



**PRESCOTT TOWN COUNCIL
AGENDA**

May 20, 2025

6:00 pm

Council Chambers

360 Dibble St. W.

Prescott, Ontario

Our Mission:

To foster an environment of collaborative leadership to grow a safe, inclusive, and resilient community while preserving the unique character of Prescott.

Land Acknowledgement:

We acknowledge that we are meeting on aboriginal land that has been inhabited by Indigenous peoples.

In particular, we acknowledge the traditional territory of the Huron-Wendat, Anishinaabeg, Haudenosaunee, Anishinabek, and the Oneida and Haudenosaunee Peoples.

Pages

1. Call to Order

2. Approval of Agenda

RECOMMENDATION

That the agenda for the Council meeting of May 20, 2025 be approved as presented.

3. Declarations of Interest

4. Presentations

5. Delegations

5.1	Relay 4 Life Challenge	1
	Teaghan Lavergne, Student South Grenville District High School	
	Brandi Donovan, Teacher South Grenville District High School	
6.	Minutes of the previous Council meetings	
6.1	May 5, 2025	2
	RECOMMENDATION	
	That the Council minutes dated May 5, 2025, be accepted as presented.	
7.	Communications & Petitions	
8.	Consent Reports	
	<i>All matters listed under Consent Reports are to be considered routine and will be enacted by one motion. Should a member wish an alternative action from the proposed recommendation, the member shall request that the item be moved to the applicable section of the agenda.</i>	
	RECOMMENDATION	
	That all items listed under the Consent Reports section of the agenda be accepted as presented.	
8.1	Council Information Package (under separate cover)	
9.	Committee Reports	
10.	Mayor	
11.	Outside Boards, Committees and Commissions	
12.	Staff	
12.1	Staff Report 30-2025 - 2023 Year End Report	12
	RECOMMENDATION	
	That Council accept the Financial Statements for the Corporation of the Town of Prescott for the year ended December 31, 2023, as presented	
12.2	Staff Report 31-2025 - Filling Council Vacancy	95
	RECOMMENDATION	
	THAT Council selects Option 1A as the method to Fill a Vacancy for the	

Office of Town Councillor, AND

THAT Council direct Staff to prepare an appointment by-law for Ray Young as the next highest vote receiver in the 2022 Election if they remain eligible and are willing to serve the remainder of the term of Council.

12.3 Staff Report 32-2025 - Strong Mayor Powers Update 102

RECOMMENDATION

For Information.

12.4 Staff Report 33-2025 - HR Policy Updates 111

RECOMMENDATION

THAT Council approve Finance Policy FIN-100-01 Council and Employee Travel and Expenses and Human Resources Policies HR 400-03 Inclement Weather, HR 700-04 Statutory Paid Holidays, and HR 500-05 Bereavement Leave as amended; AND THAT Council approve Human Resources Policy HR-200-14 Scheduling and Cancelling Shifts.

12.5 Staff Report 34-2025 - Marina Dock Electrical Upgrade Required 139

RECOMMENDATION

That Council approve an additional \$70,000 to complete the required marina dock electrical upgrade work as part of the Project Budget to replace Docks B, C, and D.

12.6 Staff Report 35-2025 - Prescott Family Medical Associates - Support Request Update 141

RECOMMENDATION

For information.

13. Resolutions

14. By-laws

15. New Business

16. Notices of Motion

17. Mayor's Proclamation

18. Period for Media Questions

19. Closed Session

RECOMMENDATION

THAT Council move into Closed Session at _____ p.m. to discuss matters pertaining to:

19.1 Approval of Closed Session Minutes (April 22, 2025)

19.2 Agreement of Purchase and Sale Condition Negotiation Update

- Under Section 239(2)(c) under the *Municipal Act* - acquisition or disposition of land AND Under Section 239(2)(k) under the *Municipal Act* - plans and instructions for negotiations; and

That the CAO/Treasurer, Director of Administration/Clerk, Economic Development Officer and Deputy Clerk remain in the room.

20. Rise and Report

21. Confirming By-Law – 24-2025

150

RECOMMENDATION

That By-Law 24-2025, being a by-law to confirm the proceedings of the Council meeting held on May 20, 2025, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation.

22. Adjournment

RECOMMENDATION

That the meeting be adjourned at _____ p.m.



South Grenville District High School 7:

Prescott, Ontario K0E 1T0
Phone: 613-925-2855 Fax: 1-855-496-0966
<http://sgdhs.ucdsb.on.ca>



Dear Mayors,

South Grenville DHS and the Canadian Cancer Society are teaming up again to host our 9th Relay For Life event to support Canadians in their cancer journeys.

Our event will take place on MAY 29th, 2025. Sign in will open at 9:00am and the event will end at 10:00pm.

We will also be hosting a very special event of HOPE for cancer survivors, fighters, and their families and friends. This event will require our special guests to sign up beforehand. We will have a special tent area set-up, a private dinner and then everyone will walk a very special lap of HOPE.

Relay For Life is a global movement to end cancer. It is active in 29 countries and 6,000 communities worldwide. Relay For Life brings together students, teachers, family members, and friends to celebrate cancer survivors and fighters with a HOPE Lap and a separate lap to honour the memory of loved ones after a special Luminary Ceremony.

All participants will be required to sign a Sign-Up Form and pay a \$20 registration fee (online at www.relayforlife.ca/southgrenville) that covers their food, drinks and shirts before they will be allowed to participate. We hope that you will come out and support this amazing event. Each team's goal is \$1000.00 and with 10 members per team that's only \$100.00 per person.

In fact, we are hoping that you may want to get involved, as you are an important part of our school community.

Here are just some of the ways you can get involved:

- Create a team
- Sign up as a volunteer and help out the night of the event as a chaperone or help with events.
- Join the team of HOPE
- Make a monetary donation for supplies and food for participants
- Make a donation of food and/or supplies to support participants

Thank you for your time and please contact us if you would like to get involved or if you have any questions.

Sincerely,

The Relay For Life Committee
Chef Donovan
Brandi.donovan@ucdsb.on.ca
613-925-2855



PRESCOTT TOWN COUNCIL

MINUTES

Monday, May 5, 2025

6:00 p.m.

Council Chambers

360 Dibble St. W.

Prescott, Ontario

Present Mayor Gauri Shankar, Councillor Leanne Burton, Councillor Justin Kirkby, Councillor Lee McConnell, Councillor Tracey Young

Staff Matthew Armstrong, CAO/Treasurer, Renny Rayner, Fire Chief, Samantha Joudoin-Miller, Manager of Community Services, Matt Locke, Director of Operations, Chloe Preston, Director of Administration/Clerk, Chelsea Conklin, Deputy Clerk

Guests Donna Travis, Judi Baril

1. Call to Order

The meeting was called to order at 6:00 p.m. Councillor Mary Campbell sends her regrets.

2. Approval of Agenda

Motion 82-2025

Moved By Kirkby

Seconded By Burton

That the agenda for the Council meeting of May 5, 2025 be approved as presented;

AND That Item 17 immediately proceed Item 12 Staff.

AND THAT recommendations provided under Item 19 be removed.

Carried

3. Declarations of Interest

There were no declarations of interest.

4. Presentations

There were no presentations.

5. Delegations

There were no delegations.

6. Minutes of the previous Council meetings

6.1 April 22, 2025

Motion 83-2025

Moved By McConnell

Seconded By Young

That the Council minutes dated April 22, 2025, be accepted as presented.

Carried

7. Communications & Petitions

There were no communications & petitions.

8. Consent Reports

Motion 84-2025

Moved By McConnell
Seconded By Young

That all items listed under the Consent Reports section of the agenda be accepted as presented.

Carried

Councillor McConnell requested we note that the majority of the correspondence was regarding opposing Strong Mayor Powers.

8.1 Council Information Package (under separate cover)

9. Committee Reports

There was no committee reports.

10. Mayor

Mayor Shankar spoke to the Fort Town run and the Shakespeare fundraiser.

11. Outside Boards, Committees and Commissions

Councillor McConnell spoke to cemetery maintenance, and the Shakespeare Festival Fundraiser.

Councillor Young spoke to her attendance at the third community meeting addressing youth hunger, and her involvement with decorating smile cookies with funds going to the South Grenville Foodbank.

Councillor Burton spoke to the Shakespeare Kindred Spirits Fundraiser, Town Hall second floor rental spaces usage was in high demand. The Saturday

morning pickleball league is thriving, and swimming lesson registration will be opening soon.

Councillor Kirkby spoke to the continuation of the spring cleanup, his attendance at the 2025 Home & Trade show, and the Lions Club currently selling mushroom compost on Edward St.

17. Mayor's Proclamation

17.1 Emergency Preparedness Week

Motion 85-2025

Moved By Burton

Seconded By Kirkby

WHEREAS Emergency Preparedness Week is a national awareness initiative that has taken place since 1996. It is a collaborative event undertaken by provincial and territorial emergency management organizations supporting activities at the local level, in concert with Public Safety Canada and partners; and

WHEREAS the Town of Prescott recognizes the importance of Emergency Management in Ontario; and

WHEREAS the goal of Emergency Preparedness Week is to increase awareness of individual, family and community preparedness for the possibility of an emergency with this year's theme: "Plan for Every Season," and

WHEREAS Emergency Preparedness Week encourages everyone to take simple steps to become better prepared and remain safe when facing a range of emergencies: Know the risk; Make a plan; Get an emergency kit; and

WHEREAS the safety of our community is the responsibility of each and every one of us, we must prepare and practice now and learn how to secure a strong and healthy tomorrow.

NOW THEREFORE the Council of the Corporation of the Town of Prescott does hereby proclaim the week of May 4 – 10, 2025 to be Emergency Preparedness Week and encourages **all** citizens to participate in educational activities on emergency preparedness.

Carried

Renny Rayner, Fire Chief spoke to the proclamation.

Discussion was held regarding the importance of helping your neighbours during difficult times.

12. Staff

12.1 Staff Report 25-2025 - St. Lawrence River Water Levels

For information.

Carried

Matthew Armstrong, CAO/Treasurer spoke to the report.

Discussion was held regarding why we are seeing lower water levels.

12.2 Staff Report 26-2025 - Prescott fire and Rescue Year End Report

For information.

Carried

Renny Rayner, Fire Chief spoke to the report and presentation.

There was discussion held regarding mutual aid and the Fire Protection Agreement.

12.3 Staff Report 27-2025 - East Street Reconstruction Tender Results

Motion 86-2025

Moved By McConnell
Seconded By Kirkby

THAT Council approve the award of Tender RFT-03-2025 for East Street Reconstruction to Ken Miller Excavating Ltd. in the amount of \$1,849,566.00 plus applicable taxes.

Carried

Matt Locke, Director of Operations, spoke to the report.

Discussion was held regarding additional costs, start time and where, camera testing of water and sewer lines, and parking options for residents. There was additional discussion regarding the sidewalk switching sides of the road and over run costs.

12.4 Staff Report 28-2025 - Summer Cold Lunch Pilot Program

Motion 87-2025

Moved By Young
Seconded By Burton

That Council approve the pilot program of the Summer Cold Lunch Program to launch in the summer of 2025.

Carried

Samantha Joudoin-Miller, Manager of Community Services, spoke to the report.

Discussion was held regarding registration, promotion, relocating during harsh weather, and ensuring all children who are hungry have a meal. There was additional discussion about reducing salary costs, and sponsorships received.

12.5 Staff Report 29-2025 - Ice Allocation Policy

Motion 88-2025

Moved By Young
Seconded By Kirkby

THAT Council approve the amended Ice Allocation Policy for the Alaine Chartrand Community Centre effective May 6, 2025;

AND THAT Council approve the 2025/2026 ACCC Rates effective September 1, 2025.

Carried

Samantha Joudoin-Miller, Manager of Community Services spoke to the report.

Discussion was held regarding the prime rates, our dead ice policy, and staff discounts.

13. Resolutions

There was no resolutions.

14. By-laws

14.1 2025 Estimates By-Law

Motion 89-2025

Moved By Burton
Seconded By Kirkby

THAT By-Law 18-2025, being a by-law to Adopt the Estimates for the Sums required during the Year 2025 for General Purposes of the Corporation of the Town of Prescott, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation this 5th day of May, 2025.

Carried

14.2 2025 Tax Ratios By-Law

Motion 90-2025

Moved By Young
Seconded By McConnell

THAT By-Law 19-2025, being a by-law to Set Tax Ratios for the Year 2025, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation this 5th day of May, 2025.

Carried

Discussion was held regarding new multi-residential properties.

14.3 2025 Tax Rates By-Law

Motion 91-2025

Moved By Burton
Seconded By Kirkby

THAT By-Law 20-2025, being a by-law to Adopt Tax Rates for municipal purposes for the year 2025, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation this 5th day of May, 2025.

Carried

14.4 2025 Water and Sewer Rates By-Law

Motion 92-2025

Moved By McConnell
Seconded By Young

THAT By-Law 21-2025, being a by-law to Amend By-Law 52-2022 to set water and sewer rates and charges, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation this 5th day of May, 2025.

Carried

14.5 2025 Capping Thresholds By-Law

Motion 93-2025

Moved By Burton
Seconded By Kirkby

THAT By-Law 22-2025, being a By-Law to Adopt Optional Tools for the Purposes of Administering Limits for the Commercial, Industrial, and Multi-Residential Property Classes for the Year 2025, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation this 5th day of May, 2025.

Carried

Discussion was held regarding capped costs.

15. New Business

Councillor McConnell raised concerns regarding funding for the Prescott Family Health Team.

16. Notices of Motion

There were no notices of motion.

18. Period for Media Questions

There was no media present.

19. Confirming By-Law – 23-2025

Motion 94-2025

Moved By Burton
Seconded By Kirkby

That By-Law 23-2025, being a by-law to confirm the proceedings of the Council meeting held on May 5, 2025, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation.

Carried

20. Adjournment

Motion 95-2025

Moved By Kirkby
Seconded By Young

That the meeting be adjourned at 7:42 p.m.

Carried

Mayor

Clerk



2023 Financial Statements
May 20, 2025

Note on timing

- The intention was to have the 2023 Financial Statements completed by the summer of 2024, which is the standard timing
- Due to staff turnover in the Deputy Treasurer position, the timelines were moved to the fall
- The Treasurer endured several illnesses and the death of a family member in the fall of 2024
- The Statements are now complete and are due to the Ministry by May 31, 2025
 - This is in compliance with an extension provided by the Ministry of Finance to all municipalities due to the implementation of a new accounting standard for Asset Retirement Obligations
 - There are currently approximately 70 municipalities working towards the deadline

PREScott Statement of Financial Position (Balance Sheet)

- Cash and short-term deposits – Increased by \$2.1 million
 - Arena holdback of \$1.9 million paid in early 2024
 - Capital expenditures of \$11.9 million in 2023
 - \$7.3 million New Arena
 - \$2.6 million New Water Tower
 - \$1.1 million overpass project
- Taxes Receivable – Increased by \$158,607 to \$778,498
 - Majority of the increase was in the current year taxes
 - 3 accounts outstanding totaling \$50,000 were paid off by July 31, 2024
 - High in 2018 of \$1,008,910
- User charges receivable – Decrease by \$373,811 to \$1,055,691
 - RSL water and sewer charges were only 3 month behind at the end of 2023 but were 5 months behind at the end ~~of 2022~~²⁰²⁰

- Accounts Receivable – \$6.3 million
 - Receivables due from Province
 - Arena Grant – \$2.9 million
 - Water Tower Grant – \$1.7 million
 - HST Rebate - \$700k
 - CIP Loans - \$400k
- Investment - \$503k increase - \$431k due to accounting standard change
- Accounts Payable – \$4.5 million
 - Regular Vendor Payables – \$3.1 million
 - Arena progress payment and holdback \$2.0 million
 - Water Tower progress payment \$260k
 - Bridge progress payment \$295k
 - Project Holdbacks - \$300k
 - Refundable Building Deposits – \$307k

Statement of Financial Position – Balance Sheet

- New Item – Asset retirement obligation - \$285k
- PS 3280 Asset Retirement Obligations ("ARO") establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization.
- A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.
- This standard was adopted on January 1, 2023 on a prospective basis with no prior period restatement
- A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from Town buildings and post-closure activities.
- The Town reports liabilities related to the legal obligations where the Town is obligated to incur costs to retire a tangible capital asset.

Statement of Financial Position – Balance Sheet

- Long-Term Liabilities
 - \$732k principal payments on the debt
 - New Sidewalk Plow Loan \$163,233
 - 2 Fire Truck and 2 Vehicle Loans became fully paid
- Temporary Borrowing – Construction Loan \$10,820,510
 - Used to cashflow the new arena while waiting for funding to be received
- Tangible Capital Assets – Increased by \$9,788,197
 - \$11.9 million in additions
 - Less \$2.1 million in Amortization

Statement of Operations (Income Statement)

- Total Revenue was higher than budgeted by \$1.1 million
 - Government Grants were higher than budgeted \$131k
 - One-time Payment in Lieu of Taxes Grant \$92k & River Route
 - Interest Income \$244k higher than budget
 - Accounting standard change for equity fund \$175k
 - Rate on High Interest Savings Account was higher in 2023
 - User Fees \$78k higher than budget – Majority in water/wastewater fees
 - Provincial Offences revenue was \$20k lower than budget
 - Other Revenue was \$198k higher than budget
 - BIA Revenue \$30k
 - Rec and Culture \$45k
 - Public Transit \$100k
 - Gain on Sale of tangible assets - \$434k
 - Sale of Land Development Drive, Churchill Road
 - Investment in Rideau St. Lawrence \$63k higher than budgeted due to improved performance

Statement of Operations (Income Statement)

- Total Expenses were higher than budget by \$496k
 - River Route \$170k – Offset by additional Revenue (not included in budget)
 - Community Improvement Plan Grants \$60k – Funded by CIP Reserve
 - Modernization Initiatives \$80k – Funded by Modernization Reserve
 - BIA Expenses - \$45k offset by BIA Revenue (not included in budget)
 - Cemetery Expenses - \$20k (not included in budget)
 - Community Improvement Plan Appeal - \$11k
 - Asset Retirement Obligation \$146k

- Changes in Net Debt
 - Increased by \$2,569,558
 - Due to capital spending
- Statement of Cashflows
 - Cash and Short-Term Deposits increased by \$2,156,026
 - Due to timing of payment of Arena holdback
- Notes to Financial Statements
 - Note 7 – Long Term Liabilities
 - Debt Retirement in 2023 – 4 Loans
 - Debt Retirement in 2024 – 1 Loan
 - Debt Retirement in 2025 – 3 Loans

- Notes to Financial Statements
 - Note 10 – Municipal Equity
 - Investment in Capital Assets \$72,942,360
 - Unfinanced Capital - \$9.6 million
 - New Arena \$6.5 million to be funded by donations, grants, debt 2024-2025
 - Water Tower \$933k to be funded by grant and future debt
 - Street light project \$665k to be funded by future debt
 - New Fire Truck Projects \$48k funded by debt in 2025
 - Road and Industrial Park Infrastructure \$880k to be funded by future land sales
 - Public Works Addition \$237k
 - New Asset Retirement Obligation \$285k
- Reserves \$6.7 million – Net Decrease of \$247,508
 - Bridge Project use of reserves \$579,776

- To be presented by KPMG

Recommendation

- That Council accept the Financial Statements for the Corporation of the Town of Prescott for the year ended December 31, 2023, as presented



Corporation of the Town of Prescott



Audit Findings Report for the
year ended December 31, 2023

KPMG LLP

Prepared on May 12, 2025 for the Council meeting on May 20, 2025

kpmg.ca/audit

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KPMG contacts

Key contacts in connection with this engagement



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Table of contents

Digital use information

This Audit Findings Report is also available as a "hyper-linked" PDF document.
If you are reading in electronic form (e.g. In "Adobe Reader" or "Board Books"), clicking on the home symbol on the top right corner will bring you back to this slide.

4	Highlights	5	Status	6	Financial reporting	13	Risks and results
18	Misstatements	20	Control deficiencies	21	Policies and practices	22	Specific topics
23	Independence	24	Appendices				



Click on any item in the table of contents to navigate to that section.

The purpose of this report is to assist you, as a member of Council, in your review of the results of our audit of the consolidated financial statements. This report is intended solely for the information and use of Management and Council and should not be used for any other purpose or by any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this 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.



Appendices

Independence

Specific topics

Policies and practices

Risks and results

Misstatements

Financial reporting

Status

Highlights

Audit highlights



Matters to report

We have completed the audit of the consolidated financial statements ("financial statements") of Corporation of the Town of Prescott ("the Town") for the year ended December 31, 2023, with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.



Significant changes

- No changes to risk assessment
- No changes to audit strategy assessment

We identified a significant financial reporting risk related to the **presumed** risk of management override of controls under professional standards.

- Upon completion of the audit procedures, no matters to report.

