



## Finance and Administration Advisory Committee

Hybrid meeting (via Zoom)

9:00 a.m.

October 2, 2023

MVCA Boardroom

### AGENDA

#### **ROLL CALL**

**Declarations of Interest (written)**

**Adoption of Agenda**

#### **MAIN BUSINESS**

1. Approval of Minutes: Finance and Administrative Advisory Committee Meeting Minutes, June 22, 2023, Page 2
2. K&P Trail Landowner Dispute: Update and Next Steps, Report 3356/23, (S. Lawryk), Page 9
3. Update of MVCA's Salary Scale, Report 3358/23, (S. McIntyre), Page 11
4. Sewer & Water Connection: Update and Next Steps, Report 3359/23, (S. Lawryk), Page 15
5. Cost of Service Study, Report 3360/23, (S. Millard), Page 18

#### **CONSENT ITEMS**

#### **ADJOURNMENT**



**MINUTES**

Via Zoom and In Person

Finance and  
Administration Advisory  
Committee Meeting

June 22nd, 2023

**MEMBERS PRESENT**

J. Mason, Chair  
A. Kendrick  
C. Curry  
P. Kehoe  
R. Huetl

**MEMBERS ABSENT**

A. Vereyken  
J. Atkinson  
M. Souter  
R. Kidd

**STAFF PRESENT**

S. McIntyre, General Manager  
S. Millard, Treasurer  
S. Lawryk, Property Manager  
K. Hollington, Recording Secretary

**GUESTS PRESENT**

J. Glaser, Cornerstones Management Solutions Limited

J. Mason called the meeting to order at 10:02 am.

**Agenda Review**

Finance and Admin Committee members had no comments on the agenda for the June 22<sup>nd</sup>, 2023 meeting.

**FAAC23/06/22-1**

**MOVED BY:** C. Curry

**SECONDED BY:** A. Kendrick

**Resolved, That the agenda for the June 22, 2023 Finance and Administration Advisory Committee Meeting be adopted as presented.**

**“CARRIED”**

**Declarations of Interest (written)**

Finance and Admin Committee members were asked to declare any conflicts of interest and informed that they may declare a conflict at any time during the session. No declarations were received.

## **MAIN BUSINESS**

1. Approval of Minutes: Finance and Administration Advisory Committee Meeting held on March 28, 2023

### **FAAC23/06/22-2**

**MOVED BY: A. Kendrick**

**SECONDED BY: R. Huetl**

**Resolved, That the minutes of the Finance and Administration Advisory Committee Meeting held on March 28, 2023 be received and approved as printed.**

**“CARRIED”**

2. Updated Pay Scales (In Camera), Report 3330/23 (S. McIntyre & J. Glaser of Cornerstones Management Solutions Limited)

S. McIntyre stated that this work was a corporate priority and outlined the process followed: job descriptions were updated where required; jobs were evaluated using the board-approved evaluation matrix; evaluation scores were used to identify where a job would fall on the pay scale; and, for positions that have been difficult to attract talent to, a market assessment was completed. J. Glaser of Cornerstones Management Solutions, facilitated the job evaluation process with the management team.

### **FAAC23/06/22-3**

**MOVED BY: P. Kehoe**

**SECONDED BY: A. Kendrick**

**Resolved, That the committee move to in-camera session for discussion of the following matter:**

**Labour relations or employee negotiations;**

**And further Resolved, That: Sally McIntyre, Stacy Millard, S. Lawryk and Kelly Hollington leave in the room.**

**“CARRIED”**

The committee moved in camera to discuss updated pay scales. J. Glaser presented the new pay scale developed for MVCA.

### **FAAC23/06/22-4**

**MOVED BY: P. Kehoe**

**SECONDED BY: R. Huetl**

**Resolved, That the committee move out of in-camera discussions.**

**“CARRIED”**

J. Mason summarized a Committee recommendation that J. Glaser further detail the pay scale grid to eliminate the use of “off-grid” terminology by adding sublevels to reflect the salary ranges that are adjusted as per market rates. J. Mason to consult with J. Glaser on this adjustment before it’s presentation to the Board of Directors July 10<sup>th</sup> 2023.

**FAAC23/06/22-5**

**MOVED BY: C. Curry**

**SECONDED BY: A. Kendrick**

**And further resolved, That the Finance & Administration Committee recommend that the Board of Directors:**

- 1. Approve the updated Salary Scale as presented.**
- 2. Approve phased implementation as described in this report.**

**“CARRIED”**

**3. Update of MVCA Policies & Procedures, Report 3331/23 (S. McIntyre)**

S. McIntyre provided an overview of the report, and identified the need to disentangle governance policy from operational policies; and for consolidation of approved MVCA policies into a policy manual for easy reference. A comprehensive review of existing policies is needed to address inconsistencies. S. McIntyre introduced screening criteria to clarify the scope of matters that are to be elevated to the Board for approval.

J. Mason commented these adjustments will clearly identify what needs to come to the Board for approval and confirmed that the Board would not want day-to-day operations included in the policy manual for approval.

**FAAC23/06/22-6**

**MOVED BY: R. Huetl**

**SECONDED BY: C. Curry**

**Resolved, That the Finance & Administration Committee recommend that the Board of Directors:**

- 1. Approve the screening criteria contained in this report;**
- 2. Direct management to apply the screening criteria to existing Board policies and return with updated documents for information; and**

3. **Approve consolidation of all Board policies that are not related to the Administrative By-law or the Employee Manual into a Board Policy Manual.**
4. **Approve housekeeping edits to the Administrative By-law as set out in Attachment 1.**

**“CARRIED”**

4. Procurement Policy Update, Report 3332/23 (S. Millard)

S. Millard presented proposed amendments to the current purchasing policy created in 2006, stating that the outdated policies are impeding day to day operations, they contain operational procedures, and do not reflect current market conditions or account for inflation.

P. Kehoe queried why the level 1 limit was reduced from \$2500 to \$1000. S. Millard explained that this change ensures that program supervisors would be confirming that purchases above \$1,000 are within the approved budget. S. McIntyre added that the limits for level 1 are consistent with other Conservation Authorities.

A. Kendrick asked for clarification how a request for quotation is developed and how it differs from a bid process. S. Millard explained that tenders are public and are public in nature. J. Mason added that a request for proposal would be more complex in terms of what it is asking for.

A. Kendrick asked who is responsible for getting quotations. S. McIntyre clarified that items under \$100,000 would be left to the discretion of the managers to receive quotations unless it was of a more complex matter. S. McIntyre added that as management staff get more experience writing RFQs/RFPs she will perform more of a review function.

J. Mason inquired if there is a standard operating procedure for writing an RFQ/RFP. S. McIntyre replied that a standard template is used

J. Mason questioned the adjustment of level 4 limits from \$50,000 to \$100,000. S. McIntyre explained that projects under \$100,000 tend to be grant related and the requirement for board approval impedes the ability to get timely quotes as well as delaying the initiation of projects. MVCA management aims to mitigate the amount of information being presented to the Board to maintain focus on the most critical contracts.

J. Mason requested that future document changes brought to the board or committees for approval show both the original and updated information for clarity on what has been adjusted, i.e. edit mode.

**FAAC23/06/22-7**

**MOVED BY: R. Huetl**

**SECONDED BY: P. Kehoe**

**Resolved, That the Finance & Administration Committee recommend that the Board of Directors approve amendment of the Purchasing Policy as set out in this report**

**“CARRIED”**5. HQ Water Sewer Connection, Report 3333/23 (S. Lawryk)

S. Lawryk presented the status and next steps for the sewer and water connections of the MVCA main office.

A. Kendrick asked for clarification on the cost structure. S. Lawryk explained that MVCA is responsible for both the proportionate share of costs for the connection to be brought to the property line as well as any costs to bring water and sewer services from the property line to the building itself. J. Mason clarified that MVCA is asking for an increase to the Capital budget, addressing this increase through a loan rather than through the levy.

