



Township of Centre Wellington

Council Agenda

Monday, June 15, 2026

Closed Session 1:00 pm

Open Session 2:00 pm

Council Chamber, 1 MacDonald Square, Elora

Attend in person or watch the meeting remotely

<https://centrewellington.civicweb.net/portal/>

Live streaming may not be available for all meetings.

Page

1. CALL TO ORDER

2. LAND ACKNOWLEDGEMENT

- 2.1 We are meeting on lands that have been home to Indigenous nations since time immemorial. We acknowledge we are on the treaty lands and territory of the Mississaugas of the Credit First Nation, as well as the traditional territory of the Haudenosaunee.

With increasing encroachment by non-Indigenous settlers, in the area now known as the Township of Centre Wellington, the Mississaugas could not continue their traditional lifestyle and retreated to villages along the Credit River, eventually settling in the Grand River Valley. The Mississaugas of the Credit First Nation uphold their Treaty Rights within our jurisdiction.

Today, the Township of Centre Wellington remains home to Indigenous people from across Turtle Island. We are grateful to have the opportunity to share and respect Mother Earth and are committed to building constructive and cooperative relationships with Indigenous nations.

3. ADDENDUMS AND CORRECTIONS TO THE AGENDA

4. DISCLOSURE OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT

5. CLOSED SESSION

- 5.1 THAT the Council of the Township of Centre Wellington convene in closed session in accordance with sections 239(2)(c),(i) and (k) of the Municipal Act 2001, as amended to consider:
- (c) a proposed or pending acquisition or disposition of land by the municipality
 - (i) a trade secret or scientific, technical, commercial, financial or labour

relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;

(k) a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board. 2001, c. 25, s. 239 (2); 2017, c. 10, Sched. 1, s. 26.

6. RECONVENE IN OPEN SESSION

7. MATTERS ARISING FROM CLOSED SESSION

8. PUBLIC MEETINGS TO CONSIDER ZONING AMENDMENTS

9. PRESENTATIONS AND ANNOUNCEMENTS

9.1 Update on Groves Memorial Community Hospital and Physician Recruitment

Presentation from Angela Stanley and Allison Armstrong

9.2 Mayor's County Council Report

9.3 Councillor's Committee Updates

10. DELEGATIONS

10.1 Mackenzie Meek, Elora Mill Hotel and Spa re Agenda Item 12.9, Elora South TIEG Phase Order Update Information Report

11. CONSENT ITEMS

Consent Agenda Items are considered routine in nature and are voted on collectively. However, any Member of Council may request one or more items be removed from the Consent Agenda for separate action.

11.1 Approval and Receipt of Minutes

[Special Council - 21 May 2026 - Minutes - Pdf](#)

[Council - 25 May 2026 - Minutes - Pdf](#)

[Healthy Communities Advisory Committee - 06 May 2026 - Minutes - Pdf](#)

[Diversity, Equity and Inclusion Advisory Committee - 09 Apr 2026 - Minutes - Pdf](#)

[Heritage Centre Wellington - 12 May 2026 - Minutes - Pdf](#)

Recommendation:

THAT the minutes of the Special Council Meeting held May 21, 2026 and the Council Meeting held May 25, 2026 be approved as circulated;

9 - 37

AND that the Healthy Communities Advisory Committee minutes from May 6, 2026, the Diversity, Equity and Inclusion Advisory Committee Minutes from April 9, 2026, and the Heritage Centre Wellington Minutes from May 12, 2026 be received for information.

- 11.2 Restricted Acts - The "Lame Duck" Period 38 - 40
Report from Natalia Teplicki, Elections Coordinator
[COR2026-21 - Pdf](#)

Recommendation:

THAT Council receives the "Restricted Acts - The 'Lame Duck' Period" report for information.

- 11.3 Toll Booth - Fergus Fire Fighters 41 - 43
Report from Devlin Schellenberger, Legislative Coordinator
[COR2026-28 - Pdf](#)

Recommendation:

THAT the Council of the Township of Centre Wellington authorizes the Mayor and Clerk to execute a by-law authorizing a fundraising activity in the form of soliciting by a toll booth on the Tower Street Bridge in Fergus, on Saturday, September 19, 2026 from 8:00 a.m. to 4:00 p.m. by the Fergus Firefighters Association on behalf of Muscular Dystrophy Canada.

- 11.4 Consolidated Delegation of Authority Report for 2025 44 - 49
Report from Adam McNabb, Chief Financial Officer & Treasurer
[COR2026-25 - Pdf](#)

Recommendation:

THAT the Council of the Township of Centre Wellington approve consent agenda items 11.1 and/through 11.4.

12. CONSIDERATION OF REPORTS

- 12.1 2025 Audited Financial Statements 50 -
Report from Mark Bradey, Manager of Finance and Deputy Treasurer 126

Presentation from Matthew Betik, KPMG

[FIN2026-08 - Pdf](#)

Recommendation:

THAT the Council of the Township of Centre Wellington approve the December 31, 2025 audited draft consolidated financial statements as presented by KPMG LLP Chartered Professional Accountants.

- 12.2 Centre Wellington Hydro Annual General Meeting 127 -
Report from Dan Wilson, CAO 219

Presentation from Wayne Dyce, Centre Wellington Hydro
[CAO2026-14 - Pdf](#)

Recommendation:

THAT Council receives Report CAO2026-14 Centre Wellington Hydro Annual General Meeting; and

THAT Council approves the 2025 Shareholder Direction as outlined in the "Resolution of the Shareholder" and "Resolution of the Sole Shareholder" for Centre Wellington Energy Inc; and

THAT Council approves the 2025 Annual Report and Approved Audited Financial Statements for Centre Wellington Hydro, Centre Wellington Energy Innovations and Centre Wellington Energy Inc.

- 12.3 Water Softener Rebate Program 220 -
Report from Ian Duncan, Water Conservation Coordinator 234
[IS2026-15 - Pdf](#)

Recommendation:

THAT the Council of the Township of Centre Wellington endorse the Water Softener Rebate Program.

- 12.4 Zoning Amendment RZ07-2025 Decision Report - 191 Wellington Road 7 & 290 South Street, Salem 235 -
Report from Deanna Maiden, Senior Development Planner 347
[PLN2026-23 - Pdf](#)

Recommendation:

THAT the Council of the Township of Centre Wellington approves application RZ07/25 for a zoning amendment and gives three readings to the necessary by-law.

- 12.5 Amendment to By-law 2025-81, Administrative Monetary Penalty System (AMPS) By-law 348 -
Report from Satnam Chauhan, Supervisor of Bylaw and Licensing 375
[COR2026-30 - Pdf](#)

Recommendation:

THAT Council receives report COR2026-30 respecting amendments to By-law 2025-81, being a by-law to establish an Administrative Monetary Penalty System (AMPS); and

THAT Council enacts the amending by-law to update and expand the Township's AMPS framework.

- 12.6 RFT#17-26 Compact Pickup Truck (By-law Enforcement) 376 -

- Report from Samoya Smith, Manager of Purchasing and Risk 378
[FIN2026-11 - Pdf](#)
- Recommendation:*
THAT the Council of the Township of Centre Wellington authorize the award of Request for Tender #17-26 for One (1) compact Pickup Truck to Trillium Ford Lincoln Ltd for a total upset limit of \$43,695.00 exclusive of HST.
- AND That the funding for this procurement be revised as outlined in report FIN2026-11 dated June 15, 2026.*
- 12.7 Speed Limit Bylaw Update 379 -
 Report from Emily Alessio, Engineering Technologist, Transportation 393
[IS2026-16 - Pdf](#)
- Recommendation:*
THAT the Council of the Township of Centre Wellington authorize the Mayor and Clerk to execute a By-law to Regulate Speed in the Township of Centre Wellington and to repeal By-law 2025-46 as outlined in Report No. IS2026-16.
- 12.8 Stormwater Rate Study 394 -
 Report from Adam McNabb, Chief Financial Officer and Treasurer 501
[FIN2026-09 - Pdf](#)
- Recommendation:*
THAT the Council of the Township of Centre Wellington receive report FIN2026-09 and associated Draft Stormwater Rate Study for Information;
- AND THAT the Council of the Township of Centre Wellington direct staff to post the Draft Stormwater Rate Study on ConnectCW for input, and defer any future public information sessions related to this topic until the next term of Council.*
- 12.9 Elora South Inc. Tax Increment Equivalent Grant Update 502 -
 Report from Dan Wilson, CAO 538
[CAO2026-17 - Pdf](#)
- Recommendation:*
THAT the Council of the Township of Centre Wellington receive report CAO2026-17 relating to the "Elora South Inc. Tax Increment Equivalent Grant Update" for information.
- AND THAT Council delegates authority to the Township Chief Administrative Officer and Chief Financial Officer / Treasurer to sign an amendment to the Elora South Inc. Tax Increment Equivalent Grant Agreement reflecting the proposed changes to the development phasing.*

12.10 Review of Township Road Salt Management Programs
Report from Colin Baker, Managing Director of Infrastructure
[IS2026-14 - Pdf](#)

539 -
553

Recommendation:

THAT the Council of the Township of Centre Wellington receive the 2026 Township of Centre Wellington Salt Management Plan for information AND;

Whereas road salt is a known toxic substance designated under the Canadian Environmental Protection Act because of tangible threats of serious or irreversible environmental and health damage from road salt; and

Whereas salt levels in Ontario's groundwater aquifers, creeks, rivers, and lakes have increasingly worsened since the 1970s, seriously affecting municipal drinking water sources and aquatic life; and

Whereas the Township of Centre Wellington takes actions to minimize salt impacts, local salt concerns and economic damages from salt, etc., and

Whereas the Ontario and Canadian governments have taken many actions over the past 25 years including setting water quality guidelines, developing voluntary codes of practice, signing the Canada-Ontario Great Lakes Agreement, and holding workshops, yet still the salt problem continues to grow; and

Whereas numerous situation analyses have recommended salt solutions liability protection, contractor certification, government-approved Best Management Practices (BMPs) and salt management plans; and

Whereas increased numbers of slips and falls claims, and other injury/collision claims related to snow and ice, are resulting in salt applicators overusing salt beyond levels considered best practices; and

Whereas unlimited contractor liability is making it difficult or expensive for snow and ice management contractors to obtain insurance coverage, resulting in contractors leaving the business, thereby making it difficult for municipalities and private owners to find contractors; and

Whereas the Snow and Ice Management Sector (SMS) of Landscape Ontario is working with the Ontario government to institute a limited liability regime for snow and ice management, including enforceable contractor training/certification and government-approved BMPs for salt application; and

Whereas many Ontario municipalities have Salt Management Plans, but these often require updating in light of improved science and better salt

management practices now available; and

Whereas environmentally friendly and pet friendly alternatives to road salt and sidewalk have been widely available for decades and are used successfully world wide;

Therefore Be It Resolved That:

1. The Township of Centre Wellington urges the Province of Ontario to work urgently with key stakeholders to develop limited liability legislation, including enforceable contractor training and a single set of provincially-endorsed standard Best Management Practices (BMPs) for snow and ice management including incorporating the enforcement and BMPs into Risk Management Plans and Source Protection Plans pursuant to the Clean Water Act where applicable; and

2. The Township of Centre Wellington urges the province of Ontario to create and fund an expert stakeholder advisory committee to advise the province and municipalities on the best courses of action to protect freshwater ecosystems and drinking water from the impacts of salt pollution; and

3. The Township of Centre Wellington investigate and implement, where feasible and cost-effective, measures to reduce the use and impacts of winter maintenance materials on the environment, infrastructure, pets, and the community, while maintaining safe and accessible roads, sidewalks, and parking lots; and

4. This resolution be sent to all municipalities within the County of Wellington, the City of Guelph, the Regional Municipality of Waterloo, the Association of Municipalities of Ontario (AMO), local MPPs, Conservation Ontario, Minister Todd McCarthy (MECP), Attorney General Doug Downey, and Premier Doug Ford.

12.11 Development Charge Reduction Program
Report from Adam McNabb, Chief Financial Officer and Treasurer
[FIN2026-12 - Pdf](#)

554 -
563

Recommendation:

THAT the Council of the Township of Centre Wellington receive report FIN2026-12 for information;

AND THAT the Council of the Township of Centre Wellington direct staff to submit an application to Ontario's Development Charge Reduction Program (DCRP), including identifying eligible projects, quantifying the financial impact of a residential development charge reduction;

AND THAT the Council of the Township of Centre Wellington delegate authority to the Chief Administrative Officer and Chief Financial Officer and Treasurer to execute any associated agreements if successful with the application process.

13. BY-LAWS

13.1 2026-44 a Bylaw to authorize a fund raising activity in the form of soliciting by toll booth on the Tower Street Bridge in Fergus

2026-45 a Bylaw to Amend By-law 2025-81 being a By-law to establish an Administrative Monetary Penalty System (AMPS)

2026-46 a Bylaw to amend the Township of Centre Wellington Zoning Bylaw 2009-045, as amended to change the zoning of certain lands from "R1A" to "R3.49.Z"

2026-47 a Bylaw to regulate speed in the Township of Centre Wellington and to repeal Bylaw 2024-67

2026-48 A By-law to regulate and prohibit activity in and around stormwater management facilities

Recommendation:

THAT By-laws 2026-44 through 2026-49 be read a first, second and third time and passed, signed by the Mayor and Clerk and the Corporate Seal affixed.

14. NOTICE OF MOTIONS

15. MOTIONS (WHERE NOTICE HAD BEEN GIVEN)

16. CONFIRMATORY BY-LAW

16.1 A By-law to confirm the actions of Council

Recommendation:

THAT By-law 2026-49 to Confirm the Proceedings of Council at its meeting held June 15, 2026 be introduced a first, second and third time and passed in open Council.

17. ADJOURNMENT



**Township of Centre Wellington
Council Minutes
Thursday, May 21, 2026
Council Chamber
9:30 AM**

PRESENT:

Mayor Shawn Watters
Councillor Lisa MacDonald
Councillor Kimberley Jefferson
Councillor Barbara Lustgarten-Evoy
Councillor Jennifer Adams
Councillor Bronwynne Wilton
Councillor Denis Craddock

REGRETS:

STAFF:

Chief Administrative Officer, Dan Wilson
Managing Director of Corporate & Legislative Services / Municipal Clerk, Tyler Sager
Manager of Legislative Services & Deputy Clerk, Rachel Cannon
Managing Director of Community Services, Adam Gilmore
Managing Director of Infrastructure Services, Colin Baker
Managing Director of Corporate Services & Treasurer, Adam McNabb
Chief Human Resources Officer, Rashid Hasan
Manager of Communications and Engagement, Kendra Martin
Building and Properties Capital Project Manager, Mason Noble
Supervisor of Design and Construction, Brandon Buehler
Manager of Water Services and Environmental Sustainability, Dino Masiero
Chief Building Official, Randy Bossence
Executive Coordinator, Sally Litchfield

1. Call to Order

Mayor Watters welcomed everyone and called the meeting to order.

2. Land Acknowledgement

Councillor MacDonald read the land acknowledgement.

3. Addendums and Corrections to the Agenda

None.

4. Disclosure of Pecuniary Interest Under the Municipal Conflict of Interest Act

None.

Councillor Craddock joined the meeting at approximately 9:28 a.m.

5. Consideration of Reports

5.1 Motion to Relax the Rules

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Denis Craddock.

THAT the Council of Township of Centre Wellington relax the rules of council during the facilities and road tour.

CARRIED

Councillor Craddock left the meeting at approximately 9:31 a.m.

5.2 Road Tour

9:30 am – Pickup at 1 MacDonald Square, Elora ON

1st Stop – 495 Union St W, Fergus ON (Craighead House – Ribbon Cutting Ceremony)

Councillor Adams joined the meeting at approximately 9:44 a.m.

Mayor Watters and Councillor Adams left the meeting at approximately 10:23 a.m.

Mayor Watters vacated the Chair at 10:23 a.m.
Deputy Mayor Jefferson assumed the Chair.

2nd Stop – 965 Gartshore St, Fergus ON (Centre Wellington Operations Centre)

3rd Stop – 550 Belsyde Ave, Fergus ON (Centre Wellington Sportsplex)

4th Stop – 23 Melville St, Elora ON (Bissell Park)

Mayor Watters joined the meeting at approximately 11:55 a.m.

Mayor Watters resumed the Chair at 11:55 a.m.

6. Confirmatory By-law

6.1 A By-law to confirm the actions of Council

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Lisa MacDonald.

THAT By-law 2026-34 to Confirm the Proceedings of Council at its meeting held May 21, 2026 be introduced a first, second and third time and passed in open Council.

CARRIED

7. ADJOURNMENT

Moved by Councillor Kimberley Jefferson, Seconded by Councillor Barbara Lustgarten-Evoy

THAT this meeting be adjourned.

CARRIED

Mayor

Municipal Clerk



**Township of Centre Wellington
Council Minutes
Monday, May 25, 2026
Council Chamber
6:00 PM**

PRESENT:

Mayor Shawn Watters
Councillor Lisa MacDonald
Councillor Kimberley Jefferson
Councillor Barbara Lustgarten-Evoy
Councillor Jennifer Adams
Councillor Bronwynne Wilton
Councillor Denis Craddock

REGRETS:

STAFF:

Managing Director of Infrastructure Services, Colin Baker
Managing Director of Corporate & Legislative Services / Municipal Clerk, Tyler Sager
Manager of Legislative Services & Deputy Clerk, Rachel Cannon
Legislative Coordinator, Devlin Schellenberger
Managing Director of Planning & Development, Brett Salmon
Managing Director of Community Services, Adam Gilmore
Managing Director of Corporate Services & Treasurer, Adam McNabb
Manager of Planning Services, Mariana Iglesias
Senior Development Planner, Deanna Maiden
Manager of IT, Jeff Veniez
Manager of Parks, Lucas Rogerson
Manager of Communications and Engagement, Kendra Martin

1. Call to Order

Mayor Watters welcomed everyone and called the meeting to order.

2. Land Acknowledgement

Councillor MacDonald read the land acknowledgement.

3. Addendums and Corrections to the Agenda

3.1 Removal:

Item 9.1 - Representatives from Groves Memorial Hospital re Update on Groves Memorial Community Hospital and Physician Recruitment

4. Disclosure of Pecuniary Interest Under the Municipal Conflict of Interest Act

Councillor Wilton declared a conflict with items 5.1 (Closed Session item), 12.2 (Heritage Designation – 27 and 32 Broken Front Path Pvt., Elora) and 16.1 (Confirmatory By-law 2026-42).

5. Closed Session

5.1 Moved by Councillor Lisa MacDonald, Seconded by Councillor Barbara Lustgarten-Evoy.

THAT the Council of the Township of Centre Wellington convene in closed session in accordance with section 239(2)(e)(f) of the Municipal Act 2001, as amended to consider; (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality; (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED

6. Reconvene in Open Session

Moved by Councillor Jennifer Adams, Seconded by Councillor Barbara Lustgarten-Evoy.

THAT the Council of the Township of Centre Wellington reconvene in open session.

CARRIED

7. Matters Arising from Closed Session

Mayor Watters indicated nothing is to be brought forward from Closed Session at this time.

8. Public Meetings to Consider a Zoning Amendment

8.1 Proposed Zoning By-law Amendment re 7010 Third Line in West Garafraxa.

Mayor Watters stated the purpose of this public meeting is to present and receive public input regarding a proposed zoning by-law amendment on the subject land known as 7010 Third Line, in the former Township of West Garafraxa.

He noted the purpose of the proposed zoning by-law amendment is to change the zoning from “A” Agricultural and “EP” Environmental Protection to “A” Agricultural Exception and “EP” Environment Protection on the retained parcel. The effect of the proposed zoning by-law amendment is to implement zoning regulations necessary to restrict residential uses. The zoning amendment is a condition of approval of the County of Wellington Land Division Committee Application B47-25.

Mayor Watters stated if a person or public body would otherwise have an ability to appeal the decision of the Township of Centre Wellington to the Ontario Land Tribunal (OLT). However, if the person or public body does not make oral submissions at a public meeting or make written submissions to the Township of Centre Wellington before the by-law is passed, the person or public body is not entitled to appeal the decision.

Mayor Watters stated if a person or public body does not make oral submission at the public meeting, or make written submissions to the Township of Centre Wellington before the by-law is passed, the person or public body may not be added as the party to the hearing of an appeal before the OLT unless, in the opinion of the Tribunal, there are reasonable grounds to do so.

Mayor Watters advised if anyone wished to be notified of the adoption of the proposed zoning by-law amendment, you must make a written request to the Clerk, Township of Centre Wellington, 1 MacDonald Square, Elora, Ont., N0B 1S0.

The Municipal Clerk advised notice was mailed to prescribed persons, agencies and public bodies on or before April 28, 2026. Also, a notice sign was posted on the subject lands on April 28, 2026. He further confirmed the for giving notice was completed on April 28, 2026.

Mayor Watters asked Deanna Maiden, Senior Development Planner, to introduce the application.

D. Maiden, Senior Development Planner provided an overview of the proposed zoning by-law amendment on the subject land known as 7010 Third Line, in the former Township of West Garafraxa. She noted the subject property is designated as prime agricultural land in the County official plan and contains lands identified as green lands and core green lands, it is zoned agricultural and environmental protection, the property was the subject of a severance application, to sever the existing agricultural lands from an existing blacksmith and farrier service operation.

D. Maiden indicated the application would rezone the subject lands, which are currently vacant, to prohibit a residential dwelling which is a condition of approval of the severance application. No buildings are proposed and a report will be provided to council at a later date.

Mayor Watters called on Hailey Keast from Van Harten Surveying to make a presentation on the application.

H. Keast, Van Harten Surveying, delivered a brief overview of the proposed rezoning to prohibit a residential dwelling on the 7-hectare parcel.

At the time of the meeting, no delegations had been registered.

Mayor Watters asked if anyone if anyone is present wished to speak to the application.

None.

At the time of the meeting, there had been no registration of a response from the applicant.

Mayor Watters offered the applicant or staff an opportunity to respond to comments/questions raised.

None.

Mayor Watters offered Council an opportunity to ask any questions of the applicant or staff.

None.

Mayor Watters thanked everyone for attending and advised Council will be considering the by-law at a future Council meeting and declared the public meeting adjourned.

- 8.2 Public Meeting Information Report - 7010 Third Line, West Garafraxa
Moved by Councillor Barbara Lustgarten-Evoy, Seconded by Councillor Lisa MacDonald.

For information purposes only.

CARRIED

9. Presentations and Announcements

9.1 Removed from the Agenda:
Representatives from Groves Memorial Hospital re Update on Groves Memorial Community Hospital and Physician Recruitment

9.2 Mayor's County Council Report

Mayor Watters noted that Council recently participated in a road tour, visiting several community projects, including Craighead House, where an official opening was held. Appreciation was extended to everyone involved in making the opening a success, including Council, staff, the Black family, and the Hospital Board.

Mayor Watters also thanked all those who have supported and participated in the Elora-Fergus Shuttle program, which is now in its fifth year of offering free transit service between Fergus and Elora.

Mayor Watters noted that an official ribbon-cutting ceremony recently took place at the Wellington County Solid Waste Facility in Elora. The newly opened facility, which has been operating for just over a month, will play an important role in helping preserve the lifespan of existing landfills across Wellington County.

Mayor Watters noted that Council recently participated in the Trade Tracks 2026 event held in Fergus and thanked the organizers, as well as the students and community members who took part in the event.

9.3 Councillor's Committee Updates

Councillor MacDonald provided an update on the Safe Communities Committee, which recently met at the Wellington County Museum. It was noted that falls prevention programming will be returning in November and plans are also underway for a Safe Kids Community Day in Arthur.

In addition, upcoming initiatives include sharing information with seniors on safe driving. The Committee also received a presentation from Farm Safety.

Safe Communities continues to make a positive impact in local high schools who have begun using social media platforms to promote the importance of conducting a "Driving Fit" check.

10. Delegations

None.

11. Consent Items

Mayor Watters indicated Consent Agenda Items are considered routine in nature and are voted on collectively. However, any Member of Council may request one or more items be removed from the Consent Agenda for separate action.

A. McNabb responded to Council's questions and comments regarding the impact of rising gas costs and inflation on the budget.

11.1 Approval and Receipt of Minutes

THAT the minutes of the Council Meeting held April 13, 2026, and May 11, 2026, and the the minutes of the Closed Session from May 11, 2026, be approved as circulated;

AND THAT the minutes from the Heritage Centre Wellington meeting held April 7, 2026, be received for information.

11.2 Toll Booth - Elora Firefighters Association

Report from Devlin Schellenberger, Legislative Coordinator

THAT the Council of the Township of Centre Wellington authorizes the Mayor and Clerk to execute a by-law authorizing a fundraising activity in the form of soliciting by a toll booth on the Metcalfe Street Bridge in Elora, on Saturday, September 12, 2026, from 8:00 a.m. to 3:00 p.m. by the Elora Firefighters Association on behalf of Muscular Dystrophy Canada.

11.3 Capital Projects Status - March 31, 2026

Report from Kaileigh Osburn, Supervisor of Accounting and Capital

11.4 Operating Results - March 31, 2026

Report from Mark Bradey, Manager of Finance & Deputy Treasurer

11.5 Designation By-law - 6275 Wellington Road 26, West Garafraxa

Report from Deanna Maiden, Senior Development Planner

THAT the Council of the Township of Centre Wellington confirms the intention to designate the property municipally known as 6275 Wellington Road 26, West Garafraxa, in the Township of Centre Wellington, as a property of cultural heritage value and/or interest pursuant to Section 29 (Part 4) of the Ontario Heritage Act and that the corresponding by-law be given three readings.

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Barbara Lustgarten-Evoy.

THAT the Council of the Township of Centre Wellington approve consent agenda items 11.1 through 11.5.

CARRIED

12. Consideration of Reports

12.1 Transit Feasibility Study - Final Report

Report from Colin Baker, Managing Director of Infrastructure Services

C. Baker, Managing Director of Infrastructure Services introduced the Transit Feasibility Study. The study provides a practical framework for considering future transit service within Centre Wellington. Its findings and recommendations have been formed through extensive community consultation, ensuring that the proposed direction supports local needs, travel demands, and implementation strategy.

Dennis Kar, Dillon Consulting presented the results of the Transit Feasibility Study and provided an overview of the report to explore practical, financially sustainable public transit options in response to population growth, rising travel demand, and changing mobility needs. The study reviewed local and regional travel (including to Guelph), existing services, costs, governance, and community feedback.

D. Kar noted the results show a growing need for transit, supported by the Township's compact urban form and strong travel links between Fergus and Elora. A phased transit system is recommended, positioning transit as key infrastructure that supports access to jobs, services, tourism, and community participation.

D. Kar responded to questions and comments from Council regarding the service plan, costs, external funding opportunities, collaboration with Wellington County, pilot plan and potential opportunity for green vehicles.

C. Baker responded to questions from council regarding shared service contract with Wellington County and Municipal Class Environmental Assessment process and communicating service levels to the public.

Moved by Councillor Barbara Lustgarten-Evoy, Seconded by Councillor Bronwynne Wilton.

THAT the Council of the Township of Centre Wellington receive for information a Transit Feasibility Study as outlined Report No. IS-2026-13 dated May 25, 2026.

CARRIED

Councillor Wilton left the meeting at approximately 6:55 p.m.

12.2 Heritage Designation - 27 and 32 Broken Front Path Pvt., Elora
Report from Mariana Iglesias, Manager of Planning Services

M. Iglesias provided an overview of the report a Notice of Intent to Designate (NOID) under the Ontario Heritage Act for the properties municipally known as 27 and 32 Broken Front Path Pvt., Elora.

She noted that no new information has been received regarding the structural integrity or cultural heritage value of the properties that would alter the original recommendation of staff or the Heritage Committee. The recommendation to designate the properties continues to be supported by the owner's heritage consultant.

M. Iglesias responded to questions and comments from Council.

Moved by Councillor Denis Craddock, Seconded by Councillor Jennifer Adams.

THAT the Council of the Township of Centre Wellington receives staff report PLN2026-16 regarding heritage designation of the properties at 27 and 32 Broken Front Path Pvt, Elora.

CARRIED

Moved by Councillor Denis Craddock, Seconded by Councillor Kimberley Jefferson.

THAT the Council of the Township of Centre Wellington confirms the intention to designate the properties at 27 and 32 Broken Front Path Pvt, Elora, as properties of cultural heritage value and/or interest and gives three readings to the necessary designation by-law.

CARRIED

Councillor Wilton rejoined the meeting at approximately 7:02 p.m.

12.3 Use of Grounds Agreement - Kitchen in the Park Project Elora
Report from Lucas Rogerson, Manager of Parks

L. Rogerson provided an overview of the report regarding the Kitchen in the Park Project (KIPP Elora) noting the agreement with the Township allowed use of a designated area in Bissell Park for a community outdoor kitchen and has since expired.

He noted KIPP Elora is requesting approval to continue operating from Bissell Park under the proposed Use of Grounds Agreement, which clarifies responsibilities, allocates risk, establishes an initial one-year term with automatic annual renewals, and permits construction of a storage shed to support operations.

L. Rogerson responded to questions and comments from Council regarding safety barriers.

Moved by Councillor Barbara Lustgarten-Evoy, Seconded by Councillor Lisa MacDonald.

THAT the Council of the Township of Centre Wellington authorize the Mayor and Clerk to execute a Use of Grounds Agreement between Kitchen in the Park Project Elora and The Corporation of the Township of Centre Wellington for the use of a designated area within Bissell Park;

AND THAT the Council of the Township of Centre Wellington delegate authority to the Managing Director of Community Services to approve the extension of future agreements in accordance with the terms and conditions of the agreement.

CARRIED

12.4 Lease Agreement - Highland Park Concession
Report from Lucas Rogerson, Manager of Parks

Lucas Rogerson, Manager of Parks provided a brief overview of the lease agreement for the concession booth located at 450 St. David Street South, Fergus was provided. The initial agreement will be for one season, with a provision to renew for additional one-year terms.

He advised that the Township issued a competitive Request for Proposal (RFP) to secure a new concession operator. The RFP was posted on the Township website and advertised in the Wellington Advertiser, and as a result, one submission was received.

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Jennifer Adams.

THAT the Council of the Township of Centre Wellington authorize the Mayor and Clerk to execute a lease agreement with Angela Billings o/a Petite Manger to operate the Concession booth located at Highland Park, Fergus.

CARRIED

12.5 Centre Wellington Communications - 2025 results and 2026/27 workplan Report from Adam McNabb, Chief Financial Officer & Treasurer

Adam McNabb, Chief Financial Officer & Treasurer indicated the purpose of the report is to have Council of the Township of Centre Wellington authorize the Mayor and Clerk to sign the resolutions of the shareholder on behalf of the Township. These resolutions accept the 2025 financial statements, confirm proceedings, elect members, and appoint auditors for Centre Wellington Communications (CWC), where the Township is the sole shareholder. CWC is tasked with establishing a comprehensive fibre optic infrastructure network that interconnects all Township sites.

Jeff Veniez, Manager of IT provided an update for Centre Wellington Communications (CWC) outlining 2025/2026 key projects which included fibre infrastructure investment, underground modernization, upgrades to the Belwood Hall, Sportsplex Field and the infrastructure relocation strategy servicing the new Operations Centre.

He noted the network ensures that administration, infrastructure, SCADA, and community services have the necessary bandwidth for reliable connectivity and it supports essential functions such as service provision, security, data backup, disaster recovery, and uninterrupted business operations.

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Denis Craddock.

THAT the Council of the Township of Centre Wellington receive report FIN2026-03 for information;

AND FURTHER THAT the Council of the Township of Centre Wellington authorize the Mayor and Clerk to sign the resolutions of the Shareholder on behalf of the Township.

CARRIED

12.6 Request for Quotation #30-26 Business Park Structures Demolition Report from Sandi Wiles, Purchasing and Risk Supervisor

Adam McNabb, Chief Financial Officer & Treasurer stated that this report provides recommendations and seeks council approval for award Request for Quotation #30-26 regarding the demolition of structures located at the CW Business Park, recommendations are that Council award Request for Quotation #30-26 to Bellamy Contracting Services Ltd. He noted the RFQ was issued in accordance with the Township's Purchasing By-law.

Moved by Councillor Jennifer Adams, Seconded by Councillor Lisa MacDonald.

THAT the Council of the Township of Centre Wellington award Request for Quotation #30-26 regarding the demolition of structures at the Centre Wellington Business Park, to Bellamy Contracting Services Ltd., at a contract price of \$67,640.00, excluding contingency and HST.

AND THAT the funding be revised as outlined in report FIN2026-09 dated 25 May 2026.

CARRIED

12.7 Declaration of Surplus Property
Report from Adam McNabb, Chief Financial Officer & Treasurer

Adam McNabb, Chief Financial Officer & Treasurer provided overview of the report to declare parcels of land surplus and to delegate authority to the CAO to sign agreements of purchase and sale and other documents related to land sales, staff have completed a comprehensive review of surplus properties owned by the Township, each property was screened to assess its potential alignment with future land needs, guided by existing project objectives and long-range plans.

He noted staff have recently completed the RFP process to identify a realtor of record and will engage their services to determine fair market value for each of the identified parcels for sale, the sale of the parcels is recommended to fund future Township housing initiatives and the non-growth portion of the Operations Centre construction.

A. McNabb responded to comments council regarding the office space at 205 Queen St. E., Fergus.

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Denis Craddock.

THAT the Council of the Township of Centre Wellington declare surplus to the Township's requirements, various parcels of land as outlined in report CAO2026-13

AND THAT Council delegate authority to the Chief Administrative Officer to sign Agreements of Purchase and Sale and other required documents related to land sales as outlined in report CAO2026-13

CARRIED

12.8 2026 Tax Rates

Report from Adam McNabb, Chief Financial Officer & Treasurer

Adam McNabb, Chief Financial Officer & Treasurer stated the purpose of this report is to have Council adopt a By-law to set the 2026 tax rates for the Township, these rates are established by detailing Township requirements established as part of the annual budget process and tax policies set by the Upper Tier (Wellington County).

Moved by Councillor Jennifer Adams, Seconded by Councillor Barbara Lustgarten-Evoy.

THAT the Council of the Township of Centre Wellington adopt a By-law to set the Township tax rates for 2026.

CARRIED

12.9 2026 Fees and Charges By-law Amendment

Report from Adam McNabb, Chief Financial Officer & Treasurer

Adam McNabb, Chief Financial Officer & Treasurer provided a brief overview of the proposed amendment to the Townships Fees and Charges By-law necessitated by changes or expansion to Township services.

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Denis Craddock.

THAT the Council of the Township of Centre Wellington pass an amendment to the 2026 Fees and Charges By-law to enact specific changes as outlined in report FIN2026-07

CARRIED

13. By-laws

13.1 2026-35 a By-law to set tax rates for 2026

2026-36 a By-Law to designate the lands at 6275 Wellington Road 26 to be of cultural heritage value or interest

2026-37 a By-law to designate the lands at 27 and 32 Broken Front Path Pvt. to be of cultural heritage value or interest

2026-38 By-law to authorize a fund raising activity in the form of soliciting by a toll booth on the Metcalfe Street Bridge in Elora

2026-39 a By-law to amend the 2026 Fees and Charges By-law

2026-40 a By-law to adopt an Inclusive Community Policy

2026-41 a By-law to declare surplus properties located within the Township of Centre Wellington

Moved by Councillor Kimberley Jefferson, Seconded by Councillor Lisa MacDonald.

THAT By-laws 2026-35 through 2026-41 be read a first, second and third time and passed, signed by the Mayor and Clerk and the Corporate Seal affixed.

CARRIED

14. Notice of Motions

15. Motions (where Notice had been given)

16. Confirmatory By-law

16.1 A By-law to confirm the actions of Council

Moved by Councillor Denis Craddock, Seconded by Councillor Jennifer Adams.

THAT By-law 2026-42 to Confirm the Proceedings of Council at its meeting held May 25, 2026, be introduced a first, second and third time and passed in open Council.

CARRIED

17. ADJOURNMENT

17.1 Adjournment

Moved by Councillor Bronwynne Wilton, Seconded by Councillor Lisa MacDonald.

THAT this meeting be adjourned.

CARRIED

Mayor

Municipal Clerk



**Township of Centre Wellington
Healthy Communities Advisory Committee Minutes
Wednesday, May 6, 2026
Council Chambers, 1 MacDonald Square, Elora
6:00 PM**

PRESENT: Brenda Murphy - until 7:00 pm
Curt McQueen
Ian MacRae
John Scott
Peter Lirusso - electronic
Councillor Jennifer Adams
Councillor Bronwynne Wilton - electronic

REGRETS: Heide Schlegl
Molly Kleiker
Zach Kottelenberg
Neil Armstrong
Bryan Hayter

STAFF: Dan Wilson, Chief Administrative Officer
Colin Baker, Managing Director of Infrastructure Services
Lucas Rogerson, Manager of Parks
Ian Duncan, Water Conservation Coordinator
Martin Tamlyn, Climate Change Coordinator
Devlin Schellenberger, Legislative Coordinator

- 1. Call to Order**
 - 1.1 C. McQueen, Chair, welcomed everyone and called the meeting to order, indicating quorum was not met but the meeting would proceed for information.
- 2. Addendums and Corrections to the Agenda**
 - 2.1 No addenda or corrections.
- 3. Disclosure of Pecuniary Interest Under the Municipal Conflict of Interest Act**
 - 3.1 None declared.
- 4. Approval and Adoption of the Minutes**
 - 4.1 The Healthy Communities Advisory Committee approved the minutes

dated April 8, 2026, as presented by consensus.

5. Presentations/Announcements

- 5.1 Transit Feasibility Study
Presentation from Dennis Kar, Dillon Consulting Ltd.

D. Kar provided an overview of the proposed local services, highlighting transit hubs that will provide access to different routes as well as regional service to Guelph gain access to different routes.

The Healthy Communities Advisory Committee received the presentation for information.

6. Delegations

7. Consideration of Reports - Infrastructure

- 7.1 Update and Input on Climate Adaptation Planning
Martin Tamlyn, Climate Change Coordinator

M. Tamlyn provided an update on the mitigation and adaptation elements of the Climate Adaptation Plan and responded to questions from the committee.

THAT the Healthy Communities Advisory Committee receives report HCAC2026-06 for information and input.

- 7.2 Water Softener Rebate Program
Ian Duncan, Water Conservation Coordinator

I. Duncan provided an overview of the program and responded to questions from the committee.

THAT the Healthy Communities Advisory Committee endorse the recommended Water Softener Rebate Program.

8. Consideration of Reports - Community Services

- 8.1 Neighbourhood Park Upgrades: Granwood Gate Memorial Park, Wilkie Park, and Webster Park

L. Rogerson, Manager of Parks, reviewed the park plans, highlighting new or improved features in each park and solicited feedback from the committee for future play elements, including different styles of structures at different parks to encourage children to visit different parks.

Committee members discussed accessibility features of each park.

THAT the Healthy Communities Advisory Committee endorse the attached concept plans for Granwood Gate Memorial, Wilkie and Webster Parks.

9. Working Group Updates

- 9.1 Active Transportation and Environment Working Group
No update.
- 9.2 Activity, Health and Wellness Working Group
No update.
- 9.3 Bissell Park Pad Working Group
No update.
- 9.4 Community Investment Fund Working Group
No update.

10. Information Items

- 10.1 Community Services Departmental Update
L. Rogerson indicated parks summer students have started, highlighting a team as been hired exclusively to maintain the trails network.
- 10.2 Infrastructure Services Departmental Update
Colin Baker, Managing Director of Infrastructure Services, provided an update on the South Fergus Secondary Plan.
- 10.3 Next Meeting

11. Adjourn

Chair

Deputy Clerk



Township of Centre Wellington
Diversity, Equity and Inclusion Advisory Committee Minutes
Thursday, April 9, 2026
Council Chambers, 1 MacDonald Square, Elora
6:00 pm

PRESENT:

Elnor Walsh Jones, Chair
Pamela Brown-Wass
Robert Robson
Stephanie Jones
Tasha Lake
Fanosie Wolde
Patricia Brown
Heather van der Sluis
Councillor Dennis Craddock

REGRETS:

Christine Dunlop
Councillor Barbara Lustgarten-Evoy

STAFF:

Devlin Schellenberger, Legislative Coordinator
Kristen Bettiol, Manager of Community Development
Adam Gilmore, Managing Director of Community Services

1. Call to Order

1.1 E. Walsh-Jones, welcomed everyone and called the meeting to order.

2. LAND ACKNOWLEDGEMENT

2.1 E. Walsh-Jones read the Land Acknowledgement.

3. Addendums and Corrections to the Agenda

3.1 Committee members agreed to move Item 8.4 to Item 8.2 to accommodate staff.

4. Disclosure of Pecuniary Interest Under the Municipal Conflict of Interest Act

4.1 None declared.

5. Approval and Adoption of the Minutes

5.1 The Diversity, Equity, and Inclusion Advisory Committee approved the minutes dated March 5, 2026, as presented, by consensus.

6. Presentations/Announcements

7. Delegations

8. Consideration of Reports

8.1 Climate Change Action Plan

Presentation from Martin Tamlyn, Climate Change Coordinator

M. Tamlyn provided an overview of the Climate Change Action plan and solicited feedback from the committee. He outlined the methods the Township uses for the mitigation and adaption to climate change.

M. Tamlyn responded to questions from the committee.

8.2 Active Transportation Amenities Plan

Report from Emily Alessio, Engineering Technologist - Transportation

E.Alessio, provided project background, an overview of the feedback and priorities gathered to date, outlined the location of the proposed amenities hubs in MacDonald Square and Hoffer Park in Elora and Menzies Lane, Victoria Park, Forfar Park and St. David Street in Fergus. Minor hubs were also identified in Veterans Park, the Downtown Greenspace, Foote Park, Harrison Park, and Elliot Park, with future amenity hubs planned for Bissel Park, the Provost parking lot, Strathallan and Confederation Parks.

Staff responded to questions regarding the type of bike racks and lockers, the approach and timeline for the roll out, the type and function of the e-bike charging stations, future consideration for integration of the hubs into a transit system, management techniques for the trail system to accommodate all users safely,

Committee members provided feedback on the feasibility of the bike repair stations, the need for bike pumps, and consideration to include a connection to Inverhaugh,

The Committee Members present from the Healthy Communities Advisory Committee received the Active Transportation Amenities Plan outlined in Report HCAC2026-05 for information.

Moved by P. Brown Seconded by R. Robson

THAT the Diversity, Equity and Inclusion Advisory Committee receives the Active Transportation Amenities Plan outlined in Report DEI2026-05

for information.

CARRIED

- 8.3 Updated Inclusive Community Policy
Report from Kristen Bettiol, Manager of Community Development
K. Bettiol highlighted the key changes that were made in conjunction with the informal working group.

She thanked the working group members, E. Walsh, P. Brown-Wass, and T. Lake who assisted in drafting the changes recommended by the Diversity, Equity and Inclusion Advisory Committee at the March meeting.

Moved by F. Wolde, Seconded by R. Robson

THAT the DEI Advisory Committee receives report DEI2026-06 for information and endorses the Inclusive Community Policy included as an attachment to DEI2026-06.

CARRIED

- 8.4 Events Policy Discussion
Presentation from Kristen Bettiol, Manager of Community Development
Kristen Bettiol, Manager of Community Development outlined the need for an Events Policy, due to the increasing number of events such as festivals, parades, markets and community gatherings. She noted a policy can provide a clear, consistent and impact-based framework for the review, approval, oversight and management of events. K. Bettiol indicated a policy ensures events are planned and delivered safely with minimal disruption to residents and businesses, allows the Township to manage impacts on municipal services and infrastructure and it clarifies roles and responsibilities and ensures organizers are accountable for the impacts of their events.

K. Bettiol indicated for clarity, staff has drafted a definition of an event as follows; "Event" means a planned, temporary activity or gathering that occurs at a defined time and location within the Township, whether on public or private property, and that has the potential to impact municipal property, public spaces, infrastructure, services, or the health, safety, or well-being of the community. An Event may require municipal approval, permits, coordination, conditions, or other Township oversight.

To gather important community feedback and start the conversation, K. Bettiol indicated staff is putting forth the following questions:

1. When planning events on Township-owned property or roads, what aspects of Township processes or requirements work well, and where do you experience challenges?

2. Are there Township policies, procedures, or requirements that you find particularly helpful or particularly challenging when planning events? Please explain.

3. What are the main barriers you face when planning or delivering events in Centre Wellington? (For example: timelines, costs, approvals, staffing, insurance, communication, etc.)

4. If the Township were to develop an Events Policy, what do you think it should a) clearly address or support? B) avoid including?

5. What could the Township do differently to better support event organizers while still ensuring public safety and responsible use of public spaces?

K. Bettiol indicated feedback to date includes support for a policy to provide clarification on roles and responsibilities, a strong desire to work with Township staff collaboratively and identified challenges with communication and costs.

Committee members provided feedback regarding the questions posed including a) for profit organizations should not receive taxpayer subsidization, b) a fee structure that considers the size of the event and the community benefit, c) obtaining insurance may be a barrier, d) clarification on private events that trigger enforcement, e) easy and user friendly permitting system, step by step guides, f) streamlining of common approvals and g) allow the community impact grants to cover event permit fees.

K. Bettiol outlined the current level of Township support for community events and asked Committee Members to provide feedback on the following questions:

1. Should event costs (e.g., road closures, permits, facility rentals) be subsidized through municipal tax dollars?

2. Should not-for-profit and for-profit event organizers have different fee structures?

3. Are there additional ways the Township should support community

events?

Committee members provided feedback concerning the questions posed and discussion ensued pertaining to the subsidizing of for-profit events and the request for additional details of the costs.

Adam Gilmore, Managing Director of Community Services provided clarification regarding the Township costs associated with supporting events and indicated if a cost recovery model is not applied, the costs impact the operating budget.

9. Working Group Updates

9.1 Indigenous Themed Logos in Sporting Facilities

Two Rows Together: An Appreciation Series:
Appreciating the Land: Earth Day with Grandmother's Voice takes place on April 22. K. Bettiol indicated there are two sessions at 3:00 pm and 6:30 pm.

K. Bettiol indicated staff are working with the Elora Hawks to raise historical banners and the install of the permanent contextual display in the Jefferson Elora Community Centre.

9.2 Diverse and Inclusive Programs Working Group

No update.

10. Information Items

10.1 Next Meeting - May 7

11. Adjourn 8:05 pm

Chair

Deputy Clerk



**Township of Centre Wellington
Heritage Centre Wellington Minutes
Tuesday, May 12, 2026
Council Chamber
6:00 PM**

PRESENT:

Philip Brown
Donald Evoy
Nanette O'Sullivan
Nico Vandersluis
Michael Hale
Susan Taylor
Victoria Nagy
Breanna McDonald
Lindsay Benjamin
Mayor Watters

REGRETS:

Aryan Banipal
Kristy Coles
Lindsay Benjamin

STAFF:

Mariana Iglesias, Manager of Planning Services
Deanna Maiden, Senior Development Planner
Devlin Schellenberger, Legislative Coordinator
Gabriel Lam, Heritage Co-op Student

1. Call to Order

1.1 P. Brown, Vice-Chair, welcomed everyone and called the meeting to order.

2. Addendums and Corrections to the Agenda

2.1 No addenda or corrections to the agenda.

3. Disclosure of Pecuniary Interest Under the Municipal Conflict of Interest Act

3.1 None declared.

4. Approval and Adoption of the Minutes

4.1 Heritage Centre Wellington approved the minutes dated April 7, 2026, as presented by consensus.

5. Presentations/Announcements

6. Delegations

7. Consideration of Reports

7.1 Heritage Permit - 17 Henderson Street, Elora

The property owner provided an overview of the the repair and repointing work required.

Moved by N. van der Sluis, Seconded by N. O'Sullivan

THAT staff report HCW2026-06 regarding Heritage Permit Application HP-2026-03, for the property located at 17 Henderson Street, Elora be received for information; and,

THAT Heritage Centre Wellington passes the following recommendation:

That Heritage Permit Application HP-2026-03 be approved.

CARRIED

7.2 Heritage Permit - 177 Chalmers Street, Elora

The property owner stated they have restored the front porch and transom to original. The proposal in front of the committee is to replace the door on the coffee porch to match the new front door.

Moved by N. O'Sullivan, seconded by M. Hale

THAT staff report HCW2026-08 regarding Heritage Permit Application HP-2026-05, for the property located at 177 Chalmers Street, Elora be received for information; and,

THAT Heritage Centre Wellington passes the following recommendation:

That Heritage Permit Application HP-2026-05 be approved.

CARRIED

7.3 Heritage Permit - 64 Colborne Street, Elora

The property owner, stated their intention to restore the wood soffit and fasci, which will be painted to match the home. She added she will restore the original front door and add an additional glass storm door to reduce heat loss. The storm door will not be visible from the exterior of the home.

Moved by M. Hale, seconded by D. Evoy

THAT staff report HCW2026-05 regarding Heritage Permit Application HP-2026-02, for the property located at 64 Colborne Street, Elora, be received for information; and

THAT Heritage Centre Wellington passes the following recommendation:

That Heritage Permit Application HP-2026-02 be approved.

CARRIED

7.4 Heritage Permit - 12 Sunnybrae Cres., Fergus

The property owner stated they are proposing to replace the three windows on front facade. The ground floor windows will be two over two replaced with similar style and materials. The upper window will be a casement style window that swings outward, the current window is not original and swings inward.

Moved by N. van der Sluis, seconded by B. Macdonald

THAT staff report HCW2026-04 regarding Heritage Permit Application HP-2026-01, for the property located at 12 Sunnybrae Crescent, Fergus be received for information; and,

THAT Heritage Centre Wellington passes the following recommendation:

That Heritage Permit Application HP-2026-01 be approved.

CARRIED

7.5 Heritage Permit - Melville United Church, 300 St. Andrew Street W, Fergus

P. Brown provided an overview of the property, indicating the application includes repair, patching and repointing.

Moved by M. Hale, seconded by N. O'Sullivan

THAT staff report HCW2026-07 regarding Heritage Permit Application HP-2026-04 for the property located at 300 St. Andrew Street W, Fergus be received for information; and,

THAT Heritage Centre Wellington passes the following recommendation:

That Heritage Permit Application HP-2026-04 be approved.

CARRIED

8. Sub-Committee Updates

8.1 Properties Sub-Committee

No update.

8.2 Public Relations / Education Sub-Committee

No update.

8.3 Bridge Sub-Committee

No update.

9. Information Items

9.1 Next Meeting - June 9

10. Adjourn

Chair

Deputy Clerk

To: Mayor Watters and Members of Council

Report: COR2026-21

Prepared By: Natalia Teplicki, Election Coordinator

Date: 15 Jun 2026

RE: Restricted Acts - The "Lame Duck" Period

Recommendation:

THAT Council receives the "Restricted Acts - The 'Lame Duck' Period" report for information.

Summary:

The purpose of this report is to provide Council with information regarding the restricted acts provisions contained in the *Municipal Act, 2001* during the election period, including how those provisions interact with the Township's existing delegation by-law and strong mayor powers. This report is presented for information only and does not seek Council authorization.

Report:

The *Municipal Act, 2001*, as amended provides that certain actions of a Council become restricted on the first day it can be determined that the new Council will have less than three quarters (3/4) of members from the outgoing Council. As the Township of Centre Wellington's Council is comprised of seven (7) members, the restricted acts clause would apply if fewer than six (6) current Members of Council were to return for the 2026-2030 term.

This can be determined at two different dates:

1. Close of Nominations (August 21, 2026 at 2:00 pm) - This period begins at the close of nominations, if it is determined that three quarters (3/4) of the current Council members cannot possibly be elected to the new Council.
2. After Voting Day (as soon as the election results are declared after October 26, 2026) - This period begins after Voting Day, based on the declaration of results from the election (including any acclamations). If the new Council will include fewer than three quarters (3/4) of the members from the outgoing Council, then the restrictions will apply to the outgoing Council.

If it has been determined the actions of Council may be restricted, Council cannot take the following actions:

1. The appointment or removal from office of any Officer of the municipality;
2. The hiring or dismissal of any employee of the municipality;
3. The disposal of any real or personal property of the municipality which has a value exceeding \$50,000 at the time of disposal; and
4. Making any expenditures or incurring any other liability which exceeds \$50,000 outside of the current approved budget.

It should be noted Items 3 and 4 above do not apply if the disposition or liability was included in the most recent budget and adopted by Council before Nomination Day (August 21, 2026) in the year of the election.

The *Municipal Act, 2001*, as amended contains provisions to potentially minimize the impact of a “Lame Duck” Council. Section 275 does not prevent a municipality from delegating authority to the person or body prior to nomination day for the election of the new Council and it also does not prevent a municipality from taking any action in the event of an emergency. Section 23.1 authorizes Council to delegate its powers and duties. Common practice is to provide the delegated authority to the Chief Administrative Officer to exercise the responsibilities listed within Section 275(2). Council is reminded By-law 2024-051, as amended, already provides delegated authority to the Chief Administrative Officer.

Strong Mayor Powers

As of May 1, 2025, the Township of Centre Wellington was designated under the *Strong Mayors, Building Homes Act, 2022 (S.O. 2022, c. 18)*. As a result, the Mayor, as Head of Council, now holds additional executive powers under the *Municipal Act, 2001*, including authority respecting the appointment and dismissal of the Chief Administrative Officer, the organizational structure of the municipality, and the direction of department heads, subject to the statutory framework governing those powers.

For clarity, the restrictions in section 275 apply to actions of Council once a restricted acts period has been triggered. Those restrictions do not, in themselves, remove powers that the Mayor may exercise directly under statute, nor do they invalidate delegations that were established before nomination day. In practice, this means some operational and organizational matters may still proceed during a restricted period through previously delegated administrative authority or, where applicable, through powers assigned directly to the Mayor by legislation.

At the same time, strong mayor powers do not eliminate the practical impact of restricted acts. Council would still be unable to pass resolutions or by-laws on matters captured by section 275 where no prior delegation applies, and the municipality must

continue to distinguish between decisions that remain with Council, decisions already delegated through the Township's delegation of authority by-law, and decisions that fall within the Mayor's statutory authorities. Accordingly, the primary effect of strong mayor powers is to reduce, though not eliminate, the potential for operational disruptions during a restricted acts period.

The Township's existing delegation framework, including By-law 2024-51, helps reduce the risk of operational gaps during any restricted period. If section 275 were triggered, staff would continue to rely on the authorities already delegated by Council, subject to the limits and conditions set out in the applicable by-laws, and would report back to Council as required. The presence of strong mayor powers further reduces the likelihood of disruption in certain administrative and organizational matters; however, it does not fully replace Council's role where the *Municipal Act, 2001* requires a Council decision.

Corporate Strategic Plan:

Supporting sustainable governance by establishing clear limits, and accountability measures, ensuring delegated powers are used responsibly and transparently; allowing the Township to continue critical operations during a restricted acts period.

Financial Implications:

N/A

Approved By:

Tyler Sager, Managing Director of Corporate and Legislative Services /
Municipal Clerk
Dan Wilson, Chief Administrative Officer

To: Mayor Watters and Members of Council

Report: COR2026-28

Prepared By: Devlin Schellenberger, Legislative Coordinator

Date: 15 Jun 2026

RE: Toll Booth - Fergus Fire Fighters

Recommendation:

THAT the Council of the Township of Centre Wellington authorizes the Mayor and Clerk to execute a by-law authorizing a fundraising activity in the form of soliciting by a toll booth on the Tower Street Bridge in Fergus, on Saturday, September 19, 2026 from 8:00 a.m. to 4:00 p.m. by the Fergus Firefighters Association on behalf of Muscular Dystrophy Canada.

Report:

A request has been received from the Fergus Firefighters Association to conduct a fundraising activity in the form of soliciting by toll booth at the Tower Street Bridge in Fergus on Saturday, September 19, 2026 from 8:00 am to 4:00 pm.

In accordance with the *Safe Streets Act, 1999 S.O 1990.c.8*, toll booths are permitted subject to specific conditions. Fundraising by charities is permitted providing the following conditions are met:

1. They are conducted by a charitable organization registered under the *Income Tax Act (Canada)* on a roadway where the maximum speed limit is 50 kilometres per hour; and
2. They are permitted through a by-law of the municipality in which the activities are conducted. The Township also requires the firefighters to provide a) a special event permit application, approved by the Managing Director of Infrastructure; b) confirmation from the OPP they have been notified of the event and c) a certificate of insurance in favour of the Township of Centre Wellington and the County of Wellington.

The applicant has provided a special event permit application, a certificate of insurance and has notified the Wellington County OPP. The Fergus Firefighters Association will be fundraising on behalf of Muscular Dystrophy Canada.

Attachments:

- [2026-xx Toll Booth Fergus Firefighters](#)

Approved By:

Tyler Sager, Managing Director of Corporate and Legislative Services /
Municipal Clerk

Dan Wilson, Chief Administrative Officer

The Corporation of the Township of Centre Wellington

By-law 2026-xx

A By-law to authorize a fund raising activity in the form of soliciting by a toll booth on the Tower Street Bridge in Fergus

Whereas it is only lawful to solicit persons in or on a stopped, standing or parked vehicle on a roadway pursuant to subsection 3(3) of the Safe Streets Act, 1999, S.O. 1999, c.8 if the fund raising activity is conducted by a charitable organization registered under the Income Tax Act (Canada) on a roadway where the maximum speed limit is 50 kilometres per hour and the fund raising activity is authorized by a By-law of the municipality in which the activity is conducted;

And Whereas the Fergus Firefighters Association have for many years raised funds for many projects beneficial to the local community by means of a toll booth on the Tower Street Bridge located in Fergus and wishes to continue its fund raising activities in a lawful manner;

And Whereas Muscular Dystrophy Canada, being a registered charity under the Income Tax Act (Canada), has authorized the Fergus Firefighters Association to fund raise for that organization and for this purpose the Fergus Firefighters intend to operate a toll booth on the Tower Street Bridge located in Fergus on Saturday, September 19, 2026;

And Whereas the Fergus Firefighters have undertaken to raise funds at its proposed toll booth in 2026 exclusively for that registered charitable organization and to provide evidence to the Township that the funds raised will be delivered exclusively to that registered charitable organization.

Now Therefore the Council of the Corporation of the Township of Centre Wellington hereby enacts as follows:

1. The fund raising activity by solicitation as contemplated in the Safe Streets Act, 1999 to be undertaken by members of the Fergus Firefighters Association on behalf of Muscular Dystrophy Canada, a registered charity, as described in section 2, is hereby authorized.
2. The fund raising activity:
 - a) is conducted by Muscular Dystrophy Canada, being a registered charity under the Income Tax Act (Canada), through members of the Fergus Firefighters Association;
 - b) shall be authorized in writing by the road authority, being the County of Wellington and or the Township of Centre Wellington; and,
 - c) shall only take place on Saturday, September 19, 2026 between 8:00 a.m. and 4:00 p.m.
3. This By-law shall come into force and take effect on the day of its final passing.

Read a first, second and third time and finally passed this 15th day of June, 2026.

Mayor – Shawn Watters

Clerk – Tyler Sager

To: Mayor Watters and Members of Council

Report: COR2026-25

Prepared By: Adam McNabb, Chief Financial Officer &
Treasurer

Date: 15 Jun 2026

RE: Consolidated Delegation of Authority Report for 2025

Summary:

The Township's Delegation of Authority By-law 2016-041, as amended, requires staff to report annually on delegation authority exercised throughout the year. This report outlines the reporting requirements of By-law 2016-041, as amended for activity throughout the year 2025.

Report:

Attached, please find the following tables, representing delegation of authority acted upon in 2025 (by Department):

Attachment A - Corporate Services
Attachment B - Infrastructure Services
Attachment C - Community Services
Attachment D - Planning & Development Services
Attachment E - Office of the CAO

Consultation:

This report was prepared in consultation with the Managing Directors.

Attachments:

- [Attachments A to E](#)

Approved By:

Tyler Sager, Managing Director of Corporate and Legislative Services /
Municipal Clerk
Dan Wilson, Chief Administrative Officer

Attachment A - Corporate Services
Reporting Period January 1, 2025 to December 31, 2025

Type of Agreement	Description	Date Completed	Executed by
Financing - Connection to Municipal Services	475 Tom St. Fergus, ON	09-Jun-25	Adam McNabb

Tax Adjustments Pursuant to the Municipal Act, 2001, Sections 357, 358 and 359 (Finance Division)
Reporting Period January 01 - December 31, 2025

Year	Roll Number / Municipal Address / Reason for Adjustment	Township	County	Education	Dedicated Capital Levy	Special Area Rate	GRCA	TOTAL	Signing Authority
2022	2326.000.025.00500.0000 / 6325 Fifth Line / Disability Exemption	38.19	79.33	19.13	3.77	-	0.76	141.18	Managing Director of Corporate Services
2023	2326.000.025.00500.0000 / 6325 Fifth Line / Disability Exemption	39.67	82.37	19.13	3.77	-	0.79	145.73	Managing Director of Corporate Services
2024	2326.000.025.00500.0000 / 6325 Fifth Line / Disability Exemption	42.88	86.17	19.13	3.77	-	0.78	152.73	Managing Director of Corporate Services
2023	2326.000.021.11427.0000 / 174 Elliot Ave W / Gross or Manifest Error	131.53	273.11	63.41	12.49	-	-	480.54	Managing Director of Corporate Services
2023	2326.000.027.05000.0000/6718 Sixth Line/Garage demolished	53.95	112.02	26.01	5.12	-	1.07	198.17	Managing Director of Corporate Services
2024	2326.000.027.05000.0000/6718 Sixth Line/Garage demolished	58.31	117.19	26.01	5.13	-	1.06	207.70	Managing Director of Corporate Services
2024	2326.000.022.02500.0000 / 80 Sophia St / House and garage demolished	83.50	167.81	37.25	7.34	-	-	295.90	Managing Director of Corporate Services
2025	2326.000.022.02500.0000 / 80 Sophia St / House and garage demolished	352.62	709.31	151.47	29.86	-	-	1,243.26	Managing Director of Corporate Services
2024	2326.000.022.12613.0000 / 66 Stumpf St / Class change	189.91	381.67	819.80	16.69	-	-	1,408.07	Managing Director of Corporate Services
2023	2326.000.017.11400.0000 / 7284 Wellington Rd 21 / Barns demolished	14.42	29.94	6.95	1.37	-	0.29	52.97	Managing Director of Corporate Services
2024	2326.000.017.11400.0000 / 7284 Wellington Rd 21 / Barns demolished	91.76	184.40	40.93	8.07	-	1.67	326.83	Managing Director of Corporate Services
2025	2326.000.017.11400.0000 / 7284 Wellington Rd 21 / Barns demolished	95.28	191.66	40.93	8.07	-	1.64	337.58	Managing Director of Corporate Services
2022	2326.000.031.05270.0000 / 8193 Sideroad 30 / Gross or Manifest Error	470.73	977.96	235.76	46.44	-	9.41	1,740.30	Managing Director of Corporate Services
2023	2326.000.031.05270.0000 / 8193 Sideroad 30 / Gross or Manifest Error	545.85	1133.38	263.16	51.85	-	10.80	2,005.04	Managing Director of Corporate Services
2024	2326.000.031.05270.0000 / 8193 Sideroad 30 / Gross or Manifest Error	589.98	1,185.66	263.16	51.87	-	10.77	2,101.44	Managing Director of Corporate Services
2023	2326.000.022.20200.0000 / 474 Elizabeth St / Shed demolished	31.74	65.89	15.30	3.01	-	-	115.94	Managing Director of Corporate Services
2024	2326.000.022.20200.0000 / 474 Elizabeth St / Shed demolished	34.30	68.93	15.30	3.02	-	-	121.55	Managing Director of Corporate Services
2025	2326.000.022.20200.0000 / 474 Elizabeth St / Shed demolished	35.62	71.65	15.30	3.02	-	-	125.59	Managing Director of Corporate Services
2024	2326.000.020.05005.0000 / 6363 Wellington Rd 7 / House demolished	168.38	338.40	75.11	14.80	-	3.07	599.76	Managing Director of Corporate Services
2025	2326.000.020.05005.0000 / 6363 Wellington Rd 7 / House demolished	402.49	809.61	172.89	34.09	-	6.91	1,425.99	Managing Director of Corporate Services
2025	2326.000.005.05665.0000 / 360 Gordon St / House and detached garage demolished	314.85	633.32	135.24	26.67	-	-	1,110.08	Managing Director of Corporate Services
2024	2326.000.028.05400.0000 / 8224 Sideroad 15 /Barns demolished	156.18	313.88	178.02	13.72	-	2.85	664.65	Managing Director of Corporate Services
2025	2326.000.021.11954.0000 / 97 Runnells Way W / Class change	24.66	49.61	10.59	2.09	-	-	86.95	Managing Director of Corporate Services
2025	2326.000.021.11352.0000 / 36 Edminston Dr / Class change	274.46	552.08	117.89	23.24	-	-	967.67	Managing Director of Corporate Services
2025	2326.000.021.11385.0000 / 94 Edminston Dr / Class change	24.15	48.58	10.37	2.05	-	-	85.15	Managing Director of Corporate Services
2025	2326.000.031.05240.0000 / 6156 Third Line / Pool filled in	67.45	135.68	28.97	5.71	-	1.16	238.97	Managing Director of Corporate Services
2025	2326.000.017.13900.0000 / 7334 Middlebrook Rd / Class change	1,107.78	2,228.32	1,140.38	93.82	-	19.02	4,589.32	Managing Director of Corporate Services
2025	2326.000.023.00109.0000 / 965 Gartshore St / Demolished multiple buildings	-	-	-	-	-	-	-	Managing Director of Corporate Services
2023	2326.000.010.04700.0000 / 235 Prince's St / Gross or Manifest error	111.07	230.63	53.55	10.55	-	-	405.80	Managing Director of Corporate Services
2025	2326.000.022.20000.0000 / 461 Elizabeth St / House and garage demolished	192.50	387.22	82.69	16.30	-	-	678.71	Managing Director of Corporate Services
2025	2326.000.021.11345.0000 / 259 Farley Rd / Class change	19.32	38.87	8.30	1.64	-	-	68.13	Managing Director of Corporate Services
2025	2326.000.011.29000.0000 / 29 David St W / Demolish storage shed	-	-	-	-	-	-	-	Managing Director of Corporate Services

Software and Service Agreements (IT Division)
Reporting Period January 1, 2025 to December 31, 2025

Type of Agreement	Description	Date Completed	Executed by
Professional Services	Intune Support	2025-02-25	Jeff Veniez
DocuSign	eSignature Envelope	2025-01-20	Jeff Veniez
ArcGIS Online Viewer User	GIS	2025-01-03	Jeff Veniez
GovAI Platform	Secure AI	2025-06-30	Jeff Veniez
OECM	End-User Computing	2025-10-09	Jeff Veniez
Ricoh Canada Inc	MFP Printer	2025-10-10	Jeff Veniez
Softchoice	Microsoft Lic	2025-10-14	Jeff Veniez
Telus	Manage and Detect	2025-05-05	Jeff Veniez
Telus	IT Planning	2025-05-08	Jeff Veniez

Attachment B - Infrastructure Services
Reporting Period January 1, 2025 to December 31, 2025

Type of Agreement	Description	Date Completed	Executed by
Stormwater Sewer, Ditch, Culvert Construction - Form SW1	Hill Street Reconstruction (Herrick to Gartshore)	10-Apr-25	C. Baker
Sanitary Sewer and Forcemain Construction - Form SS1	Hill Street Reconstruction (Herrick to Gartshore)	10-Apr-25	C. Baker
Stormwater Sewer, Ditch, Culvert Construction - Form SW1	Colborne Street Reconstruction (John to Wilson)	18-Jun-25	C. Baker
Sanitary Sewer and Forcemain Construction - Form SS1	Colborne Street Reconstruction (John to Wilson)	18-Jun-25	C. Baker
Form 2 - Record of Minor Modification of Replacements to the Drinking Water System	F1 Chlorine Room Upgrades	29-Sep-25	C. Baker
Watermain Construction - Form 1	St. David Street Reconstruction	2-Oct-25	C. Baker
Encroachment Agreement	Awning at 127 Metcalfe Street	7-Oct-25	C. Baker
Director's Notification - Municipal Sewage Collection System Authorization	Fergus WWTP UV Disinfection System	28-Oct-25	C. Baker
Stormwater Management Facility Construction - Form SW2	Operations Centre Stormwater Management Pond	24-Dec-25	C. Baker
Stormwater Sewer, Ditch, Culvert Construction - Form SW1	Colborne Street Reconstruction (Storybrook)	30-Dec-25	C. Baker

**Attachment C
Community Services**

**Special Events on Public Property & Day-to-Day Rental of Public Property (Community Services)
Reporting Period January 01 - December 31, 2025**

Date Completed	Type of Agreement or Authorization	Description	Quantity	Signing Authority
2025	Rental of Township Facility	Sportsplex/Jefferson Elora Community Centre - Advertising	141	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Aerobics Room Rentals	18	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Aquatics Rentals	109	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Ball Diamond Rentals	10	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Campground Only Rentals	12	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Hall Rentals	135	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Floor Rentals	24	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Ice Rentals	345	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Meeting Room Rentals (2 rooms)	318	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Sportsfield Rentals	22	Managing Director of Community Services
2025	Rental of Township Facility	Sportsplex - Special Events Rentals	11	Managing Director of Community Services
2025	Rental of Township Facility	Jefferson Elora Community Centre - Ball Diamond Rentals	11	Managing Director of Community Services
2025	Rental of Township Facility	Jefferson Elora Community Centre - Hall Rentals	137	Managing Director of Community Services
2025	Rental of Township Facility	Jefferson Elora Community Centre - Floor Rentals	18	Managing Director of Community Services
2025	Rental of Township Facility	Jefferson Elora Community Centre - Ice Rentals	150	Managing Director of Community Services
2025	Rental of Township Facility	Jefferson Elora Community Centre - Meetings	0	Managing Director of Community Services
2025	Rental of Township Facility	Parks - Special Events	3	Managing Director of Community Services
2025	Rental of Township Facility	Bissell Park - Park Usage	4	Managing Director of Community Services
2025	Rental of Township Facility	Victoria Park-Fergus - Field Rentals (3 Fields)	10	Managing Director of Community Services
2025	Rental of Township Facility	Fergus Grand Theatre - Theatre Bookings	82	Managing Director of Community Services
2025	Rental of Township Facility	Parks - Sportsfields Rentals	2	Managing Director of Community Services
2025	Rental of Township Facility	Belwood Hall- Hall Rentals	36	Managing Director of Community Services
2025	Rental of Township Facility	Belwood Baseball Diamond - Ball Diamond Rentals	2	Managing Director of Community Services
2025	Rental of Township Facility	Tye Diamond - Ball Diamond Rentals	2	Managing Director of Community Services

**Events of Municipal Significance
Reporting Period January 01 - December 31, 2025**

Date Completed	Type of Agreement or Authorization	Description	Quantity	Signing Authority
21-Jan	Letter of Municipal Significance	Bi-Annual Country Dance (Feb 22)	1	Manager of Community Development
07-Feb	Letter of Municipal Significance	Annual Waddies Classic (May 24)	1	Manager of Community Development
05-Mar	Letter of Municipal Significance	Insights Exhibit (Mar 27)	1	Manager of Community Development
20-Mar	Letter of Municipal Significance	Insights Uncorked (Apr 26)	1	Manager of Community Development
20-Mar	Letter of Municipal Significance	Meadows Music Festival (May 30-31)	1	Manager of Community Development
21-Mar	Letter of Municipal Significance	Fergus Scottish Festival (Aug 8-10)	1	Manager of Community Development
01-Apr	Letter of Municipal Significance	Enchanta (Sept 19-20)	1	Manager of Community Development
15-Apr	Letter of Municipal Significance	Elora Punk Rock Farmers Market (May 10)	1	Manager of Community Development
15-Apr	Letter of Municipal Significance	Spring Rain Weekend (May 9-10)	1	Manager of Community Development
22-Apr	Letter of Municipal Significance	Elora's Longest BBQ (July 29)	1	Manager of Community Development
12-May	Letter of Municipal Significance	Elora Festival (July 11-27)	1	Manager of Community Development
12-May	Letter of Municipal Significance	Jeanne Dalton Memorial 3-Pitch Tournament (Sept 26-28)	1	Manager of Community Development
29-May	Letter of Municipal Significance	Pitch in for Autism Ball Tournament (July 18-19)	1	Manager of Community Development
09-Jul	Letter of Municipal Significance	Riverfest Elora (Aug 15-17)	1	Manager of Community Development
21-Jul	Letter of Municipal Significance	AddyTude Event (October 4)	1	Manager of Community Development
12-Aug	Letter of Municipal Significance	Waddies Fall Tournament (Nov 1)	1	Manager of Community Development
19-Aug	Letter of Municipal Significance	Ontario Cheese Festival (October 25)	1	Manager of Community Development
10-Sep	Letter of Municipal Significance	Murder Mystery (Oct 24-25)	1	Manager of Community Development

**Film Production
Reporting Period January 01 - December 31, 2025**

Date Completed	Type of Agreement or Authorization	Description	Quantity	Signing Authority
08-Aug-25	Film Permit	Nexans	1	Manager of Community Development
14-Aug-25	Film Permit	HomeTeam Film Inc	1	Manager of Community Development

**Community Partnership Agreements
Reporting Period January 01 - December 31, 2025**

Date Completed	Type of Agreement or Authorization	Description	Quantity	Signing Authority
25-Mar-25	Community Partnerships	Swim to Survive Sponsorship - Wightman	1	Managing Director of Community Services
28-Apr-25	Community Partnerships	Shuttle Bus Advertising Agreement - Wraithaven Homes	1	Managing Director of Community Services
25-Aug-25	Community Partnerships	Greenspace Sculpture - Stephanie Minarovich Fund	1	Managing Director of Community Services
17-Sep-25	Community Partnerships	Stair Riser Decals - Coleman Roofing	1	Managing Director of Community Services
07-Oct-25	Community Partnerships	In Ice Logo - Fergus Whalers	1	Managing Director of Community Services
07-Oct-25	Community Partnerships	Banners - Fergus Whalers	1	Managing Director of Community Services
2025	Community Partnerships	Sponsored Skating - Sportsplex	64	Managing Director of Community Services
2025	Community Partnerships	Sponsored Skating - JECC	66	Managing Director of Community Services
2025	Community Partnerships	Sponsored Swimming	88	Managing Director of Community Services
2025	Community Partnerships	Board Advertising	98	Managing Director of Community Services
2025	Community Partnerships	Olympia/Zamboni Wraps	2	Managing Director of Community Services
27-May-25	Community Partnerships	Memorial Benches	1	Managing Director of Community Services
27-May-25	Community Partnerships	BT Corner Park Donation	1	Managing Director of Community Services

**Emergency Shelters
Reporting Period January 01 - December 31, 2025**

**Memorandums of Understanding with Community Organizations, Agencies or Companies
Reporting Period January 01 - December 31, 2025**

Date Completed	Type of Agreement or Authorization	Description	Quantity	Signing Authority
08-Jan-25	Memorandum of Understanding	Winter Experience Development Program - Elora Centre for the Arts	1	Managing Director of Community Services
07-Oct-25	Memorandum of Understanding	Winter Experience Development Program - Elora Centre for the Arts	1	Managing Director of Community Services
21-Oct-25	Memorandum of Understanding	Winter Experience Development Program - Elora Festival	1	Managing Director of Community Services
21-Oct-25	Memorandum of Understanding	Winter Experience Development Program - CW Black Committee	1	Managing Director of Community Services

**Lease Agreement Renewals
Reporting Period January 01 - December 31, 2025**

Date Completed	Type of Agreement or Authorization	Description	Quantity	Signing Authority
26-Feb-25	Lease Agreement	Concession Services - Highland Park - Centre Wellington Minor Softball Association	1	Managing Director of Community Services
01-Sep-25	Lease Agreement	Concession Services - Centre Wellington Community Sportsplex - Sharon Gamble	1	Managing Director of Community Services

Attachment D - Planning and Development
Reporting Period January 1, 2025 to December 31, 2025

Type of Agreement	Description	Date Completed	Executed by
MOU - Subdivision Agreement	Memorandum of Understanding - Vista Block - Sorbara/Tribute Nigus Holdings Inc.	30-Oct-25	Manager of Planning & Development, Brett Salmon
Development Agreement	Development Agreement - 80 Sophia Street, Salem - Gatto Homes	02-Oct-25	Manager of Planning & Development, Brett Salmon
Development Agreement	Development Agreement - 23 Gilkison Street, Elora - Selby	19-Mar-25	Manager of Planning & Development, Brett Salmon
Development Agreement	Development Agreement - 30 McNab Street, Elora - Raab	10-Sep-25	Manager of Planning & Development, Brett Salmon
Development Agreement	Development Agreement - 195 Geddes Street, Elora - Gillis	27-Jun-25	Manager of Planning & Development, Brett Salmon
Development Agreement	Development Agreement - 26 York Street West, Elora - Heseltine	04-Dec-25	Manager of Planning & Development, Brett Salmon
Development Agreement	Development Agreement - 300 South Street, Elora - Deboer	21-Oct-25	Manager of Planning & Development, Brett Salmon
Heritage Permit	Alteration to a designated property - 482 Washington St, Salem	19-Jan-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property -77 West Mill Street, Elora	19-Jan-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 12 Sunnybrae Cres, Fergus	09-Apr-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 30 Moir Street, Elora	09-Apr-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 6475 Second Line, West Garafraxa	07-May-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 101 Chalmers Street, Elora	07-May-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 680 Tower Street South, Fergus	07-May-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 345 Brock Ave, Fergus	07-May-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 177 Chalmers Street, Elora	07-May-25	CBO, Randy Bossence
Heritage Permit	Alteration to a designated property - 66 Moir Street, Elora	15-Oct-25	CBO, Randy Bossence
CIP Financial Assistance Agreement	Facade and Property Improvement Grant Program - 105 Queen Street West, Fergus - Frabert's	04-Sep-25	Manager of Planning & Development, Brett Salmon
CIP Financial Assistance Agreement	Facade and Property Improvement Grant Program - 160 St. David Street South, Fergus - BLR Drafting	05-Nov-25	Manager of Planning & Development, Brett Salmon
CIP Financial Assistance Agreement	Facade and Property Improvement Grant Program - 519 Wellington Rd 7, Nichol - DeBoer's Farm Equipment	11-Dec-25	Manager of Planning & Development, Brett Salmon

Attachment E - Chief Administrative Officer
Reporting Period January 1, 2025 to December 31, 2025

Type of Agreement/Document	Description	Date Completed	Executed by
Release & Consent; Acknowledgement & Direction	594 Glengarry	16-Sep-25	CAO for Managing Director of Planning and Development
Agreement of Purchase and Sale	Business Park	28-Nov-25	CAO
Contribution & Services Agreement	Grand 101FM	20-Oct-25	CAO
Agreement of Purchase and Sale	Middlebrook Well	26-Feb-25	CAO
Acknowledgement & Direction	Middlebrook Well	27-Mar-25	CAO



Report to Council

To: Mayor Watters and Members of Council

Report: FIN2026-08

Prepared By: Mark Bradey, Manager of Finance & Deputy Treasurer

Date: 15 Jun 2026

RE: 2025 Audited Financial Statements

Recommendation:

That the Council of the Township of Centre Wellington approve the December 31, 2025 audited draft consolidated financial statements as presented by KPMG LLP Chartered Professional Accountants.

