



GRAND VALLEY

REPORT TO COUNCIL

To: Mayor Soloman and Members of Council

From: Meghan Townsend, CAO/Clerk-Treasurer

Meeting Date: August 8, 2023

Subject: Planning Fees and Development Charges studies

Purpose

To provide information on two studies required to update the Town's planning fees and development charges and recommend acquiring the services of Watson and Associates Limited to conduct these studies.

Background

The Town of Grand Valley collects fees from applicants to cover the costs of processing various planning applications, and also collects development charges with building permits to cover the costs associated with new infrastructure needed to support growth.

Recent changes in provincial legislation have had an impact on the fees that municipalities can charge for planning applications. Furthermore, the Planning Act dictates that the fees be reasonable, and states that a municipality can be challenged at the Ontario Land Tribunal on the reasonableness of their fees.

Recent changes in provincial legislation also impact the Town's Development Charge policies, by-laws and processes. The Town's current Development Charges by-law expires in August 2024 and has not been updated to reflect legislated changes.

Discussion

The Town's planning fees are outdated, given the numerous changes in the planning world and cost escalations from the past few years, and a study and justification report for our fees has not been conducted for over six years. The policies and background information supporting our fees are few or non-existent. Watson and Associates Limited has prepared a proposal of how they would review our existing fees against current legislation, analyze our services to determine the fees we should be charging, then work with us to create new fee schedules and new policies, such as the reimbursements now required under legislation. Their proposal is attached to this report as Appendix A.

In accordance with Section 10 of the Development Charges Act, if the Town wishes to collect development charges, a background study must be conducted. The work to be completed in this study must include public consultation and draft report presentation. If Council wishes to continue to collect development charges, this study must be completed and a new by-law enacted before the August 2024 expiry date. Watson and Associates has presented a proposal for the scope of work and timeframe for conducting the work needed to conduct the study and create a new by-law. This proposal is attached as Appendix B to this report. The work plan and costs presented are in line with expectations based on previous studies that they have done for the Town. The 2019 DC study cost \$37,000.00.

Under the Town's procurement by-law, the by-law does not apply to the procurement or acquisition of financial services respecting the management of government financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution. Watson has a record of providing value for their services to the Town and can conduct these studies efficiently due to their familiarity with our municipality.

Financial Impact

The Planning Fee Study will cost \$38,070, unless the study's scope of work increases or decreases and the final cost is adjusted. This cost can be included in the expenses for planning studies included in the 2023 budget.

The Development Charge Background Study will cost \$39,740, unless the study's scope of work increases and the final cost is adjusted. This cost can be paid partially in 2023 and the balance in 2024, using the admin development charges collected under our current by-law. Future DC studies will not be an eligible expense under the revised Development Charge Act system.

Recommendation

THAT Council receives and approves the proposals from Watson and Associates Limited for a planning fee study in the amount of \$38,070 and a development charge background study in the amount of \$39,740, plus any applicable taxes, and directs staff to work with Watson and Associates Limited to complete the projects in the time frames proposed.

Respectfully submitted by,

Meghan Townsend
CAO/Clerk-Treasurer

Appendix A



Proposal Town of Grand Valley

Planning Fee Study

SUBMITTED:

June 7, 2023

Watson & Associates Economists Ltd.

Sean-Michael Stephen

905-272-3600 ext. 250

905-301-7258

stephen@watsonecon.ca

June 7, 2023

Meghan Townsend
CAO/Clerk-Treasurer
Town of Grand Valley
5 Main St. N.
Grand Valley, Ontario
L9W 5S6

Dear Meghan Townsend:

Re: Town of Grand Valley Planning Fee Study

Further to your request for proposal, Watson & Associates Economists Ltd. is pleased to submit our proposal for the above-referenced assignment. Our firm has completed numerous user fee studies, spanning development application fees (i.e., planning, building, engineering).

We agree to be bound by statements and representations made in the proposal and to any agreement resulting from the proposal. We have no conflict of interest that would compromise the performance of the work. Our client base is almost exclusively municipalities, school boards, and conservation authorities.

We trust the proposal includes the information you require and would be pleased to discuss it further with you, if so desired. We look forward to the opportunity of working with you on this important assignment.

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.



Sean-Michael Stephen, MBA
Managing Partner



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1. Company Qualifications and Experience

1.1 Watson & Associates Economists Ltd.

Watson & Associates Economists Ltd. (Watson) is one of Canada's leading economic consulting firms. Established in 1982, we offer a comprehensive range of fiscal planning and policy services to clients in government and the private sector throughout Ontario and beyond.

Located in Mississauga, Ontario, Watson is a private firm of municipal economists, planners, and accountants, comprising a committed 34-person staff, several of whom have worked together for many years. Our unique and dynamic team of specialists has assisted clients from over 250 municipalities, utilities, conservation authorities, and school boards, as well as private industry, and senior levels of government, to frame their financial and economic strategies. Our main areas of specialization include:

- User rate studies (i.e., water, wastewater, stormwater, solid waste, development application processing, building permits and *Municipal Act* fees);
- Development charge background studies;
- Long-range financial plans and fiscal impact studies;
- Asset management plans;
- Forecasts, feasibility studies and land needs assessments for a variety of land uses;
- Population, household, non-residential space and employment forecasts; and
- Growth management studies.

Relevant experience, in the context of this assignment, is demonstrated by the development of full cost of service models and adoption of full-cost or policy-driven user fees in over 65 Ontario municipalities and conservation authorities. Our competencies and experience in developing an activity-based costing (A.B.C.) methodology within the context of multiple pieces of legislation have enabled our clients to better account for the costs of services across multiple departments and to reduce unintended tax base subsidization of service delivery.

Of particular note is our experience with development approval application fees and the evolution to model fee structures to better match charging characteristics (e.g., size)



and processing efforts to achieve more defensible fee structures and sustainable revenues. This evolution in approach allows for the development of fee structures where complexity of review and revenue generation move in concert. This approach includes assessing the differences in the underlying process or the intensity of the process based on application size (e.g., number of units), location (e.g., greenfield vs. infill), development type (e.g., residential vs. non-residential vs. mixed used), application phasing (e.g., separating the pre-submission/pre-consultation, application review, and clearance of conditions processes) and complexity (e.g., minor vs. major application types). Furthermore, we have evolved costing methodologies to forecast projected service demands and user fee revenues to provide service and reserve/reserve fund sustainability with volatility in user fee volumes.

Our expertise is further demonstrated by our ability to communicate detailed technical study findings and policy recommendations to internal and external stakeholders (e.g., senior management, Council, and development industry stakeholders), in a clear and understandable manner.

The firm has also made a long-term commitment to the interpretation of legislation, the development of implementation methodologies and strategies to assist our municipal and conservation authority clients. With respect to development application review processes, our firm has led the advancement of the concept of A.B.C. within development review processes in Ontario. This commenced with the passage of the *Building Code Statute Law Amendment Act* and the development of approaches to allow Ontario municipalities to comply with cost justification requirements for building permit fees. Moreover, with the more stringent cost justification requirements for building permit fees, the approach undertaken measures the activity-based costs across the development review service channel, encompassing planning application fees and engineering design, and inspection fees. This innovation has continued as we have assisted municipalities across Ontario in assessing the full cost of service and development fee structures in response to changes to application processing times and refund requirements (i.e., Bill 109) and changes in review responsibilities (i.e., Bill 23). Furthermore, we have assisted our conservation authority clients with changes to mandatory and non-mandatory services and their abilities to recover costs and impose fees (i.e., Bill 108 and Bill 23).

Our firm's experience assisting municipalities in developing responses to provincial legislation is also particularly evident through the active involvement of our Managing



Partners in the consultation on changes to the *Development Charges Act* (D.C.A.). When the D.C.A. was amended by Bill 73, we were part of the Province’s working group process and were industry leaders in developing methodologies and approaches to comply with the legislated changes. We have continued to be actively engaged in the consultation process on changes to the D.C.A. regarding Bill 108, Bill 197, and Bill 23, including supporting the Municipal Finance Officers’ Association (MFOA) by being involved in the “Development Charges and Housing Affordability Technical Consultations” in January 2019 and having representation on the Province’s Community Benefits Charges (C.B.C.) Technical Consultation Group. This participation further contributes to our ability to assist the Town in developing unique and defensible strategies to cost recovery and the development review process.

Detailed corporate profile information for Watson and our experience undertaking development review user fees are included in Appendix A.

1.2 Consulting Team

Our proposed consulting team has worked together on dozens of projects for our municipal and conservation authority clients, including many development application user fee studies (planning, building, and engineering fees).

Project successes are ensured through strong leadership and experienced staff. A feature of our work is a focus on ensuring the project goals and objectives are being met in a manner that is satisfactory to the client. This is accomplished through understanding our client’s needs and issues, in addition to maintaining open communication channels within our team and with the client. Moreover, coordinating responsibility for the completion of all tasks necessary to deliver the work plan is accomplished through detailed record keeping and communication.