A. Kendrick asked for further clarification on cost structure. J. Mason provided further explanation and clarified that the requested budget increase from \$357,500 to \$609,000 is \$251,500 – the amount owed to the town of Carleton Place to extend services to the property.

**FAAC23/06/22-8****MOVED BY: P. Kehoe****SECONDED BY: C. Curry****Resolved, That the Finance & Administration Committee recommend that the Board:**

- 1. Authorize an increase to the 2023 Budget - Other Capital: HQ – Sewer & Water Connection project from \$357,500 to \$609,000 plus HST to address the cost of bringing municipal services to the property line;**
- 2. Authorize payment of \$251,500 to the Town of Carleton Place in fulfillment of the 2012 Development Permit Agreement for the extension of municipal services to the MVCA property line;**
- 3. Authorize securement of a loan for the HQ – Sewer & Water Connection project; and**
- 4. Authorize the General Manager and/or Treasurer to negotiate financing terms for a loan with Infrastructure Ontario or member municipality.**

**“CARRIED”**6. Education Program Reinstatement, Report 3334/23 (S. Lawryk)

S. Lawryk presented a report on the reinstatement of the education programs at MVCA, highlighting the importance of fostering community connections to increase the use of the Conservation areas.

C. Curry, R. Huetl and A. Kendrick expressed support for reinstating educational programming.

J. Mason commented that a report exploring the alternatives with cost structures and projected revenue is needed. J. Mason highlighted that this is a category 3 item, and represents a potential additional cost to the municipalities. J. Mason expressed concerns regarding over-

stretched MVCA staff taking on added projects. The MVC Foundation donation of \$10,000 was allotted for a review of program options from a third-party consultant with a background in education.

S. McIntyre stated that there is insufficient time to conduct a full review before the business case needs to go before the City of Ottawa for approval of category 2 and 3 programs and services. Approval from the City of Ottawa is holding up approval from all other municipalities.

J. Mason inquired whether the education business case presentation and approval could be delayed until 2024. S. McIntyre explained that the regulation states that if you are proposing to change any programs and services within the duration of the category 2 and 3 contract that it should be identified during this process.

J. Mason asked if the \$20,000 requested is included in the 2023 budget. S. McIntyre replied that it is proposed to be introduced in 2024, it is too late to move forward in 2023.

J. Mason requested clarification on what the \$20,000 request is for. S. McIntyre explained that it would be to hire a mature university student to help organize and launch the program and oversee summer students that would deliver the program. The summer students would be funded through camp fees.

J. Mason asked whether, if approved, the Board would have the discretion on what it wants to do with the education program in 2024. S. McIntyre confirmed this as correct.

**FAAC23/06/22-9**

**MOVED BY: C. Curry**

**SECONDED BY: A. Kendrick**

**Resolved, That That the Board of Directors approve reinstatement of a Nature Education Program in 2024 at an estimated annual cost of \$20,000 as a Category 3 Program.**

**“CARRIED”**

7. **Election of Vice-Chair (S. McIntyre)**

J. Mason nominated R. Huetl for the position of Vice-Chair. R. Huetl accepted the nomination.

J. Mason asked Finance and Administration Committee members for nominations 3 times. No other nominations were received.

**FAAC23/06/22-10**

**MOVED BY: A. Kendrick**

**SECONDED BY: P. Kehoe**

**Resolved, that nominations for the position of Vice Chair be closed.**

**“CARRIED”**

J. Mason declared R. Huetl as Vice Chair of the Finance and Administration Advisory Committee.

**ADJOURNMENT**

**FAAC23/06/22-11**

**MOVED BY: P. Kehoe**

**SECONDED BY: R. Huetl**

**Resolved, That Finance and Administration Advisory Committee meeting be adjourned.**

**“CARRIED”**

The meeting adjourned at 11:35 am.



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**REPORT****3356/23**

TO:	Finance & Administration Committee
FROM:	Scott Lawryk, Property Manager
RE:	<b>K&amp;P Trail Landowner Dispute: Update and Next Steps</b>
DATE:	October 2, 2023

**RECOMMENDATION**

**That the Finance and Administration Committee recommend that the Board authorize staff to return to court regarding the K&P (Wilbur) property dispute.**

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**1. BACKGROUND**

MVCA has been in a long-standing dispute with the owners of a property adjacent to the K&P trail in North Frontenac, east of Wilbur. The matter went before a judge in 2017, and the court judgement was in MVCA's favour including award of costs. While MVCA has complied with all elements of the Settlement Agreement, the landowner continues to refuse to undertake any prescribed actions.

**2. CURRENT STATE**

In early July, 2023, staff were informed by legal counsel that the landowner contested the survey MVCA had prepared in fulfillment of the Settlement Agreement, and that was submitted to the registry office of Frontenac County, on August 23, 2019. And, furthermore, that the landowners intended to retain their own surveyor and to have the property surveyed over the following couple of months. Since then, staff have learned that the survey has not been completed and there is no target date for its completion.

**3. NEXT STEPS**

In order to resolve any concerns regarding the validity of the survey that was completed by a registered OLS, minimize further delays, and allow for enforcement of the Settlement Agreement, legal counsel advises that we return to court.

#### 4. CORPORATE STRATEGIC PLAN

This work is being carried out in support of the following corporate goal and objective:

**Goal 1: Asset Management – revitalize watershed management activities and invest in our legislated mandate.**

e) Plan for the next phase of asset development and management.

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**REPORT****3357/23**

TO:	MVCA Finance & Administration Committee
FROM:	Sally McIntyre, General Manager
RE:	<b>Update of MVCA's Salary Scale</b>
DATE:	September 19, 2023

**RECOMMENDATION**

**That the Finance & Administration Committee recommend that the Board of Directors:**

- 1. Approve the updated Salary Scale as presented June 2023.**
- 2. Approve phased implementation as described in the June 2023 report.**

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In June, the Finance & Administration Committee considered an updated salary scale drafted by Joanne Glaser of Cornerstones Management Solutions. During in-camera discussions, members requested modifications to how the salary scale is presented. Specifically, members requested that:

- the Standard rate and Market-adjusted rate tables be consolidated into one table; and
- that subcategories of pay levels be used to capture market rates, i.e. 3a, 3b, 3c.

The following issues were identified during subsequent review of the modified table:

- Market conditions vary over time and market-adjusted rates are an adjunct to not a replacement of the Standard rates.
- Given that the job market changes over time, the GM uses discretion in the application of market-adjusted rates. A salary scale that only shows the market-adjusted rates would remove that flexibility.
- Removing standard rates for jobs also reduces transparency in how salaries are set and could undermine employee confidence in the fairness of the job scoring, ranking, and pay-setting process.
- Due to the discretionary nature of using market-rates, they are not published. In some cases, they are significantly higher than the standards rate. Publishing market rates could cause upset amongst employees who are paid less than someone with a similarly scored job.

- Use of subcategories would be confusing as there are instances where the market rate for a job is higher than a higher pay band.

For these reasons, it is recommended that MVCA retain a two-schedule approach:

- Table 1: Standard rates, with jobs assigned to pay bands based upon Job Evaluation results; and asterisks used to indicate which jobs have been approved by the Board as “eligible” for market-based pay.
- Table 2: Market-adjusted rates, to be applied at the discretion of the GM.

## **STRATEGIC PLAN**

This project was carried out in support of the following corporate goal and objectives:

Goal 3: People and Performance – support the operational transformations required to achieve MVCA’s priorities and to address legislative changes.

- a. Staff the organization to allow for: delivery of mandatory programs and services, priority projects, and fulfillment of commitments made under memoranda of understanding (MOUs) and other agreements.
- b. Monitor the quality, efficiency and impact of what we do and modify to improve operational effectiveness.
- c. Promote an engaging and inclusive environment that attracts and retains passionate and highly skilled people, and optimizes their expertise and contributions.