Other risks of material misstatement

- No matters to report.

Policies and practices & Specific topics



- Significant unusual transactions
- Accounting policies and practices
- Other financial reporting matters

Going concern matters

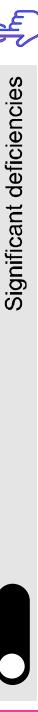


- Uncorrected misstatements
- We have not identified adjustments which remain uncorrected.

Corrected misstatements

- We have identified adjustments which were corrected through the course of the audit.

Control deficiencies



- Significant deficiencies
- No matters to report.

Other matters

- Other matters
- We have highlighted other matters for Council's consideration.



- Significant unusual transactions
- Accounting policies and practices
- Other financial reporting matters

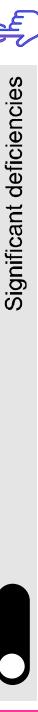
Going concern matters



- Uncorrected misstatements
- We have not identified adjustments which remain uncorrected.



- We have identified adjustments which were corrected through the course of the audit.



- Significant deficiencies
- No matters to report.



- Other matters
- We have highlighted other matters for Council's consideration.



Status

In preparation of our Audit Findings Report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

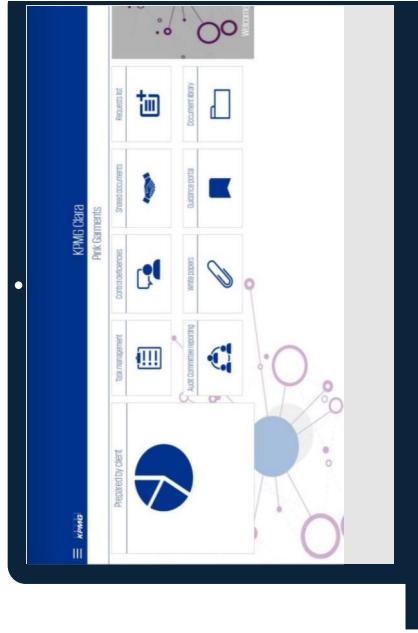
- Completing our discussions with Council;
- Completion of our subsequent events review procedures up to the date of our auditor's report;
- Obtaining evidence of Council's approval of the financial statements; and
- Receipt of signed management representation letter.

We will update Council on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in [Appendix 1a: Draft Auditor's Report](#).

Our auditor's report has been modified from the standard report as a result of the impact of PS 3280 Asset Retirement Obligations (ARO). As a result, an Other Matter paragraph has been added to the auditor's report.

KPMG Clara for Clients (KCfc)



Real-time collaboration and transparency

We leveraged **KCfc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCfc to coordinate requests from management.





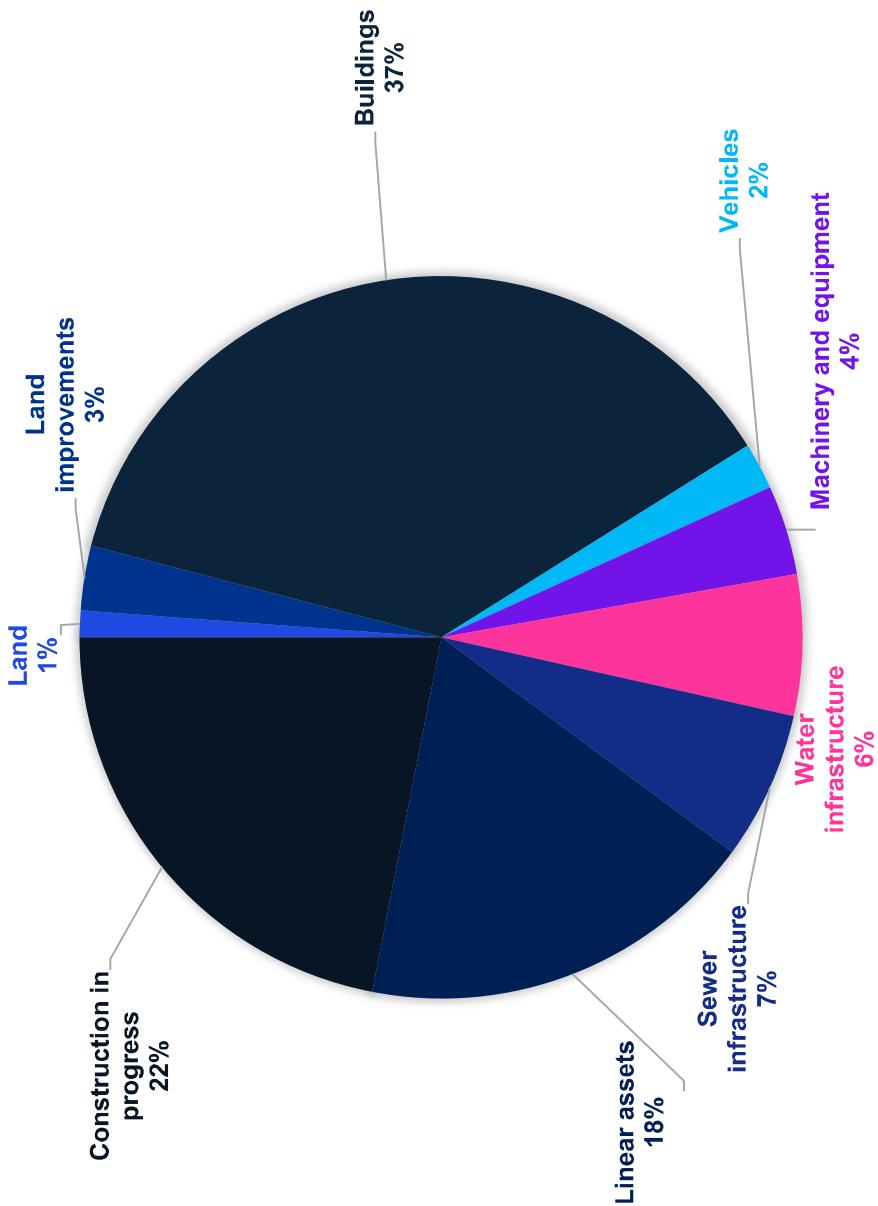
Financial statement highlights

	2023	2022
Financial assets:		
Cash and short-term deposits	\$ 3,163,849	\$ 1,007,823
Taxes receivable	778,498	619,891
User charges receivable	1,055,691	1,429,505
Accounts receivable	6,291,848	8,415,335
Inventory	12,790	20,068
Investments (note 10)	1,682,674	1,179,049
Investment in Rideau St. Lawrence Holdings Inc. (note 4)	2,053,046	1,988,521
	15,038,396	14,660,192
Financial liabilities:		
Accounts payable and accrued liabilities	4,522,258	3,348,850
Employee future benefit obligations (note 5)	27,700	29,438
Asset retirement obligations (note 7)	285,525	–
Deferred revenue (note 6)	453,840	434,046
Long-term liabilities (notes 6(a), 6(b), 8 and 9)	19,780,516	18,309,743
Total liabilities	25,069,839	22,122,077
Net debt	(10,031,443)	(7,461,885)
Non-financial assets:		
Tangible capital assets (note 17)	81,902,366	72,114,169
Inventories	37,368	28,036
Prepaid expenses	241,630	272,193
Total non-financial assets	82,181,364	72,414,398
Contingent liabilities (note 15)		
Commitments (note 16)		
Accumulated municipal equity (note 11)	\$ 72,149,921	\$ 64,952,513
Municipal equity is comprised of:		
Accumulated surplus (note 11)	\$ 71,717,990	\$ 64,952,513
Accumulated remeasurement gains	431,931	–
	\$ 72,149,921	\$ 64,952,513

Financial Assets:	
• Strong cash position – main driver of the increase in cash is a result of the collection of accounts receivable from the prior year	
• Decrease in user charges receivables largely driven by more timely billing by RSL compared to the prior year.	
• Increase in investments is related to the re-evaluation of investments from cost to fair value	
Financial Liabilities:	
• Increase in payables largely attributable to timing of settlement of vendors for capital projects	
• Asset retirement obligations is a new line related to the implementation of new accounting standard to include asbestos removal in buildings	
• Increase in long-term liabilities as a result of new debt undertaken during the year, offset by regular repayments on existing debt.	
Non-Financial Assets:	
• Increase in tangible capital assets driven by additions of \$12M offset by amortization of \$2M	
• Key additions:	
• Arena \$7M	

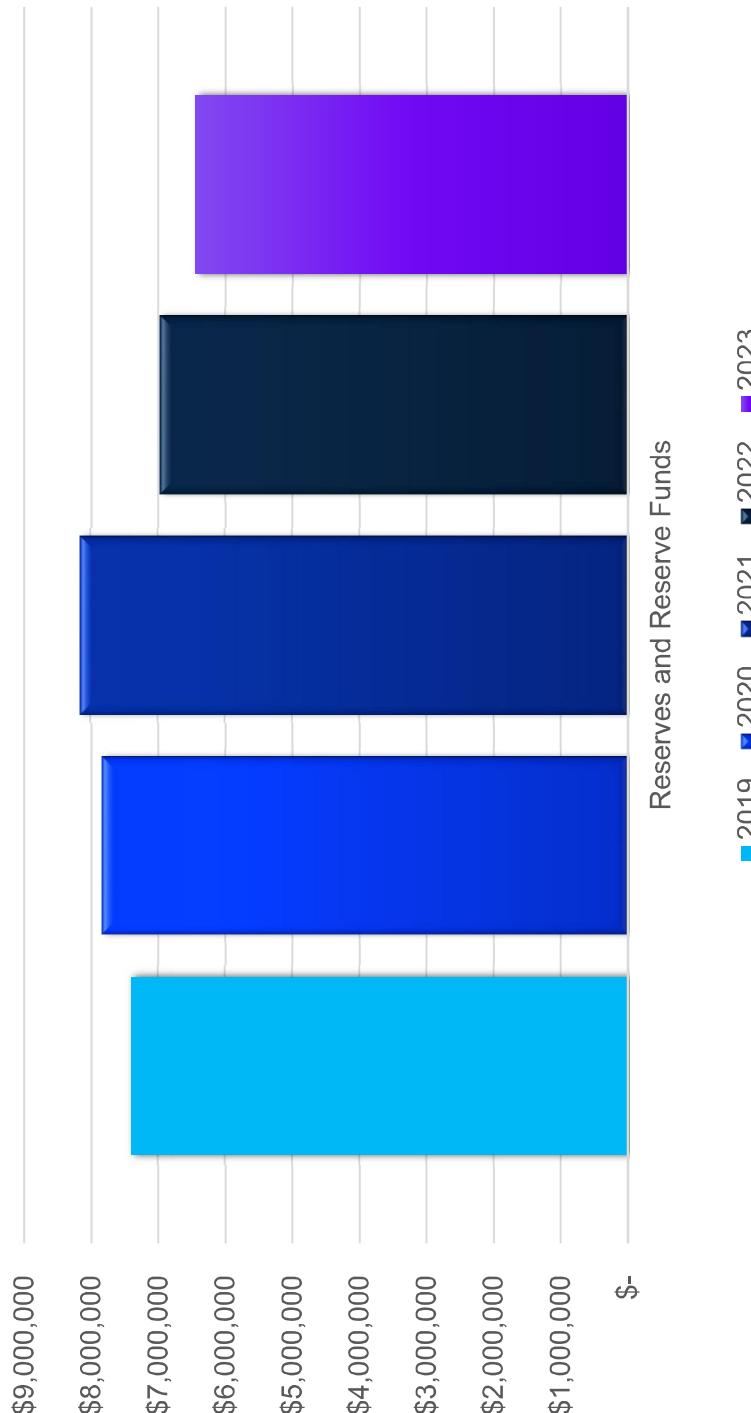
Financial statement highlights (continued)

Tangible capital assets



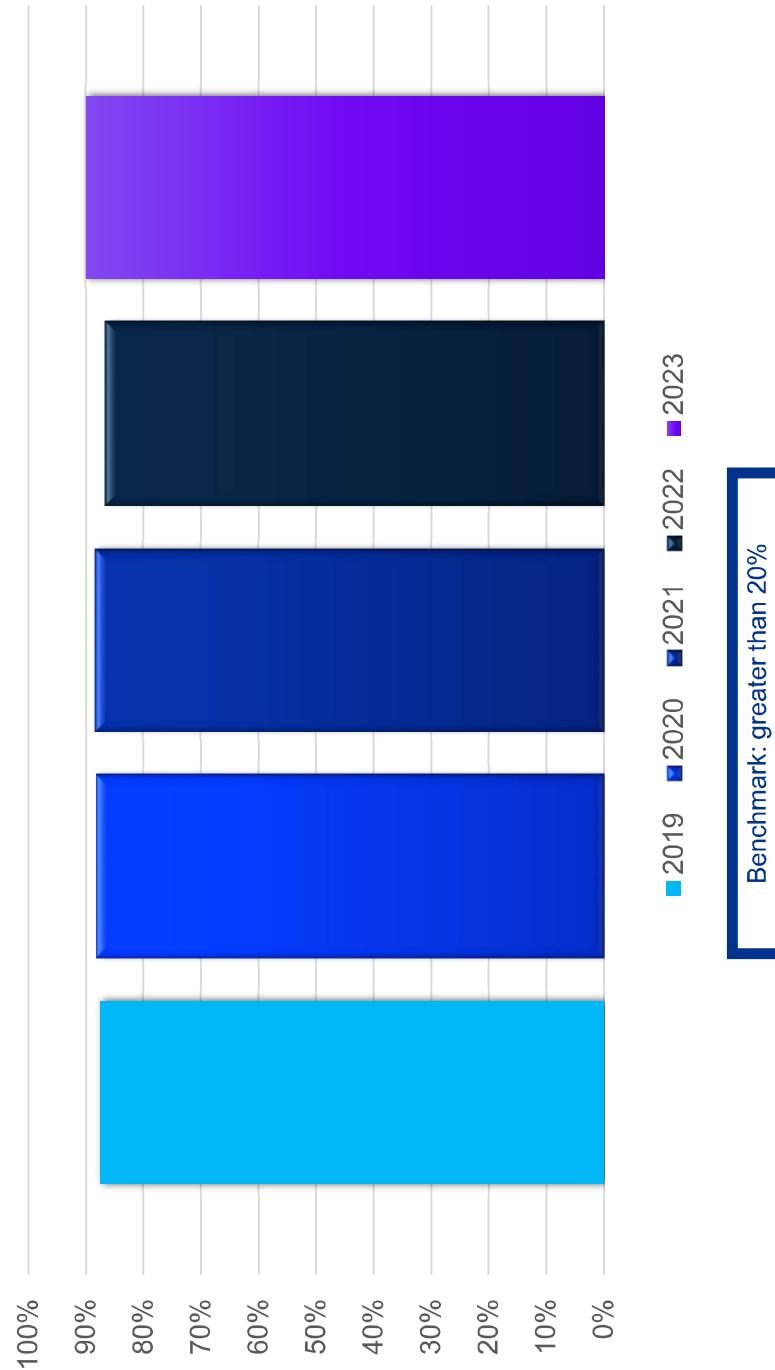
Financial statement highlights (continued)

Reserves and reserve funds



Financial statement highlights (continued)

Reserves and reserve funds as a percentage of operating expenses



Financial statement highlights (continued)

Taxes receivable as a percentage of current levy





Financial statement highlights (continued)

	Budget 2023	Actual 2023	Actual 2022
Revenue:			
Property taxation	\$ 6,158,166	\$ 6,163,916	\$ 5,873,195
Taxation from other governments	373,232	375,532	364,346
User charges	3,434,792	3,512,824	3,174,812
Government grants	2,088,527	2,219,782	2,243,604
Licenses and permits	221,056	222,787	103,922
Investment income	185,793	430,044	97,567
Penalties and interest on taxes	65,000	62,716	63,356
Provincial offenses	30,234	10,860	16,415
Other	461,1449	659,102	781,376
Gain on sale of tangible capital assets	–	434,000	–
Net equity increase in investment in Rideau St. Lawrence Holdings Inc. (note 4)	57,100	120,315	–
Total revenue	13,075,349	14,211,878	12,771,367
Expenses (note 18):			
General government	1,220,511	1,381,877	1,230,294
Environmental services	3,571,159	3,490,027	3,387,106
Protection to persons and property	2,379,448	2,395,557	2,228,858
Health services	492,893	499,902	518,702
Social and family services	556,238	665,258	627,678
Transportation services	2,769,925	2,821,912	3,043,944
Recreation and culture services	1,829,428	1,793,205	1,587,115
Planning and development	455,776	724,014	889,458
Total expenses	13,275,278	13,771,752	13,523,155
Annual operating surplus (deficit)	(199,929)	440,126	(751,788)
Other:			
Grants and transfers related to capital:	–	257,298	–
Deferred revenues earned	–	5,491,156	6,731,633
Government transfers	–	752,363	1,488,019
Other	–	6,500,817	8,219,652
Annual surplus (deficit)	(199,929)	6,940,943	7,467,864
Accumulated municipal equity, beginning of year standard (note 20)	64,952,513	64,952,513	57,484,649
Accumulated municipal equity, beginning of year, as restated	–	256,485	–
Accumulated municipal equity, end of year (note 11)	\$ 64,752,584	\$ 72,149,921	\$ 64,952,513

Revenue:

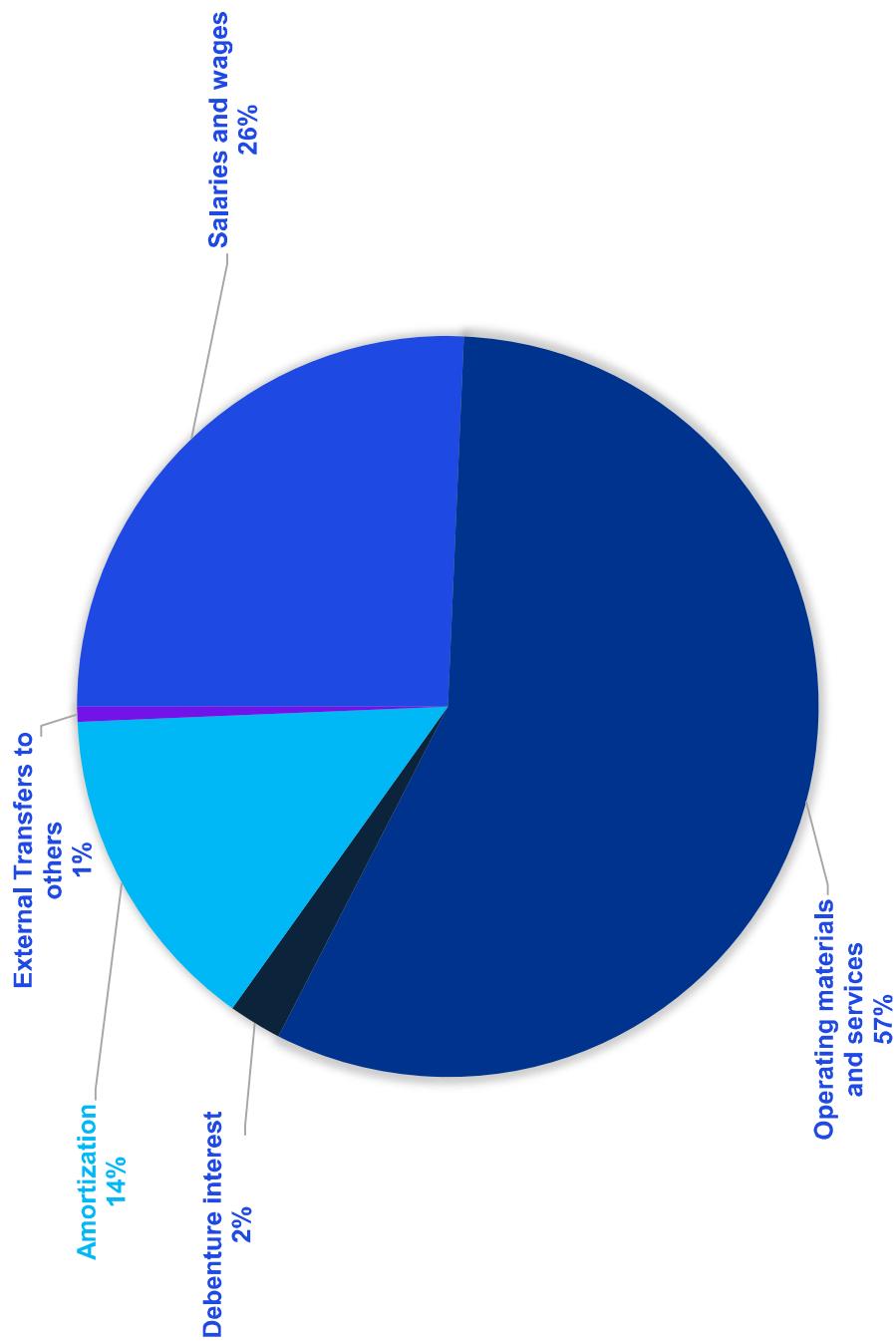
- Increase in property taxes aligned with the budget
- Increase in user charges is related to the planned increase in water and sewer charges on July 1, 2023
- Increase in protective services related to an increase in building activity generating permit revenue
- Increase in investment income is related to more favourable rates of interest earned on funds on deposit

Expenses:

- Impacts of inflation were experienced in 2023 across the board
- Return to normal levels of operation post-COVID-19
- Segmented disclosures in the notes to the consolidated financial statements shows expenses by category

Financial statement highlights (continued)

Operating expenses





Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the Town and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the Town's components of its system of internal control, including our business process understanding.