Our proposed consulting team is outlined below.

Sean-Michael Stephen, MBA, Managing Partner

Role: Project Manager

Mr. Stephen will represent the firm as Project Manager and be responsible for all facets of the fee review. Since joining the firm in 2014, he has prepared numerous user fee studies, development charges background studies, water and wastewater rate studies,



and long-term financial plans for our municipal clients. Mr. Stephen has completed development application fee reviews for over 25 municipalities and conservation authorities in Ontario and is currently working with the County of Dufferin in assessing their building permit fees. This experience has involved working closely with municipalities and conservation authorities to ensure that the A.B.C. approach, financial analysis (including the indirect cost) model, and development fee model are customized to meet the unique objectives of each study, and the specific circumstances of each organization (e.g., budget structure, review processes, organization structure, internal cost recovery policies, service level changes, etc.). Mr. Stephen has also assisted or is in the process of assisting various municipalities with fee reviews and fee structure changes in response to refund requirements under Bill 109 (i.e., the Cities of Vaughan, Richmond Hill, Pickering and Mississauga, the Region of Niagara, the Town of Midland, and the Township of Springwater).

In addition, Mr. Stephen has significant expertise communicating study recommendations to various stakeholder groups (e.g., steering committees, senior management, Council, and external stakeholders) through his experience leading development application user fee studies, development charges background studies, and other undertakings for our municipal clients.

Through his experience in user fee reviews and development charges background studies, Mr. Stephen has assisted municipalities in responding to by-law and fee appeals and proceeding through mediation and negotiation processes.

Connor Jakobschuk, MBE, Consultant

Role: Technical Support

Connor will assist in the collection and compilation of data, modelling, and report documentation. Since joining Watson in 2019, Connor has been involved in gathering and compiling background information, developing financial models and reporting on project findings for numerous development charges studies, water and wastewater rates studies, and user fee studies. Connor has played a major role in the technical development of user fee models and survey preparation for several of our municipal and conservation authority clients, providing assistance with reviews undertaken for the Town of Lincoln (Planning, Development Engineering, Building and Clerks Fees, current), the Region of Niagara (Planning Fees, current), City of Niagara Falls (Building Permit Fees, current) and the Niagara Peninsula Conservation Authority (Planning,



Permitting and Parks Fees). Additionally, he has recently been involved in user fee studies for the Townships of Springwater and South Stormont, Cities of Mississauga, Vaughan, Cambridge, and Richmond Hill, the Hamilton Conservation Authority, the Lake Simcoe Conservation Authority, and the Credit Valley Conservation Authority.

Connor holds a Master of Business Economics degree from Brock University.

Jaco de Beer, MFE, Analyst

Role: Technical Support

Jaco recently joined Watson bringing a strong skill set in financial modelling and policy research from his prior role working for the Ontario Financing Authority. He will be responsible for undertaking municipal survey and policy research to support the study deliverables. Jaco has assisted in a similar capacity for reviews undertaken for the Town of Lincoln (Planning, Development Engineering, Building and Clerks Fees, current), the Town of Midland (Planning, Building, and Engineering Fees) and the City of Niagara Falls (Building Permit Fees, current).

Jaco holds a Master of Financial Economics from the University of Toronto.

A curriculum vitae for each of the above individuals is included in Appendix A and can also be found on the company's website www.watsonecon.ca.

2. Our Understanding of the Assignment

The Town of Grand Valley (Town) is seeking an experienced and qualified consulting team to develop a costing model to assess the full costs of processing planning applications, and to make fee structure recommendations to recover the reasonable full costs of development review and provide financial stability for the delivery of these services while balancing applicant and taxpayer needs. This will be assessed through a detailed analysis of the development review processes and efforts expended in this regard.

In developing the fee model, the fee review will encompass an assessment of the full costs of service (i.e., direct costs, indirect costs, and capital costs) to understand how current fees are performing before making fee adjustments or recommending new fees and structures. Direct costs will consist of the salary, wage, and benefit costs as well as the budgeted material and supply costs that are consumed by those staff members



involved in the planning application review process. Indirect costs will be based on the development of an indirect step-down costing model to determine the allocation of indirect overhead and support function costs to direct service departments. Capital costs will consist of the asset replacement costs associated with individuals directly participating in the plan review process.

Furthermore, industry best practices in fee structure design and the competitiveness of current and proposed fees will be important in designing fees to recover the full costs of service (or improve cost recovery), particularly with regard to fee structures to mitigate the fee refund requirements under Bill 109. Fee recommendations will be made based on the full cost assessment, and other factors such as affordability, competitiveness, and stakeholder interests to improve cost recovery levels.

3. Project Approach and Methodology

3.1 Proposed Study Methodology

Our proposed methodology for this assignment is to develop an A.B.C. model to quantify the full costs of service, guide fee recommendations, and substantiate communications with decision-makers and stakeholders. Prior to making fee recommendations, an assessment of the full costs of service is a critical first step to ensure that fee recommendations are defensible with respect to the governing legislation (i.e., *Planning Act* and *Municipal Act*).

An A.B.C. methodology, as it pertains to municipal governments, assigns an organization's resource costs to the services provided to the public. Conventional municipal accounting structures are typically not well suited to the costing challenges associated with user fee activities, as these accounting structures are department focused and thereby inadequate for fully costing services with involvement from multiple Town departments. An A.B.C. approach better identifies the costs associated with the processing activities for specific user fees or the utilization of resources and assets, and thus is an ideal method for determining the full costs of user fee services.

An A.B.C. methodology attributes processing effort and associated costs from all participating departments to the appropriate user fee service categories. The resource costs attributed to user fee activities include direct operating costs, indirect support and corporate overhead costs, and capital costs. The accumulated costs (i.e., direct,



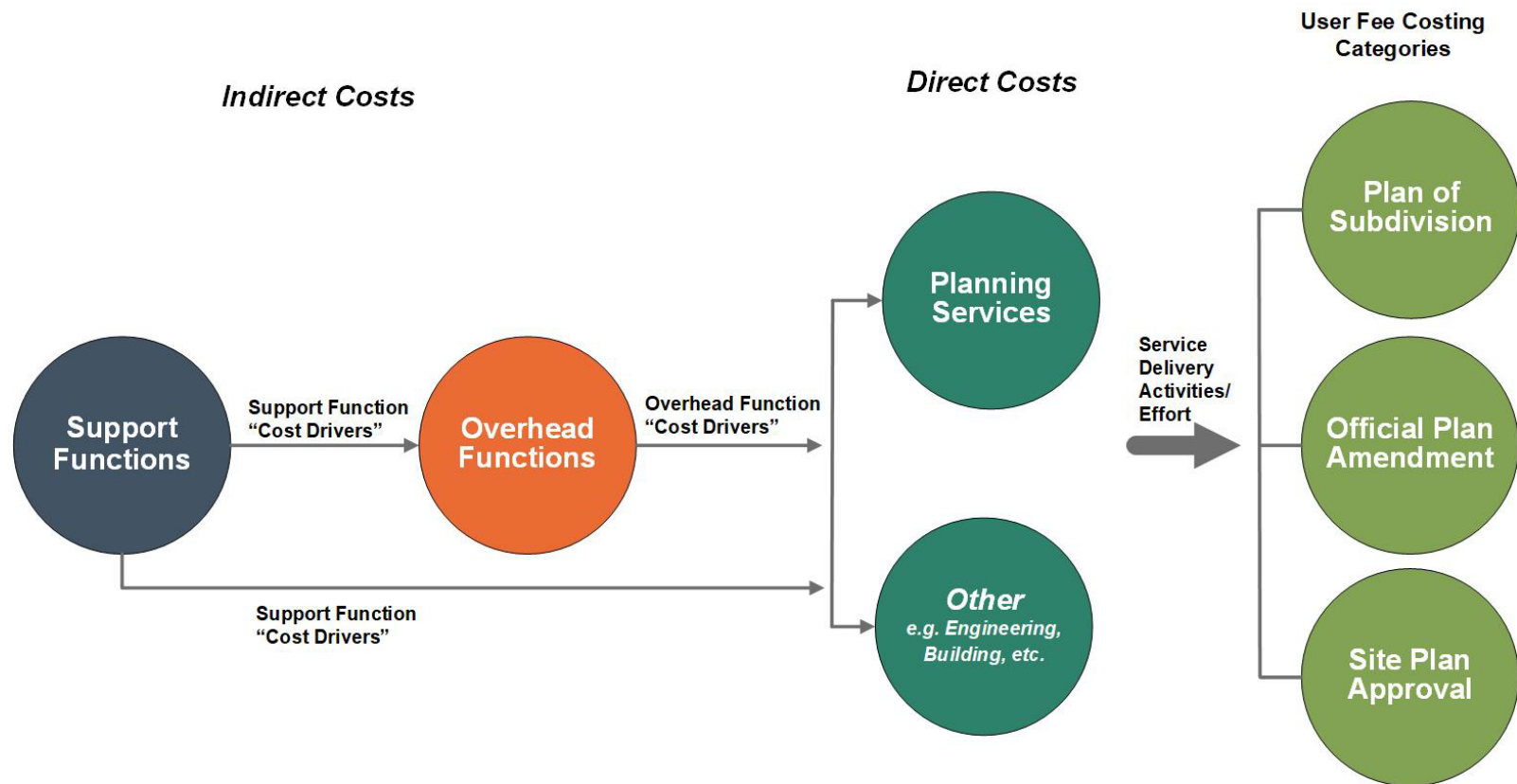
indirect, and capital costs) will then be distributed across the various user fee categories based on each department's direct involvement in the user fee activities. The assessment of each department's direct involvement in the user fee activity processes is accomplished by tracking the relative shares of staff processing efforts (e.g., estimates of time/minutes) across the sequence of mapped process steps for each user fee category.