**Attachment** – June 2023 Report 3330/23.

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**REPORT****3330/23**

TO:	MVCA Finance & Administration Committee
FROM:	Sally McIntyre, General Manager
RE:	<b>Update of MVCA's Salary Scale</b>
DATE:	June 14, 2023

**RECOMMENDATION**

**That the Finance & Administration Committee recommend that the Board of Directors:**

- 1. Approve the updated Salary Scale as presented.**
- 2. Approve phased implementation as described in this report.**

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**1.0 BACKGROUND**

The last major review of MVCA's Salary Scale was completed in 2011. Periodic review of jobs and pay bands is recommended to capture changes in job requirements over time, mitigate employee disputes, ensure compliance with Ontario's *Pay Equity Act*, ensure fairness and consistency in employee pay, and to remain competitive in the job market place.

Between 2020 and 2022, a comprehensive update was carried out during which:

- 20 job descriptions (JDs) were reviewed and modified or new ones drafted to reflect current requirements;<sup>1</sup>
- job evaluation questionnaires (JEQs) were completed by incumbents to support evaluation of their jobs.
- job evaluations (JEs) were completed by the management team with the support of Cornerstones Management Solutions Limited. This work involved assessing the relative demands of jobs using MVCA's Board-approved evaluation system and assigning a numeric score;
- market assessments were carried out to identify significant pay discrepancies and risks; and

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<sup>1</sup> Five more job descriptions are scheduled to undergo job evaluation in 2024 but were market assessed during the current review.

- the Board approved changes to several individual jobs.

As a consequence of the various changes made to individual jobs, the old Pay Scale requires update to better reflect composite results. Cornerstone Management Solutions Limited led the update of the Salary Scale with the following objectives in mind:

- the Salary Scale and individual pay bands should be established using standard human resource methodologies and be equitable, replicable and defensible;
- the Salary Scale should mitigate use of off-grid<sup>2</sup> salaries; and
- implementation of the new Salary Scale should minimize financial impacts to MVCA.

## 2.0 UPDATED SALARY SCALE

*The recommended Salary Scale will be presented by Joanne Glaser of Cornerstones Management Solutions Limited IN CAMERA.*

The recommended Salary Scale proposes eight pay levels compared to the current seven levels; and reduces the number of jobs eligible for off-grid pay from ten to seven. Only one position will require additional compensation as a result of the new Salary Scale. To mitigate impacts on the municipal levy, it is recommended that the \$4,200 compensation adjustment be phased-in over two years commencing January 1, 2024.<sup>3</sup> In all other respects, the Salary Scale would take effect upon approval by the Board.

## 3.0 STRATEGIC PLAN

This project was carried out in support of the following corporate goal and objectives:

Goal 3: People and Performance – support the operational transformations required to achieve MVCA’s priorities and to address legislative changes.

- a. Staff the organization to allow for: delivery of mandatory programs and services, priority projects, and fulfillment of commitments made under memoranda of understanding (MOUs) and other agreements.
- b. Monitor the quality, efficiency and impact of what we do and modify to improve operational effectiveness.
- c. Promote an engaging and inclusive environment that attracts and retains passionate and highly skilled people, and optimizes their expertise and contributions.

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<sup>2</sup> Board approval is sought to post and pay market rates where a job’s rating on the Salary Scale is below market rates. This is referred to as being paid “off grid”.

<sup>3</sup> This amount would be inflated by any future Board-approved cost of living allowance (COLA) adjustments.

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**REPORT****3358/23**

TO:	MVCA Finance & Administration Committee
FROM:	Sally McIntyre, General Manager AND Scott Lawryk, Property Manager
RE:	<b>HQ - Sewer &amp; Water Connection: Update and Next Steps</b>
DATE:	October 2, 2023

**RECOMMENDATIONS**

**That the Finance & Administration Committee recommend that the Board direct staff to:**

- 1. seek agreement with the Town of Carleton Place on interpretation and application of the 2012 Development Agreement and return to the Board with a recommended course of action; and**
  - 2. inform Carleton Place that MVCA will not enter into any new or additional cost-sharing agreement related to the extension of municipal services to MVCA's property.**
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**1.0 PURPOSE**

In July 2023, the Board authorized payment of \$251,500 to the Town of Carleton Place in fulfillment of the 2012 Development Permit Agreement for MVCA's share of the cost to extend municipal services to the MVCA property line. Since then, the Town has informed MVCA that:

- it disagrees with the methodology used to calculate the above amount; and
- Cavanagh Construction has drafted a multi-lateral agreement that would supersede the 2012 agreement.

The purpose of this report is to provide an update on these matters and seek Board direction.

**2.0 INTERPRETATION OF THE 2012 AGREEMENT**

The 2012 agreement prescribes that the amount to be paid by MVCA to the Town for connection to municipal services be based upon "an amount equal to the current difference in the appraised value between serviced and unserviced land applied to the property."

Accordingly, MVCA retained Rivington Commercial Appraisers who appraised the serviced and unserviced value of the property based upon its current size of 5.03 acres and the current use as an institutional office. The difference in value per acre was \$50,000 per acre, for a total difference of \$251,000.

Upon review of the Rivington report, the Town felt that the methodology should have been “like for like” to the original analysis carried out in 2010 that had assumed 4.10 acre of vacant commercial land, but applied to the 5.03 acre property size. MVCA directed Rivington to update its review to determine the potential cost implications of this interpretation. In short, using these assumptions Rivington yielded a per acre difference of \$70,000 assuming vacant commercial land, with Table 1 showing the potential cost implications to MVCA.

**Table 1: Differences in Appraised Values**

	<b>Original Size (4.1 acres)</b>	<b>Current Size (5.03 acres)</b>
<b>Original Assumed Land use (Vacant Commercial)</b>	\$285,000	\$352,100
<b>Current Land use (Institutional Office)</b>	\$205,000	<b>\$251,000</b>

In short, there is a cost differential of almost \$150,000 depending upon how the agreement is interpreted; and over a \$100,000 difference between the amount the Board has approved and what the Town is suggesting is payable.

### **3.0 CAVANAGH PROPOSED AGREEMENT**

On July 13, 2023 MVCA staff received a proposed agreement drafted by Cavanagh Construction that, if executed, would have MVCA pay Cavanagh Construction \$483,049.

### **4.0 LEGAL ADVICE**

MVCA secured legal advice from the firm Vice and Hunter LLP as follows:

1. The 2012 Development Agreement remains valid and enforceable.
2. MVCA has no obligations to Cavanagh Construction and should not enter any agreement with or make any payments to them.
3. The Rivington appraisal that assumed the current size (5.03 acres) and current use of the property (institutional office) is the most accurate way of determining “the current difference in the appraised value between serviced and unserviced land applied to the property.”



Further legal advice was offered that can be provided in-camera.

## **5.0 UPDATED COST ESTIMATE**

MVCA is continuing to work with JP2G Engineering on the Servicing Design and Layout Plan to bring services from the property line to the building. Staff are hoping to have an updated design and estimated costs available for review and discussion by the meeting on October 2<sup>nd</sup>.

Based on current circumstances and timelines, it is likely that the project will have to be pushed into 2024 to be completed.

## **6.0 CORPORATE STRATEGIC PLAN**

This report is provided in support of delivery of the following corporate goals and objectives:

**Goal 1: Asset Management – revitalize watershed management activities and invest in our legislated mandate.**

a) Implement the five-year capital program.

**Goal 2: Community Building – engage local partners to foster connections, leverage our resources, and strengthen our “social license” to operate.**

a) Demonstrate MVCA to be a trusted, client-centered, resourceful, and helpful partner.

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**REPORT****3359/23**

TO:	MVCA Finance & Administration Committee
FROM:	Stacy Millard, Treasurer and Sally McIntyre, General Manager
RE:	<b>Cost of Service Study – Phase 1</b>
DATE:	September 27, 2023

**FOR INFORMATION**

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**1. BACKGROUND**

Legislative and regulatory changes in recent years required conservation authorities to calculate the cost of delivering Category 1, 2, and 3 programs and services. While it is mandatory for municipalities to support delivery of Category 1 programs, there is also an expectation that all categories of programs and services will employ user fees and other sources of funding where appropriate and available.