Summary:

The December 31, 2025 consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

Report:

December 31, 2025 Consolidated Financial Statements

The 2025 consolidated financial statements (Attachment A) include the following:

- Statement of Financial Position
- Statement of Operations
- Statement of Changes in Net Financial Assets
- Statement of Cash Flows
- Notes to Financial Statements

A brief description of each statement and its purpose is provided hereafter:

Consolidated Statement of Financial Position

The Statement of Financial Position is the municipal equivalent of the private sector's Balance Sheet. This statement presents the financial assets, financial liabilities and the non-financial assets as at December 31, 2025.

A key indicator of a municipality's financial condition is its net financial assets. Net financial assets represent the difference between the financial assets of the corporation (cash, investments, receivables, etc.) less its financial liabilities (accounts payable, deferred revenue, long-term debt, etc.). It indicates the extent of net financial resources

that are available to finance future operations and spending. The Township had a net financial asset position of \$35,903,947 at December 31, 2025 which is a decrease of \$5,186,686 from 2024.

The Township's accumulated surplus increased by \$15,529,948, from \$333,586,777 in 2024 to \$349,116,725 in 2025. A significant portion of the increase is reflected in a \$20,561,981 increase in the net book value of the Township's tangible capital assets balance.

It is important to note that accumulated surplus should not be interpreted as "funds available for spending" as the majority of the value is for "non-financial assets", which are not available to discharge existing liabilities, but rather are held for use in the provision of services.

Cash and short-term investments totaled \$82,055,302. This represents a \$2,561,024 decrease from 2024.

Significant changes in the financial assets balances are as follows:

- There was a \$3,572,007 reduction in the accounts receivable balance between 2024 and 2025. This is due to:
 - November 2024 water and sewer billings were not transferred from Centre Wellington Hydro until early January 2025. In 2025 the November amount was received before December 31, 2025.
 - ICIP grant claims outstanding for the JECC renovation capital project at December 31, 2024 totaling \$2,526,250 were received in fiscal 2025.
 - Receipt of deferred development charge amounts subject to agreements approved by Council in prior years.

Significant changes in the financial liabilities balances are as follows:

- Accounts payable and accrued liabilities increased by \$2,898,687, mainly due to significant capital projects underway in the latter months of 2025, compared with 2024, resulting in an increase in both holdbacks payable, and progress billings payable at year-end.
- Deferred revenue decreased by \$1,924,437, mainly due to the use of Building Code reserve funds to finance the 2025 operating deficit in the Building division and a portion of the non-growth related costs associated with construction of the new operations facility in 2025. In addition, the Cash-in-Lieu of Parkland reserve fund was used to partially finance the acquisition of land adjacent to the Sportsplex property in 2025. Both the Building Code and the Cash-in-Lieu of Parkland reserve funds are classified as deferred revenue for financial statement purposes.
- Long-term liabilities decreased by \$1,853,562 due to principal repayments on outstanding debt in 2025.

Consolidated Statement of Operations

The Statement of Operations is the municipal equivalent to the private sector's Income Statement. This statement presents the revenues and expenses of the Township for the 2025 fiscal year. It also includes the combined operations of the operating fund, reserve and reserve funds and non-tangible capital asset related capital project spending.

This statement also reports 2025 operations against the 2025 approved budget. However certain components are excluded, such as transfers to and from reserve and reserve funds, capital expenditures relating to the acquisition of tangible capital assets, and debt principal payments. With the inclusion of non-financial assets, the financial statements become difficult to compare to the approved operating and capital budget documents, which are prepared on a "cash" basis for purposes of calculating the tax levy. Accordingly, the 2025 annual surplus of \$15,529,948 reported on the Statement of Operations should not be confused with the operating fund deficit of \$51,443 reported to Council in April. A reconciliation of the operating fund deficit to the annual surplus reported in the audited financial statements has been included as Attachment B.

A key indicator of the Township's financial condition from the Statement of Operations is the annual surplus number. The fact the Township reported a surplus while recognizing tangible capital asset costs of \$11,281,310 (amortization of \$11,318,727 less gain on disposal of tangible capital assets of \$37,417) indicates that the Township is at least able to fund the replacement of its existing capital assets, which are valued at historical cost.

Total revenue for the Township decreased by \$9,158,663 from 2024. This is due to the following:

- The sale of land in the new business park in Fergus in 2024 accounted for the large gain on disposal of tangible capital assets revenue line in the prior year;
- A reduction in the Provincial and Federal government transfers revenue lines reflect ICIP grant revenue recognized in 2024 for the JECC renovation capital project;
- A decrease in developer contributions from 2024 is due to the assumption of various road, water, wastewater and stormwater assets totaling \$8,640,539 in the Strathlea, Granwood, and Murray Drive developments in 2024. In 2025 the Township assumed linear assets in the Summerfields and Betty Hollow developments totaling \$4,079,810;
- These decreases were partially offset by an increase in net taxation, which includes all taxes levied by the Township, including supplementary taxes net of taxation write-offs; and
- An increase in the fees, rents, and concessions revenue line is mainly due to increased revenue from water and wastewater rates and fees, in addition to higher planning fee revenue earned in 2025.

Consolidated Statement of Changes in Net Financial Assets

The Consolidated Statement of Changes in Net Financial Assets provides financial statement users with additional information related to the Township's non-financial assets. It details the acquisition cost of tangible capital assets, as well as the annual charge for the use of those assets, as represented by amortization expense.

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows reports on the sources and uses of cash for the Township during the fiscal year. It reconciles the annual surplus to the cash balance reported in the Statement of Financial Position. The statement also provides further detail on the use of cash in operating, capital, investing, and financing activities.

The decrease in the cash balance during the year was \$3,855,275. This reflects a \$27,003,824 increase in cash from operating activities, offset by:

- \$27,763,481 of net cash used to acquire tangible capital assets;
- \$1,242,056 related to the net purchase of short term investments in 2025; and
- \$1,853,562 of cash used to repay principal on long-term debt.

Notes to the Consolidated Financial Statements

The Notes to the Consolidated Financial Statements provide additional information concerning amounts reported in the consolidated financial statements and summarize the significant accounting policies used in preparing the financial statements.

Of particular interest is Note 11 – Tangible Capital Assets. This note provides detailed information concerning the tangible capital assets under the Township's administration, including additions, disposals and amortization summarized by asset class. By dividing accumulated amortization of depreciable assets by the cost of depreciable assets, and comparing the value over time, a rough indicator can be derived of the Township's progress toward tangible capital asset replacement. At December 31, 2025 the Township's assets were approximately 41.5% depreciated. This compares to 41.0% in 2024, 41.5% in 2023, 43.1% in 2022, and 41.8% in 2021.

However, the best indicator of the Township's progression towards capital asset replacement, and the condition of its infrastructure, is found in the Township's Asset Management Plan (AMP). The cost assigned to each asset in the AMP is based on future replacement cost, whereas the tangible capital assets reported in the financial statements are valued at historical cost. The difference between these two valuation methods is significant as the majority of the Township's assets have useful lives ranging from 20 to 80 years.

Consultation:

The preparation for this report was done in consultation with the Township's Chief Financial Officer and Treasurer, Adam McNabb.

Attachments:

- [Attachment A - 2025 Audited Draft Consolidated Financial Statements](#)
- [Attachment B - Operating Fund Surplus to Annual Surplus per Audited Financial Statements Reconciliation](#)
- [2025 KPMG Audit Findings Report](#)

Approved By:

Adam McNabb, Chief Financial Officer & Treasurer
Dan Wilson, Chief Administrative Officer

Consolidated Financial Statements of

**THE CORPORATION OF
THE TOWNSHIP OF
CENTRE WELLINGTON**

Year ended December 31, 2025

DRAFT

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON
Index to Financial Statements

For the year ended December 31, 2025

Consolidated Financial Statements

Independent Auditors' Report.....	2-4
Consolidated Statement of Financial Position.....	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Financial Assets.....	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9-31

Trust Fund Financial Statements

Independent Auditors' Report.....	32-34
Statement of Financial Position.....	35
Statement of Operations and Changes in Net Financial Assets	36
Notes to Financial Statements	37

DRAFT



KPMG LLP
120 Victoria Street South
Suite 600
Kitchener ON N2G 0E1
Canada
Tel 519 747-8800
Fax 519 747-8811

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Centre Wellington

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Centre Wellington (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies
(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

June 18, 2026

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Consolidated Statement of Financial Position

December 31, 2025, with comparative figures for 2024

	2025	2024
Financial Assets		
Cash (note 2)	\$ 47,376,792	\$ 51,232,067
Short-term investments (note 3)	34,678,510	33,384,259
Taxes receivable	4,646,779	5,299,303
Accounts receivable	6,675,566	10,247,573
Loans receivable (note 4)	641,927	694,122
Investment in Centre Wellington Energy Inc. (note 5)	18,138,936	17,209,790
Investment in Centre Wellington Communications Inc. (note 5)	807,003	753,537
Total financial assets	112,965,513	118,820,651
Financial Liabilities		
Accounts payable and accrued liabilities	10,615,984	7,717,297
Other liabilities	500,105	483,669
Deferred revenue (note 6)	47,924,122	49,848,559
Employee future benefits (note 7)	2,049,130	1,974,251
Net long-term liabilities (note 9)	14,180,654	16,034,216
Asset retirement obligation liabilities (note 10)	1,791,571	1,672,026
Total financial liabilities	77,061,566	77,730,018
Net financial assets	35,903,947	41,090,633
Non-Financial Assets		
Tangible capital assets (note 11)	312,501,036	291,939,055
Inventories of supplies	68,478	121,959
Prepaid expenses	643,264	435,130
	313,212,778	292,496,144
Contingencies and commitments (note 19)		
Accumulated surplus (note 14)	\$ 349,116,725	\$ 333,586,777

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Consolidated Statement of Operations

Year ended December 31, 2025, with comparative figures for 2024

	Budget 2025 <small>(note 12)</small>	Actual 2025	Actual 2024
Revenue:			
Net taxation	\$ 23,325,990	\$ 23,583,465	\$ 22,324,392
Government transfers:			
Provincial	4,100,689	2,569,197	5,570,542
Federal	1,018,300	1,117,275	1,904,112
Municipal	1,044,600	1,147,358	997,729
Development charges earned	7,595,237	4,089,001	4,358,883
Licenses and permits	3,321,650	2,656,325	2,198,581
Fees, rents, and concessions	17,391,020	18,147,511	17,090,307
Penalties and interest on taxes	450,000	759,044	624,547
Interest, donations and other	2,574,655	2,962,562	3,566,565
Equity earnings from Centre			
Wellington Energy Inc. (note 5)	-	929,146	762,809
Equity earnings from Centre Wellington			
Communications Inc. (note 5)	-	53,466	83,880
Developer contributions	1,570,500	8,108,820	10,898,412
Gaming revenue (note 8)	2,800,000	2,755,568	2,810,120
Gain/(loss) on disposal of tangible capital assets	-	37,417	4,883,939
Total revenue	65,192,641	68,916,155	78,074,818
Expenses:			
General government	5,569,925	6,068,264	5,374,798
Protection to persons and property	5,180,346	5,286,558	4,773,742
Transportation services	7,671,672	15,305,580	14,717,091
Environmental services	9,935,307	13,366,296	12,713,593
Health services	226,325	272,266	253,781
Social and family services	787,705	925,373	741,482
Recreation and cultural services	7,817,687	9,506,252	8,778,798
Planning and development	2,506,933	2,655,618	2,099,729
Total expenses	39,695,900	53,386,207	49,453,014
Annual surplus	25,496,741	15,529,948	28,621,804
Accumulated surplus, beginning of year	333,586,777	333,586,777	304,964,973
Accumulated surplus, end of year	\$ 359,083,518	\$ 349,116,725	\$ 333,586,777

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2025, with comparative figures for 2024

	Budget (note 12)	2025	2024
Annual surplus	\$ 21,425,515	\$ 15,529,948	\$ 28,621,804
Acquisition of tangible capital assets, including contributed tangible capital assets	(24,231,390)	(31,956,000)	(33,469,354)
Amortization of tangible capital assets	-	11,309,681	10,928,138
Amortization of asset retirement obligations	-	9,046	8,776
(Gain)/loss on disposal of tangible capital assets	-	(37,417)	(4,883,939)
Proceeds on sale of tangible capital assets	-	112,709	5,636,567
	(2,805,875)	(5,032,033)	6,841,992
Change in inventories of supplies	-	53,481	(27,098)
Change in prepaid expenses	-	(208,134)	3,866
Change in net financial assets	(2,805,875)	(5,186,686)	6,818,760
Net financial assets, beginning of year	34,271,873	41,090,633	34,271,873
Net financial assets, end of year	\$ 31,465,998	\$ 35,903,947	\$ 41,090,633

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative figures for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 15,529,948	\$ 28,621,804
Items not involving cash:		
Amortization of tangible capital assets	11,309,681	10,928,138
Amortization of asset retirement obligations	9,046	8,776
(Gain)/loss on sale of tangible capital assets	(37,417)	(4,883,939)
Change in asset retirement obligation liabilities	119,545	95,091
Change in employee benefits and other liabilities	74,879	38,942
Equity earnings from Centre Wellington Energy Inc.	(929,146)	(762,809)
Equity earnings from Centre Wellington Communications Inc.	(53,466)	(83,880)
Contributed tangible capital assets	(4,079,810)	(8,640,539)
Change in non-cash assets and liabilities:		
Taxes receivable	652,524	(2,034,679)
Accounts receivable	3,572,007	(2,124,660)
Inventories of supplies	53,481	(27,098)
Prepaid expenses	(208,134)	3,866
Accounts payable and accrued liabilities	2,898,687	(1,394,718)
Other liabilities	16,436	24,185
Deferred revenue	(1,924,437)	4,912,832
Net change in cash from operating activities	27,003,824	24,681,312
Capital activities:		
Proceeds on sale of tangible capital assets	112,709	5,636,567
Cash used to acquire tangible capital assets	(27,876,190)	(24,828,815)
Net change in cash from capital activities	(27,763,481)	(19,192,248)
Investing activities:		
Purchase of short-term investments	(34,678,510)	(33,384,259)
Redemption of short-term investments	33,384,259	30,905,583
Net change in loans receivable	52,195	76,534
Net change in cash from investing activities	(1,242,056)	(2,402,142)
Financing activities:		
Long-term debt repaid	(1,853,562)	(2,376,901)
Net change in cash from financing activities	(1,853,562)	(2,376,901)
Net change in cash position during the year	(3,855,275)	710,021
Cash position, beginning of year	51,232,067	50,522,046
Cash position, end of year	\$ 47,376,792	\$ 51,232,067

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements

Year ended December 31, 2025

1. Accounting policies:

The consolidated financial statements of The Corporation of the Township of Centre Wellington ("the Township") are prepared by management in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Township are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

These consolidated statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township except for the Township's government business enterprises which are accounted for on the modified equity basis of accounting.

These entities and organizations include:

- Fergus - Business Improvement Area Board
- Elora - Business Improvement Area Board

Inter-organizational transactions and balances between these entities have been eliminated.

(ii) Investment in Government Business Enterprises:

The Township's investments in Centre Wellington Energy Inc. and Centre Wellington Communications Inc. are accounted for on a modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, Centre Wellington Energy Inc.'s and Centre Wellington Communications Inc.'s accounting policies are not adjusted to conform to those of the municipality and inter-organizational transactions and balances are not eliminated. The Township recognizes its equity interest in the annual income or loss of Centre Wellington Energy Inc. and Centre Wellington Communications Inc. in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Township may receive from Centre Wellington Energy Inc. or Centre Wellington Communications Inc. will be reflected as reductions in the investment asset account.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

1. Accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Accounting for county and school board transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the County of Wellington are not reflected in these consolidated financial statements.

(iv) Trust funds:

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the trust funds statement of operations and financial position.

(b) Basis of accounting:

The Township follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Property tax revenue is recognized on the accrual basis using the approved mill rates and the anticipated assessment related to the current year.

(c) Revenue recognition:

The Township prepares tax billings based on assessment rolls issued by Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenditures have been incurred and collection can be reasonably assured.

Revenues from an exchange transaction are recognized as or when the Township satisfies the performance obligation. Performance obligations may be satisfied at a point in time or over a period of time. Revenues from a non-exchange transaction are recognized where there is authority and a past event that gives rise to a claim of economic resources.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

1. Accounting policies (continued):

(d) Deferred revenue:

In accordance with PSAB requirements obligatory reserve funds are reported as a component of deferred revenue. The Township has obligatory development charge reserve funds that have been set aside, as required by the Development Charges Act, to finance a portion of the cost of growth-related projects. Revenue recognition occurs after the funds have been collected and when the Township has incurred the expenditures for the capital works for which the development charges were raised.

Unexpended funds received by the Township subject to a Municipal Funding Agreement for the transfer of Canada Community-Building Fund revenues are reported as deferred revenue and will be recognized as revenue in the fiscal year in which the eligible expenditures are incurred.

(e) Government transfers:

Government transfers received relate to social services, general government activities and various capital projects. Transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(f) Financial instruments:

The Township classifies all of its financial instruments at amortized cost. The maximum exposure to credit risk is the carrying value of the financial instruments. These financial instruments include cash, taxes receivable, trade and other receivables, long-term investments, loans receivable, accounts payable and accrued liabilities, and long-term liabilities. All financial instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of re-measurement. As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses and the statement of re-measurement has been excluded.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

(g) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

1. Accounting policies (continued):

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and 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.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land	N/A
Land improvements	20 - 60
Buildings	5 - 50
Vehicles	6 - 20
Equipment	3 - 15
Water and wastewater infrastructure	20 - 80
Road and structure infrastructure	20 - 50

Asset retirement obligations are amortized using the same basis and useful life as the underlying asset.

No amortization is charged in the year of acquisition. In the year of disposal, a full year of amortization is charged. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(iv) Interest capitalization

The Township does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

1. Accounting policies (continued):

(h) Non-financial assets (continued):

(vi) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(i) Employee future benefits:

The Township provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees.

The costs of benefits under the WSIB Act and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, insurance and health care cost trends, long-term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

1. Accounting policies (continued):

(j) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the organization is directly responsible or accepts responsibility for the liability
- (iv) future economic benefits will be given up, and
- (v) a reasonable estimate of the liability can be made.

(k) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset and other contract obligations;
- (ii) The past transactions or events giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The asset retirement obligation is based on management's best estimate of the expenditures to settle the obligation.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. This liability is discounted using a present value calculation, and adjusted yearly for accretion expense where there is a known retirement date. The liability for the removal of asbestos in buildings has also been recognized based on estimated future expenses on closure of the site and post-closure care. The recognition of a liability results in an accompanying increase to the respective tangible capital assets.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

1. Accounting policies (continued):

(l) Use of estimates:

The preparation of consolidated financial statements 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 period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, contaminated site liability, actuarial valuations of employee future benefits and the historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

2. Cash:

At December 31, 2025, the Township had undrawn capacity under a credit facility of \$7,000,000. Interest on the credit facility is at prime less 0.25%.

3. Short-term investments:

Short-term investments consist of the following:

	2025	2024
Guaranteed investment certificates held at a credit union	\$ 34,678,509	\$ 33,384,258
Credit union shares	1	1
	\$ 34,678,510	\$ 33,384,259

The guaranteed investment certificates held at a credit union earn interest at rates ranging from 3.23% to 3.78% (2024 – 4.00% to 5.40%) and mature in January, April, and December 2026. The short-term investment balance includes accrued interest earned on the guaranteed investment certificates of \$835,299 (2024 - \$990,793).

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

4. Loans receivable:

	2025	2024
Centre Wellington Communications Inc. – interest of 7%, blended principal and interest payments of \$8,185, due June 1, 2033	\$ 573,835	\$ 630,330
Water and Sewer Connection Loans – notes receivable from Township ratepayers bearing interest between 1.63% to 3.84%, blended principal and interest payments ranging from \$290 to \$2,835, maturing from 2026 to 2035	68,092	63,792
Total loans receivable	\$ 641,927	\$ 694,122

The Township and Centre Wellington Communications Inc. are related parties as the Township owns 100% of the outstanding shares of Centre Wellington Communications Inc. The loan and related interest charged are in the normal course of operations and are measured at the exchange amount, being the amounts agreed to by the related parties. Interest earned on the loan during the year was \$41,404 (2024 - \$45,182).

5. Government business enterprises:

Centre Wellington Energy Inc. is a corporation, incorporated under the laws of the Province of Ontario on December 4, 2008, providing municipal electrical distribution services. The Corporation of the Township of Centre Wellington owns 100% of the outstanding shares of Centre Wellington Energy Inc. Centre Wellington Energy Inc. owns 100% of the outstanding shares of Centre Wellington Hydro Ltd. and 100% of the outstanding shares of Centre Wellington Energy Innovations Inc. Centre Wellington Hydro Ltd. commenced operations on November 1, 2000 and Centre Wellington Energy Innovations Inc. was incorporated on December 1, 2015.

Centre Wellington Communications Inc. is a corporation, incorporated under the laws of the Province of Ontario on May 8, 2012, providing municipal high-speed communications services through a fibre optic system in Centre Wellington. The Corporation of the Township of Centre Wellington owns 100% of the outstanding shares of Centre Wellington Communications Inc.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

5. Government business enterprises (continued):

The following summarizes the financial position and operations of Centre Wellington Energy Inc. which has been reported in these consolidated financial statements using the modified equity method:

	2025	2024
Assets	\$ 31,709,136	\$ 29,503,600
Other liabilities	18,616,953	17,340,563
Net assets	13,092,183	12,163,037
Promissory note due to the Township of Centre Wellington	5,046,753	5,046,753
Investment in Centre Wellington Energy Inc.	\$ 18,138,936	17,209,790

	2025	2024
Revenues	\$ 27,318,883	\$ 25,603,506
Expenditures	26,389,737	24,840,697
Net earnings for the year	929,146	762,809
Retained earnings, beginning of year	6,640,991	5,878,182
Retained earnings, end of year	\$ 7,570,137	\$ 6,640,991

The following summarizes the financial position and operations of Centre Wellington Communications Inc. which has been reported in these consolidated financial statements using the modified equity method:

	2025	2024
Assets	\$ 1,649,314	\$ 1,580,318
Other liabilities	842,311	826,781
Net assets	\$ 807,003	753,537

	2025	2024
Revenue	\$ 348,325	\$ 350,261
Expenditures	294,859	266,381
Net earnings for the year	53,466	83,880
Retained earnings, beginning of year	753,537	669,657
Retained earnings, end of year	\$ 807,003	\$ 753,537

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

6. Deferred revenue:

The deferred revenues, reported on the consolidated statement of financial position, consist of the following:

2025	Opening	Contributions Received (Refunded)	Investment Income	Revenue Recognized	Ending
Obligatory:					
Development charges	\$33,361,206	\$ 2,829,595	\$ 1,264,782	\$ (4,089,001)	\$ 33,366,582
Recreational land	1,137,810	360,333	37,687	(904,209)	631,621
Parking revenues	43,635	-	1,515	-	45,150
Subdivider contributions	836,376	(110,381)	24,855	-	750,850
Building code	3,766,480	-	126,648	(1,422,319)	2,470,809
Federal CCBF funding	1,350,312	1,018,300	48,059	(1,003,197)	1,413,474
Other:					
Grading and damage deposits	3,070,459	(1,082,128)	-	-	1,988,331
Builder and other deposits	3,441,421	(486,481)	-	-	2,954,940
Other	2,840,860	4,302,365	-	(2,840,860)	4,302,365
	\$49,848,559	\$ 6,831,603	\$ 1,503,546	\$(10,259,586)	\$ 47,924,122

2024	Opening	Contributions Received (Refunded)	Investment Income	Revenue Recognized	Ending
Obligatory:					
Development charges	\$29,774,736	\$ 6,286,640	\$ 1,658,713	\$ (4,358,883)	\$ 33,361,206
Recreational land	878,855	230,019	47,886	(18,950)	1,137,810
Parking revenues	41,602	-	2,033	-	43,635
Subdivider contributions	826,578	(32,600)	42,398	-	836,376
Building code	4,384,028	-	209,222	(826,770)	3,766,480
Federal CCBF funding	732,745	991,496	44,916	(418,845)	1,350,312
Other:					
Grading and damage deposits	3,696,414	(625,955)	-	-	3,070,459
Builder and other deposits	3,984,311	(542,890)	-	-	3,441,421
Other	616,458	2,840,860	-	(616,458)	2,840,860
	\$44,935,727	\$ 9,147,570	\$ 2,005,168	\$(6,239,906)	\$ 49,848,559

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

7. Employee benefits and other liabilities:

The Township provides certain employee benefits, which will require funding in future periods. An actuarial estimate of the future liabilities for these benefits has been completed as at December 31, 2026.

	2025	2024
Post-employment benefits	\$ 873,574	\$ 803,082
Future payments required to WSIB	1,175,556	1,171,169
	<u>\$ 2,049,130</u>	<u>\$ 1,974,251</u>

(a) Post-employment benefits:

The Township pays health, dental, travel and life insurance benefits on behalf of its eligible senior management and management early retirees to age 65. Senior management and management are eligible for retiree benefits if they retire on an OMERS pension, before the age of 65.

The Township pays health, dental, travel and life insurance benefits on behalf of its non-management employees for early retirees to age 65.

Non-management members are eligible for retiree benefits if they retire on an OMERS pension after 55 years of age with at least 25 years' service.

The Township has a sick leave plan that does not provide a sick leave payout upon termination, death or retirement. Members are granted 12 days at the start of each year. The maximum number of carryover days is 10, regardless of the number of days at the start of the year. Therefore, the maximum number of days at the start of any year is 22 (12 new days and 10 days carried over). The most recent actuarial valuation was performed as at December 31, 2023, which is extrapolated to December 31, 2025.

Information about the post-employment benefit plan is as follows:

	2025	2024
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,276,611	\$ 1,272,809
Current benefit cost	77,398	72,612
Interest	56,941	56,099
Actuarial loss	-	-
Benefit payments	(99,905)	(124,909)
Expected accrued benefit obligation, end of year	1,311,045	1,276,611
Unamortized actuarial loss	(437,471)	(473,529)
Liability for post-employment benefits	<u>\$ 873,574</u>	<u>\$ 803,082</u>

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

7. Employee benefits and other liabilities (continued):

(a) Post-employment benefits (continued):

Included in expenses is \$36,058 (2024 - \$36,062) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average service life of 15 and 16 years (2024 – 15 and 16 years).

The main actuarial assumptions employed for the valuation are as follows:

(i) Interest (discount rate):

The obligation as at December 31, 2025, of the present value of future liabilities and the expense for the 12 months ended December 31, 2025, were determined using a discount rate of 4.50% (2024 – 4.50%).

(ii) Medical costs:

Medical costs were assumed to increase at the rate of 5.67% in 2025, reducing by 0.33% per year to 4.00% in 2030 and 4.00% per year thereafter.

(iii) Dental costs:

Dental costs were assumed to increase at the rate of 4.00% (2024 – 4.00%) per year.

The Township has established a reserve to mitigate the future impact of the post-employment benefits obligation. The balance at the end of the year is \$91,648 (2024 - \$75,356).

(b) WSIB:

With respect to responsibilities under provisions of the WSIB Act the Township has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements. The most recent actuarial valuation was performed as at December 31, 2022, which is extrapolated to December 31, 2025.

Information about the WSIB liability is as follows:

	2025	2024
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,106,843	\$ 1,104,480
Current benefit cost	42,021	40,647
Interest	48,777	48,660
Benefit payments	(87,858)	(86,944)
Expected accrued benefit obligation, end of year	1,109,783	1,106,843
Unamortized actuarial gain	65,773	64,326
WSIB liability	\$ 1,175,556	\$ 1,171,169

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

7. Employee benefits and other liabilities (continued):

(b) WSIB (continued):

Included in expenses is a loss of \$1,447 (2024 – \$3,285 gain) for amortization of the actuarial gain. The unamortized actuarial loss on future payments required to the WSIB is amortized over the expected period of the liability which is 14 years (2024 - 14 years).

The main actuarial assumptions employed for the valuation are as follows:

(i) Interest (discount rate):

The obligation as at December 31, 2025, of the present value of future liabilities and the expense for the 12 months ended December 31, 2025, were determined using a discount rate of 4.5% (2024 – 4.5%).

(ii) Administration costs:

Administration costs were assumed to be 23% (2024 - 23%) of the compensation expense.

(iii) Compensation expense:

Compensation costs, which include loss of earnings benefits, health care costs, survivor awards and non-economic loss awards, were assumed to increase at rates ranging from 0.5% to 2.5% (2024 – 0.5% to 2.5%) depending on the benefit type.

The Township has established a reserve to mitigate the future impact of the WSIB obligation. The balance at the end of the year is \$1,994,563 (2024 - \$1,686,602).

8. Gaming revenue:

Effective October 28, 2022, the Township entered into a new Municipality Contribution Agreement with the Ontario Lottery and Gaming Corporation (OLGC). As part of the agreement, OLGC provides quarterly payments to the Township, based on revenue at the Grand River Raceway, as follows:

- (a) 5.25% of the electronic games revenue that is less than \$65,000,000; plus
- (b) 3.00% of the electronic games revenue that is between \$65,000,000 and \$200,000,000; plus
- (c) 2.50% of the electronic games revenue that is between \$200,000,000 and \$500,000,000; plus
- (d) 0.50% of the electronic games revenue that is greater than \$500,000,000; plus
- (e) 4.00% of live table games revenue; and
- (f) 4.00% of sportsbook revenue

2025 gaming revenue proceeds of \$2,755,568 (2024 - \$2,810,120) were placed in Township reserve funds in accordance with the Township's OLG Funding Allocation Policy.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

9. Net long-term liabilities:

- (a) The balance of net long-term liabilities reported on the consolidated statement of financial position is made up of the following.

	2025	2024
Federation of Canadian Municipalities loan payable, bearing interest at 2.0%, semi-annual payments of \$304,545 including interest, due November 3, 2034	\$ 4,994,194	\$ 5,495,936
TD loan payable, bearing interest at 5.136%, monthly payments of \$72,993 including interest, due April 26, 2025	-	290,621
CMHC loan payable, bearing interest at 3.59%, annual payments of \$198,007 including interest, due December 1, 2025	-	191,145
County of Wellington loans payable, non-interest bearing, annual payments of between \$6,615 - \$14,076, maturing between September 1, 2023 and September 1, 2025	-	14,076
Infrastructure Ontario loan payable, bearing interest at 2.48%, semi-annual payments of \$74,787 including interest, due March 2, 2040	1,812,363	1,915,075
Infrastructure Ontario loan payable, bearing interest at 2.95%, semi-annual payments of \$125,151 including interest, due December 15, 2041	3,174,097	3,327,363
County of Wellington loan payable, bearing interest at 2.8% to 3.85%, repayable in annual principal and semi-annual interest payments of approximately \$720,000, due June 2, 2032	4,200,000	4,800,000
	\$ 14,180,654	\$ 16,034,216

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

9. Net long-term liabilities (continued):

(b) Principal payments required for the next five years and thereafter are due as follows:

2026	\$ 1,374,874
2027	1,392,477
2028	1,410,449
2029	1,428,959
2030	1,447,799
Thereafter	7,126,096
Total	\$ 14,180,654

(c) Total interest on long-term liabilities, which are reported on the consolidated statement of operations, amounted to \$436,105 (2024 - \$501,858).

10. Asset retirement obligations:

(a) Asbestos obligation:

The Township owns and operates buildings that are known to have asbestos. Following the adoption of PS3280 – Asset retirement obligations, the Township recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2022. The buildings have an estimated useful life of 50 years.

Changes to the asset retirement obligations in the year are as follows:

Asset retirement obligations	Other	Asbestos removal	Water and wastewater decommission	Balance at December 31, 2025
Opening balance	\$ 610,914	\$ 973,536	\$ 87,576	\$ 1,672,026
Accretion expense	30,546	48,676	4,379	83,601
In year change estimate	41,048	-	-	41,048
In year settlement	(5,104)	-	-	(5,104)
Closing balance	\$ 677,404	\$ 1,022,212	\$ 91,955	\$ 1,791,571

Asset retirement obligations	Other	Asbestos removal	Water and wastewater decommission	Balance at December 31, 2024
Opening balance	\$ 566,352	\$ 927,177	\$ 83,406	\$ 1,576,935
Accretion expense	28,318	46,359	4,170	78,847
In year change estimate	16,244	-	-	16,244
Closing balance	\$ 610,914	\$ 973,536	\$ 87,576	\$ 1,672,026

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Financial Statements, continued

Year ended December 31, 2025

11. Tangible capital assets:

	Land	Land Improvements	Buildings	Vehicles	Equipment	Water & Wastewater	Roads & Structures	Assets under construction	Total 2025
Cost									
Beginning of year	\$13,345,420	\$11,570,561	\$ 31,363,407	\$ 18,407,535	\$ 13,679,116	\$ 144,921,049	\$ 243,448,945	\$ 5,101,538	\$ 481,837,571
Asset retirement obligations	-	33,462	7,586	-	-	-	-	-	41,048
Additions	2,090,976	874,868	1,213,824	883,483	701,517	5,322,054	7,653,376	13,539,655	32,279,753
Disposals	-	-	(75,475)	(262,917)	(165,297)	(2,165,265)	(475,399)	(364,799)	(3,509,152)
Cost, end of year	15,436,396	12,478,891	32,509,342	19,028,101	14,215,336	148,077,838	250,626,922	18,276,394	510,649,220
Accumulated amortization									
Beginning of year	-	3,329,338	11,859,702	8,045,877	7,067,405	51,203,768	108,392,426	-	189,898,516
Amortization	-	325,509	750,949	1,391,144	887,317	2,579,995	5,383,813	-	11,318,727
Disposals	-	-	(58,952)	(255,956)	(165,297)	(2,128,454)	(460,400)	-	(3,069,059)
Accumulated amortization, end of year	-	3,654,847	12,551,699	9,181,065	7,789,425	51,655,309	113,315,839	-	198,148,184
Net book value, end of year	\$15,436,396	\$ 8,824,044	\$ 19,957,643	\$ 9,847,036	\$ 6,425,911	\$ 96,422,529	\$ 137,311,083	\$18,276,394	\$ 312,501,036

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Financial Statements, continued

Year ended December 31, 2025

11. Tangible capital assets (continued):

	Land	Land Improvements	Buildings	Vehicles	Equipment	Water & Wastewater	Roads & Structures	Assets under construction	Total 2024
Cost									
Beginning of year	\$ 6,698,561	\$ 10,760,455	\$ 31,025,662	\$ 15,393,114	\$ 12,967,308	\$ 138,946,047	\$ 227,789,231	\$ 7,914,390	\$ 451,494,768
Asset retirement obligations	-	16,244	-	-	-	-	-	-	16,244
Additions	7,281,969	862,774	407,010	4,435,572	1,125,612	6,076,870	16,076,156	1,902,996	38,168,959
Disposals	(635,110)	(68,912)	(69,265)	(1,421,151)	(413,804)	(101,868)	(416,442)	(4,715,848)	(7,842,400)
Cost, end of year	13,345,420	11,570,561	31,363,407	18,407,535	13,679,116	144,921,049	243,448,945	5,101,538	481,837,571
Accumulated amortization									
Beginning of year	-	3,078,841	11,124,541	8,319,595	6,646,232	48,394,929	103,771,387	-	181,335,525
Amortization	-	293,419	777,538	1,134,825	834,977	2,868,074	5,028,081	-	10,936,914
Disposals	-	(42,922)	(42,377)	(1,408,543)	(413,804)	(59,235)	(407,042)	-	(2,373,923)
Accumulated amortization, end of year	-	3,329,338	11,859,702	8,045,877	7,067,405	51,203,768	108,392,426	-	189,898,516
Net book value, end of year	\$ 13,345,420	\$ 8,241,223	\$ 19,503,705	\$ 10,361,658	\$ 6,611,711	\$ 93,717,281	\$ 135,056,519	\$ 5,101,538	\$ 291,939,055

(a) Assets under construction:

Assets under construction having a value of \$18,276,394 (2024 - \$5,101,538) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$4,079,810 (2024 - \$8,640,539).

(c) Tangible capital assets disclosed at nominal values:

Were an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land and building are the only categories where nominal values were assigned.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

12. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2025 operating and capital budgets approved by Council on December 16, 2024. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenues:	
Operating budget	\$ 55,638,265
Capital budget	48,800,150
Less:	
Transfers from other funds	(26,299,474)
Proceeds on debt issue	(12,946,300)
Total revenue	65,192,641
Expenses:	
Operating budget	55,638,265
Capital budget	48,800,150
Less:	
Transfers to other funds	(15,837,979)
Capital expenses	(46,988,650)
Debt principal payments	(1,915,886)
Total expenses	39,695,900
Annual surplus	\$ 25,496,741

13. Operations of School Boards and the County of Wellington:

Further to note 1(a)(iii), the taxation and other revenues for the School Boards and the County of Wellington are comprised of the following:

	School Boards	County
Taxation and user charges	\$ 11,897,541	\$ 43,079,008

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

14. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2025	2024
Surplus:		
Invested in tangible capital assets	\$ 312,501,036	\$ 291,939,055
General purposes	1,438,328	3,409,403
Unfunded asset retirement obligations	(1,791,571)	(1,672,026)
Investment in Centre Wellington Energy Inc.	18,138,936	17,209,790
Investment in Centre Wellington Communications Inc.	807,003	753,537
Amounts to be recovered:		
Post-employment benefits	(873,574)	(803,082)
WSIB	(1,175,556)	(1,171,169)
Net long-term liabilities	(14,180,654)	(16,034,216)
Total surplus	314,863,948	293,631,292
Reserves set aside by Council for:		
Capital works - Wastewater	7,475,756	11,533,019
Working capital	1,109,662	1,109,662
Capital works - Roads	687,680	589,066
Replacement of equipment	5,444,534	4,277,774
Capital works - Waterworks	5,909,216	6,633,739
Other	3,090,689	5,965,825
Capital works - Fire	86,352	70,429
Capital works - Parks and Recreation	31,100	31,100
Contingencies	188,183	250,000
Total reserves	24,023,172	30,460,614
Reserve funds set aside for specific purposes by Council for:		
Capital works and operating - Other	5,592,794	5,815,088
Capital works - Social services	514,076	438,466
Capital works - Roads	4,122,735	3,241,317
Total reserve funds	10,229,605	9,494,871
Accumulated surplus	\$ 349,116,725	\$ 333,586,777

15. Trust funds:

Trust funds administered by the municipality amounting to \$1,645,346 (2024 - \$1,509,936) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

16. Public liability insurance:

The Township has undertaken a portion of the risk for public liability as a means of achieving efficient and cost effective risk management. The Township has opted for a self-insured retention or deductible, of \$25,000 for each occurrence involving public liability claims. In excess of the self-insured retention, the Township insurance program carries limits up to \$15,000,000 per occurrence.

The Township has established a reserve for allocated self-insurance claims. The balance at the end of the year is \$153,109 (2024 - \$189,413).

17. Pension agreements:

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. This plan is a 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. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2025 was \$1,543,221 (2024 - \$1,423,743) for current service. The contribution rate for 2025 was 9% to 15.8% (2024 - 9% to 15.8%) depending on age and income level.

The latest available report for the OMERS plan was December 31, 2025. At that time the plan reported a \$1.3 billion actuarial deficit (2024 - \$2.9 billion deficit), based on actuarial liabilities of \$149.6 billion (2024 - \$140.8 billion) and actuarial assets of \$148.3 billion (2024 - \$137.9 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

18. Financial instrument risk:

The fair value of the Township's financial instruments that are comprised of cash, taxes receivable, trade and other receivables, long-term investments, loans receivable, accounts payable and accrued liabilities, and long-term liabilities approximate their carrying value due to their short term nature and are measured at cost or amortized cost in the statement of financial position. The fair value of investments is disclosed in note 3. It is management's opinion that the Township is not exposed to significant risk arising from these financial instruments and there have been no significant changes to these risk exposures from 2024.

(a) Credit Risk

The Township is exposed to credit related losses through cash, accounts receivable and investments in the event of non-performance by counterparties to the financial instruments. Credit risk is minimized by dealing with reputable financial institutions. Accounts receivable of \$2,798,620 (2024 - \$4,821,708) are mainly due from governments of which \$NIL (2024 - \$2,533,359) were over 90 days past due.

(b) Liquidity risk

Liquidity risk is the risk that the Township will be unable to meet all cash outflow obligations as they come due. Liquidity risk is minimized by monitoring cash activities and through cash flow forecasting including a laddered investment maturity approach to match large cash outflows.

(c) Market risk

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and other price risks will affect the annual surplus or the fair value of financial instruments. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at year end. Revenue and expenses are translated at the exchange rate prevailing on the transaction date. Exchange gains and losses are included in the consolidated statement of operations. Interest rate risk is minimized through a diversified investment portfolio held in accordance with the Township's consolidated investment policy.

19. Contingencies and commitments:

- (a) The Township is contingently liable for long-term liabilities with respect to tile drainage loans and for those for which the responsibility for payment of principal and interest has been assumed by school boards and the County of Wellington.
- (b) From time to time, the Township is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts. These claims may be covered by the Township's insurance up to a maximum of \$15,000,000 per occurrence. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

20. Segmented information:

The Township of Centre Wellington is a diversified municipal government institution that provides a wide range of services to its citizens, including roads, water and wastewater services, planning, parks and recreation, fire, administration of the building code, stray animal control, cemetery operations and various cultural and social activities. For management reporting purposes, the Township's operations and activities are reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Township services are provided by departments, and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information in the following schedule.

	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation & Culture	Planning & Development	2025 Consolidated
Revenues									
Taxation	\$ 4,866,069	\$ 2,801,718	\$ 8,397,684	\$ -	\$ 11,411	\$ 585,866	\$ 5,685,249	\$ 1,235,468	\$ 23,583,465
Government transfers	193,325	505,658	3,330,521	571,473	-	62,670	95,183	75,000	4,833,830
Development charges earned	340,538	18,697	1,294,977	2,063,776	-	-	318,624	52,389	4,089,001
Licences and permits	97,847	2,530,219	28,023	-	-	-	236	-	2,656,325
Fees, rents and concessions	505,890	90,744	4,602	13,474,219	249,516	293,086	2,929,193	600,261	18,147,511
Penalties and interest on taxes	759,044	-	-	-	-	-	-	-	759,044
Interest, donations and other	2,323,364	55,694	226,293	135,173	64,542	18,685	22,608	116,203	2,962,562
Equity earnings from Centre Wellington Energy Inc.	929,146	-	-	-	-	-	-	-	929,146
Equity earnings from Centre Communications Inc.	53,466	-	-	-	-	-	-	-	53,466
Developer contributions	5,437	-	5,806,582	1,357,383	-	-	931,918	7,500	8,108,820
Gaming revenue	-	-	1,121,516	-	11,022	-	1,510,052	112,978	2,755,568
Gain/(loss) on disposal of tangible capital assets	-	-	39,939	9,290	-	-	(11,812)	-	37,417
Total Revenues	\$ 10,074,126	\$ 6,002,730	\$ 20,250,137	\$ 17,611,314	\$ 336,491	\$ 960,307	\$ 11,481,251	\$ 2,199,799	\$ 68,916,155
Expenses									
Salaries and benefits	\$ 3,389,414	\$ 3,435,944	\$ 3,356,482	\$ 5,232,758	\$ 140,966	\$ 424,647	\$ 4,670,956	\$ 1,626,592	\$ 22,277,759
Goods and services	2,294,618	1,105,374	5,293,537	4,843,622	113,328	454,160	3,386,999	973,317	18,464,955
Transfer payments	-	265,168	-	244,686	-	-	180,713	1,163	691,730
Interest and rental	58,433	-	97,261	279,350	-	-	68,374	46,017	549,435
Amortization	320,424	475,742	6,506,467	2,753,365	17,615	46,377	1,190,782	7,955	11,318,727
Accretion	5,375	4,330	51,833	12,515	357	189	8,428	574	83,601
Total Expenses	\$ 6,068,264	\$ 5,286,558	\$ 15,305,580	\$ 13,366,296	\$ 272,266	\$ 925,373	\$ 9,506,252	\$ 2,655,618	\$ 53,386,207

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2025

20. Segmented information (continued):

	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation & Culture	Planning & Development	2024 Consolidated
Revenues									
Taxation	\$ 4,603,176	\$ 2,520,568	\$ 7,920,710	\$ -	\$ 10,571	\$ 690,446	\$ 5,510,070	\$ 1,068,851	\$ 22,324,392
Government transfers	212,021	371,284	4,519,263	639,154	-	53,812	2,651,849	25,000	8,472,383
Development charges earned	200,000	44	1,636,476	1,838,281	-	-	496,298	187,784	4,358,883
Licences and permits	49,030	2,104,244	31,260	-	-	-	-	14,047	2,198,581
Fees, rents and concessions	402,579	84,069	61,326	12,858,228	251,017	246,822	2,833,571	352,695	17,090,307
Penalties and interest on taxes	624,547	-	-	-	-	-	-	-	624,547
Interest, donations and other	3,139,862	75,950	74,858	71,670	76,454	23,043	96,078	8,650	3,566,565
Equity earnings from Centre Wellington Energy Inc.	762,809	-	-	-	-	-	-	-	762,809
Equity earnings from Centre Communications Inc.	83,880	-	-	-	-	-	-	-	83,880
Developer contributions	-	-	8,103,987	2,708,052	-	-	41,773	44,600	10,898,412
Gaming revenue	-	123,645	2,065,438	-	19,671	-	601,366	-	2,810,120
Gain/(loss) on disposal of tangible capital assets	-	-	152,520	38,183	-	-	18,398	4,674,838	4,883,939
Total Revenues	\$ 10,077,904	\$ 5,279,804	\$ 24,565,838	\$ 18,153,568	\$ 357,713	\$ 1,014,123	\$ 12,249,403	\$ 6,376,465	\$ 78,074,818
Expenses									
Salaries and benefits	\$ 3,137,746	\$ 3,294,846	\$ 2,996,025	\$ 4,704,115	\$ 91,078	\$ 326,036	\$ 4,225,025	\$ 1,426,497	\$ 20,201,368
Goods and services	1,864,154	935,062	5,572,863	4,447,165	145,961	368,863	3,128,400	616,092	17,078,560
Transfer payments	-	114,290	-	229,957	-	-	206,684	-	550,931
Interest and rental	55,526	-	102,348	320,799	-	-	79,092	48,629	606,394
Amortization	312,253	425,421	5,997,263	2,999,638	16,402	46,403	1,131,570	7,964	10,936,914
Accretion	5,119	4,123	48,592	11,919	340	180	8,027	547	78,847
Total Expenses	\$ 5,374,798	\$ 4,773,742	\$ 14,717,091	\$ 12,713,593	\$ 253,781	\$ 741,482	\$ 8,778,798	\$ 2,099,729	\$ 49,453,014



KPMG LLP
120 Victoria Street South
Suite 600
Kitchener ON N2G 0E1
Canada
Tel 519-747-8800
Fax 519-747-8811

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Centre Wellington

Opinion

We have audited the consolidated financial statements of the trust funds of The Corporation of the Township of Centre Wellington (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations and changes in net financial assets for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies
(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations and its changes in net financial assets 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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity 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 these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

June 18, 2026

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Trust Funds - Statement of Financial Position

As at December 31, 2025, with comparative figures for 2024

	Elora & Fergus Cemetery Perpetual Care	Mount Carmel Cemetery Perpetual Care	M.W. Baptie Scholarship	2025 Total	2024 Total
Assets					
Cash	\$ 260,891	\$ 5,781	\$ 5,600	\$ 272,272	\$ 259,652
Term deposit certificates (note 2)	1,034,351	46,441	1,000	1,081,792	1,037,380
CIBC stock	288,678	-	-	288,678	210,958
Due from Township	2,604	-	-	2,604	1,946
	\$ 1,586,524	\$ 52,222	\$ 6,600	\$ 1,645,346	\$ 1,509,936
Liabilities					
Due to Township	\$ -	\$ -	\$ -	\$ -	\$ -
Net assets	\$ 1,586,524	\$ 52,222	\$ 6,600	\$ 1,645,346	\$ 1,509,936
Net asset components					
Accumulated surplus	\$ 1,299,145	\$ 52,222	\$ 6,600	\$ 1,357,967	\$ 1,300,277
Accumulated remeasurement gains	287,379	-	-	287,379	209,659
Net assets	\$ 1,586,524	\$ 52,222	\$ 6,600	\$ 1,645,346	\$ 1,509,936

See accompanying notes to financial statements.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Trust Funds - Statement of Operations, Changes in Accumulated Surplus and Remeasurement Gains

Year ended December 31, 2025, with comparative figures for 2024

	Elora & Fergus Cemeteries Perpetual Care	Mount Carmel Cemetery Perpetual Care	M.W. Baptie Scholarship	2025 Total	2024 Total
Revenue					
Sale of plots and cemetery fees	\$ 56,351	\$ 1,160	\$ -	\$ 57,511	\$ 65,224
Investment income	59,525	2,126	179	61,830	74,692
	115,876	3,286	179	119,341	139,916
Expenses					
Reimbursement to Township	59,525	-	-	59,525	71,749
Reimbursement to Mount Carmel Cemetery	-	2,022	-	2,022	2,677
Bank charges	-	104	-	104	-
	59,525	2,126	-	61,651	74,426
Surplus	56,351	1,160	179	57,690	65,490
Accumulated surplus, beginning of year	1,242,794	51,062	6,421	1,300,277	1,234,787
Accumulated surplus, end of year	\$ 1,299,145	\$ 52,222	\$ 6,600	\$ 1,357,967	\$ 1,300,277
Accumulated remeasurement gains					
Accumulated remeasurement gains, beginning of year	\$ 209,659	\$ -	\$ -	\$ 209,659	\$ 146,717
Unrealized gains attributed to CIBC stock	77,720	-	-	77,720	62,942
Accumulated remeasurement gains, end of year	\$ 287,379	\$ -	\$ -	\$ 287,379	\$ 209,659

See accompanying notes to financial statements.

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

Trust Funds
Notes to Financial Statements

Year ended December 31, 2025

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements of The Corporation of the Township of Centre Wellington Trust Funds are representations of management. They have been prepared in accordance with the Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB).

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Management responsibility:

The financial information of the Corporation of the Township of Centre Wellington Trust Funds are the representation of management. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgment and review.

2. Investments:

The total investments of \$1,081,792 (2024 - \$1,037,380) reported on the statement of financial position have a market value of \$1,081,792 (2024 - \$1,037,380) at the end of the year.

Attachment B

**Operating Fund Surplus to Annual Surplus per Audited Financial Statements Reconciliation
For the Year Ended December 31, 2025**

Operating Fund Deficit		\$ (51,443)
Add adjustments for:		
Capital fund external revenue sources (Developers, DC's, Subsidy, Other)	7,589,249	
Reserve fund investment revenue	301,076	
Debt principal payments expensed in operating fund	1,853,562	
Net transfers to reserves from operating fund	15,689,259	
Government business enterprise equity pickup	982,612	
Gain on disposal of tangible capital assets	37,417	
Contributed tangible capital assets	<u>4,079,810</u>	30,532,985
Less adjustments for:		
Amortization of tangible capital assets	11,309,681	
Net charges for Asset Retirement Obligations	92,647	
Capital budget project costs expensed	3,429,102	
Amortization of prepaid expenditures	39,908	
Fully consolidated local boards (BIAs) net loss	5,377	
Increase in employee future benefit estimate	<u>74,879</u>	(14,951,594)
Annual Surplus Per Audited Financial Statements		<u>\$ 15,529,948</u>



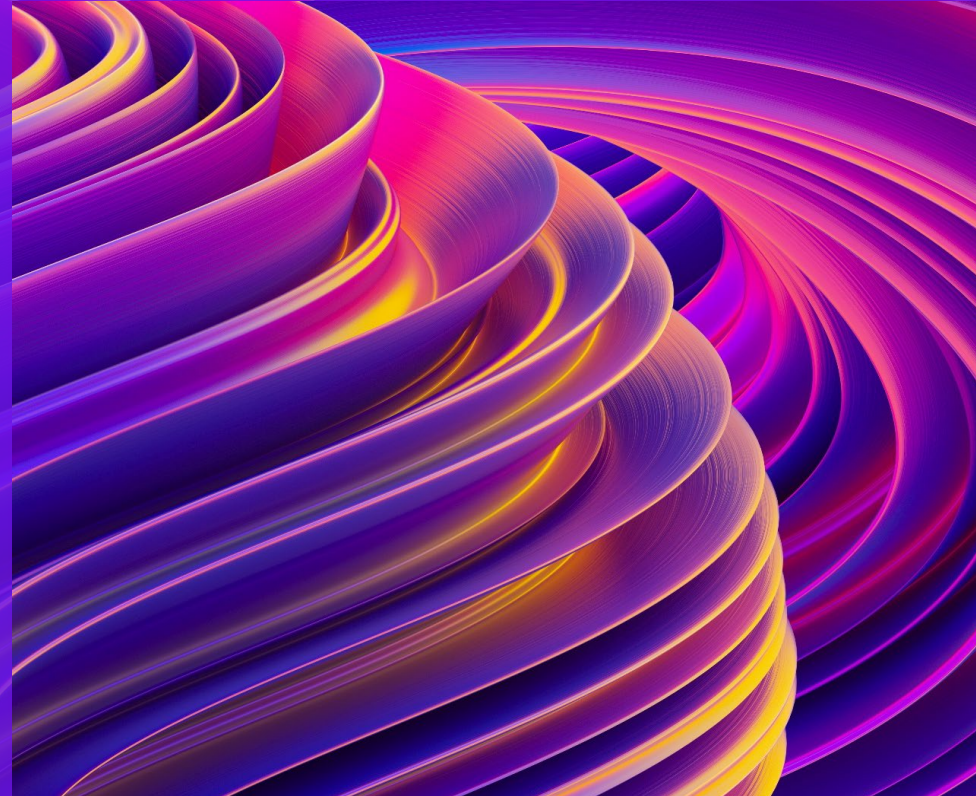
Township of Centre Wellington

**Audit Findings Report
for the year ended December 31, 2025**

KPMG LLP

Prepared as of June 3, 2026 for presentation to Council on June 15, 2026.

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



Matthew Betik, CPA, CA
Lead Audit Engagement Partner
519-747-8245
mbetik@kpmg.ca



Tasha Evans
Lead Audit Engagement Manager
519-747-8889
tashaevans1@kpmg.ca



Table of contents

4	Highlights	5	Status	6	Risks and results	14	Policies and practices
16	Specific topics	17	Misstatements	18	Control deficiencies	19	Audit quality
21	Independence	23	Appendices				

Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

Audit highlights

No matters to report
 Matters to report – see link for details

Scope

Our audit of the consolidated financial statements of The Corporation of The Township of Centre Wellington (“the Township”) as of and for the year ending **December 31, 2025**, will be performed in accordance with Canadian generally accepted auditing standards.

[Engagement letter](#)

Status

We have completed the audit of the financial statements, with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.

Audit strategy

Materiality \$1,000,000

Involvement of others

Risks and results & Significant unusual transactions

- Significant risks
- Other risks of material misstatement
- Going concern matters
- Significant unusual transactions

Policies and practices & Specific topics

- Accounting policies and practices
- Other financial reporting matters
- Specific topics

Misstatements - uncorrected

- Uncorrected misstatements

Misstatements - Corrected

- Corrected misstatements

Control deficiencies

- Significant deficiencies

Audit Quality

- Learn more about how we deliver audit quality

Independence

- Annual Statement of Compliance



The purpose of this report is to assist you, as a member of the Council, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Council and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Status

As of June 3, 2026 of preparation of Audit Findings Report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with Council;
- Completion of subsequent events procedures, up to the date of approval of the financial statements or completion of the audit
- Obtaining evidence of Council's approval of the financial statements; and
- Receipt of the signed management representation letter

We will update Council, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in the draft financial statements.

KPMG Clara for Clients (KCC)



Real-time collaboration and transparency

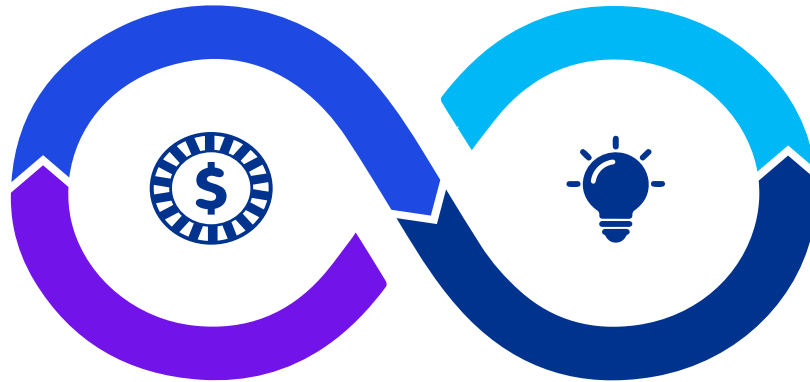
We leveraged **KCC** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCC to coordinate requests with management.

[Learn more](#)



Materiality



We **determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

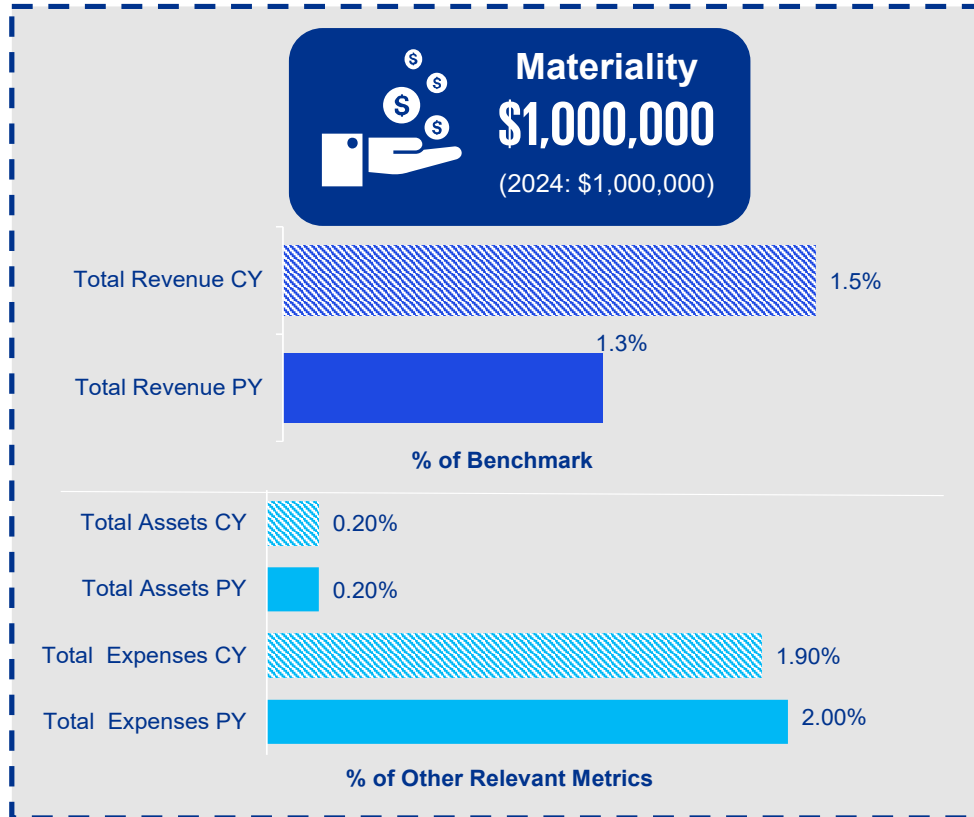
Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



Materiality



Total Revenues
\$68,916,155
(2024: \$78,074,818)

Total Expenses
\$53,386,207
(2024: \$49,453,014)

Total Assets
\$426,178,291
(2024: \$411,316,795)



Significant risks and results

We highlight our significant findings in respect of **significant risk**.



Management Override of Controls

RISK OF

FRAUD

Significant risk

Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

Our response

- We tested the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries.
- We obtained 100% of the journal entries posted during the year.
- In responding to risks of fraud and management override of controls, we set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings. We focused on journal entries recorded and posted as part of the year-end closing process.
- No issues were noted in the performance of the above procedures.

Significant qualitative aspects of the Township's accounting practices

No significant qualitative aspects to note.

Advanced technologies

Our **KPMG Clara Journal Entry Analysis Tool** assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focusses our audit effort on journal entries that are riskier in nature.



[Click to learn more](#)





Other risks of material misstatement and results



Obligatory reserve fund revenue and deferred revenue

Other risk of material misstatement

Estimate?

Obligatory reserve fund revenue and other deferred grant revenue. We are focusing on this area due to revenue recognized from development charge reserve fund is subject to judgment as capital projects must be growth related in nature. Additionally, we focus on other deferred revenue, including subdivider deposits.

No

Our response

- We have performed statistical sampling and reconciled to agreement, cash received and revenue reported for the fiscal year.
- We have performed statistical sampling over contributions received and contributions recognized in deferred revenue and obtained supporting documentation to ensure the contribution was received and the funds were used for expenditures that are growth related in nature.
- No issues noted.

Significant qualitative aspects of the Township's accounting practices

No significant qualitative aspects to note.





Other risks of material misstatement and results



Tangible Capital Assets

Other risk of material misstatement

Estimate?

Tangible capital assets

No

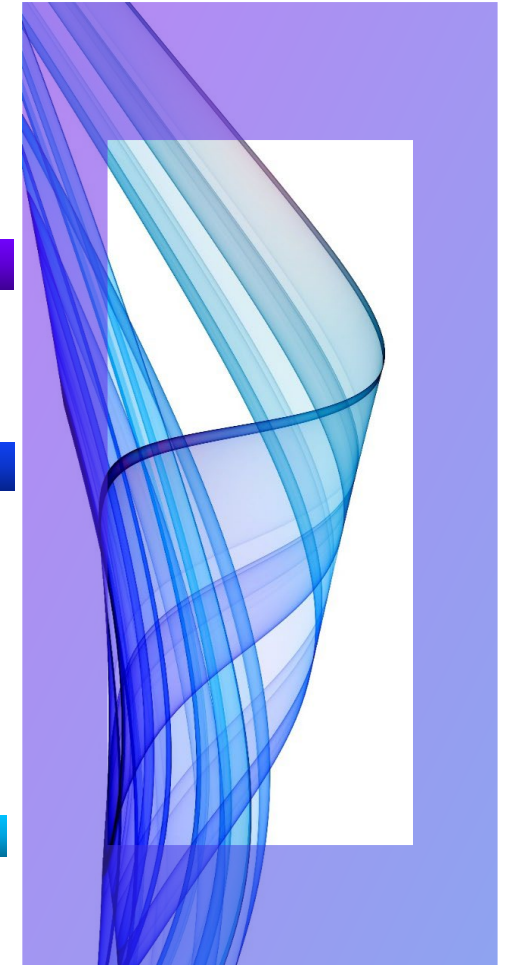
We are focusing on this area due to the significance of the account balances and the fact that there is a risk of error in inappropriately recognizing costs as either capital or operating.

Our response

- Discussion over capitalization policies and their application with management,
- Performed statistical sampling to select tangible capital asset additions and retirements in the year.
- Tested expense accounts to ensure that items related to tangible capital assets were not inappropriately expensed in the current year,
- Tested the reasonableness of amortization expense.

Significant qualitative aspects of the Township's accounting practices

No significant qualitative aspects to note.





Other risks of material misstatement and results



Post-employment benefits

Other risk of material misstatement

Estimate?

Post-employment benefits

Yes

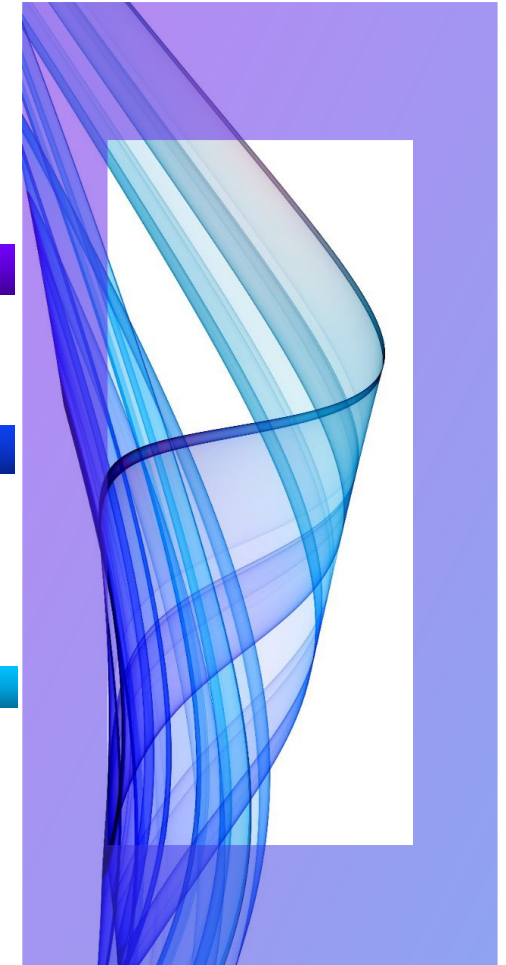
We are focusing on this area due to this being an estimate with significant judgment used by management and management's specialists. Additionally, there is complexity of the accounting guidance.

Our response

- Communicated with management's actuarial specialists.
- Management's process for identification and making accounting estimates are consistent with prior year.
- Assessed the reasonableness of assumptions used, and tested the appropriateness of the underlying data, including employee populations.
- We used the work of the Nexus Actuarial Consultants Ltd. (Actuarial Consultant) in our audit of the accounts and disclosures.
- No issues were noted in the performance of the above procedures.

Significant qualitative aspects of the Township's accounting practices

No significant qualitative aspects to note.





Other risks of material misstatement and results



Asset retirement obligations

Other risk of material misstatement

Estimate?

Asset retirement obligation

Yes

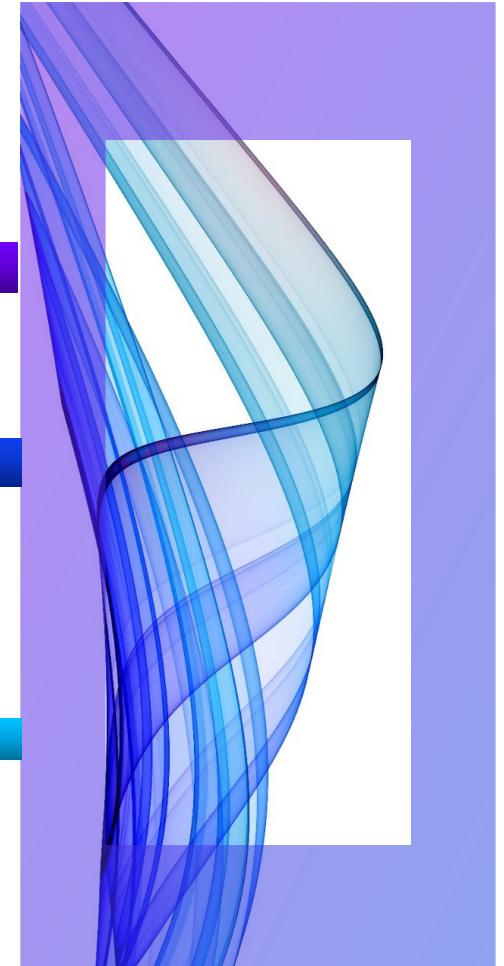
We are focusing on this area due to this being an estimate with significant judgment used by management and management's specialists.

