

**CITY OF VAUGHAN
COMMITTEE OF THE WHOLE (2)
AGENDA**

This is an Electronic Meeting. The Council Chamber will not be open to the public. Public comments can be submitted by email to clerks@vaughan.ca. For deputations, please register by contacting Access Vaughan at 905-832-2281 or clerks@vaughan.ca

Tuesday, September 22, 2020

1:00 p.m.

Council Chamber

2nd Floor, Vaughan City Hall

2141 Major Mackenzie Drive

Vaughan, Ontario

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ALL APPENDICES ARE AVAILABLE FROM THE CITY CLERK'S OFFICE
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AND VIDEO BROADCAST

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Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

TITLE: 2019 DRAFT CONSOLIDATED FINANCIAL STATEMENTS

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

ACTION: DECISION

Purpose

Council's approval is requested on the 2019 Draft Consolidated Corporation of the City of Vaughan Financial Statements, Vaughan Public Library Board Financial Statements, Kleinburg Business Improvement Area Financial Statements, Tourism Vaughan Corporation Financial Statements, the Statement of Revenue and Expenditures and Fund Balances of the Mayor's Gala and Golf Events and the Trust Fund Financial Statements. The KPMG 2019 Audit Findings report is attached for Council review.

Report Highlights

- The statutory financial statements are a requirement prescribed by the Municipal Act, 2001 that shows the results of operations for the fiscal year and the financial position at the end of the fiscal year.
- These statements have been prepared in accordance with Generally Accepted Accounting Principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.
- The City's statutory financial statements are presented in a different manner than the 2019 budget and 2020-2022 plan, and these differences are explained in this report and in the notes to the financial statements.
- The City has received an "unqualified" audit opinion from KPMG on all of the statutory financial statements. This means that the City is in compliance with Generally Accepted Accounting Principles for governments as recommended by the Public Sector Accounts Board (PSAB).

Recommendations

1. That the 2019 Draft Consolidated Corporation of the City of Vaughan Financial Statements, Vaughan Public Library Board Financial Statements, Board of Management for the Kleinburg Business Improvement Area Financial Statements, Tourism Vaughan Corporation Financial Statements, the Statements of Revenue and Expenditures and Fund Balances of the Mayor's Gala and Golf Events and the Trust Fund Financial Statements be approved. (Attachment 2);
2. That the KPMG Audit Findings Report for the year ended December 2019 be received. (Attachment 3); and
3. That the 2019 Draft City Consolidated Financial Statement Highlights be received. (Attachment 1).

Background

The City's Draft Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City's Draft Consolidated Financial Statements incorporate the financial results of:

- The Corporation of the City of Vaughan
- Vaughan Public Library Board
- Kleinburg Business Improvement Area
- Tourism Vaughan Corporation
- Hydro Vaughan Corporations:
 - Alectra (20.5% (2019 – 21.49%) ownership through Vaughan Holdings Inc.)
 - Vaughan Holdings Inc. (100% owned by the City of Vaughan)
 - Hydro Vaughan Energy Corporation (100% owned by Vaughan Holdings Inc.)
 - 1446631 Ontario Inc. (100% owned by the City of Vaughan)

The City's Trust Financial Statements are separate and are not included in the City's consolidated financial results. These statements are not part of the Consolidated Statements because they include assets held in trust by the City for other uses (ie: cemetery perpetual care).

Included are separate Financial Statements for the Vaughan Public Library Board, the Board of Management for the Kleinburg Business Improvement Area, Tourism Vaughan Corporation, as well as a Statement of Revenues and Expenditures and Fund Balance of the Mayor's Gala and Golf Events.

The Mayor's Gala and Golf Event statements include funds raised and administered by the City of Vaughan for the 2019 Mayors Gala and Golf events held on June 13th and

September 18th respectively. The audited statement does not include a historic \$40 million in additional funds donated by the Cortellucci family to the Mackenzie Health Care Foundation. Those funds were directed to and administered by the Mackenzie Health Care Foundation.

Unqualified Audit Opinion

The City has received an “unqualified” audit opinion from KPMG on all of the statutory financial statements. This means that the City is in compliance with Generally Accepted Accounting Principles for governments as recommended by the Public Sector Accounts Board (PSAB). Our financial statements present fairly, in all material respects, the financial position of the entity audited as at December 31, 2019 and its results of operations and accumulated surplus, its change in net financial assets and its cash flows for 2019 in accordance with public sector accounting standards.

Tourism Vaughan Corporation

On March 19th, 2019, Council approved a Bylaw allowing the City to levy a four per cent Municipal Accommodation Tax (MAT) on the purchase of transient accommodations including hotels, motels and bed and breakfasts in Vaughan effective April 1, 2019. Pursuant to Ontario Regulation 435/17, at least 50 percent of the MAT revenue must be shared with a Tourism promotion entity.

The Corporation of the City of Vaughan established a municipal service corporation, Tourism Vaughan Corporation, to serve as the City’s tourism promotion entity. Tourism Vaughan Corporation was incorporated May 15th, 2019.

The Financial Statements of Tourism Vaughan Corporation are included in the attached financial statement package and are also included in the City of Vaughan Consolidated Financial Statements.

2019 Draft Consolidated Statement of Financial Position Overview

The City of Vaughan’s 2019 Consolidated Statement of Financial Position demonstrates a continued strong position, as the City is in a net financial asset position of \$595.6 million (2018 - \$591.7 million).

Major items such as Cash and cash equivalents, Investment in Hydro Vaughan Corporations, Accounts payable and accrued liabilities, deferred revenue and other items are discussed in Attachment 1 – Highlights.

Financial Statement Presentation Differences from Budget Presentation

The City's statutory financial statements are presented in a different manner from the 2019 Budget and 2020-2022 Plan.

The statutory financial statements must comply with Provincial Statutory Reporting and use an accrual basis of accounting whereas, the tax supported, rate supported and Capital Budgets approved by Council are intended to set tax and utility rates and are prepared on a cash basis of accounting.

Statements	Budget Approved By Council	Statutory Financial Statements
Purpose	To set the tax rate in accordance with the Municipal Act	To comply with Provincial Statutory Reporting
Basis	Cash basis of accounting	Accrual basis of accounting
Differences	Presents a partial financial picture	Presents full financial picture
	Expense tangible capital assets	Capitalize tangible capital assets
	Reserve contributions / No amortization	Amortization over the useful life of tangible capital assets
	Excludes unfunded liabilities	Includes unfunded liabilities

The major differences between the two presentations are:

1. Amortization

The City's 2019 Budget and 2020-2022 Plan is developed excluding amortization on tangible capital assets. The statutory financial statements present the net book value of the City's tangible capital assets on the Statement of Financial Position and includes annual amortization to recognize the use of tangible capital assets in the current year in the Statement of Operations and Accumulated Surplus. Council has chosen not to include amortization expense in the tax levy requirements in accordance with *Regulation 284/09 of the Municipal Act, 2001*. The City's Infrastructure Replacement Reserve Contribution Policy requires that a portion of the expected replacement cost of these assets be raised through taxation each year to help smooth out potential large tax increases in the years of replacement.

2. Contributed Tangible Capital Assets

The majority of the City's assets are initially funded by the development industry and treated as contributed assets on the City's statutory financial statements. Contributed assets are valued based on construction costs and are recognized in the financial statements as revenue in the year assumption occurs.

3. Post Employment Benefits

The City's 2019 budget and 2020-2022 Plan excludes future post-employment costs except for actual post-employment benefit payments as they are funded from taxation. However, post-employment benefits on the statutory financial statements represent the retirement benefits that have accrued over the service life of the City's employees to date but not yet paid. These are expensed over the life of the employees as they render the service. The result is a difference between the budget and the statutory statements due to the gap between the current funding and the liability for post-employment benefits.

4. Share of net earnings in Hydro Vaughan Corporations/Dividends

The City's 2019 Budget and 2020-2022 Plan includes dividends paid by the Hydro Corporations to the City. The statutory financial statements exclude dividends received, but, include the equity pickup of the 2019 income based on the percentage holdings of the hydro corporation by the City of Vaughan.

A reconciliation of the major differences between the Fiscal Health Report for the year ending December 31, 2019 (presented to Council in May) and the Consolidated Statement of Operations and Accumulated Surplus is provided below:

2019 City of Vaughan Operating Surplus on Fund Basis December 31, 2019	\$	-
Add:		
Water and Wastewater revenues		162.36
Contributed tangible capital assets		486.61
Share of net earnings in Hydro Vaughan Corporations		10.77
PSAB adjustments		77.32
Gain on merger of Alectra with Guelph Hydro		0.99
Contributions from developers		27.17
Debt principal payments		6.68
Less:		
Investment in Hydro Vaughan Corporations (Solar Capital Dividend)		(2.00)
Amortization		(76.67)
Water and Wastewater expenditures		(164.77)
Post Employment Benefits		(9.59)
Hydro dividends received		(14.31)
PSAB adjustments		(10.33)
	\$	494.24

Previous Reports/Authority

N/A

Analysis and Options

N/A

Financial Impact

N/A

Broader Regional Impacts/Considerations

N/A

Conclusion

The City of Vaughan's 2019 Consolidated Financial Statements, the Financial Statements of the Vaughan Public Library Board, the Board of Management of the Kleinburg Business Improvement Area, Tourism Vaughan Corporation, the Trust Fund and the Statement of Revenues and Expenditures and Fund Balance of the Mayor's Gala and Golf Events present fairly, in all material respects, the financial position of each entity as at December 31, 2019 and the results of operations and accumulated surplus, the change in net financial assets and the cash flows for each entity for the year ended December 31, 2019 in accordance with public sector accounting standards.

For more information, please contact: Dean Ferraro, Director of City Financial Services/Deputy Treasurer Ext. 8272 or Nancy Yates, Controller, Ext. 8984

Attachments

1. 2019 Draft City Consolidated Financial Statement Highlights
2. 2019 Draft City Consolidated Financial Statement Package which includes the City's Consolidated Financial Statements, the Vaughan Public Library Board Financial Statements, the Kleinburg Business Improvement Area Financial Statements, Tourism Vaughan Corporation and the Statement of Revenue and Expenditures and Fund Balances of the Mayor's Gala and Golf Events. Also included, but not incorporated in the City's Consolidated Financial Statements, are the Trust Fund Financial Statements
3. 2019 Audit Findings Report – KPMG LLP

Prepared by

Nancy Yates CPA, CA, BComm
Controller, Ext. 8984

Approved by



Michael Coroneos
Deputy City Manager, Corporate Services
City Treasurer & Chief Financial Officer

Reviewed by



Jim Harnum, City Manager

COMMITTEE OF THE WHOLE 2 – SEPTEMBER 22, 2020**2019 DRAFT CITY CONSOLIDATED FINANCIAL STATEMENT HIGHLIGHTS****Financial Assets****Cash and Cash Investments**

- Cash balance totals \$779.7M (2018, \$730.4M)
- Net increase cash \$49.3M (2018, increase of \$234.7M)
- Net increase in cash from operating activities \$111.0M (2018, \$336.5M)
- Significant items not involving cash
 - Amortization \$76.7M (2018, \$74.0M)
 - Contributed tangible capital assets \$486.6M (2018, 316.2M)
 - Assumed assets increased in 2019. Land and land improvements increased by \$136.5M, roads infrastructure increased by \$12.8M and water and wastewater and storm infrastructure increased by \$21.1M.
 - Share of net earnings of Hydro Vaughan Corps \$10.8M (2018, \$25.2M)
 - Decrease due lower income from Alectra \$49M (2018, \$115M) due to:
 - Increased cost of power due to inclusion of Guelph Hydro
 - Higher operating expenses due to wage and benefit inflation and the amalgamation with Guelph Hydro
 - Higher amortization cost
 - Higher net finance costs
 - Offset by:
 - Higher distribution revenue
 - Lower income taxes
 - Higher other revenue to due to higher consulting and billing services
 - Increase in deferred revenues – obligatory reserve funds \$2.2M (2018, \$208.1M)
Lower increase in 2019 due to volume of prepayments of development charges before new development charge rates implemented in 2018.
- Net decrease in cash from capital activities \$82.2M (2018 \$126.5M)
 - Cash used to acquire tangible capital assets \$82.3M (2018, \$126.6M)
- Net increase in cash from financing activities \$5.5M (2018 \$2.5M)
 - Debenture and other debt repaid \$6.8M (2018, \$13.6M)
 - Debenture and other debt incurred \$12.3M (2018, \$16.1M)
 - Debt incurred relates to amount owing re YMCA construction interest
- Net increase in cash from investing activities \$15.0M (2018, \$22.2M)
 - Decrease in cash due to increase in investments \$1.3M (2018, \$1.4M)
 - Increase in cash from Investment in Hydro Vaughan Corporations is \$16.3M(2018, \$23,7M) made up of operating dividends on solar and common shares, \$14.3M, a capital dividend on solar shares of \$2.0M from Alectra to Vaughan Holdings Inc. In 2018, the increase is made up of repayment of deferred interest on note receivable of \$8.8M, operating dividends on solar and common shares \$12.7M and a capital dividend of \$2.2M on solar shares from Vaughan Holdings Inc.

Taxes Receivable

- Taxes receivable are monies owing from property owners as at December 31st, 2019 and include the City's portion, Regional portion and the Provincial portion for education
- Taxes receivable totals \$48.2M (2018, \$47.8M)
 - Increase of \$0.4M primarily due to timing

Water and Wastewater Receivable

- The water and wastewater receivables total \$25.2M (2018, \$23.1M). Increase of \$2.1M primarily due to the 2019 rate increase of 9.9%

Investments

- Investments total \$88.6M (2018, \$87.3M)
 - Increase of \$1.3M primarily related to an increase in investment with CIBC Mellon of \$2.4M offset by a decrease in investment in municipal bonds of \$1.1M

Accounts Receivable

- The City's accounts receivable totals \$21.6M (2018, \$22.3M)
- Comprise a wide range of monies owing from various levels of government, outside agencies, and businesses
 - Decrease of \$0.7M mainly due the following:
 - a decrease of \$4.2M in HST receivable due to a CRA review of June and Sept 2018 -- funds withheld during the review were subsequently released in 2019.
 - Offset by an increase of \$3.3M in miscellaneous receivables

Investment in Hydro Vaughan Corporations

- Investment is increased by share of cash invested and Alectra's net income but is decreased by receipt of dividends
- Vaughan Holdings Inc. (VHI) – 20.5% (2018 21.49%) share of Alectra
- Hydro Vaughan Energy Corporation – 100% subsidiary of VHI
- 1446631 Ontario Inc. – inactive – 100% owned by COV
- Investment in Hydro Vaughan Corporations is \$629.3M (2018, \$635.9M)
 - Gain on merger with Guelph Hydro Electric Systems Inc - \$1.0M (2018 – nil)
 - Share of net earnings Hydro Vaughan Corporations - \$10.8M (2018 - \$25.2M)
 - Reduction of dividends paid from VHI to the City of Vaughan (COV) - -\$14.3M (2018 - -\$12.7M)
 - Return of capital on solar shares from Alectra to VHI – -\$2.0M (2018, -\$2.2M)
 - Return of capital on solar shares form VHI to the COV - -\$2.0M (2018, -\$2.2M)
- PowerStream Holdings merged with Horizon Holdings and Enersource Holdings on February 1, 2017
- On February 28, 2017, the newly merged company named Alectra acquired Hydro One Brampton Networks
- Ring Fenced Solar business retained as an operating subsidiary of Alectra and existing PowerStream shareholders retain ownership of the economic interests in those assets represent by Class S of Common Shares
- On January 1, 2019 Alectra amalgamated with Guelph Hydro Electric Systems Inc. VHI's percentage of ownership reduced to 20.5% from 21.49%

LIABILITIES

Accounts Payable and Accrued Liabilities

- City liabilities represent accrued and general liabilities to suppliers and contractors, outside agencies, other governments, as a result of operating fund activity, capital fund activity and legislative financial obligations to the York Region and School Boards
- Balance at December 31, 2019 was \$125.1M (2018, \$101.4M)
 - Increase of \$23.7M is primarily due to an increase in the year-end amount owing to the York Region primarily for development charges collected of \$22.3M, an increase in the year-end amount owing to the School Boards \$3.2M offset by a reduction of \$1.8M in trade payables and other accruals

Employee Future Benefit Liability

- Employee Future Benefit Liability totals \$144.8M (2018, \$134.2M)
- Includes:
 - Post retirement non-pension benefits \$129.9M (2018, \$120.9M)
 - Accrued Vacation Pay \$7.6M (2018, \$6.6M)
 - Workplace Safety and Insurance Board (WSIB) \$7.2M (2018, \$6.7)
- Post retirement non-pension benefits are based on 2017 actuarial study
- Represents the retirement benefits that have accrued over the service life of city employees to-date but not yet paid (ie. medical and dental)
- Costs of these benefits are recognized annually in the financial statements as the employees render their service
- A portion of these liabilities that are not funded annually are netted against the accumulated surplus
- To fund this liability, Council approved the creation of a reserve for post employee's retirement benefits, which now totals \$29.9M (2018, \$25.6M)
 - \$1.4M received in 2019 from Great West Life as a refund of claim reserves held - transferred directly to post employee retirement benefit reserve
- Vacation entitlement is earned during the course of employment and this liability represents the unused portion
- The WSIB valuation is based on a 2017 actuarial study
- WSIB liability represents the future expected claims and the liability is now \$7.2M due to an increased number of firefighters on WSIB for post-traumatic stress which is now fully funded by WSIB
- The WSIB reserve is \$1.3M (2018, \$1.2M)
 - \$75,000 is budgeted annually as the transfer to the WSIB reserve

Deposits and Deferred Revenue

- Deposits and Deferred Revenue represent pre-paid funds from developers, builders and other parties held by the City for capital projects to be constructed or various City services to be rendered in the future
- Deposits and deferred revenue total \$40.0M (2018, \$40.0M)

Deferred Revenue – Obligatory Reserve Fund

- Development Revenue – Obligatory Reserve Fund includes
 - Development charges
 - Cash in-lieu of parkland
 - Sub-divider contributions
 - Funds set aside from building permits under the Building Standards Act
 - Unused gas tax funds and other Provincial and Federal grants
- Funds considered liabilities as they are non-discretionary in terms of use and represent capital work obligations to be constructed by the City in the future

	2019	2018
Recreational land (The Planning Act)	\$ 72,544,521	\$ 67,884,484
Development Charges Act	482,519,449	493,043,286
Subdivider contributions	15,217,466	13,080,990
Federal Gas Tax Revenues	34,015,694	27,395,908
Building Standards Act	12,233,461	12,847,968
Ontario Grants	2,652,245	2,753,115
	\$ 619,182,836	\$ 617,005,751

Debenture and Other Debt

- Debenture and other debt total \$64.6M (2018, \$59.1M)
- Consists of sinking fund debentures, serial debentures and other development related debt.
- 2019 debt ratio is 2%, well within the Provincial Debt limit of 25% and the City's Debt policy limit of 10%
 - Increase of \$5.5 M due to debt repayment of \$6.8M offset by new debt issued in 2019 of \$12.3M which is the debt payable to the YMCA for construction of the city library and recreation space in the Vaughan Metropolitan Centre

Non-Financial Assets

- Non-financial assets are the City's tangible capital assets and prepaid expenses
- Tangible capital assets comprise the land and capital assets that are available and used to provide the necessary services to the citizens of Vaughan
- The tangible capital assets net book value as at December 31, 2019 total \$9.0B (2018, \$8.6B)
- Net book value is comprised of the gross capital asset cost plus additions, less disposals, less the accumulated amortization and adjustments
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service
- The 2019 amortization expense was \$76.7M (2018, \$74.0M)
- Assets under construction totalling \$199.3M (2018, \$174.1M) will not be amortized until the assets are brought into service
 - Refer to Note 9 of the Draft Consolidated Financial Statements for a breakdown of tangible capital assets

Accumulated Surplus

- Consists of:
 - Investment in tangible capital assets
 - Investment in Hydro Vaughan Corporations
 - Discretionary reserves
 - Amounts to be recovered in future years – debt and employee future benefits
 - Opening operating and capital fund balances
- The accumulated surplus at December 31, 2019 is \$9.6B (2018, \$9.1B)
- Discretionary reserves increased to \$320.7M (2018, \$302.2M)
 - Refer to Note 10 of the Draft Consolidated Financial Statements for a further breakdown of the Accumulated Surplus

Annual Surplus

- The Annual Surplus is a result of the accrual basis of accounting as required under

Canadian Generally Accepted Accounting Principles (GAAP) for governments as recommended by the Public Sector Accounting Board (PSAB). The cash basis of accounting used in the preparation of the budget (management reporting) will not yield the same result.

- Statutory financial statements present an annual surplus for the year end December 31, 2019 is \$494.2M (2018, \$357.8M) versus breakeven results in 4th quarter Fiscal Health Report
- Significant differences between Statutory financial statements versus from 4th quarter Fiscal Health Report due to statutory reporting requirements include:
 - Contributed assets \$486.6M (2018, \$316.2) included in statutory reporting revenue not in Fiscal Health Report
 - Statutory reporting for all Vaughan Hydro Corporations are done on an equity pick up basis, which includes 20.5% (2018-21.49%) of Alectra income less dividends received from Alectra, 100% of VHI net income and 100% of HVEC net loss while 4th quarter results include 75% of Alectra dividends from VHI and do not include the net income or loss of VHI and HVEC
 - Statutory reporting expenses includes amortization of tangible capital assets of \$76.7M (2018, \$74.0M) versus reserve contributions of \$37.8M in 4th quarter Fiscal Health Report
 - Statutory reporting includes an adjustment for the decrease in the City's equity interest in the net assets of Alectra of \$2.0M (2018, decrease \$2.2M) not included in 4th quarter Fiscal Health Report

Audit of Vaughan Tourism Corporation

- On March 19th, 2019, Council approved a Bylaw allowing the City to levy a four per cent Municipal Accommodation Tax (MAT) on the purchase of transient accommodations including hotels, motels and bed and breakfasts in Vaughan effective April 1, 2019. Pursuant to Ontario Regulation 435/17, at least 50 percent of the MAT revenue must be shared with a Tourism promotion entity.
- The Corporation of the City of Vaughan established a municipal service corporation, Tourism Vaughan Corporation, to serve as the City's tourism promotion entity. Tourism Vaughan Corporation was incorporated on May 15th, 2019.
- The Financial Statements of Tourism Vaughan Corporation are included in the attached financial statement package and are also included in the City of Vaughan Consolidated Financial Statements.
- 2019 Revenue was \$1.1M, 50% of total MAT collected by the City
- 2019 Expenses were \$0.2M and included professional fees to set up the website for hoteliers and salary for the Manager of Tourism
- 2019 Net Profit was \$0.9M

Audit of the Mayor's Gala and Golf Events Statement of Revenue/Expenses and Fund Balance

- All Gala and Golf revenue and expenses through the City of Vaughan books have always been included in the City's consolidated financial statements
- Note that donations made at the Gala are provided directly to the MacKenzie Health Foundation and are not reflected in the City of Vaughan published results. As such, the audited statement does not include \$40 million donated by the Cortellucci family to the Mackenzie Health Care Foundation.
- A total of \$67.6 million has been raised through Golf and Gala events since 2011 but not all donations flow through the City of Vaughan's books (as noted above).

DRAFT #5a
August 24, 2020

Consolidated Financial Statements of

**THE CORPORATION OF THE
CITY OF VAUGHAN**

And Independent Auditors' Report thereon

Year ended December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Mayor, Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Vaughan

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Vaughan (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 29, 2020

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash and cash equivalents	\$ 779,700,486	\$ 730,444,327
Taxes receivable	48,247,575	47,789,114
Water and sewer billings receivable	25,220,469	23,111,989
Accounts receivable	21,575,321	22,340,589
Investments (note 3)	88,610,584	87,293,174
Investment in Hydro Vaughan Corporations (note 4)	629,320,313	635,860,859
	<u>1,592,674,748</u>	<u>1,546,840,052</u>
Financial Liabilities		
Accounts payable and accrued liabilities	125,121,697	101,371,381
Accrued interest on long-term liabilities	93,272	115,548
Employee future benefits (note 5)	144,778,571	134,218,756
Deposits and deferred revenue (note 6(a))	40,013,432	40,032,009
Deferred revenue - obligatory reserve funds (note 6(b))	619,182,836	617,005,751
Debenture and other debt (note 7)	64,569,163	59,061,732
Note payable (note 8)	3,303,523	3,303,523
	<u>997,062,494</u>	<u>955,108,700</u>
Net financial assets	595,612,254	591,731,352
Non-Financial Assets		
Tangible capital assets (note 9)	9,041,767,804	8,551,359,525
Prepaid expenses	2,355,744	2,408,580
	<u>9,044,123,548</u>	<u>8,553,768,105</u>
Contractual rights (note 15)		
Commitments (note 16)		
Subsequent event and contingencies (note 17)		
Accumulated surplus (note 10)	<u>\$ 9,639,735,802</u>	<u>\$ 9,145,499,457</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 13) (note 1(o))	2019	2018
Revenue (note 12):			
Property taxation	\$ 209,736,159	\$ 210,313,730	\$ 202,262,689
Taxation from other governments	1,500,000	1,649,320	1,495,421
Municipal accommodation tax	2,400,000	2,117,140	–
User charges	55,202,238	64,190,969	55,348,100
Water and sewer billings	175,807,601	162,355,455	150,397,663
Government transfers (note 11)	12,047,665	18,125,035	24,422,947
Investment income	5,345,500	8,675,665	6,132,140
Penalties and interest on taxes	5,200,000	5,774,042	5,736,228
Other fees and services	260,200	3,277,186	7,679,527
Contributions from developers	80,499,093	27,170,561	64,587,558
Contributed assets (note 9(b))	–	486,611,658	316,239,032
Hydro Vaughan Corporations (note 4):			
Share of net earnings	12,202,000	10,772,850	25,221,531
Interest on notes receivable	–	3,450,220	3,743,683
	560,200,456	1,004,483,831	863,266,519
Expenses (note 12):			
General government	44,690,235	28,653,424	29,951,241
Protection to persons and property	83,680,481	84,017,469	82,375,193
Transportation services	65,392,011	62,157,780	96,917,361
Environmental services	219,934,566	200,467,273	172,668,608
Health services	121,071	94,844	106,593
Social and family services	305,411	126,154	129,210
Recreation and cultural services	114,189,207	108,649,537	99,380,921
Planning and development	74,753,690	25,072,447	21,740,395
	603,066,672	509,238,928	503,269,522
	(42,866,216)	495,244,903	359,996,997
Gain on merger of Alectra Inc. with Guelph Hydro Electric Systems Inc. (note 4)	–	989,605	–
Adjustment for the decrease of the City's equity interest in the net assets of Alectra Inc. (note 4)	–	(1,998,163)	(2,211,345)
Annual surplus (deficit)	(42,866,216)	494,236,345	357,785,652
Accumulated surplus, beginning of year	9,145,499,457	9,145,499,457	8,787,713,805
Accumulated surplus, end of year	\$ 9,102,633,241	\$ 9,639,735,802	\$ 9,145,499,457

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 13) (note 1(o))	2019	2018
Annual surplus (deficit)	\$ (42,866,216)	\$ 494,236,345	\$ 357,785,652
Amortization of tangible capital assets	–	76,674,645	74,041,429
Proceeds on disposal of tangible capital assets	–	137,172	120,100
Loss on disposal of tangible capital assets	–	1,741,538	39,163,780
Acquisition of tangible capital assets	–	(568,961,634)	(442,850,116)
	(42,866,216)	3,828,066	28,260,845
Acquisition of prepaid expenses	–	52,836	(1,034,103)
Increase (decrease) in net financial assets	(42,866,216)	3,880,902	27,226,742
Net financial assets, beginning of year	591,731,352	591,731,352	564,504,610
Net financial assets, end of year	\$ 548,865,136	\$ 595,612,254	\$ 591,731,352

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 494,236,345	\$ 357,785,652
Items not involving cash:		
Amortization of tangible capital assets	76,674,645	74,041,429
Loss on disposal of tangible capital assets	1,741,538	39,163,780
Contributed tangible capital assets	(486,611,658)	(316,239,032)
Gain on merger of Alectra Inc. with Guelph Hydro Electric Inc.	(989,605)	–
Share of net earnings of Hydro Vaughan Corporations	(10,772,850)	(25,221,531)
Decrease in equity interest in net assets of Alectra Inc.	1,998,163	2,211,345
Change in non-cash assets and liabilities:		
Increase in taxes receivable	(458,461)	(6,487,635)
Increase in water and sewer billings receivable	(2,108,480)	(4,453,521)
Decrease (increase) in accounts receivable	765,268	(6,577,609)
Increase (decrease) in accounts payable and accrued liabilities	23,750,316	(2,559,208)
Decrease in accrued interest on long-term liabilities	(22,276)	(22,170)
Increase in employee future benefits	10,559,815	9,642,922
(Decrease) increase in deposits and deferred revenue	(18,577)	8,092,529
Increase in deferred revenue - obligatory reserve funds	2,177,085	208,128,467
Decrease (increase) in prepaid expenses	52,836	(1,034,103)
	110,974,104	336,471,315
Capital activities:		
Proceeds on disposal of tangible capital assets	137,172	120,100
Cash used to acquire tangible capital assets	(82,349,976)	(126,611,084)
	(82,212,804)	(126,490,984)
Financing activities:		
Debenture and other debt repaid	(6,827,447)	(13,576,921)
Debenture and other debt incurred	12,334,878	16,104,977
	5,507,431	2,528,056
Investing activities:		
Increase in investments, net	(1,317,410)	(1,442,080)
Decrease in investment in Hydro Vaughan Corporations	16,304,838	23,664,032
	14,987,428	22,221,952
Increase in cash and cash equivalents	49,256,159	234,730,339
Cash and cash equivalents, beginning of year	730,444,327	495,713,988
Cash and cash equivalents, end of year	\$ 779,700,486	\$ 730,444,327
Supplemental cash flow information:		
Interest paid	\$ 693,472	\$ 881,561
Interest and dividends received	39,927,229	31,740,490

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements

Year ended December 31, 2019

The City of Vaughan is a lower-tier municipality located in the Regional Municipality of York, 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 City of Vaughan (the "City" or "City of Vaughan") are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the City are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity comprises all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City, except for the City's government business enterprises, which are accounted for on the modified equity basis of accounting.

The consolidated financial statements include:

- The Corporation of the City of Vaughan Public Library Board;
- Board of Management for the Kleinburg Business Improvement Area; and
- Tourism Vaughan Corporation.

Interdepartmental and inter-organizational transactions and balances between these entities have been eliminated upon consolidation.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(ii) Investments in government business enterprises:

The City's investments in Vaughan Holdings Inc., Hydro Vaughan Energy Corporation, 1446631 Ontario Inc. and Alectra Inc., collectively referred to as "Hydro Vaughan Corporations", are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of the Hydro Vaughan Corporations in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that the City receives from the Hydro Vaughan Corporations are reflected as reductions in the investment asset account.

(iii) Accounting for Regional Municipality of York (the "Region" or "Region of York") and school board transactions:

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the Region and the school boards are not reflected in these consolidated financial statements. Information on amounts collected and remitted to the Region and the school boards is provided in note 2.

(iv) Trust funds:

Trust funds and their related operations administered by the City are not included in these consolidated financial statements. Information on trust funds balances is provided in note 14.

(b) Basis of accounting:

The City follows the accrual method of accounting for revenue and expenses. Revenue is normally recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

The annual cost of owning and using tangible capital assets (estimated amortization) is deducted from annual results. That is, a portion of the cost of the asset is recognized in annual results in each of the periods of its useful life.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents consist of deposits in banks, certificates of deposits and investments with original maturities of three months or less.

(d) Investments:

Investments are recorded at cost or amortized cost. Investment earnings are accounted for on the accrual basis. Premiums and discounts are amortized over the life of the investment. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to recognize the loss in the consolidated statement of operations and accumulated surplus.

(e) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

(f) Deposits and deferred revenue:

Deposits and deferred revenue represent user fees and charges that have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(g) Deferred revenue - obligatory reserve funds:

The City receives development charge contributions and payments in lieu of parkland under the authority of provincial legislation and City bylaws. The City also receives federal gas tax revenue and other transfer payment from other levels of governments. These funds, by their nature, are restricted in their use and, until applied to applicable capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are spent.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(h) Pension, vacation entitlements and employee benefits:

The City accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Vacation entitlements are accrued for as the entitlements are earned. Other post-employment benefits and compensated absences are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation is determined by reference to the market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to the Workplace Safety and Insurance Board ("WSIB") are amortized over the average expected period during which the benefits will be paid.

Costs related to prior period employee services arising out of plan amendments are recognized in the period in which the plan is amended. Where applicable, the City has set aside reserve funds intended to fund these obligations either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under PS 3250, Retirement Benefits. Therefore, for the purposes of these consolidated financial statements, the plans are considered unfunded.

A full actuarial valuation of the post-retirement non-pension benefit obligation and the WSIB obligation was completed as at January 1, 2017 for 2017, 2018 and 2019 in accordance with the financial reporting guidelines established by PSAB.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(i) Taxation and related revenue:

Property tax bills are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by City Council, incorporating amounts to be raised for local services, the requisition made by the Region in respect of regional services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. The Province of Ontario has enacted legislation known as "Continued Protection for Property Taxpayers" which, commencing with the 2005 tax year, limits assessment-related increases in property tax bills to 10% annually for commercial, industrial and multi-residential classes of property until the affected properties are taxed at a level equivalent to the tax otherwise calculated based on their current value assessment.

The assessment process includes the issuance of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenue and taxes receivable are recognized when they meet the definition of an asset, the tax is authorized and taxable event has occurred. Property assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known.

The City is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

(j) Municipal accommodation tax:

Municipal accommodation tax revenue is recognized in the period that the tax is levied on accommodation charges by accommodation providers.

(k) Investment income:

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue - obligatory reserve fund balances.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(l) Segment disclosures:

The City adopted PS 2700, Segment Disclosures. A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The additional disclosure required as a result of this standard is included in note 12.

(m) 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.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	2 - 100 years
Buildings and facilities	5 - 85 years
Machinery and equipment	5 - 35 years
Vehicles	7 - 18 years
Furniture and fixtures	7 - 15 years
Information technology	2 - 6 years
Leasehold improvements	5 - 50 years
Roads infrastructure	2 - 75 years
Water and sewer infrastructure	20 - 95 years

Annual amortization is charged in the year that the asset is available for productive use and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(iii) Works of art and cultural and historic assets:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(iv) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets:

Leases, which transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(n) Use of estimates:

The preparation of consolidated financial statements 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 consolidated financial statements, and the reported amounts of revenue and expenses during the year. Significant estimates include assumptions used in estimating the carrying values of taxes receivable and accounts receivable, provisions for accrued liabilities and in performing actuarial valuations of employee future benefits. In addition, the City's implementation of PS 3150, Tangible Capital Assets, requires management to make estimates of historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(o) Presentation of budget information:

The 2019 budget figures, as presented in these consolidated financial statements, consist of the operating, capital, and water, wastewater and stormwater budgets as approved by City Council.

(p) Adoption of new accounting policy:

The City has adopted the following PSAB Standard effective January 1, 2019:

Restructuring Transactions (PS 3430):

PS 3430 requires assets and liabilities in restructuring transactions be measured at their carrying amount. It also prescribes financial statement presentation and disclosure requirements. The adoption of this standard has not resulted in additional note disclosures.

(q) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2019, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) PS 1201, Financial Statement Presentation, was issued in June 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted (the City's December 31, 2023 year-end).

(ii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

- (iii) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.
- (iv) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).
- (v) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).

2. Operations of school boards and the Region of York:

During 2019, requisitions were made by the district school boards and the Region of York requiring the City to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are not recorded in these consolidated financial statements and are summarized below:

	District school boards	The Region
Property taxes, net of adjustments and write offs	\$ 313,918,711	\$ 356,206,399
Taxation from other governments	441,881	704,311
Amounts requisitioned and remitted	\$ 314,360,592	\$ 356,910,710

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

3. Investments:

Investments consist of government and financial institution bonds and have effective interest rates of 1.83% to 4.02% (2018 - 1.83% to 5.03%) with maturity dates from June 24, 2020 - December 15, 2025 (2018 - April 29, 2019 - December 15, 2025). Market value of investments costing \$88,610,584 (2018 - \$87,293,174) is \$89,671,789 (2018 - \$85,663,590) at December 31, 2019.

4. Investment in Hydro Vaughan Corporations:

The City has incorporated corporations under the provisions of the Ontario Business Corporations Act. The corporations are collectively referred to as Hydro Vaughan Corporations.

The City of Vaughan's ownership of the Hydro Vaughan Corporations is as follows:

	Interest held	
	2019	2018
Vaughan Holdings Inc. (including 100% ownership of Hydro Vaughan Energy Corporation and 20.5% (2018 - 21.49%) share interest in Alectra Inc.)	100%	100%
1446631 Ontario Inc.	100%	100%

On January 1, 2019, Alectra amalgamated with Guelph Hydro Electric Systems Inc. ("GHESI"). Alectra Inc. ("Alectra") issued 485,000 Class G common shares to Guelph Municipal Holdings Inc. ("GMHI") in consideration for all the issued and outstanding shares of GHESI. This common share issuance by Alectra represents an effective 4.6% interest in its aggregate issued and outstanding classes of common shares.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

4. Investment in Hydro Vaughan Corporations (continued):

The new shareholder ownership structure as a result of this merger is as follows:

Shareholder	Interest held
Barrie Hydro Holdings Inc.	8.4%
Enersource Corporation	29.6%
Hamilton Utilities Corporation	17.3%
Markham Enterprises Corporation	15.0%
St. Catharines Hydro Inc.	4.6%
Vaughan Holdings Inc.	20.5%
GMHI	4.6%

The following table provides condensed supplementary financial information in respect to the City's investment accounted for on a modified equity basis in Hydro Vaughan Corporations.

Financial position	2019	2018
Assets		
Current	\$ 15,060,868	\$ 10,060,751
Investment in Hydro Vaughan Corporations	629,320,313	635,860,859
Other	202,256	170,839
Total assets	\$ 644,583,437	\$ 646,092,449
Liabilities		
Current	\$ 1,281,121	\$ 1,007,985
Total liabilities	1,281,121	1,007,985
Shareholders' equity		
Share capital	196,859,952	196,859,952
Retained earnings and contributed surplus	446,442,364	448,224,512
Total shareholders' equity	643,302,316	645,084,464
Total liabilities and shareholders' equity	\$ 644,583,437	\$ 646,092,449

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

4. Investment in Hydro Vaughan Corporations (continued):

Results of operations and non-operations:

	2019	2018
Revenue	\$ 11,118,065	\$ 25,526,142
Expenses	345,215	304,611
Net income	\$ 10,772,850	\$ 25,221,531

A summary of the City's investment in Hydro Vaughan Corporations is as follows:

	2019	2018
Equity	\$ 544,317,643	\$ 550,858,189
Notes receivable	84,133,025	84,133,025
Accrued interest on notes receivable	869,645	869,645
Investment in Hydro Vaughan Corporations	\$ 629,320,313	\$ 635,860,859

A summary of the change in the City's investment in Hydro Vaughan Corporations is as follows:

	2019	2018
Equity pickup in Hydro Vaughan Corporations	\$ 10,772,850	\$ 25,221,531
Payment of deferred interest	—	(8,802,016)
Gain on merger	989,605	—
Decrease in equity interest	(1,998,163)	(2,211,345)
Return of capital	(1,998,163)	(2,211,345)
Dividend	(14,306,675)	(12,650,671)
Net change in investment in Hydro Vaughan Corporations	(6,540,546)	(653,846)
Opening investment in Hydro Vaughan Corporations	635,860,859	636,514,705
Closing investment in Hydro Vaughan Corporations	\$ 629,320,313	\$ 635,860,859

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

4. Investment in Hydro Vaughan Corporations (continued):

Notes receivable of \$84,133,025 includes an unsecured note receivable from Alectra in the amount of \$78,236,285, repayable within 90 days following demand by the City. The note receivable was renegotiated in 2017 and now bears interest at an annual rate of 4.41% down from 5.58% and the interest for eight quarters commencing October 1, 2006 on the note receivable was previously deferred for five years. The deferred interest was renegotiated in 2013 to defer eight quarterly interest payments for a period of five years at a reduced interest rate of 4.03%. The previously deferred interest amounting to \$8,743,130 was repaid by Alectra on October 31, 2018. The remaining \$5,896,740 portion of the note receivable represents an amount due from Vaughan Holdings Inc. without interest and no specified terms of repayment.

The obligations of Hydro Vaughan Corporations for the notes payable to the City are subordinated to secured credit agreements of Alectra.

5. Employee future benefits:

The components of the liability for employee future benefits are as follows:

	2019	2018
Post-retirement non-pension benefits ^(d)	\$ 129,931,784	\$ 120,859,117
Vacation entitlements ^(c)	7,626,387	6,648,433
WSIB ^(b)	7,220,400	6,711,206
	\$ 144,778,571	\$ 134,218,756

(a) Pension:

The City provides a pension plan for its employees through OMERS. OMERS is a multi-employer pension plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The plan is a defined benefit pension plan, which specifies the amount of the retirement benefit to be received by employees based on the length of credited service and average earnings. No past service liability exists.

Total OMERS contributions amounted to \$31,186,897 in 2019 (2018 - \$29,091,253), of which \$15,613,181 (2018 - \$14,586,957) represented the City's portion.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

5. Employee future benefits (continued):

(b) Workplace safety and insurance obligations:

Under the provision of the WSIB, the City is a self-insured Schedule 2 employer.

An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability of \$7,220,400 (2018 - \$6,711,206) reported in these consolidated financial statements. The City established a WSIB reserve in 2004 to mitigate the future impact of these obligations. An insurance policy was secured for single claims up to \$1,000,000.

(c) Vacation entitlements:

Under the provisions of the City's management by-law and various union agreements, vacation pay is earned during the course of employment. The accumulated liability to be paid out in the future is \$7,626,387 (2018 - \$6,648,433).

(d) Post-retirement non-pension benefits:

The City pays certain health, dental and life insurance benefits on behalf of its retired employees. The City recognizes these post-retirement non-pension benefit costs in the period in which the employee renders the services.

The projected benefit liability for active employees and retirees at December 31, 2019 of \$129,931,784 (2018 - \$120,859,117) and the expense for the year ended December 31, 2019 of \$11,178,920 (2018 - \$10,895,324) was determined by actuarial valuation using a discount rate of 3.5% (2018 - 3.5%).

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

5. Employee future benefits (continued):

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

	2019	2018
Accrued benefit liability:		
Balance, end of prior year	\$ 120,859,117	\$ 111,867,453
Amortization of actuarial loss	256,730	256,729
Service cost	6,397,250	6,415,204
Interest cost	4,524,940	4,223,391
Benefits paid	(2,106,253)	(1,903,660)
Accrued benefit liability	129,931,784	120,859,117
Unamortized actuarial loss	2,824,025	3,089,755
Projected accrued benefit obligation, end of year, as determined by actuarial valuation	\$ 132,755,809	\$ 123,948,872

Components of benefit expense:

	2019	2018
Service cost	\$ 6,397,250	\$ 6,415,204
Interest cost	4,524,940	4,223,391
Amortization of actuarial loss	256,730	256,729
Benefit expense	\$ 11,178,920	\$ 10,895,324

The main actuarial assumptions employed with the valuation are as follows:

(i) Interest (discount) rate:

The rate used to discount future benefits in the City's 2017 actuarial study is assumed to be 3.50% (2018 - 3.50%) per annum reflecting Canadian Municipal bond yields and lending rates.

(ii) Salary levels:

Future general salary and wage levels were assumed to increase at a rate management believes fairly reflects inflation.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

5. Employee future benefits (continued):

(iii) Medical costs:

Medical costs were assumed to increase at 5.90% in 2019 decreasing by about 0.25% per year to 4.50% in 2025 and thereafter.

(iv) Dental costs:

Dental costs were assumed to increase at 4.50% in 2019 and thereafter.

(v) Expected average remaining service life of the current active group is assumed to be 12 years.

6. Deferred revenue:

(a) Deposits and deferred revenue:

Deposits and deferred revenue as at December 31, 2019 is \$40,013,432 (2018 - \$40,032,009) and is made up of development security deposits and unearned recreation and licensing revenue.

(b) Deferred revenue - obligatory reserve funds:

Under PSAB accounting principles, obligatory reserve funds are to be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and, under certain circumstances, these funds may possibly be refunded. The balances in the obligatory reserve funds of the City are summarized below:

	2019	2018
Recreational land (The Planning Act)	\$ 72,544,521	\$ 67,884,484
Development Charges Act	482,519,449	493,043,286
Sub-divider contributions	15,217,466	13,080,990
Federal gas tax	34,015,694	27,395,908
Building Standards Act	12,233,461	12,847,968
Ontario grants	2,652,245	2,753,115
	\$ 619,182,836	\$ 617,005,751

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

6. Deferred revenue (continued):

Deferred revenue - obligatory reserve funds continuity schedule:

	Opening balance	Received	Recognized as revenue	Other	Closing balance
Recreational land (The Planning Act)	\$ 67,884,484	\$ 4,740,152	\$ (1,639,409)	\$ 1,559,294	\$ 72,544,521
Development Charges Act	493,043,286	4,622,265	(26,212,793)	11,066,691	482,519,449
Sub-divider contributions	13,080,990	2,111,790	(200,420)	225,106	15,217,466
Federal gas tax	27,395,908	18,643,640	(12,715,242)	691,388	34,015,694
Building Standards Act	12,847,968	—	(875,981)	261,474	12,233,461
Ontario grants	2,753,115	—	(128,267)	27,397	2,652,245
	\$ 617,005,751	\$ 30,117,847	\$ (41,772,112)	\$ 13,831,350	\$ 619,182,836

7. Debenture and other debt:

The balance of the municipal debt reported in the consolidated statement of financial position is made up of the following:

	2019	2018
Debenture debt issued by the Region on the City's behalf:		
Serial debt	\$ 22,942,893	\$ 29,621,590
Debt payable to Block 11 Landowners' Group for Block 11 Valley Road Crossings and Pressure District 6 East, Rutherford Road Trunk Watermain	—	148,750
Debt payable to YMCA for construction of City Library and City Recreation Space in the Vaughan Metropolitan Centre	41,626,270	29,291,392
	\$ 64,569,163	\$ 59,061,732

Debenture has been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

7. Debenture and other debt (continued):

In 2017, the City entered into an agreement with the YMCA of Greater Toronto to be a funding partner for the construction of a YMCA, City Library and City Recreation Space in the Vaughan Metropolitan Centre. The YMCA entered into a financing agreement with Ontario Infrastructure and Lands Corporation to obtain a construction loan for the project that converts to a term loan within three years from the date of the first construction loan advance. The City is responsible for payment of all interest and principal in respect of its agreed upon share of the financed project costs and is the guarantor of the YMCA's obligations under the Financing Agreement. The construction loan is a non-revolving floating rate loan with interest-only payments. The term loan will be a non-revolving fixed rate loan with principal and interest payments due over an amortization period of up to 20 years. The YMCA's obligations are in good standing and no loss has been recognized. The City's obligation outstanding at December 31, 2019 includes accrued construction and interest costs to date.

Principal payments are as follows:

	YMCA	Region	Total
2020	\$ 520,328	\$ 5,733,698	\$ 6,254,026
2021	2,081,314	5,733,698	7,815,012
2022	2,081,314	4,453,098	6,534,412
2023	2,081,314	2,208,400	4,289,714
2024	2,081,314	2,208,400	4,289,714
2025 - 2040	32,780,686	2,605,599	35,386,285
	\$ 41,626,270	\$ 22,942,893	\$ 64,569,163

Total charges for the year for net debenture and other debt were as follows:

	2019	2018
Principal payments	\$ 6,827,447	\$ 13,576,921
Interest	693,472	881,561
	\$ 7,520,919	\$ 14,458,482

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

8. Note payable:

Effective November 1, 2000, the City issued a non-interest bearing note payable with no fixed terms of repayment in the amount of \$3,303,523 to Hydro Vaughan Energy Corporation, for the book value of the capital assets less the net long-term debt related thereto retained by the City on the dissolution of Vaughan Hydro Commission.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

9. Tangible capital assets:

	Cost				Accumulated amortization				Net book value, December 31, 2019
	Balance, beginning of year	Acquisitions	Disposals and adjustments	Balance, end of year	Balance, beginning of year	Amortization	Disposals and adjustments	Balance, end of year	
2019									
Land	\$ 6,110,249,558	\$ 396,560,381	\$ —	\$ 6,506,809,939	\$ —	\$ —	\$ —	\$ —	\$ 6,506,809,939
Land improvements	188,200,268	27,983,621	—	216,183,889	90,668,968	6,507,967	—	97,176,935	119,006,954
Buildings and facilities	366,446,656	11,591,329	—	378,037,985	137,924,559	10,841,372	—	148,765,931	229,272,054
Machinery and equipment	40,716,046	3,914,798	(1,893,548)	42,737,296	24,193,168	3,449,895	(1,781,023)	25,862,040	16,875,256
Vehicles	34,648,746	3,357,880	(1,561,236)	36,445,390	22,196,483	2,009,277	(1,495,701)	22,710,059	13,735,331
Furniture and fixtures	11,736,405	709,590	(65,450)	12,380,545	6,809,849	632,238	(65,450)	7,376,637	5,003,908
Information technology	9,051,025	1,706,813	—	10,757,838	6,310,193	1,172,349	—	7,482,542	3,275,296
Leasehold improvements	3,110,393	—	—	3,110,393	2,554,919	16,803	—	2,571,722	538,671
Roads infrastructure	1,031,803,933	37,875,170	(253,098)	1,069,426,005	483,871,128	30,096,621	(248,198)	513,719,551	555,706,454
Water and sewer infrastructure	1,756,224,390	58,418,944	(357,744)	1,814,285,590	400,359,639	21,948,123	(310,962)	421,996,800	1,392,288,790
Assets under construction	174,061,011	26,843,108	(1,648,968)	199,255,151	—	—	—	—	199,255,151
	\$ 9,726,248,431	\$ 568,961,634	\$ (5,780,044)	\$ 10,289,430,021	\$ 1,174,888,906	\$ 76,674,645	\$ (3,901,334)	\$ 1,247,662,217	\$ 9,041,767,804

	Cost				Accumulated amortization				Net book value, December 31, 2018
	Balance, beginning of year	Acquisitions	Disposals and adjustments	Balance, end of year	Balance, beginning of year	Amortization	Disposals and adjustments	Balance, end of year	
2018									
Land	\$ 5,848,741,325	\$ 290,965,355	\$ (29,457,122)	\$ 6,110,249,558	\$ —	\$ —	\$ —	\$ —	\$ 6,110,249,558
Land improvements	180,874,580	7,533,564	(207,876)	188,200,268	84,715,116	6,140,007	(186,155)	90,668,968	97,531,300
Buildings and facilities	361,236,402	5,210,254	—	366,446,656	127,161,166	10,763,393	—	137,924,559	228,522,097
Machinery and equipment	38,416,941	3,954,265	(1,655,160)	40,716,046	22,549,632	3,294,390	(1,650,854)	24,193,168	16,522,878
Vehicles	32,800,044	2,890,431	(1,041,729)	34,648,746	21,225,773	2,010,149	(1,039,439)	22,196,483	12,452,263
Furniture and fixtures	11,116,510	620,796	(901)	11,736,405	6,205,854	604,896	(901)	6,809,849	4,926,556
Information technology	7,429,689	1,621,336	—	9,051,025	5,403,616	906,577	—	6,310,193	2,740,832
Leasehold improvements	3,110,393	—	—	3,110,393	2,538,116	16,803	—	2,554,919	555,474
Roads infrastructure	1,003,618,795	34,073,692	(5,888,554)	1,031,803,933	458,524,991	29,029,399	(3,683,262)	483,871,128	547,932,805
Water and sewer infrastructure	1,715,487,786	40,910,327	(173,723)	1,756,224,390	379,210,804	21,275,815	(126,980)	400,359,639	1,355,864,751
Assets under construction	126,537,321	55,070,096	(7,546,406)	174,061,011	—	—	—	—	174,061,011
	\$ 9,329,369,786	\$ 442,850,116	\$ (45,971,471)	\$ 9,726,248,431	\$ 1,107,535,068	\$ 74,041,429	\$ (6,687,591)	\$ 1,174,888,906	\$ 8,551,359,525

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

9. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of \$199,255,151 (2018 - \$174,061,011) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Tangible capital assets transferred from assets under construction to other asset categories during the year is \$41,701,433 (2018 - \$37,444,221).