	Risk of Fraud	Risk of Error	Risk Rating
● Management override of controls	✓		Significant
● Asset retirement obligations		✓	Elevated
● Cash	✓		Base
● Operating and payroll expenses (including related accruals)	✓		Base
● Tangible capital assets	✓		Base
● Government grants	✓		Base
● Financial instruments	✓		Base
● Financial reporting	✓		Base

- PRESUMED RISK OF MATERIAL MISSTATEMENT
- OTHER AREA OF FOCUS

Current year findings

We did not uncover any significant findings as a result of the procedures performed over the areas highlighted above.





Significant risks and results

We highlight our significant findings in respect of **significant risk**.



Fraud risk from management override of controls

Significant risk	Estimate?	Key audit matter?
Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.	No	No

Our response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Assessed the design and implementation of controls surrounding the journal entry process;
- Determined the criteria to identify high-risk journal entries and other adjustments; and
- Tested high-risk journal entries and other adjustments.

Findings

We did not uncover any issues during the performance of the procedures described above.

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Other risks and results

We highlight our significant findings in respect of new **risks of material misstatement** identified in the current year.



Asset Retirement Obligations

RISK OF
FRAUD

Background	Estimate?	Key audit matter?
In 2023, the Town adopted Public Accounting Standard PS 3280, Asset Retirement Obligations (“ARO”). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by the Town. Asset retirement obligations are an estimate in the Town’s financial statements which is derived from information provided by in part by an external, third-party consultant as well using ARO costing model provided by the Province.	Yes	No
Management performed an assessment of the impact of the new accounting standard on the Town’s financial statements, including potential liabilities related to asbestos abatement, future removal of equipment and contaminated storage tanks, drilled wells, septic tanks, etc. To generate their assessment, Management worked with third party engineers to perform assessments of any required remediation, and utilized costing models to calculate the estimated retirement costs. As at December 31, 2023, a \$285,000 asset retirement obligation has been recognized on the Town’s statement of financial position.		

Our response

- Our procedures included:

- We obtained an understanding of the activities performed by Management to identify the Town’s legal obligations associated with the retirement of capital assets and ensured that all of the recognition criteria were met to recognize an ARO in the financial statements.
- We obtained Management’s calculation of the ARO liability and corroborated management’s inputs into the calculation to assess their reasonableness.
- We also inquired about the completeness of the liability estimate for TCA without an associated ARO.

[Click to learn more](#)



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Other risks and results (continued)

We highlight our significant findings in respect of **other risks**.



Asset Retirement Obligations

Our findings

- We do note that discounting was not utilized in the calculation of the asset retirement obligation due to the uncertainty around the timing of cashflows.
- Appropriate disclosures have been made in the financial statements for the adoption of the new accounting policy.
- We noted that this estimate is based on management's knowledge of the assets within scope of ARO. Any changes to the ARO in the future will be treated as a change in estimate, presented prospectively. Management are required to re-evaluate this estimate annually to ensure accurate financial reporting.
- Looking ahead, in subsequent periods, continued effective communication between operations and finance will be important to ensure that the ARO recorded in the Town's financial statements remains complete and accurate.

Our **KPMG Clara Journal Entry Analysis Tool** assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focuses our audit effort on journal entries that are riskier in nature.



[Click to learn more](#)





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Financial Instruments



Background

In fiscal 2023, the Town adopted the following standards concurrently beginning January 1, 2023 on a prospective basis:

- PS 1201 Financial Statement Presentation;
- PS 2601 Foreign Currency Translation;
- PS 3041 Portfolio Investments; and
- PS 3450 Financial Instruments.

Management performed an assessment of the impact of the new accounting standards and concluded there was an impact including the re-valuation of financial investment to fair value along with new financial risk disclosures.

Our response

- We obtained an understanding of the activities performed by management to identify financial instruments and ensure compliance with the new standards.
- We ensured appropriate disclosures have been made in the financial statements for the adoption of the new accounting standards, including related financial risk and concentration of risk disclosures (see note 20).

Findings

Based on the information provided and the audit procedures performed, we concur with Management's presentation and disclosure related to the implementation of these new standards in the Town's financial statements for the year ended December 31, 2023.





Audit misstatements

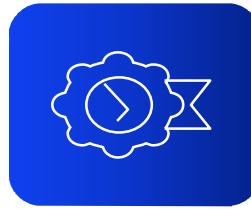
As noted previously in our report, group materiality for fiscal 2023 was set at \$360,000 (2022 - \$300,000) which translated into an audit misstatement posting threshold of \$18,000 (2022 - \$15,000). As such, **all** misstatements identified during the audit greater than \$18,000 have been recorded on our summary of adjustments and differences.

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and Council that **all** identified adjustments or differences be corrected.

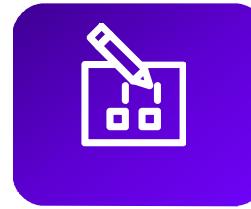
Impact of corrected misstatements

- We identified misstatements that were communicated to management and subsequently corrected in the financial statements.
- Refer to the details on the following slide.



Uncorrected differences

- We did not identify any differences that remain uncorrected.



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Individually significant corrected audit misstatements

Corrected audit misstatements greater than \$18,000 individually:

Description of individually significant misstatements	Annual surplus effect	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Financial position effect	Accumulated Municipal Equity (Decrease) Increase
To record ARO liability as at January 1, 2023 and related amortization for the year		(139,907)	145,618	285,525		(139,907)
Total corrected misstatements		\$139,907	\$145,618	\$285,525		\$139,907

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Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Town's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR. Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.



Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

We have not identified a significant deficiency in internal control over financial reporting.



A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

We have identified other observations related to processes in place at the Town. These have been communicated separately to the management.





Other financial reporting matters

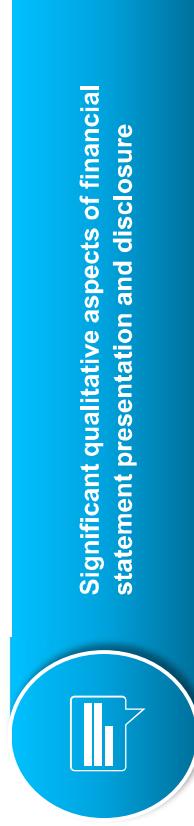
We also highlight the following:



Financial statement presentation - form, arrangement, and content



Concerns regarding applications of new accounting pronouncements



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report.

The presentation and disclosure in the financial statements is in accordance with the required standards as disclosed in the notes to the financial statements. Through the course of the audit, KPMG provided support to management on required disclosures in accordance with the financial reporting framework, along with the adoption of the new accounting standards in 2023.

See [Appendix 3: Upcoming changes to accounting standards](#) for Public Sector Accounting Standards Board developments.



Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter

Finding

Illegal acts, including noncompliance with laws and regulations, or fraud

No matters to report

Other information in documents containing the audited financial statements

Not applicable.

Significant difficulties encountered during the audit

No matters to report

Difficult or contentious matters for which the auditor consulted

No matters to report

Management's consultation with other accountants

No matters to report

Disagreements with management

No matters to report

Related parties

No matters to report

Significant issues in connection with our appointment or retention

No matters to report

Other matters that are relevant matters of governance interest

No matters to report



Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code¹ and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Ethics, independence and integrity training for all staff



Dedicated ethics & independence partners



Operating policies, procedures and guidance contained in our quality & risk management manual

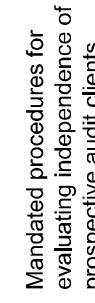


Restricted investments and relationships



Annual ethics and independence confirmation for staff

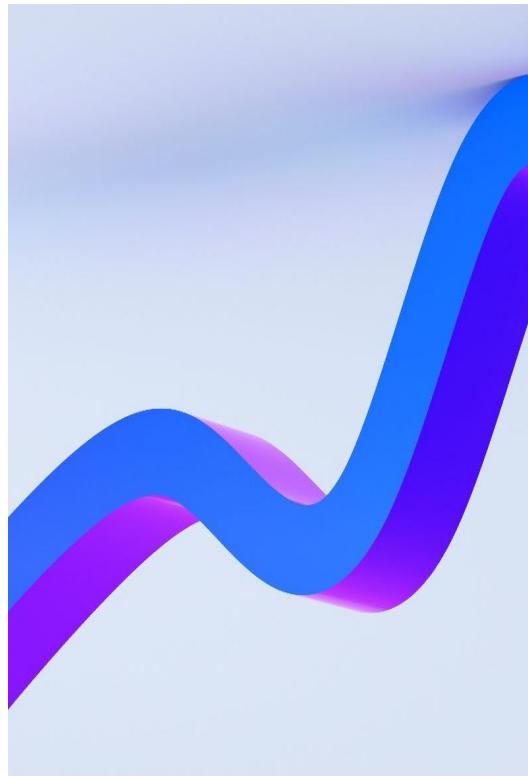
International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Mandated procedures for evaluating independence of prospective audit clients

Statement of compliance

We confirm that, as of the date of this communication, we are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.



¹ International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

Appendices

- 1 Required communications
- 2 Audit quality
- 3 Upcoming changes to accounting standards
- 4 Insights



Appendix 1: Other required communications



An engagement letter was provided to management for fiscal 2023.

Engagement terms



CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2021 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Interim Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)

The conclusion of our audit is set out in our draft auditors' report as attached.



Auditor's report



Representations of management

In accordance with professional standards, we will obtain certain representations from management upon approval of the financial statements.

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Appendix 1a: Draft auditor's report

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Prescott

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Prescott (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated municipal equity for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of remeasurement of gains and losses 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 financial position of the Entity as at December 31, 2023, and its results of operations 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's 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.





Appendix 1a: Draft auditor's report (continued)

Emphasis of Matter – Change in Accounting Policy

We draw attention to Note 20 to the financial statements ("Note 20") which indicates that the Entity has changed its accounting policy for Asset Retirement Obligations, as a result of the adoption of PS 3280, Asset Retirement Obligations, and has been applied using the prospective method. Our opinion is not modified in respect of this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Appendix 1a: Draft auditor's report (continued)

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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Chartered Professional Accountants, Licensed Public Accountants
Kingston, Canada
Date





Appendix 2: Audit quality - How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority.
Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

[KPMG 2023 Audit Quality and Transparency Report](#)

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 management; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

Doing the right thing. Always.



Appendix 2: Audit quality - audit quality indicators (AQIs)

The objective of these measures is to provide Council and management with more in-depth information about factors that influence audit quality within an audit process. Below you will find the current status of the AQIs that we have agreed with management are relevant for the audit.

Audit team composition	Technology in the audit	Independence	Council	Client preparedness
<ul style="list-style-type: none">Experience, commitment and knowledge of the broader public sectorA combination of continuity and fresh perspectivesAccess to specialist resources with public sector experience	<ul style="list-style-type: none">Increase in use of technology in the audit year over yearUse of secure KPMG portal for transfer of electronic documents	<ul style="list-style-type: none">We will not put ourselves in a situation where we would audit our own work.We apply the most rigorous standards to our professional services in order to ensure our continued independence in our role.	<ul style="list-style-type: none">Council members participate fully in the discussion with auditorsKPMG provides current industry trends and updates to accounting and audit standards	<ul style="list-style-type: none">There were delays in the completion of the audit fieldwork, including the impact of the new accounting standards for the current fiscal year.

Nothing to report

Some matters to report

Specific matters to report



Appendix 3: Upcoming changes to accounting standards

Accounting changes

Newly effective accounting standards



The amendments to PS 3400, *Revenue*, become effective for this year end (fiscal years beginning on or after April 1, 2023).

- The 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 transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.
- The standard notes that unilateral revenue arises 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.

Newly effective accounting standards



PS 3160, *Public Private Partnerships ("P3s")* becomes effective for this year end (fiscal years beginning on or after April 1, 2023).

- This standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The standard may be applied retroactively or prospectively.
- The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.
- The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.

Newly effective accounting standards



PSG-8, *Purchased Intangibles*, becomes effective for this year end (fiscal years beginning on or after April 1, 2023).

- The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and *GAAP* hierarchy are used to account for purchased intangibles.
- Narrow scope amendments were made to PS 1000 Financial statement concepts to remove the prohibition to recognize purchased intangibles and to PS 1201 Financial statement presentation to remove the requirement to disclose purchased intangibles not recognized.
- The guideline can be applied retroactively or prospectively.



Appendix 4: Audit and assurance insights

Our latest thinking on the issues that matter most to Councils and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Accelerate 2025

The key issues driving the audit committee agenda in 2024.

Momentum

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.



<https://kpmg.com/ca/en/home.html>

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Audited Consolidated Financial Statements and
Other Financial Information of

**CORPORATION OF THE TOWN
OF PRESCOTT**

Year ended December 31, 2023

Audited Consolidated Financial Statements and Other Financial Information of

CORPORATION OF THE TOWN OF PRESCOTT

Year ended December 31, 2023

CORPORATION OF THE TOWN OF PRESCOTT

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Management's Responsibility for the Consolidated Financial Statements

Independent Auditor's Report

Audited Financial Statements:

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Consolidated Statement of Operations and Accumulated Municipal Equity	2
Consolidated Statement of Changes in Net Debt.....	3
Consolidated Statement of Remeasurement Gains and Losses	4
Consolidated Statement of Cash Flows	5
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Other Supplementary Financial Information:

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Town of Prescott (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies is contained in note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Matthew Armstrong, Chief Administrative Officer and Treasurer, Finance

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Prescott

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Prescott (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated municipal equity for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of remeasurement of gains and losses 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 financial position of the Entity as at December 31, 2023, and its results of operations 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Emphasis of Matter – Change in Accounting Policy

We draw attention to note 2 to the financial statements which indicates that the Entity has changed its accounting policy for Asset Retirement Obligations, as a result of the adoption of PS 3280 *Asset Retirement Obligations*, and has been applied using the prospective method.

Our opinion is not modified in respect of this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

(date)

CORPORATION OF THE TOWN OF PRESCOTT

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash and short-term deposits	\$ 3,163,849	\$ 1,007,823
Taxes receivable	778,498	619,891
User charges receivable	1,055,691	1,429,505
Accounts receivable	6,291,848	8,415,335
Inventory	12,790	20,068
Investments (note 10)	1,682,674	1,179,049
Investment in Rideau St. Lawrence Holdings Inc. (note 4)	2,053,046	1,988,521
	<u>15,038,396</u>	<u>14,660,192</u>
Financial liabilities:		
Accounts payable and accrued liabilities	4,522,258	3,348,850
Employee future benefit obligations (note 5)	27,700	29,438
Asset retirement obligations (note 7)	285,525	–
Deferred revenue (note 6)	453,840	434,046
Long-term liabilities (notes 6(a), 6(b), 8 and 9)	19,780,516	18,309,743
Total liabilities	<u>25,069,839</u>	<u>22,122,077</u>
Net debt	<u>(10,031,443)</u>	<u>(7,461,885)</u>
Non-financial assets:		
Tangible capital assets (note 17)	81,902,366	72,114,169
Inventories	37,368	28,036
Prepaid expenses	241,630	272,193
Total non-financial assets	<u>82,181,364</u>	<u>72,414,398</u>
Contingent liabilities (note 15)		
Commitments (note 16)		
Accumulated municipal equity (note 11)	<u>\$ 72,149,921</u>	<u>\$ 64,952,513</u>
Municipal equity is comprised of:		
Accumulated surplus (note 11)	\$ 71,717,990	\$ 64,952,513
Accumulated remeasurement gains	431,931	–
	<u>\$ 72,149,921</u>	<u>\$ 64,952,513</u>

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWN OF PRESCOTT

Consolidated Statement of Operations and Accumulated Municipal Equity

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023	Actual 2023	Actual 2022
(note 19)			
Revenue:			
Property taxation	\$ 6,158,166	\$ 6,163,916	\$ 5,873,195
Taxation from other governments	373,232	375,532	364,346
User charges	3,434,792	3,512,824	3,174,812
Government grants	2,088,527	2,219,782	2,243,604
Licenses and permits	221,056	222,787	103,922
Investment income	185,793	430,044	97,567
Penalties and interest on taxes	65,000	62,716	63,356
Provincial offenses	30,234	10,860	16,415
Other	461,449	659,102	781,376
Gain on sale of tangible capital assets	—	434,000	—
Net equity increase in investment in Rideau St. Lawrence Holdings Inc. (note 4)	57,100	120,315	52,774
Total revenue	13,075,349	14,211,878	12,771,367
Expenses (note 18):			
General government	1,220,511	1,381,877	1,230,294
Environmental services	3,571,159	3,490,027	3,387,106
Protection to persons and property	2,379,548	2,395,557	2,228,858
Health services	492,693	499,902	518,702
Social and family services	556,238	665,258	627,678
Transportation services	2,769,925	2,821,912	3,043,944
Recreation and culture services	1,829,428	1,793,205	1,597,115
Planning and development	455,776	724,014	889,458
Total expenses	13,275,278	13,771,752	13,523,155
Annual operating surplus (deficit)	(199,929)	440,126	(751,788)
Other:			
Grants and transfers related to capital:			
Deferred revenues earned	—	257,298	—
Government transfers	—	5,491,156	6,731,633
Other	—	752,363	1,488,019
	—	6,500,817	8,219,652
Annual surplus (deficit)	(199,929)	6,940,943	7,467,864
Accumulated municipal equity, beginning of year	64,952,513	64,952,513	57,484,649
Adjustment on adoption of financial instruments standard (note 20)	—	256,465	—
Accumulated municipal equity, beginning of year, as restated	64,952,513	65,208,978	57,484,649
Accumulated municipal equity, end of year (note 11)	\$ 64,752,584	\$ 72,149,921	\$ 64,952,513

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWN OF PRESCOTT

Consolidated Statement of Changes in Net Debt

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023	Actual 2023	Actual 2022
(note 19)			
Annual surplus (deficit)	\$ (199,929)	\$ 6,940,943	\$ 7,467,864
Acquisition of tangible capital assets	(1,638,106)	(11,934,541)	(12,072,730)
Amortization of tangible capital assets	1,973,300	2,113,246	1,901,353
Loss on sale of tangible capital assets	–	33,098	88,752
Acquisition of prepaid expenses	–	30,563	(39,791)
Change in inventories of supplies	–	(9,332)	9,592
Change in accumulated remeasurement gains	–	256,465	–
Change in net debt	135,265	(2,569,558)	(2,644,960)
Net debt, beginning of year	(7,461,885)	(7,461,885)	(4,816,925)
Net debt, end of year	\$ (7,326,620)	\$ (10,031,443)	\$ (7,461,885)

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWN OF PRESCOTT

Consolidated Statement of Remeasurement Gains and Losses

Year ended December 31, 2023, with comparative information for 2022

	2023
Accumulated remeasurement gains, beginning of year	\$ —
Adjustment on adoption of financial instruments standard (note 20)	256,465
Accumulated remeasurement gains, beginning of year, as restated	256,465
Unrealized gains attributable to investments designated at fair value	174,926
Accumulated remeasurement gains, end of year	\$ 431,391

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWN OF PRESCOTT

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Operating activities:		
Annual surplus	\$ 6,940,943	\$ 7,467,864
Item not involving cash:		
Amortization of tangible capital assets	2,113,246	1,901,353
Unrealized gain (loss) on investment	(174,926)	—
Loss on sale of tangible capital assets	33,098	88,752
Change in non-cash operating working capital:		
Decrease (increase) in taxes receivable	(158,607)	(53,596)
Decrease (increase) in user charges receivable	373,814	(830,589)
Decrease (increase) in accounts receivable	2,123,487	(7,556,366)
Decrease (increase) in inventories	7,278	(8,358)
Increase in accounts payable and accrued liabilities	1,173,408	1,382,941
Increase in asset retirement obligations	285,525	—
Decrease in employee future benefits obligations	(1,738)	(1,332)
Increase (decrease) in deferred revenue	19,794	(590,507)
Decrease (increase) in prepaid expenses	30,563	(39,791)
Decrease (increase) in inventories of supplies	(9,332)	9,592
	<u>3,844,192</u>	<u>(7,688,006)</u>
Net change in cash from operations	12,756,553	1,769,963
Capital activities:		
Acquisition of tangible capital assets	(11,934,541)	(12,072,730))
Investing activities:		
Increase (decrease) in investment in Rideau St. Lawrence Holdings Inc.	(64,525)	3,014
Reinvested investment income	(72,234)	(54,819)
	<u>(136,759)</u>	<u>(51,805)</u>
Financing activities:		
Debt principal repayments	(732,297)	(746,958)
Issuance of long-term debt	2,203,070	8,780,663
	<u>1,470,773</u>	<u>8,033,705</u>
Increase (decrease) in cash and short-term deposits	2,156,026	(2,320,867)
Cash and short-term deposits, beginning of year	1,007,823	3,328,690
Cash and short-term deposits, end of year	\$ 3,163,849	\$ 1,007,823

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements

Year ended December 31, 2023

The Corporation of the Town of Prescott (the "Town") was incorporated in 1834 and assumed its responsibilities as a police village. The Town operates as a single tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

1. Significant accounting policies:

The consolidated financial statements of the Corporation of the Town of Prescott (the "Town") are the representation of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenue and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Town. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

Public Library Board
Business Improvement Area Committee
Cemetery Board

(ii) Investment in Rideau St. Lawrence Holdings Inc.:

The investment in Rideau St. Lawrence Holdings Inc. ("RSL") is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards. Under the modified equity basis, the business enterprises accounting principles are not adjusted to conform to those of the Town and inter-organizational transactions and balance are not eliminated. The Town recognizes its equity interest in the annual income or loss of RSL in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends the Town may receive from RSL will be reflected as reductions in the investment asset account.