Our response

- KPMG gained an understanding of the Township's process for Asset Retirement Obligations ("ARO") related transactions, with a focus on subsequent measurement.
- KPMG documented the relevant elements to the estimates, any changes to estimates, and the underlying data (methodology; controls; use of experts; assumptions).
- KPMG reconciled and recalculated the ARO accounts reconciliations, and inspect relevant documentation regarding new or updated obligations.
- No issues were noted in the performance of the above procedures.

Significant qualitative aspects of the Township's accounting practices

No significant qualitative aspects to note.





Required inquiries of Council



Inquiries regarding risk assessment, including fraud risks

- What are the Council's views about fraud risks, including management override of controls, in the Township? And have you taken any actions to respond to any identified fraud risks?
- Is the Council aware of, or has the Council identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
 - If so, have the instances been appropriately addressed and how have they been addressed?
- How does the Council exercise oversight of the Township's fraud risks and the establishment of controls to address fraud risks?



Inquiries regarding Township processes

- Is the Council aware of tips or complaints regarding the Township's financial reporting (including those received through the Council internal whistleblower program, if such programs exist)? If so, the Council responses to such tips and complaints?



Inquires regarding related parties and significant unusual transactions

- Is the Council aware of any instances where the Township entered into any significant unusual transactions?
- What is the Council understanding of the Township's relationships and transactions with related parties that are significant to the Township?
- Is the Council concerned about those relationships or transactions with related parties? If so, the substance of those concerns?



Accounting policies and practices



Initial selection of significant accounting policies and practices

None for the current year.



Description of new or revised significant accounting policies and practices

There are no revised accounting policies and practices.



Significant qualitative aspects

Discussion about qualitative aspects of material accounting policies and practices

- **Appropriateness:** We have reviewed the accounting policies and practices as a result of the adoption of the aforementioned standards and have concluded that they are appropriate.
- **Management bias:** Our review of management's judgments did not indicate any management bias.
- **Estimates:** We have evaluated the estimates determined by the Township and noted no indication of possible bias on the part of management.
- **Effect on the financial statements or disclosures:** We believe the impact on the financial statements due to the aforementioned standards has been appropriately recorded and all required disclosures relating to their adoption and all retrospective adjustments have been appropriately applied and disclosed.



Other financial reporting matters

We also highlight the following:



Financial statement presentation - form, arrangement, and content



No matters to report.



Concerns regarding application of new accounting pronouncements



The revised Concepts Underlying Financial Performance is effective for years beginning on or after April 1, 2026. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. PS 1202 Financial Statement Presentation will replace the current section PS 1201 Financial Statement Presentation. PS 1202 will apply to fiscal years beginning on or after April 1, 2026 and will alter the presentation of core financial statements. It is not expected to have any impact on the recognition and measurement of assets or liabilities.



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report.



Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
Illegal acts, including noncompliance with laws and regulations, or fraud (identified or suspected)	No matters to report
Other information in documents containing the audited financial statements	No matters to report
Significant difficulties encountered during the audit	No matters to report
Difficult or contentious matters for which the auditor consulted	No matters to report
Management's consultation with other accountants	No matters to report
Disagreements with management	No matters to report
Related parties	No matters to report
Significant issues in connection with our appointment or retention	No matters to report
Other matters that are relevant matters of governance interest	No matters to report
Significant matters subject to correspondence with management	No matters to report
Issues with sending external confirmation requests	No matters to report



Corrected and Uncorrected misstatements

Uncorrected misstatements include financial presentation and disclosure omissions. As required by professional standards, we request these misstatements be corrected.



No corrected or uncorrected audit misstatements have been identified in the current year.



Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.



A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.



Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.



No significant control deficiencies were identified throughout the audit.



Audit quality - How do we deliver audit quality?

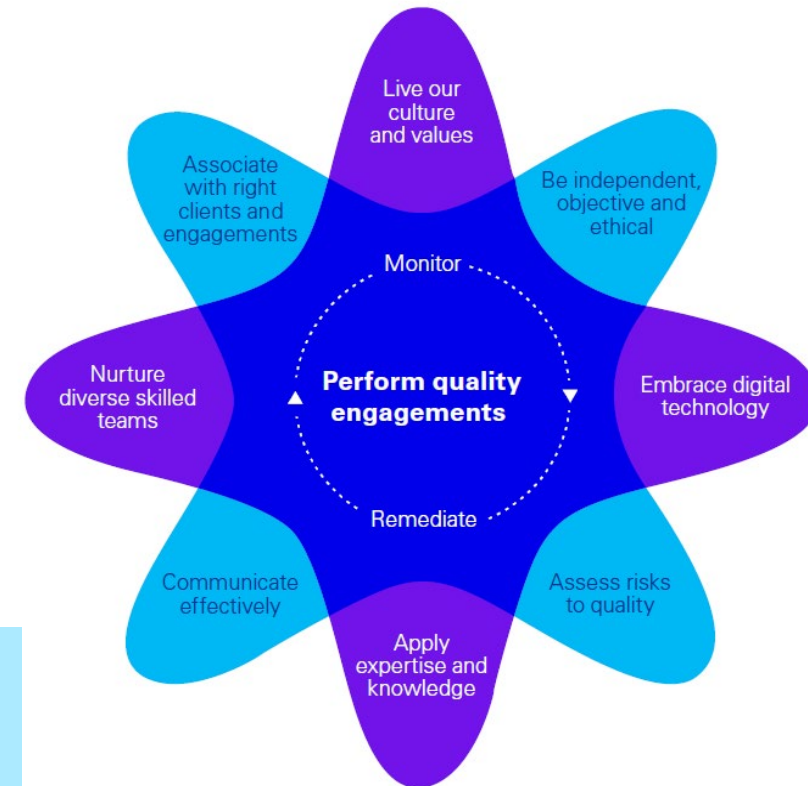
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

 [KPMG Canada Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics** and **integrity**.



Doing the right thing. Always.



Audit quality - Indicators (AQIs)

The objective of these measures is to provide the Audit Committee and management with more in-depth information about factors that influence audit quality within an audit process. Below you will find the current status of the AQIs that we have agreed with management are relevant for the audit.



Team composition



Experience of the team

- Our team members have relevant industry experience to carry out the audit



Technology in the audit



Implementation of Technology in the Audit

- We have a number of technologies implemented in the audit including:
 - **KPMG Clara Workflow (“KWc”)** – new audit workflow to allow us to deliver globally consistent engagements
 - **KPMG Clara Advanced Capabilities** – Journal Entry Analysis – focuses audit effort on journal entries that are riskier in nature
 - **Datasnipper** – Excel based tool, which allows us to automatically match Excel data with underlying source documents and form data extraction from documents with the same layout



Timing of prepared by client (PBC) items



Timeliness of PBC items

- We requested in excess of PBCs, with various follow-up requests as a result of our findings
- We had confirmed the availability of PBCs with management in advance of interim and year-end fieldwork
- All PBC requests were received on time and in due course



Nothing to report



Some matters to report



Specific matters to report





Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code¹ and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

Statement of compliance

We confirm that, as of the date of this communication, **we are independent** of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.

¹International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)
KPMG

© 2025 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.



Independence



The services are not prohibited, and threats to our independence, if any, resulting from the provision of the services will be eliminated or reduced to an acceptable level. Further details on the services and the assessment of the potential effects on our independence are included on the slides that follow.

We are not aware of any relationships or other matters between our firm and the Organization that, in our professional judgement, may reasonably be thought to bear on our independence.

Audit and tax services

Audit of consolidated financial statements of the Township and Trust Funds for the year ended December 31, 2025

Audit of the Elora and Fergus Business Improvement Areas for the year ended December 31, 2025

Audit of Centre Wellington Communications Inc.

Audit of Centre Wellington Energy Inc. and subsidiaries

Tax return preparation and related tax advisory services for Centre Wellington Energy Inc. and subsidiaries

Appendices



Required communications



Engagement letter



Management representation letter



New and future accounting standards



Insights

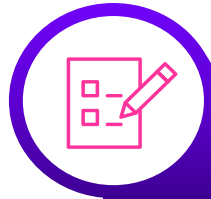


Technology and continuous evolution





Appendix: Other required communications



Engagement terms

A copy of the engagement letter is included in the appendix: Engagement letter.



CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2025 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2025 Annual Inspections Results](#)



Appendix: Engagement letter



Appendix: Management representation letter



Appendix: Possible changes to accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.



Appendix : Possible changes to accounting standards (continued)

Standard	Summary and implications
Employee benefits	<p>The Public Sector Accounting Board has approved PS 3251, Employee Benefits. The standard replaces former Sections PS 3250 and PS 3255 and becomes effective for fiscal years beginning on or after April 1, 2029.</p> <p>Key Changes Introduced by Section PS 3251 are:</p> <ul style="list-style-type: none"> • Elimination of Deferral & Smoothing: The previous "deferral and amortization" method for actuarial gains and losses is removed. Remeasurements are now recognized immediately on the statement of financial position as accumulated remeasurement gains and losses. • Funding-Status Discount Rate Framework: The discount rate used to measure defined benefit obligations is no longer mechanical. Entities must assess if the plan is fully funded or underfunded using a preponderance of evidence (primary and secondary indicators). • Multi-Employer & Shared-Risk Plans: The standard clarifies the accounting for multi-employer plans and introduces updated guidelines for measuring proportionate participation in these plans



Appendix: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, Council and management.

[KPMG Audit & Assurance Insights](#)

Curated research and insights for audit committees and boards.

[Board Leadership Centre](#)

Leading insights to help board members maximize boardroom opportunities

[Accelerate - The key issues driving the audit committee agenda](#)

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

[Sustainability Reporting](#)

Resource centre on implementing the new Canadian reporting standards

[Audit Committee Guide – Canadian Edition](#)

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

[Government and public sector - KPMG Canada](#)

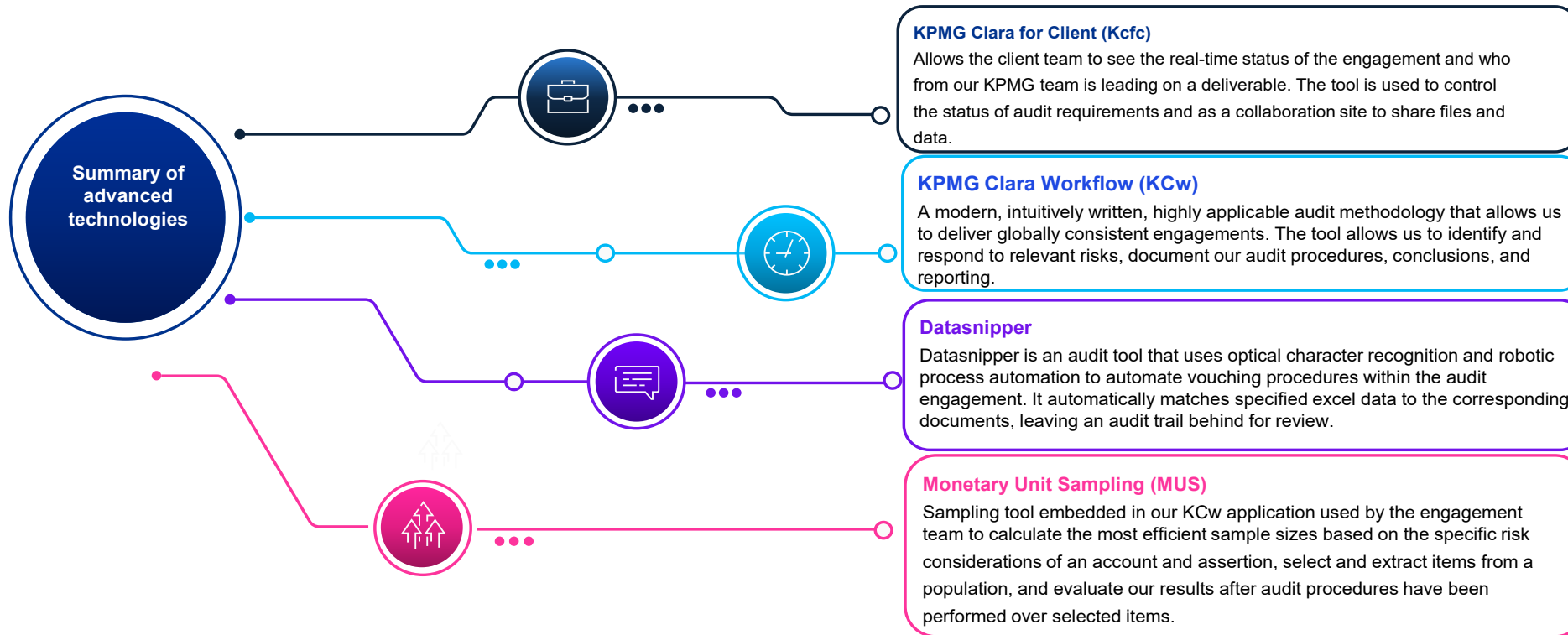
KPMG in Canada's Government & Public Sector practice aims to deliver meaningful results through a deep understanding of the issues, an intimate appreciation of how the public sector works, and global and local insight into the cultural, social and political environments.





Technology highlights

We plan to utilize technology to enhance the quality and effectiveness of the audit.





Appendix: Continuous evolution

Our investment:

We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

Result: A better experience

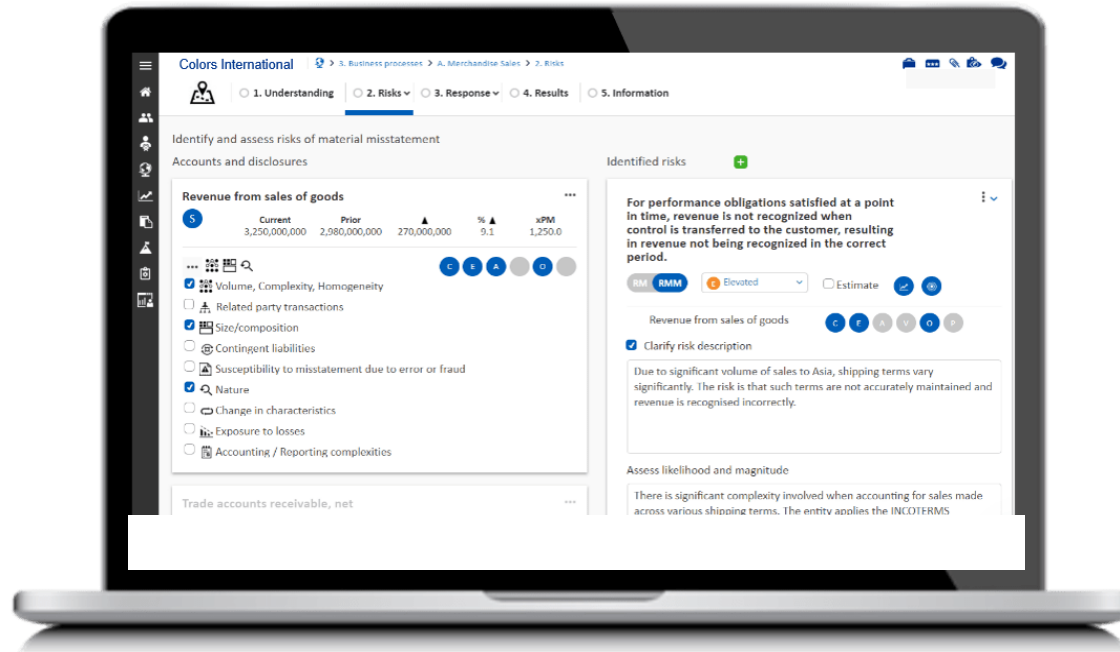
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.





Appendix: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.



Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.



Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.



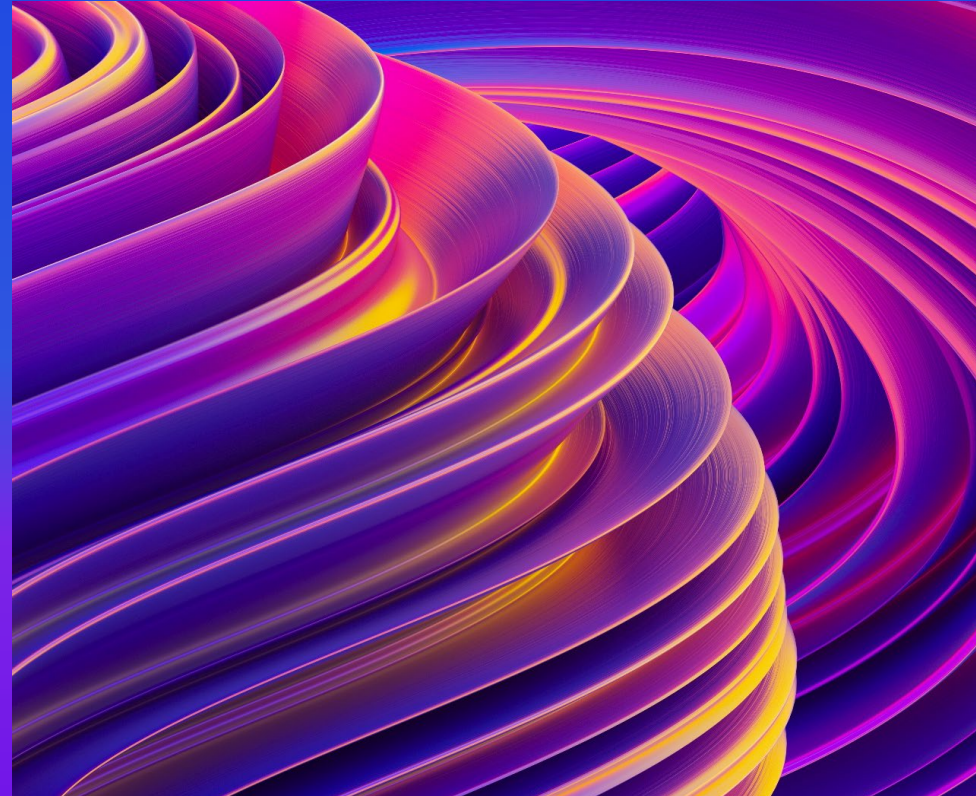
Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.



<https://kpmg.com/ca/en/home.html>

© 2026 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.



To: Mayor Watters and Members of Council

Report: CAO2026-14

Prepared By: Dan Wilson, Chief Administrative Officer

Date: 15 Jun 2026

RE: Centre Wellington Hydro Annual General Meeting

Recommendation:

THAT Council receives Report CAO2026-14 Centre Wellington Hydro Annual General Meeting; and

THAT Council approves the 2025 Shareholder Direction as outlined in the "Resolution of the Shareholder" and "Resolution of the Sole Shareholder" for Centre Wellington Energy Inc; and

THAT Council approves the 2025 Annual Report and Approved Audited Financial Statements for Centre Wellington Hydro, Centre Wellington Energy Innovations and Centre Wellington Energy Inc.

Summary:

Wayne Dyce, President of Centre Wellington Hydro will be attending the June 15th Council meeting to present the attached information to Council.

Report:

Attached please find the following:

1. Centre Wellington Hydro Ltd. AGM Presentation
2. Annual Resolution of Shareholders, Centre Wellington Energy Inc.
3. Shareholder Direction Resolution, Centre Wellington Energy Inc.
4. Centre Wellington Hydro Ltd. 2025 Audited Financial Statements
5. Centre Wellington Energy Inc. 2025 Audited Financial Statements
6. Centre Wellington Energy Innovations Inc. 2025 Audited Financial Statements

Corporate Strategic Plan:

Create the conditions for economic prosperity

Managing growth while enhancing the community's unique character

Provide innovative & sustainable governance

Attachments:

- [Attachment 1 - Centre Wellington Hydro Ltd. AGM Presentation](#)
- [Attachment 2 - DRAFT Resolution of Shareholders, Centre Wellington Energy Inc.](#)
- [Attachment 3 - CWE Shareholder Direction Resolution](#)
- [Attachment 4 - Centre Wellington Hydro Ltd. 2025 Audited Financial Statements](#)
- [Attachment 5 - Centre Wellington Energy Inc. 2025 Audited Financial Statements](#)
- [Attachment 6 - Centre Wellington Energy Innovations Inc. 2025 Audited Financial Statements](#)

Approved By:

Dan Wilson, Chief Administrative Officer



2026 AGM

Energy Companies Structure



Centre Wellington
Energy

- Board of Directors
1. Michael Chapman
 2. Shawn Watters
 3. Michelle Phillips
 4. Peter Soules
 5. Chris Penny

- Board of Directors
1. Dan Wilson
 2. Adam McNabb
 3. Wayne Dyce



CW Hydro
Local Distribution Company



CW Energy Innovations
Non-Regulated Company

Business - Corporate Resolutions



- ❖ Approval of Shareholder Direction as per Resolution of the Shareholder of Centre Wellington Energy Inc.
- ❖ Approval of Annual Report
- ❖ Approve Audited Financial Statements for
 - Centre Wellington Hydro
 - Centre Wellington Energy Innovations
 - Centre Wellington Energy Inc



Shareholder Direction between Centre Wellington Energy Inc. & Centre Wellington Hydro Ltd. was recently amended.

The change requires CWH to attain approval from the Shareholder to borrow money exceeding \$600k in any year. This is an increase from the previous threshold of \$50k.

Balance

Balance Stakeholder investment

- ✓ In our Community.... **\$102k** in Community Relations & Charitable Donations
- ✓ In our Shareholder **\$396k** in interest and dividends to the Township
- ✓ In our company, CW Hydro.... **\$717k** re-investment

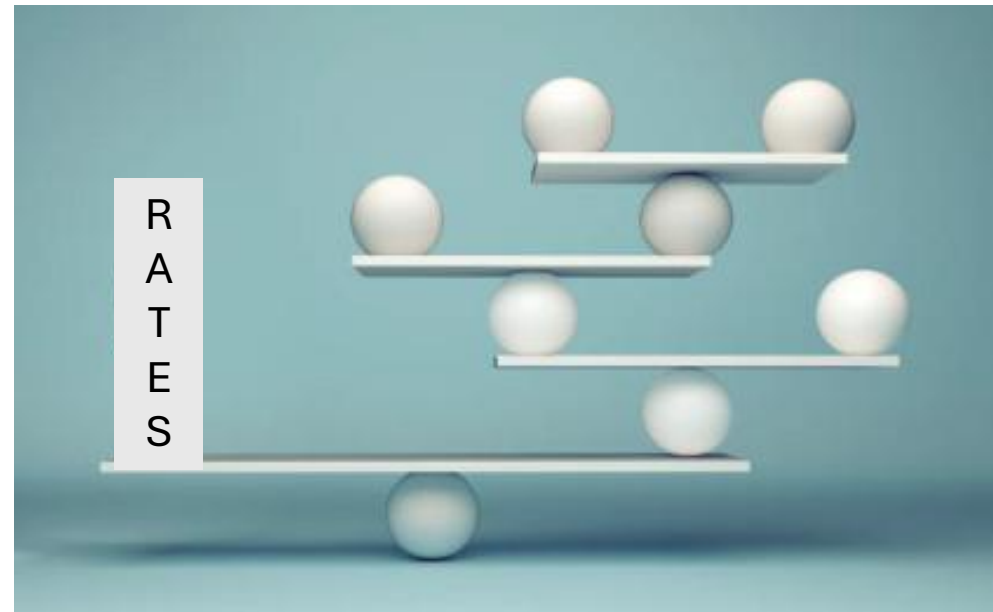
Balanced Rates Strategy

Set rates proportionate to revenue requirements to prudently:

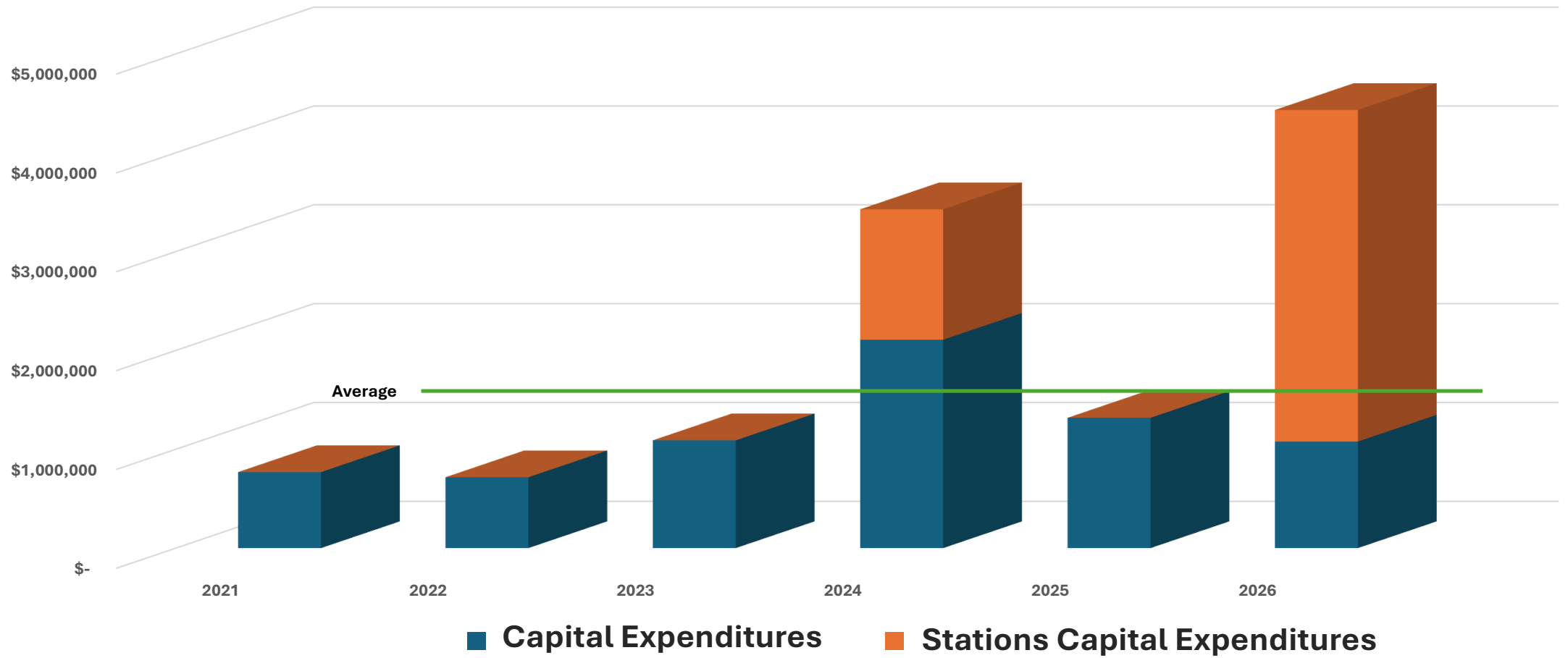
- Replace Assets
- Run Maintenance Programs
- Ensure Operational Excellence

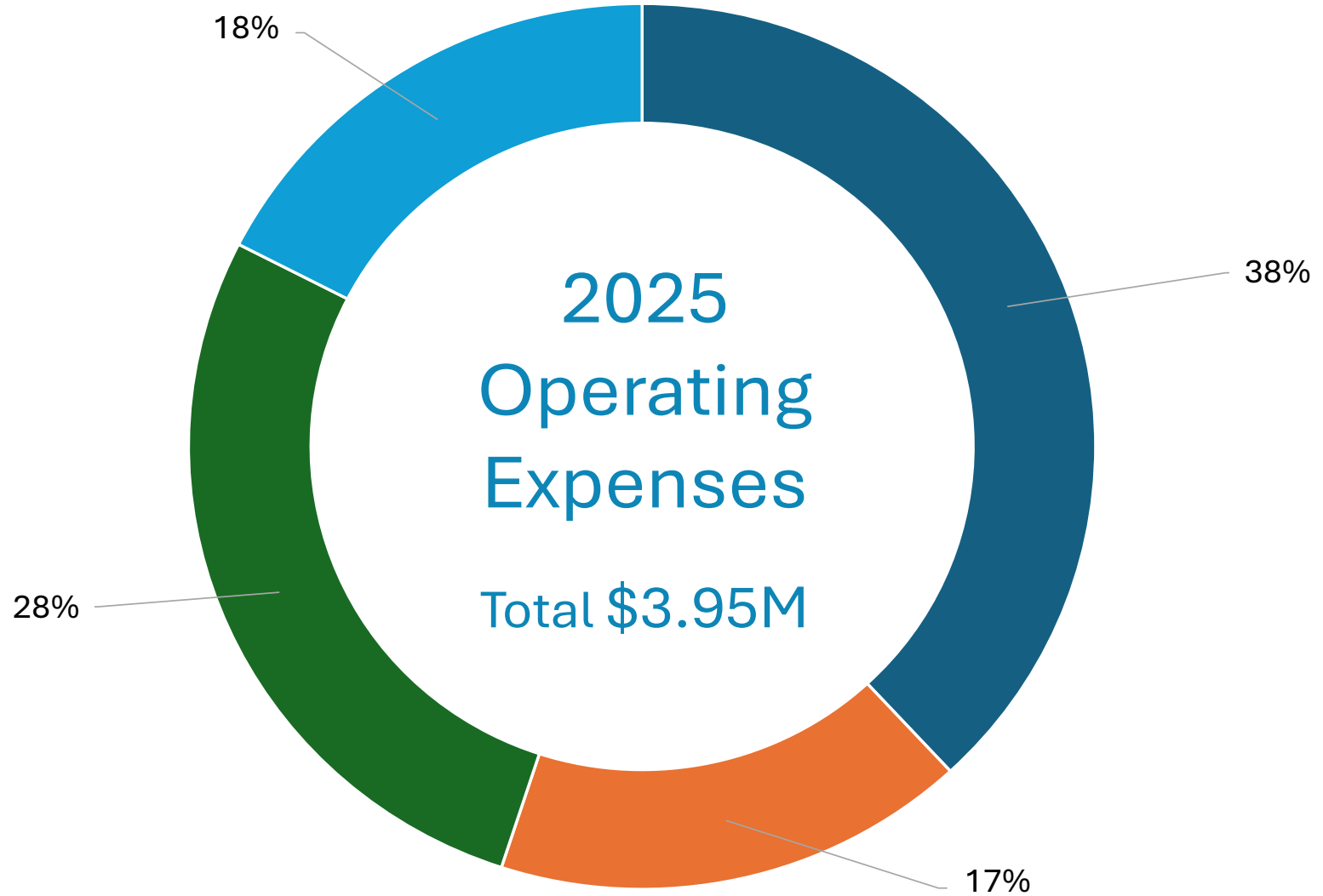
Balance Capital Structure

- ✓ Debt to Equity **42:58** split
- ✓ Debt to Capital Assets = **43%**



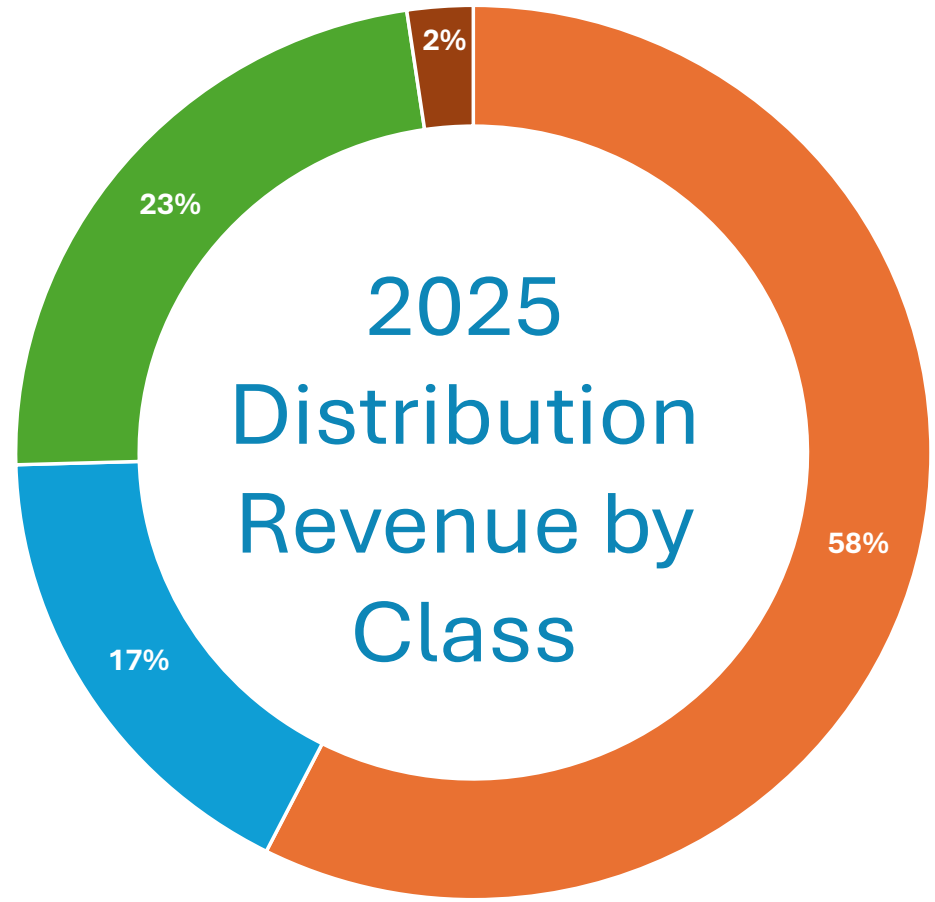
5-year Capital Investments (2026 Projected)





■ General and Admin ■ Billing and Collecting ■ Operating and Maintenance ■ Depreciation and Amortization

2025 Distribution
Revenue = \$4.8M



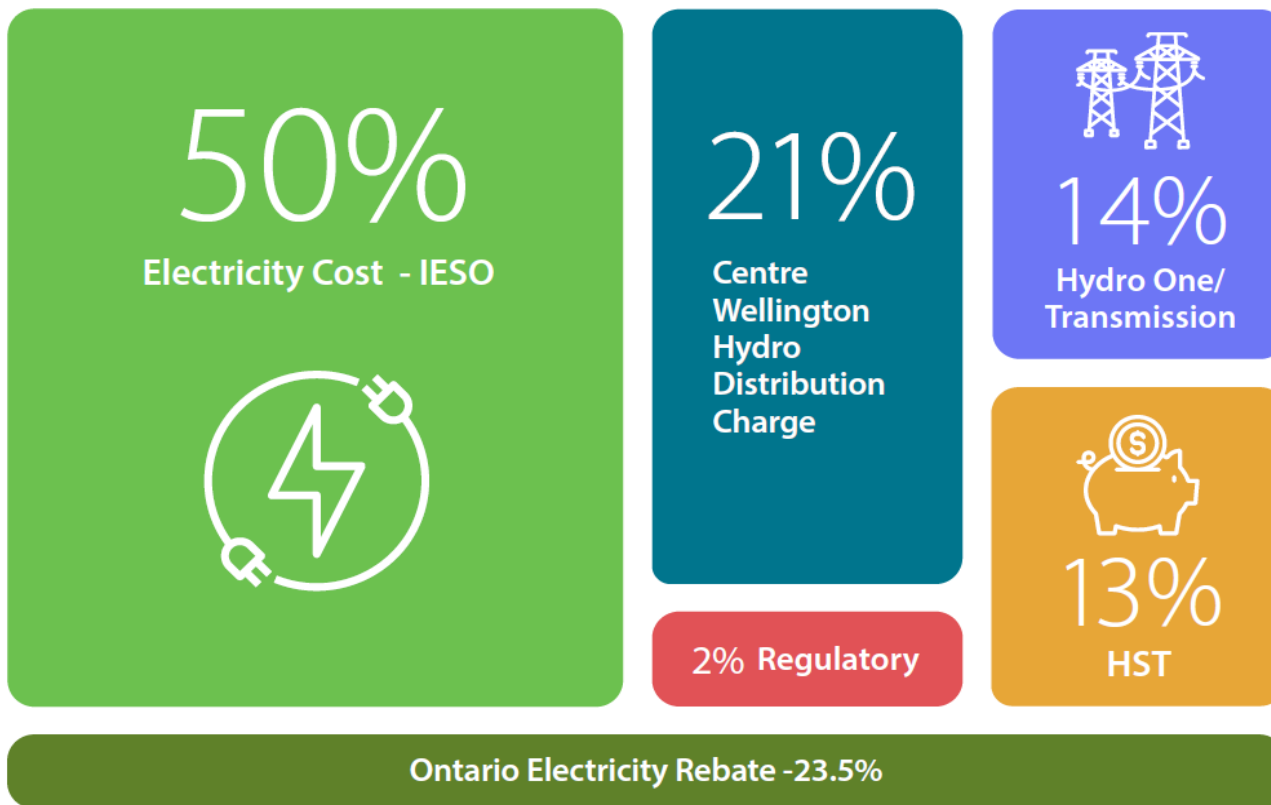
- Residential
- GS<50
- GS>50
- Street Lights



Bill Breakdown

Wonder where your money goes when you pay your Hydro bill?

Graphics represent a typical residential bill, and show the % CW Hydro receives.

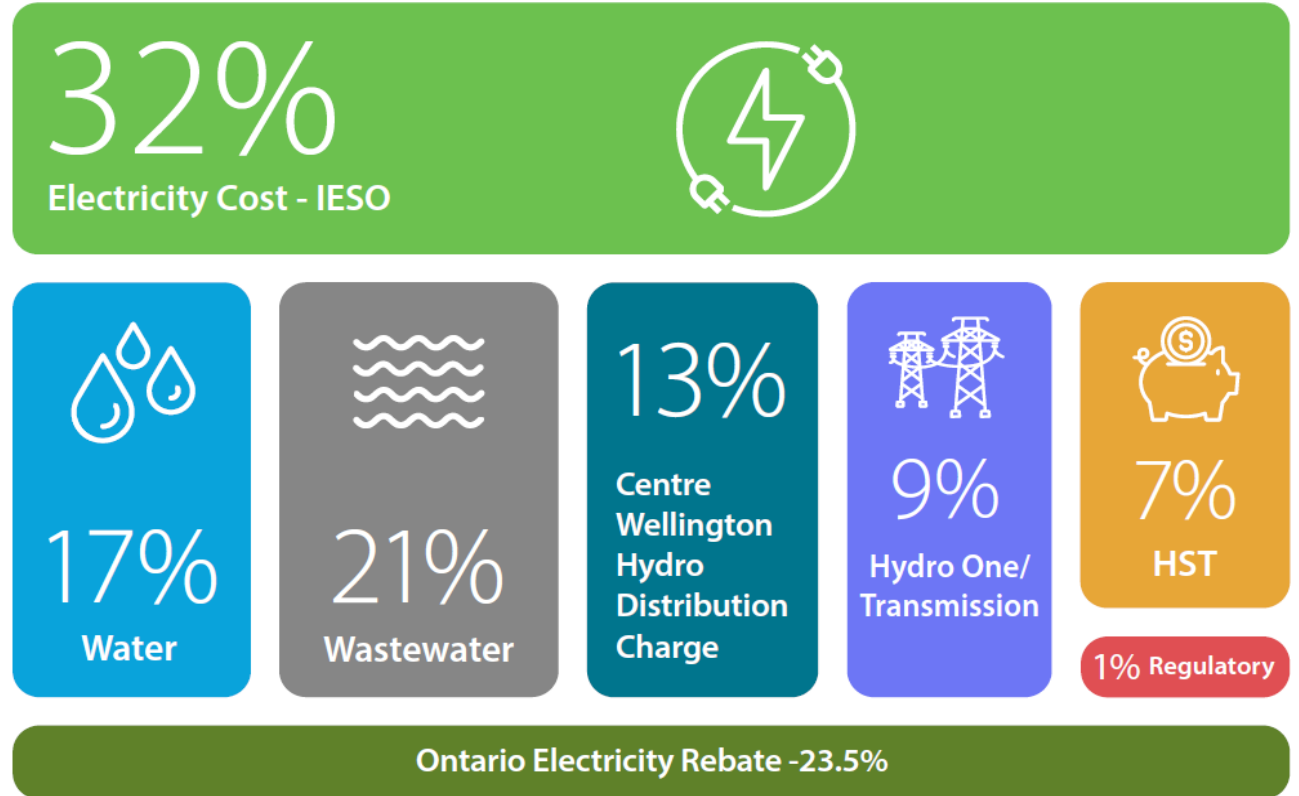




Bill Breakdown

Wonder where your money goes when you pay your Hydro bill?

Graphics represent a typical residential bill, and show the % CW Hydro Receives.



2025 Outages by Cause

Adverse weather
5.56% of total outages
occurrences = 2
customers affected = 476



Loss of Supply
2.78% of total outages
occurrences = 1
customers affected = 2264



Foreign Interference
5.56% of total outages
occurrences = 2
customers affected = 5348



Planned Outages
63.89% of total outages
occurrences = 23
customers affected = 281



Defective Equipment
19.44% of total outages
occurrences = 7
customers affected = 677



Tree Contact
2.78% of total outages
occurrences = 1
customers affected = 553



Centre Wellington Hydro's Preliminary Scorecard

Performance Outcomes	Performance Categories	Measures	2021	2022	2023	2024	2025 Prelim	Target Industry
Customer Focus Services are provided in a manner that responds to identified customer preferences	Service Quality	New Residential/Small Business Services Connected on Time	100.00%	100.00%	100.00%	100.00%	98.74%	90%
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	99.77%	90%
		Telephone Calls Answered On Time	90.92%	94.23%	96.12%	95.89%	96.52%	65%
	Customer Satisfaction	First Contact Resolution	99.03%	99.26%	99.31%	99.54%	99.52%	
		Billing Accuracy	99.96%	99.90%	99.83%	99.67%	99.96%	98%
		Customer Satisfaction Survey Results	81%	79%	79%	87%	87%	
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives	Safety	Level of Public Awareness	83.70%	83.70%	83.90%	83.90%	86.30%	
		Level of Compliance with Ontario Regulation 22/04 (1)	C	C	C	C	C	
		Serious Electrical Incident Index	0	0	0	0	0	
		Number of General Public Incidents Rate per 10, 100, 1000 km of line	0	0	0	0	0	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	0.26	0.21	0.07	0.01	0.26	
		Average Number of Times that Power to a Customer is Interrupted	0.22	0.20	0.08	0.1	0.37	
	Asset Management	Distribution System Plan Implementation Progress	70%	76%	88%	266%	123%	
Cost Control	Efficiency Assessment	3	2	2	2	2		
	Total Cost per Customer (2)	\$ 660	\$ 715	\$ 779	\$ 844			
	Total Cost per km of Line (2)	\$ 30,457	\$ 33,310	\$ 36,511	\$ 39,610			
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.49	1.53	1.58	1.14	1.40	
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.86	0.80	0.73	0.67	0.72	
		Profitability: Regulatory Return on Equity Deemed (included in rates)	9.00%	9.00%	9.00%	9.00%	9.00%	
		Equity Achieved	9.84%	9.33%	11.42%	8.23%	9.48%	



Thank You



Wayne Dyce, President
Heather Dowling, VP/Treasurer
Michael Chapman, Board Chair

**RESOLUTIONS OF THE SHAREHOLDER
OF
CENTRE WELLINGTON ENERGY INC.
(the "Corporation")**

1. FINANCIAL STATEMENTS

BE IT RESOLVED THAT:

the financial statements of the Corporation for the fiscal period ended December 31, 2025, which have been prepared by the staff of the Corporation, and audited by the auditors of the Corporation, be and the same are hereby accepted by the shareholder of the Corporation.

2. CONFIRMATION OF PROCEEDINGS

BE IT RESOLVED THAT:

- a) all by-laws, resolutions, contracts, proceedings, elections and appointments, enacted, passed, made or taken by the shareholders, directors or officers of the Corporation, at any time since the incorporation of the Corporation (hereinafter collectively called "the corporate proceedings") as the same are set forth or referred to in the minutes of the shareholders and directors for the Corporation and in the other records of the corporate proceedings, and all acts and proceedings taken by the directors, officers, agents or employees of the Corporation under the authority of or pursuant to any of the corporate proceedings be and the same are hereby ratified and confirmed with the effect stated in such corporate proceedings; and
- b) insofar as any such corporate proceeding shall not have been validly enacted, passed, sanctioned, confirmed, authorized or made, the same is hereby for greater certainty enacted, passed, sanctioned, confirmed, authorized or made, with retroactive effect, and in all other respects with the effect stated in the minutes and records of the Corporation.

3. ELECTION OF DIRECTORS

BE IT RESOLVED THAT:

the following persons, at least 25% of whom are resident Canadians, be and they are hereby elected directors of the Corporation to hold office until the completion of the next annual meeting of the shareholders of the Corporation or until their respective successors are duly elected, subject to the provisions of the by-laws of the Corporation and the provisions of the *Business Corporations Act* (Ontario):

DAN WILSON
SHAWN WATTERS
FRANCIS WAYNE DYCE

4. APPOINTMENT OF AUDITORS

BE IT RESOLVED THAT:

KPMG LLP be and they are hereby appointed the auditors of the Corporation to hold office until the completion of the next annual meeting of the shareholders of the Corporation, or until a successor is appointed, at such remuneration as may be fixed by the board of directors and the board of directors is hereby authorized to fix such remuneration.

5. COUNTERPARTS, PDF DELIVERY

BE IT RESOLVED THAT:

these resolutions may be executed in any number of counterparts, and/or by facsimile or e-mail transmission of Portable Document Format ("PDF"), each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument.

EACH AND EVERY OF THE FOREGOING RESOLUTIONS is hereby consented to by the sole shareholder of the Corporation entitled to vote thereon at a meeting of shareholders, as evidenced by its signature hereto in accordance with the Ontario *Business Corporations Act*, this 15th day of June, 2026.

The Corporation of the Township of Centre Wellington

Per: _____
Tyler Sager

Per: _____
Shawn Watters

RESOLUTIONS OF THE SOLE SHAREHOLDER

OF

CENTRE WELLINGTON ENERGY INC.
(the "Corporation")

AMENDMENT TO SHAREHOLDER DIRECTION

WHEREAS the sole shareholder of the Corporation previously adopted a Shareholder Direction governing certain matters of the Corporation as of the 12th day of June, 2014.

AND WHEREAS the sole shareholder wishes to amend the Shareholder Direction Relating to Centre Wellington Energy Inc. (the "**Shareholder Direction**") to revise the borrowing limit requiring shareholder approval;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Shareholder Direction is hereby amended as follows:
Article V Section 2(n) of the Shareholder Direction is hereby deleted in its entirety and replaced with the following:

(n) borrow money in an amount exceeding \$600,000; such amount to be reviewed on an annual basis, prior to each Annual General Meeting.
2. Except as expressly amended herein, all other terms and provisions of the Shareholder Direction shall remain in full force and effect.

These resolutions may be executed in any number of counterparts, electronically or otherwise, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument.

THE FOREGOING RESOLUTIONS are hereby consented to by the sole shareholder of the Corporation entitled to vote thereon at a meeting of shareholders, as evidenced by their signature hereto in accordance with the provisions of the *Business Corporations Act* (Ontario) this 15th day of June, 2026.

**THE CORPORATION OF THE TOWNSHIP OF
CENTRE WELLINGTON**

Per: _____
Name: Shawn Watters

Per: _____
Name: Tyler Sager

Financial Statements of

**CENTRE WELLINGTON
HYDRO LTD.**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP

120 Victoria Street South
Suite 600
Kitchener, ON N2G 0E1
Canada
Telephone 519 747 8800
Fax 519 747 8811

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Centre Wellington Hydro Ltd.

Opinion

We have audited the financial statements of Centre Wellington Hydro Ltd. (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025 and its results of operations and its cash flows for the year then ended in accordance with IFRS 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 auditor's report.

We are independent of the Entity 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 these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRS 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.



Page 2

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

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

Auditor's Responsibilities 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 the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.



Page 3

- 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

April 27, 2026

CENTRE WELLINGTON HYDRO LTD.

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 822,774	\$ 413,164
Accounts receivable (note 4)	3,248,545	3,467,433
Unbilled revenue	2,235,646	2,000,356
Materials and supplies	468,071	481,898
Prepaid expenses	441,304	437,552
Total current assets	7,216,340	6,800,403
Non-current assets:		
Property, plant and equipment (note 6)	22,239,627	20,439,242
Intangible assets (note 7)	89,722	92,935
Total non-current assets	22,329,349	20,532,177
Total assets	29,545,689	27,332,580
Regulatory debit balances (note 8)	891,929	831,153
Total assets and regulatory balances	\$ 30,437,618	\$ 28,163,733

See accompanying notes to financial statements.

CENTRE WELLINGTON HYDRO LTD.

Statement of Financial Position (continued)

December 31, 2025, with comparative information for 2024

	2025	2024
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 4,474,694	\$ 5,743,188
Customer deposits	385,178	205,329
<u>Long-term debt due within one year (note 10)</u>	<u>274,082</u>	<u>161,391</u>
Total current liabilities	5,133,954	6,109,908
Non-current liabilities:		
Long-term debt (note 10)	9,603,358	8,051,793
Post-employment benefits (note 5)	233,971	205,845
Deferred revenue	1,111,207	1,133,753
<u>Deferred tax liability (note 12)</u>	<u>649,174</u>	<u>463,263</u>
Total non-current liabilities	11,597,710	9,854,654
Total liabilities	16,731,664	15,964,562
Equity:		
Share capital (note 11)	5,035,066	5,035,066
Accumulated other comprehensive loss	31,460	49,058
<u>Retained earnings</u>	<u>7,978,880</u>	<u>7,090,659</u>
	13,045,406	12,174,783
Regulatory credit balances (note 8)	660,548	24,388
<u>Total liabilities, equity and regulatory balances</u>	<u>\$ 30,437,618</u>	<u>\$ 28,163,733</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

CENTRE WELLINGTON HYDRO LTD.

Statement of Comprehensive Income

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Sale of energy (note 13)	\$ 21,848,858	\$ 20,465,954
Distribution revenue (note 13)	4,825,987	4,637,094
Other (note 13)	368,523	268,071
	<u>5,194,510</u>	<u>4,905,165</u>
	27,043,368	25,371,119
Operating expenses:		
Cost of power	20,551,896	20,112,876
General and administrative	1,505,812	1,396,839
Billing and collection	668,641	740,778
Operations and maintenance	1,087,603	996,582
Depreciation and amortization	689,877	685,935
	<u>3,951,933</u>	<u>3,820,134</u>
	24,503,829	23,933,010
Income from operating activities	2,539,539	1,438,109
Finance income (note 15)	22,867	32,624
Finance cost (note 15)	(537,971)	(510,150)
Income before income taxes and undernoted items	2,024,435	960,583
Income tax expense (note 12)	197,928	189,665
Earnings before the undernoted item	1,826,507	770,918
Net movement in regulatory balances	(908,286)	(80,248)
Net income for the year and net movement in regulatory balances	918,221	690,670
Other comprehensive income:		
Actuarial gain (loss)	(17,598)	-
Other comprehensive income for the year	(17,598)	-
Total comprehensive income for the year	\$ 900,623	\$ 690,670

See accompanying notes to financial statements.

CENTRE WELLINGTON HYDRO LTD.

Statement of Changes in Equity

Year ended December 31, 2025, with comparative information for 2024

	Share capital	Retained comprehensive earnings	Accumulated other comprehensive loss	Total
Balance at January 1, 2024	\$ 5,035,066	\$ 6,399,989	\$ 49,058	\$ 11,484,113
Net income and net movement in regulatory balances	-	690,670	-	690,670
Balance at December 31, 2024	\$ 5,035,066	\$ 7,090,659	\$ 49,058	\$ 12,174,783
Balance at January 1, 2025	\$ 5,035,066	\$ 7,090,659	\$ 49,058	\$ 12,174,783
Net income and net movement in regulatory balances	-	918,221	-	918,221
Other comprehensive loss	-	-	(17,598)	(17,598)
Dividends	-	(30,000)	-	(30,000)
Balance at December 31, 2025	\$ 5,035,066	\$ 7,978,880	\$ 31,460	\$ 13,045,406

See accompanying notes to financial statements.

CENTRE WELLINGTON HYDRO LTD.

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Net Income and net movement in regulatory balances	\$ 918,221	\$ 690,670
Items not involving cash:		
Depreciation and amortization	809,058	787,561
Amortization of deferred revenue	(27,396)	(25,725)
Post-employment benefits	4,184	3,222
Loss on disposal of property, plant and equipment	22,620	24,393
Net finance costs	515,104	477,526
Income tax expense	197,928	195,339
	<u>2,439,719</u>	<u>2,152,986</u>
Changes in non-cash operating working capital:		
Accounts receivable	218,888	(615,580)
Unbilled revenue	(235,290)	(214,307)
Materials and supplies	13,827	17,524
Prepaid expenses	(3,752)	(164,892)
Accounts payable and accrued liabilities	(1,268,494)	1,999,533
Customer deposits	179,849	(6,165)
	<u>(1,094,972)</u>	<u>1,016,113</u>
Interest paid	(537,971)	(510,150)
Interest received	22,867	32,624
Income taxes paid	(5,673)	-
Regulatory balances	575,384	167,379
	<u>1,399,354</u>	<u>2,858,952</u>
Financing activities:		
Repayment of long-term debt	(207,744)	(155,255)
Proceeds of long-term debt	1,872,000	-
Dividends paid	(30,000)	-
	<u>1,634,256</u>	<u>(155,255)</u>
Investing activities:		
Purchase of property, plant and equipment	(2,596,316)	(3,210,335)
Purchase of intangible assets	(32,534)	(13,359)
Capital contributions received from customers	4,850	91,058
	<u>(2,624,000)</u>	<u>(3,132,636)</u>
Increase (decrease) in cash	409,610	(428,939)
Cash, beginning of year	413,164	842,103
Cash, end of year	<u>\$ 822,774</u>	<u>\$ 413,164</u>

See accompanying notes to financial statements.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements

Year ended December 31, 2025

Reporting entity:

Centre Wellington Hydro Ltd. (the "Company") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the Township of Centre Wellington (the "Township"). The address of the Corporation's registered office is 730 Gartshore Street, Fergus, Ontario.

The Corporation delivers electricity and related energy services to residential and commercial customers in the Township. The Corporation is wholly owned by Centre Wellington Energy Inc. and the ultimate parent company is the Township of Centre Wellington.

The financial statements are for the Corporation as at and for the year ended December 31, 2025.

1. Basis of presentation:

(a) Statement of compliance:

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on April 15, 2026.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

- (i) Note 2(b) - measurement of unbilled revenue
- (ii) Notes 6, 7 - estimation of useful lives of its property, plant and equipment and intangible assets
- (iii) Note 8 - recognition and measurement of regulatory balances
- (iv) Note 5 - measurement of defined benefit obligations: key actuarial assumptions
- (v) Note 16 - recognition and measurement of provisions and contingencies

(e) Rate regulation:

The Corporation is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (“LDCs”), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

Rate setting

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder’s equity required to support the Corporation’s business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Basis of presentation (continued):

(e) Rate regulation (continued):

In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflation for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in April 2024 for rates effective January 1, 2025 to December 31, 2029.

Electricity rates

The OEB sets electricity prices for low-volume consumers based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

2. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments:

At initial recognition, the Corporation measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

(c) Materials and supplies:

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated.

The estimated useful lives are as follows:

Asset	Rate
Buildings	25-50 years
Distribution equipment	15-70 years
Vehicles	7-12 years
Other tools and equipment	8-15 years
Computer equipment	3-6 years

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Asset	Rate
Computer software	5 years
Land rights	0-50 years

(f) Impairment:

(i) Financial assets measured at amortized cost:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets (continued):

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Regulatory balances:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(i) Regulatory balances (continued):

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or other comprehensive income. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory deferral account debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or other comprehensive income.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or other comprehensive income. The amounts returned to the customers are recognized as a reduction of revenue. The regulatory deferral account credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or other comprehensive income.

(j) Post-employment benefits:

(i) Pension plan:

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(j) Post-employment benefits (continued):

(i) Pension plan (continued):

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension:

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

(k) Leased assets:

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(k) Leased assets (continued):

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and low value assets

The Corporation has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and dividend income.

Finance costs comprise interest expense on borrowings and net interest expense on post-employment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFEC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

3. Standards issued but not yet adopted:

At the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and Interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Corporation.

New standards, amendments and interpretations not adopted in the current year include the following:

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements.

- Entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. The Company's net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Entity is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

4. Accounts receivable:

	2025	2024
Trade customer accounts receivable	\$ 2,964,120	\$ 3,086,640
Other receivables	284,425	380,793
	<u>\$ 3,248,545</u>	<u>\$ 3,467,433</u>

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Post-employment benefits:

(a) OMERS pension plan:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2025, the Corporation made employer contributions of \$180,758 to OMERS (2024 - \$175,897), of which \$14,698 (2024 - \$20,675) has been capitalized as part of PP&E and the remaining amount of \$166,059 (2024 - \$155,222) has been recognized in profit or loss. The Corporation estimates that a contribution of \$172,000 (2024 - \$156,264) to OMERS will be made during the next fiscal year.

As at December 31, 2025, OMERS had approximately 665,000 members, of whom 14 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2025, which reported that the plan was 99% funded, with an unfunded liability of \$1.3 billion. This unfunded liability is likely to result in future payments by participating employers and members.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Post-employment benefits (continued):

(b) Post-employment benefits other than pension:

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation	2025	2024
Defined benefit obligation, beginning of year	\$ 205,845	\$ 202,623
Included in profit or loss:		
Current service cost	3,369	4,232
Interest cost	10,104	9,960
	13,473	14,192
Included in OCI		
Actuarial losses arising from:		
Changes in financial assumptions	23,942	-
	243,260	216,815
Benefits paid	(9,289)	(10,970)
	\$ 233,971	\$ 205,845
Actuarial assumptions	2025	2024
Discount (interest) rate	5.00 %	5.05 %
Salary levels	3.25 %	3.30 %
Medical costs	5.30 %	5.10 %
Dental costs	5.60 %	5.40 %

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by \$30,800. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing by \$39,800.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

6. Property, plant and equipment:

	Land and buildings	Distribution equipment	Other fixed assets	Solar assets	Construction-in-progress	Total
<i>Cost or deemed cost</i>						
Balance at January 1,						
2025	\$ 1,182,795	\$ 23,587,570	\$ 1,608,021	\$ -	\$ 776,553	\$ 27,154,939
Additions	30,929	872,378	587,189	-	1,105,820	2,596,316
Disposals/ retirements	-	(40,440)	(106,852)	-	-	(147,292)
Balance at December 31, 2025						
	\$ 1,213,724	\$ 24,419,508	\$ 2,088,358	\$ -	\$ 1,882,373	\$ 29,603,963
Balance at January 1,						
2024	\$ 1,029,832	\$ 20,864,965	\$ 1,753,374	\$ 100,605	\$ 207,902	\$ 23,956,678
Additions	52,358	2,569,979	19,347	-	568,651	3,210,335
Transfers	100,605	405,166	(65,120)	(100,605)	-	340,046
Disposals/ retirements	-	(252,540)	(99,580)	-	-	(352,120)
Balance at December 31, 2024						
	\$ 1,182,795	\$ 23,587,570	\$ 1,608,021	\$ -	\$ 776,553	\$ 27,154,939
<i>Accumulated depreciation</i>						
Balance at January 1,						
2025	\$ 329,385	\$ 5,193,823	\$ 1,192,489	\$ -	\$ -	\$ 6,715,697
Depreciation	39,188	577,059	157,064	-	-	773,311
Disposals	-	(21,019)	(103,653)	-	-	(124,672)
Balance at December 31, 2025						
	\$ 368,573	\$ 5,749,863	\$ 1,245,900	\$ -	\$ -	\$ 7,364,336
Balance at January 1,						
2024	\$ 289,849	\$ 4,475,096	\$ 1,208,038	\$ -	\$ -	\$ 5,972,983
Depreciation	39,534	543,405	147,455	-	-	730,394
Transfers	2	405,165	(65,120)	-	-	340,047
Disposals	-	(229,843)	(97,884)	-	-	(327,727)
Balance at December 31, 2024						
	\$ 329,385	\$ 5,193,823	\$ 1,192,489	\$ -	\$ -	\$ 6,715,697
<i>Carrying amounts</i>						
At December 31, 2025	\$ 845,151	\$ 18,669,645	\$ 842,458	\$ -	\$ 1,882,373	\$ 22,239,627
At December 31, 2024	853,410	18,393,747	415,532	-	776,553	20,439,242

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Intangible assets:

	Computer software	Land rights	Total
<i>Cost of deemed cost</i>			
Balance at January 1, 2025	\$ 340,324	\$ 68,421	\$ 408,745
Additions	32,534	-	32,534
Balance at December 31, 2025	\$ 372,858	\$ 68,421	\$ 441,279
Balance at January 1, 2024	\$ 321,806	\$ 68,420	\$ 390,226
Additions	13,359	-	13,359
Transfers	5,159	1	5,160
Balance at December 31, 2024	\$ 340,324	\$ 68,421	\$ 408,745
<i>Accumulated amortization</i>			
Balance at January 1, 2025	\$ 301,591	\$ 14,219	\$ 315,810
Amortization	34,137	1,610	35,747
Balance at December 31, 2025	\$ 335,728	\$ 15,829	\$ 351,557
Balance at January 1, 2024	\$ 240,875	\$ 12,609	\$ 253,484
Amortization	55,557	1,610	57,167
Transfers	5,159	-	5,159
Balance at December 31, 2024	\$ 301,591	\$ 14,219	\$ 315,810
<i>Carrying amounts</i>			
At December 31, 2025	\$ 37,130	\$ 52,592	\$ 89,722
At December 31, 2024	38,733	54,202	92,935

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. Regulatory balances:

Reconciliation of the carrying amount for each class of regulatory balances:

Regulatory deferral account debit balances	January 1, 2025	Additions	Recovery/ reversal	December 31, 2025	Remaining recovery/ reversal years
Retail settlement					
variance accounts	\$ 729,010	\$ (239,845)	\$ (397,042)	\$ 92,123	1-4
Regulatory variances					
disposition	26,231	263,299	(289,530)	-	1-4
Deferred income tax	-	397,205	402,601	799,806	
Other	75,912	-	(75,912)	-	1-4
	\$ 831,153	\$ 420,659	\$ (359,883)	\$ 891,929	

Regulatory deferral account debit balances	January 1, 2024	Additions	Recovery/ reversal	December 31, 2024	Remaining recovery/ reversal years
Retail settlement					
variance accounts	\$ 984,375	\$ 319,742	\$ (575,107)	\$ 729,010	1-4
Regulatory variances					
disposition	15,334	553,423	(542,526)	26,231	1-4
Other	64,362	11,550	-	75,912	1-4
	\$ 1,064,071	\$ 884,715	\$ (1,117,633)	\$ 831,153	

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. Regulatory balances (continued):

Regulatory deferral account credit balances	January 1, 2025	Additions	Recovery/ reversal	December 31, 2025	Remaining recovery/ reversal years
Retail settlement					
variance accounts	\$ 90,658	\$ 489,912	\$ -	\$ 580,570	1-4
Regulatory variances					
disposition	-	33,085	-	33,085	1
Deferred income tax	(402,601)	-	402,601	-	-
Other	336,331	(289,438)	-	46,893	1-4
	\$ 24,388	\$ 233,559	\$ 402,601	\$ 660,548	

Regulatory deferral account credit balances	January 1, 2024	Additions	Recovery/ reversal	December 31, 2024	Remaining recovery/ reversal years
Retail settlement					
variance accounts	\$ -	\$ 90,658	\$ -	\$ 90,658	1-4
Deferred income tax	(159,680)	(242,921)	-	(402,601)	-
Other	249,607	86,724	-	336,331	1-4
	\$ 89,927	\$ (65,539)	\$ -	\$ 24,388	

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB and Group 2 accounts through a Cost of service application. The most recent Cost of service application was approved in 2024 for January 1, 2025 rates. The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. In 2025, the rate range was 2.91% to 3.64% (2024 - 4.40% to 5.49%).

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Accounts payable and accrued liabilities:

	2025	2024
Accounts payable - energy purchases	\$ 1,511,790	\$ 1,587,093
Water and sewer charges payable	1,037,463	2,015,655
Other	1,925,441	2,140,440
	\$ 4,474,694	\$ 5,743,188

10. Long-term debt:

	2025	2024
Demand promissory note payable to the Corporation of the Township of Centre Wellington, interest at 7.25%	\$ 5,046,753	\$ 5,046,753
Infrastructure Ontario loan, interest at 4.48%, payable in monthly instalments, due 2038 secured by a General Security Agreement	862,221	910,867
Infrastructure Ontario loan, interest at 3.75%, payable in monthly instalments, due 2039 secured by a General Security Agreement	819,587	864,317
Infrastructure Ontario loan, interest at 3.56%, payable in monthly instalments, due 2040 secured by a General Security Agreement	1,323,223	1,391,247
RBC Term loan, interest at 4.70%, payable in monthly instalments of \$10,800, due July 2028, secured by a General Security Agreement	1,362,488	-
RBC Term loan, interest at 4.70%, payable in monthly instalments of \$5,020, due August 2028, secured by a General Security Agreement	463,168	-
	9,877,440	8,213,184
Less current portion of long-term debt	274,082	161,391
	\$ 9,603,358	\$ 8,051,793

The note payable is due on demand to the Township. The Township has waived its right to demand payment until January 1, 2027.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

10. Long-term debt (continued):

Principal repayments for the next five years and thereafter are as follows:

2026	\$	274,092
2027		5,332,605
2028		297,912
2029		310,913
2030		324,270
Thereafter		3,337,648
	\$	9,877,440

11. Share capital:

	2025	2024
Authorized:		
Unlimited number of common shares		
Issued:		
1,100 common shares	\$ 5,035,066	\$ 5,035,066

12. Income tax expense:

Current tax expense (recovery):

	2025	2024
Deferred tax expense	\$ 192,255	\$ 195,339
Current tax expense (recovery)	5,673	(5,674)
Income tax expense	\$ 197,928	\$ 189,665

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

12. Income tax expense (continued):

Reconciliation of effective tax rate:

	2025	2024
Income before taxes	\$ 2,024,435	\$ 960,583
Statutory income tax rates	26.5 %	26.5 %
Expected tax provision on income at statutory rates	\$ 536,475	\$ 254,554
Increase (decrease) in income taxes resulting from:		
Permanent differences	520	364
Other	1,215	6,784
Deferred tax associated with net movement in regulatory accounts	(340,282)	(72,037)
Income tax expense	\$ 197,928	\$ 189,665

Significant components of the Corporation's deferred tax balances:

	2025	2024
Deferred tax assets (liabilities):		
Property, plant and equipment	\$ (1,162,159)	\$ (1,004,907)
Post-employment benefits	62,002	54,549
Deferred revenue	294,470	300,445
Regulatory liabilities	150,633	(60,663)
Non-capital losses	5,880	247,313
	\$ (649,174)	\$ (463,263)

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

13. Revenues:

	2025	2024
Collection and other service charges	\$ 61,905	\$ 48,589
Water and sewer billing services	7,584	49,435
Rent	199,493	153,373
Loss (gain) on disposals	73,512	(24,393)
Other	26,029	41,067
Total other revenue	\$ 368,523	\$ 268,071

In the following table, sale of energy and distribution revenue is disaggregated by type of customer.

	2025	2024
Residential	\$ 10,395,082	\$ 10,104,137
Commercial	4,436,552	4,325,284
Industrial	11,571,755	10,368,655
Other	271,456	259,311
	\$ 26,674,845	\$ 25,057,387

14. Employee salaries and benefits:

	2025	2024
Salaries, wages and benefits	\$ 1,707,323	\$ 1,708,859
CPP and EI remittances	90,862	87,652
Contributions to OMERS	174,415	173,018
	\$ 1,972,600	\$ 1,969,529

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

15. Finance income and costs:

	2025	2024
Finance income:		
Interest income on bank deposits	\$ 22,867	\$ 32,624
Finance costs:		
Interest expense on long-term debt	(518,537)	(491,926)
Interest expense on customer deposits	(9,156)	(9,563)
Other	(10,278)	(8,661)
	(537,971)	(510,150)
Net finance costs recognized in profit or loss	\$ (515,104)	\$ (477,526)

16. Commitments and contingencies:

General Liability Insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2025, no assessments have been made.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

17. Related party transactions:

(a) Parents and ultimate controlling party:

The sole shareholder of the Corporation is Centre Wellington Energy Inc. Centre Wellington Energy Inc. is a wholly-owned subsidiary of the Township of Centre Wellington. The Township produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties:

	2025	2024
Township of Centre Wellington - receivable	\$ 185,910	\$ 140,361
Township of Centre Wellington - payable	(1,037,463)	(2,016,107)
Township of Centre Wellington - note payable (note 10)	(5,046,753)	(5,046,753)
	<u>\$ (5,898,306)</u>	<u>\$ (6,922,499)</u>

(c) Transactions with ultimate parents (the Township):

The Corporation provides water and sewage billing and collection services to the customers of the former Town of Fergus and the Village of Elora, which are located within the Township, as well as supplying street light energy and street lighting maintenance services to the former Town of Fergus and Village of Elora. Revenue includes \$370,366 (2024 - \$245,577) from the Township for these services.

The Corporation also delivers electricity to the Township throughout the year for the electricity needs of the Township and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB. The Corporation also provides additional services to the Township, including streetlight maintenance services, sentinel lights and water and waste water billing and customer care services.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

17. Related party transactions (continued):

(d) Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

	2025	2024
Directors' fees	\$ 51,709	\$ 45,855
Salaries and other benefits	623,550	657,735
	\$ 675,259	\$ 703,590

18. Financial instruments and risk management:

Fair value disclosure:

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the Township of Centre Wellington promissory note approximates the carrying value due to the short term nature of loan.

The fair value of the Ontario Infrastructure and RBC long-term debt at December 31, 2025 is \$4,745,722. The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date. The interest rate used to calculate fair value at December 31, 2025 was 4.38%.

Financial risks:

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

18. Financial instruments and risk management (continued):

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the Township of Centre Wellington. As at December 31, 2025, one customer accounts for a balance 7.0% of total accounts receivable (2024 - 8.2%).

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2025 is \$18,600 (2024 - \$18,600). An impairment loss of \$8,979 (2024 - \$10,130) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2025, approximately \$10,729 (2024 - \$59,433) is considered 60 days past due. The Corporation has over 6,900 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance. As at December 31, 2025, the Corporation holds security deposits in the amount of \$385,178 (2024 - \$205,329).

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2025 would have increased interest expense on the long-term debt by \$88,931 (2024 - \$82,908), assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

CENTRE WELLINGTON HYDRO LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2025

18. Financial instruments and risk management (continued):

(c) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a \$2,000,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2025, no amounts had been drawn under the Corporation's credit facility.

The Corporation also has a facility for \$450,000 (the "LC" facility) for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which \$nil has been drawn and posted with the IESO (2024 - \$nil).

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2025, shareholder's equity amounts to \$13,045,406 (2024 - \$12,174,7833) and long-term debt amounts to \$9,877,440 (2024 - \$8,213,184).

19. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2025 financial statements.

Non-Consolidated Financial Statements of

**CENTRE WELLINGTON
ENERGY INC.**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP

120 Victoria Street South
Suite 600
Kitchener, ON N2G 0E1
Canada
Telephone
Fax

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Centre Wellington Energy Inc.

Opinion

We have audited the non-consolidated financial statements of Centre Wellington Energy Inc. (the Entity), which comprise:

- the non-consolidated statement of financial position as at December 31, 2025
- the non-consolidated statement of income and comprehensive income for the year then ended
- the non-consolidated statement of changes in equity for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as at December 31, 2025 and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with the basis of accounting in note 1(a).

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 auditor's report.

We are independent of the Entity 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 these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter - Basis of Preparation

Without modifying our opinion, we draw attention to Note 1(a) to the non-consolidated financial statements, which describe the basis of accounting. The non-consolidated financial statements are prepared to assist the Entity to prepare its payment-in-lieu if tax returns.

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 the basis of accounting in Note 1(a), 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities 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 the 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 Entity's internal control.



Page 3

- 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 Entity'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 Entity 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
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

May 13, 2026

CENTRE WELLINGTON ENERGY INC.

Non-Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 26,857	\$ 8,317
Prepaid expenses	3,250	3,048
Receivable from Centre Wellington Hydro Ltd.	-	639
Promissory note receivable (note 2)	65,000	65,000
	<u>95,107</u>	<u>77,004</u>
Investment in Centre Wellington Hydro Ltd. (note 3)	13,045,406	12,174,783
Deferred tax assets (note 5)	38,909	33,909
	<u>13,084,315</u>	<u>12,208,692</u>
	<u>\$ 13,179,422</u>	<u>\$ 12,285,696</u>

Liabilities and Shareholder's Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,123	\$ 7,684
Shareholder's equity:		
Share capital (note 4)	5,035,066	5,035,066
Contributed surplus (note 4)	2,698,545	2,698,545
Retained earnings	5,401,228	4,495,343
Accumulated other comprehensive income	31,460	49,058
	<u>13,166,299</u>	<u>12,278,012</u>
	<u>\$ 13,179,422</u>	<u>\$ 12,285,696</u>

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

_____ Director _____ Director

CENTRE WELLINGTON ENERGY INC.

Non-Consolidated Statement of Income and Comprehensive Income

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Equity earnings from subsidiary companies	\$ 918,221	\$ 690,670
Expenses:		
Professional fees	13,610	8,305
Office and general	3,686	1,906
Interest and bank charges	40	150
	<u>17,336</u>	<u>10,361</u>
Income before income taxes and other comprehensive loss	900,885	680,309
Deferred tax recovery (note 5)	5,000	4,000
Net income before other comprehensive loss	905,885	684,309
Other comprehensive loss	(17,598)	-
Total comprehensive income	<u>\$ 888,287</u>	<u>\$ 684,309</u>

See accompanying notes to non-consolidated financial statements.

