

Additions & Corrections to the Agenda

Additional items to this Agenda are shown under the Addendum header.

Declarations of Pecuniary Interest

Presentations & Recognitions

1. Mr. Roy Huetl, Director-Operations, Maintenance and Monitoring - Environmental Services, The Regional Municipality of York and the Director of Public Works Services to address the Committee with a PowerPoint presentation regarding Water Quality. p. 1
2. Mr. Adrian Cammaert, Senior Planner - Policy to address the Committee with a PowerPoint presentation regarding the Parkland Dedication By-law and Report. PowerPoint presentation to be distributed when available. (Related to Item 4)
3. Mr. Paul Ferguson, President, Newmarket-Tay Power Distribution to address the Committee regarding the Newmarket-Tay Power Distribution 2015 Annual General Meeting. p. 13

Recommendations:

THAT the Newmarket Hydro Holdings Inc. Report of the President dated June 6, 2016 regarding the financial statements of Newmarket Hydro Holdings Inc. (the "Corporation"), the written resolutions of Newmarket – Tay Power Distribution Ltd. ("NT Power") 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 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, 2015 together with the report of the Corporation's auditors, Collins Barrow, thereon dated May 18, 2016 be approved and adopted.

b. THAT Collins Barrow, 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 R.N. Shelton be appointed as the sole director of the Corporation to hold office until the next annual meeting of shareholders or until his successor is elected or appointed.

d. THAT R.N. Shelton, so long as he is the sole director of the Corporation, shall represent the Corporation at meetings of shareholders of NT Power;

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, 2015, 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 R.N. Shelton, 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, 2015 together with the report of NT Power's auditors, Collins Barrow, thereon dated May 18, 2016 be approved and adopted.

b. THAT Collins Barrow, 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.

c. THAT T. Van Bynen, S. Warnock, P. Daniels, R. Betts, A. Ott, 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, 2015, 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.

Deputations

Consent Items (Items # 4 to 17)

4. Joint Report Development and Infrastructure Services - Planning and Building Services, Corporate Services - Finance 2016-21 dated May 25, 2016 regarding the Parkland Dedication By-law and Marketing the Corridors. p. 95

The Commissioner of Development and Infrastructure Services and the Director of Planning and Building Services recommend:

a) THAT Development and Infrastructure Services/Planning and Building Services Report 2016-21 dated May 25, 2016 regarding the Town of Newmarket's Parkland Dedication By-law be received and the following recommendations be adopted:

i) THAT the draft Parkland Dedication By-law for the Town of Newmarket as contained in Attachment 1 be received;

ii) AND THAT staff be directed to post the draft by-law on the Town's website for 30 days to receive public and stakeholder comments;

iii) AND THAT staff report back to the August 29, 2016 Committee of the Whole meeting with the final recommendation for a Parkland Dedication By-law for Council's approval.

5. Development and Infrastructure Services - Planning and Building Services - Planning Report 2016-24 dated June 6, 2016 regarding Urban Design Review Options. p. 122

The Commissioner of Development and Infrastructure Services and the Director of Planning and Building Services recommend:

a) THAT Development and Infrastructure Services/Planning and Building Services Report 2016-24 dated May 30, 2016 regarding Urban Design Review Options be received and the following recommendations be adopted:

i) THAT staff be directed to include in the 2017 budget a provision for contracting an urban design firm to prepare urban design standards to implement the policies of the Urban Centres Secondary Plan and the Official Plan;

ii) AND THAT these urban design standards be applied by the selected consultant in review of development applications subject to established criteria;

iii) AND THAT the cost of the engaged consultant be recouped through appropriate fees being collected from applicants upon the Fees and Charges by-law being amended to reflect the same;

iv) AND THAT staff be directed to review a structure and the necessary resources for a professional urban design review panel at such time as development activity warrants it.

6. Development and Infrastructure Services Report - Engineering Services 2016-24 dated May 11, 2016 regarding Savage Road/Sandford Street Traffic Review. p. 127

The Commissioner of Development and Infrastructure Services and the Director of Engineering Services recommend:

a) THAT Development and Infrastructure Services Report - Engineering Services 2016-24 dated May 11, 2016 regarding Savage Road/Sandford Street Traffic Review be received and the following recommendations be adopted:

i) THAT bicycle lanes be proposed to the households on Sandford Street from Mulock Drive to Savage Road with the possible extension along Savage Road to the Paul Semple Park entrance, and a report be brought back to Council on this issue;

ii) AND THAT the households along Savage Road and Sandford Street from Mulock Drive to Savage Road be informed of the traffic calming measures to be implemented.

7. Development and Infrastructure Services - Public Works Services Report 2016-27 dated June 6, 2016 regarding Sewer Lateral Clearing. p. 136

The Commissioner of Development and Infrastructure Services and the Director of Public Works Services recommend:

a) THAT Development and Infrastructure Services - Public Works Services Report 2016-27 dated June 6, 2016 regarding Sewer Lateral Clearing be received and the following recommendations be adopted:

i) THAT beginning January 1, 2017, the clearing of all sewer lateral blockages on private properties fall under the responsibility of the owner/resident;

ii) AND THAT owners/residents who experience a sewer backup and contact the Town, are provided with a contact for a preselected local plumbing contractor to clear the blockage;

iii) AND THAT if the blockage is found and proven to be on municipal property by the preselected local plumbing contractor, any costs incurred by the resident for the investigation be fully reimbursed and where required Town staff clear the blockage and conduct any remedial works.

8. Development and Infrastructure Services Commissioner Report 2016-28 dated June 7, 2016 regarding Sewer and Water Line Warranty Program. p. 139

The Commissioner of Development and Infrastructure Services recommends:

a) THAT Development and Infrastructure Services Commissioner Report 2016-28 dated June 7, 2016 regarding Sewer and Water Line Warranty Program be received and the following recommendations be adopted:

i) THAT through this report Council is aware of Service Line Warranties of Canada (SLWC) as a provider of insurance for water and sewer lateral service line protection to the home, as an alternative for residents to policy endorsements which may be available through their own homeowner insurance policies;

ii) AND THAT staff further explore means by which residents are advised of insurance programs for water and sewer lateral services lines not covered by the Town.

9. Joint Development and Infrastructure Services - Planning and Building Services and Corporate Services Report - Financial Services 2016-24 dated June 9, 2016 regarding a Request for Reduction of Development Charges - 415 Queen Street. p. 143

The Commissioners of Development and Infrastructure Services, the Director of Planning and Building Services and the Director of Financial Services recommend:

a) THAT Joint Development and Infrastructure Services - Planning and Building Services and Corporate Services Report - Financial Services 2016-24 dated June 9, 2016 regarding a Request for Reduction of Development Charges - 415 Queen Street be received and the following recommendation be adopted:

i) THAT the payment of Development Charges, or of any development-related fees, not be deferred or waived.

10. Corporate Services Report - Financial Services 2016-30 dated June 10, 2016 regarding 2016 Reserves and Reserve Funds Budget. p. 152

The Commissioner of Corporate Services and the Director of Financial Services recommend:

a) THAT Corporate Services Report - Financial Services 2016-30 dated June 10, 2016 regarding 2016 Reserves and Reserve Funds Budget be received and the following recommendation be adopted:

i) THAT the projected revenues for the 2016 Reserves and Reserve Funds Budget, as set out in the attachment, be approved.

11. Corporate Services Commission Report - Legislative Services 2016-13 dated June 8, 2016 regarding 'Housekeeping Amendments: Clothing Donation Bin and Taxi By-law'. p. 165

The Commissioner of Corporate Services and the Director of Legislative Services recommend:

a) THAT Corporate Services Commission Report - Legislative Services 2016-13 dated June 8, 2016 regarding 'Housekeeping Amendments: Clothing Donation Bin and Taxi By-law' be received and the following recommendations be adopted:

i) THAT Council adopt the recommended housekeeping amendments to the Clothing Donation Bin By-law (2013-22), identified in red text and attached as Appendix 'A' and Taxi By-law (2013-28), identified in red text and attached as Appendix 'B';

ii) AND THAT consolidated by-laws to regulate clothing donation bins and taxi be brought forward to Council, as amended;

iii) AND THAT applicable amendments to the Town's fees and charges by-law regarding taxi licensing be brought forward to Council for the 2017 budget year.

12. Report of the Integrity Commissioner dated June 20, 2016 regarding Council Code of Conduct complaints. p. 191

Recommendation:

a) THAT the Report of the Integrity Commissioner dated June 20, 2016 regarding Council Code of Conduct complaints be received.

13. Newmarket Public Library Board Minutes of April 20, 2016. p. 195

The Newmarket Public Library Board recommends:

a) THAT the Newmarket Public Library Board Minutes of April 20, 2016 be received.

14. Central York Fire Services - Joint Council Committee Minutes of May 10, 2016. p. 198

Recommendation:

a) THAT the Central York Fire Services - Joint Council Committee Minutes of May 10, 2016 be received.

15. Excerpt from Appointment Committee (Closed Session) Minutes of May 16, 2016. (Deferred from the May 30, 2016 Committee of the Whole meeting)

Recommendations:

a) THAT the Excerpt from the Appointment Committee (Closed Session) Minutes of May 16, 2016 be received;

i) AND THAT the individuals identified in the Appointment Committee (Closed Session) Minutes recommended for appointment to the Main Street District Business Improvement Area Board of Management be considered at the June 27, 2016 Council Meeting in Open Session;

ii) AND THAT the applicants be notified prior to the June 27, 2016 Council meeting.

16. Correspondence dated May 18, 2016 from Mr. Alain Beaudoin, President of the Board of Directors, L'AFRY (Association of York Region Francophones) requesting proclamation of September 23, 2016 as 'Franco-Ontarian Day' in the Town of Newmarket. p. 202

Recommendations:

a) THAT the correspondence from Mr. Alain Beaudoin be received and the following recommendations be adopted:

i) THAT the Town of Newmarket proclaim September 23, 2016 as 'Franco-Ontarian Day';

ii) AND THAT the proclamation be advertised in the Town Page advertisement and on the Town's website www.newmarket.ca

17. List of Outstanding Matters. p. 203

Recommendation:

a) THAT the list of Outstanding Matters be received.

Action Items

Reports by Regional Representatives

Notices of Motion

Motions

18. Deputy Mayor & Regional Councillor Taylor:

THAT for the 2017 budget process Council set a tax levy increase target of no more than 2.2% (Town portion) plus not greater than a 0.6% for the infrastructure levy or an overall town increase of not greater than 2.8%.

19. Councillor Bisanz:

THAT staff be directed to explore various alternative methods of conducting Committee of the Whole and Council meetings in order to respond to community needs and ensure maximum public participation, by providing greater access to Council's deliberations, and that a report be provided to Council by the end of Q4.

New Business

Closed Session (if required)

The Closed Session Agenda and Reports will be circulated under separate cover (Goldenrod).

20. Personal matters about identifiable individuals per Section 239 (2) (b) of the Municipal Act, 2001 - Excerpt from Appointment Committee (Closed Session) Minutes of May 16, 2016 - Item 2 - Recommending Appointment of representatives to the Main Street District Business Improvement Area Board of Management. (if required) (Deferred from the May 30, 2016 Committee of the Whole meeting)
21. Advice that is subject to solicitor/client privilege, including communications necessary for that purpose as per Section 239 (2) (f) of the Municipal Act, 2001 regarding June 16, 2016 confidential e-mail of Chief Administrative Officer to Council. (if required)

Public Hearing Matters – 7:00 p.m.

22. Development and Infrastructure Services Report - Planning and Building Services 2016-22 dated May 30, 2016 and related Council Extract, Public Meeting Notice regarding an Application for Official Plan Amendment and Zoning By-law Amendment - 1166 and 1186 Nicholson Road. p. 209

Addendum (Additions and Corrections)

- 3a. PowerPoint Presentation by Mr. Paul Ferguson with respect to Newmarket-Tay Power Distribution Annual General Meeting. (Related to Item 3) p. 214
- 22a. Correspondence dated June 6, 2016 from Ms. Brenda Cooper, Secretary-Treasurer, Cooper Plating Inc. regarding Development and Infrastructure Services Report - Planning and Building Services 2016-22 dated May 30, 2016 and related Council Extract - Application for Official Plan Amendment and Zoning By-law Amendment - 1166 and 1186 Nicholson Road. (Related to Item 22 - Public Hearing Matter - 7:00 p.m.) p. 222
23. Correspondence dated June 13, 2016 from Ms. Judy Perry, President and Ms. Erin Cerenzia, Vice-President, Newmarket Historical Society regarding archival space. p. 223

Recommendation:

a) THAT the correspondence from the Newmarket Historical Society dated June 13, 2016 regarding 'Old Fire Hall and Other Downtown Parking Opportunities' be received and referred to staff for further consultation with the Newmarket Historical Society and related stakeholders.

24. Audit Committee Minutes of June 15, 2016. p. 224

The Audit Committee recommends:

a) THAT the Audit Committee Minutes of June 15, 2016 be received.

25. Audit Committee (Closed Session) Minutes of June 15, 2016.

The Audit Committee recommends:

a) THAT the Audit Committee (Closed Session) Minutes of June 15, 2016 be received.

26. Corporate Services Report - Financial Services 2016-29 dated June 16, 2016 regarding the 2015 Financial Statements and Auditors Report. p. 228

The Commissioner of Corporate Services and the Director of Financial Services recommend:

a) THAT Corporate Services Report - Financial Services 2016-29 dated June 16, 2016 regarding the 2015 Financial Statements and Auditor's Report be received and the following recommendations be adopted:

i) THAT the Town of Newmarket's Draft 2015 Consolidated Financial Statements, Trust Fund Financial Statements and Main Street District BIA Financial Statements from BDO Canada LLP be received;

ii) AND THAT Council approve the Town of Newmarket's Draft 2015 Consolidated Financial Statements, Trust Fund Financial Statements and Main Street District BIA Financial Statements as endorsed by the Audit Committee.

Adjournment

A low-angle photograph of a water tower against a blue sky with light clouds. The tower has a white upper section with a blue and green logo and the word 'Newmarket' in blue. Below this is a dark blue band, and at the bottom is a tan-colored section with some equipment. Bare tree branches are visible in the upper left corner.

Working Together

Presentation to
Town of Newmarket Committee of the Whole

Chris Kalimootoo

Roy Huetl

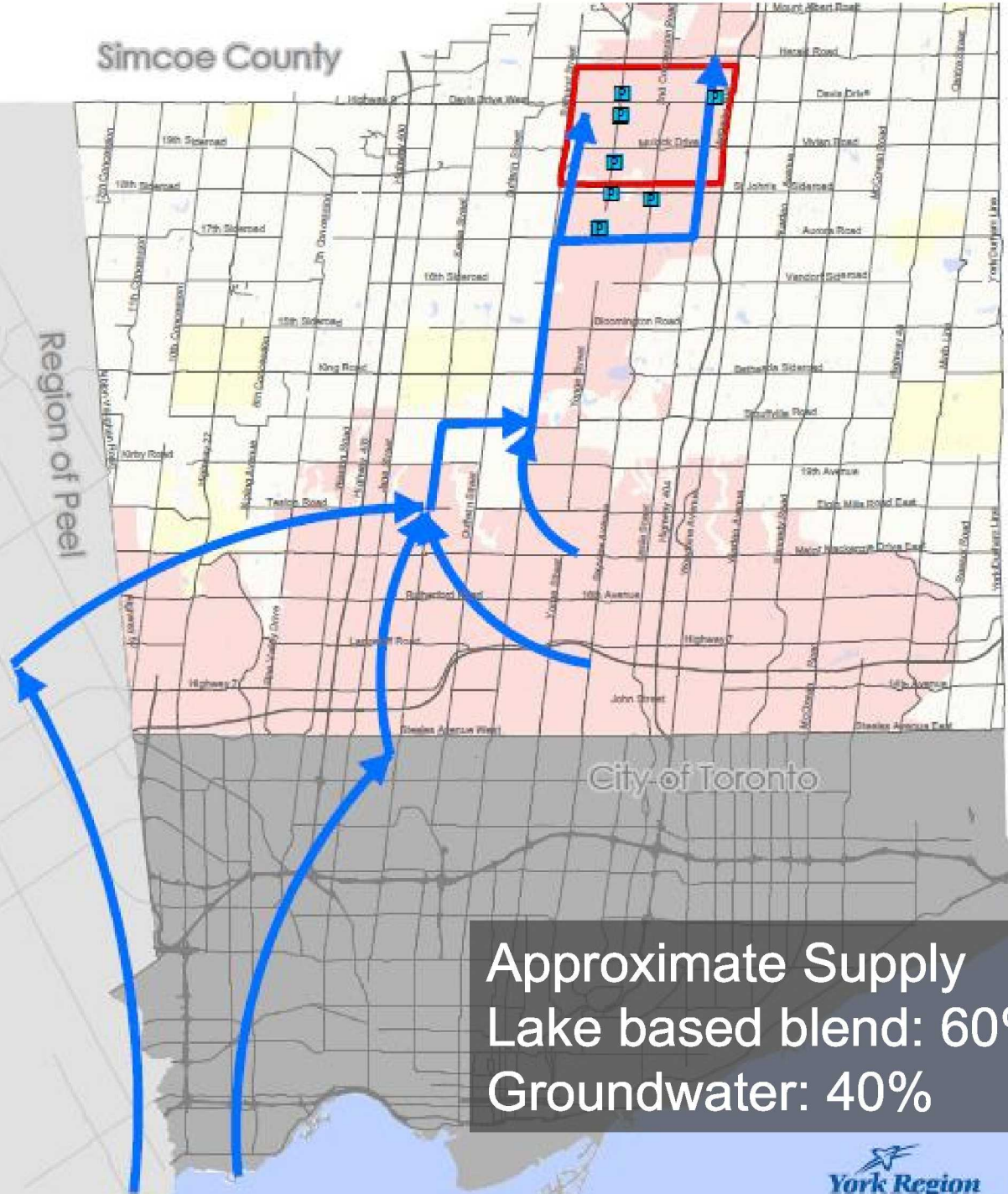
June 20, 2016

York Region Water System

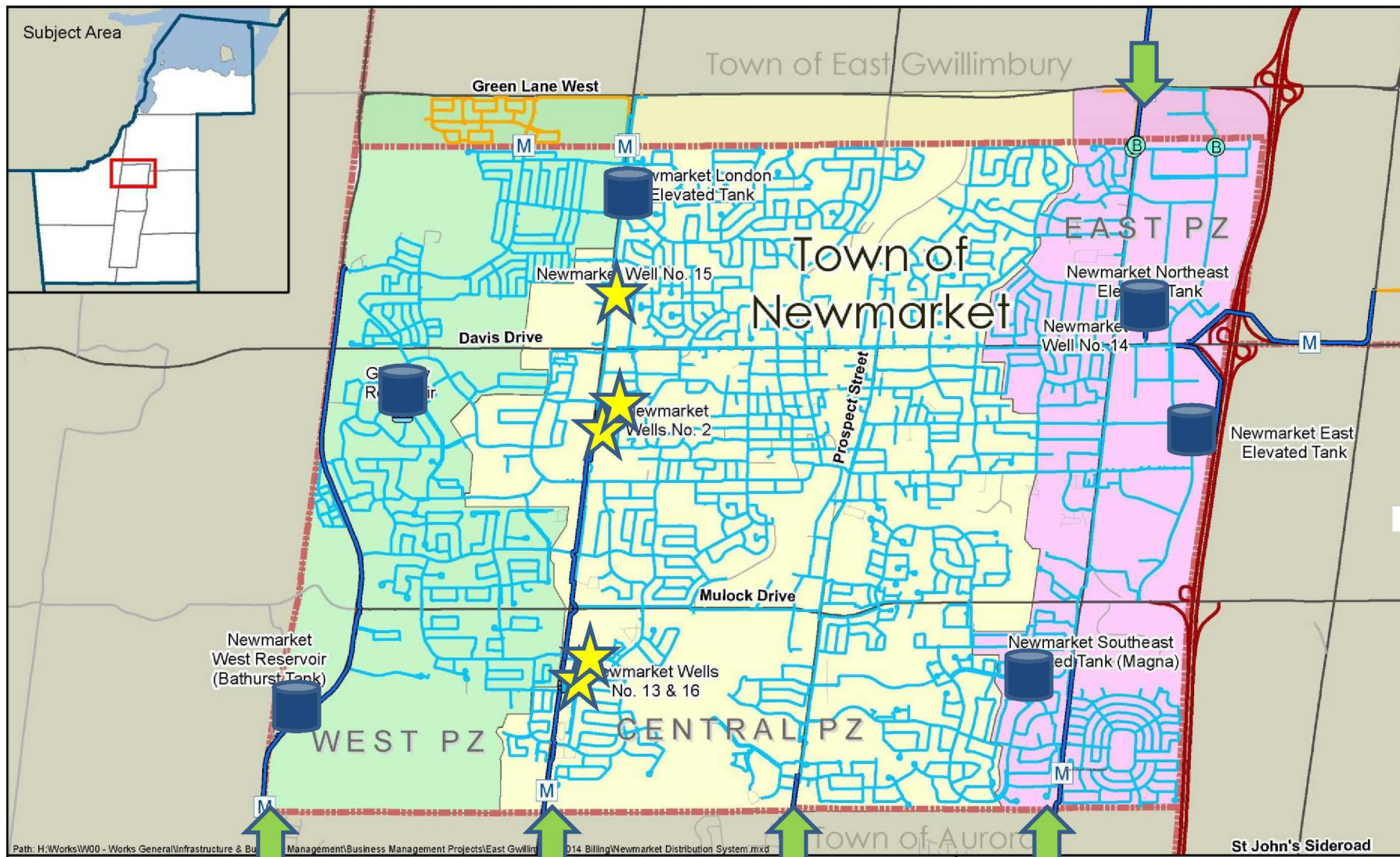
Well & Lake Based Supply

Legend

-  Production Wells
-  Water Flow
-  Town of Newmarket
-  Regional Road
-  Rural Road
-  Waterbody
-  Towns and Villages
-  Urban



Approximate Supply
Lake based blend: 60%
Groundwater: 40%



Newmarket - Water Distribution System



Produced by:
Strategy & Business Planning Branch
Environmental Services Department
© Copyright, The Regional Municipality of York, December, 2014
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* Includes © Queen's Printer for Ontario 2003-2014

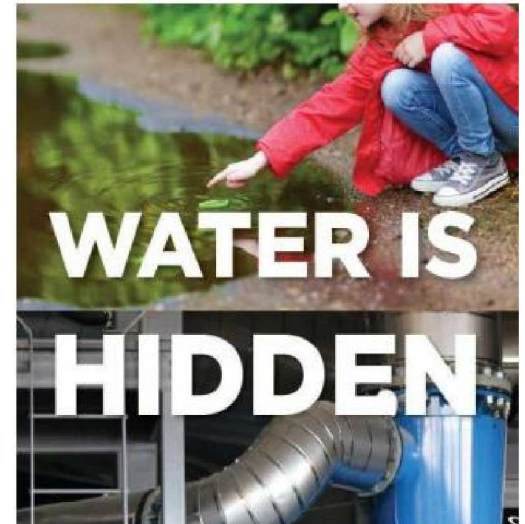
670 335 0 670 Meters

Legend

- Municipal Boundary
- Regional Boundary
- Newmarket Watermain
- East Gwillimbury Watermain
- Regional Watermain
- B Boundary Valves or Meters
- P Production Well
- M Flow Meter
- W Water Storage

York Region Supporting Local Partners

- Programs designed to achieve seamless utility integration and collaboration
- Provide operational and technical support to local partners
 - To ensure sufficient water capacity
 - To achieve best water quality possible
- Linkages to the industry experts
 - University of Toronto Drinking Water Research, Water Tap, etc.





Region and Town shared responsibility to optimize and manage water systems

Town of Newmarket

- Delivers safe drinking water to residents and businesses in Newmarket
 - Maintaining local water infrastructure
 - Repairing watermain breaks
 - Monitoring water quality to meet regulatory requirements and inform operations
 - Over 7000 operational samples and 1400 bacterial samples taken in 2015

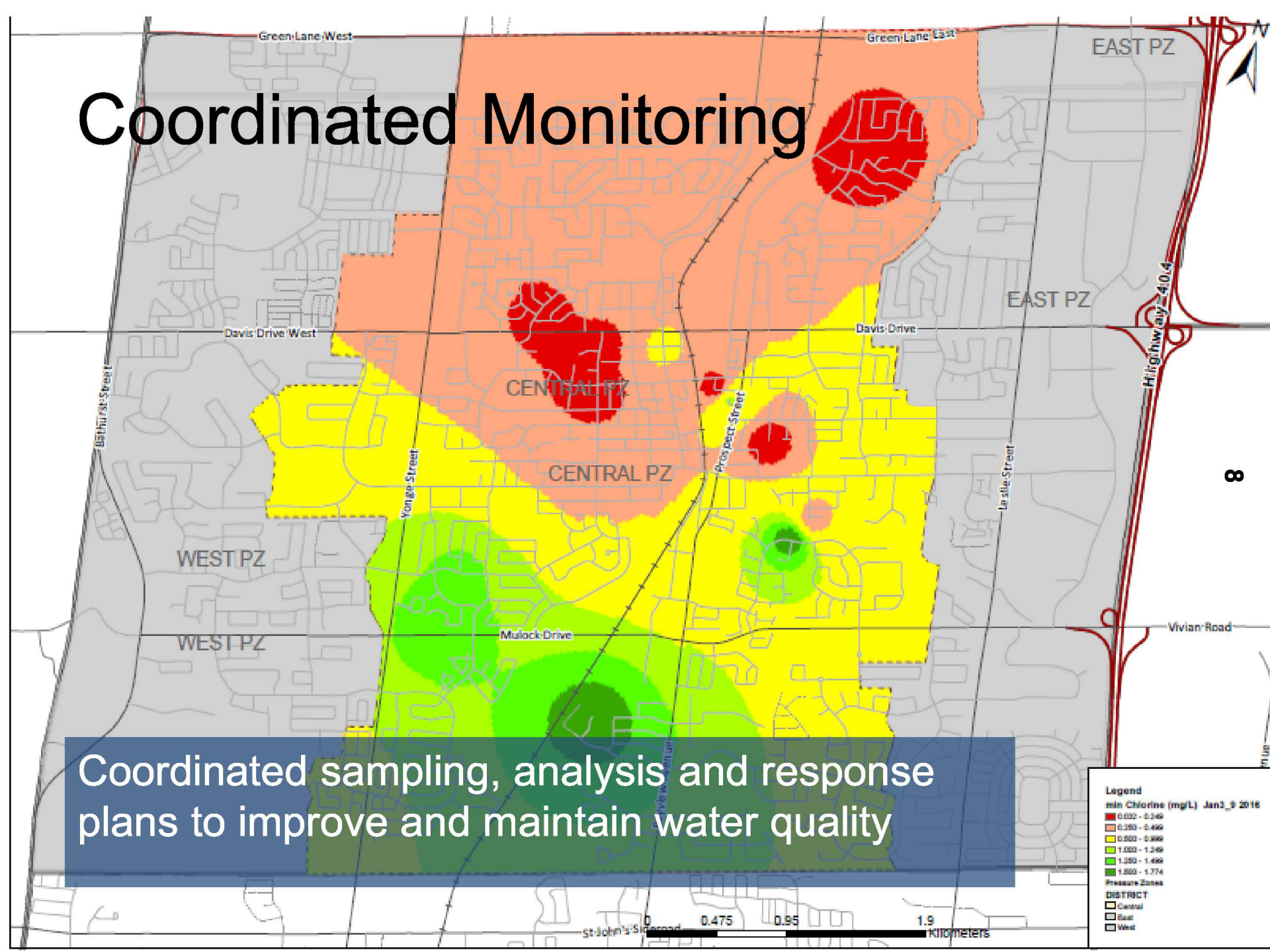
Integrated Operations

Optimization of operational activities:

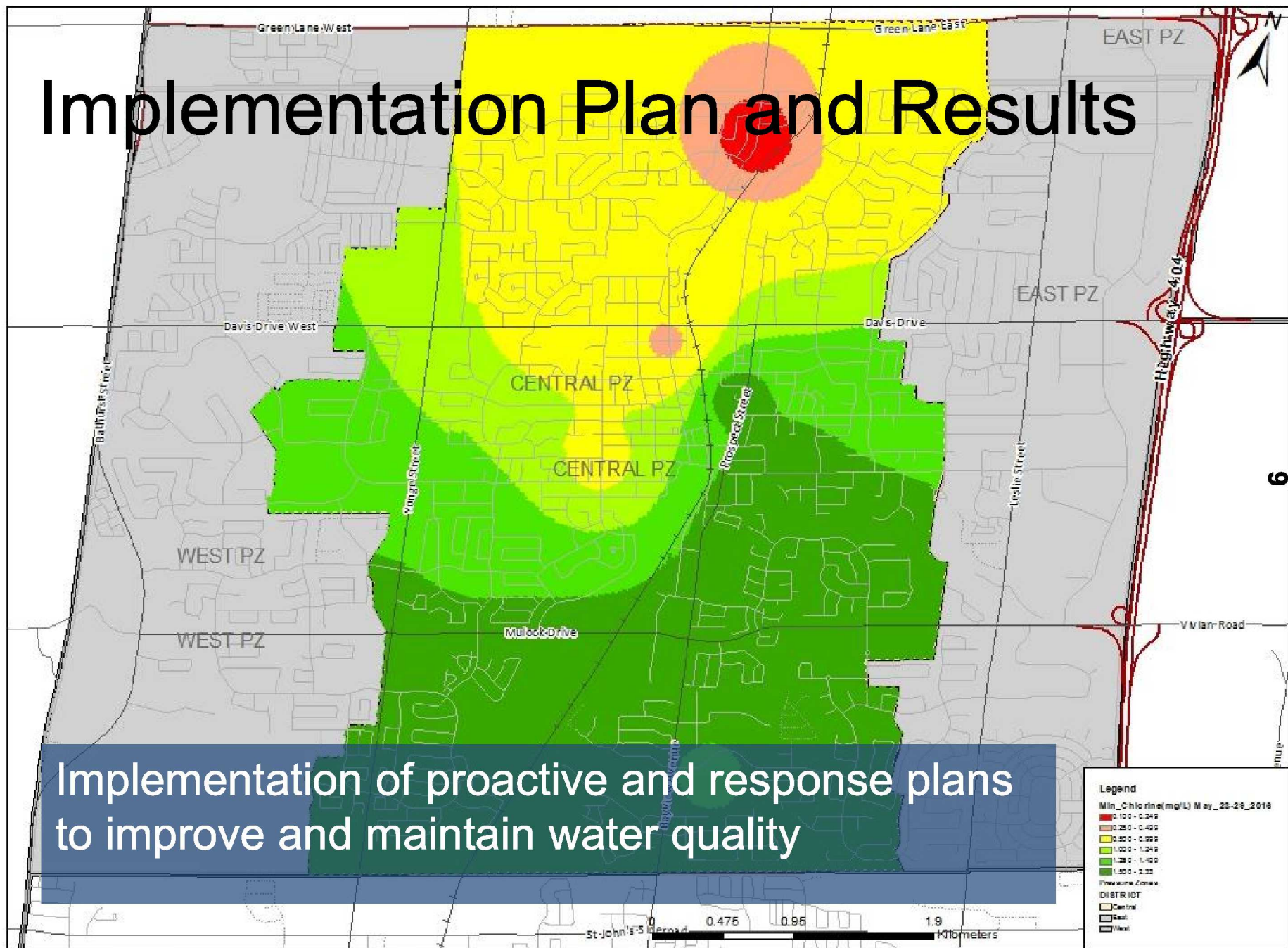
- Source water supply
 - Increased chlorine residuals
 - Optimization of treatment practices
- Hydraulics
 - Modelling and managing hydraulics and system dead ends
- Data Analytics

Coordinated Monitoring

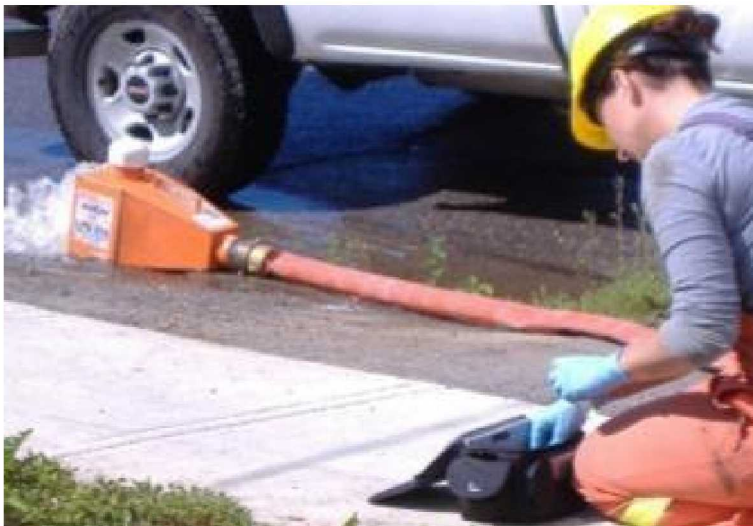
Coordinated sampling, analysis and response plans to improve and maintain water quality



Implementation Plan and Results



Strategic Maintenance



Watermain Cleaning

- Video link

Thank you

Roy Huetl

Chris Kalimootoo





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Newmarket Hydro Holdings Inc.

June 6, 2016

Newmarket Hydro Holdings Inc. Report of the President

TO: Town of Newmarket Committee of the Whole

SUBJECT: Newmarket Hydro Holdings Inc. 2015 Annual General Meeting

ORIGIN: President, Newmarket Hydro Holdings Inc.

RECOMMENDATIONS:

THAT the Newmarket Hydro Holdings Inc. Report of the President dated June 6, 2016 regarding the financial statements of Newmarket Hydro Holdings Inc. (the "Corporation"), the written resolutions of Newmarket – Tay Power Distribution Ltd. ("NT Power") 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 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. 2015 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, 2015 together with the report of the Corporation's auditors, Collins Barrow, thereon dated May 18, 2016 be approved and adopted.
- b. THAT Collins Barrow, 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 R.N. Shelton be appointed as the sole director of the Corporation to hold office until the next annual meeting of shareholders or until his successor is elected or appointed.
- d. THAT R.N. Shelton, so long as he is the sole director of the Corporation, shall represent the Corporation at meetings of shareholders of NT Power;
- 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, 2015, 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 R.N. Shelton, 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, 2015 together with the report of NT Power's auditors, Collins Barrow, thereon dated May 18, 2016 be approved and adopted.
- b. THAT Collins Barrow, 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. 2015 Annual General Meeting

c. THAT T. Van Bynen, S. Warnock, P. Daniels, R. Betts, A. Ott, 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, 2015, 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.

Financial Statements of the Corporation

The audited financial statements for the Corporation and NT Power are attached. They are now in International Financial Reporting Standards ("IFRS") format as opposed to the previous Canadian Generally Accepted Auditing Principles ("CGAAP"). A presentation on the significant differences in the format was made by Jeff Taylor of Collins Barrow to Council at a workshop on September 28, 2015. The president will provide a verbal overview of the highlights and 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 two years, the additional workload that would be involved with a request for proposal for audit services and the possible change in audit firms will hamper this implementation. The Board therefore recommends the re-appointment of the current auditors, Collins Barrow for the period January 1 to December 31, 2016 for both the corporation and NT Power.

Election of Directors for the Corporation

Upon the merger of Newmarket Hydro Ltd. and Tay Hydro Electric Distribution Company Inc. on May 1, 2007, Mr. R.N. Shelton was appointed as the sole director of the corporation. There has been no change requested by the Shareholder to this appointment.

Election of Directors – NT Power

The existing directors of NT Power are:

T. Van Bynen, Mayor of the Town of Newmarket
S. Warnock, Mayor of the Township of Tay

Newmarket Hydro Holdings Inc. 2015 Annual General Meeting

R. Betts, Independent Director
Dr. U. Phillip Daniels, Independent Director
C. Prattas, Independent Director
Andy Ott, Independent Director
P.D. Ferguson, President of NT Power

The appointments of The Mayor of Newmarket, the Mayor of Tay and the President are de facto. Two of the independent directors Betts and Prattas are eligible for re-appointment and are recommend by the Board of Directors.

Independent directors Daniels and Ott have completed their eligible terms as directors. In February, 2015 the Councils of Newmarket and Tay resolved to waive Article 3, Section 3.03, paragraph (3) of the Shareholders Agreement to allow for the election of A. Ott for a one year term and P. Daniels for a two year term at the 2015 Annual General Meeting of the Corporation. This was done to implement a succession plan for independent directors that is in keeping with good governance practices.

[Original signed by]

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

**CONSOLIDATED
FINANCIAL STATEMENTS OF**

NEWMARKET HYDRO HOLDINGS INC.

December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of
Newmarket Hydro Holdings Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Newmarket Hydro Holdings Inc., which comprise the consolidated statement of financial position as at December 31, 2015, December 31, 2014 and January 1, 2014, and the consolidated statements of changes in equity and accumulated other comprehensive income, income, comprehensive income and cash flows for the years ended December 31, 2015 and December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Newmarket Hydro Holdings Inc. as at December 31, 2015, December 31, 2014 and January 1, 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and December 31, 2014 in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT, continued*Comparative Information*

Without modifying our opinion, we draw attention to note 5 to the financial statements which describes that Newmarket Hydro Holdings Inc. adopted International Financial Reporting Standards on January 1, 2015 with a transition date of January 1, 2014. These standards were applied retrospectively by management to the comparative information in these consolidated financial statements, including the statement of financial position as at December 31, 2014 and January 1, 2014, and the statements of changes in equity and accumulated other comprehensive income, income, comprehensive income and cash flows for the year ended December 31, 2014 and related disclosures.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 18, 2016

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	December 31, 2015	December 31, 2014 Restated (note 5)	January 1, 2014 Restated (note 5)
	\$	\$	\$
ASSETS			
Current assets			
Cash	7,022,489	7,439,836	8,778,807
Short-term investments (note 6)	3,410,393	3,389,515	3,349,379
Accounts receivable	9,206,963	9,755,356	9,394,733
Unbilled revenue	12,286,784	11,764,225	9,819,789
Inventories (note 7)	1,113,359	1,301,688	808,950
Prepaid expenses	492,351	448,952	376,146
Income taxes receivable	702,409	1,132,677	571,239
	34,234,748	35,232,249	33,099,043
Other assets			
Property, plant and equipment (note 8)	89,078,545	77,981,917	76,603,368
Intangibles (note 9)	545,438	709,451	935,256
Deferred income taxes (note 10)	3,579,706	3,586,139	3,500,000
	93,203,689	82,277,507	81,038,624
	127,438,437	117,509,756	114,137,667
Regulatory deferral account debit balances (note 11)	3,916,408	2,191,352	1,833,086
	131,354,845	119,701,108	115,970,753

The accompanying notes are an integral part of these financial statements

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	December 31, 2015	December 31, 2014 Restated (note 5)	January 1, 2014 Restated (note 5)
	\$	\$	\$
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities (note 12)	11,256,900	13,073,004	12,083,735
Note payable	87,412	87,412	87,412
Current portion of long-term debt (note 13)	1,625,745	1,000,000	-
Current portion of deposits held (note 14)	425,000	425,000	425,000
	13,395,057	14,585,416	12,596,147
Long-term liabilities			
Long-term debt (note 13)	30,117,076	23,742,821	24,742,821
Contributed capital (note 15)	24,821,517	23,553,032	22,250,508
Deposits held (note 14)	2,764,264	2,537,654	2,875,807
Employee future benefits (note 16)	813,117	830,105	1,016,846
	58,515,974	50,663,612	50,885,982
Equity			
Equity attributable to the shareholder			
Share capital (note 18)	29,609,342	29,609,342	29,609,342
Retained earnings	15,993,683	14,242,313	12,697,236
Accumulated other comprehensive income	164,616	143,857	-
	45,767,641	43,995,512	42,306,578
Non-controlling interest (note 19)	3,237,102	3,109,976	2,990,276
	49,004,743	47,105,488	45,296,854
	120,915,774	112,354,516	108,778,983
Regulatory deferral account credit balances (note 11)	10,439,071	7,346,592	7,191,770
	131,354,845	119,701,108	115,970,753

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

NEWMARKET HYDRO HOLDINGS INC.**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME****For the year ended December 31, 2015**

	Share capital \$	Retained earnings \$	Accumulated other comprehensive income \$	Total \$	Non-controlling interest \$	Total equity \$
Balance, January 1, 2014	29,609,342	12,697,236	-	42,306,578	2,990,276	45,296,854
Net income for the year	-	2,881,077	-	2,881,077	209,872	3,090,949
Other comprehensive income	-	-	143,857	143,857	10,828	154,685
Dividends paid	-	(1,336,000)	-	(1,336,000)	(101,000)	(1,437,000)
Balance, December 31, 2014	29,609,342	14,242,313	143,857	43,995,512	3,109,976	47,105,488
Net income for the year	-	3,087,370	-	3,087,370	226,564	3,313,934
Other comprehensive income	-	-	20,759	20,759	1,562	22,321
Dividends paid	-	(1,336,000)	-	(1,336,000)	(101,000)	(1,437,000)
Balance, December 31, 2015	29,609,342	15,993,683	164,616	45,767,641	3,237,102	49,004,743

The accompanying notes are an integral part of these financial statements

NEWMARKET HYDRO HOLDINGS INC.**CONSOLIDATED STATEMENT OF INCOME**

For the year ended December 31, 2015

	2015	2014 Restated (note 5)
	\$	\$
Revenue		
Distribution revenue	15,020,342	15,104,369
Cost of power revenue	73,793,907	69,549,614
Contributed capital	558,247	519,222
	89,372,496	85,173,205
Cost of power purchased	72,426,484	69,753,058
Gross profit	16,946,012	15,420,147
Other income (note 20)	857,843	1,031,619
Gross income from operations	17,803,855	16,451,766
Expenses		
Amortization	3,466,023	3,395,416
Operating expenses (note 21)	7,541,891	8,044,510
Loss on disposal of property, plant and equipment	1,159	35,051
	11,009,073	11,474,977
Income before undernoted items and income taxes	6,794,782	4,976,789
Finance income (note 22)	(424,115)	(427,355)
Finance costs (note 22)	1,392,179	1,385,075
Income before income taxes and net movement on regulatory accounts	5,826,718	4,019,069
Provision for (recovery of) income taxes (note 10)		
Current	1,146,976	1,273,474
Deferred	(1,615)	(141,910)
	1,145,361	1,131,564
Income before net movement on regulatory accounts	4,681,357	2,887,505
Net movement on regulatory accounts	1,367,423	(203,444)
Net income for the year	3,313,934	3,090,949
Attributable to:		
Shareholder	3,087,370	2,881,077
Non-controlling interests	226,564	209,872
	3,313,934	3,090,949

The accompanying notes are an integral part of these financial statements

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2015

	2015	2014 Restated (note 5)
	\$	\$
Net income for the year	3,313,934	3,090,949
Comprehensive income		
Actuarial gain, not reclassified to profit or loss	30,369	210,456
Actuarial gain, deferred income tax	(8,048)	(55,771)
Comprehensive income	22,321	154,685
Net income and Comprehensive income for the year	3,336,255	3,245,634
Attributable to:		
Shareholder	3,108,129	3,024,934
Non-controlling interests	228,126	220,700
	3,336,255	3,245,634

The accompanying notes are an integral part of these financial statements

NEWMARKET HYDRO HOLDINGS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2015

	2015	2014 Restated (note 5)
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Net income for the year	3,313,934	3,090,949
Items not affecting cash		
Amortization of property, plant and equipment	3,235,775	3,156,320
Amortization of intangible asset	230,248	239,096
Deferred income taxes	(1,615)	(141,910)
Loss on disposal of property, plant and equipment	1,159	35,051
Employee future benefits	13,381	23,715
Current income tax	1,146,976	1,273,474
Net finance costs	968,064	957,720
Recognition of contributed capital	(558,247)	(519,222)
	8,349,675	8,115,193
Change in non-cash working capital items (note 23)	(1,732,201)	(3,667,180)
	6,617,474	4,448,013
Investing activities		
Purchase of property, plant and equipment	(14,620,126)	(4,583,122)
Proceeds on disposal of property, plant and equipment	286,564	13,202
Purchase of intangible assets	(66,235)	(13,291)
Regulatory deferral accounts	1,367,423	(203,444)
Proceeds of contributed capital	1,826,732	1,821,746
	(11,205,642)	(2,964,909)
Financing activities		
Proceeds of long-term debt	7,000,000	-
Interest paid	(1,392,179)	(1,385,075)
Dividends paid to non-controlling interest	(101,000)	(101,000)
Dividends paid to shareholder	(1,336,000)	(1,336,000)
	4,170,821	(2,822,075)
Decrease in cash	(417,347)	(1,338,971)
Cash - beginning of year	7,439,836	8,778,807
Cash - end of year	7,022,489	7,439,836

The accompanying notes are an integral part of these financial statements

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

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 and the Township of Tay under a 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"). These are the Company's first annual financial statements prepared in accordance with IFRS. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 5.

The financial statements for the year ended December 31, 2015 (including comparatives) were approved and authorized for issue by the Board of Directors on April 29, 2016.

3. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of its subsidiary, Newmarket-Tay Power Distribution LTD. Tay Hydro Inc. has a 7% interest in Newmarket-Tay Power Distribution 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:

(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.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES, continued

(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, 2015 and December 31, 2014 are disclosed in note 11.

(c) Revenue recognition

Service revenue is measured based on the OEB approved rate and the meter readings for customer usage, net of sales tax and debt retirement charge. Service 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 is recorded on the basis of the power billed by the Independent Electricity System Operator.

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. Such contributions, whether in cash or in-kind, are recognized as contributions in aid of construction and amortized into income over the life of the related assets. Contributions in aid of construction in-kind are valued at their fair value at the date of their contribution.

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 operating revenue is recorded when services are provided.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

4. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(d) *Cash*

Cash consists of balances with financial institutions.

(e) *Short-term investments*

Investments are recorded at fair value. Unrealized gains and losses as a result of fair value adjustments at year end are included in finance income for the year.

(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 as follows:

Building	25 to 30 years
Distribution equipment	10 to 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.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Intangible assets

Intangible assets include computer software and land rights. 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	3-5 years straight-line
Land rights	30 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.

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.

(i) Contributed capital

Contributions for capital construction consist of third party and related party contributions toward the cost of constructing distribution assets. The contributions are calculated through an economic evaluation as per the OEB Distribution Service Code. Contributed capital amounts are recorded as received and amortized over the same period as the asset to which they relate being 30 to 50 years.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

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.

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 17.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

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 benefit 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 valuation performed was as at December 31, 2014. 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.

(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 future income taxes. Additional details related to the calculation and method of accounting for PILS is included in note 10.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

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, judgments and assumptions include the following:

Unbilled revenue - The measurement of unbilled revenue is based on an estimate of the amount of electricity delivered to customers between the date of the last bill and the end of the year.

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 16.

Accounts receivable impairment - In determining the allowance for doubtful accounts, the Company considers historical loss experience of account balances based on the aging and arrears status of accounts receivable balances.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES, continued

(o) Provisions

A provision is recognized in the balance sheet 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.

(p) Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. Transactions to purchase or sell these items are recorded on the trade date. During the year, there has been no reclassification of financial instruments.

Financial liabilities measured at fair value through profit or loss

Derivative financial instruments in the form of interest rate swap contracts are used to manage exposure to fluctuations in interest rates on the Company's long-term debt. The contracts are not designated as hedges and therefore any gain or loss is measured through profit or loss.

Loans and receivables

The Company has classified cash, short-term investments, accounts receivable and unbilled revenue as loans and receivables.

Loans and receivables are subsequently measured at their amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, plus or minus any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in total comprehensive income upon de-recognition or impairment.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES, continued

(p) Financial instruments, continued

Financial liabilities measured at amortized cost

The Company has classified accounts payable and accrued liabilities, note payable, long-term debt and deposits held as financial liabilities measured at amortized cost.

Financial liabilities measured at amortized cost are measured at their amortized cost subsequent to initial recognition. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in total comprehensive income upon de-recognition or impairment.

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

The following pronouncements issued by the IASB will become effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted.

IFRS 14 - Regulatory Deferral Accounts, an interim standard, permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with previous GAAP requirements when they adopt IFRS, with the effect of rate regulation presented separately from other items. The Company has early adopted this IFRS and as such continues to recognize rate regulated activities.

IAS 1 - Presentation of Financial Statements: Amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements.

The following pronouncement issued by the IASB will become effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 9 - Financial Instruments addresses the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The new standard also requires a single impairment method to be used. Additionally, a new hedge accounting model that will allow entities to better reflect their risk management activities has been included in the standard.

IFRS 15 - Revenue from Contracts with Customers is a new standard issued by the IASB. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The Company has not yet completed its evaluations of the effect of adopting IAS 1, IFRS 9 or IFRS 15 and the impact it may have on its consolidated financial statements.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

5. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

These are the Company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the year ended December 31, 2015, the comparative information presented for the year ended December 31, 2014 and the opening IFRS Statement of Financial Position as at January 1, 2014 (the Company's date of transition).

IFRS 1 sets out the procedures that the Company must follow when it adopts IFRS for the first time as the basis for preparing its financial statements. The Company is, in general, required to apply these policies retrospectively to determine the IFRS opening Statement of Financial Position as at its date of transition, January 1, 2014.

In preparing its opening IFRS Statement of Financial Position, the Company has adjusted amounts reported previously in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and performance is set out in the following tables and notes.

IFRS 1 also provides a number of exemptions to the retrospective restatement of the opening Statement of Financial Position. The Company has applied the following exemptions in its transition from Canadian GAAP to IFRS:

Deemed cost

IFRS 1 provides an optional exemption for a first-time adopter with rate-regulated activities to use the carrying amount of PP&E as deemed cost on transition date when the carrying amount includes costs that do not qualify for capitalization in accordance with IFRS. The Company elected this exemption and used the carrying amount of the PP&E under Canadian GAAP as deemed cost on transition date.

Business combinations

IFRS 1 provides an optional exemption whereby a first-time adopter may elect not to apply IFRS retrospectively to business combinations that occurred prior to the date of transition. The Company elected this exemption and did not restate business combinations that occurred prior to the date of transition.

Employee benefits

The Company has elected, under IFRS 1, to recognize all cumulative actuarial gains and losses that were previously deferred under Canadian GAAP through opening retained earnings at the date of transition for all of its employee benefit plans.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

5. **IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING, continued**

(a) *Opening statement of financial position at January 1, 2014:*

	As previously reported \$	Effects of transition \$	As restated \$
ASSETS			
Property, plant and equipment (i)	55,288,116	21,315,252	76,603,368
Intangible assets (ii)	-	935,256	935,256
Regulatory assets (ii)	-	1,833,086	1,833,086
LIABILITIES AND EQUITY			
Contributed capital (i)	-	22,250,508	22,250,508
Regulatory liabilities (ii)	5,358,684	1,833,086	7,191,770
Employee future benefits (iii)	1,107,432	(90,586)	1,016,846
Equity			
Retained earnings (iii)	12,606,650	90,586	12,697,236
	19,072,766	24,083,594	43,156,360

(b) *Statement of financial position at December 31, 2014:*

	As previously reported \$	Effects of transition \$	As restated \$
ASSETS			
Property, plant and equipment (i)	55,138,336	22,843,581	77,981,917
Intangible assets (i)	-	709,451	709,451
Regulatory assets (ii)	-	2,191,352	2,191,352
Deferred income tax (iii)	3,674,000	(87,861)	3,586,139
LIABILITIES AND EQUITY			
Contributed capital (i)	-	23,553,032	23,553,032
Regulatory liabilities (ii)	5,155,240	2,191,352	7,346,592
Employee future benefits (iii)	1,162,477	(332,372)	830,105
Equity			
Retained earnings (iii)	14,152,434	89,879	14,242,313
Other comprehensive income (iii)	-	143,857	143,857
	14,152,434	233,736	14,386,170
	20,470,151	25,645,748	46,115,899

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

5. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING, continued

(i) Increase in property, plant and equipment (PP&E) is the result of reclassifying intangible assets and contributed capital to their own lines on the statement of financial position.

