



**Changes to the Agenda
Special Council
February 2 2021**

Additions

Communications (Item 4)		Page
Item 4 A)	2021 Budget Deliberations Re: Use of the Legacy Fund	5-61
	Anthony Suprun	5
	Peter Muise	
	Carolyn Bedell	
	Scott Spencer	
	James Macgowan	
	Sarah McLaughlin	
	Patricia Blacker	
	Elizabeth Pollock	15
	Sheryl O'Hoski	
	Doug Rixmann	
	Peter Dasilva	
	Allen Murray	
	Regan Vankerrebroeck	
	Peggy Wilkins	
	Jon & Amy Sovereign	
	Lisa Layden	
	Chris Burroughsford	25
	Edd King	
	Jean Woolley	
	Peter Jaffray	
	Dave Kent	
	Robert Andrews	
	Michael Cruse	
	Leo Stutzmann	
	Daphanie Cole	
	Tanner Matschke	
	Mike Fredericks	35
	Bob Taylor	
	Patricia Spencer	

Ian Malo
Jeff Mereweather
Gordon Malo
Murray Uren
Muir M Sumner
[J.J. Knott](#) 45
Roger & Mary-Lou Wildfong
Frank Niville
Carol Chesney
Bill MacIntyre
Eric Pond
Joanne Fraser
Jim Norman
Andrew Davidson
Robert Andrews
Shawn Boka
Wayne Thayer
Donna Green
[Garfield Eaton](#) 55
Susan Boughner
Carolyn Bedell
Amy Vandertuin
Robert Andrews
Doug Ferguson
John Deans
Devin Turner
Joanne Fraser
George Maxin
Brad Miller
Joanne Fraser
Kelly Walsh
Laura Gunnell
David McIntosh
Carla Mels
Deborah McEwan
Jeff Greenfield
Kathleen Maguire

Information Package Additions

Staff Memos (Item 6)

6 B)	Kevin Klingenberg, Deputy County Clerk Re: Request for Information on Legacy Fund from Councillor	
A)	Policy FS-29: Norfolk County Legacy Fund	63
B)	Staff Report F.S.18-33	69
C)	Resolution Staff Report F.S.18-33	74
D)	Staff Report F.S.17- 35	75
E)	Resolution Staff Report F.S.17- 35	79
F)	By-Law 2017-88	80
G)	By-Law 2015-95	81

On Feb 1, 2021, at 11:31 AM, Cathy Suprun < > wrote:

Good morning Mayor Chopp and Amy, we wanted to send you a short note indicating our objection to another massive property tax increase for the 2021 year; and, our support for utilizing the Legacy fund reserve to offset such a massive increase. We are not borrowing from a third-party. We are borrowing from a reserve fund intended for use by the Norfolk County community.

In the Covid period, commercial properties are closed down and have no revenue... only expenses, and frankly, federal, provincial and now municipal taxes are one of the major expenses for the small business property owner.

Another increase such as last year will not only devastate the commercial sector; but, in many cases will leave no option but to close down. The trickle-down effect will be, the loss of tax revenue for all levels of government, loss of employment and loss of income tax revenue for our federal and provincial governments. Vacant buildings empty for years to come.... Just take a look at your downtown business areas as a good example. Loss of business... equals loss of employment... equals increased expenses and decreased revenue for governments at all levels not to mention the need for Supporting social programs for the unemployed. All are a drain on government coffers.

There are so many negative effects to another year of massive tax increases. I could go on for paragraphs; but, I know Our council understands the gravity of the situation and that is why you have asked for a public input. Congratulations on that move. Both Cathy and I fully support our new council and know they are doing their very best; notwithstanding, the challenging period with which we are all faced.

This is not the time for another massive property increase. I will repeat, we are not borrowing money from a third-party, we are using money from a reserve fund intended for use in the governance of Norfolk County.

I'm asking that you share this with all members of council. We wish all of council, the very best of the year 2021; and, much wisdom in your preparation of the current fiscal year budget.

Sincerely,
Anthony J. Suprun BSc., PEng., MPA, CMM 111

Greetings:

I am writing as prompted on social media by Councillor Martin to comment on the use of the Legacy Fund to help fund the 2021 Operating Budget (i.e. The Levy Relief Strategy)

Mary-Jayne and I moved to Port Dover from Brantford in 2018. That year we attended the Port Dover candidate debate, voted in the Municipal election and have tried to follow local government activities since.

I was involved in audits and then worked in municipal finance early in my career, and continue to have some interest in that area. However I must admit I have not been following Norfolk's budgeting as closely as I should.

I am not at all in favour of using reserves to fund normal operations of the county. I read that previous councils have done so and I understand that puts our current council under tremendous pressure. I applaud them for tackling this difficult issue. However I don't believe you should "borrow" from a fund and then expect future councils to repay it. Way back when I worked in municipal finance (80's), long term borrowing was by debenture and needed Provincial approval, meaning current councils could not unilaterally commit future ones. Would "borrowing" from The Legacy Fund follow this procedure?

I notice the draft budget includes provisions for rebuilding depleted reserves. I think this is a great idea. However it makes no sense to me that while putting additional money in some reserves, you would at the same time reduce others (the Legacy Fund). This seems counter productive. If the Legacy Fund can be replenished in future years, then why not reduce current catch up contributions to other reserves (where not legislatively required) and replenish more quickly in the future with the funds you were going to tag for Legacy Fund repayment?

There is lots of talk about current and future year rate increases. Of course taxpayers want the current increase to be at or below inflation, when has anyone preferred otherwise? But what about the past years' "artificially low tax increases"? What would the current tax rate be if past rates were levied as more appropriate? Perhaps this council should consider part of current large increases to be getting us where we would have been otherwise. How does my tax bill compare to similar homes in peer municipalities?

Of course the best way to reduce the tax levy is to have taxes from new assessment tax exceed the increased cost to service it. I encourage council to continue to aggressively solve infrastructure issues (water in particular) so that the development freeze can be lifted, and to pursue strategies that would attract industrial assessment.

Thank you

Peter Muise

From: Carolyn Bedell
Sent: Monday, February 1, 2021 10:15 AM
To: NC Clerks
Subject: Budget Levy

Hello, in terms of budget levy, I would appreciate understanding where the "refund" from the Community Hub comes into play. Does it offset the amount of either levy or debt in 2021 year?

As much as I do not like increased taxes, I would recommend a 5 -6% increase for this year and the next. We have to lower the debt and not keep punting it down the line. There will always be some who are stretched, but so is the county as a whole. Taxes go with the privilege of home ownership. I cannot take on 12%, but 5 or 6 is reasonable.

--

Kindest Regards,

Carolyn Bedell

Sent from iPhone

From: Scott Spencer
Sent: Monday, February 1, 2021 9:36 AM
To: NC Clerks; CCS Mayor and Councillors
Subject: legacy fund

Hello All I am strongly against and further use of legacy funds until Council can show us financial responsibility.

Projects such as adding sidewalks, arenas, new purchases or anything of the kind anywhere should be scrapped until further notice. Every time Council responds to residents asking for something they are going to experience increased costs and will open doors for the rest of us to ask for our own wishes. User fees should increase dramatically everywhere. I don't understand burdening residents for services they do not use or even want. All fees should be borne by users, especially out of towners. Times are changing and the cost of doing anything has outpaced funding. Creative solutions are critical NOW. Raising taxes every year is NOT A SOLUTION. There are many people who cannot afford to live as they are accustomed. Users fees should be the number one increase.

Arenas need to move closer to being self sufficient, revenue increases from bylaws enforced could be realized, wage reduction should be considered, new higher home development fees need to be reconsidered, contracting with outside services such as consultant fees need to stop for both residents and county (I think we have staff that are supposed to be competent), non profit exemptions need to be revisited, etc. There are many valuable residents that are not being asked for their assistance.

Of all solutions for any corporation that is hemorrhaging money, Borrowing more money isn't the answer.

Best regards
Scott Spencer

On Jan 31, 2021, at 9:14 PM, James Macgowan < > wrote:

I have lived in Waterford for over 65 years & have been paying property tax for 43 years, retired for 13 years.

Previous councils depleted the reserve fund & had very low tax increases that got us in this mess. I feel the Legacy fund should be used as a last resort. Tax increases need to follow expenditures in the range of 6-8 percent. Having another low tax increase only causes problems in the future.

James MacGowan

From: Sarah McLaughlin
Sent: Saturday, January 30, 2021 5:04:27 PM
To: clerks@norfolkcounty.ca <clerks@norfolkcounty.ca>
Subject: Legacy Fund- 2021 Budget

RE: Legacy Fund

I believe the legacy fund should not be used to offset the 2021 tax increase.

This decision was made based on my lack of confidence in Norfolk County being able to generate an increased annual revenue large enough to not only offset the forecasted 3.7% loan interest rate in addition to the amortization installments, but not enough to consistently stabilize or decrease annual taxes. I believe service cuts and the idea of utilizing a legacy fund to decrease annual tax rates only masks the County's lack in revenue generation and therefore does residents and local business owners a disservice by providing an illusion of tax rate reduction for a recurring revenue issue. Residents and businesses owners should be subjected to the actual tax increases without the legacy fund loan in order to allow for long term budgeting and a realistic conversation of being financially feasible to continue to reside, do business, and grow locally in Norfolk County.

I believe the legacy loan would have been preferred should Norfolk County have had a better revenue generation plan to offset future tax increases. The legacy fund would have provided residents and businesses time to grow their financial roots and stabilize their long term budgets which would have only been beneficial if the County could guarantee tax rate stabilization. Without being able to assess the County's ability to generate increased revenue and not being able to foresee major infrastructure developments and correlating costs, we, the tax payers of Norfolk County, should not risk further debt and subject ourselves to interest by not using the legacy fund loan in a time of financial uncertainty.

We can plan, budget, and manage our expenses better for the long term if we are faced with the raw rate increase now instead of masking the increase with a +7M loan when the County has such an unpredictable financial future. This decision should be weighed against the majority of the County's ability to afford these immediate increases as it would not be worth turning down the loan if it is not financially feasible for the majority of residents and businesses.

Either way the increase will happen. It's merely a difference of immediately or over time with added interest. The loan only buys Council time to take additional cuts and generate revenue to prevent future major increases. You can't make conscious financial forecasts with hopes that you will find more areas to cut and pray the community does not require infrastructure investments/overhauls which in my opinion, will happen.

For myself, it is financially feasible and therefore I am respectfully declining the notion of utilizing a legacy fund loan at this time.