CENTRE WELLINGTON ENERGY INC.

Non-Consolidated Statement of Changes in Equity

Year ended December 31, 2025, with comparative information for 2024

	Share capital	Retained earnings	Accumulated other comprehensive gain	Contributed surplus	Total
Balance at					
January 1, 2024	\$ 5,035,066	\$ 3,811,034	\$ 49,058	\$ 2,698,545	\$ 11,593,703
Net income	-	684,309	-	-	684,309
Balance at					
December 31, 2024	\$ 5,035,066	\$ 4,495,343	\$ 49,058	\$ 2,698,545	\$ 12,278,012
Balance at					
January 1, 2025	\$ 5,035,066	\$ 4,495,343	\$ 49,058	\$ 2,698,545	\$ 12,278,012
Net income	-	905,885	-	-	905,885
Other comprehensive loss	-	-	(17,598)	-	(17,598)
Balance at					
December 31, 2025	\$ 5,035,066	\$ 5,401,228	\$ 31,460	\$ 2,698,545	\$ 13,166,299

See accompanying notes to non-consolidated financial statements.

CENTRE WELLINGTON ENERGY INC.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Total comprehensive income	888,287	684,309
Items not involving cash:		
Equity earnings of subsidiary companies	(918,221)	(690,670)
Deferred tax recovery	(5,000)	(4,000)
Other comprehensive income (loss)	17,598	-
Changes in non-cash operating working capital:		
Increase in prepaid expenses	(202)	(3,048)
Accounts payable and accrued liabilities	5,439	1,559
	(12,099)	(11,850)
Advances to related party	639	-
Dividend received	30,000	-
Increase (decrease) in cash	18,540	(11,850)
Cash, beginning of year	8,317	20,167
Cash, end of year	26,857	8,317

See accompanying notes to non-consolidated financial statements.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2025

Reporting entity:

Centre Wellington Energy Inc. (the "Company") is a holding company incorporated under the Business Corporations Act (Ontario) on December 4, 2008. The Company is located in the Township of Centre Wellington ("the Township"). The address of the Company's registered office is 730 Gartshore Street, Fergus, Ontario. The Company's shareholder and ultimate parent is the Township of Centre Wellington.

The non-consolidated financial statements are for the Company as at and for the year ended December 31, 2025.

1. Material accounting policy information:

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") with the exception that investments in subsidiary companies are accounted for by the equity method.

The financial statements were approved by the Board of Directors on May 11, 2026.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes ("PILs") are referred to as income taxes.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Material accounting policy information (continued):

(d) Income taxes (continued):

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

(e) Impairment of financial assets:

The Company recognizes a loss allowance for expected credit losses on a financial asset that is designated as amortized cost or fair value through other comprehensive income. For financial assets designated as fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income and is not reflected in the carrying amount of the financial asset in the statement of financial position.

At each reporting date, the Company assesses whether there is any objective evidence that the credit risk associated with a financial asset not carried at fair value through profit or loss has increased significantly since initial recognition. In the event there is a significant increase in credit risk, a loss allowance is recorded at an amount equal to the lifetime expected credit losses arising from the financial asset. If, at the reporting date, the credit risk has not increased significantly, the loss allowance is measured at an amount equal to the twelve-month expected credit losses.

The carrying values of cash, accounts receivable, and accounts payable approximate their fair values due to the short-term nature of these financial instruments. The fair value of long-term debt represents the value as at the reporting date, based on interest rates in effect as at that date available to the Company for the same or similar debt instruments.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Material accounting policy information (continued):

(f) Financial instruments:

The Company has classified its financial instruments, in accordance with IFRS 9, as follows: cash, accounts receivable, accounts payable, and long-term debt are classified as amortized cost.

The Company adds transaction costs that are directly attributable to the acquisition or issuance on initial recognition of all financial instruments not designated as financial assets or financial liabilities at fair value through profit or loss. The Company recognizes as an asset or liability at fair value all embedded derivatives that are required to be separated from their host contracts.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability to equal the instrument's carrying value. The fair value of such an instrument is calculated by discounting future cash flows at market rates.

Financial assets and liabilities are recorded in the statement of financial position as current if they mature within one year and non-current if they mature after one year. Financial assets carried at amortized cost.

The Company classifies a financial asset as amortized cost if the asset is held with the objective to collect contractual cash flows, and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely principal and interest on the principal amount outstanding. A financial asset classified as amortized cost is recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the financial asset is measured at amortized cost, less any impairment or provision. Interest is calculated using the effective interest rate method and recorded in revenue in the statement of income.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Material accounting policy information (continued):

(f) Financial instruments (continued):

Financial liabilities carried at amortized cost.

Other liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest rate method with interest recorded as finance costs in the statement of income.

Financial assets carried at fair value with changes in fair value included in other comprehensive income.

The Company classifies an asset or liability as fair value through other comprehensive income ("FVOCI") when the asset or liability is not considered held for trading; when the performance of a group of financial assets or financial liabilities is managed on a buy and hold basis, in accordance with documented strategies and the management reporting system.

Financial assets and liabilities carried at fair value with changes in fair value included in income.

The Company classifies an asset or liability as fair value through profit or loss ("FVTPL") when the asset or liability is held for trading (including derivatives); when using fair value eliminates or significantly reduces an inconsistency in the measurement of assets and liabilities ("accounting mismatch"); when the performance of a group of financial assets or financial liabilities is managed on a fair value basis, in accordance with documented strategies and the management reporting system; or if a contract contains one or more embedded derivatives, then the hybrid instrument may be valued under the fair value option, unless the embedded derivative does not substantially affect the cash flows of the contract.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Material accounting policy information (continued):

(g) Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - a) The Company has the right to operate the asset; or
 - b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

For leases and contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Material accounting policy information (continued):

(g) Leases (continued):

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and low value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Standards issued but not yet adopted:

At the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and Interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company.

New standards, amendments and interpretations not adopted in the current year include the following:

- i. Lack of exchangeability (Amendments to IAS 21).
- ii. Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7).
- iii. Presentation and disclosure of financial statements (IFRS 18).
- iv. Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).
- v. Subsidiaries without public accountability disclosures (IFRS 19).

The Company is currently assessing the impact of these standards.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

2. Promissory note receivable:

The promissory note receivable is due from Centre Wellington Energy Innovations Inc., which is non-interest bearing and due on demand.

3. Investment in subsidiary company:

Centre Wellington Hydro Ltd. ("CWH"):

	2025	2024
Opening investment	\$ 12,174,783	\$ 11,484,113
Equity share of earnings	918,221	690,670
Other comprehensive loss	(17,598)	-
Dividends received	(30,000)	-
Ending investment	\$ 13,045,406	\$ 12,174,783

4. Share capital:

	2025	2024
Authorized:		
Unlimited number of common shares		
Issued:		
1,100 common shares	\$ 5,035,066	\$ 5,035,066

As the investment in CWH was acquired from a related party, the initial investment was recorded at the carrying value of CWH in the records of the Township of Centre Wellington.

The difference between the agreed amount of shares exchanged and the carrying value of the investment was recorded as contributed surplus of \$2,698,545.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

5. Income taxes:

The provision for PILs differs from the amount that would have been recorded using the combined Canadian Federal and Ontario statutory income tax rate of 26.5% (2024 - 26.5%). The reconciliation between the statutory and effective tax rates is provided as follows:

	2025	2024
Income before income taxes and other comprehensive loss	\$ 900,885	\$ 680,309
Tax at applicable tax rate	\$ 238,735	\$ 180,282
Increase (decrease) in taxes resulting from:		
Non-taxable equity income from subsidiary companies	(243,735)	(184,282)
Income tax recovery	\$ (5,000)	\$ (4,000)

The deferred tax asset is made up of non-capital loss carryforwards of \$145,848 (2024 - \$128,512).

6. Financial risks and concentration of risk:

The Company's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk.

(a) Market risk:

Market risks primarily refer to the risk of loss that results from changes in commodity prices, foreign exchange rates, and interest rates. The Company currently does not have commodity, foreign exchange, or interest rate risk.

CENTRE WELLINGTON ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2025

6. Financial risks and concentration of risk (continued):

(b) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which would result in a financial loss. Financial assets held by the Company, such as accounts promissory note receivable, expose it to credit risk.

The carrying amount of accounts receivable and the promissory note receivable are reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in the income statement. Subsequent recoveries of receivables previously provisioned are credited to the income statement. The balance of the allowance for impairment at December 31, 2025 is \$nil (2024 - \$nil). There was no impairment loss recognized during the year.

(c) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due. The Company monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Company, when managing capital, are to ensure prudent management of its capital structure and to deliver the appropriate financial returns.

The Company's definition of capital includes shareholder's equity. As at December 31, 2025, shareholder's equity amounts to \$13,166,299 (2024 - \$12,278,012).

Financial Statements of

**CENTRE WELLINGTON
ENERGY INNOVATIONS INC.**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP

120 Victoria Street South
Suite 600
Kitchener, ON N2G 0E1
Canada
Telephone 519 747 8800
Fax 519 747 8811

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Centre Wellington Energy Innovations Inc.

Opinion

We have audited the financial statements of Centre Wellington Energy Innovations Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of comprehensive income for the year then ended
- the statement of changes in shareholder's deficiency for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with International financial reporting 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 auditor's report.

We are independent of the Entity 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 these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 International financial reporting 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Page 2

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

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

Auditor's Responsibilities 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 the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.



Page 3

- 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

May 13, 2026

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 79,392	\$ 116,124
Accounts receivable (note 3)	22,161	16,896
Prepaid expenses	7,420	6,983
	<u>108,973</u>	<u>140,003</u>
Property, plant and equipment (note 4)	1,093,529	1,154,590
	<u>\$ 1,202,502</u>	<u>\$ 1,294,593</u>

Liabilities and Shareholder's Deficiency

Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,465	\$ 14,650
Current portion of lease obligation (note 5)	102,915	98,089
Deferred revenue (note 6)	31,676	31,676
Promissory note (note 7)	65,000	65,000
	<u>212,056</u>	<u>209,415</u>
Non-current liabilities:		
Non-current portion of lease obligations (note 5)	880,215	983,130
Non-current portion of deferred revenue (note 6)	184,347	217,023
	<u>1,064,562</u>	<u>1,200,153</u>
	1,276,618	1,409,568
Shareholder's deficiency:		
Share capital:		
Authorized:		
Unlimited number of voting, Class A common shares		
Unlimited number of non-voting, Class B common shares		
Unlimited number of non-voting, Class A special shares		
Issued and outstanding:		
100 Class A common shares	521,001	521,001
Deficit	<u>(595,117)</u>	<u>(635,976)</u>
	<u>(74,116)</u>	<u>(114,975)</u>
	<u>\$ 1,202,502</u>	<u>\$ 1,294,593</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Statement of Comprehensive Income

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Sales	\$ 252,089	\$ 244,276
Expenses:		
Programs	85,086	35,964
Administrative	13,386	12,572
Depreciation	61,061	61,061
	159,533	109,597
Income before the undernoted items	92,556	134,679
Finance income	559	1,148
Finance expense	(52,256)	(57,326)
	(51,697)	(56,178)
Net income and total comprehensive income for the year	\$ 40,859	\$ 78,501

See accompanying notes to financial statements.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Statement of Changes in Shareholder's Deficiency

Year ended December 31, 2025, with comparative information for 2024

	Share capital	Deficit	Total
Balance, January 1, 2024	\$ 521,001	\$ (714,477)	\$ (193,476)
Total comprehensive income for the year	-	78,501	78,501
Balance, December 31, 2024	521,001	(635,976)	(114,975)
Total comprehensive income for the year	-	40,859	40,859
Balance, December 31, 2025	\$ 521,001	\$ (595,117)	\$ (74,116)

See accompanying notes to financial statements.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Net income	\$ 40,859	\$ 78,501
Items not involving cash:		
Depreciation	61,061	61,061
Deferred revenue	(32,676)	(32,676)
Interest expenses – lease obligation	52,256	57,326
Interest income	(559)	(1,148)
	120,941	163,064
Changes in non-cash operating working capital:		
Accounts receivable	(5,265)	344
Prepaid expenses	(437)	(3,291)
Accounts payable and accrued liabilities	(2,185)	7,776
	113,054	167,893
Interest received	559	1,148
Interest paid – lease obligation	(52,256)	(57,326)
	61,357	111,715
Financing activities:		
Repayment of lease obligation	(98,089)	(93,020)
Change in cash	(36,732)	18,695
Cash, beginning of year	116,124	97,429
Cash, end of year	\$ 79,392	\$ 116,124

See accompanying notes to financial statements.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements

Year ended December 31, 2025

Nature of operations:

Centre Wellington Energy Innovations Inc. (the "Company") was incorporated on December 1, 2015 under the Business Corporations Act.

The principal business of Centre Wellington Energy Innovations Inc. is to research and develop products and solutions aimed at reducing energy consumption and costs. The address of the Company's registered office is 1 Macdonald Square, Elora, Ontario.

The Company is wholly owned by Centre Wellington Energy Inc. and the ultimate parent company is the Township of Centre Wellington.

1. Basis of preparation:

(a) Statement of compliance:

The Company's financial statements have been prepared in accordance International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on May 11, 2026.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Basis of preparation (continued):

(d) Use of estimates and judgments (continued):

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

- (i) Note 2(a) - revenue recognition
- (ii) Note 4 - estimation of useful lives of its property, plant and equipment assets
- (iii) Note 5 - lease obligation

2. Material accounting policies:

The accounting policies set out below have been applied consistently to all years presented in these financial statements:

(a) Revenue recognition:

Revenues are recorded based on the five-step approach outlined by IFRS 15:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company recognizes revenue when (or as) a performance obligation is satisfied, which is when control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Service revenue is recognized as the service is provided or contract milestones are achieved. These services are usually billed and paid for on a monthly basis. Installation revenue may be separate or as part of a bundled package. The transaction price is allocated between separate products and services based on their stand-alone selling prices. Amounts received in advance of revenue being recognized is presented as deferred revenue.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Material accounting policies (continued):

(a) Revenue recognition (continued):

Incremental costs to obtain a contract are typically short-term in nature and the Company applies the practical expedient permitted under IFRS 15 to recognize such costs as an expense when incurred if the amortization of the asset that the Company would have otherwise recognized is less than one year.

(b) Impairment of financial assets:

The Company recognizes a loss allowance for expected credit losses on a financial asset that is designated as amortized cost or fair value through other comprehensive income. For financial assets designated as fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income and is not reflected in the carrying amount of the financial asset in the statement of financial position.

At each reporting date, the Company assesses whether there is any objective evidence that the credit risk associated with a financial asset not carried at fair value through profit or loss has increased significantly since initial recognition. In the event there is a significant increase in credit risk, a loss allowance is recorded at an amount equal to the lifetime expected credit losses arising from the financial asset. If, at the reporting date, the credit risk has not increased significantly, the loss allowance is measured at an amount equal to the twelve-month expected credit losses.

The carrying values of cash, accounts receivable, and accounts payable approximate their fair values due to the short-term nature of these financial instruments. The fair value of long-term debt represents the value as at year end, based on interest rates in effect as at that date available to the Company for the same or similar debt instruments.

(c) Financial instruments:

The Company has classified its financial instruments, in accordance with IFRS 9, as follows: cash, accounts receivable, accounts payable, and long-term debt are classified as amortized cost.

The Company adds transaction costs that are directly attributable to the acquisition or issuance on initial recognition of all financial instruments not designated as financial assets or financial liabilities at fair value through profit or loss. The Company recognizes as an asset or liability at fair value all embedded derivatives that are required to be separated from their host contracts.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Material accounting policies (continued):

(c) Financial instruments (continued):

The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability to equal the instrument's carrying value. The fair value of such an instrument is calculated by discounting future cash flows at market rates.

Financial assets and liabilities are recorded in the statement of financial position as current if they mature within one year and non-current if they mature after one year.

Financial assets carried at amortized cost

The Company classifies a financial asset as amortized cost if the asset is held with the objective to collect contractual cash flows, and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely principal and interest on the principal amount outstanding. A financial asset classified as amortized cost is recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the financial asset is measured at amortized cost, less any impairment or provision. Interest is calculated using the effective interest rate method and recorded in revenue in the statement of income.

Financial liabilities carried at amortized cost

Other liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest rate method with interest recorded as finance costs in the statement of income.

Financial assets carried at fair value with changes in fair value included in other comprehensive income

The Company classifies an asset or liability as fair value through other comprehensive income ("FVOCI") when the asset or liability is not considered held for trading; when the performance of a group of financial assets or financial liabilities is managed on a buy and hold basis, in accordance with documented strategies and the management reporting system.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Material accounting policies (continued):

(c) Financial instruments (continued):

Financial assets and liabilities carried at fair value with changes in fair value included in income

The Company classifies an asset or liability as fair value through profit or loss ("FVTPL") when the asset or liability is held for trading (including derivatives); when using fair value eliminates or significantly reduces an inconsistency in the measurement of assets and liabilities ("accounting mismatch"); when the performance of a group of financial assets or financial liabilities is managed on a fair value basis, in accordance with documented strategies and the management reporting system; or if a contract contains one or more embedded derivatives, then the hybrid instrument may be valued under the fair value option, unless the embedded derivative does not substantially affect the cash flows of the contract.

(d) Property, plant and equipment:

Property, plant and equipment ("PP&E") are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Material accounting policies (continued):

(d) Property, plant and equipment (continued):

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Company has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

The estimated useful lives are as follows:

Asset	Rate
Combined heat and power system	20-25 years

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Material accounting policies (continued):

(e) Leased assets:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - a) The Company has the right to operate the asset; or
 - b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

For leases and contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Material accounting policies (continued):

(e) Leased assets (continued):

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and low value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and promissory notes receivable.

Finance costs comprise interest expense on borrowings. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Material accounting policies (continued):

(g) Standards issued but not yet adopted:

At the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and Interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company.

New standards, amendments and interpretations not adopted in the current year include the following:

- (i) Lack of exchangeability (Amendments to IAS 21).
- (ii) Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7).
- (iii) Presentation and disclosure of financial statements (IFRS 18).
- (iv) Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).
- (v) Subsidiaries without public accountability disclosures (IFRS 19).

The Company is currently assessing the impact of these standards.

3. Accounts receivable:

	2025	2024
Accounts receivable	\$ 22,161	\$ 16,896
Less allowance for impairment	-	-
	\$ 22,161	\$ 16,896

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Property, plant and equipment:

	Combined heat and power system	Total
<i>Cost</i>		
Balance at January 1, 2025	\$ 1,520,961	\$ 1,520,961
Additions	-	-
Balance at December 31, 2025	\$ 1,520,961	\$ 1,520,961
Balance at January 1, 2024	\$ 1,520,961	\$ 1,520,961
Additions	-	-
Balance at December 31, 2024	\$ 1,520,961	\$ 1,520,961
<i>Accumulated depreciation</i>		
Balance at January 1, 2025	\$ 366,371	\$ 366,371
Depreciation	61,061	61,061
Balance at December 31, 2025	427,432	427,432
	\$ 427,432	\$ 427,432
Balance at January 1, 2024	\$ 305,310	\$ 305,310
Depreciation	61,061	61,061
Balance at December 31, 2024	\$ 366,371	\$ 366,371
<i>Carrying amounts</i>		
At December 31, 2025	\$ 1,093,529	\$ 1,093,529
At December 31, 2024	1,154,590	1,154,590

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Lease obligations:

	2025	2024
RBC Equipment lease, payable in monthly instalments of \$12,529, due 2029	\$ 1,128,185	\$ 1,275,774
Less: interest at 5.12%	(145,055)	(194,555)
	983,130	1,081,219
Less current portion of lease obligation	102,915	98,089
	\$ 880,215	\$ 983,130

The total amount of minimum lease payments are due as follows:

	Total	Interest	Principal
Due within one year	\$ 150,346	\$ 47,431	\$ 102,915
Due two to five years	378,864	97,624	281,240
Due after five years	598,975	-	598,975
Balance at December 31, 2025	\$ 1,128,185	\$ 145,055	\$ 983,130

6. Deferred revenue:

As at December 31, 2025, the Company has received \$500,000 of funding from the Township of Centre Wellington to be used towards the cost of constructing generator equipment. As at December 31, 2025, \$216,023 (2024 - \$248,699) of the funding has been recorded as deferred revenue and \$31,676 (2024 - \$31,676) has been recognized as sales revenue on the basis of amortization over the life of the contract.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Related party transactions:

- (a) Parent and ultimate controlling party:

The sole shareholder of the Company is Centre Wellington Energy Inc. Centre Wellington Energy Inc. is a wholly-owned subsidiary of the Township of Centre Wellington. The Township produces consolidated financial statements that are available for public use. During the year, the Company provided services to the Township in the normal course of operations. Revenue recognized from the Township is \$252,089 (2024- \$244,276) for the year. These transactions were measured at the exchange amount, which represents the amount of consideration established and agreed to by the related parties.

- (b) Outstanding balances with related parties:

	2025	2024
Township of Centre Wellington – receivable	\$ 22,161	\$ 16,896

- (c) The Company has a promissory note from Centre Wellington Energy Inc, which is non-interest-bearing and due on demand.

- (d) Key management personnel:

The key management personnel of the Company have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

	2025	2024
Management fees	\$ -	\$ -

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. Income taxes:

Income tax expense differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 26.5% (2024 - 26.5%) to the income before income taxes. The reasons for the differences and related tax effects are as follows:

	2025	2024
Income before income taxes	\$ 40,859	\$ 78,501
Income taxes on income before income taxes, at above basic rate	\$ 10,828	\$ 20,803
Increase (decrease) in taxes resulting from:		
Impact of the unrecognized tax losses	(10,828)	(20,803)
	\$ -	\$ -

As at December 31, 2025, the Company had \$637,228 (2024 - \$639,890) of unused non-capital loss carry-forwards. Deferred income tax assets related to these unused tax losses will be recorded when taxable income is generated or management makes the assessment that is more likely than not that the Company will generate taxable income sufficient to realize the benefit of these unused non-capital loss carry-forwards.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Financial risk management:

The Company's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which would result in a financial loss. Financial assets held by the Company, such as accounts receivable and promissory note receivable, expose it to credit risk.

The carrying amount of accounts receivable and the promissory note receivable are reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in the income statement. Subsequent recoveries of receivables previously provisioned are credited to the income statement. The balance of the allowance for impairment at December 31, 2025 is \$nil (2024 - \$nil). There was no impairment loss recognized during the year. At December 31, 2025, \$nil (2024 - \$nil) is considered 60 days past due.

(b) Market risk:

Market risks primarily refer to the risk of loss that results from changes in commodity prices, foreign exchange rates, and interest rates. The Company currently does not have commodity, foreign exchange, or interest rate risk.

(c) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due. The Company monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

CENTRE WELLINGTON ENERGY INNOVATIONS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Financial risk management (continued):

(d) Capital disclosures:

The main objectives of the Company when managing capital are to ensure ongoing access to funding to maintain and improve solutions aimed at reducing energy consumption and costs, prudent management of its capital structure, and to deliver the appropriate financial returns.

The Company's definition of capital includes shareholder's equity. As at December 31, 2025, shareholder's deficiency amounts to \$(74,116) (2024 - \$(114,975)).

10. Capital risk management:

The Company's objectives when managing capital are to safeguard its assets while at the same time maintain investor and creditor confidence, and to sustain future development of the business.

In the management of capital, the Company includes shareholder's equity in the definition of capital. To maintain or adjust the capital structure, the Company may issue new shares, issue new debt with different characteristics, acquire or dispose of assets, or adjust the amount of cash held.

There were no changes in the Company's approach to capital management during the period.

11. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2025 financial statements.



Report to Council

To: Mayor Watters and Members of Council

Report: IS2026-15

Prepared By: Ian Duncan, Water Conservation Coordinator

Date: 15 Jun 2026

RE: Water Softener Rebate Program

Recommendation:

THAT the Council of the Township of Centre Wellington endorse the Water Softener Rebate Program.

Summary:

The Water Softener Rebate Program will be available to residential and institutional water users in the Township. This program targets one of the most consistent sources of excess water use identified through customer service investigations.

Applicants replacing an older, inefficient water softener may be eligible for one of the following options:

- **Option 1:** Replacement of an existing “time-based” water softener with a “demand- based” softener certified to the NSF/ANSI 44 standard. **Rebates under Option 1 will be \$250.00.**
- **Option 2:** Replacement of an existing water softener with a water conditioning system that does not require salt or regeneration water. The softener being replaced may be any type, including time-based or demand-based units. **Rebates under Option 2 will be \$500.00.**

Applicants connected to municipal water and wastewater services are eligible for either Option 1 or 2. Applicants on septic systems located within an Issue Contributing Area (ICA) for chloride as identified by Wellington Source Water Protection are eligible for Option 2 only.

Report:

The Township of Centre Wellington relies on groundwater sources to meet municipal water demands. To protect this resource, the Township has implemented programs and initiatives aimed to reduce water consumption and improve water efficiency.

The Residential Toilet Rebate Program, has been successful, issuing more than 50 rebates within the last 18 months. Estimated water savings from this program is approximately 1 million litres per year - equivalent to the annual use of eight average sized homes per year in the Township. This demonstrates that rebate incentive programs can produce measurable water savings.

To identify further opportunities, staff reviewed continuous consumption investigations as well as programs in neighbouring municipalities . Data indicates that toilets and water softeners are the two most common sources of water waste.

A malfunctioning water softener can waste 20 to 100 litres of water per hour directly to drain, resulting in approximately 14,000 to 70,000 litres of water loss per month. In some cases, catastrophic failures have occurred, including a documented incident in the Township where a water softener discharged more than 10,000 litres per day. Because water softeners are typically located in residential basements, leaks or malfunctions may go undetected for extended periods. The proposed rebate program enables residents to proactively reduce these risks and associated financial impacts.

A review of area municipalities identified a variety of programs for the replacement of ageing water softeners. This information was used to developed a framework for the Water Softener Rebate Program suited to the Township, while still delivering measurable water conservation outcomes.

The program includes two eligible technologies:

Demand-Based Water Softeners (Option 1)

Older water softeners typically operate on time-based regeneration cycles, which occur at preset intervals regardless of water use. This often results in unnecessary water consumption and inefficient use of salt and energy. The demand-based system regenerate only after a specified volume of water has been treated. This reduces water, salt, and energy use, lowers operating costs, and improves overall efficiency and environmental performance. The demand-based water softener rebate is \$250.

NAC/TAC Water Conditioning Systems (Option 2)

Nucleation Assisted Crystallization (NAC), or Template Assisted Crystallization (TAC), systems condition water rather than soften it by altering the structure of hardness minerals to prevent scale formation in plumbing and appliances. These systems can reduce scale buildup by approximately 90–95% compared to conventional salt-based softeners, without requiring salt or regeneration water, and involve minimal maintenance, with media replacement typically needed every five years. An additional benefit—particularly for properties on septic systems within chloride Issue Contributing Areas—is the elimination of salt and regeneration discharge, thereby reducing impacts on groundwater quality; as a result, these properties are eligible for Option 2 only. The effectiveness of NAC/TAC systems depends on local water hardness conditions, and

applicants will be required to test water hardness to confirm suitability. A rebate of \$500 is provided under the program for eligible NAC/TAC systems.

The rebate program is designed to provide up to 75 rebates in 2026 (50 option 1, 25 option 2), with a limit of one rebate per municipal address. Program results will be evaluated annually to assess the continuing viability and identify potential improvements.

Attachment A: Water Softener Rebate Program Terms and Conditions

Attachment B: Water Softener Rebate Program Presentation

Corporate Strategic Plan:

Championing environmental stewardship

Financial Implications:

The 2026 program year will be funded through the Water Conservation capital account, at a maximum projected cost of \$25,000. Funds remaining from the 2026 Water Softener Program budget will be used for the Program in 2027, which will again have an maximum projected cost of \$25,000. If successful, the Program will include this sum in the annual Water Conservation budget.

Consultation:

Colin Baker, Managing Director of Infrastructure Services

Dino Masiero, Manager of Water Services and Environmental Sustainability

Attachments:

- [Attachment A - IS2026-15 Water Softener Rebate Program Terms and Conditions](#)
- [Attachment B - IS2026-15 Presentation](#)

Approved By:

Colin Baker, Managing Director of Infrastructure Services

Dan Wilson, Chief Administrative Officer

ATTACHMENT A



Centre Wellington

Township of Centre Wellington

Water Softener Rebate Program

Prepared:

April 2026



THE TOWNSHIP OF CENTRE WELLINGTON

WATER SOFTENER REBATE PROGRAM: TERMS AND CONDITIONS

Definitions under this Program:

1. **Time-based water softener:** The most common type of softener found in households. Time-based softeners operate on a time clock that is pre-set to carry out the regeneration cycle at set intervals. For a water softener to function properly the salt coating on the resin beads in the mineral tank needs to be regenerated. Time-based softeners regenerate the resin according to a pre-set schedule regardless of the volume of water used by the household. This often results in the execution of unnecessary regeneration cycles. Time-based technology can be wasteful of salt, water, and energy because the softener will regenerate even during periods of low household water use. Conversely, during times of high-water use, these softeners can regenerate too infrequently, leaving the homeowner with hard water.
2. **Demand-based water softener:** Demand-based softeners meter water usage over time and only regenerate when a specified volume of softened water has been used by the household, regardless of the amount of time or number of days this takes. By regenerating only when needed, demand-based water softeners use less water, less salt, and less energy. This results in reduced operating costs for owners, as well as water efficiency and environmental benefits.
3. **NSF/ANSI 44 Standard:** A performance standard that states when a water softener is set to operate efficiently, it will remove a minimum of 4,000 grains of hardness per pound of salt used. At the same time, it will not use more than 4 U.S. gallons of water per 1,000 grains of hardness removed. This should be considered a minimum standard. To meet the NSF/ANSI 44 Performance Standard, suppliers must make performance data and salt efficiency information available with the machine. This information can be found in the owner's manual, on a separate sheet of paper, or on the internet. To be eligible for a rebate under the Township of Centre Wellington Water Softener Rebate Program, applicants must ensure the new softener they intend to install is certified as meeting the NSF/ANSI 44 standard. The Township of Centre Wellington does not endorse specific brands of water softener. For a list of NSF-certified water softeners, go to www.nsfconsumer.org or call 1-800-673-8010.
4. **Alternative NAC/TAC Water Conditioning Unit:** Nucleation Assisted Crystallization (NAC) and Template Assisted Crystallization (TAC) water conditioning systems prevent scale build-up without the use of salt or additional water inputs. Unlike traditional water softeners, these systems do not remove hardness particles but change the chemical properties of the hardness particles in water to prevent scale from forming on surfaces and appliances. NAC/TAC units have minimal maintenance requirements and only require the system media to be replaced approximately every 5 years. With a NAC/TAC system, homeowners do not have to worry about the salt content of water when drinking from any tap in the house. Additional advantages of NAC/TAC systems include financial and environmental benefits resulting from using much less water, less energy, and less salt. Because NAC/TAC systems do not soften water, homeowners should not expect the same "soft water feeling" generated by water softeners. To learn more about NAC/TAC salt free water conditioning units and decide if they are right for you, visit: <https://watersoftenerfacts.ca/wp-content/uploads/2019/11/Salt-free-Water-Conditioner-Consumer-Study-Summary-Brochure-FINAL.pdf> - A study completed by the city of Guelph.

Program Terms and Conditions:

1. The Water Softener Rebate Program will be administered by the Infrastructure Services Department of the Township of Centre Wellington effective **MONTH XX**, 2026.
2. Eligibility contingent on the removal of an existing residential water softener unit. Units already removed prior to the completion of an application are not eligible for the program.
3. Applications for the rebate are processed on a first come, first served basis and capped at 75 rebates total. Application submission does not guarantee a rebate.
4. The rebate program is open to only *Residential and Institutional* applicants. Applicants who are connected to municipal water and wastewater services and receive a municipal water bill are eligible for Options 1 & 2 below.
5. Applicants who have a septic system that lies within an Issue Contributing Area (ICA) for sodium or chloride within Centre Wellington (as maintained by Wellington Source Water Protection) are eligible for Option 2 only. A map with the ICAs for Centre Wellington is available on the Township website at: www.centrewellington.ca/living-here/water-conservation/
6. Applicants who fall in the Industrial, Commercial, and Multi-unit Residential categories are advised to contact the Infrastructure Services Department for more information on future rebate programs; **(519) 846-9691 x269**.
7. Eligibility is conditional upon replacement of a softener unit with one of the two (Option 1 or Option 2) program options as laid out below:
 - Option 1: Replacement of an existing “time-based” water softener with a “demand- based” softener certified to the NSF/ANSI 44 standard.
 - Option 2: Replacement of an existing water softener with an alternative salt-free NAC/TAC water conditioning unit that does not require salt or additional water inputs to operate. Under this option, the existing softener to be replaced can be any type of softener model, including time-based or demand-based units.
8. There is a limit of one rebate per municipal address. Any exemption from this limit will need to be approved by the Managing Director of Infrastructure Services.
9. The Township reserves the right to require an inspection of the newly installed softener unit and old softener model prior to rebate payment. Refusal of entry will result in denial of rebate application.
10. The rebate program is subject to cancellation at any time, without notice.
11. Rebates under Option 1 will be **\$250.00**. Rebates under Option 2 will be **\$500.00**. The difference in rebate amounts reflects the difference in average unit cost between the two options and is subject to change at the Township’s sole discretion.
12. The following steps must be completed by the applicant to receive a rebate:
 - Review and accept the program terms and conditions;

- Complete and return the Rebate Application and attached photograph of the old softener unit (must be time-based for Option 1), and a specification sheet for the new system being installed:
 - i. For Option 1: Spec sheet must clearly demonstrate the new unit is **demand-based** and is certified to the NSF/ANSI 44 efficiency standard;
 - ii. For Option 2: Spec Sheet the alternative NAC/TAC water conditioning unit you intend to purchase and a hardness test showing your hardness test results.
 - Township staff will review the application materials. If the submitted materials meet all program requirements, Township staff will contact you to confirm your **conditional** program eligibility;
 - After confirmation, have your unit replaced in accordance with the conditions set out in Option 1 or Option 2, and arrange for a site inspection if requested by the Township – **do not dispose of your old unit prior to a completed inspection**; and
 - Subject to compliance with the Terms and Conditions, Township staff will review the encompassing application and determine if all eligibility requirements have been met.
 - If the Township deems the application successful, a rebate will be issued by mail within 4 weeks.
13. By submitting an application, the applicant agrees to release, waive and forever discharge the Township of Centre Wellington of and from all claims, actions, causes of action, losses, damages, expenses and costs of any nature whatsoever arising out of or related to the applicant's participation in the program. The applicant further acknowledges that the Township is not responsible for the selection of and does not warrant the performance of or accept any liability for the operation or non-operation or manner or form of installation of the toilet replacement equipment under this program.



Attachment B

Water Softener Rebate Program

Ian Duncan

June 15, 2026



Why is a Water Softener Rebate Program Important?

- Water softeners are one of the most common sources of household water waste in Centre Wellington.
- Malfunctioning water softeners can waste approximately 20 to 100 litres of water per hour. This can result in **14,000 to 70,000** litres of wasted water **per month**. Because softeners are located in basement utility rooms and the discharge is directly to a drain, this water loss is typically undetected.
- Time-based water softeners are prone to over-cycling, regenerating the softener tank on a set schedule rather than actual water use. This frequently leads to unnecessary regeneration events and excess water being sent to waste.





Why is a Water Softener Rebate Program Important?

- To address water wasted through malfunction or over cycling, two industry technologies were selected for inclusion in the Rebate Program:
 - Option 1: Demand-Based Water Softeners – These systems operate similar to time-based models but monitor household water usage and regenerate on and as needed basis. On average, they use 50% less water than traditional time-based softeners.
 - Option 2: Nucleation/Template Assisted Crystallization Conditioners – These systems achieve 90–95% scale reduction compared to conventional salt-based softeners, while using no salt and producing no wastewater. While they do not produce softened water, this distinction is an important consideration for homeowners.

TAC System Example

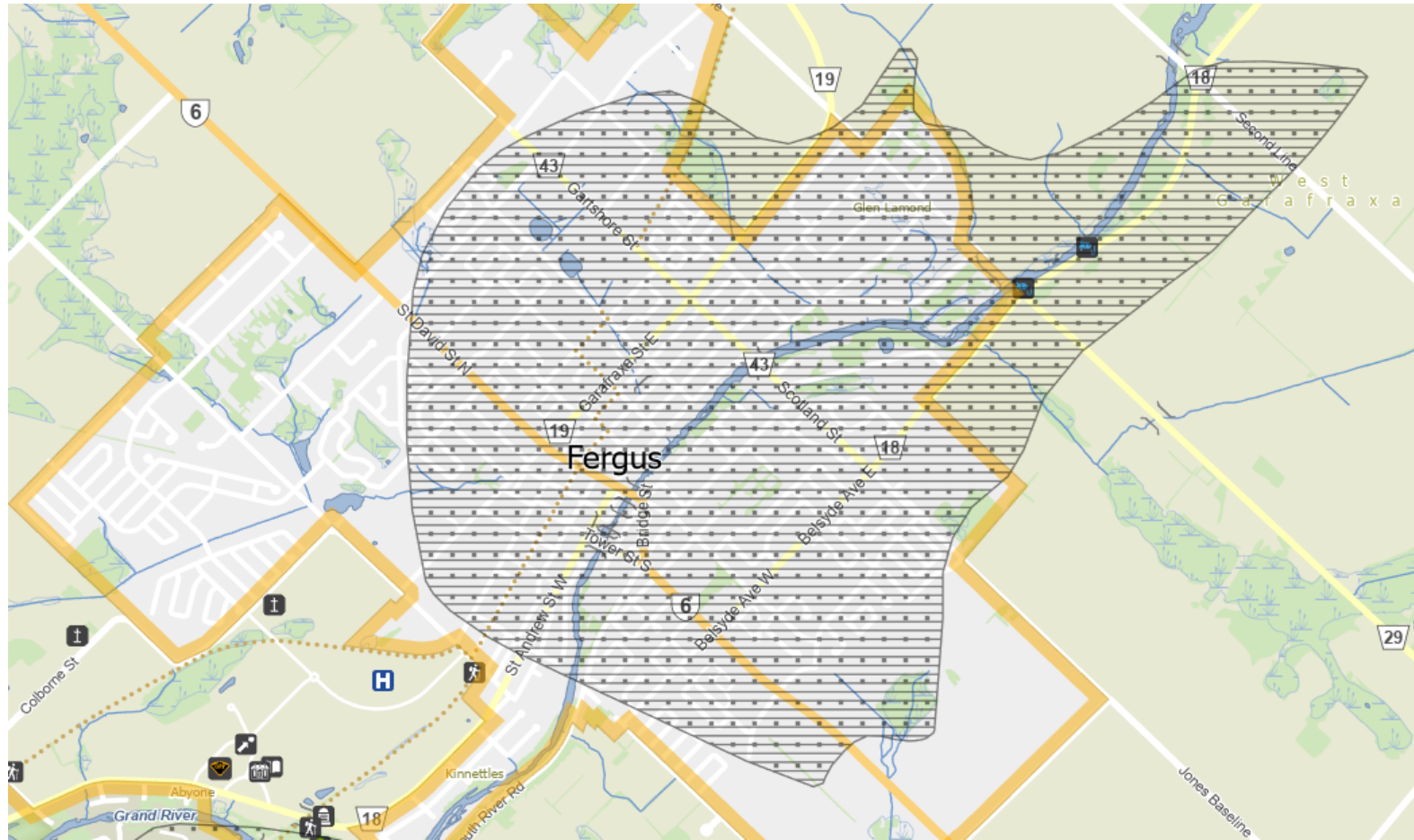




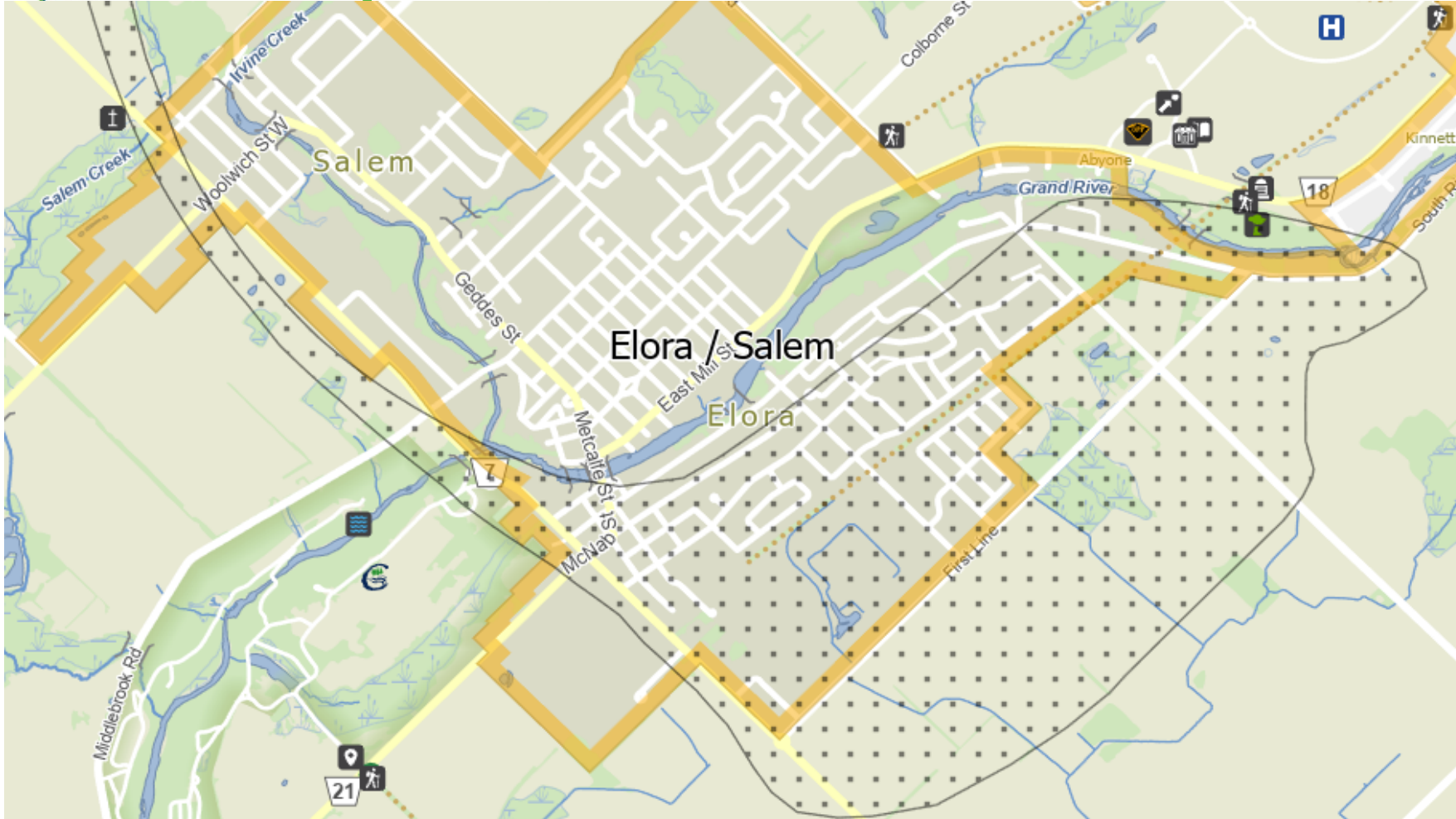
Type of Softener	Average Cost of the Unit	Average cost of Installation	Average Water Use Per Year (L)	Average Cost of Water per year	Average Cost of Maintenance per year (salt) (regenerant)	Total Upfront Cost	Total cost over 10 Years (warranty Period) (\$)
Simple, Time-dependent softener	\$800	\$1,000	23,056	\$133.49	\$120	\$1,800	\$4,335
New Smart Softener (Demand)	\$1,200	\$1,000	8,646	\$50.06	\$80	\$2,200	\$3,500
Salt Free TAC System	\$1,600	\$1,000	0	0	\$165	\$2,600	\$4,250



Impact on Sodium & Chloride Issue Contributing Areas (ICAs) - Fergus



- A rebate for NAC/TAC systems will be available to owners of private septic systems located within the Township ICA's for sodium or chloride.
- A change to a salt-less NAC/TAC system will eliminate softened water and softener recharge discharge water to the septic system and reduce the impacts to groundwater.



- Between the Fergus and Elora ICAs, there are more than **530** properties on septic systems that would qualify for the salt-less system rebate.



- Online applications are available, or printed applications can be submitted by residents.
- Applications are reviewed by the Water Conservation Coordinator to ensure Terms and Conditions are met.
- Inspections of units can be arranged with applicants to verify eligibility
- Once the verification process is completed, rebate approval is issued, and tracking will ensure only a single rebate is applied per address.

Water Softener Rebate Application

The Township of Centre Wellington is offering a rebate to residents and small institutional facilities for the replacement of an existing water softener unit with a more water efficient model as approved by the Township. This Program is effective Month XX, 2026.

The applicant must choose one of the following options:

- **OPTION 1:** Replace an existing "time-based" water softener with a "demand-based" softener model, certified by the National Standards Foundation to the ANSI 44 standard (NSF/ANSI 44). - **(\$250 rebate including HST)**
- **OPTION 2:** Replace any existing water softener with an alternative salt-free NAC/TAC water conditioning unit. - **(\$300 rebate including HST)**

The following criteria must be met under either option by the applicant to become eligible

- Review and accept the program terms and conditions
- be connected to the municipal water and sanitary sewer system and receive a water bill;
- Complete and return the Rebate Application and attached photograph of the old softener unit (must be time-based for Option 1), and a specification sheet for the new system being installed:
 - For **Option 1:** Spec sheet must clearly demonstrate the new unit is **demand-based** and is certified to the NSF/ANSI 44 efficiency standard.
 - For **Option 2:** Spec Sheet the alternative NAC/TAC water conditioning unit you intend to purchase and a hardness test showing your hardness test results.
- Township staff will review the application materials. If the submitted materials meet all program requirements, Township staff will contact you to confirm your **conditional** program eligibility;
- After confirmation, have your unit replaced in accordance with the conditions set out in Option 1 or Option 2, and arrange for a site inspection if requested by the Township – **do not dispose of your old unit prior to a completed inspection;**

Please note: at this time, the program only applies to residential and institutional properties. For industrial, commercial, and multi-unit residential properties, please contact the [Township Water Conservation Coordinator](#) for current/future eligibility.

Applicant Name *

Address *

Postal Code *

Phone Number *

Email Address *

Option Chosen *



Centre Wellington

Next Steps:

- Promotion and advertising plan will be created with Communications and Engagement Division
- Official launch July 2026

Questions?

To: Mayor Watters and Members of Council

Report: PLN2026-23

Prepared By: Deanna Maiden, Senior Development Planner

Date: 15 Jun 2026

RE: Zoning Amendment RZ07-2025 Decision Report - 191 Wellington Road 7 & 290 South Street, Salem

Recommendation:

THAT the Council of the Township of Centre Wellington approves application RZ07/25 for a zoning amendment and gives three readings to the necessary by-law.

Summary:

A Zoning By-law amendment application has been received to facilitate residential redevelopment for the lands municipally known as 191 Wellington Road 7 and 290 South Street. A location map is attached as an appendix to this report for context. The purpose of the Zoning By-law amendment is to change the zoning from “R1A - Residential” to “R3.49.2– Residential Exception” to facilitate the development of 23 new residential units, including 4 street townhouse units fronting directly onto South Street, and 19 cluster townhouse units accessed via private internal road from South Street. The property at 290 South Street currently contains a single detached residential dwelling which is proposed to remain, save for the attached garage, which will be removed. 191 Wellington Road 7 is currently vacant. Township staff recommend approval of the rezoning application with site specific provisions to ensure orderly development. The development will assist in increasing the supply and mix of housing options in the community while maintaining compatibility within the existing residential neighbourhood. Detailed design requirements will be addressed through the site plan application.

Report:

Background and Location

The lands subject to the Zoning By-law Amendment application are located between South Street and Wellington Road 7, north-west of David Street West, in the Elora-Salem Urban Centre. The development site includes two properties municipally known as 191 Wellington Road 7 and 290 South Street which will be consolidated to allow the redevelopment of the site. The site is a through lot with approximately 90 metres of frontage on South Street, and 65 metres of frontage on Wellington Rd. 7, totaling 8,391.90 square metres (0.8391 hectares) in area. 290 South Street currently contains a two-storey single detached dwelling, which will be retained post-development, save

for the attached garage, which is proposed to be demolished. The existing house is proposed to be severed and placed on its own lot. 191 Wellington Road 7 is currently vacant.

The site is accessed via South Street and will be serviced by municipal water and wastewater. Surrounding land uses in the immediate vicinity to the north, east and south include low density residential uses primarily in the form of single-detached dwellings. Slightly further north is a row of several street townhouse blocks fronting Wellington Road 7. Across Wellington Road 7 to the west is currently agricultural land. The Jefferson Elora Community Centre, Elora Lions Park and Elora Curling Club are located to the south of the development site. The redevelopment proposes 23 new residential units, including 4 street townhouse units fronting onto South Street, and 19 cluster townhouse units accessed via private internal road from South Street. A location map has been attached as Appendix A to this report.

The southwest area of the site abutting Wellington Road 7 will be utilized for stormwater management, snow storage and amenity area. To the south of a site is the Jefferson Elora Community Centre, which features a playground, multi-use path, picnic shelter and baseball diamonds. St. Mary and Elora Municipal Cemeteries are located at the end of South Street.

The site is designated as "Primary Urban Centre" in the County of Wellington Official Plan and "Residential" in the Township Official Plan and is within the Elora/Salem "Built Up Area". The proposed development will provide 23 additional dwellings, within walking distance to many amenities. Several site-specific provisions have been requested to facilitate the development. The site-specific regulations address minor zoning deficiencies in minimum lot area, side yard, rear yard, and landscaped open space for street townhomes, and technical deficiencies for the balance of the lands, containing cluster townhomes. A provision limiting height of the dwellings to 2-storeys has also been included to address concerns raised at the public meeting.

Zoning Amendment Application Details

The subject lands are currently zoned "R1A - Residential". This designation is intended mainly for single detached dwellings. In order to allow for intensification of the property, the applicant is proposing rezoning of the entire property to "R3 - Residential Exception" with the following site-specific provisions:

Permitted uses:

In addition to uses permitted in the R3 zone, an existing single detached dwelling shall be permitted, subject to the provisions of the R1A zone.

Lot Regulations

1. Exceptions for existing Single Detached Dwelling:

- a. The minimum lot depth shall be 24 m instead of the required 26 m
 - b. The minimum front yard shall be 3 m (existing condition) instead of the required 6 m
2. Exceptions for Street Townhouses:
- a. The minimum lot area per unit shall be 160 m² instead of the required 190 m²
 - b. The minimum side yard shall be 1.6 m on the unattached side instead of the required 1.8 m
 - c. The minimum rear yard shall be 7.0 m instead of the required 7.5 m
 - d. The minimum landscaped open space shall be 30% instead of the required 40%
 - e. The maximum building height shall be 2 storeys instead of the maximum of 3 storeys, but not greater than 11 m
3. Exceptions for Cluster Townhouses
- a. The side yard abutting the southerly side lot line of 277 Wellington Road 7 shall be 1.6 m and windows to a habitable room may face this yard instead of the required 7.5 m (where windows to a habitable room face on a required yard)
 - b. The side yard abutting the southerly side lot line of 294 South Street and 287 Wellington Road 7 shall be 4.5 m and windows to a habitable room may face this yard instead of the required 7.5 m (where windows to a habitable room face on a required yard)
 - c. One block of two separate dwelling units that is divided vertically and does not have legal frontage on a public street shall also be considered a cluster townhouse
 - d. The maximum building height shall be 2 storeys instead of the maximum of 3 storeys, but not greater than 11 m
 - e. Access stairs may project up to 3.5 metres into the required front yard, instead of the maximum stair projection of 0.6 m
 - f. Internal lot lines created by a plan of condominium shall not be construed to be lot lines for the purposes of zoning regulations provided that all applicable regulations of this By-law relative to the whole lot and its external lot lines, existing prior to any condominium plan registration are strictly observed.

All other provisions of the R3 zone shall apply.

Staff are of the opinion that the proposed site-specific provisions will allow for intensification of the site, allowing for sufficient amenities and parking, while remaining compatible with the surrounding area which contains a mix of dwelling types, including single detached and townhouse units.

Required Studies and Recommendations

In support of the development application, the proponent has submitted a Planning Justification Report (PJR), prepared by GSP Group and dated October 2025, which summarizes the development plans and findings of each study and is attached as an appendix to this report. Since this time, the proposal has now been revised based on feedback from residents and staff. Staff find that the policy analysis, as outlined in the PJR and below, supports the revised proposal. Staff have reviewed the application

within the context of the current applicable policy framework and generally agree with the assessment and conclusions presented in the PJR.

In addition, the following technical studies were required and submitted in support of the application, which are all available on the Township's "Current Applications" page here: [Current Applications | Township of Centre Wellington](#)

- Functional Servicing and Stormwater Management Design Report prepared by GEI Consultants Canada Limited
- Vegetation Management Plan prepared by GSP Group
- Engineering Package, including Preliminary Grading and Servicing Plans prepared by GEI Consultants Canada Limited
- Heritage Impact Assessment prepared by Archaeological Research Associated Ltd
- Transportation Impact Study prepared by Paradigm Transportation Solutions Limited
- Preliminary Renderings prepared by James Keating Construction Ltd.

Additional or updated studies, plans and information may be required at the later site plan approval stage to address detailed design, should the application be approved by Council. A consent application will also be required to sever the existing single detached dwelling from the balance of the lot and a plan of condominium will be required to create the individual lots and common elements. The findings and conclusions of the Transportation Impact Study were considered to be acceptable and approval was recommended. The Heritage Impact Study concluded that the existing dwelling at 290 South Street did not meet two of the Ontario Regulation 9/06 criteria required for designation, and no potential impacts were identified. Although no mitigation measures were recommended, some design recommendations were provided in the report, including a wraparound porch on the cluster townhome closest to South Street, which has been accommodated in the amendment. Design recommendations will be considered further at the site plan stage. The studies will be finalized and implemented through the site plan application, including detailed plantings and any required tree compensation.

Policy Context and Evaluation

Township staff generally agree with the policy analysis provided in the Planning Justification Report which concludes that the proposed development is compatible and appropriate within the context of the surrounding lands, and represents the intensification of an underutilized parcel within the Elora/Salem Urban Centre, an existing settlement area where growth and development should primarily take place as per the Provincial Planning Statement (PPS 2024). In accordance with PPS 2024, the proposed units will help achieve complete communities by adding to the range and mix of housing needed to meet the projected needs of current and future residents. The PPS directs planning authorities to provide for a range and mix of housing options and densities by permitting and facilitating residential intensification, including redevelopment that results in a net increase in residential units. Increasing density to approximately 27.5 units per hectare further advances PPS objectives by promoting

efficient use of land and existing infrastructure while protecting natural features. The proposed development also supports active transportation through an internal sidewalk network that connects to South Street. Staff are of the opinion that the proposal is consistent with the policies of the Provincial Planning Statement 2024.

County Official Plan

The County Official Plan designates the subject lands as “Primary Urban Centre” within the Delineated Built-Up Area of Elora/Salem. Urban Centres are intended to provide a full range of land use opportunities including various types and densities of residential development. The County's Official Plan directs growth to Urban Centres that have access to municipal sewer and water services, such as the Elora/Salem Urban Centre, and aims to provide complete communities which are efficient and sustainable.

The County Official Plan encourages modest residential intensification in stable residential areas, respecting the character of the area. The Plan considers townhouse dwellings to be medium density housing forms which are permitted in areas designated residential subject to certain criteria, including compatibility, provision of adequate servicing and off-street parking. The Plan notes that medium density development is encouraged adjacent to highways and arterial roads. The proposed development is located on a County-owned arterial road while access is from the local road, in accordance with County policy 6.10.3. Medium density development should not exceed 35 units per hectare for townhouses. The proposed development is approximately 27.5 units per hectare and would also contribute to the minimum of 20 percent residential intensification target.

Staff are of the opinion that the proposal conforms with County policies and no significant compatibility issues are anticipated. In order to address resident concerns regarding compatibility, the draft amendment proposes to limit the height of the dwellings to 2-storeys. Additional recommendations to ensure compatibility will be provided at the site plan stage. The proposal will also increase the availability and variety of housing forms in Centre Wellington. The PJR details other applicable County Official Plan Policies and how the application meets the intent of these policies.

Township Official Plan

The Township Official Plan provides the land use schedules and detailed policies for development. The subject property is designated as “Residential” in the Township's Official Plan. In the residential designation, the Plan aims to preserve the character and integrity of existing residential areas and will make reasonable efforts to ensure that development is compatible with established neighbourhoods. The Plan also recognizes that the dominant form of housing is currently single detached, but that semi-detached, townhouse and apartment dwellings will be developed to respond to need, where full municipal services are available.

Similar to the County Official Plan, the Township Official Plan sets out objectives for residential development such as providing a variety of dwelling types to satisfy a broad range of residential requirements and to encourage intensification and development

proposals provided they maintain the stability and character of existing neighbourhoods. The Township Official Plan also considers townhouse dwellings to be medium density housing forms. The proposed design should be compatible with adjacent properties, contain on-site amenities for occupants, and ensure adequate servicing and off-street parking is provided.

The Plan's intensification policies encourage intensification primarily in urban centres, with a strategic approach which intends to retain the charm and integrity of existing neighbourhoods. Under the Official Plan, compatible development is considered to be development that may not be the same as existing adjacent development, but which can co-exist with existing development while not creating unacceptable adverse impacts.

The Official Plan contains policies for evaluating intensification within residential designations, which refers to compatibility of the proposal with regard to setbacks, built form and lotting pattern, availability of services and roads to accommodate the proposal and the impact on the surrounding neighbourhood. The proposal provides for intensification within the built boundary on an under-utilized lot, in an existing neighbourhood, and introduces additional dwelling units. It will contribute to the 20 percent intensification target within existing Built-Up Areas and is under the density limit for townhouse units. The development will be fully serviced and provides sufficient off-street parking to meet zoning requirements, including a minimum of two spaces per unit (many with three) and ten additional visitor spaces internal to the site. Conformity with the Township's Urban Design Guidelines will be further reviewed and commented on at the site plan stage. Based on a review of the above and all other applicable policies, staff is of the opinion that the subject application conforms to the intent of the Township Official Plan policies.

Summary of Public and Agency Consultation

Notice of Complete Application and Public Meeting for the zoning amendment was given in accordance with the Planning Act requirements on December 3rd, 2026. A statutory public meeting for this application was held on January 28, 2026. At that meeting five members of the public made oral submission regarding the application. Concerns related mainly to compatibility within the existing neighbourhood, density, traffic, parking and height. Four written submissions were received from residents voicing similar concerns, appended to this report for Council's information. The minutes of the public meeting are also attached as an appendix to this report. The applicant's consultant responded verbally to concerns raised at the public meeting and has been working with Township staff to address the comments. After further consultation with residents, the application was revised to lower the unit count from 25 to 23 and include bungalow townhome options on the cluster townhomes closest to South Street to address concerns about potential height impacts if the development was to utilize the full as-of-right zoning height permission of 3 storeys. All other units are intended to remain 2 storeys. A wrap around porch has also been incorporated into the design, intended to address the South Street streetscape. Details of the design will be further evaluated through the site plan process.

The applicant held their own Neighbourhood Information Meeting on December 9, 2025. A summary of concerns heard at this meeting can be found in the appendices to this report.

Comments from County Planning, Upper Grand District School Board and Canada Post stating no objection to the proposal were also received and are appended to this report.

Conclusion and Staff Recommendation

Staff is in general agreement with the conclusions reached in the supporting studies submitted with the application and as outlined in section 6.0 of the Planning Justification Report. It is staff's opinion that the proposed development is consistent with the Provincial Planning Statement. The Zoning By-law amendment to allow for redevelopment within an urban centre, on an underutilized lot located along an arterial road, where municipal services are available meets the policies of the Township and County Official Plans. Further, the provision of an appropriate range and mix of housing options is encouraged to meet projected needs of current and future residents. The proposed development is also located in an established neighbourhood, where many amenities and services within walking distance are available for current and future residents, promoting active transportation. The supporting studies submitted with the application indicate the site can be adequately serviced and the development meets all other zoning requirements, including parking. Should the application be approved by Council, site plan approval will be required. The site plan process will consider matters of landscaping, including tree retention and planting, snow storage, lighting, site design, parking, servicing, grading and drainage and the necessary agreements will be put in place.

Staff is satisfied that the proposed zoning and exceptions required to construct 23 townhouse dwellings, as outlined above, are appropriate for the re-development of the property, and the application is in the public interest. For the reasons noted above, staff recommend that the proposed Zoning By-law amendment be approved and the necessary by-law be given three readings and passed.

Corporate Strategic Plan:

Managing growth while enhancing the community's unique character

Consultation:

As per Planning Act requirements.

Attachments:

- [Appendix A - Location Map](#)
- [Appendix B - Conceptual Site Plan](#)
- [Appendix C - Draft By-law 2026-XX](#)
- [Appendix D - County Comments](#)
- [Appendix E - Canada Post Comments](#)

- [Appendix F - UGDSB Comments](#)
- [Appendix G - Public Meeting Presentation](#)
- [Appendix H - Public Meeting Minutes](#)
- [Appendix I - Neighbourhood Meeting Notes](#)
- [Appendix J - Public Comments](#)
- [Appendix K - Planning Justification Report](#)

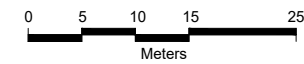
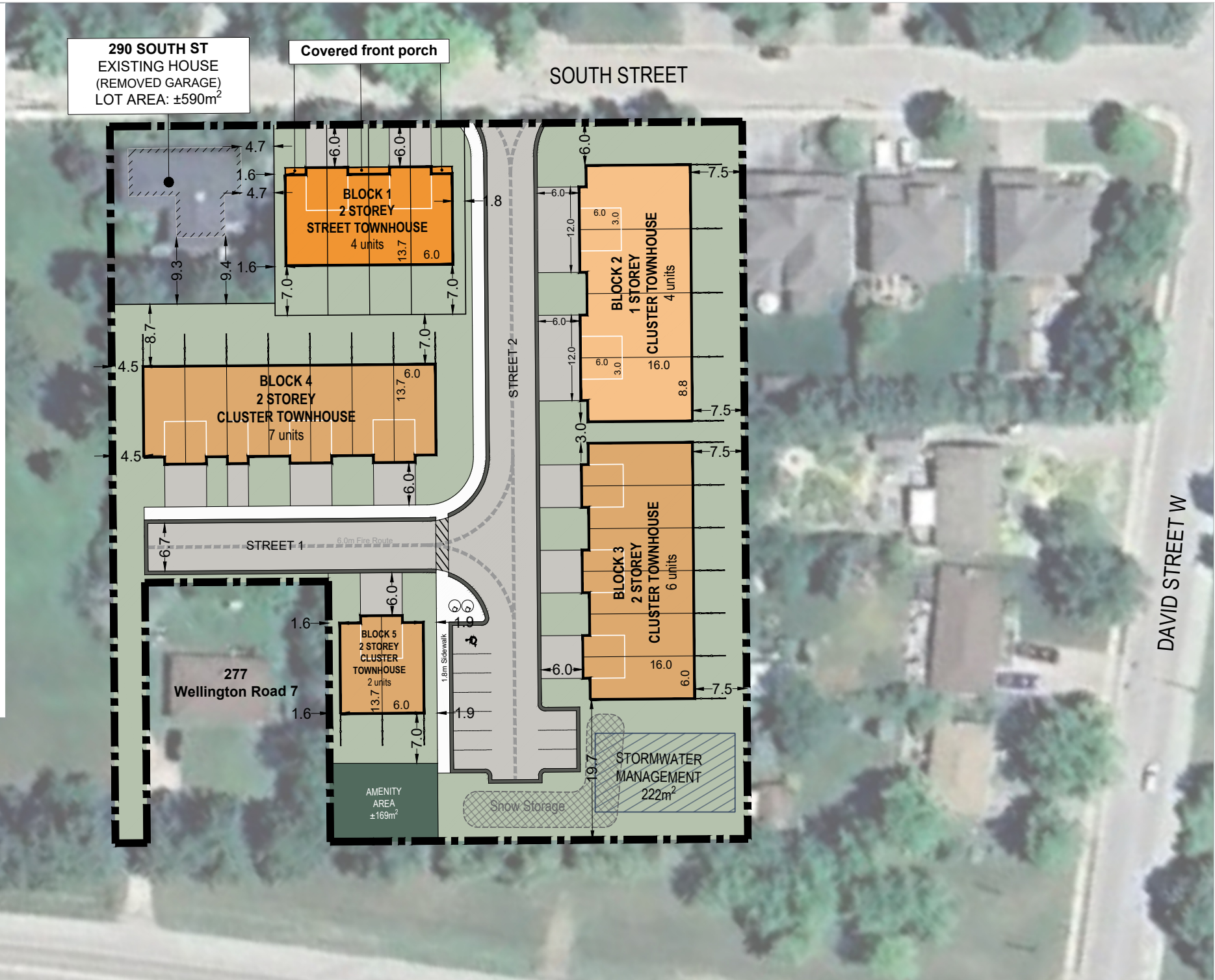
Approved By:

Brett Salmon, Managing Director of Planning and Development
Dan Wilson, Chief Administrative Officer

Subject Lands: 290 South Street & 191 Wellington Road 7



CURRENT ZONING:	R1A	
PROPOSED ZONING:	R3 with Exception Zone	
	REQUIRED	PROPOSED
LOT AREA:		
CLUSTER TOWNS:	5,400m ² (200m ² /unit)	6,865m ²
STREET TOWNS:	190m ² /unit	732m ² (smallest lot: 160m ²)
UNITS:		23 units
CLUSTER TOWNS		19 units
STREET TOWNS		4 units
MAX. HEIGHT:	3 storeys	2 storeys
MIN. LANDSCAPE OS:		
CLUSTER TOWNS:	40%	42.2%
STREET TOWNS:	40%	37.4%
COMMON AMENITY AREA:	105m ²	±169m ²
(Cluster Townhouses: 5m ² /unit)		
MINIMUM SETBACKS:		
FRONT YARD:	6.0m	6.0m
EXTERIOR SIDE YARD:	4.5m	17.9m
SIDE YARD:		
CLUSTER TOWNS:	3.0m	1.6m
STREET TOWNS:	1.8m	1.6m
REAR YARD:		
CLUSTER TOWNS:	7.5m	>7.5m
STREET TOWNS:	7.5m	7.0m
PARKING:		
CLUSTER TOWNHOUSES:	29 spaces	42 spaces (Garage + Driveway)
VISITOR SPACES:	5 spaces	10 spaces
STREET TOWNHOUSES:	1.0/unit	8 spaces (Garage + Driveway)
BARRIER FREE (4m x 5.5m):	1 spaces	1 spaces
NOTES:	1. Townhouse Fences 4.5m long by 1.8m Tall	



NOTE: This concept should be considered as a preliminary demonstration model that illustrates an 'order of magnitude' development scenario for the site. The number of units, floor area and parking supply are approximate and subject to more detailed design as well as municipal planning approvals.

Scale 1:600 | March 24, 2026 | Project No. 24221 | Drawn By: MN/EF/HS



DEVELOPMENT CONCEPT

191 Wellington Road 7 & 290 South Street, Elora

The Corporation of the Township of Centre Wellington

By-law 2026-XX

A By-law to amend the Township of Centre Wellington Zoning By-law 2009-045, as amended, to change the zoning of certain lands from "R1A" to "R3.49.2"

Whereas the Council of the Corporation of the Township of Centre Wellington deems it desirable to amend By-law No. 2009-045, as amended, pursuant to Section 34 of the Planning Act, R.S.O. 1990;

Now therefore the Council of the Corporation of the Township of Centre Wellington hereby enacts as follows:

1. Schedule "A" Map 49 to By-law No. 2009-045 is hereby amended in accordance with the attached Schedule "A" which forms part of this By-law.
2. Section 15 of By-law No. 2009-045, as amended, is hereby further amended by adding the following Exceptions:

15.49.2	R3.49.2	<p>Notwithstanding any other provision of this By-law to the contrary, on lands zoned R3.49.2, the following special provisions shall apply:</p> <p><u>Permitted uses:</u> In addition to uses permitted in the R3 zone, an existing single detached dwelling shall be permitted, subject to the provisions of the R1A zone.</p> <p><u>Lot Regulations</u></p> <ol style="list-style-type: none"> 1. Exceptions for existing Single Detached Dwelling: <ol style="list-style-type: none"> a) The minimum lot depth shall be 24 m. b) The minimum front yard shall be 3 m. 2. Exceptions for Street Townhouses: <ol style="list-style-type: none"> a) The minimum lot area per unit shall be 160 m² b) The minimum side yard shall be 1.6 m on the unattached side. c) The minimum rear yard shall be 7.0 m. d) The minimum landscaped open space shall be 30%. e) The maximum building height shall be two storeys. 3. Exceptions for Cluster Townhouses <ol style="list-style-type: none"> a) The side yard abutting the southerly side lot line of 277 Wellington Road 7 shall be 1.6 m and windows to a habitable room may face this yard. b) The side yard abutting the southerly side lot line of 294 South Street and 287 Wellington Road 7 shall be 4.5 m and windows to a habitable room may face this yard. c) One block of two separate dwelling units that is divided vertically and does not have legal frontage on a public street shall also be considered a cluster townhouse. d) The maximum building height shall be two storeys (the front of the building shall be deemed to be on the internal roadway) e) Access steps may project up to 3.5 metres into the required front yard. f) Internal lot lines created by a plan of condominium shall not be construed to be lot lines for the purposes of zoning regulations provided that all applicable regulations of this By-law relative to the whole lot and its external lot lines, existing prior to any condominium plan registration are strictly observed. <p>All other provisions of the R3 zone shall apply.</p>
---------	---------	--

3. All other applicable provisions of By-law No. 2009-045 shall continue to apply to the lands affected by this amendment.

4. This By-law shall come into effect on the date of final enactment by the Council pursuant to Section 34 of the Planning Act, R.S.O., 1990.

Read a first, second and third time and finally passed this 15th day of June, 2026.

Mayor – Shawn Watters

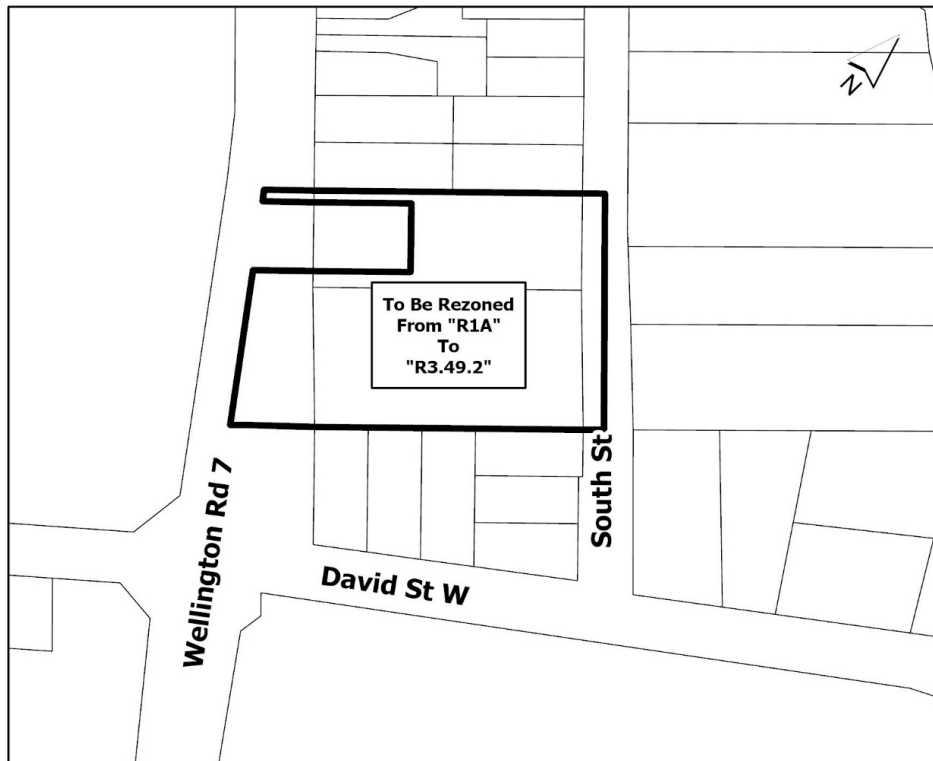
Municipal Clerk – Tyler Sager

Township of Centre Wellington

Schedule "A"

By-law 2026-xx

An Amendment to Township of Centre Wellington
Zoning By-law No. 2009-045 as amended



This is Schedule "A" to By-law 2026-XX passed this 15th day of June, 2026.

Read a first, second and third time and finally passed this 15th day of June, 2026.