Under IFRS, intangible assets are accounted for separately from PP&E with no change to the cost or amortization expense and contributed capital is accounted for separately from PP&E, with the amortization being shown as revenue, not netted against the amortization expense. The impact of showing contributed capital in accordance with IFRS is an increase in assets, liabilities and revenue and a decrease in amortization expense.

(ii) IFRS 14 permits a first-time adopter of IFRS to retrospectively account for regulatory deferral account balances in accordance with its previous GAAP. The impact of this standard on the Company is that the account balances must be presented separately from all other account debit and credit balances on the statement of financial position, and any profit or loss related to these accounts must be reported below continuing operations.

(iii) The Company has adopted IAS 19, Employee Benefits, on January 1, 2014 and now accounts for its employee benefits as described in its accounting policies. Actuarial gains and loss have been accounted for in other comprehensive income, net of deferred tax and all other changes have been accounted for through retained earnings.

(c) *Statement of income, for the year ended December 31, 2014:*

	As previously reported \$	Effects of transition \$	As restated \$
Revenue (iv)	84,857,427	315,778	85,173,205
Other revenue (v)	1,271,768	(240,149)	1,031,619
Cost of power purchased and expenses (vi)	(82,046,937)	(138,818)	(82,185,755)
Provision for income taxes (vii)	(1,099,474)	(32,090)	(1,131,564)
Income before net movement in regulatory accounts	2,982,784	(95,279)	2,887,505
Net movement in regulatory accounts	-	203,444	203,444
Net income	2,982,784	108,165	3,090,949

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING, continued

(iv) The change in revenue is the result reclassifying contributed capital from amortization and net movement in regulatory accounts.

(v) The change in other revenue is the result of the reclassifying interest income from other revenue to finance income.

(vi) The change in cost of power purchased and expenses is the result of reclassifying interest expense to finance costs and decreased amortization expense as a result of contributed capital recognized in other revenue.

(vii) The change in the provision for income taxes was a result of the change in the employee future benefit balance and the resulting deferred income tax effect.

6. SHORT-TERM INVESTMENTS

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Money market accounts	3,410,393	3,389,515	3,349,379

Included in finance income (note 22) is a loss on investments of \$26,029 (2014 - \$32,231 gain).

7. INVENTORIES

Inventory recognized in cost of sales during the year amounted to \$74,739 (2014 - \$80,034).

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

8. PROPERTY, PLANT AND EQUIPMENT

	Land and building \$	Distribution equipment \$	Transportation equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2015	4,553,630	74,391,365	1,170,368	1,022,874	81,138,237
Additions	1,667,783	12,765,391	35,831	151,121	14,620,126
Disposals	(105,109)	(230,448)	(32,310)	(341)	(368,208)
At December 31, 2015	6,116,304	86,926,308	1,173,889	1,173,654	95,390,155
Amortization					
At January 1, 2015	8,901	2,626,688	118,010	402,721	3,156,320
Additions	9,084	2,748,106	293,420	185,165	3,235,775
Disposals	-	(47,834)	(32,310)	(341)	(80,485)
At December 31, 2015	17,985	5,326,960	379,120	587,545	6,311,610
Net book amount at December 31, 2015	6,098,319	81,599,348	794,769	586,109	89,078,545
	Land and building \$	Distribution equipment \$	Transportation equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2014, Restated (note 5)	4,424,798	70,345,143	1,027,045	806,382	76,603,368
Additions	128,832	4,094,475	143,323	216,492	4,583,122
Disposals	-	(48,253)	-	-	(48,253)
At December 31, 2014, Restated (note 5)	4,553,630	74,391,365	1,170,368	1,022,874	81,138,237
Amortization					
Additions	8,901	2,626,688	118,010	402,721	3,156,320
At December 31, 2014, Restated (note 5)	8,901	2,626,688	118,010	402,721	3,156,320
Net book amount at December 31, 2014, Restated (note 5)	4,544,729	71,764,677	1,052,358	620,153	77,981,917

Included in land and building is land with a cost of \$5,906,811 (2014 - \$4,344,137).

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. **INTANGIBLES**

	Cost \$	Accumulated amortization \$	December 31, 2015 Net book value \$
Land rights	400,358	31,459	368,899
Computer software	614,424	437,885	176,539
	1,014,782	469,344	545,438

	Cost Restated (note 5) \$	Accumulated amortization Restated (note 5) \$	December 31, 2014 Net book value \$
Land rights	400,358	15,730	384,628
Computer software	548,189	223,366	324,823
	948,547	239,096	709,451

	Cost Restated (note 5) \$	Accumulated amortization Restated (note 5) \$	January 1, 2014 Net book value \$
Land rights	400,358	-	400,358
Computer software	534,898	-	534,898
	935,256	-	935,256

During the year, additions of \$66,235 (2014 - \$13,291) and amortization of \$230,248 (2014 - \$239,096) were noted.

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. **INCOME TAXES**

(a) The components of deferred income tax balances are as follows:

	2015	2014 Restated (note 5)
	\$	\$
Deferred income tax assets:		
Tax basis of equipment in excess of carrying amount	3,008,948	2,993,853
Reserves deductible when paid	215,477	219,978
Cumulative eligible capital available for tax purposes	233,973	251,000
Timing difference - revenue recognition	121,308	121,308
	3,579,706	3,586,139

(b) 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 26.5% (2014 - 26.5%) to the income for the years as follows:

	2015	2014 Restated (note 5)
	\$	\$
Income for the year before income taxes	5,827,000	4,019,000
Net movement in regulatory deferral accounts	(1,367,423)	203,444
	4,459,577	4,222,444
Anticipated income tax	1,182,000	1,119,000
Tax effect of the following:		
Permanent expense differences	4,000	12,000
Dividend refund	(30,500)	-
Impact of tax rate change and other	(10,139)	564
Provision for income taxes	1,145,361	1,131,564

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

10. **INCOME TAXES, continued**

	Opening balance at January 1, 2015, Restated (note 5) \$	Recognize in net income \$	Closing balance at December 31, 2015 \$
Deferred tax assets			
Property, plant and equipment	3,244,853	(1,932)	3,242,921
Employee future benefits	219,978	(4,501)	215,477
Timing difference - revenue recognition	121,308	-	121,308
	3,586,139	(6,433)	3,579,706
	Opening balance at January 1, 2014, Restated (note 5) \$	Recognize in net income \$	Closing balance at December 31, 2014, Restated (note 5) \$
Deferred tax assets			
Property, plant and equipment	3,221,000	23,853	3,244,853
Employee future benefits	279,000	(59,022)	219,978
Timing difference - revenue recognition	-	121,308	121,308
	3,500,000	86,139	3,586,139
	December 31, 2015 \$	December 31, 2014 Restated (note 5) \$	January 1, 2014 Restated (note 5) \$
Deferred tax assets to be recovered after more than 12 months	3,579,706	3,586,139	3,500,000

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

11. 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, 2014, Restated (note 5) \$	Net balances arising/ recovered in the period \$	December 31, 2015 \$
Regulatory deferral account debit					
Settlement variances	i	A	1,577,301	1,383,346	2,960,647
Carrying charges	ii	1-2	174,293	251,193	425,486
Deferred tax	iii	A	186,969	141,069	328,038
Stranded meters	iv	A	252,789	(50,552)	202,237
			2,191,352	1,725,056	3,916,408

	Note	Remaining recovery/ reversal period (years)	December 31, 2014, Restated (note 5) \$	Net balances arising/ recovered in the period \$	December 31, 2015 \$
Regulatory deferral account credit					
Settlement variances	i	A	926,390	2,214,935	3,141,325
Change in asset useful lives	iv	A	577,386	(28,943)	548,443
Recovery and disposal	ii	1-2	1,249,470	(463,248)	786,222
IFRS conversion	v	A	4,593,346	1,369,735	5,963,081
			7,346,592	3,092,479	10,439,071

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

11. REGULATORY DEFERRAL ACCOUNTS, continued

(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 five years.

(i) Power purchased for resale and retail settlement and others represent the difference between the amount paid by the Company to the Independent Electricity System Operator ("IESO") for the cost of energy and the amount billed by the Company to its customers as energy sales, and related carrying costs. These amounts are recorded on the statement of financial position until their disposition is decided by the Ontario Energy Board through a rate filing process.

(ii) Recovery accounts are items approved for settlement which consists of various deferred amounts in connection with global adjustment dispositions, and other amounts approved by the OEB. Costs incurred with respect to these various activities are included in rate recoveries effective until 2016.

Pursuant to The Ontario Energy Board Decision on EB 2011-0184 the Company has returned charges related to Payments in Lieu of Taxes. These charges were collected from 2002 to 2006. The remaining balance of \$37,000 (2014 - \$110,000) will be repaid through the next cost of service filing.

(iii) This account is used to record the variances arising from low voltage transactions which are not part of the electricity wholesale market. The account is used to record the net of the amount charged by a host distributor to an embedded distributor for transmission or low voltage services and the amount billed to the embedded distributor's customers based on the embedded distributor's approved rates.

(iv) Included in other is the Smart Meter variance account which represents the estimated net payable value of smart meter monies advanced before these assets were transferred into the rate base of the Company in 2010.

Also included in other is retail cost variance accounts. These accounts are used to record the revenue derived, including accruals from establishing service agreements, distributor-consolidated billing, retailer-consolidated billing, service transaction request services and charged by the distributor, in the form of a request fee, processing fee, information request fee, default fee, and other associated costs.

(v) In 2012, the Company adjusted the estimated useful life related to the amortization period for certain capital assets, based upon the Ontario Energy's Board 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 \$5,963,081 (2014 - \$4,593,346) and a reduction in service revenue of \$1,336,735 in 2015 (2014 - \$1,473,041).

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

12. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Accounts payable - purchased power	6,342,320	6,821,030	5,199,490
Other trade accounts payable and accrued liabilities	1,793,110	2,843,268	3,685,979
Water and sewer billings payable (note 17)	1,890,178	1,941,311	1,704,054
Credits on customer accounts	1,220,670	1,365,229	901,976
Independent Electric System Operator	-	-	75,198
Ontario Power Authority program	10,622	102,166	517,038
	11,256,900	13,073,004	12,083,735

13. **LONG-TERM DEBT**

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Note payable, 5.48% - Town of Newmarket (a)	22,000,000	22,000,000	22,000,000
Note payable, 5.48% - Township of Tay (a)	1,742,821	1,742,821	1,742,821
Committed term facility, 3.07%. (b)	1,000,000	1,000,000	1,000,000
Bank loan payable, 2.44% fixed rate, payable in blended monthly payments of \$65,742 (c)	7,000,000	-	-
	31,742,821	24,742,821	24,742,821
Less principal payments due within one year	1,625,745	1,000,000	-
Due beyond one year	30,117,076	23,742,821	24,742,821

Estimated principal repayments are as follows:

	\$
2016	1,625,745
2017	641,184
2018	657,006
2019	673,217
2020	4,402,848
Unspecified (a)	23,742,821
	31,742,821

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13. LONG-TERM DEBT, continued

(a) 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 consolidated financial statements.

(b) The committed term facility was drawn for the purpose of the purchase of smart meters. The Company is required to make monthly interest payments only with 100% of the remaining balance due December 31, 2015. This balance was paid in January 2016 and therefore is still accounted for as a current liability as at December 31, 2015. At December 31, 2015, the Company was in compliance with all covenants. A general security agreement covering all assets of the Company and assignment of business/liability insurance has been pledged as security for the committed term facility.

(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. To reduce exposure to interest rate fluctuations, the Company has entered into an interest rate swap where they pay a fixed interest rate over of the term of the loan.

14. 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).

Upon commissioning of the Expansion Facilities and upon payment by the developer of all fees associated with the installation, inspection, testing and commissioning of work done by the Company, the Company may reduce the deposit to 10% of financial guarantee. The remaining letter of credit will be held for a two year period to cover any defects arising from the work done by the developer and its contractor.

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Customer deposits	2,697,240	2,717,399	2,754,067
Construction deposits	492,024	245,255	546,740
	3,189,264	2,962,654	3,300,807

NEWMARKET HYDRO HOLDINGS INC.
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15. CONTRIBUTED CAPITAL

	December 31, 2015 \$	December 31, 2014 Restated, (note 5) \$
Deferred contributions, net, beginning of year	23,553,032	22,250,508
Contributed capital received	1,826,732	1,821,746
Contributed capital recognized as revenue	(558,247)	(519,222)
Deferred contributions, net, end of year	24,821,517	23,553,032

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, 2014.

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

	2015 \$	2014 Restated (noted 5) \$
Accrued benefit obligation, beginning of year	830,105	1,016,846
Current service cost	30,327	29,161
Interest expense	32,221	38,794
Benefits paid	(49,167)	(44,240)
	843,486	1,040,561
Actuarial loss	(30,369)	(210,456)
Accrued benefit obligation, end of year	813,117	830,105

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16. EMPLOYEE FUTURE BENEFITS, continued

Current service costs and interest on accrued benefit obligation are recognized in the statement of income. Actuarial gains (loss) arising from changes in financial assumptions are accounted for in other comprehensive income. The total benefit costs (recoveries) for the year is \$32,179 (2014 - \$(142,502)).

The actuarial assumptions used in the valuation are the consumer price index at 2% (2014 - 2.5%), discount rate of 4.3% (2014 - 4.0%), salary increase rate of 2.5% (2014 - 3.3%), cost trend including health benefits of 6.5% (2014 - 7.47%) and dental benefits 4.5% (2014 - 4.8%) and retirement age of 61 (2014 - 60). The health benefits are expected to decrease at 0.25% per year until 2023 when it reaches 4.50% and dental benefits will remain at 4.50% to 2023.

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

	Reasonable possible change \$	Defined benefit obligation Change \$	Current service costs change \$	Interest cost change \$
Discount rate	+1%	(106,000)	(5,000)	3,000
Discount rate	-1%	137,000	5,000	(4,000)
Retirement age	62	(75,000)	(6,000)	(3,000)
Retirement age	60	74,000	5,000	3,000
Cost trends	+1%	34,000	3,000	2,000
Cost trends	-1%	(31,000)	(4,000)	(1,000)

17. RELATED PARTY TRANSACTIONS AND ADVANCES FROM PARENT COMPANY

- (a) During the year, 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 12) 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 long term debt (note 13) are notes payable to related parties.

NEWMARKET HYDRO HOLDINGS INC.
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17. RELATED PARTY TRANSACTIONS, continued

(b) Transactions

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

	2015 \$	2014 \$
Revenue		
Energy sales	3,410,483	3,596,417
Services - street light capital	96,827	57,765
Services - street light maintenance	245,491	267,809
	3,752,801	3,921,991
Expenses		
Interest	1,205,600	1,205,600
Rent and property tax	377,439	375,601
	1,583,039	1,581,201

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

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Accounts receivable	289,015	380,484	333,155

The key management personnel of the Company has been defined as members of its board of directors and supervisory personnel. The compensation is comprised of director's fees, management salaries and wages, short-term employee benefits and post employment benefits totaling \$2,243,793 (2014 - \$2,399,308).

NEWMARKET HYDRO HOLDINGS INC.
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18. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
10,000 common shares	29,609,342	29,609,342	29,609,342

19. NON-CONTROLLING INTEREST

The changes in non-controlling interest consist of:

	2015 \$	2014 Restated (note 5) \$
Non controlling interest, beginning of year	3,109,976	2,990,276
Income	226,564	209,872
Dividends paid	(101,000)	(101,000)
Other comprehensive income	1,562	10,828
Non-controlling interest, end of year	3,237,102	3,109,976

20. OTHER INCOME

Other income consists of the following:

	2015 \$	2014 Restated (note 5) \$
Account set up fees	111,852	110,266
Pole rentals	140,256	140,309
Collection charges	271,672	258,428
Administration charges	125,330	124,352
Conservation demand management (net)	618	243,679
Other	208,115	154,585
Operating income	857,843	1,031,619

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

21. OPERATING EXPENSES

Operating expenses consist of the following:

	2015	2014
	\$	\$
Wages and benefits	4,648,063	4,818,973
Materials, equipment and other operating expenses	1,951,290	2,280,865
Administration and overhead	942,538	944,672
Operating expenses	7,541,891	8,044,510

22. FINANCE INCOME AND FINANCE COSTS

Finance income recognized in profit or loss consists of the following:

	2015	2014
	\$	\$
Interest income on receivables	262,354	240,149
Income on short-term investments	161,761	187,206
	424,115	427,355

Finance costs recognized in profit or loss consists of the following:

	2015	2014
	\$	\$
Interest on long-term debt	1,367,628	1,352,395
Customer deposit interest	24,551	32,680
	1,392,179	1,385,075

NEWMARKET HYDRO HOLDINGS INC.
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23. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2015	2014 Restated (note 5)
	\$	\$
Increase in short-term investments	(20,878)	(40,136)
Decrease (increase) in accounts receivable	548,393	(360,623)
Increase in unbilled revenue	(522,559)	(1,944,436)
Decrease (increase) in inventories	188,329	(492,738)
Increase in prepaid expenses	(43,399)	(72,806)
Increase (decrease) in accounts payable and accrued liabilities	(1,816,104)	989,269
Increase (decrease) in deposits held	226,610	(338,153)
Interest received	424,115	427,355
Taxes paid	(1,833,600)	(1,834,912)
Taxes received	1,116,892	-
	(1,732,201)	(3,667,180)

24. SHORT TERM CREDIT FACILITIES

The Company has \$4,000,000 available in operating facilities from a major chartered bank. The facilities are 364 day revolving operating loan, bearing interest at prime plus 0.5%, 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 the report date, the Company has no balance outstanding (2014 - Nil) on this facility. The operating loan includes restrictive clauses with respect to repayment.

The Company has provided prudential support in the amount of \$2,765,940 to the Independent Electricity System Operator. The prudential support is secured by a letter of credit with a major chartered bank for \$2,765,940, 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, 2015, the Company was in compliance with all covenants.

NEWMARKET HYDRO HOLDINGS INC.
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25. 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 \$430,916 (2014 - \$430,840).

26. 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.

27. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash, investments, accounts receivable and unbilled revenue which will result in future cash receipts, as well as accounts payable and accrued liabilities, deposits held, accounts payable and accruals, note payable 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 arrangements to manage the impact of fluctuating interest rates on bank loan payable. The fair value of the swap is considered a level 2 fair value as the inputs are not quoted in an active market, however, there is still observable market data. The swap require the periodic exchange of interest payments without the exchange of the notional principal amount on which the payments are based (notes 13 and 17).

NEWMARKET HYDRO HOLDINGS INC.
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27. FINANCIAL INSTRUMENTS, continued

(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, 2015 is \$223,619 (2014 - \$215,429). The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The Company has approximately 27,000 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, 2015, the Company holds security deposits in the amount of \$3,189,264 (2014 - \$2,962,654). 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.

(c) *Market risk*

The securities held as short term investments exposes the Company to market risk due to the potential for changes in market prices.

(d) *Liquidity risk*

The Company does have a liquidity risk in the accounts payable and accrued liabilities of \$11,256,900 (2014 - \$13,073,004). 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	11,256,900	-	-
Deposits held	106,250	318,750	2,764,264
Long term debt	1,155,009	470,736	30,117,076
Employee future benefits	-	-	813,117
	12,518,159	789,486	33,694,457

NEWMARKET HYDRO HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

28. COMMITMENT

The Company has an operating lease agreement with the Town of Newmarket, expiring December 31, 2017 for the rental of the building. Minimum lease payments over the term of the lease are as follows;

	\$
2016	275,000
2017	275,000
	<u>550,000</u>

29. 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.

FINANCIAL STATEMENTS OF

NEWMARKET-TAY POWER DISTRIBUTION LTD.

December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Newmarket-Tay Power Distribution Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Newmarket-Tay Power Distribution Ltd., which comprise the statement of financial position as at December 31, 2015, December 31, 2014 and January 1, 2014, and the statements of changes in equity and accumulated other comprehensive income, income, comprehensive income and cash flows for the years ended December 31, 2015 and December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Newmarket-Tay Power Distribution Ltd. as at December 31, 2015, December 31, 2014 and January 1, 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and December 31, 2014 in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT, continued*Comparative Information*

Without modifying our opinion, we draw attention to note 4 to the financial statements which describes that Newmarket-Tay Power Distribution Ltd. adopted International Financial Reporting Standards on January 1, 2015 with a transition date of January 1, 2014. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2014 and January 1, 2014, and the statements of changes in equity and accumulated other comprehensive income, income, comprehensive income and cash flows for the year ended December 31, 2014 and related disclosures.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 18, 2016

NEWMARKET-TAY POWER DISTRIBUTION LTD.**STATEMENT OF FINANCIAL POSITION****As at December 31, 2015**

	December 31, 2015	December 31, 2014 Restated (note 4)	January 1, 2014 Restated (note 4)
	\$	\$	\$
ASSETS			
Current assets			
Cash	6,720,248	7,357,053	8,697,037
Short-term investments (note 5)	3,410,393	3,389,515	3,349,379
Accounts receivable	9,206,702	9,755,213	9,394,591
Unbilled revenue	12,286,784	11,764,225	9,819,789
Inventories (note 6)	1,113,359	1,301,688	808,950
Prepaid expenses	492,351	448,952	376,146
Income taxes receivable	691,360	900,312	350,000
	33,921,197	34,916,958	32,795,892
Other assets			
Property, plant and equipment (note 7)	89,075,766	77,979,138	76,600,589
Intangible assets (note 8)	545,438	709,451	935,256
Deferred income taxes (note 9)	3,579,706	3,586,139	3,500,000
	93,200,910	82,274,728	81,035,845
	127,122,107	117,191,686	113,831,737
Regulatory deferral account debit balances (note 10)	3,916,408	2,191,352	1,833,086
	131,038,515	119,383,038	115,664,823

The accompanying notes are an integral part of these financial statements

NEWMARKET-TAY POWER DISTRIBUTION LTD.**STATEMENT OF FINANCIAL POSITION****As at December 31, 2015**

	December 31, 2015	December 31, 2014 Restated (note 4)	January 1, 2014 Restated (note 4)
	\$	\$	\$
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities (note 11)	11,247,160	13,063,265	12,073,996
Current portion of long-term debt (note 12)	1,625,745	1,000,000	-
Current portion of deposits held (note 13)	425,000	425,000	425,000
	13,297,905	14,488,265	12,498,996
Long-term liabilities			
Long-term debt (note 12)	30,117,076	23,742,821	24,742,821
Contributed capital (note 14)	24,821,517	23,553,032	22,250,508
Deposits held (note 13)	2,764,264	2,537,654	2,875,807
Employee future benefits (note 15)	813,117	830,105	1,016,846
Advances from parent company (note 16)	2,473,010	2,393,957	2,313,323
	60,988,984	53,057,569	53,199,305
Shareholders' equity			
Share capital (note 17)	27,140,206	27,140,206	27,140,206
Retained earnings	18,995,343	17,195,721	15,634,546
Accumulated other comprehensive income	177,006	154,685	-
	46,312,555	44,490,612	42,774,752
	120,599,444	112,036,446	108,473,053
Regulatory deferral account credit balances (note 10)	10,439,071	7,346,592	7,191,770
	131,038,515	119,383,038	115,664,823

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, 2015

	Share capital \$	Retained earnings \$	Accumulated other comprehensive income \$	Total \$
Balance, January 1, 2014	27,140,206	15,634,546	-	42,774,752
Net income for the year	-	2,998,175	-	2,998,175
Other comprehensive income	-	-	154,685	154,685
Dividends paid	-	(1,437,000)	-	(1,437,000)
Balance, December 31, 2014	27,140,206	17,195,721	154,685	44,490,612
Net income for the year	-	3,236,622	-	3,236,622
Other comprehensive income	-	-	22,321	22,321
Dividends paid	-	(1,437,000)	-	(1,437,000)
Balance, December 31, 2015	27,140,206	18,995,343	177,006	46,312,555

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, 2015

	2015	2014 Restated (note 4)
	\$	\$
Revenue		
Distribution revenue	15,020,342	15,104,369
Cost of power revenue	73,793,907	69,549,614
Contributed capital	558,247	519,222
	89,372,496	85,173,205
Cost of power purchased	72,426,484	69,753,058
Gross profit	16,946,012	15,420,147
Other income (note 18)	857,843	1,031,619
Gross income from operations	17,803,855	16,451,766
Expenses		
Amortization	3,466,023	3,395,416
Operating expenses (note 19)	7,538,124	8,040,746
Loss on disposal of property, plant and equipment	1,159	35,051
	11,005,306	11,471,213
Income before undernoted items and income taxes	6,798,549	4,980,553
Finance income (note 20)	(424,115)	(427,355)
Finance costs (note 20)	1,511,594	1,504,087
Income before income taxes and net movement in regulatory deferral accounts	5,711,070	3,903,821
Provision for (recovery of) income taxes (note 9)		
Current	1,108,640	1,251,000
Deferred	(1,615)	(141,910)
	1,107,025	1,109,090
Income before net movement in regulatory deferral accounts	4,604,045	2,794,731
Net movement in regulatory deferral accounts	1,367,423	(203,444)
Net income for the year	3,236,622	2,998,175

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, 2015**

	2015	2014 Restated (note 4)
	\$	\$
Net income for the year	3,236,622	2,998,175
Comprehensive income		
Actuarial gain, not reclassified to profit or loss	30,369	210,456
Actuarial gain, deferred income tax	(8,048)	(55,771)
Comprehensive income	22,321	154,685
Net income and Comprehensive income for the year	3,258,943	3,152,860

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, 2015**

	2015	2014 Restated (note 4)
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Net income for the year	3,236,622	2,998,175
Items not affecting cash		
Amortization of property, plant and equipment	3,235,775	3,156,320
Amortization of intangible asset	230,248	239,096
Deferred income taxes	(1,615)	(141,910)
Loss on disposal of property, plant and equipment	1,159	35,051
Employee future benefits	13,381	23,715
Current income tax	1,108,640	1,251,000
Net finance costs	1,087,479	1,076,733
Recognition of contributed capital	(558,247)	(519,222)
	8,353,442	8,118,958
Change in non-cash working capital items (note 21)	(1,915,064)	(3,633,580)
	6,438,378	4,485,378
Investing activities		
Purchase of property, plant and equipment	(14,620,126)	(4,583,122)
Proceeds on disposal of property, plant and equipment	286,564	13,202
Purchase of intangible assets	(66,235)	(13,291)
Regulatory deferral accounts	1,367,423	(203,444)
Proceeds of contributed capital	1,826,732	1,821,746
	(11,205,642)	(2,964,909)
Financing activities		
Proceeds of long-term debt	7,000,000	-
Advances from parent company	79,053	80,634
Interest paid	(1,511,594)	(1,504,087)
Dividends paid	(1,437,000)	(1,437,000)
	4,130,459	(2,860,453)
Decrease in cash	(636,805)	(1,339,984)
Cash - beginning of year	7,357,053	8,697,037
Cash - end of year	6,720,248	7,357,053

The accompanying notes are an integral part of these financial statements

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****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. 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 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"). These are the Company's first annual financial statements prepared in accordance with IFRS. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 4.

The financial statements for the year ended December 31, 2015 (including comparatives) were approved and authorized for issue by the board of directors on April 26, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant 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 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:

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****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 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, 2015 and December 31, 2014 are disclosed in note 10.

(c) Revenue recognition

Service revenue is measured based on the OEB approved rate and the meter readings for customer usage, net of sales tax and debt retirement charge. Service 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 is recorded on the basis of the power billed by the Independent Electricity System Operator.

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. Such contributions, whether in cash or in-kind, are recognized as contributions in aid of construction and amortized into income over the life of the related assets. Contributions in aid of construction in-kind are valued at their fair value at the date of their contribution.

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 operating revenue is recorded when services are provided.

(d) Cash

Cash consists of balances with financial institutions.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****3. SIGNIFICANT ACCOUNTING POLICIES, continued***(e) Short-term investments*

Investments are recorded at fair value. Unrealized gains and losses as a result of fair value adjustments at year end are included in finance income for the year.

(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 as follows:

Building	25 to 30 years
Distribution equipment	10 to 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.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****3. SIGNIFICANT ACCOUNTING POLICIES, continued***(h) Intangible assets*

Intangible assets include computer software and land rights. 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	3-5 years straight-line
Land rights	30 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.

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.

(i) Contributed capital

Contributions for capital construction consist of third party and related party contributions toward the cost of constructing distribution assets. The contributions are calculated through an economic evaluation as per the OEB Distribution Service Code. Contributed capital amounts are recorded as received and amortized over the same period as the asset to which they relate being 30 to 50 years.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****3. 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.

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 16.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****3. 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 benefit 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 valuation performed was as at December 31, 2014. 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 15.

(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 future income taxes. Additional details related to the calculation and method of accounting for PILS is included in note 9.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****3. 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:

Unbilled revenue - The measurement of unbilled revenue is based on an estimate of the amount of electricity delivered to customers between the date of the last bill and the end of the year.

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 historical loss experience of account balances based on the aging and arrears status of accounts receivable balances.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****3. SIGNIFICANT ACCOUNTING POLICIES, continued***(o) Provisions*

A provision is recognized in the balance sheet 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.

(p) Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. Transactions to purchase or sell these items are recorded on the trade date. During the year, there has been no reclassification of financial instruments.

Financial liabilities measured at fair value through profit or loss

Derivative financial instruments in the form of interest rate swap contracts are used to manage exposure to fluctuations in interest rates on the Company's long-term debt. The contracts are not designated as hedges, and therefore any gain or loss, is measured through profit or loss.

Loans and receivables

The Company has classified cash, short-term investments, accounts receivable and unbilled revenue as loans and receivables.

Loans and receivables are subsequently measured at their amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, plus or minus any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in total comprehensive income upon de-recognition or impairment.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****3. SIGNIFICANT ACCOUNTING POLICIES, continued***(p) Financial instruments, continued**Financial liabilities measured at amortized cost*

The Company has classified accounts payable and accrued liabilities, long-term debt, advances from parent company and deposits held as financial liabilities measured at amortized cost.

Financial liabilities measured at amortized cost are measured at their amortized cost subsequent to initial recognition. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in total comprehensive income upon de-recognition or impairment.

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

The following pronouncements issued by the IASB will become effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted.

IFRS 14 Regulatory Deferral Accounts, an interim standard, permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with previous GAAP requirements when they adopt IFRS, with the effect of rate regulation presented separately from other items. The Company has early adopted this IFRS and such continues to recognize rate regulated activities.

IAS 1 Presentation of Financial Statements: Amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements.

The following pronouncement issued by the IASB will become effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 9 - Financial Instruments addresses the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The new standard also requires a single impairment method to be used. Additionally, a new hedge accounting model that will allow entities to better reflect their risk management activities has been included in the standard.

IFRS 15 Revenue from Contracts with Customers is a new standard issued by the IASB. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The Company has not yet completed its evaluations of the effect of adopting IAS 1, IFRS 9 or IFRS 15 and the impact it may have on its consolidated financial statements.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****4. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING**

These are the Company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended December 31, 2015, the comparative information presented for the year ended December 31, 2014 and the opening IFRS Statement of Financial Position as at January 1, 2014 (the Company's date of transition).

IFRS 1 sets out the procedures that the Company must follow when it adopts IFRS for the first time as the basis for preparing its financial statements. The Company is, in general, required to apply these policies retrospectively to determine the IFRS opening Statement of Financial Position as at its date of transition, January 1, 2014.

In preparing its opening IFRS Statement of Financial Position, the Company has adjusted amounts reported previously in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and performance is set out in the following tables and notes.

IFRS 1 also provides a number of exemptions to the retrospective restatement of the opening Statement of Financial Position. The Company has applied the following exemptions in its transition from Canadian GAAP to IFRS:

Deemed cost

IFRS 1 provides an optional exemption for a first-time adopter with rate-regulated activities to use the carrying amount of PP&E as deemed cost on transition date when the carrying amount includes costs that do not qualify for capitalization in accordance with IFRS. The Company elected this exemption and used the carrying amount of the PP&E under Canadian GAAP as deemed cost on transition date.

Business combinations

IFRS 1 provides an optional exemption whereby a first-time adopter may elect not to apply IFRS retrospectively to business combinations that occurred prior to the date of transition. The Company elected this exemption and did not restate business combinations that occurred prior to the date of transition.

Employee benefits

The Company has elected, under IFRS 1, to recognize all cumulative actuarial gains and losses that were previously deferred under Canadian GAAP through opening retained earnings at the date of transition for all of its employee benefit plans.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2015

4. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING, continued*(a) Opening statement of financial position at January 1, 2014:*

	As previously reported \$	Effects of transition \$	As restated \$
ASSETS			
Property, plant and equipment (i)	55,285,337	21,315,252	76,600,589
Intangible assets (ii)	-	935,256	935,256
Regulatory assets (ii)	-	1,833,086	1,833,086
LIABILITIES AND SHAREHOLDERS' EQUITY			
Contributed capital (i)	-	22,250,508	22,250,508
Regulatory liabilities (ii)	5,358,684	1,833,086	7,191,770
Employee future benefits (iii)	1,107,432	(90,586)	1,016,846
Shareholders' equity			
Retained earnings (iii)	15,543,960	90,586	15,634,546
	22,010,076	24,083,594	46,093,670

(b) Statement of financial position at December 31, 2014:

	As previously reported \$	Effects of transition \$	As restated \$
ASSETS			
Property, plant and equipment (i)	55,135,557	22,843,581	77,979,138
Intangible assets (i)	-	709,451	709,451
Regulatory assets (ii)	-	2,191,352	2,191,352
Deferred income tax (iii)	3,674,000	(87,861)	3,586,139
LIABILITIES AND SHAREHOLDERS' EQUITY			
Contributed capital (i)	-	23,553,032	23,553,032
Regulatory liabilities (ii)	5,155,240	2,191,352	7,346,592
Employee future benefits (iii)	1,162,477	(332,372)	830,105
Shareholders' equity			
Retained earnings (iii)	17,105,895	89,826	17,195,721
Other comprehensive income (iii)	-	154,685	154,685
	17,105,895	244,511	17,350,406
	23,423,612	25,656,523	49,080,135

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****4. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING, continued**

(i) Increase in property, plant and equipment (PP&E) is the result of reclassifying intangible assets and contributed capital to their own lines on the statement of financial position.

Under IFRS, intangible assets are accounted for separately from PP&E with no change to the cost or amortization expense and contributed capital is accounted for separately from PP&E, with the amortization being shown as revenue, not netted against the amortization expense. The impact of showing contributed capital in accordance with IFRS is an increase in assets, liabilities and revenue and a decrease in amortization expense.

(ii) IFRS 14 permits a first-time adopter of IFRS to retrospectively account for regulatory deferral account balances in accordance with its previous GAAP. The impact of this standard on the Company is that the account balances must be presented separately from all other account debit and credit balances on the statement of financial position, and any profit or loss related to these accounts must be reported below continuing operations.

(iii) The Company has adopted IAS 19, Employee Benefits, on January 1, 2014 and now accounts for its employee benefits as described in its accounting policies. Actuarial gains and loss have been accounted for in other comprehensive income, net of deferred tax and all other changes have been accounted for through retained earnings.

(c) *Statement of income, for the year ended December 31, 2014:*

	As previously reported \$	Effects of transition \$	As restated \$
Revenue (iv)	84,857,427	315,778	85,173,205
Other revenue (v)	1,271,768	(240,149)	1,031,619
Cost of power purchased and expenses (vi)	(82,053,260)	(247,743)	(82,301,003)
Provision for income taxes (vii)	(1,077,000)	(32,090)	(1,109,090)
Income before net movement in regulatory accounts	2,998,935	(204,204)	2,794,731
Net movement in regulatory accounts	-	203,444	203,444
Net income	2,998,935	(760)	2,998,175

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****4. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING, continued**

(iv) The change in revenue is the result reclassifying contributed capital from amortization and net movement in regulatory accounts.

(v) The change in other revenue is the result of the reclassifying interest income from other revenue to finance income.

(vi) The change in cost of power purchased and expenses is the result of reclassifying interest expense to finance costs and decreased amortization expense as a result of contributed capital recognized in other revenue.

(vii) The change in the provision for income taxes was a result of the change in the employee future benefit balance and the resulting deferred income tax effect.

5. SHORT-TERM INVESTMENTS

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Money market accounts	3,410,393	3,389,515	3,349,379

Included in finance income (note 20) is a loss on investments of \$26,029 (2014 - \$32,231 gain).

6. INVENTORIES

Inventory recognized in cost of sales during the year amounted to \$74,739 (2014 - \$80,034).

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****7. PROPERTY, PLANT AND EQUIPMENT**

	Land and building \$	Distribution equipment \$	Transportation equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2015	4,550,851	74,391,365	1,170,368	1,022,874	81,135,458
Additions	1,667,783	12,765,391	35,831	151,121	14,620,126
Disposals	(105,109)	(230,448)	(32,310)	(341)	(368,208)
At December 31, 2015	6,113,525	86,926,308	1,173,889	1,173,654	95,387,376
Amortization					
At January 1, 2015	8,901	2,626,688	233,074	287,657	3,156,320
Additions	9,084	2,748,106	178,356	300,229	3,235,775
Disposals	-	(47,834)	(32,310)	(341)	(80,485)
At December 31, 2015	17,985	5,326,960	379,120	587,545	6,311,610
Net book amount at December 31, 2015	6,095,540	81,599,348	794,769	586,109	89,075,766
	Land and building \$	Distribution equipment \$	Transportation equipment \$	Office and other \$	Total \$
Cost					
At January 1, 2014, restated (note 4)	4,422,019	70,345,143	1,027,045	806,382	76,600,589
Additions	128,832	4,094,475	143,323	216,492	4,583,122
Disposals	-	(48,253)	-	-	(48,253)
At December 31, 2014, restated (note 4)	4,550,851	74,391,365	1,170,368	1,022,874	81,135,458
Amortization					
Additions	8,901	2,626,688	233,074	287,657	3,156,320
At December 31, 2014, restated (note 4)	8,901	2,626,688	233,074	287,657	3,156,320
Net book amount at December 31, 2014, restated (note 4)	4,541,950	71,764,677	937,294	735,217	77,979,138

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****8. INTANGIBLE ASSETS**

	Cost \$	Accumulated amortization \$	December 31, 2015 Net book value \$
Land rights	400,358	31,459	368,899
Computer software	614,424	437,885	176,539
	1,014,782	469,344	545,438
	Cost \$	Accumulated amortization \$	December 31, 2014 Net book value \$
Land rights	400,358	15,730	384,628
Computer software	548,189	223,366	324,823
	948,547	239,096	709,451
	Restated (note 4) \$	Accumulated amortization \$	January 1, 2014 Net book value \$
Land rights	400,358	-	400,358
Computer software	534,898	-	534,898
	935,256	-	935,256

During the year, additions of \$66,235 (2014 - \$13,291) and amortization of \$230,248 (2014 - \$239,096) were noted.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****9. INCOME TAXES**

(a) The components of deferred income tax balances are as follows:

	2015	2014 Restated (note 4)
	\$	\$
Deferred income tax asset		
Tax basis of equipment in excess of carrying amount	3,008,948	2,993,853
Reserves deductible when paid	215,477	219,978
Cumulative eligible capital available for tax purposes	233,973	251,000
Timing difference - revenue recognition	121,308	121,308
	3,579,706	3,586,139

(b) 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 26.5% (2014 - 26.5%) to the income for the years as follows:

	2015	2014 Restated (note 4)
	\$	\$
Income for the year before income taxes	5,711,000	3,904,000
Net movement in regulatory deferral accounts	(1,367,423)	203,444
	4,343,577	4,107,444
Anticipated income tax	1,151,000	1,088,000
Tax effect of the following:		
Permanent expense differences	4,000	12,000
Dividend refund	(30,500)	-
Impact of tax rate change and other	(17,475)	9,090
Provision for income taxes	1,107,025	1,109,090

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2015

9. INCOME TAXES, continued

	Opening balance at January 1, 2015, as restated (note 4) \$	Recognize in net income \$	Closing balance at December 31, 2015 \$
Deferred tax assets			
Property, plant and equipment	3,244,853	(1,932)	3,242,921
Employee future benefits	219,978	(4,501)	215,477
Timing difference - revenue recognition	121,308	-	121,308
	3,586,139	(6,433)	3,579,706
	Opening balance at January 1, 2014 \$	Recognize in net income \$	Closing balance at December 31, 2014, as restated (note 4) \$
Deferred tax assets			
Property, plant and equipment	3,221,000	23,853	3,244,853
Employee future benefits	279,000	(59,022)	219,978
Timing difference - revenue recognition	-	121,308	121,308
	3,500,000	86,139	3,586,139
	December 31, 2015 \$	December 31, 2014 Restated (note 4) \$	January 1, 2014 Restated (note 4) \$
Deferred tax assets to be recovered after more than 12 months	3,579,706	3,586,139	3,500,000

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2015

10. 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, 2014, as restated (note 4) \$	Net balances arising/ recovered in the period \$	December 31, 2015 \$
Regulatory deferral account debit					
Cost of power	i	A	1,577,301	1,383,346	2,960,647
Recovery account	ii	1-2	174,293	251,193	425,486
Low voltage	iii	A	186,969	141,069	328,038
Other	iv	A	252,789	(50,552)	202,237
			2,191,352	1,725,056	3,916,408

	Note	Remaining recovery/ reversal period (years)	December 31, 2014, as restated (note 4) \$	Net balances arising/ recovered in the period \$	December 31, 2015 \$
Regulatory deferral account credit					
Cost of power	i	A	926,390	2,214,935	3,141,325
Other	iv	A	577,386	(28,943)	548,443
Recovery account	ii	1-2	1,249,470	(463,248)	786,222
IFRS conversion	v	A	4,593,346	1,369,735	5,963,081
			7,346,592	3,092,479	10,439,071

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****10. REGULATORY DEFERRAL ACCOUNTS, continued**

(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 five years.

(i) Power purchased for resale and retail settlement and others represent the difference between the amount paid by the Company to the Independent Electricity System Operator ("IESO") for the cost of energy and the amount billed by the Company to its customers as energy sales, and related carrying costs. These amounts are recorded on the statement of financial position until their disposition is decided by the Ontario Energy Board through a rate filing process.

(ii) Recovery accounts are items approved for settlement which consists of various deferred amounts in connection with global adjustment dispositions, and other amounts approved by the OEB. Costs incurred with respect to these various activities are included in rate recoveries effective until 2016.

Pursuant to The Ontario Energy Board Decision on EB 2011-0184 the Company has returned charges related to Payments in Lieu of Taxes. These charges were collected from 2002 to 2006. The remaining balance of \$37,000 (2014 - \$110,000) will be repaid through the next cost of service filing.

(iii) This account is used to record the variances arising from low voltage transactions which are not part of the electricity wholesale market. The account is used to record the net of the amount charged by a host distributor to an embedded distributor for transmission or low voltage services and the amount billed to the embedded distributor's customers based on the embedded distributor's approved rates.

(iv) Included in other is the Smart Meter variance account which represents the estimated net payable value of smart meter monies advanced before these assets were transferred into the Rate Base of the Company in 2010.

Also included in other is retail cost variance accounts. These accounts are used to record the revenue derived, including accruals from establishing service agreements, distributor-consolidated billing, retailer-consolidated billing, Service Transaction Request services and charged by the distributor, in the form of a request fee, processing fee, information request fee, default fee, and other associated costs.

(v) In 2012, the Company adjusted the estimated useful life related to the amortization period for certain capital assets, based upon the Ontario Energy's Board 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 \$5,963,081 (2014 - \$4,593,346) and a reduction in service revenue of \$1,336,735 in 2015 (2014 - \$1,473,041).

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2015

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Accounts payable - purchased power	6,332,580	6,811,291	5,189,751
Other trade accounts payable and accrued liabilities	1,793,110	2,843,268	3,685,979
Water and sewer billings payable (note 16)	1,890,178	1,941,311	1,704,054
Credits on customer accounts	1,220,670	1,365,229	901,976
Independent Electric System Operator	-	-	75,198
Ontario Power Authority program	10,622	102,166	517,038
	11,247,160	13,063,265	12,073,996

12. LONG-TERM DEBT

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Note payable, 5.48% - Town of Newmarket	22,000,000	22,000,000	22,000,000
Note payable, 5.48% - Township of Tay	1,742,821	1,742,821	1,742,821
Committed term facility, 3.07%.	1,000,000	1,000,000	1,000,000
Bank loan payable, 2.44% fixed rate, payable in blended monthly payments of \$65,742	7,000,000	-	-
	31,742,821	24,742,821	24,742,821
Less principal payments due within one year	1,625,745	1,000,000	-
Due beyond one year	30,117,076	23,742,821	24,742,821
Estimated principal repayments are as follows:			\$
2016			1,625,745
2017			641,184
2018			657,006
2019			673,217
2020			4,402,848
Unspecified (A)			23,742,821
			31,742,821

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****12. LONG-TERM DEBT, continued**

(A) 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.

The committed term facility was drawn for the purpose of the purchase of smart meters. The Company is required to make monthly interest payments only with 100% of the remaining balance due December 31, 2015. This balance was paid in January 2016 and therefore is still accounted for as a current liability as at December 31, 2015. At December 31, 2015, the Company was in compliance with all covenants. A general security agreement covering all assets of the Company and assignment of business/liability insurance has been pledged as security for the committed term facility.

The bank loan payable is a 5 year term loan due December 10, 2020 with a payment due at maturity of \$3,771,150. To reduce exposure to interest rate fluctuations, the Company has entered into an interest rate swap where they pay a fixed interest rate over of the term of the loan.

13. 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).

Upon commissioning of the Expansion Facilities and upon payment by the developer of all fees associated with the installation, inspection, testing and commissioning of work done by the Company, the Company may reduce the deposit to 10% of financial guarantee. The remaining letter of credit will be held for a two year period to cover any defects arising from the work done by the developer and its contractor.

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Customer deposits	2,697,240	2,717,399	2,754,067
Construction deposits	492,024	245,255	546,740
	3,189,264	2,962,654	3,300,807

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****14. CONTRIBUTED CAPITAL**

	December 31, 2015	December 31, (restated, note 4)
	\$	\$
Deferred contributions, net, beginning of year	23,553,032	22,250,508
Contributed capital received	1,826,732	1,821,746
Contributed capital recognized as revenue	(558,247)	(519,222)
Deferred contributions, net, end of year	24,821,517	23,553,032

15. 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, 2014.

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

	2015 \$	2014 as restated (noted 4) \$
Accrued benefit obligation, beginning of period	830,105	1,016,846
Current service cost	30,327	29,161
Interest expense	32,221	38,794
Benefits paid	(49,167)	(44,240)
	843,486	1,040,561
Actuarial loss	(30,369)	(210,456)
	813,117	830,105

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****15. EMPLOYEE FUTURE BENEFITS, continued**

Current service costs and interest on accrued benefit obligation are recognized in the statement of income. Actuarial gains (loss) arising from changes in financial assumptions are accounted for in other comprehensive income. The total benefit costs for the year is \$32,179 (2014 - \$(142,502)).

The actuarial assumptions used in the valuation are the consumer price index at 2% (2014 - 2.5%), discount rate of 4.3% (2014 - 4.0%), salary increase rate of 2.5% (2014 - 3.3%), cost trend including health benefits of 6.5% (2014 - 7.47%) and dental benefits 4.5% (2014 - 4.8%) and retirement age of 61 (2014 - 60). The health benefits are expected to decrease at 0.25% per year until 2023 when it reaches 4.50% and dental benefits will remain at 4.50% to 2023.

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

	Reasonable possible change \$	Defined benefit obligation Change \$	Current service costs change \$	Interest cost change \$
Discount rate	+1%	(106,000)	(5,000)	3,000
Discount rate	-1%	137,000	5,000	(4,000)
Retirement age	62	(75,000)	(6,000)	(3,000)
Retirement age	60	74,000	5,000	3,000
Cost trends	+1%	34,000	3,000	2,000
Cost trends	-1%	(31,000)	(4,000)	(1,000)

16. RELATED PARTY TRANSACTIONS AND ADVANCES FROM PARENT COMPANY

- (a) During the year, 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 11) 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 long term debt (note 12) are notes payable to related parties.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****16. RELATED PARTY TRANSACTIONS, continued****(b) Transactions**

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

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Revenue			
Energy sales	3,410,483	3,596,417	2,995,243
Services - Street light capital	96,827	57,765	12,147
Services - Street light maintenance	245,491	267,809	267,809
	3,752,801	3,921,991	3,275,199
Expenses			
Interest	1,205,600	1,205,600	1,205,600
Rent and property tax	377,439	375,601	386,770
	1,583,039	1,581,201	1,592,370

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

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Accounts receivable	289,015	380,484	333,155

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****16. RELATED PARTY TRANSACTIONS, continued**

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

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
Newmarket Hydro Holdings Inc.	2,473,010	2,393,957	2,313,323

Advances from the parent company, Newmarket Hydro Holdings Inc. consist of promissory notes in the amount of \$2,153,000 (2013 - \$2,153,000) and are due within 13 months of notice provided. The remainder of the balance has no specific terms of repayment. As the parent company has indicated that it is not their intention to 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 2015 (2014 - 5.48%).

The key management personnel of the Company has been defined as members of its board of directors, and supervisory personnel. The compensation is comprised of director's fees, management salaries and wages, short-term employee benefits and post employment benefits totaling \$2,243,793 (2014 - \$2,399,308).

17. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	December 31, 2015 \$	December 31, 2014 \$	January 1, 2014 \$
10,000 common shares	27,140,206	27,140,206	27,140,206

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****18. OTHER INCOME**

Other income consists of the following:

	2015 \$	2014 \$
Account set up fees	111,852	110,266
Pole rentals	140,256	140,309
Collection charges	271,672	258,428
Administration charges	125,330	124,352
Conservation demand management	618	243,679
Other	208,115	154,585
Operating income	857,843	1,031,619

19. OPERATING EXPENSES

Operating expenses consist of the following:

	2015 \$	2014 \$
Wages and benefits	4,648,063	4,818,973
Materials, equipment and other operating expenses	1,951,291	2,280,851
Administration and overhead	938,770	940,922
Operating expenses	7,538,124	8,040,746

20. FINANCE INCOME AND FINANCE COSTS

Finance income recognized in profit or loss consists of the following:

	2015 \$	2014 \$
Interest income on receivables	262,354	240,149
Income on short term investments	161,761	187,206
	424,115	427,355

Finance costs recognized in profit or loss consists of the following:

	2015 \$	2014 \$
Interest on long term debt	1,487,043	1,471,407
Customer deposit interest	24,551	32,680
	1,511,594	1,504,087

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****21. CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

	2015	2014 Restated (note 4)
	\$	\$
Increase in short-term investments	(20,878)	(40,136)
Decrease (increase) in accounts receivable	548,511	(360,622)
Increase in unbilled revenue	(522,559)	(1,944,436)
Decrease (increase) in inventories	188,329	(492,738)
Increase in prepaid expenses	(43,399)	(72,806)
Increase (decrease) in accounts payable and accrued liabilities	(1,816,105)	989,269
Increase (decrease) in deposits held	226,610	(338,153)
Interest received	424,115	427,354
Taxes paid	(1,800,000)	(1,801,312)
Taxes received	900,312	-
	(1,915,064)	(3,633,580)

22. SHORT TERM CREDIT FACILITIES

The Company has \$4,000,000 available in operating facilities from a major chartered bank. The facilities are 364 day revolving operating loan, bearing interest at prime plus 0.5%, 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 the report date, the Company has no balance outstanding (2014 - Nil) on this facility. The operating loan includes restrictive clauses with respect to repayment.

