




**SEVERN SOUND ENVIRONMENTAL ASSOCIATION
JOINT MUNICIPAL SERVICES BOARD
2019 Second Quarter Meeting
July 18, 2019
1:00 p.m. to 4:00 p.m.**

**Location: Township of Tay Council Chambers,
450 Park Street, Victoria Harbour**

AGENDA

- 1. WELCOME AND CALL TO ORDER**
- 2. ADOPT AGENDA**
- 3. DECLARATION OF PECUNIARY INTEREST**
- 4. APPROVAL OF PAST MINUTES**
 - 4.1 Minutes of the First Quarter meeting of the SSEA Joint Services Board held on April 19, 2019.
 - 4.2 Minutes of the Joint Services Board Executive Meeting held on June 27, 2019.
- 5. BUSINESS ARISING FROM THE MINUTES**
- 6. PRESENTATIONS** 
Exploring Foundation/Charitable funding models
Huron Community Foundation, Stephen Couchman, Executive Director
- 7. SEVERN SOUND SOURCE PROTECTION AUTHORITY MEETING**
There is no SSSPA meeting scheduled for this agenda.
- 8. RISK MANAGEMENT OFFICIAL/INSPECTOR UPDATE**
- 9. SSEA Second Quarter 2019 Report**
- 10. Sustainable Severn Sound merger – (verbal update)**

11. SSEA FINANCIAL REPORT**11.1 2018 Audited Financial Statements****11.2 2018 Draft SSEA Annual Report** **11.3 Staff Report No. 10-19-SSEA from the Treasurer regarding the SSEA Accumulated Surplus (2018) Surplus/Deficit report****11.4 Staff Report No. 11-19-SSEA from the Treasurer regarding the 2019 Second Quarter Financials** **11.5 SSEA 2020-2024 Five year draft budget update.****12. EXECUTIVE DIRECTOR UPDATE REPORT**

Staff Report No. 12-19-SSEA from the Executive Director re: Executive Director's update – April 8 to July 12, 2019

13. ANNOUNCEMENTS

- **SSEA Open House/Reception – August 23, 2019**
Baxter Ward Community Center, 12:00 noon to 6:00 p.m.
25 Community Centre Dr., Port Severn
- **Summer staff introductions**

14. CORRESPONDENCE

- a) SSEA letter dated July 5, 2019 sent to the Ministry of the Environment, Conservation and Parks providing comments on the New Canadian Ontario Agreement on the Great Lakes Water Quality and Ecosystem Health.

15. CLOSED SESSION

There are no closed session items for this agenda.

16. OTHER BUSINESS**ADJOURN**

BUSINESS ARISING FROM THE MINUTES

None noted.

5. SPECIAL PRESENTATION

Congratulations to Scott Warnock, Former Mayor of Tay Township on receiving the Bob Whittam Award.

Juley Cayley, SSEA Executive Director and Steffen Walma, SSEA Chair were pleased to present Scott with the Bob Whittam Award.

Scott was nominated by the Great Lakes and St. Lawrence Cities initiative as a long-time supporter of the protection of the Great Lakes, through his membership and leadership as a Board Member of the Great Lakes and St. Lawrence Cities Initiative, a coalition of over 100 mayors from the US and Canada. Scott helped bring the perspective of a smaller municipality to the Board table in all discussions.

6. SUSPEND THE SSEA MEETING TO ALLOW THE SSSPA TO MEET

Motion: #19

Moved by: C. McGinn

Seconded by: P. Ritchie

RESOLVED THAT: the SSEA board meeting be suspended to allow the Severn Sound Source Protection Authority meeting to proceed at 9:13 a.m.

Carried.

7. SEVERN SOUND SOURCE PROTECTION AUTHORITY MEETING

Minutes under separate document.

8. RECONVENE THE SSEA First Quarter MEETING

Motion: #20

Moved by: A. Dubeau

Seconded by: R. Stevens

RESOLVED THAT: the SSEA board meeting reconvene at 10:20 a.m.

Carried.

9. PRESENTATIONS:

Severn Sound Environmental Association Invasive Species Strategy Update.
Robert Canning, Invasive Species Program Coordinator.

Robert provided an overview of SSEA's Invasive Species Strategy outlining the role, strategy components and key recommendations which included:

- Facilitate and continue with invasive species management
- Support broader action on invasive species
- Expand partnerships and sharing knowledge with the invasive species working group
- Increase public involvement and engagement of the program.

Requests for municipal presentations from the SSEA board members included Oro- Medonte, Penetanguishene and a request from SSEA's Springwater board member to engage the North Simcoe Soil and Crop Association.

Motion: #21

Moved by: R. Stevens

Seconded by: C. McGinn

RESOLVED THAT: the presentation from Robert Canning, SSEA Invasive Species Coordinator regarding the Invasive Species Strategy Update be received for information.

Carried.

10. SSEA First Quarter 2019 Report

Motion: #22

Moved by: P. Ritchie

Seconded by: R. Stevens

RESOLVED THAT: the First Quarter 2019 report presented by Julie Cayley, Executive Director be received for information.

Carried.

11. SSEA FINANCIAL REPORT

11.1 Staff Report No. 04-19-SSEA from the Treasurer regarding the 2018 Year End Financials and Audit.

Motion: #23

Moved by: R. Stevens

Seconded by: I. Veitch

RESOLVED THAT: Staff Report No. 04-19-SSEA from the Treasurer regarding the 2018 Year End Financials and Audit be received for information.

Carried.

11.2 Staff Report No. 08-19-SSEA - SSEA 2019 First Quarter Financials

Motion: #24

Moved by: A. Dubeau

Seconded by: C. McGinn

RESOLVED THAT: Staff Report No. 08-19-SSEA - SSEA 2019 First Quarter Financials (Draft) be received for information.

Carried.

11.3 SSEA Members municipal budget request updates.

Julie Cayley, Executive Director advised that confirmation of budget requests have been received from our member municipalities. Of the eight member municipalities, two municipalities, Oro-Medonte and Springwater townships did not approve SSEA's Invasive Species Program in their final budget.

11.4 Staff Report No. 05-19-SSEA from the Executive Director regarding SSEA 2019 Staff Salary Increase.

Motion: #25

Moved by: R. Stevens

Seconded by: P. Wiancko

RESOLVED THAT: Staff Report No. 05-19-SSEA regarding a 2019 annual salary increase of 2.0% be approved; and

FURTHER THAT: The Executive Director be authorized to implement a 2.0% cost of living increase for SSEA FTE staff retroactive to January 1, 2019.

Carried.

Councillor Jeff Bumstead arrived at 11:20 a.m.

Councillor Jeff Bumstead left at 11:45 a.m.

11.5 SSEA 2020-2024 Five year draft budget update.

Discussion regarding the draft budget concluded that SSEA will present the draft budget to our member municipal Mayors and CAOs for their information at a spring workshop, to be determined by SSEA.

Motion: #26

Moved by: C. McGinn

Seconded by: P. Ritchie

RESOLVED THAT: The SSEA 2020-2024 five year draft budget update be received; and

THAT: the following proposed budget schedule of meetings be approved

- April 12, 2019 – SSEA Board Executive Meeting
- April 18, 2019 – SSEA Quarterly Board Meeting
- May, 2019 – SSEA Board Executive Meeting
- May/June, 2019 – Meet with CAO's/Mayors and SSEA Board Representative
- June, 2019 – SSEA Board Special Budget Meeting
- July 18, 2019 – SSEA Board Approval; and

FURTHER THAT: the final SSEA 2020-2024 five year budget be presented to the Board of Directors on July 18, 2019.

Carried.

Deputy Mayor Anita Dubeau left the meeting at 12:00 noon

12. EXECUTIVE DIRECTOR UPDATE REPORT

12.1 Staff Report No. 06-19-SSEA from the Executive Director re: Executive Director's updated - January 1 to April 8, 2019

Motion: #27

Moved by: C. McGinn

Seconded by: R. Stevens

RESOLVED THAT: the SSEA Board of Directors receive the Executive Director's Staff Report No. 06-19-SSEA for information.

Carried.

