

CORPORATION OF THE COUNTY OF PERTH

BY-LAW NUMBER 3204-2010

**AUTHORIZE THE EXECUTION OF A COST SHARING AGREEMENT WITH
THE CORPORATION OF THE CITY OF STRATFORD AND THE CORPORATION OF
THE COUNTY OF PERTH**

Recitals:

1. The Corporation of the County of Perth (County), The Corporation of the City of Stratford (City) and The Corporation of the Township of Perth East (Township) have negotiated an agreement between them for the annexation of land, now located in the Township, to the City, with the concurrence and support of the County, by way of a restructuring proposal and report pursuant to Sections 172 and 173 of The Municipal Act, 2001, S. O. 2001, c.25.
2. The Restructuring Proposal is expected to be implemented and in force and effect on or before January 1, 2011 and be completed on the effective dates set out in the Boundary Adjustment Agreement between the Parties dated July 15, 2010.
3. The City of Stratford and The County of Perth have entered into a Cost Sharing Agreement as a condition of the City's request and County's concurrence and support of the annexation referred to in the Boundary Adjustment Agreement dated July 15, 2010 between the County, City and the Township.
4. It is deemed expedient to execute the Cost Sharing Agreement between The Corporation of the City of Stratford and The Corporation of the County of Perth.

Article: 1.0

1. The Warden and Clerk are hereby authorized to execute the Cost Sharing Agreement between The Corporation of the City of Stratford and The Corporation of The County of Perth as in Schedule A attached hereto; and
2. The attached Schedule A shall form part of this by-law; and
3. This by-law comes into force and effect on July 15, 2010.

Read a first and second time this 15th day of July, 2010.

Read a third and final time this 15th day of July, 2010.

"Julie Behrns"

Julie Behrns, Warden

"R. William Arthur"

R. William Arthur, Clerk

CITY/COUNTY COST SHARING AGREEMENT

THIS AGREEMENT made this 15th day of July, 2010.

BETWEEN:

THE CORPORATION OF THE COUNTY OF PERTH

(hereinafter referred to as the "County")

- and -

THE CORPORATION OF THE CITY OF STRATFORD

(hereinafter referred to as the "City")

WHEREAS the City, the County and The Corporation of the Township of Perth East ("the Township"), have negotiated an agreement between them for the annexation of land ("the annexed lands"), now located in the Township, to the City, with the concurrence and support of the County, by way of a restructuring proposal and report ("the Restructuring Proposal") pursuant to sections 172 and 173 of the *Municipal Act*, 2001, S.O. 2001, C. 25, dated July 15, 2010;

AND WHEREAS the Restructuring Proposal is expected to be implemented and in force and effect on the effective dates set out in the Boundary Adjustment Agreement between the Parties dated July 15, 2010;

AND WHEREAS the Parties have entered into this Cost Sharing Agreement as a condition of the City's request and County's concurrence and support of the annexation referred to in the Boundary Adjustment Agreement dated July 15, 2010, between the County, City and the Township.

NOW THEREFORE, THIS AGREEMENT WITNESSETH that the parties have agreed to a Compensation Plan as follows:

1. COST SHARING

(a) In consideration of the County supporting and agreeing to the annexation by the City of the annexed lands from the Township, the Parties hereto agree to a revised cost sharing arrangement respecting the following:

- (i) Social Services
- (ii) Emergency Medical Services

- (iii) Health Unit Services
- (iv) Homes for the Aged Services (Spruce Lodge)
- (v) Regional Roads Services

- (b) Particulars of the agreed revised cost sharing arrangements are set out in Schedule 'A' attached hereto.

2. **INTEREST**

- (a) The Parties hereby acknowledge and agree that interest will be applied to any arrears of any payments required in this Agreement.
- (b) Arrears of payments shall bear interest at the bank rate as it is defined in section 7 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, compounded monthly and calculated from the date following the date upon which the payment is due until paid.

3. **OTHER CONSIDERATIONS**

- (a) This Agreement is conditional upon the execution of the City/Township Compensation Agreement between the City and the Township dated _____, 2010 and the issuance of an Order by the Minister of Municipal Affairs and Housing implementing the Restructuring Proposal dated _____, 2010.
- (b) This Agreement is conditional upon the Boundary Adjustment Agreement being valid and in full force and effect.

4. **DURATION AND BINDING NATURE**

- (a) The Parties acknowledge that the arrangements and agreements set out in this Agreement shall be made as long as this Agreement is valid and in full force and effect.
- (b) The Parties may terminate this Agreement at any time with the written consent of all parties.
- (c) Should the City ever become part of the jurisdiction of the County, that portion of the City's payments to the City subject to this Agreement will cease, effective the date of such occurrence, and the City's obligations to make payments to the County under this Cost Sharing Agreement will accordingly cease as of the same date.
- (d) This Agreement shall supercede and replace all past agreement between the

Parties (and between the parties and any other municipality) in respect to the cost sharing matters dealt with in this Agreement.

5. **DISPUTE RESOLUTION**


- (a) If a dispute arises with respect to any interpretation of this Agreement, the matter in dispute may be referred for resolution through mediation. The mediator shall be agreed upon unanimously by all parties.
- (b) If a mediator cannot be agreed upon by all parties, or the dispute is not resolved through mediation, the matter shall be referred to arbitration, to be conducted in accordance with the provisions of the Arbitration Act, 1991, except as provided herein.