The Company has provided prudential support in the amount of \$2,765,940 to the Independent Electricity System Operator. The prudential support is secured by a letter of credit with a major chartered bank for \$2,765,940, 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, 2015, the Company was in compliance with all covenants.

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2015

23. 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 \$430,916 (2014 - \$430,840).

24. 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.

25. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash, mutual funds, accounts receivable, unbilled revenue which will result in future cash receipts, as well as accounts payable and accrued liabilities, deposits held, accounts payable and accruals, 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 arrangements 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 12 and 16).

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****25. FINANCIAL INSTRUMENTS, continued****(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, 2015 is \$223,619 (2014 - \$215,429). The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The Company has approximately 10,000 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, 2015, the Company holds security deposits in the amount of \$3,189,264 (2014 - \$2,962,654). 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.

(c) Market risk

The securities held as short term investments exposes the Company to market risk due to the potential for changes in market prices.

(d) Liquidity risk

The Company does have a liquidity risk in the accounts payable and accrued liabilities of \$11,247,160 (2014 - \$13,063,265). 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	11,247,160	-	-
Deposits held	106,250	318,750	2,764,264
Long term debt	1,155,009	470,736	30,117,076
Employee future benefits	-	-	813,117
	12,508,419	789,486	33,694,457

NEWMARKET-TAY POWER DISTRIBUTION LTD.**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2015****26. COMMITMENT**

The Company has an operating lease agreement with the Town of Newmarket, expiring December 31, 2017 for the rental of the building. Minimum lease payments over the term of the lease are as follows;

	\$
2016	275,000
2017	275,000
	<u>550,000</u>

27. 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.

**PLANNING AND BUILDING SERVICES**

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May 25, 2016

JOINT REPORT # 2016 - 21**DEVELOPMENT AND INFRASTRUCTURE SERVICES – PLANNING
CORPORATE SERVICES - FINANCE**

TO: Committee of the Whole

SUBJECT: Newmarket Parkland Dedication By-law and Marketing the Corridors

ORIGIN: Planning and Building Services and Finance

RECOMMENDATIONS

THAT Development and Infrastructure Services/Planning & Building Services Report 2016-21 dated May 25, 2016 regarding the Town of Newmarket's Parkland Dedication By-law be received and the following recommendation be adopted:

- 1. THAT the draft Parkland Dedication By-law for the Town of Newmarket as contained in Attachment 1 be received.**
- 2. AND THAT staff be directed to post the draft by-law on the Town's website for 30 days to receive public and stakeholder comments.**
- 3. AND THAT staff report back to the August 29, 2016 Committee of the Whole meeting with the final recommendation for a Parkland Dedication By-law for Council's approval.**

PURPOSE OF THIS REPORT

The purpose of this report is to provide information to Council regarding a draft Parkland Dedication By-law that has been prepared by staff, and request Council direction to initiate a final public/stakeholder consultation period. The draft Parkland Dedication By-law is included as Attachment 1.

COMMENTS

Rationale

A Parkland Dedication By-law is required by the Town based on the following rationale:

1. The Town does not currently have a Parkland Dedication By-law. As an alternative, the Town currently collects parkland or cash-in-lieu (CIL) of parkland on the basis of 5% of the land for residential uses and 2% of the land for commercial and industrial uses as per the *Planning Act*'s maximum allowance, as implemented through Official Plan Section 8.2.2.
2. On December 3, 2015, Ontario passed Bill 73, *the Smart Growth for Our Communities Act, 2015*, which includes changes to how much land can be conveyed to a municipality for parkland purposes and requires municipalities to have a formal parkland dedication by-law in place in order to collect such funds. Most significantly, Bill 73 decreased the alternative parkland dedication requirement for residential development from 1ha per 300 units to 1ha per 500 units. This provision will be enacted by the Province on July 1, 2016.
3. The Urban Centres Secondary Plan promotes the intensification of the Urban Centres and establishes the context for different forms of parkland more suited to urban areas. Therefore, a parkland strategy is required specific to this urban context.

The attached draft Parkland Dedication By-law addresses the above three issues.

Summary of the Proposed Parkland Dedication By-law

Land Requirement or CIL Amount in all areas of the Town outside of the Urban Centres:

- i. The proposed By-law includes the requirement of an amount of land at a rate of 1ha per 300 dwelling units, and a CIL rate of 1ha per 500 dwelling units. This is consistent with the requirements of Bill 73.

Land Requirement or CIL Amount within the Urban Centres:

- i. The proposed By-law includes the requirement of an amount of land at a rate of 0.7ha per 1000 residents, as per the targets set in the Parks Policy Development Manual and Urban Centres Secondary Plan.

- ii. Recognizes different forms of parkland for urban settings: Neighbourhood Parks (including urban squares and plazas, strata parks, privately owned public spaces, pedestrian mews, sliver spaces and pocket parks).
- iii. Institutes a maximum 25% cap of development lands for parkland, allows for CIL to account for any differences between required and actual physical land conveyances.

Parkland Credit:

- i. Neighbourhood Parks and Urban Squares and Plazas within the Urban Centres: 100% credit of the value of the land.
- ii. Pocket Parks, Sliver Spaces and Pedestrian Mews within the Urban Centres are also eligible for parkland credit as per associated legal agreements.
- iii. Privately Owned Public Space (POPS) subject to a public easement: 20% credit of the value of the land.
- iv. Lands dedicated to the Town for underground hydro: 10% credit of the value of the land.
- v. Cultural heritage conservation within Historic Downtown Newmarket and with respect to development or redevelopment of designated properties pursuant to Parts IV, V and VI of the *Ontario Heritage Act*: 20% credit of the value of the land.

Determination of Value:

- i. Town and Owner to jointly commission and fund an appraisal.
- ii. If the Owner does not agree with the appraisal, the Owner may commission an Owner Appraisal at his/her expense.
- iii. Where the difference in the appraised value of the two appraisals is 10% or less, the average of the two will be deemed the market value.
- iv. Where the difference between the appraised values is greater than 10%, the Town and the Owner may elect to share the cost of a third independent appraisal.
- v. The value will be determined based on the average between the third independent appraisal and the value of whichever former appraisal is closest to the value of the third party appraisal.

- vi. If agreement cannot be reached either the Town or the Owner may elect to resolve the dispute through arbitration or an appeal to the OMB.

Eligible Projects for Parkland Dedication or Cash-in-Lieu:

- i. Land for parks and other public recreational purposes including, any site preparation and drainage, play equipment, splash pads, site furniture, signage, sports fields, etc.
- ii. The cost of the design and development of parkland.
- iii. Park and other public recreational facilities not funded through Development Charges.
- iv. Pathways and trails, and associated street furniture.
- v. Improvements to parks and other public recreational facilities designed to increase the parks and recreational capacity.
- vi. Vehicle and equipment used for parkland and other public recreational purposes.

Exemptions from the Parkland Dedication By-law:

- i. Development or redevelopment of land owned by:
 - Town of Newmarket
 - Region of York
 - Provincial or federal governments
 - Boards of Education
 - A colleges, university or school defined in the Education Act
 - Newmarket Library Board or similar local Boards
 - Southlake Regional Health Centre
 - Not for profit palliative care facilities.
- ii. The reconstruction of a building destroyed due to fire or other accidental cause provided no intensification of the use is proposed.
- iii. The construction or enlargement of an existing single detached, semi-detached or townhouse dwelling.
- iv. The creation of an accessory dwelling unit in accordance with the applicable municipal requirements.

- v. Enlargement of an existing commercial industrial or institutional building provided the enlargement is 10% or less than the size of the building at the time of the first application.
- vi. Temporary building or structure.

Policy Context

Planning Act

Sections 42 (Site Plan) Section 51.1 (Plans of Subdivision) and Section 53 (Consents) of the *Planning Act* make provisions for the conveyance of land to municipalities for parks and other public recreational purposes. These Sections provide that 2% of the land area of a site is required for parkland for commercial or industrial development applications, and 5% is required for all other forms of development including residential applications.

Although physical parkland is the desired form of dedication, cash-in-lieu (CIL) may be received by the Town based on the value of the 2% or 5% land area, and where received, it must be placed in a dedicated parkland reserve fund and may be used for parkland and other public recreational purposes.

The *Planning Act* also allows for alternative parkland dedication rate in recognition that the 5% parkland dedication, which has been typically applied to ground related greenfield residential plans of subdivision, is not sufficient for higher density urban form development. For residential development the *Planning Act* permits up to 1 ha per 300 dwelling units.

Bill 73 Amendments to the Planning Act

Bill 73, which received Royal Assent on December 3, 2015, proposed changes to Section 42 of the *Planning Act*, as summarized below:

1. Before a municipality adopts official plan policies allowing it to pass a by-law under subsection 42(3) (alternative parkland requirement), it must have a parks plan that examines the need for parkland in the municipality.
2. Where an alternative rate is already established in the Official Plan, the study required above **does not apply** retroactively.
3. Where payment in lieu is provided instead of land, the payment in lieu is proposed to be at a lower rate of one hectare for each 500 dwelling units or such lesser rate as may be specified in the by-law (rather than 1ha per 300 units).

4. A requirement that the Treasurer of the municipality provide an annual financial statement relating to the special account for the preceding year that includes prescribed information.

The Town has completed the Parks Policy Development Manual which provides an inventory of the existing parkland, assesses parkland standards and identifies the needs and the parkland service standards based on the projected population to 2031. Therefore, the Town has already addressed no. 1 above. However, the proposed provision for a lower parkland dedication rate for CIL and the annual reporting to Council are new provisions to be included in the *Planning Act*.

Although Bill 73 received Royal Assent on December 3, 2015, not all provisions came into force as of that date. The Bill notes that the majority of the amendments will come into force "on a day to be named by proclamation of the Lieutenant Governor". It was recently announced that this provision will be enacted by the Province on July 1, 2016.

Town of Richmond Hill OMB and Divisional Court Case

In its Official Plan, the Town of Richmond Hill included the standard allowed by the *Planning Act* of 1ha per 300 dwelling units. This provision of the Official Plan was appealed by several developers. The OMB made the decision that the Official Plan parkland requirement not exceed 25% of the land proposed for development, despite the higher standard permitted by the *Planning Act*.

Richmond Hill has sought leave of the Divisional Court to obtain a ruling whether the Board has erred in law by imposing a lower rate from what is prescribed by the *Planning Act*. On April 19, 2016, the Town received endorsement from Divisional Court on this appeal, creating the opportunity for the OMB decision to be re-examined. Notwithstanding this endorsement, the approach proposed in the attached draft By-law proposed a similar 25% cap. Staff feel this is still supportable and an appropriate approach for an interim period of time in support of the "marketing the corridors" initiative.

Provincial Policy Statement

The Provincial Policy Statement (PPS) promotes the development of healthy, active communities by providing policies regarding public spaces, recreation, parks, trails and open spaces.

Region of York Official Plan

The Region of York Official Plan's Intensification policies, which focus on the designated Centres and Corridors, direct that open spaces shall consist of a variety of forms (active and passive spaces, urban squares and areas for community gardening). These policies also require that the Regional Greenlands System be protected and enhanced and include pedestrian-accessible green spaces and passive parks, where appropriate. In particular, policy 5.4.4.6 j) requires that

secondary plans shall include... *provisions for an urban public realm, including passive and active parks and meeting places, such as urban squares, which incorporate art, culture and heritage, and that contribute to a sense of place and clear identity.*

Town of Newmarket Official Plan

Section 8.2.2 of the Town's Official Plan states that "Park and Open Space lands shall be provided by conveyance or by payment of cash in lieu of parkland in accordance with the provisions of the *Planning Act*", which, as discussed, relates to the 5% and 2% land area or equivalent CIL. This is currently the process the Town uses to accept parkland conveyances or payments. However, this section also includes the provision for alternative parkland dedication of "1 hectare for each 300 dwelling units, or at such lesser rate as may be specified in the by-law" to be used for "parks or other public recreational purposes" as provided for in the *Planning Act* (Section 42(3)). The recommended Parkland Dedication By-law implements these provisions of the Town's Official Plan and the *Planning Act*.

As noted, the Town does not currently have a Parkland Dedication By-law and has historically been implementing the maximum 5% land or CIL equivalent as implemented by the above Official Plan policy. The attached draft By-law implements a lesser rate, in accordance with Provincial legislation.

The Parks Policy Development Manual

The Parks Policy Development Manual prepared by Monteith+Brown on behalf of the Town was adopted by Council in November, 2012. The Manual establishes a parkland classification system and proposes a Town-wide parkland service level standard of 4.0 ha per 1000 residents for active parks and passive green spaces, distributed among the following typologies:

- Town Parks – 1.0ha per 1000 residents
- Community Parks – 0.5ha per 1000 residents
- **Neighbourhood Parks – 0.7ha per 1000 residents**
- **Urban Squares and Plazas – are included with Neighbourhood Parks**
- Passive Green Space – Includes Natural Heritage System and flood plain and do not contribute to the active parkland standard.

Based on the above standards and population increases, the Parks Policy Development Manual identified that there will be a 10.5ha parkland shortfall on a Town-wide basis, by 2031.

Urban Centres Secondary Plan

When developing the Newmarket Urban Centres Secondary Plan, it was determined that “Neighbourhood Parks”, which include Urban Squares and Plazas as listed in the above table, are the most appropriate scale that could realistically be accommodated within the Urban Centres. Accordingly, the Neighbourhood Parks target of 0.7ha per 1000 residents has been carried forward as the urban centres parkland service level standard. This standard is implemented in the attached draft By-law.

Neighbourhood Parks are primarily walk/bike-to parks, catering to the recreational needs of residents living within their general vicinity. Neighbourhood Parks are generally intended for unorganized, spontaneous leisure activities, along with a limited number of organized facilities. Urban Squares and Plazas are included in the service level target for Neighbourhood Parks, but take on a slightly different physical form. These are smaller than true Neighbourhood Parks, and are intended to serve as interesting public spaces for unorganized and passive social, cultural and leisure activities. They typically emphasize opportunities for public art and cultural expression. They may include formal and informal playgrounds, seating areas and unstructured green space.

The Secondary Plan carries forward the Parks Policy Development Manual's conclusion that there will be a Town-wide 10.5ha deficiency in parkland by 2031, and notes that the residents within the Urban Centres will also need to be served by Community and Town Parks outside the Urban Centres.

By-law Preparation

A previous draft By-law was prepared in May, 2015 which proposed a gradual phasing in of a 1ha:300 dwelling units parkland standard on a Town-wide bases, as per the Planning Act maximum. However, this early draft did not speak to the various specific park typologies found in urban contexts, did not provide a means of accepting such typologies as parkland, and did not address the requirements of Bill 73.

The May, 2015 draft By-law was subsequently peer reviewed by Barry Lyon Consultants. This review concluded that the 1ha:300 dwelling units parkland standard, even on a phased-in basis, would likely discourage investment and delay the achievement of the Town's policy objectives regarding intensification as per the Urban Centres Secondary Plan.

Following this peer review, Staff retained the consulting services of the Planning Partnership and a draft technical memorandum was prepared which proposes a parkland strategy that achieves a parkland system that adequately serves the needs of the Town, and outlines specific strategies of parkland dedication for urban contexts that will not discourage investment.

Planning staff then met informally with representatives from BILD to review the draft proposed parkland strategy as documented in the technical memorandum. BILD endorsed the strategy in principle.

The attached draft By-law was then prepared based on the direction of the technical memorandum. In addition to providing a more appropriate approach regarding parkland dedication, the new draft By-law provides:

- a provision for issuing parkland credits;
- a process for determination of value;
- a framework for eligible projects for cash in lieu; &
- exemptions from parkland dedication.

Provisions Specific to the Urban Centres

The proposed By-law provides an up-to-date approach for parkland dedication across the entire Town, however it contains context-sensitive requirements by providing different approaches for two areas of the Town: (i) the entirety of the Town except for the Urban Centres; and (ii) areas within the Urban Centres. In both instances, the policy requirements of Bill 73 are addressed.

Sections of the draft by-law are specifically applicable to parkland dedication in the Urban Centres. These sections are based on strategies that more appropriately reflect the urban context of this specific area of the Town. The draft memorandum provides an outline of this Urban Centres approach which directs Newmarket's new Parkland Dedication By-law to *"provide an incentive to facilitate, or at least not frustrate, new, higher density forms of residential development within the identified Urban Centres in in order to achieve the objectives of Town, Regional and Provincial policy objectives and directives"*.

This strategy involves three main elements: (i) reducing the amount of parkland required by the municipality, (ii) applying a cap on the amount of parkland conveyed to the municipality per application, and (iii) accepting more urban forms of parkland that previously would not have accepted.

Parkland Dedication Options - Urban Centres Case Study Example

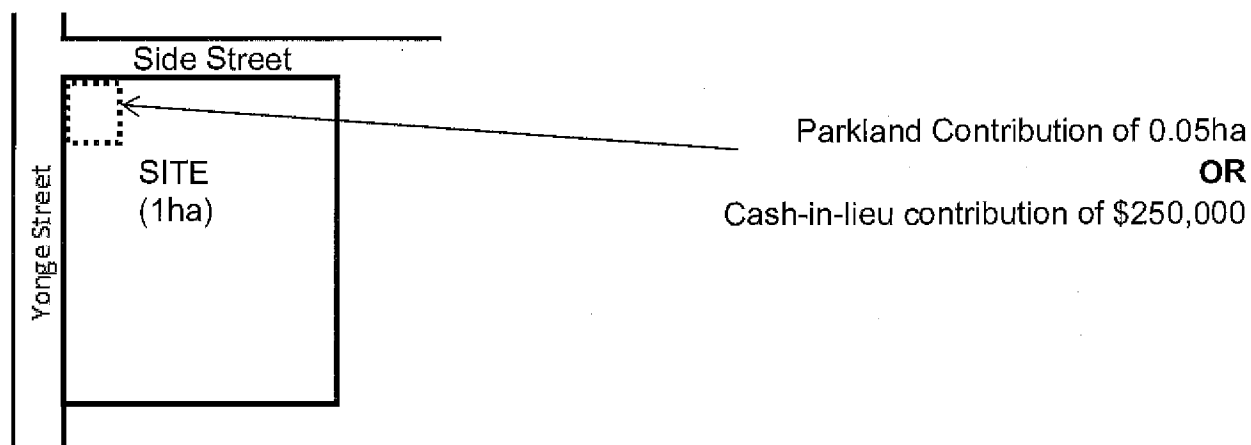
There are several ways in which the Town can collect parkland dedication contributions. The above scenarios have been illustrated to provide a clearer understanding of the parkland area and financial contribution required in each one of these situations using a case study example. This case study involves a 350 unit apartment development proposal on a 1 hectare site in the Urban Centres with a land value of \$5 million per hectare.

Parkland Conveyance Based on a 350 Unit Apartment Development on 1 Hectare Site with a Land Value of \$5 Million per Hectare

Conveyance Option	5% of Land	1ha:300 Units	1ha:500 Units	0.7ha per 1,000 residents, capped at 25%
Land	0.05 ha	1.2 ha	0.7 ha	0.25 ha
Notes	Status Quo	Recommended Outside Secondary Plan Area	Not Recommended	Recommended Inside Secondary Plan Area
Cash-in-Lieu	\$250,000	\$5,833,333	\$3,500,000	\$1,250,000
Notes	Status Quo	Not Recommended	Recommended Outside Secondary Plan Area (Reduced from Bill 73)	Recommended inside Secondary Plan Area

Option 1: Land Dedication or Cash-in-Lieu at 5% of Developed Land (Status Quo)

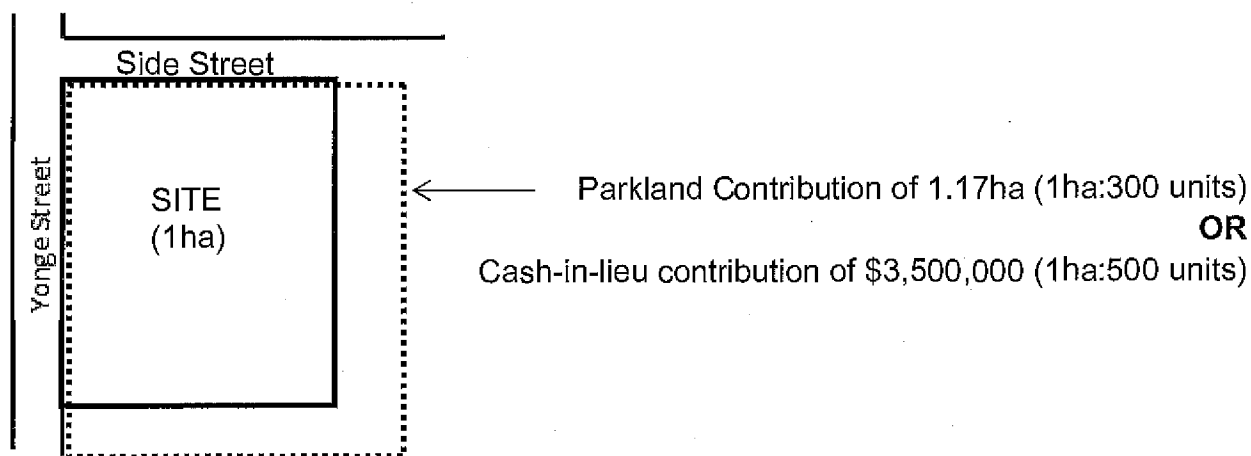
For residential development, the Town currently collects a 5% dedication requirement. Under this scenario, 5% of the developable land area, or a cash-in-lieu equivalent value, is contributed to the Town for parkland purposes. This option works well with low density development; however with higher densities the level of parkland dedication is greatly reduced. Because of the relative low levels of physical land or CIL that this option yields, this option is not appropriate for higher density forms of development. See below for an illustration of how this rate works:



Option 2: Land Dedication at 1ha:300 units or Cash-in-Lieu at 1ha:500 units

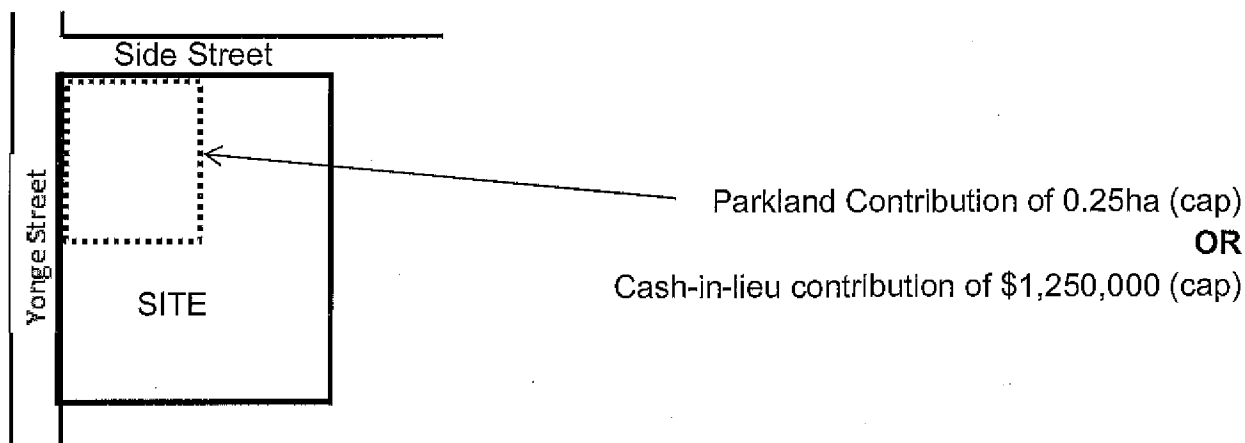
The Planning Act also permits an alternative dedication requirement of 1 ha per 300 units. Bill 73 revised the CIL amount component of this option to 1 ha per 500 units.

This dedication rate allows the Town to collect significantly more dedication (land and CIL) with higher levels of density than option 1; in this example the parkland contribution would exceed the total site area, and the CIL contribution would be 14 times that of option 1. Because of the physical land or CIL requirements that this option yields for the Secondary Plan Area, and which may act as a disincentive to development, this option is not recommended at this time for higher density forms of development, however it is recommended for areas outside of the Secondary Plan Area. See below for an illustration of how this rate works:



Option 3: Land Dedication Rate at 0.7 hectare per 1000 people, capped at 25% ("Marketing the Corridors")

The Planning Act permits a maximum of 1 ha per 300 units. However, municipalities can go below this maximum provided a study has been undertaken. As such, this option requires a parkland contribution calculated at 0.7ha per 1000 people, but introduces a cap of 25% of the development lands. This is an accepted approach found in other urban contexts. This option provides an appropriate balance of physical land for an urban parks system and collects a competitive level of CIL that encourages intensification. See below for an illustration of how this rate works:



Parkland Dedication - Community Impact

With an understanding of the three options provided above, this section analyses the impact each parkland dedication rate has on development incentives and how it will help the Town reach its desired service level.

This model assumes that the average value of land in the Low Density designation is \$2 million per hectare, in the Medium Density designation is \$4 million per hectare, in the Medium-High Density designation is \$5 million per hectare, and in the High Density designation is \$6 million per hectare. It also assumes that development will be evenly split between these density designations. Lastly, it assumes that 85% of the contributions will be collected as CIL and spent outside the Secondary Plan area where land is less expensive but still accessible to residents along the corridors.

The results of the model are shown in Table 1. It was found that the current 5% land dedication is insufficient to achieve the desired service level of 0.7ha per 1000 residents as per the Parks Policy Development Manual and Secondary Plan. Meanwhile the 1ha per 300 unit and 1ha per 500 unit rates exceed the current desired service level; however, on a per unit cost basis the dedication requirement likely exceeds a reasonable cost for the development community. The third option meets the 0.7 ha per 1000 residents service level, under the assumption noted above where the majority of parkland revenue is used to purchase land outside of the Secondary Plan area.

Table 1: Community Impact of Parkland Dedication Rate Options in the Secondary Plan Area

	5% rate	1ha:300 Units Land or 1ha:500 Units CIL	0.7ha:1000 residents, capped at 25%
Cost Per Unit			
Average Cost	\$761	\$10,431	\$3,750
Hectares per 1000 people			
Service Level	0.1	1.7	0.7
Conclusion	✗ Insufficient to meet parkland goals	✗ Exceeds parkland goals	✓ Achieves parkland goals

Given the balance of cost and reaching desired service levels, staff recommends using option 3 for the purpose of parkland dedication within the Urban Centres.

Parkland Dedication Example Uses

Option 3 is flexible in that it allows physical parkland to take the form of a range of urban parkland typologies. On sites over 0.1ha, the recommended approach is to require some designation of physical land:

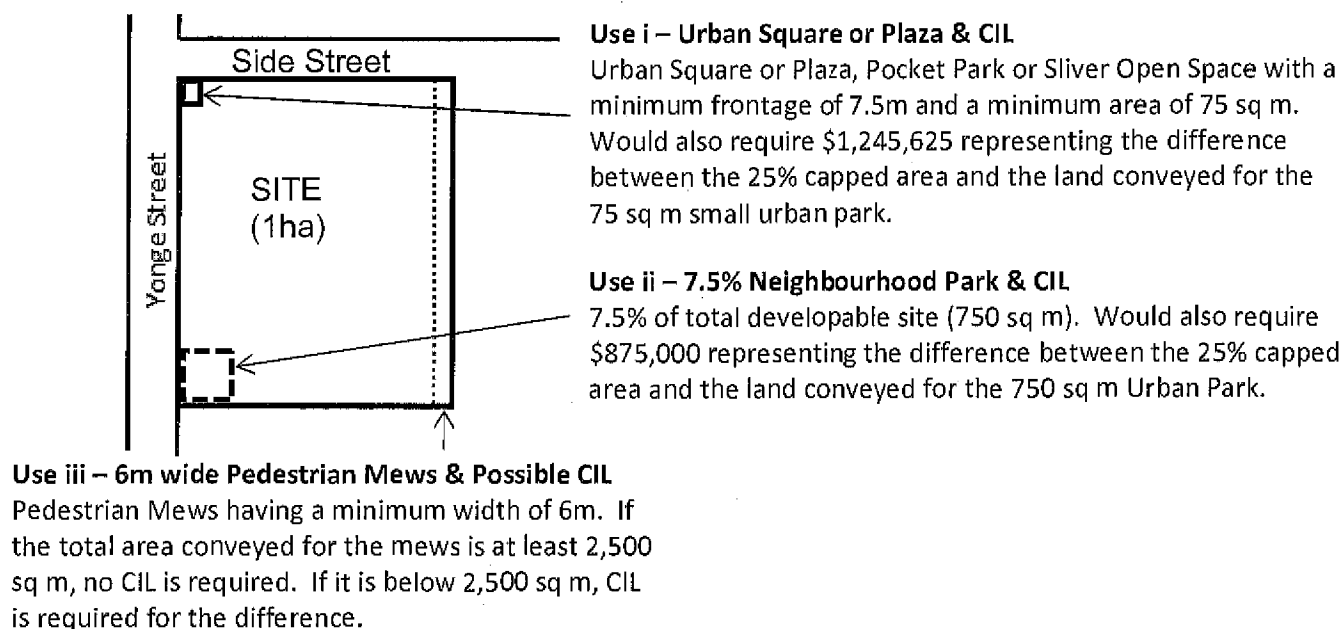
- (i) Urban Park land contribution of 7.5% of site; and/or
- (ii) Urban Square or Plaza, Pocket Park or Sliver Open Space; and/or
- (iii) 6m wide Pedestrian Mews.

The remainder of the value that is not conveyed as land would be conveyed as cash-in-lieu. On sites below 0.1ha, these three conveyance uses are not feasible as the land area required by the 0.7ha:1000 resident calculation is not sufficient to establish suitable parkland. When providing parkland on site is not desirable, a fourth method can be used:

- (iv) Cash-in-lieu.

The figure below illustrates these methods. Again, this case study involves a 350 unit apartment development proposal on a 1ha site in the Urban Centres with a land value of \$5 million per hectare.

Figure 4: Illustration of Parkland Dedication Uses



Option 3, known as the “Marketing the Corridors” approach, provides the Town with a sophisticated option for parkland dedication within the corridors. In keeping with Council’s objective to encourage intensification along the corridors, this option provides a parkland dedication rate that is competitive with other GTA municipalities. In addition, this option fulfils the objective of obtaining physical land along the corridors for the development of an urban parks system and recognizes a range of previously unaccepted forms of urban parkland.

Because it is an incentive-based approach, it is recommended that this strategy be reviewed every three years to ensure it is achieving its desired objectives and to test the need for the level of incentive.

COMMUNITY CONSULTATION

Significant public/stakeholder consultation has occurred on the matter of parks and open space and parkland dedication through the development of the parks policy manual, the Secondary Plan, and the 2015 draft parkland dedication by-law. Following a peer review of the draft by-law and the technical memorandum provided by the external planning consulting firm, staff again met with BILD to review the revised approach outlined in the memorandum.

Given the revised approach to the by-law, which now outlines specific strategies of parkland dedication for an urban context like the Secondary Plan area, a further public/stakeholder consultation period is proposed. In particular, staff recommends that the draft by-law be placed on the Town’s website for a commenting period of 30 days, following which staff will bring back a

final parkland dedication by-law for Council's consideration at the August 2016 Committee of the Whole meeting.

HUMAN RESOURCE CONSIDERATIONS

None directly applicable to this report.

BUDGET IMPACT

The new parkland dedication by-law will have a positive impact on revenue for the Town. Using 10-year growth projections provided for the 2014 Capital Financing Sustainability Strategy, Staff estimated the total amount of revenue through parkland dedication over the next 10 years. As aforementioned, a split of 15% of the contribution as land and 85% of the contribution as cash-in-lieu will achieve the 0.7 hectare per 1,000 people service level. The revenue forecast is illustrated in the table below:

Table 2: 10-Year Parkland Dedication Contribution Forecast

5% rate (Status Quo)		0.7ha:1,000 residents, capped at 25% (Marketing the Corridors)	
\$	3,321,472	\$	16,607,359

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

Living well

- Emphasis on active lifestyles and recreational opportunities.

Well Balanced

- Providing recreational facilities and services.

Well equipped & managed

- Leadership excellence and leading-edge management.
- Clear vision of the future and align corporate/business plans.

Well Planned and Connected

- Long term strategy matched with a short term action plan(s).
- Improved interconnectivity and interaction amongst neighbours and neighbourhoods.

- Walking and biking trails, paths and lanes.

Well Respected

- Being an influential contributor to regional and provincial affairs.
- Discovering innovative and creative solutions for future well-being.

CONTACT

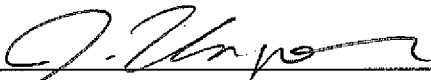
For more information on this report, contact: Adrian Cammaert, Senior Planner, Policy, at 905-953-5321, ext. 2459; acammaert@newmarket.ca



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 Senior Planner, Policy



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Jason Unger, MCIP, RPP
 Assistant Director of Planning



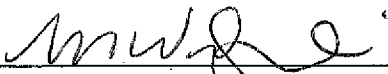
Rick Nethery, MCIP, RPP
 Director of Planning & Building Services



Mike Mayes, CPA, CGA
 Director, Financial Services/Treasurer



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



Esther Armchuk B.A. (Hons.), LL.B., DPA
 Commissioner, Corporate Services

Attachments:

Attachment 1 - Parkland Dedication By-law (draft)

ATTACHMENT 1

**The Corporation of the Town of Newmarket
Parkland Dedication By-law (draft)**

CORPORATION OF THE TOWN OF NEWMARKET

BY-LAW NUMBER 2016-XX

**A BY-LAW TO PROVIDE FOR THE CONVEYANCE OF LAND AND CASH-IN- LIEU
THEREOF FOR PARK AND OTHER PURPOSES**

WHEREAS sections 42, 51.1 and 53 of the *Planning Act*, as amended, authorize local municipalities to pass by-laws requiring that land or cash-in-lieu thereof be conveyed to the local municipality as a condition of development or redevelopment of land, the subdivision land, or the granting of provisional consent over land;

AND WHEREAS the Council for the Corporation of the *Town* of Newmarket has adopted policies within its Official Plan pertaining to the conveyance of land or cash-in-lieu thereof to the *Town* as a condition of development or redevelopment under the *Planning Act*, as amended;

AND WHEREAS Council for the Corporation of the Town of Newmarket deems it necessary and expedient to enact a by-law to provide for the provision of lands for park or other public recreational purposes and the use of alternative requirements therefor;

**NOW THEREFORE THE COUNCIL OF THE TOWN OF NEWMARKET ENACTS AS
FOLLOWS:**

Definitions:

In this by-law:

- (a) "Building permit" means a building permit issued pursuant to the Ontario *Building Code Act*, as amended.
- (b) "Cash-in-lieu" means a payment of money for park or other public recreational purposes which is collected in lieu of a conveyance of land which would otherwise be required to be conveyed pursuant to the parkland provisions of the *Planning Act* as incorporated into this By-law.
- (c) "Development" means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of substantially increasing the size or usability thereof, or the laying out and establishment of a commercial parking lot.
- (d) "Dwelling unit" means any property that is used or designed for use as a domestic establishment in which one or more persons may sleep and prepare and serve meals.

- (e) “Land area” means the area of an entire *development* or redevelopment site, including the parcel of land which is to be conveyed for park purposes, but shall not include any natural heritage feature or hydrologic feature including the buffers identified in the Official Plan or Zoning By-Law in effect at the time of determination; or any natural heritage feature or hydrologic feature including the buffers identified by a required Environmental Impact Study and where lands are conveyed into public ownership; stormwater management areas; or floodplain lands.
- (f) “Owner” means the registered owner of the land to be developed, redeveloped, or subdivided.
- (g) “Pocket Park” means a small park that accommodates passive recreation activities and other unstructured activities. Pocket Parks are between 70 and 2500 square metres in size, have frontage on at least one public street, and are primarily hard surfaced, with limited soft surface elements.
- (h) “Privately Owned Public Space” means physical space that is privately owned but appears and functions as public space. These spaces are secured through an easement in favour of the *Town*. These spaces must be designed and maintained to the standards established by the *Town*, and remain open and accessible to the public, or on a schedule established by agreement with the *Town*.
- (i) “Sliver Space” means physical space that adds to the width of the abutting public sidewalk system. They create plazas or forecourts between the face of the building and the abutting street right-of-way.
- (j) “Strata Park” means parkland or a publicly accessible open space located on top of buildings or structures, including but not limited to parking garages. The Strata component of this definition refers to the horizontal delineation of ownership, as it is described in the Ontario Condominium Act.
- (k) “Pedestrian Mews” means a short, pedestrian-only laneway having a minimum width of 6 metres.
- (l) “Temporary” in reference to a building or structure, means a building or structure constructed, erected or placed on land with the explicit understanding that that such building or structure is to be demolished by a set time, as indicated in a legal agreement with the *Town*.
- (m) “Town” means the Corporation of the Town of Newmarket.

Part 1 – Conveyance Required as a Condition of Development or Redevelopment

- 1.1 As a condition of development or redevelopment of land, the *Town* shall require the conveyance of land to the Town or a cash-in-lieu equivalent to the value of the land required to be conveyed under this by-law for park or other public recreational purposes.
- 1.2 Conveyance, including the location and configuration shall be in the form of land, cash-in-lieu or a combination of cash and land, at the discretion of the *Town*.

Part 2 – Applicability

- 2.1 This By-law applies to all lands within the corporate limits of the Town of Newmarket.

Part 3 – Calculation of Conveyance

- 3.1 As a condition of development or redevelopment of land, the Town shall require the conveyance of land or cash-in-lieu to the *Town* for parks and other public recreational purposes as follows:
- (a) In the case of development or redevelopment for **commercial or industrial** purposes, an amount of land or cash-in-lieu equal to 2% of the *Land area* proposed for developed or redeveloped.
 - (b) In the case of development or redevelopment for **mixed use** purposes e.g., residential and commercial, the 2% will be calculated based on the value of the land derived from the percentage of the gross floor area of the building dedicated to the commercial use. For example if 10% of the gross floor area of the building is dedicated to commercial use(s), then 10% of the land value shall be subject to the 2% calculation.
 - (c) In the case of development or redevelopment for uses **other than commercial, industrial or mixed use** purposes, an amount of land or cash-in-lieu equivalent to 5% of the *land area* proposed for development or redevelopment. Alternatively, the amount of *land area* or cash-in-lieu to be conveyed to the *Town* shall be calculated as follows:
 - i. Within areas of the *Town* located outside of the Urban Centres, an amount of *land area* calculated at 1 hectare per 300 *dwelling units*, or cash-in-lieu equivalent of 1 hectare per 500 *dwelling units*.
 - ii. Within the areas subject to the Urban Centres Secondary Plan, an amount of land or cash-in-lieu equivalent to 0.7 hectares per 1000 residents, up to a maximum of 25% of the developable area of any site, whichever is less.

Parkland Credit

- 3.2 Land deemed acceptable by the *Town*, including Neighbourhood Parks, Urban Squares and Plazas within the Urban Centres, shall receive 100% credit of the value of the land.
- 3.3 Within the areas subject to the Urban Centres Secondary Plan, *Pocket Parks*, *Sliver Spaces* and *Pedestrian Mews*, may be considered as contributing toward the parkland dedication requirement of the Town, as provided for in legal agreements between the owner and the *Town* to ensure that they are designed and maintained to Town standards and are open and accessible to the public.

- 3.4 Where *Privately Owned Public Space* is designed and secured through a public easement for public uses such as interior courtyards, private/public squares and *pedestrian mews* linkages designed to be open and accessible to the general public and maintained to *Town* standards, a credit of 20% of the value of the land secured through an easement for such uses shall be credited as a reduction in the land requirements or cash-in-lieu required for parkland.
- 3.5 *Strata Parks* and *Privately Owned Public Spaces* may be considered as contributing toward the parkland dedication requirement of the *Town*, as long as appropriate legal agreements between the owner and the *Town* are in place to ensure that they are designed and maintained to *Town* standards and are open and accessible to the public.
- 3.6 Where development or redevelopment proposes a *Strata Park*, a credit equivalent to 20% of the value of the land required for parkland shall be credited as a reduction in the land requirements or cash-in-lieu required for parkland.
- 3.7 Where land is dedicated to the *Town* for the purpose of the future burying of hydro and related utility facilities across the frontages of Yonge Street or Davis Drive, a credit of 10% of the value of the land being dedicated shall be credited as a reduction in the land or the cash-in-lieu required for parkland.
- 3.8 Where development or redevelopment is within the Historic Downtown Heritage Conservation District or affects a property designated pursuant to Parts IV, V and VI of the *Ontario Heritage Act* and the identified cultural heritage resource is conserved, a credit equivalent to 20% of the value of the land required for parkland shall be credited as a reduction in the land requirements or cash-in-lieu required for parkland.
- 3.9 Within the areas subject to the Urban Centres Secondary Plan, the *Town* may accept an off-site land dedication in-lieu of an on-site land dedication, as long as the value of the off-site land dedication is of equal or greater value than the on-site land dedication, as determined by Part 4 of this by-law.

Part 4 – Determination of Value

- 4.1 For development or redevelopment pursuant to the *Planning Act*, the value of the land or cash-in-lieu equivalent to be paid shall be determined as of the value the day before the day the building permit is issued and if more than one building permit is required, the value shall be calculated the day before the day the first building permit is issued.
- 4.2 For development or redevelopment pursuant to the *Planning Act*, the value of the land or cash-in-lieu equivalent shall be determined the day before the day the approval of the draft plan of subdivision and the day before the day the provisional consent was given except where site plan approval is required at a subsequent stage, then the parkland dedication calculation will be subject to Part 4.1 above.
- 4.3 The value of the land for which payment is being made in lieu of a conveyance shall be established by way of an appraisal of the fair market value of the property by a certified

professional appraiser of real estate, who is designated as an Accredited Appraiser by the Appraisal Institute of Canada with experience appraising all types of real property.

- 4.4 The *Town* and the Owner shall commission an appraisal of the Property (the "Initial Appraisal") which expense shall be shared equally between the parties. If the Owner does not agree with the market value of the Property according to the Initial Appraisal, the Owner may retain an appraiser, at the Owner's expense, to prepare a separate appraisal report (the "Owner Appraisal") on the market value of the property. The Owner will cause its appraiser to give a copy of such appraisal report to the Town not later than 30 days following the date on which the Initial Appraisal was delivered.
- 4.5 If the Owner fails to give to the Purchaser the Owner Appraisal within the 30 day period, then it will be deemed that the Owner has accepted the Initial Appraisal and the associated value of the property. If the Owner gives the Town the Owner Appraisal within the 30 day time limit set out above, and the average of the values of the Property in the two appraisal reports is an amount that is less than 10% more than the lowest of the two appraisal reports, then, the average of the values of the property in the two appraisal reports will be deemed to be the market value of the property.
- 4.6 If the Owner gives the Town the Owner Appraisal within the 30 day time limit, and the average of the values of the property in the two appraisal reports is an amount that is equal to or greater than 10% more than the lowest of the two appraisal reports, then, if mutually agreed between the parties, the Town and Owner will respectively instruct the two appraisers to select a third independent appraiser, the expense of such third independent appraiser to be shared equally by the Town and the Owner, to prepare an appraisal report on the market value of the property.
- 4.7 The third independent appraiser will present the appraisal report to the Owner and Town by no later than 45 days following the date on which the Owner delivered the Owner Appraisal to the Town. If the appraisal report of the third independent appraiser is obtained as aforesaid, then the market value of the property will be deemed to be the average of: (X) the value for the Property indicated by the appraisal report of the third independent appraiser, and (Y) the value for the Property indicated by whichever of the Initial Appraisal and the Owner Appraisal is closest to the value for the Property in (X).
- 4.8 If the Town's appraiser and the Owner's appraiser cannot agree on a third party appraiser within 15 days, either the Owner or the Town shall be entitled to submit the selection of the third appraiser to an arbitration under the provisions of the *Arbitration Act* or alternatively appeal to the Ontario Municipal Board pursuant to Section 42 (10) of the *Planning Act*.
- 4.9 All appraisals obtained pursuant to this by-law shall state the criteria used to determine the value within the appraisal.
- 4.10 An appraisal shall remain current for a maximum period of two years from the date of the appraisal.

Part 5 – Future Development or Redevelopment

- 5.1 Subject to Part 4.3, where land has been conveyed or is required to be conveyed to the *Town* under this by-law, or a payment of money in lieu of such conveyance has been received by the *Town* or is owing to it under this by-law, no additional conveyance or payment in respect of the land subject to the earlier conveyance or payment may be required by the *Town* in respect of subsequent development or redevelopment applications, unless:
- (a) there is a change in the proposed development or redevelopment which would increase the density or number of dwelling units of the development; or
 - (b) land originally proposed for development or redevelopment for commercial or industrial purposes is instead proposed for development or redevelopment for other purposes.
- 5.2 Where such increase in density and or dwelling units occur, the conveyance will be subject to the increase in density/dwelling units proposed and the value determined at the time of the applicable application (e.g., at Site Plan).

Part 6 – Eligible Projects for Cash-in-lieu

- 6.1 Where parkland is not provided, cash-in-lieu may be used for the following or similar purposes based upon the following priorities:
- (a) The first priority shall be the acquisition of land for public parks or other public recreational purposes as deemed appropriate by the *Town*.
 - (a) The second priority shall be the design and development of the Neighbourhood Parks identified within the Newmarket Urban Centres Secondary Plan not funded through Development Charges.
 - (b) The third priority shall be the development of parks and other public recreational facilities not funded through Development Charges including:
 - i. park and other recreational facilities including, any site preparation and drainage, play equipment, splash pads, site furniture, signage, sports fields, etc.;
 - ii. pathways, trails and associated infrastructure and furniture, including pedestrian mews as generally identified in the *Town's* Urban Centres Secondary Plan;
 - iii. improvements to existing parks and recreational facilities designed to increase the capacity to accommodate more intensive public uses due to increased development and redevelopment;
 - iv. vehicle and machinery used for parks and other public recreational purposes.
- 6.2 Within the areas subject to the Urban Centres Secondary Plan, all development sites shall contribute to the Urban Park System. The *Town* shall require that all development

applications on sites that are greater than 1000 square metres in size shall identify a land contribution to the Urban Park System, as follows:

- (a) An Urban Park System land contribution of not less than 7.5% of the developable site area; and/or
- (b) An Urban Square or Plaza, Pocket Park or Sliver Open Space with a minimum frontage on a public street of 7.5 metres, and a minimum size of 75 square metres. Larger sites shall include larger Urban Squares or Plazas and/or multiple Urban Park System elements; and/or
- (c) Pedestrian Mews with a minimum width of 6 metres.

The remainder of the required parkland dedication may be made up of an off-site land dedication, or cash-in-lieu of land, or some combination of land and cash-in-lieu.

For sites less than 1000 square metres in size, the Town may accept an on-site land contribution, an off-site land contribution and/or cash-in-lieu of land.

Part 7 Exemptions

7.1 This Bylaw shall not apply to any of the following:

- (a) Development or redevelopment of land, buildings or structures owned by and used for the purposes of the Corporation of the *Town* of Newmarket.
- (b) Development or redevelopment of land, buildings or structures owned by and used for the purposes of the Region of York or provincial government.
- (c) Development or redevelopment of land, buildings or structures owned by and used for the purposes of a Board of Education and/or Newmarket Library Board.
- (d) A college, university or a school defined in the *Education Act*.
- (e) Development or redevelopment of land, buildings or structures owned by and used for the purposes of Southlake Regional Health Centre.
- (f) Not for profit palliative care facilities.
- (g) The replacement of any building that is a direct result of destruction due to accidental fire or other accidental cause beyond the control of the *Owner* provided that no intensification or change in use is proposed, including but not limited to an increase in total *dwelling unit* count or total floor area.
- (h) The enlargement of an existing single detached or semi-detached *dwelling unit* provided the enlargement does not result in an additional *dwelling unit*.

- (i) An accessory *dwelling unit permitted* by the *Town's* Official Plan and Zoning By-law in effect.
- (j) The enlargement of an existing commercial, industrial, or institutional building or structure if the total floor area of the enlargement is 10% or less than the current size of the building(s) or structure(s).
- (k) A *temporary* building or structure.
- (l) Where the total cash-in-lieu payable for development or redevelopment is less than \$100.

Part 8 – Lands not Acceptable for Parkland Conveyance

8.1 The following lands shall not be acceptable for parkland conveyance:

- (a) Lands designated as Natural Heritage in the *Town's* Official Plan, or any land zoned Environmental Protection in the *Town's* Zoning By-law, and any natural heritage feature or hydrologic feature defined by the Provincial Policy Statement (PPS) as significant, including the buffers as required by the PPS, Official Plan or Zoning By-law or as may be identified through an Environmental Impact Study.
- (b) Floodplain lands or Hazard Lands as defined by the Lake Simcoe Region Conservation Authority.
- (c) Stormwater management facilities; and where lands for parks purposes include storm water management facilities, that portion of the land that includes a stormwater management facility or infrastructure shall not be included in the area calculation for parkland conveyance.

Part 9 Disputes

- 9.1 Notwithstanding the provisions of Part 4, and in the event of a dispute between the *Town* and the *Owner* on the value of the land as determined under Part 4 of this by-law is not satisfactory to either party, either party may apply to the Ontario Municipal Board to have the value of the land determined.
- 9.2 If there is a dispute between the *Town* and the *Owner* on the value of the land as determined under Part 4 of this by-law, the *Owner* may pay the amount required by the *Town* under protest and shall make an application to the Ontario Municipal Board in accordance with the *Planning Act*.

Part 10 General Provisions

- 10.1 All lands conveyed to the *Town* under this by-law shall be in a condition satisfactory to the *Town* and in accordance with the requirements of the *Town's* Official Plan Policies

respecting the acquisition of land, including a Record of Site Condition pursuant to the *Environmental Protection Act*.

- 10.2 All lands conveyed to the *Town* under this by-law shall be free of encumbrances.
- 10.3 Any conveyance or payment in lieu of a conveyance required to be made under this by-law shall be made prior to the issuance of any building permit for the land to be developed or redeveloped.
- 10.4 In the event that a section or a part of a section of this by-law is declared invalid by a court of competent jurisdiction, it is the intent of Council that the remainder of the by-law continue in full force and effect.

Administration

- 10.5 This By-law will be jointly administered by the Director of Planning and Building Services and the Director of Financial Services.
- 10.6 The Director of Financial Services shall maintain a record of all lands and cash-in-lieu received and including all expenditures from the cash-in-lieu parkland reserve fund. The cash-in-lieu parkland dedication record and associated financial statements shall be reported to Council and made available to the public on a yearly basis.

Effective Date

- 10.7 This by-law shall come into force on the day it is enacted.

Transition

- 10.8 The provisions of this by-law shall apply to all development applications pursuant to the *Planning Act*, as amended, which are submitted and deemed complete as of the Effective Date of this by-law.

Review of the By-law

- 10.9 This By-law shall be reviewed with each Official Plan Review or at an earlier time as prescribed by Council.

The portions of this By-law that are specifically subject to the Urban Centres Secondary Plan shall be reviewed every 3 years.

- 10.10 Should any section or part of this By-law be declared or determined by a court or tribunal of competent jurisdiction to be invalid, that portion of this by-law shall be considered to be severed from the balance of this by-law, which will continue to operate in full force and effect.

ENACTED THIS DAY OF , 2016.