Originally, this study was planned as a fee review to be carried out in partnership with RVCA and SNC, as the three CAs aim to have consistent fees across the City of Ottawa. However, the other two CAs opted not to proceed when a provincial freeze on CA planning and regulation fees took effect January 1, 2023. Accordingly, we scaled back our review to become a Cost of Service Study where we examine costs relative to expenses without analysis of fees, price elasticity, and potential changes.<sup>1</sup> As well, we are tackling this work in a phased manner, with this first report focused on the costs and revenues associated with planning and regulation reviews and approvals as they are our primary source of fee-based revenues.

**2. APPROACH & METHODOLOGY**

MVCA consulted with CAs that had carried out similar work to understand their approach and methodology. One CA had carried out detailed business process mapping to calculate “to the minute” the time expended to process different application types. MVCA carried out comparable but not as detailed analyses.

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<sup>1</sup> Earlier this month SNC approved a 3% increase to its Planning and Regulations fees for 2024 on the assumption that the current freeze is not extended into the new year. MVCA staff will be recommending the same increase when our budget is tabled next month.

Service delivery costs were calculated by:

Direct costs<sup>2</sup>

- (a) Determining the base cost<sup>3</sup> to process an application.
  - This consisted of dividing each application type into key tasks, determining the time required to complete each task, and applying the compensation costs for the staff assigned to those tasks.
  - Mid-range times were used to calculate costs. For example, if a task was assessed as taking 2-5 hours to complete (depending on complexity), the time assigned was 3.5 hours.
- (b) adding direct expenses such as mileage, legal fees and 3<sup>rd</sup>-party advisory services on a pro-rated basis.

Indirect Costs

- (c) adding unassigned time<sup>4</sup> of Planning & Regulations (P&R) staff (18.25%) on a pro-rated basis.
- (d) adding a proportion of indirect corporate overhead costs on a pro-rated basis.
  - The P&R unit accounts for 28.5% of MVCA's staff compliment, and this same percentage was applied to the annual cost of corporate services (e.g. finances, accommodation, IT, Board/Committee support) and allocated on pro-rated basis based upon the number of hours worked on each application type.

Cost recovery rates were determined by:

- (a) extrapolating over a full year the number of applications by type that were received from January to August of 2023.
- (b) applying current fees plus 3% (per footnote 1.)
- (c) applying current wages plus anticipated increases in overhead and COLA.

### 3. FINDINGS

Table 1 presents preliminary results based upon available data and averaging. In summary, no application type is achieving full cost recovery, with only four types achieving > 50% cost recovery.

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<sup>2</sup> Excludes extra fees charges where technical reviews are required by MVCA's engineering group.

<sup>3</sup> These vary depending on the complexity and location of the application but generally include pre-consultation, application intake/logging, a site visit, P&R review, attendance at meetings and calls with the applicant and/or municipal staff, preparation of a report, management QA/QC, and preparation and signing of permits.

<sup>4</sup> For example, time expended dealing with queries, training, and paid vacation and holidays.

**Table 1: Cost Recovery by Application Type (direct and indirect costs)**

Application/Review Type	Average Hours	Average Cost (\$) per Application	Estimated 2024 Fee Charged (\$)	Cost recovery rate
Official Plan Amendment	21.50	2,517.50	844.60	34%
Minor Variance, Zoning By-law	9.75	1,119.25	422.30	38%
Site Plan - Minor	13.5	1,565.50	1,153.60	74%
Site Plan - Major	32.25	3,796.75	2,873.70	76%
Consent to Sever	9.75	1,119.25	515.00	46%
Subdivision/Condo	126.0	14,505.25	4,243.60	29%
Clearance of Conditions	29.5	3,347.50	2,132.10	64%
Routine Permit	10.25	1,005.75	486.68	48%
Minor Permit	21.75	2,546.75	1,107.25	43%
Major Permit	40.50	4,778.00	2,413.29	51%

Costs not recovered through fees are funded by the municipal levy. This means that all land development within MVCA's jurisdiction is being subsidized to varying degrees by the municipal levy, i.e. taxpayers.

#### 4. NEXT STEPS

This initial analysis points to the need for the following:

- Revise our new online timesheet program to allow for more accurate capture of time expended on the full range of applications by both P&R and engineering staff.
- Examine current business processes against comparable organizations (where information is available) to identify opportunities to streamline reviews and reduce costs.
- Review fees charged within and outside of our jurisdiction and assess what sensitivity there is to altering fees to reduce the burden on taxpayers of subsidizing development.
- Conduct a fee review with RVCA and SNC.

In the meantime, further cost of service analysis is planned for Category 3 fees such as rental rates at the Mill of Kintail. While we will review service delivery costs our key focus for these will be a market analysis, as the goal is for these areas to become self-sustaining. These will be brought forward as results are obtained, and will be used to support proposed fee changes.

#### 5. CORPORATE STRATEGIC PLAN

The cost of service review supports delivery of the following corporate strategic goal and objective.

**Goal 3: People and Performance** – support the operational transformations required to achieve MVCA’s priorities and to address legislative changes.

Objective 3b) Monitor the quality, efficiency and impact of what we do and modify to improve operational effectiveness.

## 2023 Fee Schedule

## Schedule "A" Fees - Planning Advisory Program

Planning Application Type	Fee for "natural hazards", "natural heritage" & water quality and quantity matters & on-site services review (when required)
<b>Official Plan Amendments (OPA)</b>	
Minor	\$820
Major (private applications associated with urban expansion and/or major development application)	\$4,000
<b>Zoning By-law, Amendments, Minor Variance Applications</b>	\$410
<b>Site Plan</b> — Single Residential	
<b>Site Plan</b>	
Minor (Small commercial less than 0.8 ha, additions up to 200 sq. m.)	\$1,120
Major (Multiple Res., Commercial, Industrial, Institutional)	\$2,790
<b>Consent to Sever</b> (per application)	\$500
Clearance of Conditions (Severance or Variance)	\$185
<b>Plan of Subdivision/Condominium</b> (To provision of Conditions of Draft Approval)	\$4,120
<b>Clearance of Conditions for Subdivision Registration</b> (per phase)	\$2,070
<b>Draft Plan Approval Revisions</b> (alterations to site/plan layout)	\$2,070
<b>Draft Plan Extensions</b> (original conditions about to lapse)	\$4,120

- Reactivation (all application types) – 50% reactivation fee based on the current schedule after two years of dormancy
- A screening fee of \$130.00 will be charged for written responses to address minor issues.
- Fees are associated with Municipal Memorandums of Understanding and the Provincial One Window review service for natural hazards, natural heritage, water quality and quantity issues.
- All fees are exclusive of the Technical Review Fees (see Schedule C) which are charged on a per issue basis in addition to the fees outlined in Schedule A.
- All fees must be received PRIOR to the release of written comments to an approval authority.
- The CA reserves the right to charge additional fees in the event that the review requires a substantially greater level of effort than normal, additional site visits etc. OR where additional processing past the initial submission period is required.