(iii) Accounting for School Board transactions:

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(b) Basis of accounting:

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the change in net financial assets for the year.

(c) 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 are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	40
Buildings	15 to 60
Machinery and equipment	5 to 20
Vehicles	5 to 20
Linear assets:	
Roads	15 to 40
Bridges	15 to 40
Sidewalks	10 to 15
Water distribution	50 to 80
Wastewater collection	80
Storm sewer collection	80

Amortization is charged in the year following the year of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Town has a capitalization threshold of \$10,000 for vehicles and equipment and \$10,000 to \$50,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(c) Tangible capital assets (continued):

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the Consolidated Statement of Operations in the year of disposal.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Consolidated Statement of Operations.

(d) Leases:

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

(e) Inventories and prepaid expenses:

Inventories and prepaid expenses held for consumption are recorded at the lower of cost or replacement cost.

(f) Pension and employee benefits:

The Town 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 OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Town's policy.

(g) Cash and short-term deposits:

The Town considers cash and short-term deposits to be highly liquid investments with original maturities of three months or less.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(h) Government transfers:

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made except when and to the extent that stipulations by the transferor give rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(i) Deferred revenue:

The Town receives contributions pursuant to legislation, regulations or agreement that may only be used for certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

(j) Deferred revenue - obligatory reserve funds:

The Town receives restricted contributions under the authority of provincial legislation and Municipal by-laws. These funds by their nature are restricted in their use, and until applied to applicable expenses, are recorded as deferred revenue. Amounts applied to qualifying costs are recorded as revenue in the fiscal period that they are expended.

(k) Financial instruments:

On January 1, 2023, the Town adopted PS 3450 Financial Instruments which establishes accounting and reporting for all types of financial instruments, including derivatives, as disclosed in Note 20. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost.

On application of this standard, a new statement, the Consolidated Statement of Remeasurement Gains and Losses has been included in these consolidated financial statements which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the Consolidated Statement of Operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the Statement of Consolidated Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(k) Financial instruments (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Consolidated Statement of Operations and Accumulated Municipal Equity and any unrealized gain is adjusted through the Consolidated Statement of Remeasurement Gains and Losses.

Long-term debt is recorded at amortized cost.

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(l) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the Consolidated Statement of Operations and the unrealized balances are reversed from the Consolidated Statement of Remeasurement Gains and Losses.

(m) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Town:
 - is directly responsible; or
 - accepts responsibility;
- (iv) it is expected that future economic benefit will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(n) Asset retirement obligations:

An asset retirement obligation ("ARO") is 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; and
- A reasonable estimate of the amount can be made.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(n) Asset retirement obligations (continued):

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. The liability is discounted using a present value calculation and adjusted annually for accretion expense. Under the prospective method, the discount rate and assumptions used on the initial recognition are those as of the date of adoption in the standard. Assumptions used in subsequent calculations are revised annually.

The liability for the removal of asbestos in several of the buildings owned by the Township has been recognized based on estimated undiscounted future expenses. Under the prospective method, the assumptions used on initial recognition are those as of the date of adoption in the standard. Assumptions used in the subsequent calculations are revised yearly.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liabilities are recognized in the Consolidated Statement of Operations at the time of remediation.

The recognition of the ARO liability resulted in an accompanying increase to the respective tangible capital assets. Building tangible capital assets affected by the asbestos liability are being amortized with the building following the amortization accounting policies outlined in Note 1(c).

(o) Property taxation:

The Town recognizes property tax revenue using the approved tax rate and the anticipated assessment. Taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. The standard requires that property tax revenue be reported net of tax concessions. Tax transfers are reported as an expense and taxes levied on behalf of others in a flow through arrangement are not reported in the Consolidated Statement of Operations.

(p) 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 period. Amounts subject to estimates include employee future benefits, asset retirement obligations and the carrying value of tangible capital assets. Actual results could differ from these estimates.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Operations of school boards:

The Town collected and made property tax transfers including payments in lieu of property taxes, to the School Boards as follows:

	2023	2022
Property taxes	\$ 958,677	\$ 932,611
Amounts requisitioned and paid	\$ 958,677	\$ 932,611

3. Bank indebtedness:

The Town's financial agreement with its bank provides for an operating credit facility of up to \$1,000,000 to finance expenses, pending receipt of property taxes and other income. Interest on funds drawn is charged at the Bank of Montreal's prime rate. As at December 31, 2023, there was \$Nil (2022 - \$Nil) drawn on the facility.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Investment in Rideau St. Lawrence Holdings Inc.:

Rideau St. Lawrence Holdings Inc. ("RSL"), a government business enterprise, is accounted for on the modified equity basis by the Town for its proportionate share of ownership. The Town owns approximately 34.53% (2022 - 34.53%) of RSL. The principal business of RSL is to distribute electric power to four communities including the Town.

The following tables present condensed supplementary financial information for the Town's proportionate investment in RSL for the year ended December 31.

	2023	2022
Financial Position		
Current assets	\$ 1,794,405	\$ 1,512,228
Capital assets	3,858,117	3,478,317
Net regulatory assets	362,398	409,712
	6,014,920	5,400,257
Current liabilities	2,964,728	3,234,335
Deferred tax liabilities	3,105	4,982
Long-term debt	994,041	172,419
	3,961,874	3,411,736
Net assets	\$ 2,053,046	\$ 1,988,521
Share capital	\$ 1,184,486	\$ 1,184,486
Accumulated earnings	893,664	812,083
Accumulated other comprehensive loss	(25,104)	(8,048)
Investment in government business enterprises	\$ 2,053,046	\$ 1,988,521
	2023	2022
Results of Operations		
Revenue	\$ 5,920,951	\$ 6,015,658
Operating expenses	(5,784,122)	(5,962,254)
Net earnings	136,829	53,404
Dividends paid during the year	(55,248)	(55,248)
	81,581	(1,844)
Accumulated earnings, beginning of year	812,083	813,927
Accumulated earnings, end of year	\$ 893,664	\$ 812,083

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Employee future benefit obligations:

The Town provides life insurance premiums to employees who were previously employed by Prescott Public Utilities Commission. Beginning in 2006, the accrued benefit obligation has been recognized using a present value approach with a discount rate of 3%.

At December 31, 2023 the Town's accrued benefit liability for life insurance benefits is estimated at \$27,700 (2022 - \$29,438).

6. Deferred revenue:

(a) A requirement of the CPA Canada Public Sector Accounting Handbook is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Town are:

	2023	2022
Balance, beginning of year	\$ 434,046	\$ 150,239
Revenue:		
Contributions from developers	17,658	26,508
Ontario Community Infrastructure Funding	-	253,790
Interest on Community Infrastructure Funding	-	3,509
Canada Community Building Fund	283,340	267,803
	300,998	551,610
Utilization:		
Transfers for capital	(303,059)	(267,803)
Balance, end of year	\$ 431,985	\$ 434,046
Comprised as follows:		
	2023	2022
Development charges	\$ 148,645	\$ 176,747
Ontario Community Infrastructure Funding	283,340	257,299
Balance, end of year	\$ 431,985	\$ 434,046

(b) The Town has other deferred revenue related to fundraising activities of \$21,855 (2022 - \$Nil).

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

7. Asset retirement obligations:

The Town owns and operates several buildings and sewage collection pipes that are known to have asbestos, which represents a health hazard upon demolition of the building and of the pipes and there is a legal obligation to remove it. Following the adoption of PS 3280 *Asset Retirement Obligations*, the Town assessed an obligation relating to the removal and post-removal care of the asbestos in these building and pipes as estimated at January 1, 2023. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. Estimated costs have not been discounted as the date of demolition is unknown.

The change in the estimated obligation during the year consists of the following:

	2023
Liabilities for asset retirement obligation, beginning of year	\$ —
Opening adjustment on adoption of PS 3280 <i>Asset Retirement Obligations</i> (note 20)	285,525
Accretion expense	—
Liabilities settled during the year	—
 Balance, December 31, 2023	 \$ 285,525

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Long-term liabilities:

(a) The balance of long-term liabilities reported on the consolidated statement of financial position is comprised of the following:

	2023	2022
Ontario Project Infrastructure Corporation		
Maturity date 2023 and interest rate of 4.83%	\$ —	\$ 19,372
Maturity date 2023 and interest rate of 3.26%	—	25,337
Maturity date 2024 and interest rate of 5.61%	52,788	102,736
Maturity date 2025 and interest rate of 4.71%	349,608	512,577
Maturity date 2027 and interest rate of 4.87%	199,672	251,104
Maturity date 2028 and interest rate of 4.66%	149,621	—
Maturity date 2030 and interest rate of 1.51%	192,080	219,520
Maturity date 2036 and interest rate of 4.75%	3,213,163	3,397,763
Maturity date 2047 and interest rate of 3.70%	1,270,933	1,303,366
Maturity date 2050 and interest rate of 1.97%	3,511,111	3,644,444
Royal Bank of Canada, maturity 2023-2025, 0% interest	21,031	52,861
	<hr/> \$ 8,960,007	<hr/> \$ 9,529,080

(b) Principal payments are due as follows:

	Principal	Interest	Total
2024	\$ 717,171	\$ 299,878	\$ 1,017,049
2025	668,378	271,710	940,088
2026	501,506	246,967	748,473
2027	483,559	227,912	711,471
2028	452,211	210,603	622,814
2029 and thereafter	6,137,182	1,468,563	7,605,745
	<hr/> \$ 8,960,007	<hr/> \$ 2,725,633	<hr/> \$ 11,645,640

(c) Interest expense on long term liabilities in 2023 amounted to \$324,013 (2022 - \$341,362).
(d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Temporary borrowings:

The Town had construction loans through the Ontario Infrastructure and Lands Corporation ("OILC") to finance the construction of a recreation complex to a maximum value of \$15,000,000. The monthly interest payments on funds advanced will be based on a floating rate per annum as determined by OILC throughout the term of the loan until they are replaced by a debenture. Repayment terms of principal and interest will be determined upon completion of the capital project. At December 31, 2023, \$10,820,509 (2022 - \$8,780,663) of the facility was used.

10. Investments:

Investments, which consist primarily of Canadian equities, have a cost of \$1,250,743 at December 31, 2023 (2022 - \$1,179,049).

All of the above investments are valued as Level 2 investments. The investments are valued based on the degree to which the fair value is observable, as follows:

- (i) Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities;
- (ii) Level 2 Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- (iii) Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

11. Municipal equity:

	2023	2022
Investment in tangible capital assets:		
Tangible capital assets	\$ 81,902,366	\$ 72,114,169
Long-term liabilities	(8,960,006)	(9,529,080)
	72,942,360	62,585,089
Unexpended Capital Financing (Unfinanced Capital) Projects:		
Road infrastructure	(617,253)	(617,253)
Industrial park	(262,401)	(262,401)
Public works addition	(237,114)	(237,114)
Streetlights	(664,756)	(664,756)
Water Tower Replacement	(933,402)	(20,091)
Fire Truck – 2024 Delivery	(48,010)	(48,010)
New arena	(6,525,039)	(4,540,433)
Asset retirement obligation	(285,525)	-
Edward Street Overpass	-	(43,339)
Sidewalk plow	-	(163,223)
	(9,573,500)	(6,596,620)
Reserves set aside for specific purposes by Council:		
For capital expenses:		
Working capital	880,000	880,000
Business improvement	40,134	54,748
Elections	9,510	5,210
	929,644	939,958
For operating expenses:		
Fiscal policy	202,010	121,089
General government	93,579	74,102
Infrastructure	147,344	634,256
Municipal modernization	60,655	140,148
Protection services	92,743	102,789
Public Transit	36,777	5,520
Transportation services	118,921	94,836
Recreation and cultural	121,043	123,011
Library	28,768	55,717
Cemetery	36,940	29,920
Planning and development	211,610	142,143
Water and sewer	4,647,981	4,512,034
	5,798,371	6,035,565
Total reserves	6,728,015	6,975,523
Investment in Government Business Enterprises (note 4)	2,053,046	1,988,521
Total accumulated municipal equity	\$ 72,149,921	\$ 64,952,513

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

12. Pension contributions:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 31 members of its staff (2022 - 31). As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2023. At that time, the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion actuarial deficit).

The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for current service in 2023 was \$198,256 (2022 - \$183,158) and is included as an expense on the Consolidated Statement of Operations.

13. Trust funds:

Trust funds administered by the Town amounting to \$122,926 (2022 - \$121,152) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the Town for the benefit of others, they are not presented as part of the Town's financial position or financial activities.

14. Provincial Offences Administration (POA):

The United Counties of Leeds and Grenville has assumed the administration of the Provincial Offences office for all County of Leeds and Grenville resident municipalities. The transfer of administration from the Ministry of the Attorney General to the Town was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor License Act, Municipal Bylaws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The Town's share of net revenues arising from operation of the POA office has been consolidated with these financial statements. The revenue of the court office consists of fines levied under Parts I and 111 (including delay penalties) for POA charges filed in the County court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

The Town shares net POA revenues based on weighted assessment.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Contingent liabilities:

- (a) The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims at December 31, 2023, management believes that the Town has valid defences and appropriate insurance coverages in place. In the event any claims are successful, the amount of any potential liability is not determinable; therefore, no amount has been accrued in the consolidated financial statements.
- (b) In 1997, the Town assumed ownership of property that was identified as being contaminated. Phase I and Phase II environmental assessments have been carried out with a conclusion that the land was contaminated beyond a minimally acceptable level. A further assessment was carried out, including soil sampling, which revealed that the contamination did not present an immediate risk to human health or the environment. Based upon existing environmental regulations, the Town would be required to remediate this land subject to future development. The cost of such remediation is unknown. As at December 31, 2023, the Town has no plans to develop this land. Due to the uncertainty surrounding the timing and nature of the remediation, no liability has been recognized in the Town's consolidated financial statements.

16. Commitments:

- (a) The Town has entered into an agreement with Ontario Clean Water Agency to manage the water treatment plant and the sewage treatment plant. The contract provides for a management fee for each plant plus the operating and capital costs of the two plants. The management fee is adjusted for inflation on an annual basis. The contract was renewed effective December 1, 2023 for five years. Payments for the water treatment plant were \$386,855 (2022 - \$435,468). Payments for the sewage treatment plant were \$559,080 (2022 - \$606,607).
- (b) The Town has negotiated a long-term contract with the Ontario Provincial Police for the provision of policing services. The contract ended December 31, 2024 and was renewed effective January 1, 2025 for a ten year period. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. During the year, the contract costs were \$1,210,963 (2022 - \$1,258,560).
- (c) The Town has negotiated a contract for waste collection with Limerick Environmental which expires in February 2025, with an option to extend for an additional two, one year consecutive terms, at the sole discretion of the Town. Fees are based on the residential household count and are adjusted annually for inflation plus the cost to drop the waste materials off at the depot based on tonnage. During the year, the contract costs were \$201,639 (2022 - \$185,553).

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. Commitments (continued):

- (d) The Town has negotiated a contract for the collection and disposal of recycled materials, with Limerick Environmental which expired in January 2025, with an option to extend for an additional two, one year consecutive terms, at the sole discretion of the Town. Fees are based on population count and area adjusted annually for inflation plus the cost to drop off the recyclable matters at the depot based on tonnage. During the year, the contract costs were \$83,164 (2022 - \$94,667).
- (e) The estimated commitment to complete construction-in-progress and major repairs for the Edward Street Bridge at December 31, 2023 is approximately \$1,006,681 (2022 - \$Nil).
- (f) The estimated commitment to complete construction-in-progress and major replacement costs for the Water Tower at December 31, 2023 is approximately \$6,604,100 (2022 - \$Nil).
- (g) The estimated commitment to complete the new construction-in-progress and major equipment purchases for the Seymour Recreation Complex Outdoor Field at December 31, 2023 is approximately \$1,093,580 (2022 - \$Nil).

17. Tangible capital assets :

Cost	Balance at December 31, 2022	Asset Retirement Obligations	Transfers and additions	Disposals and adjustments	Balance at December 31, 2023
Land	\$ 1,395,862	\$ —	\$ —	\$ (33,098)	\$ 1,362,764
Land improvements	3,285,011	—	—	—	3,285,011
Buildings	41,957,990	285,525	—	—	42,243,515
Machinery and equipment	4,315,650	—	387,117	(122,578)	4,580,189
Vehicles	2,327,186	—	105,137	(41,443)	2,390,880
Linear assets	20,465,815	—	4,038	—	20,469,853
Sewer infrastructure	7,542,336	—	—	—	7,542,336
Water infrastructure	7,215,210	—	—	—	7,215,210
Construction-in-progress	13,900,635	—	11,152,724	—	25,053,359
Total	\$ 102,405,695	\$ 285,525	\$ 11,649,016	\$ (197,119)	\$ 114,143,117

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2022	Amortization and adjustments	Transfers, and disposals	Balance at December 31, 2023
Land improvements	\$ 520,301	\$ 84,082	\$ —	\$ 604,383
Buildings	13,699,244	1,047,588	—	14,746,832
Machinery and equipment	2,184,150	252,117	(122,578)	2,313,689
Vehicles	1,497,278	128,965	(41,443)	1,584,800
Linear assets	7,685,740	400,535	—	8,086,275
Sewer infrastructure	2,303,832	94,184	—	2,398,016
Water infrastructure	2,400,981	105,775	—	2,506,756
Total	\$ 30,291,526	\$ 2,113,246	\$ (164,021)	\$ 32,240,751

	Net book value December 31, 2022	Net book value December 31, 2023
Land	\$ 1,395,862	\$ 1,362,764
Land improvements	2,764,710	2,680,628
Buildings	28,258,746	27,496,683
Machinery and equipment	2,131,500	2,266,500
Vehicles	829,908	806,080
Linear assets	12,780,075	12,383,578
Sewer infrastructure	5,238,504	5,144,320
Water infrastructure	4,814,229	4,708,454
Construction-in-progress	13,900,635	25,053,359
Total	\$ 72,114,169	\$ 81,902,366

18. Segmented information:

The Town is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of financial activities.

Departments have been separately disclosed in the segmented information, along with the service they provide, and are set out in the schedule below.