13. SSEA CORPORATE ADMINISTRATION UPDATE

13.1 Staff Report No. 07-19-SSEA from the Executive Director regarding exploring the Foundation/Charitable model for SSEA.

Motion: #28

Moved by: C. McGinn

Seconded by: I. Veitch

RESOLVED THAT: Staff Report No. 07-19-SSEA Exploring the Foundation/Charitable model for SSEA be received for information; and

FURTHER THAT: The SSEA Executive Director be directed to explore the Charitable Foundation option and report back to the Board in the fall of 2019.

Carried.

14. ANNOUNCEMENTS

SSEA Staff and Volunteer Tree Plant,
May 10/19, 1:30 p.m. to 4:00 p.m. – Nahuis property

15. CORRESPONDENCE

There are no correspondence items for this agenda.

16. CLOSED SESSION

There are no closed session items for this agenda.

17. OTHER BUSINESS

Chair, Steffen Walma advised that the Well Aware Program was not funded in the Township of Tiny 2019 budget.

ADJOURN

Motion: #29

Moved by: P. Ritchie

Seconded by: R. Stevens

RESOLVED THAT: this meeting adjourn at 12:07 p.m. to meet again on Thursday July 18, 2019.

Chair Steffen Walma

Executive Director, Julie Cayley

Approved this ____ day of _____, 2019



**SEVERN SOUND ENVIRONMENTAL ASSOCIATION
JOINT MUNICIPAL SERVICES BOARD
EXECUTIVE MEETING
June 27, 2019 10:00 a.m.
Draft Minutes**

Present:

SSEA Chair, Deputy Mayor Steffen Walma	Township of Tiny
SSEA Vice Chair, Councillor Paul Wiancko	Township of Georgian Bay (via telephone)
SSEA Past Chair, Councillor Ron Stevens	Township of Severn
Julie Cayley	SSEA Executive Director
Judy Limoges	SSEA Treasurer
Laurie Barron	SSEA Coordinator, Corporate Services
Lindsay Barron	Tay Township, Financial Analyst

1. SSSEA audit – surplus vs deficit:

a) Email from KPMG (May 6/19)

KPMG comments were provided regarding the transfer to reserve of SSEA's reported \$9,423 surplus for the year ended in December 2017.

b) Staff report from Judy Limoges, SSEA Treasurer regarding the accumulated surplus (2018) provided further clarification on the findings and next steps in the allocation of unrestricted surplus to a reserve (employee benefits or vehicles and equipment).

Lindsay Barron, Tay Financial Analyst provided an overview of municipal accounting practices and provided some further suggestions regarding future budgeting:

- The 2017 surplus of \$9,423 shown on the financial statements is not a surplus that is typically brought into operations and transferred to reserves.
- It is not necessary to fully fund employee future benefits, and vacation payable is funded from annual operations. This allows for the unrestricted surplus to be allocated to reserve.
- The obligation on the financial statements for post-employment benefits is based on actuarial assumptions in order to reflect value of the future benefit.

- Tay finance staff recommend not amending the note in the 2017 financial statements but moving forward in the 2018 notes include a more detailed breakdown of the accumulated surplus as noted in the staff report.

Future Considerations:

Julie Cayley, Executive Director discussed next steps

- Review of employee benefits policy to ensure adequate benefits for employees, while protecting the best interests of the association
- Establish reserves for the replacement of vehicles and equipment
- Add additional surplus to the Employee Benefit Reserve
- Annual transfer to reserve into the annual budget for upgrades to capital and vehicle replacements.

The Executive supported the following recommendation to be presented to the Board of Directors on July 18, 2019.

RESOLVED THAT: the board of directors approved the transfer of \$41,355 of the accumulated surplus for 2018 in a reserve for future employee benefits/vehicle replacement.

- c) The Draft 2018 audited financial statements were discussed and will be presented at the July 18, 2019 board meeting.

2. 2020 Draft budget

Julie Cayley, Executive Director and Judy Hancock, Treasurer presented a draft five year budget (MOU) to the Executive.

- Invasive species has been rolled into core service of the SSEA
- Source Water Protection has been rolled into core service in 2020 due to no provincial funding
- Sustainable Severn Sound has been included as a project (not included in the core) – more discussion to follow

The Executive support that in order for the SSEA to maintain services and plan for the future, the five year financial plan is essential for the continued service provided to our member municipalities.

The Executive supported the following recommendation to be presented to the Board of Directors on July 18, 2019.

RESOLVED THAT: the board of directors support the draft 2020 SSEA budget and approve in principle the proposed five year plan for 2020 to 2024.

Julie Cayley, Executive Director advised that she will be presenting the five year plan to each of SSEA's member municipalities and would appreciate board member support by attending these meetings in support of the SSEA.

3. SSEA Employee Policy Manual

A draft revised employee policy manual has been developed and will be provided to the board of directors once the final document has been completed.

The meeting concluded at 11:00 a.m.



**Severn Sound Environmental Association
2019 Second Quarterly Meeting (Q2)**

STAFF REPORT

No: 09-19-SSEA
Date: July 18th, 2019
To: Chair and Members of the SSEA Board of Directors
From: Melissa Carruthers, Risk Management Official / Risk Management Inspector

SUBJECT: Severn Sound Source Protection Authority (SS SPA) Drinking Water Source Protection Update and SSEA Risk Management Services Update

APPLICABLE STRATEGIC PLAN GOALS:

Goal 1: Sound Science

- Continue to offer exceptional services as the Source Protection Authority for Severn Sound

Goal 2: Supportive Partnerships

- Strengthen & build relationships for the implementation of Part IV of the Clean Water Act
-

RECOMMENDATION:

RESOLVED THAT: Staff Report No. 09-19-SSEA regarding an update as to the activities that have been undertaken by SS SPA and SSEA Risk Management staff during the SSEA Q2 of 2019 be received for information.

Purpose of Staff Report

The purpose of this report is to provide an update on the activities that Severn Sound Source Protection Authority staff and SSEA Risk Management staff have completed during the SSEA second quarter of 2019.

Background

Under the *Clean Water Act, 2006* the SSEA is one of the Source Protection Authorities within the South Georgian Bay Lake Simcoe Source Protection Region (SGBLS SPR) and work with our member municipalities as well as the District

Municipality of Muskoka to implement the Drinking Water Source Protection (DWSP) Program.

Historically staff of the SSEA has been delegated by 8 municipalities (District Municipality of Muskoka, Townships of Georgian Bay, Severn, Oro-Medonte, Tay, Tiny, and Towns of Midland and Penetanguishene) to perform risk management services on behalf of their municipality under Part IV of the *Clean Water Act*. To date that work has included verifying significant drinking water threats (SDWTs) via phone calls, surveys, and site visits and if a SDWT was found, staff have started the process of negotiating risk management plans. Answering inquiries from the general public or municipal staff and commenting on development proposals is also a large part of what the risk management staff does.

Analysis:

SPA – During the SSEA second quarter (government fiscal first quarter) of 2019 Source Protection Authority staff has completed the following tasks; it should be noted that the SSEA has completed these tasks while operating under good faith, as a formal funding agreement from the Province, for the 2019/2020 government fiscal year, is currently not in hand:

- Attended 3 South Georgian Bay Lake Simcoe Source Protection Regional meetings
- Issued a notice (pursuant to section 48(1.1)(b) of Ontario Regulation 287/07) to the Township of Oro-Medonte for the replacement well as part of the Robincrest system

RMO - During the second quarter of 2019 risk management staff has completed the following tasks:

- Commented on 16 development applications, answered 9 inquiries, conducted 7 site visits, started actively negotiating 3 Risk Management Plans, and issued 2 *Clean Water Act* Section 59(2)(a) notices to proceed and 1 prohibition letter
- Hosted a risk management plan workshop for the Lafontaine farmers
- Gave a deputation to the Township of Tiny Committee of the Whole regarding the application of commercial fertilizer on residential lawns

Prepared by:

Approved for Submission by:

Original signed by
Melissa Carruthers, Risk Management
Official / Risk Management Inspector

Original signed by
Julie Cayley, Executive Director

Attachment: Status of Risk Management Plans in the Severn Sound Area - as of July 1, 2019