## 2023 Fee Schedule

**Schedule "B" - Development, Interference with Wetlands and Alterations to Shorelines and Watercourses**

<b>Application Type</b>	<b>Description</b>	<b>Fee</b>
<b>Culvert/Bridge</b>	Replacement (same dimension) $\leq 30$ m and $\leq 1$ m diameter	\$280
	Replacement (different dimension) or new $\leq 1$ m diameter	\$665
	1 m diameter - 3 m diameter	\$1,040
	> 3 m diameter	\$2,050
	Infrastructure Modification (bridges with span <25 m)	\$1,040
	Infrastructure Modification (bridges with span >25 m, storm water management pond)	\$2,685
	Resurfacing	\$280
	Superstructure or abutment works	\$665
	New bridge	\$2,685
<b>Fill Placement</b> Fill Placement (m <sup>3</sup> ) (including septic beds)	Fill placement < 100 m <sup>3</sup>	\$280
	Fill placement > 100 m <sup>3</sup> - 500 m <sup>3</sup>	\$685
	Fill placement > 500 m <sup>3</sup> - 1000 m <sup>3</sup>	\$1,075
	Fill placement > 1000 m <sup>3</sup> - 2000 m <sup>3</sup> (new category)	\$2,115
<b>Buildings</b>	Auxiliary building/structures and additions with a total gross floor area <20 m <sup>2</sup>	\$280
	Auxiliary buildings/structures and additions with a total gross floor area between 20 m <sup>2</sup> and 100 m <sup>2</sup>	\$665
	Auxiliary buildings/structures and additions with a total gross floor area >100 m <sup>2</sup>	\$1,075
	New residential dwellings	
	New single unit commercial/institutional building	\$2,765
Multiple Residential units, Institutional, Industrial or Commercial Building		

## 2023 Fee Schedule

<b>Shoreline Work &amp; Watercourse Alteration</b>	Shoreline alterations, erosion protection, channelization ≤ 30m	\$280
	Shoreline alterations/protection >30m and < 100 m Private residential and/or non-municipal agricultural drain cleanout	\$665
	Shoreline alterations/protection, channelization 100 m - 500 m	\$1,040
<b>Docks</b>	Shoreline disturbance > 2 m and/or total surface > 20 m <sup>2</sup>	\$280
<b>Wetland</b> Development/Interference within 30m and 120m of a Provincially Significant Wetland or non-evaluated wetland	Minor review	\$280
	Area affected ≤ 0.5 ha	\$665
	Area affected > 0.5 ha and ≤ 1.0 ha	\$1,040
	Area affected > 1.0 ha and ≤ 2.0 ha	\$2,050

Municipal Drain Maintenance (DART Protocol)	\$95
Screening Fee & Written Advice	\$125
Permit Amendment with minor changes to proposal or site conditions (rev.)	\$125
S. 28 Application Review Hearing	\$400
Major Projects (ex. Minister's Zoning Order, applications that include several technical studies, >500 m shoreline work or watercourse realignment, development or interference with >2 ha wetland, subdivisions over 10 lots, fill placement over > 2000 m <sup>3</sup> / > 2.0 ha).	\$5,525
<b>Note: Additional charges for legal or technical peer-review may be applicable.</b>	
Issuance of new permit with no changes to proposal or site conditions will be reduced by 50% (rev.)	



**Proposed Fee Schedule: 2023**

<b>Security Deposit</b>	Minor	\$1,000
	Major	\$2,000
<b>Property Inquiry</b> For written responses to legal, real estate and related financial (including CMHC) inquiries by landowners or others on their behalf for property inquiry letter; includes flood plain map (where applicable) and photocopy costs.	File Search Only	\$280
	Expedited Search (3 business days)	\$385
	With Site Inspection	\$465

**Notes:**

- Permit Application fees where the only change in the original application is the time frame will be reduced by 50%

### Proposed Fee Schedule: 2023

#### Schedule "C" - Technical Report Review

Technical reports are routinely prepared by qualified professionals in the fields of water resources engineering, hydro-geological investigation, site servicing, geotechnical engineering, environmental assessments, ecology and planning. Such experts are familiar with profession standards and provincial and local requirements in such matters.

Report Review (1 <sup>st</sup> Submission)	Development Type	2023 Fees
<b>Normal Review (20 business days)</b> - Flood plain hydrology analysis - Geotechnical reports (unstable soils and slopes) - Wetland hydrology impact analysis - Environment impact studies - Stormwater management - Grading and drainage plan - Aquatic habitat assessment/fish habitat impact - Hydrological assessment - Groundwater and terrain analysis - Headwater Drainage Feature Assessment	Development area < 0.5 hectares	\$460
	Development area 0.5 hectares - ≤ 2 hectares	\$900
	Development area > 2 hectares - < 5 hectares	\$1,890
	Development area > than 5 hectares	\$2,945
<b>Major Projects</b>		Hourly
<b>Additional Reviews</b>		Hourly
<b>Aggregate Resources Act Application Reviews (plus Schedule C fees as applicable)</b>		\$4,000

**NOTE:**

- Technical report review services are tracked per file on an hourly basis. Where reviews exceed the standard allocation review time, or require multiple submissions and re-reviews, MVCA reserves the right to change an hourly professional rate in addition to the initial fee.
- Major projects are those with a high level of concern about the local environment, complex ecological, ground water and surface water interactions and which may require MVCA staff attendance at multiple meetings with proponents, consultants or public meetings to satisfy regulatory requirements.

## Proposed Fee Schedule: 2023

**Schedule "D" – Conservation Areas, Rentals, Programs and Administration**  
(HST is in **addition to** all fees unless otherwise specified)

Conservation Area Use Type	2023 Fee
<b>Conservation Area Use</b>	
*Day Pass Purdon	Donation Only
*Day Pass Morris Island <sup>3</sup>	\$6
*Day Pass Mill of Kintail <sup>3</sup>	\$6
Seasonal Pass General <sup>1</sup>	\$48
Additional Car Pass	\$11
Lost General Pass	\$11
<b>Mill of Kintail Rentals</b>	
Cloister Area (Weddings)	\$780
Picnic Shelter	
Per Day	\$133
Hourly	\$24
Education Centre	
Per Day	\$133
Hourly	\$24
Gatehouse	
Per Day	\$212
Hourly	\$38
Community Groups	50% of rental fees
Museum Tour Groups (per person) <sup>4</sup>	\$3
Night Sky Observatory (annual fee)	\$200 (2023) \$200 (2024) \$210 (2025)
<b>Office Rentals</b>	
Boardroom and Meeting Rooms	
Per Day	\$130
Affiliated Groups	FREE
Office Space Work Station Per Month	\$104
<b>Staffing Fee for Rentals Per Hour</b>	\$31.50

Commented [SM1]: To be increased by 2%

### Proposed Fee Schedule: 2023

Administrative Task Type	2023 Fee
<b>Photocopies</b>	
Per page 8.5" x11" (Black and White)	\$0.35
Per page 8.5" x 11" (Colour)	\$1.25
Faxes	\$0.33

Education Type	Fee
<b>**Program Currently Suspended**</b>	
On-site Education Programs (MOK) (2 hours)	<b>**Program Currently Suspended**</b>
In-School Education Programs (2 hours)	
Cancellation Fee	
Wildlife Watches Day Camp (per week) <sup>4</sup>	
Cancellation Fee <sup>4</sup>	

Information and Professional Services	2023 Fee	
<b>Reports</b>	Small: 1-30 pages	\$145
Base Cost (Digital and Paper)	Medium: 31-100 pages	\$280
	Large: 100 + pages	\$425
	Minimum Processing Fee <sup>4</sup>	\$55
	Administrative Rate <sup>4</sup>	\$70/hr
	Professional Rate <sup>4</sup>	\$110/hr
	Management Rate <sup>4</sup>	\$135/hr
<b>Models – digital copies</b>		\$2,125 plus staff time
Hydrologic Model (HEC-HMS, SWMHYMO, PCSWMM) <sup>4</sup>		
Hydraulic Model (HEC2, HEC-RAS) <sup>4</sup>		\$2,125 plus staff time

\* Day Pass Limited to 4 hours

<sup>1</sup> Seasonal Pass – only one vehicle pass be provided per annual pass

<sup>2</sup> Affiliated Groups = meetings held at MVCA where MVCA staff participation/involvement is required and the Group objectives are in-line with MVCA goals and visions