Tony Van Bynen, Mayor

Andrew Brouwer, Town Clerk



Planning and Building Services

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DEVELOPMENT AND INFRASTRUCTURE SERVICES PLANNING AND BUILDING SERVICES - PLANNING REPORT 2016-24

To: Committee of the Whole
Subject: Urban Design Review Options
Date: June 6, 2016
Origin: Planning Department

Recommendations

THAT Development and Infrastructure Services/Planning and Building Services Report 2016-24 dated May 30, 2016 regarding Urban Design Review Options be received and the following recommendation(s) be adopted:

1. THAT staff be directed to include in the 2017 budget a provision for contracting an urban design firm to prepare urban design standards to implement the policies of the Urban Centres Secondary Plan and the Official Plan;
2. AND THAT these urban design standards be applied by the selected consultant in review of development applications subject to established criteria;
3. AND THAT the cost of the engaged consultant be recouped through appropriate fees being collected from applicants upon the Fees and Charges by-law being amended to reflect the same;
4. AND THAT staff be directed to review a structure and the necessary resources for a professional urban design review panel at such time as development activity warrants it.

Purpose of this Report

This report lays out the role of urban design in the Urban Centres Secondary Plan and Official Plan, options for urban design review, and next steps for the Town in moving toward a more thorough urban design review process.

Background

Secondary Plan

Council adopted the Newmarket Urban Centres Secondary Plan as the guiding document for the Yonge Street and Davis Drive corridors to build on the policies of the Official Plan. The policies of the Secondary Plan will guide these areas from their current state of primarily low-rise commercial properties toward the renewal and redevelopment of the area through the introduction of new built forms. These will include taller buildings, new mixed use areas, and a greater mix of uses than is currently the case. Each of these new urban elements will need to be carefully designed to ensure that they fit into their local contexts, are sensitive to the surrounding land uses, and help the district to achieve the Plan's vision for a vibrant, liveable, walkable part of Newmarket.

The Secondary Plan sets out policies related to Urban Design to guide the design, development, and approval of redeveloped properties. These policies are specific, addressing elements such as shadow and wind impacts, ensuring street-facing entrances and facades, angular planes, streetscaping, lighting, parking facility design, and more. The Official Plan also provides guidance on good urban design principles to be required across Newmarket, and it should be recognized that as development will occur outside of the Secondary Plan area a high quality of urban design should be expected and required in both the Secondary Plan area and across the entire town. Having a complete set of urban design standards would increase the specificity and enforceability of these policies. For example, while Secondary Plan policies speak to the need for buildings that address the street, more specific standards would create detail for orientation of entrances and coordination of their location with the local context, designing the pedestrian-level façades to avoid blank or glazed windows and provide street animation, ensure accessible and attractive streetscape-building transition areas, and integrate with other policies related to public art and sustainability.

The Town's current planning staff are experienced in a range of areas of specialization in urban planning, including development, heritage, policy, and one staff member is certified in urban design. However, urban design is a unique profession that integrates the design skills of an architect or landscape architect with the vision and policy integration of a planner.

Implementation

The Town has retained a consulting team to prepare a zoning by-law to assist with the implementation of the Secondary Plan. Many elements of the Plan can be implemented through zoning – heights, densities, land use, broad controls on built form, and more. However, zoning is a broad tool that is not well suited to controlling urban design due to the need for highly context-specific design and the interpretation and implementation of urban design policies and best practices on a site-by-site basis. While zoning will address many of the policies of the Secondary Plan, consideration of the urban design policies in development review is important to ensure that the Yonge Street and Davis Drive urban centres, and development across the entire town, feature the highest quality possible of urban design.

Further detail and refinement of the urban design policies into more detailed standards is required, along with the establishment of a more rigorous review of development applications for their adherence to adopted urban design requirements and good design practice.

Options

There are different tools that may be used in order to conduct a review of development application as they relate to urban design.

Option 1: Status Quo

Currently staff review development applications for good urban design as part of the development review process. However, lacking detailed standards for urban design or requirements in an adopted zoning by-law, staff have little authority to require applicants and developers to modify their proposals. For example, developments may meet the requirements of zoning by adhering to height, density, and setback requirements under existing zoning, but still orient their buildings and design their facades in such a way that undermines the goals of a street-facing, pedestrian-oriented, lively streetscape.

Maintaining a staff review of development applications for urban design would add no additional budget cost, not add significantly to review timelines, but would not bring additional design-specific professional advice.

Option 2: A Contract Urban Designer to Review Plans

Contracting an urban design professional or firm to provide design recommendations on development applications on an as-needed basis is an option that keeps added costs low while adding expertise. Applications would be circulated to the contracted designer/firm as part of the standard commenting and review period, and their fees added to the fees to be paid by the applicant. This is an approach consistent with other areas of expertise, and is currently employed for development applications regarding tree preservation, wherein applications are circulated to a consulting arborist for comment on tree protection, enhancement, and replacement, and the associated cost billed to the applicant.

Maintaining a contract urban designer would avoid added cost to the Town and the need for additional staff time, but would raise the cost of development applications and place the timeliness of response comments increasingly in the responsibility of external consultants.

Option 3: A Contract Urban Designer to Review Plans & Develop Staff Review Processes

Contracting an urban design professional in concert with dedicating an appropriate staff person with a background in urban design can help to immediately increase urban design review capacity while developing appropriate guidelines, review processes, and internal staff capacity to take on urban design review. This option is similar to Option 2, however it has an objective of phasing out the contracted urban designer in favor of Town staff taking over the urban design role in the medium to long term.

Option 4: Professional Urban Design Review Panel

A professional urban design review panel is a tool that has been successfully implemented by cities like Calgary, Ottawa, and Toronto. Such a panel would consist of professionals from fields related to urban design such as architects, landscape architects, accessibility experts, heritage professionals, urban planners, designers, as well as an appropriate staff person. This option would provide diverse professional advice from a range of fields. It is unlikely that current Secondary Plan area site plan applications are sufficient to warrant a full design review panel at this time. Empaneling such a group may pose a challenge without some form of adequate remuneration or recognition.

Maintaining a professional urban design review panel has the potential to add to review timelines by tying approvals to an additional meeting schedule based on the availability of the members of the panel. This option also adds to administrative workload through ensuring proper preparation and public notice for meetings. Budget may be required for honoraria, travel expenses for panel members, and other matters.

Option 5: Community Volunteer Advisory Panel

A community volunteer advisory panel would consist of community members with backgrounds in fields related to urban design such as architects, landscape architects, accessibility experts, heritage professionals, urban planners, designers, as well as an appropriate staff person. This option presents many of the same benefits as the professional design review panel, although would be highly dependent on the skill level of the volunteers. Creating a review group comprised of residents also offers a benefit of increased public engagement in planning.

Maintaining a community volunteer advisory panel has the potential to add to review timelines by tying approvals to an additional meeting schedule based on the availability of the members of the panel. This option also adds to administrative workload through ensuring proper preparation and public notice for meetings.

Option 6: Urban Designer on Staff

Hiring a full-time urban designer would see all urban design review take place by a new member of staff. This would not increase existing approval timelines, and a portion of the cost could be borne through increased fees of development applications. It is unlikely that current Secondary Plan area site plan applications are sufficient to warrant a full-time member of staff focusing solely on urban design. If a new staff member versed in a range of planning areas were to be hired, they may be able to contribute to increased review of policy and development in other areas of the town, improving the functions of other areas of the Planning Department.

Preferred Option

Given the current volume of development applications in the Secondary Plan area, it is not warranted to pursue full design panels or full-time members of staff. Additionally, more thorough review than is currently employed of urban design is required to implement the Secondary Plan policies. Regardless of the option pursued, more detail is required in the principles of urban design desired for the Yonge Street and Davis Drive areas. This is best accomplished in lower volumes by a contract urban designer or urban design firm and in larger volumes by a professional urban design review panel.

Additionally, it is important to integrate a more complete design review process with the ongoing work to review the zoning in the Secondary Plan area and the site plan approval process. Urban design review is closely connected to these processes, and should be considered in conjunction with their ongoing review.

It is recommended that staff be directed to include in the 2017 budget such costs as will be required to engage the services of a contract urban designer or urban design firm to first draft more detailed urban design standards, and second to employ these standards in the review of development applications.

This will provide a more thorough review of development applications as site plan application volumes increase. As the standards are completed and volumes reach levels at which a full urban design review panel is warranted, staff will report back to Committee with a more detailed approach for how such a body would be created and managed.

Community consultation policy

Residents, businesses, and the development community were consulted on the principles of urban design intended for the Yonge Street and Davis Drive urban centres as part of the development and approval of the Urban Centres Secondary Plan. If urban design standards are developed, they may be the subject of further and more detailed public consultation.

Budget impact

Budget will be required to develop the urban design guidelines and this amount will be included as part of the 2017 budget deliberations. Depending on which direction Council prefers, future operating budgets may require additional funding to resource the appropriate urban design review process.

Business plan and strategic plan linkages

Creating a strategy for vibrant and livable corridors along Davis Drive and Yonge Street

- Prepare a redevelopment-ready strategy
- Implement the Urban Centres Secondary Plan

Contact

For more information on this report, contact: Ted Horton, Planner at 905-953-5321, Extension 2458 or via email at thorton@newmarket.ca.



Planner



Director of Planning and Building Services



Commissioner Development and Infrastructure Services

May 11, 2016

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
ENGINEERING SERVICES 2016-24**

TO: Mayor and Members of Council

SUBJECT: Savage Road / Sandford Street Traffic Review

ORIGIN: Commissioner of Development & Infrastructure Services

RECOMMENDATIONS

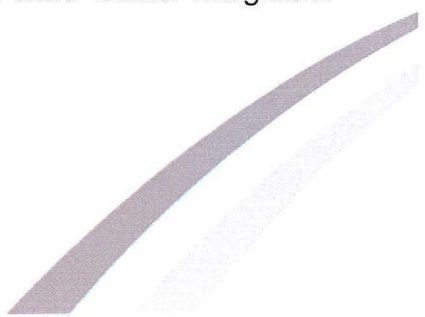
THAT Development and Infrastructure Services Report – ES 2016-24 dated May 11, 2016 regarding “Savage Road / Sandford Street Traffic Review” be received and the following recommendations be adopted:

- 1. THAT bicycle lanes be proposed to the households on Sandford Street from Mulock Drive to Savage Road with the possible extension along Savage Road to the Paul Semple Park entrance, and a report be brought back to Council on this issue.**
- 2. AND THAT the households along Savage Road and Sandford Street from Mulock Drive to Savage Road be informed of the traffic calming measures to be implemented.**

BACKGROUND

Over the years, the Town has received requests to review speeds and all-way stop warrants on a number of road sections and intersections on both Savage Road and Sandford Street. More recently, with the construction of vivaNext on Yonge Street, this area may be experiencing an influx of traffic attempting to avoid the construction activities.

Engineering staff have determined that this would be a good opportunity to review all of the streets in the Savage/Sandford area and apply any traffic mitigation deemed necessary. The Engineering Services team are currently creating a policy for a Town-wide traffic mitigation strategy, and is considering introducing traffic-calming techniques.



COMMENTS

The Town studied the speeds, volumes, key turning movements and collisions in the study area along Savage Road and along Sandford Street from Savage Road to William Roe Boulevard. The detailed analysis and results can be found in Appendix A.

In summary, the traffic volumes for a section of Savage Road between Yonge Street and Sandford Street, and Sandford Street from Savage Road to Mulock Drive, are within the volume range expected from a residential collector road, but are approaching the upper limits. The turning movement analysis indicates a percentage of vehicles are likely using the Savage/Sandford route as a bypass to the Yonge/Mulock intersection. This may increase as vivaNext Yonge construction continues. As for speeds, several sections of Savage Road and Sandford Street are approaching the policy limit of 55 km/h (15 km/h over the posted limit). The Town has undertaken speed mitigation measures through the Speed Management Program which has had some success.

Engineering staff are working on the Town-wide Traffic Mitigation policy, and in a concerted effort to be proactive, Engineering staff are recommending a few pilot program ideas for the area. The following mitigation measures are:

1. **Focused boulevard signs.** As a continuation of the previous successful lawn sign campaigns, the Town would be administering targeted boulevard signs. These signs would be placed in areas where the speed management program (speed trailers and pole-mount signs) is implemented.
2. **Enhanced Speed Management Equipment.** Currently, the radar speed signs are rotated every week, mainly to charge batteries. The Town would place a solar-powered pole-mounted speed sign on Sandford Street. This sign would be installed for a period of one month or more, and not for only one week.
3. **Enhanced Intersection Design.** As part of the initiative to increase the visibility of pedestrians at intersections (increased pedestrian safety), the Savage/Sandford intersection would be targeted for line painting improvements. This would include the installation of a ladder-type painted pedestrian crossings at each stop sign in the intersection. This is similar to what is being done at by York Region at their signalized intersections.
4. **Active Transportation Plan.** The Active Transportation Plan includes implementing on-street bicycle lanes, with a priority and hierarchy of facilities as recommended in the Town's Active Transportation Plan. Bicycle lanes narrow the travel path for vehicles, which results in reduced traffic speeds. It is recommended that bicycle lanes be implemented on Sandford Street from Mulock Drive to Savage Road, with an extension along Savage Road to Paul Semple Park. The Community on Sandford Street would lose on-street parking but

gain a permanent traffic-calming feature and an active transportation feature. This would need to be further studied with public consultation, especially with respect to parking.

5. **Road Diet.** Engineering Staff recently attended a demonstration of the use of flexible bollards to create a roadway “pinch-point”. This road diet system reduces the width of the travelled portion of the roadway, thereby slowing down drivers. The section of Savage Road between Shanahan Boulevard and Sandford Street, and the section of Savage Road between Yonge Street and Jelley Avenue, would be two good locations to try this type of traffic calming. It should be noted that this particular system is removed for the winter months to allow plowing of the roads.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

- Well Planned and Connected...strategically planning for the future

CONSULTATION

Town representatives have met with local residents on this issue. This report specifically addresses four areas of community concerns.

HUMAN RESOURCE CONSIDERATIONS

No impact on current staffing levels.

BUDGET IMPACT

The budget for this initiative would be from the Traffic Management Operating Budget.

The approximate cost of the above initiatives are:

1. Bicycle lane on Sandford from Mulock Drive to Sandford Street with the extension along Savage Road to Paul Semple Park: \$4,950
2. Intersection enhancement at the Savage/Sandford intersection: \$5,500
3. The Road Diet hardware at two locations: \$2,500

The remaining items like the boulevard signs and additional pole-mount equipment have been budgeted for and purchased, and are being deployed at this location and throughout the Town.

CONTACT

For more information on this report, please contact Mark Kryzanowski at 905-953-5300 extension 2508; or at mkryzanowski@newmarket.ca via e-mail.



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

Appendix A

The study area is Savage Road and Sandford Street from Savage Road to William Roe Boulevard. The traffic review focuses on speeds, volumes and recorded collisions.

Speeds

The table below indicates the historic speeds for the various sections of the study area. The Town developed a Transportation Management Policy (2009) to deal with speeding based on the operating speeds. Operating speeds are considered the 85th percentile of recorded speeds, so 85% of all vehicles are travelling at this speed or less. The Policy states that the operating speed of 55 km/h determines the method of mitigation.

At 55 km/h or less, the Policy requires that Category 1 measures be used, which include additional signage and pavement markings, enforcement and the application of the Town's Speed Management Program. Above 55 km/h operating speeds, the Policy also indicates that Category 1 measures be implemented to reduce speeds, and failing reasonable speed reduction, more aggressive Category 2 measures may be implemented if deemed necessary.

Road Section	Operating Speed							
	2006	2007	2008	2011	2012	2013	2014	2015
Savage								
Yonge (south) to Jelley	54		54		55	54		54
Jelley to Sandford	51					51		54
Sandford to Yonge (north)			51		58	55		53
Sandford								
Savage to Mulock		53		54		53	54	
Mulock to Lloyd								42
Lloyd to William Roe		47					49	

Over the past 10 years, with the exception of Sandford Street north of Mulock Drive, traffic speeds have been relatively consistent, averaging 50 km/h to 55 km/h. It should be noted that the Town has been implementing available Category 1 measures on the subject streets since at least 2010, with speed trailers being deployed twice yearly on these streets over the last several years. Although the data confirms that speeds remain somewhat higher than they should be for a residential collector road, the Category 1 measures have kept the speeds consistently below the policy level of 55 km/h.

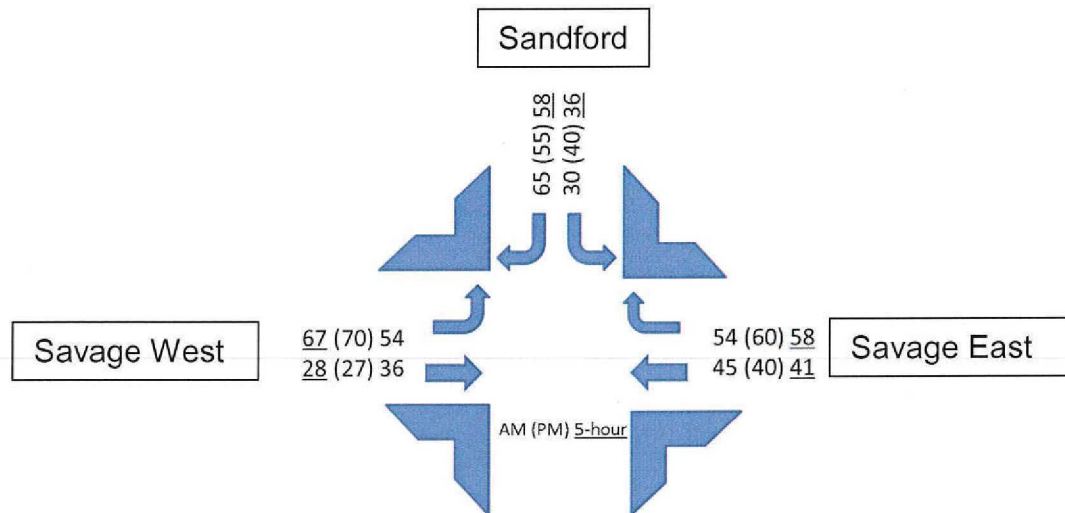
Volumes

The table below indicates the historical daily traffic data for the study area. Daily traffic is defined as the average traffic volume from seven continuous days of counting. Typically, for a Town residential collector road, we anticipate daily traffic volumes of between 1,500 and 5,000 vehicles per day.

Road Section	Average Daily Traffic							
	2006	2007	2008	2011	2012	2013	2014	2015
Savage								
Yonge (south) to Jelley	1470		1665		1830	1630		1735
Jelley to Sandford	3170					2205		2920
Sandford to Yonge (north)			4660		4045	4895		4475
Sandford								
Savage to Mulock		6545		4860		5120	5150	
Mulock to Lloyd								3570
Lloyd to William Roe		3955					3485	

The most successful traffic volume mitigation measures are implemented with minimal impact to traffic operations on the arterial road system and without impacting the community's ability to access their local streets. In the past, the Town, in collaboration with The Regional Municipality of York Region, considered revising the traffic signal timings at the Mulock/Sandford intersection to reduce the traffic inflow and to create increased left-turn capacity at the Mulock/Yonge intersection. The transportation network design of the community, however, is the main contributor to traffic volume challenges in the subject area. The community has only three (3) intersections to exit/enter the area – Savage Road (north leg) at Yonge Street, Savage Road (south leg) at Yonge Street and Sandford Street at Mulock Drive. As well, volumes on Sandford Street are relatively high, as Sandford offers the best access to Mulock Drive, and is the most direct route to Highway 404 (there is a partial south-to-south interchange at Highway 404 and Mulock Drive).

The most important intersection in the community is the Sandford/Savage intersection. Engineering staff reviewed turning percentages detailed in a 2014 turning movement count. The turning movement volumes at this intersection confirm that the local community accounts for higher traffic volumes on Sandford Street. The diagram below indicates the percentages of the key movements for the a.m., p.m. and five-hour total time periods. Generally, the a.m. peak hour includes school traffic to Armitage Public School while the p.m. peak hour does not. The five-hour total captures the school traffic.



Turning Movement Analysis

1. The percentages from the Savage East leg confirmed Engineering staff expectations and represents primarily community traffic.
2. The Savage West leg numbers were split between 1) typical community traffic for the through movement and 2) proportionally higher traffic for the left turn movement. The 70% value for the p.m. peak hour left turn movement indicated infiltration traffic.
3. The Sandford leg illustrated a distinct split between 1) primarily community traffic turning left (30 (40) 36) and 2) a combination of community traffic and infiltration traffic for the right turn movement. The a.m. was expected to be slightly higher due to trips destined to either Sir William Mulock High School or St. John's Chrysostom CES on the west side of Yonge Street. This traffic originated from the community north of Sandford Street. As well, the p.m. percentage was higher because this movement count likely included patrons of the large commercial plaza fronting Yonge Street.

Turning Movement Concerns

The intersection turning movement values indicate possible areas of concern:

1. The volumes generated from the local Sandford Street community likely account for a large portion of Sandford traffic because this portion of the community has only two intersections for access and exit: Mulock Drive or Savage Road.
2. The Savage portion of the community has slightly more than 1,000 homes, which likely generate 7,000 to 10,000 daily trips. The Sandford Street portion of the community has

about 300 homes which equates to 2,100 to 3,000 trips per day. However, the large commercial land uses on Yonge Street contribute to traffic volumes on Savage Road.

Collisions

Collision data determines areas which have traffic safety issues based both on the number (rate) and type of collisions. Generally, the collision rates on the road sections and intersections in the study area were quite low, with an average of one collision or less per year. In some years, there were no collisions. However, the Savage/Sandford intersection has the highest collision rate in comparison to the others, with 14 recorded collisions since 2000. The following table illustrates the collision information at this intersection.




	Year	Environment Factor	Impact Type	Classification	Possible Cause
1	2000	Rain	Rear-end	Non-reportable	n/a
2	2003	Clear	Rear-end	Property Damage	n/a
3	2004	Rain	Rear-end	Property Damage	n/a
4	2005	Clear	Rear-end	Property Damage	n/a
5	2006	Rain	Approaching	Property Damage	n/a
6	2008	Clear	Rear-end	Property Damage	n/a
7	2009	Rain	Rear-end	Property Damage	Speed
8	2009	Clear	Turning	Injury	Fail to yield
9	2011	Clear	Angle	Property Damage	Fail to yield
10	2014	Clear	Rear-end	Injury	Follow too close
11	2014	Clear	Rear-end	Property Damage	Follow too close
12	2015	Clear	Rear-end	Property Damage	Speed
13	2015	Clear	Other	Property Damage	Lost control
14	2015	Clear	Angle	Property Damage	Fail to yield

With the stated traffic volumes, the incidence of collisions at the subject intersection was anticipated. The interesting trend over the years is that a majority of collisions were rear-end impacts. The environment during collision events was not a significant factor. The possible cause was listed as driver error, which typically indicates speeding.

Conclusion

Based on average daily traffic volumes, turning movements and collision data, there are slightly higher than anticipated traffic volumes on Sandford Street between Savage Road and Mulock Drive. Although the speeds have remained somewhat consistent in recent years, they are approaching the 15 km/h threshold in the area, with the exception of lower speeds on Sandford Street, between Mulock Drive and William Roe Boulevard.



-  Road Diet approximate locations
-  Intersection Enhancement
-  Proposed Bicycle Lanes



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June 6, 2016

DEVELOPMENT AND INFRASTRUCTURE SERVICES – PUBLIC WORKS SERVICES REPORT PWS 2016-27

TO: Committee of Whole

SUBJECT: Sewer Lateral Clearing

ORIGIN: Manager, Water/Wastewater, Public Works Services

RECOMMENDATIONS

THAT Development and Infrastructure Services Report – Public Works Services 2016-27 dated June 6, 2016 regarding Sewer Lateral Clearing be received and the following recommendation(s) be adopted:

- a) **THAT beginning January 1, 2017, the clearing of all sewer lateral blockages on private properties fall under the responsibility of the owner/resident;**
- b) **THAT owners/residents who experience a sewer backup and contact the Town, are provided with a contact for a preselected local plumbing contractor to clear the blockage; and**
- c) **THAT if the blockage is found and proven to be on municipal property by the preselected local plumbing contractor, any costs incurred by the resident for the investigation be fully reimbursed and where required Town staff clear the blockage and conduct any remedial works.**

COMMENTS

Currently, the Town of Newmarket provides an annual service, on request, to clear a plugged sewer lateral at residential properties at no cost to the home owner/resident. Any subsequent blockage deemed to be on private (non-municipal) property is subject to a charge under the 2016 User Fee's (Actual + Administration).

Since the beginning of 2013, Public Works Services have responded to 454 potential sewer backups at private residential properties. This relates to an average cost of \$33,571 to the Town per year. Over **70%** of these blockages were proven to be located on the homeowner's side of the

property line, or as a result of items being put in the sewer that should not be; some of these items banned by the Town's own Sewer Use By-Law.

Many of these calls were received after hours which resulted in Operations Staff responding on overtime, contributing to substantial cost to the Operating Budget. In addition to the after-hours costs, scheduling of preventative (routine) sewer maintenance programs is impacted when staff are constantly responding to private side sewer backups to the detriment of the overall system.

Due to the small percentage of blockages on the municipal side, these costs and inefficiencies could be greatly reduced if the recommended process in this Report is implemented and staff are only responsible for municipal infrastructure. This will ensure that staff respond quickly and appropriately to public side sewer blockages and also maintain focus on maintaining the overall sanitary sewer system.

It is recommended that the homeowner or resident contact a preselected local plumber for any sewer backups they may experience. In consultation with Legal Services and Procurement Services, a process would be undertaken to develop a list of qualified plumbers would be provided to the owner upon request. Staff will also ensure that the contractor can provide after-hours services and will be cost effective and certified.

The Town would require the plumber to conduct a closed circuit television (CCTV) inspection of the sewer lateral and provide a Report to Water/Wastewater staff identifying the cause and location of the blockage. If the report confirms the location to be on municipal property, the homeowner may submit a claim to the Town for full reimbursement of the investigative costs and Town staff will be responsible to clear the blockage and any remedial works necessary.

In recent years, as a part of our Capital Projects, many of the sanitary sewer mains and laterals within the municipal right of way have been replaced proactively reducing the number of lateral intrusions and issues associated with older infrastructure.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

Consultation with Legislative Services and Procurement Services

HUMAN RESOURCE CONSIDERATIONS

Staffing levels are not impacted as a result of the recommendations in this report.

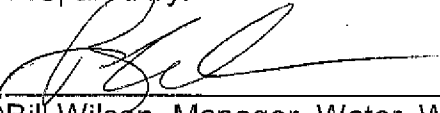
BUDGET IMPACT

There would be a positive financial impact on the Operating Budget with the reduction of staff overtime. However the exact figure would be determined once the process has been implemented over the budget year.

CONTACT

For more information on this report, please contact Bill Wilson at extension 2553; bwilson@newmarket.ca

Prepared by:

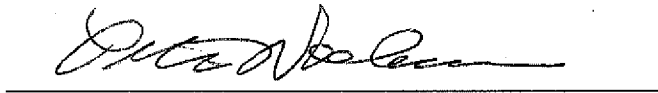


Bill Wilson, Manager, Water, Wastewater

Reviewed by:



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Director, Public Works Services



Peter Noehammer
Commissioner, Development & Infrastructure Services



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June 7, 2016

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
 COMMISSIONER REPORT 2016-28**

TO: Committee of the Whole

SUBJECT: Sewer and Water Line Warranty Program

ORIGIN: Commissioner of Development & Infrastructure Services

RECOMMENDATIONS

THAT Development and Infrastructure Services Commissioner Report – 2016-28 dated June 7, 2016 regarding Sewer and Water Line Warranty Program be received and the following recommendations be adopted:

- 1. THAT through this report Council is aware of Service Line Warranties of Canada (SLWC) as a provider of insurance for water and sewer lateral service line protection to the home, as an alternative for residents to policy endorsements which may be available through their own homeowner insurance policies; and**
- 2. THAT staff further explore means by which residents are advised of insurance programs for water and sewer lateral service lines not covered by the Town.**

BACKGROUND

At the Committee of the Whole Meeting on November 9, 2015, Committee passed a motion that read as follows:

THAT staff bring back a report to Council on a third party insurance program for residents to insure their water and sewer pipes that run under private property and are not covered by the Town.

In researching this item, staff found the following information:

In 2013, Service Line Warranties of Canada (SLWC) approached the Association of Municipalities of Ontario (AMO) with an insurance program that could be offered to residential homeowners across municipalities in Ontario. At the same time, the City of Hamilton was in the process of issuing a Request for Proposal (RFP) for a similar coverage to assist residents in their municipality. AMO made the decision to wait to learn from the outcome of Hamilton's RFP before endorsing any one provider, since Hamilton is the second largest municipality in Ontario.

Hamilton issued an RFP in March 2014, described as a Revenue Generating Agreement for Residential Water/Wastewater Warranty Protection Plan. Two companies put forward proposals and SLWC was the successful proponent. The program was launched in September 2014.

This was a completely voluntary program offered to those homeowners wishing to retain the coverage to water and sewer lateral line to their homes. The costs were as follows:

- o Water Line Warranty - \$5.00 per month or \$55.00 annual fee – covers repair costs to restore flow to frozen, leaking or broken water lines located outside the home to the property line. Up to \$5,000 coverage per repair incident.
- o Sewer Line Warranty - \$5.75 per month or \$64.00 annual fee – covers the costs to restore flow to frozen, leaking, broken or clogged sewer laterals located outside the home to the property line. Up to \$8,000 coverage per repair incident.
- o In Home Plumbing Warranty - \$6.50 per month or \$73.00 annual fee – Covers costs of repairs to clogged, leaking or broken water and sewer lines inside the home, including drain lines connected to the main sewer stack. Up to \$3,000 coverage per repair occurrence.

In the first year, SLWC addressed 450 warranty claims with a value of approximately \$145,000 in repair work. No complaints were received by the City of Hamilton with respect to these claims. The contract between the City of Hamilton and SLWC was for two years with the City having the option to extend the contract, and in fact Hamilton has now extended the contract with SLWC for an additional three years.

The City of Hamilton receives a monetary compensation for any homeowners that sign up for the program at 5 percent of the premiums received by SLWC. This is an optional arrangement with SLWC, and many municipalities that receive this compensation state that it is for the use of the municipality's logo in marketing their service offerings.

Local Authority Services (LAS), through AMO, has now endorsed the SLWC program as it provides municipalities and their residents with the opportunity for a low cost warranty program that will help repair, replace, or restore sewer and water lateral service lines to the home, which are often perceived as the municipality's responsibility. As a preferred service partner of LAS, this warranty program is being made available to any Ontario municipality with a standard rate structure for residents. The municipality is required to endorse the program model, which allows SLWC to market the program to residential property owners in the municipality.

According to AMO, as of January 2016, 14 municipalities representing 14,360 households have engaged the services offered by SLWC and 36 more are reported to be currently investigating the benefits of the arrangement with SLWC.

COMMENTS:

Homeowners presently have the option of contacting their insurance providers to determine whether they are able to secure protection through policy endorsements which cover overland water damage and sewer back-up, where available. Recently, some insurance companies have added improved protection by adding coverage to repair or replace damaged service lines, as well as coverage for the installation of a sewer backup prevention device following a sewer backup claim. The insurance industry is adjusting to the demands of a changing need from homeowners for residential coverage. The SLWC program is an example of an option for sewer and water line damage or blockage that could be made available through a LAS preferred service

partner and municipal endorsement. Beyond sewer lines, it also covers problems with water lines and in particular frozen services.

How the SLWC Program Works

After receiving information on the description of the program and associated costs and coverages provided, the homeowner could choose to compare similar coverage with their existing insurer and would determine whether to protect their sewer or water line lateral services. Through the SLWC program a monthly or annual fee would be charged and the homeowner would be given the option to stop coverage at any time. If a leak or blockage is detected, the homeowner would call a 24-hour telephone number and SLWC would utilize their network of pre-screened local contractors and would arrange a call back to the homeowner. A time is arranged between the contractor and the homeowner for a site visit, and after the contractor makes the necessary repairs, SLWC would be invoiced. The homeowner would not pay for the repairs. SLWC would send the homeowner a survey to follow up on the work done, and if there are any problems the homeowner can call SLWC for assistance.

Benefits to a municipality with the SLWC Program (from the SLWC website)

- To educate residential property owners about their responsibilities for the maintenance, repair and replacement of water and sewer service lines (the portion from their homes to the property line) – at no cost to the City.
- To make available to residents optional, affordable protection against the unexpected costs of repairing or replacing non-functioning water and sewer service lines, as well as broken interior plumbing and drainage systems.
- To be assured that all repairs are completed to code and that all appropriate permitting is pulled. Additionally, SLWC only uses qualified local contractors so repair dollars stay within the community, helping the local economy.
- To reduce expense to property owners and the City because the Program encourages residents to report water and sewer leaks, clogs and breaks in a timely manner. Timely water line repairs conserve water and reduce water loss for the City. Timely sewer line repairs minimize wastewater (sewer) pollution, which helps keep the environment free of contaminants.
- Because other cost savings for the City are expected with fewer calls from residents to report problems and less involvement of City personnel regarding infrastructure that is the responsibility of property owners.
- Because SLWC does offer the City compensation for allowing use of the City logo on the warranty offer letters that homeowners receive. The support of the City alerts residents to the legitimacy of the program, resulting in more enrollments, which in turn allows SLWC to offer lower warranty prices to residents because of the increased participation.

It is anticipated that a license agreement would be required between the Town and SLWC to use the municipal logo and capture the benefit of the Town's endorsement when communicating with residents. Further review of this aspect with the Town's Procurement and Legal Services Departments will be required before an endorsement would be recommended by staff to Council.

In the interim, staff will be reviewing means by which residents can be advised of insurance programs available for water and sewer lateral service line coverage, since these lines are not the responsibility of the Town when damage or blockage occurs.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

Well Respected - Strive to be respected and valued for our exceptional customer service, quality of life, judgment and innovative programs and services while striving to preserve our heritage and environment.

CONSULTATION

Staff from Public Works Services – Water and Wastewater, and Legislative Services – Insurance and Risk Management, and Procurement Services have been consulted during the research and preparation of this report.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report.

BUDGET IMPACT

There would be no cost attributed to recommendations contained in this report at this time.

CONTACT

For more information on this report, contact Peter Noehammer at pnoehammer@newmarket.ca or (905) 953-5300 x2201.



Peter Noehammer
Commissioner, Development and Infrastructure Services



CORPORATE SERVICES COMMISSION
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June 9, 2016

JOINT DEVELOPMENT AND INFRASTRUCTURE SERVICE – PLANNING AND BUILDING SERVICES, AND CORPORATE SERVICES REPORT – FINANCIAL SERVICES – 2016-24

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: Request for Reduction of Development Charges - 415 Queen Street

ORIGIN: Director, Financial Services/Treasurer
Director, Planning and Building Services

RECOMMENDATIONS:

a) THAT Joint Development and Infrastructure – Planning and Building Services, and Corporate Services – Financial Services Report – 2016-24 dated June 9, 2016 regarding Request for Reduction of Development Charges - 415 Queen Street be received and the following recommendation be adopted:

i) THAT the payment of Development Charges, or of any development-related fees, not be deferred or waived.

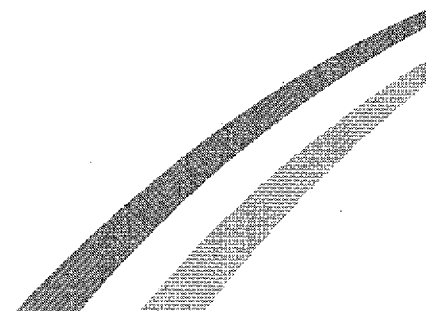
COMMENTS:

Background

On April 18, 2016, Mr. Jeffrey and Ms. Farzaneh Peterson made a deputation to Committee of the Whole regarding the property known as 415 Queen Street. Their request was for "substantial reduction of the development fees and deferral of payment." Committee directed staff to:

... explore opportunities related to Development Charges, engage the property owner and report back to Council within 60 days.

Attached is a copy of an information memorandum which provides a timeline of events leading up to this deputation.



In addition, the following facts pertain to this file:

- The existing buildings are a house of 201.64 m² (including a second floor of 71.76 m²) and a second building of 175.58 m² (including a mezzanine of 50.07m²)
- The current plan entails converting the entire secondary building and about half of the home into a private school – a total of 276.38 m²
- The registered owners of the property are Mr. Jeffrey and Ms. Farzaneh Peterson. The property is assessed as residential. The construction will result in 50% of the property being reassessed as commercial, with a property tax increase of at least 50%.
- Roger White Academy, according to its website, <http://www.rogerwhiteacademy.org/>, is a “private school offering innovative holistic education to K-8 students”.
 - Tuition is \$7,900 per year
 - It is not a registered charity

Analysis and Options

1. Consider the residential component of the building to be a semi-detached dwelling based on the reduction in floor space.

This is not a valid option as the Development Charges (DC) By-law does not recognize a residential/non-residential split. The by-law does contemplate mixed uses of property and addresses that in Section 3.6.

Even if it did recognise the split, semi-detached and single-detached residential units are charged the same DC's.

2. Development Charges can be waived for a building or structure used for a community use which is owned by a non-profit corporation (DC By-law, Section 3.5.b).

The definition of community use is “a facility traditionally provided by a municipality which serves a municipal purpose and shall include a community centre, library/research facility, recreation facility and a shelter.” This section is not applicable to this situation.

3. Deferral of payment of Development Charges and Planning Application Fees was dealt with in a policy adopted by Council in June of 2012,

However, the deferral referenced in the above policy is restricted to a prescribed area, being the Urban Centres and therefore, this property would not be eligible under that policy.

4. Financial Incentives under the Community Improvement Plan

The property is within the Town's Community Improvement Plan (CIP) area and, as such, the property is eligible to apply for the financial incentive programs associated with that Plan.

The Development Charge Equivalent Rebate/Credit Program, which allows property owners within the CIP to apply to have all or a portion of the DCs returned, based on the incremental impact of the project on Town services, applies to new construction, building preservation, restoration of heritage buildings, and residential intensification.

The Planning and Building Fees Equivalent Rebate/Credit Program allows property owners in the CIP to apply to have all or a portion of the Planning or Building fees refunded upon completion of the project under agreed-to conditions.

Although this property is within the CIP area, the Town has never used either of these programs. This is not a priority property and there is no budget for these programs. As such, it would not be recommended to the Newmarket Downtown Development Committee (NDDC) for approval.

If Council wishes to provide financial assistance to this project, the CIP would be the mechanism under which to do so, but funding would have to be allocated.

5. Although the DC By-law does not allow for fees to be waived or reduced for the appellant, Council can alter the timing of payments (section 3.11).

There is no current mechanism, but an agreement could be negotiated.

6. Council always has the authority to give a grant if they want to support specific types of activities.

Since the deputation, the Town has received a number of letters from the parents of pupils supporting the school's request. They suggest that Council should give special consideration to the work of the Roger White Academy and allow a variance from application of the Town's Development Charges By-law.

In making a decision based on the claim of social benefits, Council should consider:

- The precedent this would set – application to other taxpayers
- Whether a policy is required
- Due diligence – get copies of financial statements, etc. to support the financial claims
- The sufficiency of this assistance - even if the Town was to waive its \$14,905.17 in Development Charges, as well as the Planning fees (\$17,225.81 for the Zoning By-law

amendment and \$11,703.08 for the site plan application), there would still be the following additional charges:

- \$59,407.88 in Regional Development Charges – these are collected by the Town on behalf of the Region administering the Region's own DC by-law and the Region's interpretation of it – they are not obligated to follow the lead of the Town with regards to grants, waiving of fees or deferrals;
- \$2,230.39 in School Board Development Charges
- The cost of the renovations themselves, along with any related consulting fees
- Building Permit charges – which are yet to be determined
- Extensive work required to bring the property up to Building Code requirements
- Increased property taxes for the additional assessment

Meeting with the Property Owner

At Council's direction, Planning and Finance staff met with the property owners and their legal counsel on June 6, 2016 to discuss their request for a reduction in DCs. In particular, staff provided an overview of this report, outlining the programs, policies, and options available to staff to waive, reduce, or defer DCs, as well as staff's position on each option as it relates to this property. As noted in this report, staff also reminded the owners that, notwithstanding staff's recommendation, Council has the ability to give a grant if it wishes to support specific types of activities. The owners advised that they would be making a deputation to Committee of the Whole to discuss this report and their request.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

This report was jointly prepared by the Financial Services and the Planning and Building Services Departments. The Economic Development Office provided input on the application of CIP incentives.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report

BUDGET IMPACT

The recommended course of action would have no budget impact.

Development-related fees are either for the recovery of costs (e.g. Planning application Fees) or the funding of capital projects (e.g. Development Charges). As such, if Council directs any of them to be waived, they will need to be replaced.

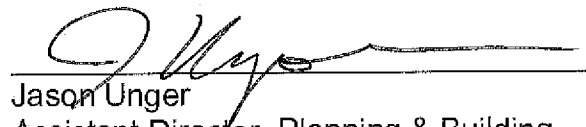
If current practices and policies are altered and new precedents set, consideration would have to be given to the financial impact.

CONTACT

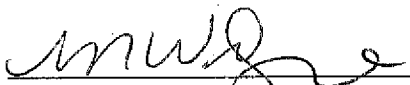
For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca or Rick Nethery at 905-953-5300, ext. 2451 or via e-mail at rnethery@newmarket.ca.




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Director, Financial Services/Treasurer




Jason Unger
Assistant Director, Planning & Building
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per Esther Armchuk (B.A. (Hons.), LL.B., DPA
Commissioner, Corporate Services



Richard Nethery,
Director, Planning & Building Services/
Town Planner



Peter Noehammer,
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INFORMATION MEMORANDUM

TO: Mayor and Members of Council
R. N. Shelton, Chief Administrative Officer
Peter Noehammer, P. Eng., Commissioner, Development &
Infrastructure Services

FROM: Richard C. Nethery, B.E.S., MCIP, RPP
Director, Planning and Building Services

DATE: April 11, 2016

RE: 415 Queen Street – 415 Queen Street
Our File Nos.: D14-NP1101 and D11-NP1116

Further to the request of Jeffrey Peterson and Farzaneh Peterson to address Committee of the Whole on April 18, 2016 regarding Town development charges, we provide the following chronology of events relating to the zoning by-law application and site plan approval application:

Application for zoning by-law amendment was submitted on June 30, 2010 by Sciberras Consulting on behalf of the owner. The application requested an amendment to the Residential Detached Dwelling (R1-D) Zone to permit a private elementary school in conjunction with a residential use. Fees in the amount of \$17,225.81 plus HST were paid in January 2011.

Planning staff prepared Legal and Development Services – Planning Report 2011-10 dated March 1, 2011 and recommended the application for a zoning by-law amendment be referred to a public meeting.

The statutory public meeting was held on May, 3, 2011 at 7:00 p.m.

On May 16, 2011, Legal and Development Services – Planning Report 2011-22 recommended approval of the application for zoning by-law amendment.

On June 20, 2011, Council enacted By-law Number 2011-34. The by-law provided the only uses permitted in the main building are a private elementary school provided the residence (dwelling unit) is owner occupied. The only uses permitted in the accessory building are uses accessory to a private elementary school and uses accessory to a dwelling unit. A home occupation is not a permitted use.

On June 29, 2011 a pre-consultation meeting for the site plan approval application was held which was attended by Angelas Sciberras on behalf of the owner.

Application for site plan approval was submitted on July 28, 2011 by Macaulay Shiomi Howson Ltd. on behalf of the owner. Fees in the amount of \$11,703.08 inclusive of HST were paid.

The application for site plan approval was considered by Site Plan Review Committee at a special meeting on August 15, 2011. Committee granted an approval in principle and referred the application to staff for processing subject to the applicant satisfactorily addressing preliminary staff comments. Committee also requested staff prepare a report for the Committee of the Whole meeting of August 29, 2011 regarding the process to establish an interim use in the accessory building and the re-instatement of a home occupation as a permitted use. Council adopted these recommendations on September 6, 2011.

Legal and Development Services – Planning Report 2011-33 was considered by Committee of the Whole on August 29, 2011. The report recommended that the owner be advised that if they wish to establish a temporary use in the accessory building and/or reinstate the home occupation use in the main building, a new application for zoning by-law amendment along with the required studies and fees is required. Council adopted the recommendation on September 6, 2011.

In February 2012 Planning staff provided Ms. Sciberras with the Site Plan Approval package which included the approved drawings along with the site plan agreement and confirmation of the fees and charges due and payable at the time of signing of the site plan agreement.

In March 2012 Planning staff confirmed the information regarding the fees and charges due and payable at the time of signing the site plan agreement directly with the owner. The actual amount of development charges payable at the time of issuance of the building permit could not be determined until the owner's architect was able to certify the actual floor area of the buildings under development.

The total amount owing to the Town for development charges in March 2012 was \$5,937.81 based on a gross floor area of 323.41m² at a rate of 18.36/m².

Letters were sent by the owner in March 2012 and in May 2012 to Mayor Van Bynen requesting either the Town issue building permits for both buildings or allow the applications to be withdrawn and a full refund of fees paid be refunded. The Town's Solicitor responded to the letters advising Town staff do not have the authority to reduce, waive or reimburse any fees and charges. The owner was advised that he had the right to make a request directly to Council to reimburse fees and charges. The owner advised that he did not intend to proceed with the development.

In May 2015 Town staff met with the owner, his architect and his lawyer regarding a new development concept for the property which anticipated a scaled back version of the original proposal. Staff advised that any change to the original proposal would need to conform with the requirements of the amending zoning by-law adopted by Council and revised plans would be required to be provided to the Town for review and comment. At the meeting staff confirmed the zoning by-law does not permit the use of the garage for the main school use. The owner and architect were advised to contact the Building Division regarding the building

permits for the proposed development noting there have been recent changes to the Ontario Building Code.

On June 3, 2015 staff were advised by the owner's solicitor that the owner wished to revive the site plan application file and move forward with a scaled back revised plan (i.e. no addition to the main building that was originally proposed).

Town staff during June and July of 2015 reviewed preliminary plans provided by the owner's solicitor. The plans indicated the school would operate within portions of the basement and main floor of the main building and the garage would be used for accessory uses to the school. Staff advised the owner would be required to submit revised plans for formal review and enter into a site plan agreement with the Town.

In August 2015 the owner's solicitor requested a rough estimate of the amount of the Town's development charges based on the revised plans. Staff advised that development charges would be payable on the gross floor area of the school used multiplied by the current rate.

The owner's solicitor submitted plans on October 28, 2015 for staff review and comment. Comments on the submission were provided to the owner's solicitor on January 5, 2016 from Building Services, Central York Fire Services, Engineering Services, and Planning Services. A second submission was required to address the matters identified during the review.

The owner's solicitor contacted staff in January of 2016 regarding the amount of development charges payable to the Town based on the revised plans. Staff advised the Town's development charges due and payable at the time of execution of the site plan agreement would be \$14,905.17 based on 276.38m² of floor area devoted to school use and the current rate of \$53.93/m².

In February 2016 the owner's solicitor contacted the Town's Treasurer regarding the amount of development charges payable for the proposed revised development and was advised that development charges for non-residential uses are based on floor area. The Treasurer further advised that there is no credit available as residential development charges are based on type not size and although a portion of the residential space is proposed to be converted to school use the residence would remain.

The Town received a revised site plan submission on February 26, 2016 from the owner's solicitor in response to first submission comments. The owner's solicitor was provided with comments from Building Services, Central York Fire Services, and Planning Services on March 29, 2016. Comments from Engineering Services have not been received yet.

The most recent revised plans indicate the major occupancies for the accessory building are assembly and residential. Legal and Development Services – Planning Report 2011-22 noted "the applicant indicated the space is to be used for accessory space for the school use for activities such as recreational space in inclement weather and art studio space but not an additional classroom". The amending zoning by-law provides the only uses permitted in the accessory building are uses accessory to a private school and uses accessory to a dwelling unit. A dwelling unit is not permitted within the accessory building.

Based on the current floor space proposed for school use, the Region development charges will be \$59,407.88 and School Board development charges will be \$2,230.39. These charges are payable at the time of issuance of the building permit.

If you require any additional information, please feel free to contact me.

Yours truly,

Richard C. Nethery, B.E.S. MCIP, RPP
Director of Planning and Building Services



Mike Mayes, Director
Financial Services

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June 9, 2016

CORPORATE SERVICES REPORT - FINANCIAL SERVICES-2016-30

TO: Committee of the Whole

SUBJECT: 2016 Reserves & Reserve Funds Budget

ORIGIN: Senior Financial Analyst

RECOMMENDATION

a) THAT Corporate Services Report - Financial Services - 2016-30 dated June 10, 2016 regarding 2016 Reserves & Reserve Funds Budget be received and the following recommendation be adopted:

i) THAT the projected revenues for the 2016 Reserves and Reserve Funds Budget, as set out in the attachment, be approved.

COMMENTS

The purpose of this report is to seek Council approval of the projected 2016 Reserves and Reserve Funds Budget.

Summary

The 2016 budgeted revenues for reserves and reserve funds, including obligatory reserve funds, are \$29.2 million. They include \$18.7 million in transfers from the operating budget, \$2.4 million from the gas tax grant, and \$5.8 million in Development Charges.

The projected December 31, 2016 balance of the reserves and reserve funds is a decrease of \$41.0 million from the beginning of the year. This is mainly due to a) \$7.2 million loan to capital for streetlights retrofit and water meter replacement; and b) the budgeted financing from the Asset Replacement Funds (ARF) exceeding the budgeted annual ARF contributions from the operating fund. \$13.6 million of this has been allocated to fund capital carryovers.

Background

The Reserves and Reserve Funds Budget has been developed based upon the following:

1. The 2016 Capital Budget, including carryovers – approved funding requirements
2. The 2016 Operating Budget – approved contributions and funding requirements
3. Interest earned on projected Reserve Funds balances
4. Estimated Reserve Funds revenues – Developer contributions, etc.
5. Application of the Reserves and Reserve Funds Guidelines approved by Council

The majority of this budget has already been established through the previous adoption of the 2016 Operating and Capital budgets. Reserves and reserve funds, including obligatory reserve funds (for Development Charges and parkland contributions, Gas Tax Grant, etc.), had a combined balance of \$71.3 million at the beginning of 2016, and are projected to have a balance of \$30.3 million at the end of 2016.

Total reserves and discretionary reserve funds are projected to be \$13.1 million at the end of 2016, or 11.4% of 2016 budgeted operating expenses (36.0% in 2015). The 2016 reserves and reserve funds budget by group is summarized below.

1. Reserves and reserve funds for capital purposes

These reserves and reserve funds were set up for funding future capital projects. If all budgeted capital projects are completed, the projected balance of capital reserves will be -2.5% of the accumulated amortization of capital assets at the year end of 2016 (2015 actual ending balances were at 6.9%). Comparing capital reserves to accumulated amortization (also known as accumulated depreciation or the write down of assets over time) is a measure of the adequacy of capital reserves.

Category	Beginning Balance 2016	Revenues	Expenses	Ending Balance 2016	Change over 2015
General Capital	3,427,142	297,631	1,742,608	1,982,166	(1,444,977)
Loan to Capital	(12,399,560)	674,766	7,159,325	(18,884,119)	(6,484,559)
Designated Capital	8,787,746	850,091	4,588,897	5,048,940	(3,738,806)
Asset Replacement Funds	18,394,532	16,092,365	29,609,588	4,877,309	(13,517,223)
TOTAL	18,209,861	17,914,854	43,100,418	(6,975,703)	(25,185,564)

Revenues in the General Capital and Designated Capital reserve funds are mainly transfers from the operating fund for capital financing, environmental land purchases and the official plan.