Status of Risk Management Plans in the Severn Sound Area – As of July 1, 2019

Municipality	RMPs agreed to	RMPs Outstanding as of Jan 1, 2019	# of RMPs no longer required (removed)	RMPs Outstanding as of July 1, 2019	RMPs/Prohibitions in progress	# of parcels affected by RMPs/Pro in progress
Georgian Bay		0		0		
Midland	2	21		21		
Oro-Medonte		3		3		
Penetangusihene	2	3	1	2		
Severn		23	5	18		
Tay	1	1		1		
Tiny	1	62		62	41	45
Total	6	113	6	107	41	45
SPP = Source Protection Plan						
RMPs = Risk Management Plans						



Severn Sound Environmental Association 2019 2nd Quarter (April 1-June 30) Report/Update

Staffing/HR

Administration, Staffing, Training and Volunteers

Administration

- 2018 Financial Audit complete (draft)

Staffing

- Welcomed new staff!
 - Summer staff Nikole Priestman
- Advertised for:
 - Drinking Water Source Protection Assistant
 - Watershed Monitoring Lead



Summer staff Nikole water sampling

Volunteers

- Nathan Jeffery - volunteer placement through Sir Sandford Fleming Ecosystem Management Program
- Volunteer recruitment for various SSEA programs at Tay Senior's Fair

Training (no cost)

- Online statistics webinars (2)
- NVCA Lunch n Learn: Oak Ridges Moraine Groundwater Program data portal
- WHMIS training through the County of Simcoe for all SSEA staff

Education, Engagement, Outreach

Presentations, Articles, Media, School Involvement and Events

Presentations

- Bass Lake Ratepayers Association AGM: *2018 Bass Lake Water Quality Survey*
- Ministry of Environment, Conservation and Parks, Great Lakes Section: *Maintaining Partnerships in Water Quality Monitoring in Severn Sound*
- Northeast Agricultural and Biological Engineering Conference (NABEC 2019): *Working with Farmers to Protect Municipal Drinking Water in Tiny Township, Severn Sound*



SSEA update on Bass Lake water quality

- Tiny Township Invasive Species Workshop: *Invasive Species in Tiny Township*
- Six Mile Lake Cottager Association AGM: *Identification, Impacts and Control of Eurasian Watermilfoil*
- Farlain Lake Community Association: *Identification and Monitoring of Invasive Aquatic Plants*
- Video presentation on use of Wege Small Cities Award funds for SSEA Invasive Species Program at Great Lakes St Lawrence Cities Initiative conference
- Poster presentation at International Association for Great Lakes Research conference in Brockport, NY: *Habitat Survey and Management Recommendations for a Walleye Spawning Shoal in Severn Sound*

Articles/Publications/News/Media

- Created new section on SSEA website on [Citizen Science programs](#)
- Contributed article on Farlain Lake Water Levels to Farlain Lake Community Association newsletter
- [@SSEA_SSRAP](#) Twitter activity: 32 tweets | 1,301 page visits | 244 Followers
- SSEA website activity: 1,455 unique user visits | 1,351 new user visits

Events/Meetings/Conferences

- Hosted a Stormwater Management/Low Impact Development (LID) workshop for municipal staff and elected officials
<https://www.severnsound.ca/programs-projects/pollution-prevention/lid-stormwater>

Stormwater and Low Impact Development Workshop

Thank You to our Event Sponsors



Full house for SSEA Municipal LID/Stormwater workshop

- Great Lakes St Lawrence Cities Initiative Annual General Meeting and Conference - Provided technical support for SSEA municipal attendees, Township of Tiny Mayor and Warden of Simcoe County George Cornell was elected to the GLSLCI Board.
- Staff attended: International Association for Great Lakes Research (IAGLR) Conference, 2 Midland Technical Review Committee meetings, 1 Sustainable Severn Sound meeting, 2 Dufferin Simcoe Land Stewardship Network meetings, Simcoe County Strong conference, ON Nature natural heritage mapping session, Township of Tay strategic planning session, Elmvale Foundation Stakeholder Engagement meeting, “fireside chat” ward 1 Oro-Medonte public meeting with Councillor Ian Veitch
- SSEA submitted feedback on *2019 Strategic Plan Status Update and Priority Reassessment for the Township of Tiny*
- Displays at: Tay Seniors Fair, Tay Bike Day and Six Mile Lake Cottagers Association AGM
- Abstracts submitted for Latornell Conservation Symposium (4) and State of Lake Huron Conference (2)
- Provided deputation proposals for the Township of Tiny request for Ministers meetings at Association of Municipalities of Ontario 2019 conference

School Involvement

- Presented to grade 11 class at Georgian Bay District Secondary School (GBDSS): *The Key to Keeping Our Water Healthy*
- Walking tour of Penetanguishene Rotary Waterfront Park with GBDSS grade 9 students, focusing on SSEA’s role in environmental protection
- Staff are mentoring 2 Georgian College Applied Research Project students:
 - *Characteristics of microplastics in the Severn Sound watershed*
 - sampling at Tay wastewater treatment plants
 - *Investigation of tributary water quality trends in Severn Sound*
 - Sent data package for compilation and analysis



GBDSS Grade 9 geography students learning about stream invertebrates

Tree Planting

Planting and Distribution

THANK YOU Town of Midland for the loan of a vehicle during tree planting season!



Tree planting with local schools

Community Tree Planting

- Implemented 7 community tree plants at 4 sites (1 each in Tay, Tiny, Midland and Springwater) from April 30 to May 10
 - SSEA staff/volunteer tree plant, Scout tree plant and 5 school tree plants
- Planted 3,580 native tree & shrub seedlings, total 239,910 trees planted since 1991
- Seedling costs (\$3,374) covered by a County of Simcoe Forestry department grant

Tree Distribution

- THANK YOU to municipal staff, council & volunteers who assisted with sorting & packaging tree orders, and distribution at 5 locations
- 162 participants planted 7,150 native trees and shrubs

Fish and Wildlife Habitat / Natural Heritage

Natural Heritage Assessments, Invasive Species, Wetlands, Habitat and Stewardship

Invasive Species

- Assisted Severn By-law Enforcement Officer with Giant Hogweed identification along the Trans-Canada Trail for management purposes
- Monitored for terrestrial and aquatic invasive species on roadways, beaches, parks, shorelines and trails
- Conducted site visits/responded to inquiries on public and private property - confirm identification and provide guidance on removal techniques
- Planning for volunteer-based phragmites, Eurasian watermilfoil, Japanese knotweed, white sweet clover and Himalyan balsam management projects in Midland, Tay, Tiny, Severn and Georgian Bay
- Conducting phragmites management in provincially significant wetland at Rotary Champlain Wendat Park in conjunction with the Town of Penetanguishene
- Assisted the Farlain Lake Community Association with Eurasian watermilfoil monitoring and management activities
- Contacted property associations in Tiny, Tay, Midland and Georgian Bay to assist with invasive species removal
- Initiated invasive aquatic plant sampling program at marinas and boat launches
- As a fee for service, delivered Ontario Invasive Plant Council Aquatic Invasive Species Workshop: *Aquatic Invasive Plants of Manitoulin*



Invasive Eurasian watermilfoil



Removal of box culvert will restore stream flow

Habitat and Stewardship

- Continued planning and implementation of a multi-year, multi-partner stream restoration project (grant from The W.