The result of employing this costing methodology provides municipalities with a better recognition of the costs utilized in delivering user fee activities and making resources/assets available for use, as it acknowledges not only the direct costs of resources deployed, but also the operating and capital support required by those resources to provide services. Furthermore, this methodology will provide costing for resource utilization user fees at a level of detail to inform the strategic fee design decisions.

A key aspect of our approach for process-related user fees is to undertake a staff capacity utilization analysis to test the reasonableness of the processing effort estimates provided by staff. This analysis ensures that full cost assessment is reflective of actual levels of service and legislative compliance (e.g., recovery of the anticipated costs of processing each type of planning application under the *Planning Act*). See Figure 3-1 for a diagrammatical representation of this process.



Figure 3-1
Illustration of the A.B.C. Methodology





An A.B.C. approach to setting processing review fees will preserve the Town's ability to shelter existing taxpayers from the processing costs associated with services, while cost justifying any required fee adjustments. By adopting this approach, the Town will also be embracing "best practices" already utilized by other growing urban and rural municipalities in Ontario.

Having established the average processing costs by user fee service category, applicable user fee characteristics (e.g., number of units, site area, etc.) are considered to inform the fee structure design, including the development of fee structures to recognize the decreasing marginal costs of development review as applications increase in size, and the need to consider a maximum fee. The fee structure design and application characteristics are vital to the implementation of a defensible and sustainable funding source.

3.2 Proposed Study Work Plan

Based on our understanding of this project and past experience with similar undertakings, the following work program has been developed for this assignment. The anticipated number of meetings are highlighted in italics.

Task #1 – Project Initiation

- Review project methodology and timing, fee review trends, current legislation and Ontario Land Tribunal (OLT) rulings impacting development application fees, and ongoing appeals.
- Undertake an initial start-up meeting with Town staff to discuss the assignment's methodology/deliverables and review the implications of legislation and OLT rulings on development-related user fees.
- Cover the following at this start-up meeting:
 - *Planning Act*, and *Municipal Act* fee design and cost recovery issues;
 - Recent changes in legislation (i.e., Bill 109 and Bill 23) and the impacts on the fee review;
 - A.B.C. methodology incorporating these legislative and regulatory guidelines to ensure all related direct and indirect costs permitted under the legislation are considered;
 - Insights into how other municipalities are addressing new legislative and regulatory requirements and fee design considerations to provide revenue sustainability and mitigate appeal risks;



- Finalization of a detailed project work plan and timeline (including timing of stakeholder consultation, if requested);
- Discussions on fee design and fee categorization/characteristics for the planning fees within the scope of the review; and
- Information requirements for the assignment.
- *One (1) meeting with Town staff is anticipated.*

Task #2 – Receipt and Review of Background Documents from Town Staff

- Review background documents from the Town, including but not limited to the following:
 - 2023 Capital Budget;
 - 2023 Operating Budget;
 - Town staff listing and salary, wage, and benefit information;
 - Application processing procedures/processes;
 - Any established cost recovery policies;
 - Current planning fee schedule;
 - Asset inventories; and
 - Historical planning fee volumes and characteristics.
- Review the Town's current level of cost recovery performance. The intent of the review will be to analyze where revenues have not kept pace with expenditures, relating performance to application volume patterns, application characteristics, previous fee structure decisions, etc. Conducting the review at the outset will provide for meaningful discussion and input on modelling and fees structure design decisions.
- Establish a preliminary list of municipal comparators (neighbouring municipalities and other comparators), for fee comparisons and best practices.

Task #3 – Fee Categorization and Process Review

- Document fee categories and sub-categories, differentiating user fee characteristics, participating Town staff positions, and update or develop process maps. Fee categorization will go beyond the base application types (e.g., Subdivisions vs. Site Plan) and will assess cost differences within application types by size, location, complexity of review, phasing of work, and post planning application approval inspections for Site Plan and Subdivisions, etc.
- Discuss the fee categories and characteristics to be tested through the costing component of the assignment to determine if fee structure adjustments are warranted based on material cost recovery impacts and other factors such as



mitigating Bill 109 refund requirements. The discussion will be carried out in the context of fee categorization/characteristics recommendations provided at the initiation meeting and as determined through the review of background documentation.

- Discuss services being provided for which no planning fees are currently imposed for potential inclusion in the full cost assessment.
- *One (1) meeting with Town staff is anticipated to discuss and finalize fee categorization decisions and to discuss the procedure for providing their effort estimates.*

Task #4 – Staff Capacity Utilization Analysis

- Prepare communication materials (questionnaire) instructing staff to complete the established user fee category effort estimation templates (i.e., provide processing effort estimates (minutes of time) by user fee type, process step, and staff position).
- Support the Town's departmental staff who will need to be engaged in the review to document effort estimates for all user fee categories.
- Prepare staff capacity utilization quality control analysis to verify the accuracy/defensibility of processing effort estimates. Capacity utilization results are assessed against available staff capacity to test for the reasonableness of the provided estimates.
- *Two (2) workshops are anticipated to review the staff capacity utilization analysis with Town staff.*

Task #5 – Construction of an A.B.C. Model and Fee Structure Options

- Develop a Microsoft Excel A.B.C. model to ensure appropriate cost objects, drivers, data flows and fee schedule generation based on the framework. Model will project annual activity-based costs for each planning fee based on volumes by type.
- Prepare a survey for planning fees of municipal comparators.
- Utilize model costing results to generate fee structure options. Full cost and other policy-driven fee structure options will be considered in consultation with staff. These policy-driven fee structure options will be developed with regard for industry best practices, comparative analysis, affordability, and emerging trends in fee design in response to legislative changes.



- Present draft fee recommendations for review prior to preparation of the draft report.
- *One (1) meeting with finance staff to review the indirect cost model development*
- *One (1) meeting with the Town staff is anticipated to review draft findings and fee recommendations.*

Task #6 – Preparation of the Draft Report

- Prepare a draft report, summarizing:
 - the project methodology and findings;
 - the full cost recovery and recommended fee structures;
 - the fees survey of peer municipalities; and
 - reserve fund policies.

Task #7 – Preparation of the Final Report and Presentation at a Public Meeting of Council

- Prepare a final report, summarizing the legislative context and resultant methodology, the full cost recovery assessment, the full cost recovery fee structure, the reserve fund strategy, the implementation plan, property-specific impacts, a comparative assessment of the Town's relative competitiveness with peer municipalities.
- Provide the final report and recommended fee structure for Council's consideration to assist with the by-law adoption process.
- *One (1) presentation to Grand Valley Town Council is anticipated.*

Provisional Task – Development Industry Stakeholder Consultation

- Prepare materials for findings presentation which will summarize the project methodology, findings, and full cost recovery and proposed fee structures. The materials will include property-specific impact analysis and a municipal peer fees survey.
- Present study findings and the recommended fee structure to a group of development industry stakeholders.
- Document input received at the presentation for subsequent discussion with Town staff and inclusion in the final report.



- One (1) presentation to development industry stakeholders is included within this task.

4. Project Timeline

Based on our understanding of the project and the work plan identified in section 3.2, Figure 4-1 provides the proposed project timeline by work plan task. Our timeline has been prepared to allow for project initiation late June 2023 and presentation of the final report to Council early December 2023.

Figure 4-1
Proposed Timeline

Work Plan Task	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Task #1 – Project Initiation	SM						
Task #2 – Receipt and Review of Background Documents from Town Staff							
Task #3 – Fee Categorization and Process Review		SM					
Task #4 – Staff Capacity Utilization Analysis			SM	SM			
Task #5 – Construction of an A.B.C. Model and Fee Structure Options				SM		SM	
Task #6 – Preparation of the Draft Report						DR	
Task #7 – Preparation of the Final Report and Presentation at a Public Meeting of Council							FR CP
Provisional Task – Development Industry Stakeholder Consultation						DI	

Meetings

SM= Staff Meeting DI=Development Industry Stakeholder Meeting CP=Council Presentation

Milestones

DR=Draft Report FR=Final Report

Should the Town wish to alter/accelerate the timing of the preparation of draft findings or this could be accommodated within the timeline.

