zoning by-law prevents overbuilding to maintain neighbourhood character. Equally so, site plan approval regulates matters like grading to avoid flooding and erosion. However, the removal of trees can change neighbourhood character, increase the effects of flooding, and negatively affect a neighbourhood but in most cases, there is no

⁵ Kuo, F.E. and Sullivan, W.C. 2001. Environment and crime in the inner city: does vegetation reduce crime? *Environmental Behavior* 33(3):343-365.

⁶ Ulrich, R. 1984. View through window may influence recovery from surgery. *Science* 224: 420-421.

⁷ Maas, J., van Dillen, S.M.E., Verheij, R.A., and P.P. Groenewegen. 2009. Social contacts as a possible mechanism behind the relation between green space and health. *Health & Place* 15: 586-595.

⁸ Roe, J. and P. Aspinall. 2011. The restorative outcomes of forest school and conventional school in young people with good and poor behaviour. *Urban Forestry & Urban Greening* 10: 205-212.

⁹ Wolch, J., Jerrett, M., Reynolds, K., McConnell, R., Chang, R., Dahmann, N., Brady, K., Gilliland, F., Su, J.G., and K. Berhane. 2011. Childhood obesity and proximity to urban parks and recreational resources: A longitudinal cohort study. *Health & Place* 17: 207-214.

¹⁰ Takano, T., Nakamura, K., and M. Watanabe. 2002. Urban residential environments and senior citizens' longevity in megacity areas: the importance of walkable green spaces. *Journal of Epidemiology and Community Health* 56(12): 913-918.

oversight or regulation of this process. In the next section of this report, the Town's current approach to regulating tree removals will be discussed.

Current approach

Newmarket currently has few restrictions on the injury or removal of trees. There are generally three categories in which a tree may be considered:

1. Town-owned trees
2. Private trees on lands that are subject to a development agreement
3. Trees on private lands generally

Town-owned trees

Trees that are owned by the Town are protected by Public Tree By-law 2017-59, which prohibits the injury or removal of Town-owned trees without the consent of the Town and requires compensation for the trees injured or removed.

Trees during development

Trees that are on lands that are subject to a development agreement (e.g. site plan approval) with the Town are generally required to be maintained. For example, a newly-built apartment building or retail store may be required to plant trees in a landscaped buffer between their parking lot and an adjacent resident's home. Or in a new subdivision, the Town may require a tree to be planted in the boulevard in front of each home.

In some cases these trees are important buffers between development and adjacent properties, or they are provided along streets to eventually develop into the mature tree canopy that characterizes many of Newmarket's neighbourhoods. As such, trees planted during development often form part of the expectations of residents of how their neighbourhood will grow and be maintained.

When a property is subject to a Planning Act application in Newmarket, the Town's Tree Policy applies. This Policy allows any tree to be removed to facilitate development. However, it does require either the replanting of a corresponding amount of trees or the payment of the value of the replanting to the Town for future plantings and tree enhancing programs. The proportionate amount of trees are calculated based on the diameter of a removed tree – a tree that is 30cm in diameter is required to be replaced with five 6 cm trees, or the cash equivalent.

However, while these trees are required to be maintained by the development agreement, the enforcement of such requirements is challenging as it requires litigation. For example, the Town may require the planting of trees as a landscaped buffer between an apartment and an established neighbourhood, as in the example above. However, if the trees are removed after development, the Town's only recourse is to sue the property owner and ask the courts to order that trees be replanted.

Neighbouring residents who reasonably expected that planted trees would be maintained have no recourse, and the Town's resources and willingness to engage in litigation over tree removals is limited and without guaranteed favourable results.

Privately-owned trees

Trees on lands that are privately owned but not subject to a development agreement with the Town are generally not protected. Large mature trees on front yards may be a dominant feature that creates the character of a neighbourhood, but there is no requirement for a resident to retain them. Densely treed areas in backyards of large lots may be a feature that residents have come to expect to be retained but there are no controls in most areas of Town to prevent the clearcutting of such areas. A very limited number of properties are subject the 2008 Woodlot By-law regulating removal of trees in specific wooded areas, but even this by-law generally permits tree removals.

Current approach strengths and challenges

The current approach does well when property owners voluntarily comply. When a property owner is applying for a Planning Act application and voluntarily delays removing trees until a decision is rendered and agreements are signed, the Town then gets the replanting and compensation required by the policy. When a property is developed and a property owner voluntarily retains the trees on the site and maintains them in a healthy state, the current approach works well.

The current approach does not work well when property owners want to remove trees outside of the limited duration of time that a Planning Act application is in process. By way of example, the Town currently has little ability to prevent the removal of trees:

- By the owner of a large wooded lot who wants to increase the ease of development or avoid compensation
- By a resident who has a large tree whose shade limits their garden
- By an investor who wishes to remove a grove of mature trees on a residential lot and build a larger house
- By a commercial property owner who wants to increase the visibility of their property.

Moreover, there are lands in private ownership that are designated Natural Heritage in the Town's Official Plan, which calls for the protection of vegetation. These may be densely forested areas, open space areas, or areas of ecological significance such as wetlands, floodplains, or steeply sloped areas. In these areas there is no additional protection of trees despite the Town's stated commitment in the Official Plan to desire to protect natural heritage, and despite the important role of trees in flood protection and ecological health.

Neighbourhood character

The Town has long valued the stability of neighbourhood character and recently embarked on a study following the adoption of Interim Control By-law 2019-04 to ensure that new development respects the established character of neighbourhoods. Many of Newmarket's established neighbourhoods have character that can be defined in part by mature trees, extensive tree canopy, and densely wooded areas. This may vary between areas, but is an important consideration in the character of neighbourhoods.

However, as discussed above there are few controls on the removal of privately-owned trees. While the change of buildings is controlled over time through zoning by-laws and residents can expect a certain degree of consistency in their neighbourhood as a result, the loss of large mature trees can redefine a neighbourhood and has little oversight.

Private property rights and development

Any discussion of protecting and regulating the removal of trees would be incomplete without recognizing private property rights and the rights of property owners to develop their lands. Property owners have the right to develop their lands and use them as they see fit, although this right is not absolute. It is limited through statutes such as the Planning Act and zoning by-laws, through controls to limit negative impacts through property standards by-laws under the Municipal Act, and in many jurisdictions through tree protection by-laws under the Municipal Act.

It should not be thought that a private tree by-law is a means to prevent or prohibit development. Development applications are reviewed under the Planning Act and the broad provincial planning regime. Development is an important part of Newmarket, and is critical for the Town to be able to achieve its goals of economic development, providing a diverse housing stock, and constraining outward urban growth. Regulating the removal of trees is a limit on private property rights, but one that is a means of ensuring the maintenance and growth of the Town's urban canopy rather than an attempt to frustrate growth and development.

Approaches of other municipalities

Many municipalities take a more robust approach to tree preservation and regulation with both policies and by-laws to limit the removal of trees and promote the planting of new trees.

The majority of York Region's local municipalities, including the other urban municipalities (Richmond Hill, Markham, Vaughan, and Aurora), have a by-law regulating trees on private property. The more rural municipalities (King, Georgina and East Gwillimbury) have some Official Plan policies or wholly rely on the Region's Woodlot By-law for protecting trees. Newmarket is in the middle of the group by having a Tree Policy but not having a tree protection/removal by-law.

Aurora allows two trees of up to 30cm in diameter each to be removed from a property each year without a permit, and additional trees can also be removed for larger properties. Markham requires a permit for tree removals but charges no fee for the permits, preferring to emphasize customer service and providing professional public service advice to assist residents in voluntarily maintaining their trees. Richmond Hill issues permits for the removal of trees over 20cm in diameter and exemption permits for those which are dead, diseased, hazardous, or Ash trees, with an overall preference for encouraging compliance over punishment. Similarly, Vaughan issues permits for the removal of any tree over 20cm in diameter but waives the application fee for those that are dead, hazardous, or Emerald Ash Borer infected Ash trees.

Outside York Region, Brampton has an approach wherein they do not require permits to remove trees located within 2m of an occupied building. Trees with a diameter of under 30cm, do not require a permit to be removed. Otherwise, an application costs \$50 and takes approximately a month to process.

Pickering regulates which trees can be removed through specified tree protection areas; trees within the area require a permit, those outside do not require a permit to be removed. Their permit costs \$100.

Oakville requires a permit to remove a tree that is over 15cm in diameter. Their permit costs are scaled based on the number of trees being removed: \$50 for the first, and \$340 for each additional tree (larger than 24cm). There is no fee for a permit to remove a dead or dying tree.

Appendix A provides a more detailed jurisdiction scan through a chart comparing how other municipalities in and around York Region are protecting and regulating trees.

Proposed Program

Staff's intent is that any new approach to tree protection be efficient, effective, and easily understood. As such, staff's draft framework includes a by-law which would have a tiered approach to the protection of trees on private property. The approach discussed below is based on three tiers that increase review and protection requirements based on the impact of tree removals in each tier's circumstances. Staff believes this approach will contribute to Council's Strategic Pillar of Environmental Stewardship and through tree protection.

Tier 1: Areas not subject to a development application

The removal of trees in most residential areas of Newmarket has not traditionally been regulated by the Town. However, for the reasons discussed above, it may be worth implementing stronger tree protection measures. In order to create an easily managed system, staff are proposing that:

- Any small (less than 20cm in diameter) tree can be removed;
- The removal of any tree greater than 20cm requires replanting or compensation (similar to the compensation required under the Tree Policy); and
- Criteria be set under which the removal of trees be prohibited (e.g. healthy trees of large size and rare species, trees whose removal would significantly impact neighbouring properties or streetscapes).

Tree Policy Compensation:

Replant by Aggregate Inch Method: one 30cm tree requires five 6cm trees to be planted (or three 10cm trees)

Cash equivalent: \$450 per tree in the Fees & Charges By-law (this amount is indexed yearly).

Requiring replanting and compensation for removed mature trees during development has been common practice in Newmarket since 2005. Compensation funds may be used for future tree plantings by the Town, education programs which would assist residents in maintaining trees, and subsidies for new tree plantings by residents.

Such an approach would include the ability for residents to replant trees elsewhere on their property to reduce the need for monetary compensation. This approach reflects a deference to private property rights and the desire of homeowners to arrange their properties in a manner that suits them by allowing tree removals in almost all circumstances. This approach also seeks to discourage tree removal by requiring the replacement of trees or cash equivalent to ensure that each neighbourhood benefits from mature trees.

The by-law would outline exemptions from the permit process (i.e. hazardous trees). It would also outline a scale of cost for removal – the bigger the tree the higher the cost, thus discouraging removal of mature trees which provide greater benefits. There would be a permit application cost for the first tree plus additional fee per additional tree removed.

By-law administration

Interviews with staff from other municipalities with private tree protection by-laws have provided Town staff with an indication of the volumes of applications and thus the resourcing required. For the by-law to be of any effect or success, qualified staff with adequate time to administer the by-law and assist residents in compliance are required.

Depending on Council's willingness to resource a private tree protection regime, the Town could adopt a by-law of varying levels of efficacy.

To minimize resources, Council could adopt a by-law that seeks to create a low administrative burden but provides little review or enforcement. Such a by-law could require no qualified arborist report for the removal of trees and simply require residents to replant or pay a replanting value to the Town. This approach would provide little review of the impacts of tree removal or whether there were other options to preserve

mature trees. This approach would rely largely on voluntary compliance, as without dedicated resources, follow-up or investigation and enforcement would be challenging.

A more robust protection system would require a qualified arborist employed by the Town to also act as an enforcement officer. This approach could require an arborist report for tree removal requests to reduce Town costs, or employ the Town's staff member to undertake the review to reduce the burden on individual residents. This approach would provide for a staff member to handle tree removal permits, follow-up to ensure replantings have been completed, and enforcement in the event of unauthorized tree removals.

Opportunities also exist to fund staffing for such an approach by moving the role of reviewing development arborist reports to such a position. The Town currently employs an external consulting arborist to review such reports and recoups the cost from development applicants. Combining this role with a tree protection staff could fund a portion of such a position through development review while also providing a more local and available development review service.

This staff person could also provide enhanced customer service such as Markham's approach. Ideally, the staff member would be a certified arborist and would be part of the Forestry Department in Public Works Services. He/she could work with residents who are unsure of a tree's health and advise on how to maintain a tree instead of removing it. They may offer suggestions about how to change a proposal to preserve a tree and offer advice on how to protect a tree during construction.

Subject to Committee's feedback on this report, Staff intend to review and refine this approach in terms of the strength of such a by-law and how funding for such a position may be managed.

Tier 2: Areas subject to a development application

As properties subject to development are a larger change for a neighbourhood and can impact larger numbers of trees, they merit a higher standard of review to appropriately manage impact and change. As such, when a property is subject to a development application, it would be subject to a greater degree of scrutiny than Tier 1.

Newmarket has a policy in place which preserves trees or requires compensation for their removal due to development. The policy does not have the ability to leverage fines and penalties against developers who do not follow the policy. The Town currently has no method to respond when trees are removed prior to filing a development application (in an attempt to avoid paying compensation), and little recourse when trees are removed after a development is completed. A by-law could set out fines and penalties to enable staff to properly enforce the policy.

Staff are proposing to increase the ability of the Town to enforce its tree protection requirements by enacting a by-law that enables the Town to order remedial action or levy fines when trees are removed without proceeding through the Tree Policy process.

This would also allow the Town discretion to require that certain trees be retained during development to accomplish goals of providing appropriate buffering from existing neighbourhoods or to preserve an identified ecological function such as erosion and flood prevention. This is a more effective approach than suing property owners for not complying with their development agreements.

The Town's approach to tree protection continues to be permissive in a desire to facilitate the growth and development that is Newmarket's objective. The proposed 3-tired framework put forward by staff would retain this approach while providing tools to address the risk of trees being lost due to gaps in the Town's current approach to tree protection.

Tier 3: Areas subject to the Natural Heritage Designation

Natural Heritage System areas include wetlands, floodplain, and woodlots. Council has adopted policies that state that these areas will be protected from development and be the site of efforts of reforestation and/or naturalization. These areas are intended to be preserved as green space, and the zoning by-law generally prohibits development in these areas.

Official Plan policies allow the review of trees to be protected during development applications however, if there is no Planning Act application on going, Official Plan policies do not have the legal authority to protect individual trees on private property.

Official Plan policies and zoning by-laws cannot prevent the removal of trees. The authority to regulate the removal of trees is from a by-law passed under the *Municipal Act*.

The effect of this is that large tracts of land that are located in areas vulnerable to flooding and erosion, or that have been designated by Council as being natural heritage areas to be protected, have no protection from the removal of trees. Large wooded areas could be deforested without any review by the Town.

Staff propose that any by-law approved by Council would require that trees cannot be removed in areas subject to the Natural Heritage Designation unless approved with studies demonstrating how the ecological functions of the area are protected, a proposal that would generally be reviewed during the development approval process. Where trees are proposed to be removed in such areas, property owners will be required to demonstrate the necessity of their removal (i.e. they are hazardous to human health or property) as these lands have been identified by the Official Plan as being of particular ecological importance for forest cover.

Other Possible Approaches

Another approach could be to not have a by-law and spend resources on an education and awareness campaign(s). Education and awareness is a key element of any tree protection regime. These campaigns may reach many residents, however there can be a financial incentive for property owners to remove trees to increase the ease of

development, which may negatively impact other residents, and in that case the municipality should use its powers to protect the urban forest.

Staff have considered these other approaches and believe that the proposed 3-tier approach is balanced and most likely to achieve all desired outcomes. Furthermore, staff are committed to ongoing consultation with residents, business owners, and developers and the continuous improvement of any adopted tree protection regime.

Consultation

Since this topic was last before Council, staff have been engaging in various means to gather input from the community on this topic.

Phone Survey

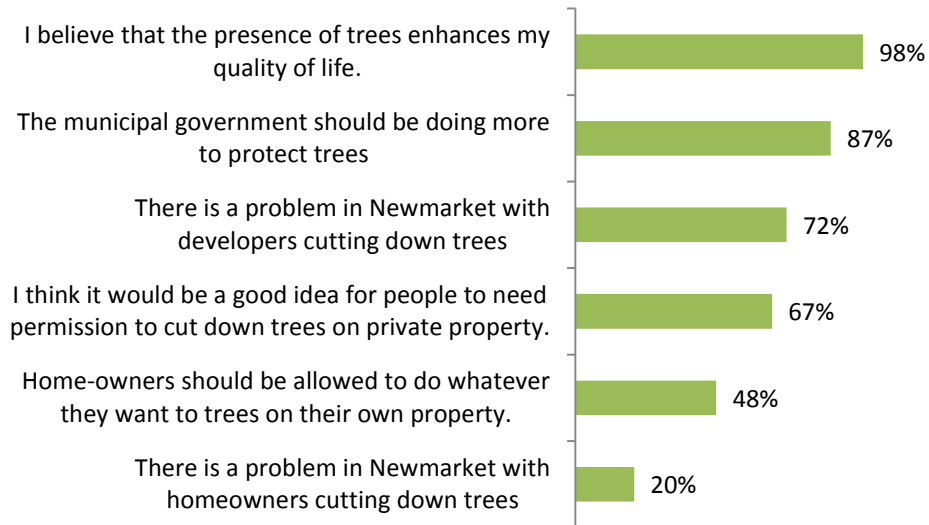
A phone survey was undertaken by MDB Insight. The research was conducted via live agent Computer-Assisted-Telephone-Interviewing from October 30th to November 8th, 2018. Results are considered accurate to within +/- 4.9%, 19 times out of 20.

- In total, 401 surveys were completed with residents of the Town of Newmarket 18 years of age or older.
- The sample was randomly collected evenly from each of Newmarket's seven wards (57 per ward)
- Final data used in the analysis were weighted by age and ward to represent the population of Newmarket.

The phone survey found that 61% of residents are in favour of putting in place a by-law to have fines and penalties for trees that are removed without permissions. Incentives and education programs are more preferred than by-laws with fines, but all have strong support.

The results of the survey showed a different perception of whether there was a problem of "homeowners" or "developers" cutting down trees. Only approximately one fifth of residents believe tree cutting by homeowners is a problem. It is worth noting that it is challenging to draw a line between the two, as individuals and families can act as a developer through additions to houses, demolitions and rebuilds, and through severing and creating new lots. There was strong support in the survey for requiring permission to remove trees, and for the Town taking a stronger role in protecting trees.

The below bar graph shows the percentage of respondents who agreed with each statement.



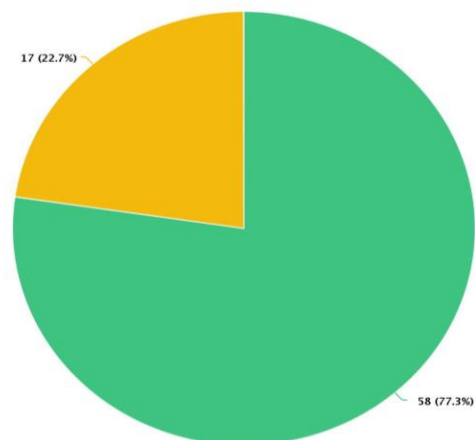
The entire survey report is attached as Appendix B.

HeyNewmarket

HeyNewmarket is the Town's online digital engagement platform. It allows residents to share their opinions at their convenience on their own time and is not dependant on a Town-hosted in-person event. The platform invites residents to share their stories about trees and the impact they have had on their lives. The stories tend to lean towards protecting mature trees and their significant value to the Town. There are a few stories that highlight the value of allowing residents to determine how their plants are dealt with (i.e. a previous owner over-planting with large species of trees such that the backyard is in constant shade and covered with pine needles).

HeyNewmarket also provided a quick poll that 75 people responded to, with 17 respondents (22.7%) saying no and 58 (77.3%) saying yes to protecting trees on private property. The yes votes are shown in green and the no votes are shown in yellow.

An online survey was also offered through HeyNewmarket, 56 responses were received. The majority of respondents are in favour of protecting trees on private property, planting more trees and recognized the diversity of values (environmental, aesthetic, etc.) of trees. The online survey was open to all



Online poll support for private tree protection

residents and was not randomly selected.

Other public feedback

Staff have been provided with a petition to protect trees on private property with 302 signatures. Staff have also been contacted directly by phone and email by concerned residents on this topic.

Future Consultation

Based on comments received to date, staff have created the 3-tiered framework discussed in this report. Staff believe it is important to complete additional consultation over the spring and summer by re-contacting people who have expressed an interest in this topic through HeyNewmarket and direct emails to staff.

Staff propose to gather opinions on the 3-tiered framework for protecting trees on private property. Proposed consultations could involve holding a Public Information Centre, additional reaching out through HeyNewmarket, and promotion of the project through the Town's social media channels. Staff intend to hold at least one in-person event to share the proposed program, similar in style and tone as the Wayne Waratah stormwater management/park design event held in March of this year. There are many benefits to taking this enhanced approach to engagement for this topic. Staff have seen and heard that there are very divergent and passionate opinions on tree preservation. It is felt this approach is balanced and would benefit from the "out-of-the-box" style of engagement to reach both sides of the debate and have them understand this approach.

Staff will also be consulting with internal stakeholders, specifically other departments who would be responsible for enforcing and implementing the by-law. Staff will also reach out to the Region and the LSRCA for their input into the proposed program.

Conclusion

Staff have heard passionate comments both for and against a tree protection or a tree cutting by-law. Our discussions with other municipalities have found that traditional tree cutting by-laws can be administratively difficult to manage and typically involve increasing the staff compliment with specialty knowledge of trees and by-law enforcement. Staff are seeking to strike a balance between protecting a valuable asset which benefits all residents and respecting the rights and desires of homeowners to control their own property. Staff believe that this 3-tiered approach achieves that balance and contributes to achieving Council's Strategic Priority of Environmental Stewardship through tree protection. If Council accepts the recommendations of this report, we will consult the community again and then bring forward a by-law for approval in the fall.

Business Plan and Strategic Plan Linkages

Council's newly adopted Strategic Priorities speak to sound fiscal management and environmental stewardship. Trees were a specific focus of the environmental stewardship priority.

Staff believe that the approach outlined herein achieves a balance between environmental stewardship and sound fiscal management thus contributing to achieving two strategic priorities.

Human Resource Considerations

An ultimate adoption of a by-law may have staffing and enforcement resource implications. This will be further outlined in a subsequent staff report.

Budget Impact

An ultimate adoption of a by-law may have staffing and enforcement resource implications. This will be further outlined in a subsequent staff report. There may be some minor use of the Planning Department's existing budget to fund some consultation activities (i.e. promoting social media posts).

If directed by Council, staff can host an enhanced 'iWonder' style PIC. It could cost approximately \$3,000 to \$5,000. Currently, there is no budget allocated for this event.

Attachments

Appendix A – Jurisdiction Scan

Appendix B - Phone survey results

Approval

Jason Unger, MCIP RPP, Acting Director Planning and Building Services

Peter Noehammer, P. Eng, Commissioner Development & Infrastructure Services

Contact

Meghan White, MCIP RPP - mwhite@newmarket.ca or 905-953-5300 x 2460

Ted Horton, MCIP RPP - thorton@newmarket.ca or 905-953-5300 x 2458

Appendix A - Jurisdiction Scan

Municipality	Permit required to remove a tree?	Application Fee and Requirements	Fine(s) for removing tree without permit	Timeframes for processing	Exceptions to permit requirements	Notes
YORK REGION						
Markham	Yes	No; also no fees for inspections or appeals	Min.-Max. fine: \$500 - \$100,000	Usually 2 weeks, but can be from 3 weeks to a month if high volume	No permit for trees less than 20cm DBH at 1.37 m	Permit required for dead, dying, diseased, hazard trees, for Emergency Work, and for works relating to a Property Standards Order
		No arborist report required, Arborist on staff	Continuing offence: Min.-Max. fine \$500-\$10,000 per day; not limited to \$100,000 for total of all daily fines	Maximum is 30 days	No permit for pruning, etc. under Good Arboricultural Practice	
		Conducts on-site inspections	Multiple offences: Min.-Max. fine \$500-\$10,000 for each offence; not limited to \$100,000 for total all fines for each offence		Tree management plans for larger tracts of lands may supersede necessity for permit	
Richmond Hill	Yes	Yes, \$150 for first tree and \$50 for each additional tree to a maximum of \$400 (may be waived for those below LICO) Requires certification	Min. fine: \$300 Continuing offence: Min.-Max. fine \$500-\$10,000 per day; not limited to \$100,000 for total of all daily fines	Legally, 45 days Typically, 10-15 days* *depending on work load	No permit required for trees less than 20cm DBH No permit required for emergency work, etc.	Permit required for exemption For trees that are dead, diseased (including EAB) or hazardous, you need approval from

Municipality	Permit required to remove a tree?	Application Fee and Requirements	Fine(s) for removing tree without permit	Timeframes for processing	Exceptions to permit requirements	Notes
		from Arborist Conduct on-site inspection	Multiple offences: Min.-Max. fine \$500-\$10,000 for each offence; not limited to \$100,000 for total all fines for each offence Special fines may be applicable for economic gain or advantage from the offence; unlimited amount		Trees on development sites – Site Plan submissions include Tree Inventory and Preservation Plans	Commissioner, and an Arborist Certificate from a certified arborist or Professional Forester confirming that the tree is dead, diseased or hazardous
King	No	N/A	N/A	N/A	Only permit required (RMY) for trees part of a woodlot or woodland	When dead, dying, decayed, or considered a danger, trees must be trimmed and pruned to a safe maintained state or cut down in accordance with the Clean Yards By-law
East Gwillimbury	No	N/A	N/A	N/A	Only permit required (RMY) for trees part of a woodlot or woodland	None
Georgina	No	N/A	N/A	N/A	Only permit required (RMY) for trees part of a woodlot or woodland	Removal of dead trees (presumably also dying or hazardous trees) may be ordered
Aurora	Yes, with exceptions	Yes, scaled fee 3 trees: \$204.25 4 trees: \$306.30 5 trees: \$4-8.40	Persons: a) First conviction, not more than \$10,000 or \$1,000 per tree, whichever is greater;	Up to 30 days	No permit required for removal of trees less than 20cm DBH	Can remove 2 trees between 20cm and 70cm on private property in 12 month

Municipality	Permit required to remove a tree?	Application Fee and Requirements	Fine(s) for removing tree without permit	Timeframes for processing	Exceptions to permit requirements	Notes
		<p>6 trees: \$510.50 7 trees: \$612.60 8+ trees: \$102.10 per additional tree to max. of \$2,552.50</p> <p>Trees over 70cm in diameter: \$510.50 per tree</p> <p>May be waived at discretion of Director</p> <p>Arborist report may be required</p>	<p>and b) Subsequent conviction, not more than \$20,000 or \$2,500 per tree, whichever is greater.</p>		<p>Permit required for any tree with DBH greater than 70cm</p> <p>Permit required for any heritage tree</p> <p>Permit not required for pruning, Emergency Work, work under Order, trees on a Golf Course, etc.</p>	<p>period (reduced from 4) without permit</p> <p>Can remove 2 trees between 20cm and 70cm per 0.25 ha on larger private properties in 12 mo. period without permit</p> <p>Dead, diseased, or hazard trees require permit (Arborist certificate or report and application) but are exempt from fee</p>
Vaughan	Yes	<p>Yes, processing fee of \$64 for 5 trees or less and \$115 for more than five trees (and construction or infill)</p> <p>Arborist report required</p>	<p>Persons: a) First conviction, not more than \$10,000 or \$1,000 per tree, whichever is greater; and b) Subsequent conviction, not more than \$25,000 or \$2,500 per tree, whichever is greater.</p>	Thirty (30) days	<p>No permit required for trees less than 20cm diameter at base</p> <p>No permit required for emergency work, pruning, etc.</p>	<p>Application for Five Trees or Less and separate for 5+ and construction related</p> <p>Dead, hazardous, or dying from EAB - permit required, exempt from fee</p>
Whitchurch-Stouffville	No	N/A	N/A	N/A	Only permit required (RMY) for trees part of a woodlot or woodland	Draft of by-law for protection/maintenance of trees on public