Garfield Weston Foundation through Swim Drink Fish), to be completed in summer 2019

- Box culvert is prone to blockage by debris
- Culvert will be removed, banks stabilized

Land Use Planning

Input and Review

Plan Input

- Submitted a letter to the Minister of Municipal Affairs and Housing regarding Bill 108, *More Homes, More Choice Act, 2019*
- Commented on Midland Official Plan
- Commented on 6 applications, reports and Environmental Impact Studies

Drinking Water Source Protection

Drinking Water Source Protection, Risk Management Services

Drinking Water Source Protection

- Attended 3 South Georgian Bay Lake Simcoe Source Protection Regional meetings
- Issued a notice (pursuant to section 48(1.1)(b) of Ontario Regulation 287/07) to the Township of Oro-Medonte for the replacement well as part of the Robincrest system



Risk Management

- Commented on 16 development applications, answered 9 inquiries, conducted 7 site visits, started actively negotiating 3 Risk Management Plans, and issued 2 Clean Water Act Section 59(2)(a) notices to proceed and 1 prohibition letter
- Hosted a risk management plan workshop with the Lafontaine farmers
- Deputation to the Township of Tiny Committee of the Whole regarding the application of commercial fertilizer on residential lawns

Monitoring Programs

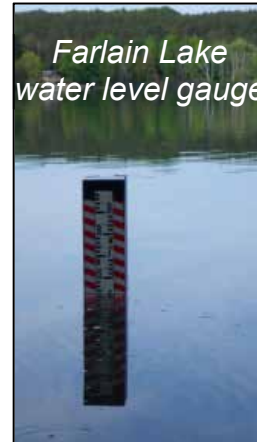
Field/data collection: Open Water, Inland Lakes, PGMN, PWQMN/Tributaries, Stream Temperature, Stream Invertebrates and Climate

Open Water

- 4 runs completed at 14 sampling locations from Penetanguishene to Honey Harbour
 - sampling for general water chemistry, nutrients, metals, algae, zooplankton
- 8 sampling events at the Tay Area Water Intake

Inland Lakes

- 4 runs completed at 1 location on Little Lake (Midland), including water level measurements
- 3 runs completed at 3 locations on Lake Couchiching
- NEW Citizen Science Water Level Watchers program - Water level gauge installed at Farlain Lake



Stream Temperature

- High frequency data loggers installed at 45 long-term temperature monitoring locations across the Severn Sound watershed

Provincial Water Quality Monitoring Network (PWQMN)

- 1 run completed at 14 tributary monitoring station across the watershed - sampling for general water chemistry, nutrients, metals



Groundwater Monitoring

- 1 sampling run completed for manual water levels and logger downloads for Provincial Groundwater Monitoring Network (PGMN) wells
- manual water levels collected; level loggers installed at six SSEA wells

Climate

- Downloaded and compiled Georgian Bay water levels, and local Environment and Climate Change Canada river discharge and climate data
- Compiled 2019 ice cover observation data from SSEA's Ice Spotters Program and additional data sources
- Installed 4 rain gauges (Huron Airport, Midland Sewage Treatment Plant, Pinegrove, and Balm Beach)



- Launched air temperature loggers at Huronia Airport and Midland Sewage Treatment Plant

Citizen Science

- Established Water Level Watchers pilot site at Farlain Lake
- THANK YOU to all the Ice Spotters - 22 data records submitted documenting 2019 spring breakup

Other

- Sampled soils at Town of Penetanguishene snow disposal site
- Responded to 4 landowner inquiries

Data Analysis and Reporting

Statistics, Data Management & Analysis, Stream Invertebrate ID, and GIS/Mapping

Statistics/Data Management & Analysis

- 2018 zooplankton data received and compiled
- Partial 2018 algae dataset received and compiled

Reporting

- Contributed to Georgian Bay Biosphere Reserve's Science Synthesis



Stream Invertebrate ('bugs') ID

- Processed 24 samples from Bass Lake and surrounding watershed; 3,091 "bugs" identified

GIS/Mapping

- Updated Bass Lake subwatershed land cover mapping to 2016 conditions
- Produced map and point intercept grid for Farlain Lake Community Association (FLCA) Weed Watcher Eurasian watermilfoil monitoring



Grid maps for FLCA aquatic plant monitoring

Partnerships

New/Updated NGO partners and MOU's

Networks

- New partnership with Water Rangers to test citizen science water quality analysis kits

Financial

Donations, Grants, Budget, Invoicing and Revenue (fee for service)

Grants

- Huronia Community Foundation - invasive species & lake sampling equipment
- Service Canada/Canada Summer Jobs funding - two Watershed Health Field Assistants

Budget

- 2020-2024 SSEA Draft Budget presented to the Board

Cost Recovery

- FLCA Invasive Plant Study - support, volunteer training and mapping
 - FLCA Water Level Gauge - installation, communications, citizen science support
 - Penetanguishene Snow Disposal Soil Sampling - sampling, analysis
-

Thank you from Team SSEA

- Julie Cayley - Executive Director
- Lex McPhail - IT Manager/GIS Applications Specialist
- Paula Madill - Ecosystem Technologist
- Michelle Hudolin - Wetlands & Habitat Biologist
- Aisha Chiandet - Water Scientist
- Melissa Carruthers – Risk Mgmt. Official./Risk Mgmt. Inspector
- Judy Limoges –Treasurer
- Robert Canning – Invasive Species Program Coordinator
- Nikole Priestman – Watershed Health Field Technician
- Laurie Barron – Corporate Services Coordinator

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DRAFT FOR DISCUSSION PURPOSES ONLY

SEVERN SOUND ENVIRONMENTAL ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2018

SEVERN SOUND ENVIRONMENTAL ASSOCIATION
INDEX TO FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus (Deficit)	4
Statement of Change in Net Financial Assets (Debt)	5
Statement of Cash Flow	6
Notes to the Financial Statements	7

DRAFT FOR DISCUSSION PURPOSES ONLY

INDEPENDENT AUDITOR'S REPORT

To the Board Members of Severn Sound Environmental Association:

Opinion

We have audited the financial statements of Severn Sound Environmental Association, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, the change in its net financial assets (debt) and its cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Severn Sound Environmental Association as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2017 were audited by another accounting firm and are presented for comparative purposes only.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Huntsville, Ontario

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

SEVERN SOUND ENVIRONMENTAL ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	2018	2017
FINANCIAL ASSETS		
Accounts receivable, no allowance	118,449	39,824
Due from related parties (Note 2)	5,532	105,264
	123,981	145,088
LIABILITIES		
Accounts payable and accrued liabilities	33,216	72,063
Deferred revenue	33,599	11,423
Employee future benefits (Note 3)	86,122	85,782
	152,937	169,268
NET FINANCIAL ASSETS (DEBT)	(28,956)	(24,180)
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 4)	38,575	27,813
Prepaid expenses	2,357	5,790
	40,932	33,603
ACCUMULATED SURPLUS (NOTE 5)	\$ 11,976	\$ 9,423

The accompanying notes are an integral part of these financial statements

SEVERN SOUND ENVIRONMENTAL ASSOCIATION
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget 2018 (Note 8)	Actual 2018	Actual 2017
REVENUE			
Municipal contributions	\$ 627,714	\$ 592,115	\$ 571,725
Lake Simcoe Region Conservation Authority	119,193	105,710	80,904
Province of Ontario grants	5,500	4,850	40,090
Projects and recoveries	105,000	49,598	80,659
Community and private donations	23,400	33,894	36,311
Tree distribution	13,155	12,973	14,522
Federal grants	-	12,540	30,473
Interest earned	-	3,648	1,563
TOTAL REVENUE	893,962	815,328	856,247
EXPENSES			
Salaries and benefits	523,576	505,706	524,018
Benefits	144,567	136,029	136,381
Materials and office	64,435	42,007	36,937
Contracted services	83,890	71,550	109,567
Rent and financial	77,494	52,362	38,312
Amortization	5,121	5,121	6,042
TOTAL EXPENSES	899,083	812,775	851,257
ANNUAL SURPLUS (DEFICIT)	(5,121)	2,553	4,990
ACCUMULATED SURPLUS, BEGINNING OF YEAR	9,423	9,423	4,433
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,302	\$ 11,976	\$ 9,423

The accompanying notes are an integral part of these financial statements

SEVERN SOUND ENVIRONMENTAL ASSOCIATION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget 2018 (Note 8)	Actual 2018	Actual 2017
Annual surplus (deficit)	\$ (5,121)	\$ 2,553	\$ 4,990
Acquisition of tangible capital assets	(15,883)	(15,883)	(10,012)
Amortization of tangible capital assets	5,121	5,121	6,042
Use of prepaid expenses	-	3,433	(3,945)
Increase (decrease) in net financial assets	(15,883)	(4,776)	(2,925)
Net financial assets (debt), beginning of year	(24,180)	(24,180)	(21,255)
Net financial assets (debt), end of year	\$ (40,063)	\$ (28,956)	(24,180)