5. Project Budget

Based on the work plan and the seven (7) meetings/presentations identified in section 3.2, the assumption that information requests will be provided in a digital format for ease of use, and that meetings will be held virtually (except for the Council presentation), our (net) upset budget estimate to undertake this assignment is \$34,580 (including fees and disbursements and excluding the Provisional Task and HST). Should this work plan, budget and level of effort differ from the Town’s expectations, we would be pleased to review and discuss with you further.

Table 5-1 summarizes the details of the budget estimate by work plan task.



Furthermore, additional meetings not included in the work plan (such as additional staff, Council, or stakeholder meetings) would be invoiced at the billing rates presented below and are estimated at \$1,920 per meeting to account for meeting preparation and attendance.

**Table 5-1
Project Budget by Work Plan Task**

Work Plan Task	Sean-Michael Stephen, Managing Partner <i>Project Manager</i>	Connor Jakobschuk, Consultant <i>Technical Support</i>	Jaco de Beer, Analyst <i>Technical Support</i>	Total Resources	Total Budget
<i>Hourly Billing Rate</i>	\$ 320	\$ 160	\$ 145		
Task #1 – Project Initiation	4	4	-	8	\$1,920
Task #2 – Receipt and Review of Background Documents from Town Staff	2	4	-	6	\$1,280
Task #3 – Fee Categorization and Process Review	4	8	2	14	\$2,850
Task #4 – Staff Capacity Utilization Analysis	10	18	4	32	\$6,660
Task #5 – Construction of an A.B.C. Model and Fee Structure Options	14	16	4	34	\$7,620
Task #6 – Preparation of the Draft Report	16	20	4	40	\$8,900
Task #7 – Preparation of the Final Report and Presentation at a Public Meeting of Council	10	6	2	18	\$4,450
Total Number of Hours	60	76	16	152	
Sub-total (excl. disbursements and tax)					\$33,680
Disbursements					\$900
Total (excl. tax and Provisional Task)					\$34,580
Provisional Task – Development Industry Stakeholder Consultation	8	4	2	14	\$3,490
Total (excl. tax)					\$38,070

The budget relates to the work plan tasks identified in this proposal and while Watson is available to assist the Town in the defence of fees appealed to the OLT, the budget does not cover time should a legal challenge occur, or liability for the results thereof. Similarly, advertising, and legal costs have not been incorporated herein.



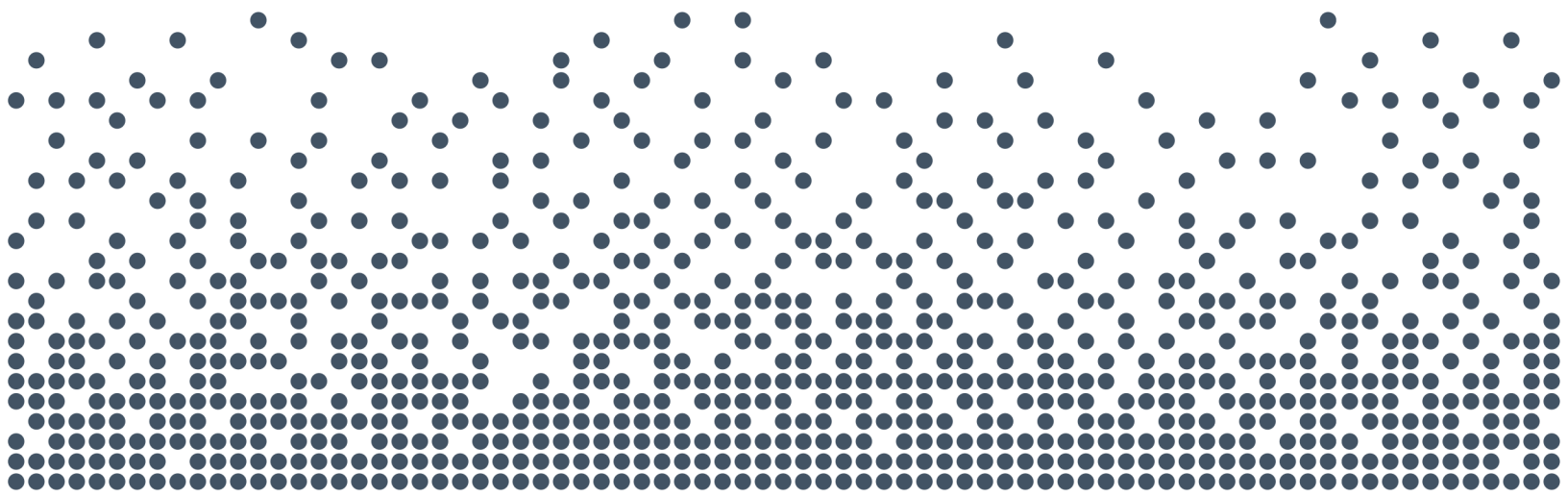
6. Accessibility

Watson is committed to producing accessible documents that comply with A.O.D.A. (Accessibility for Ontarians with Disabilities Act, 2005) guidelines, as well as adherence to C.N.I.B. (Canadian National Institute for the Blind) Clear Print guidelines. Watson can provide reports as PDF files that pass the Adobe Acrobat Pro DC Accessibility Checker.

Illustrations in the form of images, figures, diagrams, and complex tables often display data that is difficult to make accessible to people with visual disabilities. To effectively communicate complicated information in a way that is accessible and understandable to the reader, such illustrations are inserted as enhanced metafiles with descriptive, perceivable, and understandable alternative text. In addition, a comprehensive rendering of the data is included in the text to complement the illustrations and communicate results clearly.

In cases where complex data tables are being provided, or the Town requires customized report styles, templates and specific formatting (e.g., the use of capital letters, underlining, italics, font sizes and colours), we will discuss any special circumstances with the Town. Often, complex data tables would be included as a separate appendix in order that they can be separated from the main document when being published in the public domain (e.g., Town website) where accessibility is required.

Our proposed budget for this work is reflective of the accessibility features outlined above. If, however, a higher level of digital accessibility is required, we are able to provide this service at an additional cost to the Town. This additional cost would be determined based on the Town's specific requirements.



Appendices



Appendix A

Watson & Associates Economists Ltd.

CORPORATE PROFILE

Watson & Associates Economists Ltd. (Watson) is one of Canada's leading economic consulting firms. Established in 1982, we offer a comprehensive range of fiscal planning and policy services to clients in government and the private sector throughout Ontario and beyond.

Our unique and dynamic team of specialists has assisted clients from over 250 municipalities, utilities and school boards, as well as private industry, and senior levels of government, to frame their financial and economic strategies.

Watson is widely recognized as a leading authority on the fiscal aspects of the municipal government sector. The firm has earned its reputation for quality of analysis, as well as pragmatic and insightful interpretation of the issues we manage. We are well known for achieving results that translate into successful outcomes for our clients.

“We are well known for achieving results that translate into successful outcomes for our clients.”

OUR PHILOSOPHY

At Watson, we firmly believe that professional expertise, wide experience with local issues and the provincial legislative environment, and an understanding of client expectations are the basic fundamentals for analyzing issues and securing the desired results.

With every assignment, we strive to identify the strategies that are best suited to meeting the challenges facing our clients. Since 1982, our integrated team of financial and economic specialists has provided quality research and analytical expertise to clients. In that time, we have built long-term relationships with a broad range of municipal, provincial and school board clients, who value our judgment and advice.

Also, Watson has numerous working relationships with major law firms, planning and engineering companies, with whom we also work on multi-disciplinary assignments.

“We strive to identify the strategies that are best suited to meeting the challenges facing our clients.”



OUR SERVICES

We offer our clients a broad range of economic forecasting and financial planning services to help them plan for their future. Our main areas of specialization include:

MUNICIPAL, SCHOOL BOARD AND UTILITY FINANCIAL POLICY STUDIES

- Financial and economic impact assessment for major projects and new development areas
- Municipal capital and operating budget policy
- User rate studies (i.e. water, wastewater, stormwater, solid waste, development processing and building permits)
- Long range planning for school accommodation
- Asset management and PSAB
- Water and wastewater financial plans (O.Reg.453/07)

DEVELOPMENT CHARGE POLICY

- Municipal, utility and education development charges, including research and calculation of the charge, by-law adoption process, expert witness testimony, front-end financing, subdivision agreement links and implementation matters

DEVELOPMENT MARKET AND DEMOGRAPHIC FORECASTING STUDIES

- Forecasts, feasibility studies and land needs assessment for a variety of land uses
- Population, household, non-residential space and employment forecasts
- Growth management studies

SERVICE MASTERPLANNING AND ECONOMIC ASSESSMENT

- Assessment of long-term service needs
- Present value costing and financial affordability evaluation for major undertakings
- Property value impact and compensation policy
- Business, employment and other economic impacts

LOCAL GOVERNMENT RESTRUCTURING AND GOVERNANCE

- Assessment of options and strategies
- Service evaluation and financial impact analysis
- Benchmarking and performance measurement
- Asset and liability distribution
- Ward boundary reviews

Our goal is to do the very best for our clients. We are determined to produce outstanding results by taking advantage of the most appropriate computer modelling, analytical techniques and up-to-date databases and research available. At Watson, our vision is to continue to strive for excellence. We endeavour to go beyond our clients' expectations of service and establish ourselves as the leading provider of top-quality economic consulting services in our selected markets.