Mayor – Shawn Watters

Municipal Clerk – Tyler Sager



COUNTY OF WELLINGTON

PLANNING AND DEVELOPMENT DEPARTMENT
ALDO SALIS, B.S., M.Sc. MCIP, RPP, DIRECTOR
TEL: 519.837.2600
TEL: 1.800.663.0750
FAX: 519.823.1694

ADMINISTRATION CENTRE
74 WOOLWICH STREET
GUELPH, ON N1H 3T9

January 19th, 2026

Ms. Kerri O'Kane, Clerk
Township of Centre Wellington
1 MacDonald Square
Elora, Ontario N0B 1S0

Dear Ms. O'Kane,

**Re: Notice of Complete Application & Public Meeting Notice
Proposed Zoning By-law Amendment RZ007-2025
To rezone from Residential (R1A) zone to Residential Exception (R3.XX) to
develop townhouse units including a storm water management facility.
191 Wellington Rd. 7 & 290 South Street (Elora/Salem)
Township of Centre Wellington**

Thank you for circulating the Notice of Complete Application & Public Meeting for the above-noted application. We have reviewed the application and provide the following comments for the Township's consideration:

The intent of the application is to rezone the subject lands from Residential "R1A" to Residential Exception "R3.XX". It is understood that this application is to implement zoning regulations required to develop twenty-five (25) townhouse units (4 street townhouses and 21 cluster townhouses), including a storm water management facility.

The subject lands are designated as Primary Urban Centre (Elora/Salem) in the County Official Plan which forms part of the Urban System. Within the Urban System land use patterns will accommodate densities and mixture of land uses which, in part, efficiently use land and resources and provide opportunities for intensification and redevelopment.

In the primary urban centre, section 7.4.1 of the County Plan identifies that urban centres are expected to provide a full range of land use opportunities and residential uses of various types and densities will be permitted where compatible and where services are available. Section 7.4.2 directs that services will be provided in accordance with section 11.2 of the Official Plan. Further, Section 7.4.5 directs that primary urban centres shall provide a broad range of residential uses to provide a diverse supply of housing.

Staff note that the subject property is also located within the delineated Built-Up Area within the County of Wellington Official Plan. The County Official Plan policies promote opportunities for growth in built-up areas through encouraging intensification and redevelopment. This proposed development would contribute to the minimum 20 percent residential intensification target.

The subject property is also located in a WHPA with a vulnerability score of 6, 8 and 10, and within a WHPA Q1/Q2. Comments from Wellington Source Water Protection should be considered.



COUNTY OF WELLINGTON

PLANNING AND DEVELOPMENT DEPARTMENT
ALDO SALIS, B.S., M.Sc. MCIP, RPP, DIRECTOR
TEL: 519.837.2600
TEL: 1.800.663.0750
FAX: 519.823.1694

ADMINISTRATION CENTRE
74 WOOLWICH STREET
GUELPH, ON N1H 3T9

It is understood that the overall development proposal for this site includes a future draft plan of condominium application and the future severance of the existing dwelling. Additional discussion regarding these applications may be required.

The subject lands are abutting Wellington Rd 7 and it is noted that a Transportation Impact Study was submitted as part of the application. Comments from the County of Wellington Roads Department should be addressed and will be submitted under a separate cover.

Overall, planning staff have no objections. The Township would need to be satisfied that the subject development is compatible with surrounding land uses and able to be serviced by municipal services.

If Council approves this amendment, we would appreciate a copy of the notice of passing, amending by-law and affidavit documents for our files.

Yours truly,

Joanna Henderson, RPP MCIP
Senior Planner

Allie Gorman, MSc
Junior Planner



CANADA POST
2701 RIVERSIDE DRIVE SUITE N0820
OTTAWA ON K1A 0B1
CANADAPOST.CA

POSTES CANADA
2701 PROM RIVERSIDE BUREAU N0820
OTTAWA ON K1A 0B1
POSTESCANADA.CA

December 18, 2025

Kerri O'Kane, Municipal Clerk
Township of Centre Wellington
1 MacDonald Square
Elora, Ontario
N0B 1S0
Phone: (519) 846-9691
Fax: (519) 846-2074
Email: kokane@centrewellington.ca

RE: RZ007-2025 - 191 Wellington Road 7 and 290 South Street, Elora (James Keating Construction Ltd.)

Canada Post has reviewed the proposal for the above noted Development and has determined that the completed project will be serviced by centralized mail delivery provided through Canada Post Community Mailboxes. Our centralized delivery policy will apply for any buildings of 3 or more self-contained units with a common indoor area. For these units the owner/developer will be required to install a mail panel and provide access to Canada Post. Builder is also required to coordinate/compensate movement of existing community mailboxes located within municipal ROW of proposed development.

*Multi-unit buildings and complexes (residential and commercial) with a common lobby, common indoor or sheltered space, require a centralized lock box assembly which is to be provided by, installed by, and maintained by the developer/owner at the owner's expense. **Buildings with 100 units or MUST have a rear loading Lock Box Assembly with dedicated secure mail room.***

To provide mail service to this development, Canada Post requests that the owner/developer comply with the following conditions:

- ⇒ The owner/developer will consult with Canada Post to determine suitable permanent locations for the placement of Community Mailboxes and to indicate these locations on appropriate servicing plans.
- ⇒ The Builder/Owner/Developer will confirm to Canada Post that the final secured permanent locations for the Community Mailboxes will not conflict with any other utility, including hydro transformers, bell pedestals, cable pedestals, flush to grade communication vaults, landscaping enhancements (tree planting) and bus pads.
- ⇒ The owner/developer will install concrete pads at each of the Community Mailbox locations as well as any required walkways across the boulevard and any required curb depressions for wheelchair access as per Canada Post's concrete pad specification drawings.

- ⇒ The owner/developer will agree to prepare and maintain an area of compacted gravel to Canada Post's specifications to serve as a temporary Community Mailbox location. This location will be in a safe area away from construction activity in order that Community Mailboxes may be installed to service addresses that have occupied prior to the pouring of the permanent mailbox pads. This area will be required to be prepared a minimum of 30 days prior to the date of first occupancy.
- ⇒ The owner/developer will communicate to Canada Post the excavation date for the first foundation (or first phase) as well as the expected date of first occupancy.
- ⇒ The owner/developer agrees, prior to offering any of the residential units for sale, to place a "Display Map" on the wall of the sales office in a place readily available to the public which indicates the location of all Canada Post Community Mailbox site locations, as approved by Canada Post and Centre Wellington.
- ⇒ The owner/developer agrees to include in all offers of purchase and sale a statement, which advises the prospective new home purchaser that mail delivery will be from a designated Community Mailbox, and to include the exact locations (list of lot #s) of each of these Community Mailbox locations; and further, advise any affected homeowners of any established easements granted to Canada Post.
- ⇒ The owner/developer will be responsible for officially notifying the purchasers of the exact Community Mailbox locations prior to the closing of any home sales with specific clauses in the Purchase offer, on which the homeowners do a sign off.

Canada Post further requests the owner/developer be notified of the following:

- 1 The owner/developer of any condominiums will be required to provide signature for a License to Occupy Land agreement and provide winter snow clearance at the Community Mailbox locations
- 2 Enhanced Community Mailbox Sites with roof structures will require additional documentation as per Canada Post Policy
- 3 There will be no more than one mail delivery point to each unique address assigned by the Municipality
- 4 Any existing postal coding may not apply, the owner/developer should contact Canada Post to verify postal codes for the project
- 5 **The complete guide to Canada Post's Delivery Standards can be found at:**
https://www.canadapost.ca/cpo/mc/assets/pdf/business/standardsmanual_en.pdf

Regards,

NEIL MAZEY
DELIVERY SERVICES OFFICER | CANADA POST | neil.mazey@canadapost.postescanada.ca



PLANNING DEPARTMENT
Board Office: 500 Victoria Road N. Guelph, ON N1E 6K2
Email: municipal.circulations@ugdsb.on.ca
Tel: 519-822-4420 ext.821 or Toll Free: 1-800-321-4025

7 January 2026

Kerri O’Kane, Municipal Clerk
Township of Centre Wellington
1 MacDonald Square
Elora, ON N0B 1S0

Dear Ms. O’Kane,

Re: Notice of Complete Application and Public Meeting - RZ007-2025 - 191 Wellington Road 7 and 290 South Street, Elora (James Keating Construction Ltd.)

The Upper Grand District School Board planning staff have reviewed the application for a Zoning By-law Amendment at the above-noted location. The proposal seeks to rezone the subject lands from “Residential (R1A)” to a site-specific “Residential (R3.XX.XX)” zone to facilitate the development of 25 townhouse units, comprised of 4 street units and 21 cluster units across 5 blocks.

Please be advised that the Planning Department **does not object** to the proposed application, subject to the following conditions:

- The collection of Education Development Charges is required prior to the issuance of a building permit(s).
- That the developer shall supply, erect, and maintain a sign (at its expense and according to the Board’s specifications) affixed to the permanent development sign advising prospective residents about schools in the area.
- That the developer shall agree in the subdivision agreement/condominium declaration that adequate sidewalks, lighting and snow removal (on sidewalks and walkways) will be provided to allow children to walk safely to school or to a designated bus pickup point.

Upper Grand District School Board

• Ralf Mesenbrink; Chair • Alethia O’Hara-Stephenson, Vice-Chair • Jen Edwards • Irene Hanenberg • Martha MacNeil
• Robin Ross • Luke Weiler • Laurie Whyte • Lynn Topping • Kyle Reaburn

- That the developer shall agree in the subdivision agreement/condominium declaration to advise all purchasers of residential units and/or renters of same, by inserting the following clause in all offers of Purchase and Sale/Lease:

“In order to limit liability, public school buses operated by the Service de transport de Wellington-Dufferin Student Transportation Services (STWDSTS), or its assigns or successors, will not travel on privately owned or maintained right-of-ways to pick up students, and potential busing students will be required to meet the bus at a congregated bus pick-up point.”

Should you require additional information, please feel free to contact the undersigned.

Sincerely,

Avo Tularam

Avo Tularam
Planning Technician

PLN: 26-01
File Code: R14

Upper Grand District School Board

• Ralf Mesenbrink; Chair • Alethia O'Hara-Stephenson, Vice-Chair • Jen Edwards • Irene Hanenberg • Martha MacNeil
• Robin Ross • Luke Weiler • Laurie Whyte • Lynn Topping • Kyle Reaburn

191 Wellington Road 7 & 290 South Street

Statutory Public Meeting

Township File: RZ007-2025

Zoning By-law Amendment



Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026

James Keating Construction Ltd.

- Land developer and home builder based in Salem/Elora
- Founded in 1957 and is family owned and operated



Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026



Site Location & Context



191 Wellington
Road 7 & 190
South Street



Site



Park



School



Community Facility



Religious Facility



Hotel



Library



Government
Office

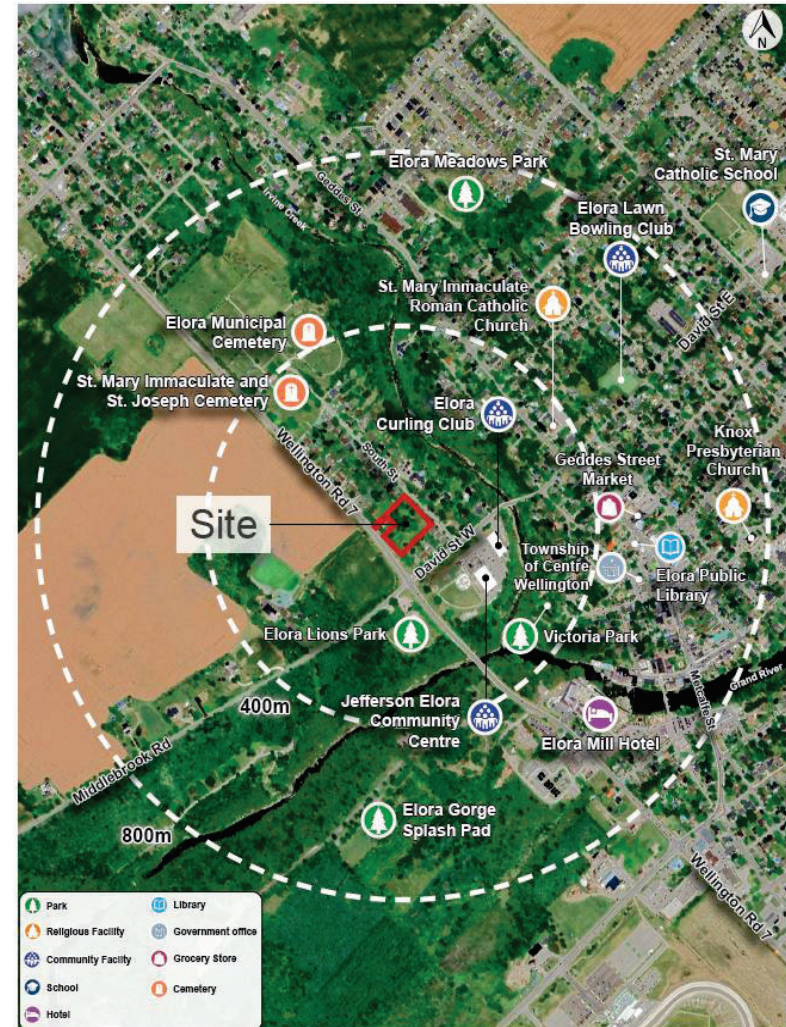


Grocery Store

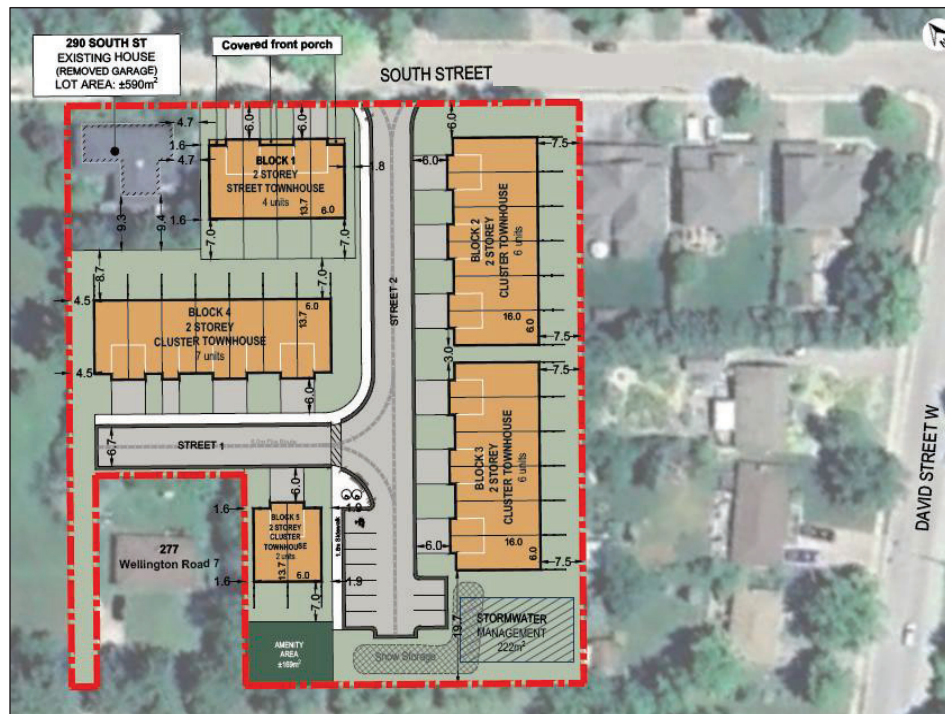


Cemetery

Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026



Proposed Development Concept



Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026



Neighbourhood Information Meeting

- Held on December 9, 2025, in the Community Hall at Jefferson Elora Community Centre
- Key comments:
 - Traffic
 - Parking
 - Trees
 - Unit types and density
 - Building height
 - Heritage
 - Ownership vs. rental
 - Timing of construction



Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026



Proposed Rendering

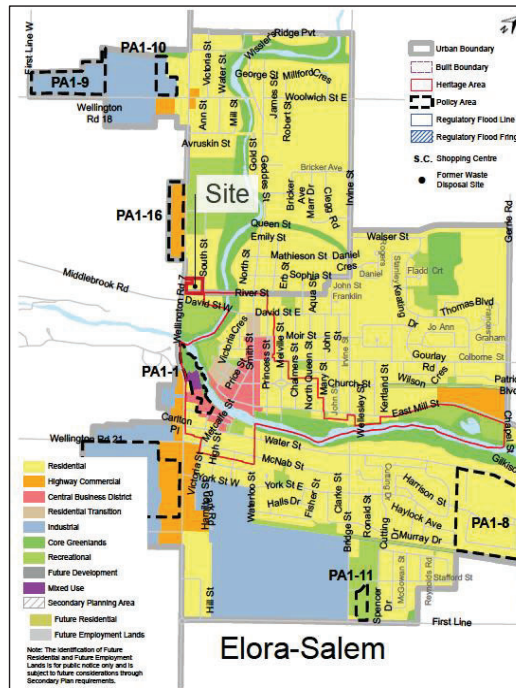


Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026

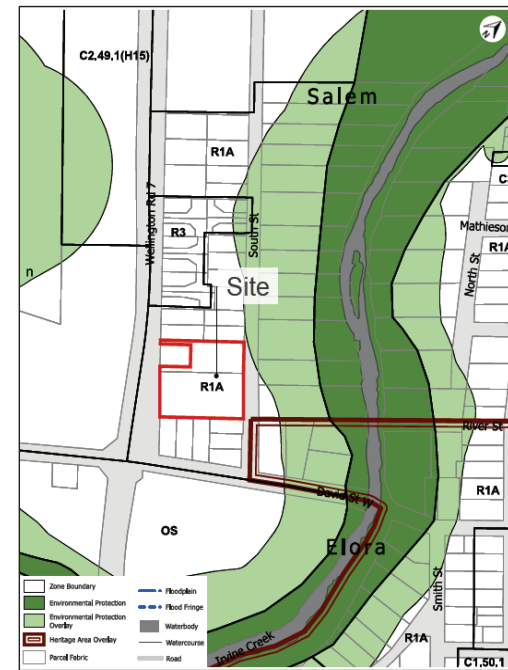


Policy Context

- Designated **'Residential'** in the Township of Centre Wellington Official Plan
- Zoned **'R1A Residential'** in the Township of Centre Wellington Zoning By-law



Official Plan



Zoning By-law

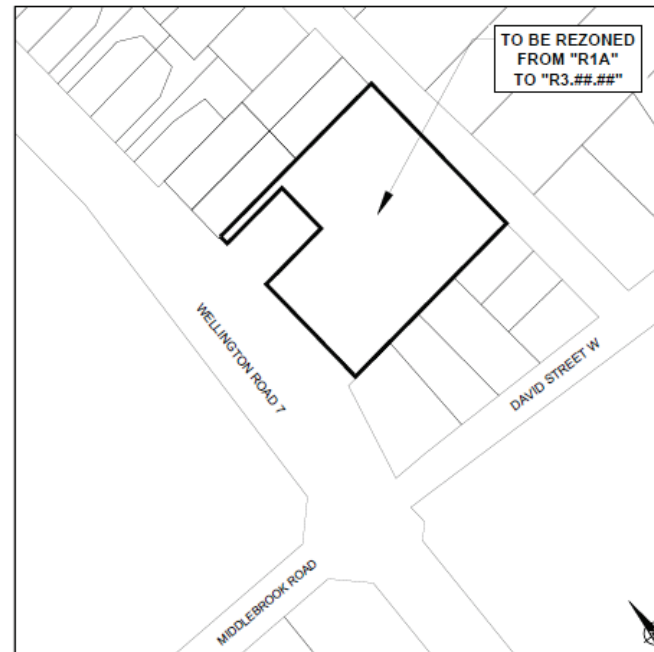
Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026



Zoning By-law Amendment

The requested Zoning By-law Amendment seeks to rezone the Site to **Residential (R3)** to allow townhouses with **site-specific exemptions (R3.XX.XX)** related to:

- New Street Townhouses on South Street
- Internal Townhouses for:
 - Side Yard Setbacks
 - Rear Yard Setbacks
 - Parking Configuration
- Existing House at 290 South Street



Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026



Technical Studies



Heritage Impact
Assessment



Transportation
Impact Study



Functional Servicing &
Stormwater Management
Design Report



Planning Justification
Report

Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026



Questions & Answers

We welcome any questions or comments

Richard Kelly-Ruetz, Senior Planner

office: 519.569.8883

direct: 226.243.7376

mobile: 382.889.4749

email: rkelly-ruetz@gspgroup.ca

Hugh Handy, Vice President

office: 519.569.8883

direct: 226.243.7296

mobile: 519.242.5351

email: hhandy@gspgroup.ca

Public Meeting - 191 Wellington Road 7 & 290 South Street, Elora
January 28, 2026





**Township of Centre Wellington
Public Meeting Under the Planning Act Minutes
Wednesday, January 28, 2026
Council Chamber
6:00 PM**

PRESENT:

Councillor Lisa MacDonald
Councillor Kimberley Jefferson
Councillor Barbara Lustgarten-Evoy
Councillor Jennifer Adams
Councillor Bronwynne Wilton
Councillor Denis Craddock
Mayor Shawn Watters

REGRETS:

STAFF:

Chief Administrative Officer, Dan Wilson
Manager of Legislative Services/Municipal Clerk, Kerri O'Kane
Legislative Coordinator, Devlin Schellenberger
Manager of Planning Services, Mariana Iglesias
Senior Development Planner, Deanna Maiden

1. Call to Order

Mayor Watters welcomed everyone and called the meeting to order.

2. Land Acknowledgement

Councillor Lustgarten-Evoy read the land acknowledgement.

3. Disclosure of Pecuniary Interest Under the Municipal Conflict of Interest Act

None.

4. Purpose of the Meeting

Mayor Watters indicated the purpose of this public meeting is to present and receive public input regarding a proposed zoning by-law amendment on the subject land known as 191 Wellington Road 7 and 290 South Street in Elora.

He explained the purpose of the proposed zoning by-law amendment is to change the zoning from "R1A" Residential to "R3.XX." Residential

Exception. The effect of the amendment is to implement zoning regulations necessary to develop 25 Townhouse Units, including a storm water management facility.

For more information on the application, please see our [website](#).

5. Statement by Chair

Mayor Watters noted if a person or public body would otherwise have an ability to appeal the decision of the Township of Centre Wellington to the Ontario Land Tribunal (OLT) but the person or public body does not make oral submissions at a public meeting or make written submissions to the Township of Centre Wellington before the by-law is passed, the person or public body is not entitled to appeal the decision.

If a person or public body does not make oral submissions at a public meeting, or make written submissions to the Township of Centre Wellington before the by-law is passed, the person or public body may not be added as a party to the hearing of an appeal before the Ontario Land Tribunal (OLT) unless, in the opinion of the Tribunal, there are reasonable grounds to do so.

Mayor Watters stated if anyone wishes to be notified of the adoption of the proposed zoning by-law amendment, a written request must be filed with the Municipal Clerk, Township of Centre Wellington, 1 MacDonald Square, Elora, ON, N0B 1S0.

Mayor Watters asked the Municipal Clerk to advise how notice of the public meeting was given.

The Municipal Clerk indicated notice was mailed to prescribed persons, agencies and public bodies on or before December 3, 2025. A sign was also posted on the subject lands on December 5th, 2025. The Municipal Clerk confirmed the requirement for giving notice was completed on December 5, 2025.

Mayor Watters asked Deanna Maiden, Senior Development Planner to provide an overview of the application.

6. Presentation by Township Planner

Public Meeting Information Report - 191 Wellington Road 7 & 290 South Street, Salem
Report from D. Maiden, Senior Development Planner

D. Maiden, Senior Development Planner provided an overview of the development, noting the lands subject to the application are located

between South Street and Wellington Rd. 7, north-west of David Street West, in the Elora-Salem Urban Centre. The development site includes 2 properties municipally known as 191 Wellington Road 7 and 290 South Street which will be consolidated to allow the redevelopment of the site. She indicated the application would facilitate a residential development including 4 street townhouse units, 21 cluster townhouse units, an internal private roadway, stormwater management facility, visitor parking spaces and a common amenity area.

Mayor Watters asked Richard Kelly-Ruetz from GSP Group to make a presentation on the application on behalf of the applicant, Keating Construction.

7. Presentation by Applicant

Tom Keating, James Keating Construction provided a brief history of the properties and the overall development plan.

Richard Kelly-Ruetz, GSP on behalf of Keating Construction provided an overview of the site location and scope of the development. He highlighted the key comments collected during the neighbourhood information meeting and presented the proposed rendering.

8. Delegations

- 8.1 Maury Moynihan, South Street, Elora expressed concerns regarding the high density, increased traffic, overflow parking and the potential for property values to be negatively impacted. He did not believe it is appropriate to introduce this level of density into a quiet, mature street.
- 8.2 Bob Jackson, South Street, Elora expressed concerns with the amount of mature tree removal required to accommodate the development. He questioned the appropriateness of a high density development in an older historical neighbourhood. Mr. Jackson was not supportive of the proposed height of the proposed townhouse, suggesting this is over intensification and out of character for the neighbourhood.
- 8.3 Randal Howard, South Street, Elora appeared before Council expressing concern related to the high-density development, indicating it is not in character with the existing low rise, mature neighbourhood. He is concerned with the loss of mature trees and the impact to the existing tree canopy. He is concerned with increased traffic and a lack of available parking.
- 8.4 Scott Stacy, South Street expressed concerns with increased traffic and a lack of suitable parking that will force tourists further into the quiet

residential street.

- 8.5 John Forester was supportive of the development but did express concerns with the pressure on South Street to provide overflow parking.

9. Response from Applicants

Mayor Watters asked if the applicant wanted to address any comments or concerns noted in the submissions of the delegations.

Richard Kelly-Ruetz and Hugh Handy GSP, after hearing the concerns raised by the delegates, indicated they would review the comments and feedback, perhaps meet with Township staff and undertake to address them if possible.

10. Questions from Council

Mayor Watters asked for questions from Members of Council.

The consultant responded to questions regarding the need to provide a variety of housing options, the development of a tree protection and replacement plan, and the rationale for the underground stormwater management system.

There being no further questions from Council, Mayor Watters thanked everyone for attending and advised Council will be considering the by-law at a future Council meeting.

11. Adjourn

Mayor Watters declared the meeting adjourned.

Mayor

Municipal Clerk



December 19, 2025

File No. 24221

Township of Centre Wellington
1 MacDonald Square
Elora, Ontario N0B 1S0

Attn: Mariana Iglesias, Manager of Planning Services

**Re: Meeting Notes – Neighbourhood Information Meeting (Dec 9, 2025)
191 Wellington Road 7 & 290 South Street, Elora (File: RZ007-2025)
James Keating Construction Ltd.**

GSP Group is the planning consultant to James Keating Construction Ltd. for the active Zoning By-law Amendment Application at 191 Wellington Road 7 and 290 South Street in Elora (File: RZ007-2025). The rezoning application is to facilitate a 25-unit townhouse development. The purpose of this memorandum is to provide summary notes of an informal neighbourhood information meeting hosted by the developer's team on Tuesday, December 9, 2025 from 6:30-8:00 PM in the Community Hall at the Jefferson Elora Community Centre.

Ahead of the meeting, flyers were hand-delivered to surrounding properties to provide notice of the meeting. Approximately 25-30 residents attended. Most of the residents that attended the meeting were from the surrounding neighbourhood. The sign-in sheet is included as **Attachment A**. A comment sheet was available and none were completed (**Attachment B**).

The meeting was informal drop-in style with no formal presentation. Refreshments were provided for attendees. Project team members from GSP Group (2 staff) and Keating Homes (3 staff) were available to discuss the application with attendees, respond to questions, and receive comments.

Summary of Questions & Comments

A summary of key questions/comments we heard is provided below:

- Some questions around the "Potential Road Widening" identified on concept plan – team clarified no widening required by Township.
- Asking if a secondary/main access could be provided to Wellington Road 7 to reduce traffic to South Street from new development.
- Concerns with the number of parking spaces provided per unit and possible overflow parking onto South Street from visitors/residents.
- General concerns with potential increases to traffic on South Street.
- One resident was very concerned with the number of units proposed and that it was too high for the neighbourhood – we did not hear this message from others in attendance as most others had questions/concerns related to function of the site (access, traffic, parking etc.).

PLANNING | URBAN DESIGN | LANDSCAPE ARCHITECTURE

72 Victoria St. S., Suite 201, Kitchener, ON, N2G 4Y9
162 Locke St. S., Suite 200, Hamilton, ON, L8P 4A9
gspgroup.ca



- Questions around the future plans for the existing house at 290 South Street and confirming any impacts to it (existing garage to be demolished).
- Some questions about the existing trees on-site and whether they will be preserved through development (particularly existing larger trees).
- Questions around what fence height will be built surrounding the development and adjacent to existing properties.
- One resident asked if three storeys would be allowed to be built in future if developer changes plans (despite initial plans for two storeys).
- Generally positive responses to the stormwater approach being managed with an underground storage tank. Some wanted to confirm no anticipated runoff impacts to adjacent properties.
- Several questions around proposed tenure of units (21 planned condominium townhouse units and 4 freehold street townhouse units).
- Several questions around the anticipated price of units when for sale and how many bedrooms each unit will have.
- Questions around the expected timing of construction / completion of project.

Should you have any questions or require further information about the neighbourhood meeting, please do not hesitate to contact the undersigned. We look forward to next steps in the rezoning process, including the Statutory Public Meeting on January 28, 2026 at Council Chambers.

Yours truly,
GSP Group Inc.



Richard Kelly-Ruetz, MCIP, RPP
 Senior Planner



Hugh Handy, MCIP, RPP
 Vice President

c.c. Tom Keating & Andrew Keating – James Keating Construction Ltd.

Attachment A – Sign-in Sheet

Attachment B – Comment Form Template

Attachment A – Sign-in Sheet

Sign-in Sheet
 Neighbourhood Information Meeting – 191 Wellington Road 7 & 290 South Street, Elora
 December 9, 2025

Name	Address	Email	Phone Number
Judy Mc Mullan	305 South		
Beth Clyde	278 "		
[Signature]	330 South		
Scott Sney + Georgia Stacey	295 South		
Tracy Crewson	44 David St. W	tess726@gmail.com	519 846 0767
[Signature]	317 South St.		
Paul DeKking	38 David St. W.		
Tamryn Connell	315 South St		
Laure Ducharme	310 South St	laureelizabeth25@gmail.com	519 221-5503
MARKY MOYNITTAN	[Signature] 281 South		
Shane Dickson	260 South St		
Amy Wilson + Jonathan Burns	252 South St.		
Joannet Mike Sealey	42 David St W	seal.eags@outlook.com	
John + Clara Anderson	333 South St.		

Sign-in Sheet
 Neighbourhood Information Meeting – 191 Wellington Road 7 & 290 South Street, Elora
 December 9, 2025

Name	Address	Email	Phone Number
JANEY CROSSBY - Bob Jackson Jackson	30 DAVID ST W	VRJACKSON@WIGHTMAN.CA	
Daisy Moore Paul Holyoke	287 South St.	daisy@daisy.moore.com	519-846-9743
TINA GROSKO PFS	330 SOUTH ST.	TINA.GROSKO	

Attachment B – Comment Form Template

Comment Form

Neighbourhood Meeting: December 9, 2025, Jefferson Elora Community Centre
Zoning By-Law Amendment: 191 Wellington Road 7 and 290 South Street, Elora
Applicant: James Keating Construction (2004) Limited
Township File Number: RZ007-2025

Name: _____

Address: _____

Phone Number: _____

Email: _____

Comments on Zoning By-law Amendment Application:



From: [Kerri O'Kane](#)
To: [Chantalle Pellizzari](#)
Subject: FW: South St. townhouse development by Keating
Date: January 26, 2026 12:55:52 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)

Hi Chantalle,
Please see the email thread below.



Centre Wellington

Kerri O'Kane (she/her)

Manager of Legislative Services & Municipal Clerk

1 MacDonald Square, Elora ON, N0B 1S0

T: 519-846-9691 x243

www.centrewellington.ca



From: [REDACTED]
Sent: January 26, 2026 12:14 PM
To: Kerri O'Kane <KOKane@centrewellington.ca>
Cc: [REDACTED]
Subject: FW: South St. townhouse development by Keating

You don't often get email from [REDACTED]. [Learn why this is important](#)

CAUTION: EXTERNAL EMAIL - This email comes from an external organization. **DO NOT** give your username and/or password, reply to the email, click links (embedded links) or open attachment(s) unless you recognize the sender email address

Hello Kerri,

I am forwarding this email to you, as recommended by Hugh Handy of the GSP Group, so that it is part of the public record.

I had written to him to follow up a discussion we had regarding the protection of heritage sugar maples on the development property. I submitted an alternative plan or layout that would protect one or both of the maples and centralize the green space.

Best regards and thank you for this.

Daisy Moore

From: Hugh Handy [REDACTED]

Sent: January 23, 2026 3:54 PM

To: [REDACTED]

Cc: [REDACTED]; Tom Keating [REDACTED]

Richard Kelly-Ruetz [REDACTED]

Subject: RE: South St. townhouse development by Keating

Good afternoon Daisy,

Yes, it was nice to meet you at the neighbourhood open house --- and thanks for reaching out.

I have looped in Tom Keating and Richard at GSP who is also working on the project.

We appreciate your comments and look forward to hearing further input at the public meeting.

I would encourage to submit your comments to the Township so they are part of the public record.

Have a great weekend (and keep warm).

See you next week.

Thanks,

Hugh



he / him / his

[REDACTED]



This communication is intended solely for the named addressee(s) and may contain information that is privileged, confidential, protected or otherwise exempt from disclosure. If you are not the intended recipient of this communication, please advise us immediately and delete this email without reading, copying or forwarding it to anyone.

From: [REDACTED]

Sent: January 23, 2026 11:04 AM

To: Hugh Handy [REDACTED]

Cc: [REDACTED]

From: [REDACTED]
To: [Chantalle Pellizzari](#)
Subject: zoning proposal for town houses being built on South Street
Date: January 11, 2026 3:41:38 PM

You don't often get email from [REDACTED]. [Learn why this is important](#)

CAUTION: EXTERNAL EMAIL - This email comes from an external organization. **DO NOT give your username and/or password**, reply to the email, click links (embedded links) or open attachment(s) unless you recognize the sender email address

Att: Chantelle Pellizzari : I am writing this email to you because I am very concerned about the proposed building of all the new townhouse that are going to be built on South Street. As a resident of this wonderful Street and great neighborhood, I feel this is going to create massive traffic issues and I also heard Keating is going to try and change the zoning bylaw. I have lived here for 19 years and I feel we do not need 25 townhouses I still have a hard time picturing where in the world these will be situated. When our house was built and the 3 other ones next to us they abided by the zoning bylaw and we have plenty of room the bylaw did not need to be changed even back in the 1970. When we had a new house built on our street over 5 years ago and yes it took that long . The trucks and other vehicles were always in our and our neighbors way so hard to get up and down the street , we do not want this congestion again plus the fact any residents will be leaving the townhouses by one street South Street more congestion. Our once quiet and peaceful street will be no more please could you do something to help stop this. If it was only one duplex I could maybe deal with it . Thankyou concerned South Street Resident

Subject: South St. townhouse development by Keating

Hello Hugh,

My name is Daisy Moore and I met you at the information meeting for local residents put on by GSP/Keating at the Jefferson Community Centre on December 9, 2025. We may even have exchanged business cards.

I am a horticulturist and long-time resident of South St. Across the street in fact at 287. I asked about the two large sugar maples on the development property and pointed out their heritage attributes and contribution to the local environment and feel of the street. I asked you whether it would be possible to work around one or both of these trees by making modifications to the plan. You used the word to “finesse” the design to accommodate the tree.

Since then I have studied the heritage and vegetation reports. I am delighted to see the mature Norway Spruce, #274, is being protected. Scheduled for removal though include the largest of the sugar maples, # 3739. This has a DBH of 120cm, one of the largest in the region, and it’s condition is listed as good. The second largest, #3738, is nearby and listed in fair condition.

The finesse I would like to suggest would be to modify Block 2 and Block 3 cluster townhouses so that they each contain 5 units instead of 6. This would accommodate room for a more central amenity area that also includes the tree(s). The extra 2 units would be added to Block 5 where the amenity area is currently planned . The centralization of the green space would be a key benefit to the new community. It would be a gathering space for residents to seek shade. It would connect the development to the existing residences and be an inviting place for everyone to find green space.

If I might add to the heritage report, it doesn’t point out what most South St. residents and walkers would consider a major part of the street’s heritage and they are the mature sugar maples that line the street on the way up to the cemetery. In the fall it is breath taking. Over the past ten years or so the population of mature trees has taken a big hit due to infill, storm damage and removal due to poor health. Making the effort to keep one or both of these trees and have them as part of the community would demonstrate a true commitment to progressive planning and shaping great communities. The township is moving towards protecting trees of this stature but the policy is not yet in place.

I am unsure who is involved with making these types of decisions but I thought I would start with you since your company, I would assume, are in charge of planning for the number of units necessary to make this project viable. Should I send a similar note to Keating Construction and the township to make them aware of my ideas?

I will be at the public meeting on January 28 and would be happy to talk more then or at any time. Do you think this type of modification could be made?

Best regards

Daisy Moore

B.Sc Agr.

Horticulture

From: [REDACTED]
To: [Chantalle Pelizzari](mailto:Chantalle.Pelizzari)
Subject: 290 south st. Proposal
Date: January 8, 2026 2:31:13 PM

You don't often get email from [REDACTED]. [Learn why this is important](#)

CAUTION: EXTERNAL EMAIL - This email comes from an external organization. **DO NOT give your username and/or password**, reply to the email, click links (embedded links) or open attachment(s) unless you recognize the sender email address

Hi Chantalle,

I spoke briefly with you yesterday... my name is Maury Moynihan and I live across the road at 281 South Street from proposed development.

I spoke with Kerri upstairs and she got me on the delegation list, she also said to express any concerns with you prior to the meeting.

So here are a few:

Of course as a neighbor directly across the street from this I am totally opposed to it.

-- Huge property Depreciation for any close surrounding properties.

--25 units on this size property is more than four times what r1a would allow, yes 4x... that is not a small #..rules we're put in place to keep this from happening.

-- Not fitting at all on this mature Street/ neighborhood.

-- all prososed units are accessed via South Street when there is access on Highway 7?

-- the parking, would be at least 15 cars lined on South Street 24/7.

(none of them tiny little garages will ever have cars in them).

--sewers/water,

crime rate etc..

-- r1a is the current zoning as to why probably 90% of the people live on this street.... let's keep it a nice Street not a small City.

Thankyou,

Maury

29 January 2026

Kerri O'Kane, Manager of Legislative Services/Municipal Clerk

TOWNSHIP OF CENTRE WELLINGTON

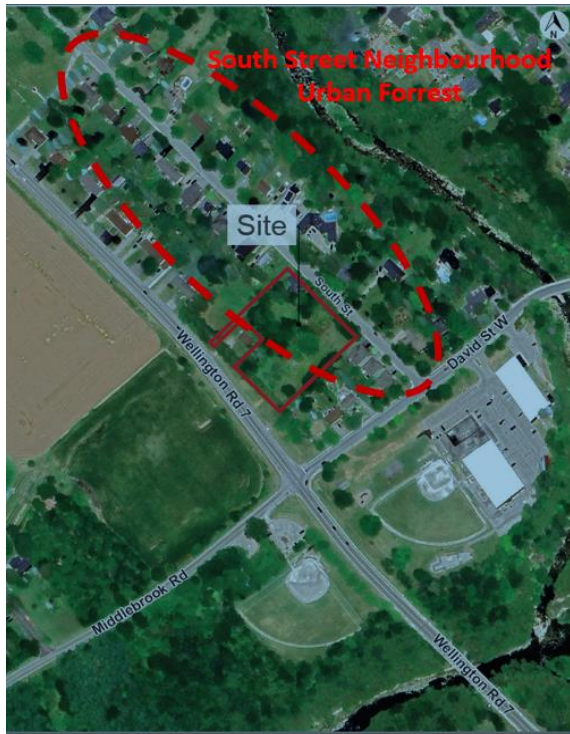
1 MacDonald Square

Elora, ON

Kerri,

**WRITTEN SUBMISSION BY BOB JACKSON MADE UNDER SECTION 34 OF THE PLANNING ACT
RE PLANNING APPLICATION RZ007-2025 PROPOSED ZONING BY-LAW AMENDMENT FOR THE
SUBJECT LANDS KNOWN MUNICIPALLY AS 191 WELLINGTON ROAD 7 AND 290 SOUTH STREET
IN ELORA**

1. This Written Submission is made under Section 34 of the Planning Act R.S.O. 1990.
2. My name is Bob Jackson. I live at 30 David Street West in Elora with my wife Janet. Our property is located adjacent to the proposed Townhouse development site.
3. Last December, about 25-30 residents attended the Public Information Meeting held in the Elora Community Centre and, despite there being no information provided as to what the proposed Townhouse development would look like, most of the comments and issues recorded in the developer's Meeting Summary pertain directly or indirectly to over-intensification of the subject land, including:
 - potential road widening of South Street;
 - vehicle access to Wellington County Road #7;
 - the number of parking spaces;
 - over-flow parking on to South Street;
 - increase to traffic on South Street;
 - the loss of trees;
 - the proposed building height; and
 - the number of Townhouse units proposed being too high.
4. The small-town character of the Elora South Street neighbourhood is in many ways typical of Elora's older historic residential neighbourhoods which residents highly value and enjoy and which contribute to the historic small town of Elora being a tourism destination of provincial significance.
5. Today, South Street continues to be a tree-lined gateway to the Elora Cemeteries and is used regularly by funeral processions.
6. If you refer to the aerial photograph at Figure 1 of the Planning Justification Report for this proposed development (see annotated excerpt below), you will see from the green tree canopy coverage, that the South Street neighbourhood is essentially an urban forest.



Site Location
Source: Google Earth Aerial Imagery (2025)

Figure 1

Planning Justification Report | 191 Wellington Rd 7 & 290 South Street, Elora
GSP Group | October 2025

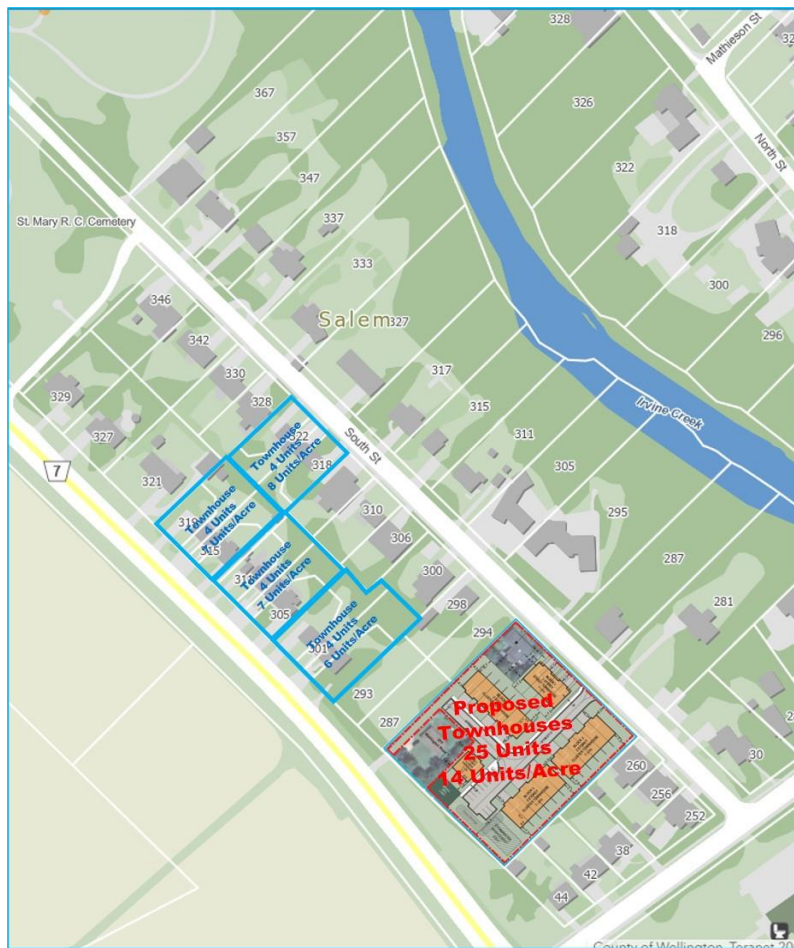
7. THE FIRST ISSUE is that, as consequence of the developer seeking the highest possible Townhouse medium-density, essentially all mature trees would be removed from about 2 acres of the South Street stable residential area's urban forest. This would clearly have a significant negative impact on the neighbourhood's urban forest and thus, negatively impact the character and ambience of this stable residential area for decades. A lower-density Townhouse development plan could mitigate some of these negative impacts.
8. In the South Street low-rise residential neighbourhood, the average height of homes is 1½ storeys and the housing density is quite low ... with most housing being single family dwellings.
9. The South Street neighbourhood and its adjacent properties on Wellington County Road #7 have for many years provided a full range of housing, including single family dwellings of various sizes and heights, as well as providing four (4) separate Street Townhouses complexes containing a total of 16 units located on 2.37 acres of land.
10. The overall housing density of these four (4) nearby Townhouse complexes is 6.75 units per acre. To put the existing Townhouse density into context, it is less than half (½) of the housing density being proposed for the new development. Furthermore, three (3) of those four (4) existing Townhouse complexes have direct vehicle access to Wellington County Road #7 which is a major roadway.

11. As the population of Elora continues to grow, its stable residential areas, such as the South Street neighbourhood, offer some opportunities for higher-density housing such as Townhouses. However, Official Plan policy limits such intensification to that which is compatible and appropriate with respect to the character of existing neighbourhoods and the quality of life which such stable residential areas provide to their current property owners.
12. THE NEXT ISSUE with the proposed Townhouse development is that the recent Public Information Meeting did not provide any elevation and façade drawings and graphics whatsoever to illustrate to the public what the proposed Townhouse development would look like from various eye-level perspectives and from various locations both outside and inside the proposed development.
13. That information is necessary to establish building height and to demonstrate how the configuration and design of the proposed Townhouse intensification: would be appropriate and compatible with the character and ambience of this stable residential area.
14. At that Public Information Meeting held in December 2025, my understanding from the developer is that those documents had not yet been prepared and that he is willing to provide that information to the public when it becomes available.
15. Without that essential information, the general public are unable to fully engage in meaningful and constructive discussion as to whether and how the proposed density, designs and height of proposed housing might be appropriate in their stable residential area and how to perhaps mitigate negative impacts.
16. I was disappointed to see that the developer's Meeting Summary of the December 2025 Public Information Meeting does not record that concerns were raised with the developer about the public not having been provided with the necessary elevation and façade drawings and graphics and also, that it does not report that the developer had agreed to provide that information to the public.
17. When that essential information is forthcoming to the public, it is respectfully submitted that the Township and the developer would need to constructively engage with the community by scheduling a second Public Information Meeting at the Elora Community Centre.
18. I would respectfully submit that it was premature to schedule a Public Meeting for this important planning matter on 28 January 2026 because, as yet, a second Public Information Meeting has not been scheduled to provide the public with a reasonable opportunity to review and discuss the missing necessary elevation and façade drawings and graphics illustrating what the proposed Townhouse intensification development would look like in the context of their existing South Street stable residential area.
19. The Agenda of the Public Meeting includes a planning staff Public Meeting Information Report ([PLN2026-06 - Pdf](#)) which cites a Corporate Strategic Plan policy of "Managing growth while enhancing the community's unique character".

20. At the Public Meeting on 28 December 2026, the developer's representative indicated that in 2011 the developer had been in discussions with then Mayor Ross-Zui regarding the development of the property at 191 Wellington County Road #7 (referred as the "Ross property") and that the developer had purchased the Ross property in 2016 from the Ross family.
21. THE NEXT ISSUE is the Maximum Building Height of 3 storeys that would be permitted if the proposed Zoning By-law Amendment were to be approved. It is clear from the completed Heritage Impact Assessment that the appropriate Maximum Building Height in the South Street stable residential area is 2 storeys. The developer is proposing to respect a Maximum Building Height of 2 storeys, so the proposed ZBLA should be amended to acknowledge and respect a Maximum Building Height of only 2 storeys ... not 3 storeys as is presently proposed.
22. Also, since there are, as yet, no elevation drawings, the public does not know the actual height of the proposed Townhouses. I would respectfully submit that a Maximum Building Height of 11 meters is much too high for compatibility in this low-rise neighbourhood. The developer needs to declare the intended building height of the Townhouses in their elevation drawings and then the Zoning By-Law Amendment needs to be amended to reflect that height as being the Maximum Building Height allowable for the subject lands.
23. THE FINAL ISSUE, at this time, is that the proposed housing density of 14 units per acre, which is the highest possible Townhouse medium-density housing that might be permitted under the County Official Plan, is too high.
24. Our Official Plan policy does not mandate that Townhouse developments provide the maximum density of 14 units per acre; Official Plan policy only permits maximum density when specified policy requirements are satisfied. Otherwise, Official Plan policy supports less than 14 units per acre for medium-density housing.
25. Looking at the bigger picture, there are thirty-one (31) non-vacant properties which make up Elora's South Street stable residential area. This stable, mature, low-rise, low-density residential area can be further characterized as follows:
 - a. The residential properties comprising the South Street stable residential area total 19 acres.
 - b. The average building height of the 31 housing units in the area is 1.5 storeys and the maximum height is 2 storeys;
 - c. 27 of the 31 housing units are single family dwellings; there is one Street Townhouse with four housing units; and there are several vacant lots.
 - d. The average housing density of the stable residential area is just 1.8 housing units per acre. Let me repeat that, on average, the area has 1.8 housing units per acre. That is to say, the area's existing housing density is only 13% of the 14 housing units per acre density which is being proposed;
 - e. It is notable that, located within 100 meters of the subject lands, on South Street and on Wellington County Road #7, there are a total of four (4) Street Townhouse

developments having a housing density ranging from a minimum of 6 to a maximum of 8 housing units per acre.

- f. It follows that a Townhouse density of 6 to 8 units per acre does not negatively impact the character and ambience of the South Street stable residential area.
- g. If approved, the proposed 25 new-Townhouse units to be located on less than 2 acres of land would massively increase the number of housing units and the population of this stable residential area by 45% ... all being crammed into less than 2 acres.
- h. In other words, the proposed housing growth of 45% would be crammed into merely 9% of the South Street stable residential area. That would be over-intensification in the South Street stable residential area.
- i. How could such over-intensification provided by the proposed Townhouse density of 14 units per acre not reasonably be expected to be classified as inappropriate residential intensification because of its significant negative impacts on the character, ambience and quality of life of the residents of Elora's South Street stable residential area?



26. It is therefore respectfully submitted that the Wellington County Official Plan's maximum allowable Townhouse density of 14 housing units per acre which is being proposed represents over-intensification of Elora's South Street stable residential area because such intensification would not conform with a number of requirements of our Official Plan policy. For example:
- a. Our Official Plan policy supports appropriate residential intensification in all areas within the built boundary. Presumably, that same policy does not support inappropriate residential intensification in any area within the built boundary.
 - b. Our Official Plan policy requires the maintenance of a lotting pattern that is generally consistent and compatible with the predominant character of the area. The lotting pattern of the proposed Townhouse development does not maintain the predominant character of lotting patterns of either the South Street stable residential area or the adjacent Wellington County Road #7 existing Townhouse complexes.
 - c. Our Official Plan policy is that stable residential areas are considered to be established areas generally consisting of predominantly low-density housing on local roads within the built boundary. Elora's South Street neighbourhood is a stable residential area and South Street is a local road. Official Plan policy encourages residential intensification in stable residential areas which respects the character of the area. It is respectfully submitted that the proposed over-intensification does not respect the character of the South Street stable residential area.
 - d. Our Official Plan policy is that medium density development on full municipal services should not exceed 14 units per acre for townhouses, ... although it may not always be possible to achieve these densities on smaller sites. The proposed Townhouse development is on a small site, which is less than two (2) acres, and the site has no permitted vehicle access to the adjacent major roadway (i.e. Wellington County Road #7).
 - e. Our Official Plan policy is that within the built boundary, medium density is encouraged to locate on major roadways (e.g. Wellington County Road #7) and arterial roads. Presumably that means it is our Official Plan policy that the highest medium density of 14 Townhouse units per acre is not encouraged on South Street because it is merely a local road in a stable residential area within the Built Boundary.
27. Consequently, I would conclude by respectfully submitting, in the case of the present Zoning By-Law Amendment Application regarding the subject lands, that achieving the highest allowable medium-density of 14 Townhouse units per acre for the proposed development would not be in conformity with our Official Plan policy or our Corporate Strategic Plan policy of "Managing growth while enhancing the community's unique character" and, therefore, would be inappropriate.

Respectfully,

Bob Jackson
30 David Street West
Elora, On
N0B1S0

Page 6 of 6

Planning Justification Report

191 Wellington Road 7 and 290 South Street, Elora

James Keating Construction (2004) Limited

Township of Centre Wellington

Zoning By-law Amendment

October 2025



Planning Justification Report

191 Wellington Road 7 and 290 South Street, Elora

Zoning By-law Amendment

Township of Centre Wellington

October 2025

Prepared for:

James Keating Construction (2004) Limited
70 Mathieson Street
Salem, Ontario
N0B 1S0

Prepared by:

GSP Group Inc.
72 Victoria Street South, Suite 201
Kitchener, ON
N2G 4Y9



Contents

- 1. Introduction 1
 - 1.1 Overview 1
 - 1.2 Purpose and Scope..... 1
- 2. Site Description & Surrounding Uses..... 4
 - 2.1 Site Location and Description..... 4
 - 2.2 Surrounding Uses and Context 4
- 3. Proposed Development 6
 - 3.1 Overview 6
- 4. Planning Policy Review and Analysis 8
 - 4.1 Ontario Planning Act 8
 - 4.2 Provincial Planning Statement..... 12
 - 4.2.1 Planning for People and Homes 12
 - 4.2.2 Housing..... 12
 - 4.2.3 General Policies for Settlement Areas 13
 - 4.2.4 Energy Conservation, Air Quality and Climate Change 13
 - 4.2.5 Cultural Heritage and Archaeology 14
 - 4.2.6 Provincial Planning Statement Summary..... 14
 - 4.3 County of Wellington Official Plan 14
 - 4.3.1 Cultural Heritage and Archaeological Resources..... 15
 - 4.3.2 Housing 15
 - 4.3.3 The Urban System 17
 - 4.3.4 Detailed Primary Urban Centre Policies 17
 - 4.3.5 Wellington County Official Plan Summary 22

4.4	Township of Centre Wellington Official Plan	24
4.4.1	Housing	24
4.4.2	Municipal Servicing	25
4.4.3	Stormwater Management	25
4.4.4	Community Design	25
4.4.5	Residential	26
4.4.6	Township of Centre Wellington Official Plan Summary	30
4.5	Urban Design Brief	32
4.5.1	Surrounding Neighbourhood Context	32
4.5.2	Proposed Development	33
4.5.3	Response to Policy Guideline and Framework	36
4.5.4	Urban Design Brief Summary	39
4.6	Township of Centre Wellington Zoning By-law	41
5.	Subject Application	44
6.	Supporting Technical Studies and Reports	47
6.1	Transportation Impact Study	47
6.2	Heritage Impact Assessment	47
6.3	Functional Servicing and Stormwater Management Design Report	49
7.	Public Consultation Considerations	50
8.	Conclusion	51

List of Figures

Figure 1 - Site Location.....	3
Figure 2 - Surrounding Context.....	5
Figure 3 - Development Concept	7
Figure 4 - County of Wellington Official Plan - Land Use Plan	23
Figure 5 - Township of Centre Wellington Official Plan - Land Use Plan.....	31
Figure 6 - Township of Centre Wellington Zoning By-law 2009-045.....	42
Figure 7 - Zoning Compliance Chart	43

1. Introduction

1.1 Overview

GSP Group Inc. has been retained by James Keating Construction Ltd. (the “Owner”) in support of a Zoning By-law Amendment application (“Subject Application”) to facilitate the development of the property municipally known as 191 Wellington Road 7 and 290 South Street, Centre Wellington in the Township of Centre Wellington in Wellington County (“Site”) (**Figure 1**). The Site is located on the west side of South Street, north of David Street West.

In the Wellington County Official Plan, the Site is located within the Delineated Built-Up Area of Elora/Salem and designated “Primary Urban Centre”. The local planning framework designates the Site as ‘Residential’ on Schedule A-1 of the Township of Centre Wellington Land Use Plan, which permits a variety of housing types, with low rise and low-density housing forms such as single-detached and semi-detached dwelling units being the predominate form. Townhouses and apartments may also be allowed subject to the requirements of the Zoning By-law and the applicable policies of the Official Plan. Accordingly, the Site is zoned as ‘R1A Residential’ on Schedule A, Map 49 of the Township of Centre Wellington Zoning By-law which permits single-detached dwellings, semi-detached dwellings, and existing link or twin dwellings. This application seeks to permit the development of 4 street townhouse units and 21 cluster townhouse units. The Site contains an existing single detached dwelling which is listed on the Municipal Heritage Register. The existing single detached dwelling will be retained, with its existing attached garage addition demolished. The lands with the existing single detached dwelling will severed to be separate from the balance of the development lot.

This Zoning By-law Amendment requests that the Site be rezoned from ‘Residential (R1A)’ to ‘Residential (R3),’ with site-specific exemptions (R3.XX.X). The draft text of the proposed Zoning By-law Amendments is attached to this report as **Appendix “A”**.

1.2 Purpose and Scope

A pre-consultation meeting for Zoning By-law Amendment, Draft Plan of Condominium, and Site Plan Approval was held on June 25, 2025. Among other requirements, the Township identified a Planning Justification Report as a requirement of a complete application.

As such, this Planning Justification Report has been prepared in support of the Subject Application (this “Report”). The purpose of this Report is to provide:

- A description of the Site and its existing physical conditions and its context within the surrounding area;
- An analysis of the relevant planning policy and regulations that are applicable to the Site and the proposed redesignation and rezoning;
- An urban design brief; and,
- A planning opinion for the Subject Application.

We have also considered the following technical reports in our analysis:

- Functional Servicing and Stormwater Management Design Report prepared by GEI Consultants Canada Limited;
- Heritage Impact Assessment prepared by Archaeological Research Associated Ltd.; and,
- Transportation Impact Study prepared by Paradigm Transportation Solutions Limited.

The above reports are further discussed in Section 6 of this Report.



Site Location

Source: Google Earth Aerial Imagery (2025)

Figure
1

2. Site Description & Surrounding Uses

2.1 Site Location and Description

The Site is a through lot with 90.90 metres (± 298 feet) of frontage along South Street and 64.14 metres (± 210 feet) of interrupted frontage along Wellington Road 7. The Site includes two parcels of land municipally known as 191 Wellington Road 7 and 290 South Street, together which cover 8,391.90 square metres (0.8391 hectares) in area. The property sits proximate to Irvine Creek and is within an established residential neighbourhood. The Site is predominantly flat. The Site contains an existing two-storey single detached dwelling, which will be retained post-development, with its attached garage being demolished. Access to the Site is provided via an existing driveway along South Street. The property contains an existing public sidewalk along South Street. The site is serviced by municipal water and wastewater services. There are currently no transit services available to the Site.

2.2 Surrounding Uses and Context

The Site is bordered by South Street and Wellington Road 7. The Site is generally surrounded by residential, agricultural, open space, and community services and facilities as seen in **Figure 2**.

- North:** Directly north of the Site are single detached residential dwellings and Elora Municipal Cemetery and St. Mary Immaculate and St. Joseph's Cemetery. Further north is the hamlet Salem.
- East:** Directly east of the Site is South Street and residential dwellings. Beyond that is a segment of Irvine Creek. Further east is a low-rise residential community, St. Mary's Immaculate Roman Catholic Church and Elora Lawn Bowling Club.
- South:** Directly south are low rise single detached dwellings and David Street West. South of David Street West is Jefferson Elora Community Centre, Elora Curling Club, and Elora Lions Park. Beyond that, Irvine Creek connects to the Grand River which includes various trails and lookout points.
- West:** Immediately west is Wellington Road 7 which represents the westernmost boundary of Elora. West of Wellington Road 7 are agricultural and open space uses.



Surrounding Context
 Source: Google Earth Aerial Imagery (2025)

Figure
2

3. Proposed Development

3.1 Overview

The proposed residential redevelopment includes the consolidation of two parcels to accommodate a 25-unit townhouse project (the “Proposed Development”). The development includes 4 street townhouse units fronting South Street and 21 cluster units across five blocks). The existing single detached dwelling will be retained post-development, with its existing attached garage being demolished. The lot with the existing single detached dwelling will be severed from the balance of the development lot.

The site design features 6.7 metre internal private streets with 1.8 metre sidewalks on one side of each street. Garage and driveway parking spaces are provided for all townhouse units, and the cluster townhouse lot contains 10 proposed visitor parking spaces (including 1 barrier free parking space). Shared driveways are provided between adjacent units, where applicable.

The Proposed Development includes a stormwater management facility located in the southwest corner of the Site. The development also includes approximately 169 square metres of private outdoor amenity space located along the western property boundary. A snow storage location is provided at the west edge of the Site. Detailed design of the site will be addressed through a forthcoming Site Plan Approval application. A consent application will also be required to sever the existing single detached dwelling from the balance of the development lot.

The Proposed Development is illustrated on **Figure 3**.

CURRENT ZONING: R1A
 PROPOSED ZONING: R1A (Existing House)
 R3 Cluster Townhouses & Street Townhouses

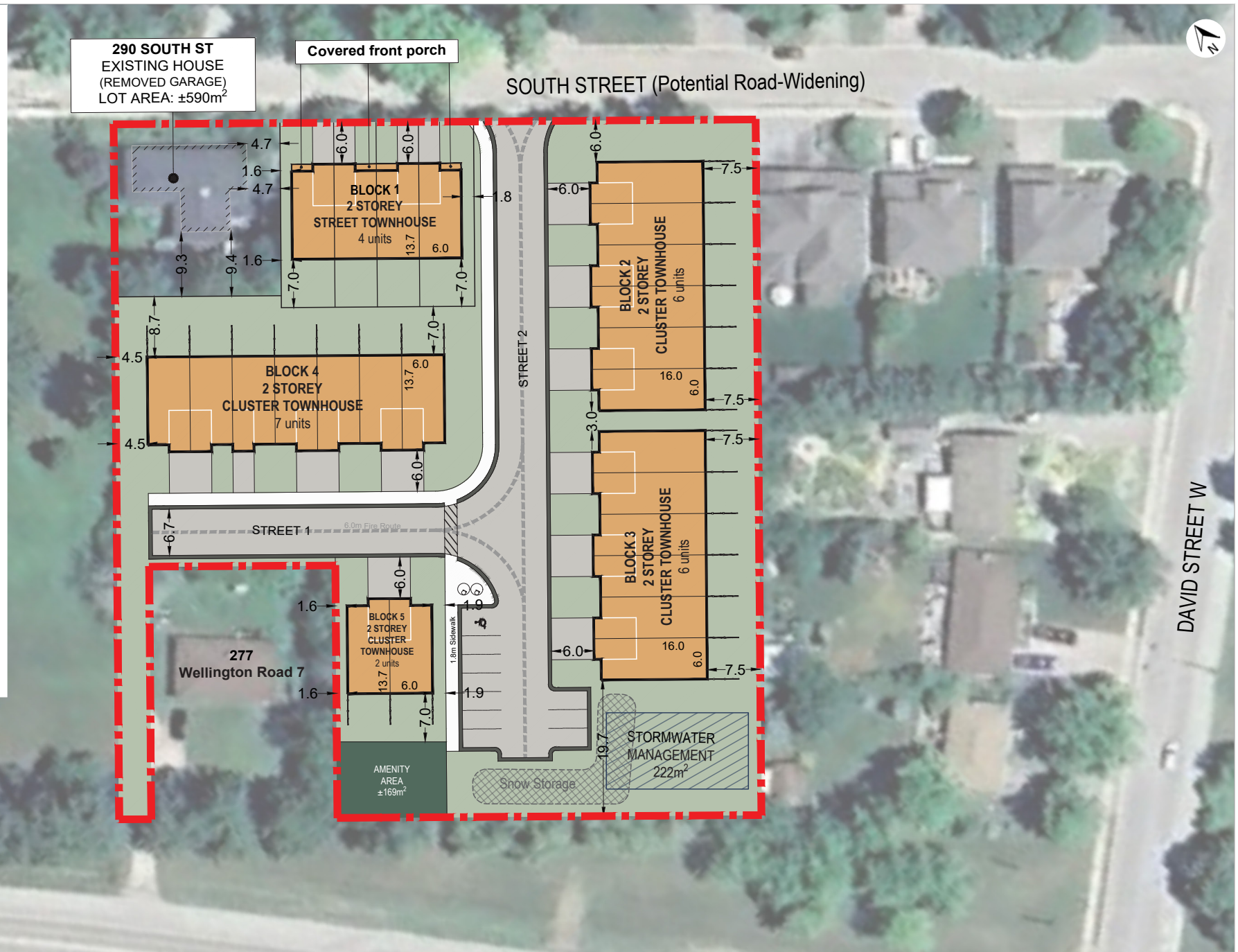
	REQUIRED	PROPOSED
LOT AREA:		
CLUSTER TOWNS:	5,400m ² (200m ² /unit)	6,865m ²
STREET TOWNS:	190m ² /unit	732m ² (smallest lot: 160m ²)
UNITS:		25 units
CLUSTER TOWNS:		21 units
STREET TOWNS:		4 units
MAX. HEIGHT:	3 storeys	2 storeys
MIN. LANDSCAPE OS:		
CLUSTER TOWNS:	40%	42.8%
STREET TOWNS:	40%	37.4%
COMMON AMENITY AREA:	105m ²	±169m ²
(Cluster Townhouses: 5m ² /unit)		

MINIMUM SETBACKS:	REQUIRED	PROPOSED
FRONT YARD:	6.0m	6.0m
EXTERIOR SIDE YARD:	4.5m	19.8m
SIDE YARD:		
CLUSTER TOWNS:	3.0m	1.6m
STREET TOWNS:	1.8m	1.6m
REAR YARD:		
CLUSTER TOWNS:	7.5m	>7.5m
STREET TOWNS:	7.5m	7.0m

PARKING:	REQUIRED	PROPOSED
CLUSTER TOWNHOUSES:	32 spaces	42 spaces (Garage + Driveway)
VISITOR SPACES:	6 spaces	10 spaces
STREET TOWNHOUSES:	1.0/unit	8 spaces (Garage + Driveway)

BARRIER FREE (4m x 5.5m): 1 spaces 1 spaces

NOTES: 1. Townhouse Fences 4.5m long by 1.8m Tall



4. Planning Policy Review and Analysis

4.1 Ontario Planning Act

The *Planning Act*, R.S.O. 1990, c. P.13 (“Planning Act”), establishes the framework for land use planning in Ontario. The Planning Act provides for the integration of provincial matters in planning decisions; details a planning process that is fair, accessible, timely and efficient; encourages cooperation and coordination amongst various interest groups; and recognizes the decision-making authority and accountability of municipal councils in the planning process. Section 2 of the Planning Act identifies matters of provincial interest which a municipality must “have regard to” in fulfilling its responsibility under the Planning Act. These matters are general in nature and broad in range and are captured in more detail through the policy statements and provincial plans listed under Section 3 of the Planning Act through the official plans of the County of Wellington and the Township of Centre Wellington. In response to Section 2 of the Planning Act:

(a)	the protection of ecological systems, including natural areas, features, and functions;	Not applicable as there are no protected environmental features located on the Site.
(b)	the protection of the agricultural resources of the Province;	Not applicable.
(c)	the conservation and management of natural resources and the mineral resource base;	Not applicable.
(d)	the conservation of features of significant architectural, cultural, historical, archaeological, or scientific interest;	A Heritage Impact Assessment (“HIA”) was prepared by Archaeological Research Associates Ltd. (“ARA”). The HIA is summarized in Section 6.2 of this Report and should be read in conjunction with this Report.

(e)	the supply, efficient use and conservation of energy and water;	The Site is serviced by existing municipal water services and sanitary services which are suitable to support the Proposed Development.
(f)	the adequate provision and efficient use of communication, transportation, sewage and water services and waste management systems;	As noted above, the Site is currently serviced by existing municipal infrastructure. The provision of other utilities will be coordinated during Site Plan Approval.
(g)	the minimization of waste;	The Proposed Development maintains the existing dwelling on the Site, minimizing waste. Waste management will be managed in accordance with municipal standards; it is anticipated that private pickup will be required for portions of the development.
(h)	the orderly development of safe and healthy communities;	The Proposed Development represents orderly development and is designed in a way to ensure it contributes to a healthy community through the contribution of sidewalks, adequate streets, and a common amenity area.
(h.1)	the accessibility for persons with disabilities to all facilities, services and matters to which this Act applies;	The Proposed Development will be required to comply with the Accessibility for Ontarians with Disabilities Act, 2001, S.O. 2001, c. 32.
(i)	the adequate provision and distribution of educational, health, social, cultural, and recreational facilities;	The Proposed Development will utilize existing educational, health, social, cultural, and recreational facilities in the neighbourhood and broader community.

(j)	the adequate provision of a full range of housing, including affordable housing;	The Proposed Development includes the construction of 25 residential dwelling units in the form of street-fronting townhouses and cluster-townhouses, which contributes to a full range of housing. No affordable housing is proposed.
(k)	the adequate provision of employment opportunities;	Not applicable.
(l)	the protection of the financial and economic well-being of the Province and its municipalities;	The Proposed Development does not require any financial commitment from the County of Wellington or the Township of Centre Wellington for the provision of infrastructure. The Site is serviced by existing services, and it will be the responsibility of the Owner for the costs associated with the provision of any necessary infrastructure required to accommodate the Proposed Development.
(m)	the co-ordination of planning activities of public bodies;	The Subject Application will be circulated to all commenting agencies, departments, and interest holders by the Township of Centre Wellington for review and comments prior to Council's decision on the Subject Application.
(n)	the resolution of planning conflicts involving public and private interests;	The resolution of planning conflicts that may arise through the consideration of the Subject Application will be addressed as part of the circulation and review process, which will include formal and informal public meetings, as required by the Planning Act.
(o)	the protection of public health and safety	The Proposed Development will not result in the harming of public health and safety. The Proposed Development is logically designed to be compatible and consistent with the surrounding neighbourhood.

(p)	the appropriate location of growth and development;	The Site is located in an established residential neighbourhood within the built boundary of Elora/Salem and is municipally serviced. For these reasons, the Site is in an appropriate location for growth and development.
(q)	the promotion of development that is designed to be sustainable, to support public transit and be oriented to pedestrians;	The Proposed Development includes pedestrian facilities, such as a common amenity area and internal sidewalk, facilitating pedestrian movement. There are currently no regular public transit services in the Township of Centre Wellington.
(r)	the promotion of built-form that, (i) is well-designed, (ii) encouraged a sense of place.	The Proposed Development is well designed, using appropriate setbacks to ensure compatibility with the surrounding neighbourhood to create a high quality, safe, accessible, attractive, and vibrant space that creates and supports the existing sense of place and unique character of the neighbourhood while providing suitable and respectful intensification.
(s)	the mitigation of greenhouse gas emissions and adaptation to climate change.	The Proposed Development will be required to comply with any minimum energy efficiency standards in the Ontario Building Code. In addition to this, the Owner will further explore construction of dwellings to a “net-zero ready” standard during the detailed design process, as they have for other projects.

Section 3(5) of the Planning Act requires that the decisions of municipal councils regarding the exercise of authority concerning planning matters include decisions on Planning Act applications:

- a) shall be consistent with the policy statements issued under subsection (1) that are in effect on the date of the decision; and,
- b) shall conform with the provincial plans that are in effect on that date, or shall not conflict with them, as the case may be.

The Provincial Planning Statement (2024) (“PPS”) issued under Section 3(5) of the Planning Act is applicable and relevant to the consideration of the Subject Application.

Overall, the above criteria of the Planning Act have been considered in the preparation of this Report and the submission of the Subject Application. The Provincial Planning Statement is discussed in Section 4.2 of this Report. The Proposed Development has regard for the criteria contained in Section 2 and aligns with Section 3 of the Planning Act.

4.2 Provincial Planning Statement

The Provincial Planning Statement, 2024 (“PPS”) provides policy direction on matters of provincial interest and guides growth and development in Ontario. The PPS supports land use that contributes to effective and efficient growth and development, long-term economic prosperity, and the well-being of residents. The PPS is issued under Section 3 of the Planning Act and came into effect on October 20, 2024. The following provides a summary of the key PPS policy considerations for the Site and provides justification for the Proposed Development as it related to these policies.

4.2.1 Planning for People and Homes

Section 2.1 of the PPS outlines the policies for Planning for People and Homes. Policy 2.1.6 states, in part, *“Planning authorities should support the achievement of complete communities by: accommodating an appropriate range and mix of land uses, housing options, [...], parks and open space, and other uses to meet long-term needs (a).”*

Response: The Proposed Development includes the construction of 25 residential units in the form of cluster townhouses and street fronting townhouses, which contributes to a range and mix of housing options. Landscaped open space and common amenity space is provided on the Site, contributing open spaces toward the meeting of long-term needs.

4.2.2 Housing

Section 2.2 of the PPS outlines the policies for Housing. Policy 2.2.1 states, in part, *“Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected needs of current and future residents of the regional market area by: permitting and facilitating (b): all housing options required to meet the social, health, economic, and well-being requirements of current and future residents (1); and, all types of residential intensification, [...], development and introduction of new housing options within previously developed areas, and redevelopment, which results in a net increase in residential units in accordance with policy 2.3.1.3 (2); promoting densities for new housing which efficiently use land, resources, infrastructure and public service facilities, and support the use of active transportation (c).”*

Response: The Proposed Development includes the construction of 25 residential units in the form of cluster townhouse and street fronting townhouse dwellings, which contributes to the range and mix of housing options at densities to meet the needs of current and future residents in the regional market area. The Proposed Development significantly intensifies the Site with a total of 25 residential units proposed, and the Proposed Development efficiently uses land, resources, infrastructure, and public service facilities to achieve this higher density use.