The accompanying notes are an integral part of these financial statements

SEVERN SOUND ENVIRONMENTAL ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
Operating transactions		
Annual surplus (deficit)	\$ 2,553	\$ 4,990
Non-cash charges to operations:		
Amortization	5,121	6,042
Employee future benefits	340	(1,400)
	8,014	9,632
Changes in non-cash assets and liabilities:		
Accounts receivable	(78,625)	(38,971)
Accounts payable and accrued liabilities	(38,847)	(93,708)
Deferred revenue	22,176	(14,610)
Due to/from related parties	99,732	151,613
Prepaid expenses	3,433	(3,944)
	7,869	380
Cash provided by operating transactions	15,883	10,012
Capital transactions		
Acquisition of tangible capital assets	(15,883)	(10,012)
Cash applied to capital transactions	(15,883)	(10,012)
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

SEVERN SOUND ENVIRONMENTAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2018

Severn Sound Environmental Association (the "Association") is a water management agency established in 2009 by a letter agreement among local Municipalities, Environment Canada and the Ontario Ministry of the Environment.

The local Municipalities are the Town of Midland, Town of Penetanguishene, Township of Tay, Township of Tiny, Township of Oro-Medonte, Township of Severn, Township of Georgian Bay, and the Township of Springwater.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association are prepared by management in accordance with public sector accounting standards for local governments as recommended in the Public Sector Accounting Board "PSAB" of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Association are as follows:

Basis of Accounting

- (i) **Accrual basis of accounting**
Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.
- (ii) **Non-financial assets**
Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.
 - (a) **Tangible capital assets**
Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Equipment - 4 to 10 years

Annual amortization is not charged in the year of acquisition.

SEVERN SOUND ENVIRONMENTAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2018

(b) Pension agreements:

The Association is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Association has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. As such, the Association's contributions due during the year are expensed as incurred.

(c) Employee future benefits:

Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued when they are vested and subject to pay out when an employee leaves the Association. Non-vesting sick leave benefits are accrued and subject to pay out if employees chose to top up their salary under the short-term sick leave plans.

(iii) Revenue recognition

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when funding is receivable.

All revenue other than government transfers and interest revenue, is recognized when received.

Interest revenue is recorded when earned.

(iv) Government Transfers

Government transfers, which include entitlements and legislative grants, are recognized as revenue in the financial statements when the transfers is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Government transfers consist of grants and subsidies for various operating and capital programs.

(v) Deferred Revenue

Deferred revenue represents funds which have been applied for and collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(vi) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the useful lives of tangible capital assets and the allowance for doubtful accounts. Actual results could differ from management's best estimates as additional information becomes available in the future.

In addition, the Association's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimate of historical cost and useful lives of tangible capital assets.

SEVERN SOUND ENVIRONMENTAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2018

- (vii) Collections
Collections, including works of art and historical treasures, are not capitalized in the statement of financial position. Purchases of collection items are expensed in the year in which the items are acquired. Contributions of collection items are reported as revenue and expense at their fair value. When fair value cannot be determined, the contribution is recognized at nominal value.

2. DUE FROM RELATED PARTIES

The Association received \$592,115 (2017 \$571,725) in Municipal contributions from related parties.

The Treasurer Municipality (Township of Tay, effective Jan 1, 2018) collects receivables and remits payments to vendors on behalf of the SSEA throughout the calendar year. As such, the balance due from related parties as at December 31, 2018 of \$5,532 (2017 \$105,266 from the Town of Midland) represents the remaining operating funds held by the Treasurer municipality once all financial assets and liabilities are settled.

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for sales of product or service.

3. EMPLOYEE FUTURE BENEFITS

An actuarial estimate of future liabilities has been completed using the most recent actuarial valuation in March 2016 and forms the basis for the estimated liability reported in these financial statements.

The following table sets out the continuity of the accrued benefit obligation.

	2018	2017
Accumulated sick leave entitlements	\$ 34,000	\$ 39,100
Accrued health and dental benefit liability	41,200	37,000
Vacation payable	10,922	9,682
	\$ 86,122	\$ 85,782

Information about the accumulated sick leave entitlements and accrued health and dental benefit liabilities are as follows:

	2018	2017
Accumulated benefit obligation, beginning of year	\$ 76,100	\$ 77,500
Add: Benefit/service cost	5,700	5,500
Add: Interest	2,400	2,300
Less: Amortization of actuarial gains	(1,500)	(1,700)
Less: Benefit contributions	(7,500)	(7,500)
	\$ 75,200	\$ 76,100

SEVERN SOUND ENVIRONMENTAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2018

The significant actuarial assumptions adopted in measuring the Association's accrued benefit obligations are as follows:

	2018	2017
Discount rate	3.90 %	3.90 %
Salary escalation	3.00 %	3.00 %
Dental premium rates	4.00 %	4.00 %
Health premium care rates	7.75% for 2016 reducing by 0.25% in each year to an ultimate rate of 5%	

4. TANGIBLE CAPITAL ASSETS

The following table provides information on the tangible capital assets of the Association by major asset class.

	Machinery Equipment and Furniture	TOTAL 2018	TOTAL 2017
COST			
Balance, beginning of year	\$ 111,437	\$ 111,437	\$ 101,425
Additions and betterments	15,883	15,883	10,012
BALANCE, END OF YEAR	127,320	127,320	111,437
ACCUMULATED AMORTIZATION			
Balance, beginning of year	83,624	83,624	77,582
Annual amortization	5,121	5,121	6,042
BALANCE, END OF YEAR	88,745	88,745	83,624
TANGIBLE CAPITAL ASSETS-NET	\$ 38,575	\$ 38,575	\$ 27,813

5. ACCUMULATED SURPLUS

The Association's accumulated deficit balance is comprised of the following:

	2018	2017
Invested in tangible capital assets (Note 4)	\$ 38,575	\$ 27,812
Unrestricted surplus	48,601	57,711
Amounts to be recovered in future years	(75,200)	(76,100)
	\$ 11,976	\$ 9,423

SEVERN SOUND ENVIRONMENTAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2018

6. PENSION AGREEMENTS

The Association makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer pension plan, on behalf of full time members of staff. The plan is a contributory defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2018. The results of this valuation disclosed total actuarial liabilities of \$99,058 million with respect to benefits accrued for service with actuarial assets at that date of \$94,867 million indicating an actuarial deficit of \$4,191 million. Because OMERS is a multi employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Association does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for the current year was \$41,828 (2017 \$41,797) for current service and is included as an expense on the Consolidated Statement of Operations.

7. GOVERNMENT TRANSFERS

Government transfers include monetary transfers based on cost-sharing agreements between the levels of government. Specific funds are also transferred when the Association provides evidence that the qualifying expenditures have been incurred. The Association also receives government transfers once certain criteria have been met or with the stipulation that the funds are used for specific projects or expenses (entitlements with stipulations). Any transfers received where the transfer stipulations have not been met by year-end are recorded as deferred revenue.

The amount of funding provided to the Association for each project is subject to final review and approval by these government organizations. As at the date of these financial statements, funding for the ongoing projects have not been subject to this review process. Any future adjustments required as a result of this review will be accounted for at that time.

8. BUDGET FIGURES

The unaudited budget adopted for the current year was prepared on a fund basis, and has been amended to conform with the accounting and reporting standards adopted for the current year actual results.

9. COMPARATIVE FIGURES

Certain 2017 amounts in these financial statements have been reclassified to conform with their presentation in 2018.



**Severn Sound Environmental Association
2019 Second Quarter (Q2) Board Meeting**

STAFF REPORT

No: 10-19-SSEA
Date: July 18, 2019
To: SSEA Board of Directors
From: Judy Limoges, Treasurer

Subject: SSEA ACCUMULATED SURPLUS (2018)

RECOMMENDATION:

RESOLVED THAT: the board of directors approved the transfer of \$48,601 of the accumulated surplus for 2018 in a reserve for future employee benefits/capital equipment upgrade/replacement.