<sup>3</sup> HST Included

<sup>4</sup> HST Exempt

### Proposed Fee Schedule: 2023

#### Schedule "F" – Permits for Class 2-5 Onsite Sewage Disposal Systems

Application Type	Description	Fee
<b>Sewage System New Construction Replacement</b>	Class 4 (Leaching Bed System) & Class 5 (Holding Tank)	
	Residential	\$910
	Commercial or Other Occupancies	\$1,175
	Class 2 & 3 Systems	\$445
	Class 4 Septic Tank Only	\$380
	Inspections (Subgrade, Partial Install, Squirt Height)	\$200
<b>Revisions to Existing Permit</b>	Major (e.g. Different Type of System, Different Location > 10 Meters)	50% of Fee
	Minor (e.g. Change Design Flow, Type of Treatment Unit)	\$200
	Administration (e.g. Change of Documentation only)	\$135
<b>Alteration to Existing System</b>	Major (e.g. Addition of Treatment Unit, Mantle)	\$380
	Minor (e.g. Level Header, Filter & Riser)	\$200
<b>Renovation Change of Use Permits</b>	Renovation/Change of Use (OBC Part 10 & 11)	\$320
	Renovation/Change of Use (OBC Part 10 & 11) with Part 8 Application	\$165
	Property Clearance	\$165
	File Search for Septic Records	\$165
	Lawyer's Letters	\$165
<b>Renewals &amp; Cancellations*</b>	Renewal & Review Fee	\$165
	Cancellation Within 12 Months of Issuance (refund)	50% of Fee
<b>Permit to Demolish</b>	Permit to Demolish / Decommission a Septic System	\$165
<b>Clerical Surcharges*</b>	Operation & Maintenance Document Management Fee (Sec. 8.9 OBC)	\$11
<b>Planning</b>	Planning Comment (per lot for Subdivision Plan Review)	\$220
	Consent Application	\$330
	Additional Consent applications (same retained parcel)	\$150

**NOTES:**

- \* If construction begins before a permit is issued a 50 percent (%) surcharge applies to all permits.
- \* A permit is valid for 12 months from the original date of issuance noted in permit. If lapsed, it may be renewed only once for a period of 12 months from the original date of expiry.
- \* Clerical surcharges are subject to HST



# Guidance on CA Fee Policies and Fee Schedules

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Note: This guidance provides best advice based on available materials and current understanding of the legislation, regulations, and policy.

September 13, 2022; Amended February 27, 2023 re. Minister's Direction

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## 1.0 Executive Summary

On January 1, 2023 the *Conservation Authorities Act* was amended by enacting section 21.2 (1)-(12) related to fees for programs and services. The January 1, 2023, proclamation date is intended to enable Conservation Authorities (CAs) to develop the required **fee policy** and **fee schedule** in advance of enactment. This guidance document provides an overview of the fee policy and fee schedule requirements. It includes detailed checklists to ensure that CAs meet the legislative, regulatory and policy requirements for the fee policy ([Appendix 1](#)) and fee schedule ([Appendix 3](#)). In addition, it provides an annotated sample fee policy for CA programs and services ([Appendix 2](#)).

On December 28, 2022 the Minister of Natural Resources and Forestry issued a [Minister’s Direction to Not Change Fees](#) (“Minister’s Direction”) which applies to fees related to reviewing and commenting on planning and development related proposals, applications, or land use planning policies, or for Conservation Authority permitting. This Minister’s Direction is in effect for 2023. In addition, the [Policy: Minister’s list of classes of programs and services in respect of which Conservation Authorities may charge a fee](#) was re-issued, with minor updates.

Conservation Ontario has previously issued guidance on the calculation of CA fees through the [Guideline for CA Fee Administration Policies for Plan Review and Permitting](#) in 2019.

## 2.0 Overview of Fee Policy and Fee Schedule Requirements

On January 1, 2023, the *Conservation Authorities Act* was amended by repealing 21 (1) (m.1) which related to the power of CAs to charge fees for services approved by the Minister of Natural Resources and Forestry and enacting section 21.2 (1)-(12) “Fees for Programs and Services”. Subsection (1) enables the Minister to determine the classes of programs and services in respect of which an authority may charge a fee and (2) requires the minister to publish a List in a policy document. The Minister published the list through the [Policy: Minister’s list of classes of programs and services in respect of which conservation authorities may charge a fee](#) (“Minister’s List”) on April 11, 2022 and re-issued it on December 28, 2022. Conservation Authorities may only charge a fee for a program or service that it provides if it is included in this List. This List replaces the 1997 *Policies and Procedures for the Charging of Conservation Authority Fees* which was approved by the Minister of Natural Resources and Forestry.

No date for proclamation of subsections 21.2 (13)-(21) which address reconsideration of fees for permit applications have been announced. It is expected that these clauses will not be enacted until a new Section 28 regulation is enacted.

Section 21.2 of the *Conservation Authorities Act* sets out that every Conservation Authority shall prepare and adopt both a written **fee policy** and **fee schedule** with respect to the fees that it charges for the programs and services it provides. Note that the Minister’s List does not apply to those instances where the authority is already authorized under another statute to charge a fee for a program or service (e.g., *Clean Water Act, Building Code Act*).



Both the Fee Policy and Fee Schedule are intended to increase transparency and accountability surrounding the establishment and charging of CA fees. Upon enactment of Section 21.2 of the *Conservation Authorities Act* on January 1, 2023, all CAs will be required to have a fee policy and fee schedule approved by their Members. Note that the Minister's Direction prohibits CAs from changing the amount of any fee or the manner in which a fee is determined for development applications within 2023.

## 2.1 Fee Policy

The Fee Policy is intended as an overarching document which sets out key information on the fees that an Authority charges for the programs and services it provides. Pursuant to Section 21.2 (7) of the *Conservation Authorities Act*, a Fee Policy must include the following:

- The Conservation Authority's Fee Schedule;
- The frequency within which the fee policy will be reviewed by the Authority;
- The process for carrying out a review of the Policy, including rules for giving notice of the review and of any changes as a result of the review; and,
- The circumstances in which a person may request that the authority reconsider a fee that was charged to the person and the procedures applicable to the reconsideration.

Requirements for the preparation of a Conservation Authority's Fee Policy are outlined in both the [Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee](#) ("Minister's List") as well as in the *Conservation Authorities Act* (s. 21.2). Conservation Ontario's "Guidance on the Second Phase of the Transition Period" (dated June 27, 2022) provides additional direction regarding the incorporation of fees into municipal (Category 2) and other (Category 3) agreements. See [Appendix 1: Summary of Requirements for CA Fees Policy](#) for a concise list of what needs to be included in a fee policy. Appendix 2 provides an [Annotated Sample Fee Policy for Conservation Authority Programs and Services](#).

## 2.2 Fee Schedule

The Fee Schedule is a required component of the Fee Policy and may be included as an Appendix or schedule to the Fee Policy. The Fee schedule includes two key components: (1) a list of the programs and services that the CA provides where a fee is charged, (2) as well as the amount of the fee charged for each individual program or service, or, where a set fee is not established, the manner in which the fee is determined. While the fee schedule is a part of the overall fee policy, it is expected that the fee schedule would be subject to more regular review and update.

When establishing a Fee Schedule, Conservation Authorities must adhere to the requirements outlined in the "Policy: Minister's list of classes of programs and services in respect of which Conservation Authorities may charge a fee", the requirements of s. 21.2 of the *Conservation Authorities Act* and any "Minister's Direction" that is in effect. See [Appendix 3](#) for a summary of the requirements. The "Minister's List" establishes classes of programs and services where a Conservation Authority may charge a fee. This list may be amended from time to time, and where updates are made, a new policy document will be distributed to each CA. Currently, the Minister's List established three classes of programs and services where a CA may charge a fee, along with specific criteria for each class:

1. **Category 1 Mandatory Programs and Services** (*where the user-pay principle is appropriate*);
2. **Category 2 Municipal Programs and Services** (*where the user-pay principle is appropriate and the parties agree through the provisions of an MOU or other such agreement that the authority should be permitted to charge a fee for that program or service*); and,
3. **Category 3 Other Programs and Services** (*where the user-pay principle is appropriate. Where a cost apportionment agreement has been entered into for these programs and services, the agreement must also include provisions permitting the authority to charge a fee for the program or service*).