For each reported segment, expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

18. Segmented information (continued):

	2023	General Government	Environmental Services	Protection to Persons and Property	Health Services	Social and Family Services	Transportation Services	Recreation and Cultural Services	Planning & Development	Total
Revenue										
Taxation										
Property Taxation	\$ 6,163,916	\$ 375,532	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,163,916
Taxation other governments										
User charges	12,564	3,026,642	91,205	-	6,600	2,877	372,936	3,044	27,465	3,512,824
Government transfers	1,692,574	51,412	39,319	-	147,295	248,673	13,044	-	-	2,219,782
Investment income	182,883	247,161	-	-	-	-	-	-	-	430,044
Licenses and permits	10,620	-	209,292	-	-	2,875	-	-	-	222,787
Net income Rideau St. Lawrence	120,315	-	-	19,420	2,325	103,949	214,395	-	-	120,315
Other	4,448	167,776	38,578	-	-	-	-	-	-	659,102
Penalties and interest on taxes	62,716	-	-	10,860	-	-	-	-	-	62,716
Provincial offenses	-	-	-	-	-	-	-	-	-	10,860
Gain on Sale	-	-	-	-	-	21,761	-	-	-	434,000
Other										
Capital other	-	1,716,176	-	-	-	556,001	4,228,640	-	-	6,500,817
Total revenue	8,625,568	5,209,167	389,254	19,420	156,220	936,136	4,829,015	547,915	20,712,695	
Expenses										
Salaries and wages										
Operating materials and services	651,442	290,658	529,846	-	82,051	1,232,667	456,582	259,482	3,502,728	
External transfers to other	534,628	2,234,216	1,578,290	311,542	559,129	1,087,151	980,047	464,532	7,749,535	
Debenture interest	-	-	89,100	-	-	-	-	-	-	89,100
Amortization	195,807	156,016	71,217	24,078	18,146	47,686	-	-	-	317,143
Total expenses	1,381,877	809,137	216,204	99,260	-	483,948	308,890	-	-	2,113,246
Excess of revenue over expenses (expenses over revenue) before taxator	\$ 7,243,691	\$ 1,719,140	\$ (2,006,303)	\$ (480,482)	\$ (509,038)	\$ (1,885,776)	\$ 3,035,810	\$ (176,099)	\$ 6,940,943	

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

18. Segmented information (continued):

	2022	General Government	Environmental Services	Protection to Persons and Property	Health Services	Social and Family Services	Transportation Services	Recreation and Cultural Services	Planning & Development	Total
Revenue										
Taxation										
Property Taxation	\$ 5,873,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,873,195
Taxation other governments	364,346	-	-	-	-	-	-	-	-	364,346
User charges										
Government transfers	4,037	2,882,189	66,902	-	8,525	1,201	211,958	-	-	3,174,812
Investment income	1,588,400	41,463	37,145	-	116,232	366,553	53,511	40,300	2,243,604	
Licenses and permits	42,748	54,819	-	-	-	-	-	-	-	97,567
Net income Rideau St. Lawrence	10,158	-	91,689	-	-	2,075	-	-	-	103,922
Other	52,774	-	-	-	-	-	-	-	-	52,774
Penalties and interest on taxes	17,090	341,021	53,294	20,481	215	77,685	199,849	71,741	781,376	
Provincial offenses	63,356	-	-	16,415	-	-	-	-	-	63,356
Other	-	29,568	-	-	-	-	-	-	-	16,415
Total revenue	8,016,104	3,349,060	265,445	20,481	124,972	300,489	7,889,595	-	8,219,652	
Expenses										
Salaries and wages	623,835	370,163	468,481	-	82,276	1,293,790	393,427	290,286	3,522,258	
Operating materials and services	549,691	2,067,816	1,475,155	332,708	511,039	1,278,182	857,684	599,172	7,671,447	
External transfers to other	-	-	86,734	-	-	-	-	-	86,734	
Debt interest	-	164,427	76,407	-	34,363	17,398	48,767	-	-	341,362
Amortization	56,768	784,700	208,815	99,260	-	454,574	297,237	-	-	1,901,354
Total expenses	1,230,294	3,387,106	2,228,858	518,702	627,678	3,043,944	1,597,115	889,458	13,523,155	
Excess of revenue over expenses (expenses over revenue) before taxator	\$ 6,785,810	\$ (38,046)	\$ (1,963,413)	\$ (498,221)	\$ (502,706)	\$ (2,295,941)	\$ 6,757,798	\$ (777,417)	\$ 7,467,864	

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

19. Budget figures:

Budget figures reported on the Consolidated Statement of Operations are based on the 2023 municipal and other local board operating budgets as approved by Council on March 21, 2023.

Approved budget figures also include council approved budget estimates for Public Sector Accounting Board ("PSAB") reporting requirements. The chart below reconciles the approved Town operating budgets and PSAB budget estimates to the total consolidated budget figures as reported on the Consolidated Statement of Operations.

	Budget 2023
Operational budget	
Revenue:	
Cash budget approved by Council	\$ 13,540,540
Less: Transfer from reserves	(45,000)
Less: Deferred revenue	(253,791)
Less: Library funding consolidation	(166,400)
	<hr/> \$ 13,075,349
Expenses:	
Cash budget approved by Council	\$ 13,540,540
Less: Transfers to reserves	(1,646,006)
Less: Library funding upon consolidation	(166,400)
Less: Principal payments	(736,906)
Add: Operational projects	325,750
Add: Amortization expense	1,973,300
Less: Capitalization of books budget	(15,000)
	<hr/> \$ 13,275,278

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Change in accounting policies – adoption of new accounting standards:

(a) The Town adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, and PS 3450 *Financial Instruments*.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Consolidated Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denoted in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

In accordance with PS 3450 *Financial Instruments*, the financial statements of prior periods were not restated on transition. Consequently, the accounting policies for recognition, derecognition and measurement of financial instruments applied to the comparative information reflect those disclosed in the 2022 financial statements.

(b) PS 3280 *Asset Retirement Obligations* ("ARO") establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on January 1, 2023 on a prospective basis with no prior period restatement.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Change in accounting policies – adoption of new accounting standards (continued):

(b) (continued):

In the past, the Town has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated remaining useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from Town buildings and post-closure activities. The Town reports liabilities related to the legal obligations where the Town is obligated to incur costs to retire a tangible capital asset.

The Town's ongoing efforts to assess the extent to which designated substances exist in Town assets, and new information obtained through regular maintenance and renewal of Town assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes in the estimated cost to fulfil the obligation. The measurement of assets retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense (if applicable).

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Change in accounting policies – adoption of new accounting standards (continued):

(b) (continued):

To estimate the liability for similar buildings that do not have information on asbestos and other designated substances, the Town uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific. In other situations, where the building might not be part of a large portfolio, other techniques are used such as using industry data, experts or basing the estimate on a specific asset that is similar (if applicable).

21. Financial instruments and risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Town is exposed to credit risk with respect to accounts receivable on the Consolidated Statement of Financial Position.

The Town assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Town at December 31, 2023 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Consolidated Statement of Operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Consolidated Statement of Operations.

	Current	Past due	Gross receivables	Allowances	Net receivables
Taxes receivable	\$ 408,563	\$ 437,630	\$ 846,193	\$ (67,695)	\$ 778,498
Accounts receivable	6,190,796	106,052	6,296,848	(5,000)	6,291,848
Total	\$ 6,599,359	\$ 543,682	\$ 7,143,041	\$ (72,695)	\$ 7,070,346

(b) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, impact the Township's income or the value of its holdings of financial instruments. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

CORPORATION OF THE TOWN OF PRESCOTT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

21. Financial instruments and risk management (continued):

(b) Market risk (continued):

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

There have been no significant changes to the market risk exposure from 2022.

(i) Currency risk:

Currency risk arises from the Town's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The Township does not have any material transactions or financial instruments denominated in foreign currencies.

(ii) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Town to cash flow interest rate risk.

The Town is exposed to this risk as it has municipal debt bearing interest at a fixed rate as described in note 8. As prevailing interest rates fluctuate, the market value of these debts will fluctuate. This risk is mitigated by the Town's intention to hold the debt to maturity.

(iii) Equity risk:

Equity risk arises when the fair value of equity funds changes due to a decrease in stock market index or other risk variables. The Town is exposed to this risk through the equities held in its investment portfolio. As at December 31, 2023, a 1% movement in the stock markets, with all other variables held constant, would have an estimated effect on the market values of the Town's mutual funds of \$12,507 (2022 - \$11,790).

(c) Liquidity risk:

Liquidity risk is the risk that the Township will not be able to meet all of its cash outflow obligations as they come due. The Township mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. Accounts payable are all current and the terms of the long-term debt are disclosed in notes 8 and 9.

There have been no significant changes from the previous year in the Town's exposure to liquidity risk or policies, procedures and methods used to measure the risk.

CORPORATION OF THE TOWN OF PRESCOTT

Schedule A: Business Improvement Area Committee

Statement of Revenue and Expenses and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Taxation	\$ 30,447	\$ 29,064
Expenses:		
Downtown	10,249	7,944
Contracted services	29,000	10,063
Advertising and promotion	5,565	8,536
Supplies	248	243
	45,062	26,786
Excess (deficiency) of revenue over expenses	(14,615)	2,278
Accumulated surplus, beginning of year	54,748	52,470
Accumulated surplus, end of year	\$ 40,133	\$ 54,748

CORPORATION OF THE TOWN OF PRESCOTT

Schedule B: Prescott Public Library Board

Statement of Revenue and Expenses and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Government grants:		
Municipal Grant	\$ 166,400	\$ 160,954
Municipal Grant – one time IT transition	6,000	–
Province of Ontario operating grant	10,544	10,540
User charges – fees and service charges	5,847	2,733
Other income:		
Donations	2,790	938
Rentals and fines	645	210
	<hr/> 192,226	<hr/> 175,375
Expenses:		
Salaries and benefits	148,652	146,088
Supplies	28,662	1,435
Administration	16,036	6,394
Amortization of tangible capital assets	9,953	10,709
Programs	4,871	2,303
Rent and maintenance	2,716	6,621
Telephone	858	1,708
Periodicals and newspapers	382	1,107
	<hr/> 212,130	<hr/> 176,365
Annual deficit	(19,904)	(990)
Accumulated surplus, beginning of year	93,624	94,614
Accumulated surplus, end of year	\$ 73,720	\$ 93,624



STAFF REPORT TO COUNCIL

Report No. XX-XXXX

Date: 5/20/2025

From: Chloe Preston, Director of Administration/Clerk

RE: Filling Council Vacancy

Recommendation:

THAT Council selects Option 1A as the method to **Fill** a Vacancy for the Office of Town Councillor, AND

THAT Council direct Staff to prepare an appointment by-law for Ray Young as the next highest vote receiver in the 2022 Election if they remain eligible and are willing to serve the remainder of the term of Council.

Background:

At the April 22, 2025 Council Meeting, in accordance with Section 262 of the *Municipal Act*, Council declared the office of Councillor Ruth Lockett vacant following the passing of Councillor Ruth Lockett at the end of March.

When a vacancy on Council occurs, Council determines how to **fill** the vacant seat for the remainder of the term. The Town relies on the *Municipal Act, 2001*, provisions with respect to filling vacant seat. Section 263(5) of the Act establishes the rules applying to filling vacancies.

Rules applying to filling vacancies 263(5)

The following rules apply to filling vacancies:

1. Within 60 days after the day a declaration of vacancy is made with respect to the vacancy, the municipality shall,
 - a. appoint a person to **fill** the vacancy or
 - b. pass a by-law requiring a by-election be held to **fill** the vacancy

Section 256 of the Act sets out the eligibility requirements for persons qualified to be elected or to hold office as a member of a Council of a local municipality.

To be an elector, the person under consideration must, on voting day,



- a) reside in the municipality or be the owner or tenant of land there, or the spouse of such owner or tenant,
- b) be a Canadian Citizen,
- c) be at least 18 years old, and
- d) not be prohibited from voting.

Under section 258(1) of the Act, the following are not eligible to be elected as a member of a council or to hold office as a member of a council:

- an employee of the municipality;
- a person who is not an employee of the municipality but who is the clerk, treasurer, Integrity Commissioner, Auditor General, Ombudsman, registrar or an investigator of the municipality;
- a person who is not an employee of the municipality but who holds any administrative position of the municipality;
- a judge of any court;
- a member of the Legislative Assembly or of the Senate or House of Commons of Canada;
- and a public servant, with certain exceptions set out in Part V of the Public Services of Ontario Act, 2006.

Section 263(5) further notes that should a vacancy occur within 90 days before voting day of a regular election, the municipality is not required to fill the vacancy.

Section 264 of the Act, provides that a person appointed or elected to fill a vacancy shall hold the office for the remainder of the term of the person they replaced.

In the current situation, Council must fill the vacancy either by appointing a person who has consented to accept the office or by passing a by-law declaring a by-election prior to June 22, 2025. In making this determination, Council should consider the costs and timelines associated with filling a vacancy by appointment or by by-election.

The below options are for Council to consider in filling the vacancy.

Option 1 – Appointment Process

The Act does not set out specific requirements relating to the appointment of an individual to fill a Council vacancy, other than those relating to qualifications.

To be considered for appointment, individuals must meet qualifications as outlined in the Municipal Elections Act, 1996, noted above.



In accordance with best practices, there are a number of sub-options within the Appointment Option:

A) Appointment from 2022 Municipal Election Candidates

Council can appoint the next place finisher from the 2022 Municipal Election. Municipalities have done this in the past under the rationale that this person was judged by the electorate recently and had in the past consented to the Office. The Clerk would need to contact the person to confirm their eligibility still remains and that they consent to the office. If so, an Appointment By-Law could be approved at the next Council Meeting. The results from the 2022 Municipal Election are listed below:

Candidate	Votes
YOUNG, Ray	551
BUNCE, Kevin	498
ZELAYETA, Luis	396
SAMOJLLO, Rob	285

Considerations for Option 1A:

- Results in the earliest filling of the vacancy through appointment process
- The Clerk would seek written confirmation and qualification and determine if the individual is interested in accepting the appointment
- An appointment by-law and Oath of Office could be administered to the new Councillor by June 2025
- Does not include financial implications other than Staff time
- A democratic process was undertaken in October 2022

B) Appointment b Call for Applications

Council may approve an appointment process which would permit interested eligible persons to submit an application for appointment to Council. This open call for applications would be advertised on multiple platforms and in keeping with best practices, would include a process including an application, declaration of qualifications, and an interview/presentation with Council at a public meeting.

Staff would require some time to develop the documents to entertain this process.

The following would be the proposed timeline for this process:

- May 26th, 2025 – Application period begins
- June 10th, 2025 at 5 p.m. – Application period ends



- June 16th, 2025 – Applications considered by Council
- July 7th, 2025 – New Councillor Sworn into Office

Should Council decide to pursue the appointment by call for applications, Staff would recommend an additional clause be added to the recommendation to provide authority to the Clerk and Chief Administrative Officer to develop Appointment Procedures for the Application Process.

Considerations for Option 1B:

- Results in the earlier filing of the vacancy through appointment process in comparison to a bielection. An appointment by-law and Oath of Office could be administered in July 2025
- Open Call for interested eligible candidates ensures every interested and qualified individual is provided the opportunity to be considered by Council and may reach more individuals than the election process
- Transparent process as the presentations and questions of all eligible candidates must be conducted in an Open Council Meeting
- Provides members of the public an opportunity to provide input into the selection of individual who will represent them on Council
- Provides an opportunity to identify and select an individual possessing a skillset that may not currently be represented on Council
- Cost effective method that invites candidates who may otherwise be concerned with financial requirements regarding the need for a campaign to express interest, which would eliminate barriers to participation
- Would require a communications plan to ensure the public and potential candidates are made aware of the appointment process.
- Does have financial implications advertising costs which could be up to \$2,000.
- Transparent selection of the candidate may not be seen as filling the vacancy through a democratic process

C) Direct Appointment by Council

Council can choose to appoint an eligible individual without a public process as the Act does not prescribe any process. The Clerk would still need to ensure that any appointed person meets the eligibility requirements, and this person would need to consent to the appointment to Office.

Considerations for Option 1C:

- Results in the earlier filing of the vacancy through appointment process. An Oath of Office could be administered to the new Councillor by the end of June 2025.



- Does not include financial implications other than Staff time
- May not be seen as filling the vacancy through a transparent or democratic process

Should Council choose to proceed with one of the Appointment options outlined, Staff will ensure additional communication and advertising is provided related to the option selected.

Option 2 – By-election

Council can choose to fill the vacancy by directing that a by-election be held in accordance with the *Municipal Elections Act*. All election planning must ensure the principles of the *Municipal Elections Act*, serves as a benchmark and guide for the conduct of municipal elections be followed:

- Secrecy and confidentiality of the voting process;
- Fair and non-biased;
- Accessible to voters;
- Integrity of the voting process;
- Results of the election reflect votes cast;
- Voters and candidates shall be treated fairly and consistently.

Section 65 of the Municipal Elections Act governs by-elections requiring that the by-election be conducted as far as possible in the same way as regular elections, that nomination day must not be less than 30 days and not more than 60 days after the seat is declared vacant and voting shall be 45 days after nomination day.

If selected, Council would be required to pass a by-law to ensure the Clerk can carry out the by-election. A draft by-law is attached to this report. The Clerk shall be responsible for conducting the by-election in accordance with the *Municipal Elections Act* and all applicable policies and procedures.

The Act purposefully gives the Clerk the authority to set Nomination Day in any by-election to permit the Clerk the time required to prepare for and conduct a legislatively compliant election.

Under both the *Accessibility of Ontarians with Disabilities Act, 2005* and the *Municipal Elections Act*, the Clerk is required to ensure that municipal elections, including by-elections, are accessible to people with disabilities, including both electors and candidates.

If Option 2 is selected Staff would review and revise the Election Accessibility Plan regarding the identification, removal and prevention of barriers that affect electors and



candidates with disabilities and would make the plan available to the public before voting day.

In determining dates, Staff would endeavour to make every effort to follow the proposed timeline to ensure not only to ensure residents regain representation as soon as possible, an adequate campaign period is provided, there is time for voters to vote and all legislated timelines are met. The following provides an overview of timeline and options for methods to deliver a by-election should Council pass a by-law to hold a by-election:

- May 26, 2025 – Nomination Period Begins
- June 13, 2025 – Nomination Day (2pm)
- July 24, 2025 – Advanced Voting Day
- July 25, 2025 - Advanced Voting Day
- July 26, 2025 – Advanced Voting Day
- July 28, 2025 – Voting Day
- July 30, 2025 – Official Results
- August 5, 2025 – New Councillor Sworn in at Council Meeting

Choosing to fill the vacancy by by-election will result in the seat remaining vacant for just over four (4) months.

Should Council pass a by-law to hold a by-election, Staff will need to build a comprehensive communication plan to ensure that the by-election is advertised to potential candidates and to voters.

Staff have done preliminary research into estimated costs to run a by-election. To run a by-election, Staff estimate approximately \$20,000 will be required, between the cost of advertising, Staff time, elections equipment, mailouts, and facilitation of the election.

Considerations of Option 2:

- Lengthy and more labour-intensive process, thereby leaving a vacancy for a longer period of time
- Significant costs arising from voting equipment and services requirements
- Ensures a democratic process is employed to all electors
- Requires a communication plan to ensure the public and potential candidates are made aware of key election materials and candidate informant
- Results in electors going to the polls in July 2025
- May result in low voter turnout due to only one seat being voted for

Alternatives:



Staff recommend pursuing Option 1A. However, Council may select from any of the above noted options. It is worth noting that selection of none of the above options is not an option.

Financial Implications:

Each option outlines the respective anticipated financial implications.

Attachments:



STAFF REPORT TO COUNCIL

Report No. XX-XXXX

Date: 5/20/2025

From: Chloe Preston, Director of Administration/Clerk

RE: Strong Mayor Powers

Recommendation:

For Information.

Background:

The Better Municipal Governance Act enacted in 2022 amended the Municipal Act and the City of Toronto Act to include provisions related to Strong Mayor Powers. Initially introduced for Toronto and Ottawa only, the provisions were rolled out to an additional 45 municipalities to reflect the province's commitment to "streamline local governance and help ensure municipalities have the tools they need to reduce obstacles that can stand in the way of new housing and infrastructure". The powers provided to Heads of Council under this legislation are as follows:

- Ability to choose to appoint the municipality's Chief Administrative Officer;
- Ability to hire certain municipal department heads (excluding statutory officers) and to establish and re-organize departments;
- Ability to create local boards and committees of Council, assign their functions and appoint their chairs and vice-chairs;
- To propose the municipal budget, which would be subject to Council amendments and a separate Head of Council veto and Council override process (Budget must be put forth by February 1 or else this reverts to all of Council);
- Proposing certain municipal by-laws if the Mayor is of the opinion that the proposed by-law could potentially advance a provincial priority identified in regulation. Council can pass these proposed by-laws if more than one-third of all Council members vote in favour;
- Bringing forward matters for Council consideration if the Head of Council is of the opinion that considering the matter could potentially advance a provincial priority; and;



- Vetoing by-laws or parts of by-laws within 14 days of passing if the Mayor is of the opinion that it could potentially interfere with a provincial priority through written notice to the Clerk

Provincial priorities prescribed for the purpose of Section 284.10 and 284.11 of the Municipal Act are outlined in O.Reg 580/22 and may be amended at any time by the Province. Currently the priorities include:

1. Building 1.5 million new residential units by December 31, 2031
2. Constructing and maintaining infrastructure to support housing, including: transit, roads, utilities, and servicing.

When a mayoral power is connected to the provincial priorities, it is at the sole discretion of the Mayor whether a particular item or by-law potential advances or interferes with one of the provincial priorities.

It is worth noting that the Strong Mayor Powers do not transfer to an Acting Mayor or Deputy Mayor acting in a Mayors absence. Strong Mayor Powers must be exercised in writing.