DAAP User Fees

Background

The Development Application Approval Process (DAAP) reflects the administration, review, approval and enforcement services provided by municipalities regarding development applications under the legislative jurisdiction of the Planning Act and Building Code Act.

The passage of The Building Code Statute Law Amendment Act presented significant changes to Ontario municipalities regarding DAAP user fees, including:

- new cost justification requirements for building permit fees, limiting them to the “anticipated reasonable costs” of administration and enforcement under the Building Code Act;
- annual reporting of fees imposed under the Building Code Act, including the amount of fees collected, direct and indirect costs of service delivery, and reserve fund balances; and
- public notification and process required for change or introduction of new fees under the Building Code Act.

As a result of the changes, any surplus revenues previously generated from building permit fees are no longer available to fund other municipal services. This includes revenues from Planning Act applications (e.g. subdivisions, site plans, etc.).

Municipalities need to look at the DAAP fees under both Acts with more scrutiny to ensure that an appropriate level of cost recovery is being realized from the service users.



Expertise

Watson has knowledge and experience in developing activity-based cost justification and reserve fund policies that comply with Bill 124, while minimizing the negative financial implications.

We have assisted numerous municipalities, ranging from small communities to large urban cities. This breadth has provided us a broad perspective on the challenges facing all communities.

Team

Our DAAP user fees specialists include:

- Andrew Grunda, Managing Partner & Principal
- Peter Simcisko, Managing Partner
- Sean-Michael Stephen, Managing Partner
- Matt Bouroukis, Senior Consultant
- Connor Jakobschuk, Consultant
- Balpreet Passi, Analyst
- Jaco de Beer, Analyst
- Majd Natout, Analyst

Experience in Development Application Approval Process User Fees Studies, 2004-2021

- **Ajax** – Development Applications Approvals Process (DAAP) User Fees and Building Permit User Fees Update
- **Aurora** – Development Applications Approvals Process (DAAP) User Fees
- **Blue Mountains** – Development Application (Planning/Building/Engineering) User Fees
- **Bradford West Gwillimbury** – Development Applications Approvals Process (DAAP) User Fees and Update
- **Brampton** – Development Applications Approvals Process (DAAP) User Fees
- **Burlington** – *Building Code Act* and Applicable Law User Fees
- **Burlington** – *Planning Act* and Applicable Law User Fees
- **Caledon** – Development Application (Building) User Fees
- **Calgary** – User Fee Review Costing Study - Indirect Cost Allocation
- **Cambridge** – Comprehensive Review
- **Centre Wellington** – Development Applications Approvals Process (DAAP) User Fees
- **Collingwood** – Development Applications Approvals Process (DAAP) User Fees
- **Conservation Halton** – Development Application (Planning and Permitting) and Parks User Fees
- **Cornwall** – Development Applications (Planning/Building/Engineering) User Fees
- **Credit Valley Conservation Authority** – Development Application (Planning and Permitting) User Fees
- **Dufferin County** – *Building Code Act* User Fees Review and Update
- **Essex** – DAAP and *Municipal Act* - User Fees Review Study
- **Georgina** – Development Application (Engineering) User Fees
- **Grey Highlands** – Development Applications (Planning)
- **Grey Sauble Conservation Authority** – Development Application (Planning and Permitting) User Fees



- **Grimsby** – Development Applications (Planning/Building/Engineering/Fire) & Recreation User Fees
- **Guelph-Eramosa** – Development Applications Approvals Process (DAAP) User Fees
- **Haldimand County** – Development Application (Building) User Fees
- **Halton Hills** – Development Application (Planning and Engineering) & Recreation and Parks User Fees
- **Halton Region** – Development Application (Planning) User Fees
- **Hamilton Conservation Authority** – Development Application (Planning and Permitting) User Fees
- **Kawartha Lakes** – Development Applications Approvals Process (DAAP) User Fees
- **Kingston** – Development Application (Planning and Engineering), Licensing, and Rental Licensing User Fees
- **Kitchener** – Development Application (Planning) User Fees
- **Lake Simcoe Region Conservation Authority** – Development Application (Planning and Permitting) User Fees
- **Milton** – Comprehensive Municipal User Fees Review and User Fee Update and Recreation User Fees
- **Mississauga** – *Planning Act* Fees Review and Update; Building Permit Fees Review
- **Newmarket** – Development Applications Approvals Process (DAAP) User Fees
- **Niagara-on-the-Lake** – Development Applications Approvals Process (DAAP) User Fees
- **Niagara Falls** – Development Applications Approvals Process (DAAP) User Fees
- **Niagara Peninsula Conservation Authority** – Development Application (Planning and Permitting) User Fees
- **Oakville** – Fee Framework Review and Update
- **Orangeville** – *Building Code Act* User Fees
- **Oshawa** – Development Applications Approvals Process (DAAP) User Fees
- **Ottawa** – *Planning Act* Fees Review
- **Peel Region** – Development Application (Planning, Engineering and Site Servicing) User Fees



- **Petawawa** – Development Application (Planning and Building) User Fees
- **Pickering** – Development Applications Approvals Process (DAAP) User Fees and Update
- **Richmond Hill** – Development Applications Approvals Process (DAAP) User Fees and Update
- **Thorold** – Building Permit Fees Review
- **Thorold** – Development Application (Engineering) User Fees
- **Tiny** – Development Application (Building) User Fees
- **Toronto** – Development Applications (Planning, Engineering, Inspections) User Fees and Update
- **Toronto** – Municipal Licensing Services User Fees
- **Toronto** – Municipal Licensing & Standards Division Fees Review
- **Vaughan** – Development Applications Approvals Process (DAAP) User Fees
- **Wasaga Beach** – *Building Code Act* User Fees
- **Welland** – Development Application Approvals Process Fees Review
- **Wellesley** – Development Applications Approvals Process (DAAP) User Fees
- **Wellington County** – Development Application (Planning) User Fees
- **Whitby** – Development Applications Approvals Process (DAAP) User Fees and Update
- **Whitchurch-Stouffville** – Development Applications Approvals Process (DAAP) User Fees
- **Woolwich** – Parks and Recreation User Fees Review

Sean-Michael Stephen, MBA

Managing Partner



Sean-Michael joined Watson in 2014 having previously had a career in professional rugby. His experience leading teams in Canada and Europe has provided him with a strong strategic and analytical skill set. Having joined the firm initially as an analyst, Sean-Michael has progressed to his current role as one of the firm's managing partners.

Sean-Michael works primarily in the areas of municipal and local government finance and leads the firm's consulting practice with Ontario conservation authorities. Sean-Michael provides advisory services to our clients in a variety of areas, regularly leading development charges studies, water and wastewater rate studies, development- and non-development-related user fee studies, and fiscal impact assessments and long-term financial plans.

EDUCATION

2017, International Association for Public Participation (IAP2)

Foundations in Public Participation Program

- Planning for Effective Public Participation
- Techniques for Effective Public Participation

2014, Edinburgh Business School, Heriot-Watt University

Master of Business Administration (Awarded with distinction)

2006, University of Western Ontario

Bachelor of Arts, Kinesiology

EMPLOYMENT HISTORY

Current

Managing Partner, Watson & Associates Economists Ltd.

- Prepares development charge studies, water and wastewater rate studies, user fee studies (related to development application approval processes, conservation authority user fees, and other municipal services), and long-term financial plans.

2010-2013

Internship positions, United Kingdom

- Contributed to marketing and promotions, and business analysis, for two local companies in the UK.

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L5N 2X7

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Fax: 905-272-3602
www.watsonecon.ca




Watson
& Associates
ECONOMISTS LTD.



EXPERTISE

- Asset management/PSAB
- Developer/cost sharing
- Development application fees
- Development charges
- Economic impact of development
- Feasibility/business case studies
- Municipal financial planning and policy
- Municipal service master planning and EAs
- Water and sewer rate studies

Connor Jakobschuk, BA, MBE

Consultant



Connor joined Watson in 2019, as part of our Municipal Finance group. He participates in numerous development charge background studies, water and wastewater rate studies and user fees reviews projects with the development of quantitative models and research.