(b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$486,611,658 (2018 - \$316,239,032) comprising of land and land improvements of \$397,333,851 (2018 - \$260,831,461), roads infrastructure of \$33,860,057 (2018 - \$21,124,899), and water and wastewater and stormwater infrastructure of \$55,417,750 (2018 - \$34,282,672).

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

10. Accumulated surplus (deficit):

Accumulated surplus (deficit) consists of individual fund surplus and reserves as follows:

	2019	2018
Surplus (deficit):		
Investment in tangible capital assets	\$ 9,041,767,804	\$ 8,551,359,525
Amounts to be recovered in future years:		
From future revenue	(129,147,500)	(130,545,724)
From reserves and reserve funds on hand	(29,932,613)	(25,648,194)
Investment in Hydro Vaughan Corporations (note 4)	629,320,313	635,860,859
Other	(192,947,911)	(187,728,899)
	9,319,060,093	8,843,297,567
Reserves set aside for specific purposes by City Council:		
Vehicle replacement	4,229,265	3,931,896
Fire equipment replacement	3,763,753	4,536,101
General working capital	16,926,862	15,981,459
Tax rate stabilization	3,194,424	2,090,520
Waterworks	75,786,134	77,251,496
Wastewater (sanitary sewers)	61,296,174	58,226,519
Stormwater reserve	30,995,153	27,801,947
Keele Valley landfill	529,531	696,544
Heritage Fund	3,616,341	3,374,856
Employee benefits	29,932,613	25,648,194
Buildings	15,766,387	15,479,937
Roads infrastructure	9,203,032	8,220,575
Sale of public lands	7,039,144	6,963,216
Parks infrastructure	5,423,722	5,239,340
Other	20,228,351	17,210,862
Debenture payments	5,370,031	5,250,886
Engineering	1,676,261	1,841,923
Planning	1,767,159	1,032,623
City Hall Funding	29,822	29,160
Expenditure reserve	2,297,875	2,749,278
Capital from taxation	21,603,675	18,644,558
	320,675,709	302,201,890
	\$ 9,639,735,802	\$ 9,145,499,457

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

11. Government transfers:

The City recognizes the transfer of government funding as revenue in the year that the events giving rise to the transfer occurred. The government transfers reported on the consolidated statement of operations and accumulated surplus are:

	2019	2018
Provincial grants:		
General government	\$ 18,352	\$ 80,007
Transportation services	133,884	372,327
Environmental services	1,415,432	4,047,868
Recreation and cultural services	246,645	243,774
Planning and development	331,122	468,769
	2,145,435	5,212,745
Federal grants:		
General government	780,520	363,858
Transportation services	9,400,036	8,839,256
Environmental services	4,935,743	8,323,090
Recreation and cultural services	828,512	1,683,998
Planning and development	34,789	—
	15,979,600	19,210,202
	\$ 18,125,035	\$ 24,422,947

12. Segmented information:

The City is a diversified municipal government that provides a wide range of services to its citizens and holds a significant investment in the Hydro Vaughan Corporations. For management reporting purposes, the City's operations and activities are organized functionally based on services provided.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

12. Segmented information (continued):

2019	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development	Corporate transfers	Consolidated total
Revenue:									
Property and other taxation	\$ 28,138,240	\$ 32,136,831	\$ 23,775,461	\$ 76,679,089	\$ 84,532	\$ 41,558,642	\$ 9,590,255	\$ —	\$ 211,963,050
Municipal accommodation tax	—	—	—	—	—	—	2,117,140	—	2,117,140
User charges	6,594,653	7,207,133	544,271	2,113,198	101,083	21,631,168	25,999,463	—	64,190,969
Water and sewer billings	—	—	—	162,355,455	—	—	—	—	162,355,455
Government transfers	798,872	—	9,533,920	6,351,175	—	1,075,157	365,911	—	18,125,035
Investment income	1,151,700	1,315,363	973,132	3,138,481	3,460	1,700,999	392,530	—	8,675,665
Penalties and interest on taxes	766,508	875,433	647,663	2,088,799	2,303	1,132,090	261,246	—	5,774,042
Other fees and services	94,172	20,334	885,370	29,649	263,277	1,517,488	466,896	—	3,277,186
Contributions from developers	(1,246)	4,413,417	15,621,169	(258,587)	—	5,715,989	1,679,819	—	27,170,561
Contributed assets	—	—	—	—	—	—	—	486,611,658	486,611,658
Hydro Vaughan Corporations	—	—	—	—	—	—	—	14,223,070	14,223,070
	37,542,899	45,968,511	51,980,986	252,497,259	454,655	74,331,533	40,873,260	500,834,728	1,004,483,831
Expenses:									
Salaries and benefits	48,095,059	69,482,304	5,023,545	10,177,338	25,307	60,919,174	20,505,090	—	214,227,817
Goods and services	21,499,798	4,116,778	18,932,173	141,099,572	135,648	18,125,387	1,723,472	—	205,632,828
Long-term debt interest	—	—	693,472	—	—	—	—	—	693,472
Other	(3,301,169)	(61,413)	(17,758)	6,807,772	36,075	196,091	(1,977,313)	—	1,682,285
Corporate support allocation	2,352,896	8,616,796	2,903,890	19,285,835	23,968	9,361,433	2,365,440	(44,910,258)	—
Gain (loss) on disposal of tangible capital assets	(2,106,793)	(6,291)	439,662	45,271	—	3,369,689	—	—	1,741,538
Amortization of tangible capital assets	5,981,360	1,841,995	31,202,986	22,570,555	—	14,994,916	82,833	—	76,674,645
Other capital related	1,042,532	27,300	2,979,810	480,930	—	1,682,848	2,372,923	—	8,586,343
	73,563,683	84,017,469	62,157,780	200,467,273	220,998	108,649,538	25,072,445	(44,910,258)	509,238,928
Annual surplus (deficit) before the undernoted	(36,020,784)	(38,048,958)	(10,176,794)	52,029,986	233,657	(34,318,005)	15,800,815	545,744,986	495,244,903
Gain on merger of Alectra Inc. with Guelph Hydro Electric Systems Inc.	—	—	—	—	—	—	—	989,605	989,605
Adjustment for the decrease of the City's equity interest in the net assets of Alectra Inc. (note 4)	—	—	—	—	—	—	—	(1,998,163)	(1,998,163)
Annual surplus (deficit)	\$ (36,020,784)	\$ (38,048,958)	\$ (10,176,794)	\$ 52,029,986	\$ 233,657	\$ (34,318,005)	\$ 15,800,815	\$ 544,736,428	\$ 494,236,345

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

12. Segmented information (continued):

2018	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development	Corporate transfers	Consolidated total
Revenue:									
Property and other taxation	\$ 26,876,172	\$ 30,784,114	\$ 36,218,611	\$ 64,527,315	\$ 88,121	\$ 37,139,259	\$ 8,124,518	\$ —	\$ 203,758,110
User charges	3,492,866	4,735,624	740,619	1,924,556	101,592	20,644,700	23,708,143	—	55,348,100
Water and sewer billings	—	—	—	150,397,663	—	—	—	—	150,397,663
Government transfers	443,865	—	9,211,583	12,370,958	—	1,927,772	468,769	—	24,422,947
Investment income	808,844	926,453	1,090,006	1,941,962	2,652	1,117,714	244,509	—	6,132,140
Penalties and interest on taxes	756,622	866,639	1,019,632	1,816,581	2,481	1,045,550	228,723	—	5,736,228
Other fees and services	200,888	11,969	1,542,335	(74,701)	1,440,466	1,685,196	2,873,374	—	7,679,527
Contributions from developers	45,609	2,064,414	31,146,834	(5,531,260)	—	35,151,521	1,710,440	—	64,587,558
Contributed assets	—	—	—	—	—	—	—	316,239,032	316,239,032
Hydro Vaughan Corporations	—	—	—	—	—	—	—	28,965,214	28,965,214
	32,624,866	39,389,213	80,969,620	227,373,074	1,635,312	98,711,712	37,358,476	345,204,246	863,266,519
Expenses:									
Salaries and benefits	42,260,252	67,155,285	6,110,904	9,149,901	32,879	56,700,393	18,382,494	—	199,792,108
Goods and services	22,427,156	4,556,804	17,835,047	117,743,381	140,525	17,428,017	1,830,279	—	181,961,209
Long-term debt interest	—	—	881,561	—	—	—	—	—	881,561
Other	(2,529,564)	117,277	(469,421)	5,862,329	36,075	621,896	(2,015,693)	—	1,622,899
Corporate support allocation	2,242,869	8,686,123	2,938,437	16,752,084	26,324	9,126,348	2,194,504	(41,966,689)	—
Gain (loss) on disposal of tangible capital assets	88,534	(10,561)	34,792,144	4,031,262	—	262,401	—	—	39,163,780
Amortization of tangible capital assets	5,727,042	1,810,588	30,135,795	21,811,158	—	14,472,711	84,135	—	74,041,429
Other capital related	1,701,641	59,677	4,692,894	(2,681,507)	—	769,155	1,264,676	—	5,806,536
	71,917,930	82,375,193	96,917,361	172,668,608	235,803	99,380,921	21,740,395	(41,966,689)	503,269,522
Annual surplus (deficit) before the undernoted	(39,293,064)	(42,985,980)	(15,947,741)	54,704,466	1,399,509	(669,209)	15,618,081	387,170,935	359,996,997
Adjustment for the decrease of the City's equity interest in the net assets of Alectra Inc. (note 4)	—	—	—	—	—	—	—	(2,211,345)	(2,211,345)
Annual surplus (deficit)	\$ (39,293,064)	\$ (42,985,980)	\$ (15,947,741)	\$ 54,704,466	\$ 1,399,509	\$ (669,209)	\$ 15,618,081	\$ 384,959,590	\$ 357,785,652

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

12. Segmented information (continued):

A description of the services area for segmented information is as follows:

(a) General government:

General government service area includes the governance of the City, corporate administration and supporting services.

(b) Protection to persons and property:

Protection comprises the administration and operations of the Fire Department that delivers fire suppression services, rescue services and fire prevention education. Enforcement services provide bylaw enforcement throughout the City. The Building Standards Department provides inspection services, plan examination services, plumbing services and the issuance of building permits.

(c) Transportation services:

Transportation services area includes the administration and operations of the Public Works Department as it relates to the delivery of road maintenance services, winter control and street lighting maintenance.

(d) Environmental services:

Environmental services area includes the administration and the operation of the water, wastewater, storm water distribution system as provided by the Public Works and Engineering Services Departments. This section also includes the cost of potable water and wastewater services. The collection of waste and recycling materials is provided by the Public Works Department.

(e) Health, social and family services:

This area consists of the maintenance of the City's cemeteries and funding for assistance to aged persons.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

12. Segmented information (continued):

(f) Recreation and cultural services:

The recreation and cultural services area includes the delivery of recreational program services and cultural services provided by the Recreation and Culture Department. The Corporation of the City of Vaughan Public Library Board provides library services through its various library facilities. The maintenance of the City's parks network is provided by the Parks and Forestry Operations Department and maintenance of the City's recreation facilities is provided by the Building and Facilities Department.

(g) Planning and development:

Planning and development consist of the administration and operations of the Planning Department as it relates to the development of the City through development planning services, policy planning and urban design services.

Certain allocation methodologies are employed in the preparation of the segmented financial information. Taxation, payments-in-lieu of taxes and investment income are allocated to the segments based on the actual expenses. User charges and other revenue have been allocated to the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

13. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2019 operating and capital budgets approved by Council on February 20, 2019. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements:

	Budget amount
Revenue:	
Operating budget	\$ 310,333,389
Water, wastewater and stormwater budget	180,016,690
Capital budget	165,758,261
Add (less):	
Transfers from other funds	(85,720,960)
Proceeds from debt issue	(15,140,070)
Other adjustments	(2,141,193)
Hospital levy	7,094,339
	560,200,456
Expenses:	
Operating budget	310,333,389
Water, wastewater and stormwater budget	180,016,690
Capital budget	165,758,261
Add (less):	
Transfers to other funds	(52,026,113)
Debt principal payments	(6,858,700)
Other adjustments	(1,251,194)
Hospital levy	7,094,339
	603,066,672
Annual deficit	\$ (42,866,216)

14. Trust funds:

Trust funds administered by the City amounting to \$1,451,605 (2018 - \$1,411,960) are presented in a separate financial statement of trust balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated financial position and consolidated financial activities.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

15. Contractual rights:

The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

The City has a number of federal and provincial funding agreements with estimated future funding of \$40.8 million (for the period 2020 to 2023). The City has also entered into a number of third party contracts to provide shared services with estimated future recoveries of \$5.6 million (for the period 2020 to 2021). Future revenues from lease agreements for City-owned properties are approximately \$2.3 million (for the period 2020 to 2066).

16. Commitments:

(a) Lease and operating commitments:

The City has entered into a number of long-term contractual agreements and operating commitments, such as waste collection and snow clearing, obtaining City Council and other approvals as required. Expenses relating to these agreements are recorded in the year in which the payments are made. For these lease and operating commitments, minimum payments have been estimated as follows:

2020	\$ 56,350,000
2021	38,564,000
2022	24,794,000
2023	19,872,000
2024	16,903,000
Thereafter	46,519,000
	<hr/>
	\$ 203,002,000

(b) Loan guarantees:

The City has entered into contracted agreements to guarantee loans for the following:

- (i) for the accumulated sum not exceeding \$5.0 million with the Ontario Soccer Association. The loan balance as at December 31, 2019 is \$3.3 million (2018 - \$3.7 million), is in good standing and no loss has been recognized.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

16. Commitments (continued):

(ii) for the accumulated sum not exceeding \$4.5 million with the Mentena Development Group. The loan balance as at December 31, 2019 is \$2.95 million (2018 - \$3.4 million), is in good standing and no loss has been recognized.

(iii) for the total obligations outstanding under the Financing Agreement between the YMCA of Greater Toronto Area and Ontario Infrastructure and Lands Corporation in connection with the construction of a YMCA, City Library and City Recreation Space in the Vaughan Metropolitan Centre.

(c) Joint services agreement:

Pursuant to a joint service agreement between PowerStream and the City, which was continued by Alectra and the City, Alectra charges the City, at agreed rates, for various administrative functions. In addition, the City performs certain shared services which are charged to Alectra. The total commitment under the agreement for 2019 is \$1.9 million in net charges to the City by Alectra. A new five-year agreement was finalized in 2016 before the merger with Alectra in February 2017 and this agreement continues through 2020.

(d) Capital commitments:

The City has entered into a number of contractual agreements for capital works obtaining City Council and other approvals as required. The total value of approved and outstanding capital works at December 31, 2019 is approximately \$302.0 million. Expenses relating to capital works are recorded in the year in which expenses are incurred and measurable as a result of receipt of goods or services under/or the creation of a legal obligation.

(e) Vaughan Hospital Precinct Development Plan:

In 2009, the City approved a grant in the amount of \$80 million, being a contribution toward the local share for land acquisition and development of a hospital in Vaughan. A special property tax levy was approved in 2009 to collect the funds of the grant required to cover the land and development costs. The total contribution is anticipated to be collected by 2022. In August 2010, the City purchased land for the hospital in the amount of \$60 million. The cost of the land is included in the City's tangible capital assets. The remaining \$20 million has been spent on development costs.

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

17. Subsequent event and contingencies:

(a) Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian, Ontario and local governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions, however, the success of these interventions is not currently determinable.

The City of Vaughan declared a state of emergency under the Emergency Management Act Ontario on March 17, 2020. The declaration of a state of emergency provides the Mayor with the ability to take action and make orders, as necessary, to protect the health, safety and welfare of residents. In addition, at the time of approval of these consolidated financial statements, the activities undertaken by the City of Vaughan in response to the pandemic include:

- Declaration of a State of Emergency and activation of the City's Emergency Operations Centre;
- Establishment of a COVID-19 Task Force led by Fire and Rescue Services and the Emergency Management Office to coordinate the City's response to the pandemic and activities to help flatten the curve;
- Closure of all City facilities and park amenities including refunds issued without penalty for all cancelled camps, programs and permits;
- Additional safety measures and protocols in all aspects of the City's operations and service delivery;
- Financial assistance with respect to deferral of property taxes (waived late payment penalty on the Interim billing until July 1);
- Deferred renewals of Business Licenses for existing businesses by up to 90 days;
- Deferred monthly rent payments for not-for-profit Tenants within City-owned facilities for three months (April to June);

THE CORPORATION OF THE CITY OF VAUGHAN

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

17. Subsequent event and contingencies (continued):

- Suspension of collection of Municipal Accommodation Tax until September 1;
- Deferral of the annual Stormwater Charge for 60 days;
- Cancellation of the 2020 Water and Wastewater rate increases planned for April 1; and
- Implemented workforce re-balancing measures, including temporary layoffs for non-essential staff who are unable to work from home, re-deployments and organizational re-alignments.

The current challenging economic climate may lead to adverse changes in cash flows, reduction of service levels and budgetary constraints, which may also have a direct impact on the City's revenues, annual surplus or deficit and reserve and reserve funds in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the City, surrounding economy, and services are not known at this time.

At this time, these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

(b) Contingencies:

The City of Vaughan, in the course of its operations, is subject to claims, lawsuits and contingencies. Accruals have been made in specific instances where it is probable that liabilities will be incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may arise in other instances for which no accruals have been made, the City does not believe that such an outcome will significantly impair its operations or have a material adverse effect on its consolidated financial position.

Financial Statements of

**THE CORPORATION OF THE
CITY OF VAUGHAN PUBLIC
LIBRARY BOARD**

And Independent Auditors' Report thereon

Year ended December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of The Corporation of the City of Vaughan

Opinion

We have audited the financial statements of The Corporation of the City of Vaughan Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 29, 2020

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash	\$ 149,268	\$ 8,172
Due from the City of Vaughan (note 5)	252,858	210,356
	<u>402,126</u>	<u>218,528</u>
Financial Liabilities		
Accounts payable and accrued liabilities	403,915	193,611
Employee future benefits (note 2(b))	6,965,000	6,810,000
Deferred revenue	35,145	37,863
	<u>7,404,060</u>	<u>7,041,474</u>
Net debt	(7,001,934)	(6,822,946)
Non-Financial Assets		
Prepaid expenses	36,934	12,946
Tangible capital assets (note 3)	8,937,882	9,218,063
	<u>8,974,816</u>	<u>9,231,009</u>
Subsequent event (note 7)		
Accumulated surplus (note 4)	\$ 1,972,882	\$ 2,408,063

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019 (note 6)	Actual 2019	Actual 2018
Revenue:			
Municipal contributions (note 5)	\$ 17,171,688	\$ 19,230,195	\$ 18,872,578
Grants and subsidies	145,200	189,819	209,344
Fees, rental and sundry	433,500	444,260	382,478
	17,750,388	19,864,274	19,464,400
Expenses:			
Salaries and wages	11,909,423	12,084,393	11,159,093
Employee benefits	2,968,560	3,080,739	2,796,833
General administration	795,400	844,162	867,561
Periodicals	528,800	533,378	432,886
Maintenance and repairs	537,000	494,486	551,633
Utilities	447,845	410,434	386,948
Office furniture and technology	258,660	267,328	356,415
Cleaning services	140,200	137,712	122,520
Programmes	57,900	86,153	78,754
Supplies	85,600	67,788	87,429
Consulting and outside services	21,000	21,982	20,225
Amortization of tangible capital assets (note 3)	—	2,270,900	2,123,774
	17,750,388	20,299,455	18,984,071
Annual surplus (deficit)	—	(435,181)	480,329
Accumulated surplus, beginning of year	2,408,063	2,408,063	1,927,734
Accumulated surplus, end of year	\$ 2,408,063	\$ 1,972,882	\$ 2,408,063

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Statement of Change in Net Debt

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Annual surplus (deficit)	\$ (435,181)	\$ 480,329
Net increase in prepaid expenses	(23,988)	(4,648)
Purchase of tangible capital assets	(1,990,719)	(2,765,409)
Amortization of tangible capital assets	2,270,900	2,123,774
Loss on disposal of tangible capital assets	—	4,306
Increase in net debt	(178,988)	(161,648)
Net debt, beginning of year	(6,822,946)	(6,661,298)
Net debt, end of year	\$ (7,001,934)	\$ (6,822,946)

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (435,181)	\$ 480,329
Items not involving cash:		
Amortization of tangible capital assets	2,270,900	2,123,774
Loss on disposal of tangible capital assets	—	4,306
Increase in employee future benefits	155,000	157,000
Change in non-cash assets and liabilities:		
Due from the City of Vaughan	(42,502)	100,029
Accounts payable and accrued liabilities	210,304	(58,983)
Deferred revenue	(2,718)	(32,674)
Prepaid expenses	(23,988)	(4,648)
	2,131,815	2,769,133
Capital activities:		
Purchase of tangible capital assets	(1,990,719)	(2,765,409)
Increase in cash	141,096	3,724
Cash, beginning of year	8,172	4,448
Cash, end of year	\$ 149,268	\$ 8,172

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements

Year ended December 31, 2019

The Corporation of the City of Vaughan Public Library Board (the "Library") is a local board of the Corporation of the City of Vaughan (the "City of Vaughan"). The Library is deemed to be a separate incorporated public library board established under the Public Libraries Act (Ontario) and is responsible for providing public library services that reflect the community's needs.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the Library are prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies are as follows:

(b) Accrual basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenses are the costs of goods and services and are recognized when acquired in the year, whether or not payments have been made or invoices received.

(c) Non-financial assets:

(i) Tangible capital assets:

Tangible capital assets are non-financial assets having physical substance that are not generally available to the Library for use in discharging its existing liabilities and are held for use in the provision of services. These assets are significant economic resources that are not intended for sale in the ordinary course of business and have an estimated useful life that extends beyond the current year.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the 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:

Books	7 years
Audiovisual materials	7 years
Furniture and fixtures	10 years
Equipment	5 - 10 years
Vehicle	7 years

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and recorded as revenue.

(iii) Works of art and cultural and historic assets:

The Library does not own any notable works of art and historical treasures at their branches. Typically, these assets are deemed worthy of preservation because of the social rather than financial benefits that they provide to the community. The historic costs of art and treasures are not determinable or relevant to their significance hence a valuation is not assigned to these assets nor would they be disclosed of in the financial statements.

(iv) Leased tangible capital assets:

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(v) Land and buildings:

The land and buildings that the Library use are owned by the City of Vaughan and are not recorded as tangible capital assets in the Library's financial statements.

(d) Government transfers:

Government transfers are recognized in the financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

(e) Deferred revenue:

Contributions for which the related expenses have not been incurred are recorded as deferred revenue and recognized as revenue in the year in which the related expenses are incurred.

(f) Vacation entitlements:

Vacation entitlements which have been earned but are untaken, form part of the employee future benefits in these financial statements.

(g) Pension and post-retirement non-pension benefits:

The Library accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

The Library actuarially determines the cost of the post-retirement non-pension benefits using the projected benefit method prorated on service and based on management's best estimated assumptions. Under this method, the projected post-retirement non-pension benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at date of hire; and ended at the earliest age the employee could retire and qualify for benefits. Compensated absence and termination benefits that do not vest or accumulate are recognized as an expense when the event occurs.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Significant estimates include assumptions used in estimating provisions for accrued liabilities, and in performing actuarial valuations of employee future benefits.

In addition, the Library's implementation of the PSAB section 3150, Tangible Capital Assets, requires management to make estimates of useful lives of tangible capital assets. Actual results could differ from these estimates.

(i) Presentation of budget information:

The Library completes an operating budget review each year. The approved budget figures for 2019 are reflected on the statement of operations and accumulated surplus and in note 6. Actual revenue and expenses may differ significantly from annual budgets.

2. Employee future benefits:

(a) Pensions:

The Library provides a pension plan for its employees through OMERS. OMERS is a multi-employer pension plan, which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by employees based on the length of credited service and average earnings. No past service liability exists.

Total OMERS contributions amounted to \$1,932,000 in 2019 (2018 - \$1,838,000), of which \$966,000 (2018 - \$919,000) represented the Library's portion.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Employee future benefits (continued):

(b) Post-retirement non-pension benefits:

The Library pays certain health, dental and life insurance benefits on behalf of its retired employees. The Library recognizes these post-retirement non-pension benefit costs in the year in which the employee rendered the services.

The projected benefit liability for active employees and retirees at December 31, 2019 of \$6,548,000 (2018 - \$6,416,000) and the expense for the year ended December 31, 2019 of \$244,000 (2018 - \$237,000) was determined by actuarial valuation using a discount rate of 3.5% (2018 - 3.5%).

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

	2019	2018
Accrued benefit liability:		
Balance, beginning of year	\$ 6,416,000	\$ 6,285,000
Service	205,000	208,000
Interest	173,000	164,000
Amortization of actuarial gain	(134,000)	(135,000)
Benefits paid	(112,000)	(106,000)
Accrued benefit liability	\$ 6,548,000	\$ 6,416,000
Unamortized actuarial gain	(1,483,000)	(1,617,000)
Projected accrued benefit obligation, end of year, as determined by actuarial valuation	\$ 5,065,000	\$ 4,799,000
Components of benefit expense:		
Service	\$ 205,000	\$ 208,000
Interest	173,000	164,000
Amortization of actuarial gain	(134,000)	(135,000)
Benefit expense	\$ 244,000	\$ 237,000

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Employee future benefits (continued):

Shown below are the components of the liability for employee future benefits:

	2019	2018
Post-retirement non-pension benefits	\$ 6,548,000	\$ 6,416,000
Vacation pay	417,000	394,000
	\$ 6,965,000	\$ 6,810,000

3. Tangible capital assets:

Cost	Balance, December 31, 2018	Additions	Disposals	Balance, December 31, 2019
Books	\$ 9,281,218	\$ 1,066,357	\$ 926,593	\$ 9,420,982
Audiovisual materials	4,124,180	656,856	473,282	4,307,754
Furniture and fixtures	2,767,875	93,511	65,449	2,795,937
Equipment	1,578,001	118,820	—	1,696,821
Vehicle	—	55,175	—	55,175
Total	\$ 17,751,274	\$ 1,990,719	\$ 1,465,324	\$ 18,276,669

Accumulated amortization	Balance, December 31, 2018	Amortization expense	Disposals	Balance, December 31, 2019
Books	\$ 4,109,775	\$ 1,368,758	\$ 926,593	\$ 4,551,940
Audiovisual materials	1,918,692	603,601	473,282	2,049,011
Furniture and fixtures	1,616,362	144,025	65,449	1,694,938
Equipment	888,382	149,260	—	1,037,642
Vehicle	—	5,256	—	5,256
Total	\$ 8,533,211	\$ 2,270,900	\$ 1,465,324	\$ 9,338,787

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Tangible capital assets:

Net book value	2019	2018
Books	\$ 4,869,042	\$ 5,171,443
Audiovisual materials	2,258,743	2,205,488
Furniture and fixtures	1,100,999	1,151,513
Equipment	659,179	689,619
Vehicle	49,919	—
Total	\$ 8,937,882	\$ 9,218,063

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2019	2018
Surplus invested in tangible capital assets (note 3)	\$ 8,937,882	\$ 9,218,063
Unfunded employee benefits (note 2)	(6,965,000)	(6,810,000)
	\$ 1,972,882	\$ 2,408,063

5. Related party transactions and balance:

During the year, the Library received municipal contributions from the City of Vaughan of \$19,230,195 (2018 - \$18,872,578).

Amounts due from the City of Vaughan of \$252,858 (2018 - \$210,356) have no specific terms of repayment and the amounts do not bear any interest due from the City of Vaughan.

THE CORPORATION OF THE CITY OF VAUGHAN PUBLIC LIBRARY BOARD

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

6. Budget data:

The audited budget data presented in these financial statements is based upon the 2019 operating and capital budgets approved by the Library on September 13, 2018. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Revenue:	
Approved operating budget	\$ 17,750,388
Approved capital budget	38,979,507
	56,729,895
Less elimination of capital expense budget	38,979,507
Total revenue and expense	\$ 17,750,388

7. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian, Ontario and local governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown.

As of the date these financial statements were approved, the Library was closed as of March 14, 2020 and will reopen after due consideration of Ontario Provincial legislation, York Regional Health advisories, and City of Vaughan declarations. At this time, it is not yet determinable when the Library will be able to fully reopen to the public or the financial impact that this subsequent event will have upon the Library.

Financial Statements of

**BOARD OF MANAGEMENT FOR
THE KLEINBURG BUSINESS
IMPROVEMENT AREA**

And Independent Auditors' Report thereon

Year ended December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Board Members of Kleinburg Business Improvement Area,
Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Vaughan

Opinion

We have audited the financial statements of the Board of Management for the Kleinburg Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada
September 29, 2020

BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

DRAFT Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash	\$ 13,567	\$ 2,462
Taxes receivable	1,838	5,289
	15,405	7,751
Financial Liabilities		
Accounts payable and accrued liabilities	6,763	4,356
Net financial assets	8,642	3,395
Non-Financial Assets		
Prepaid expenses	905	739
Subsequent event (note 3)		
Accumulated surplus	\$ 9,547	\$ 4,134

See accompanying notes to financial statements.

BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

DRAFT Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019 (note 2(e))	Actual 2019	Actual 2018
Revenue:			
Kleinburg Business Improvement			
Area special area levy	\$ 47,500	\$ 47,500	\$ 46,000
Grants	—	5,469	3,767
Other income	—	122	14,169
Event dollars raised	—	—	1,433
	47,500	53,091	65,369
Expenses:			
Outside contract services	24,500	29,729	37,383
Special events	10,000	6,424	—
Chamber of Commerce partnership	—	4,070	4,520
Advertising and marketing	6,400	2,167	10,631
Miscellaneous	3,400	2,640	2,153
Insurance	1,550	1,548	1,993
Consulting fees	—	1,100	1,801
Street Art	—	—	7,194
OBIAA conference and membership	1,650	—	1,927
Christmas decoration replacement	—	—	3,226
	47,500	47,678	70,828
Annual surplus (deficit)	—	5,413	(5,459)
Accumulated surplus, beginning of year	4,134	4,134	9,593
Accumulated surplus, end of year	\$ 4,134	\$ 9,547	\$ 4,134

See accompanying notes to financial statements.

BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

DRAFT Statement of Changes in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019 (note 2(e))	Actual 2019	Actual 2018
Annual surplus (deficit)	\$ —	\$ 5,413	\$ (5,459)
Use (acquisition) of prepaid expenses	—	(166)	4,517
Increase (decrease) in net financial assets	—	5,247	(942)
Net financial assets, beginning of year	3,395	3,395	4,337
Net financial assets, end of year	\$ 3,395	\$ 8,642	\$ 3,395

See accompanying notes to financial statements.

BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

DRAFT Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ 5,413	\$ (5,459)
Change in taxes receivable	3,451	(3,561)
Change in prepaid expenses	(166)	4,517
Change in accounts payable and accrued liabilities	2,407	4,356
Increase (decrease) in cash	11,105	(147)
Cash, beginning of year	2,462	2,609
Cash, end of year	\$ 13,567	\$ 2,462

See accompanying notes to financial statements.

BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements

Year ended December 31, 2019

1. Nature of operations:

The Board of Management for the Kleinburg Business Improvement Area (the "Board") was established by a City of Vaughan bylaw dated May 28, 1984. The principal purpose of the Board is to provide for beautification, maintenance and promotion of the Kleinburg Business Improvement Area.

The Board may not borrow money, and without the prior approval of Municipal Council, may not incur indebtedness beyond the current year.

2. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the Board are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Accrual basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenses are the costs of goods or services and are recognized when acquired in the year, whether or not payments have been made or invoices received.

(c) Government transfers:

Government transfers are recognized in the financial statements as revenue in the year in which events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(d) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

(e) Budget information:

The audited budget information presented in these financial statements is based on the budget approved by City Council on February 12, 2019.

3. Subsequent event:

Subsequent to year end, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The COVID-19 pandemic is currently impacting many organizations, as all levels of government are advising individuals to self-isolate or to practice social-distancing. It is currently not known how long or to what extent the pandemic will impact the Board's operations. Currently, an estimate of the financial effect to the Board cannot be made as the pandemic's impact is changing daily.

Financial Statements of

**THE CORPORATION OF THE
CITY OF VAUGHAN TRUST FUNDS**

And Independent Auditors' Report thereon

Year ended December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Vaughan

Opinion

We have audited the financial statements of The Corporation of the City of Vaughan Trust Funds (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and changes in fund balance for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 29, 2020

THE CORPORATION OF THE CITY OF VAUGHAN TRUST FUNDS

DRAFT Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash	\$ 1,443,990	\$ 1,395,348
Due from The Corporation of the City of Vaughan (note 2)	7,615	16,612
	\$ 1,451,605	\$ 1,411,960
Fund Balance		
	\$ 1,451,605	\$ 1,411,960
Subsequent event (note 3)		
	\$ 1,451,605	\$ 1,411,960

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN

TRUST FUNDS

DRAFT Statement of Operations and Changes in Fund Balance

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Sources of funds:		
Capital receipts - sale of plots/markers (note 1(a))	\$ 39,645	\$ 42,808
Interest earned (note 1(a))	32,031	26,196
	<u>71,676</u>	<u>69,004</u>
Use of funds:		
Maintenance (note 1(a))	32,031	26,196
Net activity	39,645	42,808
Fund balance, beginning of year	1,411,960	1,369,152
Fund balance, end of year	<u>\$ 1,451,605</u>	<u>\$ 1,411,960</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VAUGHAN TRUST FUNDS

DRAFT Notes to Financial Statements

Year ended December 31, 2019

1. Significant accounting policies:

(a) General:

These financial statements reflect the fund balance and operations of the trust funds administered by The Corporation of the City of Vaughan (the "City").

The City administers the Cemetery Perpetual Care Trust Fund in accordance with the provisions of the Cemeteries Act of Ontario.

(b) Basis of accounting:

Capital receipts and withdrawals on the statement of operations and changes in fund balance are reported on the cash basis of accounting. Other items are reported on an accrual basis.

2. Due from The Corporation of the City of Vaughan:

The balance due from The Corporation of the City of Vaughan is non-interest bearing and has no specific terms of repayment.

3. Subsequent event:

Subsequent to year end, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The COVID-19 pandemic is currently impacting many organizations, as all levels of government are advising individuals to self-isolate or to practice social-distancing.

It is currently not known how long or to what extent the pandemic will impact the Trust Funds. Currently, an estimate of the financial effect to the Trust Funds cannot be made as the pandemic's impact is changing daily.

Statement of Revenue and Expenditures and
Fund Balance of

**THE CORPORATION OF THE
CITY OF VAUGHAN**

MAYOR'S GALA AND GOLF EVENTS

And Independent Auditors' Report thereon

Year ended December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of The Corporation of the City of Vaughan

Qualified Opinion

We have audited the statement of revenue and expenditures and fund balance of Mayor's Gala and Golf Events of The Corporation of the City of Vaughan (the Entity) for the year ended December 31, 2019, and notes to the statement, including a summary of significant accounting policies (Hereinafter referred to as the "statement").

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditors' report, the accompanying statement for the year ended December 31, 2019 of the Mayor's Gala and Golf Events is prepared, in all material respects, in accordance with the financial reporting framework described in Note 1 to the statement.

Basis for Qualified Opinion

In common with many charitable organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the revenues and surpluses reported in the statements of revenue and expenditures and fund balance for the years ended December 31, 2019 and December 31, 2018
- the fund balances, at the beginning and end of the year, reported in the statements of revenue and expenditures and fund balance for the years ended December 31, 2019 and December 31, 2018

Our opinion on the statement for the year ended December 31, 2018 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Statement"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 1 in the statement which describes the applicable financial reporting framework and the purpose of the statement.

As a result, the statement may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation of the statement in accordance with the financial reporting framework described in Note 1 to the statement; this includes determining that the applicable financial reporting framework is an acceptable basis for the preparation of the statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 29, 2020

THE CORPORATION OF THE CITY OF VAUGHAN

MAYOR'S GALA AND GOLF EVENTS

DRAFT Statement of Revenue and Expenditures and Fund Balance

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Mayor's Gala Event		
Revenue:		
Revenue received by City, net of harmonized sales tax	\$ 716,757	\$ 583,467
Expenditures:		
Mayor's Gala Event	197,164	170,439
City administration recovery (note 2)	23,757	23,816
Professional fees	22,865	22,147
	<u>243,786</u>	<u>216,402</u>
Surplus from Mayor's Gala Event	472,971	367,065
Mayor's Golf Tournament		
Revenue:		
Revenue received by City, net of harmonized sales tax	220,628	194,142
Expenditures:		
Mayor's Golf Tournament	83,791	83,539
City administration recovery (note 2)	23,343	23,372
Professional fees	2,366	2,125
	<u>109,500</u>	<u>109,036</u>
Surplus from Mayor's Golf Tournament	111,128	85,106
Total surplus from Mayor's Gala Event and Mayor's Golf Tournament	584,099	452,171
Balance carried forward from previous years	601,188	149,017
Total funds available for distribution	1,185,287	601,188
City distributions to qualified recipients (note 3)	(711,670)	–
Subsequent event (note 4)		
Fund balance, end of year	<u>\$ 473,617</u>	<u>\$ 601,188</u>

See accompanying notes to statement of revenue and expenditures and fund balance.

THE CORPORATION OF THE CITY OF VAUGHAN

MAYOR'S GALA AND GOLF EVENTS

DRAFT Notes to Statement of Revenue and Expenditures and Fund Balance

Year ended December 31, 2019

1. Basis of accounting:

The financial statement is prepared by management in a manner consistent with Canadian generally accepted accounting principles ("GAAP") for governments as recommended by the Public Sector Accounting Board. Management has interpreted GAAP to be the recognition and measurement principles for Public Sector Accounting Standards in the Chartered Professional Accountants of Canada Handbook. Recognition and measurement principles relate specifically to revenue and expenditures, and not the presentation principles or the presentation of all the financial statements and note disclosures required by Public Sector Accounting Standards for a complete set of financial statements.

The purpose of the financial statement is to report on the Mayor's Gala and Golf Events as directed by City Council.

2. City administration recovery:

The Corporation of the City of Vaughan ("City") charges the Mayor's Gala and Golf Events a set amount as recovery of internal labour costs spent on administering the Mayor's Gala and Golf Events.

3. City distributions to qualified recipients:

Under a resolution by City Council, recipients for the net proceeds raised from the Mayor's Gala and Golf Events include, but are not limited to, Vaughan-based charities, not-for-profit organizations, community groups and disaster relief assistance. During 2019, \$711,670 distributions (2018 - nil) were made to these qualified recipients.

Included in distributions is \$25,000 paid to the City's RecAssist program, which subsidizes the cost of the City's recreation programs for low income individuals and families in Vaughan, and \$5,000 in support of the City's Earth Hour event.

4. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. In response to the pandemic, the 2020 Mayor's Gala and Mayor's Classic Golf events have been postponed to 2021. The effect of this event on the Mayor's Gala and Golf Events is not yet determinable.

Financial Statements of

**TOURISM VAUGHAN
CORPORATION**

And Independent Auditors' Report thereon

Period from May 15, 2019 to December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Mayor, Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Vaughan

Opinion

We have audited the financial statements of Tourism Vaughan Corporation (the Entity), which comprise:

- the balance sheet as at December 31, 2019
- the statement of income and retained earnings for the period from May 15, 2019 to December 31, 2019
- the statement of cash flows for the period from May 15, 2019 to December 31, 2019
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations and its cash flows for the period from May 15, 2019 to December 31, 2019 in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 29, 2020

TOURISM VAUGHAN CORPORATION

DRAFT Balance Sheet

December 31, 2019

Assets

Current assets:

Due from the City of Vaughan (note 2)	\$ 891,624
---------------------------------------	------------

	\$ 891,624
--	------------

Liabilities and Shareholder's Equity

Current liabilities:

Accounts payable and accrued liabilities	\$ 5,000
--	----------

Shareholder's equity (note 3):

Retained earnings	886,624
-------------------	---------

Subsequent event (note 5)

	\$ 891,624
--	------------

See accompanying notes to financial statements.

TOURISM VAUGHAN CORPORATION

DRAFT Statement of Income and Retained Earnings

Period from May 15, 2019 to December 31, 2019

Revenue:	
Municipal accommodation tax	\$ 1,058,570
Expenses:	
General operating expenses	2,579
Administration fees	16,062
Professional fees	135,439
Salaries and benefits	17,866
	171,946
Net income, being retained earnings, end of period	\$ 886,624

See accompanying notes to financial statements.

TOURISM VAUGHAN CORPORATION

DRAFT Statement of Cash Flows

Period from May 15, 2019 to December 31, 2019

Cash provided by (used in):

Operations:

Net income \$ 886,624

Change in non-cash operating working capital:

Due from the City of Vaughan (891,624)

Accounts payable and accrued liabilities 5,000

Increase in cash and cash equivalents,

being cash and cash equivalents, end of period \$ —

See accompanying notes to financial statements.

TOURISM VAUGHAN CORPORATION

DRAFT Notes to Financial Statements

Period from May 15, 2019 to December 31, 2019

Tourism Vaughan Corporation (the "Corporation") is a municipal services corporation incorporated pursuant to Ontario Regulation 599/06 - Municipal Services Corporations, a regulation under the Municipal Act, 2001.

The Corporation was established to promote and market the city of Vaughan as a leading destination for tourism, leisure and business travel.

The Corporation of the City of Vaughan (the "City of Vaughan") passed a by-law effective April 1, 2019 charging a 4% municipal accommodation tax levy on the purchase of transient accommodation such as hotels, motels and bed and breakfast establishments.

By regulation, 50% of this levy must be transferred from the City of Vaughan to the Corporation to expend for the purposes of expanding tourism in the city of Vaughan.

The Corporation's operations shall be conducted without the purpose of gain for its sole member, the City of Vaughan. Any profits will be used in promoting the objective of enhancing tourism in the city of Vaughan.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

(a) Basis of accounting:

The Corporation follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the period in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of deposits in banks, certificates of deposits and investments with original maturities of three months or less.

TOURISM VAUGHAN CORPORATION

DRAFT Notes to Financial Statements (continued)

Period from May 15, 2019 to December 31, 2019

1. Significant accounting policies (continued):

(c) Government transfers:

Government transfers are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

(d) Financial instruments:

Financial instruments except freestanding derivatives, are initially recorded at fair value. Equity instruments are thereafter carried at cost. Interest bearing assets and liabilities are subsequently accounted for at amortized cost using the effective interest method.

When there is a loss in value of a financial asset that is other than temporary, the asset is written down and the loss is recorded in the statement of income and retained earnings. The write-down is not reversed if there is a subsequent increase in value.

Freestanding derivatives are recorded at fair value with changes in fair value being recorded in the statement of income and retained earnings.

Derivative financial instruments in an effective hedging relationship are accounted for using the accrual method.

No financial statement recognition is given to embedded derivatives or non-financial contracts with derivative characteristics.

(e) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the period. Actual results could differ from those estimates.

TOURISM VAUGHAN CORPORATION

DRAFT Notes to Financial Statements (continued)

Period from May 15, 2019 to December 31, 2019

2. Due from the City of Vaughan:

The amount due from the City of Vaughan is as follows:

Municipal accommodation tax revenue	\$ 1,058,570
Less cumulative amount of the Corporation's expenses paid by the City of Vaughan	166,946
	<u>\$ 891,624</u>

3. Share capital:

The Corporation was incorporated without share capital. The Corporation of the City of Vaughan is the only member. The Corporation is limited to providing services to owners or members of the Corporation on behalf of the City of Vaughan in lieu of the municipality providing those services itself.

4. Fair value of financial assets and financial liabilities:

The fair value of the Corporation's accounts payable and accrued liabilities approximates its carrying amount due to the relatively short period to maturity of this financial instrument.

The fair value of the amounts due from the City of Vaughan are determinable and are transacted at fair market value.

5. Subsequent event:

Subsequent to year end, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The COVID-19 pandemic is currently impacting many organizations, as all levels of government are advising individuals to self-isolate or to practice social-distancing.

It is currently not known how long or to what extent the pandemic will impact the Corporation. Currently, an estimate of the financial effect to the Corporation cannot be made as the pandemic's impact is changing daily.

The Corporation of the City of Vaughan

Audit Findings Report
for the year ended December 31, 2019

The logo for KPMG LLP, featuring the letters 'KPMG' in a bold, sans-serif font, followed by 'LLP' in a smaller, italicized font, all enclosed within a stylized, hand-drawn rectangular border.

Licensed Public Accountants

Prepared August 19, 2020

Presented September 22, 2020

kpmg.ca/audit



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Executive summary

Purpose of this report¹

The purpose of this Audit Findings Report is to assist you, as a member of the Committee of the Whole (2), in your review of the results of our audit of the consolidated financial statements of the Corporation of the City of Vaughan (the “City” or the “Entity”) for the year ended December 31, 2019.

Changes from the Audit Plan

The significant changes from our audit plan resulted from COVID-19, which impacts the City's operations subsequent to December 31, 2019. As a result of the pandemic, our audit approach and plan was adjusted to incorporate additional elements, testing and discussions with management, as well as the way in which we conducted our audit. The timing of the year-end audit took place in July. Subsequent events were assessed as part of our audit. See pages 4 and 15.

There have been no other significant changes.

Finalizing the Audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Committee
- Completing subsequent events procedures, up to the date of approval of the financial statements, including receipt of the final legal enquiry letter
- Receipt of the signed management representation letter (dated upon City Council approval of the financial statements)
- Obtaining evidence of City Council's approval of the financial statements

We will update the Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Financial statement presentation and disclosure

The presentation and disclosure of the consolidated financial statements are, in all material respects, in accordance with the City's relevant financial reporting framework, Canadian public sector accounting standards.

¹ This Audit Findings Report should not be used for any other purpose or by anyone other than the Committee of the Whole (2), City Council, and Management of the Entity. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Executive summary (continued)

Significant accounting policies and practices

There was no change to the significant accounting policies during the year.

The City adopted a new public sector accounting standard in 2019. See page 14 for considerations regarding the implementation of the new standard in the current year financial statements.

Adjustments and differences

We did not identify differences that remain uncorrected.

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

See page 16 for additional information.

Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting. We do, however, provide our observations and recommendations on best practices on page 18.

Accounting estimates

Overall, we are satisfied with the reasonability of accounting estimates.

The areas of estimates relate to the carrying value of tangible capital assets, provisions for certain accrued liabilities, including obligations related to employee future benefits and provisions for liabilities arising from legal claims.

See pages 10 and 11.

We believe management's process for identifying critical accounting estimates for these balances to be adequate. We did not identify any indicators of possible management bias.

Accounting estimates are disclosed as such in note 1(o) to the financial statements.

Financial impact of COVID-19

We have discussed the impact of COVID-19 on the operations of the City with management. Due to the uncertainty of the future financial impact to the City, management has added a subsequent event to the notes to the financial statements. See page 15 for additional information.

See also page 4 for considerations in our audit and for resources.

Materiality

Materiality determination	Comments	Group amount
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$17,000,000.	\$17,000,000
Benchmark	Determined during our planning stage, and based on prior year total revenues as an estimate for revenue. This benchmark is consistent with the prior year.	\$863,000,000
% of Benchmark	This is within the acceptable range of 0.5 to 3%. The corresponding percentage for the prior year's audit was 2%.	2%
Audit Misstatement Posting Threshold (AMPT)	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the prior year's audit was \$850,000.	\$850,000
Significant Component Statutory Audit Materiality:		Amount
VHI	Materiality for the audit of VHI, determined to be within the City of Vaughan's group audit requirements. The corresponding amount for the prior year's audit was \$8.6M.	\$5,500,000
Alectra	Group Materiality for the audit of Alectra. Alectra materiality specific to the City of Vaughan group audit – 20.5%. The corresponding amounts for the prior year's audit was 21.49% and \$9,240,000.	\$49,000,000 \$10,045,000

Materiality is used to scope the audit, identify risks of material misstatements and evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality.

We have reported to the Committee:



Corrected audit misstatements



Uncorrected audit misstatements

See page 16.

Audit Response to COVID-19 Pandemic

COVID-19 was a key consideration in our audit approach for the December 31, 2019 financial statements.

Audit implications	Subsequent event considerations
<p>Planning and risk assessment</p> <ul style="list-style-type: none">• We obtained an understanding of the actual and potential financial reporting impacts, the changes in environment, and their impact on our:<ul style="list-style-type: none">◦ identified and assessed risks of material misstatement◦ audit strategy, including the involvement of others and the nature, timing and extent of tests of controls and substantive procedures <p>Executing</p> <ul style="list-style-type: none">• We performed a remote audit in July, which included increased use of collaboration tools.• Increased use of electronic evidence (and understanding the Entity's processes to provide such evidence to us) <p>Enhanced considerations</p> <ul style="list-style-type: none">• We discussed any financial implications and actions undertaken by the City with management in relation to COVID-19, including:<ul style="list-style-type: none">◦ Events or conditions that cast significant doubt regarding going concern and other indicators of financial distress◦ Impairment of non-financial assets (e.g., tangible capital assets)◦ Impairment of financial assets (e.g., financial instruments, such as investments and receivables)◦ Provisions and contingencies	<p>Subsequent to year-end, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market, and social dislocating impact. As such, enhanced subsequent event procedures are warranted.</p> <p>There are two types of subsequent events, with the accounting treatment dependent on the categorization as follows:</p> <ul style="list-style-type: none">• Events that provide future evidence of conditions that existed at the financial statement date. For these conditions, the financial statements should be adjusted for measurable impact to the assets, liabilities, revenues and expenditures.• Events that are indicative of conditions that arose subsequent to the financial statement date. For these conditions, disclosures, at a minimum, should include a description of the event and an estimate of the financial impact, when practicable, or a statement that an estimate cannot be made. <p>We discussed the types of subsequent events with management and the impact on the City's financial statement disclosures. A subsequent event note disclosure is included in note 17(a) to the financial statements.</p>
Potential financial reporting implications	Resources
<p>Refer to our COVID-19 Financial Reporting site for considerations of potential ongoing impacts to financial reporting.</p>	<p>COVID-19 Alerts (Live Link)</p> <p>Please visit our COVID-19 website for resources regarding operational topics, including tax, legal and business continuity considerations. This site is being <u>updated daily</u> based on information being released by Federal, Provincial and Municipal news releases.</p>

Audit risks and results

We highlight our significant findings in respect of significant financial reporting risks.

1 Significant Risk

Fraud risk from revenue recognition

Significant financial reporting risk

Fraud risk from revenue recognition.

Why is it significant?

This is a presumed fraud risk, as required under our professional auditing standards.

The primary risk of fraudulent revenue recognition resides with manual journal entries for revenue transactions not in the normal course of business as well as management's calculation of the deferred revenue – obligatory reserve funds balance.

Our response and significant findings

In order to address the presumed fraud risk from revenue recognition, we performed various audit procedures over the City's process for recognizing contributions from developers revenue, including:

- Evaluated the design and implementation and tested the operating effectiveness of selected relevant controls, including those relating to the tracking and reporting of capital project expenditures, and approvals of journal entries.

Other audit procedures included:

- Tested journal entries that are susceptible to manipulation through management override and unusual journal entries. See further details on page 12.
- As part of our audit approach to address the inherent risk of error in revenue recognition, we substantively tested revenues (both recognized and amounts held as deferred at year end) and analyzed unspent obligatory reserve funds through auditing management's methodology.
- Substantively tested development charges and other obligatory reserves cash receipts.
- Obtained the deferred revenue, obligatory reserve fund continuity schedule and selected samples for testing to determine if the original development charges received in prior years were used to fund capital expenditures in the current year and in accordance with the appropriate legislation. Based on our procedures, we conclude that the development charges recorded as revenue in fiscal 2019 were used to fund eligible capital projects.
- Reviewed recognition considerations for the other revenue streams.

We did not identify any issues related to fraud risk associated with revenue recognition.