Regards,
Sarah McLaughlin

From: Patricia Blacker
Sent: Sunday, January 31, 2021 5:50 PM
To: NC Clerks
Subject: Norfolk County budget

Hi;

This email is for The Mayor, all members of Council and Norfolk County Management. I know there is a very important meeting scheduled for Tuesday February 2, 2021. Please ensure this response is included for that meeting.

I have taken the time to watch each of the budget sessions. I have read all the additional information posted on multiple social media platforms. I have also listened to the radio and read articles in our local newspapers. I have read all the information posted by Norfolk County on the website.

Do I consider myself an expert? No.

Do I think that I am well informed? Yes.

It concerns me that this Council is quite willing to reduce staff to save money, but won't close a waste transfer station that is in disrepair and rarely used. Changing that decision is warranted. Preserving the convenience of that transfer station for a few residents is ridiculous. If it saves just one staff position, you are assisting a local family to maintain their residence here, raise their family and continue to contribute to their community, Yes, our community.

Both previous Councils and this current Council have jumped on plans that looked good without considering the fine print of the contracts or the long term implications. That's why we face budget issues time and time again. The most recent blunder is the land purchased for The Hub. We wait and wait to get our money back. I could also refer to the bickering among members, complaints regarding behavior that resulted in crazy legal fees, inappropriate staff contracts with inflated costs at termination/resignation. How about the water supply issues? Or a retirement decision right before budget deliberations. Highly inappropriate! The timing was very convenient for the Councilman but terrible for his constituents. They shout that they are not represented at this serious time of deliberations and they are correct. Should I go on? I believe that it is not necessary as the message is loud & clear, right??

The current debate is to tap into our savings, better known as the Legacy Fund. Not once, but twice! \$5 million this year and \$2.5 million the following year. This is a senior staff recommendation. Remember, it's not their money. Many senior staff have left the County for greener pastures and I have no doubt that others will follow suit. Some have provided input to Council that was tainted as they have not declared conflict of interest. This is unacceptable. Yet those staff remain and continue to provide input on a regular basis. I, like so many others, question those staff members integrity. They stay for their incomes, not the betterment of the County.

This plan appears an easy fix for current Council. It appeases the general public and appears that your actions have 'saved' our taxpayers money. Of course this is far from reality. Tax increases will be required each and every year to pay back this fund, which in turn adds to our potential tax burden. The current rate recommended by Mr Burgess is 3.7% Yet the majority of us can get a loan at 1 or 2%. Plus this will reduce our overall credit rating. No one seems concerned about this but I am and I am sure that there are many others who are too!

Plus, this Council may or not be elected at the time these funds start being re-paid, in essence dumping the problem on the next elected Council. The new Mayor and Council could at that time choose to not repay the funds. We then lose \$7.5 million. If I was a gambler, I would say the odds are very high that they will choose to not repay the funds. Why? They don't want the angry taxpayers response to an additional tax burden that they didn't create.

The Mayor and this Council have repeatedly complained about the prior Mayors and Councils making decisions that have adversely affected their time on Council. Yet each of you are considering making the exact same choice. Why? Have you not learned that poor decisions affect each of us? Elected, employees or citizens. We are all in this mess together.

Most of you had in your election platforms the desire to clean up the mess and make positive but tough decisions for our future. You were elected because constituents wanted positive changes and were prepared to face the short term consequences for a better future. Yet you are so ready to take an easy fix, with future consequences. Why??

If you consult with any investment advisor, economist, accountant or a successful entrepreneur you will get the same advice. Set a budget with your actual income and expenses. Reduce your expenses where possible. Is it hard? Absolutely but its necessary. Spend much less than you earn. Why? You then have available income for unexpected expenses. Invest a good portion to regularly contribute to your savings. Those savings are for long term. For the average person its usually a home, children, retirement. For businesses it's to expand. For government it is security for the future of its citizens, not its staff or elected officials. What's left, if anything from that income is for your wants/perks. How many of you do this with your income, your family income? The majority of your constituents certainly do. If you do it with your personal budget why are you willing to do something so different for Norfolk County?

There is a old saying that is very appropriate here; "do not rob Peter to pay Paul". To tap into the Legacy Fund is robbing Peter to save face with Paul aka your constituents. It saddens me that each of you are willing to jeopardize Norfolk County's future, the future for our youth, on improving your perception that the choice to increase taxes will reflect badly on you and you may not get re-elected. I can assure you that there are some of you whose known actions will have that same result. There is also the potential for more retirements, which to be frank is necessary for the future, our future. Old

practices are not going to take us forward. We need to embrace the future, be innovative and progressive.

By choosing to keep the Legacy Fund intact and allowing it to grow through good investment practices we secure our future. That is the best choice, really the only choice!

Yes, the tax rate will increase. It is minimal considering the number of staff who will be unemployed. The impact on them and their families is a sad reality of your decisions. Yet, there seems no remorse for them. Why?

If you own property in Norfolk County you can afford a property tax increase. It results in a minimal increase to a property owners budget. It is much less than costs related to property maintenance such as landscaping, snow removal, new deck, new roof, new furnace etc. Many of our citizens are new residents, having sold their homes in the GTHA with great profit, bought here for less and banked the profits, bought other property etc. They can afford the increase. Most homeowners or property owners have secure income, savings and will adjust their budgets to pay their taxes. Do we have some owners who will not? Yes, but it's not because of the minimal increase but poor financial management. There are currently owners who owe significant amounts to the county, we need to take action and get our money. That too helps the budget!

When, if ever, we receive our money back from the owners of the Hub lands, and I sincerely hope sooner rather than later. Let's use the money to reimburse the accounts it was removed from and if, I say if, there is any additional funds apply them to the budget.

This email is not to accuse, but to enlighten, reminding each of you why you were elected, your obligation to be transparent, honest and accountable for each decision and action. You each wanted this responsibility and stated you had the best interests of the whole county at heart. It's time to act with integrity and face the consequences of a higher tax rate. Yes, there will be angry voices. There will always be people who disagree. But when those voices are loud, calmly respond by informing them of all the parameters of this decision.

Continue to act for the best for every citizen, current and future, for that is what will make our County stronger and successful. Those of you who are strong enough to make this tough decision will be recognized as true leaders. That your actions reflect the future you can see for each of us and those who inherit our community. The probability is that you will be re-elected because you were consistent, honest and acted responsibly.

Thank you,
Patricia Blacker
Property owner in Port Dover

From: Elizabeth Pollock < >
Sent: Sunday, January 31, 2021 5:19 PM
To: NC Clerks
Subject: Legacy Fund

I am a Port Dover resident since August 2019.

I wholeheartedly DISAGREE with borrowing from the Legacy Fund to defer tax increases.

It sets a dangerous precedent and will cost more in years to come, as well as lower our credit rating.

Regards,

Elizabeth Pollock

From: Sheryl O'Hoski < >
Sent: Sunday, January 31, 2021 5:16 PM
To: NC Clerks
Subject: Legacy Fund options

We do not believe that borrowing from the Legacy Fund should be done to reduce this years property tax levy. It will be painful for our residents but is totally in keeping with the intent of the Fund. Settling a precedent like this could embolden future councils to do the same. We say grit your teeth and do the right thing this year and maybe the following years will present a reduced % increase.

Regards,
Sheryl and Len O'Hoski
Port Dover, ON

From: Doug Rixmann < >
Sent: Sunday, January 31, 2021 4:48 PM
To: NC Clerks
Subject: Reserve Fund

We should not be pulling from the reserve fund. There are cuts and user fees that should increase.

Doug Rixmann
Simcoe ON

From: Peter Dasilva < >
Sent: Sunday, January 31, 2021 4:21 PM
To: NC Clerks; Tom Masschaele; Amy Martin
Subject: Budget Considerations

Hi Tom,

As a property owner in Long Point, I am not in favour of borrowing from the legacy fund. While it may reduce the impact this year, its clear that based on the numbers being provided by staff, in the long term this will end up costing us more.

Its dangerous for council to be opening up this borrowing as the precedent will be set for other councils to also "borrow" from it.

Again, as a property owner I understand that this means higher levies but this current borrowing proposal is more like a cash advance loan, it will help get the monkey off our back today, but the gorilla is coming.... Do not vote for borrowing from the legacy fund.

Peter Dasilva

Long Point ON

From: Allen Murray < >
Sent: Sunday, January 31, 2021 4:19 PM
To: NC Clerks; Kristal Chopp; Tom Masschaele
Subject: Input for borrowing from Legacy Fund.

Input by community members has been asked for regarding borrowing from the Legacy Fund.

My understanding is that the initial \$5M planned to withdraw from the fund will not dip into the principal of the fund. I am in favour of this. Otherwise why have the fund at all? Is it just to accumulate and not be spent?

However, I am 100% opposed to another withdrawal in 2022 that will dip into the principal. Even if this means my taxes will go up more (don't ask me about holding tank disposal fees).

Allen Murray

[Long Point](#)

On Jan 28, 2021, at 9:30 PM, Regan Vankerrebroeck < > wrote:

Dear Ms. Martin,

I am writing this email voice my concerns around the use of the Legacy Fund to reduce the raise in property taxes. As I have listened over the last number of years about the state of the county's finances, I am not surprised that our taxes have increased as they have. I also have listened as council has discussed the lack of reserve funds due to using them to shrink tax increases in the past. I realize that increasing property tax is difficult on some, especially during a time where businesses are closed, but please do not allow the Legacy Fund to be used for this purpose.

When Norfolk County received these funds and stated they would be protected I was very sceptical. I feared that a parcel of money this large would be too tempting for councillors to keep their hands off. If the money is going to be used for something that will ultimately increase the tax base, and thus yield a return on investment in other ways than dividends, I would be interested in hearing about it. Based on past habits, I don't trust future councils to honour the repayment of this money. If we can't afford the services we have now, how will we be able to in the future if we continue to borrow money and not grow our revenue?

I realize that growing the local economy is difficult work, and one that I am not extremely knowledgeable of, but I believe that is our way out of this revenue problem, not borrowing more. I am excited with the expansion of broadband Internet to our rural communities. Hopefully this will encourage more people to live in our wonderful country and be able to work remotely and/or start new businesses here.

Thank you for taking the time to read this.