As per the [Minister's List](#) the following programs and services do not need to be incorporated into a cost apportioning agreement to enable the charging of CA fees: recreational activities with the direct supervision of staff; community relations; public education services; provision of information to the public; and the sale of products by the authority. See Table 1 of the [List](#) for further details.

Fees charged by Conservation Authorities are considered “User Fees”, which are fees paid to the Authority by a person or organization for a program or service that they specifically benefit from. In accordance with the Minister's List, a fee may only be applied by the CA when the “User-Pay Principle” is considered appropriate (i.e., when there is a person or class of persons that directly benefit from a program or service delivered by the Authority). Examples of such fees may include:

- Use of a public resource (e.g., access to a park or CA facilities);
- Equipment rentals;
- Commenting on *Planning Act* applications; and,
- Responses to legal, real estate and public inquiries regarding a section 28 permit.

It is noted that many Conservation Authorities are in the process of updating/creating memorandums of understanding with their municipalities for Category 2 Municipal programs and services in advance of the new requirements for the annual budget (effective January 1, 2024) as per the [Budget and Apportionment Regulation](#). In addition, many Conservation Authorities are in the process of entering into cost apportioning agreements for Category 3 Other programs and services as per the [Transition Plans and Agreements for Programs and Services under Section 21.1.2 of the Act](#) (to be completed by January 1, 2024). The finalization of these MOUs/agreements may result in more frequent amendments to the Conservation Authority's fee schedule throughout the 2022-2024 period or CAs may choose to consolidate the updates as part of an annual review.

### 2.3 Consultation Requirements

The *Conservation Authorities Act* (s. 21.2 (7) (c)) requires that the CA includes within their Fee Policy information regarding the process for carrying out a review of the Policy, including the rules for giving notice and of any changes resulting from the review. The Minister's List directs that CAs must notify the public of any proposed change it wishes to make to its Fee Schedule. Any updates to the Fee Schedule should follow the procedures outlined in the CA's Fee Policy.

Section 4 of the [Policies and Procedures for Conservation Plan Review and Permitting Activities](#) identifies minimum requirements for policy consultation for plan review and permitting activities which may be considered more broadly for the purposes of consultation on the Fee Policy and plan review and permitting Fee Schedule(s).

## Appendix 1: Summary of Requirements for CA Fees Policy

The following is a summary of the legislative, regulatory and policy requirements for a CA Fees Policy.

[Conservation Authorities Act](#) (see 21.2 (1) – 21.2 (12)) enacted January 1, 2023

### Must include:

- Fee schedule (21.2(6)), including
  - List of programs and services that it provides and charges a fee
  - Amount of fee charged or manner in which fee is determined
- Frequency in which the fee policy will be reviewed (21.2 (7) (b))
- Process for carrying out a review, including rules for giving notice (21.2 (7) (c))
- Circumstances in which CA will reconsider a fee and the applicable procedure to do so (21.2(7) (d))
- Made available to the public (21.2 (8))
- Requirement to periodically review fee schedule and fee policy (21.2(9))
- Notice to public if changes are proposed to the fee schedule (21.2 (10))
- Procedures for re-consideration of a fee (21.2 (11)). Powers upon reconsideration include (21.2 (12))
  - Order to pay fee
  - Vary the fee amount
  - Charge no fee for program or service

Note that 21.2 (13)–(21) has no timeline associated with its effective date.

### [O. Reg. 399/22: TRANSITION PLANS AND AGREEMENTS FOR PROGRAMS AND SERVICES UNDER SECTION 21.1.2 OF THE ACT](#)

### Optional:

Amendments to the Transition Plans regulation filed April 20, 2022 include a new requirement where fees are proposed to be charged for **Category 3/Other** programs and services to identify the program or service provided by the authority and set out procedures that must be followed before a fee is established by the authority, including consultations with the parties to the agreement. Consideration could be made to referencing the Authority's Fee Policy in the agreement<sup>1</sup>.

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<sup>1</sup> As per the [Minister's List](#) the following programs and services do not need to be incorporated into a cost apportioning agreement to enable the charging of CA fees: recreational activities with the direct supervision of staff; community relations; public education services; provision of information to the public; and the sale of products by the authority. See Table 1 within the Minister's List for further details.

## Minister's Fee Class Policy

### **Must include:**

- Must define the circumstances in which a person may request that the authority reconsider a fee that was charged and the procedures applicable to the reconsideration
- Ability to identify which types of fees may be reconsidered via the fee policy
- Fee schedule must be consistent with the Minister's List regarding the types of programs and services CAs can charge a fee for (generally, all Categories where the user-pay principle is appropriate)
- Fees for planning services should be developed in conjunction with planning authorities and not exceed the costs of administration on a program basis
- Fees for permitting services should be developed to recover but not exceed the costs associated with administering and delivering the service on a program basis

### **Optional:**

- Fees can only be charged for **Category 2/ Municipal** programs and services where the user-pay principle is appropriate and there is a provision in the MOU or agreement that the authority should be permitted to charge a fee for that program or service
- Include note that Minister's List does not include those instances where the authority is already authorized under another statute to charge a fee for a program or service (e.g., Clean Water Act, Building Code Act)

## O. Reg. 400/22: Information Requirements

### **Optional:**

- Posting of fee policy on the CA Governance website (2.1 (9) – any other document prepared by the Authority that it considers appropriate to post)

## Appendix 2: Annotated Sample Fee Policy for Conservation Authority Programs and Services

### Background

Amendments to the *Conservation Authorities Act* were undertaken in 2020 to clarify the programs and services that Conservation Authorities (CAs) deliver. In 2021, [O. Reg. 686/21 Mandatory Programs and Services](#) provided additional clarity regarding the programs and services that CAs are required to provide. In December, 2022 the Minister re-released [Policy: Minister's list of classes of programs and services in respect of which conservation authorities may charge a fee](#) ("Minister's List"). CAs may only charge a fee for a program or services that it provides if it is set out in the Minister's List. The Minister's List identifies that CAs may charge a fee for mandatory, municipal and other programs and services where the user-pay principle is appropriate.

The Minister's List replaces the 1997 *Policies and Procedures for the Charging of Conservation Authority Fees* which was approved by the Minister of Natural Resources and Forestry. The new Minister's List will come into effect on January 1, 2023. This policy document is intended to fulfill the requirement for each authority to adopt a written policy with respect to the fees that it charges for the programs and services it provides.

### Legislation

On January 1, 2023, the *Conservation Authorities Act* was amended by enacting section 21.2 (1)-(12) "Fees for Programs and Services". Subsection (1) enables the Minister to determine the classes of programs and services in respect of which an authority may charge a fee and (2) requires to the minister to publish a List in a policy document. CAs may only charge a fee for a program or service that it provides if it falls within this list.

### **Under the *Conservation Authorities Act*, programs and services delivered by Conservation Authorities include:**

- **Mandatory programs and services.** Mandatory programs and services that that the Conservation Authority is required to provide [see 21.1 for further details]. These services are further defined in [O. Reg. 686/21: Mandatory Programs and Services](#) and may be funded by provincial grants, other sources, municipal apportionment and/or Conservation Authority self-generated revenue (e.g., user fees) where the user-pay principle is appropriate.
- **Municipal programs and services.** Programs and services that an authority agrees to provide on behalf of a municipality under a MOU or agreement [see 21.1.1 for further details]. The program or service may be funded by the municipality or by other funding mechanisms (e.g., user fees where the user-pay principle is appropriate) as per the MOU or agreement.
- **Other programs and services.** Programs and services that an authority determines are advisable to further the purposes of the Act [see 21.1.2 for further details]. The program or service may be funded by the municipality or by other funding mechanisms (e.g., user fees where the user-pay principle is appropriate) as per the cost apportioning agreement and the Minister's List.

## Policy Scope

This policy would apply to all classes of programs and services for which a Conservation Authority may charge a fee. This policy does not include those instances where the authority is already authorized under another statute to charge a fee for a program or service (e.g on-site sewage system program under the *Building Code Act*).