Audit risks and results

2 Significant Risk

Fraud risk from management override of controls

Significant financial reporting risk

Fraud risk from management override of controls.

Why is it significant?

This is a presumed fraud risk, as required under our professional auditing standards.

We have not identified any specific additional risks of management override relating to this audit.

Our response and significant findings

As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates, as relevant, and evaluating the business rationale of significant unusual transactions.

Professional standards require certain procedures to be performed to address the presumed risks of management override of controls.

- Using our Data & Analytics software, we tested manual and automated journal entries by extracting all journal entries recorded in the general ledger system and other adjustments. Using these extractions, we selected a sample of journal entries and verified if they were supported by proper documentation and followed the journal entry initiation and approval controls and process in place. We did not find any exceptions in our testing over journal entries. Please see page 12 for details and results.
- Evaluated the completeness of the journal entry population through a roll-forward of all general ledger accounts.
- We evaluated the reasonableness of estimates. We found that management's process for identifying accounting estimates is considered adequate.
- We did not identify any specific additional risks of management override during our audit.

We did not identify any issues related to fraud risk associated with management override of controls.

Other areas of focus

Significant findings from the audit regarding areas of focus are as follows:

3 Area of focus Vaughan Holdings Inc.

Other area of focus

- We assessed Vaughan Holdings Inc. (“VHI”) as a significant component of the City’s consolidated financial statements.

Our response and significant findings

- The City recognizes its investment in Hydro Vaughan Corporations using the modified equity method. Using the criteria under Public Sector Accounting Standards (“PSA Standards”) PS 3070 – Investment in Government Business Enterprises, we determined that the City’s investment in Hydro Vaughan Corporations continues to meet the criteria of the standard, and therefore it is appropriate to continue to record the investment using the modified equity method of accounting.
- In 2019, the City’s share of Hydro Vaughan Corporations’ net income and dividends paid out totalled \$10.8M and \$14.3M, respectively (2018 - \$25.2M and \$12.7M, respectively).
- VHI received a \$1.9M (2018 - \$2.2M) return of capital from Alectra, which was recorded as a reduction to VHI’s investment in Alectra. VHI issued a similar return of capital of \$1.9M to the City.
- On January 1, 2019, Alectra amalgamated with Guelph Hydro Electric Systems Inc. As a result of the amalgamation, VHI’s investment in Alectra effectively changed from 21.49% to 20.5% and also resulted in a net gain to the City, through VHI, of \$989.6K.
- These transactions are described in note 4 to the financial statements.
- We verified the transactions between each of the respective entities, and performed a reconciliation of the amounts reported in the financial statements of the City, VHI, and Alectra as at December 31, 2019.
- **Based on our audit, we conclude that management has appropriately recorded and presented its investment in Hydro Vaughan Corporations using modified equity accounting.**

Other areas of focus

4 Area of focus YMCA Project

Other area of focus

- In 2017, the City entered into an arrangement with YMCA of Greater Toronto Area (“YMCA”) and Penguin Calloway Vaughan Partnership for the construction of a YMCA and City Facility (together, “facility”) that is within a mixed use building being developed in the Vaughan Metropolitan Centre. The City is funding a significant portion of the construction costs and is guarantor to the YMCA’s share of financing.

Our response and significant findings

- The facility will be shared between the City and YMCA for occupancy whereby the City will use 30% of the facility and YMCA will use the remaining 70%.
- The City is funding its 30% share of the facility and 2/3 of YMCA’s 70% share of the facility.
- YMCA entered into a financing agreement with Ontario Infrastructure and Lands Corporation (OILC) to obtain a construction loan of up to \$66M, which the City has guaranteed. In the event of default by YMCA, the City is required to assume all liabilities and take first right to ownership of all assets related to the facility, as part of this transaction.
- As at December 31, 2019, the City has incurred a cumulative \$53.0M (2018 - \$40.5M) on the project, comprising:

(millions)	<u>2019</u>	<u>2018</u>
Land	\$11.0	\$11.0
Land transfer tax	1.5	1.5
The City’s portion of the facility	15.6	10.8
The YMCA’s portion of the facility	<u>24.9</u>	<u>17.2</u>
	\$53.0	\$40.5
- The City has reported the \$53.0M (2018 - \$40.5M) as assets under construction as part of its tangible capital assets. A total of \$11.4M (2018 - \$11.4M) has been paid by the City with a remainder of \$41.6M (2018 - \$29.3M) recorded as long-term debt.
- These transactions are described in note 7 to the financial statements, including the repayment schedule of debt payments owing to YMCA.
- We obtained and reviewed relevant agreements related to this facility between the City and other parties. We reviewed the detail of costs related to this facility that were incurred during 2019. We obtained direct confirmation from YMCA of the long term debt and repayment schedule owing to them, including confirmation that YMCA has not defaulted on their loan with OILC as at December 31, 2019, and confirmed with management subsequently up to the date of this report.
- **We did not note any issues with management’s estimates and assumptions and we find the measurement and disclosures related to this project to be appropriate.**

Other areas of focus

5

Area of focus

Municipal Accommodation Tax

Other area of focus

- Municipal Accommodation tax revenue (MAT) is a new revenue source for the City in 2019.
- The City incorporated a new municipal services corporation called Tourism Vaughan Corporation to carry out tourism promotion activities using 50% of MAT revenue.

Our response and significant findings

- The Municipal Act allows a local municipality to impose a transient accommodation tax and the City has done so by passing By-Law 029-2019, which, effective April 1, 2019, requires accommodation providers to charge a 4% municipal accommodation tax. For the 2019 year, the total amount recorded as revenue of the City is \$2.1M.
- In May 2019, Tourism Vaughan Corporation was incorporated. 50% of MAT revenues collected by the City is transferred to Tourism Vaughan, with the business objective of tourism promotion in the city of Vaughan. Expenses related to such tourism promotion activities are recorded as expenses of Tourism Vaughan, unless shared expenses are mutually beneficial to the City, in which case, the costs are allocated between the two entities.
- As Tourism Vaughan is controlled by the City, its accounts are consolidated with the City and reported in the consolidated financial statements.
- The remaining 50% of MAT revenues retained, and unspent, by the City, are maintained in a discretionary reserve fund with a balance of \$865K at the end of 2019.
- We selected a sample of revenues and tested their collections to cash receipts and remittance forms submitted by accommodation providers. We also tested expenses by sampling expenses and testing selected items to invoices and other supporting documentation.
- **We did not note any issues with municipal accommodation tax revenue or amounts reported in the Tourism Vaughan Corporation financial statements.**

Other areas of focus - estimates

6 Area of focus Employee Future Benefits

Other area of focus

- There is estimation uncertainty due to assumptions and estimates used by the actuary in calculating the liability for Employee Future Benefits.
- Management is required to disclose information in the financial statements about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities within the next financial year.
- We believe management's process for identifying and accounting for estimates is considered adequate.

Our response and significant findings

- Employee future benefits provided by the City, which will require funding in future periods, include post-retirement non-pension benefits and WSIB.
- The post-retirement non-pension benefits include certain health, dental and life insurance benefits for retired employees. WSIB benefits include benefits under the Workplace Safety and Insurance Board Act.
- The liability of these future benefits has been determined by two separate actuarial valuations performed as at January 1, 2017 for the 3 years of 2017 to 2019:
 - **Post-retirement non-pension benefits**
 - **WSIB**
- Our procedures included an assessment of management's estimates and assumptions used in determining the valuation of the liability, including management's best estimates over inflation rate, discount rate, benefit cost trend rates, retirement age and expected average remaining service life.
- We obtained written confirmation from management's experts (the actuaries), and performed an evaluation of the competence, capabilities, and objectivity of the actuaries, as required by professional standards when using their work as audit evidence.
- We recalculated the accruals based on the information noted above and did not identify any discrepancies.
- The details related to employee future benefits are described in note 5 to the financial statements.
- **We did not note any issues with management's estimates and assumptions and we find the measurement and disclosures of post-retirement non-pension benefits and WSIB liability to be appropriate.**

Other areas of focus - estimates

7 Area of focus Contingencies

Other area of focus

- There is estimation uncertainty related to the likelihood and measurement of a contingent liability.

Our response and significant findings

- PS3300 Contingent Liabilities requires that the City recognize a liability when it is likely that a future event will confirm that a liability has been incurred at the date of the financial statements; and the amount can be reasonably estimated.
- At any point in time, the City is subject to a number of matters which could potentially result in the determination of a contingent liability as defined above, including, but not limited to, matters such as legal claims, potential contamination of City-owned sites, etc.
- We reviewed the City's assessments of contingent liabilities and the process employed to develop and record the related estimated liabilities. Where applicable, KPMG discussed with the individuals responsible for the process and is satisfied that the methodology used is rational, consistent with the approach taken in prior years and has been appropriately reviewed.
- As these items are resolved, it is possible that the final amounts recorded for these liabilities may change, however the amounts currently recorded represent management's best estimates of exposure given the information presently available.
- **We did not note any issues in the City's assessment of contingent liabilities and amount of related liabilities that were recorded and reported for the year-ended December 31, 2019.**

Technology in the audit

We have utilized technology and D&A to enhance the quality and effectiveness of the audit.

Tool	Our results and insights
Journal entry testing	<p>We utilized our proprietary D&A tool, IDEA, to evaluate the completeness of the journal entry population through a roll-forward of all accounts, analyze journal entries and determine sub-populations for more focused and risk-based testing, and apply certain criteria to sub-populations to identify potential high-risk journal entries for further testing.</p> <ul style="list-style-type: none">— We did not identify any issues with completeness through our roll-forward procedures. <p>We are satisfied with the results of our testing of specific relevant journal entries, which were identified for testing using the computer assisted auditing techniques.</p>
Tangible capital assets	<p>WIP transfers to asset additions: We utilized IDEA to ensure that asset additions to tangible capital assets recorded in the Citywide database transferred from work in progress are removed from work in progress completely.</p> <ul style="list-style-type: none">— We compared the asset additions listing to transfers out of work in progress and we investigated any significant asset additions that are not completely removed from work in progress.— We did not identify any issues with the completeness of transfers out of work in progress as any remaining items were supported. <p>Disposals: We utilized IDEA to verify that assets that were disposed of during the year were completely removed from the register of assets in the Citywide database.</p> <ul style="list-style-type: none">— Our comparison of the disposals listing to the asset register continued to list assets that were disposed of, however, consistent with our findings in the past, they were identified with unique asset IDs and were all reported at nil cost values.— We did not identify any issues with the overstatement of assets being retained on the books for disposed assets. <p>Depreciation expense: We utilized IDEA to analyze depreciation expense on an asset level.</p> <ul style="list-style-type: none">— We replicated the formula used to determine individual assets' annual amortization expense and recalculated an expected amount after verifying the appropriate inputs were used. <p>We did not find any issues in our recalculation of amortization expense compared to the amounts recorded by the City.</p>

Holdback completeness

We utilized D&A to evaluate whether construction holdbacks liabilities have been completely and consistently recorded for significant projects in work in progress at year-end.

- We obtained the asset register for work in progress by project ID and the listing of contractor expenditures by business unit. We compared the holdbacks details from these two listings to identify significant projects that did not include a holdback.

We did not find any issues with the completeness of holdbacks liabilities.

Cash deposits deferred revenue

We utilized D&A to evaluate the year-over-year change (on a project level) for 100% of the population of projects for which cash deposits have been collected in the current and prior year.

- We used the cash deposits reconciliation listing for current year and prior year. We extracted cash receipts details from the prior year listing and compared them to cash on hand in the current year listing to determine if the deferred revenue roll-forward was complete and accurately calculated.

There were no issues with the completeness of prior year deposits in the records of the current year.

Significant accounting policies and practices



Initial selections

There were no initial selections of significant accounting policies and practices. The following new accounting policy was effective and applied during the year as required under Public Sector Accounting Standards.



Changes

Changes to significant accounting policies and practices and the impact on the financial statements are disclosed in note 1(q) to the financial statements.

Beginning in fiscal 2019, the City is now required to adopt the following new public sector accounting standard (PSAS), which was applied prospectively:

PS 3430 – Restructuring Transactions

- This section establishes standards on how to account for and report restructuring transactions by both transferors and recipients of asset and/or liabilities, together with related program and operating responsibilities. Individual assets and liabilities received in a restructuring transaction should be recognized by the recipient if they meet the definitions of assets and liabilities and applicable recognition criteria at the restructuring date. Individual assets and liabilities transferred in a restructuring transaction should be derecognized by the transferor if they no longer meet the definition of assets and liabilities and applicable recognition criteria at the restructuring date.
 - The City has internal policies to identify and monitor restructuring transactions. Our findings from our review of internal policies and procedures were consistent in this regard. At the completion of the audit, we will obtain from management a signed representation letter indicating that there were no restructuring transactions that were not identified to us or disclosed in the financial statements.
- As at December 31, 2019, and for the year then ended, the City does not have any restructuring transactions, as defined by the PS3430 to report.
-

Other matters

Professional standards require us to communicate to the Committee Other Matters, such as material inconsistencies or material misstatements between MD&A and the audited financial statements, identified fraud or non-compliance with laws and regulations, consultations with other accountants, significant matters relating to the Entity's related parties, significant difficulties encountered during the audit, and disagreements with management.

We have highlighted below other significant matters that we would like to bring to your attention:

Matter	Comments
Subsequent event (note 17(a) to the financial statements)	<ul style="list-style-type: none">– In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This matter has far-reaching consequences for many organizations.– We have considered the potential impact on the financial statements with management and determined that a subsequent events disclosure is warranted. Financial implications are not fully known at this time.– We also updated our discussion with management on their assessment of the City as a going concern. Management notes that while there are closures of certain facilities and services and reduced revenues, management has asserted that its financial position is adequate to support the continued use of the going concern assumption at this time, and that there are cost savings from closures.– Disclosure describing the COVID-19 event and the potential financial implications of it to the City are included in the financial statements.

Uncorrected differences and Corrected Adjustments

Differences and adjustments include disclosure differences and adjustments.

Professional standards require that we request of management and the Committee that all identified differences be corrected. We have already made this request of management.

Uncorrected differences

We did not identify differences that remain uncorrected.

Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

Control deficiencies

In accordance with professional standards, we are required to communicate to the Committee significant deficiencies in internal control over financial reporting (ICFR) that we identified during our audit.

The purpose of our audit is to express an opinion on the financial statements. Our audit included consideration of ICFR 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 ICFR. The matters being reported are limited to those deficiencies that we have identified during our audit and that we have concluded are of sufficient importance to merit being reported to the audit committee.

Significant deficiencies

There were no significant deficiencies identified.

Other observations

Item	Observation
Vacation accrual	<ul style="list-style-type: none"> – Disclosed in the financial statements is vacation entitlements liability (see note 5(c)), which is \$7.6M in 2019 and \$6.6M in 2018. The City's various collective agreements, Management bylaw and other HR policies permit certain maximum days to be carried over if unused. We note that there is an upward trend in this accrual over the past several years and we understand that this increase is due to factors such as compensation increases and increased number of unused days carried over. – We note that there are several risks associated with maintaining high levels of vacation accruals, for example, the cost of those vacation entitlements become increasingly more expensive as compensation levels increase, it can be potentially disruptive to the City's operations in the case where employees are granted extended leaves, and the financial impact to the City's financial position becomes less favourable as more reliance is placed on reserves or future funding in order to fund this liability. – In line with leading practices, we recommend that management carefully assess vacation entitlements, and put a plan in place to draw down on entitlements in order to better manage this liability and avoid servicing it at a higher cost than necessary. We note that in 2020, this liability is anticipated to amplify as employees defer vacation plans in light of COVID-19 and associated travel restrictions. We understand that senior management has issued formal communications to staff to encourage vacation usage. The City should consider developing and enforcing an effective policy with a specific objective of drawing down the liability. – Additionally, as another leading practice and as a fraud prevention measure, we note that management should ensure that staff take annual vacations and that another employee perform their work in their absence. This cost efficient control is one of the most effective methods of identifying any potential irregularities in performance. It also provides cross training for succession planning purposes.

Current developments and audit trends

Thought Leadership

Our discussions with you and what KPMG is seeing in the marketplace—both from an audit and industry perspective—indicate the following is specific information that will be of particular interest to you. We would, of course, be happy to further discuss this information with you at your convenience.

Thought Leadership	Overview	Links
Audit & Assurance Insights	Curated thought leadership, research and insights from subject matter experts across KPMG in Canada	Learn more
The business implications of coronavirus (COVID 19)	Resources to help you understand your exposure to COVID-19, and more importantly, position your business to be resilient in the face of this and the next global threat.	Learn more
	Financial reporting and audit considerations: The impact of COVID-19 on financial reporting and audit processes.	Learn more
	KPMG Global IFRS Institute - COVID-19 financial reporting resource center.	Learn more
Return to the Workplace	<p>As all levels of government begin to take steps toward re-opening the country and restarting our economy, planning for the return to a physical workplace is quickly becoming a top priority for many organizations. With the guidelines for the pandemic continuing to evolve daily, there are many considerations, stages and factors employers need to assess in order to properly develop a robust action plan which can ensure the health and safety of their workforce.</p> <p>Questions for your leadership team:</p> <ul style="list-style-type: none">• Can your organization continue to operate remotely for the near future without any significant challenges?• If productivity levels have not been impacted, is the cost of real estate necessary for the organization?• What is the mental health risk to your employees from continuing to work remotely?• How many employees need to be in a physical office to properly perform their roles?• How many employees depend on public transit to get to your office(s)?• Do you have the capabilities to screen, track and isolate infected employees to prevent the spread of the virus within the confines of a physical workplace?	Learn more

How audit committees can respond to COVID-19	As the effects of the COVID-19 outbreak continue to evolve, organizations are racing to understand the business risks and implications on their financial reporting. The mandate of the audit committee includes critical items to be considered during the COVID-19 outbreak.	Learn more
Accelerate	Accelerate is a KPMG trends report and video series that includes the perspective of subject matter leaders from across KPMG in Canada on seven key issues impacting organizations today that are disrupting the audit committee mandate.	Learn more
Momentum	A quarterly Canadian newsletter which provides a snapshot of KPMG's latest thought leadership, audit and assurance insights and information on upcoming and past audit events – keeping management and board members abreast on current issues and emerging challenges within audit.	Sign-up now
Current Developments	Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US.	Learn more
Board Leadership Centre	Leading insights to help board members maximize boardroom opportunities.	Learn more
2019 Audit Quality and Transparency Report	Learn about KPMG's ongoing commitment to continuous audit quality improvement. We are investing in new innovative technologies and building strategic alliances with leading technology companies that will have a transformative impact on the auditing process and profession. How do we seek to make an impact on society through the work that we do?	Learn more
Put your data to work to gain competitive advantage	There is no "digital economy". The economy is digital and "digits" refer to data. Data is the lifeblood of every organization on this planet and organizations that embrace this notion are well positioned to grow as industries continue to evolve and disrupt at an ever increasing pace.	Learn more
Predictive analytics, it works	CEOs recognize the value that predictive analytics delivers to their decision-making process.	Learn more
Creating the workforce of the future	You can't transform the organization without also transforming the workforce. It may be time to rethink the people strategy.	Learn more
Bracing for digital disruption	The digital revolution may be well into its prime, but the disruption is far from over. New and emerging technologies continue to shape (and reshape) how organizations operate and adapt to their customers. While these tools have opened the doors to new capabilities and market opportunities, they have also driven the need for stronger and more adaptive risk management strategies.	Learn more

Public Sector Accounting Standards

Title	Details	Link
Public Sector Update – connection series	Public Sector Accounting Standards are evolving – Get a comprehensive update on the latest developments from our PSAB professionals. Learn about current changes to the standards, active projects and exposure drafts, and other items.	Contact your KPMG team representative to sign up for these webinars. Public Sector Minute Link

The following are upcoming changes that are effective in the current year or will be effective in future periods as they pertain to Public Sector Accounting Standards. We have provided an overview of what these standards are and what they mean to your financial reporting so that you may evaluate any impact to your future financial statements.

Standard	Summary and implications
Asset Retirement Obligations (applicable for the year ending December 31, 2023 with option for retrospective application effective December 31, 2022)	<ul style="list-style-type: none"> — A new standard, PS3280 <i>Asset Retirement Obligations</i>, has been approved that is effective for fiscal years beginning on or after April 1, 2022 (the City's 2023 year-end). — The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs would be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area. — The ARO standard would require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability would be added to the historical cost of the asset and amortized over its useful life. — As a result of the new standard, the public sector entity would have to: <ul style="list-style-type: none"> ○ consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; ○ carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; ○ begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> — A new standard, PS3400 <i>Revenues</i>, has been approved that is effective for fiscal years beginning on or after April 1, 2023 (the City's 2024 year-end). — The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. — The standard notes that in the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. — The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> — New accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> have been approved by PSAB and are effective for years commencing on or after April 1, 2022 (the City's 2023 year-end). — Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the government's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. — Hedge accounting is not permitted. — A new statement, the Statement of Re-measurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations. — Based on stakeholder feedback received, PSAB is considering certain scope amendments to PS 3450 <i>Financial Instruments</i>. An exposure draft with the amendments is expected to be issued in 2020. The proposed amendments are expected to include the accounting treatment of bond repurchases, scope exclusions for certain activities by the federal government, and improvements to the transitional provisions.
Employee Future Benefit Obligation	<ul style="list-style-type: none"> — PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. Given the complexity of issues involved and potential implications of any changes that may arise from this review, the project will be undertaken in phases. Phase I will address specific issues related to measurement of employment benefits. Phase II will address accounting for plans with risk sharing features, multi-employer defined benefit plans and sick leave benefits. — Three Invitations to Comment were issued and have closed. The first Invitation to Comment sought guidance on whether the deferral provisions in existing public sector standards remain appropriate and justified and the appropriateness of accounting for various components of changes in the value of the accrued benefit obligation and plan assets. The second Invitation to Comment sought guidance on the present value measurement of accrued benefit obligations. A third Invitation to Comment sought guidance on non-traditional pension plans. — The ultimate objective of this project is to issue a new employment benefits section to replace existing guidance.

Standard	Summary and implications
Public Private Partnerships (“P3”)	<ul style="list-style-type: none"> – A taskforce was established in 2016 as a result of increasing use of public private partnerships for the delivery of services and provision of assets. The objective is to develop a public sector accounting standard specific to public private partnerships. – A Statement of Principles (“SOP”) was issued in August 2017 which proposes new requirements for recognizing, measuring and classifying infrastructure procured through a public private partnership. An Exposure Draft of the new standard was issued in November 2019. – Public private partnership infrastructure is recognized as an asset when the public sector entity acquires control of the infrastructure. A liability is recognized when the asset is recognized and may be a financial liability, a performance obligation or a combination of both. – An infrastructure asset acquired in an exchange transaction is recorded at cost which is equal to its fair value on the measurement date. The liability is measured at the cost of the infrastructure asset initially. – Subsequently, the infrastructure asset is amortized in a rational and systematic manner over its useful life. – Subsequent measurement of the financial liability would reflect the payments made by the public sector entity to settle the liability as well as the finance charge passed on to the public sector entity through the public private partnership agreement. – Subsequent measurement of the performance obligation: revenues are recognized and the liability reduced in accordance with the substance of the public private partnership agreement.
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> – PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards. – PSAB is developing two exposure drafts (one for a revised conceptual framework and one for a revised reporting model) with two accompanying basis for conclusions documents and resulting consequential amendments. PSAB expects to issue the two exposure drafts and accompanying documents in 2020. – A Statement of Concepts (“SOC”) and Statement of Principles (“SOP”) were issued for comment in May 2018. – The SOC proposes a revised, ten chapter conceptual framework intended to replace PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced. – The SOP includes principles intended to replace PS 1201 <i>Financial Statement Presentation</i>. The SOP proposes: <ul style="list-style-type: none"> ○ Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and liabilities that are externally restricted and/or not available to settle the liabilities or financial assets. ○ Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). ○ Restructuring the statement of financial position to present non-financial assets before liabilities. ○ Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities). ○ A new provision whereby an entity can use an amended budget in certain circumstances. – Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.

Standard	Summary and implications
2019 – 2020 Annual Improvements	<ul style="list-style-type: none"> PSAB adopted an annual improvements process to make minor improvements to the CPA Canada Public Sector Accounting (PSA) Handbook or Statements of Recommended Practices (other guidance). The annual improvement process: <ul style="list-style-type: none"> clarifies standards or other guidance; or corrects relatively minor unintended consequences, conflicts or oversights. Major or narrow scope amendments to the standards or other guidance are not included in the annual improvement process.
International Strategy	<ul style="list-style-type: none"> PSAB is in the process of reviewing its current approach towards International Public Sector Accounting Standards (IPSAS). This project may result in changes to the role PSAB plays in setting standards in Canada. A consultation paper was released for comment in May 2018 and has closed. The consultation paper described the decision-making criteria PSAB expects to consider in evaluating the international strategy that best serves the public sector. It also introduced four proposed international strategies that PSAB considers to be viable. Over 2017-2021 period, PSAB intends to do the following: <ul style="list-style-type: none"> conduct research on differences between Canadian Public Sector Accounting Standards and International Accounting Standards; learn about experiences of other jurisdictions that choose to follow IPSAS; publish a consultation paper to get the opinion of stakeholders; and, develop options for PSAB's International strategy.
Purchased Intangibles	<ul style="list-style-type: none"> As a result of stakeholder feedback received, PSAB will revisit validity of the prohibition against recognizing purchased intangibles in public sector financial statements and will consider a narrow scope amendment. Input received in response to the 2018 conceptual framework and reporting model documents for comment supported PSAB relocating the recognition prohibitions from the conceptual framework to the standards level. This is a bigger issue for Indigenous governments. PSAB is looking into the question of why purchased intangibles acquired through an exchange transaction cannot be recognized in public sector financial statements as they are measureable at the price in the transaction.

New auditing standards that are effective for fiscal year 2020 are as follows:

Standard	Expected impact on the audit	Reference
CAS 540, Auditing Accounting Estimates and Related Disclosures Effective for audits of Entities with year-ends on or after December 15, 2020	<ul style="list-style-type: none"> more emphasis on the need for exercising professional skepticism more granular risk assessment to address each of the components in an estimate (method, data, assumptions) more granular audit response designed to specifically address each of the components in an estimate (method, data, assumptions) more focus on how we respond to levels of estimation uncertainty more emphasis on auditing disclosures related to accounting estimates more detailed written representations required from management 	CPA Canada Client Briefing

Appendices

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Appendix 1: Other Required Communications

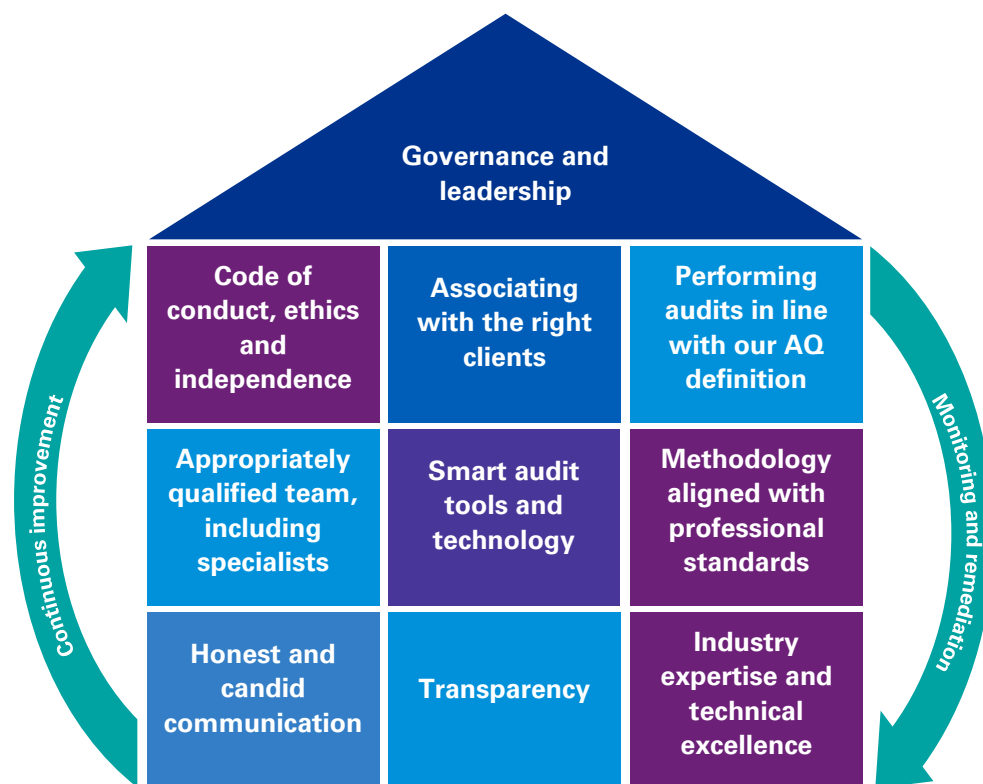
In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:

Engagement letter	Audit findings report
The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter dated November 30, 2018 as provided by management.	This report.
Auditors' report	Management representation letter
The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.	In accordance with professional standards, a copy of the management representation letter is provided to the Committee by Management.
Independence	Audit quality
We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Committee and Council approved protocols.	<p>Audit Quality (AQ) is at the core of everything we do at KPMG. Appendix 2 provides more information on AQ.</p> <p>The following links are external audit quality reports for referral by the audit committee:</p> <ul style="list-style-type: none"> • <u>CPAB Audit Quality Insights Report: 2019 Annual Inspections Results</u> • <u>CPAB Audit Quality Insights Report: 2019 Fall Inspection Results</u>
Required inquiries	
<p>Professional standards require that we obtain your views on risk of fraud and other matters. We make similar inquiries of management.</p> <ul style="list-style-type: none"> — What are your views about fraud risk at the entity? — How do those charged with governance exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the entity and internal controls management has established to mitigate these fraud risks? — Are you aware of or have you identified any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed? — Is the entity in compliance with laws and regulations? — Has the entity entered into any significant unusual transactions? 	

Appendix 2: Audit Quality and Risk Management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.



Audit Quality Framework

What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).

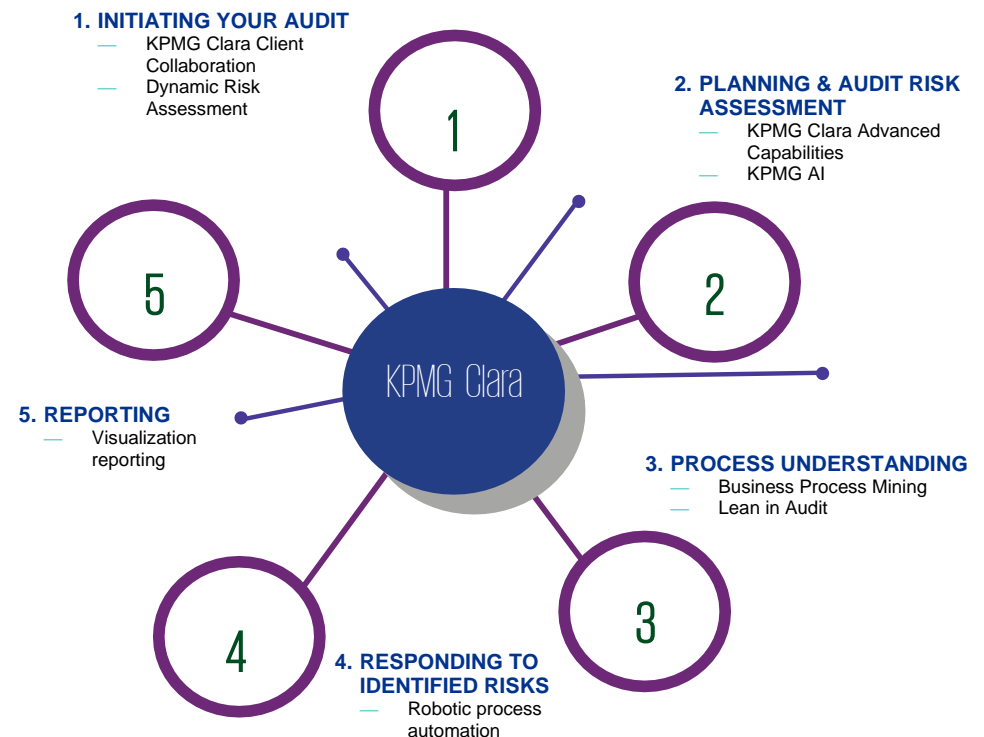
Appendix 3: Use of technology in the audit

Clara is KPMG's integrated, smart global audit platform that allows our teams globally to work simultaneously on audit documentation while sharing real time information. Clara also leverages advanced technology in the execution of various audit procedures, for overall risk assessment and for performing substantive audit procedures over 100% of selected transactions through the use of robotic process automation (KPMG "Bots"). KPMG's use of technology provides for:

1. a **higher quality audit** – looking at 100% of selected data
2. a **more efficient audit** as we are focussed on the transactions that are considered higher risk and
3. an audit that provides **insights into your business** through the use of technology in your audit with our extensive industry knowledge.

We are also actively piloting Artificial Intelligence ("AI") tools which will be used in future audits.

Our five-phased audit approach



Appendix 4: KPMG's audit approach and methodology

Collaboration in the audit

A dedicated KPMG Audit home page gives you real-time access to information, insights and alerts from your engagement team.

Issue identification

Continuous updates on audit progress, risks and findings before issues become events.

Data-driven risk assessment

Automated identification of transactions with unexpected or unusual account combinations – helping focus on higher risk transactions and outliers.



Deep industry insights

Bringing intelligence and clarity to complex issues, regulations and standards.

Analysis of complete populations

Powerful analysis to quickly screen, sort and filter 100% of your journal entries based on high-risk attributes.

Reporting

Interactive reporting of unusual patterns and trends with the ability to drill down to individual transactions.



Appendix 5:

Preparing for PSAB Standard Changes

Are you ready to implement PSAB's impactful series of new standards?



Public sector entities are preparing to implement three significant Public Sector Accounting standards through 2023. These standards will impact not only your accounting policies, but also how Finance engages key stakeholders.

Asset Retirement Obligations

PS3280 addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets and solid waste landfill sites by public sector entities. **PS3280 will apply to fiscal years beginning on or after April 1, 2022 (the City's 2023 fiscal year). Earlier adoption is permitted. Three transition options are available – retroactive, modified retroactive, prospective.**

Asset retirement activities are defined to include all activities related to an asset retirement obligation. These may include but are not limited to:

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed
- decontamination created by the normal use of the tangible capital asset
- post-retirement activities such as monitoring
- constructing other tangible capital assets in order to perform postretirement activities

With the introduction of PS3280 PSAB has withdrawn existing Section PS3270, solid waste landfill closure and post-closure liability.

Some examples of asset retirement obligations which fall under scope of proposed PS3280 include:

- end of lease provisions (from a lessee perspective)
- removal of radiologically contaminated medical equipment
- wastewater or sewage treatment facilities
- firewater holding tanks
- closure and post-closure obligations associated with landfills
- septic beds
- fuel storage tank removal

Under PS3280, an asset retirement obligation should be recognized when, as at the financial reporting date, ALL of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset
- the past transaction or event giving rise to the liability has occurred
- it is expected that future economic benefits will be given up
- a reasonable estimate of the amount can be made

This accounting standard will have implications for your organization if you report under the Public Sector Accounting Standards.

Are You Ready?

1. *Has a project plan been developed for the implementation of this section?*
2. *Has Finance communicated with key stakeholders, including Council or Board on the impact of this section?*
3. *Does Finance communicate with representatives of the Public Works, Asset Management, Facilities Management or Legal functions through the financial reporting process?*
4. *Has a complete inventory been developed of all inactive or active assets or sites, to provide a baseline for scoping of potential retirement obligations?*
5. *If a complete inventory has been developed, does it reconcile back to information currently reported in the entity's financial statements for tangible capital assets or contaminated sites?*
6. *Does your entity have data on non-recorded assets or sites (ie: assets which were originally expensed on purchase, or recorded at no book value) which could have retirement obligations?*
7. *Does your entity have an active solid waste landfill site?*
8. *If yes, does your entity have an existing estimate of the full costs to retire and monitor the landfill site?*
9. *Is your entity aware of any of its buildings which have asbestos?*
10. *If so, does your entity have information to inform a cost estimate to remove/ treat the asbestos?*
11. *Is your entity aware of underground fuel storage tanks or boilers which must be removed at end of life?*
12. *If so, does your entity have information to inform a cost estimate to remove the tanks?*
13. *Is your entity aware of any lease arrangements where it will be required to incur costs to return the premises to pre-existing conditions at the end of the lease?*
14. *Has your entity determined if it has any sewage or wastewater treatment plants which have closure plans or environmental approvals which require full or partial retirement of the plant at the end of its life?*
15. *Is your entity aware of any other contractual or legal obligations to retire or otherwise dismantle or remove an asset at the end of its life?*

Revenues

PS3400 outlines a framework describing two categories of revenue – transactions with performance obligations (exchange transactions) and transactions without performance obligations (unilateral transactions).

- This section will apply to fiscal years beginning on or after April 1, 2023, with earlier adoption permitted.
- This Section may be applied retroactively or prospectively.
- This section will not impact the present accounting for taxation revenues and government transfers.

Transactions which give rise to one or more performance obligations are considered to be exchange transactions. Performance obligations are defined as enforceable promises to provide goods or services to a payer as a result of exchange transactions. Revenue from an exchange transaction would be recognized when the public sector entity has satisfied the performance obligation(s), at a point in time or over a period of time.

If no performance obligations are present, the transaction would represent unilateral revenue, and be recognized when the public sector entity has the authority to claim or retain an inflow of economic resources and a past event gives rise to a claim of economic resources.

Public sector entities will need to review their revenue recognition policies for in-scope transaction types. Impacted areas may include:

- Development charges
- Permits
- Licences
- Advertising programs

Are You Ready?

1. *Has the entity identified any revenue-generating transactions other than taxation or government transfer revenues which create performance obligations (ie: the entity is required to provide a good or service to earn that revenue)?*
2. *If so, has the entity reviewed its accounting policies for these transactions to verify revenue is recognized only as performance obligations are being met?*
3. *Has the entity quantified the impact of any change in accounting policy, or determined that there is no impact?*

Financial Instruments

PS3450 establishes standards on how to account for and report all types of financial instruments including derivatives.

- This Section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.
- Government organizations that applied the CPA Canada Handbook – Accounting prior to their adoption of the CPA Canada Public Sector Accounting Handbook applied this Section to fiscal years beginning on or after April 1, 2012.
- This section must be adopted with Section PS 2601, Foreign Currency Translation.
- Specific transition requirements are outlined in the section.

This section prescribes a fair value measurement framework for derivatives, and equity instruments that are quoted in an active market.

Where an entity manages risks, the investment strategy, or performance of a group of financial assets, financial liabilities or both on a fair value basis, they may also be measured at fair value.

Other financial instruments are measured at cost/ amortized cost.

Changes in the fair value of a financial instrument in the fair value category are recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the financial instrument is derecognized.

- Upon derecognition, the remeasurement gain or loss is realized in the Statement of Operations.

Are You Ready?

1. *Does the entity hold any financial assets which are equity or derivative instruments?*
2. *Has the entity determined if it has any embedded derivatives that might arise from existing contractual arrangements?*
3. *Does the entity have other financial assets which it assesses performance of based on fair value, and for which it might elect a fair value measure?*
4. *If yes to any of the above three questions, does the entity have readily observable market data to inform a fair value measure?*
5. *Has the entity reviewed existing financial instrument note disclosure in the financial statements to determine any required revisions to meet the requirements of this section?*
6. *Does the entity enter into transactions involving foreign exchange?*
7. *Does the entity hold any monetary assets and monetary liabilities, or non-monetary assets denominated in a foreign currency?*



kpmg.ca/audit



KPMG LLP, an Audit, Tax and Advisory firm (kpmg.ca) and a Canadian limited liability partnership established under the laws of Ontario, is the Canadian member firm of KPMG International Cooperative ("KPMG International").

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Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

**TITLE: INTERNAL AUDIT REPORT – BY-LAW & COMPLIANCE,
LICENSING & PERMIT SERVICES AUDIT: PHASE 1**

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

To communicate the findings from the By-Law & Compliance, Licensing & Permit Services Audit: Phase 1.

Report Highlights

- Policy and Business Planning administers and provides client support for regulatory services and provides business support and policy development to all areas of the By-Law & Compliance, Licensing & Permit Services Department.
- While the department has made significant progress on several initiatives over the past number of years, further improvements will be required to ensure risks related to the execution of the City's By-Law strategy are efficiently and effectively mitigated, while continuing to support the needs of the community.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.
- Internal Audit will follow up with management and report on the status of management action plans at a future committee meeting.

Recommendations

1. That the Internal Audit Report - By-Law & Compliance, Licensing & Permit Services: Phase 1 be received.

Background

Based on the variety and depth of the programs and activities that By-law Compliance, License and Permit Services (BCLPS) is responsible for, we have been conducting the BCLPS audit in phases. We started by reviewing the Policy & Business Planning business unit (Phase 1), followed by Enforcement Services (Phase 2). Animal Services (Phase 3), is anticipated to be included as part of the 2021 Internal Audit Risk Based Work Plan.

The objective of phase 1 of the audit was to evaluate the adequacy and effectiveness of the internal controls, processes and procedures in place to mitigate the business risks associated with managing of By-law Policy and Business Planning.

The audit approach included a review of the strategic goals, objectives and oversight of the business unit, review of relevant programs, legislation, policies and procedures, use of technology, and interviews with staff and management.

The audit scope included regulatory activities since inception of the 2014 By-law Strategy and other department related activities that occurred in January 2018 to May 2020.

Previous Reports/Authority

Not applicable.

Analysis and Options

The mission of BCLPS is to protect the health, safety and wellbeing of the community through community partnership and an educational and regulatory compliance framework that supports the quality of life for all citizens through the Term of Council Priorities. BCLPS realizes this mission through three core business units of Policy and Business Planning (PBP), Enforcement Services and Animal Services.

PBP administers and provides client support for regulatory services and provides business support and policy development to all areas of the department. PBP realizes this mission through its key business areas of Licensing & Permits, Administrative Monetary Penalties, By-law Services, Policy Development and Business Planning.

Financial Impact

There are no direct economic impacts associated with this report.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

While the department has made significant progress on several initiatives over the past number of years, further improvements will be required to ensure risks related to the execution of the City's By-Law strategy are efficiently and effectively mitigated, while continuing to support the needs of the community. The following opportunities were identified:

- Reevaluating and updating the By-law strategic framework, principles and deliverables to ensure they remain realistic and achievable.
- Ensuring parking permit processes comply with the City's Parking By-Law.
- Leveraging advances in technology to improve business processes.
- Establishing Key Performance Indicators to measure department performance.

For more information, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

Attachments

1. Internal Audit Report – By-Law & Compliance, Licensing & Permit Services:
Phase 1

Prepared by

Kevin Shapiro, Director of Internal Audit, ext. 8293

Approved by

A handwritten signature in black ink, appearing to be 'K. Shapiro', with a long horizontal line extending to the right.

Kevin Shapiro, Director of Internal Audit



INTERNAL AUDIT REPORT

By-law & Compliance, Licensing & Permit Services Audit: Phase 1

August 2020

INTERNAL AUDIT REPORT

BY-LAW & COMPLIANCE, LICENSING & PERMIT SERVICES AUDIT: PHASE 1

CONCLUSION AND SUMMARY

While the department has made significant progress on several initiatives over the past number of years, further improvements will be required to ensure risks related to the execution of the City's By-Law strategy are efficiently and effectively mitigated, while continuing to support the needs of the community. The following opportunities were identified:

- Reevaluating and updating the By-law strategic framework, principles and deliverables to ensure they remain realistic and achievable.
- Ensuring parking permit processes comply with the City's Parking By-Law.
- Leveraging advances in technology to improve business processes.
- Establishing Key Performance Indicators (KPIs) to measure department performance.

The By-law Strategy approved by Council in 2014 had three targeted deliverables. Planning and Business Policy (PBP) has successfully developed a centre of excellence as a single point of contact for the initiation of by-law reviews and procedural oversight. PBP has made progress on the other two deliverables, but further work is required to ensure the expected benefits of adopting the strategy are achieved. The By-law Strategy aimed at establishing a renewable approach where by-laws are reviewed, formulated, amended and consolidated. This was expected to be achieved over a 5-year life cycle. However, BPB did not receive all the resources necessary to achieve this timeline. Current estimates indicate that it will take 7 years to complete a cycle. As a result, management is still in the process of consolidating by-laws. At the Committee of the Whole meeting on May 20, 2020, management reported that in the last 12 months, 10 by-laws had been consolidated and three new comprehensive by-laws were introduced.

As it has been almost six years since the By-Law strategy was approved and two of the deliverables remain outstanding, opportunities exist to re-evaluate the framework methodology and approach. This may include prioritizing activities and review lifecycles based on the current and projected risk environment, reexamining the optimal level of resources necessary to achieving strategic objectives and setting realistic and achievable implementation timelines. Performing these actions will help ensure by-laws remain current, relevant, effective and suitable to community needs.

The City's Parking By-Law 064-2019, as amended, regulates parking permits and parking prohibitions within the City. There are three types of parking permits available to Vaughan residents; Visitor, Construction and Monthly parking permits. Three separate systems are used to administer these permits. When reviewing these parking permits processes and systems, Internal Audit identified examples where current practices do not comply with the Parking By-law and/or may open the system to misuse. Through the Parking Strategy review that is currently underway, opportunities exist to integrate, streamline and simplify the parking permit types and processes and resolve inconsistencies. This will help ensure that the intent of the Parking By-Law can continue to provide for the safety of drivers and pedestrians, the effective flow of traffic, and the maintenance of community standards.

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PBP uses many different technology systems within the department that are not integrated and do not meet their business requirements. A good portion of the licensing and permit services are not provided online. This has resulted in PBP having to establish manual processes and duplications of effort in order to implement their programs and services, which has resulted in inefficiency for both the City and the residents, as well as revenue loss. Leveraging advances in technology and/or integrating existing systems may help expand and improve online service offerings and increase value to the community by improving service quality and performance.

KPIs help organizations understand how well they are performing in direct relation to their strategic goals and objectives and therefore help to monitor the execution of strategy. They should clearly demonstrate the cause and effect relationship between departmental processes and outcomes to the results the City wants to achieve from the strategic plan. It helps all levels of the organization see the impact of their work on performance and trace that impact all the way up to organizational performance. Performance measures are so vital in an organization and are frequently overlooked. There are well recognized frameworks in the industry to measure the efficiency and effectiveness of municipal programs and services. Currently, PBP does not have a robust set of KPI's nor do they benchmark against other municipalities. This is partially due to lack of capability to collect and track relevant data. Developing appropriate KPIs and benchmarking against best practices and industry frameworks will help management assess the City's service levels in comparison with peers and identify opportunities to further improve effectiveness and efficiency.

It should be noted that, prior to the start of this audit, PBP had already commenced and/or begun planning various initiatives to address many of the recommendations made in this report, however acknowledge that they have been constrained at times by staffing resources and prioritization of unexpected emergent issues. Examples of priority emerging issues included the development of regulations with respect to Cannabis, Short-Term Rentals and tree cutting regulations for golf courses and development. Moving forward, BCLPS intends to account for emerging issues in the By-law Strategy framework.

Additionally, with the on-set of COVID-19 pandemic in mid-March, planned actions to further progress the department were delayed due to the immediacy of the demands of COVID-19 and providing the necessary increased support for the enforcement divisions (e.g. Enforcement Services and VAS).

Internal Audit will follow up on the status of outstanding management action plans related to this audit and will report the status to the appropriate Committee.

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BACKGROUND

The mission of By-law Compliance, License and Permit Services (BCLPS) is to protect the health, safety and wellbeing of the community through community partnership and an educational and regulatory compliance framework that supports the quality of life for all citizens through the Term of Council Priorities. BCLPS realizes this mission through three core business units of Policy and Business Planning (PBP), Enforcement Services and Animal Services.

PBP administers and provides client support for regulatory services and provides business support and policy development to all areas of the department. PBP realizes this mission through its key business areas of Licensing & Permits, Administrative Monetary Penalties, By-law Services, Policy Development and Business Planning.

The duties and powers of a municipality are derived from the provincial legislature. By-laws are created to protect and support the public, community interests, the environment, quality of life, economic viability, consumer protection and public health & safety.

Regulatory by-laws establish acceptable minimum standards, maintain an orderly appearance for both public and private lands and establish necessary regulations to address public interest, acceptable conduct, control activities, land uses and public safety. By-laws can also regulate and define the rights and responsibilities of residents, visitors and businesses by permitting, prohibiting or otherwise controlling certain uses and activities. By-laws must adhere to an established rationale derived from law, commonly referred to as having a “municipal purpose”.

A variety of Provincial legislation are relied upon by a municipality in enacting by-laws, including, but not limited to:

- Provincial Offences Act
- Municipal Act
- Highway Traffic Act
- Planning Act
- Building Code Act
- Animals for Research Act
- Conservation Authorities Act
- Elections Act

The most common reasons a municipality creates by-laws is to deal with:

- Public safety
- Resident and visitor health and welfare
- Protection of private and public property
- Nuisances control and unsightly premises
- Transportation
- Business activities (e.g. licensing, inspection)
- Utilities
- Animal control

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OBJECTIVES AND SCOPE

Based on the variety and depth of the programs and activities that BCLPS is responsible for, we are conducting the BCLPS audit in phases. We started by reviewing the Policy & Business Planning business unit (Phase 1), followed by Enforcement Services (Phase 2). Animal Services (Phase 3) is anticipated to be included as part of the 2021 Internal Audit Risk Based Work Plan.

The objective of phase 1 of the audit was to evaluate the adequacy and effectiveness of the internal controls, processes and procedures in place to mitigate the business risks associated with managing of By-law Policy and Business Planning.

The audit approach included a review of the strategic goals, objectives and oversight of the business unit, review of relevant programs, legislation, policies and procedures, use of technology, and interviews with staff and management.

The audit scope included regulatory activities since inception of the 2014 By-law Strategy and other department related activities that occurred in January 2018 to May 2020.

Auditor and Author: Hemingway Wu, CPA;CA, CIA

Director: Kevin Shapiro CIA, CFE, CRMA

DETAILED REPORT

1. *Reevaluate and Update the By-law Strategic Framework, Principles and Deliverables to Ensure They Remain Realistic and Achievable*

The City's By-law Strategy was approved by Council in June 2014. It established a framework by which City by-laws are reviewed, formulated, amended and consolidated, to ensure by-laws remain relevant, effective and suitable to community needs. There were three targeted deliverables arising from the implementation of the By-law Strategy.

Internal Audit reviewed management's progress towards achieving the deliverables and noted the following:

Deliverable #1: By-laws that are relevant, effective and sustainable:

- Management is still in the process of consolidating by-law amendments. At the Committee of the Whole meeting on May 20, 2020, management reported that in the last 12 months, 10 by-laws had been consolidated and three new comprehensive by-laws were introduced. Since the strategy was first implemented, management has reviewed a total of 11 by-laws, consolidated 15 and created 7 comprehensive regulations and by-laws, in addition to amendments to a number of other by-laws.
- The implementation phase of the strategy includes a 90-day preparation period, training, stakeholders/public communication, outreach and education, data collection and analysis. Management continues the progression of implementing these phases as planned. Without full implementation of a proper tracking and assessment process on specific by-laws, BCLPS may not be able to collect and assess all the necessary information and data for monitoring, accountability and reporting. This is further exasperated by technology limitations on data capture that exists with the current case management system (JDE/CTS). It may not fully achieve the intended purpose to benchmark and measure effectiveness of by-laws.
- As the City's enterprise risk management framework is still in development, there is a risk that some by-laws may not always be based on the current and projected risk environment and the Term of Council priorities, which may impact on their relevance, effectiveness and sustainability.

Deliverable #2: A coordinated process for managing and amending regulatory by-laws, creation of new by-laws and establishment of a renewable lifecycle model:

- A primary deliverable of the By-law Strategy aimed at establishing a renewable approach, including the development of a "Bylaw Lifecycle" schedule by which existing by-laws are reviewed systematically (i.e. 5 years). PBP did not receive all the resources as recommended by the strategy which is impacting on their ability to achieve the 5-year lifecycle. Given current resources, it may take 7 years to fully implement a cycle. A renewable lifecycle beyond that has not been established.