Sincerely,

Regan Vankerrebroeck
Port Dover

Sent from my iPhone

From: Peggy < >
Sent: Sunday, January 31, 2021 2:42 PM
To: NC Clerks; AmyMartin@norfolkcounty.ca; Mayor
Subject: Using Legacy Fund

Please be advised I do not support using the Legacy fund for levy relief. It is a short term solution which adds burden into the future. It is time to start being proactive and making choices that have better long term impact for our county.
Peggy Wilkins

Sent from my iPad

On Jan 29, 2021, at 1:53 PM, Robert Andrews < > wrote:

Dear Amy , I think you are doing a good job during these trying times , while I may not agree with everything you propose I do not doubt your sincerity and ability to do the job. I agree with your stance on the Legacy Fund we must not be tempted to use it , today is a royal pain I agree but tomorrow is unknown.

Truly , Bob Andrews

From: Jon & Amy Sovereign < >
Sent: Saturday, January 30, 2021 9:38 PM
To: NC Clerks
Cc: Amy Martin
Subject: Use of the Legacy Fund

Hi,

We are aware that the decision of whether to dip into the legacy fund was deferred to get more public input. Thank you for seeking input from residents.

We do not agree with using the legacy fund. It would be breaking the guidelines set out and would also set a precedent. In addition, this would only be a very short time fix. Norfolk needs to fix its financial situation and fix it long term. We understand that not using the legacy fund results in a big tax increase this year and it's a very tough year for many, but breaking the rules to fix that can't be the solution.

Thank you for your attention to this email.

Jon and Amy Sovereign

From: Lisa Layden< >
Sent: Sunday, January 31, 2021 12:28 PM
To: NC Clerks
Cc: Amy Martin; Mayor; Kristal Chopp
Subject: 2021 Budget - Legacy Relief Strategy -- no to a loan...

Hi,

This is the first time in my 60 years that I have ever reached out to council but I felt compelled to do so when I heard there is discussion around borrowing from the legacy fund.

I strongly oppose to borrowing from the legacy fund. I understand this has been and is continuing to be a tough time for many, but borrowing from the legacy fund is wrong and creates a dangerous and slipper precedent. I cannot believe council is even entertaining it.

Thank you for taking the time to read this and to consider it as you make your decision.

Lisa Layden

[Port Dover, ON](#)

From: chris burroughsford < >
Sent: Sunday, January 31, 2021 9:59 AM
To: NC Clerks
Subject: Legacy fund loan

To Whom it may concern :

My name is Chris Burroughsford and I currently reside in Port Dover. I've been following the budget process this year quite closely as it seems every other day the cost of living here is going up, up and up. I don't pretend to think that services and life in general here isn't more expensive - we're at the end of the line compared to our GTHA neighbours. One thing I do know is that we have the second highest water rates in Ontario (soon to be #1 with the latest 50% hike over 10 years) yet we live right beside the Lake. We pay more for gas because well "we live in a tourist town", even though we have a refinery right in our backyard, and as of late we are seeing our property taxes rise into almost double digit increases yearly. I see in posts and tweets that most people are saying it's the nature of the beast. Well, for once it has a chance to NOT be. The option of borrowing \$5M from the Legacy Fund is on the table - and I personally say GO FOR IT. Stop blaming former councils, stop pushing hatred and just take the funds now and help the average citizen in this County. It's called a Legacy Fund for a reason. If it just sits there, not helping its constituents, what good is it ? It's a glorified slush fund. The taxpayers here actually own that Fund as we poured money into maintaining Norfolk Power. The powers that be that sold it took it upon themselves to be fiduciary guardians. That's where the ownership from council ends. They can be guardians, but they can't play God. When it really comes down to it - there should've been a county wide vote on it's use for this measure. At the end of the day - because a small tax increase may mean the world to somebody just getting by - JUST DO IT.

Sincerely
Chris Burroughsford

From: Edd K < >
Sent: Sunday, January 31, 2021 9:20 AM
To: NC Clerks; Amy Martin
Subject: Legacy Fund

I don't support borrowing from the Legacy Fund.
Making this tough decision now and finding additional saving quickly will provide a stronger foundation to create better fund availability in future years.
I fully endorse the rationale presented by Ms Martin on this budget option.

Edd King

From: Jean Woolley < >
Sent: Sunday, January 31, 2021 9:44 AM
To: NC Clerks
Subject:

Borrowing from the legacy fund is like those individuals who borrow from their RRSP and never get around to repaying and wonder why they have nothing to fall back on in later years. A real NO-NO !! You are borrowing from future generations.

From: Peter Jaffray < >
Sent: Saturday, January 30, 2021 9:34 PM
To: NC Clerks
Cc: Amy Martin
Subject: Legacy Fund

Dear Mayor Chopp & members of Norfolk Council,

I am emailing you in regards to your wish for public input pertaining to the borrowing from our legacy fund in order to soften the blow for taxpayers in regard to this year's budget. Upon reviewing the information that Councillor Martin put out on her Facebook account, I for one was shocked at the potential increases we the taxpayers face over the next five years. When it comes right down to it we will be subjected to the SAME increases whether we borrow from the Legacy Fund or if we just rip the bandaid off now

I watched the budget meeting last week and listened to comments about how people are struggling to meet their obligations due to the pandemic etc and I completely understand as I myself am retired and live on a fixed income but I hazard to guess that will be the case for many many years to come anyway when it comes to the ability to pay.

I implore council to NOT borrow from our Legacy Fund. I don't want an 8.8% tax increase any more than the next person. WE the voters, chose change over status quo when we elected all of you in 2018 and we expect that change to start today. Yes it comes with a price but it doesn't have to come with debt. I know your jobs are very tough but you have to make the hard choices today in order to be able to see light at the end of the tunnel tomorrow. I trust you will make the right decision.

Thank You to you all for your service to our county.

Regards,
Peter Jaffray
Port Dover Ont.

Sent from my iPad

From: Dave Kent < >
Sent: Saturday, January 30, 2021 7:59 PM
To: NC Clerks
Subject: Legacy Fund to borrow or not to borrow

Hello Norfolk County!

My immediate thought is Heck No as to borrowing from the Legacy fund.

But then I sit and think about it...
this is not the County current Staff or Council's problem alone. It dates back to many years of over and perhaps wrongful spending.

I do think we as a County need to get our act together. But I also think putting everything up for sale is not the solution either.

I work in the entertainment industry in Norfolk, primarily for my own business, Lighthouse Festival Theatre Corporation and Waterford Old Town Hall.

The reason I mention them is I do not believe they ever come to the county for funding requests of any major proportions.

So in closing, I say borrow the money.
The second reason I say this is mainly because the pandemic is also hurting all Canadians in many ways.

I do Not think it's fair to lay a super heavy tax increase on our community from past mistakes or miss-use of County Funds

Thank you

Dave Kent

From: Robert Andrews < >
Sent: Saturday, January 30, 2021 5:18 PM
To: NC Clerks
Subject: legacy fund

Dear Mayor and Council , If I have not already emailed about this before , Emphatically do not use the Legacy Fund for other than a catastrophe , this will pass and it will take some time and citizens will pay higher tax rates but leave the fund alone.

Thanks , Bob Andrews

From: Michael Cruse < >
Sent: Saturday, January 30, 2021 5:01 PM
To: NC Clerks
Cc: Amy Martin; Kristal Chopp
Subject: Legacy Fund Borrowing

Dear Councillors,

An 8.8% increase in taxes is absolutely absurd. When one looks around the province at other municipalities I think that would put this little rural county close to the highest tax increase this year. It would be a softer hit on taxpayers if our CPP and OAS were indexed at 8.8% this year but they obviously are not. As you are well aware, taxpayers have been losing their jobs this year at an alarming rate and government aids are nowhere near what is needed. Young adults are moving back with their parents to get a break from rental rates and covid issues that we all have to deal with. This is not the year to raise taxes so high - next year either! In my view there are more areas where fat can be cut. Please do not vote for an outrageous 8.8% increase in our taxes.

Thank you kindly for your work on council and making tough decisions.

Michael Cruse
Port Dover

From: Leo Stutzmann < >
Sent: Saturday, January 30, 2021 4:30 PM
To: NC Clerks
Subject: Legacy Fund

I support not borrowing from the Legacy Fund to Lower taxes. If it is a gift then yes but if we have to pay it back with interest then it does not make any sense because it is going to cost us more in the end.

Why we are so in the hole I don't know because every other jurisdiction does not have to swallow these high increases every year. Organization in Norfolk county is questionable.

Anyhow we should pay what we have to in taxes without borrowing from the Legacy Fund to lower taxes.

Sent from my iPad

From: Daphanie DiDi < >
Sent: Saturday, January 30, 2021 4:17 PM
To: NC Clerks
Subject: Borrowing from the legacy fund

I am writing to let you know as a Norfolk County tax payer I am not in favour of borrowing money from the legacy fund. We need to find ways to get our budget balanced, even if that means raising taxes without borrowing money we will later need to find some way to repay, plus the interest rates on the loan.

Daphanie Cole

From: Tanner Matschke < >
Sent: Saturday, January 30, 2021 3:47 PM
To: NC Clerks
Cc: Kristal Chopp; Ian Rabbitts; Ryan Taylor; Amy Martin
Subject: Do not borrow from the Legacy Fund

Good afternoon,

I am writing this email to express my disagreement to taking money from the reserves to keep taxes low as this is not sustainable. I understand that by not borrowing from the reserves we would face an 8.8% residential property tax increase. I would much rather absorb this cost now than to pay interest on funds borrowed in years to come. Isn't keeping taxes artificially low what got the county into this less than ideal financial situation that we are in now?

Please don't make the mistake that prior councils have made. We will be in much better financial shape in the years to come if we absorb the 8.8% increase now and DO NOT borrow from the reserves.

.....in light of the current covid climate one option to provide some form of relief to the county's more vulnerable people could be for council to visit the idea of granting a 30 or 60 day extensions on property tax payments to the municipality.

Thanks,

Tanner Matschke

From: Mike Fredericks < >
Sent: Saturday, January 30, 2021 5:19 AM
To: NC Clerks
Subject: Borrowing from Legacy fund

To all Norfolk County Councillors and mayor:

I have been following your recent motions at Council to consider borrowing from the Legacy Fund to subsidize the taxes required to operate the County.

This is not good financial stewardship.

Borrowing from tomorrow to pay for today is a slippery slope for many reasons.

- It diminishes the deployment of the Legacy Fund and possibly erodes its capital base permanently.
- It simply defers the current costs to future years (if ever repaid).
- It opens the door for further borrowings any time in the future. Eventually depleting the Fund.
- It sends a message to your taxpayers that you are not prepared to make the hard choices of governance of operating a balanced budget.

As I was starting my career in private business, I had a mentor that was a retired finance professor. Thirty years ago he said to me "Fredericks, capital is a scarce and precious resource. It must be guarded to be preserved. It very hard to make and very easy to spend".