Purpose of Staff Report

The purpose of this staff report is to provide analysis of the SSEA accumulated surplus and the accounting for same.

Background

In our 2018 2nd quarterly meeting held on July 26, 2018; Oscar Poloni from KPMG presented the 2017 audited financial statements. We were advised that we had a surplus of \$9,423. Chair Dave Ritchie asked Oscar if this surplus could be placed in reserve and this was confirmed and a motion was passed.

However, on April 16, 2019 Julie and Judy met with Tay finance staff, Joanne and Lindsay. They advised that the total accumulated surplus of \$9,423 shown on the financial statements is not a surplus that is typically brought into operations and transferred to reserves.

The 2017 accumulated surplus of \$9,423 consists of a combination of an operating deficit of (\$18,389) and the net investment in tangible capital assets (TCA) of \$27,812 (computers & office equipment). Typically, only the operating surplus/ (deficit) is brought into operations the following year (as per the municipal act) through the annual budget process.

As at December 31, 2018, a further operating deficit of (\$8,211) has been recorded. As per the 2018 audited financial statements, the accumulated operating deficit is (\$26,600), and the net investment in TCA is \$38,575, with the total accumulated surplus equating to \$11,976 (operating deficit of (\$26,600) + value of TCA \$38,575).

This accumulated operating deficit of \$(26,600) assumes that SSEA's Employee Future Benefits of \$86,122 are 100% funded. From note 3 of the statements you will see that the

Employee Future Benefit line is made of accumulated sick leave entitlements (\$34,000), Accrued health and dental benefit liability (\$41,200) and Vacation payable (\$10,922). While the Public Sector Accounting Board does not require the post-employment benefit obligations of \$75,200 to be funded for municipalities and joint service boards (only current year service costs are expensed), vacation payable is recorded annually as an expense and is funded from operations (i.e. expense is recorded as the employee earns vacation time).

Under the current policy, SSEA's post-employment benefits include an accumulating sick day bank that can be used to top up earnings during an illness, a payout of the sick bank upon termination of 50% of the balance (to a maximum of 130 days) and the provision of health benefits for early retirees to age 65. The obligation reported on the financial statements for these post-employment benefits is based on actuarial assumptions in order to reflect the current value of this future benefit. These assumptions are required to be updated every three years by a qualified actuarial.

SSEA requires a new actuarial report for the 2019 year-end. This report will be done in conjunction with the actuarial for Tay's post-retirement benefit plan.

We have reviewed the accounting standards applicable for post-employment benefits, and based on the fact that an **event** needs to occur (employment termination) prior to these benefits becoming payable, PS 3250/3255 does not require these post-employee benefits to be funded. However, Tay Finance staff's position is that (at a minimum) the vested portion of SSEA's sick bank (50% of the balance, up to a maximum of 130 days) should be funded. As at the end of 2018, the vested sick bank benefit amounted to \$18,500. The accumulated surplus tagged to this benefit (in a reserve called Reserve for Employee Benefits) would also need to be adjusted annually for additional sick benefits earned, as well as salary increases. The non-vested sick benefits can remain unfunded, as these benefits are only payable in the event that the employee goes on short or long-term disability. However, to avoid significant budget impacts, it may also be prudent to set aside funds in the reserve to fund a portion of the non-vested sick benefits. Under the current policy staff has the ability to use up to 79 days of sick time to top up their salary during an illness. This could create a significant budget impact should the association need to replace this individual during an extended leave. Tay Finance staff believes that given the size of SSEA's annual budget (approximately \$600,000), it would be good practice for the board to fund the current value (\$34,000) of the total sick leave entitlement obligation in order to ensure business continuity in the event of unforeseen lost time.

Based on the standards, and the fact that the post-employment benefit does not need to be funded, SSEA's former auditor, Oscar Poloni from KPMG LLP, indicated in a recent email that Note 5 – Accumulated Surplus on the 2017 Financial Statements could be amended to the following:

<input type="checkbox"/> Invested in tangible capital assets	\$27,812
<input type="checkbox"/> Reserves set aside for specific purposes	\$4,990
<input type="checkbox"/> Unrestricted surplus	\$62,403
<input type="checkbox"/> Amounts to be recovered in future years	<u>(\$85,782)</u>
	<u>\$9,423</u>

While this format is similar to how Tay would show their accumulated surplus, Tay Finance staff would recommend the amounts for vacation payable be removed from Amounts to be recovered in future years, as this amount is recorded as a liability and funded from annual operations. The proposed 2017 note would then be amended as follows:

<input type="checkbox"/> Invested in tangible capital assets	\$27,812
<input type="checkbox"/> Reserves set aside for specific purposes	\$4,990
<input type="checkbox"/> Unrestricted surplus	\$52,721
<input type="checkbox"/> Amounts to be recovered in future years	(\$76,100)
	<u>\$9,423</u>

Tay staff does not recommend amending this note on the 2017 Financial Statements.

2018 Statements

Based on the change in presentation, the 2018 notes to the financials would include a more detailed breakdown of the accumulated surplus. With the board’s approval, Tay Finance staff recommends tagging a portion of the unrestricted surplus to a reserve for employee benefits payable. Again, based on the fact that the vested portion of the sick benefits is payable when the employee leaves the association, Tay Finance believes that the reserve should (at a minimum) fund the vest sick benefit of \$18,500. However, additional consideration should also be allocated for a portion of the non-vested sick time of \$40,300, as extended staff absences could cause substantial budget impacts.

While the creation of this reserve will help mitigate budget impacts (can draw from the reserve when these events occur), the entire portion of the post-employment liability will still remain as part of the 2019 actuarial calculation and be left unfunded in the accumulated surplus. PS 3550 does not allow us to reduce or offset the employee future benefit liability, unless a separate legal entity or trust is created to essentially fund this liability (ex. OMERS pension plan). Tay staff is not recommending this be done.

Based on the above recommendation, Note 5 – Accumulated Surplus for 2018 would then be as follows:

<input type="checkbox"/> Invested in tangible capital assets	\$38,575
<input type="checkbox"/> Unrestricted surplus	\$14,601
<input type="checkbox"/> Reserve Employee Benefits payable (sick)	\$34,000
<input type="checkbox"/> Amounts to be recovered in future years	(\$75,200)
	<u>\$11,976</u>

Based on this presentation, the Board would have the opportunity to allocate the remaining unrestricted surplus of \$14,601 to a reserve (employee benefit capital equipment replacement) or leave as unrestricted surplus and bring into the 2020 budget.

The SSEA Executive Board has reviewed this issue and recommend that the remaining unrestricted surplus be transferred to reserve. This results in a total transfer to reserve of \$48,601 (\$34,000 + 12,601).

Future Considerations

- Review of employee benefits policy to ensure adequate benefits for employees, while protecting the best interests of the association (reducing administration overhead and cost).
- Establishing reserves for the replacement of capital equipment
- Add additional surplus funds to the Employee Benefit Reserve for maternity top-up benefits (as per policy) and non-vesting sick benefits. There is the possibility the one staff member could exhaust the entire reserve with one illness.
- Imbed an annual transfer to reserve into the annual budget for upgrades and replacements of equipment.

Questions should be directed to the auditors for the Township of Tay and SSEA, Pahapill and Associates Professional Corporation who will be in attendance on July 18, 2019 at the 2019 third (3rd) quarter meeting of the SSEA board.

Submitted by:

Lindsay Barron, Financial Analyst, Township of Tay with input from Judy Limoges, SSEA Treasurer and Joanne Sanders, Director of Finance/Treasurer, Township of Tay.