Deliverable #3: A centre of excellence and single point of contact for initiation of by-law reviews and procedural oversight:

- PBP has met this deliverable. Internal Audit did not note any significant findings.

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The approval of the By-law Strategy was intended to provide the City with many benefits, including establishing by-laws that are current, relevant, suitable, reflective of community needs and enhance community understanding. This in turn would lead to a greater likelihood of increased awareness and voluntary compliance. Consolidation of by-laws would also improve information access and greater ease for public consumption of by-law requirements. However, there is significant risk to achieving these benefits if management is unable to achieve the target deliverables.

Recommendations

We recommend that management re-evaluate and update the By-law Strategic framework, principles and deliverables to ensure they are still realistic and achievable. This includes:

- Determining whether the criteria used to guide the development of the original framework are still valid and whether additional information is required to guide an updated approach.
- Prioritizing activities and review lifecycles based on the current and projected risk environment and the Term of Council Priorities.
- Reevaluating the optimal level of resources that are required to achieve the strategic objectives and deliverables, based on risk.
- Setting realistic and achievable implementation timelines.
- Establishing the appropriate level of monitoring, reporting and oversight responsibilities to ensure that framework deliverables are progressing as planned.

Management Action Plan

BCLPS agrees with the above recommendations, and will continue to address them through the following:

- **Review of the By-law Strategy framework:** Management will conduct a review of the current By-law Strategy framework, such as by engaging internal and external stakeholders, undertaking cross-jurisdictional comparisons for regulatory management and examining opportunities to more effectively maintain relevant, comprehensive, accessible by-laws. The target completion timeline is December 31, 2020.
- **Project management system:** BCLPS has launched a project management system for staff, which includes regulatory reviews with mandatory pre-set tasks, which will help to ensure thorough and timely implementation. The target completion timeline is December 31, 2020.
- **Risk and mitigation tracking:** The new tool also includes sections which require selection of the relevant Term of Council priorities, as well as a section on a risk management section to facilitate in tracking and mitigating risk. The target completion timeline is December 31, 2020.

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- **Full staff complement:** PBP currently consists of four staff, including one contract staff, which has already begun BCLPS to better manage the amendment and creation of by-laws, and the by-law lifecycle. However, the contract staff is being funded through a capital project to complete by-law consolidation. Once the project is complete, PBP will have to successfully acquire an ARR to achieve full staff complement, pending budget approval.
- **Guides and templates:** PBP has also developed a By-law Consolidation guide to ensure by-laws are consolidated, as well as by-law and report templates, to ensure reports and by-laws are reviewed, developed and structured consistently, and clearly connect with current Term of Council priorities.

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2. *Ensure Parking Permit Processes Comply with the City's Parking By-Law 064-2019*

The City's Parking By-Law 064-2019 regulates parking permits and parking prohibitions in the City. The Parking By-law is intended to ensure the safety of drivers and pedestrians, the effective flow of traffic, and the maintenance of community standards.

There are three types of parking permits available to Vaughan residents; Visitor, Construction and Monthly parking permits. Three separate systems are used to administer these permits.

Residents can buy permits for their visitors to park on city streets. Applications are available online. Permits are electronic and do not need to be printed or displayed. There is a \$7 fee per permit and are available for up to 10 consecutive days and up to 60 days per calendar year. Permits are non-transferable between license plate numbers. Unused permit dates cannot be cancelled and reissued at a later time if the dates have already passed. Visitor parking permits are available only on streets that are at least eight metres in width. If the resident's street is not eligible for visitor parking permits, the online system will allow the resident to select a permit on another street and their visitor should park on the street for which the permit is issued.

Residents can request permission to park on the street when undertaking construction or renovation work on their private property. Permits are issued at no cost for a maximum of 30 days per calendar year. Permits are not transferable between license plate numbers. Non-used permit dates cannot be cancelled and reissued at a later time if the dates have already passed.

There are currently five streets for which monthly parking permits are available in designated areas only. Permits are available for purchase one week prior to the start of the next month and must be applied for in person at a cost of \$55 per month. Permits purchased once the month has started are not pro-rated and are non-refundable but are interchangeable as they are not issued to a particular vehicle/license plate number.

When reviewing these parking permits processes, Internal Audit identified examples where current practices do not comply with the Parking By-law and/or may open the system to misuse:

- According to section 11(2) of the Parking By-Law, "a visitor parking permit may only be used by a visitor to the address associated with the visitor parking permit and for his or her motor vehicle that is not registered at the address associated with the permit". However, the current online system does not have the real time capability to verify that the permit is being issued for a nonresident of the household. Internal Audit's analysis of the data confirmed several incidences where the visitor parking permit was issued to the resident of the household, not a visitor.
- Construction parking permits are currently being issued at no cost. However, this contradicts section 12(7) of the Parking By-Law which states, "Every construction parking permit shall be subject to the fees listed in the Fees and Charges By-law, as amended". According to the Fees and Charges By-Law, enacted in October 2016, a total of \$7 should

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have been charged for these permits. Approximately 10,300 construction permits have been issued between January 2017 to December 2019. The City's revenue for these permits that was not collected is approximately \$51,000. According to management, these fees were not collected because the online system used for issuing construction permits does not contain a payment processing module. It was anticipated that the visitor permit system would be capable of issuing construction permits but the visitor permit system vendor has yet to be able to accommodate this request.

- Four of the five streets where monthly parking permits are available are in commercial or industrial areas. While applicants may work in the general area of these streets, they may not be Vaughan residents, as per section 10.0(4). As a result, non-residents who work in the general area can obtain a monthly permit, which is contrary to the Parking By-Law.
- The current practice allows for transfer of monthly hard copy permits to different vehicles. This is not compliant with the Corporate Policy and the Parking By-law, which states that the permit will be assigned to a specific vehicle through the license plate, and transfer to be authorized by the Director of BCLPS. In addition, the By-law sets no limit for number of permits a household can purchase.
- Several streets, while designated as no parking allowed in the Parking By-law, are listed as eligible streets for both visitor and construction parking permits in the on-line Parking Permit Systems.
- Street signages need to be erected and on display, and consistent with provisions of the By-law. The audit identified Laneways/Blocks that do not have signs erected/on display. Schedule 11 of the Parking By-law says that no parking is allowed on these streets at all time, however, parking permits were issued for these Laneways/Blocks.

According to management, a Parking Strategy review is currently underway that will provide an opportunity to integrate, streamline and simplify the parking permit types and processes and resolve inconsistencies. It was clear that a key element remains the software currently relied upon and its related limitation. As part of the over-all parking strategy, management confirmed their progression in exploring an improved software system.

Recommendations

We recommend that as part of the Parking Strategy review, management ensures:

- Consistency between the City's Parking By-Law 064-2019 and operational practices, either through amending the By-Law and/or ensuring operational practices are compliant.
- Investigate the feasibility of acquiring a software solution that will allow the City to efficiently and effectively administer the parking permit program. At minimum a solution should include the ability to:
 - Process payments in real time.
 - Confirm proof of residency.

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- Enforce the limit on the number and frequency of permit purchases by household/resident.
- Address the misuse through systems that would eliminate a physical permit, thereby eliminating the possibility of misusing the permit and allowing for real-time electronic information in the field through the appropriate device.

Management Action Plan

BCLPS staff are in full agreement with the recommendations, and have already completed two initiatives to address the opportunities for improvement outline above:

- **Online parking permits to include construction and monthly permits:** PBP staff are in the final stage of adding all current permit types to the current system and anticipate launching in approximately one month, which means visitors, construction and monthly parking permits would all be offered online. Due to the current state of emergency, permits may be launched at \$0 charge, however management is now considering the best course of action.
- **Procurement of a new or upgraded system:** After in-depth research and consultation with various staff, including BCLPS, Vaughan Metropolitan Centre and Policy, Planning and Environmental Sustainability, BCLPS staff conducted a Request-for-Information (RFI) which explored options to manage parking and ticketing systems, exploring both existing and new features. Over 40 companies were invited to apply, with 9 submissions received as May 2020. Staff are now in the process of reviewing RFI submissions, with the intent of developing a Request for Proposal (RFP) to procure a new/upgraded system as of December 2022, pending budget approval. A requirement of the new or upgraded system will allow the ability to succinctly apply the regulations. The target completion timeline is December 31, 2022.
- **City-Wide Parking Strategy:** As of late 2019, the City's Senior Leadership Team (SLT) made the decision to commence a City-Wide Parking Strategy (CPS), to examine parking needs and practices with a comprehensive, multidisciplinary lens. At present, a multi-disciplinary staff group led by BCLPS and Transformation Office is in the process of the first phase of the review, developing a list of staff issues, suggestions and data, undertaking a high-level scan of relevant initiatives elsewhere and compiling a list of relevant City projects underway. The deliverables of the first phase will enable SLT to provide direction with respect to regulatory and program changes, and the subsequent changes in systems. The target completion timeline is February 26, 2021.

3. *Continue to Integrate Licensing, Permit and Enforcement Systems and Enable Automated Data Sharing*

In addition to the issues identified in the previous observation with the parking permit systems, there are additional technological challenges that management will need to overcome in order to meet their 2020 Business plan objective of “Continue to Integrate Licensing, Permit and Enforcement Systems and Enable Automated Data Sharing”. The following was noted:

- The systems that BCLPS currently use, such as JDE and AMANDA, are not integrated, which has resulted in manual workarounds and duplication of efforts.
- Due to the lack of system integration and desired system functionality (with the exception of certain licensing and permit information in AMANDA), data sharing is manual. For example:
 - Enforcement Officers have to manually create and update cases in CTS, which is a JDE module.
 - The Community Activity Profile report needs to be created manually from data dumps from various sources.
- As previously indicated in other recent audit reports, the “Issue” fields within the CTS system are free entry, which allows for flexibility when opening cases but does not provide relevant information for meaningful data analytics and can cause issues with data reliability and integrity.
- In AMANDA, the fee tables are usually updated the day after new fees are enacted, however, PBP staff do not check the AMANDA fee tables to ensure they are updated correctly.
- Currently AMANDA allows customer service representatives to override the fee amounts and make changes if needed (pro-rating, fee adjustments etc.) without approval from a supervisor. Documentation of the reason for changes is generally required but not strictly enforced.
- A good portion of the licensing and permit services have yet to be provided online. For example:
 - Business licenses cannot currently be renewed online. To encourage social distancing, PBP have allowed new businesses to e-mail in their applications and related documents. However, due to the lack of integrated online licensing and payment processing, applicants are still required to mail in their cheques, resulting in a manual reconciliation.
 - Business license renewal notices are manually mailed out in advance. In some cases, the renewal period may extend past the renewal period outlined in the Fees and Charges By-law, resulting in outdated fees being applied. This has resulted in revenue loss of approximately \$9,370 from January to April 2019.

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Management indicated that, while they have been trying to enhance system integration and online services, these issues are primarily attributable to the limited functionality of the current technological solutions.

In the absence of improved online services and system integration, PBP may not be able to achieve its key business objectives. Lack of online services and system integration could also result in inefficiency and risks for both the City and the residents, as well as potential revenue loss for the City.

Recommendations

We recommend that management:

- Develop a risk based strategic plan to identify and optimize automation opportunities for licenses and permits that will efficiently and effectively enhance service delivery.
- Ensure the the Fees and Charges By-law is updated and approved in advance of the business license renewal cycle.
- Continue the progression of migration from CTS to AMANDA.

Management Action Plan

BCLPS staff agree improvements in technology and quality assurance processes are key to achieving regulatory compliance; as such, staff have commenced the following long-term initiatives:

- **Service Delivery Strategic Plan:** BCLPS will be developing a multi-year risk based strategic plan to identify and optimize automation opportunities for licenses and permits that will efficiently and effectively enhance service delivery. The target completion timeline is December 31, 2020.
- **Fees Quality Assurance Processes:** PBP will be implementing a formal Fees and Charges quality assurance process for updating and checking annual fee updates, improving upon its existing process in which PBP work with OCIO to update fees. The new process will involve additional verification and sign off by additional management staff. The target completion timeline is September 1, 2020.
- **Online Business Licensing and Permit Applications:** As of July 2020, PBP will be expanding its use of the Stratawise system to begin developing online business licensing and permit applications, prioritizing licence and permit types for businesses that are operating during the current State of Emergency. After training in late June 2020, PBP will determine a project schedule with clear milestones. The target completion timeline is December 31, 2020.

Migration to a new enforcement system: Investigation management is in the process of moving from CTS to Amanda 6.0, the same system now used to manage business license and permits after the 2019 migration. This change will provide many benefits, such as integration with license and permit information from both BCLPS and

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other City departments using Amanda, such as Building Standards, Vaughan Fire and Rescue Services and Development Engineering, departments with which our department frequently collaborates. BCLPS has provided OCIO staff with system requirements and will be providing them with documentation of current process as of early July 2020, at which time OCIO will work with the department to provide a detailed work plan and schedule. The target completion timeline is December 31, 2021.

- **Timelines collaboration:** Within the City, fees and charges updates occur as part of the annual budget update process managed in large part by the Finance Department, with by-law enactment managed through the City Clerk's department. BCLPS will engage with both departments to explore timings, and consideration of the business license renewal cycle. The target completion timeline is December 31, 2020.

4. *Improve Oversight Over the Administrative Monetary Penalty Process*

Under the Administrative Monetary Penalty¹ system, the City can impose monetary penalties if there is a contravention of a regulation or by-law. The person/entity who receives the penalty has a right to a hearing under the City's Administrative Monetary Penalty Hearings policy.

Pursuant to the by-laws and regulation, PBP has established SOPs to guide the related processes.

Our review of this process identified the following:

- The two Hearing Officers used by the City have been working without a valid agreement with the City since March 2015 and September 2017 respectively.
- According to the agreement, the Hearing Officers are paid on a per diem basis at a rate of \$500. In 2019, AMP hearings took place on 24 separate dates. Although the average number of hearings per schedule was 4, on 8 of the 24 dates (33% of the time), only 1 case was scheduled. On two occasions, only 2 cases were scheduled, and one occasion, only 3 cases were scheduled. It was determined that staff allowed the Hearing Officers to set their own schedule, which is contrary to the agreement. Evidence suggests that the case schedule was not optimized to minimize the number of required hearing dates. As a result, the City has not achieved optimal value for money.

According to management, the Hearing Officer agreement was originally administered by the Legal Services Department until BCLPS took over in 2016. As part of an operational review, BCLPS identified opportunities to realize efficiencies and determined the need to re-tender. Management has also taken steps to provide greater oversight over the AMP's scheduling process.

Providing greater oversight over the AMP's process will minimize financial and reputational risks to the City.

Recommendations

We recommend that management:

- Work with Procurement Services to determine the appropriate procurement method for establishing a new agreement for Hearing Officer services.
- Ensure that the AMP hearing schedule is set by the City.
- Ensuring as many cases are scheduled in one day to make better use of Hearing Officer and staff time, while optimizing value for money.

¹ Section 102.1 of the Municipal Act creates authority for municipalities to impose an administrative penalty where the municipality is satisfied that a person failed to comply with a by-law respecting the parking, standing or stopping of vehicles.

Management Action Plan

BCLPS agree with these recommendations and will be undertaking the following program review over the next year:

- **AMPS review:** BCLPS will be conducting a complete review of the AMPS program, including processes related to recruitment, schedule and periodic decision review. The target completion timeline is June 1, 2021.

5. *Develop Key Performance Indicators (KPIs)*

KPIs help organizations understand how well they are performing in direct relation to their strategic goals and objectives and therefore help to monitor the execution of strategy. They should clearly demonstrate the cause and effect relationship between departmental processes and outcomes to the results the City wants to achieve from the strategic plan. It helps all levels of the organization see the impact of their work on performance and trace that impact all the way up to organizational performance. This ensures everyone is working together to execute strategy and achieve high performance.

The BCLPS Business Plan reports on accomplishment of key strategic priorities. Currently BCLPS primarily monitors total business volume, such as number of licenses, tickets, and complaints. However, BCLPS does not perform benchmarking against other municipalities or industry average.

There are well recognized frameworks, such as the Municipal Benchmarking Network Canada (MBNCanada), which publishes an annual Performance Measurement Report, including data for By-Law Enforcement. The information from this report can be used by BCLPS to measure and compare the efficiency and effectiveness of the City's programs and services. Other municipalities have used this data to support Council decisions, set policy, evaluate programs, support budget recommendations, identify trends, and develop data dashboards.

Lack of information is cited as the primary reason for the absence of KPI tracking and performance benchmarking. Per discussion with management, BCLPS attempted to measure indicators such as average response time and resolution time, however, the current system (JDE CTS) does not have the ability to track this type of information. To establish efficiency in service delivery, more advanced software that would capture greater information and data to demonstrate complexity, effort and related demands vs. case file volumes and case file type/categories (e.g. Zoning case vs. long grass) would allow for more effective analysis for resource deployment, budget and business planning and over-all trend analysis to further drive informed business decisions.

In the absence of performance benchmarking against the industry average, management may not be able to assess service levels in comparison with its peers and may miss the opportunities to further improve effectiveness and efficiency. Setting standards and objectives is ineffective unless accompanied by a system to monitor performance and compare performance to the standards. Objective measurements of quality can serve to reinforce or even challenge subjective views and encourage accountability.

Recommendations

We recommend that management develop quantifiable KPI's, that reflect the critical success factors of the department and compare the City's results against appropriate benchmarks.

Management Action Plan

BCLPS management see further KPI development as a crucial opportunity and agree with the recommendation above. Accordingly, the following actions have begun:

- **Migration to a new enforcement system:** Investigation management is in the process of moving from CTS to Amanda 6.0, the same system now used to manage business license and permits after the 2019 migration. This change will provide many benefits, and in particular, provide greater ability to automate investigations, leverage information and undertake information-based decision making. The new system will provide the information needed to manage KPIs as recommended. BCLPS has provided OCIO staff with system requirements and will be providing them with documentation of current process as of early July 2020, at which time OCIO will work with the department to provide a detailed work plan and schedule. The target completion timeline is December 31, 2021.
- **Annual KPI report:** PBP will be producing an annual end-of-year report which will include use of MBNCanada benchmarking and/or other inter-municipal comparisons, which will evolve over time as new systems enable BCLPS to better leverage information. This report will be distributed to both Community Services management and City Council members. The target completion timeline is June 1, 2021.

INTERNAL AUDIT REPORT

BY-LAW & COMPLIANCE, LICENSING & PERMIT SERVICES AUDIT: PHASE 1

6. *Ensure SOP's Remain Relevant and Current*

A Standard Operating Procedure (SOP) is a set of written instructions that document a routine or repetitive activity followed by staff. They document the way activities are to be performed to facilitate consistent conformance.

BCLPS have developed a number of SOP's to guide staff in performing their duties

When reviewing the renewal and update processes, Internal Audit had the following observations:

- No review cycle has been established. For the SOPs recently updated, next review dates have not been specified.
- A few SOPs have effective dates of greater than ten years that have not been recently reviewed and updated.
- SOPs have not been developed for all key processes.

When performing detailed content review of the sampled SOPs, Internal Audit had the following observations:

- There is room to improve detailed procedures for certain processes.
- There are inconsistencies with the relevant by-laws, in particular, with respect to fees and time extensions.
- Some SOPs contained outdated information, such as department titles, positions, and letterheads.
- Some SOPs contained spelling errors.

Internal Audit gained access to BCLPS' intranet and confirmed that some SOPs are posted on the intranet. Internal Audit also noticed that some process documents are maintained on a shared drive. Maintaining process documents in various locations may increase the likelihood of omission or inconsistency. Per discussion with management, BCLPS will migrate all process documents to their new SharePoint site when it goes live.

The development and use of SOPs are an integral part of a successful quality system, as it provides individuals with the information to perform a job properly and facilitates consistent implementation in the quality and integrity of the end-result. Management has acknowledged the need to continue to develop and revisit their existing SOP documents to ensure that they are appropriate, up to date and comprehensive to help ensure consistency, quality and safety.

Recommendations

We recommend that management:

- Improve the effectiveness of management review to ensure SOPs are consistent with the related by-laws, reflect current business needs and reviewed periodically to assess their effectiveness and relevancy.
- Improve access to process documents by consolidating and maintaining them on one uniform, accessible platform.

Management Action Plan

BCLPS management are in full agreement with the recommendations, with work to address them well underway; this includes the following:

- **SOP section on the new intranet:** BCLPS has recently soft-launched a new intranet. which includes a dedicated section for SOPS, training and reference materials. Some key benefits of the new intranet are greater accessibility to staff, both on computers and mobile devices. Staff are working to completely launch the new site now. The target completion timeline is December 31, 2020.
- **SOP review team:** BCLPS has established an SOP management team comprised of subject matter experts from each unit, who have the responsibility of reviewing SOPs on an annual basis, which are then reviewed, revised and approved by members of the management team. The target completion timeline is August 4, 2020.

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD: 4

**TITLE: SITE DEVELOPMENT FILE DA.17.015 1966711 ONTARIO INC.
3201 HIGHWAY 7
VICINITY OF HIGHWAY 7 AND INTERCHANGE WAY**

FROM:

Nick Spensieri, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To seek approval from the Committee of the Whole for amendments to the conditions of site plan approval approved by Council on June 19, 2018 for Site Development File DA.17.015 (Icona Hospitality Inc.). The Owner proposes to amend the site plan conditions originally approved to authorize the cash payment of \$1.2 million dollars towards the City's capital reserve for the Public Art Program within the Vaughan Metropolitan Centre ("VMC") in lieu of the onsite public art installation.

Report Highlights

- The Owner proposes to provide a \$1.2 million dollar cash contribution towards the City's capital reserve for the Public Art Program within the VMC in lieu of the onsite public art installation required by the conditions of approval approved by Vaughan Council on June 19, 2018 in respect of DA.17.015, to be paid prior to issuance of the first building permit for the Development, other than a building permit solely for excavation and shoring.
- Staff support this request given that the VMC Culture and Public Art Framework outlines several priority public art locations across the VMC's public realm that are currently unfunded.

Recommendations

1. THAT the original conditions of site plan approval for Site Development File DA.17.015 (Icona Hospitality Inc.) be amended and approved by Council as set out in Attachment 2 such that the Owner is required to make a \$1.2 million dollar cash contribution in lieu of the on-site public art installation;
2. THAT Vaughan Council authorize the timing for payment of the \$1.2 million dollar cash contribution be paid prior to issuance of the first building permit for the Development, other than a building permit solely for excavation and shoring;
3. THAT the Section 37/Section 45(9) Density Bonusing Agreement required as a condition of site plan approval be drafted in a form satisfactory to the Deputy City Manager, Administrative Services and City Solicitor, before being executed by the Mayor and City Clerk; and
4. THAT the execution and registration of the Section 37/Section 45(9) Density Bonusing Agreement in a form that is consistent with the as amended conditions of site plan approval as set out in Attachment 2 will satisfy the conditions of approval issued by the Committee of Adjustment with respect to the requirement to execute and register a Section 45(9) Agreement to permit the bonusing for increased building height of the South Tower.

Background

The 1.17 ha Subject Lands (the “**Subject Lands**”) are located at the southeast corner of Highway 7 and Interchange Way (3201 Highway 7) as shown on Attachment 1 and are currently developed with a 6-storey hotel (Hilton Garden Inn).

The Owner has appealed Vaughan Official Plan 2010 (“VOP 2010”) as it applies to the Subject Lands, and therefore, OPA #500 (Vaughan Corporate Centre Plan, as amended), remains in-effect on the Subject Lands.

On September 7, 2016, the Owner filed an Appeal (File No. 111184) to the then Ontario Municipal Board (“**OMB**”), now the Local Planning Appeal Tribunal (the “**LPAT**”) pursuant to Section 17(40) of the Ontario *Planning Act* for the Approval Authority’s (York Region) failure to make a decision within 180 days of the Vaughan Official Plan 2010 (“**VOP 2010**”), specifically the Vaughan Metropolitan Centre Secondary Plan (the “**VMCSP**”) regarding the Subject Lands. The appeal has not been resolved to date and, as such, the Application remains subject to the in-effect policies of OPA #500 (Vaughan Corporate Centre Plan), as amended by OPA #663 (The Avenue 7 Plan). In accordance with Council Recommendation No. 4 from the Technical Report as endorsed by Vaughan Council on June 19, 2018, the Owner is required to resolve their Appeal #164 to VOP 2010 regarding the Subject Lands to the satisfaction of the City Solicitor prior to the execution of the Site Plan Agreement. This condition of approval is not being modified.

Site Development Application File DA.17.015 (Icona Hospitality Inc.) was approved by Vaughan Council on June 19, 2018.

On June 19, 2018, Vaughan Council endorsed Staff's recommendation to approve a high-rise mixed-use development proposal consisting of two, 55-storey residential towers (1248 units), a 46-storey mixed-use building including 17-storeys for a hotel and 29-storeys (385 units) for residential uses and a convention centre (the "**Development**"). Staff's recommended conditions of site plan approval adopted by Vaughan Council on June 19, 2018 (the "**Original Conditions of SP Approval**") included a requirement for the Owner to successfully obtain approval of a Minor Variance Application from the Vaughan Committee of Adjustment to vary Zoning By-law 1-88 for the increased building height for the 46-storey south tower and to establish conditions in relation to Section 37 community benefits pursuant to subsection 45(9) of the *Planning Act*, and that such community benefits be secured through the execution of a Section 37 Agreement prior to the execution of the Site Plan Agreement and final approval of the site plan drawings.

Minor Variance Application File A136/18 was approved by Vaughan Committee of Adjustment on June 27, 2019 subject to certain conditions.

Minor Variance Application File A136/18 was considered by the Vaughan Committee of Adjustment (the "**Committee**") at its meetings on January 10, 2019, January 24, 2019 (as adjourned) and on June 27, 2019. On June 27, 2019, the Committee approved Minor Variance File 136/18 to seek relief from By-law 1-88 to permit site-specific amendments to facilitate the construction of the Development (the "**MV Decision**"). A Notice of Decision regarding the MV Decision was issued by the Committee on July 5, 2019 and Condition 2 of the MV Decision requires the Owner and the City to execute and register an agreement to secure those matters set out in the conditions regarding community benefits in accordance with the City of Vaughan's Guidelines for the Implementation of Section 37 of the *Planning Act* and Section 37 of the *Planning Act* to the satisfaction of the City.

On July 17, 2019, the City received an appeal from an adjacent landowner (RI Vaughan Ltd.) in respect of the MV Decision to approve the application. On August 9, 2019, the LPAT confirmed a withdrawal of the appeal and the MV Decision became final and binding on June 27, 2019.

To date, the Owner has not yet fulfilled its conditions of approval related to Site Development File DA.17.015 and Minor Variance File A136/18; however, the Owner has been working with staff to resolve all outstanding matters. Details regarding the

proposed revisions to the community benefits will be further discussed in the Analysis and Options section of this report below.

Previous Reports/Authority

[Item 32, Report No. 21, of the Committee of the Whole, Site Development File DA.17.015 adopted without amendment by the Council of the City of Vaughan on June 19, 2018](#)

Analysis and Options

The proposal is consistent with the Provincial Policy Statement (2020).

The Provincial Policy Statement 2020 (the “PPS”), provides policy direction on matters of provincial interest related to land use planning and development. The PPS is applied province-wide and provides direction to support strong communities, a strong economy and a clean, safe, liveable, and healthy environment. The proposal to amend the Original Conditions of SP Approval is consistent with the PPS.

The proposed Development continues to utilize the Subject Lands efficiently, and takes advantage of existing and protects for planned infrastructure within the built-up area, and reduces land consumption and servicing costs and efficiently uses land and resources within a designated Urban Growth Centre (a “UGC”) that supports higher-order transit investments. The proposed modifications related to the community benefits do not impact the Development proposal, but do provide for a cash contribution upfront to the City, which allows the City to secure funding for public art to be located in the VMC’s public realm, following the priority public art locations outlined the VMC Culture and Public Art Framework.

The provision of the cash contribution for an off-site public art piece allows the City to lead the commissioning process to contribute to the placemaking and evolving identity of the downtown. The proposal to amend the Original Conditions of SP Approval maintains consistency with the policies of the PPS and contributes to a healthy, liveable and safe community.

The proposal conforms to A Place to Grow, Growth Plan for the Greater Golden Horseshoe (2019).

The *A Place to Grow, Growth Plan for the Greater Golden Horseshoe 2019 (the “Growth Plan”)* is intended to guide the development of land; encourage compact built form, transit supportive communities, diverse land uses, and a range of mix of housing types; and, direct growth to settlement areas that offer municipal water and wastewater

systems. The Growth Plan states that a focus for transit and infrastructure investment to support future growth can be provided by concentrating new development in these areas and creating complete communities with diverse housing types.

The Development conforms with Section 2.2.3 respecting UGCs in the Growth Plan. The Subject Lands are located within the VMC, the City's downtown and a designated UGC. The Development supports the UGC designation by providing a mix of uses that are located adjacent to Bus Rapid Transit along Highway 7 and approximately 185 m from the VMC Subway Station. The Development contributes to achieving a complete community and providing a high-quality of life by providing a range of residential apartment unit types, retail uses that are convenient and broadly accessible to the residents of the VMC, including public art and recreational opportunities through the provision of community benefits for public art and the future Edgeley Pond and Park. High-quality building designs and enhanced streetscapes promote the high-quality of life as vehicular dependence can be reduced given the proximity of the development to higher-order transit and the existing and planned land uses. The proposal to amend the Original Conditions of SP Approval conforms to the Growth Plan.

The proposal conforms to the York Region Official Plan 2010.

The Subject Lands are designated "Urban Area" by the York Region Official Plan 2010 (the "**YROP 2010**") and are located within a "Regional Centre". The Development conforms with policy Section 3.3, 3.3.4, and 4.0 respecting provisions for human services and contributing to economic vitality within the Region.

The proposal to amend the Original Conditions of SP Approval would facilitate the City's ability to secure a \$1.2 million cash contribution towards the City's capital budget for the Public Art Program for a future public art piece as part of a Section 37 community benefit for the increase in building height for the South Tower. The provision of public art community benefits provides the City with opportunities to offer human services, which are vital in establishing a complete community. The Development includes buildings that are oriented and designed to include the main entrances with access to Highway 7 which provides a pedestrian friendly urban form integrated with a high-quality streetscape. The proposal and Development conform to the YROP.

The proposal conforms to the in-effect Official Plan, being OPA #500 (the "Vaughan Corporate Centre Plan"), as amended a) Vaughan Corporate Centre Plan (OPA #500), as amended.

The Subject Lands are designated “Corporate Centre Node” and are identified as a “Gateway Site” by in-effect OPA #500 (Vaughan Corporate Centre Plan) as amended by OPA #663 (Avenue 7 Plan). This designation permits hotels, convention centres, civic uses, all types of retail, medium and high density residential uses and townhouse and apartment dwelling units, together with unlimited building height at a "Gateway Site" and no Floor Space Index (“FSI”) limit on any individual site.

The Development remains unchanged and conforms to the use, height, density and design policies of the Official Plan and protects for a 33 m wide right-of-way for Interchange Way and two future 22 m wide local roads along the south property line (east-west) and along the east property line (north-south). The proposed revisions to the Original Conditions of SP Approval conform to the in-effect OPA. As noted previously, the Owner is required to resolve their appeal (Appeal #164) to Vaughan Official Plan 2010, to the satisfaction of the City Solicitor prior to the execution of the Site Plan Agreement.

The proposal conforms to the Vaughan Metropolitan Centre Secondary Plan (the “VMCSP”).

The Subject Lands are designated “Station Precinct” with a maximum FSI of 5.0 times the area of the lot and maximum building height of 30-storeys by the VMCSP. The Subject Lands are located within a “Landmark Location” in accordance with By-law 1-88 which allows for unlimited building height for a majority of the site, save and except the South Tower. In accordance with the Minor Variance File A136/18 Notice of Decision issued on July 5, 2019, a maximum building height of 152.2 m and 159.5 m to the top of the mechanical penthouse for the South Tower (for all other locations outside of a Landmark Location) is permitted. As the Development remains unchanged, the Development conforms to the VMCSP.

The VMC Program supports the Owner’s proposal to provide a \$1.2 million cash contribution in lieu of a \$1.2 million on-site Public Art Contribution Piece.

Public Art is encouraged and considered an important element of the public realm, adding culture, beauty and interest. The VMCSP enables increases in building height or density in accordance with Section 37 of the *Planning Act* in return for the provisions of community benefits.

At the time of its Development applications, the Owner had retained a Public Art consultant to develop a Public Art Program for the Development with a budget of \$1.2 million, which would identify potential locations, scale, site lines, prominence, safety,

ownership and maintenance of public art on site. The Public Art Program would be subject to review by the Design Review Panel and subsequently to Vaughan Council for consideration.

In accordance with the Technical Report endorsed by Council on June 19, 2018, the City had supported the increased building height for the South Tower on the condition that a \$391,000 cash payment, and a \$1.2 million Letter of Credit in the form of Section 37 community benefits would be provided. The Owner agreed to provide these community benefits in exchange for the increased building height, and did not appeal the Conditions of Approval granted by the Vaughan Committee of Adjustment in connection to the permissions for increased building height (which reflected City Council's requirements as set out in the Technical Report).

As part of the discussions respecting the outstanding Site Plan and Development Agreements and the required Section 45(9) Agreement, the Owner has agreed to provide the \$1.2 million cash contribution payment towards the City's capital reserve for the Public Art Program in lieu of a \$1.2 million on-site contribution which was to be secured by a Letter of Credit. Staff support the amendments to the Original Conditions of SP Approval; the VMC Culture and Public Art Framework outlines a number of priority public art locations across the VMC's public realm that are currently unfunded, and this contribution can be utilized for those projects.

The City and the Owner will still be required to execute and register a Section 45(9) Agreement and make the above-noted cash contributions. The \$391,000 cash contribution towards an off-site community benefit regarding the iconic pedestrian bridge in the Edgeley Pond and Park is to be paid upon execution of the Section 45(9) Agreement, while Staff support the Owner's request to defer the receipt of \$1.2 million cash contribution towards the City's capital reserve for the Public Art Program within the VMC, to be paid prior to the issuance of the first above-grade building permit. Staff are also seeking confirmation that the execution and registration of a Section 45(9) Agreement that aligns with the as amended Conditions of Spite Plan Approval set out in Attachment 2 will satisfy the Committee's condition of approval regarding community benefits.

The \$1.2 million cash contribution will be allocated and devoted exclusively to the City's capital reserve for the Public Art Program, for a public art piece to be located in the VMC's public realm, and that follows the approved City Process outlined in the Vaughan Public Art Program. The City's Senior Art Curator and Planner will lead the commissioning process. Given the cash payment in lieu of the on-site public art piece, the VMC Program will no longer require the Owner to enter into a Public Art Agreement

or develop an on-site Public Art Program. The extent of the proposed modifications to the Original Conditions of SP Approval are reflected in Attachment 2.

Since Vaughan Council's ratification of its decision to approve this Development on June 19, 2018, the Province has enacted a number of amendments to the *Planning Act*, including amendments introduced through Bill 108, the *More Homes, More Choice Act*, and Bill 197, the *COVID-19 Economic Recovery Act, 2020* (the "Planning Act Amendments"). The Planning Act Amendments include the repeal and substitution of Section 37 of the *Planning Act* with a new statutory regime to govern how community benefits are to be determined and required of developments, all of which are to be set out in a future City-initiated community benefits charge by-law. The Planning Act Amendments further introduce a new Section 37.1 that sets out transitional provisions providing, in part, that where a development is the subject of a by-law passed under section 34 of the *Planning Act* that includes, under subsection 37(1) as it read on the day before the day that section 1 of Schedule 17 to the *COVID-19 Economic Recovery Act, 2020*, comes into force, any requirement to provide facilities, services or matters, it will not be subject to a new community benefits charge by-law that may be enacted by the municipality or otherwise approved by the Local Planning Appeal Tribunal (the "Transitional Rules"). The Transitional Rules do not expressly contemplate the transition of by-laws that are varied pursuant to Section 45 of the *Planning Act*, for which section 37 benefits have been paid for or secured through section 45(9) agreements. This may be an oversight on behalf of the drafters of the Planning Act Amendments.

The Planning Act Amendments do not preclude further exemptions to those set out in the Transitional Rules to a community benefits charge by-law that may be passed by a municipality. Provided that Council resolves to amend the conditions of approval, and provides that the Owner does enter into a Section 45(9) agreement with the City and pays the required cash contributions to the City, then Staff agree that it is reasonable and fair to exempt the Development from a future community benefits charge by-law that may be enacted that would otherwise apply to the site (provided that the Development is not increased). Staff also agree that if the Development is not exempt from a future community benefits charge by-law that it is reasonable and fair that the charges payable in respect of the Development thereunder should be fully satisfied by the payment of the community benefits associated with the Section 45(9) Agreement (provided that the Development is not increased).

Until the Planning Act Amendments are proclaimed to come into effect, the City will continue to operate under the current regime to apply community benefit charges under Section 37 of the *Planning Act*. In this case, and notwithstanding the Planning Act Amendments, it is Staff's opinion that additional community benefits charges under the

as amended but not yet in effect Section 37 of the Planning Act, should only be applicable if the Development is revised to include any additional building height and/or densities beyond the Committee of Adjustment and Vaughan Council approvals to date for the Subject Lands.

Financial Impact

There are no financial impacts associated with this report. Pursuant to the terms of a Section 45(9) Agreement being negotiated with the Owner, the City would obtain a \$1.2 million cash-contribution prior to the issuance of a building permit for the site, indexed from the date of registration of the agreement, but not including a permit for shoring and/or excavation, which monies would be allocated specifically to the Public Art reserve fund.

Broader Regional Impacts/Considerations

The proposed amendments to the Original Conditions of SP Approval have no impact on the Region of York. York Region Community Planning and Development Services Department previously advised that they have no objections to the Development, in principle. The Owner shall satisfy all requirements of York Region with respect to property requirements, streetscape encroachment, encroachment agreement(s), dewatering, erosion and sediment control, shoring, hoarding, crane swing, construction site management, median construction, access construction, boulevard restoration, fees and securities, streetscaping, a Transportation Demand Management Plan, Mobility Study, civil engineering works and construction within the Regional right-of-way and be required to enter into a Regional Site Plan Agreement. The Owner will be required to satisfy all conditions of approval of York Region prior to execution of the Site Plan Agreement.

Conclusion

The VMC Program is satisfied that the proposed modifications to the Original Conditions of SP Approval for Site Development File DA.17.015 as set out in Attachment 2 are consistent with the policies of the PPS, in conformity with to the Growth Plan and the York Region and VOP 2010, and that the changes will contribute to the continued evolution of the VMC. The proposed amendments are considered appropriate and conform to the policies of the VMCSPP.

For more information, please contact: Natalie Wong, Senior Planner at ext. 8866.

Attachments

1. Context and Location Map
2. Proposed Amendments to the Conditions of Approval for Site Development File DA.17.015 (Icona Hospitality Inc.)

Prepared by

Natalie Wong, Senior Planner VMC Program, Ext. 8866

Amy Roots, Senior Manager VMC Program, Ext. 8305

Christina Bruce, Director VMC Program, Ext. 8813

Approved by

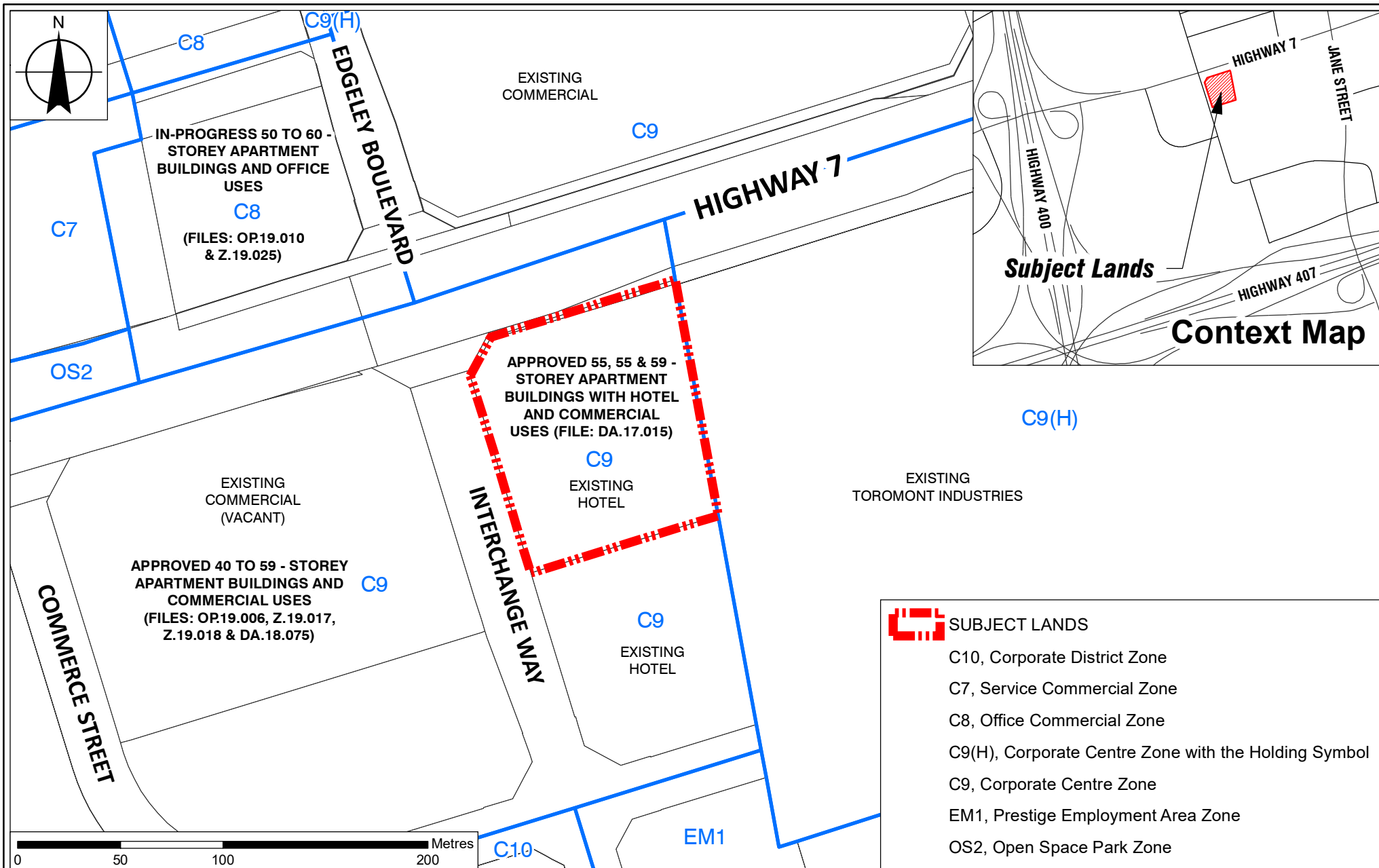
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Nick Spensieri
Deputy City Manager
Infrastructure Development

Reviewed by

A handwritten signature in black ink, appearing to read 'Jim Harnum', with a long horizontal line extending to the right.

Jim Harnum
City Manager



Context and Location Map

LOCATION:
Part of Lot 5, Concession 5; 3201 Highway 7

APPLICANT:
1966711 Ontario Inc.



Attachment

FILE:
DA.17.015

DATE:
September 22, 2020

1

ATTACHMENT 2

PROPOSED AMENDMENTS TO COUNCIL RECOMMENDATIONS

32 SITE DEVELOPMENT FILE DA.17.015 ICONA HOSPITALITY INC. VICINITY OF REGIONAL ROAD 7 AND INTERCHANGE WAY

The Committee of the Whole recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management dated June 5, 2018, be approved; and
- 2) That the coloured elevations submitted by the applicant be received.

Recommendations

1. THAT Site Development File DA.17.015 (Icona Hospitality Inc.) BE APPROVED SUBJECT TO THE FOLLOWING CONDITIONS, to the satisfaction of the City, to permit two 55-storey residential towers (1264 units), a 46-storey mixed-use building including 17-storeys for a hotel and 29-storeys (385 units) for residential uses and a convention centre, as shown on Attachments #3 to #12:
 - a) that prior to the execution of the Site Plan Agreement and final approval of the site plan drawings to be attached thereto:
 - i) the ~~Development Planning Department~~VMC Program shall approve the final site plan, building elevations, landscape plan and cost estimate, signage design sun/shadow study; and wind tunnel model analysis;
 - ii) the Owner shall successfully obtain approval from the Vaughan Committee of Adjustment and/or the Local Planning Appeal Tribunal, to:
 - a) vary Zoning By-law 1-88 to permit the development of the Subject Lands, together with the site-specific development exceptions identified in Tables 1 and 2 of this report, including the increase in building height for the South Tower, which approval shall be subject to conditions of approval in relation to Section 37 community benefits pursuant to subsection 45(9) of the Planning Act; and
 - b) permit the bonussing for increased building height in return for the following community benefits, pursuant to Section 37 of the Planning Act, the policies of VOP 2010, and the City of Vaughan's "Guidelines for the Implementation of Section 37 of the Planning Act":

- i. a \$391,000 cash contribution towards an off-site community benefit regarding the first iconic pedestrian bridge in the Edgeley Pond and Park; (the “EPP Contribution”); and
- ii. a \$1.2 million cash contribution towards ~~an on-site public art budget~~ the City’s capital reserve for the ~~creation of a public art piece~~ City’s VMC Culture and Public Art Framework; Program within the VMC (the “Public Art Contribution”);
- iii) the Owner shall enter into a Section 37 Density Bonusing Agreement (the “Section 37 Agreement”) with the City as a condition of minor variance and/or Local Planning Appeal Tribunal approval, if the increase in building height for the South Tower described in Condition a) ii) a) above is approved. The Section 37 Agreement will be executed by the Mayor and the City Clerk, pursuant to Section 37 and Section 45(9) of the Planning Act, to permit the bonussing for increased building height for the South Tower shown on Attachments #3 to #12 in return for the following community benefits, pursuant to Section 37 of the Planning Act, the policies of VOP 2010, and Guidelines for the Implementation of Section 37 and Section 45(9) of the Planning Act:
 - a) ~~an on-site public art~~ \$1.2 million cash contribution ~~with a budget of \$1.2 million consistent with the principles of Site 10 – Private Development, as outlined in~~ towards the City’s VMC Culture and capital reserve for the Public Art Framework, to Program within the satisfaction of the City VMC; and
 - b) \$391,000 cash contribution towards an off-site community benefit regarding the first iconic pedestrian bridge in the Edgeley Pond and Park, to the satisfaction of the City.

Payment of the ~~Section 37 amount, in the form of~~ \$391,000 (offsite contribution) ~~and \$1.2 million (on-site contribution)~~ shall occur upon execution of the Section 37 Agreement prior to the execution of the implementing Site Plan Agreement. The \$1.2 million ~~Letter of Credit~~ cash contribution shall be ~~transferred~~ paid to the ~~agreement identified in Condition iv) below (City prior to issuance of a first building permit, not including excavation and shoring, and will be subject to the “Public Art Agreement”)~~ upon rate of monthly market inflation determined by the execution of Toronto Real Estate Board Market Watch Report at the Public Art Agreement time of payment. Furthermore, the Owner

shall pay to the City the Section 37 Agreement surcharge fee in accordance with the Tariff of Fees By-law ~~018-2018~~191-2019 for Planning Applications for the preparation of the Section 37 Agreement;

~~iv) the Owner and the City shall execute a Public Art Agreement that will include a requirement for the Owner to submit a Letter of Credit to the City, to address the details to commission and install a permanent piece of public art as a public art contribution with a budget of \$1.2 million consistent with the principles of Site 10- Private Development, as outlined in the City's VMC Culture and Public Art Framework, to the satisfaction of the City. The Owner shall develop a public art program that follows the approved process outlined in the City-wide Public Art Program, to the satisfaction of the City. The Public Art Agreement shall also include a requirement that the Owner shall own and maintain the public art piece(s);~~

~~viv)~~ the Owner shall submit to the City the final 3D digital model of the Development, which shall include accurate geo-referenced digital data, as outlined in the final VMC Submission Protocol, to the satisfaction of the Development Planning Department. If the 3D digital model of the Development has not been completed by the Owner and provided to the City prior to the execution of the Site Plan Agreement, the Owner shall provide a separate Letter of Credit in a format satisfactory to the City in the amount of \$20,000.00 to guarantee the completion of the 3D digital model;

~~viv)~~ the Development Engineering Department shall approve the final site servicing and grading plan, sediment control plan, utility plan, geohydrology assessment, air quality study, geotechnical report, noise and vibration feasibility study, transportation impact study, functional servicing and stormwater management report, exterior street and site lighting plan, and dewatering plan;

~~viiiv)~~ the Development Engineering Department shall approve the final construction management plan that identifies such matters as staging, phasing, building material storage, contractor parking and construction access, and the Owner shall enter into an Encroachment Agreement with the City;

~~viii)-vii)~~ the Owner shall enter into a Development Agreement, if required, to advance the necessary servicing, road improvements on Interchange Way from

Regional Road 7 to the terminus point at Interchange Way and provisions for the future east-west and north-south roads. The Agreement may include but not be limited to the requirement for front-end financing, cost-sharing, land acquisition, detailed design and construction of all facilities as identified in the ultimate road cross section of the VMC Secondary Plan. The Owner may be eligible for some cost recoveries through the City's Development Charges fund, to the satisfaction of the City;

~~ixviii)~~ the Owner shall satisfy all the requirements of the Environmental Services Department, Solid Waste Management Division. Upon a successfully completed Application, site inspection and executed Agreement as determined by the City, the future Condominium Corporation will be eligible for municipal waste collection services. Should the Condominium Corporation be deemed ineligible by the City or choose not to enter into an Agreement with the City for municipal collection service, all waste collection services shall be privately administered and shall be the responsibility of the future Condominium Corporation;

ix) the Owner shall satisfy all requirements of Alectra Utilities Corporation;

x) the Owner shall satisfy all requirements of ~~Alectra Utilities Corporation~~York Region;

xi) the Owner shall satisfy all requirements of ~~York Region~~;

~~xii) the Owner shall satisfy all requirements of~~ the Toronto and Region Conservation Authority;

~~xiii)~~ the Owner shall satisfy all requirements of the Ministry of Transportation; and

~~xivxiii)~~ the Owner shall satisfy all requirements of Canada Post;

b) that the implementing Site Plan Agreement shall include the following provisions:

i) The Owner shall pay to Vaughan, by way of certified cheque, cash in- lieu of the dedication of parkland for high-density residential at a fixed rate per unit in accordance with the Planning Act and the City's Cash-in-Lieu Policy and 2% shall be paid for the commercial component in accordance with Section 42 of the Planning Act. The Owner shall submit an appraisal of the Subject Lands, for the commercial component prepared by an

accredited appraiser for approval by the Office of the City Solicitor, Real Estate Department, and the approved appraisal shall form the basis of the cash-in-lieu payment;

- ii) The Owner shall pay to Vaughan all applicable Development Charges in accordance with the Development Charges By-laws of the City of Vaughan, York Region, York Region District School Board and York Catholic District School Board, prior to the issuance of any Vaughan Building Permit;
 - iii) Should archeological resources be found on the property during construction, the Owner must cease all construction activities and notify the Ontario Ministry of Tourism, Culture and Sport and the Development Planning Department, Urban Design and Cultural Heritage Division;
 - iv) In the event human remains are encountered during construction, the Owner must cease all construction activities and contact the York Regional Police Department, the Regional Coroner, the Registrar of the Cemeteries and Crematoriums Regulation Unit of the Ministry of Government and Consumer Services and the City of Vaughan Development Planning Department, Urban Design and Cultural Heritage Division;
 - v) The submission of an Record of Site Condition acknowledged by the Ministry of the Environment and Climate Change shall be required prior to the issuance of a Building Permit;
2. THAT prior to the issuance of any Vaughan Building Permit(s) the Owner shall pay or post securities to the City for the applicable Area Specific Charges related to the VMC West Interchange Sanitary Sewer Improvements, VMC SE Doughton Sanitary Sewer Improvements, and the VMC-Interchange SWM Pond Retrofit Works to the satisfaction of the City.
3. THAT Vaughan Council adopt the following resolution for allocation of water and sewage servicing capacity:
- “IT IS HERBY RESOLVED THAT Site Plan Development File DA.17.015 be allocated servicing capacity from the York Sewage Servicing / Water Supply System for a total of 1,649 residential units (3,658 persons equivalent).”
4. THAT prior to the execution of the Site Plan Agreement, the Owner shall agree to resolve their appeal (Appeal #164) to Vaughan Official Plan 2010, to the satisfaction of the City Solicitor.