Legacy means something. Merriam-Webster defines it as follows:

"a legacy is a gift of money or other personal property that's granted by the terms of a will—often a substantial gift that needs to be properly managed."

Please **Live within your (our) means**. And vote not to borrow from this Fund.

Sincerely,



Mike Fredericks | President & CEO
Annex Business Media

From: Bob Taylor < >
Sent: Friday, January 29, 2021 6:22 PM
To: NC Clerks
Subject: Legacy Fund

My preference is let's live with the tax increase and not borrow any money I would like to see the county back on track sooner then later
Thanks Bob

Sent from my iPhone

From: Pat S < >
Sent: Friday, January 29, 2021 4:13 PM
To: NC Clerks
Subject: The Legacy Fund and property tax

Please ensure that each member of Norfolk County Council receives a copy.

Dear Mayor Chopp and Norfolk County Council,

May I compliment each of you on the thoughtful discussion of this issue as I watched the video of the Special Council meeting of January 26, 2021.

In regards to the tax levy and the use of the Legacy Fund, I am opposed to using the funds for this purpose for the following reasons:

- Each decade has had its traumatic challenges. Those dear to me have been seriously impacted by the oil embargo in the 70's, the skyrocketing interest rates of the 80's, and the Great Recession of 2009. Covid is the early 2020's serious disaster. None were predicted or expected. Government financial support due to Covid has been substantial leading to enormous deficits provincially and federally. This will economically impact all of Canada and its residents for a long time, limiting both governments in providing financial support in the future.

Norfolk County Council and its residents should be planning and preparing for the next major economic challenge in this decade understanding that much less provincial and federal support will be available.

- why are we borrowing from the Legacy Fund in order to subsidize all Norfolk taxpayers with an artificially low tax rate? There are without question those who are severely financially stressed today. Is there a way to assist these without needing to subsidize all taxpayers? CRA income tax returns do recognize property tax as a consideration resulting in an annual Ontario Energy and Property Tax Credit of up to \$360.

- As noted in the council's discussions, the delusion that "this one year it is different" re balancing Norfolk County's revenue and expenses needs to be seen for the delusion it is. Balancing County expenses and revenues is an ongoing challenge for the next few years at the very minimum. Believing that use of the Legacy Fund 'this budget year of 2021' and not needing to do so next year for the same reasons as this year is a delusion.

- Property taxes are paid to provide so many fundamental and essential services - safe water and food, proper roads and waste disposal, security in policing and bylaw enforcement, etc. Phone, electricity, gas and internet/TV services continue to provide services because they are billed and paid in full. Why should property taxes that ensure the provision of so many lifesaving essential services be any different? Nothing is free!

Respectfully,
Patricia Spencer
Simcoe ON

From: Ian Malo < >

Sent: Friday, January 29, 2021 3:15 PM

To: NC Clerks

Cc: Kristal Chopp; Amy Martin; Kim Huffman; Ian Rabbitts; Ryan Taylor; Michael Columbus; Tom Masschaele; Chris Van Paassen

Subject: Legacy Fund

Council,

I am writing to implore this Council to **NOT** borrow from the Legacy Fund.

Just one year ago this Council took pride in confronting harsh financial realities by making the 'tough decisions' and implementing deep cuts and raising taxes when needed.

Now it is considering the opposite. Kicking the can down the road and mortgaging the future so Norfolk Ratepayers can be artificially insulated from their appropriate level of taxation is not responsible governance.

I am sympathetic that COVID has created financial strain for many people. While all three levels of government must cooperate to address this, distorting the municipal levy is simply not the appropriate method to do so.

As a business owner, I am fully aware that depleting capital reserve funds to cover routine operating expenses is no way to run a business. As a Norfolk citizen and ratepayer, I expect the Corporation of Norfolk County to do much better than to effectively misappropriate funds in this manner (even if technically within the rules). Further to this, the fact that this council must effectively 'game' it's own system - through the trickery of disguising a loan as an investment - in order to make it legally possible is testament to the fact that this is **NOT** how this fund was intended to be used.

Raiding the Legacy Fund will prove to be a trap for Council. Deeper cuts tomorrow to pay for today's mistake. When a future Council must make those painful cuts, they will blame you. They will be right to do so.

I have faith that this Council can rise above such recklessness.

I ask again that this Council do the right thing, and **NOT** borrow from the Legacy Fund.

Ian Malo

From: Jeff < >
Sent: Friday, January 29, 2021 3:09 PM
To: NC Clerks
Subject: Legacy

I would like to see the Legacy Fund remain untouched until it is really needed.
Jeff Mereweather

From: Gordon Malo

Sent: Friday, January 29, 2021 1:43 PM

To: NC Clerks

Cc: Kristal Chopp; Amy Martin; Kim Huffman; Ian Rabbitts; Ryan Taylor; Michael Columbus; Tom Masschaele; Chris Van Paassen

Subject: Budget - Legacy Fund Feedback

Council,

I am writing to ask that Norfolk County not borrow from the Legacy Fund.

Borrowing from the Legacy Fund does nothing more than allow us to keep our tax rate artificially low. We'd merely be hiding our own reality from ourselves.

This Council, or the next, will still have to find the money we are spending today. We'd be continuing to mortgage our future. This will undoubtedly come at the expense of future services and amenities in Norfolk.

With a long-term view, I submit that it's the continued erosion of Norfolk's services and amenities which will inflict the most harm to our community, not the tax increase before us today.

I respect Council's request for community feedback on this issue. That said, I believe a large group of people are already "voting" on whether or not they like what Norfolk is offering – all the young families who are choosing to NOT move to Norfolk. As a Norfolk business owner trying to attract these families to the area, I can tell you their numbers are large. They are going elsewhere.

By making decisions like borrowing from Legacy Funds and striving so hard to keep today's tax rates low, we are only keeping our population old, and our tax base small (and shrinking).

I ask that you change this trend.

Raise taxes, raise Norfolk.

Gordon Malo

From: Murray Uren
Date: January 29, 2021 at 12:34:08 PM EST
To: Kristal Chopp <Kristal.Chopp@norfolkcounty.ca>
Subject: Tax Increase

Madam mayor I think it is absolutely ridiculous during a pandemic to consider a 7.7% increase in taxes . The reason for this legacy fund is to fund difficult situations which our county finds itself in this year . This Legacy fund was created by the sale of our local Hydro company and as a result I believe our Hydro rates are much higher because of the sale. The least you and counsel could do is to keep our taxes as low as possible and borrow from the Legacy fund.

thank you for this opportunity to provide comment

Simcoe resident

Murray Uren

From: Muir Sumner Gmail < >
Sent: Friday, January 29, 2021 12:12 PM
To: NC Clerks
Subject: Norfolk county

Clerks of Norfolk county

As a taxpayer in Norfolk County I urge you to not Levi and additional 7% tax increase for the upcoming year.

As a senior citizen an increase of 20% since 2018 is particularly hard to bear. Over the same period of time there has been a huge influx of non-paying visitors especially to Longpoint during the summer months. This represents a financial resource which has not been tapped. Parking fees and fines that you could obtain would add much needed money to your coffers. We should not be financing these transient vacationers in times of tight money. Our infrastructure is taking a beating along with the property owners. Your taxpayers are upset with your lack of understanding and concern for their well being. Please consider a more imaginative approach rather than the 7% increase in taxes.

Respectfully Muir M Sumner

From: J.J. Knott
Sent: Friday, January 29, 2021 11:19 AM
To: NC Clerks
Subject: Borrowing from the Legacy Fund

I am sending this email to express my opinion about the strategy to borrow money from the Legacy Fund in order to help lower this budget year's tax levy.

First, I want to say that I don't think you should spend too much time trying to interpret what the 'legacy' portion of the Legacy Fund name means. As one of the people who spent a great deal of time analyzing proposals for the purchase of Norfolk Power, to me it was simply called the Legacy Fund because the funds came from that sale. Thus it is the legacy left behind by Norfolk Power for Norfolk County to draw interest from in perpetuity, to help fund capital projects. Which isn't to say that you can't build legacy projects with the help of those interest funds.

Second, I want to say that I don't think it would be wise to start down that road of drawing principal from the fund to help lower the tax levy. I think this is a slippery slope and an easy way out. It also serves to add a greater burden to future tax levies as they must include repayment of principal and interest pertaining to this 'loan'. There is also no guarantee that future councils will honour the loan and may just decide to wipe it off the slate.

One other thing I think it does is that it creates a huge precedent that future SLT and councils can do the same and that could result in the drawing down of the Legacy Fund until there is no more. Much like what has happened to the County's reserve funds over the past 10 years.

So I say no to borrowing from the fund and a big Yes to the County continuing down the road of finding efficiencies and tightening the budget by other means. It is going to take a huge commitment to succeed but I think the SLT and Council have what it takes to make that happen.

By the way, I am still very much in favour of borrowing from the Legacy Fund to help in the construction of some much needed infrastructure projects, such as water and sewer treatment facilities. Provided that there is a good business case put forth on how capital and interest will be paid back into the fund through rates.

My humble opinion.

J.J. Knott, CET, CEM, CCHFM
Healthcare Energy Leaders – Canada

From: Roger & Mary-Lou Wildfong
Sent: Thursday, January 28, 2021 4:46 PM
To: NC Clerks
Subject: Matter for the public record

Thursday, January 28th, 2021

To Whom It may Concern:

To start off - we are not opposed to the new homes but would like some real answers to our real concerns regarding the proposed subdivision in the village of Lynedoch

1. We were surprised to hear of this proposed development. I realize we aren't directly impacted by this but thought we might have been as a courtesy. Are two very tiny posters on two telephone poles supposed to be good enough? The signs are small enough that until this was pointed out to us were virtually unnoticeable.

2. Water is of significant concern.

a) Has there been a hydrology report been done on the proposed land? This land had a irrigation pond on it years ago. What will be done for the new homes not to have flooding issues because of it? Will the current drainage ditch towards Big Creek be enough to handle another 17 homes? Will this affect the many current properties?

b) We understand that there is sufficient water available for the proposed development but with the water table, will it support proper drainage for 17 septic systems?

Thank you for your time and we anticipate your answers.

Sincerely,

Roger & Mary-Lou Wildfong

Delhi, Ontario

From: frank niville
Sent: Friday, January 29, 2021 9:41 AM
To: NC Clerks
Subject: Taxes !.