4.2.3 General Policies for Settlement Areas

Section 2.3.1 of the PPS outlines the General Policies for Settlement Areas. Policy 2.3.1.1 states, *“Settlement areas shall be the focus of growth and development.”* Policy 2.3.1.2 states, in part, *“Land use patterns within settlement areas should be based on densities and a mix of land uses which: efficiently use land and resources (a); optimize existing and planned infrastructure and public service facilities (b); support active transportation (c).”* Policy 2.3.1.3 states, *“Planning authorities shall support general intensification and redevelopment to support the achievement of complete communities, including by planning for a range and mix of housing options and prioritizing planning and investment in the necessary infrastructure and public service facilities.”*

Response: The Site is located within the Elora settlement area, which is the focus of growth and development. The Proposed Development will optimize existing and planned infrastructure and public service facilities, which will be further coordinated at Site Plan Approval. The Proposed Development supports active transportation through the provision of an internal sidewalk network that connects to South Street, providing opportunities for active transportation that is separate from vehicular traffic. The Proposed Development is a form of intensification that supports the achievement of complete communities by contributing 25 residential units in the form of cluster townhouse and street townhouse dwellings, contributing to the range and mix of housing options and densities in the Elora settlement area.

4.2.4 Energy Conservation, Air Quality and Climate Change

Section 2.9 of the PPS outlines the policies for Energy Conservation, Air Quality and Climate Change. Policy 2.9.1 states, in part, *“Planning authorities shall plan to reduce greenhouse gas emissions and prepare for the impacts of a changing climate through approaches that: support the achievement of compact, transit-supportive, and complete communities (a).”*

Response: The Proposed Development supports the creation of a compact built form through the provision of cluster townhouse and street townhouse dwellings, which support the achievement of complete communities through intensification of an existing underutilized site. There are currently no transit stops that service the Site, however, due to the Site's adjacency to South Street and Wellington Road 7, it is proximate to collector and arterial streets which are suitable for the provision of future transit.

4.2.5 Cultural Heritage and Archaeology

Section 4.6 of the PPS outlines the policies for Cultural Heritage and Archaeology. Policy 4.6.1 states, "*Protected heritage property, which may contain built heritage resources or cultural heritage landscapes, shall be conserved.*" Policy 4.6.3 states that, "*Planning authorities shall not permit development and site alteration on adjacent lands to protected heritage property unless the heritage attributes of the protected heritage property will be conserved.*" Policy 4.6.4 states, "*Planning authorities are encouraged to develop and implement: proactive strategies for conserving significant built heritage resources and cultural heritage landscapes (b).*"

Response: A Heritage Impact Assessment ("HIA") was prepared by Archaeological Research Associates Ltd. ("ARA"). The HIA is summarized in Section 6.2 of this Report and should be read in conjunction with this Report.

4.2.6 Provincial Planning Statement Summary

Overall, the Proposed Development is consistent with the PPS as it promotes a compact built form and supports the creation of a complete community within the Elora settlement area. The Proposed Development includes the construction of 25 residential dwelling units in the form of cluster townhouse and street townhouse dwellings, which provide a range and mix of housing options at densities that support the social, economic, and well-being requirements of current and future residents. The Proposed Development efficiently uses existing and planned infrastructure, supports active transportation through the provision of internal sidewalk connections, and does not negatively impact cultural heritage resources.

4.3 County of Wellington Official Plan

The Wellington County Official Plan ("WCOP") was adopted by Wellington County Council on September 24, 1998, approved by the Ministry of Municipal Affairs on April 13, 1999, and came into effect on May 6, 1999. The WCOP outlines the long-term vision for Wellington County's communities and resources, and policy to attain the long-term vision.

The Site is located within the Delineated Built-Up Area of Elora/Salem, as identified on Schedule A – County Growth Structure, and is designated “Primary Urban Centre” of Elora/Salem on Schedule B1 – Land Use, Centre Wellington in the WCOP (see **Figure 4**).

The following provides a summary of the key WCOP policy considerations for the Site and provides justification for the Proposed Development as it related to these policies.

4.3.1 Cultural Heritage and Archaeological Resources

Section 4.1 of the WCOP outlines the policies for Cultural Heritage and Archaeological Resources. Policy 4.1.5 f) states that, *“The re-use of heritage buildings is often a valid means of ensuring their restoration, enhancement, or future maintenance. Projects to re-use heritage buildings may be given favourable consideration if the overall results are to ensure the long-term protection of a heritage resource and the project is compatible with surrounding land uses and represents an appropriate use of land.”* Policy 4.1.5 g) indicates that development and/or site alteration may be permitted on lands adjacent to a protected heritage property when the development and/or site alteration has been evaluated and demonstrated that the proposed development will ensure the conservation of the identified heritage attributes of the adjacent property, and that alternative development approaches may be required to conserve the heritage attributes of the adjacent property.

Response: A Heritage Impact Assessment (“HIA”) was prepared by Archaeological Research Associates Ltd. (“ARA”), dated September 29, 2025. The HIA is summarized in Section 6.2 of this Report and should be read in conjunction with this Report.

4.3.2 Housing

Section 4.4 of the WCOP outlines the policies for Housing. Policy 4.4.2 states that, *“The County will provide for a variety of housing types to satisfy the present and future social, health and well-being requirements of residents of the regional market area. New residential developments will be promoted at densities which efficiently use available servicing and are appropriate to site conditions and existing patterns of development. New multiple lots or units for residential development will incorporate a mix of unit sizes to accommodate a diverse range of household sizes and incomes.”*

Response: The Proposed Development includes the construction of 25 residential units in the form of cluster townhouse dwellings and street townhouse dwellings, contributing to the satisfaction of present and future social, health and well-being requirements of residents of the regional market area.

The Proposed Development intensifies the Site and is provided at a density that efficiently uses available servicing and is appropriate to the site conditions and existing patterns of development. The Proposed Development maintains the street line character along South Street, utilizing similar setbacks to the existing established street line to ensure compatibility. The Proposed Development will contribute to the Township’s mix of unit sizes and types to accommodate a diverse range of household types and incomes.

Policy 4.4.3 of the WCOP states, in part, *“This Plan contains policies encouraging residential intensification in primary urban centres. The strategic approach to residential intensification intends to retain small town character and revitalize downtown areas which includes:*

#	Policy:	Response:
b)	<i>Supporting appropriate residential intensification in all areas within the built boundary, including adaptive re-use or redevelopment of brownfields and greyfields;</i>	The Site is located within the built boundary of Elora/Salem, and the Proposed Development intensifies the Site through the provision of 25 residential dwelling units in the form of cluster and street townhouse dwellings.
e)	<i>Encouraging residential intensification in stable residential areas respecting the character of the area. Stable residential areas are considered to be established areas generally consisting of predominantly low density housing on local roads within the built boundary;</i>	The Proposed Development respects, maintains, and supports the existing character of the surrounding neighbourhood. The Proposed Development is limited to a height of 2 storeys, reflecting development in the surrounding area, while ensuring that setback requirements and other zoning regulations are generally maintained or exceeded. The proposed medium density uses are designed in a way to ensure compatibility with the surrounding neighbourhood. An Urban Design Brief was listed as a required component of a complete application, which is discussed in Section 4.5 of this Report and speaks to building design and neighbourhood compatibility.

f)	<i>Conserving cultural heritage and archaeological resources where feasible, as built up areas are intensified;</i>	A Heritage Impact Assessment (“HIA”) was prepared by Archaeological Research Associates Ltd. (“ARA”), dated September 29, 2025. The HIA is summarized in Section 6.2 of this Report and should be read in conjunction with this Report.
----	---	---

4.3.3 The Urban System

Section 7 of the WCOP outlines the policies for The Urban System. Section 7.4 outlines the policies for Primary Urban Centres. Policy 7.4.1 states that Primary Urban Centres are expected to provide a full range of land use opportunities, including residential uses of various types and densities. Policy 7.4.5 states that Primary Urban Centres shall provide a broad range of residential uses to provide a diverse supply of housing, including affordable housing. Wellington will plan for a diverse range and mix of housing options, densities, and unit sizes on full municipal services.

Response: The Site is located in the Primary Urban Centre of Elora/Salem, and the Proposed Development includes 25 residential dwelling units, contributing to a diverse supply of housing options, densities, and unit sizes.

4.3.4 Detailed Primary Urban Centre Policies

Section 8 of the WCOP outlines Detailed Primary Urban Centre Policies. Policy 8.3.5 outlines the permitted medium density residential uses, and states that, *“Multiple residential developments such as townhouses and apartments may be allowed in areas designated Residential, subject to the requirements of the Zoning By-law and further provided that the following criteria are satisfactorily met:*

#	Criteria:	<u>Response:</u>
a)	<i>that medium density development on full municipal services should not exceed 35 units per hectare (14 units per acre) for townhouses or row houses, and 75 units per hectare (30 units per acre) for apartments, although it may not always be possible to achieve these densities on smaller sites;</i>	The Proposed Development includes the construction of 25 residential dwelling units in the form of cluster and street townhouse dwellings, at an overall density of approximately 32.9 units per hectare.

b)	<i>that the design of the proposed height, setbacks, landscaping and vehicular circulation, will ensure that it will be compatible with existing or future development on adjacent properties;</i>	The Proposed Development has been designed to be compatible with the surrounding neighbourhood in terms of height (limited to 2 storeys), setbacks, landscaping (Landscape Plan to be coordinated at Site Plan Approval), and vehicular circulation (limited to one access point on South Street). The Urban Design Brief contained in Section 4.5 of this Report provides a description and justification related to how the Proposed Development is compatible with the broader neighbourhood.
c)	<i>that the site of the proposed development has a suitable area and shape to provide:</i>	The Proposed Development has sufficient suitable area, and shape, to provide adequate on-site landscaping to screen outdoor amenity areas both on the site and on adjoining property.
c) i)	<i>adequate on-site landscaping to screen outdoor amenity areas both on the site and on adjoining property, to buffer adjacent residential areas and to improve the overall appearance of the development;</i>	Appropriate rear yards and other applicable areas, such as within the amenity area, snow storage area, and stormwater management area, are sufficient in size to allow for the screening from public view, enhancing the overall appearance of the Proposed Development.
c) ii)	<i>on-site amenity areas for the occupants of the residential units;</i>	A 168 square metre common amenity area is provided for the cluster townhouses through the Proposed Development, which is extra to the private rear yard amenity space that is provided for each cluster townhouse and street townhouse unit.
c) iii)	<i>adequate off-street parking, access and appropriate circulation for vehicular traffic, particularly emergency vehicles; and</i>	The Proposed Development aligns with Zoning By-law standards for minimum parking. The Proposed Development's internal street layout has been designed to the Township of Centre Wellington's standards to ensure efficient circulation of vehicular traffic and emergency vehicles.

c) iv)	<i>adequate grading to ensure that drainage from the property is directed to public storm drainage facilities and not to adjoining properties.</i>	A Functional Servicing and Stormwater Management Design Report (“FSRSWM Report”) has been prepared by GEI Consultants. The FSRSWM Report has been summarized in Section 6 of this Report and should be read in conjunction with this Report.
d)	<i>that adequate services such as water, sewage disposal, storm water, roads, and hydro are available to service the development;</i>	The Proposed Development will be serviced by all applicable available municipal services, including water, sewage disposal, storm water, roads, and hydro. The FSRSWM confirms that adequate water, sanitary, and stormwater services are available to the Proposed Development. The provision of other utilities, such as hydro and utilities, for example, will be coordinated during Site Plan Approval.
e)	<i>that within the built boundary, medium density is encouraged to locate on major roadways and arterial roads;</i>	The Site is located on South Street which is not classified as a major roadway and/or arterial road. The Proposed Development has been designed to be compatible with the surrounding neighbourhood in terms of height (limited to 2 storeys), setbacks, landscaping (Landscape Plan to be coordinated at Site Plan Approval), and vehicular circulation (one access point on South Street). The Proposed Development has frontage along Wellington Road 7; no access to Wellington Road 7 is proposed.
g)	<i>that a separate zone(s) is established for multiple residential development.</i>	The Proposed Development will be appropriately zoned to accommodate the Proposed Development. See Section 5 of this Report for an overview of the proposed Zoning By-law Amendment.

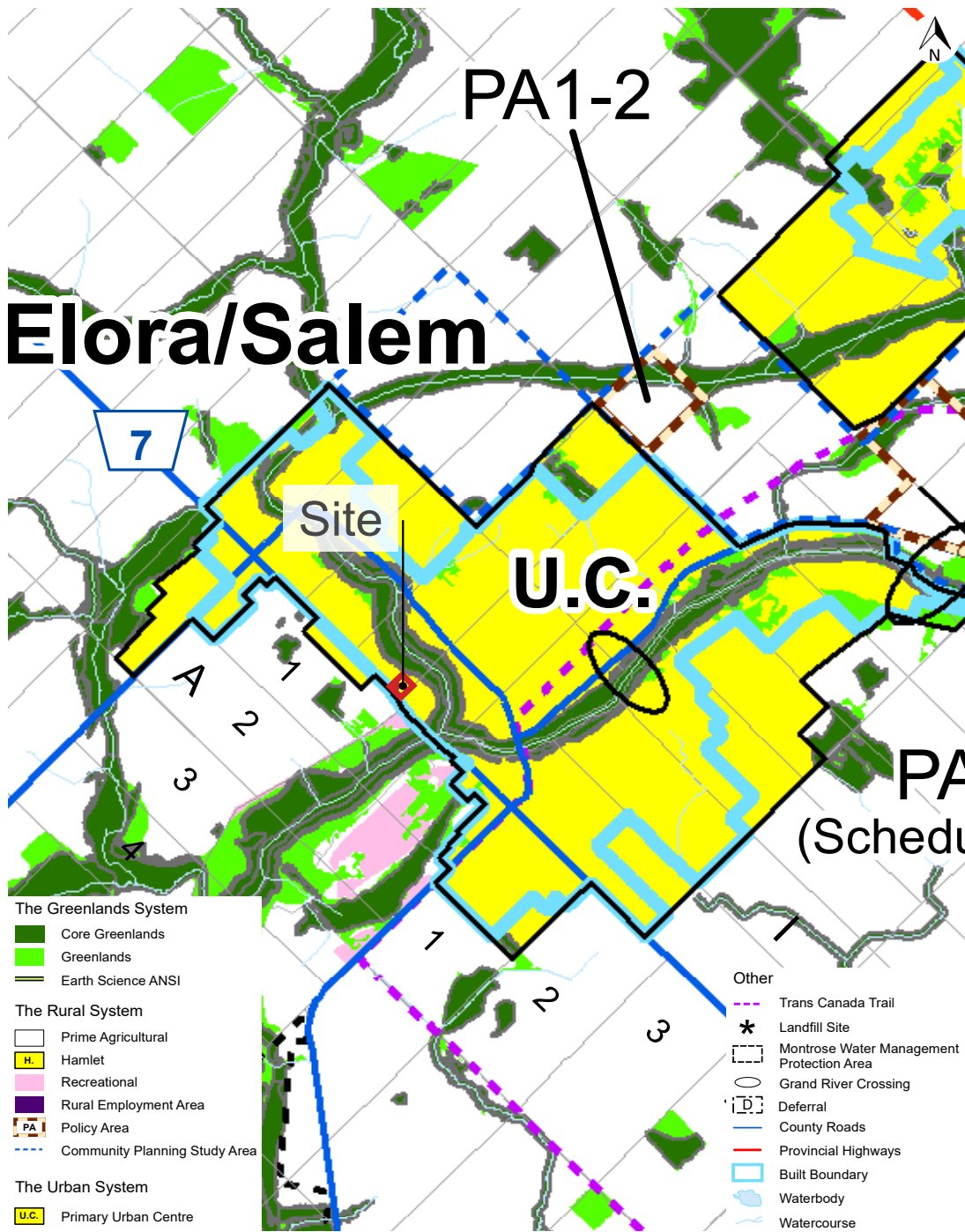
Section 8.3.12 outlines the Intensification Criteria. Policy 8.3.12 states, “Intensification within all residential land use designations shall be evaluated using the following criteria:

#	Criteria:	Response:
a)	<i>the compatibility of the proposed development in built form including height, massing, scale, setbacks, orientation, use, built form, architectural character and materials, separation distances, shadowing, and privacy. Compatible development is considered to be development that may not be the same as existing adjacent development but which can co-exist with existing development while not creating unacceptable adverse impacts;</i>	<p>The Proposed Development has been designed to be compatible with the surrounding neighbourhood in terms of height (limited to 2 storeys), setbacks, landscaping (Landscape Plan to be coordinated at Site Plan Approval), and vehicular circulation (limited to one access point on South Street). The Urban Design Brief contained in Section 4.5 of this Report provides a description and justification related to how the Proposed Development is compatible with the broader neighbourhood.</p> <p>The Proposed Development is limited to a height of 2 storeys, which is consistent with the surrounding neighbourhood. While the Proposed Development is more intense than the existing low-density development in the area, it has been designed in a way to be compatible with adjacent development. The Urban Design Brief contained in Section 4.5 of this Report provides a description and justification related to how the Proposed Development is compatible with the broader neighbourhood.</p>
b)	<i>the degree to which building height and massing shall provide a transition between planned and existing development;</i>	
c)	<i>the maintenance of a lotting pattern that is generally consistent and compatible with the predominant character of the area;</i>	<p>The Proposed Development is residential in nature and is compatible with the predominant character of the area. The Proposed Development’s is consistent with the surrounding neighbourhood in terms of building height and setbacks.</p>

d)	<i>the ability of infrastructure to accommodate the proposal;</i>	The Proposed Development will be serviced by all applicable available municipal services, including water, sewage disposal, storm water, roads, and hydro. The FSRSWM confirms that adequate water, sanitary, and stormwater services are available to the Proposed Development, whereby it will be the responsibility of the Owner for any necessary upgrades to accommodate the Proposed Development. The provision of other utilities, such as hydro and utilities, for example, will be coordinated during Site Plan Approval.
e)	<i>the impact of the development on the streetscape including, where feasible, the protection of municipal street trees;</i>	A Landscape Plan, Arborist Report, Tree Compensation Plan, and Tree Inventory and Protection Plan have been identified as a required component for Site Plan Approval. This requirement will be satisfied at Site Plan Approval.
f)	<i>the degree to which impact on the adjacent properties is minimized in relation to grading, drainage, location of service areas, access and circulation, privacy, views, enjoyment of outdoor amenities, and shadowing; and</i>	The Proposed Development has been designed to prevent the drainage of stormwater onto neighbouring properties, as identified in the FSRSWM Report. The Proposed Development has been designed to ensure that access and circulation, privacy, views, enjoyment of outdoor amenities, and shadowing is preserved for the Proposed Development as well as for adjacent properties. The Urban Design Brief contained in Section 4.5 of this Report provides an overview of the Proposed Development with respect to access and circulation, privacy, views, amenity areas, and shadowing.
g)	<i>the conservation of significant cultural heritage resources.</i>	A Heritage Impact Assessment (“HIA”) was prepared by Archaeological Research Associates Ltd. (“ARA”), dated September 29, 2025. The HIA is summarized in Section 6.2 of this Report and should be read in conjunction with this Report.

4.3.5 Wellington County Official Plan Summary

Overall, the Proposed Development conforms to the Wellington County Official Plan because it efficiently utilizes an existing underutilized site within the built boundary of Elora/Salem to provide 25 residential dwelling units in the form of cluster and street townhouse dwellings, contributing to a diverse range and mix of housing types and densities to support growth objectives. The Proposed Development has been designed to respect and complement the surrounding neighbourhood through compatible building height (limited to two storeys), setbacks, appropriate landscaping, and a single vehicle access point off South Street. The Proposed Development will utilize adequate servicing which has the capacity to accommodate the Proposed Development. There will be no direct or indirect impacts to cultural heritage resources. Overall, the Proposed Development is well-serviced, appropriately scaled, and represents a compatible form of residential intensification.



County of Wellington Official Plan - Land Use Plan

Source: County of Wellington Official Plan, Schedule B1, Land Use Plan (2025)

Figure **4**

4.4 Township of Centre Wellington Official Plan

The Township of Centre Wellington Official Plan (“Official Plan”) was adopted by Council on November 24, 2003, and received partial approval on February 15, 2005, and received final approval on May 31, 2005.

In the Official Plan, the Site is designated Residential as per Schedule A-1 (Land Use Plan) (see **Figure 5**).

The following policies provide a summary of the key Official Plan policy consideration for the Site as well as the justification for the Proposed Development in terms of these policies.

4.4.1 Housing

Section C.5 of the Official Plan provides the policies for Housing. Policy C.5.1 of the Official Plan states that the Township encourages the production of a wide variety of housing types to meet future needs.

Response: The Proposed Development includes the construction of 25 residential dwelling units in the form of street fronting and cluster townhouse dwellings. Townhouses are currently not within the broader neighbourhood, and the Proposed Development contributes to providing a wide variety of housing types to meet future needs.

Policy C.5.5 of the Official Plan relates to residential intensification and states that, *“The strategic approach to intensification intends to retain small town character and revitalize downtown areas which includes:*

- a) *supporting appropriate intensification in all areas within the built boundary including adaptive re-use or redevelopment of brownfields and greyfields;*
- e) *encouraging modest intensification in stable residential areas respecting the character of the area. Stable residential areas are considered to be established areas generally consisting of predominantly low-density housing on local roads with the built boundary;”*
- f) *conserving cultural heritage and archaeological resources where feasible, as built-up areas are intensified...”*

Response: The Proposed Development intensifies the Site by adding 25 residential dwelling units on lands located within the built boundary of Elora. The Proposed Development has been designed to respect the character of the surrounding area, including by preserving the established street line setback along South Street and proposing a compatible built form.

A Heritage Impact Assessment (“HIA”) was prepared by Archaeological Research Associates Ltd. (“ARA”), dated September 29, 2025. The HIA is summarized in Section 6.2 of this Report and should be read in conjunction with this Report.

4.4.2 Municipal Servicing

Section C.6 of the Official Plan provides the policies for Municipal Servicing. Section C.6.1 of the Official Plan provides the general policies for servicing, and Policy C.6.1.1 of the Official Plan states that, “*All new development and redevelopment within the Fergus and Elora-Salem Urban Centres shall be provided with full municipal services, to such standards as may be required by the Township, including: Sanitary sewage disposal facilities (a); Water supply facilities (b); Storm drainage facilities (c); Hydro (d); Public roads (e); and, Telecommunications (f).*”

Response: A Functional Servicing and Stormwater Management Design Report has been prepared by GEI Consultants Canada Ltd. which confirms that the Proposed Development will be fully serviced by existing municipal water services and municipal sewage services, which have sufficient capacity to accommodate the Proposed Development.

4.4.3 Stormwater Management

Section C.7 of the Official Plan provides the policies for Stormwater Management. Policy C.7.1 of the Official Plan states that no development shall occur without appropriate regard for storm run-off, on-site collection, and channeling of storm water to an adequate outlet. Policy C.7.2 of the Official Plan states that detention/retention ponds may be used as part of the storm drainage system to maintain post development flows to pre-development flows.

Response: A Functional Servicing and Stormwater Management Design Report has been prepared by GEI Consultants Canada Ltd. which provides design considerations for the proposed stormwater management facility at the west edge of the Site.

4.4.4 Community Design

Section C.15 of the Official Plan outlines the policies for Community Design. An Urban Design Brief has been prepared by GSP Group and is included in Section 4.5 of this Report. Please refer to Section 4.5 for an analysis of the Proposed Development in response to the policies outlined in Section C.15 of the Official Plan, as well as “Place Matters” – Township of Centre Wellington Urban Design Guidelines.

4.4.5 Residential

Section D.2 of the Official Plan outlines the policies for the Residential designation. Policy D.2.5 of the Official Plan states that: *“Multiple residential developments such as townhouses and apartments may be allowed in areas designated RESIDENTIAL subject to the requirements of the Zoning By-law and further provided that the following criteria are satisfactorily met:*

#	Policy	Response:
1.	<i>that medium density development on full municipal services should not exceed 35 units per hectare (14 units per acre) for townhouses or row houses, and 75 units per hectare (30 units per acre) for apartments, although it may not always be possible to achieve these densities on smaller sites.</i>	The Proposed Development includes the construction of 25 residential dwelling units in the form of street fronting townhouses and cluster townhouses at a density of approximately 32.9 units per hectare.
2.	<i>That the design of the proposed height, setbacks, landscaping and vehicular circulation, will ensure that it will be compatible with existing or future development on adjacent properties;</i>	The Proposed Development has been designed to ensure compatibility with the surrounding neighbourhood in terms of height, setbacks, landscaping, and vehicular circulation to ensure compatibility with existing or future development on adjacent properties. The Proposed Development includes setbacks that are consistent with the surrounding neighbourhood, including maintaining the existing South Street street line setback. The proposed intersection at South Street is not proposed to cause any adverse impacts related to traffic stacking and loading, as confirmed by the Transportation Impact Study, summarized in Section 6.1 of this Report. Landscaping, including the submission of a Landscape Plan, Arborist Report, Tree Compensation Plan, and Tree Inventory and Protection Plan, will be coordinated during Site Plan Approval.

3.	<i>That the site of the proposed development has a suitable area and shape to provide:</i>	The Site has an area of 8,391.90 square metres (0.8391 hectares), which is a suitable size to accommodate the Proposed Development. The Site is a through-lot with frontage along South Street and Wellington County Road 7.
3. a.	<i>Adequate on-site landscaping to screen outdoor amenity areas both on the site and on adjoining property, to buffer adjacent residential areas and to improve the overall appearance of the development;</i>	The provision of on-site landscaping will be coordinated during Site Plan Approval, including the submission of a Landscape Plan, Arborist Report, Tree Compensation Plan, and Tree Inventory and Protection Plan.
3. b.	<i>On-site amenity areas for the occupants of the residential units;</i>	The Site contains an approximate 169 square metre common amenity area, which exceeds minimum zoning standards. The design of the common amenity area will be coordinated through Site Plan Approval.
3. c.	<i>Adequate off-street parking, access and appropriate circulation for vehicular traffic, particularly emergency vehicles; and,</i>	The Proposed Development aligns with Zoning By-law standards for minimum parking. The Proposed Development's internal street layout has been designed to the Township of Centre Wellington's standards to ensure efficient circulation of vehicular traffic and emergency vehicles.
3. d.	<i>Adequate grading to ensure that drainage from the property is directed to public storm drainage facilities and not to adjoining properties.</i>	A Functional Servicing and Stormwater Management Design Report ("FSRSWM Report") prepared in support of the Proposed Development confirms that stormwater will be adequately serviced on-site and will not drain onto adjoining properties. The FSRSWM Report is summarized in Section 6.3 of this Report.

4.	<i>That adequate services such as water, sewage disposal, storm water, roads, and hydro are available or shall be made available to service the development...</i>	The FSRSWM Report confirms that the Proposed Development can be adequately serviced by existing municipal water services and sewage services, and that the proposed stormwater management facility has been designed to accommodate anticipated storm water flows. The provision of other utilities will be coordinated during Site Plan Approval.
----	--	--

Policy D.2.11 of the Official Plan states that the development of vacant or under-utilized properties for residential uses is encouraged but should be compatible with surrounding uses in terms of dwelling type, building form, site coverage, and setbacks.

Response: In its current state, the Site is largely vacant except for the existing home. The Proposed Development makes efficient use of the land and resources available on the Site while providing residential development at higher densities than the surrounding neighbourhood while still ensuring compatibility with the neighbourhood in terms of building height and setbacks. Overall, the Proposed Development thoughtfully maintains the existing small-town character and the associated sense of place.

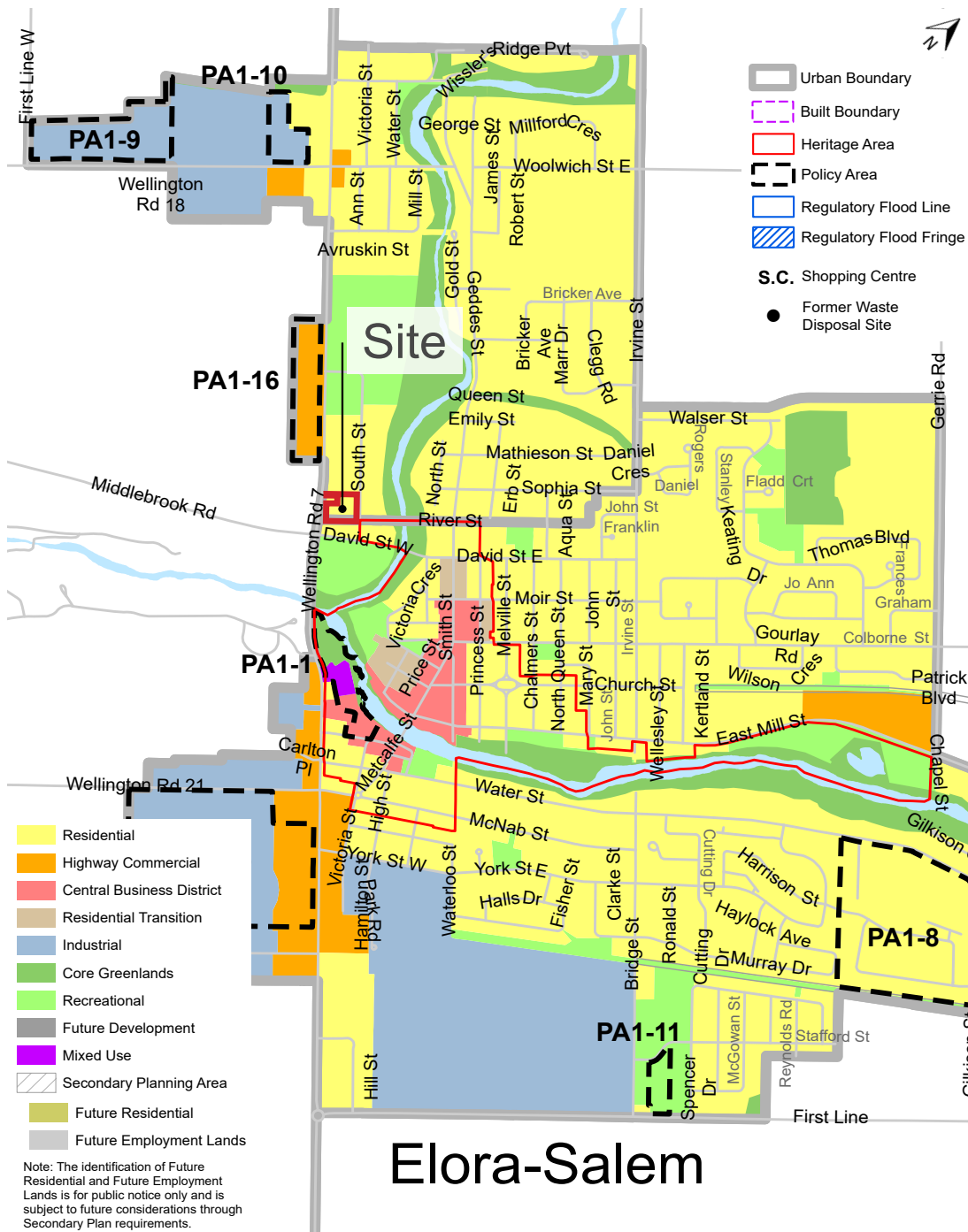
Policy D.2.12 of the Official Plan states that, *“Intensification within all residential land use designations shall be evaluated using the following criteria:*

#	<u>Policy:</u>	<u>Response:</u>
a)	<i>the compatibility of the proposed development in built form including height, massing, scale, setbacks, orientation, use, built form, architectural character and materials, separation distances, shadowing, and privacy. Compatible development is considered to be development that may not be the same as existing adjacent development but which can co-exist with existing development while not creating unacceptable adverse impacts;</i>	The Proposed Development has been designed to be compatible with the surrounding neighbourhood in terms of height, massing, scale, setbacks, orientation, use, separation distances, shadowing, and privacy. The coordination of architectural style and materials and landscaping, will be further coordinated during Site Plan Approval.

b)	<i>the degree to which building height and massing shall provide a transition between planned and existing development;</i>	The Proposed Development is proposed at two storeys, which is consistent with the surrounding neighbourhood. Adequate separation is provided between the Proposed Development and adjacent properties.
c)	<i>the maintenance of a lotting pattern that is generally consistent and compatible with the predominant character of the area;</i>	The Proposed Development represents a logical extension to a lotting pattern and is generally consistent the surrounding neighbourhood.
d)	<i>the ability of roads or municipal infrastructure to accommodate the proposal;</i>	A Transportation Impact Study (“TIS”) has been prepared in support of the Proposed Development which confirms that municipal roads can accommodate the Proposed Development. The TIS is summarized in Section 6.1 of this Report.
e)	<i>the impact of the development on the streetscape including, where feasible, the protection of municipal street trees;</i>	A Landscape Plan, Arborist Report, Tree Compensation Plan, and Tree Inventory and Protection Plan are required for Site Plan Approval.
f)	<i>the degree to which impact on the adjacent properties is minimized in relation to grading, drainage, location of service areas, access and circulation, privacy, views, enjoyment of outdoor amenities, and shadowing...”</i>	As mentioned previously, the Proposed Development has been designed to minimize its impact on surrounding properties. As such, the Proposed Development will have no adverse impacts on adjacent properties with respect to grading, drainage, location of service areas, access and circulation, privacy, views, enjoyment of outdoor amenities, and shadowing. This Report contains an Urban Design Brief in Section 4.5 of this Report.

4.4.6 Township of Centre Wellington Official Plan Summary

Overall, the Proposed Development conforms to the Township of Centre Wellington Official Plan because it represents a compatible and efficient form of residential intensification within the built boundary of Elora/Salem. The Proposed Development introduces 25 townhouse dwellings in a manner that maintains the neighbourhood's small-town character through appropriate building height, massing, setbacks, and landscaping. Supporting technical studies, including a Transportation Impact Study, Heritage Impact Assessment, and Functional Servicing and Stormwater Management Design Report confirm that the Site can be adequately serviced and that local roads can accommodate the Proposed Development, and that the Proposed Development will not cause any adverse impacts on cultural heritage resources. The Proposed Development provides adequate parking, a common amenity area, and logical lotting and circulation patterns consistent with the surrounding neighbourhood. Aspects related to landscaping and architectural design and materials will be addressed at the Site Plan Approval stage.



Elora-Salem

Township of Centre Wellington Official Plan - Land Use Plan

Figure **5**

Source: Township of Centre Wellington Official Plan, Schedule A-1, Land Use Plan (2025)



4.5 Urban Design Brief

As per the formal Pre-Consultation Comments provided on June 25th, 2025, an Urban Design Brief (“UDB”) was identified as a required component of a complete application. It has been identified that the UDB can be included as part of the Planning Justification Report. Based on the matters for consideration and evaluation identified in the Pre-Consultation Comments, this UDB contains:

- A description and characterization of the Site’s surrounding area and neighbourhood context (Section 4.5.1);
- A description of the design components of the Proposed Development (Section 4.5.2);
- A response to applicable policies and guidelines (Section 4.5.3); and,
- A summary of the report findings (Section 4.5.4).

An Arborist Report, Architectural Elevation Plans, Landscape Plans, Lighting Plan, Tree Compensation Plan, and Tree Inventory and Protection Plans are identified as required components for Site Plan Approval. As such, this Urban Design Brief does not provide commentary or justification related to any proposed architectural style, materials, or treatments, as well as any landscape design-related components. This component of the Urban Design Brief will be addressed at the Site Plan Approval stage.

4.5.1 Surrounding Neighbourhood Context

The Site is known municipally as 191 Wellington Road 7 and 290 South Street in Elora in the Township of Centre Wellington and is generally bounded by South Street to the east, Wellington Road 7 to the west, and residential dwellings to the north, east and south. The Site is surrounded by predominantly low-density residential uses, institutional uses, and agricultural uses.

The surrounding neighbourhood predominantly consists of 1-2 storey single-detached dwellings set on large lots, with some other forms of low-density residential typologies. These residential dwellings utilize various architectural styles but can be broadly categorized as mid-20th Century Suburban Residential style and consist of simple forms, are of modest scale, have functional layouts, and take inspiration from various styles of architecture, including ranch, split-level, victory housing, and revival styles. Intermixed within the neighbourhood are newer suburban-style single-detached dwellings, characterized by larger building footprints, front-facing, attached, street-facing garages using eclectic and neo-eclectic architecture styles. Within the neighbourhood, building materials predominantly consist of neutral-toned brick and siding with dark-shingled roofs.

The broader neighbourhood fabric is generally characterized as a grid layout with wide streets. A sidewalk is provided on South Street, including adjacent to the Site.

The Site is well-serviced by parks and amenity spaces. Located to the south of the Site is the Jefferson Elora Community Centre, Elora Lions Park, and Elora Curling Club, which includes 2 baseball diamonds, a skatepark, a community hall, an ice rink, and a curling rink (with 3 curling sheets). Further south of the Site, adjacent to Irvine Creek, is Victoria Park, which contains a lookout to the Elora Gorge. To the southwest of the Site, adjacent to the Grand River, is access to the Elora Gorge, including a trail system which leads into the Elora Gorge Conservation Area. To the north of the Site is the Elora Municipal Cemetery and the St. Mary Immaculate and St. Joseph Cemetery. Additional nearby amenities and services are described in Section 2.2 and are illustrated above on **Figure 2** of this Report.

4.5.2 Proposed Development

The Proposed Development includes the construction of 5 buildings, Block 1, Block 2, Block 3, Block 4, and Block 5, respectively, containing 25 units in total. Block 1 has frontage along South Street and is 2 storeys in height and will be in the form of street townhouses, containing 4 units in total. Block 2 has frontage along the proposed Street 2 and is 2 storeys in height and will be in the form of cluster townhouses, containing 6 units in total. Block 3 has frontage along the proposed Street 2 and is 2 storeys in height and will be in the form of cluster townhouses, containing 6 units in total. Block 4 has frontage along the proposed Street 1 and is 2 storeys in height and will be in the form of cluster townhouses, containing 7 units in total. Finally, Block 5 has frontage along the proposed Street 1 and is 2 storeys in height and will be in the form of cluster townhouses, containing 2 units in total. The Proposed Development has a density of approximately 32.9 units per hectare. The following sections provide a detailed analysis of the Proposed Development as it relates to building positioning, building scale and massing, access and circulation, and parking, excluding architectural, landscape, and lighting-related policies and guidelines:

4.5.2.1 Building Positioning

Block 1 is positioned to the eastern most portion of the Site fronting South Street. Block 1 is setback approximately 6 metres from South Street, which is consistent with adjacent development along the South Street street line. Block 1 is setback approximately 1.6 metres from the existing dwelling unit on the Site (290 South Street). An additional 4.3 metres of separation is provided between the existing dwelling and Block 1, for a total separation distance of 5.9 metres. Block 1 is setback approximately 1.8 metres along its flankage yard adjacent to Street 2, which provides adequate separation between Street 2 and the exterior units of Block 1. A 7 metre rear yard is provided to ensure that adequate outdoor amenity space can be provided for each unit.

Blocks 2 and 3 are located on the south side of the Site and are positioned perpendicular to South Street with frontage along Street 2. From the South Street frontage, Block 2 is setback approximately 6 metres, which is consistent with Block 1's front yard setback and with adjacent development along the South Street street line. Blocks 2 and 3 are setback approximately 6 metres from Street 2, which ensures consistency with adjacent Blocks and with development in the neighbourhood. 3 metres of separation is provided between Blocks 2 and 3. Blocks 2 and 3 are setback approximately 7.5 metres from their rear yard lot line (adjacent to 260 South Street and 38-44 David Street West) which ensures that adequate outdoor amenity space can be provided in the rear yard for each unit.

Block 4 is located centrally on the Site and has frontage along Street 1 and is setback approximately 6 metres, ensuring consistency with adjacent blocks and with the broader neighbourhood. A 4.5 metre setback is provided between Block 4 and the lot line to the north (adjacent to 294 South Street and 287 Wellington Road 7).

Block 5 is located on the western portion of the Site and has frontage along Street 1 and is setback approximately 6 metres, ensuring consistency with adjacent blocks and with the broader neighbourhood. A 1.6 metre setback is provided between Block 5 and the adjacent lot line to the north (277 Wellington Road 7), which is sufficient space to limit privacy and overlook impacts.

Parking and garbage collection is provided along Street 2 in the western portion of the Site, which includes a hammerhead for ingress/egress. Two garbage collection bins are provided near the intersection of Street 1 and Street 2, ensuring centrality to the entire Site. Similarly, the barrier-free parking space is provided closest to the intersection of Street 1 and Street 2. The amenity area is provided to the rear yard of Block 5, with access from the pedestrian path that extends along the east side of Street 1 and the north side of Street 2. Snow storage and stormwater management is provided at the west of the Site, adjacent to the parking area and Block 3.

4.5.2.2 Building Scale and Massing

The Proposed Development includes the construction of 5 townhouse blocks, which have been designed to be consistent with the surrounding neighbourhood. The height of each respective block is two storeys, limiting the scale and massing of the townhouses to ensure compatibility with the surrounding neighbourhood, where adjacent single-detached dwellings are primarily one or two storeys in height.

Block 1, fronting South Street, has a block length of four units and has been designed to maintain the 6 metre setback along South Street. Block 2, perpendicular to South Street and fronting Street 2, has a block length of six units and has also been designed to maintain the 6 metre street line setback along South Street, contributing to the maintenance of the existing street line setback to ensure compatibility, consistency, and predictability. Block 3, fronting Street 2, has a block length of six units. Block 4, fronting Street 1, has a block length of 7 units; and, Block 5, fronting Street 1, has a block length of two units. All blocks within the Proposed Development have been designed to incorporate a front yard setback of 6 metres, which is consistent with the surrounding neighbourhood.

Overall, the height and building setbacks of the proposed townhouses are generally consistent with the surrounding neighbourhood, contributing to the maintenance of a consistent street line setback that will ensure that the Proposed Development is compatible and well-integrated with the surrounding area. The Proposed Development will be architecturally designed to be compatible with the surrounding neighbourhood. Architectural drawings are required as part of a complete Site Plan Approval application and will be further reviewed at that time.

4.5.2.3 Access and Circulation

Vehicular access to the Site is provided from South Street. Pedestrian access is provided from South Street through the provision of a minimum 1.5 metre sidewalk in the Site along the east side of Street 1 and the north side of Street 2. A hammerhead for circulation within the parking area is provided at the terminus of Street 2, adjacent to the proposed snow storage and stormwater management location.

Street 1 and Street 2 are 6.7 metres in width, and, where applicable, the centreline radius is a minimum of 12 metres to accommodate emergency vehicles, as identified in the Record of Pre-Consultation.

4.5.2.4 Parking

Each respective unit will include an associated driveway and front-facing garage. The Proposed Development has been designed to ensure that adjacent garages are co-located, allowing for the attaching of driveways between units, where applicable. Visitor parking with sidewalk access is provided at the west of the Site, adjacent to the common amenity area. A hammerhead turnaround is provided to ensure efficient vehicular circulation.

4.5.2.5 Landscape Plan and Amenity Area

A Landscape Plan will be required as part of a complete Site Plan Approval application. As such, this component of the Urban Design Brief will be addressed at the Site Plan Approval stage when the Landscape Plan will be completed.

4.5.2.6 Architectural Treatment and Materials

Architectural drawings, including building elevations and floor plans, were identified as a required component of a complete Site Plan Approval application. As such, this component of the Urban Design Brief will be addressed at the Site Plan Approval stage when the Architectural Drawings Package will be completed.

4.5.3 Response to Policy Guideline and Framework

The applicable Urban Design policies from Section C.15 – “Community Design” of the Township of Centre Wellington Official Plan and the Centre Wellington “Place Matters” Urban Design Guidelines – Residential Areas (“UDG”) will be referenced to ensure the Proposed Development aligns with the Township’s vision and design standards.

4.5.3.1 Township of Centre Wellington Official Plan, Section C.15 – “Community Design”

Policy C.15.3.4 of the Official Plan states, *“New development located within an existing established district or neighbourhood will be designed as an integral part of the area’s existing larger pattern of built form and open spaces such as building mass, height, proportion, enclosed volume and position relative to street and site.”*

Response: The Proposed Development makes efficient use of the Site’s area while being designed as an integral part of the area’s existing larger pattern of built form. The Proposed Development is similar in building height and position relative to the street, while providing a context sensitive building mass, proportion, and enclosed volume relative to the street and Site.

Policy C.15.3.5 of the Official Plan states, *“The preservation of the existing pattern of setbacks in the existing urban area shall be supported so that new buildings do not substantially alter the street relationship.”*

Response: The Proposed Development has been designed to ensure that the street relationship is maintained, which includes townhouse dwellings fronting South Street, as well as the maintenance of the South Street street line

setback, which ensures that the existing patterns of setbacks are maintained. Additionally, development internal to the Site has been designed to match the setbacks of the South Street street line, ensuring consistency throughout the entire neighbourhood.

4.5.3.2 Township of Centre Wellington “Place Matters” Urban Design Guidelines – Residential Areas

The purpose of the Urban Design Guidelines (UDG) for Centre Wellington is to provide a framework of principals and guidelines that will provide design direction for the development, redevelopment and enhancement of buildings, façades, streetscapes, public open space and natural areas. The UDGs build on the intentions and aspirations of the Township to create a community that conserves its cultural and natural heritage resources, while allowing for contextually sensitive growth and development.

Per the UDG (Page 90), “roadways within residential areas should:

- *Be designed so as to minimize vehicular lane widths, while maintaining vehicular and pedestrian safety to broaden sidewalks and to create an enhanced pedestrian environment along the streetscape. This will also reduce crossing distances, creating a more accessible streetscape.*
- *Block lengths should be within a range of 120-150 metres by 70-80 metres. A traditional rectangular grid pattern should be used as the basis for the development of residential blocks with ease of orientation, accessibility and connection as primary considerations.*
- *Unless there is a significant need for improved stormwater management, maintain existing edge of roadway conditions in older neighbourhoods to retain the character of the streetscape, wherever feasible”.*

Response: The Proposed Development’s private internal streets have been designed to meet the minimum 6.7 metre width. The Proposed Development has a logical, efficient layout with blocks designed to maximize the Site’s area while retaining the character of the surrounding neighbourhood. The stormwater management facility has been sited to maintain the street line of South Street, being placed in a location with minimal adjacent development.

Per the UDG (Page 91), “crosswalks within residential areas should meet the following guidelines:

- *Be universally accessible and adhere to AODA regulations with dropped and textured curb cuts installed at all intersections to eliminate barriers to crossing the street.*
- *Extent from curb to curb along a roadway.*
- *Be constructed of high-quality, durable materials that are able to endure the impacts of winter maintenance including snowplows and de-icing.*
- *Be highly visible features within the roadway. High visibility paint, unit pavers that highly contrast the parking paving, coloured asphalt or concrete or a combination of the above are appropriate treatments for crosswalks.*
- *Be a minimum of 2.5 metres in width at standard crossings [...].”*

Response: The Proposed Development contains one crosswalk across Street 1 which will be constructed curb to curb and will connect to sidewalks provided on the Site. These crosswalks will adhere to AODA regulations and will include dropped and textured curb cuts. The crosswalk will be highly visible from the roadway and will be demarcated through high visibility paint and will include tactile plates at each terminus. The crosswalk will be at least 2.5 metres in width.

Per the UDG (Page 94), “to create sidewalks that are comfortable, safe, and pleasant, they should be:

- *Constructed of paving materials that are durable, high-quality materials appropriate for multi-season conditions.*
- *Be graded to avoid ponding water and ice buildup and shall be free of tripping hazards.*
- *A minimum of 1.5 metres on local roads [...].*
- *Pedestrian areas of sidewalks should continue to be constructed of concrete with a broom finish.*
- *Sidewalks should be a barrier-free, continuous pedestrian network. Drop-curbs and appropriate curb treatments (textured and visual cues) shall exist at all crossings where curbs are present.*
- *Where sidewalks intersect driveways, sidewalks should extend across the driveway to distinguish the pedestrian right-of-way.”*

Response: The sidewalks within the Proposed Development will be a brushed concrete, be graded to avoid ponding water, ice buildup and will be free of tripping hazards. Sidewalks will be a minimum of 1.8 metres and will adhere to AODA regulations.

Per the UDG (Page 100), “*Parking and garages in residential areas should adhere to the following guidelines:*

- *Garages should be located to the side and rear of a property and not protrude beyond the main front façade of a residential dwelling.*
- *Attached garages should be well integrated into the massing of the main building with good proportional detailing.*
- *Garages should be designed with single bays/ doors, with doors reflecting the architectural character and detail of the main dwelling.*
- *Parking and driveways should be screened or softened, where feasible, through the use of landscaping.*
- *Paving materials for parking areas can include asphalt, gravel, concrete, or concrete pavers and should be selected from a natural colour palette.*
- *Where setbacks are limited, efforts should be made to explore alternative methods of ‘paving’, such as turf geogrids or to minimize the paved area by implementing a ‘two-track’ driveway, if parking beside or behind the house is not feasible, in order to preserve the expanse of the front yard”*

Response: There are no detached garages and all attached garages are integrated into the massing of the main building. Garages are designed with single bay doors and are consistent with the architectural style of the main building. Landscaping is used to screen and soften hardscaped areas, such as pathways and driveways. Paving will consist of asphalt or another similar suitable material, such as concrete, and will utilize their traditional colours (black for asphalt and grey for concrete, if applicable).

4.5.4 Urban Design Brief Summary

This Urban Design Brief for the 25-unit townhouse development at 191 Wellington Road 7 and 290 South Street in Elora provides a comprehensive evaluation of the development’s alignment with the Township’s Official Plan policies and Urban Design Guidelines. The Proposed Development seeks to intensify the Site in a manner that aligns with the principles of pedestrian-friendly and context-sensitive urban design.

Block 1 is sited to front South Street and Block 2 is oriented to be perpendicular to South Street, but achieved a 6 metre setback, ensuring that the South Street established street line is maintained. Blocks 3, 4, and 5 are oriented to face their respective internal streets (Street 2 and Street 1, respectively). The internal sidewalk is provided along the east side of Street 1 and the north side of Street 2, minimizing conflict points between pedestrians and vehicles. A crosswalk is provided to connect the 2 sidewalks. Overall, the Proposed Development has been designed to ensure that it is compatible with the surrounding, established neighbourhood.

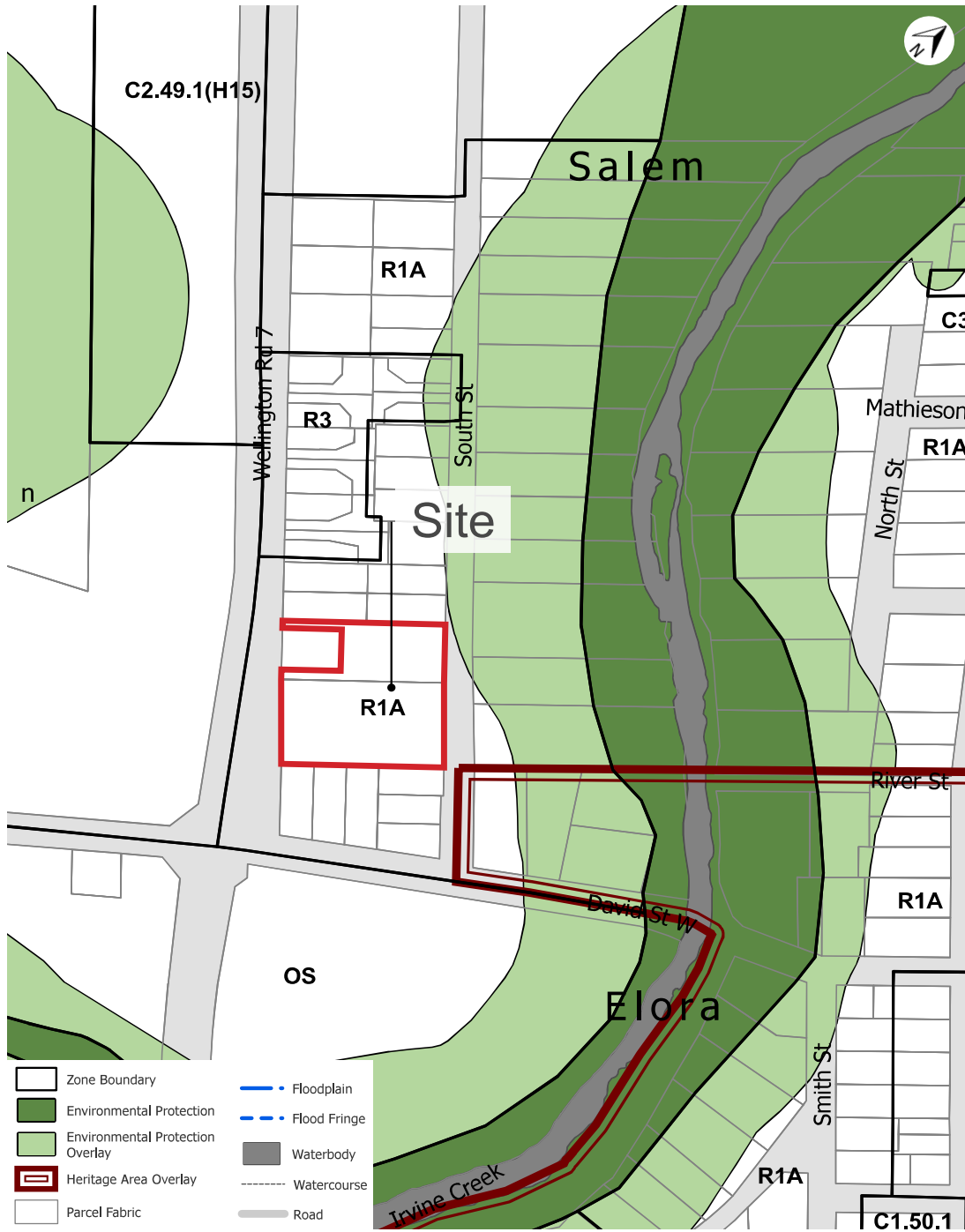
The key features of the Proposed Development include:

- The Proposed Development integrated with the existing neighbourhood context, maintaining appropriate setbacks and activated frontages which are designed to provide a suitable transition and maintenance of the established street line along South Street.
- Pedestrian pathways, active street edges, and articulated building facades enhance the streetscape, contributing to a vibrant and cohesive public realm.
- Safety and accessibility are prioritized through clear sightlines, well-lit internal sidewalks, and barrier-free design elements, ensuring the development supports inclusivity and mobility for all residents.

As noted, this Urban Design Brief does not contain any commentary, justification, or analysis of architectural plans and materials, landscape plans and related plans and materials, and/or a lighting plan as these were identified as required components of Site Plan Approval. This Urban Design Brief will be required to be updated upon the receipt of the required Architectural Elevation Plans, Landscape Plans, Lighting & Photometric Plans, Tree Compensation Plan, and Tree Inventory and Protection Plan, as outlined in the Record of Pre-Consultation, dated June 25, 2025.

4.6 Township of Centre Wellington Zoning By-law

The Township of Centre Wellington Zoning By-law 2009-45 (“Zoning By-law”) was passed by Council in 2009. In the Zoning By-law, the Site is currently zoned ‘Residential (R1A)’ as per Map 49 of Schedule “A” (see **Figure 6**). To permit street and cluster townhouses, a Zoning By-law Amendment is required to rezone the Site to a site-specific ‘Residential (R3.XX.X)’ zone. Section 5 of this Report provide additional specifics and justification for the requested zone. A Zoning Compliance Chart is provided in **Figure 7** below.



Current Zoning
 Source: Township of Centre Wellington Zoning By-Law, Schedule "A", Map 49 (2023)

Figure
6

Figure 7 – Zoning Compliance Chart – 191 Wellington Rd 7 & 290 South Street

Provision	Required per R3 Cluster Towns	Proposed Cluster Towns	Complies (Y/N)	Required per R3 Street Towns	Proposed Street Towns	Complies (Y/N)
Definitions	Divided into 3 or more separate Dwelling Units	One block has 2 units	N	Divided into 3 or more separate Dwelling Units	Block of 4 units	Y
Lot Frontage (min)	20 m	±39 m	Y	6 m	6 m	Y
Lot Area (min)	greater of: 700 m ² or 200 m ² per unit	200 m ² /unit	Y	190 m ² per unit	160 m ² /unit	N
Lot Depth (min)	n/a	n/a	Y	26 m	±26.6 m	Y
Building Height (max)	3 storeys but not greater than 11 m	2 storeys	Y	3 storeys but not greater than 11 m	2 storeys	Y
Front Yard (min)	6 m	6 m	Y	6 m	6 m	Y
Exterior Side Yard (min)	4.5 m	n/a	Y	4.5 m	n/a	Y
Side Yard (min)	½ building height and no less than 3 m	1.6m (Block 5) 4.5m (Block 4)	N	1.8 m	1.6 m	N
Rear Yard (min)	½ building height and no less than 3 m	Complies	Y	7.5 m	7 m	N
Number of Attached Units in a Row (max)	8	7	Y	6	4	Y
Common Amenity Area	5m ² per unit = 21 x 5 = 100 m ²	169 m ²	Y	n/a	n/a	Y
Private Amenity	Minimum area of 20 m ² . Minimum depth of 4.5 m. Minimum width of 4.5 m. Not form part of front or exterior yard. Shall be screened.	Provided in rear yard of cluster townhouse dwellings.	Y	n/a	n/a	Y

Figure 7 – Zoning Compliance Chart – 191 Wellington Rd 7 & 290 South Street

Provision	Required per R3 Cluster Towns	Proposed Cluster Towns	Complies (Y/N)	Required per R3 Street Towns	Proposed Street Towns	Complies (Y/N)
Landscape Open Space (min)	40%	42.8%	Y	40%	37.4%	N
Front Yard Landscape	n/a	n/a	Y	Front yard shall be landscaped except for driveway	Provided	Y
Parking (5.5.1)	1.0 space per dwelling unit plus 0.5 spaces per unit for the first 20 units and 0.25 spaces per unit for each additional unit. A minimum of 50% of the additional parking spaces shall be devoted exclusively to visitor parking = 30 spaces for 20 units at 1.5 spaces per unit, plus 1.25 spaces for 21 st unit = 32 spaces required Visitor: 0.5 additional spaces for 20 units (10 spaces) plus 0.25 additional spaces for 21 st units (1 space) is 11 spaces. 50% of 11 spaces = 6 visitor spaces required	21 garage spaces plus 21 driveway spaces in tandem (42 spaces) 10 visitor parking spaces	Y – zoning relief sought to clarify calculations.	1 space per dwelling unit	4 garage spaces; 4 driveway spaces	Y
Parking Setback (5.3.1.1)	n/a	n/a	Y	Min. 6 m from street line and to the rear of the front wall of the main building	Parking is 6 m from street line; garage projects ±1.2 m from front wall of the main building	N
Parking Space Dimensions	3 m x 6 m (garage)	3 m x 6 m (garage)	Y	3 m x 6 m (garage)	3 m x 6 m (garage)	Y

Figure 7 – Zoning Compliance Chart – 191 Wellington Rd 7 & 290 South Street

Provision	Required per R3 Cluster Towns	Proposed Cluster Towns	Complies (Y/N)	Required per R3 Street Towns	Proposed Street Towns	Complies (Y/N)
(5.3.1.4 & 5.3.1.5)	Driveway min. 3 m width	Driveway min. 3 m width		Driveway min. 3 m width	Driveway min. 3 m width	
Barrier-Free Spaces	Based off 10 visitor parking spaces = 1 space required	1 barrier-free space provided	Y	n/a	n/a	Y
Barrier-Free Parking Dimensions (5.6)	4 m x 5.5 m	4 m x 5.5 m	Y	n/a	n/a	Y

5. Subject Application

To facilitate the construction of the Proposed Development, a Zoning By-law Amendment is required to rezone the Site from 'Residential (R1A)' to a site-specific 'Residential (R3.XX.XX)' zone. The R3 zone permits the proposed street townhouses and cluster townhouses.

The following Exceptions are requested to the R3 zone:

- Permitting the existing single detached dwelling at 290 South Street within the R3 zone, as this zone does not typically permit single detached dwellings. It is favourable to zone this lot R3 (rather than R1A with a new Exception) because the lot has not yet been severed and this would avoid any complications of aligning the future severance line with the zoning line. The Exception to the R3 zone for single detached dwelling defers to the R1A zone for all applicable regulations, achieving the same effect as zoning the lot R1A with a new Exception. The Exception for single detached dwelling also recognizes the existing deficient front yard of 3 metres and an associated reduction in the minimum lot depth to 24 metres. This will facilitate a future consent application to sever this lot from the balance of the development.
- For street townhouses:
 - Permitting a minimum lot area of 160 square metres, rather than the required 190 square metres. This reduction is required for the interior townhouse lots, which are smaller due to being attached on both sides and having a reduced rear yard. This relief is justified as the front yards are maintained and there remains a sufficient rear yard (see below).
 - Permitting a minimum rear yard of 7 metres, rather than the required 7.5 metres. This minor reduction achieves the intent of the Zoning By-law as there will continue to be adequate private amenity space for residents of the future street townhouses. The rear yards are at least 40 square metres in area which provides sufficient space for residents to utilize (decks, etc.).
 - Permitting a minimum side yard of 1.6 metres on the unattached side, rather than the required 1.8 metres. This minor reduction will maintain rear yard access for future residents and have minimal to no impacts on site functionality.

- Permitting a minimum landscaped open space of 30%, rather than the required 40%. Although some of the street townhouse lots may be able to achieve higher than 30% landscaping, this reduction will maintain flexibility for future hardscaping on the lots and/or other structural elements such as covered front porches (see below) and rear yard decks. Each lot will continue to have front yard landscaping, and sufficient rear yard (as discussed above).
- Permitting the garage to project beyond the front wall of the dwelling, provided there is a covered front porch in this projection. This will allow the garage to be pushed forward and allow for additional living space within the dwelling unit, which will be beneficial to future residents. The garage continues to be located 6 metres from the street line, in accordance with zoning regulations, so impacts are minimal overall.
- For cluster townhouses:
 - Clarifying the parking requirements to ensure that 2 tandem parking spaces are required per dwelling unit in addition to 10 visitor parking spaces.
 - Permitting a 1.6 metre side yard abutting the northerly side lot line of 277 Wellington Road 7 and permitting windows to habitable rooms to face this yard. The block of cluster townhouses abutting this lot line (Block 5) is generally aligned with the existing single detached dwelling at 277 Wellington Road 7, which justifies the request as these windows would not overlook their rear yard. In addition, the requested 1.6 metre side yard is consistent with the standard minimum side yard setback for single detached dwellings of 1.5 metres (which does not have any zoning limitations on windows facing yards). This interface can be further refined through Site Plan Approval to ensure minimal impacts.
 - Permitting the northerly side yard abutting the side lot line of 294 South Street and 287 Wellington Road 7 to be 4.5 metres and permitting windows to habitable rooms to face this yard (Block 4). This request is justified as the rear yards of both abutting lots are significant in length and area and the 4.5 metre requested setback maintains a reasonable distance to ensure minimal impacts to the privacy and enjoyment of the abutting rear yard. This interface can be further refined through Site Plan Approval to ensure minimal impacts.
 - Clarifying that (Block 5) with 2 attached units is also considered a cluster townhouse for the purposes of this development. This avoids the needs to classify it as a semi-detached dwelling on a private road, which would be uncommon and potentially result in this block having to have separate regulations than the rest of the cluster townhouses on the site, which could needlessly complicate the implementing zoning.

- Clarifying that any internal lot lines created by a future plan of condominium would not be considered lot lines for the purposes of zoning. This provides clarity during future zoning reviews and facilitates the plan of condominium process.

A Draft Zoning By-law Amendment is attached as **Appendix “A”** to this Report.

6. Supporting Technical Studies and Reports

6.1 Transportation Impact Study

A Transportation Impact Study (“TIS”) was prepared by Paradigm Transportation Solutions Limited (“Paradigm”). The TIS includes an analysis of existing traffic conditions, a description of the proposed development traffic forecasts for built-out (2027) and five years from build-out (2032), assessment of traffic patterns with recommendations to accommodate the proposed development as appropriate, and site circulation review. Based on the investigations conducted, the TIS concludes that:

- The intersection of David Street West and South Street is operating with acceptable levels of service.
- The development is forecast to generate 12 and 14 trips during the AM and PM peak hours, respectively. The development is a low trip generator and adds minimal traffic to the surrounding road system.
- The intersection of David Street West and South Street is forecast to operate with acceptable levels of service under 2027 and 2032 background traffic conditions.
- The intersection of David Street West and South Street is forecast to operate with acceptable levels of service under 2027 and 2031 total traffic conditions.
- The site access intersection on South Street is forecast to operate with LOS A during the AM and PM peak hours.
- A northbound left-turn lane is not warranted at the site access on South Street under total traffic conditions.
- An eastbound left turn lane is not warranted at David Street West and South Street under total traffic conditions.
- The proposed geometry on-site is sufficient to accommodate the intended design vehicles.

Based on the findings of the TIS, it is recommended that the Proposed Development be considered for approval as proposed.

6.2 Heritage Impact Assessment

A Heritage Impact Assessment (“HIA”) was prepared by Archaeological Research Associated Ltd. (“ARA”). The purpose of the HIA is to identify any existing built heritage resources or cultural heritage landscapes on or adjacent to the subject property, identifying

any impacts resulting from the proposed design, and provide mitigative measures. The HIA was informed by a site visit, research, and consultation, an examination of the Site according to O. Reg. 9/06 was conducted.

The subject property was found not to meet two or more criteria outlined in O. Reg. 9/06. Therefore, the Site does not possess any cultural heritage value or interest. Detailed research on the adjacent property at 287 South Street was not conducted as part of this report, however, ARA has assumed the entire building has the potential to have heritage value and be a heritage attribute. 287 South Street was found not to have the potential to be impacted by the current proposed development as defined by the Ministry of Citizenship and Multiculturalism in InfoSheet #5: Heritage Impact Assessments and Conservation Plans (2006). Given that no potential impacts were identified, no mitigation measures are recommended.

The following considerations are encouraged:

- A comprehensive and detailed building design has not yet been finalized, which provides an opportunity to incorporate materials and design elements that are sympathetic to the massing and form of the surrounding area. Sympathetic architectural articulation is encouraged to be considered as detailed designs are generated. For example, future designs could seek to integrate projecting and recessed portions, gable roof lines, variation in material or colour selection, etc., which would help break up the visual form of the four-street facing attached townhouses. With respect to the side elevation, which is proposed to front the streetscape, consideration may be given to the inclusion of a wraparound porch, positioning of the entrance, or detailing that will soften the side elevation and make it more visually appealing from the streetscape. Furthermore, the subsequent designs are encouraged to be reviewed by Heritage Centre Wellington and/or Township Planning staff.

The following recommendations should be considered as best practices:

- As the subject property at 290 South Street did not meet the criteria for designation according to O. Reg. 9/06, Planning staff should consider its removal from the Heritage Register as a listed property;
- Should the proposed project location expand beyond the scope examined in this report, a qualified heritage consultant should be retained to determine if an additional review is required; and,
- Once finalized, a copy of this HIA should be distributed to Planning staff at the Township of Centre Wellington.

6.3 Functional Servicing and Stormwater Management Design Report

A Functional Servicing and Stormwater Management Design Report (“FSRSWM Report”) was prepared by GEI Consultants Canada Limited. The FSRSWM Report has been prepared to document the servicing and stormwater management system design for the Proposed Development of the Site. The Owner is required to have a Professional Engineer design a stormwater management system and have the said Engineer supervise and certify that the stormwater management system was installed in accordance with the approvals given under Section 41 of the Planning Act.

In summary, the features of the design for the Proposed Development are as follows:

- It is proposed that the development will be accessed by South Street and Wellington Road 7 and that the grading of the development is controlled by the existing elevations of South Street and Wellington Road 7 across the frontages of the site.
- Water supply for majority of the site is proposed to be provided via the extension of a 150mm diameter water service lateral from the existing 150mm watermain on the South Street right-of-way. Water supply for Block 1 will be supplied via the extension of four (4) 25mm diameter water service laterals from the existing 150mm watermain on the South Street right-of-way.
- Sanitary service for the proposed development will be provided by a 200mm diameter sanitary sewer extended from the existing 200mm diameter sanitary sewer on the South Street right-of-way. Sanitary services for Block 1 will be provided by the extension of four (4) 100mm diameter sanitary service laterals from the existing 200mm diameter sanitary sewer on South Street.
- Storm service for the development will be provided via a 525mm diameter storm sewer discharging to the roadside ditch along the Wellington Road 7 right-of-way. A portion of the development will be serviced via a 250mm diameter storm sewer discharging to the existing 250mm storm sewer on South Street.
- Post-development flow rates have been attenuated to less than the allowable release rates for the 2 through 100-year design storm events.
- Quality control treatment for runoff generated from Catchment 100 and Catchment 400 will be provided by the oil/grit separator structure (Stormceptor EF06 or approved equivalent) prior to discharge from the site.
- Prior to construction, a silt fence will be installed along the property boundary in all locations where runoff will discharge from the site to adjacent lands. This will minimize the transport of sediment off-site during the construction period.

7. Public Consultation Considerations

Upon acceptance and circulation of the application package in support of the Proposed Development, the Township requires the posting of Notice of Application sign(s) to inform surrounding property owners of the Proposed Development. GSP Group Inc. and James Keating Construction Ltd. commit to posting the required signage promptly with a clear, unobstructed view from the street and agree to maintain the sign throughout the duration of processing of the applications by the Township.

GSP Group Inc. and James Keating Construction Ltd. are agreeable to the scheduling of a Neighbourhood Information Meeting or open house, if deemed required by the Township, as well as any additional informal public meeting(s), open house meeting(s) and/or neighbourhood meetings that may be required.

The proposed Zoning By-law Amendment requires a Statutory Public Meeting in accordance with the *Planning Act*, R.S.O. 1990, c. P.13. GSP Group Inc. and James Keating Construction Ltd. will attend the public meeting as scheduled by the Township and give a formal presentation regarding the Proposed Development and associated applications, as well as answer questions from residents, staff, and Councillors. During the public meeting, contact information for GSP Group will be provided to the public to address any follow-up questions or concerns.

Finally, GSP Group will provide direct written responses to comments raised throughout the public consultation process to the Township for their review and consideration prior to the preparation of a final staff report and recommendation on the proposed Zoning By-law Amendment.

8. Conclusion

The Subject Application represents appropriate, context sensitive development of the Site as demonstrated through the overview of the site and its existing conditions, the surrounding area, and a review and assessment of the applicable policy and regulatory framework. The Proposed Development conforms to the Wellington County Official Plan by efficiently utilizing an underutilized site within the built boundary of Elora/Salem to contribute to the range and mix of housing types and densities. It also conforms to the Township of Centre Wellington Official Plan by providing a compatible and efficient form of residential intensification that maintains the area's small-town character through appropriate building height, massing, setbacks, and landscaping. Overall, the Proposed Development is consistent with Provincial planning policies, conforms to applicable Official Plans, and represents an appropriate use of land and good planning.

GSP Group Inc.



Hugh Handy, MCIP, RPP
Vice President



Richard Kelly-Ruetz, MCIP, RPP
Senior Planner

Appendix “A” – Draft Zoning By-law Amendment

The Corporation of the Township of Centre Wellington

By-law 2025-xx

A By-law to amend the Township of Centre Wellington Zoning By-law 2009-045, as amended, to change the zoning of certain lands from “R1A” to “R3.##.##”.

Whereas the Council of the Corporation of the Township of Centre Wellington deems it desirable to amend By-law No. 2009-045, as amended, pursuant to Section 34 of the Planning Act, R.S.O. 1990;

Now therefore the Council of the Township of Centre Wellington hereby enacts as follows:

1. Schedule “A” Map 49 to By-law No. 2009-045 is hereby amended in accordance with the attached Schedule “A” which forms part of this by-law.
2. Section 15 of By-law No. 2009-045, as amended, is hereby further amended by adding the following Exception:

15. XX.X	R3. XX.X	<p>Notwithstanding anything else in this by-law to the contrary, the land zoned R3. XX.XX the following special provisions shall apply:</p> <p><u>Permitted Uses</u></p> <p>Street townhouses, cluster townhouses, and uses accessory to the foregoing.</p> <p>In addition to these uses, an existing single detached dwelling shall be permitted in accordance with the regulations of the R1A zone and the additional Exceptions below. For clarity, accessory uses to a single detached dwelling permitted by the R1A zone shall also be permitted.</p> <p><u>Exceptions for Existing Single Detached Dwelling</u></p> <p>a) The minimum lot depth shall be 24 m.</p> <p>b) The minimum front yard shall be 3 m.</p> <p><u>Exceptions for Street Townhouses</u></p> <p>a) The minimum lot area per unit shall be 160 m²</p> <p>b) The minimum side yard shall be 1.6 m on the unattached side yards.</p> <p>c) The minimum rear yard shall be 7.0 m.</p>
----------	----------	--

		<p>d) The minimum landscaped open space shall be 30%.</p> <p>e) An attached garage shall not project beyond the main front of the wall of the dwelling. Notwithstanding the foregoing, if a covered front porch is provided, an attached garage can project to the front face of the covered porch, but shall not be closer than 6.0 m to the front lot line.</p> <p><u>Exceptions for Cluster Townhouses</u></p> <p>a) For a Cluster Townhouse development with 21 Dwelling Units, each Dwelling Unit shall have 1 parking space within an attached garage (3 m by 6 m) plus 1 exterior parking space in tandem on the associated driveway (3 m by 6 m). In addition to these spaces, 10 visitor spaces (including 1 barrier free parking space) shall be required on the Lot.</p> <p>b) The Side Yard abutting the southerly Side Lot Line of 277 Wellington Road 7 shall be 1.6 m and windows to a Habitable Room may face this yard.</p> <p>c) The Side Yard abutting the southerly Side Lot Line of 294 South Street and 287 Wellington Road 7 shall be 4.5 m and windows to a Habitable Room may face this yard.</p> <p>d) One block of 2 separate Dwelling Units that is divided vertically and does not have legal frontage on a public Street shall also be considered a Cluster Townhouse.</p> <p>e) Internal lot lines created by a plan of condominium shall not be construed to be lot lines for the purposes of zoning regulations provided that all applicable regulations of this By-law relative to the whole lot and its external lot lines, existing prior to any condominium plan registration are strictly observed.</p>
--	--	---

3. All other applicable provisions of By-law No. 2009-045 shall continue to apply to the lands affected by this amendment.
4. This by-law shall come into effect on the date of the final enactment by the Council pursuant to Section 34 of the Planning Act, R.S.O., 1990.