The budgeted balance of the Asset Replacement Funds is projected to decrease by \$13.5 million. This is mainly due to budgeted financing from the Asset Replacement Funds exceeding the budgeted annual ARF contributions from the operating fund. \$13.6 million of this is for funding capital carryovers.

2. Reserves and reserve funds for operating purposes

These reserves were set up for rate stabilization and operational contingencies. The projected balance will be 6.1% of tax revenues at the end of 2016 (2015-7.4%).

Category	Beginning Balance 2016	Revenues	Expenses	Ending Balance 2016	Change over 2015
Operational Contingencies	1,305,157	-	212,442	1,092,715	(212,442)
Cyclical Expenses	517,812	112,015	-	629,827	112,015
Discretionary Operating	1,180,600	(414)	391,956	788,229	(392,370)
Operational Carry-overs	934,826	-	23,548	911,278	(23,548)
TOTAL	3,938,394	111,601	627,946	3,422,050	(516,344)

3. Obligatory reserves and reserve funds

These include cash-in-lieu contributions for parkland from developers, development charges, gas tax grant, and engineering administration, design, review and field monitoring fees for development. There are statutory restrictions on these reserve funds.

Category	Beginning Balance 2016	Revenues	Expenses	Ending Balance 2016	Change over 2015
Parkland	1,092,162	178,151	1,050,094	220,220	(871,943)
Development Charges	26,494,839	6,114,053	16,269,157	16,339,736	(10,155,103)
Gas Tax Grant	2,468,610	2,449,554	4,493,872	424,293	(2,044,318)
Engineering Administration	812,058	347,662	899,172	260,549	(551,509)
TOTAL	30,867,671	9,089,421	22,712,295	17,244,795	(13,622,873)

Revenue estimates for development charges and cash-in-lieu contributions for parkland are extrapolated from the trends of the preceding three years.

4. Other reserves and reserve funds

These are reserves and reserve funds not included in the above groups.

Category	Beginning Balance 2016	Revenues	Expenses	Ending Balance 2016	Change over 2015
Development Related Revenues	2,898,002	128,486	804,010	2,222,477	(675,524)
Restricted Operating	13,237,613	1,199,757	1,377,532	13,059,837	(177,775)
Growth Funds	2,194,410	713,683	1,551,337	1,356,755	(837,654)
TOTAL	18,330,023	2,041,925	3,732,879	16,639,070	(1,690,954)

Revenues in the Growth Funds include a projection of \$333,000 in voluntary trail contributions and \$360,000 in Recommending-A-Strategy (RAS) surcharges. A detailed list of all the reserves and reserve funds is attached to this report.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

The 2016 Reserves and Reserve Funds Budget has been created from the 2016 Capital and Operating Budgets which were developed by staff and have undergone extensive review by the public and Council.

BUDGET IMPACT

Reserves and Reserve Funds Budget

Projected reserves and reserve funds revenues, being interest earned, developer contributions, land sales and other items paid directly to the reserves and reserve funds, are being added to the consolidated budget.

Operating Budget (Current and Future)

This report has no direct impact on the Operating Budget. All transfers to or from the Operating Budget were previously approved by Council.

Capital Budget


This report has no direct impact on the Capital Budget. All transfers to the Capital Budget were previously approved by Council.

CONTACT

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca



Frank Wu, MBA
Senior Financial Analyst



Dawn Schellenberg, CPA, CA
Manager, Finance & Accounting



Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer



Esther Armchuk, B.A. (Hons.), LL.B., DPA
Commissioner, Corporate Services

FW/he
Attachment:

- a) 2016 Reserves and Reserve Funds Budget (8 pgs.)

2016 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund Account		Account #	Balance Forward Jan 1/2016 \$		Closing Balance Dec 31/2016 \$	
RESERVE FUNDS:						
Reserve Funds for Development-Related Revenues:						
			REVENUES		EXPENDITURES	
	Bank & Investment Interest	Capital Contributions	From General Fund	Other	Total Revenue	
	\$	\$	\$	\$	\$	\$
Tree Planting	3,867	27,000			30,867	264,191
Perpetual Maintenance	16,752				16,752	1,271,814
Planning Application Subdivision Fee	7,267		73,600		80,867	421,029
Reserve Funds for Cyclical Expenses						
Election	1,442		80,000		81,442	156,816
Inauguration	573		20,000		20,573	58,431
Discretionary Operating Reserve Funds						
NEER Support	(414)				(414)	(33,570)
Restricted Operating Reserve Funds						
CYFS Reserve Fund	6,828		55,000		61,828	547,967
LTD - Town	47,644		851,116		898,960	4,300,935
Medical Benefits Plan	2,308				2,308	186,984
Dental Benefits Plan	788				788	63,788
Seniors Fund	14				14	1,174
Machinery Fund	36				36	2,920
L.A.C.A.C.-Heritage Fund	233				233	18,840
General Capital Reserve Funds						
Capital Contingency Fund	365				365	(396)
Capital Financing Fund	2,902				2,902	(301,040)
Community Benefit	905				905	73,279
Designated Capital Fund	21,168		50,000		71,168	1,618,374
Investment Income Fund	(150,000)		72,291	300,000	222,291	47,103
Streetsight Retrofit Loan			200,000		200,000	(8,439,506)
Water Meter Replacement Loan						(6,700,000)
Magna Centre Solar Panel Loan			50,000		50,000	(1,437,890)
Solar Panel at RJT			24,439		24,439	(591,029)
2013 Solar Panel			10,385		10,385	(232,236)
Loan to Capital Fund	(77,754)		467,896		389,942	(1,483,457)
Designated Capital Reserve Funds						
Road Reconstruction	3,155				3,155	255,583
Purchase of Municipal Easement	436				436	35,302
Sticewalks	3,087				3,087	250,078
Pony Drive	871				871	70,524

2016 RESERVES AND RESERVE FUNDS BUDGET

REVENUES			EXPENDITURES			Closing Balance Dec 31/2016 \$						
Account #	Account Name	Balance Forward Jan 1/2016 \$	Bank & Investment Interest \$	Contributions \$	From General Fund \$	Other \$	Total Revenue \$	To Capital Fund \$	To General Fund \$	Internal Transfers \$	Total \$	
Dawson Manor Blvd.	432216	12,939	162				162				-	13,101
Insurance Proceeds Barn	410806	256,218	1,832				1,832	219,317			219,317	38,733
Public Art	457215	268,126	3,727	60,000			63,727				-	331,853
Theatre CJE Fund	457352	790,882	9,996		75,000		84,996	56,942			56,942	818,796
Theatre	457351	29,114	364				364				-	29,478
Museum Board	457531	8,308	104				104				-	8,412
Museum Conservation	457532	11,382	142				142				-	11,525
Museum Exhibit	457533	8,797	110				110				-	8,907
SWM Pond Maintenance	442163	1,056,967	11,891	128,000			138,891	299,632	39,730		339,362	857,486
Downstream Storm Drainage	442182	4,189	52				52				-	4,241
Stormwater Erosion	442181	6,065	76				76				-	6,141
Environmental Green Fund	410860	48,953	612				612				-	49,565
Environmental Land Purchase	410871	1,022,864	10,692		372,000		382,692	425,386	281,593		706,979	698,577
All Our Kids Playpark	457840	2,794	35				35				-	2,829
Playground Equipment	457881	202,984	2,537				2,537				-	205,522
Fence	432132	9,496	119				119				-	9,615
Secondary Planning Study	468000	140,513	1,444				1,444	50,000			50,000	91,956
Official Plan	468115	635,714	7,321		130,000		137,321	30,000			30,000	643,036
Parking Purposes	422117	431,925	5,399				5,399				-	437,324
Downtown Parking	422110	38,041	444				444	5,000			5,000	33,486
Holland River Walkway	457861	137,327	1,717				1,717				-	139,044
Trail Contribution-Eden Oak	462150	30,754	384				384				-	31,139
Sale of Property	410870	1,648,914	5,224				5,224	2,461,930			2,461,930	(807,791)
Stockwood-Walker Property	410873	1,011,595	8,149				8,149	719,367			719,367	300,377
Rawluk Property	410872	391,725	4,897				4,897				-	396,622
Fiddlefest	457893	5,342	67				67				-	5,409
Festival of Lights	457892	3,578	45				45				-	3,622

2016 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund Account	Account #	Balance Forward Jan 1/2016	REVENUES						EXPENDITURES				Closing Balance Dec 31/2016
			Bank & Investment Interest	Contrib. Auditors	From General Fund	Other	Total Revenue		Capital Fund	General Fund	Transfers/Other	Total	
Asset Replacement Funds													
CYFS	471117	148,030	(10,866)		650,000		639,134		2,864,565			2,864,565	(1,887,401)
IT	473628	3,439,712	22,763		790,204		812,967		2,161,839			2,161,839	2,090,840
Roads	482287	3,508,500	(13,195)		4,304,107		4,290,912		12,827,083	701,292		13,528,375	(5,729,563)
Water	482437	21,865,987	282,746		2,713,083		2,995,829		743,151	442,542		1,185,693	23,666,123
Sewer	482477	17,046,382	226,646		3,286,577		3,613,223		159,785	1,056,042		1,215,827	19,443,578
Parks	482817	(11,055,579)	(151,716)		760,259		608,543		1,352,134	1,571,500		2,923,634	(13,370,570)
Other	482917	1,851,517	20,798		503,182		523,980		119,481	759,000		878,481	1,497,016
Library	485127	1,138,136	8,525		223,550		232,075		1,135,778			1,135,778	234,433
Fire	487717	(253,752)	(8,942)		15,738		6,796		939,000			939,000	(1,185,956)
Facilities	487767	(19,284,402)	(243,202)		2,412,903		2,169,706		1,575,388	1,181,008		2,756,396	(19,871,092)
Growth Reserve Funds													
Growth Fund	480949	485,569	2,526				2,526		538,949	28,050		566,999	(78,904)
Recommending A Strategy	457306	3,633	45			360,000	360,045		624,338	360,000		984,338	3,679
Trail Voluntary Leases	452100	1,594,581	18,111	333,000			351,111						1,321,354
TOTAL RESERVE FUND		26,321,997	123,856	548,000	18,490,935	660,000	19,822,791		38,087,165	7,141,508	-	45,228,673	916,115
RESERVES:													
Reserves for Operational Contingencies													
Legal Services	322110	237,448					-					-	237,448
HR Reserve	322510	81,860					-					-	81,860
Corporate Consulting	322710	87,575					-			10,000		10,000	77,575
Waste Management	323442	100,000					-					-	100,000
Strategic Planning	327911	28,214					-					-	28,214
Strategic Planning	327910	68,119					-					-	68,119
Streetslighting	323730	175,000					-		175,000			175,000	-
Winter Control	323632	268,097					-					-	268,097
Reserves - Energy	328010	127,442					-		27,442			27,442	100,000
Corporate Contingency	327210	90,000					-					-	90,000
Insurance Claims	325413	41,402					-					-	41,402

2016 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund Account	Account #	Balance Forward Jan 1, 2016 \$	REVENUES					EXPENDITURES					Closing Balance Dec. 31, 2016 \$
			Bank & Investment Interest	Contributions	From General Fund	Other	Own Revenue	To Capital Fund	To General Fund	Internal Transfers	Other	Total	
Reserves for Development-Related Revenues													
Street Signs	322230	66,153											66,153
Finance Admin. Cf Developments	324314	250,822							100,000				150,822
Art. Tamping Devices	325162	48,467											48,467
Reserves for Cyclical Expenses													
Customer Survey	322313	26,196			10,000								36,196
Wages and Benefits	322810	366,856											366,856
Computer Incentive Program	324210	13,530											13,530
Discretionary Operating Reserves													
Continuous Improvement	324011	44,000											44,000
Hydro Dividend Reserve	322910	761,000											761,000
Corporate Rate Stabilization Fund	325210	347,831							200,000				147,831
Efficiency / Enhancement Fund	323310	60,924							153,084	38,872			(131,032)
Reserves for Operational Carry-Overs													
NDDC Incentive	323268	380,423											380,423
HR Consulting	322310	193,000											193,000
Customer Service	322314	-											-
IT	323113	50,000											50,000
Grants	324414	5,649							6,048				(399)
Financial Services	324614	3,000											3,000
Reserve - Communications	324710	23,412											23,412
Operational Carry-Overs	328710	275,488							17,500				257,988
Wellness Reserve	328210	2,924											2,924
Charity - Golf Donations	328310	431											431
ERIC	324513	500											500

2016 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund Account	Account #	Balance Forward Jan.1/2016 \$	REVENUES					EXPENDITURES					Closing Balance Dec. 31/2016 \$
			Bank & Investment Interest	Contrib. Auditors	From General Fund	Other	Total Revenue	To Capital Fund	To General Fund	Internal Transfers	Total		
Restricted Operating Reserves													
Building Permits	324116	5,381,847						211,949	654,698		866,647	4,515,200	
Main St. BIA	326110	26,744										26,744	
NEAC	327168	5,800										5,800	
Library	325591	572,810										572,810	
Library-Fund Raising	325592	1,760										1,760	
Library-Strat. Plan Implemtn	325596	42,021										42,021	
Library-Strategic Plan	325594	1,257										1,257	
Library-Insurance	325595	10,000										10,000	
Maintenance - Water	324942	60,648										60,648	
Water Rate Stabilization Fund	327542	1,493,738			98,547		98,547	290,000	71,065		361,065	1,231,220	
Sanitary Sewer Rate Stabilization Fd	327744	1,338,973			137,042		137,042	84,000			84,000	1,392,015	
Apprenticeship Grants	329010	1,916										1,916	
Youth Reserve	329274	15,053										15,053	
Public Works Services	329332	61,068										61,068	
General Capital Reserves													
Unexpended Capital	341010	737,759						192,912			192,912	544,847	
Designated Capital Reserves													
Minor Capital	323610	16,500										16,500	
Digital Initiative	328913	50,000										50,000	
Community Service Group	323552	2,000										2,000	
Growth Reserves													
Historic Downtown Centre	328410	15,122										15,122	
Regional Healthcare Centre	328510	58,179										58,179	
Regional Urban Centre	328610	37,326										37,326	
TOTAL RESERVES		14,156,282			245,589		245,589	1,140,435	1,092,135		2,232,570	12,169,301	

2016 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund Account	Account #	Balance Forward Jan 1/2016	REVENUES					EXPENDITURES					Closing Balance Dec 31/2016
			Bank & Investment Interest	Contrib. Outside	From General Fund	Other	Total Revenue	To Capital Fund	To General Fund	Internal Transfers	Total		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
SUMMARY BY FUNCTION													
Operational Contingencies		1,305,157	-	-	-	-	-	202,442	10,000	-	212,442	1,092,715	
Development Related Revenues		2,898,032	27,886	27,000	73,800	-	128,686	170,259	633,751	-	804,010	2,222,477	
Cyclical Expenses		517,812	2,015	-	110,000	-	112,015	-	-	-	-	629,827	
Discretionary Operating		1,180,600	(414)	-	-	-	(414)	153,084	238,872	-	391,956	788,229	
Operational Carry-Overs		934,826	-	-	-	-	-	6,048	17,500	-	23,548	911,278	
Restricted Operating		13,237,613	58,052	-	1,141,705	-	1,199,757	639,769	737,763	-	1,377,532	13,059,837	
General Capital		(8,972,417)	(202,414)	-	874,811	300,000	972,397	8,726,933	175,000	-	8,901,933	(16,901,933)	
Designated Capital		8,787,746	85,091	188,000	577,000	-	850,091	4,267,574	321,323	-	4,588,897	5,048,940	
Asset Replacement Funds		18,384,532	132,957	-	16,959,408	-	16,092,365	23,898,204	5,711,384	-	29,609,588	4,877,309	
Growth Funds		2,194,410	20,883	333,000	-	360,000	713,883	1,163,287	388,050	-	1,551,337	1,356,755	
TOTAL RESERVE FUNDS AND RESERVES		40,478,279	123,856	548,000	18,736,524	660,000	20,068,380	39,227,600	8,233,643	-	47,461,243	13,085,416	

2016 DEFERRED REVENUE BUDGET

Reserve / Reserve Fund Account	Account #	Balance Forward Jan. 1/2016
		\$

REVENUES				
Bank & Investment Interest	Contributions	From General Fund	Other	Total Revenue
\$	\$	\$	\$	\$

EXPENDITURES				
To Capital Fund	To General Fund	Internal Transfers/Other	Total	
\$	\$	\$	\$	\$

Closing Balance Dec. 31/2016
\$

Parkland	457815	1,092,162
Development Charges		
General Government	460100	524,646
Library	460200	2,416,417
Fire	460300	691,608
Recreation Facilities	460400	6,282,428
Outdoor Recreation	460500	9,664,671
Yards & Fleet	460600	649,538
Town-Wide Engineering	460700	4,086,620
Charges-Parking	460800	1,423,092
Specific DC - Rotundo	460101	65,125
Area Specific DC - Rawlwik Farm	460102	7,159
Area Specific DC - Block 9	460103	18,201
Area Specific DC - Walker Farm	460104	19,730
Area Specific DC - Goldstein	460105	646,606

8,151	170,000			178,151
3,733	144,000			147,733
30,706	421,000			451,706
(18,293)	192,000			173,707
81,417	2,180,000			2,261,417
111,464	1,745,000			1,856,464
9,807	270,000			279,807
19,821	587,000			606,821
17,939	309,000			326,939
814				814
89				89
228				228
247				247
8,083				8,083

800,094	250,000		1,050,094	220,220
540,000	56,000		596,000	76,379
215,851	125,000		340,851	2,527,272
4,502,100			4,502,100	(3,636,785)
411,030	1,307,140		1,718,170	6,825,675
3,240,080			3,240,080	8,281,055
				929,345
5,015,252	571,700		5,586,952	(894,511)
285,004			285,004	1,465,027
				65,939
				7,246
				18,429
				19,977
				654,689

Total DC's		26,494,841
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266,053	5,848,000	-	-	6,114,053
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14,209,317	2,059,840	-	16,269,157	16,339,737
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Engineering Administration	469991	812,058
Engineering Admin-Subdivision		

6,662	341,000			347,662
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899,172			899,172	260,548
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2016 DEFERRED REVENUE BUDGET

Reserve / Reserve Fund Account	Account #	Balance Forward Jan, 1/2016
		\$

REVENUES				
Bank & Investment Interest	Contrib. billions	From General Fund	Other	Total Revenue
\$	\$	\$	\$	\$

EXPENDITURES				
To Capital Fund	To General Fund	Internal Transfers/ Other	Total	
\$	\$	\$	\$	\$

Closing Balance Dec, 31/2016
\$

Federal Gas Tax Grant

Gas Tax	432250	2,468,610
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17,968	2,431,586			2,449,554
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4,493,872			4,493,872
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424,293

TOTAL DEFERRED REVENUE		30,867,671
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298,835	8,790,586	-	-	9,089,421
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19,503,283	3,209,012	-	22,712,295
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17,244,797

TOTAL RESERVE FUND & RESERVES & DEFERRED	71,345,951
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422,691	9,338,586	18,736,524	660,000	29,157,801
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58,730,883	11,442,655	-	70,173,538
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30,330,214

Increase/(Decrease) RF & R/D/Def Revenue Fund	Budget	(44,015,737)
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June 8, 2016

CORPORATE SERVICES COMMISSION REPORT - LEGISLATIVE SERVICES 2016-13

TO: Mayor Van Bynen & Members of Council

SUBJECT: Housekeeping Amendments: Clothing Donation Bin & Taxi By-law

ORIGIN: Legislative Services

RECOMMENDATIONS

THAT Corporate Services Commission Report – Legislative Services 2016-13 dated June 8, 2016 regarding “Housekeeping Amendments: Clothing Donation Bin By-law & Taxi By-law” be received and the following recommendations be adopted:

- 1. THAT Council adopt the recommended housekeeping amendments to the Clothing Donation Bin By-law (2013-22), identified in red text and attached as Appendix “A” and Taxi By-law (2013-28), identified in red text and attached as Appendix “B”;**
- 2. AND THAT consolidated by-laws to regulate clothing donation bins and taxi be brought forward to Council, as amended;**
- 3. AND THAT applicable amendments to the Town’s fees and charges by-law regarding taxi licensing be brought forward to Council for the 2017 budget year.**

COMMENTS

The purpose of this report is to seek Council’s approval of housekeeping amendments related to the Clothing Donation Bin By-law and Taxi By-law.

Clothing Donation Bin By-law

In 2013, Council adopted a by-law (By-law 2013-22) to regulate clothing donation bins in the Town. Since the by-law was enacted, the regulations have served as an effective enforcement tool in regards to maintaining property standards and ensuring bins are located and placed in appropriate and safe locations. The Town’s enforcement officers routinely inspect clothing donation bins to ensure they are licensed and maintained in accordance with the by-law.

Currently, the regulations permit clothing donation bins in commercial zoned properties, subject to the permission of the property owner and applicable site setback requirements. Staff was

approached by a local charity with a request to allow bins to be placed in institutional zoned properties. Some local charities partner with school boards, hospitals and places of worship to have their clothing donation bins located on their property. Appendix "A" includes recommended amendments (shown in red text) to permit clothing donation bins in institutional zoned properties. Should Council adopt the amendments, staff will continue to monitor newly placed clothing donation bins to ensure compliance with the by-law.

Taxi By-law

Housekeeping amendments are proposed for the Town's taxi by-law (By-law 2013-28) to introduce administrative efficiencies and meet the needs of consumers in regards to improving access to accessible taxi services (see proposed amendments shown in red text in Appendix "B"). In summary, proposed housekeeping amendments include:

- Ability for taxi cab operators (drivers) to hold a one or a two-year licence. Drivers who choose the two-year licence will not be required to pay some application requirements normally paid annually and the Town will realize administrative efficiencies associated with processing fewer driver renewal applications annually. It should be noted that a reduced rate for a two-year licence is not proposed, although a new fee category will be required to be introduced in the Town's fees and charges by-law for the 2017 budget year.

Application and inspection requirements associated with these amendments are consistent with other GTA municipalities and have not shown to affect consumer protection or community safety.

- Allowing for taxi cabs licensed by another municipality to operate within the Town for the purpose of providing accessible taxi services, an approach which was recommended by the Town's Accessibility Advisory Committee and adopted by Council on April 4, 2016. It should be noted that any Town of Newmarket licensed taxi cab brokerage may also offer accessible taxi services (current taxi cab brokerage do not offer accessible taxi services).
- Changes to definitions to be consistent with more recently adopted regulatory by-laws.

Staff are partnering with other York Region lower tier municipalities to review the impact and develop a consistent regulatory response to the emergence of ride sharing applications, which also takes into consideration approaches taken in municipalities such as Toronto, Ottawa and Edmonton and the disposition of court matters. Staff will continue to provide updates to Council as this partnership evolves.

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

Amendments outlined in this report were identified as options in consultation with the local taxi industry. Various GTA municipalities were consulted in the development of the recommended amendments. The Accessibility Advisory Committee was consulted as part of their earlier recommendation to Council regarding accessible taxi services.

HUMAN RESOURCE CONSIDERATIONS

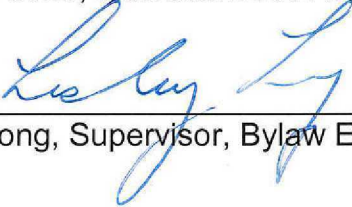
There are no human resource considerations. Any training/orientation required as a result of Council's adoption of a new procedure by-law will be accommodated within the current staff level.

BUDGET IMPACT

There are no budget impacts.

CONTACT

For more information on this report, contact Lesley Long, Supervisor, By-law Enforcement, 905-953-5300, extension 2222 or via email at llong@newmarket.ca.



Lesley Long, Supervisor, Bylaw Enforcement



Andrew Brouwer, Director of Legislative Services/Town Clerk



Mary-Anne Wigmore, Acting Commissioner of Corporate Services

Appendix "A"



CORPORATION OF THE TOWN OF NEWMARKET

BY-LAW NUMBER 2016-XX

A BY-LAW TO FOR THE LICENSING, REGULATING AND GOVERNING OF CLOTHING DONATION BINS.

WHEREAS Section 151 of the *Municipal Act 2001*, S.O. 2001, c.25, as amended, establishes that a municipality may provide for a system of licences with respect to a business;

AND WHEREAS the Council of the Town of Newmarket deems it advisable to pass such a by-law;

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

The following words shall have the following meanings in this By-law.

1. DEFINITIONS:

"APPLICANT" means a person applying for a license to carry on a business, activity or undertaking pursuant to this by-law;

"CHARITY" means a registered Charity, as defined in Subsection 248(1) of the Income Tax Act, R.S.C. 1985, c. 1 (5th Supp.), or successor legislation, that has a registration number issued by the Canada Revenue Agency, or successor agency;

"CLOTHING DONATION BIN" means any receptacle used for the purpose of collecting clothing, donated by the public, on an ongoing basis and as part of the regular activity of the Operator;

"COUNCIL" means Council of the Corporation of the Town of Newmarket;

"HIGHWAY" means a common and public highway, street, avenue, parkway, driveway, square, place, bridge, viaduct or trestle, any part of which is intended for or used by the general public for the passage of vehicles and included the area between the lateral property lines thereof;

"LAND" means grounds, yards and vacant and developed lots;

"LICENCE" means the authorization obtained or granted or issued by the Town pursuant to this by-law to carry on a business, activity or undertaking;

"MUNICIPALITY" means the Corporation of the Town of Newmarket or the geographic area of the Town of Newmarket as the context requires;

"OFFICER" means a Police Officer as defined under the Police Services Act, R.S.O. 1990, c. P15, as amended, an individual appointed by the Town as a Municipal Law Enforcement Officer pursuant to section 15 of the Police Services Act, as amended, or any other individual designated by the Town to enforce this By-law;

"OPERATOR" means an operator of a *Clothing Donation Bin* who is licensed as such or required to be licensed as such under this By-law;

"ORDER" means an order issued under section 5 of this by-law to the Owner of a property requiring the Owner who contravened the by-law or who caused or permitted the contravention or the Owner of land on which the contravention occurred to do work to correct the contravention.

"OWNER" means the owner, authorized agent, lessee, or occupier of the premises upon which a *clothing donation bin* is located;

"PERSON" includes a natural individual and their heirs, executors, administrators or other legally appointed representatives, a corporation, partnership or other form of business association;

"TOWN" means the Corporation of the Town of Newmarket.

2.0 LICENSING REQUIREMENTS:

- 2.1 No *Person* shall carry on or engage in the business or occupation of a *Clothing Donation Bin Operator* without first obtaining a *licence*.
- 2.2 Every *applicant* for a *licence* and for the renewal of a *licence* issued under this By-law shall submit an application with the following documentation:
 - (a) an application for every clothing donation box he or she wishes to license;
 - (b) pay the fee as set out in the Licensing Fees By-law;
 - (c) proof of Canadian General Liability insurance in an amount of two million (\$2,000,000) dollars;
 - (d) a letter of permission from the *Owner* for installation of the donation box on the property;
 - (e) a sketch and description of the location on the property for the proposed *clothing donation bin*; and
 - (f) provide a list and locations of all of his or her *Clothing Donation Bins* to be licensed in the Town of Newmarket.

3.0 LOCATION OF CLOTHING DONATION BINS:

- 3.1 *Clothing Donation Bins* shall only be placed:
 - (a) on commercial **and institutional** zoned property;
 - (b) set back one (1) metre from all property lines, so as not to restrict sight lines from nearby driveways and laneways.
- 3.2 No *Operator* shall place a *Clothing Donation Bin* on any *highway* or other property owned by the Town.
- 3.3 No *Operator* shall operate a *Clothing Donation Bin* in any location other than the location for which the *licence* was issued for.
- 3.4 An *Operator* who wishes to move a *Clothing Donation Bin* may apply for an amendment to the *licence* issued in respect of such *Clothing Donation Bin* provided that:
 - (a) paying the fee prescribed in the Licensing Fees By-law; and
 - (b) is in compliance with this By-law.

4.0 GENERAL REQUIREMENTS

- 4.1 Each *Operator* shall:
 - (a) display the name of the *operator* or *Charity* in a conspicuous place on the clothing donation bin, in lettering no smaller than 100 millimetres x 75 millimetres and of a contrasting colour;
 - (b) display the contact information for the *operator* or organization;
 - (c) display a notice requiring all donated items to fit in the bin and a list of all prohibited items; and
 - (d) display a pick-up schedule for the donations.

4.2 Each *operator*, for each licensed clothing donation bin shall:

- (a) obtain a sticker from the Town bearing an identifying number, the location for which the *clothing donation bin* has been approved, and the expiry date of the *licence*; and
- (b) affix and maintain the sticker on a conspicuous part of the *clothing donation bin* throughout the period for which the *licence* is valid.

5.0 ORDER

5.1 Where the Town is satisfied that a contravention of this by-law has occurred, the Town may make an *order* requiring the *person* who contravened this by-law, or who caused or permitted the contravention, or the *owner* or occupier of the *land* on which the contravention occurred, to do work to correct the contravention.

5.2 An *order* under Section 5.1 of this by-law shall set out:

- (a) reasonable particulars of the contravention adequate to identify the contravention and the location of the *land* on which the contravention occurred; and
- (b) the *operator* to repair, remove or clean up all contraventions identified on the *Order* within seven (7) days of the *Order* being served.

5.3 An *order* under Section 5.1 may require work to be done even though the facts which constitute the contravention of this by-law were present before this by-law came into force.

5.4 Any *person* who contravenes an *order* under Section 5.1 of this by-law is guilty of an offence.

5.5 The *Order* may be served:

- (a) personally on the *operator* of the *Clothing Donation Bin*; and
- (b) to the *Owner* of the property;
- (c) mailed by registered mail to the last known address of the *person*;
- (d) served by regular mail, an *Order* shall be deemed to have been served on the 5th day after it is mailed.

5.6 Where a *Clothing Donation Bin* has been removed by the Town such *Clothing Donation Bin* shall be stored for a period of thirty (30) days and the *Clothing Donation Bin owner* may redeem the *Clothing Donation Bin* upon payment of the storage and removal fees prescribed in the Licensing Fees By-law. Where a *Clothing Donation Bin* has not been redeemed within thirty (30) day period, such *Clothing Donation Bin* may be forthwith destroyed or otherwise disposed of by the Town without notice or compensation and the *Clothing Donation Bin owner* shall be invoiced.

6.0 INSPECTIONS AND POWER OF ENTRY:

6.1 No *person* shall hinder or obstruct, or attempt to hinder or obstruct, any *person* who is exercising a power or performing a duty under this By-law.

6.2 An *Officer* may enter on *land* at any reasonable time for the purpose of carrying out an inspection to determine whether or not the following are being complied with:

- (a) this By-law;
- (b) a condition of a Site Alteration Permit issued under this By-law;
- (c) an *order* of the Town made under this By-law; or
- (d) an *order* made under s. 431 of the Act.

- 6.3 Where an inspection is conducted by the Town, the *person* conducting the inspection may:
- (a) require the production for inspection of documents or things relevant to the inspection;
 - (b) inspect and remove documents or things relevant to the inspection for the purpose of making copies or extracts;
 - (c) require information from any *person* concerning a matter related to the inspection; and including their name, address, phone number and identification; and
 - (d) alone or in conjunction with a *person* possessing special or expert knowledge, make examinations or take tests, samples or photographs necessary for the purposes of the inspection.
- 6.4 The Town may undertake an inspection pursuant to an *Order* issued under Section 438 Act.
- 6.5 The Town's power of entry may be exercised by an employee, *officer* or agent of the Town or by a member of a police force having jurisdiction, as well by any *person* under his or her direction.
- 7.0 ORDER TO DISCONTINUE:
- 7.1 Where an *Officer* is satisfied that a contravention of this By-law has occurred, the *Officer* may make an *order* requiring the *person* who contravened this By-law, or who caused or permitted the contravention, or the *owner/operator* or occupier of the *land* on which the contravention occurred, to discontinue the contravening activity.
- 7.2 An *order* to discontinue shall set out:
- (a) reasonable particulars of the contravention adequate to identify the contravention and the location of the *land* on which the contravention occurred; and
 - (b) the date by which there must be compliance with the *order*.
- 7.3 Any *person* who contravenes an *order* to discontinue is guilty of an offence.
- 7.4 The *order* shall be served personally on the property owner or the *owner/operator* of the *Clothing Donation Bin* or by registered mail to the *owner/operator* of the *Clothing Donation Bin* at the address of the *Clothing Donation Bin* and/or the address supplied on the application for *licence*, in which case it shall be deemed to have been given on the 5th day after it is mailed.
- 8.0 PENALTY PROVISION:
- 8.1 Any *person* who contravenes a provision of this By-law, including an *Order* issued under this By-law, is guilty of an offence.
- 8.2 If there is a contravention of any provision of this By-law, and the contravention has not been corrected, the contravention of the provision shall be designated as a continuing offence for each day or part of a day that the contravention remains uncorrected.
- 8.3 If an *order* has been issued under this By-law, and the *order* has not been complied with, the contravention of the *order* shall be designated as a continuing offence for each day or part of a day that the *order* is not complied with.

8.4 Any *person* who is guilty of an offence under this By-law on conviction is liable to the following penalties:

- (a) Upon a first conviction, the minimum fine shall be \$350.00 and the maximum fine shall be \$100,000.00;
- (b) Upon a second or any subsequent conviction, the minimum fine shall be \$500.00 and the maximum fine shall be \$100,000.00.
- (c) Upon conviction for a continuing offence, the minimum fine shall be \$500.00 and the maximum fine shall be \$10,000.00 for each day or part of a day that the offence continues;
- (d) Upon conviction for a multiple offence, for each offence included in the multiple offences, the minimum fine shall be \$500.00 and the maximum fine shall be \$10,000.00.

8.4 For purposes of this By-law, "multiple offences" means an offence in respect of two (2) or more acts or omissions each of which separately constitutes an offence and is a contravention of the same provision of this By-law.

8.5 For purposes of this By-law, an offence is a "second or subsequent offence" if the act giving rise to the offence occurred after a conviction had been entered at an earlier date for the same offence.

9.0 SEVERABILITY:

9.1 Where a Court of competent jurisdiction declares any section or part of a section of this By-law invalid, the remainder of this By-law shall continue in force unless the Court makes an *order* to the contrary.

10.0 REPEAL/EFFECTIVE DATE:

10.1 By-law Number 2013-22 are hereby repealed and this by-law shall come into force and effect upon its adoption.

11.0 SHORT TITLE:

This By-law shall be referred to as the Clothing Donation Bins By-law.

ENACTED THIS DAY OF 2016.

Tony Van Bynen, Mayor

Andrew Brouwer, Town Clerk



CORPORATION OF THE TOWN OF NEWMARKET

BY-LAW NUMBER 2016-XX

A BY-LAW FOR THE LICENSING, REGULATING AND GOVERNING OF TAXICAB BROKERS, OWNERS AND DRIVERS (Taxicab Licensing By-law).

WHEREAS Section 151 of the *Municipal Act 2001, S.O. 2001, c.25*, as amended, establishes that a municipality may provide for a system of licences with respect to a business;

AND WHEREAS the Council of the Town of Newmarket deems it advisable to pass such a by-law;

THEREFORE BE IT ENACTED by the Council of the Corporation of the Town of Newmarket as follows:

1.0 DEFINITIONS:

The following words shall have the following meanings in this By-law.

"ACCESIBLE TAXICAB" means a motor vehicle that is used or designed for use as a taxicab in relation to the transportation of persons who have a disability;

"APPEALS COMMITTEE" means a committee that is appointed from time to time by Council for the purpose of hearing appeals regarding the revocation, suspension, cancellation or refusal to issue or renew a licence pursuant to this by-law;

"APPLICANT" means a person applying for a license to carry on a business, activity or undertaking pursuant to this by-law;

"BROKER" means any person who carries on the business of accepting orders for or dispatching taxicabs in any manner;

"CLEAN" means free of dirt and in good repair;

"COUNCIL" means Council of the Corporation of the Town of Newmarket;

"DIRECTOR" means the Director, Legislative Services of the Town or authorized designate;

"DISPATCH" means the communication in any manner to a driver of request to hire or engage a taxicab;

"DRIVER" means the operator of a taxicab who holds and maintains or is required to hold and maintain a Town taxicab driver's licence issued pursuant to this by-law;

"FEES AND CHARGES BY-LAW" means the Licensing Fees and Charges By-law, as amended for the Legislative Services Department and Central York Fire Services;

"FARE" means the amount displayed on the taxicab meter at the conclusion of a trip, or the flat rate allowed pursuant to this by-law for the trip, together with any additional charges allowed pursuant to this by-law;

"LEASE" means an agreement between an owner and a person, under which the owner provides his licensed taxicab to be used by a person to operate as a taxicab;

"LICENSE" means the authorization obtained or granted or issued pursuant to this by-law to carry on a business, activity or undertaking;

"LICENSED" means to have in one's possession a valid and current licence issued pursuant to this by-law;

"LICENSEE" means any person who is licensed pursuant to this by-law or a licensee applying for renewal of a license as the context requires;

"MUNICIPALITY" means the Corporation of the Town of Newmarket or the geographic area of the Town of Newmarket as the context requires;

"OFFICER" means a Police Officer as defined under the Police Services Act, R.S.O. 1990, c. P15, as amended, an individual appointed by the Town as a Municipal Law Enforcement Officer pursuant to section 15 of the Police Services Act, as amended, or any other individual designated by the Town to enforce this By-law;

"OPERATE" when used in reference to a taxicab includes to drive the said vehicle and to make or have it available to the public in service as a taxicab, and operated, operating and operation have corresponding meanings;

"OWNER" means the owner of a taxicab licence and where a person has entered into a lease agreement with the owner, the lessee for the purposes of this by-law shall also be deemed as the owner, as the context requires;

"PASSANGER" means any person other than the driver, who is seated or otherwise situated within a taxicab or accessible taxicab;

"PERSON" includes a natural individual and his heirs, executors, administrators or other legally appointed representatives: and a corporation, partnership or other form of business association;

"PRIORITY LIST" means a list of persons maintained by the Director , who may be eligible to receive a taxicab licence in accordance with the provisions of this by-law;

"TARIFF CARD" means the notice of permitted fares as set out in this by-law and as issued by the Director;

"TAXICAB" means a motor vehicle that is designed or customarily used for the transportation of passengers, where such motor vehicle is offered or made available for hire together with a driver for the conveyance of passengers or goods, but "taxicab" does not include a livery cab, limousine or a bus as defined in the *Highway Traffic Act*;

"TAXICAB METER" means a measuring device used in a taxicab or accessible taxicab to calculate the fare payable for a trip;

"TAXICAB PLATE" and "PLATE" means a metal numbered plate issued by the Town to a person licensed pursuant to this by-law;

"TINT FREE" means free from any type of tinting, coloured spray or other reflective material on a vehicle windshield and windows which substantially obscures the interior of the vehicle when viewed from the outside or, reduces the visibility of the driver, passenger or passengers;

"TOWN" means the Corporation of the Town of Newmarket or the geographic limits of the Town as the context requires;

"TRIP" means the distance and time traveled or estimated to be traveled, measured from the time and location where the passenger or property enters the taxicab or when the taxicab meter is first engaged, whichever comes first, to the time and location where the passenger or goods reach their destination and leave the taxicab, or the taxicab meter is disengaged, whichever comes last;

"TRIP SHEET" means the written record of the details of each trip as recorded by the driver of the taxicab;

2.0 GENERAL LICENSING PROVISIONS

- 2.1 Administration of this by-law shall be the responsibility of the *Director*, who is hereby authorized to issue licences to owners, brokers and drivers in accordance with the provisions of this by-law.
- 2.2 The *Director* may revoke, cancel, suspend or refuse to renew or issue a license pursuant to the provisions of this by-law.
- 2.3 The *Director* may issue a licence on a temporary basis where it is deemed necessary or advisable to do so.
- 2.4 An application for a new licence, renewal or a transfer of taxicab shall be completed and submitted to the *Director* on the forms provided, along with the prescribed licensing fees as set out in the *Fees and Charges By-law*.
- 2.5 Acceptance of the application and fee shall not represent approval of the application nor shall it obligate the Town to issue a licence.
- 2.6 No person shall promote or carry on business under any name other than the name endorsed upon the license, except in accordance with the provisions of this by-law.
- 2.7 No person shall act as or be a broker unless he is licensed as a broker pursuant to this by-law.
- 2.8 No person shall act as or be an owner unless he is licensed as an owner pursuant to this by-law.
- 2.9 No person shall act as or be a driver unless he is licensed as a driver pursuant to this by-law.
- 2.10 The term of each licence shall, unless otherwise authorized by this by-law, be valid for a period of (1) one year from the 1st day of May in the year of issuance or renewal up to and including the 30th day of April of the following year, with the option of a (2) year licence with the expiry date of the 30th day of April in the second year unless sooner revoked, amended, cancelled, suspended, or voluntarily relinquished to the Town.
- 2.11 No corporation may be licensed as a driver pursuant to this by-law.
- 2.12 An applicant is entitled to be licensed and a licensee is entitled to have such licence renewed, except where:
 - (1) the past conduct of the applicant or licensee affords reasonable grounds for belief that the applicant or licensee will not carry on the activity for which the applicant is applying for or the licensee is licensed for, in accordance with law and with integrity and honesty;
 - (2) the applicant or licensee is carrying on activities that are, or will be if the applicant was licensed, in contravention of this by-law;
 - (3) there are reasonable grounds for belief that the premises, accommodation, equipment, vehicle or facilities in respect of which the license is required, do not comply with the provisions of this by-law or other applicable law;
 - (4) there are reasonable grounds for belief that an applicant or licensee has provided a false statement or false information for the purpose of obtaining a licence;
 - (5) the applicant or licensee is not in compliance with any Town land use by-law or any other Town by-law, or any other requirement under the *Planning Act* or any other Act.

- 2.13 An application for renewal of a licence issued pursuant to this by-law shall be delivered, along with the prescribed fee, in person to the **Director**, before the expiry date of such licence. If an application for renewal of a licence is delivered to the **Director** after the expiry date of the licence, the applicant shall submit an application as a new applicant.
- 2.14 A licence issued to a broker, owner and/or driver under this by-law is not transferable.
- 3.0 REVOCACTION, SUSPENSION, CANCELLATION OR REFUSAL TO RENEW OR ISSUE
- 3.1 The **Director** may revoke, suspend, cancel or refuse to renew or issue a licence:
- (1) where the past conduct of the applicant or licensee affords reasonable grounds for belief that the applicant or licensee will not carry on the activity for which the applicant is applying for or the licensee is licensed for, in accordance with law and with integrity and honesty; and/or
 - (2) where the applicant or licensee has been found by the **Director** or Officer to fail to comply with any provision of this by-law.
- 3.2 Upon such revocation, suspension, cancellation or refusal to renew or issue, a written notice signed by the **Director** shall be delivered to the applicant or licensee within seven (7) business days as provided for hereunder:
- (1) such notice shall set out and give reasonable particulars of the grounds for the decision; and
 - (2) shall inform the applicant or licensee of his entitlement to a hearing before the Appeals Committee, if he delivers within seven (7) business days after the date of service or the date of mailing of the notice, whichever is later, a written request for a hearing; and
 - (3) if a written request from the applicant or licensee is not received by the **Director** within the prescribed time, the decision of the **Director** shall be final and the licensee shall deliver within twenty four (24) hours of the expiration of the appeal period, the licence and owner's plate.
- 3.3 Where a hearing held pursuant to this by-law has taken place and the license was revoked, suspended, cancelled or refused for renewal, the licensee shall return the licence to the **Director** within seventy-two hours (72) of receiving the written notice of the decision of the Appeals Committee sent pursuant to the provisions of this by-law.
- 3.4 When a person has had his license revoked, suspended or cancelled under this by-law the **Director** or Officer may enter upon the business premise or into the vehicle of the licensee for the purpose of receiving, taking, or removing the said licence and/or owner's plate.
- 3.5 When a person has had his license revoked, suspended or cancelled under this by-law he shall not refuse to deliver or in any way obstruct or prevent the **Director** or Officer from obtaining, the said licence or the owner's plate.
- 4.0 APPEALS COMMITTEE HEARING
- 4.1 Upon receipt of a written request for a hearing from an applicant or licensee, the **Director** shall advise the Appeals Committee and request the Appeals Committee to convene a meeting and shall give the applicant or licensee written notice of the date, time and location of such meeting which shall not be less than seven (7) business days after the date of the notice.
- 4.2 The **Director** shall make a recommendation to the Appeals Committee with respect to revocation, suspension, cancellation or refusal to renew or issue a licence or recommend that a license be issued subject to certain terms and conditions.

- 4.3 Before the Appeals Committee makes any decision, a written notice advising the applicant or licensee of the recommendations being made by the **Director** with respect to the licence, shall be given to the applicant or licensee by the **Director**.
- 4.4 The applicant or licensee shall have the right to make a submission in support of an application or renewal or retention of a license at such hearing and if the applicant or licensee who has been given written notice of the hearing does not attend such hearing, the Appeals Committee may proceed with the hearing in the applicants or licensee's absence, and the applicant or licensee shall not be entitled to any further notice of the proceedings.
- 4.5 The decision of the Appeals Committee is final and is not subject to an appeal.

5.0 SERVING OF NOTICE OR ORDER

- 5.1 Any notice or order required to be given pursuant to this by-law by the **Director** shall be deemed to be sufficiently served if delivered personally or sent by registered mail or by prepaid first class mail addressed to the person to whom service is to be made at the address on the application or the last known address on file in the **Director's** Office.
- 5.2 Notice or Orders erved by either registered mail or by prepaid first class mail shall be deemed to have been received on the fifth (5) day following the mailing of the notice or order.

6.0 NOTIFICATION OF CHANGE OF INFORMATION

- 6.1 When a licensee who is a natural individual changes his/her name, address, or any information relating to the license, the licensee shall notify the **Director** within seven (7) business days after the change, of information relating to the licence and shall if required by the **Director** return the licence immediately to the **Director** for amendment.
- 6.2 Where a licensee is a corporation and there is change in the information as set out in the application for licence, such as the names or addresses of the officers or **Directors**, the location of the corporate head office or any change in the ownership of shares, the licensee shall notify the **Director** of the change within seven (7) business days thereof, and shall if required by the **Director**, return the licence immediately to the **Director** for amendment.

7.0 FARES

- 7.1 The fares to be charged by the owners and drivers of taxicabs for the conveyance of passengers shall be such fares as are set by Council from time to time and no owner or driver shall charge any fare in excess of those set by Council.
- 7.2 Notwithstanding the foregoing section, the fares referred to in this by-law shall not apply to:
- (1) taxicabs being used for the transportation of children to and from school or to taxicabs operating under contract to any government agency for the transportation of children with disabilities;
 - (2) taxicabs being used for the transportation of passengers with a destination outside the Town who agree with the taxicab driver, prior to the commencement of the trip, to pay a flat rate.
- 7.3 When a driver picks up a passenger within the Town and such passenger has a destination outside the Town, the driver and the passenger may agree before the commencement of the trip, on a flat rate.
- 7.4 Notwithstanding Section 7.1 any broker having a contract to provide taxicab services for either York Region Mobility and/or one of the school boards in York Region, will be permitted to operate his taxicabs on a flat rate; provided that evidence of such contract has been filed with the **Director** in a form and manner approved by the **Director**.

8.0 BROKER REGULATIONS

8.1 Every broker shall:

- (1) maintain at least one (1) Newmarket taxicab licence to operate a brokerage and maintain a business office, from which the taxicab brokerage is operated, and such office shall be in compliance with all Town land use by-laws, any other Town by-law, and any requirement under the *Planning Act* or any other Act;
- (2) require all owners who have entered into arrangements with the broker for the provisions of taxicab brokerage services, to use the same design, shape and colour scheme of roof sign, and to attach to each front door of the taxicab an identifying decal which shall include the name of the taxicab broker, in a form approved by the **Director**, and shall produce and file a sample of the roof sign and identifying decal with the **Director** ;
- (3) submit to the **Director** by the 1st day of the following months; January, March, May, July, September and November a list, showing in numerical order by taxicab plate number,
 - (a) the name of every owner; and
 - (b) the name of every driver operating any taxicab in the Town with whom the broker has entered into any agreement for the provision of services; and such list shall note any additions or deletions to the previously submitted list as to owners or drivers who are or are no longer affiliated with the broker.
- (4) keep a record of each taxicab dispatched on a trip, the time and date of receipt of the order, the pick-up location and the final destination; these records shall be retained for a period of twelve (12) months; and such records shall be produced upon request of the Director ;
- (5) supply the **Director** with a copy of the Broker's Federal Radio Licence call sign and frequency number, if any;
- (6) upon request, inform any customer of the anticipated length of time required for a taxicab to arrive at the pick-up location;
- (7) when volume of business is such that service will be delayed to a prospective customer, the broker shall inform the customer of the approximate length of the delay, before accepting the request;
- (8) dispatch a taxicab to any person requesting service at a pick-up location within the Town, unless the person requesting service has not paid for a previous trip;
- (9) carry on business only in the name in which the broker is licensed;
- (10) not dispatch any taxicab if the owner or driver, in the opinion of the **Director** , has contravened any provision of this by-law;
- (11) submit a written report within seventy-two (72) hours, or at such time as the **Director** may prescribe; whenever a taxicab licensed pursuant to this by-law is involved in an accident, whether such accident was in or out of the limits of the Town.

8.2 The **Director** may, when the offices are open enter upon the business premises of any licensee to insure that the provisions of this by-law are being or have been complied with.

8.3 In the course of such inspection the **Director** is entitled to request and have produced within seventy-two (72) hours all relevant licences, permits and documentation required pursuant to this by-law and to have access to all invoices, vouchers, appointment books and trip sheets or like documents of the person being inspected, provided such documents are relevant for the purpose of the inspection.

9.0 BROKER PROHIBITIONS

9.1 No broker shall:

- (1) accept orders for, or in any way dispatch or direct orders to a taxicab licensed under this by-law when the activity would be illegal or in convention of any other law or provincial statute;
- (2) in any way dispatch or direct orders to, operate or permit to operate a taxicab for a pick-up location within the Town, when the owner or the driver or the taxicab is not licensed pursuant to this by-law;
- (3) dispatch or direct orders for a parcel delivery to a taxicab driver unless the taxicab driver first consents to making the parcel delivery;
- (4) require any taxicab driver to accept any order necessitating the expenditure of money by the driver, on behalf of the customer;
- (5) enter into an agreement for the provisions of brokerage services with an owner or driver who is affiliated with another broker;
- (6) dispatch any taxicab driver to a pick-up location within the Town, unless the taxicab he is operating is licensed pursuant to this by-law;
- (7) charge a fare or enter into an agreement to charge a fare, which is not in accordance with the provisions of this by-law;
- (8) acting alone or in concert with a subsidiary, affiliate or partnership, own, hold or control more than two thirds (2/3) of the taxicab licensed by the Town;

10.0 OWNER AND/OR TAXICAB OWNER REGULATIONS

10.1 Every owner shall:

- (1) keep at all times in the taxicab a copy of each of the following documents:
 - (a) the motor vehicle permit in good standing issued by the Ontario Ministry of Transportation in the owner's name;
 - (b) the taxicab licence maintained in good standing and issued pursuant to this by-law;
 - (c) a certificate of automobile insurance for the taxicab in accordance with this by-law.
 - (d) affixed, in a holder, or in a location and in a manner approved by the **Director**, the current tariff card;
- (2) keep at all times on the taxicab:
 - (a) the owner's plate firmly affixed to the right rear bumper, or at a location and in a manner approved by the **Director**;
 - (b) the owner's plate number for that taxicab in numbers of at least 15cm in height in a location and in a manner approved by the **Director**;
 - (c) the name of the broker with whom the plate is associated with, in letters of 15cm in height, in a location and in a manner approved by the **Director**;
 - (d) numbering and lettering affixed on the vehicle in a colour that is in contrast with the colour of the vehicle;
 - (e) an electrically illuminated roof sign which is securely attached to the top of the taxicab in a manner approved by the **Director**; and such roof sign shall be wired to the taxicab meter and working in

conjunction with the meter so that it is not illuminated when the meter is engaged and is illuminated when the meter is in vacant status.