The Increases in property taxes we have had since 2018 is an outrage !. Definitely makes owners of property in Long Point feel like they may as well sell and move to a more understanding county in regards to taxes on our property !. We have had to put up with flooding for the past 3 years, a roadway and a bridge that is not safe to be on , power outages due to old trees etc. Taking down our power lines, etc., etc.. these increases are unacceptable!. A concerned owner of property in Long Point Ont. !.

Sent from my iPad

From: Carol Chesney < >
Sent: Friday, January 29, 2021 9:14 AM
To: NC Clerks
Subject: increase in property taxes

Hello: I am writing with concern over the proposed increase in property taxes of over 7% for this year. I think we should borrow from the legacy fund and also find more ways to save money to address the deficit.

Thanks,
Carol Chesney

Delhi, ON

From: Bill < >
Sent: Friday, January 29, 2021 6:54 AM
To: NC Clerks
Subject: Proposed 2021 tax levy increase.

I support using money from legacy fund to reduce property taxes for 2021

Bill MacIntyre

Long point

From: Eric Pond
Sent: Thursday, January 28, 2021 9:31 PM
To: NC Clerks
Subject: DO NOT borrow from the Legacy fund!!!

DO NOT borrow from the Legacy fund!!!

31 Jan 2021

Norfolk County Council

Levy Supported Budget 2021 / Legacy Fund Loan

The current \$5 million deficit will only be ultimately resolved by either by cutting services (costs) or increasing taxes revenue. To borrow from the Legacy Fund is only a "kick down the road" measure and cannot be sustained as the deficit does not go away and the debt must be repaid (with interest like any other debt) by including debt servicing in budgets going forward.

Council has reduced the budget as much as they can and further reductions will be exceedingly difficult to achieve (but not impossible) so I believe we (Council and taxpayers) will just have to bite the bullet, sooner rather than later.

The current proposed residential tax increases are 2.7% with no loan and 3.3% with a loan. **Although a full tax increase is my preferred option for 2021, a combination of a tax increase of about 5% and Legacy loan, repayable with interest, of about \$3 million may be more palatable.**

Next year, to eliminate the remaining 2.7% deficit and service the \$3 million Legacy loan in 2021, another residential tax increase of about 3 - 4% would be required (depending on how fast the 2021 loan is to be repaid). However, **the best course for 2022 would be to eliminate the budget deficit and have little or no tax increase.** This also assumes that there are not any other increases to the 2022 budget from 2021. The CFO can fine tune these amounts.

If there is any surplus arising from the 2020 budget year, it should be applied to repay the Legacy loan first, if allowed, and then to increase reserves.

For your consideration.

John Deans
Long Point

RE: Legacy Fund

I believe the legacy fund should not be used to offset the 2021 tax increase.

This decision was made based on my lack of confidence in Norfolk County being able to generate an increased annual revenue large enough to not only offset the forecasted 3.7% loan interest rate in addition to the amortization installments, but not enough to consistently stabilize or decrease annual taxes. I believe service cuts and the idea of utilizing a legacy fund to decrease annual tax rates only masks the County's lack in revenue generation and therefore does residents and local business owners a disservice by providing an illusion of tax rate reduction for a recurring revenue issue. Residents and businesses owners should be subjected to the actual tax increases without the legacy fund loan in order to allow for long term budgeting and a realistic conversation of being financially feasible to continue to reside, do business, and grow locally in Norfolk County.

I believe the legacy loan would have been preferred should Norfolk County have had a better revenue generation plan to offset future tax increases. The legacy fund would have provided residents and businesses time to grow their financial roots and stabilize their long term budgets which would have only been beneficial if the County could guarantee tax rate stabilization. Without being able to assess the County's ability to generate increased revenue and not being able to foresee major infrastructure developments and correlating costs, we, the tax payers of Norfolk County, should not risk further debt and subject ourselves to interest by not using the legacy fund loan in a time of financial uncertainty.

We can plan, budget, and manage our expenses better for the long term if we are faced with the raw rate increase now instead of masking the increase with a +7M loan when the County has such an unpredictable financial future. This decision should be weighed against the majority of the county's ability to afford these immediate increases as it would not be worth turning down the loan if it is not financially feasible for the majority of residents and businesses. For myself, it is financially feasible and therefore I am respectfully declining the notion of utilizing a legacy fund loan at this time in the spirit of adding financial stability to the County's unpredictable financial future.

Devin Turner

Resident & Tax Payer

Name

Joanne Fraser

Please provide any further information

It is my preference to borrow from the legacy fund instead of increasing taxes 7.7%. During this time of COVID-19 it is not reasonable to increase taxes.

Name

Jim Norman

Please provide any further information

I am sending this submission to provide my thoughts on using the legacy fund to reduce the current budget deficit. To be clear I am **TOTALLY OPPOSED** to using the for this purpose as this practice is no different than using the reserve funds in the past, which the current council keeps reminding us is the primary cause of the current fiscal crisis.

The Legacy fund could be used to help supplement improvements in Norfolk County but **ONLY** if there is a payback. An example would be to borrow against the fund to add energy sustainability infrastructure on many of the County buildings. The first 7-10 years of energy saving would be applied to pay back the Legacy fund with the funds borrowed plus interest. After the payback is complete, the Legacy fund is still intact and the County has the energy benefit for years to come. This is just one example where the fund could be used for long term investment while keeping the fund intact

Let's use the fund expeditiously

Name

Andrew Davidson

Please provide any further information

Seeing as the budget is simply projected to increase every year I believe it is a mistake to prolong any required increases. You had one year to come up with enough cuts to avoid the tax increase and I'm not confident you will find adequate monies to realize a neutral or otherwise approximately neutral levy increase before next year's budget plus the amount required for the projected increase next year as well. Having to absorb a similar increase for two consecutive years is not something I am personally interested in.

Name

Robert Andrews

Please provide any further information

AS the CAO's office is working with the new Lynwood board on proposal to reopen the art gallery I am interested in the parameters , solutions and evaluation of this happening. All I know is that the figure of \$185,000 was reported in the news.
Thanks very much, Bob Andrews

Name

Shawn Boka

Please provide any further information

Hello I would like to offer my input on the upcoming yearly budget meeting and the difficult choice of either borrowing the money from the reserve fund or increasing property taxes. Please this is not the year to be increasing taxes to 7.7%. Borrow the money and pay back later when things return to normal. Thank you.

Name

Wayne Thayer

Please provide any further information

I have to ask just what is this legacy fund there for if not for times like this. Its not a gift , it would be paid back with interest. I dont see the problem. People have a hard enough time already with increases in water rates every year and now with covid related expenses. We dont need huge tax increases also. !!

Name

Donna Green

Please provide any further information

I object to using the Legacy Fund.
Instead freeze the county employees and councils wages.
As well, why not have volunteers do a lot of work on things like taking care of ball

diamonds. We used to do that.
Another good idea is to get the lazy welfare recipient working for their money instead of hand outs. If you work for it you appreciate it.

Name

Garfield Eaton

Please provide any further information

Council has asked for public input in regard to borrowing from the Legacy fund my comments follow. Contrary to what has been said the financial cupboard was not bare. Previous Councils left \$70M of taxpayer money in a savings account under the premise that the interest on the account would be used for capital funding. I dont support borrowing principle from the fund and I dont support a 9% tax increase. Go back and find the savings from the capital plan there are significant opportunities. Read my first email about resetting the organization by pushing the whole capital plan back one year out over the entire plan. I am sure the public will not be too upset if you dont build the two cross over projects in Simcoe, or dont buy 2 graders , dont do 4 change room projects , dont replace all the planned fleet equipment, delay road work etc. but they will be angry about a 9% tax increase. In my personal life I defer projects that I cant afford you need to do the same.

Name

Susan Boughner

Please provide any further information

As a taxpayer I approve of Council borrowing from the legacy fund to reduce the tax increase in 2021 however this should be a one time measure in my opinion. I am in favour of increased user fees to reduce subsidized rates, service level reductions, and the closure or sale of underutilized facilities beginning in 2021 until the annual budget can be achieved with reasonable annual increases e.g. 2 to 3% per year. Tough decisions are required by Council for the benefit of the MAJORITY of property owners and not influenced by specific user groups who have been subsidized all along. People want cuts but only if the cuts don't affect their favourite service. You can never please everyone. Do what is in the best financial interest for the County and in the best financial interest of the people that can no longer afford to pick up the tab to subsidize services that all residents and visitors enjoy.

Name

Carolyn Bedell

Please provide any further information

Regarding Tax/Levy, will the "refund" from the Community Hub help offset the impact to 2022? How does the "refund" fit in the numbers? Otherwise, I say increase taxes 5.0% this year and 6% the following year. Homeowners have to be prepared for tax increases each year either for growth or debt reduction. Fact of life, unfortunately, even in a pandemic. We need to get out of debt.

Name

Amy Vandertuin

Please provide any further information

Use the Legacy fund to help reduce the property tax increase.

Name

Sharon Moore

Please provide any further information

I wish to advocate my support for using the Legacy Fund to keep the 2021 tax increase at the lower amount. Lower income taxpayers and senior taxpayers are already struggling to keep up with increasing utility bills, water/sewer increases, household expenses including continuing increases to food. Covid has created another level of difficulty. Use the legacy fund to assist during 2021 to benefit all taxpayers who are facing exceptional challenges this year.

Name

Robert Andrews

Please provide any further information

My vote is to not touch the legacy Fund , once we lead that horse to water it will never not be thirsty. Bite the bullet elsewhere to make up some of the difference in taxation , I realize taxes will rise but save that money for a true catastrophe.

Name

Doug Ferguson

Please provide any further information

I am responding to Council's request for thoughts on the use of the Legacy Fund money to offset tax increases to residents.

I am in favor of using the fund to offset tax increases .

I also feel that there are a number of issues that need addressing .

We had a Consulting Engineers report(WSP) regarding the water and wastewater issues Port Dover is facing. We have to take the recommendations and start the process to implement their plan. The longer we wait, the more it costs.

I do not want more taxpayer money spent on Consultants when we have accepted their report. Make the decision.

We need Economic Development to find industry to move here to help the Tax base. We have to entice industrial growth

Seniors get a 1% increase to their pensions. We can't keep absorbing large tax increases. we support everything local we can but these huge tax increases will take money out of our pocket which in turn leaves local businesses out.

Planning and Engineering

Name

Joanne Fraser

Please provide any further information

It is my preference to borrow from the legacy fund instead of increasing taxes 7.7%. During this time of COVID-19 it is not reasonable to increase taxes.