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): 1

**TITLE: NASHVILLE (BARONS) DEVELOPMENTS INC.
19T-17V008
ALLOCATION OF SERVICING CAPACITY**

FROM:

Nick Spensieri, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To request formal approval from Council for the allocation of servicing capacity to this draft plan approved development application pursuant to the City's Servicing Capacity Distribution Policy.

Report Highlights

- To recommend distribution of servicing capacity to this development application
- Formal allocation of servicing capacity permits staff to clear the "No Pre-Sale" Agreement condition and Holding Symbol ("H") provision related to the municipal servicing scheme and lot creation for the Lands

Recommendation

1. "THAT Draft Plan of Subdivision File Number 19T-17V008 be allocated servicing capacity from the York Sewage Servicing / Water Supply System for a total of 50 single-family residential units (179 persons equivalent). The allocation of said capacity may be redistributed (at the discretion of the City) in accordance with the City's Allocation of Servicing Capacity Policy if the development does not proceed to registration and/or building permit issuance within 36 months."

Background

Council on June 19, 2018, recommended that Draft Plan of Subdivision 19T-17V008 be approved. At that time, Regional servicing capacity for a total of 50 single-family residential units (179 persons equivalent) was “Reserved” to the plan along with draft plan approval conditions tied to the allocation of servicing capacity. One of the conditions of draft plan approval required the Owner enter into an agreement with the City of Vaughan committing the Owner to not enter into any agreements of purchase and sale with end users for the Plan until unrestricted Regional sewage and water servicing capacity be formally allocated by Council. As well, the Lands within the plan were zoned with a Holding Symbol (“H”) until the proposed water, wastewater and stormwater servicing scheme for the Lands were approved by the City’s Development Engineering Department in a Functional Servicing Report prepared by the Owners Consultant, and Lot 27 consolidated with a property purchased from York Region (York Region Well lands) to create a buildable lot, to the satisfaction of the City.

Previous Reports/Authority

https://vol.vgn.cty/departments/OCC/Council%20Secretariat/Extracts%20Library/2018/Committee/21cw0605_18ex_full.pdf

Analysis and Options

Draft Plan of Subdivision File Number 19T-17V008 was approved by Vaughan Council on June 19, 2018. Since then, the Owner has fulfilled its obligations to the City related to sewage servicing and water supply for the Plan and purchase and consolidation of properties to form a buildable lot.

Financial Impact

There are no requirements for new funding associated with this Report.

Broader Regional Impacts/Considerations

Regional servicing capacity allocated to this draft plan is available and unrestricted

Conclusion

The Functional Servicing Report prepared by Schaeffers Consulting Engineers dated July 2020 was approved by the City’s Development Engineering Department and the required land acquisition from York Region by the Owner, and creation of a building lot have been completed to the satisfaction of the City’s Development Engineering Department.

Therefore, it is appropriate to allocate Regional sewage and water servicing capacity to this development application.

For more information, please contact Frank Suppa, Director, Development Engineering (Ext.8255).

Attachment

1. Location Map

Prepared by

Tony Artuso, Senior Engineering Assistant, Ext. 8396

Augusto Nalli, Manager, Development Engineering, Ext. 8239

Frank Suppa, Director, Development Engineering, Ext. 8255

Approved by

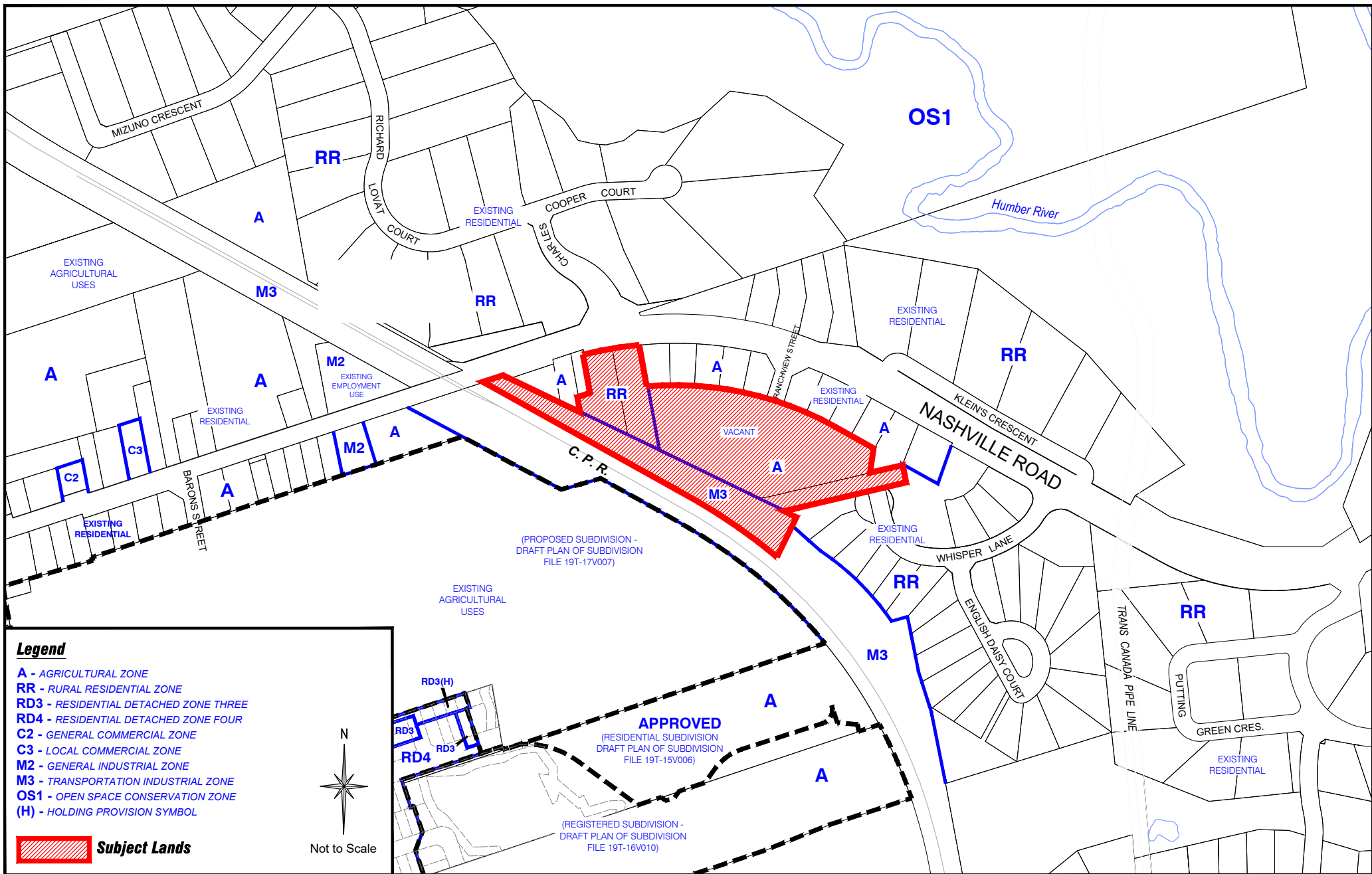


Nick Spensieri
Deputy City Manager
Infrastructure Development

Reviewed by



Jim Harnum
City Manager



Location Map

LOCATION:
Part of Lot 25, Concession 9

APPLICANT:
Nashville (Barons) Developments Inc.



191

Attachment

FILES: Z.17.024 &
19T-17V008

DATE:
September 22, 2020

1

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): 1

**TITLE: GTA WEST TRANSPORTATION CORRIDOR ROUTE PLANNING
AND ENVIRONMENTAL ASSESSMENT STUDY – UPDATE AND
ANNOUNCEMENT OF PREFERRED ROUTE**

FROM:

Nick Spensieri, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To provide an update on the Ministry of Transportation Ontario's (MTO) GTA West Transportation Corridor Route Planning and Environmental Assessment (EA) Study, including the recent announcement of the Preferred Route.

Report Highlights

- In November 2019, Vaughan's position was to proceed with alignment 8-1 as opposed to 8-3, as identified by MTO as part of the Technically Preferred Route.
- The GTA West Project Team had a number of meetings with City staff to discuss the section 8 alignment alternatives and interchange locations.
- On August 7, 2020, the GTA West Project Team announced the Preferred Route and associated Focused Analysis Area for the GTA West EA corridor.
- Alternative S8-5 was selected to be part of the Preferred Route.
- The next steps for the GTA West Project Team include field investigations and the completion of the Preliminary Design for the Preferred Route.
- The City supports the progress of the GTA West EA Study and looks forward to continuing to engage with the GTA West Project Team.

Recommendations

1. That the Ministry of Transportation Ontario (MTO) be requested to continue to work with the City of Vaughan, as the Preliminary Design for the Preferred Route of the GTA West Transportation Corridor progresses, and the ultimate alignment and interchange locations are confirmed; and,
2. That a copy of this report be forwarded to the Province, the Ministry of Transportation Ontario (MTO), the City of Brampton, Town of Caledon, Township of King, Region of Peel and Region of York.

Background

The GTA West EA Study Resumed in June 2019 from Suspension in 2015

The Ministry of Transportation Ontario's (MTO's) GTA West Transportation Corridor Route Planning and Environmental Assessment (EA) Study, which spans from Highway 400 in the east to the Highway 401/407 ETR interchange in the west, resumed in June 2019 from its suspension in 2015. The new corridor would include a 400-series 4-to-6-lane highway with freeway-to-freeway connections at Highway 401/407 ETR, Highway 410, Highway 427, and Highway 400. The right-of-way would range between 110m (highway) without the transitway and 170m including a separate adjacent transitway.

The GTA West Study is being undertaken as an Individual EA in accordance with the Ontario EA Act and the GTA West Corridor EA Terms of Reference. The study is designed to explore all modes of transportation options for facilitating more efficient movement of people and goods and protecting the required land. It is identified in the Growth Plan for the Greater Golden Horseshoe (GGH) area as part of the required transportation improvements to support the planning vision for managing growth and development.

The GTA West Transportation Corridor will help address current transportation issues and will help support the City's projected growth. Without the Corridor, Region of York and the City's transportation infrastructure will experience further reduction in level of service. The absence of the Corridor will also impact the Province's mandated ongoing employment and population growth planning to 2041.

The GTA West Project Team held the second round of Public Information Centers in September 2019, presenting the draft Technically Preferred Route

Starting on September 19, 2019, the GTA West Project Team held the second round of Public Information Centers where they presented the draft Technically Preferred Route

Alternative and the refined Focused Analysis Area, showing lands to be made available for development, subject to confirmation of the Preferred Route.

The draft Technically Preferred Route Alternative through Vaughan (Attachment 1) includes a freeway-to-freeway interchange at Highway 427, an interchange at Highway 27, a partial interchange at Weston Road, and a freeway-to-freeway interchange at Highway 400. Additional information can be found on the GTA West EA website at: <https://www.gta-west.com/>.

The GTA West Project Team Presented at Committee of the Whole on November 12, 2019 where Council provided a position on the GTA West Transportation Corridor

A [report](#) was prepared by City staff to supplement the presentation which provided background information on the study, an update on the study resumption, and highlights of the draft Technically Preferred Route Alternative.

The report's recommendations included that the Ministry of Transportation be requested to work with the City of Vaughan in the confirmation of the preferred route alternative, interchanges and ultimate alignment, and to address the issues identified in the report. And that the Ministry of Transportation be requested to provide a written response to the City of Vaughan's comments prior to confirming the Preferred Route Alternative.

Council provided its [position](#) regarding the draft Technically Preferred Route Alternative, in particular, the alignment identified within Section 8. Vaughan's position was a preference for alignment S8-1 as opposed to S8-3, as identified by MTO as the draft Technically preferred Route. Alignment S8-1 veers north, which avoids impacting the North Kleinburg-Nashville Secondary Plan area.

The GTA West Project Team completed a number of council presentations (including York Regional Council on November 14, 2019) and held meetings with stakeholders, including the Advisory Groups. The Preferred Route Alternative would eventually be confirmed following feedback reviewed by the GTA West Project Team.

The Northwest GTA Transmission Corridor Identification Study was initiated in June 2019, a new study separate from the GTA West Study

In February 2018, MTO and the Independent Electricity System Operator (IESO), with support from the Ministry of Energy, initiated The Northwest GTA Corridor Identification Study to identify and protect lands for a multipurpose linear infrastructure corridor.

With the resumption of the GTA West EA Study, The Northwest GTA Corridor Identification Study did not proceed; however, in June 2019, the Ministry of Energy, Northern Development and Mines (ENDM) and the IESO initiated The Northwest GTA 'Transmission' Corridor Identification Study, which is a new study separate from the GTA West EA Study. The Northwest GTA Transmission Corridor Identification Study was initiated to identify a transmission corridor (almost adjacent to the GTA West EA corridor, Attachment 4) to be protected for future transmission infrastructure to support growing demand for electricity in western GTA. Additional information can be found on the Study website at: <http://ieso.ca/Get-Involved/Regional-Planning/GTA-and-Central-Ontario/GTA-West>.

Previous Reports/Authority

Council position within the [Mayor's Members Resolution](#), June 29, 2020

GTA West Transportation Corridor Route Planning and Environmental Assessment Study Resumption Council [Report](#), November 12, 2019

Analysis and Options

In addition to the November 12, 2019 Council Report, City staff provided technical comments on the draft Technically Preferred Route to the GTA West Project on November 29, 2020.

On April 7, 2020, the GTA West Project Team sent a written response (via email) to the City's comments. Key items to highlight in their response include:

1. The extension of Highway 427 north of the GTA West Transportation Corridor is not part of the scope of the GTA West EA Study. The extension is also not part of any other active MTO Study; however, it will not be precluded by the GTA West multimodal transportation corridor and may be considered in future studies.
2. The GTA West Project Team is not moving forward with an interchange at Pine Valley Drive at this time due to close proximity to the planned Weston Road partial interchange. This decision does not preclude municipalities from exploring the option of a second interchange at Pine Valley Drive outside the scope of this study.
3. Regarding interchanges on Highway 400 at Kirby Road and King-Vaughan Road, it was noted that these additional connections to Highway 400 were not required for the GTA West multimodal transportation corridor. As such, reviewing the feasibility of these connections would be outside the scope of this study.
4. Highway 50 is too close to the proposed Highway 427 freeway-to-freeway interchange, and the inadequate spacing results in geometric constraints and

operational concerns. Therefore, an interchange at Highway 50 is not being carried forward for further consideration as part of this study.

The GTA West Project team reviewed Interchange Locations within Vaughan with City and Regional Staff

The GTA West project team requested meetings with City and Regional staff on May 27 and June 10, 2020 to discuss the possibility of a full movement interchange at Pine Valley Drive, versus a partial interchange at Weston Road (part of the draft Technically Preferred Alternative, Attachment 1). The interchange is partial due to its proximity to Highway 400, not having enough room for a full movement interchange.

Discussions between City and Regional staff have highlighted that while a full movements interchange has its benefits, Pine Valley Drive is discontinuous to the north and south. A partial interchange at Weston Road, although having greater environmental impacts and close proximity to the proposed freeway-to-freeway interchange, may offer better connectivity to the Highway 400 North Employment areas, especially that interchanges at Highway 400 and Kirby Road or King-Vaughan Road are uncertain at this time.

Although MTO has the desire to implement only one of the two interchanges at this time, having both could be feasible and could be protected for future implementation. The municipalities would likely need to fund the cost of any future interchange implementation.

Another item for consideration is the feasibility of an interchange at Highway 400 and Kirby Road or King-Vaughan Road, relating to Council's 2011 adoption. The GTA West project team advised that while outside the scope for the GTA West EA Study, King-Vaughan Road (partial interchange) appears to be more feasible than Kirby Road based on geometry and proximity to the proposed freeway-to-freeway interchange, and could be implemented in the future.

Discussions are ongoing and additional information will be needed for the City and Region to make an informed decision on the preferred interchange locations. The City and the Region have discussed the potential of undertaking a joint study to determine the need and phasing of these two interchanges.

It was noted that in the draft Technically Preferred Alternative (Attachment 1), part of the footprint for the proposed interchange at Highway 27 falls outside the Focus Analysis Area (FAA) for the study. The GTA West project team advised during the June 10, 2020

meeting with City and Regional staff that the interchange design will be reviewed, the FAA adjusted accordingly, and property owners notified, if required.

Concerns regarding the Section 8 alignment alternatives were identified in November 2019

The GTA West Project Team worked with Advisory Groups, municipal staff, regulatory agencies and other stakeholders and continued to review feedback received from PIC 2, to confirm the Preferred Route and associated Focused Analysis Area for the GTA West multimodal transportation corridor. In doing so, the Project Team attempted to balance the benefits and impacts for local communities and users of the transportation system. As the GTA West Project Team was made aware of various concerns from stakeholders regarding the draft Technically Preferred Route Alternative (especially through Section 8), the project team developed new alternatives in Section 8 that attempted to address the issues identified by stakeholders (Attachment 2).

These two new alternatives were evaluated following the same process that was used for the short-listed route alternatives) and were compared to the draft Technically Preferred Route. These new alternatives also had implications on the draft Technically Preferred Route in Section 7 (Brampton/Caledon/western Vaughan) and the Project Team took these implications into consideration.

Shortly after responding to the City's Technical Comments in April 2020, the GTA West Project Team requested a meeting with City and Regional staff to discuss the evaluation of the new Section 8 alignment alternatives, with a focus on reducing potential impacts to the North Kleinburg-Nashville Secondary Plan area. The meeting took place on May 8, 2020. The new alignment alternatives can be described as follows:

- S8-3 – part of the draft Technically Preferred Route (PIC 2), shortest alignment of the three, cuts through North Kleinburg-Nashville Secondary Plan area, opposed by City Council/ developers/ property owners
- S8-4 – avoids the North Kleinburg-Nashville Secondary Plan area completely, takes up considerably more Greenbelt and agricultural lands and requires a much larger crossing of the Humber River
- S8-5 – clips the northern part of the North Kleinburg-Nashville Secondary Plan area, takes up more Greenbelt and agricultural lands and requires a large crossing of the Humber River

After evaluating the three alignment alternatives, the draft Technically Preferred Route S8-3, was said to provide for the shortest crossing of the Humber River and had the least impacts to Greenbelt and agricultural lands.

The GTA West project team also expressed that S8-1 (Council supported alternative) and other previous alignment alternatives located further north, would have significant environmental impacts and direct impacts on Toronto and Region Conservation Authority (TRCA) lands, so were therefore; not desirable to pursue. It was discussed that new Section 8 alignment alternatives, S8-4 and S8-5 could be compromise alignments and require additional analysis.

The intent of the May 8, 2020 meeting was to provide an introduction on what would be presented to the broader group of stakeholders that provided significant comments on Section 8. This larger stakeholder meeting was scheduled for May 21, 2020; however, in a May 14 email from the GTA West project team, it was stated that new information had come to light which prompted the project team to undertake supplementary analysis. This analysis had given rise to additional questions and the GTA West project team needed more time to explore the draft alternatives and arrange focused opportunities to provide input on them before confirming the Preferred Route in Section 8. As such, the May 21, 2020 stakeholder meeting was cancelled.

In a June 4, 2020 email from the GTA West project team to City and Regional staff, feedback was requested on the three Section 8 alternatives as follows:

- Preferred alternative selection
- Strengths and/or weaknesses associated with each route alternative.
- How we might mitigate or address some of the weaknesses associated with each alternative
- Additional valuable input to be shared with the Project Team

Additional information on the alternatives was provided by the GTA West Project Team such as plan drawings, profile views, shape files and assessment tables. Feedback was requested by July 3, 2020.

City and Regional staff provided feedback on the three Section 8 alignment alternatives (S8-3, S8-4 and S8-5) as requested by the GTA West Project Team. The City's feedback was provided based on criteria key to staff, to assist the GTA West Project Team in further evaluating the Section 8 alternatives, as follows:

- City of Vaughan Land Use Policies
- Existing Residential Areas and the North Kleinburg-Nashville Secondary Plan Development Areas
- Environment, and
- Connectivity

In addition to the staff technical comments, Council provided a position through the endorsed recommendations (within the [Mayor's members resolution](#)), at its meeting of June 29, 2020. The resolution was also forwarded to the GTA West project team.

On August 7, 2020, the GTA West Project Team announced the Preferred Route and the associated Focused Analysis Area for the GTA West Transportation Corridor

Following the review of stakeholder comments, the GTA West Project Team announced the Preferred Route and change to the associated Focused Analysis Area on August 7, 2020. The announcement was issued in a bulletin sent via email (Attachment 3). Additional information can be found on the GTA West website at <https://www.gta-west.com/>.

Of the three Section 8 alignment alternatives as previously described (Attachment 2), alternative S8-5 was selected to be part of the Preferred Route

Although S8-5 potentially impacts a northern piece of the North Kleinburg-Nashville Secondary Plan area, it is an improvement from S8-3 (part of the draft Technically Preferred Route) in terms of impacts to the existing residential communities and the North Kleinburg-Nashville Secondary Plan area. With further refinement of the design, the footprint of the highway will likely be reduced, and the impact of S8-5 on the North Kleinburg-Nashville Secondary Plan area potentially minimized. The Preferred Route in the GTA West Project Team's recent announcement is showing a 250m wide right-of-way with the intention of reducing to 170m wide as the highway design is refined.

It also appears that S8-5 ranked higher for the GTA West Project Team compared to S8-4 (which veered further north to avoid impacting the developable lands), as it offered a shorter crossing of the Humber River and potentially less environmental impacts. Although S8-3 has the shortest crossing of the Humber River that could result in reduced construction and maintenance costs, and possibly less environmental impacts, it presented the most significant impacts to the existing residential communities and on the North Kleinburg-Nashville Secondary Plan area.

The Preferred Route within Vaughan includes a partial interchange at Weston Road, an interchange at Highway 27 and freeway-to-freeway interchanges at Highways 427 and 400. It does not include interchanges at Highway 50 and Pine Valley Drive, essentially the same interchange locations from the draft Technically Preferred Route as shown at PIC 2 last year

In previous discussions with the GTA West Project Team, a partial interchange at Weston Road, although having greater environmental impacts compared to Pine Valley Drive, and being quite close to the proposed freeway-to-freeway interchange, offers better connectivity to the Highway 400 North Employments areas, especially if interchanges at Highway 400 and Kirby Road or King-Vaughan Road are uncertain at this time. Weston Road is also continuous north and south.

As previously noted, although MTO only plans to implement one of the two interchanges in that area, having both could be feasible and the City and the Region could protect for an additional full-moves interchange in the future while possibly addressing the discontinuities along Pine Valley Drive. Discussions are ongoing on this subject.

The GTA West Project Team also provided in their recent bulletin (Attachment 3) adjustments to the FAA (2014, 2019 and 2020) made to reflect changes from the draft Technically Preferred Route to the Preferred Route.

Comments on the Northwest GTA Transmission Corridor (Attachment 4) were requested by June 8, 2020

The Environmental Registry of Ontario [019-1503](#) provides details on the Province's proposal. Staff's comments reflected the recommendations as previously made for the GTA West corridor to ensure the hydro transmission alignment also reduces impacts to existing and approved community areas. Comments were coordinated by the Policy Planning and Environmental Sustainability department.

Financial Impact

There are no immediate financial impacts associated with this report. However, there may be future costs considerations for potential impacts to developable lands, potential additional interchange and addressing the discontinuities along Pine Valley Drive.

Broader Regional Impacts/Considerations

Staff from the Region of York are actively participating in the GTA West Corridor EA and have been attending the Municipal Advisory Group (MAG) meetings.

Following the second round of PICs in September 2019, the GTA West Project team made presentations to a number of organizations including Regional Council on November 14, 2019.

York Region staff submitted a [report](#) to York Region Committee of the Whole on May 14, 2020. The purpose of this report was to have Council reiterate its position that the

Ministry of Transportation develop, as part of the EA, a highway alignment that reduces impacts to existing and approved community areas in the North Kleinburg-Nashville Secondary Plan area. Additionally, that Council request, as part of the EA, the Ministry of Transportation not preclude a future interchange at Pine Valley Drive and continue to explore an additional interchange north of the Teston Road interchange at Highway 400, to accommodate development of lands within Regional Official Plan Amendment 2, which are key planned future City of Vaughan communities.

The Region also provided feedback on the three Section 8 alignment alternatives on July 3, 2020, as requested by the GTA West Project Team. York Region staff continue to be involved in discussions with City staff and the GTA West Project Team regarding the Preferred Route and interchange locations within Vaughan.

York Region staff are preparing to take a memo to Regional Council in September 2020 to provide an update on the recent provincial announcement of the Preferred Route for the GTA West transportation corridor.

Conclusion

The City supports the progress of the GTA West EA Study and looks forward to continuing to engage with the GTA West Project Team as work on the recently announced Preferred Route and associated Focused Analysis Area moves forward.

MTO met with City staff on August 24, 2020 and they advised that the GTA West Project Team will not be providing presentations to municipal councils and other organizations at this time due to scope of work and time constraints for the EA study; however, they plan to do so at future key milestones as the study progresses.

The study's next steps are outlined below:

- 2020-2021 - The GTA West Project Team will be undertaking fieldwork on properties potentially impacted by the Preferred Route to document existing environmental and engineering conditions
- Fall/Winter 2021- 3rd PIC to present the preliminary design for the Preferred Route, property impacts, and mitigation measures for review and comment
- 2022 - The study's planned completion and Environmental Study Report

Staff have been working with MTO to provide insight of the City's position on the GTA West Corridor, to inform the study and aid in identifying the best corridor alignment alternatives throughout Vaughan. The final decision rests with the GTA West Project Team based on the established study criteria and process. Staff will continue to work the GTA West Project Team as the project proceeds to Preliminary and Detailed design

and will continue to participate as a member of the Municipal Advisory Group throughout the project. Staff will provide updates to Council at key milestones in the process.

With regards to the Northwest GTA Transmission Corridor Identification Study, City staff will also continue to review and provide comments on the study. Updates will be provided to Council at future Committee Meetings.

For more information, please contact Vince Musacchio, Director, Infrastructure Planning and Corporate Asset Management, at extension 8311.

Attachments

1. Draft Technically Preferred Route with Short-list of Route Alternatives (sections within the City of Vaughan), October 2019
2. Section 7-8 Route Alternatives & North Kleinburg-Nashville Secondary Plan Area, GTA West Project Team, June 2020
3. Preferred Route and Refined FAA Bulletin, GTA West Project Team, August 2020
4. Proposed Northwest GTA Transmission Narrowed Area of Interest Compared to MTO's 2019 FAA, Ministry of Energy Northern Development and Mines (ENDM) and the Independent Electricity System Operator (IESO), September 2019

Prepared by

Hilda Esedebe, Transportation Project Manager, ext. 8484

Selma Hubjer, Manager of Transportation Planning, ext. 8674

Approved by

A handwritten signature in black ink, appearing to read 'Nick Spensieri', with a long horizontal line extending to the right.

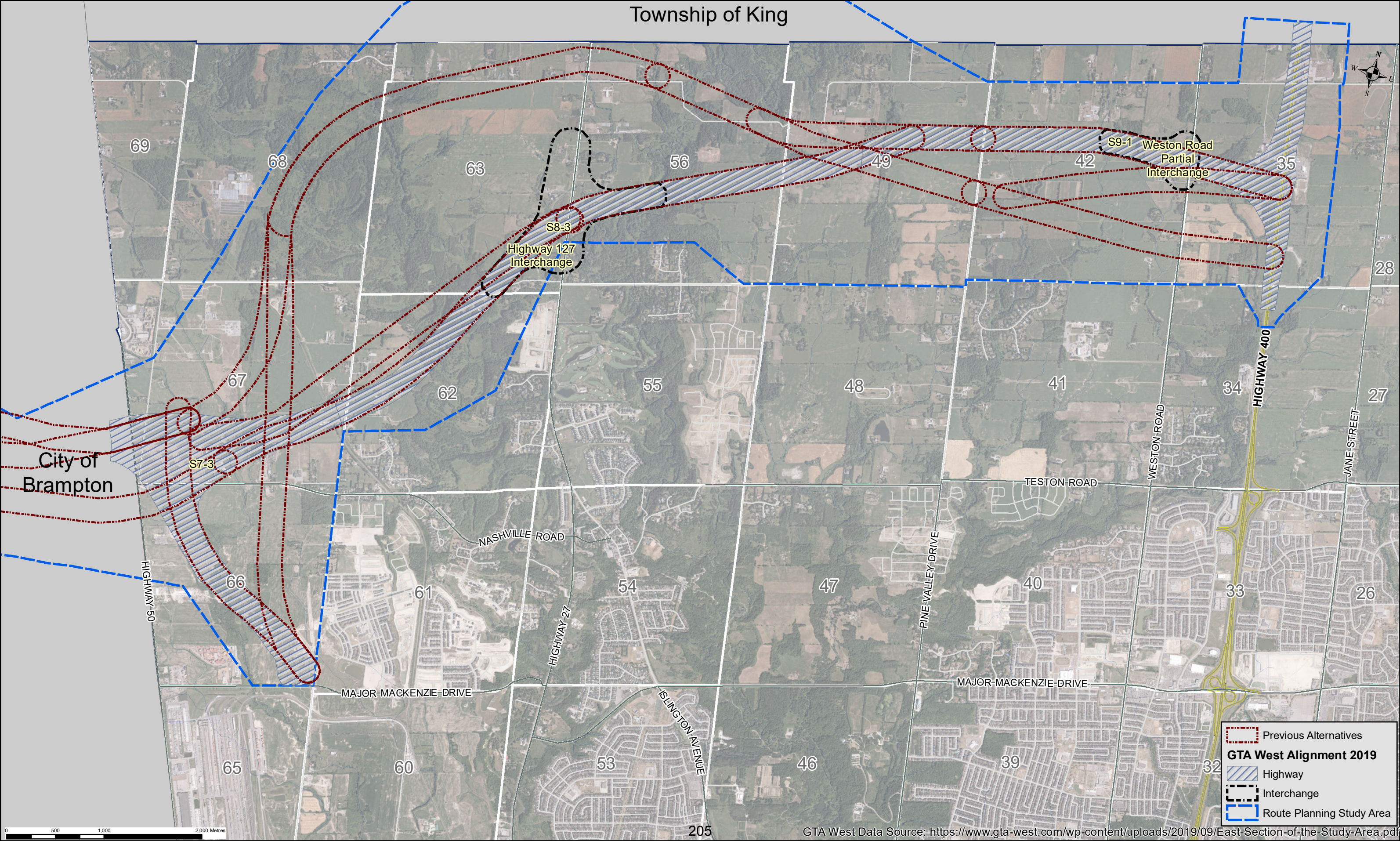
Nick Spensieri
Deputy City Manager
Infrastructure Development

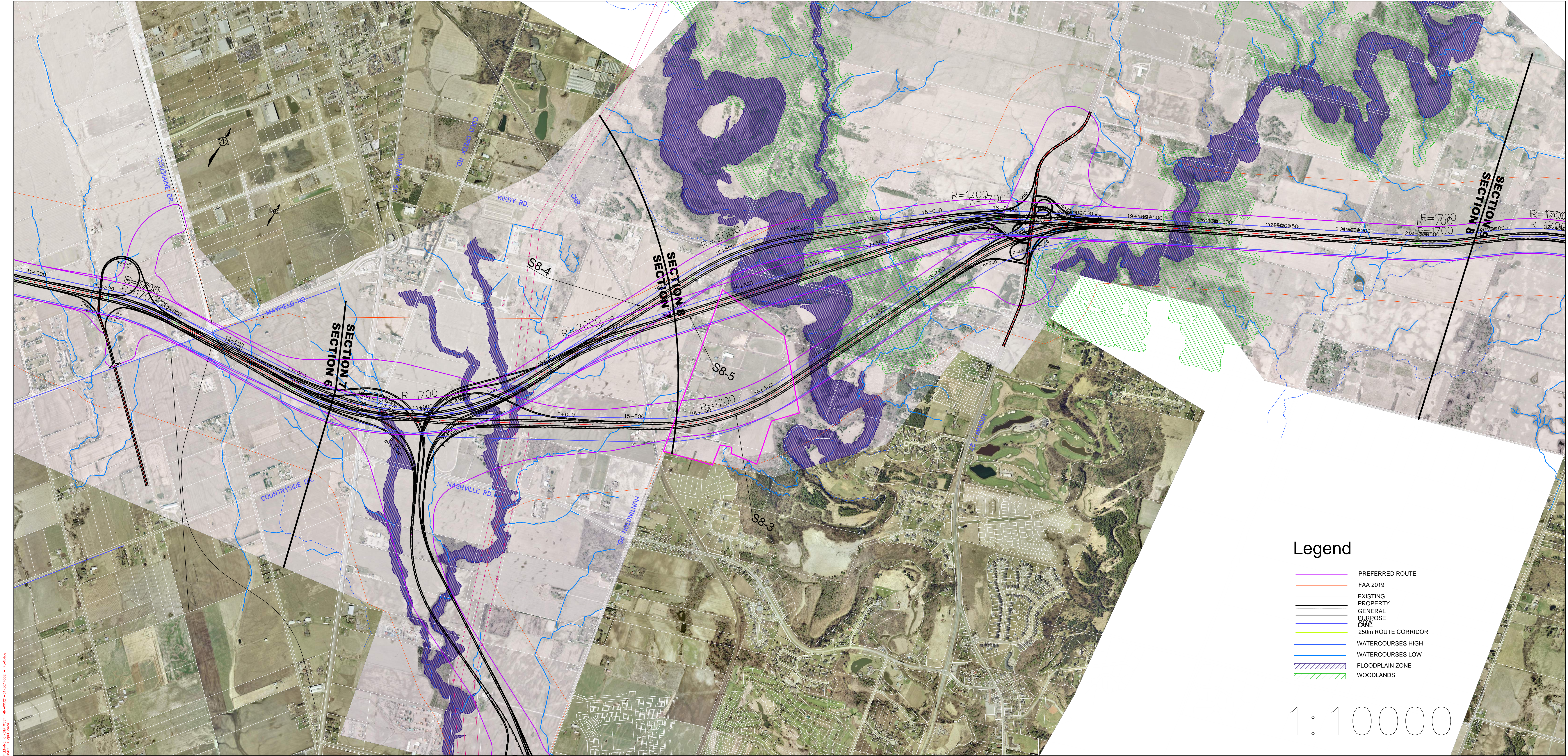
Reviewed by

A handwritten signature in black ink, appearing to read 'Jim Harnum', with a long horizontal line extending to the right.

Jim Harnum, City Manager

GTA West Alignment, 2019





PLANNING CONSULTANTS, INC. 1400-0001-01 V3.0002 - Planning
DATE: 24 April 2020

PREFERRED ROUTE ANNOUNCEMENT

GTA WEST STUDY



The Greater Toronto Area (GTA) West Transportation Corridor Route Planning and Environmental Assessment Study is focusing on the planning and preliminary design of a new multimodal transportation corridor that includes a 400-series highway, transitway, and potential goods movement priority features. Public Information Centre #2 (PIC #2), held in September/October 2019, presented the draft Technically Preferred Route and draft 2019 Focused Analysis Area for comment.

The draft Technically Preferred Route presented at PIC #2 has been superseded by the Preferred Route. **The Preferred Route** map illustrates the route and interchange locations for the GTA West multimodal transportation corridor that will be developed to a preliminary design level of detail over the next 2 years. The Preferred Route map provides information on where changes have been made to the route based on the consideration of feedback from PIC #2, land use and environmental information.

TIMELINE

WINTER 2019 - SUMMER 2020

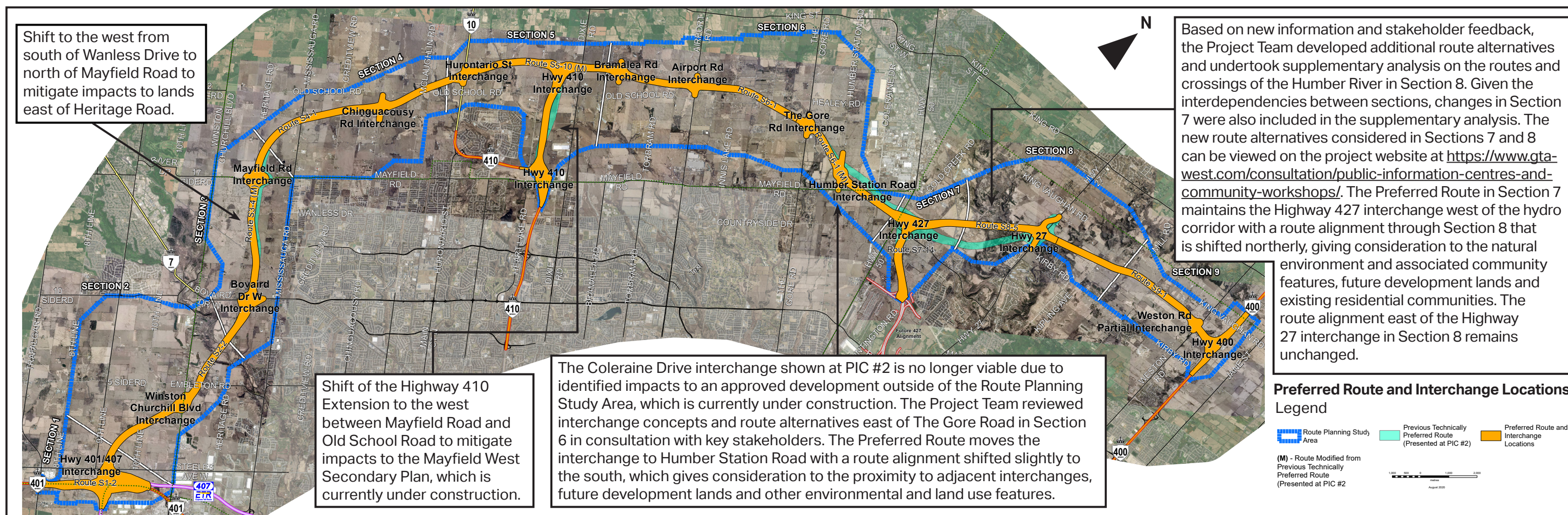
The Project Team reviewed feedback from PIC #2 and worked diligently with advisory groups, municipal staff, agencies and other stakeholders to confirm the Preferred Route and associated 2020 Focused Analysis Area for the GTA West multimodal transportation corridor.

2020 - 2021

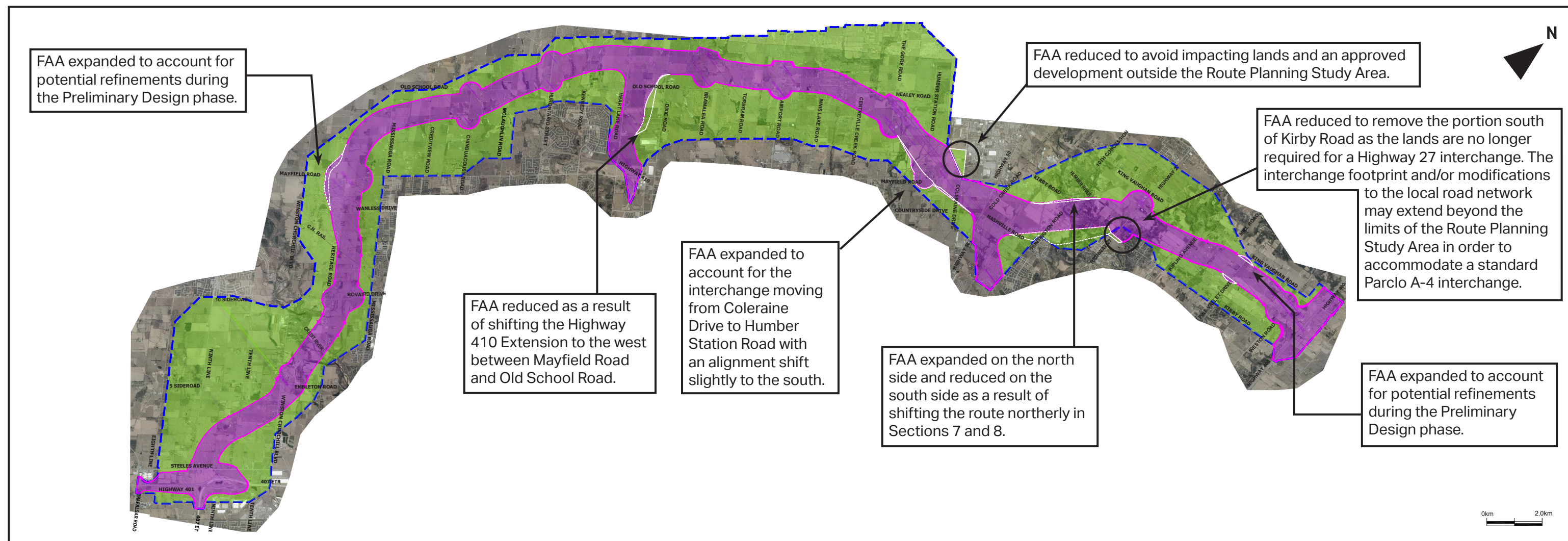
The Project Team will be undertaking fieldwork on properties potentially impacted by the Preferred Route to document existing environmental and engineering conditions.

2020 - 2022

The Project Team will develop the preliminary design of the GTA West multimodal transportation corridor. The Project Team will present the preliminary design, including property impacts and mitigation measures, at PIC #3 for public review and comment. PIC #3 is anticipated to be held in Fall/Winter 2021.



2020 FOCUSED ANALYSIS AREA (FAA)



Purple Area

The 2019 Focused Analysis Area (FAA) that was presented at PIC #2 was in draft format and has since been refined following a review of feedback and other relevant data. The refined 2020 FAA (**purple area**) is a zone that surrounds the Preferred Route and defines which properties continue to be within an area of interest as the study progresses. Properties located within the 2020 FAA could be directly impacted by the GTA West multimodal transportation corridor, ancillary uses, or if refinements are made to the route during the preliminary design stage.

More Information

You can download detailed mapping of the Preferred Route and 2020 FAA from the Public Information Centre #2 section of the project website at www.gta-west.com/consultation/public-information-centres-and-community-workshops/.

Ce bulletin peut être téléchargé en français sur le site Internet du projet à l'adresse www.gta-west.com/french/.

Des renseignements sont disponibles en français en composant (289) 835-2484 (Yannick Garnier).

Green Areas

MTO has a reduced interest in properties located in the green areas on the map. Applications can proceed through municipal development processes and MTO will continue to review all development applications in the study area, but it is anticipated that applications in the green areas will not be impacted by the GTA West multimodal transportation corridor. The Project Team aims to further reduce the FAA when the preliminary design of the Preferred Route is presented at PIC #3.

Route Planning Study Area - - - -

Geographical area within which alternatives for the GTA West multimodal transportation corridor were considered.

WEBSITE



www.gta-west.com

EMAIL



project_team@gta-west.com

TOLL-FREE



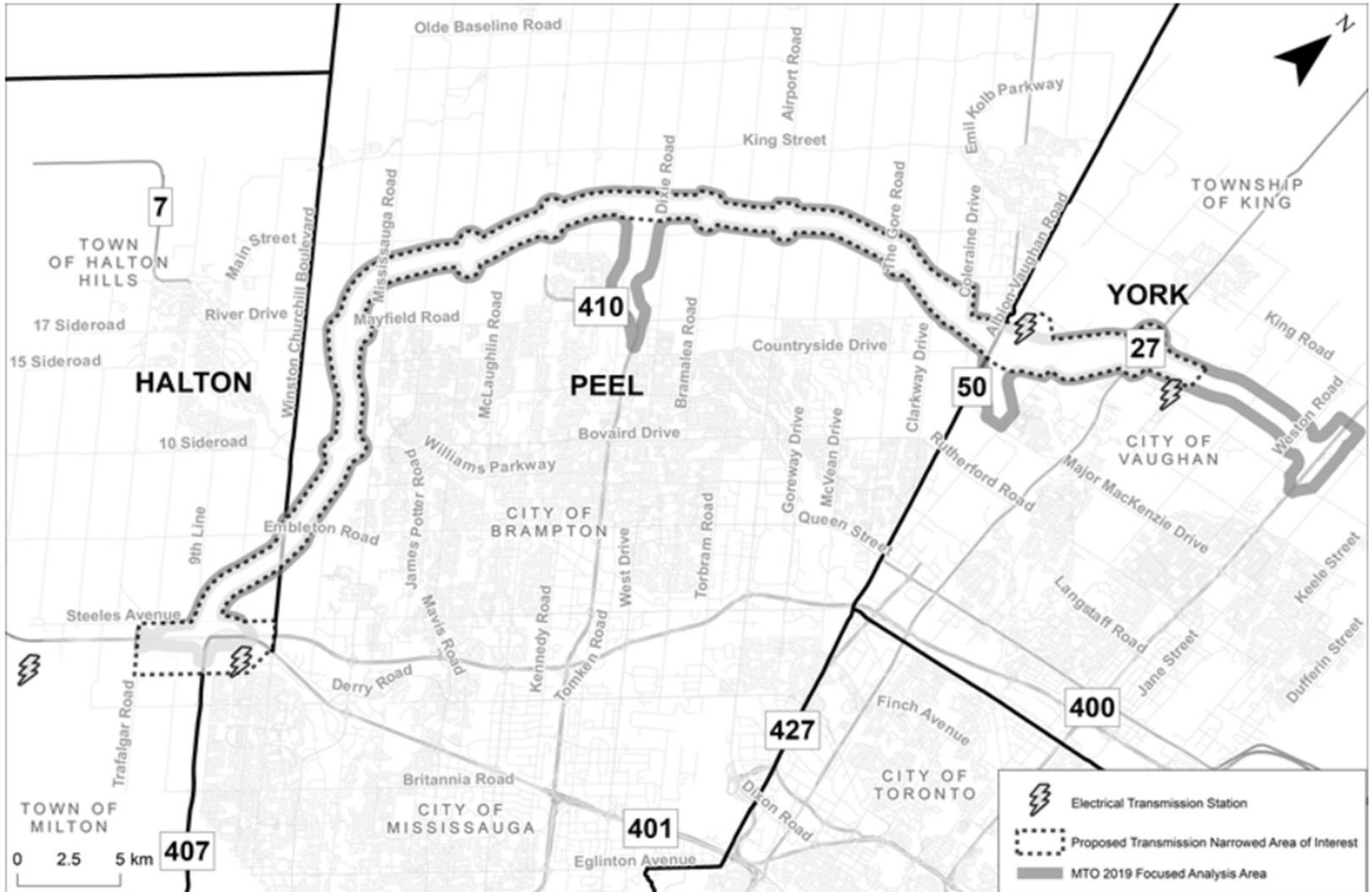
1-877-522-6916

TWITTER



@GTAWestStudy

Proposed Transmission Narrowed Area of Interest Compared to MTO's 2019 Focused Analysis Area



Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): 5

TITLE: PROPERTY MATTER

**REQUEST FOR PARKLAND DEDICATION RELIEF FOR THE
AFFORDABLE HOUSING DEVELOPMENT AT 919 CLARK
AVENUE WEST**

FROM:

Nick Spensieri, Deputy City Manager, Infrastructure Development
Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

ACTION: DECISION

Purpose

To seek Council's direction with respect to Reena's request to be relieved of making the cash-in-lieu of parkland ("**CIL**") payment required, in connection with its 79-unit affordable rental apartment development at 919 Clark Ave West, being known as the "Lou Fruitman Reena Residence".

Report Highlights

- Reena is constructing a 79-unit affordable rental apartment development at 919 Clark Ave West on approximately 1.93 acres known as the “Lou Fruitman Reena Residence”. On May 15, 2020, Reena requested relief of its \$671,500.00 CIL of parkland dedication payment requirement.
- In response City staff have considered three options:
Option 1: Defer/Waiver the full CIL payment of \$671,500.00.
Option 2: Defer/Waiver of a percentage of the CIL of parkland payment, ranging from 5% to 95%.
Option 3: Defer the CIL payment of \$671,500.00 while Reena’s facility operates as an Affordable Rental Apartment Development (Staff Recommended Option).
- Staff recommend Option 3. This approach is consistent with deferrals granted for similar past Housing York Inc. projects. A deferral would decrease the balance in the City’s CIL Recreation Land Reserve, but it would not negatively affect the City’s ability to secure parkland.

Recommendations

1. That Council direct staff to defer the cash-in-lieu of parkland dedication payment of \$671,500.00, for Reena’s development of a 79-unit affordable rental apartment at 919 Clark Ave West, until such time that it no longer operates as an affordable housing development;
2. That the Mayor and the City Clerk be authorized to execute all documents and agreements necessary to authorize cash-in-lieu of parkland dedication deferral payment in accordance with the above paragraph, in a form satisfactory to the Deputy City Manager, Administrative Services and City Solicitor; and
3. That Council direct staff to report back at a future Council meeting on the finding of the Parkland Dedication Guideline project as it relates to the City’s Cash-in-Lieu By-Law and related policies, including the impact of expanding deferrals and exemptions for affordable housing projects.

Background

Affordable Rental Housing Development of 919 Clark Ave West

Reena is proposing to construct a six-storey residential apartment building comprising of 79 self-contained affordable rental apartment units to accommodate approximately 124 individuals with developmental disabilities, pursuant to Site Development Application file number DA.19.003, to accommodate the long-term needs of the community.

The property is located on the south side of Clark Avenue West, west of Bathurst Street adjacent to the existing Toby & Henry Battle Developmental Centre, as shown on Attachment #1. Reena is a non-profit organization which promotes dignity, individuality, independence, personal growth and community inclusion for people with developmental disabilities.

As part of the development process, the City requires a CIL payment for the development in accordance with By-law No.205-2012. The CIL payment was calculated based on a fixed rate of \$8,500 per unit x 79 units totaling \$671,500.00. At the time the calculation was made, Reena firstly requested the City waive the CIL payment requirement as a means for the City to contribute towards this social housing initiative, and secondly requested that the City defer the CIL payment due to the impacts of the COVID-19 pandemic. City staff advised that there were no provisions in By-law No. 205-2012 that exempted Reena from CIL payments, but it was confirmed that there was the ability to temporarily defer the CIL payment pursuant to section 5.0(1)(b) of the City of Vaughan By-law 037-2020, the COVID-19 Emergency Measures By-law. To facilitate the timely construction of the building, the City, through an Order granted by the Acting City Manager postponed the collection of CIL until September 30, 2020.

In addition, in 2019 the City entered into a Development Charges Deferral Agreement subject to certain terms and conditions.

Treatment by Other Municipalities of Parkland Dedication Exemptions and Affordable Housing Development Applications

Staff reviewed the by-laws and policies of eight local municipalities as they relate to parkland dedication requirements and exemptions. Four local municipalities – City of Markham, Town of Newmarket, Town of Richmond Hill and Township of King – provide reductions and/or exemptions from parkland and/or cash-in-lieu of parkland requirements. There are multiple categories of exemptions; those most relevant to Housing York Inc.'s request are as follows:

- Public service facilities;
- Affordable housing, in accordance with how it is defined in the Provincial Policy Statement, 2005;
- Nursing homes, as defined by the Long-Term Care Homes Act, 2007; and
- Not-for-profit palliative care facilities.

The Towns of East Gwillimbury, Whitchurch-Stouffville, Georgina and Aurora do not provide for any exemptions for parkland dedication and/or cash-in-lieu of parkland requirements.

Reena proposed development has qualified for York Region's Development Charge deferral policy for Purpose-Built High-Density Rental Buildings. In addition, Reena has qualified for Canada Mortgage and Housing Corporation (CMHC) funding.

The City's existing Cash-in-Lieu By-law 139-90 was enacted in 1990. As per previous Council authorization, staff are commencing a comprehensive review of By-law 139-90 and policies and will consider the exemptions applied by other municipalities. Staff will bring forward recommendations to a future Committee for its consideration. In the interim, the request from Reena is considered a unique situation and merits review in the context of providing much needed affordable rental apartment units within Vaughan.