Municipality	Permit required to remove a tree?	Application Fee and Requirements	Fine(s) for removing tree without permit	Timeframes for processing	Exceptions to permit requirements	Notes
						property going to Council May 21 st No plans to regulate trees on private property?
Guelph	Yes	Yes, \$122 Site visits conducted Arborist report may be required	Min.-Max. fine: \$500-\$100,000 Person: a) First conviction: not more than \$10,000 or \$1,000 per tree, whichever is greater b) Subsequent conviction: not more than \$25,000 or \$2,500 per tree whichever is greater	About 1 mo. If tree is dead or dying but poses little to no risk to safety or accessibility, permit will be placed further back on list	No permit required for trees on lots smaller than 0.2 ha (0.5 a), for trees measuring less than 10 cm DBH. at 1.4 m, for trees that could not have reached a height of at least 4.5m from the ground at physiological maturity No permit required for dead or dying trees, trees posing danger to life or property, or trees impacted by unforeseen causes or natural events	Dead, dying, or hazardous trees require a certificate issued by an Arborist confirming justification Other notes for trees on University property, Gold Courses, etc.
Toronto	Yes	Yes: Non-construction related: Private tree = \$118.68/tree, boundary/neighbor	Min.-Max. fine: \$500.00-\$100,000.00 per tree; and a special fine of \$100,000.00 (under subsection 370 (1) (d))	2-4 weeks	No permit required for trees less than 30 cm DBH at 1.4 m Permit required for any	None

Municipality	Permit required to remove a tree?	Application Fee and Requirements	Fine(s) for removing tree without permit	Timeframes for processing	Exceptions to permit requirements	Notes
		<p>tree =\$ 247.73/tree</p> <p>Construction: Related: Private tree = \$355.02/tree, boundary/neighbor tree = \$743.21/tree</p> <p>Application fees may be waived</p> <p>Arborist report required</p> <p>Site visits are conducted prior to issuance</p>	<p>of the City of Toronto Act, 2006).</p>		<p>vegetation/tree in area regulated by Ravine and Natural Feature Protection By-law</p> <p>Tress that are terminally diseased, dead, imminently hazardous trees, and/or engaged in emergency work require certification from the General Manager</p>	
Oakville	Yes	<p>Yes, \$50 for first tree sized 15-24cm DBH removed in 12 mo. period, \$340 for each additional tree sized 15-24cm DBH or for each tree larger than 24cm DBH</p> <p>If tree removal is a result of a development</p>	<p>Min.-Max. fine: \$400-\$100,000</p> <p>Continuing offence: Min.-Max. fine is \$400-\$10,000 per day; total of all daily fines for the offence is not limited to \$100,000</p>	<p>About 25 days</p> <p>“It can take up to 5 business days for a tree inspector to schedule a consultation/site visit with the applicant after the request has been made. It will then</p>	<p>No permit required for trees measuring less than 15 cm in diameter</p> <p>No permit required, though must notify Town ASAP, for Emergency tree removal (immediate risk for the tree (or part) to cause serious injury or damage to people or</p>	<p>Dead and high risk trees, Ash trees, and buckthorn require permit (also Arborist report and photos) but are exempt from fees</p> <p>Any hedges with stems that measure 15 cm or more in diameter require permit</p>

Municipality	Permit required to remove a tree?	Application Fee and Requirements	Fine(s) for removing tree without permit	Timeframes for processing	Exceptions to permit requirements	Notes
		<p>application, second tree 15-24cm DBH and any trees greater than 24cm are \$720</p> <p>Application fees may be waived</p> <p>Arborist report required for any high risk tree, may be necessary otherwise</p> <p>On-site consultation conducted</p>		<p>take approximately 25 business days to review and process an application after the Forestry department receives all the required documentation.”</p>	<p>property)</p>	<p>Security deposit - Tree replacement and security deposit may be a condition of removal. The security deposit will be refunded once a final inspection of the replacement plantings is complete.</p>
Barrie	No (see exceptions)	N/A	<p>On a first conviction, to a fine not more than \$10,000 or \$1,000 per tree, whichever is greater; and</p> <p>On any subsequent conviction, to a fine not more than \$25,000 or \$2,500 per tree, whichever is greater.</p>	N/A	<p>Permit required for trees that are part of a woodlot (forested area) of half-acre in size or larger and for trees part of a development application</p>	None
Brampton	Yes	<p>Yes, \$50</p> <p>Arborist Report may be required by Commissioner</p>	<p>Max. fine: \$100,000</p> <p>Continuing offence: Max. fine is \$10,000 per day; the total of all daily fines for the offence is not limited to</p>	Up to 30 days	<p>Permit not required for trees less than 30 cm DBH at 1.37 m</p> <p>Dead or hazardous trees do not require</p>	None

Municipality	Permit required to remove a tree?	Application Fee and Requirements	Fine(s) for removing tree without permit	Timeframes for processing	Exceptions to permit requirements	Notes
			<p>\$100,000;</p> <p>Multiple offences: Max. fine is \$10,000 per offence; the total of all fines for each offence is not limited to \$100,000</p> <p>Special fine may be applied for aggravating factors; can exceed \$100,000 or other maximums</p>		<p>permit, but City asks for notification</p> <p>Permit not required for trees located within 2 meters of an occupied building, Injury to trees where necessary for emergency work, etc.</p>	
Pickering	Yes	<p>Yes, \$100</p> <p>For dead, dangerous, diseased or severely injured trees: Free if has report from a certified arborist; \$25 if City's arborist is required to inspect to confirm the compromised state of the tree</p>	<p>First conviction: fine not more than \$10,000 or \$1,000 per tree, whichever is greater</p> <p>Subsequent conviction: fine not more than \$25,000 or \$2,500 per tree, whichever is greater</p>	Typically within a few weeks – dependent on scheduling and availability of By-law staff and arborist	Permit not required for: trees less than 25 mm DBH at 1.5m in protection area; trees not located in the designated protection area; dead, dangerous, diseased or severely injured trees or stumps, in accordance with good forestry practices; Ash trees in relation to the EAB infestation	They stipulate: No tree removal is permitted prior the submission and approval of a Tree Inventory Report and Preservation Plan which is required as part of all draft plan of subdivision, zoning, land division or site plan approval submissions

2018 Tree Survey Results with Ward Level Analysis



Background and Methodology

Background

The broad purpose of the survey is to measure attitudes toward trees, the value or importance of trees, and any issues or problems with tree removal in the town of Newmarket.

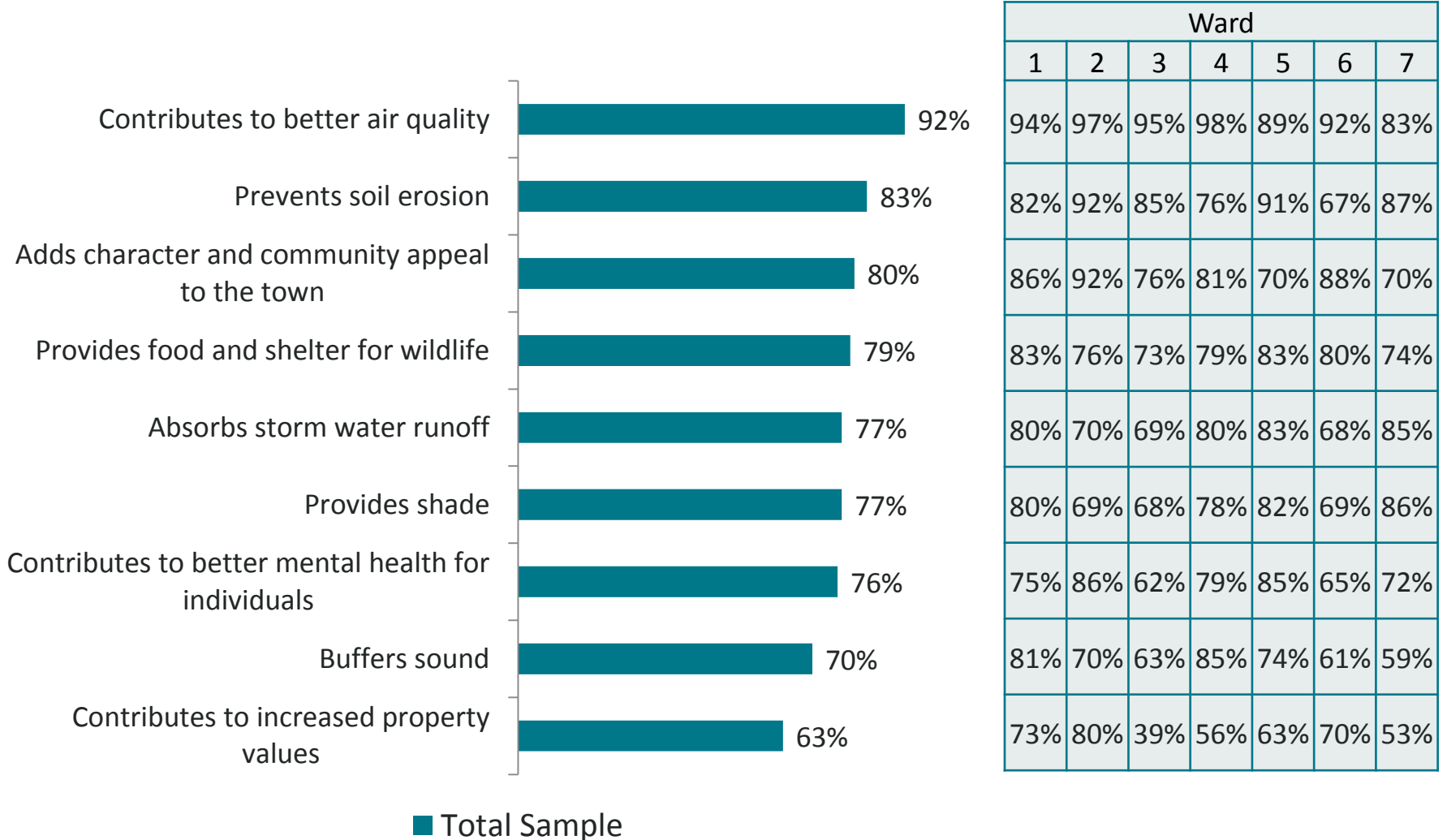
Methodology

The research was conducted via live agent Computer-Assisted-Telephone-Interviewing (CATI) from October 30th to November 8th, 2018.

- In total, 401 surveys were completed with residents of the Town of Newmarket 18 years of age or older.
- Sample was collected evenly from each of Newmarket's seven wards (57 per ward)
- Final data used in the analysis were weighted by age and ward to represent the population of Newmarket.
- Results are considered accurate to within +/- 4.9%, 19 times out of 20.

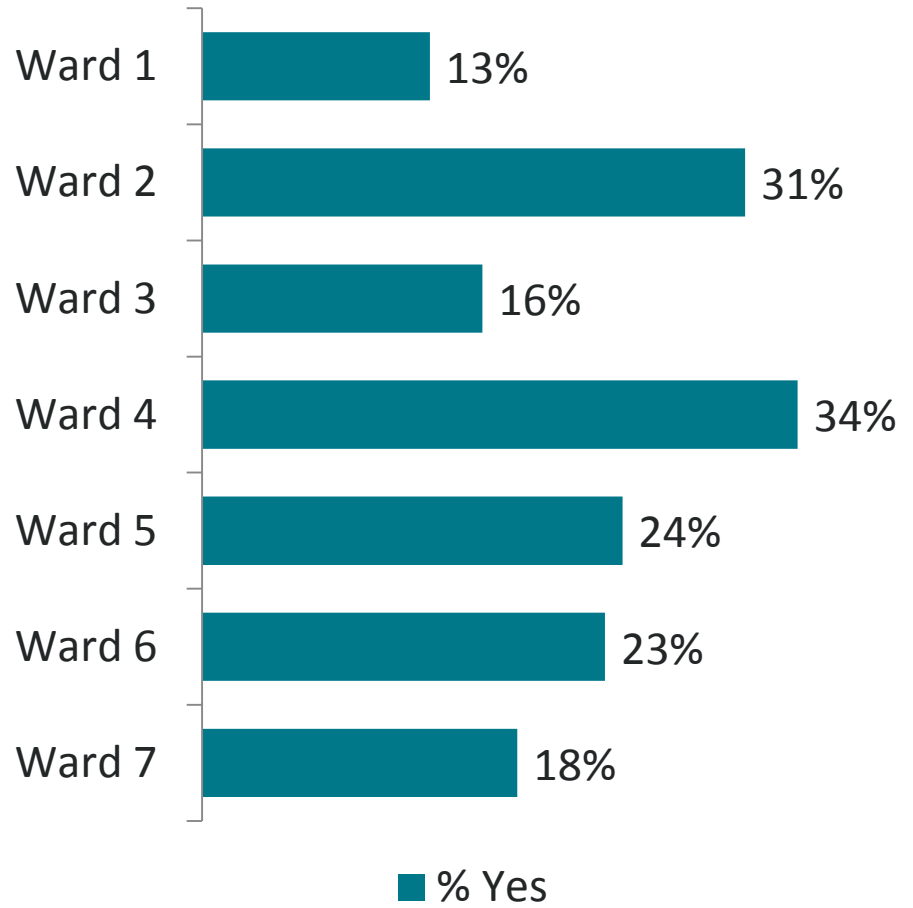
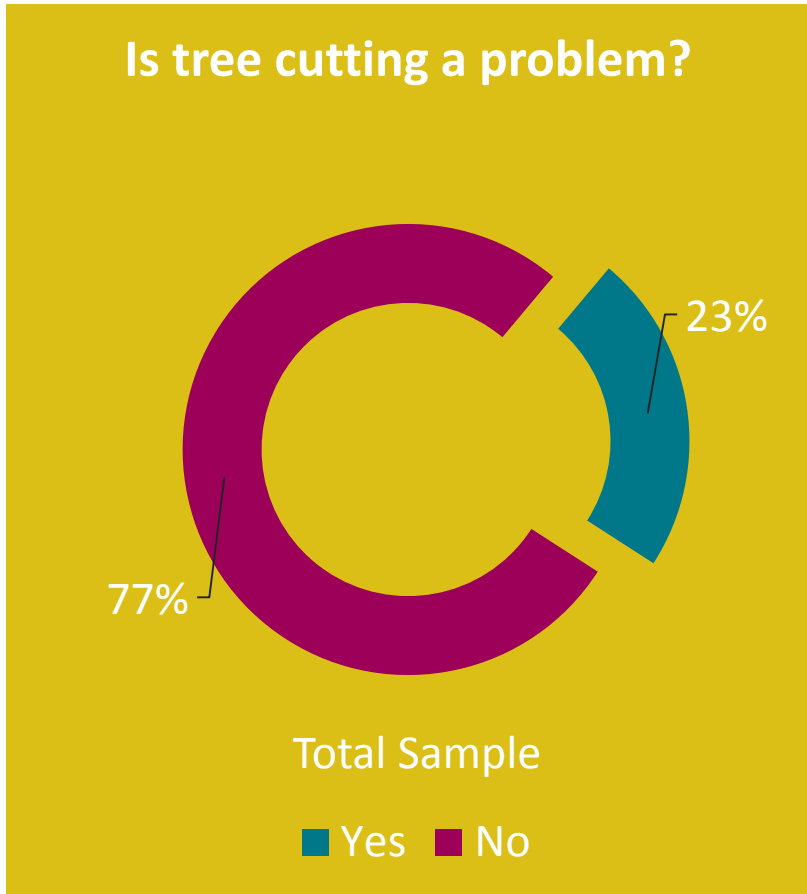


Better air quality, erosion prevention, and increased community appeal are top three reasons for considering trees important



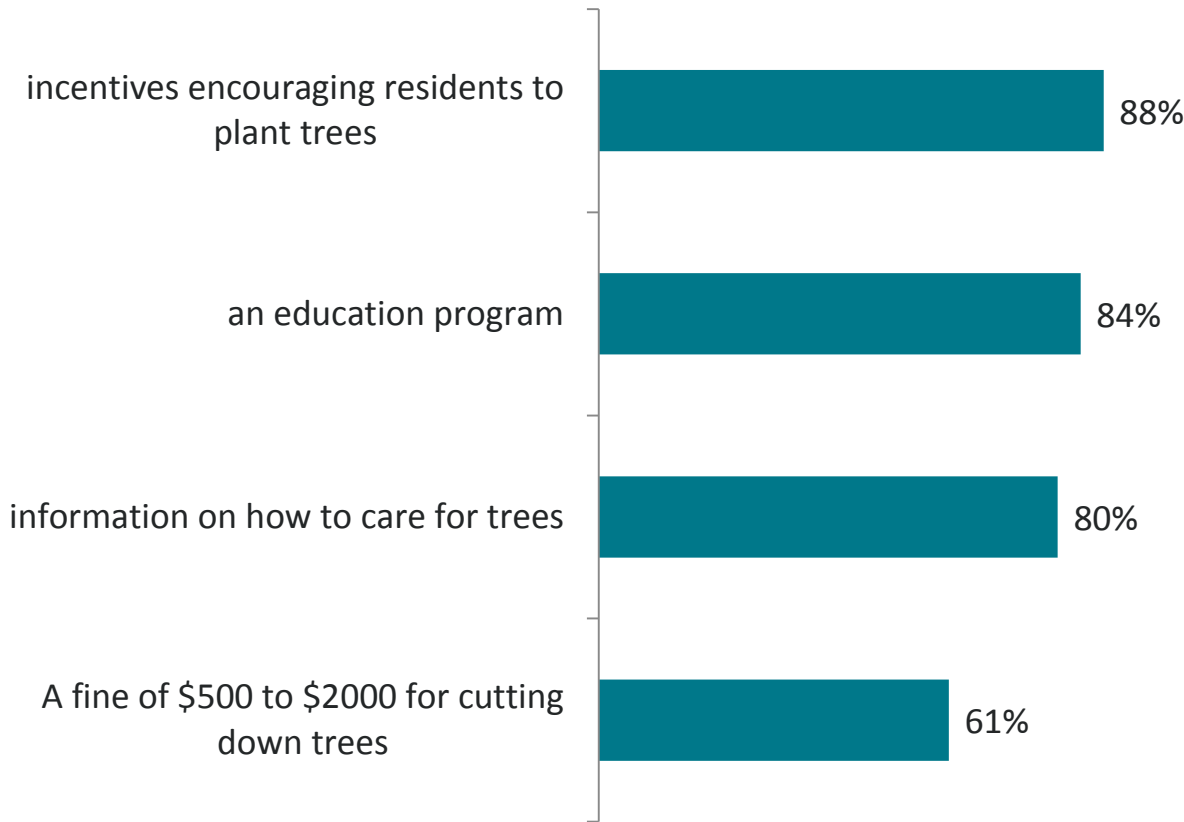


Tree cutting on private property is a problem for 1 out of 4 residents.





Incentives and education programs are more preferred than bylaws with fines, but all would be welcome



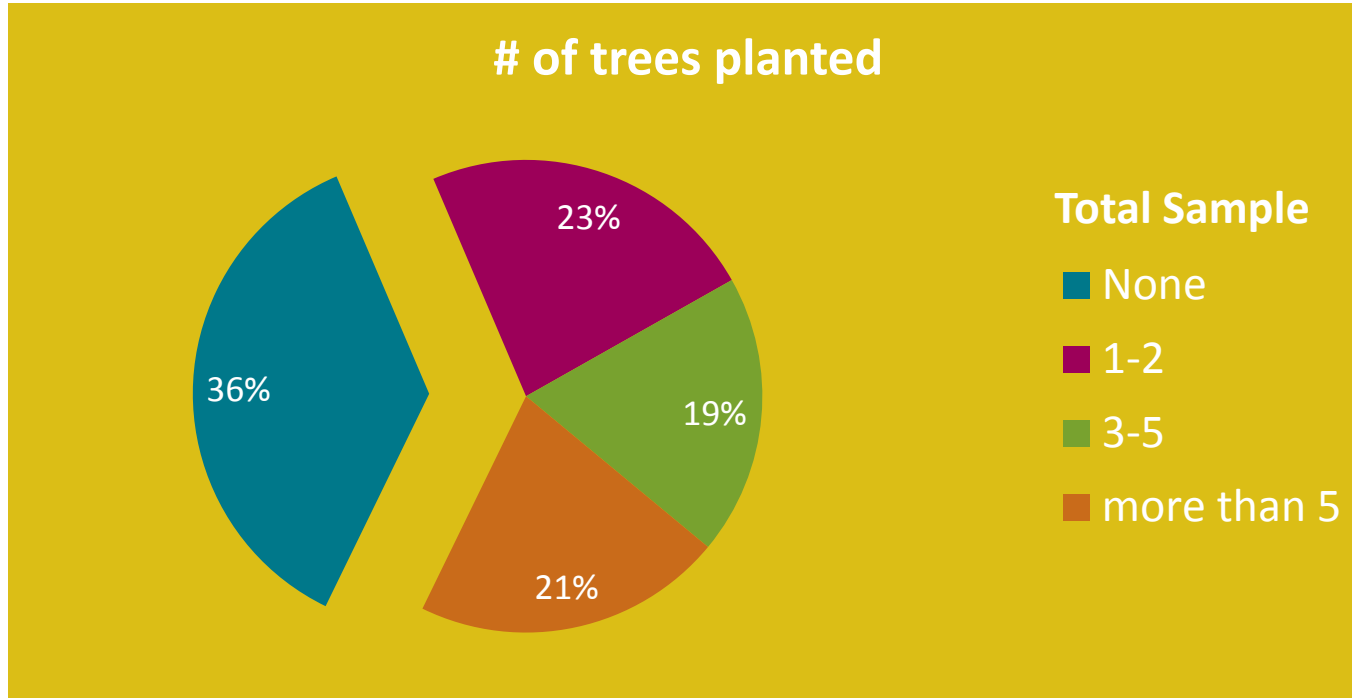
Ward						
1	2	3	4	5	6	7
89%	81%	90%	91%	91%	92%	86%
89%	77%	85%	91%	95%	72%	79%
100%	73%	88%	62%	63%	88%	86%
62%	64%	46%	50%	65%	56%	73%

■ Total Sample

Would you say an education program that informs people about the benefits of trees on their property would HELP preserve trees on private property.
 Would you say a by-law which includes a fine between \$500 and \$2000 for people who cut down trees without permission would HELP preserve trees on private property.
 Would you say information for residents on how to care for trees on their own property would HELP preserve trees on private property.
 Would you say incentives encouraging residents to plant trees on their own property would HELP preserve trees on private property.



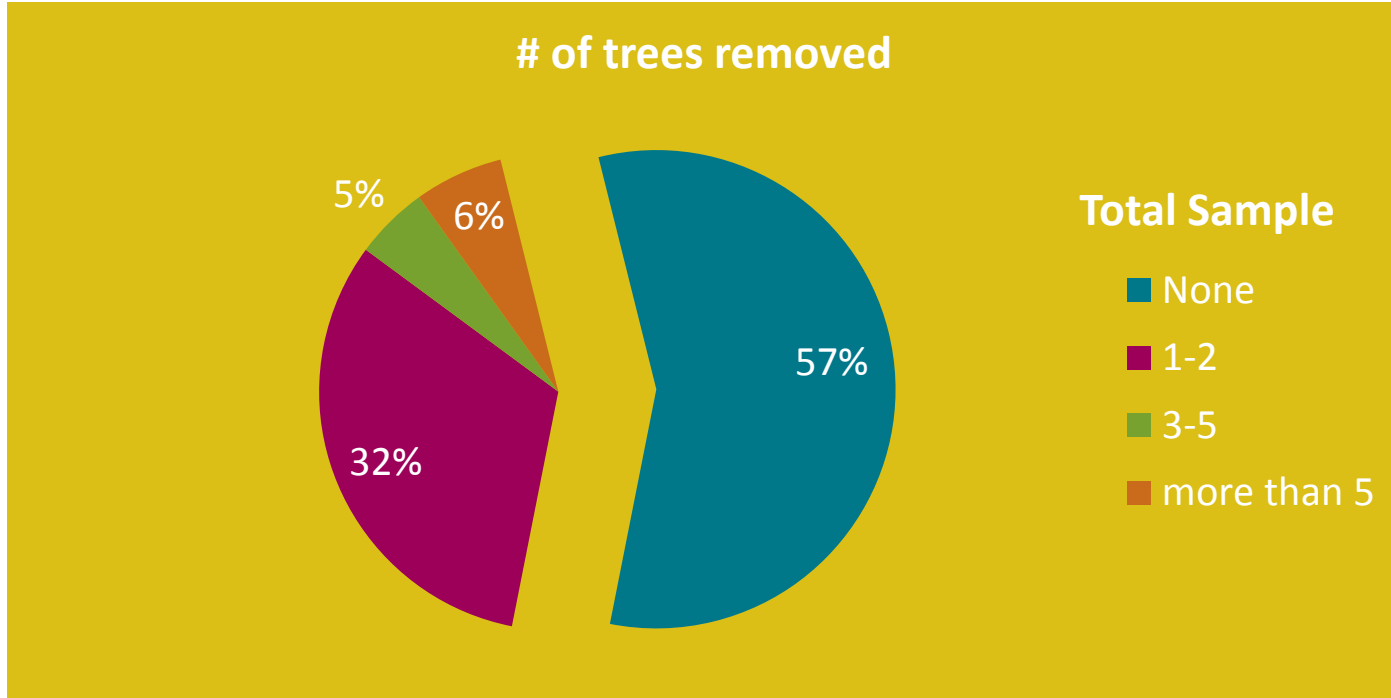
Nearly 2 out of 3 residents have planted trees



	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7
None	46%	32%	46%	26%	57%	28%	20%
1-2	19%	23%	17%	28%	8%	37%	31%
3-5	14%	25%	12%	32%	8%	14%	28%
More than 5	22%	20%	24%	15%	27%	22%	21%



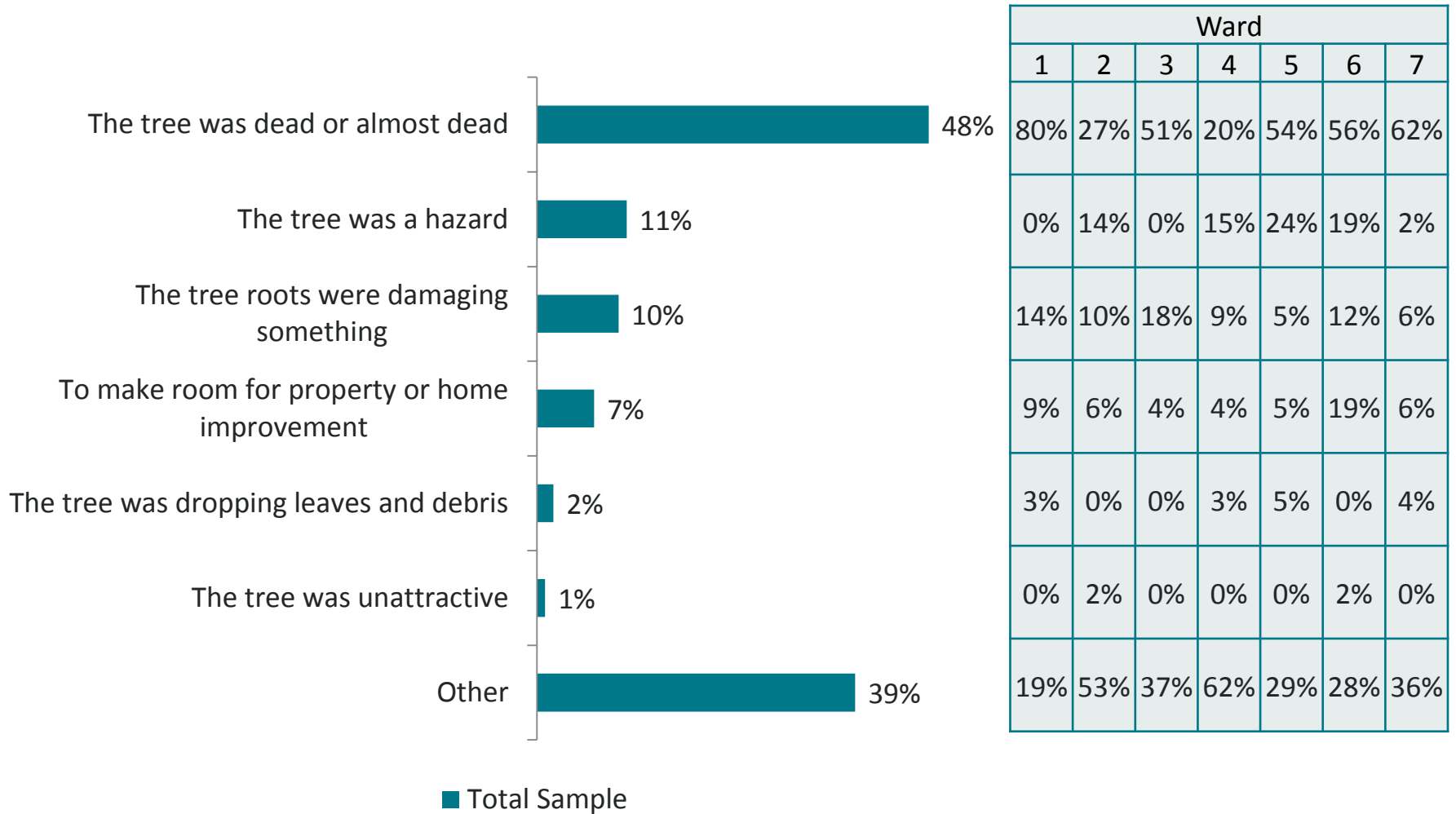
The majority of residents (three out of five) have not removed any trees



	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7
None	70%	58%	54%	44%	54%	61%	56%
1-2	28%	37%	34%	37%	30%	29%	32%
3-5		5%	7%	2%	12%	2%	6%
More than 5	2%		5%	17%	5%	8%	6%

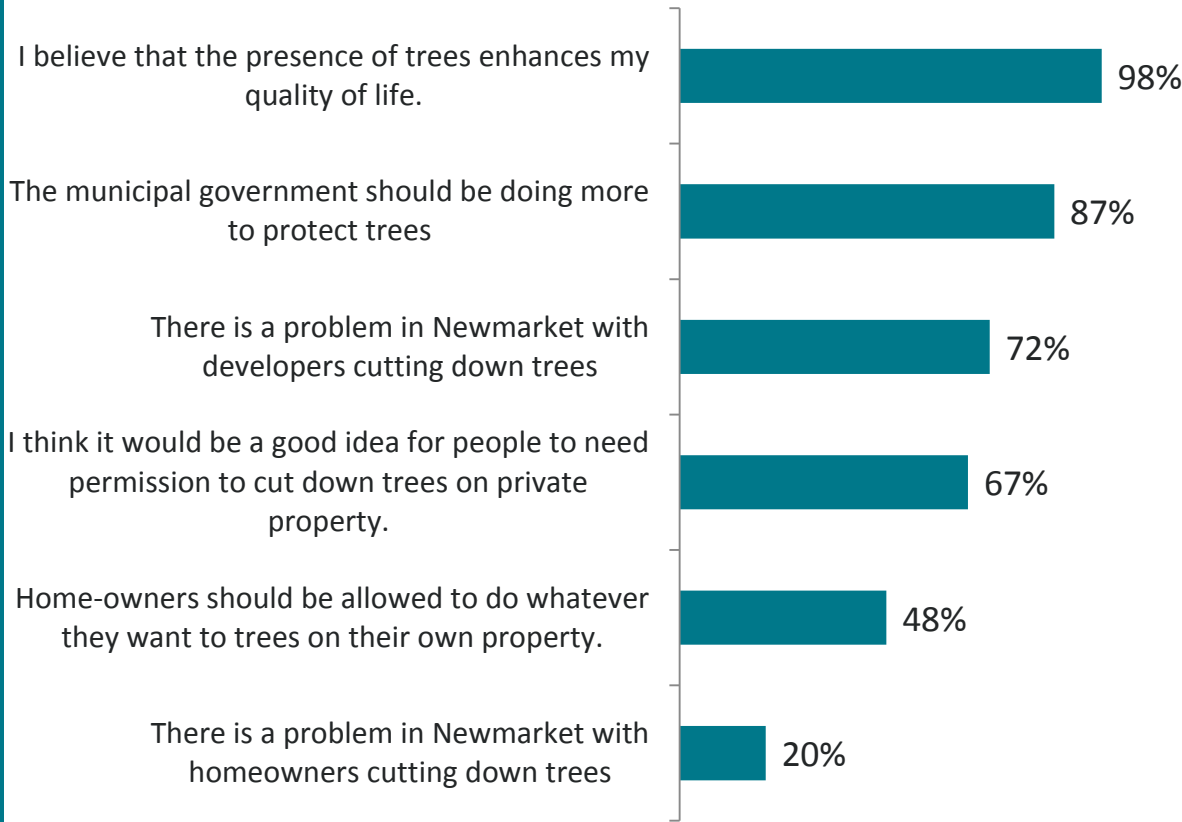


Dead / dying trees is the primary reason provided for removal of trees.