Name

George Maxin

Please provide any further information

Borrowing from the legacy fund is not a good idea. Even though the intention is to repay the amount borrowed , this will never happen because funds will not be available to do so. If anything, this will only set a precedent to borrow from this fund down the road. Bad budgeting in the past should not be at the expense of the legacy fund. Bite the bullet now since it will not get any better in the future.

Name

Brad Miller

Please provide any further information

Regarding the 2021 tax increase, i believe it's a good idea to leave the legacy fund in place. Money borrowed from this fund becomes harder to payback in the following years. If there are more savings to be found in future budgets, and Government funds like the infrastructure money the county just received, tax relief should help with reducing tax increases.

Once you start taking money from the legacy fund, it becomes easier in the future. That was quite evident in past council decisions.

Name

Joanne Fraser

Please provide any further information

It is my preference to borrow from the legacy fund instead of increasing taxes 7.7%. During this time of COVID-19 it is not reasonable to increase taxes.

Name

Kelly Walsh

Please provide any further information

RE: Legacy Fund Loan

The 2021 Budget is difficult at best. I commend our Council's work in trying to fix past mistakes while looking to the future. Under the circumstances, I DO support borrowing from the Legacy Fund. I am a 51 year old widow. While I am grateful that I can work from home, this pandemic has strained my personal budget. My hours are reduced so there's less money coming in. Additionally, groceries, hydro rates and property taxes have increased making for a very tight budget. I'm at my absolute limit and last year, I had to take \$4000 from RRSP's to meet my personal budget shortfalls. Please defer tax increases now with the understanding that the pandemic will come to an end either late this year or early next year with vaccinations. I personally cannot afford much more in terms of tax hikes. Thank you again for all that you do for the people in Norfolk County. Sincerely, Kelly Walsh, Vittoria, ON

Name

Laura Gunnell

Please provide any further information

9 Old Cut Blvd. Long Point. Port Rowan, Ontario
Re: \$5,000,000 Levy Fund. Council Review: Feb 2, 2021. I wish to register my support in borrowing the above noted funds from the Levy Fund to ensure Property Taxes do not rise 7.7%. This is in the best interest of the community. Please make note of my vote.
Thank you. Laura Gunnell

Name

David McIntosh

Please provide any further information

I am responding to councils request for feedback on the use of funds from the Norfolk Legacy Fund to lower the property tax increase for 2021. I believe the funds should be used as a large number of ratepayers are struggling due to job loss or in my own case living on a pension. Most people simply cannot afford to pay more. However I also believe that any funds used should be replaced overtime but without any interest payments. After all this fund was created to help the people of Norfolk and Lord knows they need all the help they can get in these troubled times.

Name

Carla Mels

Please provide any further information

I am writing this as a concerned Norfolk County resident and landlord. I currently co-own 6 properties with my husband, 5 of which are rented to great tenants. We take pride in taking excellent care of our properties and meeting the needs of our tenants. However, these tenants have been in our properties for over 5 years and the rate that property taxes have sky rocketed far outweighs the allowable rental increase each year. It will no longer be financially feasible to own these rental properties if property taxes continue to be increased at such a high rate. We will be forced to sell, leaving our tenants in a bind.

I recognize that the current council is trying to align the income with expenses without severe cuts, but I request that you continue to look at alternatives to reducing the expenditures of the county. Short term utilization of the legacy fund, while exploring ways to reduce spending over the next several years would be my suggestion to meeting the needs of the county.

Name

Deborah McEwan

Please provide any further information

We do not support using 5 million dollar reserve for balancing the budget. Reduce services or increase taxes. Time to fix the problem. There will always be an excuse as to why it's not a good time to increase taxes(such as covid) .. time to bite the bullet and deal with it.

Name

Jeff Greenfield

Please provide any further information

I am opposed to using money from the Legacy Fund to reduce our taxes. Once you start to access money from the fund ,it becomes easier to continue to draw money from the fund.

Name

Kathleen Maguire

Please provide any further information

I very much disagree with this plan to borrow from the Legacy Fund. It may be helpful to taxpayers now, but, down the road, it appears that it may make things worse.

From the information I see on the tables, the increase for 2021 would be acceptable, in my opinion. Property taxes go up every year, this is a fact of life, each year the cost of doing business increases.

But, I am also not sure of the purpose of the legacy fund. Any time I see the words "borrow" or "loan", I am concerned for what will happen down the road. We shouldn't borrow against tomorrow's income.



POLICY FS-29: Norfolk County Legacy Fund

Financial Services

Approval Date: May 22, 2018

Approval Authority: Council Resolution No. 4

Effective Date: August 22, 2017

Revision Date(s): May 22, 2018

Purpose:

On April 2, 2013 Norfolk County Council (Council) approved the Share Purchase Agreement with Hydro One Inc. (Hydro One) for sale of all the issued and outstanding shares of Norfolk Power Inc. (NPI). Subsequent to approving the sale, Council approved creation of the Norfolk County Legacy Fund (Legacy Fund) to separately govern and maintain the proceeds from the sale.

The purposes of the Policy include:

1. Providing guidelines for management of the Legacy Fund to ensure that the funds are invested in a prudent and effective manner
2. Providing a framework for managing Legacy Fund investments to maximize return on investment while preserving the initial investment and potentially growing the value of the fund over time
3. Providing direction for distribution of Investment Earnings to fund municipal expenditures to meet financial sustainability and operational requirements of the County, as approved by Council.

Policy Statement:

The Share Purchase transaction closed on August 29, 2014. Net proceeds to the County from Hydro One totaled \$67,708,240.27.

Council has endorsed the principle of preserving the Initial Value and has directed that the funds be treated as a long-term investment. The Initial Value will remain intact and Investment Earnings will be used for municipal purposes and more specifically to provide funding for Capital Projects.

Definitions:

AMO

This is the acronym for the Association of Municipalities for Ontario.

Annual Meeting

Council in Committee is required to convene at least one meeting annually following the Anniversary Date.

Annual Payment

The annual payment is a predetermined Council approved sustainable payment to Norfolk County from One Investment Program by virtue of the endowment model.

Capital Projects

Capital Projects are those projects that are included in the current year Capital Budget as approved by Council.

Endowment Model

Investment product offered by One Investment Program where withdrawals are at a predetermined rate annually regardless of the actual single year returns of the portfolio. When returns are above the rate of withdrawal the excess funds are maintained in the portfolio. When the actual returns are less than the rate of withdrawal the annual withdrawal is maintained and is funded by prior excess returns or by future excess returns.

Excess Investment Earnings

Excess Investment Earnings is the amount of Investment Earnings that remains in the Legacy Fund after the annual payment has been made to provide funding for Capital Projects.

HISA

The One Investment Program introduced a High Interest Savings Account (HISA) to manage the money market component of the Legacy Fund. Previously these funds were managed by the One Investment Program under the Money Market Program portfolio.

Inception Date

The Share Purchase transaction closed on August 29, 2014. For purposes of this Policy, the Inception Date of the Legacy Fund shall be September 1, 2014.

Initial Value

Proceeds from the sale were received in two payments: the first on August 29, 2014 upon closing (\$66,005,803.27) and the second on February 10, 2015 when the final audited Financial Statements were completed and delivered to Hydro One (\$1,702,437.00). For purposes of the Policy the Legacy Fund Initial Value is the total net proceeds, namely \$67,708,240.27.

Legacy Fund

The Norfolk County Legacy Fund is the special fund approved by Council to separately maintain and manage proceeds from the sale of NPI – approved by Council in Report FC 13-20, July 9, 2013.

MFOA

This is the acronym for the Municipal Finance Officers Association.

Policy

The Legacy Fund Policy as set out herein

The One Investment Program

Local Authority Services Limited (LAS) and The CHUMS Financial Corporation (CHMS), subsidiary companies of AMO and the MFOA jointly operate The One Investment Program under authority of The Ontario Municipal Act and Ontario Regulation 438/97.

Responsibility:

The Policy focuses on the following:

1. Governance and Management
2. Legacy Fund Investment Guidelines
3. Legacy Fund Asset Mix Rebalancing
4. Disbursement of Annual Payment
5. Legacy Fund Policy Review
6. Reporting Requirements

1. Governance and Management

- a) Council shall pass a by-law approving the Norfolk County Legacy Fund Policy
- b) Council shall be presented a presentation and a report at least once a year that will include:
 - i) Reviewing the reports listed in subsection 6 – Reporting Requirements
 - ii) Reviewing Investment Guidelines and making recommendations to Council regarding changes, as appropriate
 - iii) Reviewing the Legacy Fund Policy and making recommendations to Council for changes, as appropriate
 - iv) Reviewing investment performance for the current year and such longer periods as are available and making recommendations to Council regarding allocations and transfer(s) for the current year
 - v) Reviewing the Annual Payment and making recommendations to Council regarding disposition of these funds
- c) Report FS 13-20 RE: Proposed Agreement with The One Investment Program to Provide a Comprehensive Investment Management Program, approved by Council on July 9, 2013, approved appointment of The One Investment Program to provide management of the investment program for the Legacy Fund
- d) Report FS 17-35 RE: Legacy Fund Policy, approved by Council on August 15, 2017, for the purpose of a new policy that did not include an advisory committee per Council motion on July 11, 2017.
- e) Report FS 18-06 RE: Legacy Fund Bi-Annual Report, approved by Council on April 24, 2018, approved appointment of The One Investment Program to provide management of the Legacy Fund using the endowment model.
- f) Council approval is required for:

- i) Changes to the Legacy Fund Policy
- ii) Changes to Investment Guidelines
- g) The Norfolk County Treasurer has overall responsibility for the prudent investment of the Legacy Fund
- h) The Norfolk County Treasurer shall meet on a regular basis with officials from The One Investment Program and External Fund Managers to:
 - i) Review Investment performance and performance of the of the investment program portfolios
 - ii) Receive updates on market conditions and trends
 - iii) Approve reallocation of investment amounts, within Investment Guidelines, as recommended by the Investment managers and considered prudent

2. Legacy Fund Investment Guidelines

- a) The *Municipal Act and Ontario Regulation 438/97* (Legislation) provide the legislative authority and regulations for municipal investments
- b) Approval of the following Investment Guideline:

Investment Guideline			
One Investment Program Portfolio	Minimum Level	Target Level	Maximum Level
Equity	40.0%	50.0%	60.0%
Money Market/HISA	0.0%	0.0%	10.0%
Bond	15.0%	25%	35.0%
Corporate Bond	15.0%	25%	35.0%
Total Fixed Income	40%	50%	60%

3. Legacy Fund Asset Mix Rebalancing

- a) The Norfolk County Treasurer is responsible to rebalance the portfolio to ensure compliance with the asset mix guidelines. The Legacy Fund is rebalanced to the Target Asset Mix on a quarterly basis.