Read a first, second and third time and finally passed this [] day of [MONTH], [YEAR].

Mayor – Shawn Watters

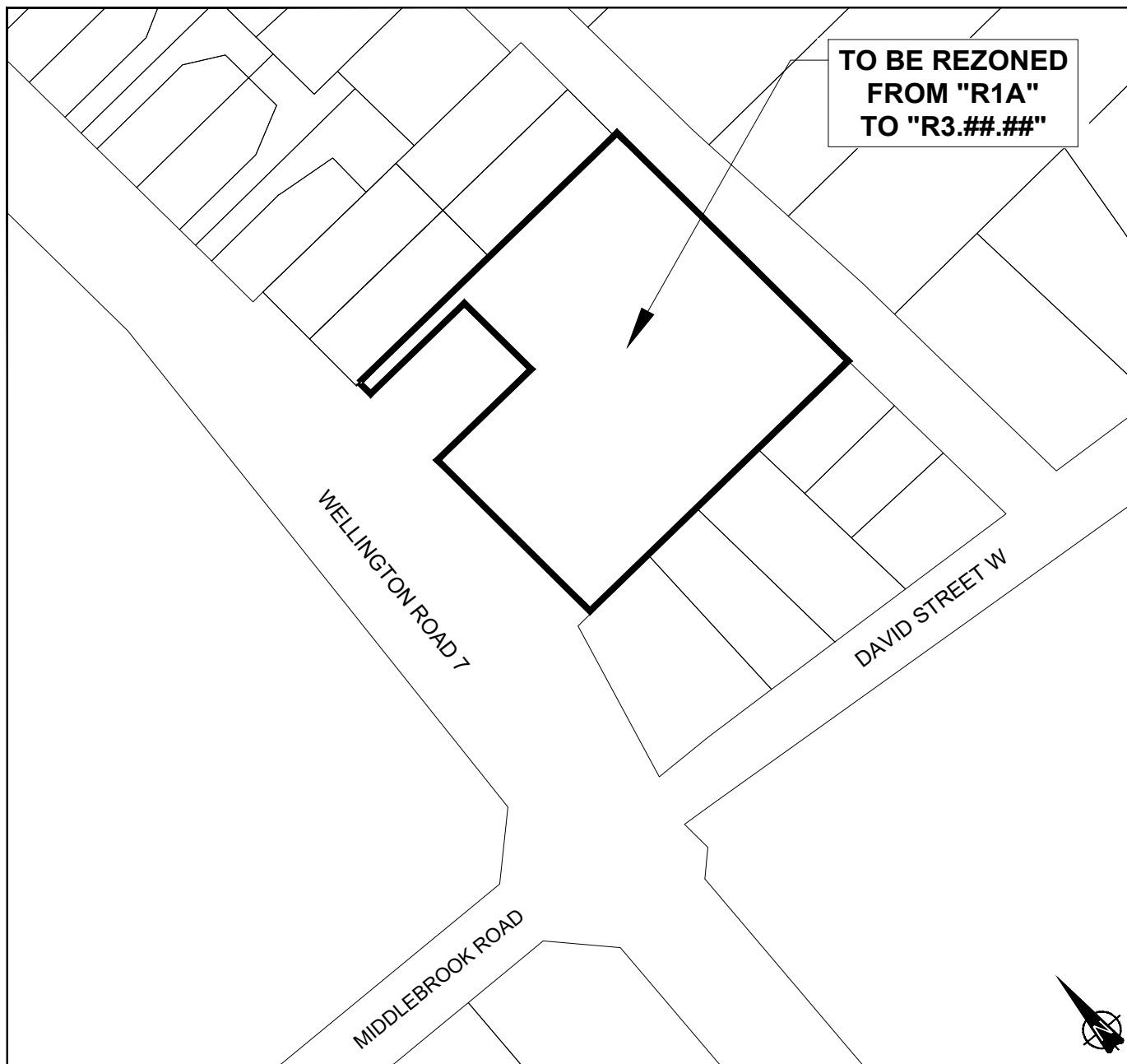
Municipal Clerk – [NAME]

Township of Centre Wellington

Schedule "A"

By-law 2025-xx

An Amendment to Township of Centre Wellington
Zoning By-law No. 2009-045 as amended



This is Schedule "A" to By-law 2025-xx passed this XX day of XX, 2025.

Mayor

Municipal Clerk



Report to Council

To: Mayor Watters and Members of Council

Report: COR2026-30

Prepared By: Satnam Chauhan, Supervisor of Bylaw and Licensing

Date: 15 Jun 2026

RE: Amendment to By-law 2025-81, Administrative Monetary Penalty System (AMPS) By-law

Recommendation:

THAT Council receives report COR2026-30 respecting amendments to By-law 2025-81, being a by-law to establish an Administrative Monetary Penalty System (AMPS); and

THAT Council enacts the amending by-law to update and expand the Township's AMPS framework.

Report:

The purpose of this report is to present proposed amendments to By-law 2025-81, the Township's Administrative Monetary Penalty System (AMPS) By-law.

Background

Council enacted By-law 2025-81 to establish an Administrative Monetary Penalty System for the Township. The AMPS framework currently applies to designated parking contraventions under Parking By-law 2025-82 and is structured to allow Council to designate additional by-laws through schedules attached to the by-law.

The amendment before Council revises a number of operational and procedural provisions within the AMPS By-law and replaces Schedule "B" to designate provisions of the Municipal Accommodation Tax By-law 2026-30 for AMPS enforcement.

Definition Changes

Five existing definitions are deleted and replaced with updated language. Two new definitions are added, "Continues/Continuous" clarifies that each day an uncorrected contravention persists constitutes a new and separate contravention, and "Corporation" is defined to support the tiered penalty structure introduced by the new Schedule 'B'.

Operational and Housekeeping Amendments

The amending by-law restructures several operational provisions to create a clear distinction between parking (Schedule 'A') and non-parking (all remaining Schedules)

enforcement streams, including separate payment deadlines of 15 days and 30 days respectively, and a corresponding increase to the review request period from 15 to 30 days. A number of general housekeeping corrections are also made, including the removal of duplicate subsections in Sections 7.6 and 8.5, sequential renumbering of affected provisions throughout Sections 7, 8, and 9, updated cross-references, the addition of registered mail and courier as permitted methods of service, a correction to the Parking By-law reference in Schedule 'A' (from By-law 2025-81 to By-law 2025-82), and the repeal of By-law 2025-47. Section 8.7 is also amended to replace a reference to "the Hearing Officer" with "the Clerk" as the determining authority.

Updated Schedule 'B' — Designated Non-Parking By-laws

The principal substantive amendment is the replacement of Schedule 'B' in its entirety to designate six provisions of the Municipal Accommodation Tax By-law 2026-30 for AMPS enforcement under Section 434.1 of the *Municipal Act, 2001*. The new Schedule establishes tiered administrative penalties for first, second, and subsequent contraventions, with separate penalty tables for individuals and corporations. Penalty amounts for individuals range from \$500 to \$1,250, and for corporations from \$750 to \$2,000, depending on the contravention and frequency. Schedule 'C' and Section 9.8 are deleted as no longer required.

These amendments are intended to improve clarity, support administration, and provide the Township with a more flexible and effective compliance tool for designated by-laws.

Legislative Authority

The Township's authority to impose administrative penalties is established through the *Municipal Act, 2001*, including Section 102.1 for parking, standing, and stopping contraventions and Section 434.1 for other municipal by-law contraventions. The AMPS By-law also references Section 391 of the *Municipal Act, 2001* respecting fees and charges, and the *Statutory Powers Procedure Act, R.S.O. 1990* in relation to hearings. These authorities are reflected in the recitals to By-law 2025-81.

Strategic Plan / Organizational Impact

The proposed amendments support effective municipal enforcement and administrative efficiency by improving the Township's ability to address contraventions through an administrative process rather than court-based prosecution where AMPS has been designated. The amendments also provide a consistent framework for future expansion of AMPS to additional designated by-laws, where appropriate.

Conclusion

The proposed amendment to By-law 2025-81 updates and strengthens the Township's Administrative Monetary Penalty System by clarifying definitions and procedures, distinguishing between parking and non-parking enforcement streams, revising payment and review timelines, and expanding the AMPS framework to include contraventions under the Municipal Accommodation Tax By-law 2026-30.

The amendment will improve clarity, support administration and enhance the Township's ability to achieve compliance with designated by-laws through a modernized administrative enforcement process.

Corporate Strategic Plan:

Managing growth while enhancing the community's unique character
Provide innovative & sustainable governance

Financial Implications:

Administrative fees associated with the AMPS process continue to be governed by the Township's Fees and Charges By-law.

The proposed amendments are expected to improve the Township's ability to promote compliance and recover outstanding penalties by providing a clearer and more comprehensive AMPS framework, including escalating penalties for repeat non-parking contraventions and clearer collection authority.

Consultation:

Karen Landry, KML Municipal Consulting;
Kerri O'Kane, former Clerk and Manager of Legislative Services;
Adam McNabb, Chief Financial Officer & Treasurer.

Attachments:

- [2026-xx Amendment By-law 2025-81- AMPS](#)
- [2025-81- AMPS By-law - CONSOLIDATION WITH PENDING AMENDMENT](#)

Approved By:

Tyler Sager, Managing Director of Corporate and Legislative Services /
Municipal Clerk
Dan Wilson, Chief Administrative Officer

The Corporation of the Township of Centre Wellington

By-law 2026-XX

A By-law to Amend By-law 2025-81 being a By-law to establish an Administrative Monetary Penalty System (AMPS)

Whereas Council passed By-law 2025-81 to establish an Administrative Monetary Penalty System (AMPS); and

Whereas Council deems it appropriate to incorporate contraventions of its regulatory by-laws into the AMPS by amending By-law 2025-81;

Now Therefore the Council of the Corporation of the Township of Centre Wellington hereby enacts as follows:

1. That By-law 2025-81 be amended by deleting the following defined terms:

“Administrative Fee”
“Administrative Penalty”
“Fees and Charges By-law”
“Penalty Due Date”
“Person”

and replacing them as follows:

“Administrative Fee” or **“Administrative Fee(s)”** means any fee imposed by this By-law or the **Fees and Charges By-law** and as set out in the **Fees and Charges By-law**;

“Administrative Penalty” means an administrative monetary penalty as set out in the Schedules of this By-law for a **contravention** of a **Designated By-law**;

“Fees and Charges By-law” means the **Township** By-law, adopted or amended from time to time, for imposing fees and charges with respect to various services and activities provided;

“Penalty Due Date” means the date an **Administrative Penalty** is due and payable;

“Person” includes an individual, sole proprietorship, partnership, limited partnership, trust, or corporation and an individual in his or her capacity as a trustee, executor, administrator, or other legal representative and includes the owner of a vehicle;

2. That By-law 2025-81 be amended by adding the following defined terms:

“Continues” or **“Continuous”** with respect to a contravention of a Designated By-law means that the contravention exists, persists, or remains uncorrected for more than one day without limiting the generality of the foregoing:

(a) in the case of an order, direction or notice that is required to be complied with under the Designated By-law, a contravention continues until compliance is achieved; or

(b) in the case of a licence, required under a Designated By-law, a contravention continues until the activity, business or enterprise occurring without a licence permanently ceases;

“Corporation” means a separate legal entity incorporated pursuant to provincial or federal law;

3. That Section 3.1 be deleted and replaced with the following:

3.1 This By-law applies only to those contraventions included in the Schedules to this By-law.

4. That Section 3.2 be deleted and replaced with the following:

- 3.2 The Township By-laws, or portions of Township By-laws, listed in the Schedules of this By-law shall be Designated By-laws to which the Administrative Penalty listed in the Schedules apply.
5. That Section 3.3 be deleted and replaced with the following:
- 3.3 The Administrative fee(s) imposed for the purposes of this By-law shall be as set out in the Fees and Charges By-law.
6. That Section 3.4 be deleted and replaced with the following:
- 3.4 The Provincial Offences Act does not apply to the Township's Parking By-law Number 2025-82, as amended, or any other Designated By-law respecting the parking, standing, or stopping of vehicles.
7. That Section 3.6 be deleted and replaced with the following:
- 3.6 The Township may apply a system of tiered Administrative Penalty amounts as set out in the Tables in the Schedules of this By-law except for Schedule 'A'.
8. That Section 4.1 be deleted and replaced with the following:
- 4.1 (a) Schedule 'A' By-laws – Parking
- If a vehicle has been left parked, standing or stopped in contravention of a Designated By-law in Schedule 'A', the owner of a vehicle shall, upon issuance of a Penalty Notice in accordance with this By-law, be liable to pay to the Township an Administrative Penalty in the amount specified on the Penalty Notice, and shall be liable to pay to the Township any Administrative fee(s) in accordance with this By-law.
- (b) Remaining Schedules – Designated Non-Parking By-laws
- If a Person is found in contravention of a Designated By-law in the remaining Schedules of this By-law, the Person shall, upon issuance of a Penalty Notice in accordance with this By-law, be liable to pay to the Township an Administrative Penalty in the amount specified on the Penalty Notice and shall be liable to pay the Township any Administrative fee(s) in accordance with this By-law.
9. That Section 4.4 be deleted and replaced with the following:
- 4.4 A Penalty Notice shall include the following information as applicable:
- (a) in the case of a Schedule 'A' related contravention, the vehicle licence plate number or vehicle identification number;
 - (b) in the case of a contravention related to all Schedules except for Schedule 'A', the Person(s) name;
 - (c) the Penalty Notice Date;
 - (d) the Penalty Notice Number;
 - (e) the identification number and name of the issuing Officer;
 - (f) the short form wording for the contravention listed in the applicable Schedules of this By-law;
 - (g) the location of the contravention;
 - (h) the amount of the Administrative Penalty and any Administrative fee(s);
 - (i) when the Administrative Penalty and any applicable Administrative fee(s) are due and payable;
 - (j) the payment options;
 - (k) such information as the Clerk determines is appropriate, respecting the process by which a Person may exercise the Person's right to request a review of an Administrative Penalty; and
 - (l) a Statement advising that an Administrative Penalty, including any applicable Administrative fee(s), will constitute a debt of the Person to the Township, unless cancelled in accordance with the provisions of this By-law.

10. That Section 4.6 be deleted and replaced with the following:
 - 4.6 Where a contravention is continuous, each day the contravention continues shall constitute a new and separate contravention.
11. That Section 5.3 be deleted and replaced with the following:
 - 5.3 A Person who has been issued a Penalty Notice for a Schedule 'A' contravention shall pay the Administrative Penalty within fifteen (15) days of the date of service of a Penalty Notice (the Penalty Due Date).
12. That Section 5.4 be renumbered as Section 5.5 and that the following be added as Section 5.4:
 - 5.4 A Person who has been issued a Penalty Notice for a contravention of any Schedule of this By-law, except for Schedule 'A', shall pay the Administrative Penalty within thirty (30) days of the date of service of a Penalty Notice (the Penalty Due Date).
13. That Section 6.3 (c) and 6.3 (d) be deleted and replaced with the following:
 - (c) In the case of a vehicular related contravention, the Township may notify the Ontario Ministry of Transportation (the "Ministry") of the default and a Certified document fee will be applied. The Ministry shall not validate the permit nor issue a new permit until the Administrative Penalty as well as any applicable Administrative fee(s) have been paid to the Township.
 - (d) The Township may pursue any other collection mechanisms available at law.
14. That Section 7.3 be amended by deleting "fifteen (15) days" and replacing it with "thirty (30) days".
15. That Section 7.6 (b) be deleted and Section 7.6 (c) be amended as Section 7.6 (b).
16. That Section 7.14 be amended by replacing (d) with (b), (e) with (c) and (f) with (d).
17. That Section 7.16 be renumbered as Section 7.15 and the remainder of Section 7 be renumbered sequentially.
18. That the first Section 8.5 (b) be deleted.
19. Section 8.7 be amended by deleting the words "the Hearing Officer" and adding the words "the Clerk" after "as determined by" and that Section 8.7 be renumbered as Section 8.6 and the remainder of Section 8 be renumbered sequentially, and all applicable section references be updated accordingly.
20. That Section 8.8 be amended by deleting the words "Section 9" and replacing it with "Section 9.5".
21. That the first Section 8.12 (b) be deleted.
22. That Section 8.19 be amended by replacing (d) with (b), (e) with (c) and (f) with (d).
23. That Sections 9.1 (c), (d) and (e) be amended by adding the words "of a vehicle" after the word "owner".
24. That the second Section 9.2 be amended by deleting the words "in writing", adding the words "of a vehicle" after the word "owner", and adding reference to "registered mail" and renumbering it as Section 9.3. That the remainder of Section 9 be renumbered sequentially and all applicable section references be updated accordingly. That renumbered Section 9.4 be amended by adding "or by courier".
25. That Section 13.1 be deleted and replaced with the following:

- 13.1 The Schedules attached to this By-law form part of this By-law.
- 26. That Schedule A be amended by deleting reference to Parking By-law 2025-81 and replacing it with Parking By-law 2025-82.
- 27. That Schedule B of the original be deleted and replaced with Schedule B affixed below to this By-law.
- 28. That Section 9.8 and Schedule C be deleted.
- 29. That By-law 2025-47 is hereby repealed.

Read a first, second and third time and finally passed this 15th day of June 2026.

Mayor – Shawn Watters

Clerk – Tyler Sager

Schedule 'B' - By-law 2025-81
Designated Non-Parking By-laws
Designated By-laws and Administrative Penalties

1. For the purposes of Section 4.1 (b) of this By-law:
- (a) Column 1 in Table 1 lists the provisions in the Township's Municipal Accommodation Tax By-law 2026-30, as amended, that are hereby designated for the purposes of Section 434.1 of the Municipal Act;
 - (b) Column 2 in Table 1 sets out the short form wording to be used in a Penalty Notice for the contravention of the designated provisions listed in Column 1;
 - (c) Columns 3, 4 and 5 in Table 1 set out the Administrative Penalty amounts that are payable by a person excluding a corporation for a contravention of the designated provisions listed in Column 1 of the Township's Municipal Accommodation Tax By-law 2026-30, as amended.

TABLE 1

Item No.	Column 1 Designated Provision	Column 2 Short Form Wording	Column 3 First Contravention Administrative Penalty	Column 4 Second Contravention Administrative Penalty	Column 5 Subsequent Contravention
1	13.1	Make false, inaccurate or misleading statement or representation	\$500.00	\$750.00	\$1000.00
2	13.2	File a document, statement or request with false, inaccurate misleading information	\$500.00	\$750.00	\$1000.00
3	13.3	Fail to submit Municipal Tax Remittance Report	\$750.00	\$1000.00	\$1250.00
4	13.4	Fail to pay Municipal Accommodation Tax	\$750.00	\$1000.00	\$1250.00
5	13.5	Fail to produce documents	\$750.00	\$1000.00	\$1250.00
6	14.6	Hinder and Obstruct – Officer	\$500.00	\$750.00	\$1000.00

2. For the purposes of Section 4.1 (b) of this By-law:
- (a) Column 1 in Table 2 lists the provisions in the Township’s Municipal Accommodation Tax By-law 2026-30, as amended, that are hereby designated for the purposes of Section 434.1 of the Municipal Act;
 - (b) Column 2 in Table 2 sets out the short form wording to be used in a Penalty Notice for the contravention of the designated provisions listed in Column 1;
 - (c) Columns 3, 4 and 5 in Table 2 set out the Administrative Penalty amounts that are payable by a person that is a corporation for a contravention of the designated provisions listed in Column 1 of the Township’s Municipal Accommodation Tax By-law 2026-30, as amended.

TABLE 2

Item No.	Column 1 Designated Provision	Column 2 Short Form Wording	Column 3 First Contravention Administrative Penalty	Column 4 Second Contravention Administrative Penalty	Column 5 Subsequent Contravention
1	13.1	Make false, inaccurate or misleading statement or representation	\$750.00	\$1000.00	\$1500.00
2	13.2	File a document, statement or request with false, inaccurate misleading information	\$750.00	\$1000.00	\$1000.00
3	13.3	Fail to submit Municipal Tax Remittance Report	\$1000.00	\$1500.00	\$2000.00
4	13.4	Fail to pay Municipal Accommodation Tax	\$1000.00	\$1500.00	\$2000.00
5	13.5	Fail to produce documents	\$1000.00	\$1500.00	\$2000.00
6	14.6	Hinder and Obstruct – Officer	\$750.00	\$1000.00	\$1500.00

The Corporation of the Township of Centre Wellington

By-law 2025-81

A By-law to establish an Administrative Monetary
Penalty System (AMPS)

Whereas Section 102.1 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended (“*Municipal Act*”) and Ontario Regulation 333/07: Administrative Penalties authorize a municipality to require a Person to pay an Administrative Penalty for a contravention of any By-law respecting the parking, standing, or stopping of a vehicle; and

Whereas Section 434.1 of the *Municipal Act* authorizes a municipality to require that a Person pay an Administrative Penalty if the municipality is satisfied that the Person has failed to comply with a municipal by-law; and,

Whereas Subsection 434.2(1) of the *Municipal Act* provides that an Administrative Penalty that is imposed by a municipality on a Person constitutes a debt of that Person to the municipality; and,

Whereas Sections 23.1, 23.2, 23.3, and 23.5 of the *Municipal Act* authorizes municipalities to delegate their administrative and Hearing powers; and

Whereas Subsection 434.2(2) of the *Municipal Act* provides that if an Administrative Penalty imposed under section 434.1 is not paid within fifteen (15) days after the day that it becomes due and payable, the treasurer of a local municipality may, and upon the request of its upper-tier municipality, if any, shall, add the Administrative Penalty to the tax roll for any property in the local municipality for which all of the owners are responsible for paying the Administrative Penalty, and collect it in the same manner as municipal taxes; and

Whereas Section 15.4.1(1) of the *Ontario Building Code, 1992*, as amended, authorizes a municipality to require a Person, subject to such conditions as the municipality considers appropriate, to pay an Administrative Penalty if the municipality is satisfied that the Person has failed to comply with a By-law of the municipality; and

Whereas Section 391 of the *Municipal Act* authorizes a municipality to pass by-laws imposing fees or charges for services or activities provided or done by or on behalf of it; and

Whereas the Council of the Corporation of the Township of Centre Wellington (“Township”) is satisfied that the system of administrative penalties provided for herein, are not punitive in nature and are in amounts reasonably required to promote compliance with the by-laws of the municipality; and

Whereas the *Statutory Powers Procedure Act, R.S.O. 1990, c. S. 22*, as amended, applies to all **Hearings** conducted under this By-law; and

Whereas the Township will designate the Township’s Parking By-law 2025-82, as amended, to be applicable to the Administrative Penalty system established through this By-law; and

Whereas the Council of the Township deems it desirable to have one administrative monetary penalty system for all by-laws to which administrative penalties may apply and may designate additional by-laws to be applicable to the administrative monetary penalty system established through this By-law; and

Whereas the Council of the Township considers it desirable and necessary to establish an administrative monetary penalty system to promote compliance with Township By-laws that deal with parking, standing or stopping of vehicles; and

Whereas the Council of the Township considers it desirable and necessary to continue to enforce failures to comply with Parking By-law 6000-23 prior to the date this By-law comes into force under the *Provincial Offences Act* and By-law 6000-23 as if this By-law had not come into force.

Now Therefore the Council of the Corporation of the Township of Centre Wellington hereby enacts as follows:

1. Short Title

1.1 This By-law may be referred to as the “AMPS By-law”.

2. Definitions

2.1 For the purposes of this By-law:

“**Adjourn**” means to temporarily end a **Hearing**, where no decision is reached until the **Hearing** resumes;

“**Administrative fee**” or “**Administrative fee(s)**” means any fee imposed by this By-law or the **Fees and Charges by-law** and as set out in the **Fees and Charges by-law**;

“**Administrative Penalty**” means an administrative monetary penalty as set out in the Schedules of this By-law for a **contravention** of a **Designated By-law**;

“**Certified document fee**” means an **Administrative fee**, for conducting a search, making a request for or obtaining documents, information or records from the **Ministry** and includes any search of documents or information, requests including plate denial, and notification about a vehicle or the **owner of a vehicle**;

“**Clerk**” means the Clerk for the Township of Centre Wellington, or any **Person** designated by the **Clerk**;

“**Continues**” or “**Continuous**” with respect to a **contravention** of a **Designated By-law** means that the **contravention** exists, persists or remains uncorrected for more than one day without limiting the generality of the foregoing:

(a) in the case of an order, direction or notice that is required to be complied with under the **Designated By-law**, a **contravention** continues until compliance is achieved; or

(b) in the case of a licence, required under a **Designated By-law**, a **contravention** continues until the activity, business or enterprise occurring without a licence permanently ceases;

“**Corporation**” means a separate legal entity incorporated pursuant to provincial or federal law;

“**Contravention**” means the failure to comply with any provision of this By-law, a **Designated By-law**, an order, a work order, or any other order issued pursuant to a **Designated By-law**;

“**Contravener**” means a **Person** who has committed a **contravention**;

“**Council**” means the Council of the Township of Centre Wellington;

“**Date of service**” means the date service is deemed in effect in accordance with the provisions of this By-law;

“**Decision of a Hearing Officer**” means a notice that contains the decision of a **Hearing Officer**;

“**Decision of a Screening Officer**” means a notice that contains the decision of a **Screening Officer**;

“**Designated By-law**” means a **Township By-law**, or part or provision of a **Township By-law**, that is designated under this By-law or another By-law as being subject to **Administrative Penalties**;

“**Electronic Hearing**” means a **Hearing** held by conference telephone or some other form of electronic technology allowing **Persons** to hear one another;

“**Fails to appear**” or “**Failure to appear**” means failure to appear or participate by conference telephone, or some other form of electronic technology allowing **Persons** to hear one another, or in person, on the scheduled date as the case may be within ten (10) minutes of the start time of a **Screening Review** meeting or **Hearing**;

“**Fails to respond**” means failure to respond in writing to a request for information, documents or submissions by the **Screening Officer** or **Hearing Officer** on the date set by the **Screening Officer** or **Hearing Officer** for responding;

“**Fees and Charges by-law**” means the **Township** By-law, adopted or amended from time to time, for imposing fees and charges with respect to various services and activities provided;

“**Hearing**” means a review of a **Decision of a Screening Officer** by a **Hearing Officer**;

“**Hearing Non-Appearance Fee**” means an **Administrative fee**, in respect of a **Person’s failure to appear** for a **Hearing**;

“**Hearing Officer**” means a **Person** who performs the functions of a Hearing Officer in accordance with this By-law and any other applicable **Township** By-law;

“**Holiday**” means a Saturday, Sunday and any statutory Holiday in the Province of Ontario or any day the offices of the **Township** are officially closed for business;

“**Late payment fee**” means an **Administrative fee**, in respect of a **Person’s** failure to pay an **Administrative Penalty** within the time prescribed in this By-law;

“**Ministry**” means Ontario Ministry of Transportation, Land Registry Office, Service Ontario or any other Ontario Ministry or related authority;

“**Municipal Act**” means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended;

“**NSF Fee**” means an **Administrative fee**, in respect of a payment by negotiable instrument, for which there are insufficient funds in the account on which the instrument is drawn;

“**Officer**” means a Municipal Law Enforcement Officer, Police Officer, the Fire Chief and Fire Prevention Officer for the **Township**, or any other **Person** appointed by by-law to enforce a **Township** By-law;

“**Oral Hearing**” means a **Hearing** at which the parties or their representatives attend before the **Hearing Officer** in person;

“**Owner of a Vehicle**” means:

- (a) the **Person** whose name appears on the permit of the vehicle; and
- (b) if the vehicle permit consists of a vehicle portion and plate portion and if different **Persons** are named on each portion, the **Person** whose name appears on the plate portion;

“**Penalty Due Date**” means the date an **Administrative Penalty** is due and payable;

“**Penalty Notice**” means a notice for a **contravention** of a **Designated By-law**;

“**Penalty Notice Date**” means the date of the **contravention** of a **Designated By-law**;

“**Penalty Notice Number**” means a unique reference number;

“**Person**” includes an individual, sole proprietorship, partnership, limited partnership, trust, or **corporation** and an individual in his or her capacity as a trustee, executor, administrator, or other legal representative and includes the **owner of a vehicle**;

“**Provincial Offences Act**” means the *Provincial Offences Act*, R.S.O., c.P.33;

“**Screening Non-Appearance Fee**” means an **Administrative fee**, in respect of a **Person’s failure to appear** at a **Screening Review** meeting;

“Screening Officer” means a **Person** who performs the functions of a Screening Officer in accordance with this By-law and any other applicable **Township** By-law;

“Screening Review” means a review of an **Administrative Penalty** by a **Screening Officer**;

“Township” means the Corporation of the Township of Centre Wellington.

3. Application

- 3.1 This By-law applies only to those contraventions included in the Schedules to this By-law.
- 3.2 The Township By-laws, or portions of Township By-laws, listed in the Schedules of this By-law shall be Designated By-laws to which the Administrative Penalty listed in the Schedules apply.
- 3.3 The Administrative fee(s) imposed for the purposes of this By-law shall be as set out in the Fees and Charges by-law.
- 3.4 The Provincial Offences Act does not apply to the Township’s Parking By-law Number 2025-82, as amended, or any other Designated By-law respecting the parking, standing, or stopping of vehicles.
- 3.5 Subject to Section 3.4, an Officer has the discretion to issue an Administrative Penalty or proceed with the laying of a charge under the Provincial Offences Act in respect of a contravention. Where an Officer issues an Administrative Penalty for a contravention, no charge shall be laid for the same contravention under the Provincial Offences Act.
- 3.6 The Township may apply a system of tiered Administrative Penalty amounts as set out in the Tables in the Schedules of this By-law except for Schedule ‘A’.
- 3.7 Council is of the opinion that the powers delegated in this By-law are of a minor nature.

4. Penalty Notice

4.1 (a) Schedule ‘A’ By-laws – Parking

If a vehicle has been left parked, standing or stopped in contravention of a Designated By-law in Schedule ‘A’, the owner of a vehicle shall, upon issuance of a Penalty Notice in accordance with this By-law, be liable to pay to the Township an Administrative Penalty in the amount specified on the Penalty Notice, and shall be liable to pay to the Township any Administrative fee(s) in accordance with this By-law.

(b) Remaining Schedules – Designated Non-Parking By-laws

If a Person is found in contravention of a Designated By-law in the remaining Schedules of this By-law, the Person shall, upon issuance of a Penalty Notice in accordance with this By-law, be liable to pay to the Township an Administrative Penalty in the amount specified on the Penalty Notice and shall be liable to pay the Township any Administrative fee(s) in accordance with this By-law.

- 4.2 An Officer who has reason to believe that a Person has contravened a Designated By-law may issue a Penalty Notice in accordance with this By-law.
- 4.3 Every Contravenor shall, upon service of a Penalty Notice, be liable to pay the Township an Administrative Penalty set out in the Penalty Notice and any applicable Administrative fee(s) by the Penalty due date, failing which additional Administrative fee(s) may be applicable.
- 4.4 A Penalty Notice shall include the following information as applicable:

- (a) in the case of a Schedule 'A' related contravention, the vehicle licence plate number or vehicle identification number;
- (b) in the case of a contravention related to all Schedules except for Schedule 'A', the Person(s) name;
- (c) the Penalty Notice Date;
- (d) the Penalty Notice Number;
- (e) the identification number and name of the issuing Officer;
- (f) the short form wording for the Contravention listed in the applicable Schedules of this By-law;
- (g) the location of the Contravention;
- (h) the amount of the Administrative Penalty and any Administrative fee(s);
- (i) when the Administrative Penalty and any applicable Administrative fee(s) are due and payable;
- (j) the payment options;
- (k) such information as the Clerk determines is appropriate, respecting the process by which a Person may exercise the Person's right to request a review of an Administrative Penalty; and
- (l) a Statement advising that an Administrative Penalty, including any applicable Administrative fee(s), will constitute a debt of the Person to the Township, unless cancelled in accordance with the provisions of this By-law.

4.5 Where a Penalty Notice is issued in respect of a contravention of a Designated By-law for which the owners of a property are responsible, the Penalty Notice may name all Persons who are the registered owners of such property, and such Persons shall be jointly liable to pay the Administrative Penalty on the Penalty Notice.

4.6 Where a contravention is continuous, each day the contravention continues shall constitute a new and separate **contravention**.

5. Payment of an Administrative Penalty

5.1 Where an Administrative Penalty has been partially or fully paid, the Penalty Notice shall not be subject to any further review.

5.2 An Administrative Penalty shall be deemed to have been paid when the Administrative Penalty and all applicable Administrative fee(s) have been paid.

5.3 A Person who has been issued a Penalty Notice for a Schedule 'A' contravention shall pay the Administrative Penalty within fifteen (15) days of the date of service of a Penalty Notice (the Penalty due date).

5.4 A Person who has been issued a Penalty Notice for a contravention of any Schedule of this By-law, except for Schedule 'A', shall pay the Administrative Penalty within thirty (30) days of the date of service of a Penalty Notice (the Penalty due date).

5.5 No Officer may accept payment of an Administrative Penalty or Administrative fee(s) payable in accordance with this By-law.

6. Non-Payment of an Administrative Penalty

6.1 Where a request for a Screening Review has not been made in accordance with Section 7 of this By-law, and the Administrative Penalty is not paid by the Penalty due date:

- (a) the Administrative Penalty, and any applicable Administrative fee(s), are deemed to be affirmed and payable, and is not subject to further review except as provided in Section 7.2; and
- (b) notwithstanding Section 7.2, the Person that the Penalty Notice was issued to, shall pay the Township a Late payment fee and the applicable Certified document fee.

- 6.2 Where an Administrative Penalty is not paid by the Penalty due date, the Clerk shall deliver, in accordance with Section 9.5 of this By-law, a Notice of Penalty and Due Date, to the Person that the Penalty Notice was issued to that contains:
- (a) the amount due and payable to the Township including the Administrative Penalty, and any applicable Administrative fee(s); and
 - (b) information on the process to request an extension of time to request a Screening Review.
- 6.3 Where an Administrative Penalty and any applicable Administrative fee(s) are not paid by the Penalty due date:
- (a) Such amount shall constitute a debt of the Contravenor to the Township;
 - (b) The Township may transfer such amount:
 - i. To a collection agency appointed by the Township; or
 - ii. To the tax roll for the Contravenor's Property located within the Township where such amount shall be deemed to be unpaid taxes and collected in the same manner as municipal taxes, as the case may be; and/or
 - (c) In the case of a vehicular related contravention, the Township may notify the Ontario Ministry of Transportation (the "Ministry") of the default and a Certified document fee will be applied. The Ministry shall not validate the permit nor issue a new permit until the Administrative Penalty as well as any applicable Administrative fee(s) have been paid to the Township.
 - (d) The Township may pursue any other collection mechanisms available to the available at law.

7. Review by Screening Officer

- 7.1 A Person who is served with a Penalty Notice, or the Person's authorized agent, may request a Screening Review in accordance with Section 7.4 of this By-law on or before the Penalty due date.
- 7.2 A Person may request that the Screening Officer extend the time to request a Screening Review in accordance with Section 7.4 of this By-law within fifteen (15) days of the Date of service of the Penalty Notice. Where a request to extend the time to request a Screening Review has been granted, the extension of time shall not exceed thirty (30) days from the Date of service of the Penalty Notice.
- 7.3 A Person's right to request an extension of time for a Screening Review expires if it has not been exercised within thirty (30) days of the Date of service of the Penalty Notice, in which event:
- (a) the Person shall be deemed to have waived the right to request a Screening Review;
 - (b) the Administrative Penalty and any applicable Administrative fee(s) are deemed to be affirmed and payable; and
 - (c) the Administrative Penalty and any applicable Administrative fee(s) shall not be subject to any further review, including a review by any court.
- 7.4 A Person's request for a Screening Review or request for an extension of time to request a Screening Review shall be made in a format provided by the Township for that purpose together with all relevant information, documents, photographs and videos.
- 7.5 The Screening Officer may grant a request to extend the time to request a Screening Review within the time prescribed in Section 7.2 of this By-law, where a Person demonstrates, to the satisfaction of the Screening Officer, the existence of extenuating circumstances.

- 7.6 Where an extension of time to request a Screening Review is not granted by the Screening Officer:
- (a) the Administrative Penalty and any applicable Administrative fee(s) are deemed to be affirmed and payable; and
 - (b) the Administrative Penalty and any applicable Administrative fee(s) shall not be subject to any further review, including review by any Court.
- 7.7 A Screening Review shall be conducted by written form or by electronic document submission unless there is a requirement on a case-by-case basis, as determined by the Screening Officer, to provide the Screening Review through other means.
- 7.8 The Screening Officer may request such information, documents, photographs and videos from the Person that requested the Screening Review as the Screening Officer considers relevant to the conduct of the Screening Review, and may rely upon the information, documents, photographs and videos provided without the need for the attendance of the Person.
- 7.9 Where a Screening Review is granted and is not being conducted by written form or by electronic document submission, the Screening Officer shall deliver in accordance with Section 9.5 of this By-law, a Notice of an Appointment for a Screening Review, to the Person that requested the Screening Review that contains:
- (a) the date and time of the Screening Review meeting;
 - (b) the format of the Screening Review meeting including details about the manner in which the Screening Review meeting will be held; and
 - (c) a statement that if the Person Fails to appear that the:
 - (i) Person shall be deemed to have abandoned the request for a Screening Review;
 - (ii) Administrative Penalty, and any applicable Administrative fee(s) are deemed to be affirmed;
 - (iii) Person shall be required to pay the Township a Screening Non-Appearance Fee; and
 - (iv) Administrative Penalty, and any applicable Administrative fee(s) shall not be subject to any further review, including a review by any Court.
- 7.10 A Person who has been issued a Notice of Appointment for a Screening Review may make a written request to the Screening Officer to reschedule the date for the Screening Review provided such request is received by the Screening Officer two (2) business days prior to the Screening Review date.
- 7.11 Where a Person or an authorized representative fails to appear for a Screening Review meeting, or fails to respond in accordance with a request by a Screening Officer:
- (a) the Person shall be deemed to have abandoned the request for a Screening Review;
 - (b) the Administrative Penalty, and any applicable Administrative fee(s) are deemed to be affirmed and payable;
 - (c) the Person shall pay the Township, a Screening Non-Appearance Fee, where applicable;
 - (d) the Contravenor shall pay the Administrative Penalty and any applicable Administrative fee(s) within fifteen (15) days from the date of the Screening Review; and
 - (e) the Administrative Penalty, and any applicable Administrative fee(s) shall not be subject to any further review, including a review by any Court.

- 7.12 Where a Person or an authorized representative, behaves in a disorderly, uncooperative, or abusive manner during the Screening Review, or refuses to appropriately participate in the Screening Review, the Screening Officer may end the Screening Review and, upon this occurrence:
- (a) the Administrative Penalty, and any applicable Administrative fee(s) are deemed to be affirmed and payable;
 - (b) the Contravenor shall pay the Administrative Penalty and any applicable Administrative fee(s) within fifteen (15) days from the date of the Screening Review; and
 - (c) the Administrative Penalty, and any applicable Administrative fee(s) shall not be subject to any further review, including a review by any Court.
- 7.13 The Screening Officer may request, consider and rely on information, documents, photographs and videos from an Officer, or other Township staff as the Screening Officer deems relevant, without the need for the attendance of the Officer or other Township staff, including but not limited to: a certified statement of an Officer, other documents respecting a contravention created by an Officer, and any other documents, photographs and videos prepared by an Officer, or other Township staff.
- 7.14 Upon completion of a Screening Review, a Screening Officer may affirm the Administrative Penalty including any Administrative fee(s), or cancel or reduce the Administrative Penalty, and any applicable Administrative fee(s), or extend the time for payment of the Administrative Penalty and any applicable Administrative fee(s). In making a decision, a Screening Officer may take into consideration the following factors:
- (a) whether a Person establishes on a balance of probabilities:
 - i. that they did not contravene the Designated By-law as described in the Penalty Notice;
 - ii. the Penalty Notice is defective in substance or form;
 - iii. the Penalty Notice was not served in accordance with Section 9 of this By-law;
 - (b) the Person's prior history of non-compliance with a Designated By-law;
 - (c) whether the Person has any unpaid Penalty Notices; and/or
 - (d) where a Person provides clear and sufficient evidence to establish that the cancellation, reduction or extension of time for payment of the Administrative Penalty and any applicable Administrative fee(s), is necessary to relieve financial or undue hardship.
- 7.15 A Screening Officer may give a decision orally at the time of the Screening Review meeting and shall deliver in accordance with Section 9.5 of this By-law a Decision of a Screening Officer to the Person that requested the Screening Review.
- 7.16 A Screening Officer may where multiple Penalty Notices have been issued to the same Person, review Screening Review requests together, if it is reasonably practical to do so, and would not result in unfairness.
- 7.17 A Person that requested a Screening Review may cancel the Screening Review by paying the Township the Administrative Penalty and any applicable Administrative fee(s) prior to the Screening Review.
- 7.18 A Screening Officer conducting a Screening Review under this By-law has no authority to consider any question relating to the validity of a statute, regulation or By-law including but not limited to the constitutional applicability or operability of any statute, regulation, or By-law, including this By-law.

8. Review by Hearing Officer

- 8.1 Where an Administrative Penalty has not been cancelled, a Person may request a Hearing within fifteen (15) days of the date of service of the Decision of a Screening Officer.

- 8.2 If a Person does not request a Hearing within fifteen (15) days of the date of service of the Decision of a Screening Officer, the Person may request the Clerk to extend the time to request a Hearing.
- 8.3 A Person's right to request an extension of time for a Hearing expires if it has not been exercised within thirty (30) days of the date of service of the Decision of a Screening Officer, at which time:
- (a) the Person shall be deemed to have waived the right to request a Hearing;
 - (b) the Decision of a Screening Officer, which includes the Administrative Penalty and any applicable Administrative fee(s), are deemed to be affirmed on the date the Decision of a Screening Officer was issued and are payable; and
 - (c) the Decision of a Screening Officer, which includes the Administrative Penalty and any applicable Administrative fee(s), shall not be subject to any further review, including a review by any Court.
- 8.4 A Person's request for a Hearing or request for an extension of time to request a Hearing shall be made in a format provided by the Township for that purpose together with all relevant information, documents, photographs and videos.
- 8.5 The Clerk may grant a request to extend the time to request a Hearing, where a Person demonstrates, to the satisfaction of the Clerk, the existence of extenuating circumstances. The Clerk may deny an extension of time to request a Hearing, in which event:
- (a) the Decision of a Screening Officer, which includes the Administrative Penalty and any applicable Administrative fee(s) are deemed to be affirmed on the date the Decision of a Screening Officer was issued and are payable; and
 - (b) the Administrative Penalty and any applicable Administrative fee(s) shall not be subject to further review, including a review by any Court.
- 8.6 A Hearing shall be conducted as an Electronic Hearing unless there is a requirement on a case-by-case basis, as determined by the Clerk, to provide the Hearing through other means.
- 8.7 Prior to an Electronic Hearing, the Clerk shall deliver in accordance with Section 9.5 of this By-law, a Notice of an Appointment for a Hearing to the Person that requested a Hearing, that contains:
- (a) a reference to the statutory authority under which the Hearing will be held and the purpose of the Hearing;
 - (b) the date, time and details about the manner in which the Hearing will be held;
 - (c) the date, time and method for submitting any relevant information, documents, photographs and videos;
 - (d) information on how to obtain disclosure;
 - (e) a statement that the Person may, by satisfying the Hearing Officer that holding the Hearing as an Electronic Hearing is likely to cause the Person significant prejudice, require the Hearing Officer to hold the Hearing as an Oral Hearing, and the procedure to be followed for that purpose; and
 - (f) a statement that if the Person fails to appear:
 - (i) the Hearing Officer may proceed in the Person's absence and the Person will not be entitled to any further notice in the proceeding;
 - (ii) the Person shall be required to pay the Township a Hearing Non-Appearance Fee;
 - (iii) the Administrative Penalty and any applicable Administrative fee(s) shall not be subject to any further review, including a review by any Court.
- 8.8 Prior to an Oral Hearing, the Clerk shall deliver in accordance with Section 9.5 of this By-law, a Notice of an Appointment for a Hearing to the Person that requested a Hearing, that contains:
- (a) a reference to the statutory authority under which the Hearing will be held and the purpose of the Hearing;

- (b) the date, time and place of the Hearing;
 - (c) the date, time and method for submitting any relevant information, documents, photographs or videos;
 - (d) information on how to obtain disclosure; and
 - (e) a statement that if the Person fails to appear:
 - (i) the Hearing Officer may proceed in the Person's absence and the Person will not be entitled to any further notice in the proceeding;
 - (ii) the Person shall be required to pay the Township a Hearing Non-Appearence Fee;
 - (iii) the Administrative Penalty, and any applicable Administrative fee(s) shall not be subject to any further review, including a review by any Court.
- 8.9 A Person who has been issued a Notice of Appointment for a Hearing may make a written request to the Clerk to reschedule the date of the Hearing provided such request is received by the Clerk two (2) business days prior to the Hearing date.
- 8.10 Where a Person or authorized representative fails to appear for a Hearing or fails to respond in accordance with a request by a Hearing Officer, the Hearing Officer may proceed with the Hearing in the Person's absence, or without the information to be supplied by the Person to the Hearing Officer, and the Person shall pay the Township a Hearing Non-Appearence Fee, where applicable.
- 8.11 Where a Person or an authorized representative, behaves in a disorderly, uncooperative, or abusive manner during a Hearing, or refuses to appropriately participate in the Hearing, the Hearing Officer may end the Hearing and, upon this occurrence:
- (a) the Administrative Penalty and any applicable Administration Fee(s) are deemed to be affirmed and payable; and
 - (b) the Administrative Penalty and any applicable Administrative fee(s) shall not be subject to any further review, including a review by any Court.
- 8.12 The provisions of the *Statutory Powers Procedure Act, R.S.O. 1990, c. S.22*, as amended, shall apply to all Hearings conducted under this By-law.
- 8.13 A Hearing Officer may request such information, documents, photographs and videos from a Person as the Hearing Officer considers relevant to conduct the Hearing.
- 8.14 A Hearing Officer may request, consider and rely on information, documents, photographs and videos from an Officer, or other Township staff as the Hearing Officer deems relevant, including but not limited to: a certified statement of an Officer, other documents respecting a contravention created by an Officer, and any other document prepared by an Officer, or other Township staff and materials presented to a Hearing Officer.
- 8.15 If evidence referred to Section 8.14 is being admitted at a Hearing, the Hearing Officer shall not adjourn the Hearing for the purpose of having an individual attend to give evidence unless the Hearing Officer is satisfied that the oral evidence of the individual is necessary to ensure a fair Hearing.
- 8.16 A Hearing Officer shall not make a decision respecting a review of a Decision of a Screening Officer unless the Hearing Officer has given the Person and a representative of the Township an opportunity to be heard at the scheduled Hearing.
- 8.17 A Hearing Officer is not bound by, and need not have regard for, any Decision of a Screening Officer.
- 8.18 After conducting a Hearing, a Hearing Officer may affirm the Administrative Penalty, and any applicable Administrative fee(s), or cancel or reduce the Administrative Penalty, and any applicable Administrative fee(s), or extend the time for payment of the Administrative Penalty, and any applicable Administrative fee(s). In making a decision, a Hearing Officer may take into consideration the following factors:
- (a) whether a Person establishes on a balance of probabilities:

- i. that they did not contravene the Designated By-law as described in the Penalty Notice;
 - ii. the Penalty Notice is defective in substance or form;
 - iii. the Penalty Notice was not served in accordance with Section 9 of this By-law;
- (b) the Person's prior history of non-compliance with a Designated By-law;
 - (c) whether the Person has any unpaid Penalty Notices; or
 - (d) where a Person provides clear and sufficient evidence to establish that the cancellation, reduction or extension of time for payment of the Administrative Penalty, and any applicable Administrative fee(s), is necessary to relieve financial or undue hardship.

8.19 A Hearing Officer may adjourn a Hearing for a period no longer than thirty (30) days.

8.20 A Hearing Officer may amend the Penalty Notice as may be necessary if it appears that it fails to state or states defectively anything that is required to be stated. In considering whether or not an amendment should be made, the Hearing Officer shall consider the evidence presented at a Hearing and whether the Person has been misled or prejudiced by the error or omission and whether the proposed amendment can be made without injustice being done.

8.21 After a Hearing has concluded, a Decision of a Hearing Officer shall be delivered by the Clerk in accordance with Section 9.5 of this By-law to the Person that requested the Hearing.

8.22 The Decision of a Hearing Officer is final and binding on the Contravener, and shall not be subject to further review, including a review by any Court.

8.23 A Person who requested a Hearing may cancel the Hearing by paying the Township the Administrative Penalty and any applicable Administrative fee(s) as set out in the Decision of a Screening Officer no later than two (2) business days prior to the Hearing date.

8.24 A Hearing Officer conducting a Hearing under this By-law has no authority to consider any question relating to the validity of a statute, regulation or By-law including but not limited to the constitutional applicability or operability of any statute, regulation, or By-law, including this By-law.

9. Service of Documents or a Penalty Notice

9.1 Service of a Penalty Notice, as referenced in section 4.1(a), in any of the following ways is deemed effective:

- a) Affixing it to the vehicle in a conspicuous place at the time of the contravention;
- b) Delivering it personally to the operator of the vehicle or the Person having care and control of the vehicle at the time of the contravention;
- c) Mailing it by regular mail to the owner of a vehicle at the address as set out on the ownership as soon as reasonably practicable after the contravention;
- d) Mailing it by registered mail to the owner of a vehicle at the address as set out on the ownership as soon as reasonably practicable after the contravention; or
- e) Delivering it personally to an occupant at the address of the owner of a vehicle as set out on the ownership, who appears to be at least 16 years of age, as soon as reasonably practicable after the contravention.

9.2 Service of a Penalty Notice, as referenced in section 4.1(b), in any of the following ways is deemed effective:

- a) Delivering it personally to the Person named in the Penalty Notice at the time of the contravention;
- b) Mailing it by regular mail to the Person named in the Penalty Notice at his/her last known address, as soon as reasonably practicable after the contravention;
- c) Mailing it by registered mail to the Person named in the Penalty Notice at his/her last known address as soon as reasonably practicable after the contravention;
- d) Sending it by courier to the Person named in the Penalty Notice at his/her last known address, as soon as reasonably practicable after the contravention; or

e) Delivering it personally to an occupant at the last known address of the Person named in the Penalty Notice, who appears to be at least 16 years of age, as soon as reasonably practicable after the contravention.

9.3 Any Penalty Notice sent to the Owner of a Vehicle or a Person named in the Penalty Notice, by regular mail or registered mail, as set out in this By-law, is deemed to have been served on the sixth (6th) calendar day after the date of mailing.

9.4 Any Penalty Notice affixed to the vehicle to which it applies, or any Penalty Notice delivered personally or by courier in accordance with this By-law, is deemed to have been served on the date and time of such delivery.

9.5 Service of any document other than a Penalty Notice may be made by using one or more of the following methods of service noted in Column A below, and is deemed served on the date noted in Column B below:

Column A Method of Service	Column B Deemed Date of service
Personal	Date personally hand delivered to Person to whom it is addressed
Fax/Email	Date fax/email is sent to the Person's last known fax/email address
Regular/Registered Mail	On the sixth (6 th) day following the date of mailing to the Person's last known mailing address by mail or registered mail

9.6 For the purposes of this By-law, a Person's last known address, facsimile number, and electronic mail address includes:

- (a) an address, facsimile number and electronic mail address provided by the Person to the Township as may be required by a form, practice or policy under this By-law; or
- (b) the most recent address that appears on the Ministry's records.

9.7 Where the By-law requires service by a Person on the Township, service shall be addressed to the Clerk and shall be deemed effective:

- (a) immediately, when a copy is hand delivered to the Clerk at the location prescribed on the applicable form or notice;
- (b) on the sixth (6th) day following the date a copy is sent by registered mail or by regular mail to the Clerk 1 MacDonald Square, Elora, ON, NOB 1S0; or
- (c) immediately upon sending a copy by electronic mail to the Clerk's electronic mail address Clerks@centrewellington.ca.

9.8 Where service is affected by multiple methods, the date of service shall be on the earliest applicable date.

10. Administration

10.1 The Clerk shall administer this By-law and establish any additional practices and procedures necessary to implement this By-law and may amend such practices and procedures from time to time, without amendment to this By-law, as the Clerk deems necessary, provided that such practices and procedures are not in conflict, or inconsistent with this By-law.

10.2 The Clerk shall prescribe all forms and notices, including the Penalty Notice, necessary to implement this By-law and may amend such forms and notices from time to time, without amendment to this By-law, as the Clerk deems necessary, provided that the contents of such forms and notices are not in conflict, or inconsistent with this By-law.

10.3 The Clerk may cancel an Administrative Penalty, and any applicable Administrative fee(s), where a Penalty Notice was issued to a Person because an error was made by the Township or the licence plate or vehicle subject to the contravention had been stolen from the owner of a vehicle at the time of the contravention.

- 10.4 The Clerk may cancel an Administrative fee, without cancelling the Administrative Penalty, where the Administrative fee was imposed as a result of an error made by the Township.
- 10.5 Where a Person has paid any amount towards an Administrative Penalty at any time, a Screening Review or Hearing request will not be granted.
- 10.6 Where in the event of extenuating circumstances, a Person fails to appear for a Hearing, they may submit a written request to the Clerk that the matter be reviewed. Upon the **Person** providing evidence satisfactory to the Clerk, the Hearing Non-Appearance Fee may be cancelled, and an opportunity for another Hearing granted, with the decision of the Clerk being final.
- 10.7 The Clerk shall appoint such Screening Officers and Hearing Officers that are necessary for the administration of this By-law.
- 10.8 A Person shall pay a NSF Fee to the Township where payment of an Administrative Penalty or Administrative fee(s) was unable to be processed and payment was not received by the Township.
- 10.9 A Person shall pay a Certified document fee to the Township where the Township conducts a search, makes a request for or obtains documents, information or records from the Ministry for the purposes of administering and enforcing this By-law.
- 10.10 An Administrative Penalty, and any applicable Administrative fee(s), that are affirmed or reduced, or in respect of which the time for payment has been extended, is due and payable and constitutes a debt to the Township owed by the Person to whom the Penalty Notice was issued to.
- 10.11 Where an Administrative Penalty, and any applicable Administrative fee(s), are not paid by the Person to whom the Penalty Notice was issued to within thirty (30) days of the date on which they are due and payable, the Township may:
- (a) notify the Ministry of the default which shall result in plate denial; or
 - (b) pursue any other collection mechanisms available to the Township.
- 10.12 Where an Administrative Penalty, and any applicable Administrative fee(s), are not paid by the Person to whom the Penalty Notice was issued to within thirty (30) days of the date on which they are due and payable, the Person to whom the Penalty Notice was issued shall pay the Township the applicable Certified document fee.
- 10.13 Where the Township notifies the Ministry of a default under this By-law, the Person to whom the Penalty Notice was issued to shall pay any applicable administrative(s) fees imposed by the Ministry. The Ministry shall not validate the permit nor issue a new permit for the vehicle to which the Administrative Penalty and Administrative fee(s) apply, until such time as the Administrative Penalty and Administrative fee(s) are paid.
- 10.14 Where an Administrative Penalty is cancelled by a Screening Officer or Hearing Officer, any Administrative fee(s) are also cancelled.
- 10.15 An authorized representative is permitted to appear on behalf of a Person who has been issued a Penalty Notice at a Screening Review meeting or Hearing, or to communicate with the Township on behalf of that Person upon producing written authorization.
- 10.16 Any time limit that would otherwise expire, is extended to the next day that is not a Holiday.
- 10.17 The Clerk may authorize a plan of periodic payments.

11. Severability

- 11.1 Should any provision, or any part of a provision of this By-law be declared invalid, or to be of no force and effect by a court of competent jurisdiction, it is the intent of **Council** that

such provision, or part of a provision, shall be severed from this By-law, and every other provision of this By-law shall be applied and enforced in accordance with its terms to the extent possible according to law.

12. Singular and Plural Use

- 12.1 In this By-law, unless the context otherwise requires words importing the singular shall include the plural, where applicable.

13. Schedules

- 13.1 The Schedules attached to this By-law form part of this By-law.

14. Transition

- 14.1 That By-law 6000-23 (A By-law to regulate the parking or stopping of vehicles on highways, public parking lots and private property within the Township) and all amendments thereto are hereby repealed upon this by-law coming into effect.
- 14.2 Notwithstanding the repeal of By-law 6000-23 in Article 14.1, By-law 6000-23 shall continue to apply to any contraventions of By-law 6000-23 prior to the date this By-law comes into force. Contraventions of By-law 6000-23 will continue to be enforced under the Provincial Offences Act and By-law 6000-23 as if this By-law had not come into force.

14. Effective Date

- 14.1 That this By-law shall come into force and take effect on January 5, 2026.

Read a first, second and third time and finally passed this 15th day of December 2025.

Mayor – Shawn Watters

Clerk – Tyler Sager

Schedule A

By-law 2025-81

Designated By-laws and Administrative Penalties - Parking

1. Column 1 in the below Tables lists the Designated By-laws.
2. Column 3 in the below Tables set out the short form wording to be used in a Penalty Notice for the contravention of the designated provisions listed in Column 2;
3. Column 4 in the below Tables set out the Administrative Penalty amounts that are payable by a Person for a contravention of the designated provisions listed in Column 2.

**Table A
Parking By-law 2025-82**

Item No.	Column 1 By-law Number	Column 2 Designated Provision	Column 3 Short Form Wording	Column 4 Administrative Penalty
1.	Parking By-law 2025-82	Section 8.1	Park Vehicle on Municipal Property contrary to signage	\$55.00
2.		Section 13.1	Park in No Parking Zone	\$55.00
3.		Section 13.2	Park within 1m of Driveway	\$55.00
4.		Section 13.3	Park in front of Driveway	\$55.00
5.		Section 13.4	Park in Fire Route	\$100.00
6.		Section 13.5	Park within 3m of Fire Hydrant	\$100.00
7.		Section 13.6	Park Left Wheels to Curb	\$55.00
8.		Section 13.7	Park in Excess of Designated Time	\$55.00
9.		Section 13.8	Park During Prohibited Time	\$55.00
10.		Section 13.9	Park Right Wheels Further than 0.15m from Curb	\$55.00
11.		Section 13.10	Park on Highway Between 2AM and 6AM	\$55.00
12.		Section 13.11	Park Outside Parking Space – Highway	\$55.00
13.		Section 13.12	Park in Excess of 24hrs – Highway	\$55.00
14.		Section 13.13	Park in Excess of 24hrs – Lot	\$55.00
15.		Section 13.14	Park in Temporary No Parking Zone	\$55.00
16.		Section 13.16	Park on/over Sidewalk	\$55.00
17.		Section 13.17	Park within Intersection	\$55.00
18.		Section 13.18	Park within 9m of Intersection	\$55.00
19.		Section 13.19	Park in Taxicab & Vehicles for Hire Stand	\$55.00
20.		Section 13.20	Park in School Bus Loading Zone	\$55.00
21.		Section 13.21	Park in Pedestrian Crossover	\$55.00
22.		Section 13.22	Park within 9m of Pedestrian Crossover	\$55.00
23.		Section 13.23	Park in Crosswalk	\$55.00
24.		Section 13.24	Park within 9m of Crosswalk	\$55.00
25.		Section 13.25	Park Fail to Leave 3m of Roadway Clear	\$55.00
26.		Section 13.26	Park Beside Another Parked Vehicle	\$55.00
27.		Section 13.27	Park in Bus Stop	\$55.00
28.		Section 13.28	Park in order to Repair, Wash or Maintain Vehicle	\$55.00
29.		Section 13.29	Park on Bridge	\$55.00

30.		Section 13.30	Park Obstruct Accessibility Ramp	\$100.00
31.		Section 13.31	Angle Park – Not within markings	\$55.00
32.		Section 13.32	Angle Park – Park in Reverse	\$55.00
33.		Section 13.33	Park in Accessible Parking Space	\$510.00
34.		Section 13.34	Park Commercial Vehicle between 1AM and 6AM	\$85.00
35.		Section 13.35	Park Commercial Vehicle on Municipal Parking Lot	\$85.00
36.		Section 13.36	Park within 15m of Railroad Crossing	\$55.00
37.		Section 13.37	Park in Designated Space	\$55.00
38.		Section 13.38	Park Interfere with Traffic	\$55.00
39.		Section 13.39	Park Obstruct Snow Removal	\$110.00
40.		Section 13.40	Park Wrong Way – One-Way Street	\$55.00
41.		Section 13.41	Park Further than 0.15 from Curb – One-Way	\$55.00
42.		Section 13.42	Park Non-Electric Vehicle in Electric Vehicle Charging Station	\$125.00
43.		Section 13.43	Park in Electric Vehicle Charging Station without Charging	\$55.00
44.		Section 13.44	Park to Prevent Removal of Another Vehicle – Highway	\$55.00
45.		Section 13.45	Park on Curve	\$55.00
46.		Section 13.46	Park on Private Property without Consent	\$55.00
47.		Section 13.47	Park on Private Property Contrary to Posted Signs	\$55.00
48.		Section 13.48	Park on private property on driveway without consent	\$55.00
49.		Section 13.49	Park in Centre of Dead-End Street	\$55.00
50.		Section 13.50	Park Overhang Curb	\$55.00
51.		Section 13.51	Park Derelict or Immobile Vehicle – Highway	\$55.00
52.		Section 13.52	Park Vehicle for Sale	\$55.00
53.		Section 13.53	Park Vehicle Without License Plate	\$55.00
54.		Section 13.54	Park Motorcycle more than 45 Degrees to Curb	\$55.00
55.		Section 13.55	Park more than 03 Motorcycles in Parking Space	\$55.00
56.		Section 13.56	Park to Prevent Removal of Another Vehicle – Lot	\$55.00
57.		Section 13.57	Park Derelict or Immobile Vehicle – Lot	\$55.00
58.		Section 13.58	Park Outside Parking Space – Lot	\$55.00
59.		Section 13.59	Park in Student Drop Off/Pick Up Zone Exceeding Time Limit	\$55.00
60.		Section 13.60	Park within 3m of a Roundabout	\$55.00
61.		Section 13.61	Park within a Roundabout	\$55.00
62.		Section 14.1	Stop in No Stopping Zone	\$55.00
63.		Section 14.2	Stop Beside Parked Vehicle	\$55.00
64.		Section 14.3	Stop within 9m of Intersection	\$55.00
65.		Section 14.4	Stop in Bus Stop	\$55.00
66.		Section 14.5	Stop in School Bus Loading Zone	\$55.00
67.		Section 14.6	Stop Left Wheels to Curb	\$55.00
68.		Section 14.7	Stop on/over Sidewalk	\$55.00
69.		Section 14.8	Stop Obstructing Traffic	\$55.00
70.		Section 14.9	Stop in a Roundabout	\$55.00
71.		Section 14.10	Stop in Student Drop Off/Pick Up Zone Exceeding Time Limit	\$55.00
72.		Section 15.1	Park on Boulevard – Abutting	\$55.00

			Roadway	
73.		Section 15.2	Park on Boulevard – Landscaped Area	\$55.00
74.		Section 15.3	Park on Boulevard – Within 9m of Intersection	\$55.00
75.		Section 15.4	Park on Boulevard – Hinder Driveway Access	\$55.00
76.		Section 16.1	Stop in a Loading Zone	\$55.00
77.		Section 17.3	Park in Metered Zone – Fail to Pay	\$70.00
78.		Section 17.4	Park in Metered Zone – in excess of Permitted Time	\$55.00
79.		Section 17.5	Park Outside Metered Space	\$55.00
80.		Section 17.6	Park More than 01 Vehicle in Metered Space	\$55.00
81.		Section 17.7	Park in Occupied Metered Space	\$55.00
82.		Section 17.8	Re-Park in Zone 1 within 5hrs	\$55.00

Schedule 'B' - By-law 2025-81
Designated Non-Parking By-laws
Designated By-laws and Administrative Penalties

1. For the purposes of Section 4.1 (b) of this By-law:
 - (a) Column 1 in Table 1 lists the provisions in the Township's Municipal Accommodation Tax By-law 2026-30, as amended, that are hereby designated for the purposes of Section 434.1 of the Municipal Act;
 - (b) Column 2 in Table 1 sets out the short form wording to be used in a Penalty Notice for the contravention of the designated provisions listed in Column 1;
 - (c) Columns 3, 4 and 5 in Table 1 set out the Administrative Penalty amounts that are payable by a person excluding a corporation for a contravention of the designated provisions listed in Column 1 of the Township's Municipal Accommodation Tax By-law 2026-30, as amended.

TABLE 1

Item No.	Column 1 Designated Provision	Column 2 Short Form Wording	Column 3 First Contravention Administrative Penalty	Column 4 Second Contravention Administrative Penalty	Column 5 Subsequent Contravention
1	13.1	Make false, inaccurate or misleading statement or representation	\$500.00	\$750.00	\$1000.00
2	13.2	File a document, statement or request with false, inaccurate misleading information	\$500.00	\$750.00	\$1000.00
3	13.3	Fail to submit Municipal Tax Remittance Report	\$750.00	\$1000.00	\$1250.00
4	13.4	Fail to pay Municipal Accommodation Tax	\$750.00	\$1000.00	\$1250.00
5	13.5	Fail to produce documents	\$750.00	\$1000.00	\$1250.00
6	14.6	Hinder and Obstruct – Officer	\$500.00	\$750.00	\$1000.00

2. For the purposes of Section 4.1 (b) of this By-law:
- (a) Column 1 in Table 2 lists the provisions in the Township’s Municipal Accommodation Tax By-law 2026-39, as amended, that are hereby designated for the purposes of Section 434.1 of the Municipal Act;
 - (b) Column 2 in Table 2 sets out the short form wording to be used in a Penalty Notice for the contravention of the designated provisions listed in Column 1;
 - (c) Columns 3, 4 and 5 in Table 2 set out the Administrative Penalty amounts that are payable by a person that is a corporation for a contravention of the designated provisions listed in Column 1 of the Township’s Municipal Accommodation Tax By-law 2026-30, as amended.

TABLE 2

Item No.	Column 1 Designated Provision	Column 2 Short Form Wording	Column 3 First Contravention Administrative Penalty	Column 4 Second Contravention Administrative Penalty	Column 5 Subsequent Contravention
1	13.1	Make false, inaccurate or misleading statement or representation	\$750.00	\$1000.00	\$1500.00
2	13.2	File a document, statement or request with false, inaccurate misleading information	\$750.00	\$1000.00	\$1000.00
3	13.3	Fail to submit Municipal Tax Remittance Report	\$1000.00	\$1500.00	\$2000.00
4	13.4	Fail to pay Municipal Accommodation Tax	\$1000.00	\$1500.00	\$2000.00
5	13.5	Fail to produce documents	\$1000.00	\$1500.00	\$2000.00
6	14.6	Hinder and Obstruct – Officer	\$750.00	\$1000.00	\$1500.00



Report to Council

To: Mayor Watters and Members of Council

Report: FIN2026-11

Prepared By: Samoya Smith, Manager of Purchasing and Risk Management

Date: 15 Jun 2026

RE: RFT#17-26 Compact Pickup Truck (By-law Enforcement)

Recommendation:

THAT the Council of the Township of Centre Wellington authorize the award of Request for Tender #17-26 for One (1) compact Pickup Truck to Trillium Ford Lincoln Ltd for a total upset limit of \$43,695.00 exclusive of HST.

AND That the funding for this procurement be revised as outlined in report FIN2026-11 dated June 15, 2026.

Summary:

Supply and delivery of One (1) Hybrid Compact Pickup Truck (By-law Enforcement).

Report:

The Request for Tender was advertised on the Bids and Tenders website. Bidders had the option of providing a gasoline or hybrid vehicle. Submissions were received from two Bidders as noted below:

Name of Bidder	Gas Vehicle Cost	Hybrid Vehicle
Barry Cullen	\$43,241.00	No bid
Trillium Ford Lincoln Ltd	\$41,895.00	\$43,695.00

Staff would like to procure the hybrid vehicle being offered by Trillium Ford Lincoln as it will support current and future operational needs. As seen in the table below, based on the current 3,000 km per year usage, the total cost of ownership for the Hybrid vehicle is lower than that of the gas model.

Model	Cost	Annual			8-Year Lifecycle		Total Cost	Total Emissions
		Km/L	Fuel	Maintenance	Fuel	Maintenance		
Hybrid	\$ 43,695	16	\$348	\$600	\$2,782	\$4,800	\$51,277	3.5 t/CO ₂

Gasoline	\$ 41,895	8.5	\$653	\$ 800	\$5,224	\$6,400	\$53,519	6.5 t/CO ₂
\$2,242								

The hybrid option is also better suited for stop-and-go urban driving, delivering 60-70% higher fuel efficiency by shutting off the engine at idle, using electric power at low speeds, and recovering energy during braking.

By-law officers are faced with enforcing many different by-laws. The Township has seen a considerable amount of growth over the last few years, and is poised to see much more in the future. Using a hybrid vehicle, particularly in busy downtown areas, is a highly visible and practical demonstration of the Township's commitment to sustainability.

Corporate Strategic Plan:

Championing environmental stewardship

Financial Implications:

Please see Appendix A - Financial Analysis for additional details on outfitting and total cost. Award for the hybrid vehicle option and requisite outfitting will require a budget top-up in the amount of \$2,535.54 which, if endorsed by council would be funded from the Parking Matters Reserve.

Consultation:

- Tyler Sager - Managing Director of Corporate and Legislative Services/Municipal Clerk
- Adam McNabb - Chief Financial Officer & Treasurer
- Martin Tamlyn - Climate Change Coordinator
- Satnam Chauhan - Supervisor of By-law and Licensing

Attachments:

- [#17-26 Financial Analysis - Part A](#)

Approved By:

- Adam McNabb, Chief Financial Officer & Treasurer
- Dan Wilson, Chief Administrative Officer

RFT#17-26 / 1 Compact Pickup Truck (gasoline or hybrid)

Part A - By-law Enforcement	
Trillium Ford Lincoln Ltd.	
Ford Maverick XLT (hybrid)	43,695.00
Outfitting (logo, beacon & tonneau cover)	2,674.44
Subtotal	<u>46,369.44</u>
Non-Rebate HST	816.10
Procurement Charge	<u>350.00</u>
Total	47,535.54
Budget (105-7104)	
New - 2026 Capital	<u>45,000.00</u>
Net Under/Over Budget	- 2,535.54

Part A - By-law Enforcement	
Trillium Ford Lincoln Ltd.	
Ford Maverick - gas	41,895.00
Outfitting (logo, beacon & tonneau cover)	2,674.44
Subtotal	<u>44,569.44</u>
Non-Rebate HST	784.42
Procurement Charge	<u>350.00</u>
Total	45,703.86
Budget (105-7104)	
New - 2026 Capital	<u>45,000.00</u>
Net Under/Over Budget	- 703.86

To: Mayor Watters and Members of Council

Report: IS2026-16

Prepared By: Emily Alessio, Engineering Technologist -
Transportation

Date: 15 Jun 2026

RE: Speed Limit Bylaw Update

Recommendation:

THAT the Council of the Township of Centre Wellington authorize the Mayor and Clerk to execute a By-law to Regulate Speed in the Township of Centre Wellington and to repeal By-law 2025-46 as outlined in Report No. IS2026-16.

Summary:

In 2022, Township Council passed a Consolidated Speed Limit Bylaw to regulate all speed limits within the Township. Since initial adoption, the Bylaw has been updated annually to include new speed limit zones. In March 2026, recommendations were made through the Annual Posted Speed Limit & Traffic Calming Review ([Report No. IS2026-08](#)) to reduce the posted speed limit on five roads. The proposed Speed Limit Bylaw outlined in this report includes the updates necessary to bring the recommended speed limit reductions into legal effect.