Problem with tree removal associated with developers rather than individual home owners



Ward						
1	2	3	4	5	6	7
98%	98%	100%	100%	98%	98%	96%
97%	90%	85%	78%	84%	92%	84%
60%	76%	82%	77%	66%	77%	71%
69%	70%	67%	62%	67%	59%	71%
70%	31%	59%	44%	41%	55%	39%
15%	19%	19%	23%	26%	15%	24%

■ Total Sample



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Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Asset Management Policy Staff Report to Council

Report Number: 2019-65

Department(s): Corporate Asset Management

Author(s): Lisa Ellis, Manager Corporate Asset Management

Meeting Date: June 17, 2019

Recommendations

1. That the report entitled Asset Management Policy dated June 17, 2019 be received; and,
2. That the Asset Management Policy (Appendix A) be approved; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to inform Council of changes required to the Town's Asset Management Policy and procedures as a result of Ontario Regulation 588/17.

Background

Development and Infrastructure Services Information Report 2019-04 provided an update on the Provinces requirements regarding Ontario Regulation 588/17. Since this time the Asset Management Steering Committee has been working to update Corporate Policy CAO.4-01 to meet this legislation.

Discussion

A Council Workshop was held on May 28th, 2019 to review the progress the Town has made on Asset Management to date. In addition, staff informed Council of the Provincial requirements of [O. Reg. 588/17 Asset Management Planning for Municipal](#)

[Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c.15](#) as follows:

- The municipality's commitment to consider, as part of its asset management planning:
 - i. the actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets, in respect of such matters as,
 - a. operations, such as increased maintenance schedules,
 - b. levels of service, and
 - c. lifecycle management,
 - ii. the anticipated costs that could arise from the vulnerabilities described above,
 - iii. adaptation opportunities that may be undertaken to manage the vulnerabilities described above,
 - iv. mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
 - v. disaster planning and contingency funding.
- A process to ensure that the municipality's asset management planning is aligned with any of the following financial plans:
 - Financial plans related to the municipality's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002.
 - Financial plans related to the municipality's wastewater assets.
- A process to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the Planning Act, any provincial plans as defined in the Planning Act and the municipality's official plan.
- An explanation of the capitalization thresholds used to determine which assets are to be included in the municipality's asset management plan and how the thresholds compare to those in the municipality's tangible capital asset policy, if it has one.
- The persons responsible for the municipality's asset management planning, including the executive lead.

- An explanation of the municipal council's involvement in the municipality's asset management planning.
- The municipality's commitment to provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning.
- Every municipality shall prepare its first strategic asset management policy by July 1, 2019 and shall review and, if necessary, update it at least every five years.

The Asset Management Steering Committee has updated Corporate Policy CAO.4-01 to address the requirements outlined above.

Conclusion

The revised Policy (Appendix A) will guide the overall direction of asset management at the Town. The Policy establishes the key principles, overall mission and goals for the program, and is guided by the Organizational Strategic Plan as directed under section 3 of the Infrastructure for Jobs and Prosperity Act, 2014.

In addition, the Procedures support Corporate Asset Management Policy by outlining the roles and responsibilities of all stakeholders involved in Asset Management practices supporting the delivery of municipal services to its residents and customers.

At this time staff are seeking Council approval of the Policy (Appendix A) and its appendices as attached.

Business Plan and Strategic Plan Linkages

This policy aligns with the Town's Strategic Plan directions in being Well-Equipped & Managed and Well-Planned and Connected by implementing policy that reflects sound and accountable governance and is the foundation of the Town's Key Strategic Asset Management documents and Corporate Asset Management Framework.

Consultation

The Asset Management Steering Committee consists of Directors from Engineering, Public Works, Finance, Information Technology and Innovation. All areas were involved in a review of the requirements and have provided input to the revisions proposed by the Office of Corporate Asset Management.

Human Resource Considerations

No additional resources are required as a result of this report.

Budget Impact

No additional resources are required as a result of this report.

Attachments

Appendix A – Policy Number: CAO.4-01 – Corporate Asset Management

Approval

Peter Noehammer, Commissioner Development Infrastructure Services

Jag Sharma, Chief Administrative Officer

Contact

Lisa Ellis, Manager, Corporate Asset Management

lellis@newmarket.ca

905-953-5300 ext. 2515



Corporate Policy

Corporate Asset Management

Policy Number: CAO.4-01

Topic: Asset Management

Applies to: All employees

Policy Statement and Strategic Plan Linkages

The Town of Newmarket is committed to good governance through fiscal responsibility and financial sustainability in striving to meet the program and service needs of the community and its customers, including residents, local businesses and visitors. The Town of Newmarket will adopt and apply recognized Asset Management (AM) practices to plan, design, construct, acquire, operate, maintain, renew, replace and dispose of the Town's assets in a way that preserves sound stewardship of public resources while balancing levels of service and risk in support of delivering services to its residents and customers.

This policy aligns with the Town's Strategic Plan directions in being Well-Equipped & Managed and Well-Planned and Connected by implementing policy that reflects sound and accountable governance and is the foundation of the Town's Key Strategic Asset Management documents (outlined in Appendix A) and Corporate Asset Management Framework (Appendix B).

Purpose

This Policy applies to the tangible capital assets of the Town, including but not limited to roads, sidewalks, bridges, watermains, sewers, stormwater ponds, pumping stations, fleet, IT systems, buildings, parks, art and trees. It establishes a responsibility framework for all policy and procedures of the Town related to Asset Management.

Definitions

Asset Management (AM): an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner. AM relies on four key organizational components integrating together to achieve the desired service outcomes: well-planned strategies, good physical assets, highly trained professionals with respect to practices and procedures, and integrated business processes. These components, supported by appropriate technologies, provide a robust foundation for efficient service delivery.

AM Program: the collective documents that encompass the AM Policy, AM Strategy and AM Plans.

AM Strategy: a document that articulates the practical implementation of municipality's goals as they pertain to AM.

AM Plan: a document that reports on how assets are being managed through their lifecycle in support of the services being delivered.

Capitalization Threshold: The capitalization threshold is the dollar amount that determines the proper financial reporting of the asset. Asset acquisition costs that are below the threshold are to be expensed.

This Policy guides the overall direction of the asset management system, providing clear direction as to the appropriate focus and level of asset management practice expected. It establishes the key principles, overall mission and goals for the program, and will be guided by the Organizational Strategic Plan as directed under section 3 of the Infrastructure for Jobs and Prosperity Act, 2014, and informed by:

- An understanding of current and future asset condition, needs and costs,
- An understanding of risks and the Town's ability to manage risks relating to assets, including disaster planning and any required contingency planning and funding;
- Accessibility standards and other related standards;
- Changing demographics, including population growth or decline;
- Climate change impacts, as well as adaptation and mitigation techniques relative to the purchase and construction of new assets and/or the operations, such as increased maintenance schedules of existing assets; and
- Ontario's land use planning framework, priorities and outcomes, as set out in the Provincial Policy Statement, provincial land use plans such as the Growth Plan for the Greater Golden Horseshoe, and municipal official plans, where applicable.

The following eight (8) guiding principles will be applied by employees to Asset Management:

- **Customer Focused**
The Town will aim to have clearly defined Levels of Service and applying AM practices to maintain the confidence of customers in how Town assets are managed. The Town will provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning.
- **Forward Looking**
The Town will make decisions and provisions that enable our assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements, technological and environmental factors.

- **Holistic**
The Town will take a comprehensive approach that looks at the “big picture” and considers the combined impact of managing all aspects of the asset life cycle.
- **Innovative**
The Town will continually improve its AM approach, by driving innovation in the development of tools, practices, and solutions.
- **Risk-Based**
The Town will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit recognizing that public safety is the priority.
- **Service Focused**
The Town will consider all the assets in a service context and taking into account their interrelationships as opposed to optimizing individual assets in isolation.
- **Systematic**
The Town will adopt a formal, consistent, repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.
- **Value-Based / Affordable**
The Town will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

The use of these principles in applying AM will better position the Town to:

- Deliver services at approved levels of service;
- Improve decision-making accountability and transparency;
- Better demonstrate the long term consideration of short term decisions;
- Improve customer service;
- Reduce the life cycle costs while maintaining acceptable levels of service; and
- Link infrastructure investment decisions to service outcomes.

The foundation of the Town’s Key Strategic Asset Management Documents as outlined in Appendix A.

The Corporate Asset Management Framework (Appendix B) encompasses all aspects of the management of each asset through its lifecycle in that it:

- Integrates the strategic objectives of the Town, with key business systems, legislation, and regulations;

- Creates a framework that establishes the mechanism for a clear line of sight between our AM program and Corporate objectives and strategies; and
- Commits to providing approved levels of service for present and future customers and communities, in the most effective and efficient way, through the planning, design, construction, acquisition, operation and maintenance, renewal, and disposal of assets.

The basis for our asset related decisions are:

- Anchored on the four pillars of sustainability – economic, environmental, social and cultural - that support the Town’s long-term sustainability goals approved by Council
- Based on applying “the right intervention, on the right asset, at the right time” recognizing risk and the Town’s fiscal constraints; and
- Founded on a sustainable approach to ensure that asset base increases or enhancements consider the impact on the ability of the Town to fund future maintenance and rehabilitation.

Appendix C is the procedure outlining persons responsible for Asset Management Planning namely:

- Corporate Asset Management Sponsor as identified in the terms of reference for the Asset Management Steering Committee
- Asset Management Steering Committee
- Office of Corporate Asset Management

The Town has a capitalization threshold of \$40,000 for all categories except vehicles, machinery, equipment, computer hardware and software in which case the threshold is \$20,000. Individual assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value. Examples of pools are computer systems, library collection, and streetlights. The Town's threshold for pooled assets is \$40,000. The Library pools all of their tangible capital assets and their capitalization threshold is \$10,000. Assets in the asset management plan are not to be subject to a capitalization threshold, and are to be included based upon judgement of whether the asset has value to the organization.

Cross-References

Corporate Procedure:

Corporate Asset Management Procedure

Corporate Policy:

Town of Newmarket Official Plan
 Operating and Capital Financial Policy
 Other Departmental Policies as applicable

Other Government Legislation:

Infrastructure for Jobs and Prosperity Act
Provincial Policy Statement
Provincial land use plans such as the Growth Plan for the Greater Golden
Horseshoe
Safe Drinking Water Act, 2002

Appendices

Appendix A - Key Strategic Asset Management Documents
Appendix B - Corporate Asset Management Framework
Appendix C – Corporate Asset Management Procedure #CAO.04-01-001

Contact

Manager, Corporate Asset Management

Details

Approved by: Council
Adoption Date:
Policy Effective Date: February 8, 2016
Last Revision Date: April 15, 2019
Revision No: 001

Appendix A

Key Strategic Asset Management Documents

The following key strategic asset management documents form part of the municipality's overall approach to asset management:

Corporate Asset Management Policy: This document establishes Council's expectations around the management of the Town's physical assets.

Asset Management Strategy: This document defines the municipality's commitment and approach to achieving the Council approved policy.

Asset Management Plans: These documents show how assets are being managed through their lifecycle in support of the delivery of services. (To be approved at the Departmental Management level for all service areas. The plans will be updated at least every five (5) years and submitted to Council for information purposes.)

Customer Levels of Service: This document defines the level to which assets are to be maintained to achieve defined levels of service. (To be developed and approved by Council.)

Six (6) Year Financial Plans – Water, Wastewater and Stormwater: These documents provide information on the state of the Town's rate structure and consumption projections.

Corporate Policy

Appendix B Corporate Asset Management Framework





Corporate Policy

Appendix C – Corporate Procedure

Corporate Asset Management

Procedure #: CAO.4-01-001

Policy #: CAO.4-01

Topic: Asset Management

Purpose

This procedure supports the Corporate Asset Management Policy by outlining the roles and responsibilities of all stakeholders involved in Asset Management practices supporting the delivery of municipal services to its residents and customers.

Procedures

Responsibilities of Council

- Approving, revising, and rescinding strategies, plans and policy as proposed by the Corporate Asset Management Division by a resolution passed by Municipal Council;
- Serving as representatives of stakeholder and community needs; and
- Approving funding for both capital and operating budgets associated with Asset Management through the annual budget process.

Responsibilities of the Corporate Asset Management Steering Committee

- Providing corporate support for asset management;
- Coordinating financial, strategic planning, information technology and asset management activity;
- As part of asset management planning, consider:
 - i. the actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets, in respect of such matters as,
 - A. operations, such as increased maintenance schedules,
 - B. levels of service, and
 - C. lifecycle management,
 - ii. the anticipated costs that could arise from the vulnerabilities described above,
 - iii. adaptation opportunities that may be undertaken to manage the vulnerabilities described above,
 - iv. mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
 - v. disaster planning and contingency funding

- Implementing a process to ensure that the municipality's asset management planning is aligned with the following:
- Financial plans related to the municipality's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002.
- Financial plans related to the municipality's wastewater assets.
- Implementing a process to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the Planning Act, any provincial plans as defined in the Planning Act and the municipality's official plan.
- Establishing policies and practices that ensure uniformity of approach across the organization;
- Encouraging information sharing and collaboration across departments;
- Providing a corporate pool of asset management expertise that can build capability in areas of lower experience;
- Providing input and direction to Corporate Asset Management work plans to ensure consistency with other initiatives;
- Establishing and peer review asset management policies, practices, plans, and other related documents;
- Ensuring that asset management plans identify activities to be undertaken, with consideration of the full lifecycle of assets, for at least the ten (10) years following the preparation of that plan or update and that asset management plans are updated at no longer than four (4) year intervals
- Disseminating Steering Committee information within their department where necessary;
- Championing the asset management process within the respective department;
- Ensuring organization-wide accountability for achieving and reviewing corporate asset management goals and objectives;
- Coordinating with other related steering committees where required; and
- Leading the effective implementation of corporate asset management initiatives.

Responsibilities of the Corporate Asset Management Office

- Liaising with other departments in service areas relating to asset management, including convening asset management teams (specific to each service area), and ensuring project work is consistent with asset management objectives;
- Liaising with external stakeholders in relation to asset management matters;
- Developing an overall corporate asset management policy, strategy, and confirm the implementation plan/resource requirements;
- Coordinating the development of asset management tools and practices application across the organization;
- Coordinating the development of asset management plans and facilitate peer reviews;
- Coordinating asset management improvement programs including writing briefs for asset management improvement projects and preparing, monitoring and reporting on the overall asset management planning budgets;

- Carrying out selected asset management improvement tasks as appropriate;
- Leading the development of asset inventories, condition assessments, risk assessments and related asset management initiatives in line with industry best practices;
- Working with asset management information systems staff to ensure systems development and functionality meets asset management needs; and
- Continuous improvement of the municipality's Asset Management capabilities.

Responsibilities of Asset System Working Groups and Service Providers

- Providing input on needs of department, current status of assets, and current levels of service;
- Supporting and comply with data collection requirements related to their areas of expertise;
- Participating in the development of the Asset Management Work Plans pertaining to their areas of expertise; and
- Participating in the regular review of all documentation, data, and asset measurement tools to ensure continued relevance and applicability of existing policies and practices as pertains to their area of expertise.

Responsibilities of Residents, Stakeholders and Customers

- Participating in public information sessions, and stakeholder engagement initiatives, where possible;
- Providing feedback related to levels of service, service experience, and service expectations; and
- Notifying the Town, via appropriate means, when service deficiencies or failures are observed.

Persons Responsible for Asset Management Planning

- Corporate Asset Management Sponsor (as identified in the terms of reference for the Asset Management Steering Committee)
- Asset Management Steering Committee
- Office of Corporate Asset Management

Cross-References

Corporate Procedure:

Corporate Asset Management Procedure

Corporate Policy:

Town of Newmarket Official Plan

Operating and Capital Financial Policy

Other Government Legislation:

Infrastructure for Jobs and Prosperity Act
Provincial Policy Statement
Provincial land use plans such as the Growth Plan for the Greater Golden
Horseshoe

Contact

Manager, Corporate Asset Management

Details

Approved by: Council

Adoption Date:

Policy Effective Date: February 8, 2016

Last Revision Date: April 15, 2019

Revision No: 001



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Application for Draft Plan of Condominium (19CDMN-2019-001) 955 and 995 Mulock Drive Lorne Park Gardens Inc. Staff Report to Council

Report Number: 2019-60

Department(s): Planning and Building Services

Author(s): D. Ruggle

Meeting Date: June 17, 2019

Recommendations

1. That the report entitled Application for Draft Plan of Condominium (19CDMN-2019-001) dated June 17, 2019 be received; and,
2. THAT approval be given to draft plan of condominium 19CDMN-2019 001 subject to the Schedule of Conditions attached and forming part of this report;
3. AND THAT Michael Vani, Weston Consulting, 201 Millway Ave. Suite 19, Vaughan, ON L4K be notified of this action.

Purpose

The purpose of this report is to recommend Council approve the attached Draft Plan of Condominium Plan for the Lorne Park Gardens Inc. redevelopment of 955 and 995 Mulock Drive.

Background

An application for draft plan of Condominium has been submitted by Lorne Park Gardens Inc. for the lands located on the north side of Mulock Drive, west of Leslie Street (See Location Map attached). The applicant has entered into a site plan

Application for Draft Plan of Condominium (19CDMN-2019-001) 955 and 995 Mulock Drive Lorne Park Gardens Inc.

agreement dated June 12, 2018 for the redevelopment of this site and it is appropriate to approve the draft plan of condominium.

Discussion

Draft plan of condominium 19CDMN-2019 001 relates to a development consisting of 73 at grade townhouse units within 12 blocks on the subject land. The subject land fronts Mulock Drive and has an approximate area of 2 hectares. There is an existing woodlot at the north end of the plan being preserved. The plan also includes a private amenity space (tot lot) with an area of 330m². A copy of the draft plan of condominium, as recommended for approval, is also attached.

Planning Considerations

This application for draft plan of condominium proposes to identify and create the common elements for the condo corporation which includes the road, visitor parking, the woodlot and the tot lot park, which are to be maintained by the condominium corporation.

The site plan agreement dated June 12, 2018 has been executed by the Town and all payments and securities required by the site plan agreement have been submitted. The site plan covers the entirety of the site including the woodlot.

The subject property is designated Stable Residential and Natural Heritage (woodlot) in the Town's Official Plan with an exception to allow for the townhouse units within the Stable Residential designation.

The subject property is currently zoned Residential Townhouse Dwelling 3 R4-R-129 Zone, which permits the townhouse units as approved through the site plan approval process. Council removed the holding provision from the zoning by-law as it relates to this development through by-law 2018-36 dated June 18, 2018.

Provincial Policy Statement Considerations

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. Decisions affecting planning matters "shall be consistent" with this policy statement. The Provincial Policy Statement is intended to be read in its entirety and the relevant policies are to be applied to each situation. The sections on Managing and Directing Land use to Achieve Efficient Development and Land Use Patterns, Settlement Areas, and Housing are relevant for the subject application. These sections require efficient development and land use patterns, promoting intensification and redevelopment opportunities while taking into account existing building stock, and providing for an appropriate range of housing types and densities that reduce the cost of housing and facilitate compact form. Efficient and

Application for Draft Plan of Condominium (19CDMN-2019-001) 955 and 995 Mulock Drive Lorne Park Gardens Inc.

varied housing is an important component of successful communities and providing appropriate accommodation for future residents.

Conclusion

Draft plan of condominium 19CDMN-2019 001 is recommended for approval subject to the conditions set out in the Schedule of Conditions attached to and forming part of this Report

Business Plan and Strategic Plan Linkages

This application has linkages to the Community Strategic Plan as follows:

Well-equipped and Managed: by providing opportunities for varied housing types, affordability and densities

Consultation

N/A

Human Resource Considerations

N/A.

Budget Impact

Operating Budget (Current and Future)

The appropriate planning application fees have been received for draft plan of condominium. The Town will also receive income from development charges and assessment revenue through the development of this land.

Capital Budget

There is no direct capital budget impact as a result of this report.

Attachments

- 1 – Schedule of Conditions
- 2 - Location Map
- 3 – Proposed Draft Plan of Condominium

Approval

Commissioner, Development and Infrastructure Services

Application for Draft Plan of Condominium (19CDMN-2019-001) 955 and 995 Mulock Drive Lorne Park Gardens Inc.

Director of Planning & Building Services

Senior Planner – Community Planning

Contact

Dave Ruggle, Senior Planner Community Planning druggle@newmarket.ca

SCHEDULE OF CONDITIONS
DRAFT PLAN OF CONDOMINIUM 19CDMN-2019 001
Lorne Park Gardens Inc.

1. Approval shall relate to the draft plan of condominium prepared by Rady-Pentek & Edward Surveying Ltd., Reference Number 13-073, prepared for *Lorne Park Gardens Inc.*
2. The Owner shall provide confirmation from the Director of Engineering Services that the Owner has fulfilled all of its obligations under the Site Plan Agreement dated June 12, 2018, as amended from time to time, or in the alternative, that the Owner has provided sufficient financial security and appropriate completion schedules to ensure that the Site Plan Agreement will be complied with in a timely manner.
3. Prior to registration, the Owner shall obtain any required minor variances to recognize any zoning deficiencies, if required.
4. Prior to registration, the Owner shall provide confirmation to the Town that the required land conveyances have been completed.
5. Prior to final approval, the Owner shall submit a survey substantially in conformity with the plan set out in Condition Number 1 and in conformity with the requirements of the Condominium Act.

LOCATION MAP
955 & 995 Mulock Drive
North side of Mulock Drive
West of Leslie Street



TOWN OF NEWMARKET PLANNING DEPARTMENT

Designed & Produced by: Information Technology - GIS Sources: 2007 Coburn Ortho Imagery - © J.D. Barnes Limited, 2007 Orthophotography; Land Parcel Boundaries - © Telex Inc. and its suppliers. All rights reserved. NOT A PLAN OF SURVEY. 2009; Municipal Boundary - Geomatics Division, Planning and Development Services Department © The Regional Municipality of York, 2009.
 DISCLAIMER: This mapping is based on the POLARIS parcel fabric product compiled using Land Registry System records and recent surveys and control points where available. This mapping is a representation of the earth's surface and provides estimates of area and distance. It is not a substitute for a legal survey.