4. Disbursement of Annual Payment

- a) Council has endorsed the principle that income from the investments of the Legacy Fund be used for municipal purposes and more specifically to provide funding for Capital Projects
- b) Allocation of the annual payment from the Legacy Fund requires Council approval
- c) Transfer to provide funding for Capital Projects:
 - i) To be eligible for funding, Capital Projects must be included in the current year Capital Budget as approved by Council
 - ii) Transfers from the Legacy Fund, to provide funding for Capital Projects, will be indexed annually by the percentage change during the preceding year in the Statistics Canada Non-Residential Quarterly Construction Price Statistics based on the 4th Quarter change
- d) Excess investment earnings - If, as a result of strong investment returns, the portfolio value grows to be in excess of 120% of the original capital value Norfolk County may initiate a special withdrawal limited to the amount in excess of 120%.
- e) When the actual returns are less than the annual payment the annual withdrawal is maintained.
- f) When the actual returns are less than the annual payment the initial value is maintained and a payable will be initiated. The payable will be closed by either using prior excess investment earnings or future excess investment earnings.

5. Legacy Fund Policy Review

- a) The Policy shall be reviewed at least annually by Council
- b) Investment Guidelines shall be reviewed at least annually, and more frequently as determined necessary and prudent by Council
- c) Where deemed appropriate, Norfolk County's Treasurer shall recommend changes to the Policy or Investment Guidelines to Council for consideration and approval

6. Reporting Requirements

- a) The Treasurer of Norfolk County shall report to Council annually or more frequently as required. That report shall include:
 - i) Statement regarding performance of the investment portfolio
 - ii) Summary of investments during the current reporting period
 - iii) Report on the balances in the Legacy Fund
 - iv) Summary of the Investment return and distribution of funds
 - v) Recommendation regarding current year distribution(s)

- vi) Indexed update for the transfer to provide funding for Capital Projects
- vii) Recommendations regarding:
 - i. Changes in the Investment Guidelines
 - ii. Proposed changes to the Policy
- viii) A statement as to whether or not all investments are consistent with the provisions of the Policy
- ix) Such other information as requested by Council
- x) Such other information the Treasurer feels should be considered by Council





Council Meeting – May 22, 2018

Subject: Legacy Fund Policy Amendment
 Report Number: F.S.18-33
 Department: Financial Services
 Division: Administration

Closed Session:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Budget Amendment:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Strategic Plan Linkage:	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

Recommendations:

THAT Report F.S. 18-33 Legacy Fund Policy Amendment be received;

AND THAT Council Approve the 2018 Annual Payment of \$2,500,000 to Norfolk County as described in Report F.S. 18-33 Legacy Fund Policy Amendment;

AND FURTHER THAT Council Approve Policy FS-29 Legacy Fund Policy as amended.

Introduction/Background:

In 2013, when Council was reviewing the proposals for the sale of Norfolk Power Inc. (NPI), it endorsed the preservation of the principal from the sale of NPI and that these funds be treated as a long-term investment. The investment will remain intact and income from the investment will be used for municipal purposes, more specifically, the funding of capital projects.

This sustainable financial strategy in which the investment remains intact was again supported by Council in a July 2017 resolution. During the deliberations at the July 11th, 2017 Council meeting discussing this Notice of Motion, Council approved the disbandment of the Advisory Committee and that future investment discussions would be conducted at the Council level.

On April 24, 2018 Council received Report FS 18-06 Re: Legacy Fund Bi-Annual Report and passed the following resolutions:

1. THAT Report F.S. 18-06 Legacy Fund Bi-Annual Report be received;
2. AND THAT the Legacy Fund Policy be amended to include provisions to use the Endowment Model from One Fund Investments for sustainable annual payments;

The purpose of this report is to present the amended Legacy Fund Policy to Council for approval.

Discussion/Analysis:

Finance Policy FS-29 Legacy Fund Policy has been amended as a result of the Council approval for using One Fund Investments Endowment Model. The amendments to the policy are as follows:

Added language related to the Endowment Model:

The Legacy Fund has been approved by Council to be a long-term sustainable asset. In order to ensure that it is prudently invested for the long-term it has been determined that the most appropriate approach for Norfolk County is the Endowment Model. This is an approach that has been used successfully by foundations and other municipalities to ensure sustainability over long time horizons despite short-term volatility in investment markets.

The Endowment Model approach has been tested during historic extreme periods. During One Fund's presentation to Council in April 2018, they described research undertaken by Greenwich Associates which demonstrated that a 3% withdrawal rate has been sustainable in 100% of 30 year rolling periods from 1926-1995. These periods include the crash and subsequent depression of 1929, the bear markets of 1938-1939 and 1974 – 1975.

The Endowment Model relies on a significant allocation to equities. While equity investments may experience significant volatility during shorter time periods, over long term periods they have provided superior returns to bonds and in particular to short term bonds. By investing in a balanced portfolio of stocks and bonds the volatility of equities is reduced while the earning potential is increased relative to an investment in only bonds.

Implementation of the Endowment Model will be done in stages over a nine month period. Every three months one third of the assets will be moved to the long term target asset allocation with the following target weightings.

	Current Target	3 Month	6 Month	9 Month
Cash & Equivalents	5.00%	2.00%	0.00%	0.00%
Bond Fund	37.50%	32.00%	28.00%	25.00%
Universe Corporate Bond	37.50%	32.00%	28.00%	25.00%
Equity	25.00%	34.00%	44.00%	50.00%

The Norfolk County Treasurer will work closely with staff from One Fund Investments during this transition period. Once the targets are achieved, Norfolk County will enter the maintenance stage of the Legacy Fund in which rebalancing of the portfolio will take place to ensure compliance with the asset mix guidelines. The Legacy Fund will be rebalanced to the target asset mix on a quarterly basis.

Anniversary Date:

The anniversary date for the Legacy Fund is September 1st. The Legacy Fund Policy has been amended to report earnings on a calendar year instead of the anniversary date.

Retention Reserve:

The Retention Reserve is an internal allocation of investment earnings that is retained within the Legacy Fund to mitigate market volatility and resulting fluctuations. This ensures that stable, planned transfers to provide funding for capital projects will not endanger the current value of the Legacy Fund falling below the initial value. Language related to the Retention Reserve has been deleted and replaced by the Endowment Model. Funds that are currently in the Retention Reserve will remain with the One Investment program and be included within the excess investment earnings.

Annual Payment:

The annual payment has been added and defined in the policy, however the specific payment is approved by Council on an annual basis. The 2018 annual payment, if approved, will be:

- a) \$2,000,000 to be withdrawn from the Legacy Fund and be transferred to the Roadway Construction Reserve. Future annual payments will be indexed for inflation at the Statistics Canada Non-Residential Quarterly Construction Price Index.
- b) \$500,000 to be included in the annual payment and retained in the One Fund Investments to continue to earn interest until 2026. These payments will be internally restricted for the purpose of meeting the commitment made to the Norfolk General Hospital.

Excess Investment Earnings:

Over time as the Legacy Fund grows in value it may accumulate in excess of the initial investment amount. The initial value is defined in the Legacy Fund Policy to be \$67,708,240.27. If the amount of excess investment earnings exceeds 120% of the initial value, consideration may be given to a special withdrawal. Only amounts in excess of 120% of the initial value will be available for special withdrawals. One Fund Investments are using 120% based on standard deviation calculations from historical markets including the 2008 market performance.

When the actual returns are less than the annual payment the annual withdrawal is maintained. When the actual returns are less than the annual payment the initial value is maintained and a payable will be initiated. The payable will be closed by either using prior excess investment earnings or future excess investment earnings.

Interdepartmental Implications:

Income earned from the Legacy Fund may or may not fund projects from other departments.

Financial Services Comments:

From the time of the initial review of the proposals for the sale of NPI, Council endorsed and continues to endorse the concept of preserving the principal amount received from the sale as a long-term investment with earnings being used for municipal purposes, more specifically, funding capital projects. These principles approved by Council have been incorporated in the Legacy Fund Policy amendments to include the Endowment Model.

As recommended by Council, the Policy provides that the allocation to fund capital projects will start at \$2 million and be indexed annually to keep pace with the change in the cost of construction, as reported by Statistics Canada. From a long-term financing perspective, it is very important that this level of funding be ongoing and predictable. Council passed a resolution during the Reserve and Reserve Funds Report FS 17-26 that directed staff to allocate these funds to the Road Construction Reserve.

Investment earnings of the Legacy Fund are subject to ever changing market conditions. To mitigate fluctuations in the level of investment earnings which could potentially cause the current balance in the Legacy Fund to fall below the initial value, the Policy provides for creation of the Endowment Model. In years where investment earnings are below the planned annual payment, the withdrawal is maintained and funded by prior excess returns or by future excess returns. In this manner the level of funding for capital projects will remain ongoing and the initial value of the fund will be maintained.

The *Municipal Act, 2001* and *Ontario Regulation 438/97* provide the legislative authority and regulations governing permissible municipal investments. This legislation does not give Norfolk County authority to invest in corporate bonds and equities. The legislation does provide that these investment options are available to municipalities through The One Investment Program. Norfolk County has entered into an agreement with the Local Authority Services Limited and the CHUMS Financing Corporation (which are responsible for operating The One Investment Program) whereby The One Investment Program acts as the County's agent to provide access to these investment alternatives.

From a financial planning perspective, the Endowment Model represents a sustainable payment to Norfolk County that would support the plan to bring the Road Construction Reserve to a positive balance.

Staff will continue to monitor the legislative authority and explore other potential investment instruments permissible to be used.

Consultation:

David Cribbs – Chief Administration Officer
Representatives from the One Fund Investments
Ontario Region and Single Tiers Treasurer’s Group

Corporate Strategic Plan Linkage:

- Goal 1: Financial Sustainability and Fiscal Responsibility
- Goal 2: Improved Essential Infrastructure
- Goal 3: Recruitment and Succession Management
- Goal 4: Corporate Communications Strategy

Communication Plan:

- Not Required
- Media Release
- Public Consultation / Information
- Public Participation Plan

Conclusion:

The Legacy Fund Policy provides guidelines for management of the Legacy Fund to ensure that the funds are invested in a prudent and effective manner to maximize investment earnings, preserve the initial value and potentially grow the value of the fund over time. The policy also provides a framework for distribution of investment earnings to fund municipal expenditures which meet the financial sustainability and operational requirements of the County as approved by Council.

