

# Report

<b>Report No.</b> ES2023-02	<b>To:</b> Council	<b>Prepared By:</b> Michelle Jakobi Director, Environmental Services & Robin Dunn, CAO
<b>Meeting Date:</b> January 25, 2023	<b>Subject:</b> Municipal Services Corporation (MSC) Documents for MSC Operationalization	<b>Motion #</b> _____
<b>Roll #:</b>		<b>R.M.S. File #:</b>

<b>Recommendation(s):</b>	<b>Requires Action</b> <input checked="" type="checkbox"/>	<b>For Information Only</b> <input type="checkbox"/>
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It is recommended:

1. That Report No. ES2023-02, Municipal Services Corporation (MSC) Documents for MSC Operationalization be received and adopted.
2. And that, the appropriate draft by-law be brought forward on February 8<sup>th</sup>, 2023 for the transfer of Environmental Services Assets, effective January 31, 2023.
3. And further that, Robin Dunn, CAO\CEO of MSCs execute required documents, as provided by Aird & Berlis, LLP.

## Background:

On November 9, 2022 Council received Staff Report ES2022-08, Municipal Services Corporation (MSC) Update for information only.

The report outlined milestones completed to date and remaining key steps and document execution to be completed to operationalize the MSC for the provision of Environmental Services.

## Analysis:

Council endorsement and execution of the Bylaw, authorizing the Bylaw and transfer of Environmental Services Assets is required to finalize the operationalization of the MSC.

**Financial / Legal Implications / Risk Management:**

Staff will continue to work with KPMG LLP, Baker Tilly KDN LLP and Aird & Berlis to ensure the appropriate financial and legal framework is in place and consistent with the classification of a government business enterprise (GBE).

**Policies/Legislation:**

Municipal Act  
Ontario Regulation 599/06  
Ontario Business Corporations Act

**Corporate Strategic Goals:**

Prepare for our Future  
Foster Safe and Inclusive Community Living & Business Growth  
Modernize Township Services  
Support our Workforce

**Consultations:**

Director, Finance / Chief Financial Officer  
Baker Tilly KDN LLP- Richard Steiginga, CPA, CA, Partner  
Aird & Berlis, LLP- John Mascarin & Graham Topa

**Attachments:**

Schedule 1 - 2023 Asset Transfer Schedule

**Conclusion:**

The Asset Transfer Bylaw will be brought forward on February 8, 2023 to finalize operationalizing the MSC for the provision of Environmental Services.

Respectfully submitted:

Michelle Jakobi, B.E.S., C.E.T.  
Director, Environmental Services

**Approvals:**  
Robin Dunn, CAO

**Date:**  
January 20, 2023

## **SCHEDULE 1 - 2023 Asset Transfer Schedule**

### **Municipal Drinking Water**

All fixtures, equipment, improvements, and appurtenances inherent to the supply, treatment, and distribution of municipal drinking water at the following municipal drinking water systems as authorized and amended by the Ministry of Environment, Conservation & Parks through the Safe Drinking Water Act (SDWA), 2002:

<b>Location</b>	<b>Drinking Water System Number</b>	<b>Municipal Drinking Water Licence</b>	<b>Drinking Water Works Permit</b>
Braestone	260095498	N/A	N/A
Canterbury	220007454	126-106	126-206
Cedarbrook	220006936	126-108	126-208
Craighurst	250001322	126-109	126-209
Harbourwood	220006703	126-110	126-210
Horseshoe Highlands	250001402	126-101	126-201
Maplewood	220004135	126-104	126-204
Medonte Hills	220003920	126-111	126-211
Robincrest	220010752	126-107	126-207
Shanty Bay	220005198	126-105	126-205
Sugarbush	220001518	126-102	126-202
Warminster	220005125	126-103	126-203

### **Communal Tile**

All fixtures, equipment, improvements, and appurtenances inherent to the collection, treatment, and disposal of municipal sewage at the following municipal communal tile systems located in Horseshoe Valley, as authorized and amended by the Ministry of Environment, Conservation & Parks through the Environmental Protection Act (EPA), 1990:

<b>Location</b>	<b>Wastewater System Number</b>	<b>Environmental Compliance Approval</b>
Township of Oro-Medonte Communal Tile Collection System	N/A	126-W601
Communal Tile Field 1	120003799	8000-BD9SEA
Communal Tile Field 2	120003806	8649-BVQJ2Q
Communal Tile Field 3	120003815	9622- C6NMVN

Communal Tile Field 4	120003824	7776-BRGLAP
Communal Tile Field 5	120003833	9708- BDAHGS
Communal Tile Field 6	120003842	3726-BCZLBB
Communal Tile Field 7	120003851	2781-BD8KZG

### Urbanized Stormwater Management

All fixtures, equipment, improvements, and appurtenances inherent to the collection and treatment of municipal stormwater management within select urbanized and recognized plans of subdivision, as authorized and amended by the Ministry of Environment, Conservation & Parks through the Environmental Protection Act (EPA), 1990:

Location	Environmental Compliance Approval
Township of Oro-Medonte Urbanized Stormwater Management System	126-S701

### Streetlights

All fixtures, equipment, improvements, and appurtenances inherent to streetlighting infrastructure in the identified Street Lighting Areas as authorized and amended by Township of Oro-Medonte By-Law No. 2022-052.

Location	Municipal By-Law
Township of Oro-Medonte Streetlights (by identified areas and general Township)	2022-052, as amended

Under Public Sector Accounting Board (PSAB), tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development, or betterment of the asset. The cost, less residual value, if any, of tangible capital assets are amortized on a straight-line basis, over the expected useful life of the asset.

For financial reporting purposes, the transfer of assets is considered to be a restructuring transaction as defined in PSAS 3430: Restructuring Transactions. In PSAB section, 3430.37 a transfer of assets transferred in a restructuring transaction should be at their carrying amount (i.e. net book value). The audited net book value as of December 31, 2021, for these tangible assets, totaled \$20,548,341. Once transferred into the newly formed organization International Financial Reporting Standards (IFRS) will now be required and as such the assets will be re-evaluated at fair market value in the first fiscal period.