On April 9, 2025, the Ministry of Municipal Affairs and Housing announced the expansion of strong mayor powers to an additional 169 municipalities across the province of Ontario, including the Town of Prescott, under O. Reg. 530/22 effective May 1, 2025. Strong Mayor Powers were officially granted to the 169 municipalities on May 1, 2025.

Analysis

The sections below are expanded details as the relate to general provisions of the Act:

Mayoral Decisions and Directions in Writing – Mayoral Decisions and Directions made under the Act must be in writing and copies must be circulated to Town Council. Mayoral Decisions and Directions are public documents except in cases where the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) exceptions apply. The Town will publish a webpage within the municipal website where we will post mayoral decisions and directions made under the Act.

Transition to Special Duties and Powers – As part of the transition to strong mayor governance, the Act stipulates that all Staff positions, local board, and committee chair appointments remain in place until such time that the Mayor issues a decision to the contrary.



Directions to Municipal Employees – Section 284.3 of the Act grants the Mayor the authority to direct municipal Staff to undertake research, provide advice and carry out duties related to Part VI.1 of the Act. In practice, this means that the Mayor can direct Staff with regards to any authority or power granted to the Mayor as part of the strong mayor legislation.

Powers Regarding Local Boards and Committees – Section 284.7 of the Act grants the Mayor the authority to appoint chairs and vice-chairs of prescribed local boards. To date, no local boards have been prescribed and this power remains dormant. The Minister of Municipal Affairs and Housing, through an O.Reg. update, may at anytime identify specific local boards to which this power applies. This authority rests solely with the Mayor but (if applicable) can delegate to Council through a Mayoral Decision.

Section 284.8 of the Act grants the Mayor authority to establish or dissolve committees, appoint chairs and vice-chairs of committees and assign functions to committees. Committees, in this section of the Act, are defined as bodies where every member is also a member of Council. This authority rests solely with the Mayor but can be delegated to Council through a Mayoral Decision. In the Town of Prescott this would not apply to any of our established committees. Advisory Committees of Council are not impacted by these new powers.

Powers Regarding Meetings – Despite the Town's Procedure By-Law, Section 284.10 of the Act grants the Mayor authority to introduce a matter for Town Council consideration before or during a meeting if the Mayor is of the opinion that the matter could potentially advance a prescribed provincial priority. Town Council is required to consider a matter put forward by the Mayor but is not required to vote. A regular 50% + 1 majority is required to approve a matter put forward by the Mayor under Section 284.10. This means that the notice provisions included in the Procedure By-law do not apply to matters introduced by the Mayor under Section 284.10. Matters could be introduced by the Mayor shortly before or at the meeting without breaching the procedural or legislative requirements.

Powers Regarding By-Laws – Despite the Town's Procedure By-Law, Section 284.11 of the Act grants the Mayor authority to introduce a by-law for Town Council's consideration without notice, before or at a meeting if the Mayor is of the opinion that the matter could potentially advance a prescribed provincial priority. Town Council is required to consider and vote on a by-law put forward by the Mayor. A by-law put forward for approval by the Mayor under Section 284.11 requires more than 1/3 if Town Council to vote in favour for it to be approved. In Prescott this means that a by-law proposed by the Mayor under Section 284.11.1 requires three (3) votes in favour at a Council meeting in order to be adopted.



Mayoral Approval of By-Laws, Veto Powers and Council Override of Mayoral

Vetoes – Despite the Procedure By-Law, Section 284.11 of the Act grants the Mayor authority to veto a by-law if the Mayor is of the opinion that all or part of the by-law could potentially interfere with a prescribed provincial priority. This section also requires that the Mayor provide written approval for every by-law passed by Council within 48 hours of its passing and establishes a process through which Council may override a Mayoral veto.

Regarding Mayoral approval of by-laws, Section 284.11(4) of the Act requires that the Mayor approve in writing all by-laws passed by Council within 48 hours. The purpose of this approval is to differentiate between by-laws which have received Mayoral approval from those which have been vetoed. The legislation in effect forces the Mayor, within 48 hours of a by-law passing at a Council meeting, to either approve the by-law in writing, veto the by-law, or indicate a notice of intention to consider vetoing the by-law.

A notice of intention to consider vetoing a by-law opens a prescribed 14-day window within which the Mayor may either approve the by-law in writing or veto it. Following a Mayoral Decision to veto a by-law, Section 284.11(9) gives Council 21 days to consider overriding the mayoral veto. Any override of a mayoral veto requires a 2/3 super majority vote (5 members in Prescott) to pass. The Mayor is permitted to vote as a member of Council in a vote to override a mayoral veto.

Powers Regarding the Chief Administrative Officer – Section 284.5 of the Act grants the mayor the authority to hire and dismiss the Chief Administrative Officer. This authority rests solely with the Mayor but can be delegated by the Mayor to Town Council through a Mayoral Decision.

Powers Regarding Organizational Structure – Section 284.6 of the Act grants the Mayor the authority to determine the organizational structure of the municipality, including employment powers to hire and dismiss the head of any organizational unit within the municipality. This authority rests solely with the Mayor but can be delegated to Town Council or the Chief Administrative Officer through a Mayoral Decision. The employment powers outlined above do not extend to statutory municipal officers. Statutory Municipal Officers in Prescott's current structure include Clerk, Deputy Clerk, Treasurer, Deputy Treasurer, Chief Building Official, and Fire Chief.

Vacancy, Head of Council – Section 284.12 requires that a vacancy in the office of the Mayor that occurs during a term of office is to be filled through a by-election unless it occurs after March 31 in an election year. Previously, Council could choose between a by-election or an appointment to fill the vacant role of Mayor during a term of office. If vacancy occurs following March 31 in an election year and an Acting Mayor is selected, Strong Mayor Powers do not transfer to the Acting Mayor.



Powers and Duties Regarding Budget – Section 284.16 of the Act outlines a statutory process for the approval of municipal budgets beginning with the presentation of the Mayor's proposed budget, amendment of the proposed budget by Council, veto of amendments by the Mayor and override of vetoes by Council.

The Mayor must, by February 1st of each year, prepare and propose a municipal budget to Council for consideration. The authority to prepare and propose the municipal budget rests solely with the Mayor and cannot be delegated to Council or Staff. The Mayor may, however, issue a Mayoral Direction to Staff regarding the preparation of the budget.

After receiving the Mayor's proposed budget, Council has 30 days to meet and pass amendments to the budget. The 30-day timeline can be shortened by a resolution of Council. In practice, this means that a Special Council Meeting will be scheduled to give Council the opportunity to amend the Mayor's proposed budget within the 30 day timeline. If that meeting were held 25 days after the budget was proposed, Staff would also ask Council to shorten the amendment period to 25 days reflecting the fact that Council has met, made amendments to the proposed budget, and does not plan on meeting again to pass additional amendments.

Following the amendment period, the Mayor has 10 days to veto budget amendments passed by Council. Mayoral vetoes must be set out through a Mayoral Decision and include the reasons for the veto. The Mayor can shorten the veto period through a Mayoral Decision. Budget amendments which have been vetoed by the Mayor are considered not to have been passed by Council. Budget amendments which have not been vetoed by the Mayor are deemed to have been adopted.

Within 15 days of the veto period ending, Council may meet to attempt to override any mayoral vetoes. Any Council override of a mayoral veto requires a 2/3 super majority (5 members) to pass.

After the process of amendments, vetoes and overrides is finished, the budget is deemed to have been adopted. Council no longer votes on the budget in its entirety. The budget is considered to have been passively adopted once the process outlined above has been finished.

Immunity – Section 284.14 of the Act stipulates that the exercise of the new mayoral powers and authorities shall not be quashed or open to review by a court because of the supposed unreasonableness of the decision if the decision was exercised legally and in good faith.



Alternatives:

While there is no ability for municipalities who have been granted these powers to 'opt out', some flexibility is provided to delegate some, but not all, of these powers. Any delegation must be done formally in writing. However, any delegation of Strong Mayor Power can be withdrawn at any time by the Mayor in writing.

Financial Implications:

There will be significant staff time required to implement new processes needed to comply with the legislation. Staff will also require training and will need to consult with the Town's legal counsel to assist with interpreting this new legislation as matters arise.

Conclusion:

Staff are reviewing the policy implications and will work with Council and the Mayor to ensure procedures are put in place to reflect these recent changes. Staff will also review by-laws that will need to be updated and will be prioritized based on which of those are most urgent.

Neighbouring municipalities granted Strong Mayor Powers in the recent expansion have taken a variety of approaches and actions in response to the provincial decision. Attached to this report are letters received as correspondence. At the Council Meeting on April 22, 2025, Council passed a motion to defer the receipt of correspondence received from Elizabethtown-Kitley Mayor to accompany the staff report rising this evening. This correspondence is included with this report.

Municipalities impacted in Leeds and Grenville are coordinating formal training for members of Council on the new legislation.

Attachments:

- Letter from Ministry of Municipal Affairs and Housing re Strong Mayor Powers
- Letter from Elizabethtown-Kitley re Strong Mayor Powers

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
et du Logement**

Bureau du ministre

777, rue Bay, 17^e étage
Toronto ON M7A 2J3
Tél. : 416 585-7000



Ontario

234-2025-1992

May 1, 2025

Dear Head of Council:

To follow up on our government's announcement from April 9, 2025, I am pleased to inform you that as of May 1, 2025, we have expanded strong mayor powers to heads of council of an additional 170 municipalities. This includes your municipality.

Heads of council in strong mayor municipalities are able to:

- Choose to appoint the municipality's chief administrative officer.
- Hire certain municipal division heads, and establish and re-organize divisions.
- Create committees of council, assign their functions and appoint the Chairs and Vice-Chairs of committees of council.
- Veto certain by-laws if they are of the opinion that all or part of the by-law could potentially interfere with a prescribed provincial priority, such as housing, transit and infrastructure.
- Bring forward matters for council consideration if they are of the opinion that considering the matter could potentially advance a prescribed provincial priority.
- Propose certain municipal by-laws if they are of the opinion that the proposed by-law could potentially advance a prescribed provincial priority. Council can pass these by-laws if more than one-third of all council members vote in favour.
- Propose the municipal budget, which would be subject to council amendments and a separate mayoral veto and council override process.

Some strong mayor powers are related to prescribed provincial priorities that are identified in O. Reg 580/22.

Heads of council in strong mayor municipalities are subject to existing accountability and transparency rules, as well as certain additional rules. For example, when the head of council exercises many of the strong mayor powers and performs many of the strong mayor duties, they are required to provide written documentation to the municipal clerk and members of council by the next business day. They must also make this written documentation available to the public.

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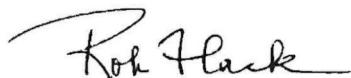
For more information on strong mayor powers and duties please see:

- The Strong Mayor chapter of the Ontario Municipal Councillor's Guide
- Part VI.1 of the Municipal Act, 2001 – Special Powers and Duties of the Head of Council
- Regulations made under the Municipal Act, 2001 that relate to strong mayor powers and duties: O. Reg 580/22; O. Reg. 530/22

If you have any questions, please reach out to my Director of Stakeholder and Caucus Relations, Tanner Zelenko, at 437-996-2487 or tanner.zelenko@ontario.ca.

Please accept my best wishes.

Sincerely,



Hon. Rob Flack
Minister of Municipal Affairs and Housing

c: Robert Dodd, Chief of Staff
Martha Greenberg, Deputy Minister
Caspar Hall, Assistant Deputy Minister, Local Government Division
Sean Fraser, Assistant Deputy Minister, Municipal & Housing Operations Division
Municipal Clerk and Chief Administrative Officer



**Township of
ELIZABETHTOWN-KITLEY**

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Media Release

FOR IMMEDIATE RELEASE

April 10, 2025

Mayor Brant Burrow Issues Statement Regarding Strong Mayor Powers

In response to the provincial government's recently announced proposal to expand strong mayor powers to many municipalities across Ontario, Mayor Brant Burrow has issued the following statement:

"Yesterday, the provincial government announced its intention to significantly expand the number of municipalities for which strong mayor powers will apply. I applaud the government's vision of reducing bureaucratic barriers involved in the expansion of much needed housing stock; however, I do not feel that I need these powers.

While I cannot speak for the circumstances in any other municipality, I can assure the residents of Elizabethtown-Kitley that any delays in development experienced within the Township are not caused by local inefficiencies or political friction.

To be clear, strong mayor powers are very local in scope and cannot be used to circumvent provincially mandated planning processes, nor to usurp provincial jurisdiction. Delays associated with the involvement of other agencies and ministries, or constraints related to the supply and demand of professional services, will not be solved with strong mayor powers.

While I truly appreciate the provincial government's implied trust in me by proposing to extend these new powers to the position of mayor in Elizabethtown-Kitley, I have no interest in exercising any authoritarian powers over council or staff. I respect the electorate and the democratic process; I always have, and I always will.

Should there be an element of the strong mayor powers which could help us advance an initiative that corresponds to an already-established will of council, those are the only circumstances under which I would consider exercising any of the new powers – but even then, only to the extent necessary. I am all for using every tool that is available to us to move the business of the Township along on a consensus-driven basis.

For Elizabethtown-Kitley, the strong mayor powers are essentially a solution for a problem which does not exist."

– Mayor Brant Burrow

-30-

For more information contact:
Brant Burrow, Mayor
mayor@ektwp.ca



STAFF REPORT TO COUNCIL

Report No. XX-XXXX

Date: 5/20/2025

From: Chloe Preston, Director of Administration/Clerk

RE: HR Policy Updates

Recommendation:

THAT Council approve Finance Policy FIN-100-01 Council and Employee Travel and Expenses and Human Resources Policies HR 400-03 Inclement Weather, HR 700-04 Statutory Paid Holidays, and HR 500-05 Bereavement Leave as amended; AND THAT Council approve Human Resources Policy HR-200-14 Scheduling and Cancelling Shifts.

Background:

Staff have undertaken a review of various municipal policies in an effort to enhance clarity, consistency, and alignment with best practices and legislative standards.

HR 500-05 – Bereavement – Updated

This policy has been updated to extend bereavement leave eligibility to part-time and contract employees at the discretion of the Department Head and the Chief Administrative Officer (CAO). This provides greater flexibility and compassion to all Staff during times of loss.

HR 700-04 - Statutory Paid Holidays – Updated

This policy has been updated to clarify the eligibility of contract and part-time Staff for statutory and paid holidays, aligning their entitlements with those of full-time employees and the Employment Standards Act. This revised policy also updates the list of statutory holidays to explicitly include National Day for Truth and Reconciliation, which was previously recognized in practice as a federally proclaimed day but was not itemized within the policy.

HR 400-03 – Inclement Weather – Updated

This policy has been updated to clarify and better define work-from-home approvals during inclement weather, decision-making authority related to closing municipal facilities, and protocols surrounding Staffing when a Significant Weather Event is



declared by the Town. These revisions ensure the Town's commitment to safety and consistency in operational responses during severe weather conditions.

FIN 100-01 Council and Employee Travel and Expenses – Updated

This revised policy amends the approval process for CAO expenses, which will now be approved by the Mayor, ensuring an alignment with existing sign-off structures for Council and Staff. This policy also provides an update the mileage reimbursement rate to reflect the current Canada Revenue Agency rate which will eliminate the need for continual amendments to the policy. Finally, the revised policy looks to update the meal allowances to reflect total (including gratuity) of \$25 for Breakfast, \$30 for Lunch, and \$60 for Dinner.

HR 200-14 Scheduling and Cancelling Shifts – New

This policy is being introduced to address shift scheduling and cancellation procedures.

This new policy reflects guidelines and precedents within the Employment Standards Act (ESA) and aims to protect Staff rights while supporting operational needs. This policy provides defined time frames for notification as well as related compensation guidelines.

Upon approval of the above noted policies, Human Resources will ensure that staff are provided with these policies as well as opportunities to seek any clarifying questions.

The Policy Working Group of Council was consulted on the proposed policy changes and provided comment and support prior to rising to Council for formalization.

Alternatives:

Council could choose not to approve the updated policies or the new proposed policy. Alternatively, Council could choose to further amend policies or approve only select policies.

Financial Implications:

Any financial implications related to the proposed policies are modest and mainly related to staffing costs which are already factored into operational department budgets. Overall, any expected impact is manageable within current allocations, with departmental oversight ensuring responsible implementation.



Attachments:

- Draft FIN 100-01 Council and Employee Travel and Expenses Policy
- Draft HR 400-03 Inclement Weather Policy
- Draft HR 700-04 Statutory Paid Holidays Policy
- Draft HR 500-05 Bereavement Leave Policy
- Draft HR 200-14 Scheduling and Cancelling Shifts Policy



Policy Type: Human Resources
Policy #: HR-700-05
Approved by Council on: November 27, 2017

Human Resources – Bereavement Leave

Policy

The Town shall grant a leave of absence without loss of pay in the event of a death in the employee's family in accordance with this Policy.

Objective

To provide employees the opportunity to grieve for family members.

Procedure

Non-Union Full-Time Employees

Bereavement leave without loss of pay, benefits or seniority will be granted to non-union full-time employees upon request in accordance with the following entitlement:

- a) In the event of the death of the following family member the employee will be provided up to a maximum of five (5) scheduled and consecutive working days.
 - Spouse (including common-law, same-sex, fiancé)
 - Parent
 - Brother
 - Sister
 - Child (biological, adopted, step-child or foster child)

- b) In the event of the death of the following family member the employee will be provided up to a maximum of four (4) scheduled and consecutive working days.
 - Grandparent
 - Grandchild
 - Mother-in-Law
 - Father-in-Law



Policy Type: Human Resources
Policy #: HR-700-05
Approved by Council on: November 27, 2017

Human Resources – Bereavement Leave cont'd

- Sister-in-law
- Brother-in-law
- Son-in-law
- Daughter-in-law

c) In the event of the death of the following family member the employee will be provided up to a maximum of three (3) scheduled and consecutive working days.

- Aunt
- Uncle
- Grandparent-in-law
- Niece
- Nephew

d) When burial occurs outside the area, such leave shall also include reasonable travelling time not to exceed seven days. Such travelling time is to be without pay.

e) An employee who serves as a pallbearer will be entitled to mutually agreed time off with pay if it is a scheduled workday.

f) Bereavement leave shall extend to five (5) consecutive working days, subject to the provision that the Employer may, at its discretion, allow additional absence where it deems such additional absence is justified. The employee shall be paid his regular rate of pay during a bereavement leave.

g) Employees may be allowed to defer one (1) day of the above bereavement leave for future use for the actual interment or a memorial service.

h) An employee who has commenced his/her scheduled vacation and suffers a death in the immediate family shall have his/her vacation extended by the number of days to which he/she is entitled.

†}

Non-Union Part-Time and Contract Employees

While the bereavement leave entitlements outlined in this policy apply to full-time non-union employees, similar leave may be granted to non-union part-time or contract employees at the discretion of the Department Head and the Chief Administrative Officer (CAO), or their designates, based on the circumstances and operational requirements.



Policy Type: Human Resources
Policy #: HR-700-04
Approved by Council on: June 25, 2018

Human Resources – Statutory/Paid Holidays, Personal Leaves

Policy

~~Full time employees of the Town of Prescott are entitled to a designated number of paid holidays each calendar year as well as personal leaves. All employees of the Town of Prescott, including full-time, part-time, and contract employees, are entitled to a to statutory paid holidays and unpaid emergency leave in accordance with their employment status and current legislation. In addition, full-time employees are entitled to personal leaves as set out within the policy.~~

Objective

To ensure compliance with current legislation and provide fair and transparent entitlements for all categories of employees.

Procedure

Non Union Employees Statutory/Paid Holidays

Full –Time Non-Union Employees and Full-Time Contract employees shall be entitled to the following paid holidays:

New Year's Day	<u>Truth & Reconciliation Day (or day in lieu)</u>
Family Day	Thanksgiving Day
Good Friday	Remembrance Day (or day in lieu)
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	½ Day of the last working day before Christmas
Civic Holiday	½ Day of the last working day before New Year's Day
Labour Day	

The date and time for taking the Float Day shall be mutually agreed upon by the Town and employee. The Float Day cannot be carried over from one calendar year to the next.

If the Federal Government declares another Paid Holiday such holiday will be added to the above list and be effective on the day declared.

When any of the above holidays falls on a Saturday or Sunday, the holiday shall be taken on the same day it is taken by Canadian Banking institutions.

Policy Type: Human Resources

All other categories of employees, including part-time employees, will be entitled to statutory holiday pay as calculated under the formula within the pay as defined in the Employment Standards Act for the holidays provided to full-time employees within this policy. For part-time employees scheduled to work on a designated holiday within this policy, statutory pay will be provided as per the ESA formula in addition to time and a half for hours worked.

Non Union Employees Personal Leave/Emergency Personal Leave

Full –Time Non-Union Employees shall be entitled to two (2) personal leave days per calendar year without the loss of pay or benefits. This shall constitute the two personal emergency leave days that are provided for under the Employment Standards Act. These days shall not accumulate from year to year.