On May 15, 2020, the City received a formal request from Reena asking that the CIL amount payable be deferred for a period of 20 years which is in alignment with Reena's contribution agreement with CMHC. After which, Reena is asking that the CIL requirement be waived. City staff have spoken with representatives of Reena and advised that City staff do not have the discretionary authority to deviate from the CIL By-law. Reena requested that the matter be brought forward to Council for its consideration as the development project supports affordable housing, specifically to assist those with developmental disabilities, seniors and others requiring support.

Reena has advised that their health partners Holland Bloorview and Mackenzie Health, have both asked Reena to advance this project as a priority site for possible interim health housing, for the second wave of COVID-19.

Instead of parkland CIL, Reena will dedicate the gardens and the lands in front of 927 Clarke Avenue West to create a community memorial garden, recognizing the hidden children both during the holocaust and those with disabilities in the community.

The City is undertaking work on a new Parkland Dedication Guideline Document

The City's Parks Planning Department in consultation with the Office of the City Solicitor, Financial Planning & Development Finance, Financial Planning & Analysis, Real Estate Services, and Policy Planning is currently working with an external consultant, (The Planning Partnership) on the City's first Parkland Dedication Guideline Document. This project will undertake a review of the City's current By-laws for Parkland Dedication, Land Conveyance and Payment-in-lieu. This guideline document will build upon the existing payment-in-lieu policies and by-laws including the use of community benefits associated with payment-in-lieu funding, land dedication protocols and standards and best practices, conveyance requirements, valuation, credits, deferrals, exemptions and other matters of interpretation identified under Bill 108. The guideline document will inform the upcoming Community Benefit Strategy and By-law and will have policy implications with respect to the City's up-coming Official Plan review.

Public and stakeholder consultation is planned for the Fall of 2020. The project consulting team will conduct stakeholder consultations with the development community, and the Mayor and Members of Council during this time to receive input and feedback in the parkland dedication process. Upon completion of this project in early 2021, the Parkland Dedication Guideline Document will assist in informing future decisions by Council as it relates to, but not necessarily limited to the treatment of rental affordable housing projects and potential exemptions, deferrals etc., similar to the subject site.

CIL contributions support acquisition of parkland in the City

The 2018 review and update of the Active Together Master Plan (ATMP), and the City's strategic plan for parks, recreation and libraries indicate that the City's active parkland provision rate is currently 1.86 ha/1000 population, based on existing parkland supply relative to existing population. The ATMP recommends a provision target of 2.0 ha/1000 population in order to meet identified parkland needs at a City-wide level.

Based on the findings of the 2018 ATMP, the Thornhill Community has an overall parkland provision rate of 2.47 ha/1000 persons. This is currently above the target rate of 2.0 ha/1000 persons recommended in the 2018 ATMP. However, at a more localized level, and in consideration of planned urban intensification within certain areas of Thornhill, including the Promenade Secondary Plan area, a minor deficiency in parkland exists, requiring the City to consider the use of CIL contributions for existing park redevelopment where possible.

Notwithstanding the above, the Parks Planning Department can support a corporate decision to defer the amount of CIL contributions associated with this application, as outlined in this report, in consideration of this project meeting other City objectives with respect to affordable housing needs, community benefits and to be consistent with the application of CIL requirements on similar past Housing York Inc. projects.

Previous Reports/Authority

Not Applicable.

Analysis and Options

On May 15, 2020, Reena made a request to waive/defer its CIL of parkland requirement for its Lou Fruitman Reena Residence project in accordance with City By-law # 205-2012, which applies a fixed unit rate of \$8,500 per unit x 79 units totaling \$671,500.00 for high-density land.

In response to Reena's request for waiver/deferral of the CIL of parkland requirement, there are three options for Council's consideration:

Option 1: Defer/Waiver of the full CIL payment of \$671,500.00

This option would provide maximum relief to Reena. Reena has asked that the CIL amount payable be deferred for a period of 20 years which is in alignment with Reena's contribution agreement with CMHC. After which Reena is asking that the CIL requirement be waived. This option would result in the most significant impact to the City's Cash-in-Lieu Recreation Land Reserve by decreasing its balance by \$671,500.00.

Option 2: Council to decide on a percentage waiver of the CIL of parkland payment ranging from 5% to 95%

The percentage waived would provide some relief to Reena and would also generate some funds to the City's Cash-in-Lieu Recreation Land Reserve.

Option 3: Defer the CIL payment of \$671,500.00 while Reena operates its facility as an Affordable Rental Apartment Development (Staff Recommended Option)

This option would provide maximum relief to Reena for as long as the facility operates as an affordable rental apartment development. The deferral of the CIL amount owing shall expire upon the date that the City in its sole and absolute discretion delivers notice to the owner confirming that such deferral has expired as a result of all or any portion of the lands no longer operating as an affordable housing facility, failing to meet the criteria for which the deferral was intended.

Financial Impact

Funds collected by the City from CIL payments are deposited into the City's Cash-in-Lieu Recreation Land Reserve. The funds are used to acquire active and/or passive parkland for future park development.

The current balance in the CIL Recreation Land Reserve is approximately \$71.5 million. As outlined in the background section of this report, deficiencies in active parkland exist at the City-wide level.

As outlined in the Analysis and Options section of this report, the full or partial refund of the CIL payment made by Reena would negatively impact the balance in the CIL Recreation Land Reserve. Although funding in the reserve should be maximized, the impact on the reserve balance should relief be granted in this case would not be significant enough to alter strategies for future parkland acquisition.

The financial impact will be subject to Council's preferred option.

Broader Regional Impacts/Considerations

Not Applicable.

Conclusion

Reena is constructing a 79-unit affordable rental apartment development specifically to assist those with developmental disabilities, seniors and others requiring support at 919 Clark Ave West. The development will be known as the Lou Fruitman Reena Residence. Reena has requested a 20-year deferral subsequently followed by the waiver of the CIL payment requirement.

Staff recommend Option 3 to defer the amount of CIL Parkland contributions associated with this application, while Reena operates the facility as an affordable rental apartment development. The project meets the City objectives with respect to affordable rental housing needs and would be consistent with the application of CIL requirements on other affordable housing initiatives such as Housing York Inc. projects.

For more information, please contact Paul Salerno, Senior Manager, Real Estate, Ext, 8473.

Attachment

1. Location Map

Prepared by

Paul Salerno, Senior Manager, Real Estate Ext. 8473

Dino Macchiusi, Project Manager, Ext. 8489

Martin Tavares, Interim Director, Parks Planning, Ext. 8882

Finuzza Mongiovi, Legal Counsel, Ext. 8047

Approved by



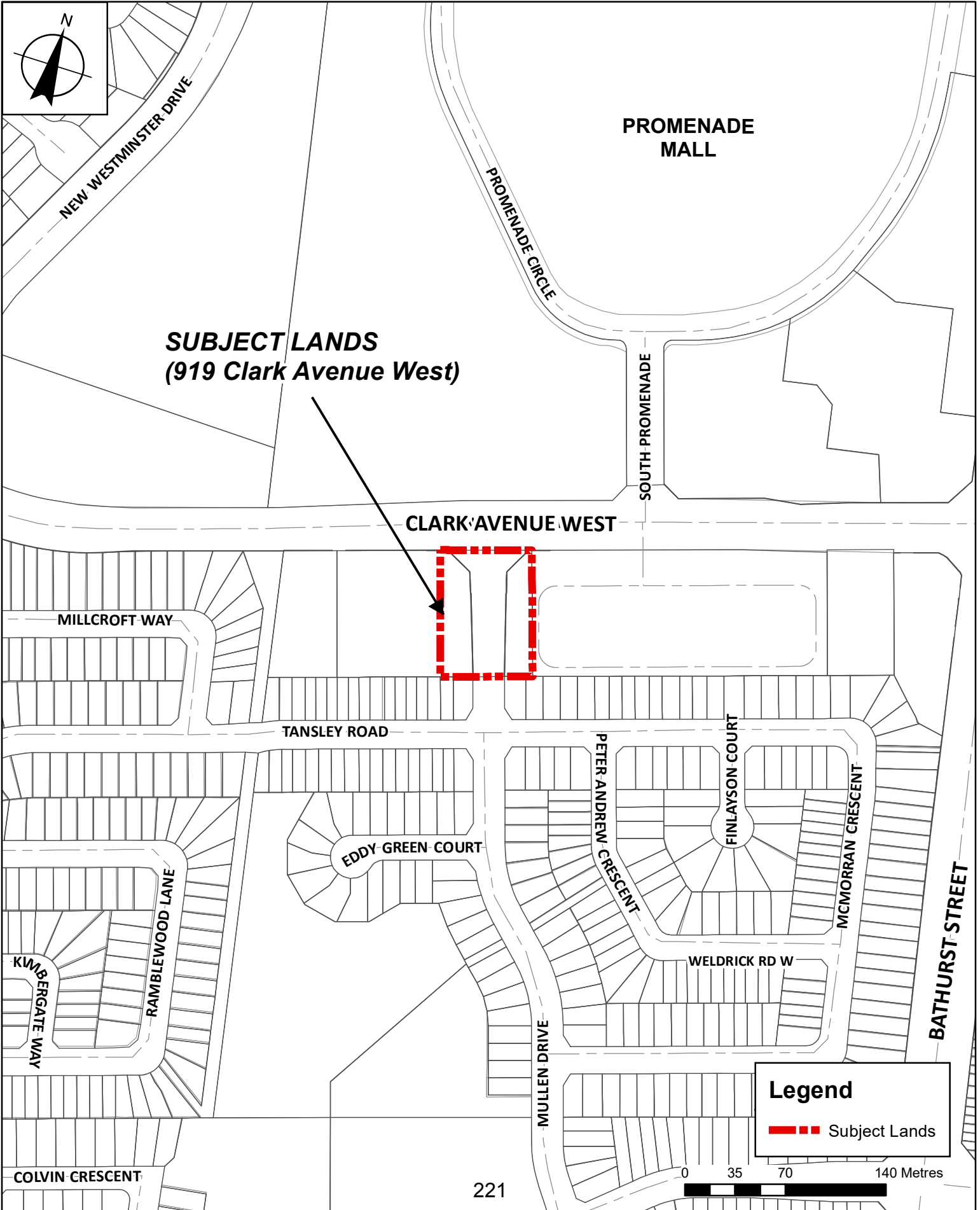
Nick Spensieri, DCM,
Infrastructure Development

Reviewed by



Jim Harnum, City Manager

Location Map
(919 Clark Avenue West)



Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

TITLE: TOURISM VAUGHAN CORPORATION 2020 BUDGET REVISIONS

FROM:

Jim Harnum, City Manager

Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

ACTION: DECISION

Purpose

On behalf of the Tourism Vaughan Corporation (TVC) this report seeks to obtain Council approval of revisions to the TVC's 2020 Budget, as originally approved by Council on March 11, 2020. These revisions are a result of implications due to COVID-19 including the Municipal Accommodation Tax (MAT) suspension and the successful funding application to the Tourism Industry Association of Ontario (TIAO). This report also seeks authority for the TVC to apply for the Tourism Economic Development Recovery Fund (TEDRF) to further offset costs related to the Destination Master Plan.

In accordance with the Memorandum of Agreement between the Corporation of the City of Vaughan and the TVC (the MOA) the annual budget of TVC may only be revised with the express consent of Council.

Report Highlights

- TVC has experienced significant revenue losses in 2020 estimated at nearly \$1.3 million due to suspension of the MAT and decreased visitation. The pre-COVID 2020 TVC budget estimated MAT revenue collection of \$1.7 million.
- The TVC 2020 Budget has been amended to reflect revenue losses and includes an alternative source of revenue granted to the corporation through the Regional Relief and Recovery Fund (RRRF).
- The TVC has received \$426,625 in funding through the RRRF through the Tourism Industry Association of Ontario (TIAO) on behalf of FedDev Ontario to support the economic recovery of the tourism sector as a result of the COVID-19 pandemic. As per 6.13 of the MOA, the TVC is required to obtain Council's consent to use these funds.
- TVC can apply for the Tourism Economic Development Recovery Fund (TERDF) through the Ministry of Heritage, Sport, Tourism and Culture Industries to offset a portion of costs of consulting services for development of the multi-year Vaughan Destination Master Plan and Business Plan.
- Council ratification of the recommendations in this report supports the TVC in complying with the requirements of the MOA, supports a balance between the organization's original vision and mission for 2020, and supports efforts to aid the industry through the COVID-19 pandemic.

Recommendations

1. That the revised TVC 2020 Budget be approved, inclusive of allocated investment of the RRRF funds, as substantially presented in this report; and
2. That the TVC be authorized to apply for the Tourism Economic Development Recovery Fund (TEDRF) and enter into a Transfer Payment Agreement with Ministry of Heritage, Sport, Tourism and Culture Industries should Vaughan be successful in its application, in a form satisfactory to the City Solicitor and Chief Financial Officer.

Background

Tourism Vaughan began operations on January 1, 2020. In its inaugural year, Tourism Vaughan established a business plan and budget for 2020 focused on the development of a strong strategic foundation to power the destination and new organization forward, with primary focus on the development of a Vaughan Destination Master Plan. On March 11, 2020, Vaughan City Council approved the plan and budget as sole voting member of the TVC and in accordance with the MOA.

As a result of the COVID-19 pandemic, the tourism industry has been severely impacted due to border closures, travel bans, gathering limits and other implemented safety measures. Based on an economic forecast by The Conference Board of Canada (2020), in 2020 tourism and tourism-related businesses are anticipated to realize a 28%

decline in GDP and 29% decline in employment/jobs. From the Canadian Survey on Business Conditions (CSBS), recently conducted by Statistics Canada (2020), Vaughan-based businesses represented a significant portion of the responses, identifying the Accommodation and Food Services sector as one of the hardest hit sectors in Vaughan and York Region.

The City of Vaughan supported the local accommodations industry through suspension of the MAT from March 17-June 1, 2020 and further extended the suspension until September 1, 2020. Due to the suspension, TVC's sole revenue source was cut and lost budgeted revenue for TVC in 2020 estimated at nearly \$1.3 million. The 2020 TVC budget estimated MAT revenue collection of \$1.7 million in 2020.

Consequently, revisions to the TVC 2020 Budget have been made to reflect revenue losses, reallocate funds, and include an alternative source of revenue from the RRRF, applied for under authority of the City's Grant Funding Policy to offset losses. As per item 6.5 of the MOA, express consent of Council is required for revisions to the annual budget of TVC, of which this report seeks to obtain. Detailed budget amendments are outlined under the section titled Financial Impact.

Additionally, Item 6.13 of the MOA states that subject to Council approval, the TVC may generate revenue from alternative sources including government grants. This report seeks approval to apply for and use the TEDRF to offset costs related to professional fees related to the Vaughan Destination Master Plan.

Throughout the pandemic, the TVC has quickly responded to implement new initiatives outside of its original Business Plan, required to support the local industry. Through the revised budget, TVC is looking to strike a balance between essential work to establish the organization's foundation and additional measures to support the industry during and after the pandemic through visitor attraction.

To achieve this, the revised budget and recommendations of this report provide a blend of the corporation's initial objectives, and a COVID-19 resiliency and recovery scope through newly developed tactics funded through revenues of the MAT, acquired the RRRF, and additional sources of revenue to further offset losses.

Previous Reports/Authority

- [Committee of the Whole \(2\) Report – TOURISM VAUGHAN CORPORATION \(TVC\) – 2020 Budget and Business Plan](#)
- [EXTENSION OF MUNICIPAL ACCOMMODATION TAX SUSPENSION IN RESPONSE TO COVID-19](#) - May 20, 2020
- [Tourism Vaughan Corporation – By-Law No. 1](#)

- [Memorandum of Agreement – The Corporation of City of Vaughan and Tourism Vaughan Corporation](#)– January 13, 2020
- [By-Law 02-2019](#)
- [09.C.01 - Grant Funding Policy](#)

Analysis and Options

As a newly established corporation, TVC is required to provide much needed support to local industry partners while continuing to establish its foundation through delivery of its mandate to:

- Develop and implement multi-year business development and marketing plans, in collaboration with industry stakeholders, that address Vaughan’s goals as a tourism destination, including promotion of overnight stays in Vaughan based transient accommodations;
- Support and facilitate growth of the local tourism sector by identifying and promoting opportunities to attract strategic investments and new infrastructure that generate positive economic impacts in Vaughan;
- Conduct targeted economic and market research for the purpose of identifying growth opportunities and developing competitive strategies; and
- Facilitate marketing collaborations amongst Vaughan’s tourism industry stakeholders.

INDUSTRY SUPPORT THROUGH COVID-19

Since the onset of the pandemic, the organization has demonstrated resiliency and pivoted its focus to support the local industry despite not having established programs and services to easily pivot. Tourism Vaughan has been working with local industry partners on several projects to be funded through pre-collect MAT and newly granted RRRF to revitalize the local tourism industry, including:

- launching visitvaughan.ca – the City’s first visitor website promoting all there is to safely see and do in Vaughan both virtually and in-person (in partnership with Central Counties Tourism RTO6). Since its launch in late May, nearly 1,000 people have visited the website;
- facilitating connections to resources such as PPE and local charities;
- a tourism industry-specific eNewsletter to keep businesses up to date on collaboration opportunities, accessing financial support, workshops and government announcements;
- establishing an interim recovery plan to attract future corporate events, conferences, tradeshow, exhibits, board meetings, sports events and SMERF (social, military, education, religious, fraternal) when safe to welcome groups back to Vaughan within the Province’s health guidelines;

- developing a phased-in marketing strategy and travel incentive program initially targeted at hyper-local and domestic travel; and
- adoption of the global Safe Travels safety stamp for industry operators to display in accordance with health and hygiene global standards outlined by the World Travel and Tourism Council (WTTC), and TIAO. The stamp is designed to rebuild confidence among consumers so that they can travel safely once the restrictions are lifted.

CONTINUING TO ESTABLISH THE TVC

In parallel, work has continued to develop the organization's foundation as per the TVC 2020 Business Plan through:

- onboarding of a Tourism Development Officer to assist in managing and operating TVC; and
- acquisition of a consultant to guide development of a comprehensive multi-year Destination Master Plan and Business Plan to guide tourism investment and enhance tourism business strategies within the city. The plan will be developed in close working collaboration with an industry Project Advisory Group made of industry partners and stakeholders, TVC Board of Directors, and the City of Vaughan.

Upcoming initiatives include completion of a TVC governance review pursuant to the motion passed by the TVC Board on February 24, 2020 that directs TVC and City staff to initiate a governance review and report recommendations back to the Voting Member (City Council), as result of the resignation of TVC Chair and President. This process was halted during suspension of committees of Council during the pandemic and is set to resume with the recent onboarding of the City Manager.

ALTERNATIVE SOURCES OF REVENUE

Regional Relief and Recovery Fund (RRRF)

The revised budget includes a grant of \$426,625 from the Regional Relief and Recovery Fund, granted to the TVC by TIAO through FedDev Ontario to be spent during the eligibility period of June 5, 2020 to December 31, 2021. The TVC and City have entered into a transfer payment agreement under authority of the City's Grant Funding Policy with TIAO for receipt of the funds, and through this report, is seeking Council's approval to invest the funds.

Eligible projects are designated to support Tourism Vaughan in driving visitors back into the community as the economy reopens to generate new revenue for tourism

dependent SMEs and help local economic recovery in Vaughan and across Ontario. TVC's proposed investment of the RRRF funds has been approved by TIAO as follows:

- a series of integrated marketing campaigns targeting local and domestic travel in both the leisure and meetings & events markets;
- development of Tourism Vaughan social media channels and a business-to-consumer electronic newsletter;
- labour costs for existing TVC staff. The Executive Director and Tourism Development Officer of TVC will support marketing tactics where required, and continue to deliver all remaining and new initiatives, including development of the corporation such as the Destination Master Plan and Governance Review;
- development of an interim recovery plan to attract corporate events, conferences, tradeshow, exhibits, board meetings, sports events and SMERF (social, military, education, religious, fraternal) when safe to welcome groups back to Vaughan within the Province's health guidelines;
- a travel incentive program initially targeted at hyper-local and domestic travel;
- a culinary tourism campaign called The Great Taste of Ontario Road Trip, through the Culinary Tourism Alliance of Ontario. The campaign, mandatory for all recipients of the RRRF, will consist of community engagement initiatives, product enhancement, product development and strategic promotional marketing focused on culinary experiences. TIAO will match all DMO contributions to the program; and
- adoption of the global Safe Travels safety stamp for industry operators to display in accordance with health and hygiene global standards outlined by the World Travel and Tourism Council (WTTC), and TIAO. The stamp is designed to rebuild confidence among consumers so that they can travel safely once the restrictions are lifted.

To support delivery of the new marketing and development of travel incentive programs and promotion, the TVC will retain services of a marketing agency in collaboration with the departments of Corporate and Strategic Communications and Procurement Services.

Costs incurred later than December 31, 2020 will be allocated to the TVC 2021 budget, to be presented to Council for consideration and approval no later than March 31, 2021 as per item 6.4 of the MOA. A preliminary forecasted 2021 budget is included under the Financial Impact section of this report as Table 2.

Tourism Economic Development Recovery Fund (TEDRF)

In addition, TVC can apply for the Tourism Economic Development Recovery Fund (TERDF) through the Ministry of Heritage, Sport, Tourism and Culture Industries. This

fund is intended to support projects that develop innovative tourism products and experiences. Eligible TVC projects include consulting services for the multi-year Vaughan Destination Master Plan and Business Plan. If successful, this fund may offset approximately \$60,000 of professional fees currently budgeted. Pending approval of the recommendations of this report, TVC will pursue this revenue opportunity with support of the Municipal Partnership Office (MPO).

Financial Impact

The expenditures outlined in the TVC budget are funded from revenues collected under the MAT. Regulation 435/17 prescribes that municipalities without a Destination Marketing Fee, like the City of Vaughan, are required to share at least 50% of the MAT revenue, net of reasonable administration costs, be dedicated to tourism promotion and development of tourism products by an eligible tourism entity – TVC.

As approved by Council on March 11, 2020, the original 2020 TVC Budget is reflected in Table 1 with estimated MAT revenues at \$1,706,500. The revised 2020 operating budget seeking approval via this report is also outlined in Table 1, with estimated total revenues at \$836,423, inclusive of the \$426,625 granted from the RRRF. Variances show a foregone MAT revenue loss of \$1,296,702 for TVC due to COVID-19 impacts on the tourism industry, and the suspension of MAT in Vaughan.

Table 1 also shows the 2019 actuals with revenues as of the effective date of April 1, 2019 for implementation of MAT by-law 029-2019 of 4 per cent to all hotels, motels, hostel, campgrounds, bed and breakfasts, club, condo hotel, or large multi-use complex used as a hotel for less than 30 days. As previously reported, expenses incurred by TVC in 2019 mainly reflect the initial set up costs and the onboarding of the TVC Executive Director in November 2019. Costs for 2020 were expected to ramp up as TVC entered its first full year of operations, however, could not have planned for a global pandemic.

The revised 2020 TVC operating budget includes gross expenditures of \$936,217. Revised 2020 MAT revenues are estimated at \$409,798, in addition to proceeds of \$426,625 from the RRRF grant. This results in a budgeted net loss of \$99,794, which has been largely offset by the RRRF. Retained earnings opening balance for 2020 will be reduced by the 2020 net loss and the remaining funds will be available for future year(s) tourism related investments.

The revised projected and budgeted 2020 revenues account for the reinstatement of the MAT on September 1, 2020 with a reported average occupancy rate in Vaughan accommodations of 30 per cent from September 1 to December 31. These estimations

are based on the staff report [EXTENSION OF MUNICIPAL ACCOMMODATION TAX SUSPENSION IN RESPONSE TO COVID-19](#) dated May 20, 2020.

A summary of revised budget allocations are as follows:

- The original 2020 budgeted labour expenses include the full year costs for two (2) full-time City staff as stated in the MOA. Labour costs will be funded by the RRRF between June 5, 2020 to December 31, 2020, and from MAT revenues before and after this period.
- TVC initially budgeted \$100,000 for the Tourism Vaughan Advisory Committee, yet to be formed due to the governance review, to implement pilot program(s) and/or initiative(s). These funds have been amalgamated with additional programming funds through the RRRF to support COVID-19 related programs including an interim tourism meetings and events strategy, safety assurance programming and the Great Taste of Ontario Road Trip program.
- Professional Fees in 2020 are maintained to account for the investment in the development of a Tourism Vaughan visual identifier, Destination Master Plan, Strategic Business Plan and Data Management & Analytical Capabilities. Opportunities to offset a portion of these costs are outlined below through the TEDRF.
- Marketing and Promotions was originally intended to be lightly invested in for 2020 pending researched direction of the Destination Master Plan. This budget line has been significantly increased as a result of the RRRF mandate to support visitor attraction and COVID-19 recovery and will support a series of integrated marketing campaigns, visitor incentive programs and establishment of Tourism Vaughan social media channels.

The revised 2020 MAT supported operating budget for TVC can be summarized as follows:

Table 1: Proposed Revised 2020 Operating Budget – TVC

Tourism Vaughan Operating Statement	2019 Actuals	2020 Original Budget	2020 Revised Budget	Variance
Revenue				
Total MAT Tax Collection	2,117,140	3,413,000	819,596	(2,593,404)
TVC Portion 50% of Revenue	1,058,570	1,706,500	409,798	(1,296,702)
Regional Relief and Recovery Fund (RRRF)			426,625	426,625
Total Revenue		1,706,500	836,423	(870,077)
Operating Expenses				
Labour	17,866	266,655	240,115	26,540
Programs	0	100,000	200,000	(100,000)
Transfer from COV for MAT				
Administration	16,062	16,192	16,192	0
Professional Fees	135,645	295,810	295,810	0
Marketing and Promotions	0	10,000	160,000	(150,000)
Other Administration Costs	1,242	18,700	24,100	(5,400)
Total Expenses	170,271	707,357	936,217	(228,860)
Net Income / (Loss)	888,300	999,143	(99,794)	(1,098,937)
Opening balance in Retained Earnings	0	888,300	888,300	0
Add: Net Income/(Loss)	888,300	999,143	(99,794)	(1,098,937)
Total Retained Earnings	888,300	1,887,443	788,506	(1,098,937)

2021 Preliminary Forecasted Budget

Costs incurred later than December 31, 2020 for RRRF related projects will be allocated to the TVC 2021 budget, to be presented to Council for consideration and approval no later than March 31, 2021 in accordance with the MOA.

The following Table 2 outlines a preliminary forecasted 2021 budget, with MAT revenues based on projections by Coldwell Banker Richard Ellis (CBRE) outlined in the report [CBRE Hotels Canada Quarterly Update Q1 2020 - The Impacts of COVID-19](#).

Compared to 2019 levels, according to the report, CBRE predicts 2021 RevPAR (Revenue Per Available Room) to be 20 per cent lower and Occupancy rates to be 8 per cent lower. Staff have taken a conservative approach to this projection, as the report does not outline the impact(s) of a potential second wave, and estimate that Vaughan MAT will earn an estimated \$1.5 million in revenue for 2021, with TVC's 50 per cent portion amounting to \$750,000.

Of additional note beyond 2021, the report also predicts that even if a vaccine is introduced in late 2021, the industry will return to 2019 demand levels and price points in 2024.

Table 2: Preliminary Forecasted 2021 Operating Budget – TVC

Tourism Vaughan Operating Statement	2020 Revised Budget	2021 Forecast Budget	Variance
Revenue			
Total MAT Tax Collection	819,596	1,500,000	680,404
TVC Portion 50% to Revenue	409,798	750,000	340,202
Regional Relief and Recovery Fund (RRRF)	426,625	0	
Tourism Economic Development Recovery Fund	0	60,000	60,000
TOTAL REVENUE	836,423	810,000	(26,423)
Operating Expenses TVC			
Labour	240,115	363,984	(123,869)
Programs	200,000	340,000	(140,000)
Transfer from COV for MAT Administration	16,192	16,192	0
Professional Fees	295,810	170,000	125,810
Marketing and Promotions	160,000	150,000	10,000
Other Administration Costs	24,100	46,100	(22,000)
Total Expenses	936,217	1,086,276	(76,059)
Net Income	(99,794)	(276,276)	(102,482)
Opening balance in retained earnings	888,300	788,506	99,794
Add: TVC Net Income/(Loss)	(99,794)	(276,276)	(176,482)
Total Retained Earnings	788,506	512,230	(76,688)

Broader Regional Impacts/Considerations

Copies of this report will be circulated to the Vaughan Chamber of Commerce, industry partners, and the Central Counties Regional Tourism Organization for their information.

Central Counties Tourism RTO6 (CCT), Experience York Region, and Markham Tourism have also received the RRRF, in addition to approximately 100 other destination marketing organizations and regional tourism organizations across the province. TVC has developed the strategies presented in this report in close consultation with these local association partners, industry partners and TIAO to capitalize on cross-promotional and partnership opportunities. They have also developed similar strategies to target domestic travel and are collaborating with TVC wherever possible. The Great Taste of Ontario project, for example, is being delivered in close collaboration with these groups to ensure best representation of culinary businesses in the region.

In addition, TVC staff participate on weekly calls with all 100 RRRF recipients across Ontario through TIAO and Destination Ontario (the provincial tourism marketing organization). The purpose of these calls is to encourage partnerships, sharing of best practices and opportunities to further promote domestic travel across municipalities within the province. Many RRRF recipients have onboarded contract staff to deliver newly implemented COVID-19 projects.

Conclusion

In conclusion, as the sole voting member of the new Tourism Vaughan Corporation, Council has the responsibility to approve revisions to the corporation's budget, as discussed in this report, approve TVCs application for the TEDRF as an additional source of revenue.

With approval of the recommendations in this report, Council will continue to support the establishment the new Municipal Service Corporation, called Tourism Vaughan Corporation, support its mandate through the 2020 Business Plan, and support the tourism industry during the COVID-19 pandemic.

For more information, Ashley Travassos, Manager of Tourism, Arts and Cultural Development / Executive Director, Tourism Vaughan Corporation, 647-619-7100

Attachments

None

Prepared by

Ashley Travassos, Manager of Tourism, Arts and Cultural Development / Executive Director, Tourism Vaughan Corporation

Lisa Marie Russo, Manager, Financial Planning and Development Finance

Raphael Costa, Acting Director of Economic and Cultural Development

Approved by

A stylized, handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Raphael Costa
Acting Director of Economic and
Cultural Development

Reviewed by

A handwritten signature in black ink, featuring a large, stylized 'J' and 'H' followed by a horizontal line.

Jim Harnum
City Manager

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

**TITLE: BID TO HOST CANADA SOCCER TOYOTA NATIONAL
CHAMPIONSHIPS 2022-2023-2024**

FROM:

Jim Harnum, City Manager

Sunny Bains, Acting Deputy City Manager, Community Services

Nick Spensieri, Deputy City Manager, Infrastructure Development

Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

Zoran Postic, Deputy City Manager, Public Works

ACTION: DECISION

Purpose

Canada Soccer has put out an invitation to submit a bid for hosting the Canada Soccer Toyota National Championships for one of three age groups in 2022, 2023 or 2024 (National Championships). Tourism Vaughan, in partnership with Parks and Recreation, is seeking authorization to submit a bid by October 23, 2020 to host the event and enter into an agreement should Vaughan be awarded the opportunity to host the National Championships.

The Economic and Cultural Development Department Strategic Business Plan 2020 – 2023 and the Tourism Vaughan 2020 Business Plan outline objectives set out to attract and bid on events to increase Vaughan's profile, tourism visitation and spend in the City. The National Championships are estimated to deliver an economic impact of \$700,000.

Report Highlights

- Tourism Vaughan, the destination marketing organization for the City of Vaughan, with Recreation and Parks, is exploring an opportunity to submit a bid to host the National Championships for one of the three age groups in 2022, 2023 or 2024.
- Each competition will consist of over 500 athletes, officials and event staff, resulting in bringing approximately 800 room nights to local accommodations and an estimated economic impact of \$700,000 to tourism industry sectors such as food and beverage, retail and attractions.
- A \$30,000 grant is committed to the host municipality from Canada Soccer for each competition.
- The City of Vaughan required contribution of approximately \$80,000 will offset staffing and administration requirements for the competition. Staff will request funds in the appropriate budget year from Municipal Accommodation Tax (MAT) sources.
- Venue requirements from the City include use of City of Vaughan Soccer fields which would be an opportunity to showcase City facilities and fields to host the championships including 3 new FIFA quality certified artificial turf soccer fields.
- A bid submission is due October 23, 2020. Staff have submitted a non-binding letter of interest, due to Canada Soccer on September 19, 2020.

Recommendations

1. That staff in Tourism Vaughan, Economic and Cultural Development, Recreation Services, Parks Delivery, Parks, Forestry and Horticulture Operations, and Financial Planning and Development be authorized to submit a bid for the City of Vaughan to host the National Championship by October 23, 2020, in 2022, 2023, or 2024, in form satisfactory to the City Solicitor, Acting Deputy City Manager, Community Services, Deputy City Manager Infrastructure Development, and Chief Financial Officer.
2. That the City Clerk or Chief Financial Officer be authorized to enter into a hosting agreement with Canada Soccer should the City of Vaughan be successful in its bid, in form satisfactory to the City Solicitor, Acting Deputy City Manager, Community Services, Deputy City Manager Infrastructure Development and Chief Financial Officer.
3. That Council approve waiving of permit fees for the use of City parks and facilities that host events of the Championships.

Background

Sport tourism events play an important role in city building, generating a positive impact on the local economy, community development and civic pride. The goal of bidding on and successfully attracting events like the National Championships is to increase Vaughan's profile, tourism visitation, and spend in the City. Tourism events such as these directly impact various sectors in the tourism industry such as accommodations, food and beverage, retail and attractions. The National Championships will deliver an

estimated economic impact of \$700,000¹ through the participants, friends and family visiting Vaughan over the 5-day event.

Each year, the National Championships are held simultaneously in three host cities across the country, identified by three age groups:

1. *U-15 Cup: Under 15 male and female National Championship*
2. *U-17 Cup: Under 17 male and female National Championship*
3. *Challenge and Jubilee Trophy: Senior men's and women's National Championship*

Separate hosts are required for each age category. The 6-day competition starts on the Wednesday and goes through to the Monday. The dates for the competition are:

- October 5 – 10, 2022
- October 4 – 9, 2023
- October 9 – 14, 2024

Each competition consists of 500 athletes and 40-60 officials and event staff. In 2019, the National Championships featured:

- 62 teams across all 3 competitions
- 151 matches played
- 98 matches broadcasted
- 1,550 of athletes/team staff participated
- 136 match officials

If awarded the event, as host municipality, the City of Vaughan would be responsible for:

- Financial contribution of approximately \$90,000 to offset staffing and administration requirements for the competition. Local tourism organizations, like Central Counties Tourism, may contribute to this amount;
- Formation of a Local Organizing Committee (LOC) responsible for the implementation of logistics, operations and promotional planning for the event, as outlined by Canada Soccer. Staff will explore various models to properly resource the LOC including staff and community group volunteers; and
- Allocation of City of Vaughan Soccer fields through Recreation Services.

As recently as 2016, Ontario Soccer has hosted the event in Vaughan using the Ontario Soccer Centre facilities in conjunction with City of Vaughan facilities. Additional resources such as bus services and accommodations were used. Ontario Soccer has offered verbal confirmation to support the City's bid submission through use of its facilities and contributions to the LOC.

¹ The Economic Impact of Sport Chek National Club Championships -U-18 Cup in Ontario in 2016 generated by Ontario Ministry of Tourism, Culture and Sport TREIM model, Feb. 2017; and STEAM 2.0 from The Conference Board of Canada

Previous years hosted by Ontario Soccer:

2016 – Vaughan – Under 18 Boys and Girls
2014 – Vaughan – Senior Men and Women
2012 – Vaughan – Under 14 Boys and Girls
2010 – Vaughan – Under 16 Boys and Girls
2008 – Vaughan – Under 18 Boys and Girls
2006 – Vaughan – Under 14 Boys and Girls
2004 – Vaughan/Etobicoke – Under 14 Boys and Girls
2002 – Vaughan/Etobicoke – Under 16 Boys and Girls
2001 – Vaughan/Etobicoke – Senior Men and Women
2000 – Vaughan/Etobicoke – Under 15 Boys and Girls

ECONOMIC IMPACT

An estimated impact of \$700,000 to local GDP is anticipated as a result of hosting the Championships with local hotels, restaurants and shopping venues are benefiting from visitation by participants, friends and family over the 5-day event.

Previous Reports/Authority

- [Tourism Vaughan Corporation 2020 Business Plan](#)
- [Economic and Cultural Development Department Strategic Business Plan 2020-2023](#)

Analysis and Options

The host community will be required to assign competition and training fields as outlined in the bid (Attachment 1) as follows:

- Minimum of 5 competition fields
- Minimum of 1 training field (to be separate from competition fields)
- 4 dressing rooms for teams at all competition fields
- 2 separate dressing for Match Officials
- Dedicated toilets and shower facilities in each dressing room

Through preliminary research, Vaughan can host the event at a combination of the following venues:

- Ontario Soccer Centre – the association has provided verbal commitment that the facility is available for requested dates.
- Vaughan Grove Sports Park
- North Maple Regional Park
- Concord Thornhill Regional Park

STAFF RESOURCES - LOCAL ORGANIZATING COMMITTEE (LOC)

If awarded the event, the City of Vaughan will be required to form a Local Organizing Committee (LOC) responsible for the implementation of logistics, operations and promotional planning for the event, as outlined by Canada Soccer.

Staff will explore various governance models to properly resource the LOC including City staff, community group volunteers as well as collaborative efforts from the Provincial Soccer Organization, Ontario Soccer. The objective will be to ensure that human resources are appropriately enlisted and deployed to ensure fiscal responsibility and accountability. The LOC will also leverage the Recreation Department's strong relationship with the soccer community as well as their expertise in managing the required facilities. Regular reporting to Canada Soccer will provide opportunities to address challenges, providing guidance and direction to the LOC.

Financial Impact

The National Championships' projected operating budget of \$120,000 per year includes transportation, accommodation and food services, and includes a municipal contribution of up to \$90,000 to fund the staffing and administration requirements of the National Championships. See Table 1.

If awarded the event, the LOC will be responsible for various expenses to be covered by the estimated \$90,000 contribution from the host municipality. A summary of these expenses includes:

- operations such as medical, uniforms, volunteer food and beverage and more;
- transportation for teams and officials, social events for Provincial representatives;
- facilities rentals, and;
- match Official Instructions, education sessions, meals and related travel expenses.
- potential revenue loss from waiving of field permit fees.

Should Vaughan be awarded the Championships, staff will explore sources of funding for the host municipality contribution for the budget year Vaughan is awarded. Viable sources of the funding include the City portion or TVC portion of the Municipal Accommodation Tax (MAT), both intended to support tourism initiatives and projects. Local organizations, like Central Counties Tourism (RTO 6), may also be relied upon for contributions.

To further support the budget, Canada Soccer provides various opportunities and streams for the host to raise funds for hosting the event which include:

- percentage of merchandise sales;
- local sponsorship;
- ticket sales; and
- provincial and Municipal government funding.

Tourism Vaughan will support expenditures related to destination attraction inclusive of those incurred through the bid process, and visitor servicing such as accommodations and leisure time entertainment logistics. This is in alignment with previously hosted tourism events like Rogers Hometown Hockey hosted in January of 2020. Any funds that remain will be utilized as legacy funding in support of local sport programming.

TABLE 1: DRAFT BUDGET

Item	Description	Amount
Canada Soccer	Hosting grant	\$30,000
Host Municipality	City Funding	\$90,000
TOTAL		\$120,000

Broader Regional Impacts/Considerations

Sport Tourism continues to be an area of focus for many municipalities in the Greater Toronto Area, including Brampton, Mississauga, Toronto and London to name a few.

Through various governance models including municipal service corporations like Tourism Vaughan, destination marketing organizations, sport specific tourism entities like Sport London, or city departments like the Tourism and Events unit in Brampton, these corporations have all developed sport tourism strategies outlining plans to attract sporting events to the destination.

As Tourism Vaughan is in its inaugural year, an Interim Meetings and Events Strategy has been developed as a COVID-19 pandemic support measure to prioritize meeting and event attraction, ahead of development of a Destination Master Plan that will provide a 5-year vision for the corporation.

In order to appropriately compete with long established destinations, it is essential that Vaughan pursue events which it can confidently attract and host, such as the National Championships. Through the Destination Master Plan, staff will continue to evaluate the City's viability as a sport host destination, required policy and funding sources and a long-term plan for sport tourism.

Conclusion

Hosting the National Championships would build Vaughan's position as a host friendly sport community to event organizers for future provincial, national and international level events. It will also deliver overnight stays which will support further MAT revenues. Beyond these, sport hosting has many local benefits including engagement with the local volunteer cohort and support for local community groups, businesses and increases destination awareness and recognition for Vaughan as a visitor destination.

For more information, please contact: Feiona Gobin, Tourism Development Officer at feiona.gobin@vaughan.ca

Attachment

1: Canada Soccer Toyota National Championships 2022-24 RFP

Prepared by

Ashley Travassos, Manager of Tourism, Arts and Cultural Development
at ashley.travassos@vaughan.ca

Feiona Gobin, Tourism Development Officer at feiona.gobin@vaughan.ca

Approved by



Raphael Costa
Acting Director of Economic and
Cultural Development



Zoran Postic
Deputy City Manager, Public Works



Nick Spensieri
Deputy City Manager
Infrastructure Development

Reviewed by



Jim Harnum
City Manager



Michael Coroneos
Deputy City Manager, Corporate
Services and Chief Financial Officer



Sunny Bains
Acting Deputy City Manager
Community Services



CANADA SOCCER
TOYOTA NATIONAL CHAMPIONSHIPS
2022-2023-2024

REQUEST FOR PROPOSAL

Any questions regarding this document or the bid application process should be directed to:

JESSIE DALY

Senior Manager, Events • Canada Soccer
237 Metcalfe Street • Ottawa, ON K2P 1R2

T: 613-237-7678 EXT. 2271243 jdaly@canadasoccer.com



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

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CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

PART 1- OVERVIEW

1.1 INTRODUCTION

As of February 7, 2020, Canada Soccer is now accepting proposals from Canadian communities to host the 2022, 2023 and 2024 Canada Soccer National Championships. These events will be organised and executed by Canada Soccer in collaboration with the Local Organising Committee (LOC) as established by the successful bidding applicant.

Each year, the Canada Soccer National Championships (herein referred to as National Championships) are held simultaneously in three host cities across the country, identified by three age groups:

- **U-15 Cup:** Under 15 male and female National Championship
- **U-17 Cup:** Under 17 male and female National Championship
- **Challenge and Jubilee Trophy:** Senior men's and women's National Championship

As the National Championships are event properties owned by Canada Soccer, the Association oversees all aspects of planning and implementation of these events and will, by written agreement, delegate aspects of the organisation and execution of the event to the LOC. In addition to this, the LOC will be responsible for hosting, as outlined in this RFP, the teams, officials and Canada Soccer delegates from arrival to departure. The LOC will also be responsible for providing the competition and training fields that meet the minimum hosting requirements, and will also take on, with the support of Canada Soccer, the local responsibility of promotion and community engagement. The LOC will be required to assume the financial responsibilities for hosting the National Championship.

The successful bid will demonstrate the ability to stage national sporting events in a cost-effective manner with a focus on excellence in the following areas: participant experience, facility and event management/operations, spectator potential, as well as community engagement, local sponsorship and human resource provision.

Canada Soccer, as the rights holder, retains and controls all commercial inventory for the National Championships. These rights, which include but are not limited to, audiovisual and radio recording, reproduction and broadcasts, multimedia, sponsorship, marketing and promotional activity. However, it should be noted that LOC marketing, promotional and revenue opportunities exist (see section 2.11).

The opportunity to bid is open to all Canadian communities. Canada Soccer strongly encourages bidding communities to obtain the support of the Provincial or Territorial Soccer Association, City, and/or Local Soccer Club. The final site selection for the National Championships will be managed by Canada Soccer's Competition Selection Committee. Successful bid applicants will



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

be awarded one of the National Championship Competition age categories by the Canada Soccer Competitions Committee.

1.2 ABOUT CANADA SOCCER

Founded in 1912, Canada Soccer is the national sporting organisation for the sport of soccer in Canada. Canada Soccer is respected throughout the world and is recognized by the Federation International Football Association (FIFA) and the Government of Canada as the governing body of the sport of soccer in Canada.

Canada Soccer represents all soccer interests and provides leadership, coordination and direction in all areas of the sport. A not-for-profit organisation, Canada Soccer is run under a sound business model by a volunteer board of directors and dedicated full-time professional staff. The membership of Canada Soccer consists of 13 Provincial and Territorial Sports Organisations (PTSOs) that provide leadership for soccer in each province and territory together with the professional clubs and leagues located and operating in Canada.

CANADA SOCCER VISION AND MISSION STATEMENTS

VISION

Leading Canada to victory and Canadians to a life-long passion for soccer.

MISSION

To provide leadership in the pursuit of excellence in soccer, nationally and internationally, in cooperation with its members and partners.

The Canadian Soccer Association (Canada Soccer) is the official governing body for soccer in Canada.

In partnership with its members, Canada Soccer promotes the growth and development of soccer in Canada, from grassroots to high performance, and on a national scale.

Soccer is the largest participatory sport in Canada and is considered the fastest growing sport in the country.

There are nearly 1,000,000 registered Canada Soccer members in Canada within 1,500 clubs across 144 districts that operate in 13 Provincial Territorial Member Associations.

The Canadian Soccer Association is affiliated with the Fédération Internationale de Football Association (FIFA), The Confederation of North, Central American and Caribbean Association Football (Concacaf) and the Canadian Olympic Association.



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More information about Canada Soccer can be found at www.CanadaSoccer.com

SOCCER HOSTING OBJECTIVES

Building on the success of Canada Soccer's proven hosting ability (most recently FIFA Women's U-20 World Cup Canada 2014 and the FIFA Women's World Cup Canada 2015™) Canada Soccer wishes to continue to engage stakeholders and partners in bringing the highest level amateur soccer to Provinces/Territories and Municipalities from coast to coast. In doing so Canada Soccer's objectives are to:

- Determine the national champions in the respective age categories
- Provide an outstanding competitive opportunity and environment for players and coaches
- Offer match officials the ability to excel at the national level
- Promote soccer across the country
- Raise the profile of the National Championships to a major sporting event
- Ensure an enjoyable experience for all participants
- Provide professional development opportunities and leave a legacy for host communities wishing to stage national competitions
- Attract spectators to the competition
- Achieve maximum visibility and exposure through broadcast and media for the competition, the sport and the host community

1.3 NATIONAL CHAMPIONSHIPS

DESCRIPTION OF THE EVENT

As Canada Soccer's largest national event featuring clubs from coast-to-coast, the National Championships have served as the nation's premier amateur soccer competition for more than 100 years, with the men's competition inaugurated in 1913 and the women's competition inaugurated in 1982. At all age levels, the National Championships provide a meaningful 6-day soccer competition experience for host cities and participating teams, as well as the players, coaches, support staff, officials, and volunteers.

In 2017, the National Championships youth competitions were reorganized into two age categories: the U-15 Cup and U-17 Cup for both boys and girls soccer. Previous editions featured U-14, U-16, U-18 competitions for youth, however combining the age groups better reflects Canada Soccer's Long Term Player Development (LTPD) model. Canada Soccer's National Championships youth competitions feature some of the country's bright young talents. The National Championships are competitions owned and managed by Canada Soccer which take place annually on the Thanksgiving long weekend in October and consist of the following



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

competitions: U-15 Cup; U-17 Cup; Challenge Trophy and Jubilee Trophy. The 6-day competition starts on the Wednesday and goes through to the Monday. In 2022, the competition will be held October 5-10 inclusively. In 2023, the competition will be held October 4-9 inclusively. In 2024, the competition will be held October 9-14 inclusively.

All National Championships are open to one (1) representative team of each Provincial and Territorial Soccer Association in Membership subject to Regional preliminary qualifying series as may be determined by Canada Soccer and provided for in the Competition Regulations. For reference an electronic copy of the 2020 Competition Regulations can be found at https://www.canadasoccer.com/files/2020Final__Regulations_for_National_Regional_Championships.pdf

Separate hosts are required for each age category of the national competition. Each respective competition features Provincial and Territorial club winners from across the country who, through a series of qualification, have earned the right to be declared the Provincial or Territorial Champion. Approximately 500 athletes plus 40-60 officials and event staff are involved in each competition. Out of town numbers vary depending on the age category. Traditionally the youth competitions attract parents and siblings whereas the senior competitions are focused on a club event.

ECONOMIC IMPACT STUDY

Economic impact number can be studied based off of the following:

The 2019 National Championships featured:

- ✓ 62 teams across all 3 competitions
- ✓ 151 matches played
- ✓ 98 matches broadcasted
- ✓ 1550 of athletes/team staff participated
- ✓ 136 match officials

1.4 BID PROCEDURE

The process of selecting the host community is focused on one primary objective: to select the best community to receive the right to host the National Championships. Canada Soccer reserves the right not to award the event to any bidding communities if they so decide.

TIMELINE OF EVENTS

7 February 2020 Canada Soccer opens candidature for the National Championships by sending an invitation letter to bid to potential Bidding communities.



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

- 19 September 2020** Deadline for potential bidding communities to send their letter of interest to Canada Soccer. Note that from this date forward, responses from Canada Soccer to individual questions submitted by potential hosts will be shared to all bidding communities.
- 23 October 2020** Deadline for bidding communities to send their bid document to Canada Soccer by filling out the Bid application (see Part 3).
- 30 October 2020** Canada Soccer informs each bid community whether their bid has met the mandatory commitments and whether their bid is accepted or not. Canada Soccer will provide information of the names of the bidding communities.
- [+ 7 to 30 days]** Canada Soccer Evaluation Committee members study the various bid proposals and score each topic of the bid application individually for each bid (see appendix 6).
- [+ 1 day]** Canada Soccer Evaluation Committee recommends to the Canada Soccer Competitions Committee the best proposals to host the National Championship.
- November 2020** Canada Soccer Competitions Committee awards and announces the selected venues and which National Championship they will host.

LETTER OF INTEREST

Interested bid communities must send a letter of interest to Canada Soccer by 17:00hrs ET on the deadline outlined above. The letter must state the bidding community's interest in hosting the event and state the community's intention to submit a full bid application. This letter should be submitted electronically to jdaly@canadasoccer.com.



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

HOSTING OBLIGATIONS

Each event is hosted by a Province/Territory Association, a Club, or a Municipality selected by Canada Soccer through an RFP process. Ideally it is a combination of all interested stakeholders, which are ultimately responsible for the organization of the competition which in practice forms a local organizing committee that carries it through.

Bidding communities must meet minimum standards outlined in this document to stage a National Championship. See Part 2, *Minimum Hosting Standards*.

The following mandatory commitments from a bidding community are required. If the bid does not include the following mandatory elements, the bid will be rejected:

- Bid application with answers to all questions and all requested appendices (note the existing text is not to be modified);
- Commitment letters signed by bid institutions stating the type of support they will offer for the event;
- Signature of the Bid Committee (Bidding Template 5)
- Two (2) letters of support must be submitted with your application as follows:
 1. A letter of support from either the Provincial/Territorial Soccer Association, Soccer Association, or registered club
 2. A letter of support from the Municipality, tourism office, or proposed facility

1.5 BID RULES

CONFIDENTIALITY

Confidential information is defined as any document marked "confidential" and which requires secure storage and limited reproduction and distribution. Potential bidding communities should not use the information for any purpose other than to prepare their Bid for the National Championships. Confidential information should not be transmitted to parties not involved in the process, including members of the media.

GUIDING PRINCIPLE

Canada Soccer believes the procedures for determining the host community, from the initial expression of interest in the bid, to the selection of the host community, should be based on an open dialogue and fair process for all bidding communities. This process shall be conducted in an ethical manner, including but not limited to the following qualities: fairness, openness,



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

transparency, equity and respect for all bidding communities.

BID DOCUMENT

To minimize the costs of submitting a proposal, Canada Soccer requires that proposal documents be produced and submitted on letter-size paper and spiral bound, or bound using some other inexpensive method.