- (3) employ or use only the services of a driver licensed pursuant to this by-law;
- (4) provide the Director with
 - (a) the name of the broker with whom he is affiliated with; and
 - (b) the name of every driver operating his taxicab and such names shall be supplied within seventy-two (72) hours of the time when the driver has commenced to operate the said taxicab, and
 - (c) where applicable, file with the Director a copy of any lease agreement the owner may have with the driver.
- (5) immediately repair any mechanical defect in the vehicle that becomes known to him and/or as reported to him by a driver;
- (6) submit a written report within seventy-two (72) hours or at such time as the Director may prescribe, whenever a taxicab licensed pursuant to this by-law is involved in an accident, whether such accident was in or out of the limits of the Town.
- (7) where a taxicab licensed owner and/or taxicab owner is a corporation, ensure that a minimum of one officer or Director of the corporation is licensed as a driver pursuant to this by-law.

10.2 Every taxicab licence owner and/or taxicab owner who ceases to be affiliated with a broker shall:

- (1) remove from the vehicle the roof light, radio and telephone number of the taxicab broker the owner is leaving;
- (2) change and remove from the vehicle the colour scheme and all decals or other taxicab brokerage markings on the vehicle;
- (3) return to the broker all business cards, promotional material and other equipment belonging to that broker.

11.0 TAXICAB OWNER PROHIBITIONS

11.1 No taxicab licensed owner and/or taxicab owner shall:

- (1) permit a taxicab to be operated with mechanical defects;
- (2) affix or permit any person to affix to any taxicab except the taxicab for which it was issued, the licence or owner's plate issued pursuant to this by-law;
- (3) operate or permit to operate a taxicab not licensed pursuant to this by-law;
- (4) operate or permit to operate a taxicab when the interior is not clean and/or not in good repair;
- (5) operate or permit to operate a taxicab when the exterior body is damaged or has rust;
- (6) operate or permit to operate a taxicab with tinted windows;
- (7) operate or permit to operate a taxicab with any decal or roof-sign being used by a taxicab broker with whom the owner is not affiliated;

- (8) display or permit the display of any sign, emblem, decal, ornament or advertisement, on or in his/her taxicab, except in a form approved by the *Director*;
- (9) operate or permit to operate a taxicab unless a taxicab meter is installed, and the meter complies with the rates as may be set by Council from time to time and has been tested and sealed by the *Director* ;
- (10) take a taxicab off the road for a period longer than thirty (30) consecutive days during any calendar year; provided a cab may be temporarily retired on more than one occasion within a calendar year so long as the total period of temporary retirement does not exceed thirty (30) days in that calendar year; or
- (11) operate or permit to operate a taxicab licensed as an accessible taxicab, without a driver who has not been trained in the proper operation of the equipment and in the special needs of passengers with disabilities.

12.0 DRIVER REGULATIONS

12.1 Every applicant for a taxicab driver's licence shall:

- (1) attend in person for setting up a date and time for a taxi test and pay the prescribed sitting fee as may be set by Council from time to time;
- (2) score a minimum of 80% on a written test; the test shall be set by the *Director* and shall deal with the requirements of this by-law and the geography of the Town and surrounding areas. If the applicant is found to be cheating on his test he will not be permitted to rewrite the test for a period of six (6) months;
 - (a) if the applicant is not successful the first time, the waiting period for re-testing is one(1) week;
 - (b) if the applicant is successful in writing the test, the test will be valid for six (6) months from the date of the test and if the applicant does not obtain the licence within that time period he will be required to rewrite the test.

12.2 Every applicant or licensee for a driver's license shall submit the following original documentation to the *Director*:

- (1) proof of Canadian citizenship, or
- (2) proof of landed immigrant status, or
- (3) a valid work permit issued by the Government of Canada, and
- (4) a valid current Class "G" Ontario Driver's Licence, and
- (5) a new driver shall provide a current and valid *vulnerable sector screening report* issued within sixty (60) days of the application by the Police Service having jurisdiction where he resides, and which is to the satisfaction of the *Director*.
- (6) Notwithstanding section 12.2 0(5), every *taxicab driver and taxicab owner licensee* seeking to renew their *licence* shall produce a current and valid Criminal Background Check, issued within thirty (30) days of the application for renewal and which is to the satisfaction of the *Director*.
- (7) a Vulnerable Sector Screening letter issued by York Regional Police current within thirty (30) days, and
- (8) his/her driver's abstract current within thirty (30) days; and

- (9) a certificate prepared by a duly qualified medical doctor licensed to practice medicine in Ontario, which states that the applicant or licensee is fit and able to operate a motor vehicle; such certificate shall be required every two years, or earlier if so required by the **Director** ; and
- (10) a letter of employment from the taxicab broker for whom he will be employed with and operating as a taxi driver; and
- (11) any other documentation that may be required by the **Director** .

12.3 Every taxicab driver shall:

- (1) at all times while operating a taxicab in the Town display his licence in a location visible to passengers using the taxicab;
- (2) at all times while operating a taxicab wear in a prominent place on the outside of clothing his licence so that it is visible at all times when he is operating the taxicab;
- (3) maintain and carry a valid Ontario Driver's Licence at all times when operating a taxicab;
- (4) be at liberty to refuse to serve any person who is in possession of an animal, other than a person who is in possession of an assistance dog (ie. seeing eye dog);
- (5) drive the taxicab in the most direct traveled route to the point of destination, unless otherwise directed by the passenger;
- (6) keep in the taxicab a current street guide or map of the Town and surrounding area satisfactory to the **Director** ;
- (7) while operating the taxicab, maintain the interior of the taxicab in clean condition and good repair;
- (8) report, each day, upon completion of the operation of the taxicab, all defects in the taxicab to the owner;
- (9) keep a daily trip sheet showing, for each taxicab:
 - (a) a record of all trips made by the taxicab that day;
 - (b) taxicab driver(s) name;
 - (c) the date, time and location of the beginning and the termination of each trip;
 - (d) the meter readings at the start and finish of each working period;
 - (e) the amount of the fare collected for each trip recorded on the taxi meter;
 - (f) Ministry of Transportation licence plate number of the taxicab; and
- (10) retain all trip sheets for a least twelve (12) months and make them available for inspection at the request of the **Director** ; and
- (11) submit a written report within seventy-two (72) hours or at such time as the **Director** may prescribe whenever a taxicab is involved in an accident, whether such accident was in or out of the limits of the Town.

13.0 DRIVER PROHIBITIONS

13.1 No taxicab driver shall:

- (1) smoke, or permit anyone to smoke, any pipe, cigar, cigarette or any tobacco products in any taxicab;

- (2) carry any passenger, other than paying passengers, while the vehicle is being used as a taxicab or while on duty;
 - (3) use any tariff card, other than that obtained from the **Director** , or remove, exchange, lend or otherwise dispose of the tariff card;
 - (4) operate a taxicab when the meter has not been adjusted in accordance with the rates as may be set by Council from time to time and/or when the meter has not been approved and sealed by the **Director** ;
 - (5) operate a taxicab when the taxicab meter does not operate properly;
 - (6) operate a taxicab when the taxicab meter seal is missing and/or improperly affixed;
 - (7) operate a taxicab without a Town of Newmarket taxi plate, a roof light and the taxi number and company name on the vehicle, as required under the provisions of this by-law;
 - (8) operate for the purpose of a pick-up location in the Town, a taxicab not licensed pursuant to this by-law;
 - (9) operate for the purpose of a pick-up location in the Town, a taxicab without being a licensed driver pursuant to this by-law.
- 13.2 When a taxicab driver has had his Ontario Driver's Licence suspended, cancelled or revoked, or where the said licence has expired and no longer valid, the driver's licence issued under this by-law shall be deemed to be suspended as of the date of suspension, expiration, cancellation or revocation of the Ontario Driver's Licence and the driver shall immediately return to the **Director** the licence issued under this by-law.
- 13.3 If at any time the taxicab drivers photograph is not a reasonable likeness of the driver due to physical changes or the passage of time, the **Director** may require that the driver attend at the **Director's** Office for the purpose of taking an updated photograph.
- 14.0 SALE OF TAXICAB LICENCE
- 14.1 No owner shall sell a taxicab licence unless he has held that licence as an owner for at least three (3) years, except when the taxicab licence has been issued from the Priority List, in which case it must have been held for a minimum of five (5) years.
- 14.2 It shall be deemed to be a sale of a taxicab licence when at least fifty-one percent (51%) of the voting rights attached to all shares of a corporation, which is duly licensed under this by-law as an owner, are sold or otherwise disposed of.
- 14.3 When the **Director** approves a sale of a taxicab licence, the new owner must submit his taxicab for inspection.
- 14.4 Unless otherwise expressly provided for in this By-law, no sale of a taxicab licence shall be approved unless the purchaser is a person entitled to be licensed pursuant to this by-law.
- 14.5 An owner selling a taxicab licence shall:
- (1) request permission to sell the taxicab licence, in writing, to the **Director**;
 - (2) complete and file with the **Director** a declaration as supplied by the **Director** ;
 - (3) provide a fully detailed contract of sale of the taxicab licence;
 - (4) return to the **Director** the taxicab licence issued in his name with respect to the taxicab licence which is being sold.

14.6 The applicant for the purchase of the taxicab licence shall:

- (1) complete and file with the **Director** an application for a taxicab licence ;
- (2) pay the prescribed fee as set by Council from time to time with respect to the renewal of a taxicab licence .

15.0 SALE OF TAXICAB LICENCE UPON DEATH

15.1 Where the owner of a taxicab licence dies, the licence is suspended, and the plate shall be removed from the taxicab forthwith.

15.2 Upon the death of an owner, the taxicab plate shall be returned to the **Director** and after filing documentation sufficient to prove that the taxicab is an asset of the estate, the licence may be transferred to the estate of the deceased owner and may be held in the name of the estate and used by the estate, provided it is operated in accordance with the provisions of this by-law and by a person qualified under this by-law.

15.3 If the taxicab licence is transferred to the estate of a deceased owner, it can be held in the estate for a period of up to only one year from the date of transfer and if it is not transferred out of the estate within that period, the **Director** may revoke it.

15.4 To transfer a taxicab licence to the estate of a deceased owner, the following must be filed with the **Director**:

- (1) an original or certified copy of a death certificate;
- (2) a statutory declaration of the person who is the Estate Trustee or Guardian or the Attorney under Power of Attorney or other legally appointed representative as the case may be;
- (3) proof that the person transferring the taxicab licence has legal status to effect the transfer;
- (4) proof of automobile insurance in the name of the estate;
- (5) proof of ownership of the motor vehicle, in the name of the estate; and
- (6) any other supporting documentation deemed necessary by the **Director** .

16.0 INSURANCE

16.1 Every owner shall submit a copy of the insurance policy or a certificate of automobile insurance to the **Director** that is issued by an insurer duly authorized to issue insurance within the Province and Ontario and for each taxicab, coverage shall be in the amount of at least \$2 million (\$2,000,000.00) dollars for personal injury and property damage arising out of any one accident or occurrence, and such policy shall be endorsed to the effect that the **Director** will be given at least fifteen (15) days notice in writing of any cancellation, expiration or variation in the policy amount.

16.2 The licence of an owner who ceases to have automobile insurance in good standing and properly endorsed in accordance with the provisions of this by-law, shall be deemed to be suspended as of the date on which the cessation of automobile insurance came to the attention of the **Director**, and the licence shall be reinstated only on there being delivered to the **Director**, written proof of automobile insurance in accordance with the provisions of the by-law.

16.3 All automobile insurance renewal policies or certificates of automobile insurance shall be filed with the **Director** five (5) business days prior to the expiry date of the current automobile insurance policy.

17.0 TAXICAB APPROVAL

17.1 An owner licensed under this by-law who disposes of his taxicab or otherwise ceases to use his taxicab for the purposes permitted under this by-law, before using a new taxicab shall:

- (1) produce and file the motor vehicle permit in good standing, issued by the Ontario Ministry of Transportation, in the owner's name;
- (2) produce and file a valid automobile insurance certificate;
- (3) submit the vehicle for inspection and approval by the **Director** ;
- (4) pay the prescribed fee as may be set by Council from time to time;
- (5) produce and file a Safety Standard Certificate, issued under the *Highway Traffic Act*, current within thirty (30) days;
- (6) produce and file all documents relating to the vehicle, including, if applicable, a leasing agreement or similar documentation relating to ownership, or vehicle operation;
- (7) submit the vehicle to be used, for inspection by the **Director** during normal office hours and such vehicle shall not be used as a taxicab until the inspection has taken place, the approval given, and the provisions of this by-law have been satisfied;
- (8) if the inspection and approval provided for under the provisions of this by-law cannot be completed during normal office hours, the vehicle can be used, provided the owner returns the vehicle for inspection on the date and time specified by the **Director** ;
- (9) upon the owner meeting all requirements and provisions of this by-law and subject to the **Director's** approval, the vehicle shall be deemed to be licensed as a taxicab.

18.0 MODEL YEAR RESTRICTION

18.1 No broker, owner or driver /person shall operate or permit to be operated under a taxicab licence:

- (1) A vehicle that is of a model year older than ten (10) years, calculated from the 1st day of January of the model year of the vehicle, and such vehicle shall be replaced by October 31 of the tenth year accordingly :

2007 model year shall be replaced by October 31st of 2016
 2008 model year shall be replaced by October 31st of 2017
 2009 model year shall be replaced by October 31st of 2018
 2010 model year shall be replaced by October 31st of 2019
 2011 model year shall be replaced by October 31st of 2020
 2012 model year shall be replaced by October 31st of 2021
 2013 model year shall be replaced by October 31st of 2022
 And so on

- (2) a vehicle that is of a model year less than ten (10) years if the vehicle has been deemed unfit by the **Director** .

19.0 TAXICAB METER REQUIREMENTS

19.1 Every owner shall ensure that his taxicab meter is:

- (1) submitted for testing, inspection and sealing by the **Director** at such time and such place as may be directed by the **Director** and in any event shall be submitted for testing to the Licensing Officer each time the meter is repaired or removed from the taxicab for any reason;

- (2) in good working condition, immediately repaired when necessary, and inspected and resealed in accordance with the requirements of this by-law.

20.0 TAXICAB INSPECTION

- 20.1 The **Director** may require for any reason and at any time, an owner or driver to submit his taxicab for inspection at an appointed place and time and the owner shall submit his taxicab for inspection when required to do so by the **Director** or, Officer.
- 20.2 In the course of such inspection the **Director** is entitled to request and have produced all relevant licences, permits and documentation required pursuant to this by-law and to have access to all invoices, vouchers, appointment books and trip sheets or like documents of the taxicab driver and/or vehicle being inspected, provided such documents are relevant for the purpose of the inspection.
- 20.3 The Director shall give notice to the owner of (1) one mandatory inspection in a calendar year.
- 20.4 Upon receipt of a notice of inspection each owner or driver shall attend with the taxicab at the appointed time and place and shall:
 - (1) produce to the **Director** :
 - (a) the motor vehicle permit in good standing, issued by the Ontario Ministry of Transportation in the vehicle owner's name
 - (b) his Ontario Driver's Licence
 - (c) his taxicab driver's licence and
 - (d) a copy of the automobile insurance certificate, endorsed to show the vehicle being registered and insured;
 - (2) produce and file with the **Director** a Safety Standard Certificate issued under the *Highway Traffic Act* current within thirty (30) days.
- 20.5 Failure to submit a vehicle with the above documentation for inspection as required shall result in the taxicab plate being suspended by the **Director** until such time as the vehicle has been inspected and approved pursuant to this by-law.

21.0 ACCESSIBLE TAXICABS

- 21.1 Accessible Taxicab plates may be issued at the discretion of the **Director**. Accessible Taxicab plates issued after May 1, 2006 shall remain the property of the Town.
- 21.2 All of the provisions of this by-law in respect of owners, drivers and taxicabs shall apply to an owner, driver and taxicab licensed as an Accessible Taxicab.
- 21.3 In addition to the requirements for taxicabs set out in this by-law, vehicles to be licensed as an Accessible Taxicab shall, as a minimum, permit the loading, transportation and off-loading of persons utilizing a wheelchair or scooter and shall comply with all relevant federal and provincial regulation.
- 21.4 Notwithstanding any other provisions of this by-law in respect of the dispatching of taxicabs, when a customer who is confined to the use of a wheelchair or scooter, requests the service of an Accessible Taxicab, the broker shall ensure that such call shall receive priority over any other request for service to which the taxicab has been dispatched provided that the Accessible Taxicab has not been engaged.
- 21.5 A Brokerage, Owner, or an Operator of an Accessible Taxicab bearing a valid and subsisting Taxi Licence issued by another municipality may transport Person(s) with Disability within the Town provided that a contract has been filed in a form and manner approved by the Director.

22.0 TAXICAB PLATE PRIORITY LIST

- 22.1 Those persons whose names appeared on the Priority List under the provisions of Schedule 18 of By-law 2002-151 as adopted by Council on December 16, 2002 shall, if they continuously comply at all times with all of the requirements of this by-law, have their names placed and maintained on the Priority List in the order in which they appeared on the previous Priority List, as of the date of the enactment of this by-law, with the following exception:
- (1) No person who has been issued an owner's licence from the Priority List may re-enter his name on the Priority List. This clause is not retroactive for applicants who have had their name entered and are currently on the Priority List.
- 22.2 No new Priority List applications will be accepted after May 1, 2006.
- 22.3 A person whose name appears on the Priority List under the provisions of Schedule 18 of By-law #2002-151 and who meets the requirements of Section 12.2 and has submitted to the **Director** the appropriate application and the prescribed fee as may be set by Council from time to time, may have his name maintained on the Priority List, provided the following requirements are met:
- (1) the person meets all requirements of this by-law;
 - (2) the application for an owner's licence is in good standing;
 - (3) the person has been licensed as a driver in the Town for twenty-four (24) months prior to the date that the application for the taxicab licence was filed with the **Director**;
 - (4) the person has provided to the **Director** a statement in writing signed by the owner and/or broker with whom the person was employed with or with whom the person provided service as a taxicab driver, taxi dispatcher or an employee of the broker, stating that the person worked as such for an average of at least thirty-five (35) hours per week for eighty-eight (88) weeks of the twenty-four (24) month period immediately before the application was filed with the **Director**; and
 - (5) the person has filed a statutory declaration with the **Director** that confirms that he meets the requirements of Section 22.3 subsections (3) and (4);
- 22.4 A person who is on the Priority List may reapply to be maintained on that list and once approved such application shall be valid from January 1st and expire on December 31st of each year in which the person applies.
- 22.5 Any person whose name is on the Priority List and who fails to provide documentation to the satisfaction of the **Director** in order to satisfy the provisions of this by-law or does not renew his application with the **Director** ten (10) days after the expiry date, shall be removed from the Priority List. Notice of such removal will be given pursuant to the provisions of this by-law.
- 22.6 As each person on the Priority List is issued a plate, the Priority List shall be reduced so that no person's names are remaining on the list. Those persons whose names appeared on the Priority List under Schedule 18 of By-law #2002-151 as adopted by Council on December 16, 2002 shall, if they continuously comply at all times with all of the provisions of this by-law, have their names maintained on the Priority List in the order in which they appeared on the previous Priority List.
- 22.7 Upon the depletion of the Priority List as established by this by-law, licences issued thereafter shall remain the property of the Town. The issuance of such licences thereafter shall be in a form and manner as determined by the **Director**.
- 22.8 A person whose name has been placed on the Priority List shall have his name removed from the Priority List if at any time after his name has been placed on the Priority List:

- (1) he acquires, by purchase or otherwise a taxicab licence or an interest of any kind, whether direct or indirect, in a taxicab licence or becomes a shareholder in or a partner in or acquires some other interest in, a company or firm holding a taxicab licence ; or
- (2) his license issued pursuant to this by-law lapses or is cancelled or revoked or suspended and/or is not in compliance with any provision of this by-law; or
- (3) he ceases to earn his living in the Region of York on a full-time basis as a driver, owner, broker or as an employee of a broker, provided that a driver, owner or broker whose license has been suspended under this by-law shall be deemed not to cease to earn his living on a full-time basis as a driver during the period of his suspension; or
- (4) he sells a licensed taxicab .

22.9 A person's name may appear only once on the Priority List.

22.10 For the purpose of this section, no corporation shall be allowed to renew its status on the Priority List.

23.0 ISSUANCE OF PLATE FROM PRIORITY LIST

23.1 The **Director** may issue one taxicab licence for each one thousand five hundred (1500) persons residing in the Town.

23.2 Whenever a licence is issued, it shall be issued to the applicant whose name appears first chronologically on the Priority List, provided that the applicant meets all other provisions of this by-law.

23.3 If an applicant whose name appears on the Priority List is offered a taxicab licence by the **Director** which he refuses, his name shall be removed from the Priority List and no new application will be accepted from such applicant.

23.4 A taxicab owner's licence issued to a person on the Priority List shall be issued on a probationary basis for a period of five (5) years, during which period the owner shall:

- (1) operate the taxicab on a regular shift basis;
- (2) maintain a good operating record;
- (3) not sell, or otherwise dispose of his taxicab licence except for financial or health reasons and as approved by the **Director** .

23.5 No person, by virtue of the submission of an application for a taxicab owner's licence or by virtue of the placing of their name on the Priority List, shall obtain a vested right to a taxicab owner's licence or to remain on the Priority List at any time and Council reserves the right to amend or repeal this by-law and any successor by-laws and to place further additional requirements or restrictions on such applicants or persons at any time and from time to time, or to purge or eliminate the Priority List at any time or from time to time.

24.0 REVIEW OF THE PRIORITY LIST

24.1 The **Director** shall review the Priority List at regular intervals, at a minimum of once per calendar year, to determine that the listed persons are in compliance with the provisions of this by-law.

25.0 EXEMPTION FOR MEDICAL LEAVE

25.1 If an applicant on the Priority List is required to take medical, educational or a leave of absence for any period of time he shall provide to the **Director**:

- (1) a letter from a duly qualified medical doctor licensed to practice medicine in Ontario detailing the nature of the illness and the expected date of return to work; or

- (2) documentation from the educational institution in which the applicant will be attending to the satisfaction of the *Director* ; and
- (3) a request for permission to take a leave of absence, but in no case shall such leave exceed a one (1) year period.

26.0 POWER OF ENTRY

- 26.1 No *Person* shall hinder or obstruct, or attempt to hinder or obstruct, any *Officer* who is exercising a power or performing a duty under this By-law.
- 26.2 Any *Officer* may enter on a property at any reasonable time for the purpose of carrying out an inspection to determine whether or not the following are being complied with:
- (1) the provisions of this bylaw;
 - (2) an order issued under this bylaw; or
 - (3) an order made under Section 431 of the *Municipal Act*.
- 26.3 Where such an inspection is conducted, the person conducting the inspection may;
- (1) require the production for inspection of documents or things relevant to the inspection;
 - (2) inspect and remove documents or things relevant to the inspection, for the purpose of making copies and extracts;
 - (3) require information from any person related to the inspection including that person's name, address, phone number and identification; and
 - (4) alone or in conjunction with a person possessing special or expert knowledge, make examinations or take tests, samples or photographs necessary for the purpose of inspection.
- 26.4 The Town may undertake an inspection pursuant to an order issued under Section 438 of the *Municipal Act*.
- 26.5 The Town's power of entry may be exercised by an, officer, as well by any person under his or her direction.

27.0 PENALTY

- 27.1 Every person who contravenes a provision of this by-law, including an Order issued under this by-law, is guilty of an offence.
- 27.2 If a person is in contravention of any provision of this by-law, and the contravention has not been corrected, the contravention of the provision shall be deemed to be a continuing offence for each day or part of a day that the contravention remains uncorrected.
- 27.3 If an Order has been issued under this by-law, and the Order has not been complied with, the contravention of the Order shall be deemed to be a continuing offence for each day or part of a day that the Order is not complied with.
- 27.4 Every person who is guilty of an offence under this by-law shall be subject to the following penalties:
- (1) Upon a first conviction, to a fine not less than \$350.00 and not more than \$100,000.00;
 - (2) Upon a second or subsequent conviction for the same offence, to a fine of not less than \$1,000.00 and not more than \$100,000.00;

- (3) Upon conviction for a continuing offence, to a fine of not less than \$1,000.00 and not more than \$10,000.00 for each day or part of a day that the offence continues;
- (4) Upon conviction of a multiple offence, for each offence included in the multiple offence, to a fine of not less than \$1,000.00 and not more than \$10,000.00.

27.5 For the purpose of this by-law, "multiple offences" means an offence in respect of two or more acts or omissions each of which separately constitutes an offence and is a contravention of the same provision of this by-law.

27.6 For the purpose of this by-law, an offence is a second or subsequent offence if the act giving rise to the offence occurred after a conviction had been entered at an earlier date for the same offence.

28.0 SEVERABILITY

28.1 If a court of competent jurisdiction should declare any section or part of a section of this by-law to be invalid, such section or part of a section shall not be construed as having persuaded or influenced Council to pass the remainder of this by-law and it is hereby declared that the remainder of this by-law shall be valid and shall remain in force.

28.2 Where the provisions of this by-law conflict with the provisions of any other by-law, the more restrictive provisions shall apply.

29.0 SHORT TITLE

29.1 This By-law may be referred to as the "Taxicab Licensing By-law".

30.0 REPEAL/EFFECTIVE DATE

30.1 By-law Number 2013 -28 are hereby repealed and this by-law shall come into force and effect upon its adoption.

ENACTED THIS DAY OF JUNE, 2016.

Tony Van Bynen, Mayor

Andrew Brouwer, Town Clerk



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June 20, 2016

INTEGRITY COMMISSIONER

TO: Committee of the Whole
SUBJECT: Code of Conduct Complaints
ORIGIN: Integrity Commissioner

RECOMMENDATIONS

THAT the report of the Integrity Commissioner dated June 20, 2016 regarding Code of Conduct Complaints be received.

BACKGROUND

I was appointed Integrity Commissioner for the Town of Newmarket after a competitive process, by by-law enacted on October 5, 2015. Prior to my appointment, Council had directed staff to investigate best practices on policy issues related to the ethical behavior of members of Council and adopted an Interim Code Complaint Process. It was also directed that future Code complaints be held in abeyance until the review is completed. An exhaustive review was carried out with the assistance of a facilitator and a new Code of Conduct was not adopted until February 29, 2016.

Three Code of Conduct complaints were received by the Clerk prior to my appointment and held in abeyance as directed by Council. The three complaints were forwarded to me when I was appointed and since then I have received 13 additional complaints. Of the 16 complaints, the first 12 have been considered by me under the former Code of Conduct as amended by the Interim Complaint Process. The other 4 were received by me after the adoption of the new Code and will be considered under the new Code. These 4 are in process and will be dealt with in a future report. All of the complainants have requested anonymity and their identity will not be disclosed in this report.

I have served 6 of the complaints on the members of Council complained about and requested a response within 10 days as required by the Code of Conduct. Some Councillors requested extensions to the time for response which were granted. Responses to the complaints have now been received within the prescribed time by all Councillors served. I have interviewed several Councillors by telephone but have decided that it is not necessary for me to personally interview any of them. For the purpose of this report, I have consulted extensively with staff in personal meetings, by telephone, E-mail and must express my sincere thanks for their cooperation in this very complicated exercise. I have corresponded with the complainants on numerous occasions and conducted two personal interviews.

On March 24, 2016, I delivered a confidential decision with reasons, respecting one of the complaints, which summarily dismissed it. In an interview with a complainant, another complaint was withdrawn (Complaint No. 2) and I have notified the Councillor complained about. I have decided that I will render a decision on the balance of all complaints (10) under the Old Code on the day this report becomes public. My decision is contained in this public report for 5 of the 10 complaints. For the balance of the complaints (5) under the old Code, I regard it in the public interest to communicate my decision to the complainant and the Councillor complained about, only by confidential E-mail.

COMMENTS

Complaint No. 1

This complaint was against Councillor Hempen for supporting fund raising for the reconstruction of a park at Maple Leaf Public School and for supporting a motion before Council to waive site plan fees for such construction. The complainant has a curious objection to the use of his influence as a Councillor to benefit a community project because it will enhance the Councillor's reputation and that of his business. Councillor Hempen was criticized also for including reference to the Maple Leaf Park project in his campaign material for the last election.

In my opinion, community work by all Councillors, subject to some rules, should be encouraged and in my experience, waiving planning fees for charities is properly and frequently done by all municipalities. This complaint is hereby dismissed.

Complaint No. 3

This complaint also related to fund raising by Councillor Broome-Plumley for a skating rink in a Town park. The complainant objects because the Councillor obtained funds from her employer, New Roads Automotive Group, which is again referred to as improper use of influence as a Councillor. I cannot find any conflict in raising funds from the Councillor's employer. In this case, the influence came not from her position with the City but from her position in the company. This complaint is hereby dismissed.

My analysis of fund raising for charities and community groups starts with a comparison to election campaign fund raising. Election financing is tolerated as part of our law to avoid the alternative that only wealthy people can run for office. There is still a risk that members of Council might be influenced to favour those who contribute. A campaign donation is of more direct benefit to a member than a donation to that member's favorite charity.

Most Codes of Conduct throughout the Province permit charitable fund raising and most impose rules for such activity similar to those contained in the new Code for Newmarket. The most publicized example in Toronto has caused some confusion. The Toronto Integrity Commissioner ordered Mayor Ford to pay back \$3,150.00 of football donations because there was a specific prohibition against registered lobbyists making donations. The donations he received from other people not registered as lobbyists were not prohibited and were paid to the school.

A major topic considered by Council during the Code review was in the area of fund raising by Councillors. I was consulted in the study and gave the advice that the rules now contained in the new Code are appropriate and community fund raising by Councillors should now be encouraged.

Complaint No. 5

This is a complaint against Councillor Vegh relating to his expenses for attending a conference in Toronto. The complainant acknowledges that Councillors' attendance at conferences is appropriate but since this one is in Toronto, he should not have stayed overnight and he should have used transit instead of his car. The complainant also states that there were cheaper hotels than the Delta, where the Councillor stayed. To quote the complainant: "The stay cannot be justified given that thousands of Newmarket residents travel using GO Transit to Toronto each and every work day. Mr. Vegh's actions do not jive with the standards of the community of Newmarket."

I can find nothing in the Code of Conduct which supports this complaint as a contravention and the complainant made no reference to the Code. Councillors hold an important position in the municipal corporation and in the community. They should be empowered to make decisions such as staying longer at a conference for networking with their colleagues. Complaint No. 5 is hereby dismissed.

Complaint No. 6

This is a complaint against Deputy Mayor Taylor for participating in a discussion of the budget at the Committee of the Whole meeting on December 7, 2015. The Town budget of expenditures (exceeding 100 million dollars in total) contained the purchase of space for the Town Home Page in the amount of \$73,000 from the Newmarket Era, a newspaper owned by Metroland Media. Mr. Taylor's wife is vice president of marketing for Metroland Media which owns 110 community newspapers in Ontario.

The complainant alleges that he was active in the budget discussion, but the Deputy Mayor advises that there was no discussion of the advertising line item. On January 18, 2016 when the budget was passed, the Deputy Mayor requested that the advertising portion of the budget be voted on separately and declared a conflict of interest.

I find that Deputy Mayor Taylor did not contravene the Code of Conduct as he declared a conflict of interest. The Complainant also alleges that engaging in the discussion of the budget was an abuse of his influence, which I reject. Complaint No. 6 is hereby dismissed.

Complaint No. 11

This is another complaint against Deputy Mayor Taylor that he received \$560.16 from the Town's *Work at Home Program* for half the cost of a computer. This program is offered to all employees and Councillors to encourage the use of computers and can be enrolled in every 36 months. The Deputy Mayor advises that this is the first time he has participated in 10 years. The complainant alleges that the CAO did not sign off as required and that the computer is used contrary to the intent of the program. I have received the form signed by the CAO and determined that there are

no restrictions imposed by the program on the use of the computer. Complaint No. 11 is hereby dismissed.

Complaints Numbered 4, 7, 8, 9, and 10

I have decided that including the remaining 5 complaints in this public report is not in the public interest and have dismissed all of them in confidential E-mails to the complainant in each case, with copies to the Councillor complained about. All complaints I receive will be summarized each year in an annual report which will not identify the persons involved.

For more information on this report, contact Robert Swayze, Integrity Commissioner at 519-942-0070 or robert.swayze@sympatico.ca



Robert Swayze
Integrity Commissioner



**Newmarket Public Library Board
Regular Board Meeting
Wednesday, April 20, 2016
Newmarket Public Library Board Room**

Present: Joan Stonehocker – Chair
Tom Vegh – Vice Chair
Tara Brown
Kelly Broome-Plumley
Darcy McNeill
Venkatesh Rajaraman
Joe Sponga (left at 6:30 pm)

Staff Present: Todd Kyle, CEO
Linda Peppiatt, Deputy CEO
Lianne Bond, Administrative Coordinator

The Library Board Chair called the meeting to order at 5:35 pm

Adoption of Agenda Items

1. Adoption of Regular Agenda
2. Adoption of the Closed Session Agenda
3. Adoption of Consent Agenda items

The Chair asked if there were any additions to the agenda.

Motion 16.04.108

Moved by Kelly Broome-Plumley

Seconded by Joe Sponga

That Agendas 1) to 3) be adopted as presented

Carried

Declarations

None were declared.

Consent Agenda Items:

4. Adoption of the Regular Board Meeting Minutes for Wednesday, March 16, 2016
5. Adoption of the Closed Session Meeting Minutes for Wednesday, March 16, 2016
6. Strategic Operations Report for March, 2016
7. Library Statistical Data for March, 2016
8. Monthly Bank Transfer

Motion 16.04.109

Moved by Tara Brown

Seconded by Kelly Broome-Plumley

That Consent Agenda Items 4) to 8) be received and approved as presented.

Carried

9. Motion to Convene into a Closed Session

There were no closed session items.

Policy

10. Fundraising Policy

The CEO reviewed with the Library Board the draft Fundraising Policy. The Board asked for additional wording regarding issuing of income tax receipts.

Motion 16.04.110

Moved by Tom Vegh

Seconded by Tara Brown

That the Library Board approved the Fundraising Policy as amended.

Carried

Reports

11. First Quarter Financial Statements

First Quarter Financial Statements indicated the Library is on target in 2016 for both expenditures and revenue.

Motion 16.04.111

Moved by Joe Sponga

Seconded by Darcy McNeill

That the Library Board receive the First Quarter Financial Statements as presented.

Carried

12. Strategic Implementation Fund

A report on the Strategic Implementation Fund to revise the budget and plan for the fund was reviewed by the Library Board.

Motion 16.04.111

Moved by Tara Brown

Seconded by Kelly Broome-Plumley

That the Library Board approved the revised b **197** and plan for the Strategic Plan Implementation Fund as presented.

Carried

Business Arising

13. Library Board Action List

The Library Board reviewed the Action List. The Board confirmed that election of a Vice-Chair as per Item number 9-15 of the Library Board Actions List will be held at the May 18, 2016 Regular Board meeting.

Motion 16.04.112

Moved by Darcy McNeill

Seconded by Venkatesh Rajaraman

That the Library Board receive the Action List as presented.

Carried

14. Joint Newmarket Public Library/Town of Newmarket Council Workshop

It was requested that the Joint Newmarket Public Library/Town of Newmarket Council Workshop be scheduled prior to an upcoming Town of Newmarket Council meeting scheduled in the second quarter.

New Business

15. Code of Conduct – Media Interest

The CEO provided a verbal report on the media interest involving the Library. The CEO will contact local social services agencies for further assistance regarding this matter.

Date(s) of Future Meetings

16. The next regular Library Board meeting will be Wednesday, May 18, 2016 at 5:30 pm in the Library Board room.

Adjournment

Motion 16.04.113

Moved by Venkatesh Rajaraman

Seconded by Tara Brown

That there being no further business meeting adjourned at 7:00 pm.

Carried



Joan Stonehocker
Chair



Todd Kyle, CEO
Secretary/Treasurer



MINUTES

Tuesday, May 10, 2016 at 9:30 AM

Town of Newmarket - Mulock Room

The meeting of the CYFS - JCC was held on Tuesday, May 10, 2016 in Town of Newmarket - Mulock Room, 395 Mulock Drive, Newmarket.

Members Present:	Newmarket:	Councillor Twinney Councillor Sponga
	Aurora:	Councillor Abel Councillor Mrakas Councillor Thompson
Staff Present:	Newmarket:	R.N. Shelton, Chief Administrative Officer M. Mayes, Director of Financial Services L. Georgeff, Director of Human Resources D. Schellenberg, Manager/Accounting & Finance L. Lyons, Deputy Clerk
	Aurora:	D. Nadorozny, Chief Administrative Officer D. Elliott, Director of Financial Services
	CYFS:	I. Laing, Fire Chief R. Comeau, Deputy Fire Chief
Regrets:	Newmarket:	Councillor Hempen

The meeting was called to order at 9:34 a.m.

Councillor Abel in the Chair.

Open Forum

None.

Additions & Corrections to the Agenda

Moved by: Councillor Thompson
Seconded by: Councillor Twinney

THAT the agenda as distributed be approved.

Carried

Declarations of Pecuniary Interest

None.

Approval of Minutes

1. Central York Fire Services - Joint Council Committee Minutes of April 5, 2016.

Moved by: Councillor Thompson

Seconded by: Councillor Mrakas

- a) THAT the Central York Fire Services - Joint Council Committee Minutes of April 5, 2016 be approved.

Carried

Items

2. Joint Central York Fire Services and Corporate Services Report - Finance 2016-21 dated April 27, 2016 regarding the 2016 CYFS Budget Report - First Quarter.

Moved by: Councillor Twinney

Seconded by: Councillor Sponga

- a) THAT Joint CYFS/Corporate Services Report - Financial Services 2016-21 dated April 27, 2016 regarding the 2016 CYFS Budget Report - First Quarter be received for information purposes.

Carried

3. Joint CAO for Newmarket/Aurora Report 2016-09 dated April 28, 2016 regarding Potential Fire Service Merger Review Process.

The Chief Administrative Officer, Aurora advised that this report is a summary of current activities with respect to potential merger discussions with the Town of Richmond Hill Fire Services. He advised that Terms of Reference have been drafted and a consultant will be appointed.

Councillor Thompson queried the timelines associated with the actions. The Chief Administrative Officer, Newmarket advised that the project is on track for the fall of 2016 and CYFS-JCC will be kept updated and a follow-up report will be provided to CYFS-JCC in the fall.

Councillor Twinney queried the amount of budgeted consultant fees. The Chief Administrative Officer, Newmarket advised that the costs would be shared between the three municipalities equally. He further advised that the source of financing can be from Central York Fire Services operating or reserves budgets and he will clarify once the proposals are received.

Councillor Sponga requested clarification with respect to the proposed new fire station and the synergies with the Richmond Hill training centres. The Chief Administrative Officer, Newmarket advised that both processes are moving forward at the same time and the use of facilities will be examined as part of the new fire station design. Councillor Sponga requested an information report of details be circulated to CYFS-JCC. The Chief Administrative Officer, Newmarket advised that reports would be provided at a future meeting.

The Chief Administrative Officer, Aurora advised that if there are no benefits to merging of the two fire services, other areas such as training arrangements between Central York Fire Services and Richmond Hill Fire Services could be examined.

Councillor Abel requested that the Terms of Reference along with timelines be circulated.

Moved by: Councillor Mrakas

Seconded by: Councillor Sponga

- a) THAT Joint CAO for Newmarket/Aurora Report 2016-09 dated April 28, 2016 regarding potential Fire Service Merger - Central York Fire Services and Richmond Hill Fire Services - Review Process be received for information and the process endorsed.

Carried

New Business

None.

Closed Session

There was no requirement for a Closed Session.

Adjournment

Moved by: Councillor Thompson
Seconded by: Councillor Mrakas

THAT the meeting adjourn.

Carried

There being no further business, the meeting adjourned at 9:55 a.m.

Date

Councillor Abel, Chair



L'Association des francophones
de la région de York Inc.

Mai 18th, 2016

Mayor Tony Van Bynen
Town of Newmarket
PO Box 328, Main Station
Newmarket, Ontario, L3Y 4X7

Dear Mayor and Members of Council,

"L'Association des francophones de la région de York" (L'AFRY) is proud to celebrate in a special way the anniversary of the arrival of Étienne Brûlé and the presence of francophone in York Region. We would appreciate if the Franco-Ontarian flag could be raised at the Administrative Centre and a proclamation be issued for Franco-Ontarian Day, on September 23rd. This historical celebration of the flag is a very important event for all Franco-Ontarians in the province and your Town. We are very proud that our flag has been officially recognized by Queen's Park on June 21st, 2001.

Today, after four centuries of evolution, Ontario's francophone community includes 582,690 people, or 4.8% of the total population of the province (according to Statistics Canada 2006 census). It is the second largest Francophone community in Canada, after Quebec.

For the record, the Government of Ontario released a statement on April 26, 2010 that "*The Franco-Ontarian Day Act adopted unanimously by the Legislative Assembly proclaims September 25 of each year as Franco-Ontarian Day. This Day will, every year, officially recognize the contribution of Ontario's Francophone community to the cultural, historical, social, economic and political life of the province.*"

Several of the region's towns and cities did agree to raise our flag and issue a proclamation last year and we are hopeful that the Town of Newmarket will also commit to raising our flag and issuing a proclamation this year. It would be our pleasure to deliver a flag on simple request. Please feel free to contact Marie Martel by phone at 905-727-4631 ext. 76550, or by email at mariemartel@afry.ca.

Yours truly,

Alain Beaudoin, President of the Board of Directors

TOWN OF NEWMARKET

Outstanding Matters

	Item Subject	Recommendations & Responsibility	Date to come back to Committee	Comments
1.	<p>Council – December 14, 2015 – Item 35 – Joint Development and Infrastructure Services – Planning and Building Services/ES 2015-44 – Proposed Trail from Yonge Street to Rita's Avenue</p> <p>Council – January 18, 2016 – Item 35</p>	<p>THAT staff provide alternate trail options for this area at a lower cost.</p> <p>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.</p> <p>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;</p> <p>AND THAT staff also include in the report the option of installing lighting along the George Luesby Park Trail.</p> <p>➤ Planning and Building Services</p>	Q3, 2016	
2.	<p>Council – April 20, 2015 – Item 7</p> <p>Committee of the Whole – May 9, 2016 – Item 15 – Motion – Regional Councillor Taylor</p>	<p>THAT staff provide a report within six months related to internet voting.</p> <p>THAT Council direct staff to bring back a report within 180 days that examines the process and issues related to a ban on corporate and union donations in Newmarket Municipal Elections.</p> <p>➤ Legislative Services</p>	<p>Q2, 2016 Q3, 2016</p> <p>November, 2016</p>	<p>Workshop held October 5, 2015</p> <p>Special CoW scheduled for Oct. 31, 2016 (9:00 a.m) and will address Internet Voting & Ranked Ballots</p>

Strikethrough indicates that the item will be removed from the outstanding list prior to the next OLT meeting

Bold indicates that the item will be on the upcoming agenda

Last revisions made on June 8, 2016

(Updated and including the Committee of the Whole Minutes of May 30, 2016)

	Item Subject	Recommendations & Responsibility	Date to come back to Committee	Comments
3.	Committee of the Whole – May 25, 2015 – Item 2 – Parkland Dedication By-law	<p>THAT the Parkland Dedication By-law for the Town of Newmarket as contained in Attachment 1 be received;</p> <p>ii) AND THAT staff be directed to provide notice to the public, the development community and BILD of the proposed by-law;</p> <p>iii) AND THAT following public input that staff summarize in a report to the Committee of the Whole the issues identified and the comments received along with the final recommendation for the Parkland Dedication By-law for Council's approval;</p> <p>iv) AND THAT staff be directed to report back to Committee of the Whole on the other funding strategies to address the identified shortfall of Town-wide parkland in conjunction with the Parkland Implementation Strategy identified in the Implementation Strategy for the Newmarket Urban Centres Secondary Plan.</p> <p>➤ Planning & Building Services</p>	Q2/Q3, 2016 June 20, 2016	<p>This matter is tied to the on-going work of the Marketing Davis Drive Task Force</p> <p>Refer to Development & Infrastructure Services Information Report 2015-41 dated September 22, 2015</p>
4.	Council – June 22, 2015 – Item 31 D & I Services Report – ES 2015-34 – McCaffrey Road – Traffic Review	<p>THAT a report be prepared for an upcoming Committee of the Whole or Council meeting following a site visit by the Ward Councillor and Town staff that includes alternate traffic mitigation measures including but not limited to chicanes, roundabouts, pedestrian islands, road watch program or crosswalk;</p> <p>AND THAT this report address traffic impacts related to new development on the Glenway lands, York Region Annex building and the Yonge Street VivaNext project.</p> <p>➤ Engineering Services</p>	Q2, 2016 Q3, 2016	
5.	Committee of the Whole – September 28, 2015 – Item 15	<p>THAT the deputation by Mr. Paul Jolie regarding Ontario Municipal Cycling Infrastructure be received and referred to staff for a report back to Council related to cycling infrastructure on Mulock Drive.</p> <p>➤ Development & Infrastructure Services</p>	Q2, 2016	Information Report to be distributed

	Item Subject	Recommendations & Responsibility	Date to come back to Committee	Comments
6.	<p>Committee of the Whole – October 20, 2015 - Community Services - Recreation and Culture Report 2015-28 dated September 16, 2015 regarding Hollingsworth Arena Replacement Follow-Up.</p> <p>Committee of the Whole – May 30, 2016 – Item 34</p>	<p>1. THAT staff work with Pickering College to:</p> <p>i) Finalize an agreement subject to Council approval with respect to capital and operating costs regarding a replacement arena at Pickering College;</p> <p>ii) Bring back a professionally prepared project estimate and recommended capital and operating agreement to Council for review within the next 45 days;</p> <p>2. AND THAT staff initiate a public process addressing a replacement arena and proposed disposition of land at Hollingsworth Arena.</p> <p>➤ Recreation & Culture</p> <p>AND THAT the Public Information Centre on the potential replacement of Hollingsworth Arena be scheduled after a Public Information Centre is held showing detailed concept plans of the San Michael proposal.</p>	<p>Q1, 2016 Q2, 2016/ Q3, 2016</p> <p>Scheduled for June 22, 2016</p>	<p>Deferred to Workshop of February 22, 2016 and Report to follow thereafter</p>
7.	<p>Committee of the Whole – November 9, 2015 – Item 16 Petition/Petitioning Newmarket Council to 'Save Hollingsworth Arena'.</p>	<p>a) THAT the petition/petitioning Newmarket Council to 'Save Hollingsworth Arena' be received and referred to staff for a report that clarifies the petition preamble as part of the public consultation process related to the disposition of the Hollingsworth Arena.</p> <p>➤ Recreation & Culture</p>	<p>Information Report to be distributed during public consultation process Q1, 2016 Q2, 2016</p>	
8.	<p>Committee of the Whole – October 20, 2015 - New Business</p>	<p>THAT staff research and advise Council regarding potential municipal regulation of propane tank installation for home heating purpose.</p> <p>➤ Legislative Services/Planning and Building Services</p>	<p>Q1, 2016 Q2, 2016 Q4, 2016</p>	<p>Information Report 2016-06 distributed April 28, 2016</p>
9.	<p>Committee of the Whole – November 9, 2015 – Item 3</p>	<p>Motion: Councillor Twinney</p> <p>THAT staff bring back a report to Council on a third party insurance program for residents to insure their water and sewer pipes that run under private property and are not covered by the Town.</p> <p>➤ Development and Infrastructure Services</p>	<p>June 20, 2016</p>	
10.	<p>Committee of the Whole – November 9, 2015 – Item 12 Development & Infrastructure Services Report PWS 2015-58 regarding N6 Waste Collection Contract 2017-2017 Request for Proposal Preparation Update.</p>	<p>THAT staff work with the N6 partners to develop service level criteria for customer service and response and opportunities to provide customer services outside the scope of the waste control contract and report back to Council;</p> <p>AND THAT staff explore the option of separate proposals for standard bag limits (2 bags and 3 bags) with the N6 partners and report back to Council.</p> <p>➤ Public Works Services</p>	<p>Q1, Q2, 2016</p> <p>Q2/Q3, 2016 September 26, 2016</p>	

	Item Subject	Recommendations & Responsibility	Date to come back to Committee	Comments
11.	Committee of the Whole – January 11, 2016 – Item 19 – Magna Centre Leases and Potential Fitness Centre	<p>THAT the Town of Newmarket convert the existing restaurant space into an equipment based, membership oriented fitness facility within the capital costs identified;</p> <p>AND THAT staff report back on options for the kitchen and kiosk spaces, including an expanded fitness centre in the kitchen area and/or maintaining a food kiosk;</p> <p>AND THAT the funding be added to the draft 2016 Capital Budget.</p> <p>➤ Recreation & Culture</p>	Q3, 2016	
12.	Committee of the Whole – January 11, 2016 – Item 20 – Targeted Marketing Program to Advance Re-development of Davis Drive Properties	<p>AND THAT the development of Davis Drive be the subject of a future Economic Development Congress within 2016 where a cross section of stakeholders can come together to share ideas specific to advancing the implementation of the Secondary Plan and in keeping with the NEDAC Economic Development strategy re-fresh currently in development;</p> <p>AND THAT the staffing related to fulfilling economic development initiatives continue at their current levels as indicated in the report with longer term staffing to be monitored and reviewed against specific needs related to the realization of Council's Strategic Priorities, implementation associated with the re-development of Davis Drive and to support NEDAC'S economic development re-fresh; with a detailed staffing report to come to Committee of the Whole no later than Q3, 2016.</p> <p>➤ Community Services/Economic Development</p>	Q3, 2016	
13.	Committee of the Whole – February 22, 2016 – Item Joint Office of the CAO and Corporate Services - Legislative Services Report 2016-02 dated January 28, 2016 regarding Appointment of Municipal Ombudsman.	<p>iv) AND THAT staff provide an information update report after a 6 month period once the agreement has been executed.</p> <p>➤ Legislative Services</p>	Q3, 2016	Information Report to be distributed
14.	Committee of the Whole – February 22, 2016 – Item 27 Motion – Councillor Hempen Welcome Entrance Sign	<p>i) THAT staff report back on the feasibility and suitable location for the installation of a community welcome entrance sign at the intersection of Longford Drive and Davis Drive;</p> <p>ii) AND THAT staff also provide a suitable design for the welcome sign. The cost of the sign will be covered by private fundraising.</p> <p>➤ Development and Infrastructure Services</p>	Q2/Q3, 2016	

	Item Subject	Recommendations & Responsibility	Date to come back to Committee	Comments
15.	Council – April 4, 2016 – Item 5 Joint Report Community Services - Recreation and Culture, Development and Infrastructure Services - Public Works, Engineering, Corporate Services - Finance 2016-14 dated March 31, 2016 regarding Implementation Plan - Future Facilities and Land Use.	<p>THAT Phase 2 of the Recreation Playbook Implementation Plan be approved as outlined in the report, with public consultation done as part of applicable design processes;</p> <p>ii) AND THAT Phase 3 of the Recreation Playbook Implementation Plan be shared with the community through a public consultation process and that staff then report back;</p> <p>iii) AND THAT Council and the Newmarket Public Library Board conduct a facilitated Joint Planning Workshop in Q3, 2016 to explore future library considerations;</p> <p>iv) AND THAT future Council Workshops be done to consider specific uses and negotiation strategies on potential property acquisitions, as outlined in the report;</p> <p>v) AND THAT as part of the 2016 Capital Budget, the design for an outdoor basketball court at Ken Sturgeon Park be undertaken, and funding for construction be requested in the 2017 Capital Budget funded from Development Charges and Capital Reserves, in order to include this project in Phase 2 of the Recreation Playbook implementation plan.</p> <p>➤ Recreation and Culture</p>	<p>Q4, 2016</p> <p>Scheduled for June 15, 2016</p>	
16.	Council – April 18, 2016 – Item 1 Deputation - 415 Queen Street	<p>THAT the deputation by Mr. Jeffrey Peterson regarding relief from development charges for the property known as 415 Queen Street be received and referred to staff to explore opportunities related to Development Charges, engage the property owner and report back to Council within 60 days.</p> <p>➤ Planning and Building Services/ Finance</p>	June 20, 2016	
17.	Committee of the Whole – May 9, 2016 – Item 5 – Corporate Services Report – Financial Services 2016-20 – Deferred Implementation of Tiered Water Rates	<p>a) THAT Corporate Services Report - Financial Services 2016-20 dated April 27, 2016 regarding Deferred Implementation of Tiered Water Rates be received and the following recommendation be adopted:</p> <p>THAT staff be directed to report back to Council on the implementation of the phase-in of the tiered fixed rate structure in 2017.</p> <p>➤ Finance</p>	Q4, 2016	

	Item Subject	Recommendations & Responsibility	Date to come back to Committee	Comments
18.	Committee of the Whole – May 30, 2016 Item 30 - Development and Infrastructure Services Report - ES 2016-25 dated May 15, 2016 regarding 'Old Fire Hall and Other Downtown Parking Opportunities.'	<p>THAT the Old Fire Hall not be demolished to produce nine (9) parking spaces at this time;</p> <p>AND THAT Council approve the construction of up to 33 additional new parking spaces at the Fairy Lake Parking Lot;</p> <p>AND THAT staff prepare a report outlining the heritage, planning and economic aspects of the Old Fire Hall within the next 120 days;</p> <p>AND THAT staff prepare an analysis and a plan for parking at the Old Town Hall;</p> <p>AND THAT staff prepare an Information Report outlining an estimate of costs related to the construction of additional parking spaces in the Fairy Lake lot and behind Cachet Restaurant;</p> <p>AND THAT Council approve the construction of up to 22 new spaces behind Cachet Restaurant.</p> <p>➤ Development and Infrastructure Services</p>	September, 2016	



PLANNING & BUILDING SERVICES

Town of Newmarket
395 Mulock Drive
P.O. Box 328, STN Main
Newmarket, ON L3Y 4X7

www.newmarket.ca
planning@newmarket.ca
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F: 905.953.5140

LEGISLATIVE SERVICES

INCOMING MAIL	REFD TO	COPY TO
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MAY 31 2016

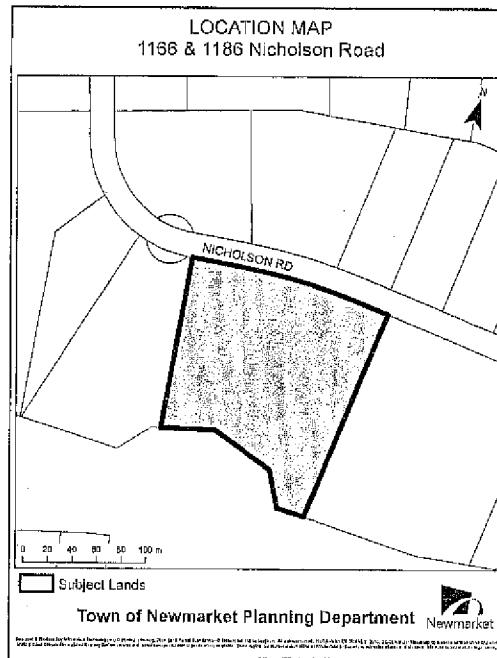
PUBLIC MEETING CONCERNING
PROPOSED OFFICIAL PLAN AND ZONING BY-LAW AMENDMENTS

TAKE NOTICE that the Council of the Corporation of the Town of Newmarket will hold a Public Meeting on:

MONDAY JUNE 20, 2016 AT 7:00 P.M.

in the **Council Chambers at the Municipal Offices, 395 Mulock Drive**, to consider a proposed Zoning By-Law Amendment under Section 34 of the Planning Act, RSO 1990, c. P. 13 as amended and a proposed Official Plan amendment under Section 17 of the Planning Act, RSO 1990, c. P. 13 as amended.