Approved for Submission by:

Original signed by
Julie Cayley, SSEA Executive Director

SEVERN SOUND ENVIRONMENTAL ASSOCIATION				
HIGHLIGHTS - CHANGE IN MUNICIPAL SHARE (including SSS as a project)				
BUDGET 2020 VS 2019				
	2020	2019		2020
	BUDGET	BUDGET		INCREASE \$
Payroll changes, full staff complement 2020:	820,191	716,802		
students/interns/seasonal			54,327	
Office Manager full time position vs contracts			26,845	
2% wage increase, 1% benefits increase, steps			22,221	103,393
Reduction in labour/benefits distributed to funded projects	(97,152)	(173,055)		75,903
Source Water no longer funded by province	73,649	0		73,649
Invasive Species Project moved to core	55,080	52,500		2,580
Reduction in cost recovery revenues (budget previously set high)	(50,000)	(80,000)		30,000
SSS - ACTUAL	96,352	71,400		24,952
Contribution to Contingency Reserve	10,000	0		10,000
Contribution to Strategic Plan Reserve	5,000	0		5,000
Contribution to Well Decommissioning Reserve	1,800	0		1,800
Vehicle purchase/lease	15,000	0		15,000
IT - maintaining independent network - 2019 budget set early, too	15,343	5,310		10,033
Legal fees - SSS merger	3,000	1,000		2,000
Pay Equity and Market Review - consultant	0	13,521		(13,521)
ITEMS TO RECONSIDER:				
Potential Pay Equity/Compensation payouts-Additional increase in municipal share?				???
STAFF COMPLEMENT	2020	2019		
FT	9	7		2
PT	-	4		(4)
INTERNS-1 FT	1	1	FT	-
STUDENTS-@28 HRS/WEEK 2@10MOS, 1 @5MOS	3	1	1 @5MOS	2
	13	13		-

Severn Sound Environmental Association

DRAFT 2

**Municipal Sharing of SSEA Agreement for Operations
Including Sustainable Severn Sound as an implementation Project**

Municipal revenue shares calculated for 2020-2024

DRAFT

Municipality	Properties in W'shed	Assessment in W'shed	% Cost Share (8 Municipalities***)	2019		2020 PROPOSED	2021 PROPOSED	2022 PROPOSED	2023 PROPOSED	2024 PROPOSED	SHARE %
				APPROVED 2% OVER 2018	SHARE %						
Georgian Bay	2114	\$478,457,400	5.60	\$44,027	9%	\$ 74,443	\$ 78,600	\$ 81,914	\$ 84,000	\$ 85,271	9%
Midland	6181	\$1,366,966,807	16.18	\$65,413	14%	118,584	125,407	130,822	133,160	136,187	14%
Oro-Medonte	4256	\$1,112,902,900	12.20	\$57,368	12%	101,979	107,799	112,424	114,667	117,034	12%
Penetanguishene	3446	\$734,452,100	8.85	\$50,597	11%	88,003	92,978	96,938	99,101	100,912	11%
Severn	3358	\$687,466,543	8.45	\$49,788	11%	86,334	91,209	95,089	97,242	98,987	10%
Springwater	2343	\$486,289,200	5.93	\$44,694	10%	75,820	80,060	83,439	85,533	86,859	9%
Tay	6101	\$809,898,203	12.63	\$58,238	13%	103,773	109,702	114,412	116,665	119,103	13%
Tiny	12303	\$2,392,111,202	30.16	\$93,672	20%	176,911	187,257	195,448	198,118	203,466	21%
Totals:	41819	\$8,527,660,659	100	\$463,796	100%	\$825,847	\$ 873,012	\$ 910,485	\$ 928,484	\$ 947,819	100%
CORE-HISTORICAL				\$463,796		\$697,118	\$772,158	\$814,368	\$831,563	\$854,022	
INVASIVE SPECIES				\$52,500		\$55,080	\$56,182	\$57,305	\$58,451	\$59,620	
SOURCE WATER				\$0		\$73,649	\$44,672	\$38,812	\$38,469	\$34,177	
TOTAL CORE				\$516,296		\$825,847	\$873,012	\$910,485	\$928,484	\$947,819	
PROJECT:											
SUSTAINABLE SEVERN SOUND				\$71,400		\$96,352	\$78,085	\$79,558	\$81,360	\$82,221	
				\$587,696		\$922,199	\$951,097	\$990,043	\$1,009,844	\$1,030,040	
INCREASE YEAR OVER YEAR \$				\$21,196		\$334,503	\$28,898	\$38,946	\$19,801	\$20,196	
INCREASE YEAR OVER YEAR %				4%		57%	3%	4%	2%	2%	
Total annual operating/core budget				\$579,030		\$908,069	\$956,879	\$996,029	\$1,030,739	\$1,036,819	
Base amount for each municipality				\$32,570		\$51,079	\$53,824	\$56,027	\$57,979	\$58,321	

Note: Determination of Cost Apportionment as of December 2007 for agreement using revised SSEA watershed boundary.

1. the number of properties within the watershed area of each municipality was determined and from that, a percentage for cost sharing was calculated
2. the assessment within the watershed area for each municipality was determined and from that, a percentage for cost sharing was calculated
3. the average of 1. and 2. was used as the %cost share
4. for calculations with 9 municipalities, a base amount of 5% of the total annual operating budget was added to each share and followed by the percent of the remainder of the municipal amount
5. for calculations with 8 municipalities, a base amount of 5.625% of the total annual operating budget was added to each share and followed by the percent of the remainder of the municipal amount
6. 2020-2024 include Invasive Species Project in core operations, previously an implementation project
7. Source Water Implementation Project funded by core in 2020-2024 due to lack of provincial funding



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July 5, 2019

Tracy Wright
External & Stakeholder Relations Coordinator
Ministry of Environment, Conservation and Parks
Foster Bldg 10th Flr
40 St Clair Ave W
Toronto ON M4V 1M2
SENT VIA EMAIL: Tracy.Wright@ontario.ca

Dear Ms. Wright:

RE: New Canada Ontario Agreement on Great Lakes Water Quality and Ecosystem Health

The Severn Sound Environmental Association (SSEA) is pleased to have the opportunity to provide input into the priorities for the new Canada Ontario Agreement (COA) on Great Lakes Water Quality and Ecosystem Health. We commend the provincial and federal governments on moving forward on a renewed COA. This agreement, and the commitments it includes, is critical to the conservation, protection and restoration of the Great Lakes basin ecosystem.

The SSEA's mission is to ensure exceptional environmental quality through exemplary stewardship of the Severn Sound area through sound science, collaboration and partnerships. The SSEA, formerly the Severn Sound Remedial Action Plan (RAP), is a Joint Service Board under the Municipal Act, and works closely with eight lower tier municipalities and two upper tier municipalities in the Severn Sound area (south-eastern Georgian Bay), as well as provincial and federal government agencies and non-government organizations. The SSEA collects and interprets environmental data and provides expertise to member municipalities, works to keep water clean so it supports healthy terrestrial and aquatic ecosystems, and has been heavily involved in municipal drinking water source protection activities as the local Source Water Protection Authority.

The Severn Sound area is a Great Lakes success story and a proud Great Lakes community. With the cooperation and support of the agriculture, rural and urban community, stakeholders, all levels of government and working within COA, the Severn Sound Remedial Action Plan (RAP) was implemented in the 1980's and 1990's. Environmental quality in Severn Sound was restored, and Severn Sound was de-listed as an AOC in 2003, the second AOC delisted. After delisting and up until the 2017-18 fiscal year, the SSEA continued to receive support from COA through both the Ontario Ministry of Environment and Ontario Ministry of Natural Resources and Forestry (MNR). COA funding ensured monitoring, water quality improvement and habitat projects could be implemented. These funds have been critical in enabling SSEA to

continue the recommended work that was outlined in the Stage 3 RAP delisting document. Specifically, past COA funding support has allowed SSEA to:

- conduct biweekly, ice-free season monitoring of open water quality at 14 stations for nutrients, metals and basic water chemistry, as well as phytoplankton and zooplankton communities, thereby continuing a 46-year dataset
- conduct routine recreational beach quality sampling (up to 2010) as well as intensive beach quality studies in chronically polluted areas
- conduct a coastal fish community and habitat assessment project
- restore tributary and wetland habitat and control rural non-point sources of pollution
- establish a citizen science monitoring program in Severn Sound that engages community members and empowers them to act as stewards of the watershed.