All Employees, full-time, contract and part-time, are entitled to take an additional eight (8) unpaid emergency leave days per year. These days shall not accumulate from year to year. The Employment Standards Act defines the parameters by which this leave can be requested and accessed.

Non-Union Employees Illness of Family Members

Full-time Non-Union Employees shall be allowed to utilize up to three (3) days per annum of accumulated sick leave credits for the purpose of providing care for his or her spouse, child who is ill, including step-child of a registered common-law spouse, parents, step-parents, parents-in-law, grandchildren, legal guardian, or a person for whom the employee is the primary caregiver. Use of this provision shall not be considered part of the employee's personal sick attendance record.

Non-Union Employees General Leave

The Town of Prescott will grant a leave of absence without pay for a period not exceeding one (1) year, or longer if mutually agreed, if he/she requests such leave for good and sufficient cause.

Such request shall be in writing and shall set out the reasons for the request and be submitted for the consideration by the CAO as far in advance as possible. Approval shall be based on operational needs of the department, but may not be unreasonably withheld.

Leave shall not be granted for the purposes of working elsewhere. Leave in excess of twenty working days shall be without benefits. The Town shall pay the benefit premiums

Policy Type: **Human Resources**



for a period of up to six (6) months for Employees taking a general leave for compassionate reasons.



Policy Type: Human Resources
Policy #: HR-400-03
Approved by Council on: ~~November 27, 2017~~

Human Resources – Inclement Weather

Policy

The Town of Prescott is committed to its mission to provide the best quality of service to everyone who utilizes those services. It is the intent of the Town to adhere to full operations insofar as it is possible.

The Town recognizes that inclement weather may temporarily prevent the availability and operations of Town services. As these situations can, at times, create difficult and dangerous travel and work conditions, this may subsequently interfere with the normal business operation of the Town.

Employees are expected to make arrangements during periods of inclement weather which will enable them to arrive as soon as possible.

Objective

To provide Employees and management staff with guidelines regarding inclement weather as well as establish guidelines for treating Employees consistently and fairly when regular attendance at work is complicated by severe weather conditions.

The Town of Prescott values the safety of its employees and recognizes that some employees have greater distances to travel than others.

This policy applies to all regular Full Time, Part Time, and Contract employees and Volunteers of the Town of Prescott.

Procedure

All employees shall make every reasonable effort, consistent with personal safety, to report to work unless instructed otherwise.

In the event of inclement weather, all employees will make a good faith effort to report to work on time. This includes, but is not limited to, allowing sufficient travel time and using alternate routes or alternate methods of transportation

The CAO or designate is authorized to make a decision in regards to absences regarding severe weather. Absences may be approved for such circumstances of inclement weather which can include severe weather such as severe ice, whiteout conditions, excessive snowfall, hurricane, tornado, flooding or any unforeseen acts of nature.



Policy Type: Human Resources

Policy #: HR-400-03

Approved by Council on: November 27, 2017

Human Resources – Inclement Weather – Continued

~~The CAO or designate has the authority to close Town Hall following the guidelines of this procedure.~~

~~If an Employee determines that it is unsafe to proceed to work, then the Employee must notify his/her Department Head or designate immediately.~~

~~It is important to note that approval for leave due to inclement weather cannot be assumed. Factors influencing a Department Head or designate decision regarding the requested time off for this time include, but are not limited to:~~

- ~~departmental work priorities and operational needs~~
- ~~the seriousness of the Employee's need to be absent~~
- ~~travel distance to and from work~~
- ~~availability of other transportation options~~

It is anticipated that the need for any Employee to be absent from work due to inclement weather will be rare.

If an employee chooses not to travel to work, or expects to be late or wishes to leave work early during Inclement Weather they shall:

- Observe standard protocols for reporting absences for the department;
- Staff who miss work for Inclement Weather may make-up for the lost time missed from work by, subject to the discretion of the Department Head or designate, using allotted personal Emergency leave, vacation, lieu, work additional time within the same pay period to make up the lost working hours (overtime does not apply to working extended hours to

make-up lost time) or choose to take the time as unpaid. An Employee may not use sick leave pay in substitution for time missed due inclement weather.

It is important to note that approval for leave due to inclement weather cannot be assumed. Factors influencing a Department Head or designate decision regarding the requested time off for this time include, but are not limited to:

- departmental work priorities and operational needs
- the seriousness of the Employee's need to be absent
- travel distance to and from work
- availability of other transportation options

Subject to the discretion of the Department Head or designate the adjustment for time granted may take one of the following forms:

- Vacation time to cover the absence
- Lieu time to cover the absence
- Leave of Absence without Pay to cover the absence

An Employee may not use sick leave pay in substitution for time missed due inclement weather.

During an Inclement Weather event, management may schedule staff in a manner that has regard to safety, travel distance, operational need and employee concerns. This may include alternative work locations, working from home (if applicable), modified start and end times etc. Managers will communicate directly with staff to arrange work modifications

The decision to close any facility will be made by the Chief Administrative Officer (CAO) or designate, taking into consideration storm severity, available forecasts, transportation warnings, accessibility of facilities, and the overall safety of staff, customers and the public.

If a facility is closed as described above, employees will be paid for the normal working hours of the day of the closure of the facility, at their regular rate of pay. Facility closures will be posted to the Town website. All staff are expected to check the Town website on Inclement Weather days. Managers are responsible for ensuring their direct reporting staff are notified of closures via phone or text

Absences due to Inclement Weather of less than one (1) hour are forgiven and the lost time is not required to be made up.

If the Town of Prescott declares a Significant Weather Event under O.Reg 239/02, at the discretion of the employees supervisor, an employee unable to report for their scheduled shift due to road conditions and/or travel distance, will be paid their normal working hours for the day of the scheduled shift at their regular rate of pay.

Under exceptional circumstances, and in accordance with the Employment Standards Act, S.O. 2000 (the Act) an employer may require an employee to work more than the maximum number of hours permitted under the Act, or to work during a period that is required to be free from performing work only as follows, but only so far as is necessary to avoid serious interference with the ordinary working of the employer's establishments or operations:

1. To deal with an Emergency.
2. If something unforeseen occurs, to ensure the continued delivery of essential public services, regardless of who delivers those services.
3. If something unforeseen occurs, to ensure that continuous processes or seasonal operations are not interrupted.
4. To carry out urgent repair work to the employer's plant or equipment

Regular reviews of requests for leave due to inclement weather will be conducted by management staff.

Exclusions

Essential services like Operations (Roads), Water & Wastewater and Fire Services will attempt to provide service levels as warranted by the situation. This policy does not apply to employees on approved leaves, previously scheduled vacation and/or sick leave.

Review

This policy will be reviewed regularly but at least once per term of Council or as required due to legislative changes.



Policy Type: Finance
Policy #: FN-100-01
Approved by Council on: October 28, 2019

Finance – Council, Committee, Local Board Members, and Employee Travel and Expenses Policy

Objective

The Town of Prescott may require a Member of Council, Committees, Local Boards, or employee of the Town to travel on Town business occasionally. These individuals will be reimbursed for reasonable and actual expenses incurred while travelling on Town business. The reimbursable expenses should support the strategic and program objectives of the Town.

This policy applies to all Town of Prescott Members of Council, Committees, Local Boards, and Town employees travelling on town business. Unionized employees are governed by the terms of the applicable collective agreements. Where a collective agreement is silent on a specific aspect of travel policy or expenses, this policy shall apply.

Definitions

Approver or Approval Authority

For an employee, the approver is their immediate supervisor or manager. For Members of Council, the approver is the Chief Administrative Officer and the Finance Portfolio Chair. For the Chief Administrative Officer, the approver is the Mayor ~~and the Finance Portfolio Chair~~.

Principles

The following principles should form the basis for all decisions regarding travel on Town business:

1. Tele-conferencing or web-conferencing should always be considered as a possible alternative, to reduce expenses for conducting Town business.
2. Whenever practical carpooling while travelling on Town business is encouraged.
3. Members of Council and staff should be reimbursed fully for legitimate work-related expenses authorized by Council or management.
4. Choose the most practical, economical, and reasonable arrangements for travel, meals, hospitality, and business-related expenses.



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5. Any and all travel should be accommodated within the current budgetary limits.
6. All travel and mileage expenses are subject to examination by administration and / or the Town auditors and must be completed with care, accuracy, and supported by the appropriate forms, invoices, and receipts. Corrections may be made to a travel and expense form by the Approver or the Deputy Treasurer for inaccuracies or expenses in violation and beyond the scope of this policy.

Procedure

Every Member of Council and employee travelling on Town business is responsible for:

1. Ensuring they are familiar with and understand this policy and their obligations within it.
2. Conducting their self as a representative of the Town in a professional manner at all times.
3. Employees should obtain written approval in advance from their Approver for estimated travel expenses.
4. Retaining all receipts. Note that a credit card slip is not a receipt. A receipt is an invoice itemizing types of expenditures and HST information. The Town is able to claim the majority of the HST charge back but without the original receipt no claim can be made.
5. Arranging accommodations, transportation, and health insurance (if travelling outside Canada) and other arrangements. Members of Council, Committees, and Local Boards can use the Clerk's Office to make travel arrangements on their behalf.
6. Submitting a Travel and Expense Claim form with original receipts to the approval authority within 60 days of travel.
7. Ensuring expenses incurred on Town trips are consistent with normal business standards. Questions regarding the appropriateness of a specific travel expense should consult with their Approver or the Chief Administrative Officer for guidance.



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The Approver is responsible for:

1. Ensuring that proposed travel expenses can be accommodated within the current departmental budget.
2. Reviewing and approving all travel expenses submitted by the travelling individual. This includes verifying that they are mathematically correct within 5 business days.
3. Providing guidance to individuals regarding appropriate types and levels of expenses.
4. Forwarding the approved Travel & Expense Claim to Accounts Payable for processing.
5. Questions with regards to the validity of an expense or a question regarding this policy can be addressed by the Chief Administrative Officer.

The Chief Administrative Officer (CAO) is responsible for:

1. Ensuring that the principles and requirements contained in this policy are applied consistently across the Town.
2. Approving exemptions when in their judgment, a legitimate reason exists.
3. Authorizing travel expenses for Approvers and in their absence.
4. Authorizing travel expenses for members of Council.
5. Arbitrate any disagreements on the interpretation of this policy between individuals and the Town.

The Treasurer/Deputy Treasurer is responsible for:

1. Developing and updating this policy in consultation with the Chief Administrative Officer and management.
2. Ensuring that the principles and requirements contained in this policy are applied consistently across the Town and highlight any inconsistencies to the Chief



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Administrative Officer.

3. Highlight any exemptions or extraordinary items for the Chief Administrative Officer.

Expenses:

1. Must be work related.
2. Must be modest, appropriate, and reasonable. Due diligence is required to demonstrate the reasoning behind the mode of transportation and choice of accommodation. Backup for these decisions may be requested before expenses are approved.
3. Council approval must be obtained prior to any travel outside the province of Ontario.
4. Must strike a balance between economy, health and safety, and efficiency of operations.
5. Expenses that are considered of a personal nature are not eligible for reimbursement. Personal expenses include, but are not limited to:
 - Expenses resulting from unlawful acts
 - Traffic and parking violations incurred while driving on Town business
 - Recreational purposes (e.g. video rentals, mini-bars, special facility charges, entertainment not directly related to Town business etc.)
 - Personal items not required to conduct Town business
 - Valet parking unless in extenuating circumstances
 - Memberships to rewards programs or clubs (e.g. airline clubs)
 - Alcoholic drinks
 - Expenses included due to the presence of friends or family members
 - Hotel, train, or airline expenses incurred due to the failure to cancel reservations
 - Expenses incurred for changes to hotel, train, or airline reservations that are at the request of the individual and not due to an unforeseen circumstance.
 - Personal credit card fees and late payment charges
 - Additional ancillary charges such as premiums for failure to refuel fuel in a rental car



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Approved Travel Claim Form Requirements:

1. Detail the eligible travel expenses to be reimbursed including original receipts, and sign and date the form.
2. Do not include any expenses that will be reimbursed by another party such as a person, board, government, or committee.
3. Forward the completed form promptly to the appropriate approval authority.
4. Approvers will check the forms for accuracy and eligibility, then forward it on to Accounts Payable for processing or in the event of an issue, return it to the employee for correction or clarification.

Travel:

1. When possible, travel must be approved in advance by an employee's Approver. Such pre-approval should accompany the travel claim.
2. A copy of the boarding pass or ticket for all modes of transportation must be attached to the reimbursement form.
3. Where a number of representatives of the Town are attending the same function, shared travel is required encouraged where possible and is economically beneficial to the Town.
4. The mode of transportation selected will be that which enables the individual to attend to Town business with the least cost together with the least amount of interruption to the individual's regular business, and personal schedules. Consideration should be taken as to the length of time away from the workplace. Basic economy / coach fares will be paid by the Town. Any upgrades will be the responsibility of the individual.
5. When personal travel is combined with business travel, the employee will be reimbursed only for the business portion of the trip at the lowest available fare.
6. The town expects discretion to be applied with any expenses are incurred and reserves the right to limit reimbursement to reasonable costs. Any dispute over the validity of items included on a Travel and Expense Reimbursement Form will be arbitrated by the Chief Administrative Officer.



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Travel by Vehicle:

1. When road transportation is the most practical and economical way to travel the order of preference should be as follows:
 - Use of available Town vehicles for those individuals covered under the Town's automobile insurance;
 - Rental vehicle when a rental vehicle is more economical than use of a personal vehicle,
 - Personal vehicle when a personal vehicle is more economical or practical than use of a rental vehicle
2. Where an employee accumulates more than 1,600 km per month on a regular basis, the Approver will investigate lower cost options. Where an individual continues to use a personal vehicle, the rationale for this practice should be documented and submitted to the Chief Administrative Officer.
3. The use of toll highways, including but not limited to Highway 407 (ETR), should be restricted where possible, and the use of such routes are subject to prior approval.

Rental Vehicles:

1. Rental cars should be limited to a Standard vehicle category or below. Consideration should be given based on the number of passengers, weather conditions, and other safety reasons. All luxury and sport car rentals are expressly prohibited.
2. Collision and liability insurance offered by the car rental companies must be purchased.
3. Rental cars must be refueled before returning them to avoid extra charges.
4. Receipts for gasoline purchases, parking lot charges, and applicable bridge or highway tolls must be submitted with travel and expense claims. The per kilometer reimbursement rate is not applicable when using a rental vehicle. Valet parking is not reimbursable unless it is in an extenuating circumstance.

Personal Vehicles:

1. Personal vehicles used on Town business must be insured at the vehicle owner's expense for personal motor vehicle liability. Coverage should be greater than or equal

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to \$24,000,000. Drivers must satisfy themselves whether their motor vehicle insurance coverage should include business use of their vehicles. The Town will not reimburse the costs of collision and liability coverage for business use.

2. The Town assumes no financial responsibility for privately owned vehicles other than paying the current kilometric rate when used for Town business. The Town assumes no liability for accidents involving an employee's private vehicle while on Town business.
3. When individuals use of their own vehicle for Town business, reimbursement will be in accordance with the current approved current Canada Revenue Agency (CRA) rate per kilometer, allowance for travel. This allowance is to cover all costs of fuel, depreciation, maintenance and insurance. The per kilometer reimbursement rate will be calculated on a yearly basis using the average price of gas during the month of December in the Town of Prescott. This rate will then be in effect for the following calendar year.

Kilometer Reimbursement Rate Table

<u>Average December Gas Price (per liter) In Prescott</u>	<u>Reimbursement Rate per Kilometer</u>
<u>0.71 – 0.80</u>	<u>0.47</u>
<u>0.81 – 0.90</u>	<u>0.48</u>
<u>0.91 – 1.00</u>	<u>0.49</u>
<u>1.01 – 1.10</u>	<u>0.50</u>
<u>1.11 – 1.20</u>	<u>0.51</u>
<u>1.21 – 1.30</u>	<u>0.52</u>
<u>1.31 – 1.40</u>	<u>0.53</u>

4. Reimbursement for travel within and outside the Town of Prescott will require a documented listing of dates, purpose, and kilometers for each trip.
5. Kilometers driven to and from the point of destination will be reimbursed as per the following guidelines:
 - a. No travel allowance shall be provided to individuals for travel to their normal work location.
 - b. The shortest distance between the Town and the destination or the individual's home and destination will be used to calculate the maximum number of kilometers that can be claimed.



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- c. A mapping tool will be used to calculate the shortest road distance between any two points. If a claim is found to be in excess of 10% of the shortest distance it will be returned to the individual for correction.
- d. Unless stipulated in a union contract, if an individual is commuting to somewhere other than their normal work location and travels fewer kilometers than their normal round trip between home and work, reimbursement will not be provided.
- e. Unless stipulated in a union contract, if an individual is traveling to somewhere other than their normal work location on their way to or from work, the distance normally traveled to and from work will be subtracted from the trip for the purpose of reimbursement.

6. Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with the travel and expense claim. Valet parking is not reimbursable unless it is in extenuating circumstances.

Taxis, ridesharing, or public transportation:

1. Where it is reasonable and practical to do so, the use of public transportation such as buses or subways is encouraged when at an event.
2. The use of taxis or ridesharing should be reasonable. Examples of when a taxi or rideshare may be appropriate include:
 - Situations requiring transportation between events or meetings and the individual's hotel.
 - Situations requiring transportation between airport or train/bus terminal and the individual's hotel/event.

Travel by Train or Bus:

1. It is expected that employees will choose the most economical and direct form of transportation. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.
2. The original boarding pass/passes and ticket/E-ticket must be attached to the travel claim.



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3. Expenses incurred due to the failure to cancel reservations or a reservation change that is at the request of the individual and not due to an unforeseen circumstance are not eligible for reimbursement.

Travel by Air:

1. Individuals may travel by air for trips that are beyond a reasonable driving distance. Prior approval for all travel by air must be obtained and documented in writing from the approver.
2. Individuals will be reimbursed for travel Economy class for all domestic and international flights.
3. Individuals are expected to pursue the maximum savings on air travel expenses within reasonable limits. Every effort should be made to book in advance to take advantage of discounted fares and to obtain the lowest fares compatible with the necessary travel requirements.
4. The original boarding pass/passes and ticket/E-ticket must be attached to the travel claim.
5. Expenses incurred due to the failure to cancel reservations or a reservation change that is at the request of the individual and not due to an unforeseen circumstance are not eligible for reimbursement.

Meals:

1. Individuals will be reimbursed for reasonable meal expenses, subject to the approval by the employee's approver if expenditures are incurred while on business away from his or her place of work
2. Original, itemized receipts must be provided with the travel claim of actual meal expenses. Reimbursement will not exceed the amount actually spent (including taxes and gratuities) as validated by the receipt accompanying the travel claim. The maximum reimbursement per meal including taxes and gratuities (maximum of 20%) is as follows

○ Breakfast	\$ <u>20.00</u> 25.00
○ Lunch	\$ <u>30.00</u> 25.00



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- | ○ Dinner ~~\$45.00~~60.00
- 3. No reimbursement shall be made in the following circumstances:
 - a. Any meals that are included in the cost of transportation, accommodation, meetings, seminars, training sessions, conferences or other event where registration is paid for by the Town
 - b. Breakfast for travel where the individual is required to leave home at 7:30 am or later
 - c. Lunch for travel where the individual arrives home or work at 1:00 pm or earlier
 - d. Dinner for travel where the individual arrives home at 5:30 pm or earlier
- 4. If a meal is purchased at a local establishment it must have pre-approval for reimbursement from the approver and must include at least one guest of the Town
- 5. When an individual is authorized to pay for the meals of others, expense reports must include a brief explanation of the event and a list of those in attendance. The highest ranking individual should pay for the meal expenditures

Accommodations:

1. Individuals should use the most economical accommodation available (generally a standard quality hotel room) that is convenient to the event being attended. No reimbursement will be made for suites, executive floors or concierge services. Individuals should request the government, conference, or corporate rate when available.
2. Individuals will be responsible for the validity of all room charges and must review the hotel bill carefully to ensure all charges are correct. A detailed copy of the hotel bill must be attached to the expense report.
3. No reimbursement will be made for entertainment, laundry services, pay TV or movies, alcohol, or special facility charges (e.g. fitness clubs).
4. Long-distance business and personal calls will be reimbursed. One personal telephone call per day of a reasonable duration as well as telephone calls to the office and with business contacts is acceptable. Wherever possible the most cost effective method should be used (e.g. Town-issued cell phones) in order to minimize costs.



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Approved by Council on: October 28, 2019

Finance – Council, Committee, Local Board Members, and Employee Travel and Expenses Policy

5. While travelling on Town business, additional business expenses not otherwise covered will be reimbursed, such as computer access charges, photocopying, word processing services, facsimile transmission, internet connections, rental and transportation of necessary office equipment, provided the charges incurred are reasonable and related to Town business.
6. Expenses incurred due to the failure to cancel reservations or a reservation change that is at the request of the individual and not due to an unforeseen circumstance are not eligible for reimbursement.