Where a dispute is referred to arbitration under the preceding subparagraph (b), the decision of the arbitrator(s) shall be final.

- (c) The costs associated with the mediation or arbitration proceedings shall be shared equally between the parties.

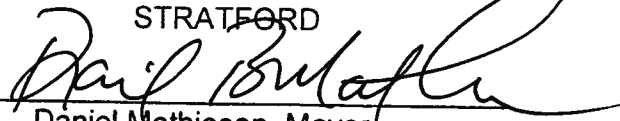
IN WITNESS WHEREOF this Cost Sharing Agreement has been executed by the parties hereto under their respective corporate seals.


THE CORPORATION OF THE COUNTY OF
PERTH

Per: 
Julie Behrns, Warden

Per: 
William Arthur, Clerk

THE CORPORATION OF THE CITY OF
STRATFORD

Per: 
Daniel Mathieson, Mayor

Per: 
Joan Thomson, Clerk

SCHEDULE 'A' - COST SHARING

Cost sharing referred to in paragraph 1 of this Agreement shall be the following:

1. Cost of the Services referred to in Paragraph 1 are shared on a yearly basis and paid on a status quo basis among the County, the City and The Corporation of the Town of St. Marys ("St. Marys"). St. Marys will continue to pay its share on the existing basis until its agreement(s) with the City and County is changed by agreement, arbitration or statute.

After deducting St. Marys' contribution to the shared costs of the Services as determined on the existing status quo basis, the City and County will pay the balance of the costs in accordance with the formula hereinafter set forth, as follows:

2. The County and City will share the balance of the costs of the Services on a Notional Assessment formula. Notional Assessment is raw assessment that has been weighted by being multiplied by common tax ratios.

- (a) The common tax ratios will be calculated annually, in that each year the spreadsheet will be updated with the raw assessment figures as based on the Returned Roll, as per OPTA, for each respective municipality. In addition to the assessment, the other variables updated each year would include the existing RT class tax rate, discount factors, and tax ratios, as these are subject to Council approval annually. Of all the variables included to arrive at the Notional Assessment percentages, only the raw assessment data will be based on the current year, with the others being based on the prior year data. To simplify this annual calculation, there will be a revised spreadsheet to have an input area for the annual changing variables, with the rest being a calculated area that is locked down so only the input area is modifiable.
- (b) The City and County will determine the cost sharing based on their percentages that are determined by the above Notional Assessment formula for which only the variables pertaining to the County and City shall be used to arrive at the percentage, equaling 100%. If the Treasurers of the City and County cannot agree on the cost sharing calculations, the matter will be settled pursuant to the Dispute Resolution process set out in Paragraph 5 of the Agreement.
- (c) The contribution for Regional Roads (County Roads) to be paid annually by the City to the County shall be 45.8 percent of the amount established for the City by the Notional Assessment calculation. In the event the City is successful in negotiating an annexation agreement with The Corporation of the Township of Perth South, then the contribution for Regional Roads to be paid annually by the City shall be 51 percent of the amount established for the City by the Notional Assessment calculation.

3. The new basis for cost sharing shall be communicated to all service delivery agents as commencing on January 1, 2012, and the Regional Roads contribution shall be adjusted annually thereafter so that the net incremental cost to the City be phased in incrementally over the next five years at the rate of 20% per year, as per the following formula:

SSCNWA = Shared Services Costs based on Notional Weighted Assessment
 NIC = Net Incremental Cost = Total of annually calculated SSCNWA less Total of SQ
 SQ = Status Quo 2011
 RR = Regional Roads annual contribution as per SSCNWA
 RRA = Regional Roads Actual annual contribution as per phase-in calculation

2012 RRA = RR - (NIC X 0.8)
 2013 RRA = RR - (NIC X 0.6)
 2014 RRA = RR - (NIC X 0.4)
 2015 RRA = RR - (NIC X 0.2)
 2016 RRA

The spreadsheet as set out below indicates what the 2009 costs would have been under the new cost sharing parametres (St. Marys status quo, County and City issuing Notional weighted assessment).

	County	St. Marys	Stratford	Total
% Share	52.67%		47.33%	100%
Social Services	\$ 3,378,280	\$ 655,433	\$ 3,035,769	\$ 7,069,482
EMS	1,872,415	347,305	1,682,579	3,902,299
Health Unit	674,490	125,108	606,106	1,405,704
Spruce Lodge	235,530	34,695	211,651	481,876
Regional Roads	6,217,915	113,674	1,752,371	8,083,960
TOTAL	\$ 12,378,630	\$ 1,276,215	\$ 7,288,476	\$ 20,943,321
New Difference	\$ (485,071)	\$ -	\$ 485,071	100%

* The figure is 45.8% of the City's amount as established by the Notional Assessment calculation.

4. The County agrees with the City that no further compensation or additional cost sharing payments not required by this Agreement shall be paid by the City to the County in respect to any future annexations by the City of land (including buildings) in The Corporation of the Township of Perth East and in The Corporation of the Township of Perth South.