Attachments:

Policy FS-29 – Legacy Fund Policy

Submitted By:

James Johnson CPA CGA
General Manager of Financial Services and Treasurer
For more information, call:
519 426-5870 x1230

C) Staff Report F.S. 18-33
Legacy Fund

James Johnson, General Manager Financial Services presented the report and responded to questions of Council.

4. (Black/Oliver)

THAT Report F.S. 18-33 Legacy Fund Policy Amendment be received;

AND THAT Council Approve the 2018 Annual Payment of \$2,500,000 to Norfolk County as described in Report F.S. 18-33 Legacy Fund Policy Amendment;

AND FURTHER THAT Council Approve Policy FS-29 Legacy Fund Policy as amended.

Councillor Haydt requested a Recorded vote.

The Motion CARRIED on the following Recorded vote:

Yeas: Columbus, Oliver, Black, Brunton, Wells, Luke

Total: 6

Nays: Haydt, Geysens

Total: 2

Absent: Sonnenberg

Total: 1



Council-In-Committee Meeting – August 15, 2017

Subject: Legacy Fund Policy
Report Number: F.S.17- 35
Department: Financial Services
Division: Administration

Closed Session:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Budget Amendment:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Strategic Plan Linkage:	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

Recommendations:

THAT Report F.S. 17-35 Legacy Fund Policy be received;

AND FURTHER THAT Council Approve Policy FS-29 Legacy Fund Policy.

Introduction/Background:

On July 9, 2013 Council received Report FS 13-20 Re: Proposed Agreement with the One Investment Program to Provide a Comprehensive Investment Management Program and passed the following resolutions:

- AND FURTHER THAT Council approves creation of the Norfolk County Legacy Fund to maintain the proceeds from the sale of Norfolk Power Inc.;
- AND FURTHER THAT staff be directed to prepare an investment policy to provide for the management of the Norfolk County Legacy Fund.

On July 11, 2017 Council deliberated on the following Notice of Motion:

- THAT By-Law 2015-95 being a By-Law to Establish Legacy Fund Advisory Committee, Policy and make Appointments Thereto, be repealed in it’s entirety;
- AND THAT staff be directed to present to Council-In-Committee upon the Legacy Fund annually or as required to address areas which are not limited to but may include:
 - (i) Review Investment Earnings and performance of the of the investment program portfolios;
 - (ii) Updates on market conditions and trends;
 - (iii) Potential reallocation of investment amounts, as recommended by the Investment managers and considered prudent;

- (iv) Review of current year Investment Earnings and recommendations to regarding allocations and transfer(s) for the current year;
- (v) Reviewing the Excess Investment Earnings and making recommendations to Council regarding disposition of these funds.

- AND FURTHER THAT Council re-affirm its position of 2015 being that the initial principle amount of the Legacy Fund of \$67,708,240.27 remain intact and that only the interest incurred through investments of this amount be utilized.

This resolution was carried. As a result Policy FS-27 Legacy Fund Policy was repealed, which incorporated items (i) to (v) as well as other administrative guidelines for the Legacy Fund. The purpose of this report is to establish a new Policy which incorporates Council's direction to eliminate the Advisory Committee, but maintain the administrative guidelines and procedures.

The purpose of this report is to present a new Legacy Fund Policy to Council for approval.

Discussion/Analysis:

Early in 2013, when Council was reviewing the proposals for the sale of Norfolk Power Inc. (NPI), Council endorsed the principle of preserving the principal from the sale of NPI and that these funds be treated as a long-term investment wherein the investment will remain intact and income from the investment will be used for municipal purposes and more specifically for the funding of capital projects.

This excellent financial strategy was again supported by Council in the July 2017 Resolution. During the deliberations on the July 11th, 2017 Council meeting discussing this Notice of Motion, staff understood the reason for the disbanding of Policy FS-27 and By-law 2015-95 was dissatisfaction with the Advisory Committee. Council's preference is to have these discussions at the Council level.

Therefore Policy FS-29 incorporates the administrative and procedural guidelines that have worked well since the inception of the Legacy Fund, but without reference to an Advisory Committee.

Interdepartmental Implications:

Income earned from the Legacy Fund may or may not fund projects from other departments.

Financial Services Comments:

From the time of the initial review of the proposals for the sale of NPI, Council endorsed and continues to endorse the concept of preserving the principal amount received from the sale as a long-term investment with investment earnings being used for municipal

purposes, more specifically for the funding of capital projects. These principles endorsed by Council have been incorporated in the Legacy Fund Policy.

As endorsed by Council, the Policy provides that the allocation to fund Capital Projects will start at \$2 million and be indexed annually to keep pace with the change in the cost of construction, as reported by Statistics Canada. From a long-term financing perspective, it is very important that this level of funding be ongoing and predictable. Council passed a resolution during the Reserve and Reserve Funds Report FS 17-26 that has directed staff to allocate these funds to the Roads Reserve.

Investment Earnings of the Legacy Fund are subject to ever changing market conditions. To mitigate fluctuations in the level of Investment Earnings which could potentially cause the current balance in the Legacy Fund to fall below the Initial Value, the Policy provides for creation of a Retention Reserve with an ongoing balance at the equivalent of two (2) years of projected transfers to provide funding for Capital Projects. In years where Investment Earnings are below the planned allocation to provide funding for Capital Projects the shortfall would be taken from the Retention Reserve and then replenished when Investment Earnings improve. In this manner the level of funding for Capital Projects will remain ongoing and the Initial Value of the fund will be maintained.

The potential exists that Investment Earnings in any year may exceed the allocation to fund Capital Projects and any adjustment to maintain the Retention Reserve at the required level. The current Policy provides that the Advisory Committee shall make recommendations to Council regarding distribution of the Excess Investment Earnings. Options for allocation of the Excess Investment Earnings would include: retaining a portion to grow the value of the Legacy Fund, additional funding for Capital Projects, funding for special projects, one-time contributions to Tax and/or Rate Supported Operating Budgets.

The *Municipal Act* and *Ontario Regulation 438/97* provide the legislative authority and regulations governing permissible municipal investments. This Legislation does not give Norfolk County authority to invest in corporate bonds and equities. The Legislation does provide that these investment options are available to municipalities through The One Investment Program. Norfolk County has entered into an agreement with the Local Authority Services Limited and the CHUMS Financing Corporation (which are responsible for operating The One Investment Program) whereby The One Investment Program acts as the County's agent to provide access to these investment alternatives.

Staff will continue to monitor the legislative authority and explore other investment instruments permissible to be used.

Consultation:

Norfolk County's Auditors, Millards, Deputy Treasurer, Financial Services and the County Manager were consulted in the drafting of this report.

Corporate Strategic Plan Linkage:

- Goal 1: Financial Sustainability and Fiscal Responsibility
- Goal 2: Improved Essential Infrastructure
- Goal 3: Recruitment and Succession Management
- Goal 4: Corporate Communications Strategy

Communication Plan:

- Not Required
- Media Release
- Public Consultation / Information
- Public Participation Plan

Conclusion:

The Legacy Fund Policy provides guidelines for management of the Legacy Fund to ensure that the funds are invested in a prudent and effective manner to maximize Investment Earnings while preserving the Initial Proceeds and potentially growing the value of the fund over time. The Policy also provides a framework for distribution of Investment Earnings to fund municipal expenditures to meet financial sustainability and operational requirements of the County, as approved by Council.

Attachments:

Policy FS-29 – Legacy Fund Policy

Submitted By:

James Johnson CPA CGA

General Manager of Financial Services/Treasurer/CFO

For more information, call:

519 426-5870 x1230

C) Staff Report F.S. 17-35
Legacy Fund Policy

Mr. James Johnson, General Manager, Financial Services, presented the Report and responded to questions of Committee.

12. (Luke/Brunton)

THAT Report F.S. 17-35 Legacy Fund Policy, be received as information;

AND FURTHER THAT Council Approve Policy FS-29 Legacy Fund Policy.

Carried.



**The Corporation of Norfolk County
By-Law 2017-88**

Being a By-Law to Establish the Legacy Fund Policy.

WHEREAS Sections 5 and 9 of the Municipal Act, 2001 S.O. 2001, c.25, as amended, provide that the powers of the Municipal Council shall be exercised by by-law, unless the municipality is specifically authorized to do otherwise and that the municipality has the capacity, rights, powers and privileges of a natural person for the purposes of exercising its authority;

AND WHEREAS it is deemed necessary to establish the Legacy Fund Policy.

NOW THEREFORE the Council of the Corporation of Norfolk County hereby enacts as follows:

1. That the Council of the Corporation of Norfolk County hereby adopts the Norfolk County Legacy Fund Policy attached hereto and marked as Schedule 'A' to this By-Law.
2. That Norfolk County By-Law 2015-95 be repealed in its entirety.
3. That the effective date of this By-Law shall be the date of passage thereof.

ENACTED AND PASSED this 22nd day of August, 2017.

Original By-Law Signed by:

Mayor C. H. Luke and Clerk/Manager of Council Services Andrew Grozelle

F.S. 17-35



The Corporation of Norfolk County
By-Law 2015-95

Being a By-Law to Establish the Legacy Fund Advisory Committee, Policy and make Appointments Thereto.

WHEREAS Sections 5 and 9 of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, provide that the powers of the Municipal Council shall be exercised by by-law, unless the municipality is specifically authorized to do otherwise and that the municipality has the capacity, rights, powers and privileges of a natural person for the purposes of exercising its authority;

AND WHEREAS it is deemed necessary to establish the Legacy Fund Advisory Committee, Policy and appoint certain persons to the Committee to advise and make recommendations to Council.

NOW THEREFORE the Council of The Corporation of Norfolk County hereby enacts as follows:

1. That the Council of The Corporation of Norfolk County does hereby establish the Legacy Fund Advisory Committee and appoint certain persons thereto.
2. That the Council of The Corporation of Norfolk County hereby adopts the Norfolk County Legacy Fund Policy attached hereto and marked as Schedule 'A' to this By-Law.
3. That Councillors James Oliver and Peter Black are hereby appointed to serve on the Legacy Fund Advisory Committee until completion of the 2017 Annual Meeting.
4. That the effective date of this By-Law shall be the date of passage thereof.

ENACTED AND PASSED this 25th day of August, 2015.

Original By-Law Signed by:
Mayor C. H. Luke and Deputy Clerk Stephanie Godby

F.S. 15-10