An application has been submitted for an Official Plan Amendment and Zoning By-Law Amendment for lands located on the south side of Nicholson Road, municipally known as 1166-1186 Nicholson Road. The effect of this application is to permit accessory outdoor storage as a permitted use to a maximum of 30% of the lot, provided the storage is screened in such a way as to not be visible from the street.



ANY PERSON may attend the public meeting to make written or verbal representation either in support of or in opposition to the proposed Official Plan and Zoning By-Law Amendments. If you wish to use the Town's audio/visual system, please contact the Clerk's Office not later than noon on the day of the meeting to make the appropriate arrangements. Should you be unable to attend the public meeting, your written submission will be received up to the time of the meeting.

IF YOU WISH TO BE NOTIFIED of the adoption of the proposed Official Plan and Zoning By-Law Amendments, you must make a written request to the Town of Newmarket, 395 Mulock Drive, P.O. Box 328, STN MAIN NEWMARKET, ON L3Y 4X7

IF A PERSON OR PUBLIC BODY does not make oral submissions at a public meeting or make written submissions to the Town of Newmarket before the by-law is passed, the person or public body is not entitled to appeal the decision of the Town of Newmarket to the Ontario Municipal Board.

IF A PERSON OR PUBLIC BODY does not make oral submissions at a public meeting, or make written submissions to the Town of Newmarket before the by-law is passed, the person or public body may not be added as a party to the hearing of an appeal before the Ontario Municipal Board unless, in the opinion of the Board, there is reasonable grounds to do so.

ADDITIONAL INFORMATION relating to the proposed Official Plan and Zoning By-Law Amendments is available for inspection between 8:30 a.m. and 4:30 p.m. on weekdays at the Municipal Offices, 395 Mulock Drive, Newmarket.

Dated May 30, 2016

Direct any inquiries to the
Planning Department 905-953-5321
Please refer to File No. D9NP16 03 (OPA);
D14NP16 03 (ZBA)



Town of Newmarket
COUNCIL EXTRACT

Extract from the Minutes of the Council
Meeting held on Monday, May 30, 2016

1. Development and Infrastructure Services Report - Planning and Building Services 2016-22 dated May 30, 2016 regarding an Application for Official Plan Amendment and Zoning By-law Amendment - HOOPP Realty Inc. - 1166 and 1186 Nicholson Road.
 - a) THAT Development and Infrastructure Services Report - Planning and Building Services 2016-22 dated May 30, 2016 regarding an Application for Official Plan Amendment and Zoning By-law Amendment be received and the following recommendations be adopted:
 - i) THAT the Application for Official Plan Amendment and Zoning By-law Amendment as submitted by HOOPP Realty Inc. for lands municipally known as 1166 and 1186 Nicholson Road be referred to a public meeting;
 - ii) AND THAT following the public meeting, issues identified in this report, together with comments from the public, Committee and those received through the agency and departmental circulation of the application, be addressed by staff in a comprehensive report to the Committee of the Whole, if required.



Planning and Building Services

TOWN OF NEWMARKET

395 Mulock Drive

P.O. Box 328

Newmarket, ON L3Y 4X7

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905.953.5321

**Development and Infrastructure Services
Planning and Building Services - Planning Report 2016-22**

To: Committee of the Whole

Subject: Official Plan Amendment Application, File No. D9NP16 03
Zoning By-law Amendment Application, File No. D14NP16 03
LOTS 4 & 5, PL 65M2677; S/T LT434248, LT543746, R451851, R451852
1166 and 1186 Nicholson Road, Newmarket

Date: May 30, 2016

Origin: Application submitted to the Planning Department

Recommendations

THAT Development and Infrastructure Services/Planning and Building Services Report 2016-22 dated May 30, 2016 regarding Application for Official Plan Amendment and Zoning By-law Amendment be received and the following recommendation(s) be adopted:

1. THAT the Application for Official Plan Amendment and Zoning By-law Amendment as submitted by HOOPP Realty Inc., for lands Municipally known as 1166 and 1186 Nicholson Road be referred to a public meeting.
2. AND THAT following the public meeting, issues identified in this Report, together with comments from the public, Committee, and those received through the agency and departmental circulation of the application, be addressed by staff in a comprehensive report to the Committee of the Whole, if required.

Background**Location and surrounding land uses**

The proposed Official Plan Amendment submitted by Zelinka Priamo Ltd. on behalf of the owners, HOOPP Realty Inc., under Planning Files D9NP16 03, and D14NP16 03 concerns a 2.3 hectare property located on the south side of Nicholson Road, west of Harry Walker Parkway South. The subject property does not contain any structures, and is legally described as being PL 65M-2677; S/T LT434248, LT543746, R451851, R451852 Newmarket. The subject property is designated 'Business Park – Mixed Employment' by the Town of Newmarket Official Plan and zoned General Employment 11 (EG-11) by Zoning By-law 2010-40, as amended.

The lands to the north and west are zoned EG – General Employment, and to the west EH – Heavy Employment. An OS – Open Space zone is located immediately to the south, in which is found Bogart Creek, with further EG – General Employment lots across the watercourse. The lands to the immediate

east which are zoned EH – Heavy Employment are also owned by the applicant. The surrounding land uses are principally manufacturing and motor-vehicle-related uses and their associated offices.

Proposal

The purpose of the Official Plan Amendment and Zoning By-law Amendment applications are to add site specific policies to allow for outdoor storage on the subject lands. The owner has expressed that there is no preliminary site concept plan at this time and that this proposal is to increase the marketability of the subject property.

Preliminary review

Official Plan Considerations

The subject property is designated Business Park - Mixed Employment in the Town's Official Plan. Areas of Newmarket designated Business Park are intended to provide for the Employment needs of the community. The Mixed Employment designation permits business and professional offices, research and development facilities along with manufacturing uses. Service Commercial, motor vehicle uses, commercial schools and accommodation facilities are also among the permitted uses in this designation. The Mixed Employment designation also prohibits open storage of goods, materials and equipment. Notwithstanding this, the property to the east of the subject property that is owned by the applicant is zoned EH-11, and does permit outdoor storage by right under zoning despite the Official Plan designation of Mixed Employment.

The Planning Justification report submitted with the application suggests that the proposed change meets the intent of the Business Park use as it expands the permitted uses and encourages a wide range of industrial operations. The Justification Report continues by indicating that the policies of the Official Plan are implemented through the policies of the corresponding Zoning By-law.

We agree with the analysis in the Planning Justification Report that concludes the proposed change is, notwithstanding the deviation from the prohibition on outdoor storage, consistent with the policies of the Official Plan. The original intent of prohibiting outdoor storage in the Business Park – Mixed Employment area may have been to restrict accessory uses deemed unsightly from view from corridors such as Leslie Street and Highway 404, as the area where it is permitted is interior between these corridors. If properly screened and maintained, outdoor storage in other parts of the Business Park may be no more unsightly than a fence or building, and standards for how this is to be achieved are appropriately located in a zoning by-law.

Zoning Considerations

Many areas in the area designated as the Business Park by the Official Plan have outdoor storage. These properties are not always congruent with the zones where the Official Plan states that outdoor storage should be permitted. For instance, the Heavy Employment (EH) zone immediately east of this site is part of the Business Park where outdoor storage is meant to be prohibited under the Official Plan. The zoning by-law amendment which may enact this amendment can set standards for the appropriate visual screening of the outdoor storage, which can then be enacted through appropriate Site Plan review upon development of the property.

Community consultation policy

This report recommends holding a public meeting with notice provided in accordance with the requirements of the *Planning Act*.

Budget impact

The Town will receive revenue from the increased property taxes and from development charges when this property is developed.

Business plan and strategic plan linkages

Operating Budget (Current and Future)

The appropriate planning application fees have been received for Official Plan amendment and zoning bylaw amendment.

Capital Budget

There is no direct capital budget impact as a result of this report.

Contact

For more information on this report, contact: Ted Horton, Planner at 905-953-5321, Extension 2458 or via email at thorton@newmarket.ca.



Planner



Director of Planning and Building Services



Commissioner Development and Infrastructure Services

NEWMARKET HYDRO HOLDINGS INC

2015 ANNUAL GENERAL MEETING

2015 IN REVIEW

NEWMARKET – TAY POWER DISTRIBUTION

- **Safety**
 - No Lost Time Injuries
 - Fully compliant Electrical Safety Authority audit
- **Customer Satisfaction**
 - > 95% of customers “very satisfied” or “satisfied” with service
- **Conservation**
 - Achieved 234% of 2015 energy savings target under the Conservation First Framework

2015 IN REVIEW

NEWMARKET – TAY POWER DISTRIBUTION

- Financial
 - Achieved 100% of approved regulatory return
 - Met all shareholder dividend and interest payment targets
- Reliability
 - Maintained at previous year's indicies
 - Continued excellent reliability

ANNUAL GENERAL MEETING AGENDA

- Two Companies
 - Newmarket Hydro Holdings Inc.
 - Newmarket – Tay Power Distribution
- Newmarket – Tay Power Distribution business conducted through written resolutions for:
 - Approval of Financial Statements
 - Appointment of Auditors
 - Appointment of Directors
 - Direction to legal representative(s) to sign resolutions

AGM BUSINESS

NEWMARKET – TAY POWER DISTRIBUTION

- Acceptance of Financial Statements
- Appointment of Auditors
 - Collins Barrow
- Appointment of Directors
 - Mayor Warnock
 - Mayor Van Bynen
 - Andy Ott
 - Phil Daniels
 - Robert Betts
 - Cristine Prattas
 - Paul Ferguson

AGM BUSINESS

NEWMARKET HYDRO HOLDINGS INC.

- Acceptance of Financial Statements
- Appointment of Auditors
 - Collins Barrow
- Appointment of Director
 - Robert Shelton
- Directions
 - Direction to Mayor as legal representative of Newmarket Hydro Holdings Inc. to sign shareholder resolutions
 - Mayor directs Newmarket Hydro Holdings Inc. director to sign Newmarket – Tay Power Distribution Ltd. shareholder resolutions

FINANCIAL STATEMENTS

- Previously were in Canadian Generally Accepted Auditing Principles
- Changed to International Financial Reporting Standards for 2015
- Significant changes presented at a September 28, 2015 Workshop

BOARD APPOINTMENTS

- Independent directors Ott, Daniels at end of eligibility
- February, 2015
 - Shareholders agreed to waive Article 3, Section 3.03 paragraph (3) [Director terms]
 - Election of director Ott to a one year term
 - Election of director Daniels to a two year term
 - Facilitates a succession plan for independent directors in keeping with good governance practices



June 6, 2016.

Planning and Building Services,
Town of Newmarket,
395 Mulock Drive,
P.O. Box 328, Stn Main,
Newmarket, On. L3Y 4X7.

Attention: Mr. Ted Horton, MUP Planner

Dear Mr. Horton:

Re: 1166 and 1186 Nicholson Rd, Your File #D9NP16 03 (OPA); D14NP16 03 (ZBA)

We have received your notification of a proposed zoning change for the above mentioned property.

My husband and I own 1150 Nicholson Rd. which borders the property in question on the west side. We have operated our business from this location since 1996.

We oppose this application in its entirety to allow accessory outdoor storage of any kind. It could have an environmental impact on the pond area to the south of Nicholson Road and open up full disclosure requirements as to what constitutes accessories, being stored in the open. The front of our property faces south. Our east office windows on both levels would look directly into any outside storage area on that property. In my view this would devalue our property and potentially all those around us.

We respectfully request that this application be denied.

Sincerely,

COOPER PLATING INC.,

A handwritten signature in cursive script that reads 'Brenda Cooper'.

Brenda Cooper,
Secretary Treasurer.



NEWMARKET HISTORICAL SOCIETY

MISSION: To preserve the past for the future by connecting people to the history of Newmarket.

VISION: To be recognized as the go-to place for an history of Newmarket.

Mr. Mayor and Members of Council
c/o Town Clerk
395 Mulock Dr. P.O. Box 328 STN Main
Newmarket, ON L3Y 4X7

June 13, 2016

Dear Mr. Mayor and Members of Council:

For over forty years the Newmarket Historical Society (NHS) has been serving the Town of Newmarket and its residents. Since our inception in 1975 we have grown from a small social society to a strong charitable organization, dedicated to preserving the vast history Newmarket has to offer.

At the Committee of the Whole meeting on May 30, 2016, Item 10 Re: "Old Fire Hall and Other Downtown Parking Opportunities" it was recommended by the Commissioner of Development and Infrastructure Services and the Director of Engineering Services for staff to *"prepare a report outlining the heritage, planning and economic aspects of the Old Fire Hall within the next 120 days."*

Based on this action, the NHS Board would like to request Staff and Council's consideration of designating space within the Old Fire Hall for the NHS, specifically to house our extensive Archives collection. While the synergies between the NHS and this building located on Historic Main Street are obvious, we hope to enlighten Staff and Council on why this designation of space would be of further benefit to the NHS and the community.

Our current archival space is limited to one room within the Elman W. Campbell Museum. These spatial limitations mean several things: First, only two archival representatives can use the room at once. This not only prevents our volunteers from efficiently categorizing and digitizing archival material, but also gravely limits opportunities for Newmarket residents to peruse through these archives and learn more about our town.

Similarly, this lack of space has prevented the NHS from investing in equipment for large-scale scanning and printing – equipment needed for historical preservation – and results in the NHS outsourcing work to other print vendors, hindering our very sparse operating budget. We are also unable to take on and preserve any new archival records into our collection, losing precious records of Newmarket's history to the garbage dumps.

However, of even more significance is the dangerous damage NHS archival records are facing due to our current lack of space. Preserving these pieces requires specific archival boxes, files, and envelopes, along with shelving and drawers for proper storage. Without this storage space, Newmarket's archival history will continue to disappear at an alarming rate.

We sincerely appreciate Staff and Council's consideration to create space for the NHS Archives within the Old Fire Hall. In doing so, you will solve very serious issues we are currently facing in preserving our past for the future of Newmarket.

Best regards,

Judy Perry

President, Newmarket Historical Society

judyeperry@gmail.com

905-836-4946

Erin Cerenzia

Vice President, Newmarket Historical Society

erin.cerenzia@magna.com

905-806-1880

The meeting of the Audit Committee was held on Wednesday, June 15, 2016 in the Holland River Room, 395 Mulock Drive, Newmarket.

Members Present: Mayor Van Bynen
Councillor Bisanz (8:36 to 10:03 a.m.)
Cristine Prattas, Chair
Terrance Alderson
Michael Tambosso

Absent: Councillor Hempen

Staff Present: R.N. Shelton, Chief Administrative Officer
E. Armchuk, Commissioner of Corporate Services
T. Kyle, CEO, Newmarket Public Library
M. Mayes, Director, Financial Services/Treasurer
D. Schellenberg, Manager of Finance & Accounting
C. Finnerty, Council/Committee Coordinator

Guests: Mr. Michael Jones, BDO Canada LLP
Ms. Trudy White, BDO Canada LLP

The meeting was called to order at 8:32 a.m.

Cristine Prattas in the Chair.

Additions & Corrections to the Agenda

None.

Declarations of Pecuniary Interest

None.

Presentations

None.

Approval of Minutes

1. Audit Committee Minutes of January 20, 2016.

The Chief Administrative Officer advised that the matter related to risk discussions and advised that conversations with the N6 are ongoing and an update will follow at the next meeting.

Moved by: Mayor Van Bynen

Seconded by: Michael Tambosso

THAT the Audit Committee Minutes of January 20, 2016 be received.

Carried

Items

2. Review of 2015 Financial Statements.

Ms. Trudy White and Mr. Michael Jones, BDO Canada LLP and the Director, Financial Services/Treasurer and Manager of Accounting and Finance to review:

- a) Town of Newmarket Consolidated Financial Statements.
- b) Town of Newmarket Main Street District BIA Financial Statements, Independent Auditor's Report dated June 27, 2016.
- c) Town of Newmarket Trust Fund Financial Statements, Independent Auditor's Report dated June 27, 2016.
- d) Financial Statement Discussion and Analysis (FSD&A).

Mr. Michael Jones advised that the audit has been substantially completed to date. Receipt of the signed management letters remains outstanding. He provided an overview of the audit findings as indicated in their final report to the Committee, including a high level overview of accounting and audit matters, adjusted and unadjusted differences, management representations, fraud, internal control matters, other required communications. Discussion ensued regarding contaminated sites, draft management letter, fraud, consultation with outside accountants prior to the audit, audit fees and whether they're reflective of the volume and scope of work completed.

The Director, Financial Services/Treasurer provided a high level overview of the financial statements, addressing financial sustainability, surplus funds, financial indicators, and financial plans for 2016 and 2017 related to the Service Pricing Policy, water/wastewater and stormwater management fees, asset replacement funds, investment strategies and debt. Discussion ensued regarding servicing of areas under intensification, employee benefits, temporary investments, loan receivables, asset repairs, and a request for clarification on the restriction stated in the BIA and Trust Fund statements.

Moved by: Michael Tambosso
Seconded by: Councillor Bisanz

a) THAT the Town of Newmarket's Draft 2015 Consolidated Financial Statements, Trust Fund Financial Statements and Main Street District BIA Financial Statements from BDO Canada LLP be received;

i) AND THAT the Audit Committee recommend to Council that the Town of Newmarket's Draft 2015 Consolidated Financial Statements, Trust Fund Financial Statements and Main Street District BIA Financial Statements endorsed by the Audit Committee be approved.

Carried

Closed Session

3. Discussion with BDO Canada LLP, Auditor regarding Labour Relations or Employee Negotiations as per Section 239 (2) (d) of the Municipal Act, 2001.

Moved by: Councillor Bisanz
Seconded by: Michael Tambosso

a) THAT the Audit Committee resolve into Closed Session for the purpose of discussing labour relations or employee negotiations per Section 239 (2) (d) of the Municipal Act, 2001.

Carried

The Audit Committee resolved into Closed Session at 9:51 a.m.

The Audit Committee (Closed Session) Minutes are recorded under separate cover.

The Audit Committee resumed into Open Session at 9:59 a.m.

New Business

None.

Adjournment

Moved by: Michael Tambosso

Seconded by: Terrance Alderson

THAT the meeting adjourn.

Carried

There being no further business, the meeting adjourned at 10:03 a.m.

Date

C. Prattas, Chair



CORPORATE SERVICES COMMISSION
Financial Services

TOWN OF NEWMARKET
395 Mulock Drive
P.O. Box 328
Newmarket, ON L3Y 4X7

www.newmarket.ca
mmayes@newmarket.ca
905.895.5193 ext 2102

June 16, 2016

CORPORATE SERVICES REPORT – FINANCIAL SERVICES – 2016-29

TO: Mayor Tony Van Bynen and Members of Council
SUBJECT: 2015 Financial Statements and Auditors Report
ORIGIN: Director, Financial Services/Treasurer

RECOMMENDATIONS:

THAT Corporate Services Report-Financial Services – 2016-29 dated June 16, 2016 regarding 2015 Financial Statements and Auditors Reports be received and the following recommendations be adopted:

- i) **THAT the Town of Newmarket's Draft 2015 Consolidated Financial Statements, Trust Fund Financial Statements and Main Street District BIA Financial Statements from BDO Canada LLP be received;**
- ii) **AND THAT Council approve the Town of Newmarket's Draft 2015 Consolidated Financial Statements, Trust Fund Financial Statements and Main Street District BIA Financial Statements as endorsed by the Audit Committee.**

COMMENTS:

Purpose

The purpose of this report is to have Council approve the 2015 Financial Statements.

Summary

The 2015 Financial Statements are prepared by staff, audited by BDO and reviewed by the Audit Committee. These statements are now presented to Council for approval.

The statements are required by the *Municipal Act*. They account for the Town's stewardship of its resources. They are also required documentation to support certain financial relationships and transactions such as banking and grant applications.

Background

Provincial regulations require annual audits of our financial statements

Under the *Municipal Act*, municipalities must do the following:

1. A municipality must prepare financial statements in accordance with generally accepted accounting principles (Section 294.1).
2. The Treasurer must report the financial affairs of the municipality to Council (Section 286.1).
3. The municipality must appoint a licensed auditor who is responsible for auditing the accounts and transactions of the municipality annually and expressing an opinion on the municipality's financial statements (Section 296.1).

The annual audit, performed by BDO Canada LLP, is conducted in accordance with generally accepted auditing standards. For 2015, the Auditor's Report, which forms an integral part of the financial statements, has been issued by BDO and reflects their opinion, free of any qualifications or conditions, that the financial statements present fairly, in all material respects, the financial position of the Town in accordance with generally accepted accounting principles. The financial activities of Main Street District BIA, the Newmarket Public Library Board and the Town's proportionate share of Central York Fire Services are consolidated with the financial activities of the Town. The Town's investment in Newmarket Hydro Holdings Inc. (the majority shareholder for Newmarket Tay Hydro) is included on a modified equity basis.

The Consolidated Financial Statements are issued without restriction as they are presented in accordance with the *Municipal Act*. The format is consistent with the reporting requirements of the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Trust Fund Financial Statements and Main Street District BIA Financial Statements vary slightly from PSAB requirements because they are prepared on a cash basis. As such they are issued with the following restriction:

Without modifying our opinion, we draw attention to Note 2 which describes the basis of accounting. The financial information is prepared solely for the use of The Corporation of the Town of Newmarket. Our report is intended solely for The Corporation of the Town of Newmarket and should not be distributed to or used by parties other than The Corporation of the Town of Newmarket.

Essentially, this means that they can only be used for internal management purposes. Consideration could be made to committing resources to lift these restrictions in the future. To date, they have not been an impediment to operations, nor have they put us at any risk.

Audit results are reviewed by the Audit Committee.

The Town's Audit Committee membership includes the Mayor, two Members of Council, and three appointed citizens. Their mandate is "to assist the Council in maintaining the financial integrity of the municipality" and this includes reviewing and providing recommendations to Council regarding the annual report and management letter of the External Auditor.

At the Audit Committee meeting of June 15, 2016 BDO provided an overview of the audit findings. They informed the Committee that they had not encountered any internal control issues of note and accordingly are not issuing a management letter with recommended changes.

The Director, Financial Services/Treasurer provided a high level overview of the financial statements with a focus on financial sustainability.

Some minor changes were recommended to be made to the financial statements which were then approved for recommendation by the Committee to Council.

Attachments

Please find attached:

- the financial statements, as noted above
- the related management representation letters
- BDO's Final Report to the Audit Committee

CONTACT

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca



Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer



Esther Armchuk B.A. (Hons.), LL.B., DPA
Commissioner, Corporate Services

MM/ne

Attachments:

- a) The Corporation of the Town of Newmarket Draft Consolidated Financial Statements – Year ended December 31, 2015 (27 pages)
- b) The Corporation of the Town of Newmarket Trust Fund Draft Financial Statements –Year ended December 31, 2015 (5 pages)
- c) The Corporation of the Town of Newmarket Main Street District BIA Draft Financial Statements –Year ended December 31, 2015 (5 pages)
- d) Management Representation letters (12 pages)
- e) Final Report to the Audit Committee dated June 15, 2016 (15 pages)

**The Corporation of the
 Town of Newmarket**
Consolidated Financial Statements
 Year ended December 31, 2015

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Independent Auditor's Report

To the Mayor and Councilors of The Corporation of the Town of Newmarket

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Newmarket which comprise the statement of financial position as at December 31, 2015, and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Newmarket as at December 31, 2015 and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

June 27, 2016
Newmarket, Ontario

THE CORPORATION OF THE TOWN OF NEWMARKET
Consolidated Statement of Financial Position

December 31, 2015

	<u>2015</u>	<u>2014</u> (Note 3 Restated)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 8)	\$ 83,424,445	\$ 71,146,192
Temporary investments (Note 9)	5,000,000	5,000,000
Taxes receivable (Note 10)	4,846,050	5,010,235
Unbilled user charges	4,413,796	4,269,884
Accounts receivable (Note 10)	6,359,972	6,668,697
Inventory for resale (Note 11)	92,074	99,515
Surplus land (Note 12)	155,285	155,285
Loans receivable (Note 10)	6,640,294	2,420,517
Investment in Newmarket Hydro Holdings Inc. (Note 13)	66,317,053	64,645,924
	<u>177,248,969</u>	<u>159,416,249</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 14)	32,435,640	22,553,576
Interest payable on debt	862,092	975,887
Employee future benefits payable (Note 15)	4,958,165	4,683,264
Long-term disability benefits payable (Note 16)	4,719,337	4,573,222
Deferred revenue (Note 17)	33,078,366	27,349,578
Long-term debt (Note 18)	39,753,155	42,618,901
	<u>115,806,755</u>	<u>102,754,428</u>
NET FINANCIAL ASSETS	<u>61,442,214</u>	<u>56,661,821</u>
NON FINANCIAL ASSETS		
Inventory (Note 11)	400,124	301,892
Prepaid expenses	1,997,821	1,669,359
Tangible capital assets (Note 28)	465,439,466	458,240,103
	<u>467,837,411</u>	<u>460,211,354</u>
ACCUMULATED SURPLUS (Note 24)	<u>\$ 529,279,625</u>	<u>\$ 516,873,175</u>
Contingencies and lease agreements (Notes 20 and 21)		

THE CORPORATION OF THE TOWN OF NEWMARKET

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2015

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (Note 3 Restated)
REVENUES			
Taxation and user charges			
Residential and farm taxation	\$ 44,728,073	\$ 44,190,993	\$ 42,241,614
Commercial, industrial and business taxation	8,754,302	8,685,966	8,302,701
Taxation from other governments	681,000	668,984	650,276
User charges	40,780,509	40,968,437	37,589,903
	94,943,884	94,514,380	88,784,494
Government Transfers			
Government of Canada	568,240	622,215	529,167
Federal Gas Tax Allocation	4,382,513	2,102,286	2,216,552
Province of Ontario	966,331	1,862,089	913,822
	5,917,084	4,586,590	3,659,541
Other			
Contribution from developers	11,945,194	11,772,593	22,503,219
Investment income	3,750,425	4,087,687	4,028,115
Fine, penalties and interest	1,327,300	1,224,456	1,143,034
Rent and other	4,707,593	1,804,079	3,345,466
Land sales	-	12,720	-
Loss on disposal of tangible capital assets	-	(67,014)	(562,647)
	21,730,512	18,834,521	30,457,187
TOTAL REVENUES	\$ 122,591,480	\$ 117,935,491	\$ 122,901,222

THE CORPORATION OF THE TOWN OF NEWMARKET

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2015

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (Note 3 Restated)
EXPENSES			
General government	\$ 15,202,899	\$ 14,532,293	\$ 15,759,232
Protection to persons and property	15,941,205	15,988,842	15,552,421
Transportation services	12,460,272	12,699,761	11,591,629
Environmental services	33,569,663	32,554,496	29,890,566
Recreation and cultural services	30,570,085	28,797,876	28,199,770
Planning and development	3,154,970	2,626,902	2,691,813
	110,899,094	107,200,170	103,685,431
Net equity in earnings of Newmarket Hydro Holdings Inc.	1,200,000	1,671,129	1,678,520
ANNUAL SURPLUS	12,892,386	12,406,450	20,894,311
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED			499,830,879
PRIOR PERIOD ADJUSTMENT (Note 3)	-	-	(3,852,015)
ACCUMULATED SURPLUS, BEGINNING OF YEAR, RESTATED	516,873,175	516,873,175	495,978,864
ACCUMULATED SURPLUS, END OF YEAR	\$ 529,765,561	\$ 529,279,625	\$ 516,873,175

THE CORPORATION OF THE TOWN OF NEWMARKET
Consolidated Statement of Changes in Net Financial Assets
Year ended December 31, 2015

	2015		2014
	Budget	Actual	Actual (Note 3 Restated)
Annual surplus	\$ 12,892,386	\$ 12,406,450	\$ 20,894,311
Acquisition of tangible capital assets	(17,641,644)	(19,680,658)	(18,128,932)
Contributed tangible capital assets		(4,532,696)	(18,599,230)
Amortization of tangible capital assets	16,382,567	16,432,222	15,890,594
Proceeds from sale of tangible capital assets	-	514,755	147,958
Loss on sale of tangible capital assets	-	67,014	562,647
	(1,259,077)	(7,199,363)	(20,126,963)
Changes due to inventory	(6,038)	(98,232)	(59,811)
Changes due to prepaid expenses	(17,358)	(328,462)	(860,519)
	(23,396)	(426,694)	(920,330)
CHANGE IN NET FINANCIAL ASSETS	11,609,913	4,780,393	(152,982)
NET FINANCIAL ASSETS, BEGINNING OF YEAR AS PREVIOUSLY REPORTED			60,666,818
PRIOR PERIOD ADJUSTMENT (Note 3)			(3,852,015)
NET FINANCIAL ASSETS, BEGINNING OF YEAR, RESTATED	56,661,821	56,661,821	56,814,803
NET FINANCIAL ASSETS, END OF YEAR	\$ 68,271,734	\$ 61,442,214	\$ 56,661,821

THE CORPORATION OF THE TOWN OF NEWMARKET
Consolidated Statement of Cash Flows
Year ended December 31, 2015

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Cash received from			
Taxation	\$ 53,962,966	\$ 54,448,881	\$ 49,692,665
User charges	40,396,219	42,501,756	36,723,176
Government transfers	3,892,459	5,214,343	3,696,853
Contributions from developers	7,344,754	16,857,668	4,166,210
Investment income	3,750,425	5,001,709	4,115,940
Fine, penalties and interest	1,327,300	1,252,071	1,146,296
Rent and other	4,707,593	1,722,119	3,334,540
Aurora's share of Central York Fire Services	9,281,379	8,933,489	8,808,584
	124,663,095	135,932,036	111,684,264
Cash paid for			
Salaries, wages and employee benefits	53,705,527	52,792,202	52,652,477
Materials, goods, and supplies	5,930,181	5,690,574	5,813,902
Utilities	4,353,287	4,587,919	4,226,492
Contracted and general services	27,469,940	27,316,952	26,931,314
Capital repairs and maintenance	7,127,772	1,455,737	6,988,012
Interest on long-term debt	2,237,171	2,237,170	2,359,308
Rents and financial	825,244	1,200,945	(778,092)
	101,649,122	95,281,499	98,193,413
Net change in cash from operating activities	23,013,973	40,650,537	13,490,851
CAPITAL ACTIVITIES			
Land sales	-	12,720	-
Proceeds on disposal of tangible capital assets	-	514,755	26,271
Acquisition of tangible capital assets	(17,641,644)	(19,680,658)	(18,128,932)
Net change in cash from capital activities	(17,641,644)	(19,153,183)	(18,102,661)

 THE CORPORATION OF THE TOWN OF NEWMARKET

Consolidated Statement of Cash Flows

Year ended December 31, 2015

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
FINANCING ACTIVITIES			
Loans receivable	-	(6,491,307)	-
Principal repayment on long-term debt	(2,738,587)	(2,727,794)	(2,738,587)
Net change in cash from financing activities	(2,738,587)	(9,219,101)	(2,738,587)
NET CHANGE IN CASH	2,633,742	12,278,253	(7,350,397)
CASH, BEGINNING OF YEAR	71,146,192	71,146,192	78,496,589
CASH, END OF YEAR	\$ 73,779,934	\$ 83,424,445	\$ 71,146,192
Supplementary information:			
Interest paid		\$ 2,237,171	\$ 2,359,308
Interest received		\$ 887,685	\$ 1,220,633

The Corporation of the Town of Newmarket
Tangible Capital Assets - Summary By Asset Category
December 31, 2015

Schedule 1

	Cost				Accumulated Amortization			2015		
	2015 Opening Balance	Additions and Betterments	Disposals/Transfers	Write Downs	2015 Closing Balance	2015 Opening Balance	2015 Amortization Expense	Accumulated Amortization on Disposals	2015 Ending Balance	Net Book Value
General Capital Assets										
Land	\$ 74,717,975				\$ 74,717,975	\$ -	-	\$ -	-	\$ 74,717,975
Land improvements	9,857,798	365,639	128,908		10,094,729	1,651,859	297,381	128,908	1,820,332	8,274,397
Building	83,948,319	305,449	-		84,253,768	30,963,511	2,241,661	-	33,205,172	51,048,596
Machinery and Equipment	11,569,482	2,887,346	1,192,048		13,264,780	6,674,623	980,763	1,059,263	6,586,123	6,678,657
Vehicles	5,596,268	237,272	143,811		5,695,729	2,274,745	405,109	139,229	2,541,625	3,148,104
Other - Library Collections	1,766,906	207,507	219,417		1,754,996	940,639	220,301	219,417	941,523	813,473
	\$ 187,456,748	\$ 4,003,413	\$ 1,684,184	\$ -	\$ 189,775,977	\$ 42,505,377	\$ 4,146,215	\$ 1,556,817	\$ 45,094,775	\$ 144,681,202
Infrastructure Assets										
Land	\$ 15,894,527	\$ 2	\$ 205,851		\$ 15,688,678	\$ -	-	\$ -	-	\$ 15,688,678
Land improvements	23,551,780	522,280	323,306		23,750,754	17,049,749	538,818	323,306	17,265,261	6,485,493
Buildings	24,050,529	857,762	61,830		24,846,461	3,142,430	773,916	61,830	3,854,516	20,991,945
Machinery & Equipment	1,425,480	438,607	-		1,864,087	810,102	142,487	-	952,589	911,498
Vehicles	2,321,116	167,772	212,588		2,276,300	1,418,076	315,099	209,659	1,523,516	752,784
Linear Assets	440,427,914	8,965,168	1,171,774		448,221,308	186,834,704	10,515,687	926,151	196,424,240	251,797,068
	\$ 507,671,346	\$ 10,951,591	\$ 1,975,349	\$ -	\$ 516,647,588	\$ 209,255,061	\$ 12,286,007	\$ 1,520,946	\$ 220,020,122	\$ 296,627,466
Assets under construction										
	\$ 14,872,447	\$ 10,481,577	\$ 1,223,226		\$ 24,130,798	\$ -	-	\$ -	-	\$ 24,130,798
Total Tangible Capital Assets	\$ 710,000,541	\$ 25,436,581	\$ 4,882,759	\$ -	\$ 730,554,363	\$ 251,760,438	\$ 16,432,222	\$ 3,077,763	\$ 265,114,897	\$ 465,439,466

Schedule 1

9

The Corporation of the Town of Newmarket
Segment Disclosures - Service Bundle
Year Ended December 31, 2015

Schedule 2

	Fire & Emergency Services		Water, Wastewater & Solid Waste		Bylaw & Licensing Services		Roads, Bridges & Sidewalks	
	2015	2014	2015	2014	2015	2014	2015	2014
EXPENSES								
Salaries and wages	\$ 19,381,664	\$ 18,743,473	\$ 2,203,634	\$ 2,109,033	\$ 1,033,998	\$ 960,924	\$ 2,427,530	\$ 1,999,590
Materials, goods and supplies	743,021	694,145	673,519	620,759	55,829	61,969	603,175	973,081
Utilities	161,218	140,141	29,283	28,668	-	-	1,201,327	1,452,129
Contracted and general services	749,008	861,861	20,986,340	19,295,194	355,055	266,739	1,098,174	730,470
Rents and financial	-	-	51,030	47,511	225	-	326	-
Interest on long-term debt	-	-	577,750	586,464	-	-	-	-
Capital repairs and maintenance	314,411	418,560	2,017,887	644,413	902	-	2,297,513	1,948,294
Amortization expenses	355,887	317,038	5,204,034	4,988,783	10,126	-	5,633,446	5,388,875
Allocations	(7,138,835)	(6,792,944)	2,816,253	2,816,253	873,964	873,964	1,458,932	1,458,932
Total expenses	14,566,374	14,382,274	34,559,731	31,137,078	2,330,099	2,163,596	14,720,423	13,951,371
REVENUES								
Taxation	14,495,552	12,888,362	2,846,037	2,778,312	1,241,331	1,439,251	10,902,703	10,385,028
User charges	270,564	262,801	31,176,117	28,931,785	400,988	384,242	106,143	167,411
External non-tax revenues	(193,379)	55,225	6,890,287	12,226,770	394,677	280,933	3,204,593	10,522,444
Gain / (loss) on sale of tangible capital assets	2,073	3,018	(101,153)	(218,933)	-	-	(13,191)	(350,823)
Total revenues	14,574,810	13,209,406	40,811,288	43,717,934	2,037,596	2,104,426	14,200,248	20,724,060
Net surplus of Gov't Business Enterprise	-	-	-	-	-	-	-	-
Annual Surplus (Deficit)	\$ 8,434	\$ (1,172,868)	\$ 6,251,558	\$ 12,580,856	\$ (292,503)	\$ (59,170)	\$ (520,175)	\$ 6,772,689

Note: Allocations are based on estimates of the support services provided to other departments.

The Corporation of the Town of Newmarket
Segment Disclosures - Service Bundle
Year Ended December 31, 2015

Schedule 2

	Planning & Development Services		Community Programs and Events		Facilities, Parks & Trails		Corporate Support & Governance	
	2015	2014	2015	2014	2015	2014	2015	2014
EXPENSES								
Salaries and wages	\$ 3,784,701	\$ 3,647,666	\$ 4,965,692	\$ 4,638,805	\$ 7,273,975	\$ 7,243,901	\$ 9,822,203	\$ 9,752,459
Materials, good and supplies	216,101	266,484	184,998	138,396	1,431,592	1,650,123	411,096	582,654
Utilities	-	-	3,949	3,759	2,304,719	2,125,170	606,388	534,240
Contracted and general services	218,064	283,066	979,290	828,488	768,955	403,453	3,094,944	4,216,482
Rents and financial	-	-	44,696	30,569	49,170	41,504	140,068	61,955
Interest on long-term debt	-	-	-	-	-	-	1,545,625	1,660,742
Capital repairs and maintenance	161,776	85,289	32,237	77,360	1,783,510	2,395,731	375,412	425,843
Amortization expenses	-	-	31,663	-	4,138,819	4,214,227	643,167	676,548
Allocations	2,242,853	2,242,853	2,018,051	2,018,051	2,410,334	2,410,334	(14,296,994)	(14,272,021)
Total expenditures	6,623,495	6,525,358	8,260,576	7,735,428	20,161,075	20,484,443	2,341,909	3,638,902
REVENUES								
Taxation	3,303,097	3,597,061	4,275,461	4,364,077	13,068,390	12,534,252	49,614	-
User charges	2,656,945	1,911,273	3,429,451	2,869,930	2,551,919	2,675,441	312,940	319,451
External non-tax revenues	794,566	811,237	389,790	394,068	5,379,061	2,545,600	6,349,765	7,561,500
Gain / (loss) on sale of tangible capital assets	-	-	-	-	45,257	4,092	-	-
Total revenues	6,754,608	6,319,571	8,094,702	7,628,075	21,044,628	17,759,385	6,712,319	7,880,951
Net surplus of Gov't. Business Enterprise	-	-	-	-	-	-	1,671,129	1,678,520
Annual Surplus (Deficit)	\$ 131,112	\$ (205,787)	\$ (165,874)	\$ (107,353)	\$ 883,553	\$ (2,725,058)	\$ 6,041,539	\$ 5,920,569

Note: Allocations are based on estimates of the support services provided to other departments.

The Corporation of the Town of Newmarket
Segment Disclosures - Service Bundle
Year Ended December 31, 2015

Schedule 2

	Public Library Services		Main Street District BIA		Consolidated	
	2015	2014	2015	2014	2015	2014
EXPENSES						
Salaries and wages	\$ 2,182,466	\$ 2,296,359	\$ -	\$ -	\$ 53,075,863	\$ 51,392,210
Materials, good and supplies	268,831	251,007	8,221	9,759	4,596,383	5,248,377
Utilities	109,602	92,466	-	-	4,416,486	4,376,573
Contracted and general services	118,692	102,284	11,744	18,689	28,380,266	27,006,736
Rents and financial	-	-	-	-	285,515	181,539
Interest on long-term debt	-	-	-	-	2,123,375	2,247,206
Capital repairs and maintenance	29,681	99,112	-	-	7,013,329	6,094,601
Amortization expenses	415,080	305,123	-	-	16,432,222	15,890,594
Allocations	492,173	492,173	-	-	(9,123,269)	(8,752,405)
Total expenditures	3,616,525	3,638,534	19,965	28,448	107,200,170	103,685,431
REVENUES						
Taxation	3,333,158	3,178,248	30,000	30,000	53,545,943	51,194,591
User charges	63,370	67,570	-	-	40,968,437	37,589,904
External non-tax revenues	274,865	276,898	3,900	4,700	23,488,125	34,679,374
Gain / (loss) on sale of tangible capital assets	-	-	-	-	(67,014)	(562,647)
Total revenues	3,671,393	3,522,716	33,900	34,700	117,935,491	122,901,222
Net surplus of Gov't. Business Enterprise	-	-	-	-	1,671,129	1,678,520
Annual Surplus (Deficit)	\$ 54,868	\$ (115,818)	\$ 13,935	\$ 6,252	\$ 12,406,450	\$ 20,894,311

Note: Allocations are based on estimates of the support services provided to other departments.

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

The Town of Newmarket is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Town of Newmarket (the "Town") are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB").

Significant accounting policies adopted by the Town are as follows:

(a) (i) *Reporting entity*

These consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenses of the Town. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of their financial affairs and resources, to the Town, and which are owned or controlled by the Town. The Newmarket Public Library and the Main Street District Business Improvement Area are accordingly consolidated in these financial statements. All material inter-organizational transactions and balances have been eliminated on consolidation.

(ii) *Investment in Newmarket Hydro Holdings Inc.*

The Town's investment in Newmarket Hydro Holdings Inc. is accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by PSAB for government business enterprises. Under the modified equity basis of accounting, the business enterprise's accounting principles are not adjusted to conform with those of the municipality and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Newmarket Hydro Holdings Inc. in its statement of financial operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from Newmarket Hydro Holdings Inc. will be reflected as reductions in the investment asset account.

(iii) *Accounting for Region of York and school board transactions*

The operations of the school boards and the Region of York are not reflected in the Town's financial statements except to record any resulting receivable or payable balance with the Town at year-end.

(iv) *Trust funds*

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately in the "Trust Fund Statement of Continuity" and "The Trust Fund Statement of Financial Position".

(b) *Basis of accounting*

(i) *Accrual accounting*

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

(ii) *Non-financial assets*

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of an asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Useful Life - Years</u>
Land improvements	20 - 40
Buildings and building components	20 - 40
Vehicles	4 - 20
Machinery and equipment	3 - 20
Library collection	7
Linear assets	
- Road base	40
- Road paved surface	25
- Sewer	50
- Watermain	50
- Sidewalks	25
- Trails and walkways	25
- Bridges and structures	25 - 75

Assets are amortized in the month following the purchase or in-service date. One half of the annual amortization is charged in the year of acquisition for pooled assets. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Town has a capitalization threshold of \$40,000 for all categories except vehicles, machinery and equipment and 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 assets and their capitalization threshold is \$10,000.

(b) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

(c) Interest capitalization

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

(d) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(e) Inventories

Inventories held for consumption are recorded at the lower of cost and net recoverable value. Inventories held for resale are recorded at the lower of cost and net realizable value.

(iii) Surplus Land

The carrying value of the surplus land is based on purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

(iv) Accounting for property capping provisions resulting from the Ontario Fair Assessment System

The net decrease/increase in property taxes as a result of the application of capping provisions does not affect the Consolidated Statement of Operations as the full amount of the property taxes were levied. However, the capping adjustment is reported on the Consolidated Statement of Financial Position as an asset/liability to be received from/paid to the Region. More detailed information is disclosed in Note 6.

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) *Liability for contaminated sites*

A contaminated site is a site at which substances occur in concentration that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Municipality is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post-remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

(vi) *Deferred revenue*

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. The Town receives development charges under the authority of provincial legislation and Town by-laws. These funds, by their nature, are restricted in their use and, until applied to specific capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended. See Note 14 for more details.

(vii) *Employee future benefits*

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost B524 of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs. Vacation entitlements are accrued for as entitlements are earned.

(viii) *Long Term Disability Benefits*

The present value of the cost of providing employees with future long-term disability income benefits is expensed as employees earn these entitlements. The cost of the benefits earned by employees is actuarially determined using the projected benefit method for currently disabled employees. Actuarial gains and losses arising in a year are amortized into future years' expenses over the average expected period during which benefits will be paid.

(ix) *Pension Plan*

The Municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

(x) *Revenue Recognition*

(a) Taxes and user charges

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Charges for wastewater and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Sales of service and other revenue is recognized on an accrual basis.

(b) Investment income

Investment income earned is reported as revenue in the period earned. Investment income earned on development charges (obligatory reserve funds) is added to the fund balance and forms part of the deferred revenue balance.

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

(c) Government transfers

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(xi) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. The principal estimates used in the preparation of these financial statements include the useful life and valuation of tangible capital assets and significant accruals. Actual results could differ from these estimates.

(xii) Budget figures

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expense amounts.

(xiii) Comparative figures

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.

2. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2015, the Municipality adopted the Public Sector Accounting Standard Section PS 3260 Liability for Contaminated Sites. This change in accounting policy has been made in accordance with the transitional provisions of the standard which is to be applied either retroactively or prospectively. The Municipality has chosen to apply this standard prospectively. As a result of this change in accounting policy, there has been no effect on the financial statements.

3. PRIOR PERIOD ADJUSTMENT

Management has restated the consolidated financial statements for the comparative year to record the following: long-term disability benefit obligation, obligation to Aurora for fire reserve, and health and dental deposits in prepaids. The impact of these restatements is as follows:

Statement of Financial Position

Increase in prepaid expenses	\$	801,471
Increase in accounts payable		(189,780)
Increase in long-term disability benefits obligation	\$	(4,573,222)
Increase (decrease) in accumulated surplus, December 31, 2014		<u>(3,961,531)</u>

Statement of Operations

Increase(decrease) in expense	\$	(30,885)
Health and dental deposits		84,222
Long-term disability benefits		<u>56,179</u>
Central York Fire Services		
Total increase (decrease) in expense		109,516
Increase (decrease) in annual surplus		(109,516)
Increase (decrease) in opening annual surplus, January 1, 2014		<u>(3,852,015)</u>

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

4. BUDGET RECONCILIATION

The authority of Council is required before moneys can be spent by the Municipality. Approvals are given in the form of an annually approved budget. The budget approved by Council differs from the budget in the Consolidated Statement of Operations. The difference is due to several factors. A supplementary Capital budget was approved subsequent to the initial budget approval. The budget has also been adjusted to account for material changes due to PSAB reporting requirements.