DRAFT PLAN OF COMMON ELEMENTS CONDOMINIUM OF PART OF BLOCK 1 PLAN 65M-XXXX TOWN OF NEWMARKET REGIONAL MUNICIPALITY OF YORK

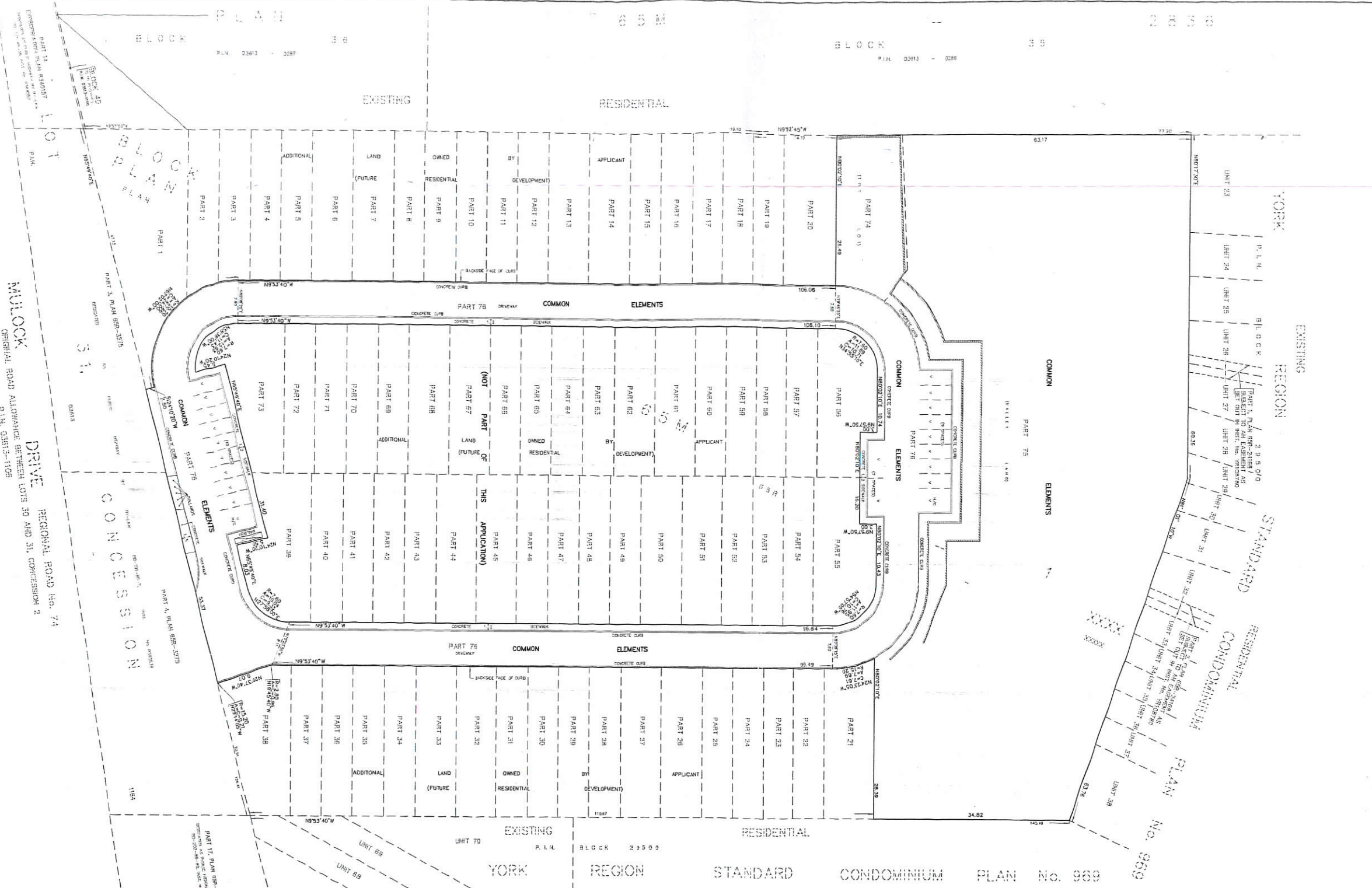
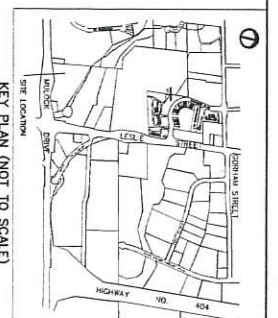
SCALE 1:200
 0 10 20 METERS
 0 10 20 FEET

METRIC DISTANCES SHOWN ON THIS PLAN ARE IN METERS AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

OWNER'S CERTIFICATE
 I HEREBY CERTIFY THAT I AM THE REGISTERED OWNER OF THE COMMON ELEMENTS CONDOMINIUM TO BE SHOWN ON THIS DRAFT PLAN OF COMMON ELEMENTS CONDOMINIUM TO BE SUBMITTED TO THE CITY OF YORK FOR APPROVAL.
 DATE: _____ 2018

LORNE PARK GARDENS INC.
 I HAVE THE AUTHORITY TO SIGN THE COMMONION
 MAIL BI LUCA
 AUTHORIZED SIGNING OFFICER

SURVEYOR'S CERTIFICATE
 I HEREBY CERTIFY THAT THE DIMENSIONS OF THE LANDS TO BE SUBMITTED AND THEIR RELATIONSHIP TO THE ADJOINING LANDS ARE ACCURATELY AND CORRECTLY SHOWN.
 DATE: _____ 2018
 C. MAHIA
 CHIEF LAND SURVEYOR



EPG RADY-FENIK & EDWARD SURVEYING LTD.
 643 Dundas Street West
 Woodbridge, Ontario L4L 6A1
 Tel: (905) 853-5000 Fax: (905) 853-5001
 T: (905) 853-5000 F: (905) 853-2699
 Website: www.rfe.ca
 DRAWN: L.A./J.W. CHECKED: C.W.
 JOB NO: 13-073 CAD FILE NO: 13-073-08 PLAN

Jan 24, 2018 - 11:45:43



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Implications of Bill 108 – More Homes More Choices Act Staff Report to Council

Report Number: 2019-62

Department(s): Planning & Building Services and Innovation & Strategic Initiatives

Author(s): Kevin Yaraskavitch, Meghan White, Adrian Cammaert

Meeting Date: June 17, 2019

Recommendations

1. That the report entitled Implications of Bill 108 – More Homes More Choices Act dated June 17, 2019 be received; and,
2. That the report entitled Implications of Bill 108 – More Homes More Choices Act dated June 17, 2019 be submitted to the province as feedback; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Executive Summary

The Province has released a proposed omnibus bill which proposes to change 14 different pieces of legislation. It is known as Bill 108, the More Homes More Choices Act. This report outlines the proposed changes to planning frameworks and the development financing landscape. The report also outlines the potential impacts to the municipality and staff's recommendations with respect to these impacts. In general, the changes are significant. Bill 108 contains limited evidence that its central objectives, making it easier to bring housing to market and accelerating local planning decision, will be achieved.

From the evidence provided, proposed changes will dramatically change the development financing landscape. The changes will create additional administrative costs, increase price uncertainty for developers, and may reduce municipalities' ability to continue to provide the same level of service in the face of growth without finding additional sources of funding.

Purpose

The purpose of this report is to provide Council with the planning and financial implications of Bill 108, known as the More Homes More Choice Act.

Background

On May 2, 2019, the Province introduced Bill 108 which proposes changes to the Development Charges Act, 1997 (DCA). The Bill has been introduced as part of the Province's "More Homes, More Choice: Ontario's Housing Supply Action Plan."

The Bill has been given first and second reading and, as of this writing, may receive royal assent by June 6, 2019. There was a 25 day consultation period ending June 1. The Bill proposes that any development charge (DC) by-laws passed after May 2, 2019 will be subject to these proposed changes. Since the Town's DC By-laws will be updated after May 2, they will be affected by these changes, if and/or when they become law.

This Bill is part of the provincial government's action plan that is aimed at addressing the needs of the region's (GTHA) growing population, its diversity, its people and its local priorities. It is an omnibus bill containing a vast number of changes to various policy documents and legislation (14 in total). The other Acts which are proposed to be changed are listed in Appendix A, with their comment deadline, if known. The regulations for this legislation have not yet been released.

Discussion

Staff have reviewed the changes proposed by Bill 108 from two different perspectives – Planning and Financial.

Financial Impacts

The following summarizes proposed changes to development finance resulting from the Bill, and its potential impact to the Town. Development finance is the discipline of ensuring financial sustainability with respect to accommodating growth. This includes projecting future development, determining capital requirements, setting charges to finance capital requirements, and collecting the charges. Staff have outlined suggestions to reduce the impact with respect to each proposed change.

Services Eligible for Development Charge Funding

The Bill will remove "soft services" from the Development Charges Act (D.C.A), removing the ability of municipalities to collect DCs for these services. Instead, municipalities will be able to create a new Community Benefit Charge (discussed below) under the Planning Act to capture these services, although new limits are to be imposed. Eligible services that will remain under the DCA that apply to the Town are as follows:

- Water supply services, including distribution and treatment services;

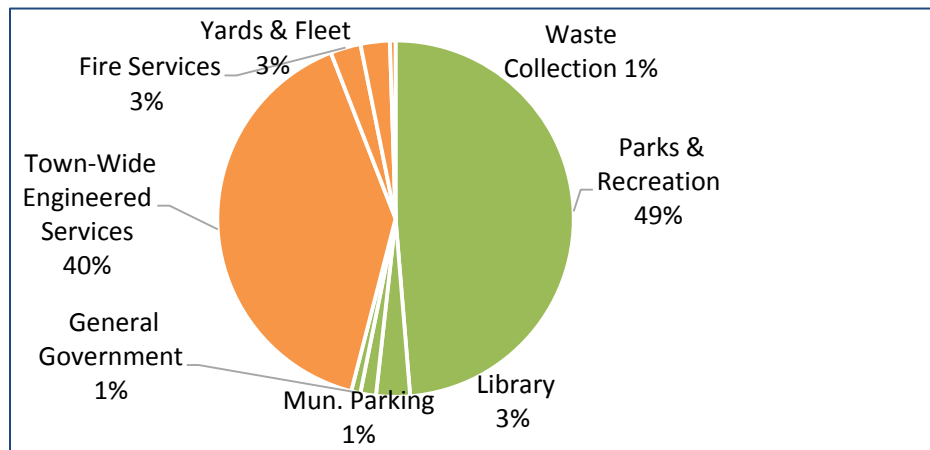
- Wastewater services, including sewers and treatment services;
- Stormwater drainage and control services;
- Services related to a highway as defined in subsection 1 (1) of the Municipal Act, 2001;
- Electrical power services;
- Policing services;
- Fire protection services;
- Transit services;
- Waste diversion services*; and
- Other services as prescribed.

*The Bill will remove the mandatory 10% deduction for this service.

Concern: This Bill creates the potential to obtain less revenue and creates uncertainty for the majority of the Town’s development charge funding.

Details: The Town is currently projecting to collect an estimated \$62 million through DCs for soft services to pay for infrastructure costs related to growth. This amount may be reduced with community benefit charge. The Bill would remove the Town’s ability to collect DCs for the services in green in the chart below.

Below is a chart demonstrating the share of soft services in green and the share of hard services in orange of the overall projected DC revenue from 2019-2028.



The Town appreciates the removal of the mandatory 10% reduction to ensure that growth pays for growth. All mandatory reductions should be removed as long as the charge reflects the cost of accommodating growth.

Proposed solution: Provide the Regulations as soon as possible so that municipalities and developers can fully assess and comment on the impact of the legislation.

Development Charge Payment in Installments Over Six Years

The Bill would significantly change the process in which DCs are collected. Currently DCs are payable at the time of building permit, ensuring that municipal revenues are

received before development occurs. The Bill proposes that municipalities would be required to collect DCs for almost all kinds of development later in the process, except for ownership-tenure housing over a longer period of time. Rental and non-profit housing, and commercial, industrial and institutional developments would pay their DCs in six equal annual payments commencing the date of issuance of an occupancy permit or occupancy of the building, whichever is earlier.

The municipality may elect to charge interest (at a prescribed rate) for each payment, commencing the date of the first payment. If payments are not made, interest may continue to be charged and may be added to the property and collected as taxes.

Concern: This Bill will lead to higher administrative costs with collections and the means of recovering the costs is unclear.

Details: The requirement to manage multiple-year collections for each building permit issued for each rental housing, non-profit housing and commercial/industrial/institutional development building permit will cause an increased administrative burden on municipalities. Instead of collecting a single fee at the time of permit, municipalities will be required to maintain a six-year annual invoice process for each development and permit, regardless of size.

For example, phase one of the development at 175 Deerfield Road contains 186 rental housing units and is projected to pay \$2.8 million in Town DCs. Bill 108 would allow this amount to be collected by the Town over six years. A 100 square metre addition of floor space to a commercial unit would pay approximately \$5,800 in Town DCs. Bill 108 would similarly oblige the Town to collect this amount in six annual installments, at a significantly increased administrative burden. This will add to staffing requirements and be reflected in higher planning and building permit fees.

Proposed solution: The prescribed rate of interest municipalities are allowed to charge should have a permissive cap. This will enable municipalities to accurately reflect the opportunity cost and the administrative cost of providing the landowners a loan as these costs will vary for each municipality. To provide more choice, landowners should have the option to enroll in the installment program or not.

Concern: This Bill requires the provision of mandatory incentives by municipalities that are misaligned with the Province's stated objectives.

Details: As the proposed changes to the Act are to facilitate the Province's housing agenda, it is unclear why these installment payments are to be provided to commercial, industrial and institutional developments.

Proposed solution: The eligibility of commercial, industrial and institutional development for the mandatory six-year payment plan should be removed.

When Development Charge Amount is Determined

The Bill proposes that the DCs are 'locked in' at an earlier date. Currently the amount of DCs required is determined at the time of building permit application. The Bill proposes that the amount will instead be determined at the date of site plan approval application, or if site plan approval is not required then at the date of zoning by-law amendment

application. If the development is not proceeding via these planning approvals, then the amount is determined at the earlier of the date of issuance of a building permit or occupancy.

Concern: This Bill provides an incentive for landowners to begin a site plan or zoning amendment regardless of intention of following through and constructing the development.

Details: There is no financial incentive for the development to move quickly to building permit. This may induce speculation to change the land use and then market the lands. This will lead to an additional burden on staff time to process applications whose principal purpose is 'locking in' development charges rates instead of proceeding toward development, as staff cannot determine which applications are bona fide.

Proposed solution: That the Province set a limit of the duration of time that a 'locked in' DC rate is guaranteed to ensure that approved applications proceed toward development.

New Community Benefit Charge for Soft Services

The Bill proposes that a municipality may, by by-law, impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. These services may not include services authorized by the DCA. This community benefits charge regime would replace the removal of 'soft services' from DCs, as is discussed above.

The Bill lays out certain requirements related to a Community Benefits Charge:

- Before passing a community benefits charge by-law, the municipality shall prepare a community benefits charge strategy that:
 - identifies the facilities, services and matters that will be funded with community benefits charges;
 - complies with any prescribed requirements.
- The amount of a community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date.
- All money received by the municipality under a community benefits charge by-law shall be paid into a special account. In each calendar year, a municipality shall spend or allocate at least 60 percent of the monies that are in the special account at the beginning of the year.
- Requirements for annual reporting shall be prescribed.
- Transitional provisions are set out regarding the DC reserve funds and DC credits.

Concern: The proposed community benefits charge deviates from the principle of growth paying for growth.

Details: There is no rational nexus between the amount of the community benefit charge and the infrastructure requirements a development imposes on the local

community. Since the charge is based on land value, developing identical single detached homes in an urban and a rural community will yield drastically different revenue while infrastructure costs would be relatively similar.

Proposed solution: Do not remove soft services from being funded from the DCA and remove the 10% discount on these services to ensure that growth pays for growth.

Concern: Redevelopment would be subjected to the full community benefit charge if they do not have an eligible credit that was accrued under the DCA.

Details: Under the DCA, it is clear how credits are determined for properties that are being redeveloped or expanded. There is a clear correlation between the charge and the service provided with the D.C.A. Presumably acknowledging the ease, the proposed Bill relies on the DCA credit calculation as much as possible. However, it is unclear how credits will be calculated, if any, under the community benefits charge.

Proposed solution: Do not remove soft services from being funded from the DCA and remove the 10% discount on these services to ensure that growth pays for growth.

Concern: The Bill is unclear how the Community Benefits Charge will be implemented in a two-tier municipal system.

Details: Both the upper and lower tiers will have infrastructure requirements to accommodate growth, there is no guidance on how the percentage of the land value will be allocated, or how the process for allocating this would occur.

Proposed solution: Do not remove soft services from being funded from the DCA and remove the 10% discount on these services to ensure that growth pays for growth.

Determining Land Value for Community Benefits Charge

The valuation date for land calculations for the Community Benefit Charge is the day before building permit issuance. If the owner of land is of the view that the Community Benefits Charge exceeds the amount permitted, the owner must pay the charge under protest. Depending on the extent of the dispute, both parties need to provide appraisals following their respective prescribed timeframes. The payment under protest may or may not be reimbursed depending on the results of the appraisals. While land valuation is used for determining the parkland dedication charge, the development charge model for determining rates is based on the amount and type of development which provides greater price certainty and minimizing administrative costs for both developers and municipalities.

Concern: The Bill is creates great uncertainty for landowners with respect to how much of a community charge they must pay to develop their property.

Details: Given that the valuation date is the day before building permit issuance, that owners need to pay the community benefit charge up front, and that there is no guaranteed result of a protest, this creates an additional price uncertainty for the land owner. This can in turn increase the financial risk of development and increase the difficulty level in achieving financing for development.

Proposed solution: Do not remove soft services from being funded from the DCA and remove the 10% discount on these services to ensure that growth pays for growth.

Concern: This Bill will lead to higher administrative costs with the required appraisals and the means of recovering the costs is unclear.

Details: With development charges, landowners are provided clear information what they will be charged when they develop and they can work this into their pro-formas. There is no requirement for an appraisal under the DCA. The CBC and any resultant protests does not provide certainty for municipalities or developers. The protest process could be administratively burdensome to the municipality.

Proposed solution: Do not remove soft services from being funded from the DCA and remove the 10% discount on these services to ensure that growth pays for growth.

Repeal of Alternative Parkland Dedication

Bill 108 proposes to repeal the provisions of the Planning Act, which enable municipalities to have an alternative parkland dedication requirement for residential uses under Section 42 (parkland) and Section 51 (plan of subdivision). The alternative requirement permits municipalities to set their own rates up to a maximum of 1 hectare/300 units for land and 1 hectare/500 units for cash-in-lieu. Newmarket's Parkland Dedication By-law (2017-56) requires the maximum of 1 hectare/300 units for land and 1 hectare/500 units for cash-in-lieu. Since 1973, municipalities have been empowered to require development to convey certain amounts of land or cash-in-lieu of land for the creation of parks. The rate is a maximum of two per cent of the land area (or value of same) for commercial or industrial development and five per cent for all other uses (such as residential). The alternative requirement was created to set more realistic parkland contributions in high-density development scenarios.

The Bill would significantly change this practice and combine parkland dedication with the community benefits charge discussed above.

Concern: The Bill would remove the ability of municipalities to use the alternative parkland dedication.

Details: The proposed legislation only maintains the ability to secure the base rates of 2 per cent for commercial and industrial and 5 per cent for all other uses, if there is no Community Benefit Charge (CBC) by-law in place. Without a CBC by-law, the 2 and 5 per cent dedication requirements continue to be required to be set in a by-law and the municipality determines if an application is providing land or cash-in-lieu. However, the regulation which prescribes the maximum rate and other details have not yet been released and are required to fully understand whether or the CBC is an effective replacement to the alternative requirement or Subsection 42(1). This is also particularly important to understand as the CBC will need to be used by the Town to acquire new lands for parks and recreation purposes, as well as to make improvement to existing parks to support growth.

Concern: The Bill may reduce the Town's ability to provide parkland and pay for current parkland-related debt.

Details: Bill 108 proposes to combine parkland dedication with the overall proposed Community Benefits Charge. As this charge will be subject to an as-yet-unknown cap on value to be determined by regulation, it is uncertain whether municipalities will be able to receive the same amounts for parkland as were projected under the current regime.

The Town has recently adopted a progressive parkland dedication by-law which includes rates and targets to ensure that high-quality park spaces continue to be provided for residents in the entire municipality, and that new parks are acquired and developed in the Urban Centres Secondary Plan intensification area.

Both the repeal of the alternative dedication and the inclusion of parkland within the Community Benefit Charge may hinder Council's ability to implement the Strategic Priority to create Extraordinary Places and Spaces. Cash-in-lieu of parkland dedication funds (future and current) have been dedicated to the Mulock Park and the implementation of the Parks Policy Development Manual. These changes may mean that these goals are not achieved.

Proposed solution: Bill 108 should be amended to remove the repeal of the alternative parkland dedication and maintain the current rules and regulations for acquiring parkland dedication or cash-in-lieu.

Repeal of Height & Density Bonusing

Bill 108 proposes to repeal Section 37 of the Planning Act, which is the tool municipalities use to secure community benefits in exchange for additional height and/or density. Through zoning by-law amendments, municipalities can allow additional stories on buildings, or additional density, in exchange for certain capital facilities or cash-in-lieu.

Concern: The Bill will reduce the Town's ability to secure the objectives of the Urban Centres Secondary Plan

Details: Newmarket has embraced Section 37 through the Urban Centres Secondary Plan. Areas within the Urban Centres Secondary Plan are currently able to use the bonusing tool. Recently, the Town has adopted Section 37 Guidelines to provide structure and consistency around the Section 37 process.

Although not-yet widely implemented in Newmarket, this tool has helped many municipalities provide important public benefits in the areas in proximity to significant (re)development. Many community-building objectives have been realized as a result of Section 37 revenue in areas that are most impacted by higher and more-dense development. The Town has recently adopted Section 37 Guidelines and is beginning to apply them to various significant redevelopment applications within our Urban Centres. For instance, Section 37 has been used to establish specific community benefits in the redevelopment of properties along Deerfield Road. The proposed changes of Bill 108 will undermine these efforts.

Proposed solution: Bill 108 should be amended to remove the repeal Section 37 of the Planning Act.

Planning Impacts

Bill 108 proposes extensive changes to the Planning Act. The changes and the impacts are summarized below with staff's recommendations.

LPAT Reform

Bill 139 replaced the OMB with the Local Planning Appeal Tribunal (LPAT), a new tribunal which would be mandated to give greater weight to the decisions of local communities. Bill 139, the Building Better Communities and Conserving Watersheds Act was enacted by the previous government in 2017. Staff provided detailed information on Bill 139 through Information Report #2016-44 and 2016-47.

Bill 108 proposes a return to de novo hearings in all cases and a "best planning outcome" approach. It also proposes to repeal the requirement that appeals be exclusively tested against consistency with the Provincial Policy Statement, provincial plans and Official Plans. These can still be used as a basis for appeal, however, they would no longer be the only grounds for an appeal.

The LPAT currently works on a two decision process, wherein the Council decision is sent to the LPAT by appeal to see if it's consistent with / confirms to provincial policy, provincial plans and the upper tier Official Plan. If the LPAT determines there are consistency or conformity issues, LPAT sends the matter back to Council for reconsiderations. If Council does not revise their decision, LPAT modifies the Official Plan amendment or Zoning By-law to resolve the matter. Bill 108 proposes to return to a single hearing where the LPAT would have the power to make a final determination approving, refusing or modifying all or part of the appeal.

The nature of evidence and how it is provided is also proposed to return to the pre-LPAT way wherein verbal testimony and cross-examinations are permitted. The LPAT is proposed to have a new power mandating mediation or other dispute resolution process to resolve one or more issues in the proceeding.

Bill 108 proposes to limit third party appeals of plans of subdivision and approval authority non-decisions on official plans and official plan amendments. It also promotes increased mediation to resolved appeals.

The proposed regulations which would implement many of these changes and set out transition rules have yet to be released.

Impact: This will take away final planning decisions out of council's hands and return to a system where Council's decision is not considered.

Recommendation: That Council request the Province to retain the current LPAT function and rules which have been in place for less than 2 years.

Reduction of municipal decision timelines

Bill 108 seeks to repeal and amend many of the changes implemented by the previous government under Bill 139 Building Better Communities and Conserving Watersheds Act. Staff provided detailed information on Bill 139 through Information Report #2016-44

and 2016-47. The table below illustrates how the timelines for Council’s decision making on some Planning Act applications has been decreased to below pre-Bill 139 levels.

Planning Act application	Pre-Bill 139	Bill 139	Bill 108
Official Plan/Official Plan Amendment	180 days	210 days	120 days
Zoning By-law/Zoning By-law Amendment	120 days	150 days	90 days
Plan of Subdivision	180 days	180 days	120 days

Impact: Reduced timelines for decision making are inadequate to allow for a thorough assessment, do not align with Committee/Council cycles and could increase the number of LPAT appeals on a non-decision by Council.

Recommendation: If the timeframes must be reduced, at least maintain the pre-Bill 139 levels.

Limited Permissions for Inclusionary Zoning

Inclusionary Zoning allows for Council to require a percentage of units in a development of 10 or more units must be set aside as “affordable” units. Municipalities are currently able to determine the areas where Inclusionary Zoning would apply. Unless otherwise prescribed by regulation, the proposed Planning Act changes in Bill 108 will limit a municipality's ability to apply Inclusionary Zoning to only protected major transit station areas (MTSAs), to locations where the municipality has adopted a Community Planning Permit System (CPPS) and to location or locations where the Minister orders a Community Planning Permit System (CPPS) to be put in place. Newmarket has 12 MTSAs. These include all Bus Rapid Transit (BRT) stations areas and the future Mulock GO station area.

Bill 108 proposes to allow the municipality, or the Minister can initiate, the use of a Community Planning Permit System (CPPS) in areas for strategic for housing growth.

Impact: Bill 108 proposes to limit where the municipality can use Inclusionary Zoning, thus removing Council’s ability to make the best decision for Newmarket based on local situations and context. Council should have the freedom to use Inclusionary Zoning where it is best appropriate based on Newmarket context. Council should have the ability to choose the locations for Inclusionary Zoning based on an Official Plan Amendment or overall Official Plan Review.

Recommendation: That Council request the Province to remove the limitations on Inclusionary Zoning proposed by Bill 108.

Secondary Suites

Requiring municipalities to authorize an additional residential unit in both the primary dwelling and an ancillary building or structure, whereas previously they were permitted in the primary dwelling OR an ancillary structure.

Bill 108 proposes to exempt secondary suites from development charges with the intention of incentivizing this form of development.

Impact: This would further impact established neighbourhoods and new neighbourhoods by doubling the permitted density in a manner that is not necessarily captured through traditional planning processes. Also it further deviates from the “growth pays for growth” philosophy that is crucial to municipalities creating complete and vibrant communities.

Recommendation: The Council request the Province maintain the current permissions for an ADU in a primary OR accessory structure and not exempt them from development charges.

Growth Plan

In addition to the Bill 108 changes, Ontario’s Housing Supply Action Plan also proposes extensive changes to the Provincial Growth Plan. These changes came into effect on May 16, 2019, and are incorporated into a new Growth Plan called “A Place to Grow: Growth Plan for the Greater Golden Horseshoe”. These changes will be discussed in a future Information Report.

Changes in other legislation

An *Ontario Building Code* requirement that all new homes include provisions for future Electric Vehicle charging infrastructure is proposed to be removed and the Code will be updated to conform with the National Building Code.

Heritage Act

Amendments to the *Ontario Heritage Act* will establish new, mandatory standards for designation by-laws and new time limits for confirming complete alteration and demolition applications, as well as designation decisions.

New Right of Appeal under Bill 108

In sum, Bill 108 represents a significant shift in power over heritage matters from municipal councils to owners and other interested parties, and ultimately to the LPAT:

- Under Bill 108, if Council receives an objection to a notice of intention to designate, or no objection to the notice, it must pass a by-law within 120 days of giving its notice of intention to designate.

Impact: Staff support this change however the timeframe should be increased to 180 days to allow sufficient time for review and administrative functions. Passing a By-law within a set timeframe from giving notice of intention to designate provides greater certainty with regards to the timeline and decision making.

Recommendation: That Council request the Province to increase the timeframe to 180 days.

- Any concerned person is granted a right to appeal a designation by-law to the Local Planning Appeal Tribunal (the LPAT). The Ontario Conservation Review Board (CRB) would no longer play a role in the process.

Impact: Staff do not support this change. It is important that local councils have the power and ability to conserve significant heritage resources. It is staff's position that municipalities should retain control over the final authorization of alterations to designated heritage properties.

Recommendation: That Council request the Province remove this change to the Ontario Heritage Act.

Potential Regulations to Prohibit Designation After Prescribed Events

Bill 108 also includes a provision that would prohibit municipalities from giving a notice of proposed heritage designation more than 90 days after the occurrence of a "prescribed event." These events will be identified in future regulations, but it is anticipated that they will be applications for planning approvals or building permits.

Impact: Staff are generally supportive of this change. While the specific details of what might be considered a "prescribed event" are not described at this time, it appears to be provided to provide an applicant certainty with regards to the timeline and decision making on heritage resources and the implications it may have on the application. However, staff suggest the 90 days be increased to 120 days to allow for sufficient time to review and provide administrative functions.

Recommendation: That Council request the Province to increase the timeframe to 120 days.

New Rules for Applications to Alter a Heritage Property

Under section 33 of the current Act, if Council rejects an application to alter a heritage property or approves an application with conditions, the owner can request a review of that decision by the CRB, but again, Council is not obliged to follow the CRB's

recommendations. Bill 108 would change that procedure by removing the CRB's role and allowing owners to appeal Council's decision to the LPAT.

Impact: Staff do not support this change. It is important that local councils have the power and ability to conserve significant heritage recourses. It is staff's position that municipalities should retain control over the final authorization of alterations to designated heritage properties.

Recommendation: That Council request the Province remove this change to the Ontario Heritage Act.

New Right to Object to a Heritage Listing

Under the current Act, municipalities are not obliged to give owners notice that their property has been listed (not designated), but Bill 108 would require that municipalities give the owners such notice and would allow owners to object to the listing. Council would then be obliged to consider the owner's objection, but the owner would have no right of appeal if Council decides to list the property over the owner's objections.

Impact: Staff support this change as it provides transparency for owners and opportunities for re-consideration but leaves the final decision to Council.