Unfortunately, COA funding has been on a steady decline in the last 10 years. The last year Severn Sound was able to access COA funding was in 2017. Without this funding critical non point source pollution control projects, fish habitat assessment evaluation, protection and restoration and community empowering citizen science projects have not been able to continue. Some funding from Municipal and foundation sources has been accessed to ensure water quality monitoring and a minimal citizen science program can continue. The funding that was provided through COA is critical to ensure progress in improving water quality and habitat in the Great Lakes is made and maintained.

The SSEA respectfully submits the following comments for consideration.

General Comments

- Overall, the SSEA supports the items presented as priorities, and agrees with the key concepts to bring forward as well as the new concepts under consideration.
- Funding to take action will be critical. COA should continue to fund and support monitoring and data collection, stewardship projects such as soil and water quality protection and improvement initiatives, and invasive species prevention, detection, monitoring and management. This funding should include financial contributions for staffing and resourcing to support implementation, in addition to incentive funds for implementing on-the-ground actions. This type of funding/resourcing should be available for all Great Lakes, including areas that have delisted AOCs to ensure improvements are maintained.
- Success requires cooperation between all levels of Government and across Ministries (MECP, MNRF, OMAFRA...) as has been proven by past success

Protecting Waters: Nutrients

1. The SSEA understands and appreciates that a healthy Great Lake starts with a healthy watershed. There is a need to focus on areas of highest need, however, all of the Great Lakes are being impacted by water quality issues and need support from COA.
 - a. For example, in Severn Sound, despite improvements that were made through implementation of the RAP that resulted in reduced phosphorus loading and ambient open water concentrations, ecosystem changes are occurring due to invasive species (dreissenid mussels), climate change (increased water temperature, increased frequency and intensity of storms) and increasing population and development pressures (including stormwater and water and

wastewater infrastructure needs) that have resulted in changing water clarity values and algal communities.

Protecting Waters: Harmful Pollutants

2. The SSEA agrees that plastic pollution - both microplastics as well as larger plastic debris - should be included as a new concept for inclusion in COA. The SSEA would like to work collaboratively with the Provincial and Federal Governments, through COA, on this issue, particularly as it pertains to microplastics. Attention should be given to both monitoring environmental concentrations of microplastics, as well as identifying and reducing sources.
3. Monitoring for emerging contaminants including endocrine disrupters should be included.

Protecting Waters: Wastewater/Stormwater

4. The SSEA fully supports the addition of Wastewater/Stormwater as a new annex to COA, since many water quality issues result from these sources.
5. Investments in infrastructure are critical to protecting and improving Great Lakes water quality, for example by reducing the potential for, or severity of, sewage bypass events. These investments may include upgrades to aging and undersized infrastructure, retrofits to optimize water quality improvements, as well as protecting natural infrastructure and utilizing green technologies.
6. The SSEA, in collaboration with Lake Simcoe Region Conservation Authority, recently hosted a stormwater management and low-impact development workshop for staff and elected officials of our member municipalities. The workshop was very well received and there is a need for and interest in additional training and education on best practices and innovative approaches. The SSEA will continue to work with the province, support our municipal leaders, and facilitate collaboration on this issue.
7. The SSEA agrees that the impacts of road salt should be included in the new COA. Long-term monitoring of sodium and chloride in Severn Sound and inland lakes in the watershed has revealed steady increases in both ions since the 1970s. Parts of Severn Sound and several inland lakes now have sodium levels above 20 mg/L, which requires that the Medical Officer of Health notify residents who may use the water as a drinking source.

Protecting Waters: Discharge From Vessels

8. Ballast water discharge regulations should be improved to prevent the introduction of aquatic invasive species (AIS) into the Great Lakes. This could include increased inspections and ecological sampling of ship ballast water or soils, enhancing and implementing sterilization procedures and biosecurity protocols, and use of fines. All potential sources of AIS should be considered, including the Great Lakes cruise ship industry.

Improving Coastal Areas: Areas Of Concern

9. In addition to remaining AOCs, special consideration should be given to supporting delisted AOCs, to continue ongoing work as recommended in delisting reports. SSEA's Stage 3 report outlines a Monitoring and Surveillance Plan for Severn Sound to "*bring the monitoring capabilities of the federal, provincial and municipal governments together*

with the Severn Sound community, to provide sustained and scientifically defensible monitoring of the Severn Sound area.” In particular, the plan recommends that open water quality and nutrient loading source monitoring continue, and that fish community and habitat monitoring work be done, specifically focused on the walleye fishery. Severn Sound was delisted on the condition that government agency partners commit to a long-term fish community monitoring program, such as the Index Trapnet Survey conducted by MNRF.

Improving Coastal Areas: Lakewide Management

10. As an agency responsible for nearshore monitoring, it is crucial that SSEA continue to receive support for water quality monitoring activities, the results of which can be used in State of the Great Lakes reporting.

Protecting Habitat and Species: Aquatic Invasive Species

Critical and immediate AIS threats currently include Asian carp, Hydrilla, Sea Lamprey and invertebrates such as Bloody Red Shrimp and Mitten Crabs.

11. The new COA should continue to ensure cooperative and coordinated efforts across jurisdictional boundaries to stop introductions, standardize the risk assessment process for AIS, enforce regulations, and aggressively monitor and eliminate AIS populations.
12. Education is essential for increasing public awareness about invasive species prevention and impacts, but active management and follow-up monitoring to ensure its effectiveness are critical to ensure success. COA funding to support these initiatives would be beneficial.
13. COA should support research into the role of climate change and its effect on the global distribution and movement of AIS.

Protecting Habitat and Species: Habitat and Species

14. The SSEA strongly agrees that protection of Species At Risk, native species, and sensitive habitats and natural heritage features should continue to be a priority.
15. The SSEA is in agreement that the new COA should include the concept of assessing the vulnerability of coastal wetlands to climate-related impacts, and supporting measures to enhance their resilience.

Enhancing Understanding and Adaptation: Groundwater Quality

16. SSEA fully supports the addition of groundwater-surface water interactions as a new consideration under the COA, particularly as it relates to the impact of septic system and sewage lagoon plumes on lake quality.

Enhancing Understanding and Adaptation: Climate Change Impacts and Resilience

17. It is crucial that each region of the province have locally-focused climate change mitigation and adaptation strategies. Support is necessary for smaller municipalities to create these strategies, using lessons learned from areas that have gone through the process. Most municipalities in the Severn Sound area have partnered to produce a mitigation strategy, however, an adaptation strategy has not yet been completed. This is critical in order for municipal decision-makers and residents to be able to prioritize actions needed to adapt to a rapidly changing climate and the anticipated impacts.
18. It is becoming apparent that algae communities in Severn Sound and nearby inland lakes may be responding to increasing water temperatures. It is important to continue

monitoring in order to understand the complex interactions between nutrient loading and bioavailability, temperature and algal growth.

Engaging Communities: From Awareness to Action

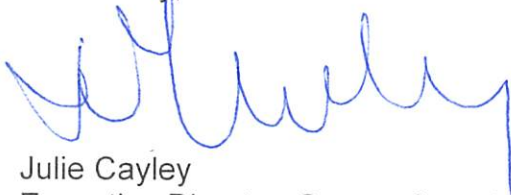
19. SSEA supports building on public engagement activities at Provincial and National Parks, including citizen science. However, it is important that support not be restricted to programs within parks alone, since this may limit the success of new initiatives and existing programs that need support in order to continue.

Engaging Communities: First Nations and the Great Lakes & Métis and the Great Lakes

20. For both of these priorities, it is important to keep in mind that First Nations and Metis communities often need to charge fees when asked to be involved in community engagement activities such as attending workshops and reviewing documents. These fees, while understandably necessary to cover costs, can be prohibitive for small agencies such as SSEA that would like to have more involvement with these important communities. Both these communities and agencies need to be resourced to build this valued engagement, ultimately enhancing COA outcomes.

The actions required to make the COA priorities and goals a reality will require resources and funding but success is possible! The SSEA welcomes the opportunity to discuss these comments further at your convenience and to work with all levels of Government to ensure our Great Lakes are protected now and in the future. Thank you for your consideration.

Yours truly,



Julie Cayley
Executive Director, Severn Sound Environmental Association

CC: SSEA Board