Connor has a strong background in economics and statistics. His academic and professional experience with Statistics Canada has allowed him to develop skills in writing and presenting formal methodologies, developing creative data modelling, statistical analysis, and managerial accounting.

EDUCATION

2019, Brock University
Master of Business Economics

2017, Brock University
Bachelor of Arts (Honours), Economics

EMPLOYMENT HISTORY

Current

Consultant, Watson & Associates Economists Ltd.

- Supports the areas of municipal finance and development charges.

2017-2019

Teaching Assistant, Department of Economics, Brock University

- Conducted weekly seminars and graded assignments and exams in the areas of Macroeconomics and Econometrics.

2018

Junior Analyst (Co-op), Consumer Prices Division, Statistics Canada

- Assisted with the review, development and update of price collection and aggregation methodologies for use in the Consumer Price Index.



EXPERTISE

- Asset management/PSAB
- Development charges
- Development application fees
- Economic impact of development
- Feasibility/business case studies
- Water and sewer rate studies

Jaco de Beer, BComm, MFE Analyst



Jaco joined Watson in 2022, as part of our Municipal Finance group. He works primarily in the areas of municipal finance, development charges, and user fees. Jaco has previously worked for Ontario Financing Authority where he developed his skills in research and financial modelling.

His strong academic background in finance and economics makes him an asset to the firm and our clients.

EDUCATION

2019, Department of Economics & Rotman School of Management – University of Toronto
Master of Financial Economics

2017, Department of Economics – University of Guelph
Bachelor of Commerce (Honours), Management Economics and Finance

EMPLOYMENT HISTORY

Current

Analyst, Watson & Associates Economists Ltd.

- Supports the areas of municipal finance and development charges.

2018-2019

Strategic Project Finance Economist, Ontario Financing Authority

- Conducted due diligence and credit analysis for an equity loan guarantee on a large transmission project.
- Summarized and analyzed project and legal financial documents to assess the riskiness of the loan guarantee.
- Monitored past loan guarantees to ensure there was no deterioration in creditworthiness or violation of covenants.



EMPLOYMENT HISTORY cont'd

2016

Economics Research Assistant, University of Guelph

- Developed three databases by collecting, cleaning, and analyzing data of 340 Guatemalan municipalities.
- Assisted with investigations and literature reviews to drive initiatives.

EXPERTISE

- Development charges
- User fee studies
- Financial and strategic analysis
- Financial and economic impact of development
- Feasibility/business case studies
- Water and sewer rate studies

Appendix B



Proposal Town of Grand Valley

2023 Development Charges Background Study

SUBMITTED:

June 7, 2023

Watson & Associates Economists Ltd.

Sean-Michael Stephen

905-272-3600 ext. 250

905-301-7258

stephen@watsonecon.ca

June 7, 2023

Meghan Townsend
CAO/Clerk-Treasurer
Town of Grand Valley
5 Main St. N.
Grand Valley, Ontario
L9W 5S6

Dear Meghan Townsend:

Re: 2023 Development Charges Background Study Proposal:

1. Introduction

The Town of Grand Valley (Town) has requested a written proposal and work plan to conduct a Development Charge (D.C.) background study and corresponding by-law. Having conducted the Town's previous D.C. background studies, Watson & Associates Economists Ltd. (Watson) has had the unique opportunity to work closely with the Town in crafting D.C. policies and charges and D.C. credit and prepayment matters. We have continued to support the Town since the passing of their current D.C. by-law and continue to address many other ongoing by-law implementation/administration issues.

Our experience assisting the Town on D.C. matters, as well as other Ontario municipalities over the past 40 years makes us well suited for this assignment. Watson's experience in the D.C. field will allow us to provide the Town with the knowledge and information necessary to continue to practice sound, defensible D.C. policies.

2. Workplan

Based on our understanding of the scope of work, the following approach will be utilized in collaboration with the Town to undertake the D.C. background study and by-law.

As part of the work plan Watson will also review with staff the status of current legislation (inclusive of recent changes resulting from Bill 23) pertaining to parkland



dedication and community benefits charges (C.B.C.s) under the *Planning Act* and implementation options for the Town. Watson would be available to assist the Town in undertaking a parkland dedication and/or C.B.C. strategy under separate contract if requested.

Figure 3-1
Proposed Work Plan

Study Steps	Key Elements
1. Study Start-Up	<ul style="list-style-type: none"> 1.1. Work program refinement and approval. 1.2. Discuss timing of project, the new legislative requirements defined by Bill 23 and identify policies and other special issues to be addressed during the study process. 1.3. Review parkland dedication and C.B.C. legislation and implementation options with staff. 1.4. Discuss potential services to be included in the D.C. recovery. 1.5. Review information requirements to be supplied by the Town to substantiate the historical level of service, future capital needs, and growth forecast. 1.6. Watson will send a “D.C. Checklist” package to staff members which overviews the D.C. amendment process (with respect to the legislative changes) and includes sample Public Meeting notices and Notices of Passage. 1.7. Hold a study start-up meeting with Town staff that reviews the D.C. Background Study process.
2. Data Collection and Review of Previous Background Study	<ul style="list-style-type: none"> 2.1. Contact Town staff to supply historical data/information. 2.2. Gather information regarding historical (past 15 years) asset inventories, capital budget projections and future capital requirements. 2.3. Review long-term debt. 2.4. Review existing and uncommitted reserve fund balances to determine appropriate use/allocations. 2.5. Review the previous background study and any other relevant background documents.
3. Growth Projection Development	<ul style="list-style-type: none"> 3.1. Review the Town’s historical and current population and employment growth. 3.2. Forecast growth by type (residential, commercial, industrial, and institutional) for defined planning horizons and location of growth. 3.3. Validate and finalize growth projections with the Town staff.
4. D.C. Calculation, Rules, and Staff Interviews	<ul style="list-style-type: none"> 4.1. Determine local service policies under subdivision or consent agreements. 4.2. Assess needs for which Town services will be included. 4.3. Analyze D.C. credit policy and D.C. prepayment matters including any other relevant municipal agreements. 4.4. Estimate the costs to meet the increase in the need for service attributable to development, the required capital including new infrastructure, upgrading, and/or oversizing of existing infrastructure, consistent with not exceeding 15-year service standard.



Study Steps	Key Elements
	<p>4.5. Calculate the D.C.s based on need for services identified in 4.4, reduced by:</p> <ul style="list-style-type: none"> • any existing capacity created for which Council did not indicate D.C.s would be used (at the time the capacity was created); • the extent to which existing development would benefit from the increase in service; • anticipated capital grants, subsidies, or other contributions in respect of the capital costs; and • the percentages and capital cost exclusions as designated by the Act. <p>4.6. Recommend area-specific versus Town-wide D.C.s policies.</p> <p>4.7. Develop draft D.C. rules for exemptions, phase-ins, indexing, charges for redevelopment, etc.</p> <p>4.8. Meet with Town staff for interviews to review service standard and capital expenditure information with each service area and to discuss D.C. by-law policies.</p>
<p>5. Examination of Long-Term Capital/Operating Cost and Asset Management Plan</p>	<p>5.1. Examine the long-term capital and operating costs for capital infrastructure improvements.</p> <p>5.2. Prepare an asset management plan as per Bill 73 to deal with all assets whose capital costs are proposed to be funded under the D.C. by-law and demonstrate that all the assets mentioned in the asset management plans are financially sustainable over their full life cycle.</p>
<p>6. Draft D.C. Background Study and Staff Review</p>	<p>6.1. Determine preliminary recommendations on categories of services and classes of service (for reserve fund and credit purposes), by-law commencement date, expiry date, collection timing, and other by-law implementation policies.</p> <p>6.2. Prepare draft D.C. background study and by-law.</p> <p>6.3. Prepare municipal D.C. survey and impacts on Town's D.C.s.</p> <p>6.4. Meet with Town staff to review draft findings, calculations and by-law implementation policies.</p> <p>6.5. Submit the draft background study to staff for their review and comments.</p>
<p>7. Finalize D.C. Background Study and Public Meeting</p>	<p>7.1. Present study findings to Council prior to finalizing D.C. background study.</p> <p>7.2. Finalize D.C. background study and by-law to release to the public as per the requirements of the D.C.A. (60 days prior to by-law passage).</p> <p>7.3. Provide guidance on providing notice and advertisement and holding of public meeting.</p> <p>7.4. Attend and present the study and findings at the Public Meeting of Council.</p> <p>7.5. Receive and consider public submissions.</p>
<p>8. By-law Passage and Implementation Process</p>	<p>8.1. Consideration of D.C. background study and by-law for passage by Council.</p> <p>8.2. Assist staff with drafting the notices for the passage of the by-law.</p> <p>8.3. Assist in preparing information pamphlets as per O. Reg. 82/98 as well as electronic financial pamphlet for staff.</p> <p>8.4. Inform staff of all legislative requirements during the adoption process and other matters, including:</p>



Study Steps	Key Elements
	<ul style="list-style-type: none">• Collection policies/process;• By-law indexation; and• Reserve fund reporting requirements.