Appeal Process

The most significant change to the provisions under the Heritage Act is the proposed elimination of the Conservation Review Board (CRB) hearings which transfers the final decision making power from Council to the LPAT. Staff are concerned that the LPAT will not have the heritage expertise comparable to the CRB members and that shifting the final decision making power to the LPAT could have a negative impact on heritage conservation.

Recommendation: That Council request the Province remove this change to the Ontario Heritage Act.

Timing of legislative changes

Concern: The consultation for these extensive changes is insufficient.

The proposed changes in Bill 108 represent a dramatic change from the planning and development financing landscape that has been consistent in Ontario since 2007. The proposed period for commenting on the changes is less than one month, and closes on June 1, 2019.

Conclusion

Bill 108 contains limited evidence that its central objectives, making it easier to bring housing to market and accelerating local planning decision, will be achieved. The

proposed changes could have significant impacts on how the Town attempts to achieve its strategic goals (i.e. achieve the goals of the Secondary Plan). These changes could negatively impact Council's ability to achieve its Strategic Priorities. The consultation period on the Bill 108 was short and there are key pieces of information missing which will come through Regulations at a later date. The full impact of these changes cannot be fully understood without the information provided in Regulations.

From the evidence provided, proposed changes will dramatically change the development financing landscape. The changes will create additional administrative costs, increase price uncertainty for developers, and may reduce municipalities' ability to continue to provide the same level of service in the face of growth without finding additional sources of funding.

Business Plan and Strategic Plan Linkages

This report aligns with Council's Strategic Priorities in that it is promoting Newmarket's Long Term Financial Sustainability by highlighting the potential financial risks of the proposed changes of Bill 108. This report also aligns with the Town's vision to be Well Equipped and Managed and Well Planned and Connected by noting how Bill 108 could impede staff and Council from appropriately managing and planning Newmarket.

Consultation

This report was co-authored by the Planning & Building Services Department and the Innovation & Strategic Initiatives Department.

Human Resource Considerations

None.

Budget Impact

There are no budget impacts as a direct result of this report. However, the changes proposed by Bill 108 will have significant budget impacts.

Attachments

Appendix A – List of Acts affected and comment timeframes, if known.

Approval

Jason Unger, MCIP, RPP
Acting Director of Planning & Building Services

Peter Noehammer, P. Eng.

Commissioner of Development & Infrastructure Services

Susan Chase
Director Innovation & Strategic Initiatives

Contact

Meghan White, Planner, mwhite@newmarket.ca

Adrian Cammaert, Senior Policy Planner, acammaert@newmarket.ca

Kevin Yaraskavitch, Financial Business Analyst, kyaraskavitch@newmarket.ca

Appendix A

Below is a list of all of the Acts proposed to be amended by Bill 108.

1. Planning Act (deadline for comment June 1):
2. Conservation Authorities Act (deadline for comment May 20):
<https://ero.ontario.ca/notice/013-5018>
3. Development Charges Act (deadline for comment June 1):
<https://ero.ontario.ca/notice/019-0017>
4. Education Act (consultation closed)
5. Endangered Species Act (deadline for comment May 18)
<https://ero.ontario.ca/notice/013-5033>
6. Environmental Assessment Act (deadline for comment May 25)
<https://ero.ontario.ca/notice/013-5102>
7. Environmental Protection Act (deadline for comment May 31)
<https://ero.ontario.ca/notice/019-0023>
8. Local Planning Appeal Tribunal Act (deadline for comment unknown)
9. Occupational Health and Safety Act (deadline for comment unknown)
10. Ontario Heritage Act (deadline for comment June 1)
<https://ero.ontario.ca/notice/019-0021>
11. Workplace Safety and Insurance Act (deadline for comment unknown)
12. Cannabis Control Act (deadline for comment unknown)
13. Labour Relations Act (deadline for comment unknown)



CENTRAL YORK FIRE SERVICES

2019-04-25

FIRE SERVICES REPORT 2019-04

To: Joint Council Committee
Origin: Central York Fire Services – Assistant Deputy Chief Claude Duval
Subject: **Fire Learning Management System Software**

RECOMMENDATIONS

THAT Fire Services Report 2019-04 Fire Learning Management System Software dated 2019-04-18 be received;

And that Joint Council Committee (JCC) recommend seeking the required procurement related approvals for Central York Fire Service (CYFS) to enter into a long-term, non-competitive agreement with the current web based Fire Learning Management System (FLMS) service provider, being Stillwater Consulting Limited, at a cost of approximately \$153,000.00 over a ten (10) year time frame and renewable annually thereafter for support, maintenance and licence fees based on available approved budgets.

COMMENTS

The purpose of this report is to request that JCC approve and proceed with obtaining the required procurement related approvals, where necessary and as required, to secure a long term legacy agreement, over a ten (10) year time frame with the current FLMS provider, being Stillwater Consulting Limited, at a cost of approximately \$153,000.00, and renewable annually thereafter for support, maintenance and licence fees based on available approved budgets.

BACKGROUND

The agreement with Stillwater Consulting was formed as a result of a competitive bid that was released in 2014 under reference number QBRFP2014-48 by the Town of Newmarket on behalf of CYFS. The successful proponent was Stillwater Consulting Limited. This contract has just expired.

The web based FLMS presently in place incorporates a training records management component and meets National Fire Protection Association (NFPA) standards. The software also addresses CYFS's training needs and the requirements under the Occupational Health and Safety Act.

Stillwater Consulting is the exclusive provider of the FLMS for Ontario Fire Departments. They are the only provider of a fire department blended e-learning management system whose content is customized to the Ontario Fire Service. In addition, much of the content of the CYFS system has been customized over several years at the direction of Central York Fire Services.

DISCUSSION

With the expiration of the FLMS contract, Stillwater Consulting has proposed to keep the licence fee at the existing rate of \$7.50 CAD per firefighter.

CFYS proposes to maintain the present learning management solution as it is advantageous to the department for the following reasons:

- (i) Solid industry backing, including organizations such as International Association of Fire Chiefs (IAFC), the National Fire Protection Association (NFPA), the curriculum used by CYFS and the Province of Ontario (Ontario Fire Marshal and Emergency Management).
- (ii) Peer Networking - Currently used by many fire services in Ontario allowing for a large peer network to share and exchange entire training programs/information electronically.
- (iii) Organizational Reliability – reliable (99.9% uptime) and accessible online help 24/7. Stillwater Consulting Limited utilizes a state-of-the-art hosting facility for the primary web-based service. This facility incorporates data security and redundancy.
- (iv) Customization - Over the last five years, CYFS has customized the software to fit the needs of our training requirements. Going out for a competitive bid and the possibility of moving to a new provider will cause CYFS a setback

with our training programs. Purchased software are generic platforms that requires many staff hours of customization to meet our needs. In addition, over the last five years all 140 suppression personnel have been trained by the Training Division on its use.

- (v) Continuity of data - Current training records in FLMS could be jeopardized with the implementation of a different operating system. There is a risk that the training records outside the platform would be difficult to access and sort in a meaningful way. Furthermore, training programs designed within FLMS would have to be obtained from FLMS but might prove to be useless without the platform to run them.
- (vi) Implementation – A new software comes with an implementation process. This process is costly, both from a financial and a time point of view. Implementation cost is normally upwards of \$5000. Hundreds of hours are required to learn to use and manage the software.
- (vii) No tie to publishing company – Contrary to most Learning Management Software, FLMS caters strictly to the Fire Service. It is not publisher based and therefore does not tie the department to a certain publisher when it comes to reference material. In addition, it is the only platform that has Ontario specific material.

Further to this, the Town of Newmarket's Procurement By-Law and the applicable trade treaties which are the Canadian Free Trade Agreement (CFTA) and the Canada-European Union Comprehensive and Economic Trade Agreement (CETA) permit the consideration of non-competitive acquisitions where appropriate.

In this specific case, the following non-competitive provisions are applicable to this acquisition:

- (viii) **The Town of Newmarket, Procurement By-Law 2014-27, Section 13.5, sub section (i) "*May be proprietary technology*".**

While other learning management solutions are available on the market, the solution presently in place with CYFS has been specifically customized to meet CYFS's needs. The solution itself is owned by Stillwater consulting only;

- (ix) **The Town of Newmarket, Procurement By-Law 2014-27, Section 13.6, sub-section (i) "*Where compatibility with an existing product equipment, facility or service is a paramount consideration*".**

Compatibility of FLMS with the existing CYFS "FireHouse" records management software is a critical consideration for this acquisition. The interaction between the two software programs was undertaken by Stillwater

at no cost to CYFS. Entering into a competitive process may result in losing the compatibility of the two existing programs;

- (x) **The Canada-European Union Comprehensive Economic and Trade Agreement (CETA), Article 19.12, Paragraph 1 and section (c) and the Canadian Free Trade Agreement (CFTA), Article 513, Paragraph 1, section (c) “for additional deliveries by the original supplier of goods or services that were not included in the initial procurement if a change of supplier for such additional goods or services: (i) cannot be made for economic or technical reason such as requirements of interchangeability or interoperability with existing equipment, software, services or installation procured under the initial procurement; and (ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity”.**

Entering into a new competitive acquisition could result in the selection of a new solution and solution provider which would force the selection of one solution over the other as these solutions are not meant to work interchangeably. The cost to implement and new solution and to provide for the necessary customizations would supersede the cost to maintain the existing solution.

FINANCIAL IMPACT

The estimated cost for the solution over a ten (10) year time frame is as follows:

Description	Cost per Personnel per month	Cost Per Month	Annual Cost	10 Year Estimated
Fire Learning Management Services – Licenses and Support and Maintenance (based on current user levels –140)	\$7.50	\$1050.00	\$12,600.00	\$126,000.00
Contingency Additional employees and services based on potential future staff levels – estimated at 170. (30 staff contingency)	\$7.50	\$225.00	\$2700.00	\$27,000.00
Total Cost	-	-	-	\$153,000.00

It is financially advantageous to maintain the present learning management solution as the costs associated with implementing a new solution, resulting required customizations and retraining of staff would far supersede the costs to maintain the present day solution.

Furthermore, during the relationship with Stillwater Consulting Limited, any indication that pricing is no longer deemed "of fair value" will result in seeking for alternative solutions.

CONCLUSION

CYFS requests that the Joint Council Committee (JCC) recommend seeking the required procurement related approvals for Central York Fire Service (CYFS) to enter into a long-term, non-competitive legacy agreement with the current web based learning management system service provider, being Stillwater Consulting Limited, at a cost of approximately \$153,000.00 over a ten (10) year time frame, and renewable annually thereafter for support, maintenance and licence fees based on available approved budgets.

CONSULTATION

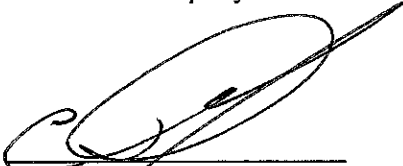
The CYFS Training Division consulted with the Town of Newmarket Procurement Services as well as the Senior Fire Management Team.

IMPACT ON THE MASTER FIRE PLAN

This report has no impact on the Master Fire Plan.

CONTACT

Assistant Deputy Chief Claude Duval



Claude Duval, Assistant Deputy Chief
Central York Fire Services



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Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment Staff Report to Council

Report Number: 2019-63

Department(s): Legislative Services, Recreation & Culture

Author(s): Andrew Walkom, Legislative Coordinator
Colin Service, Director, Recreation & Culture

Meeting Date: June 17, 2019

Recommendations

1. That the report entitled Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment dated June 17, 2019 be received; and,
2. That staff be directed to continue the initiatives related to Youth Engagement and Diversity and Inclusivity that are outlined in this report; and,
3. That staff be directed to plan a Climate Change Open House for Fall 2019 and a Spring 2020 e-Waste Collection event as part of a one-year pilot environmental consultation program and report back in 2020 with a review of this program; and,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

Executive Summary

This report outlines staff's ongoing community engagement efforts with regards to youth and diversity and inclusivity. The report outlines the existing youth engagement events such as the annual youth summit. It also provides information on the current strategies of the culture department in relation to diversity and inclusivity.

Finally, the report outlines staff's proposed environmental consultation strategy which consists of two annual events. One event would take place in the fall and consist of an open house format on a specific green theme. The second event would take place in the

spring and consist of a specific Town activity, such as an e-waste collection day. This program is proposed as a one-year pilot so that staff may review the success of the events before planning for the remainder of the 2018-2022 term. These proposed events are in addition to the ongoing community engagement strategies employed for Town projects.

Purpose

The purpose of this report is to provide Council with Staff's proposed next steps in community engagement with regards to Youth, Diversity and Inclusivity and the environment.

Background

Committee Structure Review

Council adopted a best practice of reviewing the Committee structure after each term to ensure that Advisory Committees reflect the current term of Council and its strategic priorities. Staff reviewed the existing Committee structure, best practices of other municipalities and conducted a satisfaction survey of Committee and Board Members. As a result of this review, staff found that a shift in volunteerism has continued and that trends suggest new strategies on community engagement would prove effective. The Committee Member survey found strong support for alternate engagement strategies such as forums or open houses, with over seventy percent of respondents saying these would be effective, somewhat effective or very effective.

The Committee structure review continued with a February 25, 2019 Council Workshop to solicit Council's feedback on the existing structure and provide direction to review potential changes or additional committees. As a result of this Workshop, staff examined potential Committee structure changes to address youth engagement and diversity and inclusivity. Additionally, staff reviewed the existing Newmarket Environmental Advisory Committee (NEAC). The staff report summarizing the [committee structure review](#) was presented at the April 29, 2019 Committee of the Whole meeting. At the May 6, 2019 Council Meeting, the Committee structure review for the term was completed. As a result of this review, Council dissolved NEAC and directed staff to present options to Council related to further community engagement for the environment. Council also directed staff to present options for community engagement related to Youth as well as Diversity and Inclusivity.

Discussion

Youth Engagement

Engaging youth in meaningful dialogue is important, but also can be challenging to find appropriate methods and opportunities for engagement. Staff have found that there are two pathways that have proven most successful in youth engagement: partnerships and Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment

collaboration with school boards, and opportunities to connect in the context of larger youth oriented activities.

There are currently a number of ways in which the Town partners with local school boards. Each year we hold an annual youth summit where all schools are invited to send a delegation to attend. Students are presented with information about the Town and the challenges we face. They then have an opportunity to brainstorm solutions on the challenges they identified and the Town has identified. This is a day long event – we have found it difficult for school boards to allocate more time than this to a single event. In addition to our annual youth summit, we run programs that tie into grades 5 and 10 curriculum. These programs include mock council meetings where participants are making recommendations on real issues that Council may have considered or be considering. Lastly, we have partnered with the school board in their innovation and design thinking programs where we present real challenges for students to consider and provide solutions utilizing innovation thinking frameworks.

In addition to the current partnerships with the school board, we always try to capitalize on opportunities for youth engagement at events that draw a significant youth presence. This has been accomplished through surveying and focus groups at these events.

Diversity and Inclusivity

The Town continues to make strides in the areas of diversity and inclusivity, particularly as cultural programming has become stronger and more integrated within the community. The Town has formed significant partnerships with various cultural groups that have facilitated improved events. For example, the Town has been instrumental in helping the Newmarket African Caribbean Canadian Association to develop – this included the launch of extremely successful Black History Month celebrations in February. Similarly the Town is partnering with local indigenous community members in the delivery of a youth program and the delivery of events in June for National Indigenous month celebrations.

At the staff level, we continue to meet with existing and emerging groups to find ways to help them develop and improve local awareness around diversity and inclusivity. This has included use of the community grants program for seed funding, as well as partnerships in space provision and program delivery.

Moving forward, there are opportunities to further foster an inclusive environment through the York Region Inclusivity Charter and continued dialogue with advocates and leaders in the community. There have been preliminary discussions towards the formation of a Mayor's Roundtable on Diversity and Inclusivity which will be supported by staff.

Environmental Engagement

In setting its Strategic Priorities for the 2018-2022 term, Council identified Environmental Stewardship as one of its Strategic Pillars. Specifically this pillar relates to leading proactive planning and action related to climate change and other environmental initiatives. Staff have identified opportunities for community engagement and consultation with regards to the implementation of Council's strategic vision.

Broad Community Consultation

The need for broad-based community consultation is particularly strong with respect to environmental issues. In general, community engagement allows Council to measure community support for particular issues and prioritize its actions in response. It allows for a dialogue between the community and Council on these issues, so that decision-making is more closely tied to the community. Not only does this engagement allow for Council to hear from the community, but it also communicates Council's decisions and processes so that the public is aware, engaged and can understand the decision-making process.

There are several reasons why environmental issues are best served by a broader community engagement strategy than other municipal issues. Due to the scope of environmental issues, Council is able to take advantage of the passion and knowledge of the community as a whole, and can seek advice and ideas from a wide-range of voices. Public education on these issues is essential, as it is important that the community knows of the Town's efforts to reduce its impact on the environment and mitigate the effects of climate change.

Likely the most important aspect of broad community engagement is the Town's ability to empower individuals with the knowledge and tools to make an impact on our environment. Since environmental issues transcend levels of government and affect all aspects of society, it is critical that actions to protect the environment take place at the individual level. The Town has the ability to educate the public, provide tools and strategies, and work hand-in-hand with the citizens of Newmarket to address the effects of climate change and reduce impact on the environment. It is clear that the Town will be able to reach its goals only through broad-based collaboration with individuals and key stakeholders in the community.

These ideas inform the goals of the Town's community engagement strategy on the environment. Community engagement on the environment needs to create a dialogue between Council and the community, educate the public on environmental issues and the Town's strategies, and empower individuals to take action.

Environmental Events

Staff propose that two environmental events be held annually, with one in the spring and one in the fall. The fall event would consist of an open-house format which will be focused on a particular environmental or 'green' theme. The spring event would consist Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment

of an environmental action day, also focused on a particular theme or activity. These themes would be chosen by staff based on current initiatives or upcoming projects.

For the first open house, to be held in Fall 2019, staff propose a climate change theme. This event format allows for a number of community engagement strategies to be employed. Various booths and displays will provide information about current and upcoming Town projects related to climate change. There are numerous opportunities for public input, as residents can provide their feedback and ideas throughout the event. Collaboration with other organizations, levels of government and agencies are also possible. Depending on the location chosen for the event, it may be possible to provide tours of Town facilities which illustrate the Town's efforts to reduce environmental impact and mitigate the effects of Climate Change, such as the LEED Silver Robert N Shelton Operations Centre. This event would be similar in style and tone to the Community Open House hosted earlier in the year.

The spring event would focus on a particular environmental activity. Staff propose a spring 2020 day to focus around an e-waste collection, pending potential e-waste legislation. This type of collection has occurred successfully in the past through Councillors' Ward activities and the former NEAC. The spring date allows for coordination with other environmental events in the community such as Canadian Environment Week or Earth Day. Collaboration with other organizations or levels of government will also be possible with this type of event. Further, volunteers from the community can be directly engaged in the event through assisting in its operation.

The format of both these events allows for flexibility and growth over time. Additional coordination with other events or organizations is possible. These types of events also provide the opportunity for a direct connection between Councillors and the public, to hear public concerns and participate in environmental events. A central location for an event such as the spring activity event also could facilitate additional activities or information centres at this location to take advantage of the residents who come to attend the main event.

Project-focused Working Groups

In addition to two annual environmental events, staff will continue to monitor for opportunities to engage the project-focused working group model. Staff have identified the Newmarket Energy Efficiency Retrofit (NEER) Stakeholder Advisory Group as a successful example of this model of community engagement. While no additional projects involving this community engagement model are currently planned, staff will seek to identify projects which would benefit from this type of engagement.

Other Community Engagement

Staff are constantly engaging the public on specific projects. New tools are available to staff such as Hey Newmarket. Recent examples of 'green' projects (i.e. Projects that impact Newmarket's adaptation or mitigation of climate change) included the Low

Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment

Impact Development (LID) Policy, Site Alteration By-Law, Comprehensive Stormwater Master Plan, Stormwater Fee Manual, Urban Forestry Management Plan and Community Energy Plan.

Staff will also continue to monitor additional opportunities for community engagement on environmental issues. One current example is the Town's participation in the Innovate My Future Project. This project brings together youth from the Greater Toronto and Hamilton Area to address climate issues in their communities. It is lead by [Youth Challenge International](#) and [Evergreen Brickworks](#). The Town has agreed to provide meeting space, local expertise, and assistance with recruitment and advertising.

Continuity with Newmarket Environmental Advisory Committee

As discussed previously in this report, the proposed activities and events will continue the efforts of the former NEAC, particularly the proposed 2020 spring e-Waste collection event which had previously been organized by the Committee. Staff will organize a consultation meeting with previous NEAC members to gather their feedback on priorities for these upcoming events. As the Town will be seeking volunteers for the operation of the spring event, former members will also be able to participate directly in the event. A list of interested volunteers can be created to assist in recruitment for this annual event.

The Environmental Advisory Committee Exchange Forum is a biannual event hosted by York Region. It is attended by representatives from either staff or committee members to exchange ideas and updates on environmental initiatives. Town staff will attend the forums to represent Newmarket.

NEAC also administered the Ian Gray Environmental Award which provided financial support for school projects that target environmental issues in Newmarket with an award of \$500. The award has not been given out for a number of years. Staff propose the reintroduction of this award, with the program administered by Planning Staff, subject to a 2020 budget request. This award is a useful community engagement tool and a connection to local schools.

Conclusion

Staff will continue to engage youth through the strategies outlined in this report. Staff will support the creation and planning of the Mayor's Roundtable on Diversity and Inclusivity. Finally, staff will begin preparations for the Fall 2019 and Spring 2020 environmental events which have been described in this report. These events will form a one-year pilot, with staff reporting back on their success and the continued plans for the rest of the 2018-2022 term.

Business Plan and Strategic Plan Linkages

This report relates to the Well-equipped and Managed link of the Town's Community vision – implementing policy and processes that reflect sound and accountable governance.

Consultation

Staff consulted with the Development & Infrastructure Commission, including Engineering Services, Public Works Services and Planning & Building Services.

Human Resource Considerations

None.

Budget Impact

Staff will request \$500.00 for the 2020 budget as an amount to be awarded to local school programs as part of the Ian Gray Environmental Award.

Attachments

None.

Approval

Kiran Saini
Deputy Town Clerk

Lisa Lyons
Director of Legislative Services/Town Clerk

Esther Armchuk
Commissioner of Corporate Services

Ian McDougall
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Site-Specific Employment Area Conversion Requests Staff Report to Council

Report Number: 2019-64

Department(s): Planning & Building Services

Author(s): Adrian Cammaert

Meeting Date: June 17, 2019

Recommendations

1. That the report entitled Site-Specific Employment Area Conversion Requests dated June 17, 2019 be received; and,
2. That Council support the Site-Specific Employment Area Conversion Requests submitted to York Region regarding the following properties:
 - a. 520, 521, 550 & 630 Newpark Boulevard (Weston Consulting)
 - b. 20 properties within the Mulock Station Area Secondary Plan (Town of Newmarket); and,
3. That Council not support the Site-Specific Employment Area Conversion Request submitted to York Region regarding the following property:
 - a. 1240 Twinney Drive & 1250 Davis Drive (Rice Group); and,
4. That the report entitled Site-Specific Employment Area Conversion Requests dated June 17, 2019 be submitted to York Region as input to the Municipal Comprehensive Review; and,
5. That Attachment 2 to the report entitled Site-Specific Employment Area Conversion Requests dated June 17, 2019, be submitted to the province; and,
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to provide Council with recommendations and associated rationale regarding each employment area conversion request submitted to the Region on privately held properties in Newmarket.

Background

As Council is aware, the Region is completing a Municipal Comprehensive Review (MCR), and as part of this review, are considering requests for employment area conversions.

This review, and the MCR in general, is being undertaken in response to a 2017 Growth Plan requirement, which states that employment area conversion requests can only be considered through MCRs, and provides a series of criteria that each request must satisfy. As Council is aware, a new Growth Plan was released by the provincial government and became in force and effect on May 16, 2019. Although the extent of the changes in this Plan as compared with the previous 2017 version are extensive, the changes to the series of conversion criteria (formerly Section 2.2.5.9, now Section 2.2.5.10) are minimal. These criteria are:

“The conversion of lands within employment areas to non-employment uses may be permitted only through a municipal comprehensive review where it is demonstrated that:

- a) there is a need for the conversion;*
- b) the lands are not required over the horizon of this Plan for the employment purposes for which they are designated;*
- c) the municipality will maintain sufficient employment lands to accommodate forecasted employment growth to the horizon of this Plan;*
- d) the proposed uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan; and*
- e) there are existing or planned infrastructure and public service facilities to accommodate the proposed uses”.* (2019 Growth Plan, Section 2.2.5.10)

Due to the recent release of the new Growth Plan, the assessments undertaken by private landowners and York Region were completed under the 2017 Growth Plan. However, as noted, the extent of the changes made to the relevant criteria policy section are minor and therefore the assessments remain supportable.

York Region has prepared and endorsed an additional 9 conversion criteria, resulting in a total of 14 “Employment Area Conversion Criteria”.

“Employment Areas” are defined in the 2017 Growth Plan and the 2019 Growth Plan as: *“Areas designated in an official plan for clusters of business and economic activities*

Site-Specific Employment Area Conversion Requests

including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.”

Newmarket has 8 such Employment Areas which accommodate a total of 14,100 jobs. These areas encompass 253 hectares, generally located in areas along Bayview Avenue, Mulock Drive and abutting Highway 404. Manufacturing accounts for over one third of employment in these areas, with just over 5,000 jobs. Nearly 50% of these jobs are in the automotive manufacturing subsector, however more recently (over the past ten years), the majority of job growth has been driven by the health care and social assistance, educational services and professional, scientific and technical services sectors.

As part of the Region’s MCR process, local municipalities have been requested by the Region to assess each conversion request against the 14 criteria and clearly indicate a ‘pass’ or ‘fail’ on each. Of the 14 total criteria, the 5 provided by the Growth Plan as well as an additional 2 provided by York Region are considered ‘hard stops’ and requests will not be considered any further if these 7 criteria are not met.

Local municipal recommendations are now required to be provided to the Region. Regional staff will be providing recommendations on each request to Regional Council in the fall of 2019, with a region-wide draft employment forecast.

Discussion

A total of three Employment Area conversion requests have been submitted to the Region involving lands in Newmarket. Planning staff have assessed each of the three requests against these 14 criteria and formulated a recommendation on each. The 14 criteria provide a basis for a comprehensive examination of each request, assessing the merits of each from an economic, social and environmental perspective. Individual assessments for each request are attached to this report (Attachment 1).

The following sections provides a summary and recommendation for each conversion request:

1. 1240 Twinney Drive & 1250 Davis Drive

Summary:

Request submitted to the Region by the Rice Group. Such a conversion is required to permit the consideration of a future application to re-designate the subject properties from the 'Business Park - Mixed Employment' land use designation to another land use designation(s) that would specifically permit residential uses on the two properties.



Comments:

As background information, in 2012, a site-specific zoning by-law was approved which permitted the lands to be developed for non-employment (ancillary retail and service) uses, subject to limitations of cumulative floor areas of these uses. The purpose of non-employment floor area limitations was to ensure that the lands could possibly accommodate employment uses in the future. The lands are currently being developed for these non-employment uses, subject to the floor area limitations however, residential uses as per the conversion request, were not initially contemplated, would exceed the cumulative floor area limitations of these non-employment uses, and are not permitted by the site-specific zoning. Further, residential uses may pose a compatibility concern with existing or future employment uses on abutting lands.

As per the assessment in Attachment 1, the conversion request does not satisfy most of the conversion criteria. Of note, the results of the assessment show that such a conversion: may adversely affect the current or future viability of the employment area through compatibility issues between existing or planned employment uses on the surrounding lands and the contemplated residential use (criterion 3); challenge the achievement of the area's employment density targets (criterion 5); compromise the Region's/local municipality's supply of large sized employment area sites which allow for the accommodation of land extensive employment uses (criterion 11); and the lands are visible from and adjacent to a 400-series highway (criterion 13).

The most significant concerns regarding a conversion in these lands relate to land use compatibility, the site's strategic size and location, and the planned land uses and density targets. Residential uses, as contemplated, would likely present compatibility issues resulting from the abutting existing and potential future manufacturing, warehousing and other transportation-reliant employment uses. Further, the properties are of an adequate size and location for more traditional employment uses that

capitalize on its strategic proximity to Highway 404. Finally, the area is identified by the Region as a Major Transit Station Area (Davis BRT Corridor) and all of its associated density is identified to be achieved through employment uses (160 jobs per hectare); no residential population is envisioned for this area.