## Policy Principles and Statements

*Consider including high-level policy principles/statements that will guide the implementation of the fee policy, including the fee schedule.*

*For example. When developing fee schedules, the following policy principles apply:*

- *Conservation Authorities are entitled to set rates, charge and collect fees for services rendered*
- *Conservation Authority fee recovery direction/standards for programs and services should be set by the Members of the authority*
- *Fees for planning and permitting services should be set to recover but not exceed the costs associated with administering and delivering the services on a program basis*
- *Direct and indirect costs associated with the program or service should be included in the calculation of the overall cost*
- *The methods for calculating costs should be robust and transparent*
- *For fees associated with municipal and other programs and services provisions to enable the charging of fees must be included in the MOU or cost apportioning agreement except where already authorized through the Minister's List*
- *Fees should be established with due regard to legislative requirements, ability to sustain programs and reflect a user-pay principle*

## Implementation

*Speak to the direction of the Members regarding cost recovery.*

*Some Conservation Authorities break the implementation section down in terms of the program and service they are referring to. Not all fee schedules need to be reviewed using the same timeframe. For example, the costs for education programs could be established in advance of the school year (i.e., September) to ensure continuity of costs throughout the academic year. The CA may choose to amend other fee schedules based on the fiscal or budget year.*

## Planning Services

Cannot exceed the authority's costs for administering and delivering the program or service.

*When establishing these fees, also consider the client service objectives outlined in the [Policies and Procedures for Conservation Authority Plan Review and Permitting Activities](#) as well as the [Conservation Ontario Client Service Standards for Conservation Authority Plan and Permit Review](#). Each CA has a Board resolution in support of the client service initiative.*

## Permitting Services

Cannot exceed the authority's costs for administering and delivering the program or service.

*When establishing these fees, also consider the client service objectives outlined in the Policies and Procedures for Conservation Authority Plan Review and Permitting Activities as well as the [Client Service Standards for Conservation Authority Plan and Permit Review](#).*

#### Remaining Programs and Services

Remaining programs and services are not subject to a limitation regarding the percentage of costs of administering and delivering the program which can be recovered. These costs can be established at the direction of the Authority.

*When developing a fee schedule for programs and services related to the conservation and management of lands owned or controlled by the Authority, consideration should be made to referencing any objectives contained within the CA's Conservation Areas Strategy (to be completed by December 31, 2024; see 9.(1) 1 of [O. Reg. 686/21](#) for further details).*

*When developing a fee schedule for the remaining programs and services Conservation Authorities may consider the costs associated with delivering the program or service, relevant market considerations, the nature and level of fees charged by local municipalities and other agencies for related services and opportunities to harmonize fees with neighbouring CAs where costs for similar services are comparable.*

#### Exemptions and In-Kind Services

*May consider a statement about the Authority's ability to waive fees and to provide in-kind services. This should likely be only at the direction of senior management and/or the General Manager/CAO for external customers. Conservation Authorities may choose to waive fees for activities undertaken by the Conservation Authority (e.g., a permit application fee for a stewardship project).*

#### Refunds

*Recommend including a note regarding how the CA will address requests for refunds. Consider including an administrative fee related to the refund.*

#### Appeal Process

As per subsection 21.2 (11) and (12), Conservation Authorities must identify the circumstances under which any person may request a reconsideration of fees and the applicable procedures. After considering the request, the Authority may vary the amount of the fee to be charged, order that no fee be charged, or confirm the original amount of the fee.

Note that 21.2 (13)-(21) has no timeline for enactment.

*It is recommended that Conservation Authorities identify the scope of fees that could be subject to appeal within their fee policy (for example, planning and permitting fees, as compared to fees for a specific product).*

*Some Conservation Authorities have established a process similar to an administrative review for fees. This directs the original appeal to the GM/CAO and then, if not satisfied, to the Members of the Authority. Examples can be found on the [CO Members website](#).*



## Review of Policy

*Speak to the internal review process that your Conservation Authority will undertake for the fee schedule/ fee policy and the timeline for the review(s).*

As per [O. Reg. 687/21](#) after January 1, 2023 Conservation Authorities must consult with participating municipalities that are party to a cost apportioning agreement prior to setting a fee for an other/category 3 program or service (see 8 (4.1) for further details).

*Consideration should be made to differentiating the consultation process for fee schedules reflecting the level of public interest/ amount of fee. For example, a more comprehensive process should be undertaken to amend fee schedules associated with plan review and permitting activities as compared to minor fees associated with equipment rentals. For minor fees, the CA could provide notice of the review through a post on their website.*

## Public Notification

*This section should include the rules for giving notice of review of the fee policy and fee schedule(s) and any changes made as a result of the review. CA should notify the public of any changes to its fee schedule (e.g., on its website).*

## Date of Effect and Transition

Decisions regarding the Fee Policy and Fee Schedules are made by the Members of the CA.

*Speak to the relationship of this policy to previous policies that the Authority may have had in place.*

## Resources

[Policies and Procedures for Conservation Authority Plan Review and Permitting Activities](#)

[Client Service Standards for Conservation Authority Plan and Permit Review](#)

## Appendix 3: Summary of Requirements for CA Fee Schedule

The following is a summary of the legislative, regulatory and policy requirements for a CA Fees Schedule.

[Conservation Authorities Act](#) (see 21.2 (1) – 21.2 (12) enacted January 1, 2023

### **Must include:**

- Consistency with the Minister’s classes of programs and services in respect of which a CA may charge a fee (21.2 (4))
- The list of programs and services that a CA charges a fee (21.2 (6) (a))
- The fee amount determined by the authority (21.2 (6) (b))
- Be available to the public in a manner the CA considers appropriate as part of the fee policy (21.2 (8))
- Be subject to periodic review as per the CA’s fees policy (21.2 (9))
- Notice to be provided whenever there is a proposed change to the list of fees or how the fees are determined as per the CA’s fee policy (21.2 (10))
- Fees to be subject to reconsideration as per the CA’s fee policy (21.2 (11))

[O. Reg. 399/22: TRANSITION PLANS AND AGREEMENTS FOR PROGRAMS AND SERVICES UNDER SECTION 21.1.2 OF THE ACT](#)

### **Consideration:**

Amendments to the Transition Plans regulation filed April 20, 2022 include a new requirement where fees are proposed to be charged for **Category 3/Other** programs and services to identify the program or service provided by the Authority and set out procedures that must be followed before a fee is established by the Authority, including consultations with the parties to the agreement.

### [Minister’s Fee Class Policy](#)

#### **Must include:**

- Fee schedule must be consistent with the Minister’s Fee Class Policy regarding the types of programs and services CAs can charge a fee for (generally, all Categories where the user-pay principle is appropriate) and any Minister’s Direction
- List of programs and services for which it will charge a fee and the amount
- Public must be notified of any proposed changes to its fee schedule
- Decisions regarding the fee schedule are made by members of the Authority
- Fees authorized under another statute are not subject to the Minister’s Fee Class Policy
- Fees for planning services should be developed in conjunction with planning authorities and not exceed the costs of administration on a program basis
- Fees for permitting services should be developed to recover but not exceed the costs associated with administering and delivering the service on a program basis

**Consideration:**

- Fees can only be charged for **Category 2/ Municipal** programs and services where the user-pay principle is appropriate and there is a provision in the MOU or agreement that the Authority should be permitted to charge a fee for that program or service
- Fees can only be charged for **Category 3/Other** programs and services where financed in whole or in part by the municipal levy where there is a provision in the cost apportioning agreement that the Authority should be permitted to charge a fee for that program or service and the user-pay principle is appropriate. This is subject to the exclusions included in Table 1 of the Minister's List.

[O. Reg. 400/22: Information Requirements](#)**Optional:**

- Posting of fee schedule on the CA Governance website (2.1 (9) – any other document prepared by the Authority that it considers appropriate to post)