3. Proposed Consulting Team

Our proposed consulting team has worked together on dozens of projects for our municipal and conservation authority clients, including many D.C. background studies. Project successes are ensured through strong leadership and experienced staff. A feature of our work is a focus on ensuring the project goals and objectives are being met in a manner that is satisfactory to the client. This is accomplished through understanding our client's needs and issues, in addition to maintaining open communication channels within our team and with the client. Moreover, coordinating responsibility for the completion of all tasks necessary to deliver the work plan is accomplished through detailed record keeping and communication. Our proposed consulting team is outlined below. A curriculum vitae for each of the individuals below included in Appendix A and can also be found on the company's website (www.watsonecon.ca).

Sean-Michael Stephen, MBA, Managing Partner
Role: Project Manager

Mr. Stephen will represent the firm as Project Manager and be responsible for all facets of the study. Since joining the firm in 2014, he has prepared numerous D.C. background studies, user fee studies, water and wastewater rate studies, and long-term financial plans for our municipal clients. Mr. Stephen has lead D.C. background studies for 35 municipalities in Ontario, including for the Town's 2020 D.C. amendment. This experience has involved working closely with municipalities to ensure that the financial analysis and development charge models are customized to meet the unique objectives of each study, and the specific circumstances of each municipality.

Mr. Stephen also has significant experience communicating study recommendations to various stakeholder groups (e.g., steering committees, senior management, Council, and external stakeholders) through his experience leading development application user fee studies, D.C. background studies, and other undertakings for our municipal clients. Mr. Stephen has assisted municipalities in responding to by-law and fee appeals and proceeding through mediation and negotiation processes.

Andrew Grunda, MBA, CPA, CMA – Principal
Role: Advisor

Mr. Grunda had led the Town's previous D.C. background studies and as such will operate in an advisor role to ensure his prior knowledge related to the preparation of the



D.C. background studies, including developer cost sharing agreements, is incorporated into the review

Jamie Cook, MCIP, RPP, PLE, Managing Partner

Role: Growth Forecast Lead

Mr. Cook will be responsible for overseeing the preparation of the growth forecast portion of the D.C. study. Mr. Cook has approximately 20 years' experience in developing economic/fiscal impact studies and economic models across Canada. He is currently a member of the firm's senior management group which oversees all facets of corporate assignments and decision making. Mr. Cook has also defended his work at the OLT on several occasions. He is a registered professional planner (RPP), a professional land economist (PLE) and a member of the Association of Ontario Land Economists, the Canadian Institute of Planners, the Lambda Alpha International Society of Land Economists, and the Ontario Professional Planners Institute (OPPI).

Connor Jakobschuk, MBE, Consultant

Role: Technical Support

Mr. Jakobschuk will assist in the collection and compilation of data, modeling, and report documentation. Since joining Watson in 2019, Connor has been involved in gathering and compiling background information, developing financial models and reporting on project findings for numerous development charges studies, water and wastewater rates studies, and user fee studies. Connor has played a major role in the technical development of D.C. models and survey preparation for several of our municipal clients. Additionally, he has recently been involved in D.C. Background Studies for the County of Dufferin, County of Prince Edward, Municipality of Trent Lakes, Township of North Dundas and the Township of South Stormont. Connor holds a Master of Business Economics degree from Brock University.

Jaco de Beer, MFE, Analyst

Role: Technical Support

Jaco recently joined Watson bringing a strong skill set in financial modelling and policy research from his prior role working for the Ontario Financing Authority. He will be responsible for undertaking municipal survey and policy research to support the study deliverables. Jaco has assisted in a similar capacity for the reviews undertaken for the City of Cornwall and the Township of Southgate. Jaco holds a Master of Financial Economics from the University of Toronto.

4. Budget and Schedule

Table 4-1 outlines the proposed timeline and major milestones summarized in Section 2 of our proposal. This workplan has been prepared to have the project kickoff meeting in September 2023 and the draft background study available end of March 2024. The



draft study would then be presented to Council before finalizing and posting the background study on the Town’s website. The public consultation process (i.e. public meeting of Council) would occur in June 2024 with by-law passage in early July 2024 to accommodate the by-law expiry in early August 2024. The schedule and budget have been prepared to account for five (5) meetings (including staff interviews with each service area) that have been identified in Section 2. It has been assumed that meetings with staff would occur virtually and Council meetings would be in person. Additional meetings may be scheduled but have not been included within the work plan, time estimates, or budget.

Should the Town wish to alter/accelerate the timing of the preparation of draft findings or by-law passage, this could be accommodated within the timeline.

Table 4-1
Proposed Schedule

Workplan Task	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
1. Study Start-up	SM											
2. Data Collection and Review of Previous Background Study												
3. Growth Projection Development												
4. D.C. Calculation, Rules and Staff Interviews					SM							
5. Examination of Long-term Capital/ Operating/ AM Plan												
6. Draft D.C. Background Study and Staff Review							SM DR					
7. Finalize D.C. Background Study & Public Meeting								CM	FR/RS	PM		
8. By-law Passage and Implementation Process											BP	

Meetings
SM - Staff Meeting CM - Council Meeting PM - Statutory Public Meeting
Milestones
DR - Draft Report FR - Final Report RS - Release Study BP - By-law passage

Based on the work program identified in Section 2, our (net) upset budget estimate to complete the project is \$39,740 (including disbursements but exclusive of applicable taxes). Table 4-2 identifies the breakdown of effort and the budget by each major milestone identified in Section 2. Should this work plan, budget and level of effort differ from the Town’s expectations, we would be pleased to review and discuss with you further.



Table 4-2
Proposed Budget

Workplan Task	Sean-Michael Stephen Managing Partner	Andrew Grunda Principal	Jamie Cook Managing Partner	Connor Jakobschuk Consultant	Jaco de Beer Analyst	Total Budget
<i>Hourly Billing Rate</i>	\$ 320	\$ 320	\$ 320	\$ 160	\$ 145	
1. Study Start-up	4	2	-	6		\$ 2,880
2. Data Collection and Review of Previous Background Study	4	2	4	8	4	\$ 5,060
3. Growth Projection Development	2		9		-	\$ 3,520
4. D.C. Calculation, Rules and Staff Interviews	16	2	-	16	4	\$ 8,900
5. Examination of Long-term Capital/ Operating/ AM Plan	2		-		4	\$ 1,220
6. Draft D.C. Background Study and Staff Review	16	2	4	12	4	\$ 9,540
7. Finalize D.C. Background Study & Public Meeting	14		-	10	4	\$ 6,660
8. By-law Passage and Implementation Process	2			2		\$ 960
Sub-total (excl. disbursements and HST)	60	8	17	54	20	\$ 38,740
Disbursements						\$ 1,000
Total (excl. HST)						\$ 39,740

We agree to be bound by the statements and representation made in the proposal and to any agreement resulting from the proposal. We have no conflict of interest that would compromise the performance of the work. Our client base is almost exclusively municipalities, conservation authorities, and school boards.

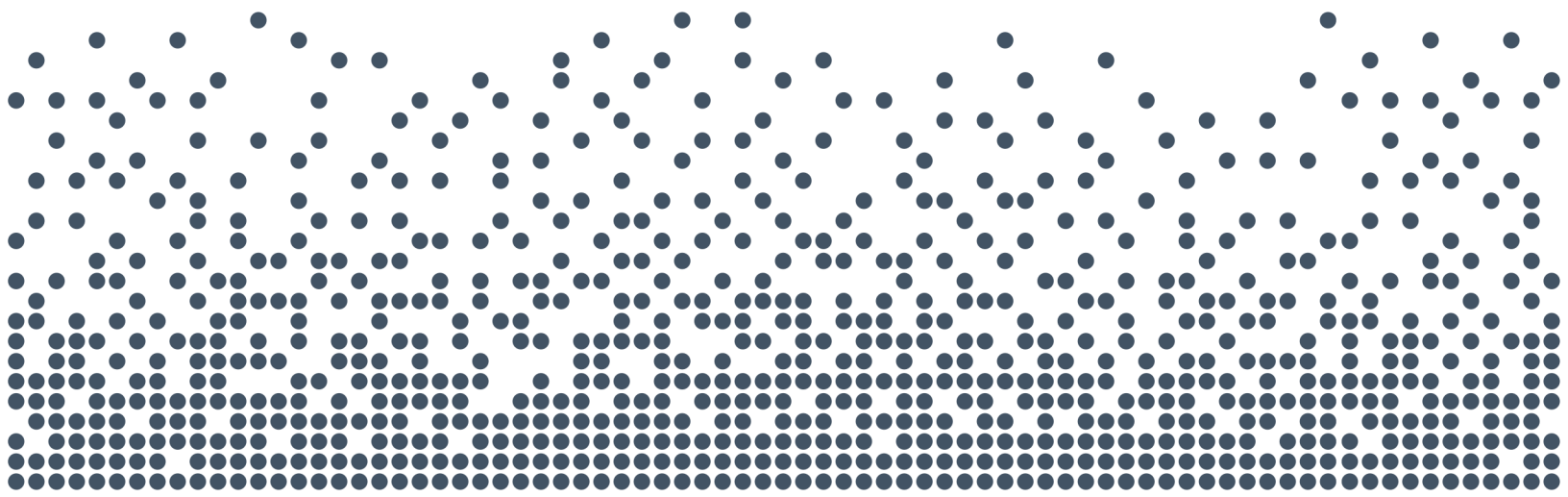
We trust this proposal attached herein provides you with the assurance you are currently seeking. We would be pleased to discuss further if you have any questions.