Recommendation:

Do not support the conversion request.

2. 520, 521, 550 & 630 Newpark Boulevard

Summary:

Request submitted to the Region by Weston Consulting on behalf of 521 Newpark GP Limited and 630 Newpark GP Limited, the registered owners of the subject properties. Such a conversion is required to permit the consideration of a future application to re-designate the subject properties from the 'Business Park - Mixed Employment' land use designation to another land use designation(s) that would permit a mixed-use and residential redevelopment.



Figure 1 - Aerial Photo of the Subject Lands

Comments:

The subject lands were initially developed for industrial employment purposes at a time when there was little surrounding development. However, as over the past number of decades, Newmarket's urban footprint has grown to encompass the area. Currently, residential uses either exist or are under consideration for all of the abutting lands except for a commercial area which partially abuts the lands to the south. Due to this changing context, there is a need to reassess the lands.

As per the assessment in Attachment 1, the conversion request satisfies most of the conversion criteria. Of note, the results of the assessment show that such a conversion: could address potential compatibility issues that may emerge between the area’s industrial employment uses and abutting residential uses (criterion 8); and there is a justifiable need for conversion (criterion 7) in the form of a significant external influence being the introduction of the Mulock Station in proximity to the conversion area. A portion of the lands are within 800m of the future Mulock Station which further supports the notion of establishing a more transit-supportive land use/density planning framework. Finally, the lands are neither ideal for traditional / transportation-reliant employment uses because they are not located along a 400-series highway or any other goods movement corridor.

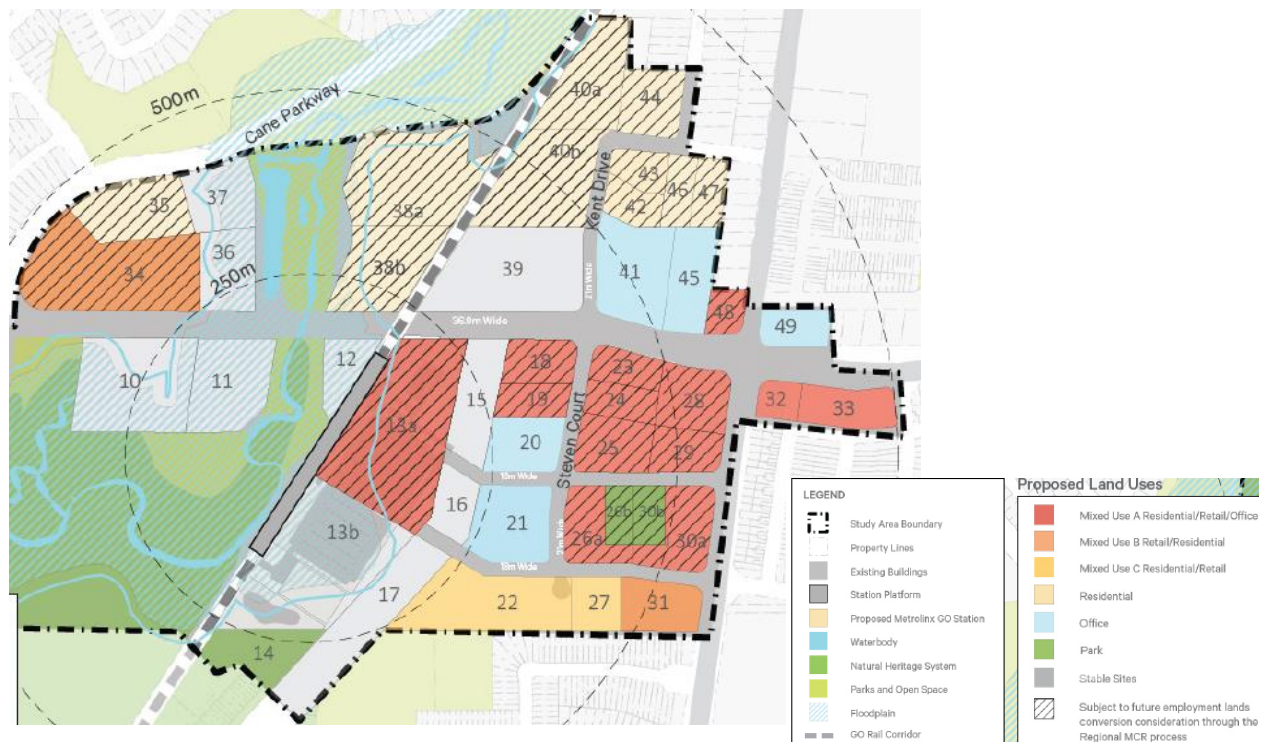
Recommendation:

Support the conversion request.

3. 20 Properties within the Mulock Station Area Secondary Plan

Summary:

Request submitted to the Region by the Town of Newmarket. This request involves 20 properties that are currently used strictly for employment uses but are being considered for additional uses through the Mulock Station Area Secondary Plan process. The 20 properties are shown below in hatching:



Because the Mulock Station Area Secondary Plan is still underway, there remains a possibility that the specific properties subject to the Employment Area conversion request may change. Staff will update Regional staff if such a change occurs.

Comments:

The Town is currently undertaking the Mulock Station Area Secondary Plan in order to implement a transit supportive planning regime on and around the station site. The Vision for this study states:

“The Mulock GO Station Area will be a transit-supportive node within the Town of Newmarket, providing safe, comfortable and convenient access to the future GO station by foot, bicycle, bus and car from surrounding neighbourhoods. It will be a place with a broad mix of uses, providing homes for new residents, providing new places of work in immediate proximity to the GO station, and continuing to provide retail uses that serve the local population. This mixed-use and higher density node will be supported by a vibrant and high-quality public realm that is well connected to the existing network of parks and open spaces within and in the vicinity of the station area.”

As per the assessment in Attachment 1, the conversion request satisfies all of the conversion criteria. Of note, the results of the assessment show that such a conversion: would plan for a greater number of jobs than what currently exists (criterion 3); supports the achievement of the area’s people and employment density targets (criterion 5); there is a justifiable need for conversion (criterion 7) in the form of a significant external influence being the introduction of the Mulock Station in proximity to the conversion area; and the lands are not visible from or adjacent to a 400-series highway (criterion 13).

Recommendation:

Support the conversion request.

A Provincially Significant Employment Zone (PSEZ) in Central York

As noted in Information Report PCI-19-04, Newmarket’s employment areas along Highway 404 satisfy the province’s Provincially Significant Employment Zone (PSEZ) criteria. These areas are needed over the long-term to provide local jobs for the community and this in turn reduces commuting distance for Newmarket residents and therefore reduces greenhouse gas emissions. The vast majority of the current Provincially Significant Employment Zones are located in southern parts of York Region and other parts of the GTHA.

However, these areas are vulnerable to conversion pressure and the additional level of protection provided by the PSEZ will help protect these areas from conversion to non-employment uses. Specifically, and as noted earlier in this Report, the new Growth Plan

provides that Employment Area conversions are only permitted through a MCR subject to meeting a series of conversion criteria. However these conversions can also be considered in advance of an MCR where other criteria are met, but not if the conversion request includes any lands that are within a PSEZ. Therefore the PSEZ offers additional protection to address conversion pressure.

Based on the above rationale, correspondence was previously submitted from the Town to the province as part of the consultation on the then-proposed changes to the Growth Plan, requesting the consideration of the Town's employment area along Highway 404 as a PSEZ. This letter recommended that the updated Growth Plan include the Town's Highway 404 employment areas (as well as similar areas in Aurora) as a PSEZ in the central part of York Region. Unfortunately, this did not occur and the new Growth Plan does not include a Central York PSEZ.

The new Growth Plan includes a definition for Provincially Significant Employment Zones:

“Areas defined by the Minister in consultation with affected municipalities for the purpose of long-term planning for job creation and economic development. Provincially significant employment zones can consist of employment areas as well as mixed-use areas that contain a significant number of jobs.”

As per this definition, “mixed-use areas that contain a significant number of jobs” are now permitted in PSEZs. However it is staff's understanding that these “mixed-use areas” refer to mixed-use *employment* areas (i.e. a mix of industrial and institutional uses) and do not include residential uses. Therefore, the establishment of a PSEZ would continue to offer protection to the Town's employment area along Highway 404 from conversion to other land uses and as such, staff continue to see value in the establishment of such a zone in order to protect against conversion pressure.

The creation of a Provincially Significant Employment Zone in central York Region will protect employment close to the significant and growing populations of Newmarket, Aurora and East Gwillimbury. Furthermore, the notion of creating a PSEZ along the Town's Highway 404 Employment Areas is generally consistent with the Region's “Comments on Proposed Amendment 1 to the Growth Plan” report dated Feb 21, 2019.

Although a Central York PSEZ was not included in the new Growth Plan, in a letter dated May 15, 2019, the province has indicated that they will be reviewing ‘requests for reconsideration’ to add new zones. To help process these reconsiderations, the province has asked for demonstrable municipal support, such as a council endorsed letter, that outlines local support for the request. It is being recommended through this report that the attached letter (Attachment 1) be submitted to the province to formally request this reconsideration.

Economic Development Office Comments

In the preparation of this report, the Town's Economic Development office was consulted. Economic Development would not recommend a conversion of the Newpark lands, as described in the following paragraphs.

In 2018, Newmarket recorded its highest number of jobs ever, reaching 42,858 (York Region Annual Employment Survey). Data show the health and social services sector and the business services sector have experienced the largest growth trends over the past decade (58% and 45% increases, respectively). However, Newmarket is also a desirable location for more traditional employment uses, such as manufacturing, that are located within the eight identified employment areas.

Manufacturing employment has increased 22% since 2010, rising from 4,268 to 5,270 in 2018. This growth is mostly comprised of "Advanced manufacturing" businesses that rely on technology, robotics, engineering design and skilled labour to produce high value-added products for world markets. The recent relocation of Celestica to Newmarket, which is not included in the 2018 employment numbers, is an excellent example. Approximately half to three-quarters of its current local labour force are classified as skilled labour such as engineers, technologists, computer design and manufacturing operators.

Manufacturing comprises 37% of the 14,100 total jobs in our designated employment areas. The balance of employment is largely within the business services sector and to a lesser extent, the health care sector and public services sector. Additional ancillary retail is also permitted in these areas, primarily to service nearby workers.

Newmarket's employment areas are experiencing strong demand from various sectors that is putting increasing pressure on land and building availability. Lack of vacant employment lands and good quality industrial buildings are significant constraints to future employment growth. This is why Newmarket's modest supply of both needs protection from employment land conversions.

This will be further exacerbated by the anticipated development of the 45 acre Stackhouse Drive/Harry Walker Parkway properties owned by Tricap. With the Rice Group 30 acre property at the corner of Davis Drive and Harry Walker Parkway already down-zoned to permit a percentage of non-employment uses, and with this developer's further request for conversion as identified within this report, the Tricap land is Newmarket's last remaining large block of vacant employment lands. It is positive that these lands are being developed for employment uses that will create good jobs for Newmarket residents, but it will lead to an eventual levelling off of employment growth, particularly in the manufacturing sector, once full development is achieved.

Communities strive to achieve a healthy balance of 1 job for every two residents. This is commonly expressed as a ratio of 2:1 population to employment. Including home-based businesses, Newmarket currently exceeds this ratio (1.9:1). As our population grows to

over 100,000 residents over the next decade, Economic Development's goal is to exceed 50,000 jobs in order to retain this healthy balance. This will require an increase of approximately 4,000 jobs from today's levels-i.e., an average of 400 jobs per year.

Based on the above analysis, Economic Development agrees with Planning's employment land conversion recommendations and related comments for the Mulock Station Secondary Plan area and 1240 Twinney Drive and 1250 Davis Drive (Rice Group). Economic Development does not, however, recommend the Employment Land conversion recommendation for 520, 521, 550 and 630 Newpark Boulevard as this area's role as a current and future employment generator is essential to meeting our employment targets.

The Newpark Boulevard area is home to 1,760 jobs. It has the highest employment density in Newmarket at 93 jobs per hectare compared to our average density within our employment areas of 67 jobs per hectare. Applying these average and maximum density ranges to a full build-out scenario of the Tricap properties on Stackhouse Drive/Harry Walker Parkway, it can be anticipated that 1,200-1,700 jobs will be created, resulting in a net loss of jobs should the Newpark conversion request occur. Even if a small portion of the Newpark lands fronting on Bayview remain designated as employment as envisioned, the Town will at best achieve a break-even employment scenario.

Economic Development recognizes that the Newpark Boulevard area, when viewed from today's perspective, is not ideal employment land given the residential growth that has occurred over the years. These lands are too important, however, to our future employment stability and ongoing growth as Newmarket approaches build-out. Economic Development also advises that there are no viable options to replace the Newpark area jobs by essentially moving them to a "more desirable" employment area due to our current employment land constraints. The Town can best meet our employment targets over the next decade by retaining these jobs while increasing employment as build out of the Tricap and Rice properties proceeds, augmented by new office development on our corridors as market conditions and tenant demand improve.

Employment created from office development on Newmarket's corridors may eventually surpass employment growth within our existing employment areas. Reconsideration of employment land conversions may therefore be more appropriate as a longer term strategy but at this time, Economic Development staff feel it is important that Newmarket maintain sufficient employment lands to meet our employment targets.

Planning staff acknowledge this concern. However, subject to the Region's work through the MCR on future employment land needs at the Regional level, the conversion passes all but one of the 14 conversion criteria. The conclusions of the full assessment contained in Attachment 1, combined with future employment trends such as a strong growth in the service and knowledge-based jobs that are not as land-extensive, provide the basis on which Planning staff can continue to recommend supporting the request.

Conclusion

For the rationale outlined in this report, Planning staff are recommending supporting two of the three employment area conversion requests submitted to the Region within geographic areas of Newmarket. Further, Planning staff are recommending that correspondence be submitted to the province requesting the re-consideration of Newmarket's Highway 404 employment areas as part of a Central York PSEZ.

Business Plan and Strategic Plan Linkages

Well-Planned & Connected:

- Planning and managing growth through long-term plans and strategies, supported by short-term action plans.

Consultation

Internal consultation has taken place with Economic Development. Economic Development's comments have been incorporated into this Report.

Human Resource Considerations

None.

Budget Impact

There is potential for a significant impact on the tax assessment base through the possibility of re-designating lands from employment designation to other land use designations.

Attachments

Attachment 1 – Individual Assessments of each of Newmarket's Conversion Requests

Attachment 2 – Letter to the province requesting the re-consideration of the Central York Provincially Significant Employment Zone

Approval

Adrian Cammaert, MCIP, RPP, CNU-A
Senior Planner, Policy

Jason Unger, MCIP, RPP
Acting Director of Planning

Peter Noehammer, P. Eng.

Site-Specific Employment Area Conversion Requests

Commissioner of Development & Infrastructure Services

Contact

Adrian Cammaert, Senior Policy Planner, acammaert@newmarket.ca

Individual Assessments of Newmarket's Conversion Requests
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***Note:** Criteria 1-2 (York Region) and 3-7 (Growth Plan) are considered 'hard stops' and requests will not be considered any further if these criteria do not pass.

Area of Request: 1240 Twinney Drive & 1250 Davis Drive Submitted by: Rice Group			Overall Recommendation: Do not support	
Criteria #	Source	Criteria	Pass/Fail	Comments
1*	York Region	The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52).	P	The lands in question are not among those listed.
2*	York Region	The employment area will not be considered for conversion if the entire perimeter of the site is surrounded by lands designated for employment uses and is not viable to continue as an employment area.	P	The conversion would not create a "hole" in the employment area. All boundaries abut public roadways with other land use designations located on opposing sides of such roadways.
3*	Growth Plan	The lands are not required over the horizon of the Growth Plan for the employment purposes for which they are designated (GP 2.2.5.9 b).	F	The Official Plan designates the lands as 'Business Park – Mixed Employment' which is one of two employment designations and sets the vision for the lands to be used primarily for employment uses. This designation reflects the properties' strategic location adjacent to Highway 404, which is appropriate for a range of traditional / transportation-reliant employment uses.

				<p>In 2012, a site-specific zoning by-law was passed which permitted the lands to be developed for non-employment (ancillary retail and service) uses, subject to limitations of cumulative floor areas of these uses. The lands are currently being developed for these ancillary retail and service uses, subject to the prescribed limitations. Residential uses, as per the recent request, were not initially contemplated and would exceed the cumulative floor area limitations of these non-employment uses.</p> <p>It is noted that other employment areas abutting Highway 404 are being recommended, via this Report, to be re-considered by the province as a Provincially Significant Employment Zone. As a result of the limited ancillary retail and service uses permitted on the properties, these properties are not being included in this request. However, they remain required over the long term to accommodate traditional / transportation-reliant employment uses (either in addition to, or in place of the permitted ancillary retail /service uses) as per the Official Plan designation.</p>
4*	Growth Plan	The Region and local municipality will maintain sufficient employment lands to accommodate forecasted employment growth, including sufficient employment land employment growth, to the horizon of the Growth Plan (GP 2.2.5.9.c).	Possibly P (to be determined through MCR)	Future employment land needs are currently being assessed by the Region through the MCR, so a definitive opinion on this criterion cannot be made at this time. However, it is worth noting that globalization, automation, artificial intelligence and the digital economy are key trends impacting employment growth in York Region; and there is strong growth in service and knowledge-based jobs (York Region/Hemson Consulting, 2019). These jobs are typically located in less land-extensive, more compact locations that are well served by local amenities (mix of uses, higher order

				transit, etc.) such as Newmarket's Urban Centres and future Mulock Station area.
5*	Growth Plan	Non-employment uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets and other policies in the Growth Plan (GP 2.2.5.9 d).	F	The lands are within a Bus Rapid Transit MTSA and therefore a density target of 160 people and jobs / ha is required to be met. York Region, in partnership with the Town, identified that this density target in this MTSA is to be achieved entirely through jobs, as opposed to residential population. Therefore, a residential component would adversely affect the overall viability of the employment area.
6*	Growth Plan	There are existing or planned infrastructure and public service facilities to accommodate the non-employment uses (e.g. sewage, water, energy, transportation) (GP 2.2.5.9 e).	P	The lands are on existing servicing infrastructure, although improvements may be necessary to accommodate an increase in density.
7*	Growth Plan	There is a need for the conversion (GP 2.2.5.9 a).	F	Other areas of the Town have been identified in approved planning documents for residential uses at densities adequate to support MTSA's (i.e. mid and high-density), specifically the Yonge/Davis Urban Centres.
8	York Region	<p><i>Related to # 5:</i> The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:</p> <p>a) Hindering the operation or expansion of existing or future businesses b) Maintaining lands abutting or in proximity to the conversion site for employment purposes over</p>	<p>F</p> <p>F</p>	<p>a) Residential uses on the lands, as contemplated, would not likely destabilize or adversely affect the limited ancillary retail and service uses that are currently being developed on the lands, however residential uses may adversely affect the development of employment uses on the lands in subsequent phases.</p> <p>b) Residential uses on the lands, as contemplated, could pose compatibility issues between them and existing or future employment</p>

		<p>the long term</p> <p>c) Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities</p> <p>d) Providing appropriate buffering of employment uses from non-employment uses.</p>	<p>F</p> <p>?</p>	<p>uses on abutting lands or lands in proximity to the site over the long term, thereby adversely affecting the future viability of the adjacent employment area.</p> <p>c) Residential uses on the lands, as contemplated, could pose compatibility issues between them and possible future employment uses on the site over the long term.</p> <p>d) Any buffering requirements are unknown at this time and would depend on the location of the contemplated residential use, its proximity to abutting employment use(s) and the nature of the employment use(s).</p> <p>In addition, the abutting employment area along Highway 404 is being recommended via this Report, to be reconsidered as a Provincially Significant Employment Zone. This area hosts major employment uses, including manufacturing uses, which may present a compatibility concern for new residential uses in proximate or abutting areas such as the subject lands.</p>
9	York Region	Cross-jurisdictional issues have been addressed.	P	No cross-jurisdictional issues identified.
10	York Region	The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts.	F	See 8 above.
11	York Region	Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses	F	The larger property (1240 Twinney Drive) is 11.6ha in area which exceeds the 10ha example threshold, and could, over the long-term accommodate a range of land extensive employment uses.

		such as manufacturing, warehousing, distribution and logistics.		
12	York Region	The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions.	P	The lands do not contain any development constraints relating to size, configuration, access and physical conditions.
13	York Region	The proposed site is not visible from or adjacent to 400-series highways, or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors.	F	The lands are directly adjacent to, and visible from, a 400-series highway (Highway 404).
14	York Region	The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality.	F	<p>The Town's Official Plan does not permit residential uses on the lands and therefore, an Official Plan Amendment would be required. Based on the existing planning policies applicable to the lands, and their context within the municipality, the desirability of residential uses on the lands appear undesirable.</p> <p>In addition, the Region has identified the lands as being within a Bus Rapid Transit MTSA for which the planned density target of 160 people and jobs / ha is planned to be met entirely through jobs, as opposed to residential population. A residential component on the lands could compromise this Regional policy objective.</p>

Area of Request: 520, 521, 550 & 630 Newpark Boulevard Submitted by: Weston Consulting			Overall Recommendation: Support	
Criteria #	Source	Criteria	Pass/Fail	Comments
1*	York Region	The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52).	P	The lands in question are not among those listed.
2*	York Region	The employment area will not be considered for conversion if the entire perimeter of the site is surrounded by lands designated for employment uses and is not viable to continue as an employment area.	P	The conversion would not create a "hole" in the employment area. All boundaries abut lands with other land use designations and a public roadway.
3*	Growth Plan	The lands are not required over the horizon of the Growth Plan for the employment purposes for which they are designated (GP 2.2.5.9 b).	P	The Official Plan designates the lands as 'Business Park – Mixed Employment' which is one of two employment designations and sets the vision for the lands to be used primarily for employment uses. However, the lands are not strategically located along a 400-series highway, and other areas of the Town are better able to accommodate employment uses; specifically the Town's 404 Employment Area for less compatible, traditional / transportation-reliant employment uses and the Yonge/Davis Urban Centres for other forms of employment.

				In addition, as per the request submission, the contemplated concept plan for the area includes employment uses through the introduction of mixed-use office development along Bayview Ave.
4*	Growth Plan	The Region and local municipality will maintain sufficient employment lands to accommodate forecasted employment growth, including sufficient employment land employment growth, to the horizon of the Growth Plan (GP 2.2.5.9.c).	Possibly P (to be determined through MCR)	Future employment land needs are currently being assessed by the Region through the MCR, so a definitive opinion on this criterion cannot be made at this time. However, it is worth noting that globalization, automation, artificial intelligence and the digital economy are key trends impacting employment growth in York Region; and there is strong growth in service and knowledge-based jobs (York Region/Hemson Consulting, 2019). These jobs are typically located in less land-extensive, more compact locations that are well served by local amenities (mix of uses, higher order transit, etc.) such as Newmarket's Urban Centres and future Mulock Station area.
5*	Growth Plan	Non-employment uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets and other policies in the Growth Plan (GP 2.2.5.9 d).	P	As per the request submission, a mixed-use office component is included in the contemplated concept for this area to ensure the continued viability of the employment area.
6*	Growth Plan	There are existing or planned infrastructure and public service facilities to accommodate the non-employment uses (e.g. sewage, water, energy, transportation) (GP 2.2.5.9 e).	P	The lands are on existing servicing infrastructure, although improvements may be necessary to accommodate new land uses and increased density as per the contemplated concept for this area. Technical reports, including technical servicing studies, will be required as part of any application to re-designate the area, and will be required determine if any improvements are required to support the future vision.

7*	Growth Plan	There is a need for the conversion (GP 2.2.5.9 a).	P	There is a need to reassess these particular sites because the area is in transition to a more residential community. Residential uses either exist or are under consideration, for all of the abutting lands except for a commercial area which partially abuts the lands to the south. In addition, a portion of the lands are within 800m of the future Mulock Station which further supports the notion of establishing a more transit-supportive land use/density planning framework.
8	York Region	<p><i>Related to # 5:</i> The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:</p> <p>a) Hindering the operation or expansion of existing or future businesses</p> <p>b) Maintaining lands abutting or in proximity to the conversion site for employment purposes over the long term</p> <p>c) Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities</p> <p>d) Providing appropriate buffering of employment uses from non-employment uses.</p>	<p>P</p> <p>P</p> <p>P</p> <p>P</p>	<p>a) As per the submission request, a mixed-use office component is included in the contemplated concept which is to ensure the continued viability of the employment area.</p> <p>b) There are no employment areas to maintain in the areas abutting or in proximity to the lands. This area is in transition to a more residential community; residential uses either exist or are under consideration for all of the abutting lands except for a commercial area which partially abuts the lands to the south.</p> <p>c) See b) above.</p> <p>d) As per the submission request, residential uses are contemplated in the interior of the lands. Subject to a future planning and urban design review, this use is generally compatible with surrounding residential uses and therefore the need for buffering opposing land uses would be limited.</p>
9	York Region	Cross-jurisdictional issues have been addressed.	P	No cross-jurisdictional issues identified.

10	York Region	The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts.	P	See 8 above.
11	York Region	Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses such as manufacturing, warehousing, distribution and logistics.	F	None of the properties subject to the conversion request are over the 10ha example threshold. However, these properties are all contiguous and have a combined area of almost 18ha. These properties could potentially consolidate in the future, if needed, to provide for land extensive employment uses.
12	York Region	The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions.	P	The properties represent an employment area that is located in area surrounded by existing and future residential areas, and are not located near any major goods movement corridors.
13	York Region	The proposed site is not visible from or adjacent to 400-series highways, or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors.	P	The properties are not visible or adjacent to a 400-series highway, planned highway or rail corridor.
14	York Region	The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality.	P	An Official Plan Amendment would be required to introduce residential uses to the properties. Subject to a full planning review as part of the required Official Plan Amendment application, and based on all available information at this time, the contemplated conversion does not seem to compromise any other planning policy objectives of the local municipality.

Area of Request: 20 Properties within the Mulock Station Area Secondary Plan (subject to completion of Secondary Plan) Submitted by: Town of Newmarket			Overall Recommendation: Support	
Criteria #	Source	Criteria	Pass/Fail	Comments
1*	York Region	The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52).	P	The lands in question are not among those listed.
2*	York Region	The employment area will not be considered for conversion if the entire perimeter of the site is surrounded by lands designated for employment uses and is not viable to continue as an employment area.	P	The conversion would not create a "hole" in the employment area. All boundaries abut other land use designations and/or an arterial road.
3*	Growth Plan	The lands are not required over the horizon of the Growth Plan for the employment purposes for which they are designated (GP 2.2.5.9 b).	P	The Mulock Station Area will continue to be a focus of employment for the Town, the existing number of jobs is proposed to not only remain, but be exceeded. In addition, other areas of the Town are able to accommodate employment uses; specifically the Yonge/Davis Urban Centres for most forms of employment, and the Town's 404 Employment Area for less compatible/transportation-reliant uses.

4*	Growth Plan	The Region and local municipality will maintain sufficient employment lands to accommodate forecasted employment growth, including sufficient employment land employment growth, to the horizon of the Growth Plan (GP 2.2.5.9.c).	Possibly P (to be determined through MCR)	Future employment land needs are currently being assessed by the Region through the MCR, so a definitive opinion on this criterion cannot be made at this time. However, it is worth noting that globalization, automation, artificial intelligence and the digital economy are key trends impacting employment growth in York Region; and there is strong growth in service and knowledge-based jobs (York Region/Hemson Consulting, 2019). These jobs are typically located in less land-extensive, more compact locations that are well served by local amenities (mix of uses, higher order transit, etc.) such as Newmarket's Urban Centres and future Mulock Station area.
5*	Growth Plan	Non-employment uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets and other policies in the Growth Plan (GP 2.2.5.9 d).	P	The Mulock Station Area is a GO Transit rail MTSA and therefore a density target of 150 people and jobs / ha is required to be satisfied. The Secondary Plan is using this 150 p&j / ha as a base and testing higher densities. At a minimum, the 150 p&j / ha policy requirement will be met.
6*	Growth Plan	There are existing or planned infrastructure and public service facilities to accommodate the non-employment uses (e.g. sewage, water, energy, transportation) (GP 2.2.5.9 e).	P	The lands are on existing servicing infrastructure, although improvements may be necessary to accommodate an increased density. The Secondary Plan is analyzing this existing servicing infrastructure and will determine if any improvements are required to support the future vision.
7*	Growth Plan	There is a need for the conversion (GP 2.2.5.9 a).	P	There is a need to reassess these particular sites, as well as the Mulock Station Area in general because this is the location in which Metrolinx has identified the future Mulock Station. The current land uses and densities do not sufficiently support this level of transit. Further, it has been identified that deteriorating building conditions and infrequent traffic flows in the study area threaten the viability of

				these sites as well as the remainder of the study area (N. Barry Lyon Consultants Limited, 2018).
8	York Region	<p><i>Related to # 5:</i> The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:</p> <p>a) Hindering the operation or expansion of existing or future businesses b) Maintaining lands abutting or in proximity to the conversion site for employment purposes over the long term c) Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities d) Providing appropriate buffering of employment uses from non-employment uses.</p>	P P P P	The Mulock Station Area will continue to be a focus of employment for the Town, the existing number of jobs is proposed to not only remain, but be exceeded. The Secondary Plan identifies preserving 5 of the larger parcels within the plan area for strictly employment (office) uses where the more land-extensive employment uses could be located. Buffering from non-employment uses to the south of the station area will be addressed through Secondary Plan policies regarding urban design and land use compatibility.
9	York Region	Cross-jurisdictional issues have been addressed.	P	Cross-jurisdictional issues may exist regarding the Regional MCR process and the Town's Secondary Plan process. However it is intended that the Secondary Plan be provided as input to the MCR, prior to being formally adopted by local Council.
10	York Region	The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts.	P	See 8 above.