Receipts

Retain all travel, meal and accommodation receipts. Note that a credit card slip is **not** a valid receipt. A valid receipt is an invoice itemizing types of expenditures and HST information with the vendor's name, the date of the expenditure and the location.

Approvals

Reimbursement for travel expenses must be submitted on the approved Travel Claim form and accompanied by receipts. They must be approved by the approval authority. In the case of Council member expenses, the Chief Administrative Officer and the Finance Portfolio Chair will approve the claims. The Mayor and the Finance Portfolio Chair will approve the Chief Administrative Officer's expense claims.

Submitting of Expense Forms & Payment

Travel expenses will be reimbursed within 10 business days through the Accounts Payable process once the approved Travel Claim form with original receipts have been submitted to the Finance department by the Approver. A claims issue may result in the delay of reimbursement.

Those employees on vacation or sick leave following the 60 day submission period will be given 10 additional business days to submit their travel and expense claim with receipts to the approver upon their return to work. Any other exceptions will require the Chief Administrative Officer's approval.



Policy Type:
Policy #:
Approved by Council on:

Finance
FN-100-01
October 28, 2019

Finance – Council, Committee, Local Board Members, and Employee Travel and Expenses Policy

References

N/A

Related Policies

Credit Card Policy

Associated Documents

1. Travel & Expense Claim Form



Policy Type: Human Resources
Policy #: HR-XXX-XX
Approved by Council on:

Human Resources – Shift Scheduling and Cancellation Compensation Policy

Policy

The Town of Prescott is committed to providing fair and consistent scheduling practices for municipal part-time employees, while ensuring compensation for last-minute shift cancellations.

Objective

To provide employees and management staff with guidelines regarding shift scheduling and cancellation compensation, ensuring employees are treated consistently and fairly.

Scope

This policy applies to all part-time employees working within municipal departments, except part-time firefighters.

Procedure

1. Shift Scheduling

Shifts will be scheduled based on departmental needs and employee availability.

Employees will receive their schedules at least one week in advance.

Employees are expected to confirm their availability within 48 hours of receiving their schedule.

2. Shift Cancellation

Shifts may be cancelled for a variety of reasons, including but not limited to operational needs, weather conditions, or unforeseen circumstances.

If a scheduled shift is cancelled within 48 hours of the start time, the affected employee will be compensated with a minimum of 3 hours of pay at their regular rate.

Cancellations must be communicated to the employee as soon as possible, preferably via phone call or email.

Shifts cancelled more than 48 hours in advance will be considered sufficient notice, and no compensation will be provided.

If shifts are cancelled on the same day or as a result of a facility being shut down within 24 hours of the start of the shift, compensation for the entire shift will be provided to the employee at their regular rate of pay.

3. Compensation for Cancelled Shifts

Employees will receive compensation for cancelled shifts in their next paycheck.

The compensation will be calculated based on the employee's regular hourly rate.

4. Employee Responsibilities

Employees must promptly notify their supervisor of any changes in availability.

Employees are required to check their schedules regularly and report any discrepancies immediately.

5. Supervisor Responsibilities

Supervisors must ensure schedules are communicated to employees in a timely manner.

Supervisors are responsible for notifying employees of any shift cancellations and ensuring compensation is processed.

6. Compliance with Employment Standards Act

This policy is in accordance with the Employment Standards Act, 2000 (ESA) of Ontario. All provisions regarding scheduling, compensation, and employee rights are compliant with the ESA.

Review

This policy will be reviewed regularly but at least once per term of Council or as required due to legislative changes.



STAFF REPORT TO COUNCIL

Report No. 34-2025

Date: 5/20/2025

From: Matt Locke, Director of Operations
Matthew Armstrong, Chief Administrative Officer & Treasurer

RE: Marina Dock Electrical Upgrade Required

Recommendation:

That Council approve an additional \$70,000 to complete the required marina dock electrical upgrade work as part of the Project Budget to replace Docks B, C, and D.

Background:

In March 2025, Council approved a total cost of \$493,000 for the replacement of Docks B, C & D. The project had an approved budget of \$500,000.

There was also an approved contingency of \$40,000 from the Dedicated Infrastructure Reserve for this project. This contingency was to cover any additional unforeseen items such as anchor replacement and electrical service upgrades required as part of the project.

An electrical service design was completed as part of the tender award, which has resulted in the determination that substantial upgrades are required as part installing electrical pedestals on Docks B, C & D. The total required electrical load of the docks in the marina (along with the marina building) exceeds what is available from the existing 800-amp service available in the lighthouse building. This increased service requirement is due to increased demand for 50-amp service on docks as well as modern GFCI and safety requirements for new marina electrical infrastructure.

To upgrade the electrical service, a new 400-amp panel at the east end of the marina, to service Docks A and B, is required. This panel would have a separate electrical connection and not be part of the existing 800-amp Marina service. The existing panel supporting docks A, B, and C would then be dedicated to Dock C. Upgrades within the lighthouse building are also required to provide the required dedicated panel to Dock D, which is currently fed from the Marina building.

PRESCOTT

EST 1784

THE FORT TOWN

The proposed cost to complete the upgrades is \$102,000, which exceeds the existing total approved project budget. The original contingency was estimated assuming additional 200-amp services may be required. The requirement for an additional 400-amp service along with the changes to how Dock D is fed, were not anticipated and is more costly than what was accounted for in the project total budget.

Alternatives:

The contractor had initially proposed an additional 800-amp service be installed at the east end of the Marina. This upgrade is more costly but would provide significantly more available electrical service than is currently required. This would create future capacity for the Pop-Ups site as well as the Heritage Waterfront Trail if future development is anticipated. The cost for an upgrade to an 800-amp service and panel is \$175,000 which is well beyond the total project budget.

Not proceeding with the required upgrades will result in some boats needing electricity on docks B, C, and D to not be able to access it which would likely result in them leaving the marina.

Financial Implications:

The required electrical service upgrades are \$102,000, will result in an overage of approximately \$70,000 from the initial total Project Budget. Staff is recommending that the additional \$70,000 be covered by the 2026 annual contribution to the Dedicated Infrastructure Reserve fund. This would align with the decision to compress the dock replacement schedule from 2 years to 1 for Docks B, C, and D. The current annual contribution to the Dedicated Infrastructure Fund is \$464,225. The estimated annual contribution for 2026 to the Dedicated Infrastructure Reserve fund will be \$532,000, assuming the continuation of the 1% increase property tax increase dedicated to infrastructure.

Attachments:

None



STAFF REPORT TO COUNCIL

Report No. XX-XXXX

Date: 5/20/2025

From: Matthew Armstrong, Chief Administrative Officer and Treasurer

RE: Prescott Family Medical Associates – Support Request Update

Recommendation:

For information.

Background:

On December 2, 2024, Prescott Council passed the following motion in relation to the request by the Prescott Family Medical Associates (PFMA) for financial support to lower overhead costs.

That Council approve a three-year commitment up to \$7,333 per year to the Prescott Family Medical Associates to lower overhead costs: AND

That Staff be directed to work with Augusta Township, and the Township of Edwardsburgh Cardinal, to develop an agreement that addresses the financial request made by the Prescott Family Medical Associates to lower overhead costs.

Staff from the three partner municipalities have been working with a lawyer to draft an agreement. A draft of the agreement was shared with the Executive Director of the Prescott Family Health Team on April 4, 2025. The intention was for the draft agreement to be brought forward to the Tri-Council meeting scheduled for May 29th, however, the Relay for Life event is on the same date which would conflict with the ability for all Council members from the three partner municipalities to be present at the meeting. To elicit feedback from the three Councils without further ado, the draft agreement is instead being brought to each Council separately.

Analysis:

The following are highlights from the draft agreement which are aimed at supporting the Prescott Family Medical Associates financial request, while also addressing the priorities of the municipal partners. This includes new patient priority access for residents and the integration of the recruitment efforts of the Prescott Family Medical Associates / Health Team with the county wide initiative through Health Force



Innovations. The recruitment of an additional physician would result in a proportional decrease in the share of overhead per physician, which would achieve the original purpose of the financial request thereby allowing the agreement to be terminated.

- The term of the agreement is from April 1, 2025 to April 1, 2028
- The total rent increase is \$32,516.16, however one of the Physicians is also part of the Landlord group for the space being rented. Once one third of the increase is removed the remaining increase is \$21,677.44. Split into three equal parts results an annual contribution of \$7,226.00 (rounded to the nearest whole dollar) per municipality.
- PFMA shall utilize the Grant for the sole purpose of subsidizing the increased rental costs associated with the Clinic.
- During the Term, the PFHO, PFMA, and PFHT shall not be entitled to receive any other grants, funds, or subsidies from any of Augusta, Prescott and Edwardsburgh/Cardinal for any purpose whatsoever including but not limited to funds for community programming or special events.
- On or before February 28th of each year during the Term commencing on February 28, 2026, PFMA shall provide each of Augusta, Prescott and Edwardsburgh/Cardinal with a copy of its annual financial reports prepared in accordance with generally accepted accounting principles, together with a copy of a ledger tracking the use of the Grant for the most recent year of the Term.
- The PFHT shall make reasonable efforts during the Term to recruit a fourth physician to provide primary care services at the Clinic. In addition to the financial reporting required by section 3 of this Agreement, the PFHT shall, on or before February 28th of each year during the Term, provide Augusta, Prescott and Edwardsburgh/Cardinal with a detailed description of all steps taken to recruit a fourth physician which description shall include a list of all candidates contacted by PFHT or PFHO, interviews conducted, and incentives offered.
- In the event that PFHT recruits a fourth physician, PFHT shall immediately provide written notice to Augusta, Prescott and Edwardsburgh/Cardinal.
- During the Term, PFHT will ensure that any primary care provider availability is allocated to residents of Augusta, Prescott and Edwardsburgh/Cardinal.
- All advertisements for new patients must state that priority will be given to residents of Augusta, Prescott and Edwardsburgh/Cardinal.



- Termination clauses were added along with general provisions for the agreement

Alternatives:

None.

Financial Implications:

This amount was included in the 2025 Project Budget and is being supported by the contribution to the reserve that resulted from a lowering of the St. Lawrence Lodge levy increase in 2024 in the amount of \$102,136.

Attachments:

Cost Sharing Agreement – Draft

COST SHARING AGREEMENT

BETWEEN:

PRESCOTT FAMILY HEALTH ORGANIZATION

(“PFHO”)

-and-

PRESCOTT FAMILY MEDICAL ASSOCIATES

(“PFMA”)

-and-

THE CORPORATION OF THE TOWNSHIP OF AUGUSTA

(“Augusta”)

-and-

THE CORPORATION OF THE TOWN OF PRESCOTT

(“Prescott”)

-and-

THE CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

(“Edwardsburgh/Cardinal”)

WHEREAS PFMA has requested financial assistance from Augusta, Prescott, and Edwardsburgh/Cardinal to help cover the costs associated with operating the clinic located at 555 King Street West, P.O. Box 729, Prescott, ON K0E 1T0 (“the Clinic”).

AND WHEREAS the owner and landlord of the Clinic has increased PFMA’s annual base rent by \$32,516.16.

AND WHEREAS PFMA has stated that it may be unable to operate the Clinic without financial assistance from August, Prescott and Edwardsburgh/Cardinal.

AND WHEREAS PFMA is affiliated with the Prescott Family Health Organization (“PFHO”) which is composed of three (3) physicians being Dr. Bhatt, Dr. Cooke, and Dr. Felemegeos.

AND WHEREAS The residents of Augusta, Prescott and Edwardsburgh/Cardinal benefit from the primary care programs offered by PFHO.

NOW THEREFORE in exchange for the mutual promises contained herein and the sum of \$1.00 and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

1. TERM:

- 1.1 The term of this Agreement shall commence on April 1, 2025, and shall expire on April 1, 2028 ("the Term") unless otherwise terminated in accordance with the terms herein.
- 1.2 The Term may not be extended by any of the parties hereto.

2. GRANT:

- 2.1 For the duration of the Term, each of Augusta, Prescott and Edwardsburgh/Cardinal shall make a single, annual payment in the amount of **\$7,226.00** to PFMA ("the Grant") on April 1st of each year during the Term with the first payment due on April 1, 2025, and the last due on April 1, 2027.
- 2.2 PFMA shall utilize the Grant for the sole purpose of subsidizing the increased rental costs associated with the Clinic.
- 2.3 During the Term, the PFHO/PFMA, shall not be entitled to receive any other grants, funds, or subsidies from any of Augusta, Prescott and Edwardsburgh/Cardinal for any purpose whatsoever including but not limited to funds for community programming or special events.

3. FINANCIAL REPORTING:

- 3.1 On or before February 28th of each year during the Term commencing on February 28, 2026, PFMA shall provide each of Augusta, Prescott and Edwardsburgh/Cardinal with a copy of its annual financial reports prepared in accordance with generally accepted accounting principles, together with a copy of a ledger tracking the use of the Grant for the most recent year of the Term.

4. RECRUITMENT OBLIGATIONS:

- 4.1 The PFHT shall make reasonable efforts during the Term to recruit a fourth physician to provide primary care services at the Clinic. In addition to the financial reporting required by section 3 of this Agreement, the PFHT shall, on or before February 28th of each year during the Term, provide Augusta, Prescott and Edwardsburgh/Cardinal with a detailed description of all steps taken to recruit a fourth physician which description shall include a list of all candidates contacted by PFHT or PFHO, interviews conducted, and incentives offered.
- 4.2 In the event that PFHT recruits a fourth physician, PFHT shall immediately provide written notice to Augusta, Prescott, and Edwardsburgh/Cardinal.

5. PATIENT PRIORITY:

- 5.1 During the Term, PFHT will ensure that any primary care provider availability is allocated to residents of Augusta, Prescott, and Edwardsburgh/Cardinal.
- 5.2 All advertisements for new patients must state that priority will be given to residents of Augusta, Prescott, and Edwardsburgh/Cardinal.

6. TERMINATION:

- 6.1 Either party shall be entitled to terminate this Agreement upon giving the other party no less than sixty (60) days written notice prior to April 1st of each year of the Term.
- 6.2 This Agreement shall automatically terminate in the event that the PFHO recruits a fourth physician to work at the Clinic at any point during the Term.
- 6.3 Subject to clause 6.4 of this Agreement, the PFMA will not be required to pay any amounts back to any of Augusta, Prescott and Edwardsburgh/Cardinal already disbursed during any given year of the Term. For example, if this Agreement is terminated prior to April 2026, the PFMA will not be required to pay any portion of the 2025 Grant back to Augusta, Prescott and Edwardsburgh/Cardinal. However, PFMA would not be entitled to the Grant monies otherwise payable pursuant to this Agreement on April 1, 2026.
- 6.4 This Agreement shall automatically terminate in the event that PFMA utilizes any portion of the Grant for any purpose other than rental costs at the Clinic. In the event that any portion of the Grant is spent elsewhere, PFMA shall be obligated to repay to Augusta, Prescott, and Edwardsburgh/Cardinal any amount applied to other costs with such repayment to be made within thirty (30) days of the termination of this Agreement.

7. NOTICE:

- 7.1 Any notice, report or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice, report or other communication is expressly accepted by the party to whom it is given by being delivered to an officer of such party during normal working hours, emailed or mailed to the following addresses of the parties respectively:

To Prescott Family Medical Associates:

555 King Street West
Prescott, ON K0E 1T0
F: (613) 925-1238

To the Corporation of the Township of Augusta:

3560 County Road 26
Prescott, ON K0E 1T0
F: (613) 925-4231

To the Corporation of the Town of Prescott:

360 Dibble Street West
Prescott, ON K0E 1T0
F: (613) 925-4381

To the Corporation of the Township of Edwardsburgh/Cardinal

18 Centre Street
Spencerville, ON K0E 1X0
F: (613) 658-3055

Any notice, report or other written communication, if delivered, shall be deemed to have been given or made on the date on which it was delivered to any employee of such party, or if mailed, postage prepaid, shall be deemed to have been given or made on the eighth business day following the day on which it was mailed (unless at the time of mailing or within forty-eight hours thereof there shall be a strike, interruption or lock-out in the Canadian postal service in which case service shall be by way of delivery only). Any party may at any time give notice in writing to the other parties of the change of its address for the purpose of this section.

8. GENERAL:

- 8.1 The effective date of this Agreement is the date on which the latter party signs it.
- 8.2 The interpretation of this Agreement shall be governed by the laws of Ontario or Canada applicable thereto.
- 8.3 There are no representations, collateral agreements, warranties, or conditions affecting this agreement. There are no implied agreements arising from the terms herein, and this agreement constitutes the entire agreement between the parties.
- 8.4 Any amendments to this agreement must be in writing, signed by both parties, dated, and witnessed.
- 8.5 Both parties shall execute any such further and other documents as may be necessary to give effect to the terms contained in this agreement.
- 8.6 Nothing herein shall be construed to constitute the parties as employer/employee, partner, joint venturers, co-owners or otherwise as participants in a joint or common undertaking. None of the parties, nor any of their employees, agents, or representatives shall have any right, power, or authority to act or create any obligation, expressed or implied, on behalf of any other.
- 8.7 The headings as to the contents of particular paragraphs herein are intended only for convenience and are in no way to be construed as a part of this Agreement or as a limitation of the scope of the particular paragraphs to which they refer.
- 8.8 The terms and conditions of this Agreement shall be binding upon the parties and shall extend to and bind the heirs, personal representatives, successors and assigns as applicable.
- 8.9 If any provision of this Agreement is held to be illegal, invalid, or unenforceable at law it shall be deemed to be severed from this Agreement and the remaining provisions hereto shall continue to be in full force and effect.
- 8.10 This Agreement may be executed and delivered as follows:
 - (a) this Agreement may be signed in one more counterparts, as may be convenient or required. All counterparts of this Agreement will collectively constitute one document.

(b) This Agreement or any counterparts may be signed by electronic means and will bind any such party the same way as the party's handwritten signature would.

(c) Delivery of a signed Agreement or any signed counterparts by facsimile and/or electronic mail or other electronic means will be sufficient, and an electronic copy will have the same effect as an original executed Agreement.

8.11 The effective date of this Agreement shall be the date of which the last party hereto executes this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

On behalf of Prescott Family Health Organization/Prescott Family Medical Associates

By: _____
Name: _____
Title: _____

Date: _____

On behalf of Prescott Family Health Organization/Prescott Family Medical Associates

By: _____
Name: _____
Title: _____

Date: _____

The Corporation of the Township of Augusta

By: _____
Name: Jeff Shaver
Title: Mayor

Date: _____

By: _____
Name: Shannon Geraghty
Title: Chief Administrative Officer

Date: _____

The Corporation of the Town of Prescott

By: _____
Name: Gauri Shankar
Title: Mayor

Date: _____

By: _____
Name: Matthew Armstrong
Title: Chief Administrative Officer/Treasurer

Date: _____

The Corporation of the Township of Edwardsburgh/Cardinal

By: _____
Name: Tory Deschamps
Title: Mayor

Date: _____

By: _____
Name: Sean Nicholson
Title: Chief Administrative Officer

Date: _____

-----END OF AGREEMENT-----

**THE CORPORATION OF THE
TOWN OF PRESCOTT**

BY-LAW NO. 24-2025

**A BY-LAW TO ADOPT THE PROCEEDINGS OF THE
COUNCIL MEETING HELD ON MAY 20, 2025.**

WHEREAS, Section 5(3) of *the Municipal Act, 2001 S.O. 2001, c.25, as amended*, provides that Council's powers shall be exercised by by-law; and

WHEREAS certain actions of Council do not require the enactment of a specific by-law;

NOW THEREFORE BE IT RESOLVED THAT, the Council of the Corporation of the Town of Prescott enacts as follows:

1. Subject to Paragraph 3 of this by-law, the proceedings of the above-referenced Council meeting, including all Resolutions, By-laws, Recommendations, Adoptions of Committee Reports, and all other motions and matters decided in the said Council Meeting are hereby adopted and confirmed, and shall have the same force and effect, as if such proceedings were expressly embodied in this by-law.
2. The Mayor and Clerk are hereby authorized to execute all such documents, and to direct other officials of the Town to take all other action, that may be required to give effect to the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law.
3. Nothing in this by-law has the effect of conferring the status of a by-law upon any of the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law where any legal prerequisite to the enactment of a specific by-law has not been satisfied.
4. Any member of Council who complied with the provisions of Section 5 of the Municipal Conflict of Interest Act, R.S.O. 1990, Chapter M.50 respecting the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law shall be deemed to have complied with said provisions in respect of this by-law.

READ AND PASSED, SIGNED AND SEALED THIS 20th DAY OF MAY 2025.

Mayor

Clerk