



Report To: Manitoulin-Sudbury District Services Board

From: Connie Morphet, Director of Finance and Administration

Date: January 28, 2021

Re: Power Dam Apportionment – Issue Report

Purpose

The Town of Espanola sent a [letter](#) to the Board chair, along with a Treatment of Power Dam Grant Revenue [report](#) prepared by Municipal Tax Equity (MTE) Consultants Inc.

Background

Power Dams for 2001 and subsequent years are exempt from direct taxation under Bill 140. The three municipalities with Power Dam are Espanola, Nairn and Sables-Spanish River. These municipalities have been paid a grant equal to the loss in taxes. This exemption led to an issue as to how the municipal levy should be collected by DSB.

At the May 27, 2004 Board meeting, the Manitoulin-Sudbury DSB passed the following Resolution:

[Resolution No. 04-46](#)

Moved by: Earle Freeborn

Seconded by: Laurier Low

THAT the DSSAB proceed to activate the legislated Double Majority vote requirement mechanism required to determine if the DSSAB's member municipalities (both organized and unorganized) pronounce themselves either for or against the inclusion of the Power Dam grants that some of our member municipalities receive factored into the DSSAB's Municipal Cost Apportionment Formula for future years commencing with the DSSAB's year 2005 operating year.

At the October 28, 2004 Board meeting, the Manitoulin-Sudbury DSB passed the following Resolution:

Resolution No. 04-110 **Moved by:** Laurier Low **Seconded by:** Les Gamble

WHEREAS THE MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD canvassed its member municipalities to have them record whether or not they wished to see the DSSAB's annual municipal cost apportionment formula adjusted to include power dam grants in the revenues that its member municipalities receive in the DSSAB's determination of the municipal share of the annual DSSAB budget that is attributed to and payable by each of its municipal member;

AND WHEREAS the DSSAB's member municipalities have indicated, by way of a Double Majority Vote, that they would recommend the inclusion of said municipal Power Dam revenues in the DSSAB's calculation of the municipal share of its annual budget that is attributed to each member municipality;

BE IT THEREFORE RESOLVED THAT THE DSSAB accept the registered results of its member municipalities' Double Majority Vote and commence to include municipal Power Dam revenues in the weighted assessment formula that it uses to determine that portion of the municipal share of the DSSAB's approved annual budget that is apportioned to and payable by each of its member municipalities;

AND BE IT THEREFORE FURTHER RESOLVED THAT THE DSSAB's inclusion of Power Dam revenues in its annual municipal cost apportionment formula come into effect with the DSSAB's 2005 budget year which commences on January 1, 2005.

2019 Power Dam Review

On October 25, 2019 the Town of Espanola sent a [letter](#) to the DSB CAO requesting a review of the Power Dam Apportionment. At the November 2019 board meeting, the board reviewed the power dam apportionment at the request of the Town of Espanola. The original Power Dam Apportionment Resolution 04-110 was reviewed, and the Board reaffirmed that the Power Dam revenues be included in the apportionment formula. The resolution below was approved at the November 28, 2019 Board meeting.

Resolution 19-91 **Moved by:** Arthur Hayden **Seconded by:** Vern Gorham

WHEREAS the Town of Espanola's [letter](#) dated Oct 25, 2019 has requested that the Board review the method in which the Power Dam apportionment is calculated; and

WHEREAS the Board has reviewed the letter from the Town of Espanola and the original Power Dam Apportionment [Resolution 04-110](#) that was carried after a double majority vote in 2004.

THEREFORE BE IT RESOLVED THAT the Board reaffirms 2004 resolution that the Power Dam revenues be included in the apportionment formula; and

FURTHER BE IT RESOLVED THAT the Board direct staff to clearly show the power dam revenues in the 2020 Apportionment documents that are distributed to municipalities.

This resolution directs staff to clearly show the Power Dam revenues in the 2020 Apportionment documents that are distributed to municipalities. A [letter](#) was sent to the Town of Espanola advising of this decision.

Town of Espanola MTE Report - 2021 Impact on Apportionment

The chart below has been prepared by DSB staff, based on the **impact the Town of Espanola's consultant's report** would have on the 2021 apportionment calculation.

Municipality	Current 2021 Apportionment	Proposed by MTE for 2021	Variance Increase (decrease)
Assiginack	\$380,156	\$383,055	\$2,899
Gordon / Barrie Island	\$289,835	\$292,045	\$2,210
Cockburn Island	\$23,385	\$23,564	\$179
Billings	\$358,257	\$360,990	\$2,733
Central Manitoulin	\$803,219	\$809,348	\$6,129
Burpee & Mills	\$149,813	\$150,955	\$1,142
Tehkummah	\$156,682	\$157,877	\$1,195
NEMI	\$1,073,834	\$1,082,027	\$8,193
Gore Bay	\$140,019	\$141,087	\$1,068
Killarney	\$660,390	\$665,428	\$5,038
Baldwin	\$123,700	\$124,643	\$943
Chapleau	\$196,921	\$198,424	\$1,503
Espanola	\$1,194,006	\$1,136,722	(\$57,284)
French River	\$1,191,151	\$1,200,239	\$9,088
Markstay-Warren	\$581,093	\$585,527	\$4,434
Nairn & Hyman	\$154,028	\$152,124	(\$1,904)
Sables-Spanish Rivers	\$673,035	\$682,474	\$9,439
St Charles	\$392,628	\$395,623	\$2,995
Total	\$8,542,152	\$8,542,152	\$0

2021 Power Dam Apportionment

The power dam apportionment is a set dollar amount based on the 2000 Current Value Assessment for all Power Dams. The apportionment amount is equivalent to the apportionment that would have been paid in 2001 if the Power Dam assessment had not been removed from taxation. This dollar amount has increased or decreased if the Power Dam Grant received by the municipality has changed.

The Board has been provided the [2021 Apportionment](#) based on the existing formula for their review.

Conclusion

Staff are looking for Board direction.