11	York Region	Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses such as manufacturing, warehousing, distribution and logistics.	P	None of the 20 properties subject to the conversion request are over the 10ha example threshold. Further, these properties are not all contiguous, and the largest contiguous properties have combined areas that are below 10ha. This reduces the feasibility for future consolidations to provide for land extensive employment uses.
12	York Region	The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions.	P	The properties generally host "aging low density employment" uses (N. Barry Lyon Consultants Limited, 2018). Notwithstanding this, the Secondary Plan identifies preserving 5 of the larger parcels within the plan area for strictly employment (office) uses where the more land-extensive employment uses could be located.
13	York Region	The proposed site is not visible from or adjacent to 400-series highways, or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors.	P	The lands are not visible or adjacent to a 400-series highway or planned highway. However 4 of the 20 properties abut a rail corridor. The intent of this criterion is to protect employment areas on transit corridors, where there is a relationship between the transportation infrastructure and the employment uses. The 4 aforementioned properties are located along a commuter rail line, not a freight rail line. Therefore, the Town has requested that this criterion be revised to specifically reference "freight rail corridors" rather than all "rail corridors".
14	York Region	The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality.	P	Local planning objectives are being developed through the Secondary Plan process; accompanying amendment documents will identify any necessary revisions of governing planning policy documents.

June 17, 2019

Mr. Charles O'Hara

Ontario Growth Secretariat, Ministry of Municipal Affairs
777 Bay Street
c/o Business Management Division, 17th floor
Toronto ON
M5G 2E5

Dear Mr. O'Hara,

RE. Request for Reconsideration - Provincially Significant Employment Zone in Newmarket

In accordance with Section 5.2.2.3 of A Place to Grow: Growth Plan for the Greater Golden Horseshoe, please accept this letter as a formal request on behalf of Newmarket Council to designate the Town of Newmarket's employment area along Highway 404, as set out on the attached map, as a Provincially Significant Employment Zone.

Central York's employment areas are a largely contiguous area of developable land, strategically situated adjacent to a provincial highway (Highway 404), and are within existing settlement area boundaries. These areas currently provide a high concentration of employment and economic output, and are essential not only to the economies of the local municipalities but to the economy of the region as a whole. Specific to Newmarket, the area shown on the attached map provides over 590 acres of valuable employment area and accounts for close to 8,000 jobs.

The vast majority of the current Provincially Significant Employment Zones are located in southern parts of York Region and other parts of the GTHA. The creation of a Provincially Significant Employment Zone in central York Region will protect employment close to the significant and growing populations of Newmarket, Aurora and East Gwillimbury. This will ensure that the residents of these communities will have increased opportunities to work close to where they live, thereby decreasing the greenhouse gas emissions associated with longer-distance commuting.

Central York's employment areas are currently under growing conversion pressure to non-employment uses and are at risk of encroachment by sensitive land uses. Designating these areas as a Provincially Significant Employment Zone will provide them with an additional level of protection over the long term.

Thank you for considering this request for re-consideration.

Respectfully,
Newmarket Council

275



RINGWELL DR

KERRISDALE BLVD

STELLAR DR

PONY DR

HARRY WALKER PKWY

DAVIS DR

FORHAN AVE

TWINNEY DR

LESLIE ST

STACKHOUSE RD

GORHAM ST

NICHOLSON RD

HARRY WALKER PKWY S

HIGHWAY 404

MULOCK DR

Town of Newmarket Additional Provincially Significant Employment Zone

 Additional Provincially Significant Employment Zone

 Road

 Property Line

 Municipal Boundary



Designed & produced by Information Technology - GIS
Sources: Land Parcel Boundaries - © Teramet Inc. and its suppliers. All rights reserved. NOT A PLAN OF SURVEY. 2019; Roads, Municipal Boundary - Data, Analytics and Visualization Services Branch, Corporate Services © The Regional Municipality of York, 2019; All other data - © Town of Newmarket, 2019. DISCLAIMER: This mapping is based on the POLARIS parcel fabric product compiled using Land Registry System records and recent surveys and control points where available. This mapping is a representation of the earth's surface and provides estimates of area and distance. While every effort has been made to accurately depict the information, data/mapping errors may exist. This map has been produced for illustrative purposes only. It is not a substitute for a legal survey. Printed: 2019-02-19.



Central York Fire Services

Minutes

Joint Council Committee

Date: Tuesday, March 5, 2019
 Time: 9:30 AM
 Location: Leksand Room - Town of Aurora
 Aurora Town Hall
 100 John West Way
 Aurora ON

Members Present: Mayor Mrakas, Town of Aurora, Chair
 Councillor Gallo, Town of Aurora
 Councillor Gilliland, Town of Aurora
 Councillor Bisanz, Town of Newmarket, Vice-Chair
 Deputy Mayor & Regional Councillor Vegh, Town of Newmarket
 Councillor Broome, Town of Newmarket

Staff Present: E. Armchuk, Acting Chief Administrative Officer, Town of Newmarket
 D. Nadorozny, Chief Administrative Officer, Town of Aurora
 I. Laing, Fire Chief, Central York Fire Services
 C. Duval, Assistant Deputy Chief, Central York Fire Services
 R. Schell, Chief Fire Prevention Officer, Central York Fire Services
 J. Gaertner, Acting Director of Finance – Treasurer, Town of Aurora
 M. Mayes, Director of Financial Services/Treasurer, Town of Newmarket
 D. Schellenberg, Manager of Finance & Accounting, Town of Newmarket
 L. Georgeff, Director of Human Resources, Town of Newmarket
 A. Walkom, Legislative Coordinator, Town of Newmarket

1. Additions & Corrections to the Agenda

Mayor Mrakas advised of the following correction to the agenda:

Item 3.2: Fire Station 4-4 (Aurora Update) was moved from Presentations to Items.

2. Declarations of Pecuniary Interest

None.

3. Presentations

3.1 Residential Sprinkler System

Chief Laing provided an introduction to the presentation. Ryan Schell, Chief Fire Prevention Officer provided a presentation regarding Residential Sprinkler Systems. The presentation included an overview of the advantages of residential sprinklers and their effect on fire suppression.

Moved by: Councillor Broome

Seconded by: Councillor Gilliland

1. That the presentation regarding Residential Sprinkler Systems be received.

Carried

4. Deputations

None.

5. Approval of Minutes

5.1 Central York Fire Services – Joint Council Committee Meeting Minutes of January 22, 2019

Moved by: Councillor Bisanz

Seconded by: Deputy Mayor & Regional
Councillor Vegh

1. That the Central York Fire Services - Joint Council Committee Meeting Minutes of January 22, 2019 be approved.

Carried

6. Items

6.1 CYFS Preliminary Budget Report - Fourth Quarter

D. Schellenberg provided an overview of the Fourth Quarter Preliminary Budget Report.

Moved by: Councillor Broome

Seconded by: Councillor Gilliland

1. That the report entitled CYFS Preliminary Budget Report - Fourth Quarter dated March 4, 2019 be received for information purposes.

Carried

6.2 Central York Fire Services - Vision, Mission and Values

Chief Laing presented the results of the Vision, Mission and Values exercise to the Joint Council Committee.

Moved by: Councillor Gallo

Seconded by: Councillor Bisanz

1. That Fire Services Report 2019-01, Central York Fire Services (CYFS) Vision, Mission and Values dated 2019-02-26, be received for information purposes; and,
2. That CYFS present to the JCC the results of the departmental input which created the Vision, Mission and Values poster; and,
3. That CYFS move forward with sharing the information with staff and undertake to develop buy-in and support throughout the organization to show our commitment to the citizens of Aurora and Newmarket, emergency services partners and all employees of the fire service.

Carried

6.3 Fire Station 4-5 Update

D. Nadorozny provided an update on the status of Fire Station 4-5.

Moved by: Councillor Gilliland
 Seconded by: Deputy Mayor & Regional
 Councillor Vegh

1. That the Fire Station 4-5 Update be received.

Carried

6.4 Fire Station 4-4 (Aurora Update)

Chief Laing provided an overview of the traffic safety concerns present on Wellington Street at Fire Station 4-4. The Committee discussed options for possible safety measures to mitigate the risk at the location.

Moved by: Councillor Bisanz
 Seconded by: Councillor Broome

1. That the Fire Station 4-4 Update be received.

Carried

Moved by: Councillor Gallo
 Seconded by: Councillor Bisanz

1. That staff provide the Joint Council Committee with the estimated capital and operating costs of a dedicated traffic signal to be installed at Fire Station 4-4.

Carried

7. New Business

7.1 Regional Review

Councillor Broome inquired if the Regional Review could affect Central York Fire Services. Chief Laing advised of the potential impacts of amalgamations on service levels.

7.2 CAO - Town of Newmarket

L. Georgeff advised that Jag Sharma has been hired as Chief Administrative Officer for the Town of Newmarket, beginning April 1, 2019.

8. Closed Session (if required)

None.

9. Adjournment

Moved by: Councillor Bisanz

Seconded by: Councillor Gilliland

1. That the meeting be adjourned at 11:35 AM.

Carried

Mayor Mrakas, Chair

Date



Town of Newmarket

Minutes

Elman W. Campbell Museum Board of Management

Date: Thursday, April 18, 2019
 Time: 7:30 PM
 Location: Elman W. Campbell Museum
 134 Main Street South
 Newmarket, ON

Members Present: Councillor Morrison
 Ron Atkins
 Ross Caister
 Norman Friend
 Billie Locke
 Kathleen Jackson
 Jackie Playter

Members Absent: Michelle Clayton-Wood

Staff Present: W. Broydell, Curatorial Assistant
 A. Walkom, Legislative Coordinator

- 1. Call to Order**
- 2. Regrets**
- 3. Roundtable of Introductions**
- 4. Appointment of Chair and Vice-Chair**

Moved by: Ross Caister

Seconded by: Billie Locke

1. That Jackie Playter be appointed as Chair of the Elman W. Campbell Museum Board of Management.

Carried

Moved by: Norman Friend

Seconded by: Ross Caister

1. That Billie Locke be appointed as Vice-Chair of the Elman W. Campbell Museum Board.

Carried

5. Orientation Session

The Legislative Coordinator provided an orientation presentation concerning Town By-laws, meeting procedures and the Code of Conduct.

6. Approval of Minutes

6.1 Elman W. Campbell Museum Board Meeting Minutes of September 21, 2018

Moved by: Ron Atkins

Seconded by: Billie Locke

1. That the Elman W. Campbell Museum Board Meeting Minutes of September 21, 2018 be approved with corrections.

Carried

7. Business arising from the Minutes

7.1 Non museum programs/security issues

7.2 Fire Hall Proposal, Master Plan

7.3 Front Lawn Sign

A temporary A-frame sign has been requested.

7.4 C.P.T.E.D. (Crime prevention through environment design) – updates

New convex mirrors have been installed as well as a crash bar on the side door.

7.5 Dishwasher, Installation/plumbing updates

8. Correspondence and Communications

Moved by: Billie Locke

Seconded by: Kathleen Jackson

1. That the correspondence be received.

Carried

8.1 Quote from Space File regarding Shelving

Whitney Broydell advised of the quote regarding storage shelving which would provide additional storage space for art work.

Moved by: Ross Caister

Seconded by: Ron Atkins

1. That the expenditure of \$1,925.20 for shelving be approved.

Carried

9. Financial Report

Jackie Playter provided a financial report and an overview of the budget to date in 2019.

Moved by: Ron Atkins

Seconded by: Norman Friend

1. That the financial report be received.

Carried

10. Museum Report

Whitney Broydell provided a curatorial report which included details of the future closing of the Museum in January 2020 to install new floors.

Moved by: Ron Atkins

Seconded by: Billie Locke

1. That the Museum Report be received.

Carried

11. Friends of the Museum Report

Billie Locke provided an update on the recent and upcoming activities and events of the Friends of the Museum, including March Break activities, the D-Day exhibit, and Easter activities.

Moved by: Ross Caister

Seconded by: Ron Atkins

1. That the Friends of the Museum Report be received.

Carried

12. New Business

(1) Ron Atkins advised members to review the by-laws regarding the Elman W. Campbell Museum.

(2) Ron Atkins advised of the recent news that the Clocktower building will be listed for sale.

13. Next Meeting

The next meeting will be held May 16, 2019 at 7:30 p.m. at the Museum.

14. Adjournment

The meeting was adjourned at 8:22 PM.

Jackie Playter, Chair

Date



Town of Newmarket

Minutes

Heritage Newmarket Advisory Committee

Date: Tuesday, May 7, 2019
 Time: 7:00 PM
 Location: Council Chambers
 Municipal Offices
 395 Mulock Drive
 Newmarket, ON L3Y 4X7

Members Present: Billie Locke, Chair
 Gord McCallum, Vice-Chair
 Councillor Bisanz
 Norman Friend
 David McLennan
 Mitch Sauder
 Joan Seddon

Staff Present: D. Ruggle, Senior Planner - Community Planning
 A. Walkom, Legislative Coordinator

The meeting was called to order at 7:05 PM. Billie Locke in the Chair.

1. Additions & Corrections to the Agenda

None.

2. Declarations of Pecuniary Interest

None.

3. Presentations/Deputations

3.1 Trading Tree

Tracee Chambers provided a deputation regarding the Trading Tree which is located on Timothy Street. Her deputation provided a brief history of the

tree. She advised that the plaque which currently denotes the tree does not have much information on the history of the tree.

Moved by: Councillor Bisanz

Seconded by: David McLennan

1. That the Heritage Newmarket Advisory Committee recommend that the Council of the Town of Newmarket direct staff to investigate a new plaque, including associated costs to denote the location of the historic Trading Tree and provide the Town history associated with the Tree.

Carried

4. Approval of Minutes

4.1 Heritage Newmarket Advisory Committee Meeting Minutes of July 3, 2018

Moved by: Joan Seddon

Seconded by: Gord McCallum

1. That the Heritage Newmarket Advisory Committee Meeting Minutes of July 3, 2018 be approved.

Carried

4.2 Heritage Newmarket Advisory Committee Meeting Minutes of April 16, 2019

Moved by: David McLennan

Seconded by: Joan Seddon

1. That the Heritage Newmarket Advisory Committee Meeting Minutes of April 16, 2019 be approved.

Carried

5. Correspondence

5.1 Email from Anne Brodie regarding 422 Eagle St

Moved by: Joan Seddon

Seconded by: Mitch Sauder

1. That the Heritage Newmarket Advisory Committee request that Town staff perform preliminary research into the property located at 422 Eagle Street.

Carried

6. Items**6.1 Heritage Designation Process**

The Senior Planner provided a presentation on the heritage designation process. The presentation included an overview of the purpose and effect of heritage designation, the designation process, and the criteria which are used to determine a property's heritage value.

6.2 270 Prospect Street

The Committee discussed the criteria used for heritage designation in relation to the property at 270 Prospect Street, as well as the relation of the property and its former owners to Newmarket's heritage.

Moved by: Gord McCallum

Seconded by: Joan Seddon

1. That the matter be deferred to the next meeting of the Heritage Newmarket Advisory Committee.

Carried

6.3 Community Heritage Ontario Membership Renewal

Moved by: Councillor Bisanz

Seconded by: Mitch Sauder

1. That the Heritage Newmarket Advisory Committee approve the renewal of the Community Heritage Ontario membership.

Carried

6.4 2019 Ontario Heritage Conference

Moved by: Councillor Bisanz

Seconded by: David McLennan

1. That the Heritage Newmarket Advisory Committee approve the expenses related to Gord McCallum and Mitch Sauder attending the 2019 Ontario Heritage Conference.

Carried

6.5 Workplan Discussion

The Senior Planner advised that the Committee would need to complete a workplan for the 2018-2022 term. He advised he would circulate the workplan from the previous term of the Committee for information.

7. Reports of Committee Members

7.1 Designated Property Maintenance and Concerns

There were no reports on the items below.

7.1.1 Site Plaques

7.1.2 Residence Plaques

7.1.3 Heritage Location Plaques

8. Committee Reports

8.1 Elman W. Campbell Museum Board

Norman Friend advised that the first meeting of the Museum Board had been held which included orientation for the members.

8.2 Lower Main Street South Heritage Conservation District Advisory Group

Mitch Sauder provided an update regarding the application for a Heritage Permit for façade restoration on 184 to 194 Main Street South.

Moved by: Gord McCallum

Seconded by: Joan Seddon

- 1. That the Lower Main Street South Heritage Conservation District Advisory Group report be received.

Carried

9. New Business

(1) Councillor Bisanz advised of the proposed changes to the Local Planning Appeal Tribunal under Bill 108. The Senior Planner advised of the potential effects of these changes on Heritage Committee and Council decisions.

(2) The Senior Planner advised that the Town has hired consultants related to the established neighbourhoods study.

10. Adjournment

Moved by: Joan Seddon

Seconded by: David McLennan

- 1. That the meeting be adjourned at 9:07 PM

Carried

Chair

Date



Town of Newmarket

Minutes

Main Street District Business Improvement Area Board of Management

Date: Wednesday, April 17, 2019
 Time: 8:00 AM
 Location: Serpa Studio
 Old Town Hall
 460 Botsford Street
 Newmarket, ON L3Y 1T1

BIA Board Members Present: Rob Clark, Acting Chair
 Councillor Kwapis
 Councillor Twinney
 Debbie Hill
 Jennifer McLachlan
 Omar Saer
 Ken Sparks

BIA Board Members Absent: Allan Cockburn
 Tom Hempen
 Mark Iacovetta

Staff Present: E. Bryan, Business Development Specialist
 J. Grossi, Legislative Coordinator

The meeting was called to order at 8:08 AM.
 Rob Clark in the Chair

1. Additions and Corrections to the Agenda

The Chair advised that there were no additions or corrections to the agenda.

2. Declarations of Pecuniary Interest

There were no declarations of pecuniary interest.

3. Presentations & Recognitions

3.1 Newmarket Group of Artists

Jason Wighton, President, Newmarket Group of Artists and Robin Burnett, Head, Art Walk & Studio Tour subcommittee provided a presentation to the Main Street District Business Improvement Area Board of Directors regarding the 11th Annual Art Walk and Studio Tour. The presentation included an overview of the Newmarket Group of Artists role in the community, potential advertising options for 2019, and background of the Annual event.

The Main Street District Business Improvement Area Board of Directors queried the presenters regarding advertising opportunities and provided feedback on additional resources.

Moved by: Councillor Kwapis

Seconded by: Councillor Twinney

1. That the presentation provided by Jason Wighton and Robin Burnett regarding the Newmarket Group of Artists be received.

Carried

3.2 GIS/Map Caching

The Recreation Programmer was not in attendance for this presentation.

4. Deputations

4.1 Picture This

Vic Emberson provided a deputation to the Main Street District Business Improvement Area Board of Directors regarding a map publication, Picture This, outlining the history of the business, 2019 Fall issue for Newmarket, and asked for \$500 from the the Main Street District Business Improvement Area for a front ad, a feature ad and a banner ad.

Moved by: Councillor Twinney

Seconded by: Jennifer McLachlan

1. That the deputation provided by Vic Emberson regarding Picture This be received.

Carried**4.2 York Pride Festival**

Gillian Barker and Neil provided a deputation to the Main Street District Business Improvement Area Board of Directors regarding the 2019 York Pride Festival highlighting achievements from the 2018 event, future communications and marketing plans, and asked for \$1500 towards purchasing new decals.

The Main Street District Business Improvement Area Board of Directors queried the deputants regarding advertisement options for the 2019 event, collaboration efforts and specific event details.

Moved by: Jennifer McLachlan

Seconded by: Omar Saer

1. That the deputation from Gillian Barker and Neil regarding York Pride be received.

Carried**5. Approval of Minutes****5.1 Main Street District Business Improvement Area Board of Management Meeting Minutes of March 20, 2019**

Moved by: Councillor Kwapis

Seconded by: Jennifer McLachlan

1. That the Main Street District Business Improvement Area Board of Management Meeting Minutes of March 20, 2019 be approved.

Carried**6. Items****6.1 Street Events Update**

The Main Street District Business Improvement Area Board of Directors discussed upcoming events for 2019. The Street Events sub-committee was asked to bring an update to the Board at their next meeting.

Moved by: Omar Saer

Seconded by: Councillor Kwapis

1. That a Street Events sub-committee composed of Jennifer McLachlan and Ken Sparks be formed.

Carried

6.2 Financial Update

The Business Development Specialist advised that there was no financial update.

6.3 NDDC Update

The Business Improvement Specialist outlined the purpose of the Newmarket Downtown Development Committee (NDDC) and provided an update from the March 29, 2019 meeting. She advised there were five applications for the financial incentive program and one community grant.

Moved by: Jennifer McLachlan

Seconded by: Omar Saer

1. That the NDDC update provided by the Business Development Specialist be received.

Carried

6.4 Staff Update

6.4.1 Soofa Data

The Business Development Specialist outlined Soofa data and how it is being collected in the Town of Newmarket, along with the privacy measures that are included. She summarized data from 2018 surrounding specific events and days that interested the Main Street District Business Improvement Area Board of Directors.

Moved by: Jennifer McLachlan

Seconded by: Ken Sparks

1. That Soofa data be brought to the Main Street District Business Improvement Area Board of Directors as a standing item on the agenda.

Carried

6.4.2 Main Street Patios

The Business Development Specialist advised that the Town of Newmarket had one patio space available for a restaurant on Main Street to use for the 2019 summer season, and asked that this information was shared with other business owners.

7. New Business

7.1 Construction Vehicles

Rob Clark brought forward a concern regarding construction equipment and vehicles parking during demolitions. He suggested other places for this machinery to be parked.

7.2 York Regional Police

Ken Sparks inquired about setting up a meeting with a representative from York Regional Police to discuss instances on Main Street. Councillor Kwapis stated that he would contact York Regional Police on behalf of the Main Street District Business Improvement Area Board of Directors.

7.3 Strategic Priorities Sub-Committee

The Main Street District Business Improvement Area Board of Management discussed moving forward with their strategic priorities for the 2018-2022 term, with input from the members of the Main Street District Business Improvement Area.

Moved by: Omar Saer

Seconded by: Councillor Kwapis

1. That a Strategic Priority sub-committee be formed and led by Rob Clark.

Carried

7.4 Funding Applications

The Business Development Specialist advised that there were four parties that had asked the Main Street District Business Improvement Area Board of Management for funding and that the decisions were outstanding.

Namely:

- a. York Pride
- b. Picture This
- c. Newmarket 10 Minute Play Festival
- d. Buskerfest

The decision regarding Buskerfest was deferred until the May 15, 2019 Main Street District Business Improvement Area Board of Management meeting.

Moved by: Councillor Kwapis

Seconded by: Omar Saer

1. That the Main Street District Business Improvement Area Board of Management provide funding in the amount of \$1500 to York Pride for their 2019 event.

Carried

Moved by: Omar Saer

Seconded by: Councillor Kwapis

1. That the Main Street District Business Improvement Area Board of Management provide funding in the amount of \$500 to Picture This for the fall publication.

Carried

Moved by: Omar Saer

Seconded by: Ken Sparks

1. That the Main Street District Business Improvement Area Board of Management not provide funding to the Newmarket 10 Minute Play Festival.

Defeated

Moved by: Councillor Twinney

Seconded by: Councillor Kwapis

1. That the Main Street District Business Improvement Area Board of Management provide funding in the amount of \$1000 to the Newmarket 10 Minute Play Festival for their 2019 event.

Carried

7.5 Council Updates

(1) Councillor Kwapis advised that street sweeping would begin in a couple of weeks, focusing on Main Street and bike lanes.

(2) Councillor Kwapis advised that there would be further parking enforcement on Main Street as we enter spring.

(3) Councillor Kwapis invited the Main Street District Business Improvement Area Board of Management to the Lip Sync Battle on Thursday May 2, 2019 at Old Town Hall.

8. Closed Session

Rob Clark advised that there was no requirement for a closed session.

9. Adjournment

Moved by: Councillor Twinney

Seconded by: Councillor Kwapis

1. That the meeting be adjourned at 10:12 AM.

Carried

Rob Clark, Acting Chair

Date



Town of Newmarket

Minutes

Newmarket Downtown Development Committee

Date: Friday, March 29, 2019
 Time: 10:00 AM
 Location: Community Centre - Hall #2
 200 Doug Duncan Drive
 Newmarket, ON L3Y 3Y9

Members Present: Jackie Playter
 Olga Paiva
 Barbara Leibel
 Steve Whitfield
 Councillor Kwapis

Staff Present: C. Kallio, Economic Development Officer
 E. Bryan, Business Development Specialist

The meeting was called to order at 10:03 AM.
 Jackie Playter in the Chair.

1. Additions & Corrections to the Agenda

None.

2. Declarations of Pecuniary Interest

None.

3. Items

3.1 Newmarket Downtown Development Committee October 26, 2018 – Approval Of Minutes

Moved by: Steve Whitfield

Seconded by: Councillor Kwapis

1. That the Newmarket Downtown Development Committee Meeting Minutes of October 26, 2018 be approved.

Carried

3.2 Business Sign Funding Discussion

The Economic Development Officer queried the Newmarket Downtown Development Committee on funding business signs in 2019 based on applications received and the limited funding available. The Newmarket Downtown Development Committee expressed that they wanted to continue this funding, and discussed the potential allocation of funds specifically for business signs and whether funds should be directed to longer term infrastructure projects.

Moved by: Councillor Kwapis

Seconded by: Olga Paiva

1. That the Business Sign Funding be limited to a maximum of \$7500 annually while additional sign funding may be considered in Q4 of each fiscal year based on availability.

Carried

3.3 Newmarket Downtown Development Committee – March 29, 2019 – Item Financial Incentives Program Grant Application 2016-02 – Multiple

The Newmarket Downtown Development Committee discussed the possibility of increasing their budget to assist with larger projects that enable the growth of the street.

Moved by: Barbara Leibel

Seconded by: Councillor Kwapis

1. That the Façade Improvement and Restoration Program Grant application in the amount of \$20,000.00 be approved; and,
2. That the Planning and Building Fees Rebate/Credit Program Grant application in the amount of \$9,873.80 be approved; and,

3. That the Interior Renovation and Improvement Program Grant application in the amount of \$15,000.00 be approved; and,
4. That 1388731 Ontario Ltd. (operating as K.G.M. Developments) c/o Mike D'Angela, 464 Timothy Street, Unit 2, Newmarket, ON, L3Y 1P8, be notified of this action.

Carried

**3.4 Newmarket Downtown Development Committee – March 29, 2019–
Item Financial Incentives Program Grant Application 2019-02 –
Project Feasibility Program**

Joe Sponga provided information to the Newmarket Downtown Development Committee related to items 3.4 & 3.5. He introduced the landlords and business owners of Units 3&4 at 47 Main Street South and the business plan to include a full service deli, bakery and espresso bar.

The Newmarket Downtown Development Committee discussed garbage management by the tenants.

Moved by: Steve Whitfield

Seconded by: Olga Paiva

1. That the Project Feasibility Program Grant application in an amount up to \$10,000.00 be approved, subject to confirmation of final costs; and,
2. That Mercato on Main, c/o Joe Petrolo, 8 Solway Ave., Maple, ON, L6A 2W9, be notified of this action.