	Revenue	Expenses
Council approved budget:		
Operating fund - April 20, 2015	\$ 112,127,407	\$ 112,127,407
Less: Principal payment on long-term debt	-	(2,927,071)
Less: Transfers to / from other funds	(8,111,331)	(19,079,764)
Capital budget - New - April 20, 2015	29,333,475	29,333,475
Plus: Capital budget carried over from previous years	28,132,006	28,132,006
Less: Transfers to / from other funds	(40,425,164)	-
Reserves and reserve funds - May 25, 2015	20,247,854	48,187,495
Less: Transfers to / from other funds	(18,712,767)	(48,187,495)
TOTAL COUNCIL APPROVED BUDGET	122,591,480	147,586,053
Less: Tangible Capital Assets Capitalized	-	(53,459,526)
Plus: Budgeted amortization expense	-	16,382,567
Plus: Post-employment benefit expenses	-	390,000
Adjusted Budget per Consolidated Statement of Operations	\$ 122,591,480	\$ 110,899,094

5. OPERATIONS OF SCHOOL BOARDS AND THE REGION OF YORK

Further to Note 1(a)(iii), taxation and revenues of the school boards and the Region of York are comprised of the following:

	School Boards	Region
Property taxes and taxation from other governments	\$ 43,538,215	\$ 56,102,742

6. THE CONTINUED PROTECTION FOR PROPERTY TAXPAYERS ACT

Effective 1998, the provincial government implemented the Ontario Fair Assessment System and redefined the services which are funded from the property tax base. As a result of this, certain taxpayers experienced significant changes in their property assessments. Provincial legislation empowered municipalities with tools to lessen the immediate impact of the related property tax changes. These programs are administered by the Region of York for all constituent area municipalities. For multi-residential, commercial and industrial property owners, the Province of Ontario instituted a mandatory capping program which continued in 2015.

Effective from the 2005 taxation year, municipalities can implement the greater of an increase to the annual capped taxes of up to 10%, or an annual increase for capped properties of up to 5% of CVA taxes. Multi-residential, commercial, and industrial property owners experiencing decreases are also capped at appropriate levels to fund the phasing-in of increases. The limit remains in place until capped and clawed-back properties are within \$250 of their current value assessment ("CVA"). Municipal levy increases are applied in addition to the limit.

7. PHASE-IN OF ELIGIBLE ASSESSMENT INCREASES

The Government of Ontario made a number of changes to the property assessment system, which took effect for the 2009 property tax year, including the phase-in of eligible assessment increases.

To provide an additional level of property tax stability and predictability, market increases in assessed value between the January 1, 2008 and January 1, 2012 valuation dates are phased in over four years (2013-2016). The phase-in program does not apply to decreases in assessed value. The full benefit of any decrease is applied immediately.

THE CORPORATION OF THE TOWN OF NEWMARKET
Notes to the Consolidated Financial Statements
December 31, 2015

8. CASH AND CASH EQUIVALENTS

Cash is comprised of cash on hand and cash held in financial institutions. Management considers all highly liquid investments with maturity of three months or less to be cash equivalents. Included in our restricted and designated cash is a \$40,000,000 non-redeemable guaranteed investment certificate, with an interest rate of 1.25%, maturing in March, 2016.

Cash is segregated as follows:

	2015	2014
Restricted - obligatory reserve funds (refer to Note 17)	\$ 30,867,671	\$ 26,532,144
Designated - reserve funds (refer to Note 24)	26,321,997	31,764,619
Unrestricted and undesignated	26,234,777	12,849,429
	<u>\$ 83,424,445</u>	<u>\$ 71,146,192</u>

9. TEMPORARY INVESTMENTS

Temporary investments are recorded at the lower of cost and market value. The \$5,000,000 non-redeemable guaranteed investment certificate, with an annual interest rate of 1.5%, matures November, 2016.

	2015	2014
Non-redeemable guaranteed investment certificate	\$ 5,000,000	\$ 5,000,000

10. RECEIVABLES

(a) *Taxes receivable*

	2015	2014
Current year	\$ 3,358,376	\$ 3,544,815
Arrears previous years	2,153,417	1,877,051
	<u>5,511,793</u>	<u>5,421,866</u>
Less allowance	665,743	411,631
	<u>\$ 4,846,050</u>	<u>\$ 5,010,235</u>

(b) *Accounts receivable*

	2015	2014
Government entities	\$ 2,628,454	\$ 4,166,361
Newmarket Hydro Holdings Inc.	2,672,000	1,336,000
Trade receivables, user fees and other receivables	1,082,233	1,267,940
	<u>6,382,687</u>	<u>6,770,301</u>
Less allowance	22,715	101,604
	<u>\$ 6,359,972</u>	<u>\$ 6,668,697</u>

(c) *Loans receivable*

Interest free loans are awarded through the Community Improvement Plan's Financial Incentive Program to upgrade and restore properties within the Community Improvement Plan area. The loans are guaranteed by liens against the properties. The maximum repayment period is 10 years.

The June 16, 2015 site plan agreement with Green & Rose includes a deferral of the payment of development charges and other fees to three years from the issuance of the building permits, September 1, 2018. Of the \$6,640,294 receivable, \$4,557,753 is for Region development charges which will be payable to them.

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

11. INVENTORY

Inventory for resale includes water meters sold to developers and transit passes and tickets. Inventory included in non-financial assets includes salt and sand used in winter control of area roads.

12. SURPLUS LAND

The Town owns three parcels of land that are declared surplus. One is for access to a storm water management pond with a carrying value of \$121,687, the other two small parcels of land is road allowance, with a carrying value of \$33,598.

13. INVESTMENT IN NEWMARKET HYDRO HOLDINGS INC.

Newmarket Hydro Holdings Inc. established by municipal council in October 2000, is wholly owned by the Corporation of the Town of Newmarket and provides regulated and unregulated electric utility services.

Effective May 1, 2007 Newmarket Hydro Ltd. merged with Tay Hydro Electric Distribution Company Inc. Newmarket Hydro Holdings Inc. owns 93% of the outstanding common shares of the combined entity and consequently its financial statements have been consolidated with those of its subsidiary.

The financial statements of Newmarket Hydro Holdings Inc. (including comparatives) 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). These are the company's first annual financial statements prepared in accordance with IFRS.

Newmarket Hydro Ltd. has issued an unsecured promissory note in the amount of \$22,000,000 effective October 1, 2001, to the Town of Newmarket. The note bears interest at a simple annual rate equal to the rate of interest that Newmarket Hydro Ltd. is, from time to time, permitted by the Ontario Energy Board (OEB) to recover in its rates (currently 5.48% per annum). Interest is due on the last day of each fiscal year and on terms and at such time as may be further determined by the Director of Finance/Town Treasurer in consultation with senior corporate officers of the Corporation. Determination of, and changes to, maturity and repayment terms require 13 months notice. The promissory note has been subordinated to a letter of credit of \$2,765,940. The letter of credit with a major chartered bank is a prudential requirement to be an Independent Market Operator and includes restrictive clauses with respect to debt repayment.

The Town's investment in the corporation at December 31, is as follows:

	2015	2014
Share capital		
Newmarket Hydro Holdings Inc. - 201 Common Shares	\$ 29,609,342	\$ 29,609,342
Promissory note	22,000,000	22,000,000
Due from subsidiary	87,412	87,412
Retained earnings, end of the year		
Newmarket Hydro Holdings Inc.	14,620,299	12,949,170
Total investment	\$ 66,317,053	\$ 64,645,924

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

13. INVESTMENT IN NEWMARKET HYDRO HOLDINGS INC. (continued)

The following summarizes the Municipality's related party transactions with Newmarket Hydro Holdings Inc. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	2015	2014
Revenues:		
Investment income	\$ 1,205,600	\$ 1,205,600
Rent, property tax and other	377,439	375,601
Expenses:		
Energy purchases	3,410,483	3,596,417
Services - street light capital & maintenance	342,318	325,574
Dividends received	-	1,336,000
Dividends accrued	2,672,000	1,336,000
Accounts payable	289,015	380,484

The following tables provide condensed supplementary financial information for Newmarket Hydro Holdings Inc.

	2015	2014
Financial position		
Current assets	\$ 34,234,748	\$ 35,232,249
Capital assets, future income taxes and other	93,203,689	82,277,507
Regulatory deferral account debit balances	3,916,408	2,191,352
Total assets	131,354,845	119,701,108
Current liabilities	13,395,057	14,585,416
Long term liabilities	58,515,974	50,663,612
Total liabilities	71,911,031	65,249,028
Non-controlling interest	3,237,102	3,109,976
Shareholder equity		
Share capital	29,609,342	29,609,342
Retained earnings	15,993,683	14,242,313
Accumulated other comprehensive income	164,616	143,857
	45,767,641	43,995,512
Regulatory deferral account credit balances	10,439,071	7,346,592
Total liabilities and equity	\$ 131,354,845	\$ 119,701,108
Results of operations		
Revenues	\$ 89,372,496	\$ 85,173,205
Operating expenses	(83,435,557)	(81,228,035)
Financing expenses	(968,064)	(957,720)
Other income	857,843	1,031,619
Non-controlling interest	(228,126)	(220,700)
Income tax	(1,145,361)	(1,131,564)
Net movement on regulatory accounts	(1,367,423)	203,444
Net income	3,085,808	2,870,249
Comprehensive income	22,321	154,685
Net income and Comprehensive income	3,108,129	3,024,934
Retained earnings, beginning of year	14,285,170	12,697,236
Net income	3,108,129	3,024,934
Dividends paid	(1,437,000)	(1,437,000)
Retained earnings, end of the year	\$ 15,956,299	\$ 14,285,170
In Town's books		
Retained earnings, end of the year - per Hydro	\$ 15,956,299	\$ 14,285,170
Less: Dividends accrued	(1,336,000)	(1,336,000)
Adjusted retained earnings, end of year	14,620,299	12,949,170
Change in adjusted retained earnings	\$ 1,671,129	\$ 1,678,520

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities to government entities includes water and wastewater charges, development charges, capital expenditures, and \$4.5 million in deferred development charges to Green and Rose.

	2015	2014
Government entities	\$ 17,174,638	\$ 7,495,813
Payroll liabilities	1,469,420	3,640,331
Trade payables and other accrued liabilities	13,791,582	11,417,432
	\$ 32,435,640	\$ 22,553,576

15. EMPLOYEE FUTURE BENEFITS PAYABLE

The Town provides certain employee benefits that will require funding in future periods. Under the post-retirement benefit plan, employees may be entitled to a cash payment after they leave the Town's employment. An actuarial estimate of future liabilities for employee future benefits has been completed and forms the basis for the estimated liability reported in these financial statements.

	2015	2014
Employee future benefits	\$ 4,745,729	\$ 4,474,440
Vacation pay	212,436	208,824
	\$ 4,958,165	\$ 4,683,264

Employee Future Benefits are health and dental benefits that are provided to early retirees, future retirees, and employees currently on a long-term disability. The Town recognizes these post-retirement costs as they are earned during the employee's tenure of service. A benefit liability of \$4,745,729 was determined by the last actuarial valuation carried out as at December 31, 2015, using a discount rate of 3.25%.

Total benefit payments to retirees during the year were \$173,744 (2014 - \$101,635). The plan is substantially unfunded and requires no contributions from employees. The retirement benefit liability at December 31 includes the following components:

	2015	2014
Accrued benefits obligation	\$ 5,453,445	\$ 4,787,549
Unamortized actuarial gain/(loss)	(707,716)	(313,109)
Employee future benefits payable	\$ 4,745,729	\$ 4,474,440
Employee future benefits, beginning of the year	\$ 4,474,440	\$ 4,176,897
Annual amortization of actuarial loss	9,697	3,567
Current period service cost	246,244	233,398
Interest cost	189,092	162,213
Benefits paid for the period	(173,744)	(101,635)
Employee future benefits, end of the year	\$ 4,745,729	\$ 4,474,440

Actuarial valuations for accounting purposes are performed every three years using the projected benefit method prorated on services. The most recent actuarial report was prepared at December 31, 2015. The unamortized actuarial loss relates to an actuarial loss of \$666,606 at January 1, 2012 (\$481,519 as at December 31, 2015), plus an actuarial loss of \$308,773 at December 31, 2015 and an actuarial loss of \$115,451 at January 1, 2015 (\$107,754 as at December 31, 2015) which are being amortized over the estimated remaining service life of the active employees, less an unamortized actuarial gain of \$457,000 at January 1, 2009 (\$190,330 as at December 31, 2015) which is being amortized over twelve years. The average remaining service period of the active employees covered by the benefit plan is fifteen years.

The assumptions used in the December 31, 2015 actuarial valuation were:

(a) *Interest (discount) rate*

The present value of the future benefits as at December 31, 2015 was determined using a discount rate of 3.25% (2014 - 3.75%).

(b) *Health costs*

Health cost premiums are assumed to increase at a 6.25% (2014 - 7.0%) rate for 2016 and decrease by 0.25% per annum to an ultimate rate of 4.5% per annum.

(c) *Dental costs*

Dental cost premiums are assumed to increase at a 3.0% (2014 - 4.0%) rate.

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

16. LONG-TERM DISABILITY BENEFITS PAYABLE

The Town provides disabled employees who meet the requirements for Long Term Disability (LTD) a monthly disability income, life insurance, health, and dental benefits. An actuarial estimate of future liabilities for currently disabled employees was completed as at December 31, 2015 and forms the basis for the estimated liability reported in these financial statements.

	2015	2014
Accrued benefits obligation	\$ 2,164,403	\$ 4,669,983
Unamortized actuarial gain/(loss)	2,554,934	(96,761)
Employee future benefits payable	\$ 4,719,337	\$ 4,573,222
Employee future benefits, beginning of the year	\$ 4,573,222	\$ 4,489,000
Annual amortization of actuarial loss	14,886	
Current period service cost	527,656	516,556
Interest cost	128,463	144,906
Benefits paid for the period	(524,890)	(577,240)
Employee future benefits, end of the year	\$ 4,719,337	\$ 4,573,222

Actuarial valuations for accounting purposes are performed every two years using the projected benefit method. The most recent actuarial report was prepared at December 31, 2015. The unamortized actuarial gain will be amortized into future years' expenses over 7 years, the average expected period during which benefits will be paid.

The assumptions used in the December 31, 2015 actuarial valuation were:

(a) *Interest (discount) rate*

The present value of the future benefits as at December 31, 2015 was determined using a discount rate of 2.5% (2014 - 2.75%).

(b) *Health costs*

Health cost premiums are assumed to increase at 5.0% per annum.

17. DEFERRED REVENUE

Development Charges are levies against new development, and are a primary source of funding growth-related capital facilities and infrastructure. Development charges are imposed on all lands, buildings or structures that are developed for residential or non-residential uses. These charges are payable by the developer of a building permit, unless they are for town-wide engineering services, in which case they are payable upon registration of a subdivision agreement. Development charges are not recognized as revenue until the identified capital costs for growth are incurred.

A requirement of PSAB is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances how these funds may be refunded. Parkland contributions are restricted to parks or recreation purposes. The Investing in Ontario and the Gas Tax grants are restricted to infrastructure and require annual reporting. The following funds have statutory restrictions and as such are classified as deferred

	Beginning Balance 2015	2015 Inflows	2015 Outflows	Ending Balance 2015
Parkland	\$ 1,332,230	\$ 266,838	\$ 506,906	\$ 1,092,162
Development Charges	21,668,363	10,236,217	5,409,739	26,494,841
Engineering Administration	1,142,164	345,715	675,821	812,058
Gas Tax Grant	2,227,448	2,343,448	2,102,286	2,468,610
Investing in Ontario Grant from Province	161,939	1,726	163,665	-
	26,532,144	13,193,944	8,858,417	30,867,671
Other	817,434	6,178,996	4,785,735	2,210,695
Total	\$ 27,349,578	\$ 19,372,940	\$ 13,644,152	\$ 33,078,366

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

18. LONG-TERM DEBT

(a) The balance of long-term debt reported on the Consolidated Statement of Financial Position is made up of the following:

			2015	2014
Long-term debt incurred by the Town			\$ 39,753,155	\$ 42,618,901
Purpose	Rates	Mature Dates	2015	2014
Land for recreation facilities	5.724%	2024	7,240,466	7,840,773
Youth Centre	5.724%	2024	1,677,669	1,816,764
Downtown renewal	5.724%	2024	532,145	576,265
Recreation facility	5.246%	2024	6,930,583	7,519,705
Parklands	5.246%	2024	1,473,326	1,598,564
Traffic flow improvements	5.246%	2024	848,996	921,164
Downtown revitalization	5.246%	2024	231,020	250,657
Recreation facility	4.756%	2026	9,572,858	10,222,063
Consolidated Operations Centre	5.000%	2019	9,585,069	10,124,631
FCM loan for Operations Centre	2.000%	2031	1,661,023	1,748,315
			\$ 39,753,155	\$ 42,618,901

(b) Principal repayments for each of the next five years and thereafter are due as follows:

2016	2,936,627
2017	3,079,140
2018	3,228,829
2019	10,924,882
2020	3,000,979
2021 and thereafter	16,582,698
	\$ 39,753,155

(c) Interest expense on long-term debt amounted to \$2,123,376 (2014 - \$2,247,206).

19. INSURANCE COVERAGE

The Municipality is self insured for insurance claims up to \$10,000 for any individual claim and for any number of claims arising out of a single occurrence.

Claim costs during the year amounted to \$91,121 (2014 - \$36,920).

Contributions have been made to the fund for claims in excess of \$10,000 and under \$50,000,000. These contributions have been reported as expenses on the "Consolidated Statement of Operations". The contributions for the year were \$1,000,644 (2014 - \$885,338).

20. CONTINGENCIES

Contingencies

The Town has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these financial statements for any liability which may arise.

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

20. CONTINGENCIES (continued)

The Town has been named as defendant in a tax re-assessment application in which an exemption from municipal taxation for the years 2013 and onward has been sought. It is too early in the litigation to determine the likelihood of success or estimate the extent of any future payments of the potential claim. Accordingly, no provision has been made in these financial statements for any liability which may arise.

The Town has been named as a defendant in a procurement matter in which damages have been sought. The claim is for lost profits in connection with the termination of a janitorial services contract. The claim has not been substantiated and it is too early in the litigation to determine the likelihood of success or estimate the extent of any future payments of the potential claim. Accordingly, no provision has been made in these financial statements for any liability which may arise.

The Town has been named as defendant in a complaint by a home owner in a subdivision development claiming loss of enjoyment of the property arising from alleged delays in grading and sod installation. It is too early in the litigation to determine the likelihood of success or estimate the extent of any future payments of the potential claim. Accordingly, no provision has been made in these financial statements for any liability which may arise.

The Town has been named as respondent in a human rights matter. It is too early in the litigation to determine the likelihood of success or estimate the extent of any future payments of the potential claim. Accordingly, no provision has been made in these financial statements for any liability which may arise.

21. LEASE AGREEMENTS

The Town has entered into lease agreements for vehicles, office equipment and safety equipment. The aggregate minimum payments under these leases over the next three years are as follows:

2016	\$	177,243
2017		121,773
2018		73,272
	\$	<u>372,288</u>

22. CONTRACTUAL OBLIGATIONS

During the year the Town had work done on several major projects with contract values totaling approximately \$22,461,292. These contracts relate to the construction, repair and replacement of certain facilities and infrastructure. Approximately \$6,326,416 relating to these contracts had not been expended as at December 31, 2015.

The Town also entered into various multiple-year contracts for the delivery of services with respect to waste collection, snow plowing, infrastructure and facility maintenance. The total purchase commitment from such contracts amounted to approximately \$26,803,924, of which expenses of approximately \$6,610,837 were outstanding as at December 31, 2015.

23. PENSION AGREEMENTS

OMERS provides pension services to approximately 461,000 active and retired members from approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2015. The results of this valuation disclosed total actuarial liabilities of \$81.9 billion in respect of benefits accrued for service with actuarial assets at that date of \$74.9 billion indicating an actuarial deficit of \$7.0 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit.

Contributions in 2015 ranged from 9% to 15.9% depending on the proposed retirement age and level of earnings. The Town's 2015 operating expense for OMERS pension benefits was \$4,083,200 (2014- \$4,037,385).

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

24. ACCUMULATED SURPLUS

The Accumulated Surplus is comprised of the following:

	2015	2014
Reserves set aside for specific purposes by Council		
Reserves for operating purposes	\$ 4,507,618	\$ 4,719,091
Reserves for capital purposes	806,259	1,173,308
Newmarket Public Library	627,847	543,697
Building Code Act Fees	5,381,847	5,316,860
Water & Wastewater Rate Stabilization	2,832,711	1,089,450
Total Reserves	14,156,282	12,842,406
Reserve funds set aside for specific purposes by Council		
Asset replacement funds	18,394,533	15,905,427
Reserve funds for operating purposes	3,578,753	3,752,975
Reserve funds for capital purposes	946,736	4,786,563
Self-insured long-term disability	3,401,975	3,358,123
Total Reserve Funds	26,321,997	27,803,088
Total Reserves and Reserve Funds	40,478,279	40,645,494
Invested in tangible capital assets	465,439,466	458,240,103
Less: amount financed by long-term debt	(39,753,155)	(42,618,901)
Surplus land	155,285	155,285
Operating surplus	15,135	-
Funds available for future capital expenses	617,247	156,878
Funds to be provided from future revenues	(449,046)	(1,085,870)
Equity in Newmarket Hydro Holdings Inc. (Note 12)	66,317,053	64,645,924
Employee future benefits to be recovered	(3,540,639)	(3,265,738)
Accumulated Surplus	\$ 529,279,625	\$ 516,873,175

25. GOVERNMENT TRANSFERS

Government transfers include monetary transfers based on cost-sharing agreements between the three levels of government. Some funds are transferred when the Town provides evidence that the qualifying expenditures have been incurred. The Town also receives government transfers once certain criteria have been met or with the stipulation that the funds are used for specific programs or expenses (grants with stipulations). Any transfers received where the transfer stipulations have not been met by year-end are recorded as deferred revenue (see note 17). Grants are also received to support specific program areas such as the Library, Museum, or the Seniors Centre. The following kinds of transfers were included in revenue:

Cost-sharing agreements	\$ 1,221,791	\$ 1,018,749
Grants with stipulations	2,102,286	2,216,552
Other grants	1,262,513	424,240
	\$ 4,586,590	\$ 3,659,541

26. CENTRAL YORK FIRE SERVICES

Effective January 1, 2002, the Town of Newmarket entered into a Joint Venture Agreement with the Town of Aurora with respect to the provision of Fire and Emergency services. Under the Agreement, the Town of Newmarket assumed responsibility for the combined Central York Fire Services. The cost of these services is shared between the two municipalities based on a cost sharing formula.

	2015	2014
Net expenses before allocation	\$ 22,677,776	\$ 22,049,022
Less: Aurora's allocation (2015 - 40.23%; 2014 -39.95%)	(9,123,269)	(8,808,584)
Newmarket's net allocation	\$ 13,554,507	\$ 13,240,438

THE CORPORATION OF THE TOWN OF NEWMARKET

Notes to the Consolidated Financial Statements

December 31, 2015

27. TRUST FUND

The Trust fund administered by the Town amounting to \$323,407 (2014 - \$317,031) is presented in a separate financial statement of trust balances and operations. As such balances are held in trust by the Town for the benefit of others, they are not included in the Town's consolidated statement of financial position or financial activities.

28. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the Town by major asset category, as well as for accumulated amortization of the assets controlled.

Tangible capital assets are segmented by asset class according to the Financial Information Return. General Capital Assets exclude the Infrastructure Asset class and include Parks, Recreation Facilities, and Fire. Infrastructure assets are composed of linear assets and their associated specific components, generally constructed or arranged in a continuous and connected network. They include Roads, including bridges, and Environmental Infrastructure (water delivery systems, waste water treatment, storm drainage systems).

a) Tangible capital assets recognized at nominal value.

Certain assets have been assigned a nominal value because of the difficulty of determining a valuation. The most significant such asset is the land under the Town's roads which has been assigned a nominal value of one dollar per kilometer of road length. The 2015 road network had 227 kilometers (2014 - 227 km).

b) Capitalization of interest

No interest was capitalized in 2015 (2014 - nil).

c) Construction in Process

The financial statements and accompanying schedules include \$24,130,798 of tangible assets that have not been amortized.

d) Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year was \$4,532,696 (2014 - \$18,599,230). Contributed assets included streetlights (\$325,530), storm water management pond (\$456,000) and underground linear assets (\$3,751,166) of subdivisions assumed by the Town in 2015. The 2014 contributed assets consisted of land, street lighting, and linear assets by developers.

29. SEGMENTED INFORMATION

Certain allocation methodologies are employed in the preparation of segmented financial information. Government grants, user charges, transfers from other funds, and other revenues are allocated to the specific program or service they relate to. Expense allocations are both internal and external. There is an external allocation to the Town of Aurora for its share of the costs of running Central York Fire Services (see Note 26). Activity based costing is used to allocate internal support costs to departments. These costs include the net expenses for departments, such as human resources, information systems, finance and others, commonly referred to as overhead. Measures of activity, or drivers, are used to apportion the support costs.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Schedule 2 Service Bundles

The Town's services and programs are grouped and reported based on a customer driven service bundle in Schedule 2. Revenues are reported by source, while expenses are reported by object. The Town determines an individual tax rate for each service to attain full cost recovery. Tax revenues are allocated according to the tax billing. Net revenues before financing include capital expenses, reserves, reserve funds and transfers. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

THE CORPORATION OF THE TOWN OF NEWMARKET
Notes to the Consolidated Financial Statements
December 31, 2015

29. SEGMENTED INFORMATION (continued)

Fire & Emergency Services

Central York Fire Services provides fire services to the residents of Newmarket and Aurora. They are responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. The cost of these services is shared between the two municipalities based on a cost sharing formula described in Note 26.

Water, Wastewater & Solid Waste

The Town provides drinking water to its citizens and collects wastewater. The solid waste and recycling program includes curbside collection of recyclables, organics, yard waste and garbage.

Bylaw & Licensing Services

The Town issues a variety of licenses including marriage, taxicab and animal licenses. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of zoning by-laws and the processing of building permit applications.

Roads, Bridges & Sidewalks

The Public Works and Environmental Services department is responsible for the cleanliness, safety and maintenance of the Town's paved roads, bridges and sidewalks.

Planning & Development Services

The Town creates plans for Newmarket's future. It manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown through Town planning, community development, parks and riverbank planning.

Community Programs & Events

The Town provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs. It also hosts community special events throughout the year.

Facilities, Parks & Trails

The Town maintains numerous recreation facilities, as well as indoor community space for booking and community use. It also maintains parks and playgrounds, open spaces, and a vast trail system.

Corporate Support & Governance

The Town Council, the Office of the CAO, Legal and other support staff and services are included here.

Public Library Services

The provision of library services contributes towards the information needs of the Town's citizens. The library also provides programs to local residents.

Main Street District BIA

The Main Street District BIA promotes the Main Street area as a business, shopping and entertainment area. This department has been separately disclosed from other Planning & Development Services, due to its requirement to have audited financial statements.

30. SUBSEQUENT EVENTS

On February 12, 2016 the Town acquired lands from the Church of Christ on Davis Drive for \$500,000. The Church also donated a parcel of land for which a donation receipt in the amount of \$360,000 was issued.

On February 12, 2016 the Town and the Town of Aurora purchased a four acre parcel of land in Aurora for the construction of a new fire facility. The purchase price of \$3,656,031 was split 59.8%, 40.2% by the respective municipalities.

**The Corporation of the
Town of Newmarket
Trust Fund
Financial Statements
Year ended December 31, 2015**

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Notes to the Financial Statements	5

Independent Auditor's Report

To the Mayor and Councilors of The Corporation of the Town of Newmarket

We have audited the accompanying financial information of The Corporation of the Town of Newmarket Trust Fund, which comprise the statement of financial position as at December 31, 2015, and the statement of continuity and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information. The financial information has been prepared by management on the basis of accounting described in Note 1.

Management's Responsibility for the Financial Information

Management is responsible for the preparation of this financial information in accordance with the basis of accounting described in Note 1, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information of The Corporation of the Town of Newmarket Trust Fund for the year ended December 31, 2015 is prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 which describes the basis of accounting. The financial information is prepared solely for the use of The Corporation of the Town of Newmarket. Our report is intended solely for The Corporation of the Town of Newmarket and should not be distributed to or used by parties other than The Corporation of the Town of Newmarket.

Chartered Professional Accountants, Licensed Public Accountants

June 27, 2016
Newmarket, Ontario

**THE CORPORATION OF THE TOWN OF NEWMARKET
TRUST FUND**

Statement of Continuity

DRAFT

December 31, 2015

	<u>2015</u>	<u>2014</u>
FUND BALANCE, BEGINNING OF YEAR	\$ 317,031	\$ 312,128
REVENUES		
Interest	357	2,535
Investment Income	6,019	2,368
Total revenues	6,376	4,903
EXPENDITURES		
Transfer to Capital Fund	-	-
Total expenditures	-	-
FUND BALANCE, END OF YEAR	\$ 323,407	\$ 317,031

Statement of Financial Position

December 31, 2015

	<u>2015</u>	<u>2014</u>
ASSET		
Cash	81,470	14,663
Investment interest receivable	1,937	2,368
Investments (Note 3)	240,000	300,000
Fund Balance (Note 2)	\$ 323,407	\$ 317,031

THE CORPORATION OF THE TOWN OF NEWMARKET TRUST FUND

Statement of Cash Flow

DRAFT

Year Ended December 31, 2015

	2015	2014
Cash received from		
Interest	\$ 357	\$ 2,535
Investment Income	6,450	-
	<u>6,807</u>	<u>2,535</u>
Cash paid for		
Materials, goods and supplies	-	-
	<u>-</u>	<u>-</u>
Net change in cash from operating activities	6,807	2,535
Financing Activities		
Investment	60,000	(300,000)
Net change in cash from financing activities	<u>60,000</u>	<u>(300,000)</u>
Net Change In Cash	66,807	(297,465)
Cash, Beginning of Year	14,663	312,128
Cash, End of Year	<u>\$ 81,470</u>	<u>\$ 14,663</u>

THE CORPORATION OF THE TOWN OF NEWMARKET TRUST FUND

Notes to the Financial Statements

DRAFT

December 31, 2015

1 SIGNIFICANT ACCOUNTING POLICIES

The Trust Fund financial statements of the Corporation of the Town of Newmarket (the "Trust Fund") are the representation of management prepared in accordance with the accounting principle discussed below:

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting. Expenditures are reported on the cash basis of accounting with the exception of administrative expenditures which are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2 ELMAN W. CAMPBELL MUSEUM TRUST

The Elman W. Campbell Museum Trust, being the only trust administered by the municipality, was established as a result of the last Will and Testament of Elman W. Campbell in 1988. Operating expenses of the Museum are paid for by the Town of Newmarket and the Town receives no remuneration for administering the Fund. Eighty percent (80%) of the interest earned by the trust can be used to offset certain maintenance costs of the Museum after the capital requirements for the year have been met. The Town is required to have the Museum Fund audited annually.

3 INVESTMENTS

Investments are recorded at the lower of cost and market value.

	2015	2014
Guaranteed investment certificate	\$ 240,000	\$300,000

Non-redeemable guaranteed investment certificate, interest at 2.15%, matures August, 2019, 20% maturing annually on each anniversary date.

**The Corporation of the
Town of Newmarket
Main Street District BIA
Financial Statements
Year ended December 31, 2015**

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Independent Auditor's Report

To the Mayor and Councilors of The Corporation of the Town of Newmarket

We have audited the accompanying financial information of The Corporation of the Town of Newmarket Main Street District BIA, which comprise the statement of financial position as at December 31, 2015, and the statement of continuity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial information has been prepared by management based on the basis of accounting described in Note 2.

Management's Responsibility for the Financial Information

Management is responsible for the preparation of this financial information in accordance with the basis of accounting described in Note 2, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information of The Corporation of the Town of Newmarket Main Street District BIA for the year ended December 31, 2015 is prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 which describes the basis of accounting. The financial information is prepared solely for the use of The Corporation of the Town of Newmarket. Our report is intended solely for The Corporation of the Town of Newmarket and should not be distributed to or used by parties other than The Corporation of the Town of Newmarket.

Chartered Professional Accountants, Licensed Public Accountants

June 27, 2016
Newmarket, Ontario

THE CORPORATION OF THE TOWN OF NEWMARKET

Main Street District BIA

Statement of Continuity

DRAFT

Year Ended December 31, 2015

	2015	2014
FUND BALANCE, BEGINNING OF PERIOD	\$ 12,810	\$ 6,558
REVENUES		
Taxation	30,000	30,000
Events	3,900	4,700
Total revenues	33,900	34,700
EXPENDITURES		
Promotion and events	8,221	9,759
Advertising	11,744	18,689
Total expenditures	19,965	28,448
FUND BALANCE, END OF PERIOD	\$ 26,745	\$ 12,810

Statement of Financial Position

December 31, 2015

	2015	2014
ASSET		
Cash	\$ 26,745	\$ 12,810
FUND BALANCE	\$ 26,745	\$ 12,810

The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWN OF NEWMARKET
Main Street District BIA
Statement of Cash Flow

DRAFT

Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
Cash received from		
Taxation	\$ 30,000	\$ 30,000
Rent and other	3,900	4,700
	<u>33,900</u>	<u>34,700</u>
Cash paid for		
Materials, goods and supplies	8,221	9,759
Contract and general services	11,744	18,689
	<u>19,965</u>	<u>28,448</u>
Net Change in Cash	13,935	6,252
Cash, Beginning of Year	12,810	6,558
Cash, End of Year	\$ 26,745	\$ 12,810

The accompanying notes are an integral part of these financial statements.

DRAFT

THE CORPORATION OF THE TOWN OF NEWMARKET
Main Street District BIA
Notes to the Financial Statements

December 31, 2015

1. NATURE OF OPERATIONS

On January 22, 2007 Council, under the authority of section 204 of the Municipal Act, enacted a bylaw to designate the Main Street Business Improvement Area ("BIA"). The primary objective of the BIA is to promote the area as a business, shopping and entertainment area.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the BIA are the representation of management prepared in accordance with the accounting principle discussed below:

Basis of Accounting

Taxation revenue is recognized in the calendar year it is raised from ratepayers by the Town. Revenue from donations and events is recognized when the cash is collected. Expenditures are reported on the cash basis of accounting with the exception of administrative expenditures which are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.



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Mike Mayes
Director, Financial Services/Treasurer
Corporate Services Commission

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June 27, 2016

BDO Canada LLP
Chartered Professional Accountants
The Gates of York Plaza
17310 Yonge Street, Unit 11
Newmarket, ON L3Y 7R9
Canada

Dear Sir:

This representation letter is provided in connection with your audit of the statement of financial position as at December 31, 2015, and the statement of continuity, and cash flows for the year then ended of The Corporation of the Town of Newmarket for the purpose of expressing an opinion as to whether the financial information is prepared, in all material respects for the year ended of The Corporation of the Town of Newmarket BIA in accordance with the basis of accounting noted in the financial information.

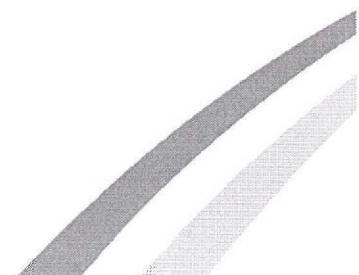
We confirm that:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 23, 2015, for the preparation of the financial statements in accordance with basis of accounting noted in financial information; in particular the financial statements are fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of basis of accounting noted in financial information.
4. All events subsequent to the date of the financial statements and for which basis of accounting noted in financial information require adjustment or disclosure have been adjusted or disclosed.
5. The financial statements of the organization use appropriate accounting policies that have been properly disclosed and consistently applied.

Information Provided

6. We have provided you with:



- access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
7. We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
 8. The minute books of the organization are a complete record of all meetings and resolutions of Board of Directors throughout the year and to the present date.
 9. We have disclosed to you all significant matters contained in the minutes of all meetings and resolutions of Board of Directors throughout the year and to the present date.
 10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
 11. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 12. We have identified to you:
 - guarantees;
 - indemnifications against damages, liabilities, costs, charges or expenses suffered or incurred by officers or directors as a result of their service, and/or by any subsidiaries; and
 - non-monetary transactions and transactions for no consideration.
 13. We have disclosed to you the identity of the entity's related parties and the related party relationships and transactions of which we are aware.
 14. We are aware of the environmental laws and regulations that impact our organization and we are in compliance. There are no known environmental liabilities or contingencies that have not been accrued for or disclosed in the financial statements.

Fraud and Error

15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.

17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
18. The effects of unadjusted misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Existence, Completeness and Valuation of Specific Financial Statement Balances

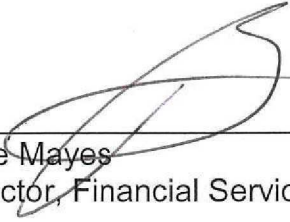
19. There are no pledges or assignments of assets as security for liabilities except as disclosed in the financial statements.
20. All financial instruments have been appropriately recognized and measured in accordance with basis of accounting noted in financial information. Significant assumptions used in arriving at fair value of financial instruments are reasonable and appropriate in the circumstances.
21. Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.

General Representations

22. The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
23. There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the organization, except as disclosed in the financial statements.
24. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel. Since there are no outstanding or possible claims, no disclosure is required in the financial statements.
25. We confirm that there are no derivatives or off-balance sheet financial instruments held at end that have not been properly recorded or disclosed in the financial statements.
26. We have disclosed to you all significant customers and/or suppliers of the organization who individually represent a significant volume of business with the organization. We are of the opinion that the volume of business (sales, services, purchases, borrowing and lending) done by the organization with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the organization.
27. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

28. No significant matters, other than those disclosed in the financial statements, have arisen that would require a restatement of the comparative financial statements.

Yours truly,



Mike Mayes
Director, Financial Services/Treasurer

Robert N. Shelton
Chief Administrative Officer

/ne



Mike Mayes
Director, Financial Services/Treasurer
Corporate Services Commission

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June 27, 2016

BDO Canada LLP
Chartered Professional Accountants
The Gates of York Plaza
17310 Yonge Street, Unit 11
Newmarket, ON L3Y 7R9
Canada

Dear Sir:

This representation letter is provided in connection with your audit of the statement of financial position as at December 31, 2015, and the statement of continuity, and cash flows for the year then ended of The Corporation of the Town of Newmarket Trust Fund for the purpose of expressing an opinion as to whether the financial information is prepared, in all material respects for the year ended of The Corporation of the Town of Newmarket BIA in accordance with the basis of accounting noted in the financial information.

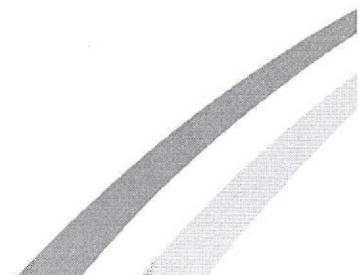
We confirm that:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 23, 2015, for the preparation of the financial statements in accordance with basis of accounting noted in financial information; in particular the financial statements are fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of basis of accounting noted in financial information.
4. All events subsequent to the date of the financial statements and for which basis of accounting noted in financial information require adjustment or disclosure have been adjusted or disclosed.
5. The financial statements of the organization use appropriate accounting policies that have been properly disclosed and consistently applied.

Information Provided

6. We have provided you with:



- access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
7. We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
 8. The minute books of the organization are a complete record of all meetings and resolutions of Board of Directors throughout the year and to the present date.
 9. We have disclosed to you all significant matters contained in the minutes of all meetings and resolutions of Board of Directors throughout the year and to the present date.
 10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
 11. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 12. We have identified to you:
 - guarantees;
 - indemnifications against damages, liabilities, costs, charges or expenses suffered or incurred by officers or directors as a result of their service, and/or by any subsidiaries; and
 - non-monetary transactions and transactions for no consideration.
 13. We have disclosed to you the identity of the entity's related parties and the related party relationships and transactions of which we are aware.
 14. We are aware of the environmental laws and regulations that impact our organization and we are in compliance. There are no known environmental liabilities or contingencies that have not been accrued for or disclosed in the financial statements.

Fraud and Error

15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.

17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
18. The effects of unadjusted misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Existence, Completeness and Valuation of Specific Financial Statement Balances

19. There are no pledges or assignments of assets as security for liabilities except as disclosed in the financial statements.
20. All financial instruments have been appropriately recognized and measured in accordance with basis of accounting noted in financial information. Significant assumptions used in arriving at fair value of financial instruments are reasonable and appropriate in the circumstances.
21. Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.

General Representations

22. The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
23. There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the organization, except as disclosed in the financial statements.
24. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel. Since there are no outstanding or possible claims, no disclosure is required in the financial statements.
25. We confirm that there are no derivatives or off-balance sheet financial instruments held at end that have not been properly recorded or disclosed in the financial statements.
26. We have disclosed to you all significant customers and/or suppliers of the organization who individually represent a significant volume of business with the organization. We are of the opinion that the volume of business (sales, services, purchases, borrowing and lending) done by the organization with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the organization.
27. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

28. No significant matters, other than those disclosed in the financial statements, have arisen that would require a restatement of the comparative financial statements.

Yours truly,



Mike Mayes
Director, Financial Services/Treasurer

Robert N. Shelton
Chief Administrative Officer

/ne



Mike Mayes
Director, Financial Services/Treasurer
Corporate Services Commission

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June 27, 2016

BDO Canada LLP
Chartered Professional Accountants
The Gates of York Plaza
17310 Yonge Street, Unit 11
Newmarket, ON L3Y 7R9
Canada

Dear Sir:

This representation letter is provided in connection with your audit of the statement of financial position as at December 31, 2015, and the statement of continuity, and cash flows for the year then ended of The Corporation of the Town of Newmarket BIA for the purpose of expressing an opinion as to whether the financial information is prepared, in all material respects for the year ended of The Corporation of the Town of Newmarket BIA in accordance with the basis of accounting noted in the financial information.

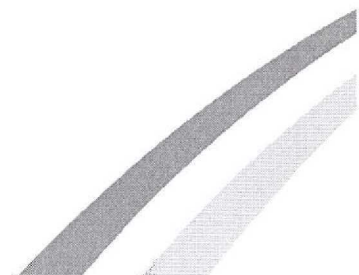
We confirm that:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 23, 2015, for the preparation of the financial statements in accordance with basis of accounting noted in financial information; in particular the financial statements are fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of basis of accounting noted in financial information.
4. All events subsequent to the date of the financial statements and for which basis of accounting noted in financial information require adjustment or disclosure have been adjusted or disclosed.
5. The financial statements of the organization use appropriate accounting policies that have been properly disclosed and consistently applied.

Information Provided

6. We have provided you with:



- access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
7. We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
 8. The minute books of the organization are a complete record of all meetings and resolutions of Board of Directors throughout the year and to the present date.
 9. We have disclosed to you all significant matters contained in the minutes of all meetings and resolutions of Board of Directors throughout the year and to the present date.
 10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
 11. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 12. We have identified to you:
 - guarantees;
 - indemnifications against damages, liabilities, costs, charges or expenses suffered or incurred by officers or directors as a result of their service, and/or by any subsidiaries; and
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 13. We have disclosed to you the identity of the entity's related parties and the related party relationships and transactions of which we are aware.
 14. We are aware of the environmental laws and regulations that impact our organization and we are in compliance. There are no known environmental liabilities or contingencies that have not been accrued for or disclosed in the financial statements.

Fraud and Error

15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.

17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
18. The effects of unadjusted misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Existence, Completeness and Valuation of Specific Financial Statement Balances


19. There are no pledges or assignments of assets as security for liabilities except as disclosed in the financial statements.
20. All financial instruments have been appropriately recognized and measured in accordance with basis of accounting noted in financial information. Significant assumptions used in arriving at fair value of financial instruments are reasonable and appropriate in the circumstances.
21. Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.

General Representations

22. The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
23. There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the organization, except as disclosed in the financial statements.
24. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel. Since there are no outstanding or possible claims, no disclosure is required in the financial statements.
25. We confirm that there are no derivatives or off-balance sheet financial instruments held at end that have not been properly recorded or disclosed in the financial statements.
26. We have disclosed to you all significant customers and/or suppliers of the organization who individually represent a significant volume of business with the organization. We are of the opinion that the volume of business (sales, services, purchases, borrowing and lending) done by the organization with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the organization.
27. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

28. No significant matters, other than those disclosed in the financial statements, have arisen that would require a restatement of the comparative financial statements.

Yours truly,



Mike Mayes
Director, Financial Services/Treasurer

Robert N. Shelton
Chief Administrative Officer

/ne



The Corporation of the Town of Newmarket

Final Report to the Audit Committee

June 15, 2016



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BDO Canada LLP
 The Gates of York Plaza
 17310 Yonge Street, Unit 11
 Newmarket ON L3Y 7R9 Canada

June 15, 2016

Members of the Audit Committee
 The Corporation of the Town of Newmarket

Dear Audit Committee Members:

We are pleased to present the results of our audit of the consolidated financial statements of The Corporation of the Town of Newmarket (the "Town") for the year ended December 31, 2015. The purpose of our report is to summarize certain aspects of the audits that we believe to be of interest to the Audit Committee and should be read in conjunction with the draft consolidated financial statements and our draft audit report which is included as Appendix A.

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Audit Committee in fulfilling its responsibilities.

This report has been prepared solely for the use of the Audit Committee and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

We wish to express our appreciation for the co-operation we received during the audit from the Town's management and staff who have assisted us in carrying out our work. We look forward to meeting with you to discuss the contents of this report and any other matters that you consider appropriate.

Yours truly,

BDO Canada LLP
 Chartered Professional Accountants, Licensed Public Accountants

Michael Jones

Partner



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STATUS OF THE AUDIT

As of the date of this final report, we have substantially completed our audit of the 2015 consolidated financial statements pending the completion of the items highlighted below. These items will need to be completed prior to issuance of our audit report on the consolidated financial statements.

COMPLETION OF AUDIT

- Receipt of signed Management representation letter
- Receipt of outstanding legal confirmations
- Subsequent events review through to financial statement approval date

FINANCIAL STATEMENTS

- Approval of consolidated financial statements by the Council

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the consolidated financial statements are free from material misstatement. The scope of the work performed was substantially the same as that described in our Planning Report to the Audit Committee dated October 13, 2015.



INDEPENDENCE

At the core of the provision of external audit services is the concept of independence. Canadian generally accepted auditing standards require us to communicate to the Audit Committee at least annually, all relationships between BDO Canada LLP and its related entities and The Corporation of the Town of Newmarket and its related entities that, in our professional judgment, may reasonably be thought to bear on our independence with respect to the audit of the Town.

Our annual letter confirming our independence was previously provided to you. We know of no circumstances that would cause us to amend the previously provided letter.

MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As communicated to you in our Planning Report to the Audit Committee, preliminary materiality was set as outlined below. Final materiality remained unchanged from our preliminary assessment.

	Materiality	
The Corporation of the Town of Newmarket	\$	1,260,000
Newmarket Hydro holdings Inc.	\$	1,050,000



AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Town's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

ACCOUNTING AND AUDIT MATTERS

Revenue Recognition

A common significant risk in all audit engagements is the risk of Management's override of controls and fraud risk that may occur in the revenue cycle. Management has monitoring controls over journal entries and reviews its revenue recognition.

In accordance with auditing standards, BDO has performed specific procedures that include testing journal entries, reviewing accounting estimates for biases, and obtaining and evaluating the business rationale for transactions that are outside the normal course of business for the Town, if any.

BDO also reviewed deferred revenue to ensure the balance was complete and accurate. BDO examined related income statement accounts and revenue recognition policies.

No issues were noted.

Contaminated Sites

BDO reviewed management's assessment for any contaminated sites in accordance with the new accounting standards. It is management's assessment that there is no liability related to contaminated sites. BDO reviewed management's assessment and no issues were noted.

Employee Future Benefits

As described in our Planning Letter, post employee benefits were an area of concern. BDO received the actuarial report, and reviewed the reasonableness of assumptions used by the actuary and management to calculate the post employee benefits. Per our review of the actuarial report, the assumptions used by the actuary and management and the accrual were determined to be reasonable.



Contributions from Developers

BDO reviewed the assumptions and replacement costs for the contributions from developers and determined that they were reasonable.

Prior Period Adjustment

BDO reviewed the prior period adjustments made by management for the long-term disability benefit obligation, fire reserves, and health and dental deposits and disclosure in financial statements. The financial statements were updated for this change and financial statement note disclosure was added. No issues were noted.

ADJUSTED AND UNADJUSTED DIFFERENCES

We have disclosed all unadjusted differences identified through the course of our audit engagement. Each of these items has been discussed with Management.

Management has determined that the unadjusted differences are immaterial both individually and in aggregate to the consolidated financial statements taken as a whole. Should the Audit Committee agree with this assessment, we do not propose further adjustments.

For purposes of our discussion, a summary of unadjusted differences has been presented in Appendix B.

MANAGEMENT REPRESENTATIONS

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the consolidated financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.

We will provide you a copy of the management representation letter which summarizes the representations we have requested from management.



FRAUD DISCUSSION

Canadian generally accepted auditing standards require us to discuss fraud risk with the Audit Committee on an annual basis. As an update to the discussion held with the Audit Committee during the planning of our audit, we have prepared the following comments:

Required Discussion	BDO Response	Question to Audit Committee
Details of existing oversight processes with regards to fraud.	Based on our discussions during the planning of our audit, the Audit Committee's oversight processes include: <ul style="list-style-type: none"> • Audit Committee charters; • Discussions at Audit Committee meetings; • Review of related party transactions; and • Consideration of tone at the top. 	Are there any new processes or changes in existing processes relating to fraud since the date of our previous discussions, that we should be aware of?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any actual, suspected or alleged fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the Town?

AUDITORS' RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements, whether caused by error or fraud.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error, because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

The scope of the work performed was substantially the same as that described in our Planning Report to the Audit Committee dated October 13, 2015.



INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to the Town's internal control environment:

- Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- Discussed and considered potential audit risks with management.

The results of these procedures were considered in determining, the extent and nature of substantive audit testing required.

We are required to report to you in writing, significant deficiencies in internal control that we have identified during the audit. A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

As the purpose of the audit is for us to express an opinion on the Town's consolidated financial statements, our audit cannot be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be exclusive. As part of our work, we considered internal control relevant to the preparation of the consolidated financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

There are no significant internal control matters to communicate to you.



OTHER REQUIRED COMMUNICATIONS

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the table below summarizes these additional required communications.

Communication Required	Auditors' Response
Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the consolidated financial statements.	No such items noted.
The final draft of the representation letter.	Provided to management
Material uncertainties related to events and conditions that may cast significant doubt on the Town's ability to continue as a going concern.	No such items noted.
Disagreements with management about matters that, individually or in aggregate, could be significant to the Town's consolidated financial statements or our audit report.	No such instances were noted.
Matters involving non compliance with laws and regulations	No such matters were noted.
Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.	No such transactions were noted.
Subsequent events that have caused changes to the audit report	As disclosed in the financial statements
Significant matters arising from the audit that were discussed or subject to correspondence with management.	No such matters other than those discussed above.
Significant accounting policies, estimates and judgments	As disclosed in the financial statements.
Unreasonable management's refusal to allow the auditor to send a confirmation request, or the inability to obtain relevant and reliable audit evidence from alternative audit procedures.	No such instances were noted.
Limitation of the scope of the audit imposed by management.	No such instances were noted.



Findings from the group audit.

No items noted.

Management consultation with other accountants about significant auditing and accounting matters.

No such instances of which we are aware.



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APPENDIX A

Draft Auditor's Report

Independent Auditor's Report

To the Mayor and Councilors of The Corporation of the Town of Newmarket

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Newmarket which comprise the statement of financial position as at December 31, 2015, and the statement of operations and accumulated surplus, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Newmarket as at December 31, 2015 and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



DRAFT - For Discussion Purposes Only

Chartered Professional Accountants, Licensed Public Accountants

June 27, 2016
Newmarket, Ontario



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APPENDIX B

Unadjusted Differences

SUMMARY OF UNADJUSTED DIFFERENCES

The following is a summary of uncorrected misstatements noted during the course of our audit engagement:

	Decrease (Increase)			
	Assets	Liabilities	Equity	Net Income
Tax Write-off difference	\$ 103,844			\$ (103,844)
<hr/>				
Total	103,844	0	0	(103,844)
Effect of Prior Year's Reversing Errors	0	0	79,088	(79,088)
<hr/>				
	\$ 103,844	\$ 0	\$ 79,088	\$ (182,932)