Three (3) copies (submitted in English) should be delivered to:

Canada Soccer
Attn: Jessie Daly - Senior Manager, Events
237 Metcalfe Street
Ottawa, ON
K2P 1R2

No later than 17:00hrs ET on 23 October 2020.

An electronic copy of the bid must also be submitted to jdaly@canadasoccer.com

The numbering within the submitted bid application must be maintained, reflecting the same numbering and order in Part 3 (*Bid Application*) of this document. A table of contents must be included at the beginning of the bid application.

The Canada Soccer logo may not be used in any documentation of the bidding communities.

COMMUNICATION

Potential bid hosts must address all questions in writing via email to Jessie Daly, Senior Manager, Events, who will forward the replies to all potential bid hosts.

Jessie Daly
Senior Manager, Events
Canada Soccer
jdaly@canadasoccer.com

No formal or informal presentation relating to the bid shall be held with Canada Soccer Board of Directors, Canada Soccer Competitions Committee, Evaluation Committee or staff, other



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

than where invited by the Chair of the Evaluation Committee or if a site inspection is undertaken in advance of the decision.

No gifts or tokens of appreciation of any kind shall be offered to Canada Soccer Board of Directors, Canada Soccer Competitions Committee, Evaluation Committee or staff in respect of a bid for the National Championships.

1.6 BID EVALUATION

Canada Soccer will nominate an Evaluation Committee to review all bids. Each member will review each bid application and score each topic individually.

Bidders will be assessed according to the following criteria:

WEIGHTING

		Weighting %
1	Background This section will evaluate the background of the bidding community, including climate, event experience, and the roles and experience of the potential LOC members. <i>See Bid Application 1.1-1.4</i>	5
2	Support and partnerships This section will evaluate both committed and potential support systems (including partners/stakeholders, governments, organizations, institutions, staff, Provincial/Territorial Soccer Association, local clubs, etc.) that the bidding community has established. <i>See Bid Application 2.1-2.4</i>	5
3	Facilities This section will evaluate the degree to which the proposed facilities meet or exceed the requirements. <i>See Bid Application 3.1-3.4</i>	20
4	Competition This section will evaluate the background of the competition organizing	5



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

		Weighting %
	committee and evaluate match official provision. <i>See Bid Application 4.1-4.2</i>	
5	Finance (including revenue generation) This section will evaluate the degree to which the proposed financial model (revenues and expenditure) demonstrates the demands of the competition. This includes the financial risk assessment, webcasting/broadcasting, and marketing plan. <i>See Bid Application 5.1-5.3</i>	15
6	Communication, hosting services and other activities This section will evaluate spectator potential, community engagement and outreach, and media and hosting services. <i>See Bid Application 6.1-6.3</i>	10
7	Operation Organization This section will evaluate the experience of the host committee and their ability to meet the operational and organizational requirements. This includes airport, transportation, media, security, official language, and technological operations. <i>See Bid Application 7.1-7.7</i>	20
8	Legacy This section will evaluate the legacies that the event will leave at the local, provincial and national level as well as evaluate what makes your community unique from other communities. <i>See Bid Application 8.1-8.2</i>	5
9	Overall Bid Presentation	15
	TOTAL	100



PART 2- MINIMUM HOSTING STANDARDS

2.1 INTRODUCTION

This document is designed for Member Associations, Municipalities, or Clubs, who are considering to bid for the challenge of staging a National Championship. It is prepared by Canada Soccer who are the rights holder and has overall responsibility for these events.

Host associations must meet minimum standards outlined in this document to stage a National Championship. Any variation from these standards shall be agreed to in advance and will subsequently be incorporated into the Hosting Agreement.

Hosting a National Championship is an effective means for communities looking to improve facilities with the support of their respective municipalities. It delivers professional development opportunities to staff and volunteers involved in hosting competitions, and leaves a memorable and lasting impression of your community or region for the participants.

2.2 ROLES AND RESPONSIBILITIES

A large number of people, in different organizations, must all work together to stage a successful National Championship. Excellent facilities are not enough – to ensure successful delivery of a National competition all stakeholders must work closely together under the guidance of Canada Soccer. As Canada Soccer and the LOC work together to host a National Championship, it is imperative that all roles and responsibilities are clearly defined to ensure a successful event. A Hosting Agreement will be prepared that details the specific requirements once a community has been awarded an event.

CANADA SOCCER RESPONSIBILITIES

Canada Soccer is the rights holder of the National Soccer Championships and it plans and executes these competitions. Canada Soccer evaluates bids and awards the championships to Host Associations through its Competitions Committee.

Annually Canada Soccer will decide on the following items:

- ✓ Competition Regulations
- ✓ Number of teams
- ✓ Competition Format
- ✓ Appointment of Match Commissioners, General Coordinators, Assistant General Coordinators and Supervisor of Officials



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The duties of Canada Soccer appointed personnel are contained in the Regulations for the National and Regional Championships.

Canada Soccer is further responsible for the following:

- ✓ Hosting Agreements
- ✓ Provision of Hosting Grants
- ✓ National coordination/information dissemination
- ✓ Governing body
- ✓ Competition schedule
- ✓ Liaising with National Sponsors/ National sponsor activation
- ✓ Competition branding and sponsor recognition
- ✓ Assisting with local sponsor engagement
- ✓ Centralised Merchandise Program
- ✓ Promotions (advertising, give away prizes)
- ✓ Representative participation
- ✓ Print ready trifold program
- ✓ Broadcast/streaming contracts
- ✓ Appointing Match Officials to the competition and assigning them to matches
- ✓ Maintaining competition website, results, standings, and stories
- ✓ Referee education workshops
- ✓ Arranging team travel

CANADA SOCCER REFEREES' COMMITTEE RESPONSIBILITIES

Canada Soccer Referees' Committee is ultimately responsible for ensuring appropriate refereeing standards for these games. Depending on the location, it may arrange for out-of-province referees to be sent in to augment local resources (airfare at Canadian Soccer Association expense). They will work directly with the Hosting Organization to make sure that appropriate referee standards are maintained, providing pre-competition education and training together with ongoing evaluation during the competition. The appointment of referees to games is arranged by the Canada Soccer Supervisor of Officials. Four (4) match officials will be appointed to each match.

LOCAL ORGANIZING COMMITTEE (LOC) RESPONSIBILITIES

Upon the award of a National Championship a Local Organising Committee (LOC) shall be set within thirty (30) days. This Committee must establish financial controls, budgets and reports, and is responsible for guaranteeing the finances of the event. The LOC will be required to create functional concepts for the execution of its responsibilities to ensure that the standards are met for each event. The LOC are the people who make it all work. They handle all the local details, including (but not limited to):



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- ✓ Prepare and manage the budget for the competition
- ✓ Prepare functional area concepts of operation
- ✓ Prepare updates as required in the Hosting Agreement
- ✓ The LOC Chair is to attend Canada Soccer's National Competitions Workshop. Note that the Provincial/Territorial staff person involved with the competition may also attend the workshop on request
- ✓ Booking competition field(s) and training locations.
- ✓ Booking meeting room(s) for competition needs
- ✓ Arranging transportation to/from the nearest airport
- ✓ Arranging airport operations to ensure smooth arrivals and departures (meet and greet)
- ✓ Arranging team transportation to/from all games (plus one (1) training session)
- ✓ Arranging Match Official transportation
- ✓ Arranging qualified physio/first aid at each field
- ✓ Liaising with the local media and any local sponsors/officials
- ✓ Planning for Opening and Award Ceremonies and protocol in conjunction with Canada Soccer
- ✓ Appointing Assistant General Coordinators for each competition field
- ✓ Assist in the coordination of reports on the competition and matches through Canada Soccer's digital channels and library
- ✓ Assist in coordinating rights-free photography for Canada Soccer's digital channels and library
- ✓ Appoint an Event Administrator to enter game results daily on the Canada Soccer website, as well as any other competitions related data entry
- ✓ Ensure Canada Soccer screening requirements are met for all LOC staff and volunteers that are involved with or will interact with youth.
- ✓ Prepare an information package to be sent to Canada Soccer for distribution to all participating Teams and their respective Provincial/Territorial Associations at least ninety (90) days prior to the start of the National Championships
- ✓ Accommodations (confirm booking only, payment is the team responsibility)
- ✓ Provide +/- 30 Match Officials with appropriate experience as required by Canada Soccer from within the Provincial or Territorial Soccer Association and/or local community
- ✓ Ticket sales concept
- ✓ Team services
- ✓ Volunteers
- ✓ Youth Programme (ex. ball retrievers, flag bearers)
- ✓ Installation of signage and wayfinding provided by Canada Soccer
- ✓ Arrange for storage for event materials
- ✓ Source commentators for all matches (where possible) with a requirement to source commentary for final and semi-final matches
- ✓ Provide infrastructure for broadcast



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BENEFITS OF HOSTING

By hosting a National Championship in partnership with Canada Soccer there will be the opportunity to enhance the profile of the game, engage with the local volunteer cohort to support the event, achieve recognition as a superb host, propose events that compliment the competition, and use the occasion to stimulate interest in your particular part of Canada.

Canada Soccer hosts a dedicated micro-site for each competition. Hosts will be provided the opportunity to promote the venue and local sponsors on this medium subject to approval of content by Canada Soccer. During the period of the 2018-2019 competitions the National Championship website attracted over 670,000 page views.

Furthermore, Canada Soccer is committed to stream all of the matches from the main and one secondary competition fields. This provides the host with an opportunity for it, and any local sponsors, to get exposure across the country throughout the duration of the competition.

2.3 HOSTING GRANT

An event hosting grant is provided by Canada Soccer based on the number of participating teams in the competition being hosted. Currently at circa \$30K the grant is payable by installments with 30% being held over until the completion of the National Championship and submission of final reports.

The grant payment schedule is as follows:

- 30% in March- subject to approval of concept of operation submission
- 40% in July
- 30% post-competition upon final report submission

2.4 COMMERCIAL RIGHTS

Canada Soccer is the owner of all of the commercial rights around the National Championships. These rights include, among others, audiovisual and radio recording rights, reproduction and broadcast rights, multimedia rights, sponsorship, marketing and promotional rights and incorporeal rights such as logo and emblems and rights arising under copyright law, whether currently existing or created in the future, subject to any provision as set forth in specific regulations.

The goal is to provide all championship participants with an elite level sporting experience that is befitting of the National Championships and is consistent across all venues. Specifically, Canada Soccer's objectives in this area are to build the brand of the National Championships,



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service the competition's national partners, develop marketing collateral, and deliver a merchandising solution with minimal risk to the LOC.

In order to accomplish these objectives together with the LOC, Canada Soccer will:

- ✓ Secure and service national sponsorship for each event, which includes coordinating all partner activations and promotions with each LOC.
- ✓ Support the LOC in confirming that each host venue is clear of conflicting signage and that any non-conflicting signage does not exceed 3' x 8' in size.
- ✓ Support the LOC to ensure that the official title and terminology is used across each local venue.
- ✓ Work with the LOC to ensure competition logo is used correctly across all marketing and communication platforms.
- ✓ Develop welcome banners to be displayed at the fields and hotels.
- ✓ Develop official competition letterhead, promotional posters, and other competition specific collateral materials.
- ✓ Support ticket sales concept creation and implementation.

BROADCAST/STREAMING

Canada Soccer will organize a stream at the primary and secondary field locations of all competitions. In addition, Canada Soccer will be responsible for producing a multi-camera enhanced broadcast including commentary for the Challenge and Jubilee Trophy semi-final and final matches. Where possible and in collaboration with the LOC, Canada Soccer will look to establish local streaming solutions at each competition outside of the primary field.

The LOC is responsible for providing the infrastructure to support broadcasting at the primary and secondary field locations. This includes:

- ✓ Camera position/centre field platform with clear view of pitch plus 18 yard line platform for enhanced broadcast
- ✓ Access to power
- ✓ Position for commentators
- ✓ Access to stable internet connection

NATIONAL COMMUNICATIONS SUPPORT

Canada Soccer serves as official spokesperson for the National Championships. The LOC will be required to identify a Venue Communications Officer who will serve as liaison between national



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and venue communications and act as the key communications contact and liaison with local marketplace. Press operations and media relations will include:

- ✓ National communications support from Canada Soccer headquarters
- ✓ Provision of national scope for communications and media relations
- ✓ Reporting scores from each match of the competition via Canada Soccer Twitter page (@canadasoccerEN & @canadasoccerFR)
- ✓ Collecting photos for canadasoccer.com and Canada Soccer's online database (<https://www.flickr.com/photos/canadasoccer/>)

Canada Soccer is responsible for maintaining a unique micro-site site for each competition under the Canadasoccer.com banner: www.canadasoccer.com/nationals. In addition, the LOC will identify a venue writer and venue photographer who produces content before and during the competition for Canada Soccer's digital properties and provides in-match updates for Canada Soccer's digital properties.

2.5 HOTELS

REQUIREMENTS FOR TEAMS

Canada Soccer has partnered with Hudson Travel Group Sport Services (HTG) as the official accommodations provider. HTG will be responsible for all hotel negotiations and contracts. Consequently for this bid, please identify inventory based on the below requirements.

The LOC for a National Competition shall work with HTG to provide (but not pay for) hotel accommodations for all visiting teams, with a maximum of four (4) to a room up to a maximum of twenty (20) players and five (5) team staff and a single room for the Provincial Representative. It is recommended that each team be allocated 7 double rooms and 1 single room. Double rooms are considered rooms with 2 double beds. Rooms that have a double bed and a pull-out couch are not considered to be a double room.

Each participating team will be required to submit a pre-organized rooming list within the time frame set by the HTG.

In addition, the following requirements for team hotels should be taken into consideration when contracting the hotels:

- ✓ In Championships where there are both male and female participants only teams of the same gender should be accommodated on the same hotel floors. Males and females may be accommodated in separate hotels if required. It is recommended that these



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hotels be as close together as possible and the room costs for these hotels be the same for both.

- ✓ Hotels with guest room balconies should be avoided wherever possible
- ✓ A team delegation should be housed on the same floor
- ✓ Team staff must be in the same proximity as their teams
- ✓ Team rooms should be grouped together in proximity
- ✓ Internet access to be negotiated, where possible, in basic price of accommodation
- ✓ Rooms with doors that provide direct access to outside should be avoided.
- ✓ Access to pay per view channels should be restricted.
- ✓ Mini-bars should be emptied
- ✓ Rooms should be non-smoking
- ✓ Laundry room in hotel (if there is no laundry room in the hotel a list of laundromats in the area must be provided)
- ✓ At least 2 rooms per team should be held for late check out. Check if there are any other events scheduled at the hotel (such as weddings, etc.) during the tournament that would be disruptive to the teams
- ✓ Hotel Security – confirm what type of security the hotel has in place.
- ✓ Outside guests, if possible, should not be mixed in or on the same floor as the teams.
- ✓ Confirm the ability to place competition signage and display match results and standings in the hotel housing the teams
- ✓ Identify separate hotel for parents, if possible
- ✓ In a hotel where restaurants are available, no arrangements for food are required however the hotel may want to provide available options to teams

REQUIREMENTS FOR CANADA SOCCER STAFF

HTG will work with Canada Soccer and the LOC to to book hotel accommodation at the main team hotel for the Match Commissioner, General Coordinator, and Assistant General Coordinator:

- ✓ Three single rooms with arrangements made for direct billing to Canada Soccer
- ✓ Complimentary internet service
- ✓ Complimentary parking for Match Commissioner, General Coordinator and Assistant General Coordinator

REQUIREMENTS FOR CANADA SOCCER MATCH OFFICIALS AND SUPERVISOR OF OFFICIALS

Through HTG, the LOC will be required to book hotel accommodation at a separate hotel from that of the teams and Canada Soccer staff for the Supervisor of Officials and Canada Soccer appointed match officials:



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- ✓ Match Officials appointed by Canada Soccer Referees Committee will be accommodated in double rooms. The LOC is responsible for a maximum of three (3) double rooms. If additional rooms are required, the LOC will be requested to book these rooms; the additional cost will be borne by Canada Soccer.
- ✓ Book a single room for the Supervisor of Officials
- ✓ Book double rooms for appointed assessor(s) with direct billing to Canada Soccer.
- ✓ Complementary internet service
- ✓ Complimentary parking for the Supervisor of Officials

REQUIREMENTS FOR MEETING ROOMS

The LOC will be required to book the following meeting rooms:

- ✓ A pre-tournament meeting room plus a room for daily meetings with Provincial Representatives and which can be used by the Match Commissioner as needed.
- ✓ An event office large enough to accommodate both LOC and Canada Soccer personnel
- ✓ Meeting room for Pre-Competitions Meeting and any other meeting(s) that may be called.
- ✓ Meeting room at each team hotel for Cast and Brace Meeting prior to competition.
- ✓ Meeting room to be available for any Discipline Hearings and for the daily meetings with Provincial Representatives.
- ✓ Meeting room at the Referee Hotel the day before the competition starts and each evening for the duration of the competition with a minimum capacity of 60 persons

2.6 OPENING AND AWARD CEREMONIES

The LOC, in conjunction with Canada Soccer, will be responsible for organising any opening ceremonies and the Award Ceremony.

A full opening ceremony is not mandatory, but there should be some recognition of the start of the competition. This can be in the form of a ceremonial coin toss, involving local dignitaries from the province or municipality, to an event that acknowledges local culture. An opening ceremony that takes place on the field in advance of a game should not take longer than 10 minutes and is restricted to the time between team warm-ups finishing and the start of the game opening production. With the exception of a coin toss, the competing teams will not be on the field during the opening ceremony. The LOC is required to provide the concept for its opening ceremony to Canada Soccer no later than 3 months in advance of the competition start date.



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An Award Ceremony is required to be staged by the LOC. A concept detailing the Award Ceremony is to be provided to Canada Soccer by the LOC no later than 3 months prior to the competition start date. All participants, teams, team staff, Provincial Representatives and Match Officials are mandated to attend for the youth competitions (U-15 Cup and U-17 Cup). Canada Soccer will provide the awards and the scripting for the run of show. The LOC is responsible for providing the following:

- ✓ PA system
- ✓ Bilingual announcer
- ✓ National Flag
- ✓ Award hosts (medal carriers)
- ✓ Logistics set up in accordance with approved LOC concept (including team signage, etc.)
- ✓ Guest Invitations and hosting
- ✓ Canada Soccer sponsor partner's invitations (details to be provided by Canada Soccer)
- ✓ Media invitations

2.7 TECHNICAL REQUIREMENTS

COMPETITION MATCH SCHEDULE

Canada Soccer will be responsible for the Competition Match Schedule. In conjunction with the LOC, Canada Soccer will set the kickoff times and field allocation. The final schedule shall be produced no later than ninety (90) days prior to the start of the competition.

When scheduling the kickoff times the following is taken into consideration:

- ✓ Half time interval
- ✓ Sixty (60) minutes scheduled between games to permit a warm-up period, pre-game ceremonies, etc. as required in the countdown for the match production.
- ✓ Kickoff times will not be scheduled to start any later than 19h00, unless specifically requested by the LOC, with a rationale, for consideration.

PLAYING FACILITIES STANDARDS

Proposed venues for any National Championship competition must be of the highest standards. In addition to the playing surface and dressing rooms, competition field facilities must provide opportunities for branding, spectator seating area, security, medical and media support, and parking. Training Fields should be in good condition, marked to a similar size as the primary competition field and provide the minimum of clean dressing room and washroom facilities.



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Where permanent advertising is affixed in any proposed competition venue a schematic with photographs must be provided to Canada Soccer when bidding to host. Certain advertising may need to be removed or covered (competing sponsors, not appropriate for the age, etc). LOCs are to establish whether there are any exclusivities within the venue that may need to be taken in consideration when evaluating the bid.

To stage one of the National Championship competitions, a minimum of five (5) competition fields are needed and at least one (1) training field.

COMPETITION FIELDS

- ✓ Competition Fields may be properly groomed natural turf or FIFA approved artificial turf, marked in accordance with FIFA Laws of the Game, and must have goals, complete with white goal nets, and corner flags.
- ✓ Artificial turf that has other soccer markings may be used. Where artificial turf has gridiron football markings this may be proposed as a 3rd – 5th competition fields, providing that the football uprights can be removed.
- ✓ Each competition field must be of full size, ideally marked at 105m x 68m but no less than 100m x 64m.
- ✓ Alternative game pitches must be provided, in case of inclement weather.
- ✓ Goals are to be properly secured, if portable goals are used they are to be firmly anchored or sandbagged. Wheels are to be removed.
- ✓ Each field must have technical areas for each team marked in accordance with the Laws of the Game and a designated 4th Official area complete with a table and two (2) chairs
- ✓ Covered benches must be available for each team and the fourth official. If covered benches are not available alternate arrangements are to be made to protect the teams from inclement weather. Team benches must have the capacity to seat a minimum of fourteen (14) players.
- ✓ Floodlights at a minimum of 800 lux may be used. Where used, a lighting certificate should be provided to confirm an even distribution of light across the playing surface
- ✓ Designated access for emergency vehicles must be identified for each competition field
- ✓ Security must be present
- ✓ Spectators must be kept at a distance from the field to ensure the safety of players and match officials. Appropriate physical barriers should be used, if required a minimum of one (1) metre from the touchline. Teams must be separate from spectators.
- ✓ No smoking is permitted in any of the competition accredited areas this includes but not limited to, the technical area, dressing rooms or the vicinity of the field of play
- ✓ Stands or bleachers are required for at least one hundred (100) people (plus PA/Press Box) on at least one competition field. For the senior competitions, all fields must be enclosed, with facilities for payment of an admission fee.
- ✓ At youth championships, no alcohol shall be sold or consumed in the competition venue or at any social functions that the athletes are invited to attend.



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DRESSING ROOMS

- ✓ A minimum of four (4) dressing rooms are required at all competition fields for the teams to allow games to be scheduled back to back.
- ✓ Two (2) separate dressing rooms must be available for the Match Officials (note that there is a possibility of mixed referee teams)
- ✓ Each dressing room will have dedicated shower and toilet facilities

MATCH BALLS

Three (3) match balls must be provided to the referees for each game.

LOCAL ASSISTANT GENERAL COORDINATOR (LAGC)

A Local Assistant General Coordinator is to be assigned to each game by the LOC in conjunction with Canada Soccer General Coordinator. Their role is to:

- ✓ Collect game sheets from competing teams
- ✓ Monitor the game and ensure that the results are submitted
- ✓ Ensure that the requirements of the Competition Regulations are met
- ✓ Monitor the team warm-up period
- ✓ Confirm that the games balls are on site
- ✓ Check Corner Flags/Goal nets are in place
- ✓ Confirm teams have access to drinking water
- ✓ Ensure competition area is clean post-game in preparation for the following game
- ✓ Oversee the crowd management and security at the competition area
- ✓ Be aware of how emergency medical services may be summoned, where the portable AED is located and who is responsible to operate the AED
- ✓ Submit a daily checklist to the General Coordinator that includes any competition breaches

YOUTH PROGRAMME

The LOC should provide at least four (4) uniformed “ball retrievers” for each game (male or female youth soccer players in uniform are ideal as long as their attire does not clash with the players’ colours). Maximum number of ball retrievers is eight (8) per game. Ball retrievers should be a minimum of 14 years old. They are to be accompanied by a chaperone.

For the semi-finals and final matches, a minimum of twelve (12) flag bearers should be recruited. They can be male or female youth soccer (U-16) players in uniform. This group will



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carry the national flag and the provincial flags of the competing teams' Province/Territory in the pre-game ceremony. Flag bearers will be required to be at the competition field no later than two (2) hours prior to the KO of the game to receive instructions and rehearse.

TRAINING FACILITIES

The LOC is responsible for identifying training facilities and are responsible for the cost of one (1) training session for each team. Such training facilities are to be separate from the competition fields.

Teams will advise the LOC no later than two (2) weeks prior to the competition of their training requirements. Should a team subsequently cancel their pre-arranged training it will be responsible for any costs to the LOC resulting from such cancellation.

REFEREE REPORTING

The LOC is also responsible for providing the infrastructure required to complete referee reporting. An area dedicated to referee input is required at each competition field. The requirements for this room are as follows:

- ✓ A desk and chair
- ✓ Reliable internet access
- ✓ Computer and printer

2.8 TRANSPORTATION

The LOC is responsible for compiling a transportation concept for moving the players and team staff as approved who are accredited by Canada Soccer. For National Championships, this comprises of a maximum of twenty (20) players and five (5) team staff. In addition, there must be a seat for the Provincial/Territorial Representative on the bus.

Each visiting team must be met at the airport, and transported to their accommodation and returned to the airport. These transfers will include the team's equipment; luggage vans may be required. Transportation shall also be provided for all teams and their Provincial/Territorial Representatives from the accommodation to the games and practice fields. (Preferable that teams playing or having played each other are not to be on the same bus. If this is not possible, consideration needs to be made to keep the teams separate). In the case that there are two team hotels (male/female), the LOC will also be responsible for transporting team representatives at the other hotel to and from the hotel in which the Pre-Competitions Meeting takes place.



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Where a team has been approved to travel to the championship via ground transportation, they must advise Canada Soccer and the LOC no later than two (2) weeks prior to the start of the competition if they will require local transport. Teams will be required to pay for any transportation if they cancel where there is a resulting cost to the LOC involved.

The LOC is responsible for providing local ground transportation for the match officials appointed by Canada Soccer to and from the airport, to and from the accommodation, and to and from the competition venues.

If a Host is appointed where the accommodation and competition venue is further than one (1) hour's travel from an airport served by scheduled airline service, the LOC will be required to provide a concept of travel for those teams. The LOC may also be required to assist Canada Soccer with ground transportation for teams that cannot fly into the host city.

2.9 MATCH OFFICIALS

The LOC is responsible for identifying match officials from within the Province or Territory at an appropriate level as determined by Canada Soccer for each Competition. Typically this ranges from 30 – 35 local officials. In addition Canada Soccer will appoint out of Province match officials at its discretion. Where Canada Soccer appoints match officials the LOC is responsible for the per diem of up to six (6) match officials appointed by Canada Soccer. The per diem will be Canada Soccer rate (In 2019 this amount was \$58.00 per day less specific meal allowance when provided by host, i.e. banquet or separate social event)

All match officials are to be paid game fees by the LOC for each match equivalent to that paid by the Member Association where the competition is hosted to match officials of its final of the relevant provincial level competition in the current season.

Canada Soccer will appoint a Supervisor of Officials (SoO) who will be responsible for the appointment of officials to the games. The LOC will identify a manager of officials to work in conjunction with the SoO and the locally assigned match officials.

Water, isotonic drinks and snacks are to be made available to the match officials at the competition venue.

CONFERENCES, CLINICS, AND WORKSHOPS

Canada Soccer provides match officials training for local referees in the respective host Province or Territory prior to the National Championships. The size and scope of the clinics is dependant on the number of local officials who will be engaged. Canada Soccer will work with



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the LOC and the PTSO to coordinate this training to maximise the effectiveness of the education provided.

2.10 HOSPITALITY

The LOC is invited to provide a hospitality suite for the social interaction of the team staff, Provincial/Territorial Representatives and competition organizers. If provided it should be in the team hotel but not on the same floor as any of the athletes.

The LOC may host social events during the period of the competition at its discretion. Where social events are organised Canada Soccer and local sponsorship representatives should be invited. Match Officials should attend official functions, and Provincial/Territorial representatives are required to be in attendance.

SOCIAL FUNCTIONS

The LOC may organise a social function for Provincial/Territorial Representatives, and others, at its discretion. If organised it should reflect the local flavour of the region where the competition is held.

2.11 HOST ASSOCIATION REVENUE OPPORTUNITIES

MERCHANDISE

Canada Soccer centrally organises merchandise for all competitions. It selects the item lines and approves design and placement of the branding. Merchandise is available on line pre-competition to allow participants to pre-order. The LOC is to identify an appropriate space for the merchandise outlet in the competition venue. The LOC will receive a percentage of the profit based on sales of the merchandise linked to the competition they are hosting. Canada Soccer does not receive any income from this venture.

In addition Canada Soccer will coordinate opportunities for the LOC to order apparel through Canada Soccer's merchandise vendor.

LOCAL SPONSORS

Beyond the Canada Soccer National Championships sponsor exclusivities, LOCs are encouraged to engage local sponsors in available categories to support the National Championships. Local sponsors shall not compete with any of the categories owned by Canada Soccer. A comprehensive list will be provided by Canada Soccer for guidance. Canada Soccer will assist LOCs when pitching to potential local sponsors where required.



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Local Sponsorship Acquisition Process is as follows:

- ✓ Review categories of exclusivity
- ✓ Submit potential / targeted sponsors to Canada Soccer for approval
- ✓ If potential sponsor is in conflict with an existing Association sponsor Canada Soccer will manage first-right-of-refusal process
- ✓ LOC to confirm local sponsors as agreements are finalized

TICKET SALES

The LOC may charge game admission and all revenue stays with the host. A ticketing concept should be submitted to Canada Soccer for review to ensure that Canada Soccer assets and resources are provided to support the initiative.

GOVERNMENT FUNDING

Sports tourism is high profile and many Provincial/Municipal governments offer funding for hosting national events. The LOC is responsible for securing any local Government Funding. No approach should be made by the LOC for Federal Financial Support.

2.12 FIRST AID/MEDICAL

HEALTH CARE STANDARDS

Athletes competing in National Championships deserve appropriate medical care, both preventative and in case of injury or illness.

Ideally, local health professionals with experience in sport medicine should provide leadership to this process. The Canadian Academy of Sport Medicine, the Sport Physiotherapy Division of the Canadian Physiotherapy Association, and the Canadian Athletic Therapists Association may be of assistance in locating appropriately qualified sport medicine officials in your community who may be of assistance in organizing and coordinating medical care for the event. Qualified sport medicine professionals are in high demand and it is increasingly the norm that honoraria and other considerations are provided to such health professionals.

MINIMUM FIRST AID/MEDICAL REQUIREMENTS

An appropriately trained and qualified first-aid provider, such as an athletic therapist or sport physiotherapist, must be available at all competition venues while games are in progress in order to provide initial care to injured players. This person must also be available one (1) hour before and after each game for preventative measures and taping. Teams will be expected to



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pay for the cost of tape or for non-hospital treatment. The services of members of the St. John's Ambulance Society, off-duty paramedics or Emergency Medical Technicians may be obtained to assist with the provision of onsite first-aid. It must be noted that there may be costs associated with some of these approaches to care.

Arrangements must be made in advance with emergency health care officials and local emergency departments alerting them to the time and location of the competition(s) and the potential for serious injury on the field of play. Access to the competition site(s) and fields of play by emergency medical service personnel and ambulances, must be predetermined and shared with the medical services together with the correct address and match-day schedules.

Tournament officials and referees must be advised of the nature of the medical and emergency services provided for the duration of the tournament and the location of all emergency medical equipment. A portable AED shall be available at each competition venue and a designated person(s) identified who is approved to operate the AED.

The Local Assistant General Coordinator in each game must be aware of how emergency medical services may be summoned.

The LOC will be required to prepare a Medical Information Sheet for inclusion in team information packages describing:

- ✓ Arrangements for the provision of medical care.
- ✓ Any local conditions concerning the recognition/acceptance of provincial health insurance and any requirements for the payment of services.
- ✓ The location of local pharmacies and health facilities (with map).
- ✓ Communication procedures teams must follow regarding the reporting of on-field medical issues to the competition organising staff, including concussions and return-to-play. (See Competition Regulations)

2.13 EVENT DOPING REQUIREMENTS (CANADIAN CENTRE FOR ETHICS IN SPORT)

Where doping control take place at National Championships, the LOC is responsible for providing:

- ✓ Chaperones
- ✓ Facilities
- ✓ Beverages
- ✓ Parking

CHAPERONES



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Individuals will need to be recruited as volunteer Chaperones for doping control. Chaperones are responsible for athlete notification and should be available for training with the Doping Control Officer (DCO) at least one hour prior to the start of testing. One Chaperone per athlete is required and Chaperones must be of the same gender as the athletes to be tested and be over 18 years of age.

FACILITIES

The doping control station should be located in close proximity to the competition site. When possible, it should be located away from heavy traffic areas to ensure a secure area. The doping control station shall be clearly marked with signs.

Wherever possible, the doping control station shall be divided into three separate, but interconnected areas (preferably, but not necessarily, three rooms). These areas are:

Waiting Room

Doping Control Processing Room

Washroom

BEVERAGES

The LOC is responsible for providing individually sealed bottled water for the athletes who are being tested. Any other beverages provided must be approved by the DCO, and must be non-alcoholic and non-caffeinated.

2.14 CRISIS MANAGEMENT

Canada Soccer and the LOC will establish a Crisis Management Team. The LOC should identify a suitable location to house the Crisis Management team if required to be deployed. The location should have access to power, internet and be able to accommodate up to 15 persons. An alternative location should be available in the event that the initial site is inaccessible.



PART 3- BID APPLICATION

The bid application is to be returned to the rights holder in the format outlined below.

Bidding communities will be evaluated by Canada Soccer Competition Evaluation Committee on the basis of each of the topics below. Certain topics will have more importance than others; please see the Bid Evaluation section for more information.

Please respond to the topics below in your bid application, maintaining numbering that is consistent with the numbering in this section.

1. BACKGROUND

- 1.1 Please describe your bidding community.
- 1.2 Please outline the meteorological climate for the proposed event date.
- 1.3 Which sporting events and non-sporting events has your bidding community hosted previously?

2. SUPPORT AND PARTNERSHIPS

- 2.1. Who will be the event promoter and the event partners/stakeholders?
- 2.2. Have you received any commitments of support from various local, regional, provincial governments, organizations or institutions?
- 2.3. What is your staffing plan for planning this event if you are selected as the host community?
- 2.4. Do you have support from the Provincial or Territorial Soccer Association, local soccer association/club

3. FACILITIES

- 3.1. Does the existing competition site facility comply with or exceed the obligations (not including technical rules and regulations)?
- 3.2. Does the existing competition site facility, including the equipment, comply with or exceed the technical rules and regulations?
- 3.3. Does the existing training site facility, including the equipment, comply with or exceed rules and regulations?



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

- 3.4. Will any venues require a capital upgrades budget and if the answer is yes, do you have confirmation of funding and a confirmed construction timetable?

4. COMPETITION

- 4.1. Who will Chair the Local Organizing Committee? What will be their role and what is their event background?
- 4.2. Who are the potential members of the LOC? Who will be the competition organising committee for the event and what are their backgrounds?
- 4.3. How many referees (who can officiate as per technical regulations) do you have in your region who will not require accommodation?

5. FINANCES INCLUDING REVENUE GENERATION

- 5.1. Please elaborate on the event's financial risk assessment following the production of your draft operational budget for the event.
- 5.2. Do you intend to have the event webcast/broadcast outside of the commitment made by Canada Soccer? If yes, please give details in the webcasting/broadcasting plan as well as the type of support the Organizing Committee will provide to the webcaster/broadcaster.
- 5.3. Please outline your marketing plan (sponsorships, ticketing, merchandising and fundraising). How will you be able to raise revenues factoring in the marketing obligations?

6. COMMUNICATION, HOSTING SERVICES AND OTHERS ACTIVITIES

- 6.1. Please outline your communication plan factoring in the communication obligations. More specifically how can you ensure that many spectators will be present?
- 6.2. What type of services to the media do you intend to provide during the event?
- 6.3. What type of hosting services do you intend to provide to VIPs and sponsors?

7. OPERATIONS

- 7.1. Please outline your accommodations plan.
- 7.2. Please outline your airport operation plan including airport shuttles.
- 7.3. Please outline your local transportation plan.
- 7.4. What type of medical services do you intend to provide, and where?
- 7.5. Please describe the security access control plan at the venues.
- 7.6. What will be your official language plan for this event?



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

7.7. Please describe the technology infrastructure that will be available at the venues.

8. LEGACY AND CONCLUSION

- 8.1. What type of legacy will this event leave at the local, regional, provincial and national level?
- 8.2. If you have the ability, please provide an economic impact statement.
- 8.3. Why should we select your community to host this event?



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

APPENDICES

Bidding communities need to include the following appendices:

- Bidding Template 1** Bidding community site map with all venue locations
- Bidding Template 2** Competition Venue Form and Site floor plan with photos (one per site)
- Bidding Template 3** Training site Form and floor plan with photos (one per site)
- Bidding Template 4** Accommodation form (one per proposed hotel)
- Bidding Template 5** Bidding Statement (signed by Bid Committee Chair)



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

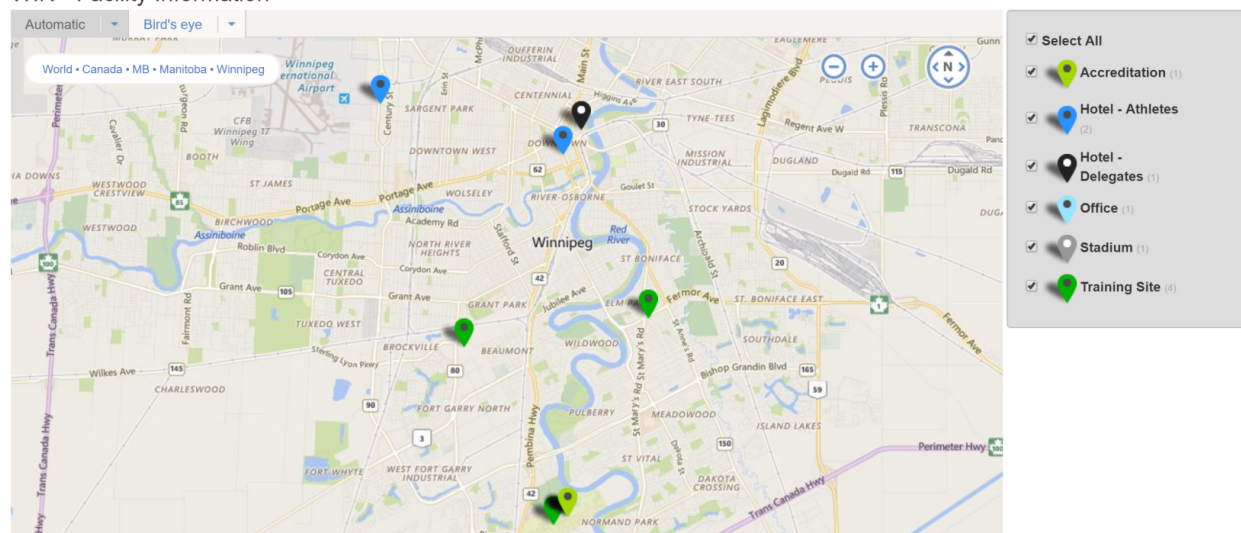
BIDDING TEMPLATE 1- BIDDING COMMUNITY SITE MAP

Requirements:

- A map including all venue locations
- Distance charts that include the following:
 - Distance between training site(s) and hotel(s)
 - Distance between hotel and airport
 - Distance between hotel and stadium

COMMUNITY SITE MAP (EXAMPLE):

WIN - Facility Information



DISTANCE CHARTS (EXAMPLES):

Hotel to training sites

Training Site	Distance	Travel Time
Harrison Trimble	4km	10-12 mins
Bernice MacNaughton	5km	10-15 mins
Rocky Stone	4km	10-12 mins

Hotel to airport, stadium

Site	Distance	Travel Time
Hotel to airport	9km	15-20 mins
Hotel to stadium	4km	5-10 mins

	Moncton Stadium	Harrison Trimble	Bernice MacNaughton	Rocky Stone	Delta Beausejour	Crowne Plaza	Greater Moncton International Airport
Moncton - in km							
Moncton Stadium							
Harrison Trimble	3						
Bernice MacNaughton	6	6					
Rocky Stone	5	4	3				
Delta Beausejour	4	4	5	4			
Crowne Plaza	4	4	5	4	0		
Greater Moncton International Airport	10	11	13	12	9	9	



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BIDDING TEMPLATE 2- COMPETITION VENUE FORM, PHOTOS & SITE FLOOR PLAN

Requirements:

- A Competition Venue Form must be filled out for **each** proposed competition venue (minimum of 5 competition fields)
- The following photos must accompany each Competition Venue Form:
 - The field of play
 - The dressing rooms
 - The facilities
- A venue floor plan must accompany each Competition Venue form

*Please note that this form spans three (3) pages in length. Please ensure that you fill out the form in its entirety for **each** competition venue

Competition Venue Form		
Venue General Information		
Venue Name		
Venue owner's name		
Venue address		
Telephone number		
Contact name & position		
Venue website address		
Year of construction		
Year of last major renovation(s) (start & end date of renovations or new builds if applicable)		
Name of club(s) using site		
Travel distance (kms) to nearest proposed team hotel		
Travel time (minutes) to nearest proposed team hotel		
Venue rental cost (per hour)		
Field of Play Information		
Information	Response	Remarks
Competition field name		
Dimensions of pitch (105x68 preferred)		
Type of pitch	<i>Natural grass or Artificial turf</i>	<i>Turf rating (if applicable):</i>
Dedicated soccer pitch?	<i>Yes/No</i>	<i>Details of other sport markings (if applicable)</i>
Lighting	<i>Yes/No</i>	<i>Lux amount (if applicable):</i>
Fixed goals	<i>Yes/No</i>	<i>Size, number</i>



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

Moveable goals	Yes/No	Size: How many:
Benches	Yes/No	Covered/uncovered (if applicable):
Separation of spectators from pitch area	Yes/No	How? (ex. Fence)
Seating capacity	Permanent seating: Temporary seating:	
Existing sound system	Yes/No	Specifications
Existing scoreboard/video board	Yes/No	Specifications
Emergency power generator	Yes/No	Separate and independent
Workroom(s) to be used for event operation		
Workroom	Name	Size
Indoor room(s) (create one line per room)		
Outdoor field(s) (create one line per field)		
Outdoor space(s) (create one line per space)		
Athletes and Officials Services		
Service	Yes/No/NA	Number
Team dressing rooms		
Shower(s)		
Washroom(s)		
Referee dressing room(s)		
Medical room		
Doping control room(s)		
Marketing		
Aspect	Yes/No/NA	Number
Does venue have permanent advertising?		
Does venue have agreement with a concessionaire who has exclusivity?		
Does venue have beverage vending machines?		
Does venue have product exclusivity?		
Does venue have spectator snack bars?		
Does venue have spectator elevators?		
Does venue have merchandising sales area(s)?		
Does venue have VIP area?		



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

Does venue have media area?				
Transportation				
Aspect	Yes/No/NA	Number	Remarks	
Parking (for cars)		<i># of spaces</i>		
Parking (for buses)		<i># of spaces</i>		
Drop off/pick up load zone			<i>Number of cars and buses that can do this at the same time</i>	
Loading dock			<i>Forklift requirement?</i>	
Public transportation			<i>Specify distance from venue to bus stop</i>	
Does venue include following?				
Facility/Equipment/Supply/Service	Included at no extra charge?	Additional cost (if not included)	Not available at venue	Remarks
Available for duration of competition?				<i>If not available for duration of competition, specify availability</i>
Fit-out and decommissioning days?				<i>Specify number of days</i>
Access to venue prior to fit-out and decommissioning period?				
Clean venue with no advertising				
All workrooms listed above?				
All outdoor field(s)/space(s) specified above?				
Sports equipment				<i>Specify</i>
Scoreboard and clock				<i>Specify</i>
Furniture, fixtures, and equipment				<i>Specify</i>
Electricity consumption				
Waste management				
Parking during event				
Parking prior to event				
Janitorial services for all rooms*				
Janitorial services for spectator area*				
Janitorial services for outdoor field(s)*				
Field maintenance*				
Plumber services*				
Electrician services*				
Manpower services*				
Sound technician(s)*				
Scoreboard/video technician(s)*				
Telecommunication technician(s)*				



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

Receptionist service*				
Security personnel*				
Internet Capabilities				
Area	Wireless/Ethernet		Remarks	
Throughout venue				
Events office				
Referee reporting room/dressing room				
Other				

**specify in remarks if this service must be provided by owner due to exclusivity clauses*



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

BIDDING TEMPLATE 3- TRAINING VENUE FORM, PHOTOS & SITE FLOOR PLAN

Requirements:

- A Training Venue Form must be filled out for **each** proposed training venue
- The following photos must accompany each Training Venue Form:
 - The field of play
 - The dressing rooms
 - The facilities
- A venue floor plan must accompany each Training Venue form

*Please note that this form spans three (3) pages in length. Please ensure that you fill out the form in its entirety for **each** training venue

Training Venue Form		
Venue General Information		
Venue Name		
Venue owner's name		
Venue address		
Telephone number		
Contact name & position		
Venue website address		
Year of construction		
Year of last major renovation(s) (start & end date of renovations or new builds if applicable)		
Name of club(s) using site		
Travel distance (kms) to nearest proposed team hotel		
Travel time (minutes) to nearest proposed team hotel		
Venue rental cost (per hour)		
Field of Play Information		
Information	Response	Remarks
Training field name		
Type of pitch	<i>Natural grass/ Artificial turf</i>	<i>Turf rating (if applicable):</i>
Dedicated soccer pitch?	<i>Yes/No</i>	<i>Details of other sport markings</i>
Lighting	<i>Yes/No</i>	<i>Lux amount (if applicable):</i>
Fixed goals	<i>Yes/No</i>	<i>Size: How many:</i>
Moveable goals	<i>Yes/No</i>	<i>Size: How many:</i>



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

Benches	Yes/No		Covered/uncovered (if applicable):		
Workroom(s) to be used for event operation					
Workroom	Name	Size	Floor level	Floor type	Remarks
Indoor room(s) (create one line per room)					
Outdoor field(s) (create one line per field)					
Outdoor space(s) (create one line per space)					
Athletes and Officials Services					
Service	Yes/No/NA	Number	Remarks		
Team dressing rooms			Average size of each		
Shower(s)					
Washroom(s)					
Referee dressing room(s)			Average size of each		
Medical room and general access			Average size		
Marketing					
Aspect	Yes/No/NA	Number	Remarks		
Does venue have permanent advertising?			Specify where		
Does venue have beverage vending machines?					
Does venue have product exclusivity?			Specify exclusive product and when exclusivity expires (if applicable)		
Transportation					
Aspect	Yes/No/NA	Number	Remarks		
Parking (for cars)		# of spaces			
Parking (for buses)		# of spaces			
Drop off/pick up load zone			Number of cars that can do this at the same time Number of buses that can do this at the same time		
Does venue include following?					
Facility/Equipment/Supply/Service	Included at no extra charge?	Additional cost (if not included)	Not available at venue	Remarks	
Available for all required training days?				If not available for all required training days, specify availability	
Fit-out and decommissioning days?				Specify number of days	
Access to venue prior to fit-out and decommissioning period?					
Clean venue with no advertising					
All workrooms listed above?					



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

All outdoor field(s)/space(s) specified above?				
Sports equipment				<i>Specify</i>
Furniture, fixtures, and equipment				<i>Specify</i>
Electricity consumption				
Waste management				
Parking during event				
Parking prior to event				
Janitorial services for all rooms*				
Janitorial services for outdoor field(s)*				
Field maintenance*				
Plumber services*				
Electrician services*				
Manpower services*				
Telecommunication technician(s)*				
Receptionist service*				
Security personnel*				

**specify in remarks if this service must be provided by owner due to exclusivity clauses*



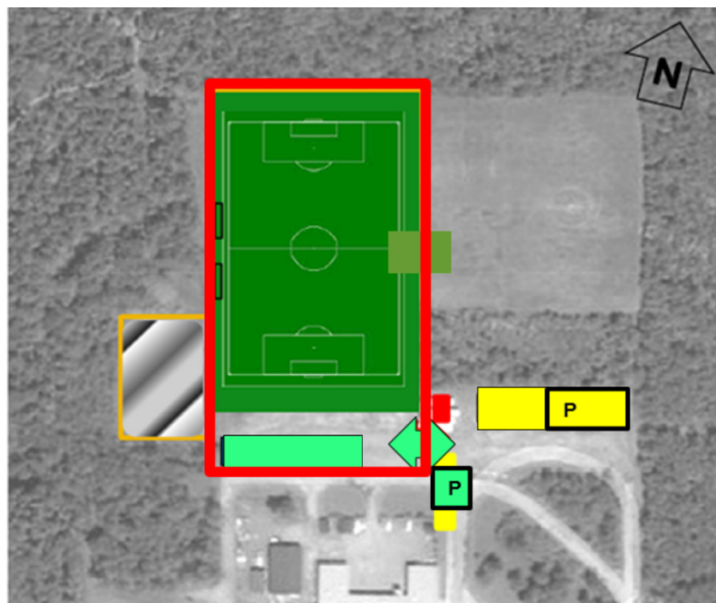
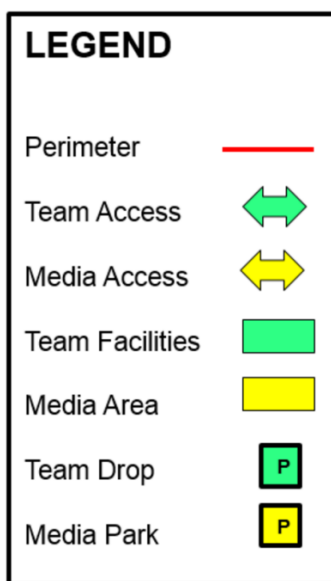
CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

COMPETITION AND TRAINING VENUES

SITE FLOOR PLAN

- Please use the below examples as guidelines for submitting your venue floor plans as required for Bidding Template 2 and Bidding Template 3

SITE FLOOR PLAN (EXAMPLE):



A legend must accompany each site floor plan that includes the following:

- Perimeter
- Team Access and Drop off
- Match Officials Access and Drop off
- Spectator Access
- Team Change rooms/Facilities
- Match Official Change rooms/Facilities



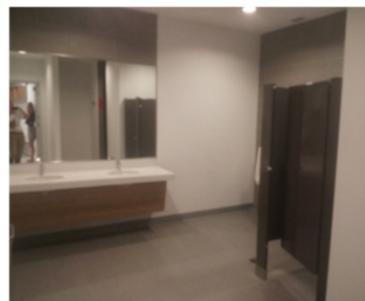
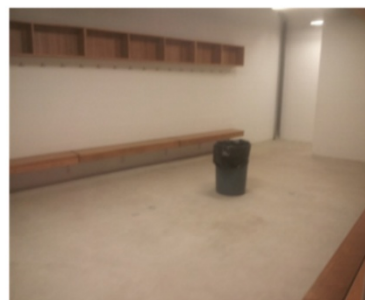
CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

COMPETITION AND TRAINING VENUES

SITE PHOTOS

- Please use the below examples as guidelines for submitting your venue photos as required for Bidding Template 2 and Bidding Template 3

VENUE PHOTOS (EXAMPLES):



Please ensure you include photos of the following areas of each venue:

- The field of play
- Dressing Rooms
- Facilities



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

BIDDING TEMPLATE 4- ACCOMODATION FORM

Requirements:

- Please fill out one accommodation form for **each** proposed hotel
- Please note that there will be a **minimum** of two proposed hotels:
 - Team hotel(s)
 - Match Commissioner, General Coordinator, Supervisor of Officials and Canada Soccer appointed Match Officials hotel(s)

*Please note that this form spans two (2) pages in length. Please ensure that you fill out the accommodation form in its entirety for each proposed hotel

Accommodation Form			
General Information			
Hotel name			
Hotel owner			
Hotel address			
Telephone			
Hotel website address			
Opening year			
Last renovation			
Capacity			
Room type	Capacity	Booked	Costs +tax (without breakfast)
Single (1 bed)			
Double (1 bed)			
Twin (2 beds)			
Triple (2 beds)			
Quad (2 beds)			
Characteristics			
Number of stars			
Number of meeting rooms			
Total square meters of meeting rooms			
Number of restaurants within hotel			
Number of bars within hotel			
Services available in rooms			
Transportation			
Travel	Travel distance (km)	Travel time (in minutes, by car)	
Hotel to airport			
Hotel to downtown			
Hotel to competition site			
Hotel to training site			
Other			



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Number of parking spots available (cars)	
Number of parking spots available (buses)	
Number of pick up/drop off spots available (cars)	
Number of pick up/drop off spots available (buses)	
Distance from public transportation stops	



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

BIDDING TEMPLATE 5- BIDDING STATEMENT

The bid committee represented by [organization name] _____ agree to comply with the following statement:

Cooperate fully with Canada Soccer in the staging and hosting of the Event and assume responsibilities for all expenses concerning the National Championship Competition 2022/2023/2024. Agree that all contents of the bid application submitted by the bid committee and the bid institution are binding, unless it is conflicting with the obligations listed in the Request for Proposal for the National Championship Competition 2022/2023/2024. Any changes to the bid application once the event has been awarded must be approved by Canada Soccer prior to taking effect.