Carried

**3.5 Newmarket Downtown Development Committee – March 29, 2019 –
Item Financial Incentives Program No-Interest Loan Application
2019-04 –Interior Renovation And Improvement Program,**

Moved by: Barbara Leibel

Seconded by: Councillor Kwapis

1. That the Interior Renovation and Improvement Program No-Interest Loan application in an amount up to \$100,000.00 be approved, subject to confirmation of final costs; and,
2. That Caterina Crupi, 10919 Highway #48, Markham ON, L3P 3J3, be notified of this action.

Carried

**3.6 Newmarket Downtown Development Committee – March 29, 2019–
Item Financial Incentives Program Grant Application 2019-03 –
Business Sign Program**

Moved by: Olga Paiva

Seconded by: Barbara Leibel

1. That the Business Sign Program Grant application in the amount of \$2,242.50 be approved; and,
2. That the Planning and Building Fees Rebate/Credit Program Grant application in the amount of \$200.00 be approved; and,
3. That Bene Bene Waffle and Ice Cream, c/o Joon Youn Kim, 14 Cady Court, Aurora, ON, L4G 6S1, be notified of this action.

Carried

**3.7 Newmarket Downtown Development Committee – March 29, 2019 –
Item Financial Incentives Program Grant Applications 2019-05 – 180,
184/186, 188/190, 194 Main Street South – Façade Improvement
Program And Interior Renovation And Improvement Program**

Moved by: Steve Whitfield

Seconded by: Olga Paiva

1. That the Façade Improvement and Restoration Program Grant applications for 180 Main Street South, 184/186 Main Street South, 188/190 Main Street South and 194 Main Street South in amounts up to \$20,000.00 each be approved, subject to confirmation of final costs and approval of the Heritage Conservation District Committee; and,

2. That the Interior Renovation and Improvement Program Grant applications for 180 Main Street South, 184/186 Main Street South, 188/190 Main Street South and 194 Main Street South in amounts up to \$15,000.00 each be approved, subject to confirmation of final costs; and,
3. That total grant funding approved under all programs not exceed \$100,000.00, that all Newmarket Downtown Development Committee funding program eligibility requirements are satisfied, and that funding is non-transferable and only available to Main Street Clock Inc.; and,
4. That Main Street Clock Inc., c/o Robert Forrest, Secretary, 590 Alden Road, Suite 211, Markham ON, L3R 8N2, be notified of this action.

Carried

**3.8 Newmarket Downtown Development Committee – March 29, 2019–
Item Community Event Grant Request – Newmarket Car Club**

Moved by: Olga Paiva

Seconded by: Barbara Leibel

1. That the Community Grant application from the Newmarket Car Club in the amount of \$2,000.00 be approved; and,
2. That the Newmarket Car Club, c/o Dan Arnold, 24 Boothbay Crescent, Newmarket, ON, L3Y 1Y5, be notified of this action.

Carried

4. New Business

4.1 Committee Structure Review

The Economic Development Officer advised that Legislative Services was completing a Committee Structure Review and will make a recommendation to Committee of the Whole in April. The Newmarket Downtown Development Committee members discussed the importance of having citizens who understand Main Street and are passionate about the street on the committee.

4.2 **Bike Parking**

Councillor Kwapis advised that an artistic or creative bike rack on Main Street was needed to assist with bike parking in the downtown.

4.3 **Council Strategic Priorities**

Councillor Kwapis provided an update on Council's strategic priorities. He noted that Main Street was a priority and discussed closing the street and making it a venue.

4.4 **Security**

Newmarket Downtown Development Committee Members discussed adding cameras to Main Street for security and adding it to the Financial Incentive Program.

5. **Adjournment**

Moved by: Olga Paiva

Seconded by: Steve Whitfield

1. That the meeting be adjourned.

Carried

Jackie Playter, Chair

Date



Town of Newmarket

Minutes

Newmarket Environmental Advisory Committee

Date: Wednesday, June 20, 2018

Time: 6:30 PM

Location: Cane A & B Meeting Room
Municipal Offices
395 Mulock Drive
Newmarket, ON L3Y 4X7

Members Present: Dena Farsad, Chair
Carin Binder, Vice-Chair
Councillor Vegh
Georgina Anderson Fuentes
John Birchall
Jill King
Ben Longstaff

Members Absent: Catherine Ethier

Staff Present: A. Walkom, Council Committee Coordinator

1. Additions & Corrections to the Agenda

None.

2. Declarations of Pecuniary Interest

None.

3. Presentations

None.

4. Approval of Minutes

4.1 Newmarket Environmental Advisory Committee Meeting Minutes of May 2, 2018

Moved by: Carin Binder

Seconded by: Jill King

1. That the Newmarket Environmental Advisory Committee Meeting Minutes of May 2, 2018 be approved

Carried

5. Correspondence

5.1 Correspondence previously distributed by email

Moved by: John Birchall

Seconded by: Carin Binder

1. That the correspondence previously distributed by email be received.

Carried

6. Items

6.1 Community events debrief

Carin Binder and Dena Farsad provided an update on the success of the recent garage sale and e-waste collection events. Committee members discussed changes that could be made when holding the events in the future.

6.2 Community survey

The Committee discussed the possibility of a town-wide Community Environmental Plan. Members discussed the need to determine the priorities of the Town's residents before deciding on the contents of the Plan. Members discussed conducting a community survey to determine the Town's environmental priorities.

6.3 Community Environmental Plan

This item was addressed under Item 6.2.

6.4 Council Workshop - Advisory Committees Work Plan Accomplishments June 25, 2018

Dena Farsad and Carin Binder shared the latest version of the PowerPoint presentation to be presented at the Council Workshop. Committee members discussed the presentation and made edits to the PowerPoint.

7. New Business

7.1 2014-2018 Committee Term

Moved by: John Birchall

Seconded by: Georgina Anderson Fuentes

1. That the Newmarket Environmental Advisory Committee recommend to Council that current Committee members' terms be extended until their successors are appointed.

Carried

7.2 Bee City designation

The Committee discussed the recent designation of Newmarket as a 'Bee City.' Members discussed how the Committee could be involved in future Bee City projects.

8. Adjournment

Moved by: John Birchall

Seconded by: Georgina Anderson Fuentes

1. That the meeting adjourn at 7:45 PM.

Carried

Dena Farsad, Chair

Date



Newmarket Public Library Board

Minutes

Date: Wednesday, April 17, 2019
 Time: 5:30 PM
 Location: Newmarket Public Library Boardroom
 Newmarket Public Library
 438 Park Avenue
 Newmarket ON L3Y 1W1

Members Present: Darcy McNeill, Chair
 Jane Twinney, Vice Chair
 Darryl Gray
 Leslee Mason
 Art Weis
 Victor Woodhouse

Members Absent: Kelly Broome

Staff Present: Linda Peppiatt, Deputy CEO
 Todd Kyle, CEO
 Lianne Bond, Administrative Coordinator

1. Adoption of Agenda Items

The Chair asked if there were any additions to the agenda. One item was added under New Business.

Motion 19-04-15

Moved by Art Weis

Seconded by Victor Woodhouse

That Agenda items 1.1 to 1.3 be adopted as amended

Carried

- 1.1 Adoption of the Regular Agenda
- 1.2 Adoption of the Closed Session Agenda
- 1.3 Adoption of the Consent Agenda Items

2. **Declarations**

None were declared.

3. **Consent Agenda Items**

A correction was made to the minutes for January 16, 2019.

Motion 19-04-16

Moved by Victor Woodhouse

Seconded by Jane Twinney

That Consent Agenda items 3.1 be approved and adopted as amended and that items 3.2 to 3.6 be approved and adopted as presented.

Carried

- 3.1 Adoption of the Regular Board meeting minutes for January 16, 2019 and March 20, 2019
- 3.2 Adoption of the Closed Session Minutes for March 20, 2019
- 3.3 Strategic Operations Report for March, 2019
- 3.4 2019 First Quarter Library Statistical Data Report
- 3.5 Monthly Bank Transfer
- 3.6 2018 By the Numbers Figures

4. **Reports**

- 4.1 2018 Fourth Quarter Financial Report

The CEO reviewed the fourth quarter Financial Report with the Library Board.

Motion 19-04-17

Moved by Jane Twinney

Seconded by Darryl Gray

That the Library Board received the fourth quarter Financial Report as presented.

Carried

- 4.2 2019 First Quarter Financial Report

The Library is on target for the first quarter in 2019 in both expenditures and revenues.

Motion 19-04-18

Moved by Art Weis

Seconded by Victor Woodhouse

That the Library Board receive the first quarter Financial report as presented.

Carried

4.3 Revisions to Code of Conduct, Oath of Office and Investigation Procedures

The Library Board Code of Conduct, Oath of Office and investigation procedures were reviewed in conjunction with the Town of Newmarket Clerk. A revised draft of the Library Board's Governance Policy to address some areas of clarification was reviewed by the Board.

Motion 19-04-19

Moved by Darryl Gray

Seconded by Victor Woodhouse

That the Library Board receive the report on revisions to the Code of Conduct, Oath of Office and investigation procedures;

And That the Library Board approve the revisions with the exception that Section 2.2j) relating to gifts follow the Town of Newmarket policy;

And That the Library Board authorize the CEO to make minor corrections to the remainder of the Governance Policy, with the final copy to be presented to the Board;

And That the Library Board authorize that the revised Oath of Office be administered to all members once approved.

Carried

5. Business Arising

5.1 Leadership by Design Board Orientation 2

The Board participated in Part 2 of the Leadership Design Board Orientation exercise.

5.2 Library Board Action List

Items on the Action list are under review and are to be updated for the Library Board.

6. New Business

The CEO advised the Board the SOLS has had their funding cut by approximately 50% for the 2019-2020 fiscal year. The Board discussed the impact of the loss of funding and how it can respond to the SOLS cuts.

6.1 Southern Ontario Library Service Funding Cut (SOLS)

7. Closed Session

Motion 19-04-20

Moved by Art Weis

Seconded by Darryl Gray

That the Library Board move into a Closed Session at 6:55 pm to consider matters about an identifiable individual.

Carried

Motion 19-04-21

Moved by Darryl Gray

Seconded by Art Weis

That the Library Board move out of Closed Session at 7:25 pm.

Carried

7.1 That the Library Board move into a Closed Session to discuss matters pertaining to an identifiable individual.

Motion arising from Closed Session:

Motion 19-04-22

Moved by Leslee Mason

Seconded by Art Weis

That the Library receive the report on Operational Efficiencies Review: marketing and IT integration;

And That the Library Board request further details on operational costs on the risks and benefits.

Carried

8. Dates of Future Meetings

8.1 The next Regular Library Board meeting is scheduled for Wednesday, May 15, 2019 at 5:30 pm in the Library Board room.

9. Adjournment

Motion 19-04-23

Moved by Jane Twinney

Seconded by Leslee Mason

That there being no further business the meeting adjourn at 7:30 pm.

Carried

Darcy McNeill, Chair

Todd Kyle, Secretary/Treasurer



Town of Newmarket

Outstanding Matters List (2018 – 2022 term of Council)

	Originating Meeting Date and Subject	Recommendation and Responsible Department	Target Quarter / Timeframe	Staff Comments
2019				
1.	<p>Meeting Date: Council – June 7, 2016 – Item 35</p> <p>Subject: Federal Infrastructure Funding</p>	<p>Recommendation:</p> <p>1. That staff provide Council with a prioritized list of infrastructure projects currently not funded through Development Charges, the Asset Replacement Fund or Other Reserve Funds for implementation between 2018 to 2025 that augment existing priorities, strategies and master plans or leverage grant funding for initiatives that achieve our Corporate Vision of a ‘Community Well Beyond the Ordinary’</p> <p>Responsible Departments:</p> <ul style="list-style-type: none"> ➤ Strategic Initiatives 	2019	Awaiting next phase of funding announcements
2.	<p>Meeting Date: Committee of the Whole – April 9, 2018</p> <p>Subject: Council Remuneration</p>	<p>Recommendations:</p> <p>1. That CAO/Human Resources Report 2018-05 be received; and,</p> <p>2. That Council direct staff not to “gross up” or increase Council pay in 2019, at the time of the removal of the 1/3 tax free provision, which will result in a take home pay cut for all Members of Council; and,</p> <p>3. That Council refer the consultant and staff report to the new term of Council to be considered along with updated information at that time and to allow for phasing of any further adjustments to occur if necessary; and,</p> <p>4. That staff be authorized and directed to do all things necessary to give effect to this resolution.</p> <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Office of the CAO/Human Resources 	2019 TBD	

	Originating Meeting Date and Subject	Recommendation and Responsible Department	Target Quarter / Timeframe	Staff Comments
Q2, 2019				
3.	<p>Meeting Date: Committee of the Whole – February 27, 2017</p> <p>Subject: Report 2017-05 – Tree Removal, Protection Policies and Regulations</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That Council direct staff to update the existing Tree Preservation, Protection, Replacement and Enhancement Policy. (completed) 2. That Council direct staff to prepare and bring to a future meeting a by-law regulating and protecting significant trees on private property; and, 3. That Council direct staff to prepare and bring to a future Council meeting a by-law protecting trees on municipal property. (completed) <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Planning and Building Services 	Q2, 2019	June 17, 2019 Committee of the Whole
4.	<p>Meeting Date: Committee of the Whole – May 8, 2017</p> <p>Subject: Information Document for Residents Related to Construction Sites</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That Council approve the following motion in principle: 2. That staff be directed to prepare an information document that can be provided to residents in the vicinity of new construction sites, the purpose of which is to advise and to communicate to the residents, the various activities, potential impacts and expected timelines associated with each phase of construction, from site clearing through to house construction; and, 3. That developers, through their consulting engineers, be required to ensure that residents, and the relevant Ward Councillor, in adjacent areas receive advance written notice of construction events to take place, so that they can be better informed and prepared for any disruption that may occur as a result; and, 4. That the aforementioned motions be referred to staff for a report back including options and resource requirements. <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Planning & Building Services 	Q2, 2019	Information Report to be distributed.

	Originating Meeting Date and Subject	Recommendation and Responsible Department	Target Quarter / Timeframe	Staff Comments
5.	<p>Meeting date: Committee of the Whole – September 25, 2017</p> <p>Committee of the Whole – October 16, 2017</p> <p>Subject Development and Infrastructure Services Report – Engineering Services 2017-32- Town Wide Traffic Mitigation Strategy – 2017</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That Development and Infrastructure Services Report – Engineering Services 2017-32, dated October 2, 2017, entitled “Town-wide Traffic Mitigation Strategy 2017 - Timing” be received and the following recommendations be adopted: <ol style="list-style-type: none"> a. That the final report be brought back to Council by early Quarter 3 2018; and, b. That staff continue to expedite the process to provide the report sooner, if possible; and, c. That all current road safety, speed management and traffic calming programs that are currently underway, and are in accordance with the principles set out in “Appendix A” (draft strategy) from Development and Infrastructure Services Report ES 2017-29 (Town-wide Traffic Mitigation Strategy 2017), continue as planned throughout the consultation period and until the final strategy document is approved by Council, at which time the programs will be reviewed to plan their conformance with the new approved strategy. <p>Responsible Department ➤ Engineering Services</p>	Q2, 2019	Information report to be distributed prior to end of June 2019.
6.	<p>Meeting Date: Committee of the Whole – January 14, 2019</p> <p>Subject: Deputation: Traffic Signage on Wayne Drive</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That staff be directed to contact the Principal of the Glen Cedar Public School regarding a drop-off area at the school; and, 2. That staff report back to Council with information on a drop-off area. <p>Responsible Departments: ➤ Engineering Services</p>	Q2, 2019	
7.	<p>Meeting Date: Committee of the Whole - September, 25, 2017</p> <p>Subject: Report 2017-16 Vacant Building Report – Window Wrap Program</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That Corporate Services – Legislative Services Report 2017-16 dated September 14, 2017 entitled “Vacant Buildings/Storefronts” be received; and, 2. That staff be directed to report back on Option 2, a Window Wrap program. <p>Responsible Departments: ➤ Legislative Services/Economic Development</p>	Q2, 2019	Information report to be distributed

	Originating Meeting Date and Subject	Recommendation and Responsible Department	Target Quarter / Timeframe	Staff Comments
8.	<p>Meeting Date: (1) Committee of the Whole – February 27, 2017</p> <p>(2) Committee of the Whole - November 6, 2017</p> <p>(3) Committee of the Whole – April 9, 2018 (Temporary Parking Exemption Report)</p> <p>Subject: Residential Parking</p>	<p>Recommendation: (1) 1. That staff prepare a report on options and opportunities to address residential on street and off street parking challenges. Specifically, the report should consider the impact that changing economics and demographics have on housing occupancy and ways in which the Town of Newmarket can better balance reasonable parking needs with streetscape aesthetics, active transportation objectives and effective by-laws enforcement.</p> <p>(2) 1. That Development and Infrastructure Services Engineering Services and Planning and Building Services - Report 2017-45 dated November 6th, 2017 regarding Residential Parking Review be received and the following recommendations be adopted:</p> <ul style="list-style-type: none"> a. That staff be directed to include in the 2018 budget a provision for contracting a planning and engineering consultant to undertake a review of parking matters discussed in this report; and, b. That, subject to budget approval, staff be directed to undertake a review of the Parking By-law and report back to Committee of the Whole with recommendations on improvements to parking matters discussed in this report. c. That staff be directed to organize a Council Workshop to present options based on Council's comments and feedback received at the November 6, 2017 Committee of the Whole meeting and that staff receive Council direction regarding the scope, scale and expected deliverables of a parking review prior to moving forward with issuing a Request for Proposal. <p>(3) Recommendation 5: That the Temporary Parking Exemption Program be implemented as a pilot project and reviewed as part of the overall residential parking review scheduled for Q1/Q2, 2019</p> <p>Responsible Department: ➤ Planning and Building Services / Legislative Services</p>	Q2, 2019	CW scheduled for June 10, 2019

Q3, 2019				
9.	<p>Meeting Date: Committee of the Whole – March 19, 2018</p> <p>Subject: Cats at large (deputation)</p>	<p>Recommendation: 1. That the presentation by Sharon King Todd regarding cats at large be received and referred to staff</p> <p>Responsible Department: ➤ Legislative Services</p>	Q3, 2019	August 26, 2019 - Committee of the Whole
10.	<p>Meeting Date: Committee of the Whole - April 30, 2018</p> <p>Subject: Asset Replacement Fund Strategy</p>	<p>Recommendation: 1. That the Asset Replacement Fund Strategy be referred to staff for further information and be brought back to Council for consideration at a later date.</p> <p>Responsible Departments: ➤ Financial Services</p>	Q3, 2019	
11.	<p>Meeting Date: Committee of the Whole – January 14, 2019</p> <p>Subject: Residents of Knapton Drive – Woodland Hills (stop signs - deputation)</p>	<p>Recommendations: 1. That the deputation be received and referred to staff.</p> <p>Responsible Department: ➤ Transportation Services</p>	Q3, 2019	

12.	<p>Meeting Date: (1) Council – December 14, 2015</p> <p>(2) Council – January 18, 2016 – Item 35</p> <p>Subject: 2015-44 – Proposed Trail from Yonge Street to Rita's Avenue</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That staff provide alternate trail options for this area at a lower cost. 2. That Item 35 of the Council Minutes of December 14, 2015 being Joint Development and Infrastructure Services - Planning and Building Services and Engineering Services Report 2015-44 dated November 19, 2015 regarding a proposed trail from Yonge Street to Rita's Avenue be reconsidered; and, 3. That staff provide alternate trail options for this area at a lower cost, including the option of extending the trail through George Luesby Park along Clearmeadow Boulevard to Yonge Street and further connecting the trail from Flanagan Court/Rita's Avenue to the George Luesby Park Trail; and, 4. That staff also include in the report the option of installing lighting along the George Luesby Park Trail. <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Planning and Building Services ➤ Engineering Services 	Q3, 2019	Deferred subsequent to VivaNext construction
13.	<p>Meeting Date: Committee of the Whole – August 28 – Motion</p> <p>Subject: Item 3 of Accessibility Advisory Committee Meeting Minutes of March 23 re: Accessibility in the downtown area</p>	<p>Recommendation: That the Operational Leadership Team recommends that the follow recommendation be referred to staff for review and report:</p> <ul style="list-style-type: none"> ➤ That The Accessibility Advisory committee recommends to Council that Council consider ways to make as many entrances to Main Street buildings as accessible as possible. <p>Responsible Departments:</p> <ul style="list-style-type: none"> ➤ Legislative Services (lead), Planning and Building Services, Engineering Services & Legal Services 	Q3, 2019	Joint Meeting to be scheduled with Business Improvement Area and Newmarket Accessibility Advisory Committee
14.	<p>Meeting Date: Committee of the Whole - April 30, 2018</p> <p>Subject: Heritage Designations – York Region Administrative Building and Newmarket Canal System</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. The Senior Leadership Team/Operational Leadership Team recommend that the following be referred to staff for review and report: <ol style="list-style-type: none"> a. That the Heritage Newmarket Advisory Committee propose to the Region of York that the Administration Centre building be designated, due to its noted architect; and, b. That the Heritage Newmarket Advisory Committee recommend the Town of Newmarket designate the Newmarket Canal system. <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Planning and Building Services 	Q3, 2019	

15.	<p>Meeting Date: Council – December 5, 2016</p> <p>Subject: Report 2016-25 – 178, 170, 184, 188, 190 and 194 Main Street S.</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That in 120 days, staff be directed to bring back an amendment to the Heritage Conservation District Plan and By-law for consideration of Council that would outline the criteria which would need to be met by applicants in order to be considered for approval for a fourth storey set back from the street by a minimum of 15 (fifteen) feet. <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Planning and Building Services 	Q3, 2019	
16.	<p>Meeting Date: Committee of the Whole – April 8, 2019</p> <p>Subject: Hollingsworth Arena and Future Ice Allocation Considerations</p>	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. That the report entitled Hollingsworth Arena and Future Ice Allocation Considerations, dated April 8, 2019, be received; and, 2. That the Town of Newmarket decommission the Hollingsworth Arena after the 2019-2020 season, ending in April 2020; and, 3. That the Town of Newmarket operate with six ice pads and report back annually on the status of ice allocations, and ability to accommodate users; and, 4. That staff conduct programmatic changes as outlined in the report in order to accommodate user groups post closure of Hollingsworth Arena; and, 5. That construction of a new outdoor ice pad coincide with the final season of Hollingsworth Arena if at all possible; and, 6. That within six months staff bring back a report on any plans for public amenity use at this location; and, 7. That Staff be authorized and directed to do all things necessary to give effect to this resolution. <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Recreation 	Q3, 2019	

17.	<p>Meeting Date: Committee of the Whole – March 19, 2018</p> <p>Subject: Vibration Control and construction activity (deputation)</p> <p>Meeting Date: Committee of the Whole – March 18, 2019</p> <p>Subject: Construction Vibration Issues</p>	<p>Recommendation:</p> <p>1. That the deputation by Stuart Hoffman regarding vibration control in regards to construction activity be received and referred to staff for review and report; and,</p> <p>2. That staff be directed to provide recommendations and approaches to address the issues identified to protect neighbouring sites from the effects of vibrations from adjacent construction projects; and,</p> <p>3. That the report should include, but not be limited to, potential by-law changes including the requirement of pre-condition surveys, effective monitoring and data reporting, resident notification and a process for complaint handling in all site plan approvals.</p> <p>Responsible Departments:</p> <ul style="list-style-type: none"> ➤ Planning and Building Services & Engineering Services <p>Recommendation:</p> <p>1. That the report entitled Construction Vibration issues dated March 18, 2019 be received; and,</p> <p>2. That staff require vibration impact assessments as part of a complete application for development proposals ; and,</p> <p>3. That Council endorse the proposed notice and complaint process identified in this report; and,</p> <p>4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.-(Completed)</p> <p>5. That staff investigate options for existing sites where construction activity will cause significant vibrations.</p> <p>Responsible Departments:</p> <ul style="list-style-type: none"> ➤ Planning and Building Services & Engineering Services 	<p>Completed</p> <p>Q3, 2019</p>	<p>On March 18, 2019 CoW Agenda</p>
18.	<p>Meeting Date: Committee of the Whole – April 8, 2019</p> <p>Subject: Cycling Infrastructure – Mulock Drive</p>	<p>Recommendations:</p> <p>1. That the Information Report entitled Active Transportation Implementation Plan, dated March 15, 2019, be received for information purposes; and,</p> <p>2. That staff be directed to prepare a report on prioritizing cycling infrastructure on Mulock Drive to enhance the work of the Secondary Plan that is underway and to better connect the community to the Mulock Farm Park.</p> <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Engineering Services 	<p>Q3, 2019</p>	

Q4 2019				
19.	<p>Meeting date: Committee of the Whole – March 19, 2018</p> <p>Subject: 500 Water Street Parking Information Report 2018- 11 (Cachet Parking Lot)</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That Engineering Services report 2018-11 dated March 8, 2018 entitled “500 Water Street Parking (Cachet Parking Lot Expansion) be referred to the Community Centre Lands Task Force; and, 2. That the Community Centre Lands Task Force be directed to immediately reengage in the exploration of all options, including cost and timelines, for enhanced parking in the downtown area, including but not limited to new spaces and temporary structured parking; and, 3. That the Community Centre Lands Task Force work form the basis of a report back to Council, to be brought forward in Q1/Q2, 2019. <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Engineering Services/ Community Centre Lands Task Force 	Q4, 2019	
20.	<p>Meeting Date: Committee of the Whole – February 25, 2019</p> <p>Subject: Recognition of the Widdifield Family</p>	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. That staff be directed to investigate options that will recognize the area east of the river and west of Doug Duncan Drive, that lies between Timothy and Water St to be recognized in some format by a commemorative plaque or other option that acknowledges and demonstrates the background and history of an area known to be Widdifield Park; and, 2. That Mike Widdifield of Newmarket be notified of any proposals. <p>Responsible Department:</p> <ul style="list-style-type: none"> ➤ Recreation / Parks 	Q4, 2019	Information Report to be provided
21.	<p>Meeting Date: Committee of the Whole - February 26, 2018</p> <p>Subject: Newmarket Public Library Study Implementation</p>	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. That staff, in conjunction with the Newmarket Public Library CEO, be authorized to implement the recommendations in accordance with the presentations made at the January 30, 2018 Joint Council and Newmarket Library Board Workshop provided implementation is in line with current and future approved operating budgets; and, 2. That Council refer the further consideration and direction with respect to library facility needs study to the 2018 – 2022 Council Strategic Priority setting process. <p>Responsible Department: Community Services/Newmarket Public Library</p>	Q4, 2019	

22.	<p>Meeting Date: Committee of the Whole – April 29, 2019</p> <p>Subject: 2018-2022 Council Strategic Priorities</p>	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. That the attached Vision, Strategic Pillars and Strategic Priorities contained within the Final Report from MDB Insight be adopted with the following amendments: <ol style="list-style-type: none"> a. That point ii of Economic Leadership and Job Creation be amended to read "Increase downtown parking availability through additional spaces and by leveraging Smart City solutions and other innovative options"; and, b. That point v of Vibrancy on Yonge, Davis and Mulock be amended to read "Consider development incentives to provide a range of housing and employment options that meet the needs of current and future residents, including the pursuit of CIP to incent corridor development"; and, 2. That Staff report back to Council with respect to a fulsome, ongoing communications plan and an overall performance measurement approach intended to track and present progress. <p>Responsible Department: To be determined</p>	Q4 2019	
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24.	<p>Meeting Date: Special Committee of the Whole – May 14, 2019</p> <p>Subject: Ranked Ballots</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That the report entitled Ranked Ballot Election dated May 14, 2019 be received; and, 2. That Council direct Staff not to proceed with public engagement and consultation on a Ranked Ballot Election for the 2022 Municipal Election; 3. That Staff report back to Council with respect to referendum questions for the 2022 Municipal Election; and, 4. That Staff be authorized and directed to do all things necessary to give effect to this resolution. <p>Responsible Departments:</p> <ul style="list-style-type: none"> ➤ Legislative Services 	Q4, 2019	
2020				
25.	<p>Meeting Date: Council – June 26, 2017- Item 10</p> <p>Subject: Application for Official Plan Amendment and Zoning By-law Amendment – 260 Eagle Street</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. That traffic impacts be monitored post construction. <p>Responsible Departments:</p> <ul style="list-style-type: none"> ➤ Engineering Services 	Development is estimated to not be completed before 2020	