We look forward to the opportunity of working with you on this important assignment.

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

Sean-Michael Stephen, MBA
Managing Partner



Appendix A

Watson & Associates
Economists Ltd.

Sean-Michael Stephen, MBA

Managing Partner



Sean-Michael joined Watson in 2014 having previously had a career in professional rugby. His experience leading teams in Canada and Europe has provided him with a strong strategic and analytical skill set. Having joined the firm initially as an analyst, Sean-Michael has progressed to his current role as one of the firm's managing partners.

Sean-Michael works primarily in the areas of municipal and local government finance and leads the firm's consulting practice with Ontario conservation authorities. Sean-Michael provides advisory services to our clients in a variety of areas, regularly leading development charges studies, water and wastewater rate studies, development- and non-development-related user fee studies, and fiscal impact assessments and long-term financial plans.

EDUCATION

2017, International Association for Public Participation (IAP2)

Foundations in Public Participation Program

- Planning for Effective Public Participation
- Techniques for Effective Public Participation

2014, Edinburgh Business School, Heriot-Watt University

Master of Business Administration (Awarded with distinction)

2006, University of Western Ontario

Bachelor of Arts, Kinesiology

EMPLOYMENT HISTORY

Current

Managing Partner, Watson & Associates Economists Ltd.

- Prepares development charge studies, water and wastewater rate studies, user fee studies (related to development application approval processes, conservation authority user fees, and other municipal services), and long-term financial plans.

2010-2013

Internship positions, United Kingdom

- Contributed to marketing and promotions, and business analysis, for two local companies in the UK.

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Watson
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ECONOMISTS LTD.



EXPERTISE

- Asset management/PSAB
- Developer/cost sharing
- Development application fees
- Development charges
- Economic impact of development
- Feasibility/business case studies
- Municipal financial planning and policy
- Municipal service master planning and EAs
- Water and sewer rate studies

Andrew Grunda, MBA, CPA, CMA

Principal



Andrew is involved in studies related to local government finance, financial operations and policy, and long-term infrastructure planning.

He is also a member of the senior management group, which develops interpretations of legislative requirements, methodologies and alternative policy strategies for corporate assignments related to municipal finance.

He leads development application approval process user fee studies, striving to provide municipalities with full cost recovery user fees for Planning Act, Municipal Act and Building Code Act mandated services. Municipalities use these studies to address the increased cost justification for user fees as required under the Building Code Statute Law Amendment Act.

Andrew also authors studies on matters relating to the Development Charges Act, full cost recovery water and wastewater financial plans, as required under the Safe Drinking Water Act, and long-range financial planning.

Andrew often leads workshops on behalf of partner associations that address the implications of the proposed legislation associated with these Acts.

EDUCATION

2012, Institute of Chartered Accountants of Ontario
Chartered Professional Accountant designation

2005
Certified Management Accountant designation

2005, Wilfrid Laurier University
Master of Business Administration

1996, Brock University
Bachelor of Business Administration

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Office: 905-272-3600
Fax: 905-272-3602
www.watsonecon.ca




Watson
& Associates
ECONOMISTS LTD.



EMPLOYMENT HISTORY

Current

Principal, Watson & Associates Economists Ltd.

- Appointed in March 2012 and holds executive authority in the firm.

Managing Partner, Watson & Associates Economists Ltd.

- Carries co-responsibility for the firm's municipal sector practice.
- Participates in development charge, development applications approvals process user fee, municipal restructuring, municipal finance, water and wastewater rate, and market studies.

1995-1996

Budget Clerk, Regional Municipality of Hamilton-Wentworth, Finance Department

- Assisted with the peer review of the Constituent Assembly's Report on Municipal Reform.
- Monitored budgetary exception control systems, account analysis and reconciliations.

PROFESSIONAL AFFILIATIONS

- Member, Chartered Professional Accountants of Ontario

EXPERTISE

- Asset management/PSAB
- DC hearings/post DC by-law
- Developer/cost sharing
- Development application fees
- Development charges
- Economic impact of development
- Feasibility/business case studies
- Municipal financial planning and policy
- Municipal service master planning and EAs
- Water and sewer rate studies

Jamie Cook, MCIP, RPP, PLE

Managing Partner



Jamie is a land economics and land-use planning consultant. During his career, he has worked for both the private and public sectors in a variety of positions with increasing responsibility.

Over the past two decades with Watson, Jamie has been a key player in developing the firm's expertise in several core areas, including demographics, growth management, employment lands needs, economic impact analysis, real estate market analysis and municipal finance.

EDUCATION

1999, Queen's University

Master of Urban and Regional Planning, Land Use and Real Estate, Environmental Planning and Management

1997, British Columbia Institute of Technology

Select Courses in Geographical Information Systems (GIS) and AutoCAD

1996, University of Guelph

Bachelor of Environmental Science (Honours), Natural Resource Management, Resource and Environmental Economics

EMPLOYMENT HISTORY

2001 to Present

Managing Partner, Watson & Associates Economists Ltd.

- Carries responsibility for the firm's land economics practice.
- Involved in the preparation of municipal, utility and school board development charge studies.
- Leads the firm's work related to the preparation of growth management strategies and long-term urban land need studies.
- Involved in a variety of residential, industrial and commercial market forecasting studies and municipal financial impact analysis assignments, including research, report writing and computer modelling.

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Watson
& Associates
ECONOMISTS LTD.

Connor Jakobschuk, BA, MBE

Consultant



Connor joined Watson in 2019, as part of our Municipal Finance group. He participates in numerous development charge background studies, water and wastewater rate studies and user fees reviews projects with the development of quantitative models and research.

Connor has a strong background in economics and statistics. His academic and professional experience with Statistics Canada has allowed him to develop skills in writing and presenting formal methodologies, developing creative data modelling, statistical analysis, and managerial accounting.

EDUCATION

2019, Brock University
Master of Business Economics

2017, Brock University
Bachelor of Arts (Honours), Economics

EMPLOYMENT HISTORY

Current

Consultant, Watson & Associates Economists Ltd.

- Supports the areas of municipal finance and development charges.

2017-2019

Teaching Assistant, Department of Economics, Brock University

- Conducted weekly seminars and graded assignments and exams in the areas of Macroeconomics and Econometrics.

2018

Junior Analyst (Co-op), Consumer Prices Division, Statistics Canada

- Assisted with the review, development and update of price collection and aggregation methodologies for use in the Consumer Price Index.



EXPERTISE

- Asset management/PSAB
- Development charges
- Development application fees
- Economic impact of development
- Feasibility/business case studies
- Water and sewer rate studies

Jaco de Beer, BComm, MFE Analyst



Jaco joined Watson in 2022, as part of our Municipal Finance group. He works primarily in the areas of municipal finance, development charges, and user fees. Jaco has previously worked for Ontario Financing Authority where he developed his skills in research and financial modelling.

His strong academic background in finance and economics makes him an asset to the firm and our clients.

EDUCATION

2019, Department of Economics & Rotman School of Management – University of Toronto
Master of Financial Economics

2017, Department of Economics – University of Guelph
Bachelor of Commerce (Honours), Management Economics and Finance

EMPLOYMENT HISTORY

Current

Analyst, Watson & Associates Economists Ltd.

- Supports the areas of municipal finance and development charges.

2018-2019

Strategic Project Finance Economist, Ontario Financing Authority

- Conducted due diligence and credit analysis for an equity loan guarantee on a large transmission project.
- Summarized and analyzed project and legal financial documents to assess the riskiness of the loan guarantee.
- Monitored past loan guarantees to ensure there was no deterioration in creditworthiness or violation of covenants.



EMPLOYMENT HISTORY cont'd

2016

Economics Research Assistant, University of Guelph

- Developed three databases by collecting, cleaning, and analyzing data of 340 Guatemalan municipalities.
- Assisted with investigations and literature reviews to drive initiatives.

EXPERTISE

- Development charges
- User fee studies
- Financial and strategic analysis
- Financial and economic impact of development
- Feasibility/business case studies
- Water and sewer rate studies