Immediately after being awarded the event by Canada Soccer and no more than 30 days later, the Bid Committee will create a Local Organizing Committee (LOC) which shall be responsible for the organization of the event.

The appointment of the LOC is conditional upon the Organizing Committee undertaking in form and substance satisfactory to Canada Soccer to fully comply with the terms and conditions of the obligations listed in the RFP and the Hosting Agreement which will be completed upon award of a National Championship Competition. Both the Bid Committee shall be liable for all commitments entered into by them, individually or collectively, in connection with the organization and staging of the event, including any obligation under the Hosting Agreement for the National Championship.

X

Bid Committee Chair



CANADA SOCCER TOYOTA NATIONAL CHAMPIONSHIPS 2022-2024 REQUEST FOR PROPOSAL

BID APPLICATION CHECKLIST

Please use this checklist before submitting your bid application to ensure that you have completed all the necessary components of the application

- ✓ You have responded to each of the eight (8) key topics and their accompanying questions as outlined in *Part 3- Bid Application*
- ✓ You have included each of the five (5) completed bidding templates and fulfilled the listed requirements within each template
- ✓ You have included an Operational Budget
- ✓ You have included a Table of Contents
- ✓ You have three (3) bound hard copies to submit
- ✓ You have included a letter of support from a registered club, Provincial/ Territorial Soccer Association, or Soccer Association
- ✓ You have included a letter of support from **one** of the following: Municipality, Tourism Office or proposed facility

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

**TITLE: UPDATES TO THE PROCEDURE BY-LAW IN RESPONSE TO
BILL 197, COVID-19 ECONOMIC RECOVERY ACT, 2020 AND
OTHER MINOR AMENDMENTS**

FROM:

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

ACTION: DECISION

Purpose

To recommend changes to the Procedure By-law 07-2011, as amended, to implement provisions for electronic meeting participation by members of City Council, Committee and Local Boards and count towards quorum outside of a declared Provincial and/or Municipal emergency, based on the provisions contained within Bill 197. The report also addresses some general revisions to the Procedure By-law.

Report Highlights

- Bill 197, *COVID-19 Economic Recovery Act, 2020*, permits a municipality to permanently implement electronic meetings outside of a declared emergency.
- The Procedure By-law requires some minor amendments to address long-standing issues to improve clarity and understanding for the public and staff.

Recommendation

1. That amendment to the Procedure By-law 7-2011, as amended, to facilitate electronic participation in Council, Committee of the Whole, statutory, ad hoc and sub-committee meetings, in accordance with Bill 197, *COVID-19 Economic Recovery Act, 2020*, and other minor amendments, be approved.

Background

Declaration of Emergency

On March 17, 2020, Mayor Bevilacqua declared a state of Local emergency in accordance with the *Emergency Management and Civil Protection Act, R.S.O. 1990, c E.9 s.4.(1)* (“EMCPA”) in response to the 2019 Novel Coronavirus (COVID-19) pandemic to support municipal response and continuity of critical services.

On March 17, 2020, due to the growing public health concerns surrounding the 2019 Novel Coronavirus (COVID-19), the Province declared a province-wide emergency under section 7.0.1 of the *Emergency Management and Civil Protection Act* (“EMCPA”).

City of Vaughan Procedure By-law 7-2011, as amended

The Procedure By-law establishes the principles and rules to be used for meetings of Council and its Committees. The Procedure By-law enhances stakeholder participation, community involvement and opportunities for valuable input from the public, other stakeholders and relevant experts on matters that come before Council. The amendments proposed in this report continue to build upon the governance model established by the Procedure By-law.

Previous Amendments to the Procedure By-law

On March 17, 2020, Council approved amendments to Procedure By-law 7-2011, to facilitate electronic participation at Committee of the Whole and Council meetings on a trial basis. This was done as a proactive measure to allow electronic participation at Committee and Council meetings to the extent possible under the *Municipal Act*, at that time. Since then, Bill 187 was enacted by the provincial government, which provides for greater extent of electronic participation than previously permitted, when an emergency is declared either at the Provincial or municipal level.

On March 30, 2020, Council approved further amendments to the Procedure By-law to allow for electronic participation in Committee of the Whole and Council meetings for Council Members, in response to Bill 187, *Municipal Emergency Act, 2020*, during the Novel Coronavirus (COVID-19) pandemic. By-law 033-2020 was passed to make the appropriate amendments to Procedure By-law 7-2011.

Previous Reports/Authority

[UPDATES TO PROCEDURE BY-LAW FOR ELECTRONIC MEETING](#)

[PARTICIPATION \(Special Committee of the Whole Report No.13, Item #4, Approved by Council on March 17, 2020\)](#)

Analysis and Options

Bill 197, the COVID-19 Economic Recovery Act, 2020

On July 8, 2020 the Province of Ontario introduced Bill 197, the *COVID-19 Economic Recovery Act, 2020*. The bill received Royal Assent on July 21, 2020 and came into effect on July 24, 2020. A component of Bill 197 amends the *Municipal Act, 2001* to permit electronic meetings of Council and Committees beyond the scope of a declared emergency at either the provincial or municipal level. An amendment to the Procedure By-law is required to allow for electronic participation meetings outside of a declared emergency.

In addition, Bill 197 has introduced a further amendment to the *Municipal Act* which would allow a member of Council to appoint another member of Council to act as proxy in their place when they are absent from a Council meeting. It is not recommended that proxy voting be considered at this time, as electronic participation will allow a Member of Council to virtually attend any Committee or Council meeting from wherever they are at the time, whether it be a foreign country or at home due to illness, or absent for some other reason.

Current state of Electronic Meetings

Electronic meetings have proven to be a viable method of conducting meetings during the COVID-19 pandemic. Staff have made continuous improvements to the electronic meeting process through the adoption of Microsoft Teams. A recent hardware and programming upgrade to the Council Chamber audio/visual system now allows for speakers to make video presentations to Members of Council, whether they are in the Chambers or participating electronically.

What changes to Procedure By-law 7-2011 are being proposed to accommodate electronic meetings?

When are Electronic Meetings permitted?

Electronic Meetings will be permitted during any time outside of when an emergency has been declared. Electronic meetings will become the typical type of meeting.

Extending current practices during COVID-19 emergency to beyond the emergency:

Quorum

The Procedure By-law will allow a Member participating electronically in a meeting to be counted in determining whether or not a quorum of Members is present at any time during the meeting (both open and closed sessions).

Rights and Responsibilities of a Council Member

A Council Member who participates electronically shall have the same rights and responsibilities as if they were in physical attendance, including the right to vote.

Meeting Chair

The Chair of a Committee of the Whole or Council meeting will not be permitted to participate in a meeting electronically for practical reasons. The Chair is required to be physically present at the meeting location (i.e. Council Chamber) in order to effectively guide the meeting. If the Chair is unable to physically attend the meeting, the Mayor or his/her substitute determined in accordance with Section 3.2 (1) of the Procedure By-law shall act as Chair.

The Chair of a statutory, ad hoc or sub-committee meeting will be permitted to participate in a meeting electronically. This contrasts with the Chair of a Committee of the Whole or Council meeting, as those Chairs are required to be physically present at the meeting location (Council Chamber) in order to effectively guide the meeting.

Most Members of the statutory, ad hoc and sub-committees are residents who volunteer their time and expertise to sit on these committees, therefore any measures that can be taken to encourage their participation should be considered.

Roll Call

After calling the meeting to order, the Chair shall direct the City Clerk to conduct a roll call to identify the Council Members who are participating electronically in the meeting, and to ensure that a quorum is present. Should a Council Member join the Electronic Meeting at any time during the meeting, they shall announce themselves to the Chair and City Clerk. Also, should a Council Member need to leave the meeting, they will also announce this to the Chair and City Clerk.

Communications, Speakers and Ceremonial Presentations

Written communications related to an item on an agenda, for an Electronic Meeting, shall be received in accordance with Section 2.1(9) Communications/Written Submissions (Agenda Item) of Procedure By-law 7-2011, as amended. Written communications should be submitted via email to clerks@vaughan.ca.

The public shall be permitted to speak to any item on a Committee agenda, either in-person or through electronic means. At the current time, in-person deputations are not permitted due to the closure of City Hall to the public until January 4, 2021, at the earliest. In these instances, written communications will be encouraged, although addressing Committee through electronic means is possible by contacting the Office of the City Clerk.

Deputations to items not on the agenda and Ceremonial Presentations will be permitted, either through electronic means or in-person, when permitted. The Procedure By-law will also be amended to permit these during a declared emergency subject to approval by the City Clerk.

Closed Meetings

Electronic participation in closed meetings is permitted by Bill 197, the *COVID-19 Economic Recovery Act, 2020*. As part of the Closed Session, Council Members participating electronically will be required to make a verbal declaration indicating that they will maintain the confidentiality of the meeting while participating in the Closed Session via electronic participation. Council Members will be required to participate from a location that offers them privacy to ensure the confidentiality of the meeting.

Definitions

The following definitions have already been added to Procedure By-law 7-2011 for the COVID-19 emergency and will facilitate electronic meetings:

ELECTRONIC PARTICIPATION - A Member who participates in a Committee, Council, or statutory, ad hoc or sub-committee meeting remotely via electronic means (e.g. video or audio teleconference), has the same rights and responsibilities as if he or she were in physical attendance, including the right to vote. They shall count towards a quorum of members and shall be permitted to participate in any portion of a meeting which is open or closed to the public.

ELECTRONIC MEETING - A meeting called and held in full or in part via electronic means (including, but not limited to, audio teleconference, video teleconference, or via means of the internet), and with or without in-person attendance, allowing for Electronic Participation by Members.

Interruptions to Connection

Should a Member participating electronically in a meeting become disconnected during the meeting, efforts will be made by Staff, where possible, to reconnect with the Member. The Chair may decide on a short recess to determine whether or not the

communication connection can be re-established, with no more than two attempts being made. Alternatively, the Chair may decide to continue the meeting and treat the interruption as if the Member who is physically present leaves the room.

Public Participation

Electronic meetings held outside of a declared emergency will allow for both in-person and electronic participation by the public. In-person participation is not currently an option as City Hall is closed to public until at least January 4, 2021.

The ability for the public to participate electronically will contribute to greater accessibility. Persons who may be unable to attend a Committee of the Whole meeting to make a presentation due to childcare needs, disability, lack of transportation, or other reason, will now be able to fully participate.

Recorded Votes

Should a recorded vote be requested by a Council Member during a Council meeting, the vote shall be conducted in accordance with Section 4.5(6) Voting on Motions in Procedure By-law 7-2011, as amended. When a recorded vote is requested by a Member, or is otherwise required, the City Clerk will call the vote in random order following the name of the Member who requested the recorded vote. The City Clerk will record the name and vote of every Member on the question.

What other changes to Procedure By-law 7-2011 are being proposed?

Public Hearings

Committee of the Whole (Public Hearing) meetings are commonly referred to as “Public Hearings”. Feedback from the public has shown that the term “hearing” has caused confusion. A common definition of “Hearing” is “to listen to and judge”. This leads to the misconception that decisions on a development application are being made at the Committee of the Whole (Public Hearing) meeting. Additionally, the *Statutory Powers Procedure Act* includes a definition of “hearing”, which brings with it specific requirements and procedures that would not apply to the statutory meeting under the *Planning Act*.

To address this issue, it is recommended that the term “Public Hearing” be changed to “Public Meeting”. This is in keeping with the terminology used in the *Planning Act*, where it is required that a “public meeting is held for the purpose of giving the public an opportunity to make representations”. Other municipalities, such as the City of Markham and City of Richmond Hill, also use “Public Meeting”.

Deputations and Deputants

The Procedure By-law currently includes the define term “deputant”, meaning “An oral submission made by and at the request of a member of the public which may be supported by written material.” There are two types of deputations:

1. Deputations made with respect to an item on a Committee of the Whole agenda; and,
2. Deputations that are made with respect to a topic that is NOT listed on an agenda.

The first type of deputation takes place when an agenda item is called for discussion at a Committee of the Whole meeting and members of the public are permitted to speak to the item. The second type of deputation takes place at the beginning of an agenda, under the “Deputations and Presentations” section of the agenda. Members of the public must submit a deputation request to speak to the Committee in order to be listed on an agenda.

Using the same term to describe two distinct types of presentations to Committee leads to confusion, not just for the public, but staff as well. To address this is, the following is recommended:

1. That the term “Speaker” be added to the Procedure By-law that would apply to members of the public who wish to speak to an item on an agenda; and,
2. That persons wishing to address Committee regarding a matter not on an agenda be referred to as “Presenters”, and they will make “Presentations” to the Committee.

The terms “Deputant” and “Deputation” will be replaced with “Speaker” and “Presentation” to more clearly represent the different actions that can take place.

Financial Impact

Immediate costs associated with implementing the technology to allow electronic participation will be within existing budgets. Most expenditures have already taken place.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

The proposed amendments to the City of Vaughan Procedure By-law 7-2011, as amended, will allow for electronic participation for the Committee, Council, statutory, ad hoc and sub-committees, in response to Bill 197, *COVID-19 Economic Recovery Act, 2020*, outside of a declared emergency. These revisions essentially take the current meeting protocol during a declared emergency and make them permanent. The other minor amendments address some long-standing issues that will aid in the application and understanding of the Procedure By-law.

For more information, please contact Todd Coles, City Clerk, x8281

Attachment

1. Proposed Amendments to Procedure By-law 7-2011 to Implement Bill 197, the COVID-19 Economic Recovery Act, 2020 and other minor amendments.

Prepared by

Todd Coles, City Clerk, extn. 8281

Approved by



Wendy Law, Deputy City Manager,
Administrative Services and City Solicitor

Reviewed by



Jim Harnum, City Manager

ATTACHMENT #1 –
Proposed Amendments to Procedure By-law 7-2011 to Implement Bill 197, the
***COVID-19 Economic Recovery Act, 2020* and other minor amendments.**

The following amendments to Procedure By-law 7-2011 are proposed to implement Bill 197, the *COVID-19 Economic Recovery Act, 2020*, and other minor amendments:

1. Electronic Meetings shall be permitted during any period of time.
2. The following definition will be added:
 - a. **SPEAKER** – An oral submission made by and at the request of a member of the public which may be supported by written material relating to an item on the agenda for a meeting to which this By-law applies.
3. Electronic Participation will be permitted for any Committee of the Whole, Council, statutory, ad hoc or sub-committee meetings.
4. The Chair of a Committee of the Whole or Council meeting shall not be permitted to participate electronically at a meeting.
5. The Chair of a statutory, ad hoc or sub-committee shall be permitted to participate electronically at a meeting.
6. If the Chair of a Committee of the Whole or Council meeting is unable to physically attend the meeting, the Mayor or his/her substitute determined in accordance with Section 3.2 (1) of the Procedure By-law shall act as Chair.
7. The Member of Council who wishes to participate in an Electronic Meeting through Electronic Participation shall provide the City Clerk a minimum of 24 hours' notice, or as much time that is practically required to ensure appropriate preparations for an Electronic Meeting. Council Members must connect through a corporate device to ensure security of the communication.
8. Interruptions in Communication – If there is an interruption in the communications link to any Member who is participating electronically in an Electronic Meeting, the Chair may:
 - a. decide on a short recess until it is determined whether or not the link can be re-established with no more than two (2) attempts; or
 - b. continue the Electronic Meeting and treat the interruption in the same manner as if the Member who is physically present leaves the room.

9. Notwithstanding Section 2.2 (2) DEPUTATIONS AND PRESENTATIONS, deputations on an item not listed on a Standing Committee agenda shall be permitted at an Electronic Meeting during a declared emergency, subject to approval by the City Clerk.
10. Notwithstanding Section 2.4 CEREMONIAL PRESENTATIONS, ceremonial presentations shall be permitted at an Electronic Meeting during a declared emergency, subject to approval by the City Clerk.
11. Members attending an Electronic Meeting that is closed to the public, through Electronic Participation, shall declare at the start of the closed meeting that they will maintain the confidentiality of the closed meeting through ensuring that they are alone and that any discussions cannot be overheard.
12. Roll Call
 - a. Immediately after calling the Meeting to order, the Chair shall direct the City Clerk, Secretary, or City Clerk's staff member to conduct a roll call to identify the Council Members participating in an Electronic Meeting and confirm that a quorum is present.
 - b. A Member who is not present during the roll call, and who subsequently joins the Electronic Meeting via Electronic Participation shall advise the Chair and City Clerk, Secretary, or City Clerk's staff member of his or her attendance at the Electronic Meeting.
 - c. A Member who is participating electronically in an Electronic Meeting who, for any reason or duration will no longer be electronically participating prior to adjournment, shall advise the Chair and City Clerk, Secretary, or City Clerk's staff member of his or her absence from the Electronic Meeting.
13. Written communications related to an item on an agenda, for an Electronic Meeting, shall be received in accordance with Section 2.1(9) COMMUNICATIONS/WRITTEN SUBMISSIONS (AGENDA ITEM). Timelines under Sections 2.1(9)(c) and (d) may be suspended at the discretion of the City Clerk.
14. References to "Deputant" and "Deputation" shall be revised to "Speaker", where appropriate.
15. References to "Committee of the Whole (Public Hearing)" shall be revised to "Committee of the Whole (Public Meeting)".

16. The Clerk may establish and amend any procedure or process deemed necessary to allow public participation at electronic meetings, including but not limited to, any time limit by which a potential Speakers and Presenters will be required to register.

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

TITLE: PROCLAMATION REQUESTS

**CARIBBEAN HERITAGE MONTH, OLDER PERSONS DAY AND
CHILD CARE WORKER & EARLY CHILDHOOD EDUCATOR
APPRECIATION DAY**

FROM:

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

ACTION: DECISION

Purpose

To seek Council approval for proclamation requests regarding the following: Caribbean Heritage Month, Older Persons Day, and Child Care Worker & Early Childhood Educator Appreciation Day.

Report Highlights

- Respond to the requests received from the Caribbean Women's Society (CWS), the Congress of Union Retirees of Canada (CURC), and the Ontario Coalition of Better Child Care (OCBCC) and CUPE, Ontario Division.
- Proclamations requested for dates throughout the month of October.

Recommendations

1. That the month of October be proclaimed as "Caribbean Heritage Month" for this year and on an annual basis going forward;
2. That October 1, 2020 is proclaimed as "Older Persons Day";
3. That October 22, 2020 be proclaimed as "Child Care Worker & Early Childhood Educator Appreciation Day"; and,

4. That the proclamations be posted on the City's website and the Corporate Communications department be directed to promote the above-noted proclamations through the corporate channels.

Background

Caribbean Heritage Month

Correspondence was received from the CWS requesting a proclamation.

Caribbean Heritage Month provides an opportunity to remember, celebrate and educate on Caribbean-Canadians and the important role that they have played and continue to play in communities across Ontario.

If approved, the City of Vaughan would be participating alongside other municipalities in recognizing the important contributions that Caribbean-Canadians have made.

Council has previously granted this request.

Older Persons Day

Correspondence was received from the CURC requesting a proclamation.

The CURC is a retirement council that advocates for the rights of older people to live their lives in dignity by giving a focus on this vulnerable sector of society.

In 1990, the United Nations passed a resolution addressing the rights of older persons and declared October 1st as International Older Persons Day.

Child Care Worker & Early Childhood Educator Appreciation Day

Correspondence was received from the OCBCC in conjunction with CUPE, Ontario Division, requesting a proclamation.

This day recognizes the commitment, hard work and dedication of Early Childhood Educators (ECEs) and staff who work with young children. This year it is an especially important focus as COVID-19 recovery is underway and parents return to the workforce.

Yearly this day is proclaimed by the OCBCC, CUPE, school boards and many municipalities across Ontario.

Council has previously granted this request.

Previous Reports/Authority

Caribbean Heritage Month - [Committee of the Whole - September 17, 2019](#)

Child Care Worker & Early Childhood Educator Appreciation Day - [Committee of the Whole - September 17, 2019](#)

Analysis and Options

Caribbean Heritage Month

The proclamation request meets the requirements of the City's Proclamation Policy 03.C.10, as follows:

- 2.1. For the purposes of section 2, a proclamation may be issued for:
 - 2.1.1. Arts, culture or heritage commemorations in the City of Vaughan

Older Persons Day

The proclamation request meets the requirements of the City's Proclamation Policy 03.C.10, as follows:

- 2.1. For the purposes of section 2, a proclamation may be issued for:
 - 2.1.4. Public awareness campaigns;

Child Care Worker & Early Childhood Educator Appreciation Day

The proclamation request meets the requirements in the City's Proclamation Policy 03.C.10, as follows:

- 2.1. For the purposes of section 2, a proclamation may be issued for:
 - 2.1.4. Public awareness campaigns;

Financial Impact

Not applicable.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

Staff is recommending that October be proclaimed as "Caribbean Heritage Month" for this year and subsequent years going forward; that October 1, 2020 be proclaimed as "Older Persons Day"; that October 22, 2020 be proclaimed as Child Care Worker & Early Childhood Educator Appreciation Day; and finally, that the proclamations be posted on the City's website and the Corporate Communications department be directed to promote the proclamations through the corporate channels.

For more information, please contact: Todd Coles, City Clerk, ext. 8281

Attachments

1. Correspondence from Founder and President, CWS
2. Correspondence from President, Toronto and Your Region, CURC
3. Correspondence from President, OCBCC and President, CUPE, Ontario Division, dated July 15, 2020

Prepared by

Julia Bartolomeo, Supervisor, City Clerk's Administrative Services, ext. 8280

Approved by



Wendy Law
Deputy City Manager
Administrative Services & City Solicitor

Reviewed by



Jim Harnum, City Manager



4605 Charleston Sideroad, Caledon ON L7K0S7
 416-671-7219
www.ourcws.com
admin@ourcws.com

Dear Mayor Maurizio Bevilacqua,

Please accept this letter of request to the join the City of Toronto, City of Markham, City of Pickering, City of Brampton, Lieutenant Governor of Ontario, Mayor of Toronto and Premier of Ontario in supporting Caribbean Women's Society and the Caribbean-Canadian community by proclaiming October as Caribbean Heritage Month in the City of Vaughan.

As background, Ontario is home to a large and vibrant Caribbean-Canadian community; a rich and diverse group representing forty-two Caribbean nations, regions and territories (more info here: www.ourchm.ca).

Since the first Caribbean immigrants arrived in Canada in the late 1700's, Caribbean-Canadians from across Ontario have made significant contributions across all fields; including, science, education, medicine, broadcasting, law, politics, business, sports and culture.

Caribbean-Canadians have helped build the City of Vaughan, Ontario and the country, into the multicultural success story that it is and have helped to build this province into the best place to live, work and raise families. They continue to help foster growth, prosperity and innovation throughout Ontario and Canada.

October is a significant month for the Caribbean-Canadian community. With the points system incorporated into the Immigration Regulations in October 1967, it meant that visitors, including Caribbeans, and their families were given the right to apply for immigrant status while in Canada. By 1970, immigration from, in part, the Caribbean represented over 23% of the total; compared to 10% four years previously.

Caribbean Heritage Month is an opportunity to remember, celebrate and educate future generations about Caribbean-Canadians and the important role that they have played and continue to play in communities across Ontario.

By proclaiming the month of October as Caribbean Heritage Month, the City of Vaughan would be recognizing the important contributions that Caribbean-Canadians have made to the City of Vaughan's, Ontario's and the country's social, economic, political and cultural fabric.

Thank you in advance for your consideration and support.

Sincerely,

Camille Kerr, Founder and President
admin@ourcws.com



Mayor Maurizio Bevilacqua
2141 Major Mackenzie Dr.
Vaughan ON
L6A 1T1

Dear Mayor Bevilacqua,

In 1990 the United Nations passed a resolution addressing the rights of older persons and declaring October 1st as International Older Persons Day.

During this horrible pandemic people have more than ever expressed the love and compassion for some of the most eldest citizens in our society.

As a retirement council that advocates for the rights of older people to live their lives in dignity we believe there is much work to be done for those most vulnerable

We are hoping that your council would join other communities around the world by proclaiming October 1st Older Persons Day for your city.

I thank you for your consideration

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry Stevens". The signature is stylized with a large, sweeping "B" and a long, horizontal stroke at the end.

Barry Stevens
President, Toronto and Your Region
Congress of Union Retirees of Canada (CURC)
260 Windy Oaks, Mississauga ON
L5G 1Z6



July 15, 2020

Re: 20th Annual Child Care Worker and Early Childhood Educator Appreciation Day, October 22, 2020

To Ontario mayors and councils,

We are writing to ask that you and your council proclaim and participate in Child Care Worker & Early Childhood Educator Appreciation Day on Thursday, October 22, 2020. This day recognizes the commitment, hard work and dedication of Early Childhood Educators (ECEs) and staff who work with young children. Each year, the day is proclaimed by The Ontario Coalition for Better Child Care (OCBCC), the Canadian Union of Public Employees (CUPE), municipalities and school boards across Ontario, and is marked by hundreds of child care centres, unions, and allies.

This year's Child Care Worker and Early Childhood Educator Appreciation Day is especially important as we recover from COVID-19. Child care centres are the cornerstone of our economic recovery and function to ensure that parents have the support they need to fully participate in the workforce.

If your council does not issue official proclamations, there are many ways for your municipality to participate in celebrating this important day:

- Your council sponsors a public announcement;
- Display our posters and distribute our buttons; and
- Organize events and contests for the day or have councilors or the mayor participate in events hosted by child care centres.

A sample proclamation and document outlining additional ways to recognize this important day is attached.

We would love to acknowledge municipalities who choose to celebrate child care workers and ECEs across Ontario on October 22, 2020. Please let us know how your municipality is participating in the appreciation day and we will add you to our list of proclamations and celebrations.

Please direct any correspondence on proclamations and/or celebration activities to the attention of Carolyn Ferns, by mail: Ontario Coalition for Better Child Care, 489 College St., Suite 206, Toronto, ON M6G 1A5, or by email at: carolyn@childcareontario.org.

Thank you for your consideration.

Sheila Olan-Maclean
President, OCBCC

Fred Hahn
President, CUPE Ontario Division



Le 15 juillet 2020

Objet : la 20^e Journée annuelle de reconnaissance des travailleurs des services éducatifs à l'enfance, le 22 octobre 2020

Aux maires et aux conseillers municipaux de l'Ontario,

Nous vous écrivons pour vous demander à vous et à votre Conseil municipal de proclamer et de célébrer la Journée de reconnaissance des travailleurs des services éducatifs à l'enfance, le jeudi 22 octobre 2020. Cette journée reconnaît l'engagement, le travail et le dévouement des éducateurs de la petite enfance (ÉPE) et du personnel qui travaillent avec les jeunes enfants. Chaque année, la journée est proclamée par la Coalition ontarienne pour de meilleurs services éducatifs à l'enfance (COMSÉE), le Syndicat canadien de la fonction publique (SCFP), les municipalités et les conseils scolaires de l'Ontario. Elle est célébrée par des centaines de garderies, de syndicats et d'alliés.

La Journée de reconnaissance des travailleurs des services éducatifs à l'enfance est particulièrement importante cette année alors que nous nous remettons de la COVID-19. Les garderies sont la pierre angulaire de notre reprise économique et elles voient à ce que les parents aient le soutien nécessaire pour participer pleinement au marché du travail.

Même si votre Conseil municipal n'émet pas de proclamation officielle, il y a de nombreuses façons de participer et de célébrer cette importante journée :

- Parrainer une annonce publique.
- Apposer nos affiches et distribuer nos macarons.
- Organiser des événements et des concours pendant la journée ou encore vous assurer que les conseillers municipaux et le maire participent à des activités organisées par les garderies.

Vous trouverez ci-joints un exemple de proclamation ainsi que des documents faisant ressortir d'autres manières de reconnaître cette importante journée.

Le 22 octobre 2020, nous tenons à reconnaître les conseils scolaires qui célébreront les ÉPE et les travailleurs en garderie, à l'échelle de l'Ontario. Veuillez nous informer de la façon dont votre municipalité participera à la Journée de reconnaissance et nous l'ajouterons à notre liste de proclamations et de célébrations.

Veuillez faire parvenir toute correspondance touchant les proclamations et/ou activités de célébration à l'attention de Carolyn Ferns, par la poste à la Coalition ontarienne pour de meilleurs services éducatifs à l'enfance, 489, rue College, bureau 206, Toronto (Ontario) M6G 1A57 ou par courriel à carolyn@childcareontario.org.

Nous vous remercions de l'attention que vous porterez à la présente.

Sheila Olan-Maclean
Présidente de la COMSÉE

Fred Hahn
Président de la Division de l'Ontario du SCFP

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

**TITLE: DIVERSITY AND INCLUSION TASK FORCE – APPROVAL OF
TERMS OF REFERENCE AND APPOINTMENT OF MEMBERS**

FROM:

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

ACTION: DECISION

Purpose

To seek approval of the Terms of Reference, to review the applications received for the appointment of citizen members to the Diversity and Inclusion Task Force.

Report Highlights

- Staff have worked with the Chair and Vice-Chair to compile a draft Terms of Reference for the Diversity and Inclusion Task Force as contained in Attachment 1 of this report.
- Recruitment of citizen members commenced on August 31, 2020 by the Office of the City Clerk with support from Corporate and Strategic Communications.
- Deadline for receipt of applications was Friday, September 18, 2020.
- Applications received are contained in Confidential Attachment 2 of this report.

Recommendations

1. That Council approve the Terms of Reference and revised name for the Diversity and Inclusion Task Force (Attachment 1); and
2. That Council give consideration to applications received for the appointment of citizen members to the Diversity and Inclusion Task Force (Confidential Attachment 2).

Background

At its meeting on October 2, 2019, Council adopted Item 14, Report No. 27 of the Committee of Whole, titled “2018-2022 Term of Council Priority Task Forces”. In so doing, Council approved:

1. That the following Members of Council be appointed to the following task forces:
 1. Economic Prosperity Task Force: Chair: Sandra Yeung Racco, Ward 4 Councillor; Vice Chair: Mario Ferri, Deputy Mayor, Local and Regional Councillor.
 2. Diversity and Citizen Engagement Task Force: Chair: Alan Shefman, Ward 5 Councillor; Vice Chair: Marilyn Iafrate, Ward 1 Councillor.
2. That the City Manager identify the appropriate staff representation for each task force and that staff meet with the Chair and Vice Chair at their earliest convenience to commence work.
3. That the City Clerk be requested to work with each task force to prepare terms of reference and commence recruitment pursuant to the membership and selection criteria identified by the Chair and appropriate staff as part of the development of the terms of reference of the task force.

Previous Reports/Authority

[Member’s Resolution 2018-2022 Term of Council Priority Task Forces, dated October 2, 2019.](#)

Analysis and Options

In consultation with the Chair and Vice-Chair, it is proposed that the task force be renamed as “Diversity and Inclusion Task Force” with the following mandate:

1. serve as a forum for the discussion of ways for improving the inclusion of all ethno-cultural, national, racial and religious groups among residents, businesses and other stakeholders.
2. identify ways to further engage these communities in City programs and services.

3. provide more opportunities for community groups to network and co-ordinate efforts with each other and with the City of Vaughan.
4. align the work of the taskforce members with the Council-approved priorities identified in the 2018-2022 Service Excellence Strategy Map.
5. share with the broader Vaughan community any information, presentations, advice or recommendations made to the Task Force, culminating with a final report of recommendations to Council no later than the end of 2021.

In developing the Terms of Reference, staff from the Office of the City Clerk, Office of the Chief Human Resources Officer and Corporate and Strategic Communications, worked with the Chair and Vice Chair to outline the membership and selection criteria for the task force. The City's Diversity and Inclusion Staff Committee also provided input to ensure the task force's mandate aligns with the City's Diversity and Inclusion Action Plan and York Region's Inclusion Charter. The proposed Terms of Reference for the Task Force is included as Attachment 1 of this report.

Recruitment for citizen members is done through the City's social media channels, website and Council eNews. The deadline for receipt of applications was noon on Friday, September 18, 2020. Applications received are included in Confidential Attachment 2 of this report.

Members shall include members of Council, citizens and stakeholders, as follows:

- Councillor Shefman, Chair and Councillor Carella, Vice Chair.
- A minimum of nine (9) and a maximum of nineteen (19) citizen-stakeholder members who will be chosen with the intention of having a membership that is reflective of Vaughan's diversity: ethno-cultural, national, racial, religious, or other.
- The Mayor will serve as an ex-officio member of the task force.

Financial Impact

There are no financial impact associated with the report.

Broader Regional Impacts/Considerations

There are no broader regional impact associated with this report.

Conclusion

It is appropriate that Council approve the Terms of Reference and give consideration to the applications received for appointment of citizen members to the Diversity and Inclusion Task Force.

For more information, please contact: Todd Coles, City Clerk, Ext 8281.

Attachments

1. Diversity and Inclusion Task Force Terms of Reference
2. Applications for the Diversity and Inclusion Task Force (Confidential Attachment for Mayor and Members of Council distributed after September 18, 2020)

Prepared by

Isabel Leung, Deputy City Clerk, extension 8190.

Approved by



Wendy Law
Deputy City Manager
Administrative Services &
City Solicitor

Reviewed by



Jim Harnum, City Manager



Diversity and Inclusion

TASK FORCE

TERMS OF REFERENCE

OFFICE OF THE CITY CLERK
City of Vaughan, City Hall
2141 Major Mackenzie Dr.
Vaughan, ON L6A 1T1





TERMS OF REFERENCE

MANDATE/OBJECTIVES

The overall goal of the Diversity and Inclusion Task Force is to provide guidance to the City of Vaughan in the development of policies that promote fairness, mutual respect and an undoubted sense of inclusion among the diverse individuals, communities and stakeholder groups that compose its population. The City is committed to Service Excellence and will continue to ensure the safety and well-being of all citizens through Mayor Maurizio Bevilacqua and Members of Council's approved priorities that promote active, safe and diverse communities we serve. The City strives to foster a culture that is inclusive and respectful where all citizens, employees, businesses and visitors are valued. The City is proud to have diverse communities and values the significant contributions they make to the cultural, economic and social achievements of our wonderful civic life. Vaughan citizens speak more than 105 languages and come from all over the world for a promising future in our world-class city. The City will continue to embrace human differences through its commitment to fostering equality, inclusiveness, respect and acceptance for everyone.

Diversity can be defined as the presence of a wide range of human qualities and attributes within an individual, group or organization such as age, sex, race, ethnicity, physical and intellectual ability, religion, sexual orientation, gender identity and expression and educational background and expertise. Inclusion as it relates to municipalities/organizations, focuses on the collective and on creating a culture that appreciates and encourages people to contribute with their unique differences, strengths, talents, weaknesses and perspectives in a way that shows respect for the individual and ultimately creates a dynamic multi-dimensional organization.

THE TASK FORCE SHALL MAKE RECOMMENDATIONS TO COUNCIL TO IMPROVE:

- the delivery of equitable programs and services reflective of the diverse needs of its residents
- the diversity of the community as reflected in municipal hiring and tendering practices

TO THESE ENDS, THE TASK FORCE WILL:

- review current policies and practices
- review inclusion-related documents from other public agencies
- review best practices from other communities
- explore current institutional practices through a diversity lens
- assess any evidence of systemic racism, embedded prejudice, etc.
- invite input by way of deputations and/or presentations by citizen-stakeholders and others, including subject-matter experts
- actively foster greater inclusion of less-responsive stakeholder groups in its processes
- identify short-, mid- and long-term recommendations for Council's consideration

THE TASK FORCE SHALL STRIVE TO:

1. serve as a forum for the discussion of ways for improving the inclusion of all ethno-cultural, national, racial and religious groups among residents, businesses and other stakeholders.
2. identify ways to further engage these communities in City programs and services.
3. provide more opportunities for community groups to network and co-ordinate efforts with each other and with the City of Vaughan.
4. align the work of the task force members with the Council-approved priorities identified in the 2018-2022 Term of Council Service Excellence Strategic Plan.
5. share with the broader Vaughan community any information, presentations, advice or recommendations made to the task force, culminating with a final report of recommendations to Council no later than the end of 2021.

TERM

The term of this task force shall be from September 2020 to the end of 2021.

MEMBERSHIP

Members shall include Members of Council and citizen-stakeholders, as follows:

- a) Two (2) members of Council appointed by Council to act as Chair and Vice-Chair
- b) The Mayor in an ex-officio capacity
- c) A minimum of nine (9) and a maximum of nineteen (19) citizen-stakeholder members who will be chosen with the intention of having a membership that is reflective of Vaughan's diversity—ethno-cultural, national, racial, religious, or other. To that end, as part of the process of populating the task force, applicants will be asked to list those groups (whether ethno-cultural, national, racial, religious, or other) with whom they identify.

MEETING PROCEDURES

Task force meetings are intended to be structured in a manner that encourages maximum flexibility and open, honest debate.

The proceedings of the task force are to be governed by the City's Procedural By-law.

AGENDAS AND REPORTING

1. Agendas shall be prepared by the Office of the City Clerk in consultation with the task force Chair.
2. Agendas shall be posted on the City's website one week prior to the scheduled date of meeting, or as soon as practicable.
3. After each meeting of the task force, the City Clerk shall submit a report in the City's committee report format to the Committee of the Whole.
4. Following the conclusion of the mandate of the task force, a report of recommendations will be brought to Council for further consideration.

MEETINGS

1. Meeting dates will be determined at the first meeting of the task force. The task force may meet on the schedule determined, or at the call of the Chair.
2. Meetings will be held every other month or as needed throughout the course of the task force term, except for July and August where no meetings will be scheduled.
3. The Chair of the task force may call special meetings.
4. Meetings are to be open to the public in accordance with the *Municipal Act, 2001*.

NOTICE OF MEETINGS

Meetings will be noted on the Schedule of Meetings calendar posted on the City's website.

QUORUM

1. Quorum shall be calculated as a majority of the total number of persons appointed to the task force.
2. Ex-officio members will not be counted for the purpose of calculating the total number of persons appointed to the Task Force but will be counted as a member present when in attendance.

STAFF RESOURCES

The role of staff is to act as a resource to the task force, but not to be members of the task force, or to deliberate or draft the findings of the task force. The following staff will provide advisory and technical support specific to the mandate and objectives of the task force:

1. The Office of the City Clerk will assign one staff person responsible for agenda and report production and distribution, the giving of procedural advice and the recording of proceedings of the task force.
2. The Corporate and Strategic Communications department will assign one staff person to provide communications advisory services, prepare information, communications and assist in the development of the task force report.
3. An additional two (2) staff with subject matter expertise will be assigned to support the work of the task force.
4. The task force can be provided with additional administrative and/or technical support at the discretion of the appropriate Senior Leadership Team portfolio(s).

AUTHORITY

The task force may not exercise decision-making powers, or commit expenditures save for those specifically delegated by Council.

The task force may not direct staff to undertake activities without authority from Council.

AMENDMENT/EXPANSION OF TERMS OF REFERENCE

Only Council can approve any amendment to and/or expansion of the Terms of Reference.

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

TITLE: APPOINTMENT OF FOUR (4) REPLACEMENT STAKEHOLDER REPRESENTATIVE MEMBERS TO THE SMART CITY TASK FORCE

FROM:

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

ACTION: DECISION

Purpose

To seek Council's consideration to appoint four (4) replacement Stakeholder representative members to the Smart City Task Force.

Report Highlights

- Council at its meeting of January 28, 2020, approved the appointment of eleven (11) Stakeholder representative members and five (5) citizen members to the Smart City Task Force.
- Four (4) of the eleven (11) Stakeholder representative members have since declined or have expressed their inability to accept their appointments due to prior commitments.
- Council's decision is required to appoint four (4) replacement Stakeholder representative members to the Smart City Task Force.

Recommendation

1. That Council give consideration to the proposed list (Confidential Attachment 2) of four (4) replacement Stakeholder representative members for appointment to the Smart City Task Force.

Background

At its meeting on May 14, 2019, Council approved the establishment of the Smart City Task Force as part of Mayor Maurizio Bevilacqua's 2018-2022 Term of Council Priority Task Forces.

Mayor Maurizio Bevilacqua and Councillor Sandra Yeung Racco serve as Chair and Vice-Chair respectively, of the Smart City Task Force.

The mandate of the Smart City Task Force is to make recommendations that ensure the City of Vaughan is advancing a culture of knowledge, and to pursue continuous improvement and continue to provide advice to Council and City administration, including high-level political and community perspectives into developing a Smart City initiative, and to endorse Smart City technologies.

At its meeting on January 28, 2020, Council approved the Terms of Reference, and appointed eleven (11) Stakeholder representative members and five (5) citizen members to the Smart City Task Force. Of the eleven (11) Stakeholder representative members, four (4) have since declined or have expressed their inability to accept their appointments due to prior commitments.

Staff has compiled a list of four (4) replacement Stakeholder representative members (Confidential Attachment 2) for Council's consideration for appointment to the Smart City Task Force.

Previous Reports/Authority

[Item 13, Committee of the Whole Report no. 27, Approval of Terms of Reference and Appointment of Citizen Members to Task Forces](#)

[Item 12, Committee of the Whole Report No. 1, Approval of Terms of Reference and Appointment of Citizen Members to Smart City Task Force.](#)

Analysis and Options

In consultation with the Chair and the Vice Chair of the Smart City Task Force, staff has compiled a list of four (4) replacement Stakeholder representative members (Confidential Attachment 2) with a variety of industry experience and expertise for Council's consideration for appointment to the Smart City Task Force.

Financial Impact

There are no financial impacts associated with this report.

Broader Regional Impacts/Considerations

There are no Regional impacts/considerations associated with this report.

Conclusion

It is appropriate that Council consider the appointment of four (4) replacement Stakeholder representative members to the Smart City Task Force.

For more information, please contact Todd Coles, City Clerk, Ext. 8281

Attachments

1. Smart City Task Force Terms of Reference – Amended May 2020.
2. Confidential Attachment (Mayor and Members of Council only).

Prepared by

John Britto, Council/Committee Administrator, Office of the City Clerk, ext. 8637.

In consultation with:

Kitty Yung, Project Manager, Smart City Business Program, Economic and Cultural Development, ext. 8548.

Approved by



Wendy Law
Deputy City Manager, Administrative Services
and City Solicitor

Reviewed by



Jim Harnum, City Manager

Mandate / Objectives

Mandate

The City of Vaughan Smart City Task Force has an overall mandate to advance a culture of knowledge and pursue continuous improvement and to continue to provide advice to Council and City Administration, including high-level political and community perspectives into the development of a Smart City initiative which enhance urban life in terms of people, living, economy, mobility and governance, and to endorse Smart City technologies for Council's ultimate consideration.

Objectives

The Task Force will:

1. Continue to serve as a forum for the discussion of Smart City concepts among residents, businesses and other stakeholders.
2. Further explore research, best practices, and findings related to Smart City implementations and data- driven innovation efforts across Canada and the World.
3. Utilize the City of Vaughan's Smart City Challenge submission to further cultivate and implement a distinct vision for what Smart City would mean for Vaughan.
4. Review administrative recommendations regarding various aspects of the City-Wide Digital Strategy that was part of the Council-endorsed 2015-2018 Service Excellence Strategy Map and provide strategic guidance and other perspective as required.
5. Align the work of the task force members with the Council-approved priorities identified in the 2018- 2022 Service Excellence Strategic Plan.

The Task Force shall develop recommendations on the following key objectives:

1. Identify areas of opportunities related to Smart City principles and technologies and recommend possible solutions including exploring the concept of:
 - a. Innovation development;
 - b. Utilization of information and communication technologies to advance effective, efficient, transparent and accountable governance;
 - c. Utilization of information and communication technologies, infrastructure and services to enhance urban living;

- d. Development and utilization of data to improve public services to enable an integrated, streamlined service experience; and,
 - e. Implementation of solutions to engage citizens and for the well-being of the community.
2. Identify opportunities to leverage partnerships and opportunities with relevant parties, including York Region, other local municipalities, governance organizations, other levels of government and the non- profit sector, to:
 - a. Achieve objectives of the Smart City Task Force;
 - b. Contribute to areas of common interest aligned with the City's participation in the Federal Government's Canada Smart City Challenge, the City-Wide Digital Strategy, and the 2018- 2022 Term of Council Service Excellence Strategic Plan.
3. Identify and make recommendations related to emerging technologies.

Term

The Smart City Task Force shall submit its findings and recommendations for review no later than April 2021.

Membership

1. The Task Force membership shall be composed of the following:
 - a. A maximum of two (2) Council members.
 - b. A maximum of five (5) individuals that have expertise or interest in the area(s) of technology, digital/urban society, data analytics and service delivery.
 - c. A maximum of eleven (11) stakeholder representatives, respectively being senior representatives from some of the following stakeholder communities:
 - Green Industries, such as CleanTech;
 - Industry and Business associations;
 - Talent Advisory Services (HR Professionals);
 - Senior Government;
 - Post-Secondary Education, Academia, Research and Innovation;
 - Media and Entertainment;
 - Creative and Cultural Industries;
 - Healthcare and Medical Professionals;
 - Information, Communications and Technology companies;
 - Non-Government Associations and Government Services;
 - Tourism and Travel;
 - International Business promotion including Foreign Consular Services and Chambers of Commerce;
 - Financial Services Industries; and,
 - Construction and Development Industry.

2. Alternate members from the same organization may attend meetings in the absence of Council appointed members as Stakeholder Representatives.
3. Members are to be appointed by Council. Any changes to the membership will require Council approval.

Meeting Procedures

The proceedings of the Task Force are to be governed by the City's Procedural By-law.

Agendas and Reporting

1. Agendas shall be prepared by the City Clerk's Office in consultation with the Task Force Chair.
2. Agendas shall be posted on the City's website one week prior to the scheduled date of the meeting, or as soon as practicable.
3. After each meeting of the Task Force, the City Clerk shall submit a report in the City's committee report format to the Committee of the Whole.
4. Following conclusion of the mandate of the Task Force, a report of recommendations will be brought to Council for further consideration.

Meetings

1. Meeting dates will be determined at the first meeting of the Task Force. The Task Force may meet on the schedule determined, or at the call of the Chair.
2. Meetings will be held every ~~other month~~ **quarter** or as needed throughout the course of the Task force term, except for July and August where no meetings will be scheduled.
3. The Chair of the Task Force may call special meetings.
4. All regular meetings will be held at Vaughan City Hall located at 2141 Major Mackenzie Drive, Vaughan.
5. Meetings are to be open to the public in accordance with the Municipal Act, 2001.

Notice of Meetings

Meetings will be noted on the Schedule of Meetings calendar posted on the City's website.

Quorum

1. A majority of members, including the Chair, shall constitute quorum.

2. Ex-officio members will not be counted for the purpose of calculating the total number of persons appointed to the task Force but will be counted as a member present when in attendance.

Staff Resources

The role of staff is to act as a resource to the Task Force, but not to be members of the Task Force, or to deliberate or draft the findings of the Task Force. The following staff will provide advisory and technical support specific to the mandate and objectives of the Task Force:

1. The Office of the City Clerk will assign one staff person responsible for agenda and report production and distribution, the providing of procedural advice, the recording of proceedings of the Task Force and distribution of reports.
2. Corporate and Strategic Communications will assign one staff person to provide communications advisory services, prepare information, communications and assist in the development of the Task Force report.
3. An additional two (2) staff with subject matter expertise will be assigned to support the work of the Task Force.
4. The Task Force can be provided with additional administrative and/or technical support at the discretion of the appropriate administrative portfolio(s) or department(s).

Authority

The Task Force may not exercise decision-making powers, or commit expenditures save for those specifically delegated by Council. Any request for expenditures determined by the Task Force for the sole purpose of conducting the business or work of the Task Force shall be forwarded to Council for consideration and approval.

The Task Force may not direct staff to undertake activities without authority from Council.

Amendment / Expansion of Terms of Reference

Only Council can approve any amendment and/or expansion of the Terms of Reference.

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): ALL

TITLE: CITY OF VAUGHAN ET. AL. ATS FRANK MIELE

FROM:

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

ACTION: FOR INFORMATION

Purpose

To provide an update regarding a successful application to the Ontario Superior Court of Justice related to *City of Vaughan et al. ats. Miele* (the “Action”).

Report Highlights

- On August 25, 2020, a judge of the Ontario Superior Court of Justice heard the City Council’s court application and granted an order permitting members of City Council to receive reports and to consider, discuss and vote on resolutions to instruct City legal counsel on the Action, including its resolution, subject to certain conditions.
- The Plaintiff in the Action, Frank Miele, had originally obtained standing to intervene and oppose the application. Prior to the hearing of the application, Mr. Miele sought to withdraw his intervention, and the Court granted his withdrawal. The Court also ordered Mr. Miele to pay the City \$20,000 in cost with respect to his intervention.

Recommendation

1. That this report be received for information.

Background

The Action was commenced against the City of Vaughan and various former and current members of City Council in May 2019 by Mr. Frank Miele. The Action seeks to

hold former and current members of City Council personally liable for allegedly voting to divert specially raised funds for other purposes and to have them disqualified from office pursuant to s. 424 of the *Municipal Act, 2001*.

Pursuant to the requirements of subsection 5(1) of the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50 (the “MCIA”), those affected members of City Council were required to declare a pecuniary interest, abstain from discussing the Action or providing any direction to City legal counsel with respect to the Action.

Given that eight (8) of the current nine (9) members of City Council declared pecuniary interests in the Action, City Council did not have quorum to hold any meeting to vote on any resolutions related to the Action, including its potential resolution.

Section 7 of the MCIA provides a remedy for lack of quorum in such circumstances. An application may be made to a judge for an order authorizing a council to meet and deliberate on a matter which it could not otherwise address because of lack of quorum resulting from declarations of interest required to be made under the MCIA. Orders made under section 7 of the MCIA are subject to such conditions and directions as the judge hearing the application deems appropriate.

On August 25, 2020, an application for relief under subsection 7(2) of the MCIA was heard and granted by the Honourable Mr. Justice F.L. Myers of the Ontario Superior Court of Justice.

Previous Reports/Authority

[Special CW\(CS\) Extract, October 7, 2019, Item 1, Report 30](#)

Please refer to Minute No. 142, page 4

Analysis and Options

As a result of the Court’s Order, City Council may now meet and provide City legal counsel with instructions relating to the Action, subject to the terms set out in the Order respecting the approval of any potential settlement or resolution of the Action.

The Order provides that the eight (8) members of City Council are now authorized to receive reports regarding the Action and to consider, discuss and vote on resolutions to instruct City legal counsel on issues in the Action for which there has not been a delegation of authority, including settlement and resolution.

While all members of City Council are now able to consider, discuss and vote to instruct legal counsel on the Action, a condition of the Order is that any settlement to be considered, discussed or voted on by the affected members of City Council must

contain a term that it is not binding on the City until it obtains the approval of a Judge of the Superior Court of Justice.

Mr. Miele originally opposed the application and obtained standing as an intervenor. Mr. Miele abandoned his opposition and was subsequently granted leave by the Court to withdraw his intervention. The Order also awards costs in the amount of \$20,000 to the City of Vaughan to be paid by Mr. Miele for his role in the application.

Financial Impact

N/A

Broader Regional Impacts/Considerations

N/A

Conclusion

The City was successful in its application to the Superior Court of Justice under s. 7(2) of the *Municipal Conflict of Interest Act*. As such, all current members of Council are authorized by court order to consider, discuss and vote on matters pertaining to the Action, including its resolution.

For more information, please contact:

Wendy Law, Deputy City Manager Administrative Services & City Solicitor, ext. 8700.

Sam Hall, Legal Counsel, ext. 8298

Attachments

N/A

Prepared by

Wendy Law, Deputy City Manager Administrative Services & City Solicitor

Sam Hall, Legal Counsel

Approved by

A handwritten signature in black ink, appearing to read "Wendy Law".

Wendy Law, Deputy City
Manager, Administrative
Services & City Solicitor

Reviewed by

A handwritten signature in black ink, appearing to read "Jim Harnum".

Jim Harnum, City Manager