Report:

Summary of Changes

Through the Annual Posted Speed Limit and Traffic Calming Review ([Report No. IS2026-08](#)) presented to Council this spring, staff recommended the speed limit be reduced on five roads. Speed limit reductions were recommended following an analysis of road geometry, nearby neighbouring land use, collision history, and observed driving speeds on each road. In the rural area, recommendations include reducing the speed limit from 80 km/h to 60 km/h on Middlebrook Rd, and from 80 km/h to 50 km/h on Noah Rd. In the urban area, recommendations include reducing the speed limit from 50 km/h to 40 km/h on Parkside Dr W, Woodside St, and St Andrew St E between St David St N and Gartshore St.

Updated Speed Limit Bylaw

The Speed Limit Bylaw included as Attachment 1 has been updated to include the speed limit reductions listed above. The new speed limit zones are highlighted in Schedule 1 of the Bylaw, and on the maps included as Attachment 2 and 3.

Township roads not listed in the Bylaw have a speed limit of 50 km/h within the built-up area (urban areas) or 80 km/h outside of the built-up areas (rural areas), as designated by the Highway Traffic Act.

Next Steps

New speed limit signs will be installed this summer and fall to bring the new speed limit zones outlined in this report into full legal effect.

Corporate Strategic Plan:

Provide innovative & sustainable governance

Financial Implications:

Costs associated with signage for the new speed limit zones outlined in this report will be funded from the existing Traffic Calming Measures 2026 budget.

Consultation:

This report was prepared in consultation with Dan Wilson - Chief Administrative Officer, Colin Baker - Managing Director of Infrastructure, and Trevor Brown - Manager of Engineering and Public Works.

Attachments:

- [Attach1_2026_SpeedByLaw](#)
- [Attach2_2026_SpeedBylaw_RuralChanges](#)
- [Attach3_2026_SpeedBylaw_UrbanChanges](#)

Approved By:

Colin Baker, Managing Director of Infrastructure Services
Dan Wilson, Chief Administrative Officer

ATTACHMENT #1

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON

BY-LAW NO. 2026-XXX

A BY-LAW TO REGULATE SPEED IN THE TOWNSHIP OF CENTRE WELLINGTON AND TO REPEAL BY-LAW 2024-67.

WHEREAS the *Highway Traffic Act, R.S.O. 1990, c. H. 8*, as amended, authorizes the Council of a municipality by by-law to prescribe a rate of speed different from the rate set out in subsection (1) of the *Highway Traffic Act, R.S.O. 1990, c. H. 8*, as amended that is not greater than 100 kilometers per hour;

NOW THEREFORE the Council for the Corporation of the Township of Centre Wellington enacts as follows:

1 SHORT TITLE

1.1 This By-law may be cited as the "Speed Limit By-law".

2 INTERPRETATION

2.1 Where words and phrases used in this by-law are defined in the **Highway Traffic Act**, but not defined in this by-law, the definitions in the **Highway Traffic Act** shall apply to such words and phrases.

2.2 The schedules attached to this by-law shall be considered part of this by-law. Where any column in any schedule referred to in this by-law is not completed, any and all reference to the said column in this by-law shall be deemed to be deleted.

2.3 In this By-law, unless the context otherwise requires words importing the singular shall include the plural and use of the masculine shall include the feminine, where applicable.

3 DEFINITIONS

In this By-law:

3.1 "**Authorized sign**" means any sign, pavement marking or other device which has been placed, installed or erected by the **Township**, by another party acting under the direction or authority of the **Township** or as required by this By-law, to designate, regulate and/or enforce the provisions of this by-law.

3.2 "**Managing Director of Infrastructure Services**" means the Director of Infrastructure Services for the **Township** or his or her designate.

- 3.3 “**Highway**” includes a common and public highway, street, avenue, parkway, lane, alley, roadway, driveway, square, place, bridge, viaduct or trestle, designed and intended for and used by the general public for the passage of vehicles and includes the area between the lateral property lines thereof.
- 3.4 “**Highway Traffic Act**” means the *Highway Traffic Act, R.S.O. 1990, c. H. 8*, as amended, and its regulations.
- 3.5 “**Township**” means the Corporation of the Township of Centre Wellington or the land within the geographic limit of the Corporation of the Township of Centre Wellington as the context requires.

4 AUTHORITY

AUTHORITY TO INSTALL AUTHORIZED SIGNS

- 4.1 The **Managing Director of Infrastructure Services** is authorized to place, erect and maintain such **authorized signs** as may be necessary to give effect to the provisions of this by-law.

5 GENERAL

TRAFFIC REGULATIONS – RATE OF SPEED

- 5.1 In accordance with Section 128 of the **Highway Traffic Act**, the maximum rate of speed on a **highway** in the **Township** or within a built up area of the **Township** shall be fifty (50) kilometers per hour, except where an **authorized sign** is displayed in accordance with the maximum rates of speed prescribed in Section 5.3.
- 5.2 Despite Section 5.1 the maximum rate of speed on a **highway** in the **Township** not within a built up area shall be eighty (80) kilometers per hour, except where an **authorized sign** is displayed in accordance with the maximum rates of speed prescribed in Section 5.3.
- 5.3 Where an **authorized sign** is displayed on the **highway** or portion of a **highway** set out in Column 1 between the limits set out in Column 3 to Column 4, the maximum rate of speed in kilometers per hour shall be that set out in Column 2 of Schedule 1 of this By-law.
- 5.4 Further to Section 5.3, Schedules 2 and 3 of this By-law provide a graphical locational reference of the **highway** or portion of a **highway** set out in Schedule 1.

6 PENALTY PROVISIONS

- 6.1 The penalties provided in subsection 14 of section 128 of the **Highway Traffic Act** shall apply to offences against this by-law.

7 SEVERABILITY

7.1 If a court of competent jurisdiction declares any section or part of this By-law invalid, the remainder of this By-law shall continue in force unless the court makes an order to the contrary.

8 REPEAL

8.1 That By-law 2025-46 is hereby repealed.

Read a first, second and third time and finally passed this XX day of XXXX, 2026.

Shawn Watters, Mayor

Tyler Sager, Clerk

DRAFT

SCHEDULE 1 TO BY-LAW NO. 2026-XX

COLUMN 1 HIGHWAY	COLUMN 2 RATE OF SPEED	COLUMN 3 FROM	COLUMN 4 TO
Albert Street E	40	St David Street S	End
Albert Street W	40	Perth Street	St David Street S
Anderson Street S	40	St Andrew Street E	End
Ann Street	40	Woolwich Street W	Avruskin Street
Athol Street	40	Union Street W	End
Avruskin Street	40	Wellington Road 7	Mill Street
Beatty Line	50	Sideroad 15	180 m North of Sideroad 18
Beatty Line	50	Colborne Street	St Andrew St W
Black Street	40	Millage Lane	St David St N
Black Street	40	Millage Lane	Elizabeth Crescent
Bridge Street (Elora)	40	300m South of Clarke Street	Water Street
Bridge Street (Fergus)	40	Tower Street S	St David Street S
Church Street	40	Geddes Street	Kertland Street
Clarke Street	40	York Street E	Bridge Street
Colborne Street	40	Geddes Street	Gerrie Road
Colborne Street	50	Gerrie Road	825 m East of Gerrie Road
Colborne Street	40	825 m East of Gerrie Road	865 m West of Beatty Line
Colborne Street	50	865 m West of Beatty Line	Beatty Line
Conlin Court	40	Harpin Way E	End

Cudney Street	40	Elliott Avenue E	Harpin Way E
Dass Drive E	40	Farley Road	Harpin Way E
Dass Drive W	40	Elliot Avenue W	Farley Road
David Street E	40	Geddes Street	Irvine Street
David Street W	40	Wellington Road 7	Geddes Street
Duncan Court	40	Farley Road	End
Edminston Drive	40	Elliot Avenue W	Elliot Avenue W
Eighth Line E (Former Township of Pilkington)	60	Sideroad 14	Wellington Road 21
Eighth Line W (Former Township of Pilkington)	60	Wellington Road 21	Wellington Road 17
Elizabeth Crescent	40	Black Street	Woodhill Drive
Elizabeth Street	40	Woolwich Street W	Avruskin Street
Elliot Avenue E	40	Farley Road	Beatty Line N
Elliot Avenue W	40	Rea Drive	Farley Road
Elora Street	40	Guelph Street	Tower Street S
Farley Road	40	Beatty Line N	100 m South of Kirvan Street
Fifth Line (Former Township of Eramosa)	60	Eramosa- Garafraxa Townline	450 m South of Eramosa- Garafraxa Townline
Fifth Line (Former Township of West Garafraxa)	50	Wellington Road 18	Eramosa- Garafraxa Townline
Fifth Line (former Township of West Garafraxa)	60	Wellington Road 18	End

Fifth Line (former Township of West Garafraxa)	60	Wellington Road 19	Sideroad 25
First Line (Former Township of Nichol)	40	250 m East of Spencer Drive	Wellington Road 7
First Line (Former Township of Nichol)	60	South River Road	250 m East of Spencer Drive
First Line (Former Township of West Garafraxa)	60	Sideroad 15	Wellington Road 19
First Line W (Former Township of Pilkington)	60	Wellington Road 18	Wellington Road 17
Fisher Street	40	York Street E	Halls Drive
Forfar Street E	40	Gzowski Street	St David Street N
Fourth Line (Former Township of Nichol)	60	Wellington Road 7	Highway 6
Fourth Line (Former Township of West Garafraxa)	60	650m North of Eramosa-Garafraxa Townline	Eramosa-Garafraxa Townline
Garafraxa Street W	40	Beatty Line N	St David Street N
Gartshore Street	50	Sideroad 10	Glengarry Crescent
Gauley Drive	40	Spicer Street	Rea Drive
George Street (Belwood)	40	Queen Street	North Broadway Street
George Street (Salem)	40	Washington Street	James Street
Gerrie Road	50	Colborne Street	Sideroad 15
Gerrie Road	60	Sideroad 15	Wellington Road 17
Gilkison Street	50	South River Road	First Line
Guelph Street	60	Second Line	Fourth Line

Guelph Street	50	Elora Street	Second Line
Gzowski Street	40	Garafraxa Street E	Gordon Street
Halls Drive	40	Waterloo Street	Fisher Street
Halls Drive	40	Halls Drive	Fisher Street
Harpin Way E	40	Farley Road	End
Harpin Way W	40	Elliot Avenue W	Farley Road
Hill Street (Elora)	40	First Line	Wellington Road 7
Hill Street E	40	Gartshore Street	St David Street N
Hill Street W	40	Beatty Line	St David Street N
Howard Crescent	40	Farley Road	Duncan Court
Irvine Street	40	Walser Street	Moir Street
Irvine Street	50	Sideroad 15	Walser Street
James Street	40	Geddes Street	End
Jones Baseline	60	660 m North of Second Line	Wellington Road 22
Jones Baseline	60	Sideroad 20	Sideroad 10
Keating Drive	40	Walser Street	Colborne Street
Kirvan Street	40	Farley Road	Harpin Way E
Lamond Street	40	Anderson Street S	St Andrew Street E
Maiden Lane	40	St Andrew Street W	Garafraxa Street W
Mathieson Street	40	Irvine Street	North Street
McNab Street	40	Bridge Street	High Street
McTavish Street	40	Belsyde Avenue E	McQueen Boulevard
Middlebrook Road	60	Middlebrook Place	Wellington Road 7
Mill Street	40	Avruskin Street	Woolwich Street

Millburn Boulevard	40	Scotland Street	McQueen Boulevard
Moynihan Place	40	York Street E	End
Noah Road	50	Eighth Line W	1190 m West of Eighth Line W (Township of Centre Wellington/ Woolwich Boundary)
North Street	40	End	End
Parkside Drive W	40	Black Street	St David Street N
Perry Street	40	Black Street	Garafraxa Street W
Perth Street	40	Prince's Street	Union Street W
Povey Road	40	Elliot Avenue W	Elliot Avenue W
Prest Way	40	Spicer Street	Rea Drive
Prince's Street	40	Tower Street S	Perth Street
Provost Lane	40	Garafraxa Street W	St Andrew Street W
Queen Street (Belwood)	40	Wellington Road 19	George Street
Rea Drive	40	Farley Road	Spicer Street
Rennie Boulevard	50	Third Line	End
Scotland Street	50	660 m North of Second Line	Belsyde Avenue E
Second Line (Former Township of Nichol)	60	Sideroad 6N	Wellington Road 7
Second Line (Former Township of Nichol)	80	Guelph Street	Jones Baseline
Second Line (Former Township of West Garafraxa)	60	Wellington Road 18	Wellington Road 19

Second Line E (Former Township of Pilkington)	50	340 m North of Sideroad 14	Sideroad 14
Seventh Line (Former Township of Eramosa)	50	300 m North of Sideroad 30	Sideroad 30
Sideroad 5	60	Jones Baseline	Highway 6
Sideroad 6N	60	First Line	Eighth Line
Sideroad 9	60	100 m East of Conservation Trail	Sixth Line
Sideroad 9	50	Wellington Road 26	100 m East of Conservation Trail
Sideroad 10 (Former Township of Nichol)	60	Highway 6	Jones Baseline
Sideroad 10 (Former Township of West Garafraxa)	50	First Line	Gartshore Street
Sideroad 15 (Former Township of Nichol)	60	Irvine Street	Gerrie Road
Sideroad 15 (Former Township of West Garafraxa)	60	Jones Baseline	East-West Garafraxa Townline
Sideroad 18	40	Highway 6	Beatty Line
Sideroad 19	40	Highway 6	Beatty Line
Sideroad 20	60	East-West Garafraxa Townline	Jones Baseline
Sixth Line (Former Township of Nichol)	60	Wellington Road 7	Jones Baseline
Sixth Line (Former Township of West Garafraxa)	50	1920 m North of Eramosa-Garafraxa Townline	Eramosa-Garafraxa Townline
Sophia Street	40	Irvine Street	North Street

South River Road	40	160 m East of Cutting Drive	180 m East of Haylock Avenue
South River Road	50	180 m East of Haylock Avenue	185 m West of Guelph Street
Spicer Street	40	Rea Drive	Farley Road
St Andrew Street E	40	St David Street N	Anderson Street
St David Street N	40 when flashing, 7am – 9am and 2pm - 4pm	Woodhill Drive	Parkside Drive
St David Street S	40	Belsyde Avenue	Queen Street E
St George Street E	40	Atchison Lane	Tom Street
St George Street E	40	Gartshore Street	St David Street N
St Patrick Street E	40	Gartshore Street	St David Street N
Stafford Street	40	Bridge Street	Spencer Drive
Stephen's Court	50	Guelph St	End
Strathallan Street	40	Gzowski Street	St David Street N
Third Line (Former Township of West Garafraxa)	60	Wellington Road 19	Grand River Conservation Authority Lands
Union Street W	40	185 m West of Guelph Street	Tower St
Victoria Street	40	Woolwich Street W	End
Victoria Terrace	40	Garafraxa Street E	Stathallan Street
Washington Street	40	William Street	Woolwich Street W
Water Street (Elora)	40	High Street	160 m East of Cutting Drive
Water Street (Salem)	40	William Street	Woolwich Street W
Waterloo Street	40	York Street E	Halls Drive
Weisenberg Road	60	Wellington Road 21	220 m South of Sideroad 12

William Street	40	Washington Street	Wellington Road 7
Woodhill Drive	40	St David Street N	Black Street
Woodside Street	40	Black Street	Garafraxa Street W
Woolwich Street E	40	Irvine Street	James Street
York Street E	40	Waterloo Street	Bridge Street

DRAFT



ATTACHMENT 2

In accordance with Section 128 of the Highway Traffic Act, the maximum rate of speed on a highway in the Township not within a built-up area of the Township shall be eighty (80) kilometers per hour, except where an authorized sign is displayed in accordance with the maximum rates of speed.

- 40 km/h when Flashing (7 to 9 am, 2 to 4 pm)
- 40 km/h
- 50 km/h
- 60 km/h
- 80 km/h
- Built-Up Area
- New Speed Limit Recommended in 2026 Bylaw Update








Please note that any roads shown on the map outside of a built-up area which are not highlighted shall have a speed limit of 80 km/h and any roads within a built-up area which are not highlighted shall have a speed limit of 50 km/h.



Sources: May include data from the Grand River Conservation Authority, County of Wellington, Teranet (2014) and © 2026 of the King's Printer for Ontario. Data provided herein is derived from sources with varying levels of accuracy and currency. This is not a survey product. The Township of Centre Wellington disclaims all responsibility for the accuracy or completeness of information contained herein. The Township of Centre Wellington assumes no responsibility for errors arising from use of these mapping products. All rights reserved. May not be reproduced without permission. © 2026 The Township of Centre Wellington. Date: 2026-05-21

ATTACHMENT 3

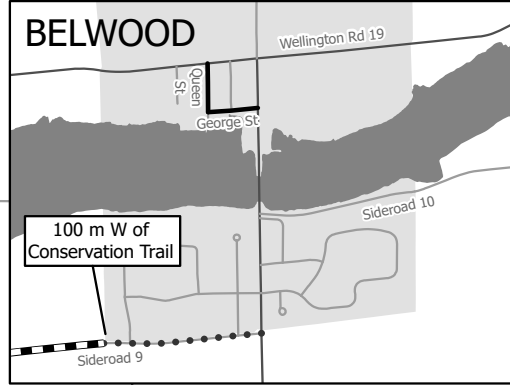
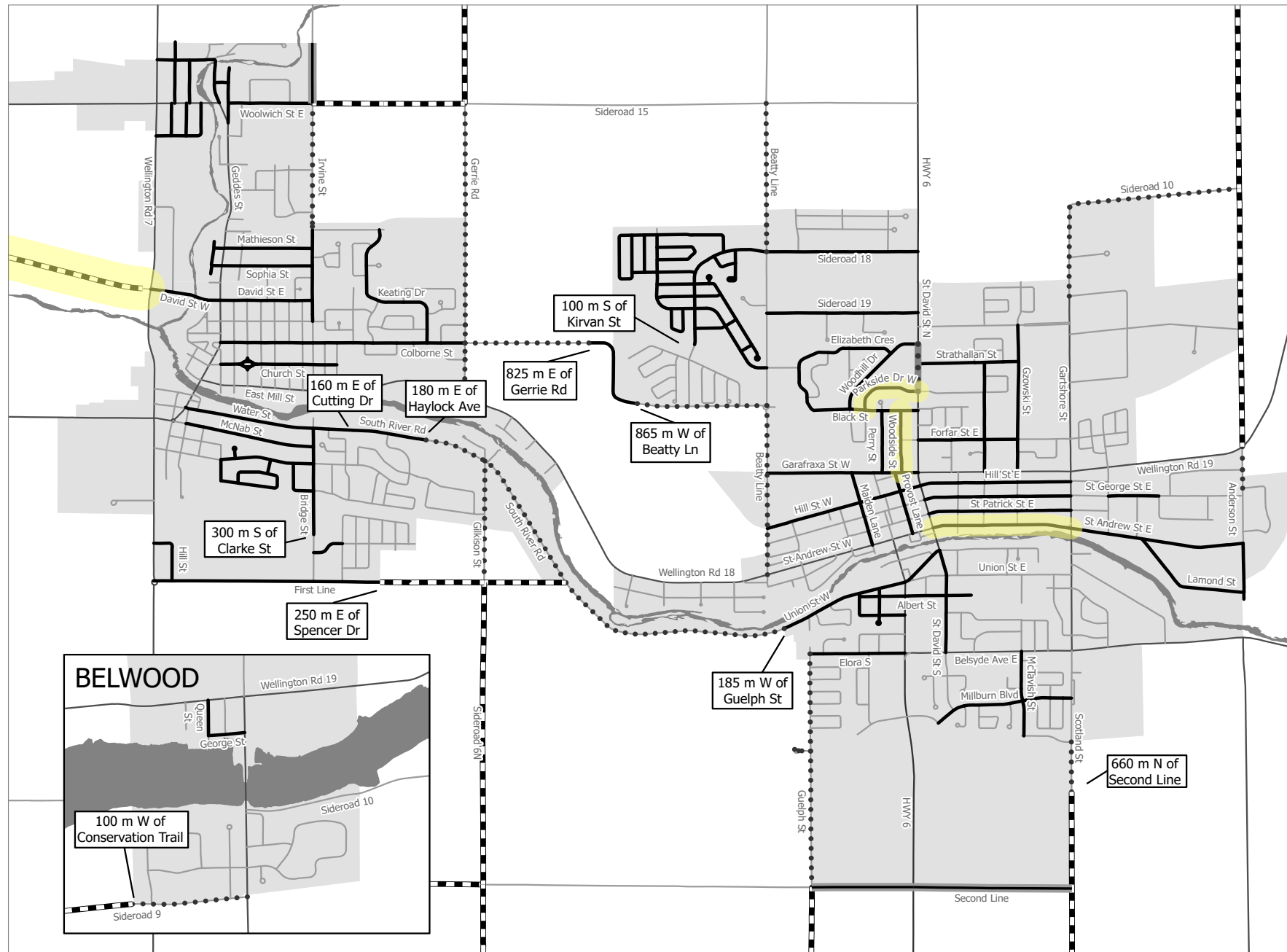
In accordance with Section 128 of the Highway Traffic Act, the maximum rate of speed on a highway in the Township within a built-up area of the Township shall be fifty (50) kilometers per hour, except where an authorized sign is displayed in accordance with the maximum rates of speed.

-  40 km/h when Flashing (7 to 9 am, 2 to 4 pm)
-  40 km/h
-  50 km/h
-  60 km/h
-  80 km/h
-  Built-Up Area
-  New Speed Limit Recommended in 2026 Bylaw Update

Please note that any roads shown on the map outside of a built-up area which are not highlighted shall have a speed limit of 80 km/h and any roads within a built-up area which are not highlighted shall have a speed limit of 50 km/h.



Sources: May include data from the Grand River Conservation Authority, County of Wellington, Teranet (2004) and © 2026 of the King's Printer For Ontario. Data provided herein is derived from sources with varying levels of accuracy and currency. This is not a survey product. The Township of Centre Wellington disclaims all responsibility for the accuracy or completeness of information contained herein. The Township of Centre Wellington assumes no responsibility for errors arising from use of these mapping products. All rights reserved. May not be reproduced without permission. © 2026 The Township of Centre Wellington. Date: 2026-05-14





Report to Council

To: Mayor Watters and Members of Council

Report: FIN2026-09

Prepared By: Adam McNabb, Chief Financial Officer & Treasurer

Date: 15 Jun 2026

RE: Stormwater Rate Study

Recommendation:

THAT the Council of the Township of Centre Wellington receive report FIN2026-09 and associated Draft Stormwater Rate Study for Information;

AND THAT the Council of the Township of Centre Wellington direct staff to post the Draft Stormwater Rate Study on ConnectCW for input, and defer any future public information sessions related to this topic until the next term of Council.

Summary:

The Township of Centre Wellington identified the ability to generate sustainable and diverse revenue sources that can be incorporated into long-term financial planning as a strategic objective through the development of the 2023-2026 Corporate Strategic Plan as a priority of Council.

The Township's Stormwater Management Master Plan suggested that a stormwater utility is likely the most appropriate and sustainable solution to ensure a long-term funding mechanism for the required stormwater management program.

A Water, Wastewater, and Stormwater Rate Study project was endorsed by Council as part of the 2025 Capital program, and Watson & Associates Economists Ltd. were engaged in a consulting capacity to conduct the associated studies.

The Water and Wastewater Rate Study and associated Financial Plans were endorsed by council in November 2025, and this report represents the culmination of the work conducted to date regarding the stormwater component of this initiative.

Report:

Stormwater management services are currently funded primarily from the general tax levy and wastewater user rates. With increasing financial pressures on the stormwater system, the Township is seeking an alternative funding model for stormwater management services, such as a user pay model.

Under the user-pay funding model, there is closer alignment between the funding of a service and the benefits received from the service.

There are a number of user-pay funding models used by municipalities in Ontario to fund stormwater management services. These include:

- Property taxes;
- Flat rate per property (may vary by use or size);
- Area rate;
- Utility rate;
- Estimated impervious area per property; and
- Actual impervious area per property.

While details of each of these models are available in the draft Stormwater Rate Study, the recommended approach for the Township of Centre Wellington, given its access to detailed impervious area for each property type through GIS data is to implement a measured impervious area per property rate structure. With this rate structure, one rate is calculated based on a charge per acre of impervious area, then customer bills vary based on the measured impervious area of each property. This rate structure functions well for the vast majority of properties across the Township and provides a strong link between the rate charged and the contribution to stormwater runoff.

Calculation details and supporting information regarding the draft stormwater rate for the Township are detailed in the attached.

While being received for information only at this time, if a future decision is made by Council to adopt a dedicated stormwater management rate, an implementation phase should follow this study which may include consideration to a credit program to recognize investments made by property owners to better manage stormwater on properties, thereby giving them greater control over their stormwater bill.

Corporate Strategic Plan:

Provide innovative & sustainable governance

- Generate sustainable and diverse revenue sources that can be incorporated into long-term financial planning

Financial Implications:

There are no financial implications at this time; however, it should be noted that stormwater management services are currently funded primarily from the general tax levy and wastewater user rates. If supported by Council in the future, any budgetary impacts would be implemented through the development of a future annual budget.

Consultation:

This report was developed in consultation with:

Chief Administrative Officer, Dan Wilson
Colin Baker, Managing Director of Infrastructure Services
Adam Gilmore, Managing Director of Community Services
Greg Wolowich, Supervisor of GIS and Asset Management
Watson & Associates Economists Ltd.

Attachments:

- [Stormwater Council Presentation](#)
- [Stormwater Rate Study](#)

Approved By:

Adam Gilmore, Managing Director of Community Services, Managing Director
of Community Services
Colin Baker, Managing Director of Infrastructure Services
Dan Wilson, Chief Administrative Officer



 **Watson
& Associates**
ECONOMISTS LTD.

Stormwater Rate Study

Township of Centre Wellington
June 15, 2026

Agenda



- 1 What is Stormwater and Stormwater Management
- 2 Stormwater Rate Study Process
- 3 Costs to Provide the Stormwater Service
- 4 Stormwater Rate Methodology
- 5 Stormwater Policies
- 6 Public Engagement
- 7 Implementation

What is Stormwater and Stormwater Management



What is Stormwater?

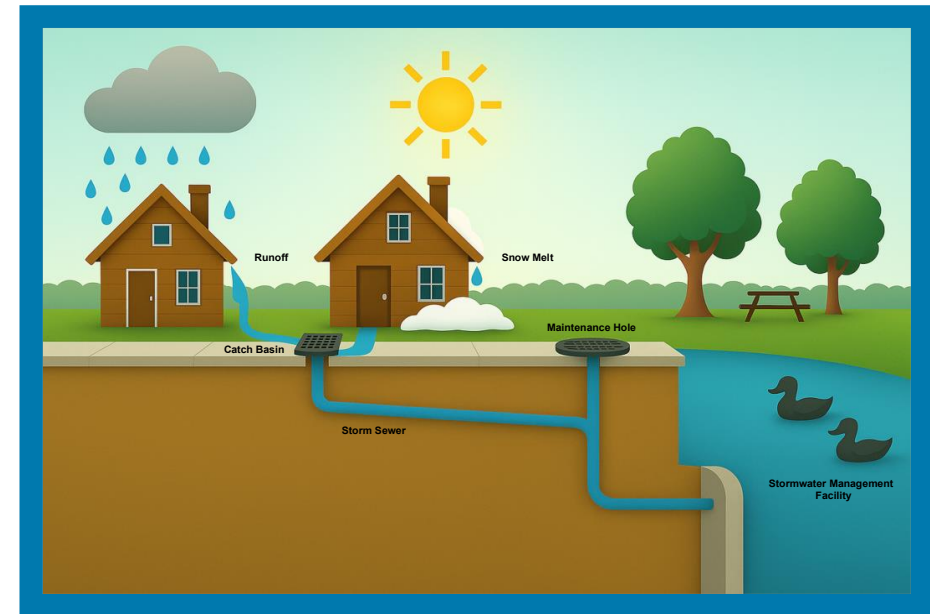
- Rainwater and melted snow that runs off lawns, streets and other land surfaces
- Hard surfaces such as pavement and roofs, prevent precipitation from naturally soaking into the ground

What is a Stormwater Rate Study?

- The calculation of a rate to recover the estimated capital and operating costs associated with stormwater services in the Township

What is Stormwater Management?

- Stormwater management is necessary to help minimize flooding and erosion of the Township's water courses. It involves planning for runoff, controlling the movement of stormwater, maintaining the stormwater systems, and protecting the environment, people, and properties within the Township

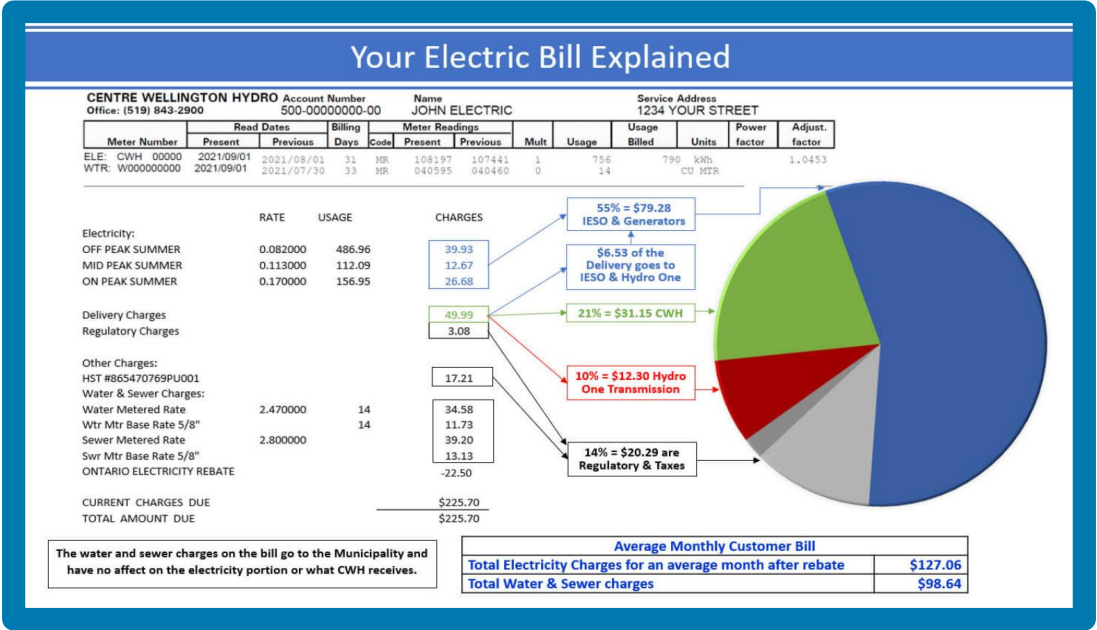




What is Stormwater and Stormwater Management

Current Funding Structure

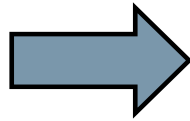
- Property taxes
- Wastewater Rates (CW Hydro Bill)



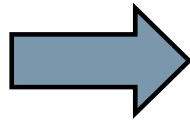
Stormwater Rate Study Process



Amount to be recovered
from stormwater rates
(expenditures less
revenues)



Funding Model /
Rate Methodology



\$



Stormwater
Rates

Common Funding Models

Property Taxes

Flat Rates

Land Area Rates

Utility Rates

Runoff Coefficients

Impervious Area

Consider Incentives
and Rebates

Public Engagement

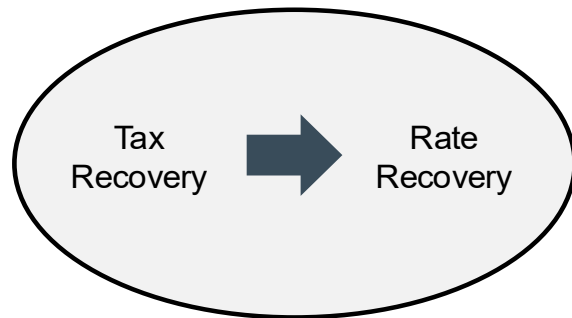
Council Approval

Implementation

Tax
Recovery



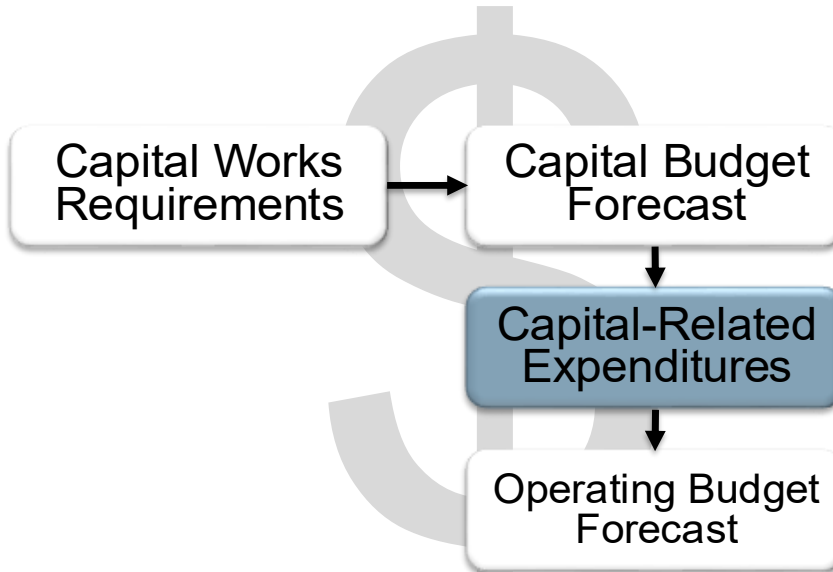
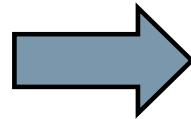
Rate
Recovery



Costs to Provide the Stormwater Service

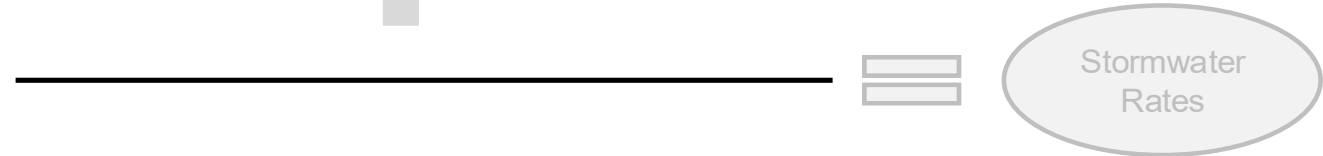


Amount to be recovered from stormwater rates (expenditures less revenues)



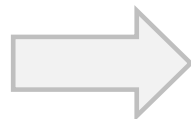
- Consider Incentives and Rebates
- Public Engagement
- Council Approval
- Implementation

The full costs to provide the stormwater service were derived from the Township's Stormwater Masterplan, capital forecast, wastewater and public works budgets



Common Funding Models

Funding Model / Rate Methodology



Costs to Provide the Stormwater Service



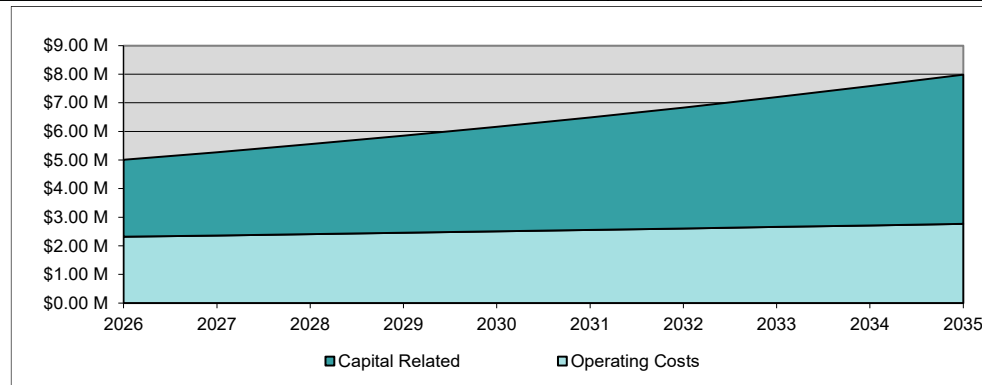
Stormwater Capital Needs 2026 to 2035

Description	Total 2026 to 2035
Non-Growth Related Capital Expenditures	\$32,158,500
Studies	\$172,000
Growth-Related Capital Expenditures*	\$1,966,500
Total Capital Expenditures	\$34,297,000

*Non-growth related components of capital projects are captured in the growth-related capital expenditures subtotal

Stormwater Operating Budget 2026 to 2035

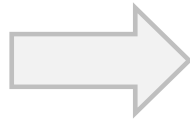
Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Costs	\$2,316,619	\$2,362,965	\$2,410,160	\$2,458,343	\$2,507,524	\$2,557,613	\$2,608,619	\$2,660,753	\$2,713,827	\$2,768,149
Capital Related	\$2,689,530	\$2,910,122	\$3,144,036	\$3,391,894	\$3,654,467	\$3,932,708	\$4,227,443	\$4,539,421	\$4,869,802	\$5,219,257
Total	\$5,006,149	\$5,273,087	\$5,554,196	\$5,850,238	\$6,161,991	\$6,490,321	\$6,836,062	\$7,200,174	\$7,583,629	\$7,987,406



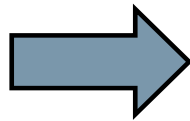
Stormwater Rate Methodology



Amount to be recovered
from stormwater rates
(expenditures less
revenues)



Funding Model /
Rate Methodology



\$



Stormwater
Rates

Common Funding Models

Property Taxes

Flat Rates

Land Area Rates

Utility Rates

Runoff Coefficients

Impervious Area

Consider Incentives
and Rebates

Public Engagement

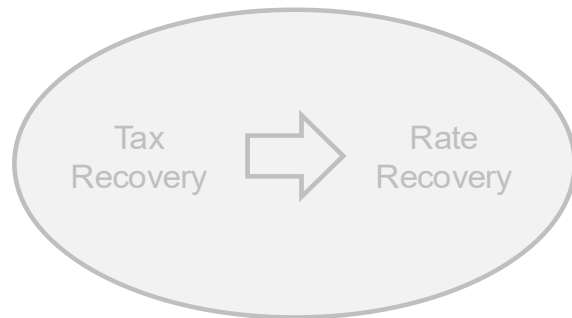
Council Approval

Implementation

Tax
Recovery



Rate
Recovery



Stormwater Rate Methodology



Type of Charge	Basis for Calculation	Ease of Calculation	Equity	Administration	Public Understanding	Other Comments
Property Taxes	Assessment	Easy	Low	Easy	Easy	Easy to implement on tax bill
Flat Rates	Per Lot	Easy	Low	Easy	Easy	May be varied between residential and non-residential to reflect differences
Land Area Rates	Area of Property	Medium	Medium	Easy	Easy	Often gaps in MPAC data - need to supplement with GIS or site visits
Utility Rates	Water Meter Readings	Easy	Medium	Easy	Medium	Less costly to implement May not include all properties
Estimated Impervious Area	Area and Use of Property	Difficult	High	Medium	Difficult	Can be costly to implement
Measured Impervious Area	Measure Impervious Area	Difficult	High	High Level of Maintenance	Difficult	Need to monitor building permits and update data - may need a detailed review every 2-3 years

Other Considerations:



Stormwater Rate Methodology

Measured Impervious Area



Property Type	Property Classifications	Customer Count	Total Acres	Total Rural Acres	Total Urban Acres	Impervious Area Acres	Impervious Area Acres - Rural	Impervious Area Acres - Urban	Percentage Impervious - Urban
Residential									
	Residential (Low Density)	8,544	6,462	4,352	2,110	786	212	575	27%
	Residential (Medium Density)	883	432	360	72	99	60	39	54%
	Residential (High Density)	1,361	4,607	3	4,604	2,522	0	2,522	55%
	Residential Vacant	853	956	442	514	16	4	11	2%
	Residential with Commercial Mix	29	97	86	12	8	5	3	28%
	Residential with Commercial/Industrial Mix	18	124	116	8	16	13	3	38%
Agricultural									
	Agricultural*	1,040	80,877	80,297	580	983	978	-	0%
Commercial									
	Commercial	381	1,540	1,156	385	335	84	252	65%
	Commercial Vacant	25	33	16	17	4	1	3	17%
Industrial									
	Industrial	155	1,648	1,159	488	315	58	257	53%
	Industrial Vacant	26	108	5	103	9	2	7	7%
Institutional									
	Institutional	57	627	291	337	92	36	56	17%
	School*	15	93	10	83	30	2	-	0%
	Institutional Vacant	220	5,347	3,503	1,843	81	34	47	3%
Other									
	Other	1	0	-	-	-	-	-	-
Total		13,608	102,951	91,797	11,154	5,297	1,488	3,776	

Existing Urban Impervious Area:
3,776 acres

*Note: Impervious Area Acres – Urban have been removed for Agricultural and School property classifications, as they are exempt from stormwater rate charges

Stormwater Rate Methodology

Measured Impervious Area – Forecasted Growth



Forecast

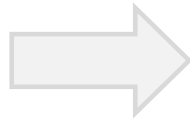
Year	Total Acres	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025	12.14	6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2026	12.14		6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2027	12.14			6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2028	12.14				6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2029	12.14					6.07	12.14	12.14	12.14	12.14	12.14	12.14
2030	12.14						6.07	12.14	12.14	12.14	12.14	12.14
2031	12.14							6.07	12.14	12.14	12.14	12.14
2032	12.14								6.07	12.14	12.14	12.14
2033	12.14									6.07	12.14	12.14
2034	12.14										6.07	12.14
2035	12.14											6.07
Total	133.54	6.07	18.21	30.35	42.49	54.63	66.77	78.91	91.05	103.19	115.33	127.47

Impervious Area	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing Impervious Area	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54
New - Growth	6.07	18.21	30.35	42.49	54.63	66.77	78.91	91.05	103.19	115.33	127.47
Total	3,781.61	3,793.75	3,805.89	3,818.03	3,830.17	3,842.31	3,854.45	3,866.59	3,878.73	3,890.87	3,903.01

Stormwater Rate Calculations



Amount to be recovered
from stormwater rates
(expenditures less
revenues)



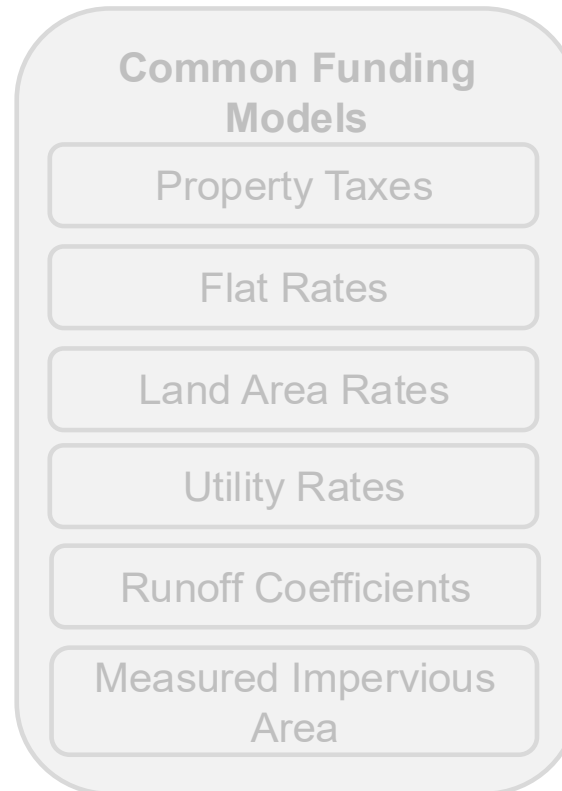
Funding Model / Rate
Methodology



\$



Stormwater
Rates



Stormwater Rate Calculations



Draft Stormwater Rates

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Constant Rate	\$1,318	\$1,384	\$1,453	\$1,526	\$1,602	\$1,682	\$1,766	\$1,855	\$1,947	\$2,045
% Increase - Constant Rate		5%	5%	5%	5%	5%	5%	5%	5%	5%

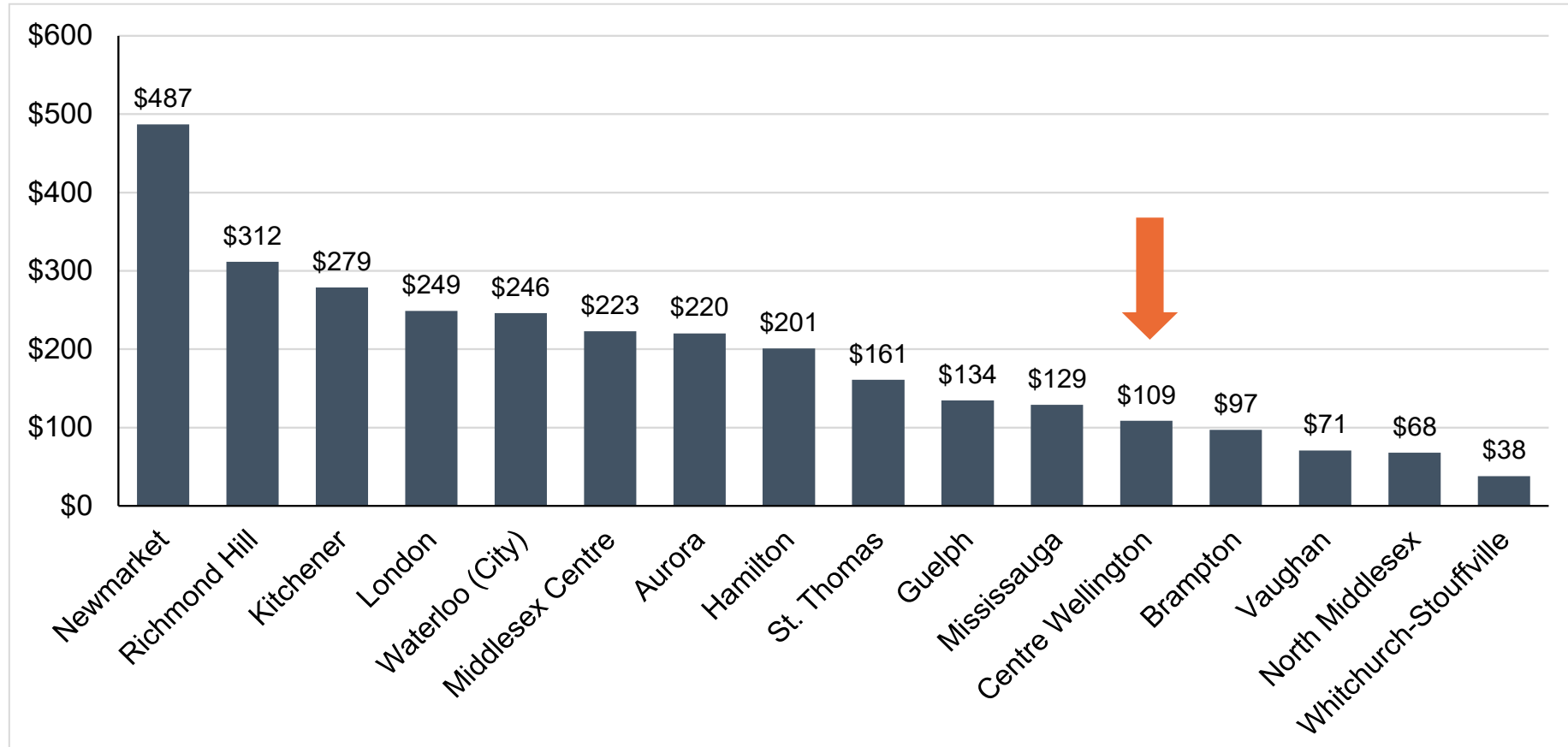
Sample Annual Stormwater Bills

Property Type	Acres of Land	Impervious Land Area ¹	Average Annual Stormwater Bill
Residential - Single Family Detached	0.29	0.08	\$109
Commercial - Retail	0.70	0.46	\$637
Industrial - Standard	4.30	2.26	\$3,131

¹Impervious land area estimates are based on the average imperviousness of the property code for existing Township properties

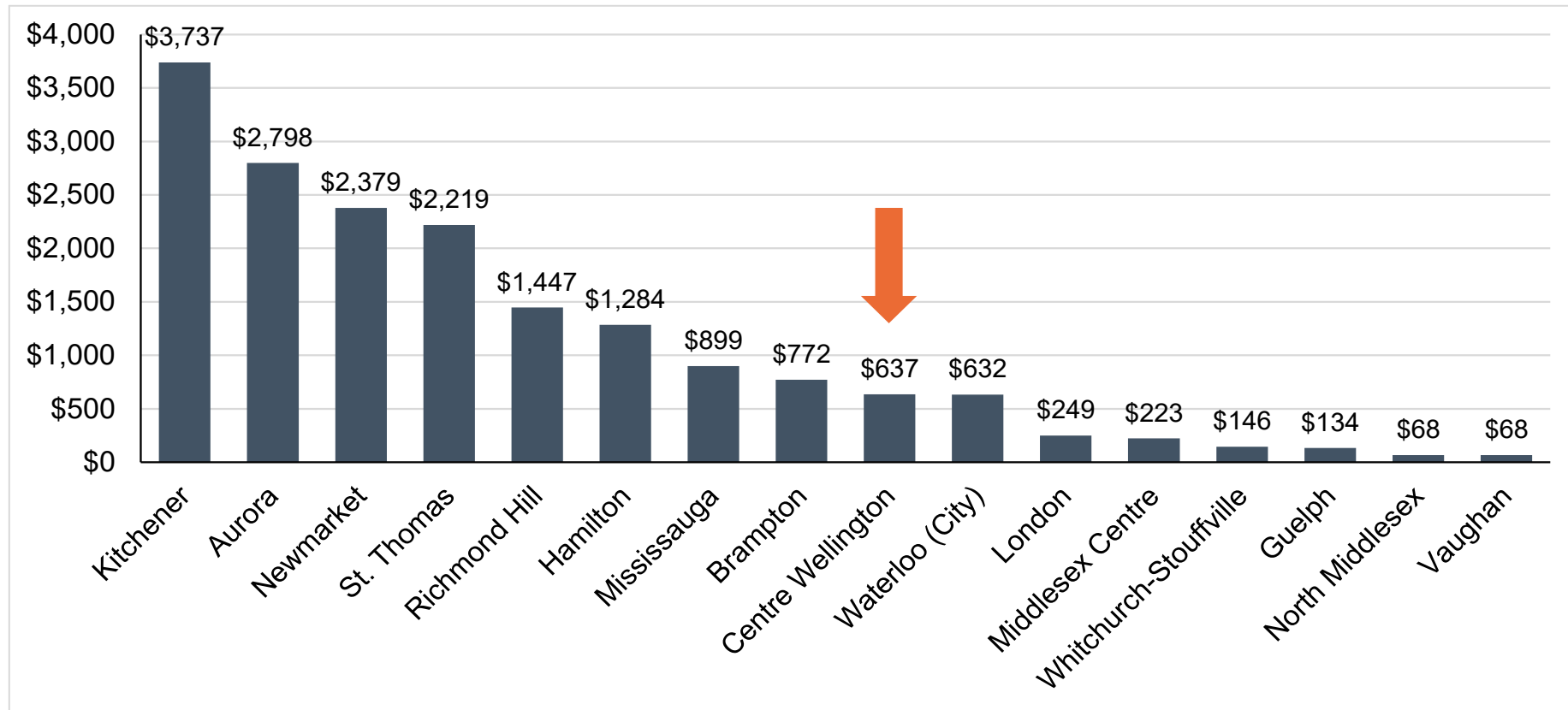
Stormwater Rate Calculations

Comparison of Residential Fees (0.29-acre lot size)



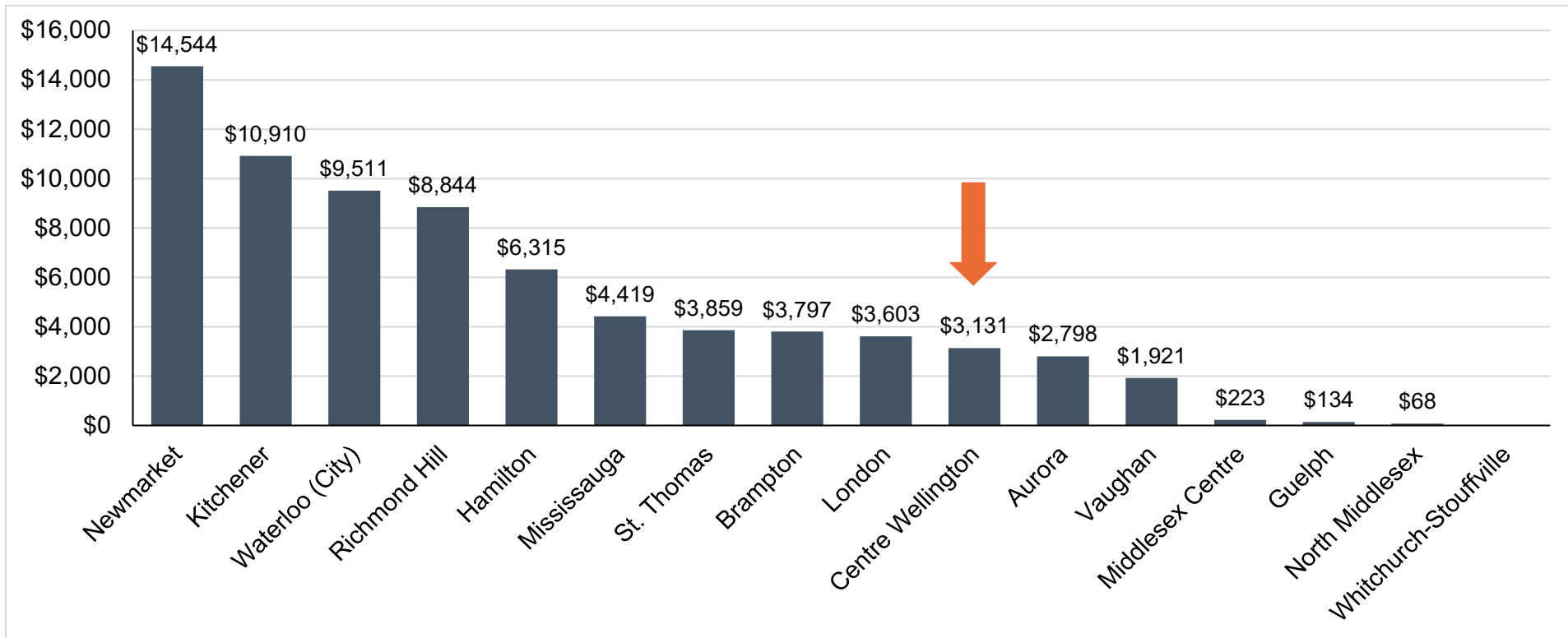
Stormwater Rate Calculations

Comparison of Commercial Fees (0.70-acre lot size)



Stormwater Rate Calculations

Comparison of Industrial Fees (4.30-acre lot size)



Stormwater Policies

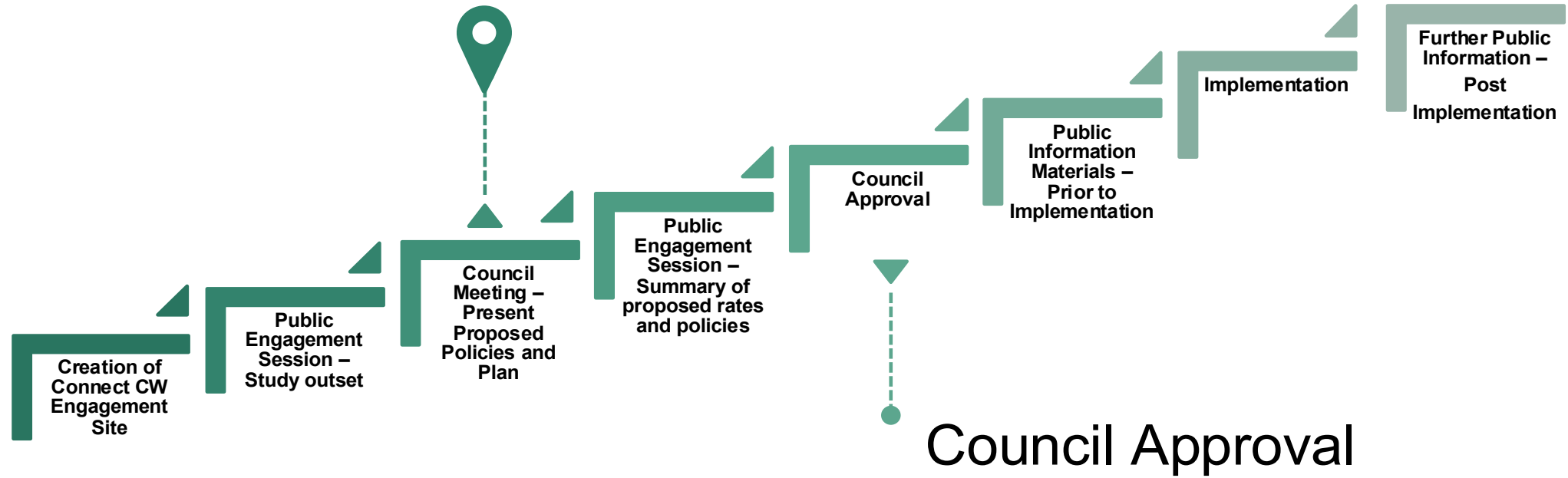


- Some municipalities have credit/incentive policies for certain types of properties to reduce their charge
- Typically, where these properties reduce the quantity and/or quality entering the storm system arising from works completed on their property
- Based on experience in other Municipalities, uptake by property owners is minimal

Exemptions






- Township-owned properties and schools;
- Farm properties and managed forest properties; and
- Rural properties.

Public Engagement



Implementation



-  Billing Method – CW Hydro or Internal Billing System (TBC)
-  Public Understanding and Information
-  Software Compatibility – Billing File
-  Development and Re-Development Process
-  Impervious Area Database



Questions?



Stormwater Rate Study

Township of Centre Wellington

June 15, 2026

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca



Table of Contents

	Page
Executive Summary	i
1. Introduction.....	1-1
1.1 Stormwater Management Overview	1-1
1.2 Regulatory Requirements for S.W.M.	1-3
1.2.1 Water Opportunities Act, 2010	1-3
1.2.2 Infrastructure for Jobs and Prosperity Act, 2015 (I.J.P.A.)	1-5
1.2.3 Environmental Compliance Approval	1-6
1.2.4 Study Methodology	1-7
2. Stormwater Rate Structure.....	2-1
2.1 Current Rate Structure	2-1
2.2 Assessment of Rate Structure Alternatives	2-1
2.2.1 Assessment Criteria	2-1
2.2.2 Assessment of Alternatives	2-2
2.3 Preferred Rate Structure	2-7
3. Forecast Growth and Servicing Requirements	3-1
3.1 Property Analysis and Classification.....	3-1
3.2 Growth Forecast.....	3-4
3.2.1 Number of Units Forecast.....	3-4
3.2.2 Land Area (Acres) Forecast.....	3-4
3.2.3 Impervious Land Area (Acres) Forecast	3-4
4. Capital Infrastructure Needs	4-1
4.1 Capital Forecast	4-1
5. Lifecycle Costing.....	5-1
5.1 Overview of Lifecycle Costing.....	5-1
5.1.1 Definition.....	5-1
5.1.2 Financing Costs	5-1
5.1.3 Costing Methods	5-4
5.2 Impact on Budgets	5-6



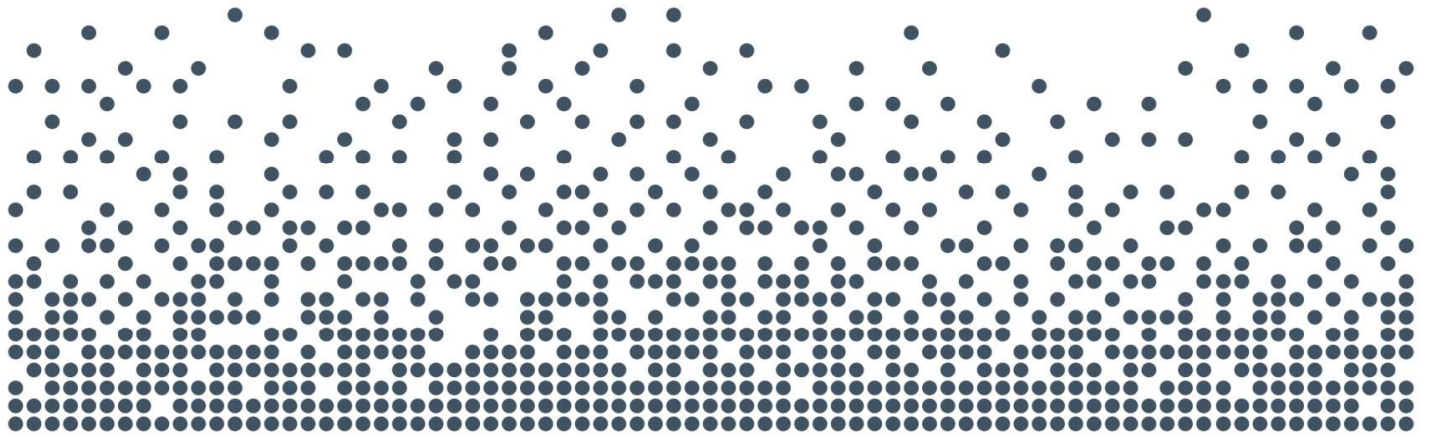
Table of Contents (Cont'd)

	Page
6. Capital Cost Financing Options	6-1
6.1 Summary of Capital Cost Financing Options	6-1
6.2 Development Charges Act, 1997	6-2
6.3 Municipal Act	6-2
6.4 Grant Funding.....	6-4
6.5 Existing Reserves/Reserve Funds.....	6-6
6.6 Debenture Financing	6-6
6.7 Infrastructure Ontario	6-7
6.7.1 Housing-Enabling Water Infrastructure Lending Stream	6-7
6.8 Summary of Capital Financing.....	6-8
7. Operating Expenditures and Revenues	7-1
7.1 Operating Expenditures	7-1
7.2 Operating Revenues	7-1
8. Stormwater Rate Calculations	8-1
8.1 Introduction	8-1
8.2 Stormwater Rate Calculation	8-1
9. Considerations	9-1
Appendix A Survey of Stormwater Rate Structures	A-1
Appendix B Detailed Rate Calculations	B-1



List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
C.C.B.F.	Canada Community-Building Fund
C.L.I.E.C.A.	Consolidated Linear Infrastructure Environmental Compliance Approval
cu.m	Cubic Metre
D.C.A.	<i>Development Charges Act, 1997</i> , as amended
D.C.	Development Charges
E.C.A.	Environmental Compliance Approval
GIS	Geographic Information System
H.E.W.I.	Housing-Enabling Water Infrastructure
H.E.W.S.F.	Housing-Enabling Water Systems Fund
I.J.P.A.	<i>Infrastructure for Jobs and Prosperity Act, 2015</i>
I.O.	Infrastructure Ontario
O.C.I.F.	Ontario Community Infrastructure Fund
OLT	Ontario Land Tribunal
O. Reg.	Ontario Regulation
S.W.M	Stormwater management



Executive Summary



Executive Summary

The Township of Centre Wellington (Township) retained Watson & Associates Economists Ltd. (Watson) to undertake a Stormwater Rate Study. Stormwater management services are currently funded primarily from the general tax levy and a small portion from wastewater user rates. With increasing financial pressures on the stormwater system, the Township is seeking an alternative funding model for stormwater management services, such as a user pay model. Under the user-pay funding model, there is closer alignment between the funding of a service and the benefits received from the service. In other words, the individuals or businesses that directly benefit from a service are responsible for its costs. As a result, the service would be funded from user fees collected from the benefitting parties compared to tax funding which is collected based on property values.

The objective of the stormwater rate study is to provide for financial sustainability in the long-term protection and enhancement of water resources in the Township through effective and efficient stormwater management infrastructure capital construction, operations and maintenance. To achieve this goal, dedicated stormwater management funding is needed. The stormwater rate study reviews, evaluates, and recommends a preferred rate structure based on the Township's current financial need, with total costs to be recovered through stormwater rates forecasted at approximately \$5.00 million in 2026, increasing to approximately \$8.00 million in 2035. This study aims to prepare an analysis of the Township's stormwater rate forecast based on current capital and operating forecasts, costing for lifecycle replacement requirements, and customer profiles. The results of this analysis provide a recommended forecast of stormwater rates for customers within the Township of Centre Wellington. The rate analysis contained herein continues to provide fiscally responsible practices that align with current provincial legislation at a level of rate increases that are reasonable.

Proposed Rate Structure

A benchmarking exercise of municipalities within Ontario has established that there is no consistent approach to stormwater rate structures. Through the rate study process, various rate structures were evaluated, including:

- Flat rates;
- Land area rates;



- Utility rates;
- Estimated impervious area;
- Measured impervious area; and
- Property taxes (current approach).

Impervious areas are defined as hard surfaces that prevent or significantly limit the infiltration of rainfall and snowmelt into the ground, such as rooftops, driveways, parking lots, and other paved surfaces. These areas contribute directly to stormwater runoff, increasing both the volume and rate of water requiring management within the Township's stormwater system.

Given that stormwater runoff is closely related to the extent of impervious surfaces on a property, a rate structure based on impervious area provides a strong and equitable link between the demand placed on the stormwater system and the cost to service that demand. Among the options considered, a measured impervious area approach is preferred, as it relies on detailed, property-specific data rather than broad assumptions or averages, resulting in a more accurate and defensible allocation of costs.

Given that the Township has detailed measured impervious data for all properties, it is recommended that the Township implement a stormwater rate structure based on measured imperviousness. Moving to a stormwater rate will help alleviate pressure from the Township's tax-supported budget by establishing a dedicated user-based funding source.

A measured impervious area rate structure means each property owner would pay an amount directly proportionate to the amount of impervious area on their property. This approach strengthens the relationship between costs and benefits, improves fairness across property classes, and enhances transparency in how stormwater services are funded.

Policy Recommendations

Based on a review of Ontario municipalities' stormwater management common practices and policies, as well as legislative requirements, the following exemption policies are proposed:

- Township-owned properties and schools (exempt from fees and charges under the *Municipal Act*) will be exempt;



- Farm properties and managed forest properties will be exempt; and
- Rural properties will be exempt.

All other properties are to be charged a stormwater fee.

Customers

Based on a review of the Township's tax roll database and measured impervious area database, the Township customers are summarized as follows:

- The Township has approximately 13,600 total properties, on a total of approximately 103,000 acres of land;
- The Township has approximately 11,500 urban properties, on a total of approximately 11,200 acres of land area;
- Of the urban properties, approximately 3,800 acres of land area is impervious; and
- The Township is anticipated to grow by an average of 307 residential units annually over the forecast period, which is approximately 40.7 acres of land, of which approximately 12.1 acres are anticipated to be impervious.

Capital and Operating Forecasts

- The inflated 2026 to 2035 capital spending program for stormwater is approximately \$34.30 million;
- The capital program is informed by the 2024 Stormwater Management Master Plan; and
- Annual operating expenditures are increasing by 2% per annum from approximately \$5.00 million in 2026 to \$8.00 million in 2035.

Recommended Stormwater Rates

Based on the above information, the analysis recommends an annual rate for 2027 of \$1,384 per impervious acre. The forecasted rate increases have been balanced for stormwater customers to experience 5% annual rate increases from 2027 to 2035.

Table ES-1 summarizes the recommended stormwater rates, and Table ES-2 estimates sample annual bills for various customer classes based on the analysis provided herein over the forecast period.



**Table ES-1
Township of Centre Wellington
Stormwater Rate Summary
Rate per Impervious Acre Forecast**

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Constant Rate	\$1,318	\$1,384	\$1,453	\$1,526	\$1,602	\$1,682	\$1,766	\$1,855	\$1,947	\$2,045
% Increase - Constant Rate		5%	5%	5%	5%	5%	5%	5%	5%	5%

**Table ES-2
Township of Centre Wellington
Sample Annual Stormwater Bills (2027)**

Property Type	Acres of Land	Impervious Land Area ¹	Average Annual Stormwater Bill
Residential - Single Family Detached	0.29	0.08	\$109
Commercial - Retail	0.70	0.46	\$637
Industrial - Standard	4.30	2.26	\$3,131

¹Impervious land area estimates are based on the average imperviousness of the property code for existing Township properties

If Council adopts a dedicated stormwater management user fee, the implementation steps will include integrating the billing database into a billing software, and engaging the public about the new funding model, the 10-year operating and capital plan, and the user fee rates. Additionally, it is recommended that the Township review and update the billing database annually. This will ensure that fees or costs are imposed in a fair, transparent, and equitable manner without imposing a significant administrative burden on the Township.



Report



Chapter 1

Introduction



1. Introduction

1.1 Stormwater Management Overview

Stormwater, which is rainwater, snowmelt, or other forms of precipitation, must be managed within a municipality to prevent flooding and degradation of surface water bodies, such as creeks, rivers, and lakes. As development occurs in a municipality, higher amounts of impervious surfaces develop which increases both the amount of stormwater runoff, and the rate at which the runoff is transported off the surfaces.

Stormwater management (S.W.M.) is the application of practices that are designed to provide protection from flooding, erosion, and protect and maintain the water quality of rivers and streams. In Ontario, municipalities are responsible for managing stormwater generated from local rainfall and runoff within their boundaries, including water conveyed through municipal drainage systems and smaller watercourses. This can be provided through streams, rivers, creeks, or through Township-wide municipal infrastructure.

Stormwater is generally managed through the following controls:

- Source control: low impact development for groundwater recharge and reduced runoff generation into the stormwater system;
- Conveyance control: storm sewer pipes, conveyance channels, and ditches moving large water volumes away efficiently to reduce flooding; and
- End-of-pipe control: holding back or storing water to prevent downstream flooding and erosion, and to remove contamination from the water (e.g. stormwater management ponds).

All of the above controls are used together to varying degrees to provide for a “treatment train” approach for the holistic management of stormwater.

Township-wide infrastructure, such as stormwater mains in urban areas, conveyance channels, culverts, outfalls, ditching along-side roads, etc. are maintained and funded by the Township. In urban areas, Wellington County also owns and operates certain storm sewer systems; however, responsibility for these systems lies with the County rather than the Township, therefore, costs related to County infrastructure are not included in this analysis. Increases in the amount of hard surfaces results in increased



pressure on existing infrastructure as the assets need to deal with greater runoff volumes.

It is acknowledged that every property in the Township of Centre Wellington contributes runoff to the stormwater infrastructure system, even if this is limited to public roads, catch basins, culverts, and ditches that lead into infrastructure that is owned and maintained by the Township.

The Township of Centre Wellington provides stormwater service to the urban areas of Fergus, Elora, and Salem, and the hamlets of Belwood, Inverhaugh, and Ennotville. Additionally, the Township provides ditching for stormwater runoff in the rural areas. The Township owns, operates, and maintains an asset inventory of stormwater infrastructure including:

- 117 km of storm sewers;
- 676 maintenance holes;
- 3,952 catch basins and catch basin maintenance holes;
- 21 stormwater management areas;
- 39 stormwater retention ponds;
- 228 inlets/outlets;
- 88 outfalls; and
- 21 oil/grit separators.

Based on the Township's 2025 Asset Management Plan, the total replacement value of stormwater network assets is estimated at approximately \$101.5 million (2025\$). Under Provincial legislation (*Infrastructure for Jobs and Prosperity Act, 2015*), discussed further in Section 1.3.2, the Township is obligated to address its asset management needs. Stormwater management systems will also face future pressure arising from climate change and future regulatory requirements and will likely require strategic and timely capital investments to maintain required levels of service. Across Ontario, Canada, and North America, municipalities facing these funding pressures for infrastructure management have adopted funding models/rates that provide a dedicated funding source for their stormwater infrastructure. The benefits of a dedicated rate for S.W.M. includes:

- Providing a dedicated funding source for all expenditures of the S.W.M. system; and



- Increased fairness and equity through the adoption of a rate structure which reflects the property type and overall contribution to stormwater runoff. This is in contrast to recovering costs through the tax rate, which is based on a property's assessed value and does not have a clear link to stormwater runoff.

The Township currently funds the stormwater service through a combination of property taxes and a portion of the wastewater rates. The report provided herein recommends moving the stormwater funding to a dedicated stormwater rate.

The overall objective of this study is to provide equitable stormwater rates to customers, in order to reduce the risk of flooding in the municipality and to provide for the long-term protection and enhancement of water resources in the Township through effective and efficient stormwater management infrastructure capital construction, operations, and maintenance.

The report herein provides an overview of the legislation, a recommended rate structure, a summary of the calculation methodology, the capital and operating budgets, the rate calculations, policy considerations, and the next steps in the implementation of a stormwater rate.

1.2 Regulatory Requirements for S.W.M.

Resulting from the water crisis in Walkerton, significant regulatory changes have been made in Ontario which impact water, wastewater and stormwater services. Many of these changes have arisen as a result of the Walkerton Commission and the 93 recommendations made by the Walkerton Inquiry Part II report. Areas of recommendation include:

- watershed management and source protection;
- quality management;
- preventative maintenance;
- research and development;
- new performance standards;
- sustainable asset management; and
- lifecycle costing.



The legislation which would have most impacted municipal water, wastewater and stormwater rates was the Sustainable Water and Sewage Systems Act (S.W.S.S.A.) which would have required municipalities to implement full cost pricing. The legislation was enacted in 2002, however, it had not been implemented pending the approval of its regulations. The Act was repealed as of January 1, 2013. It is expected that the provisions of the Water Opportunities Act will implement the fundamental requirements of S.W.S.S.A.

1.2.1 Water Opportunities Act, 2010

As noted, since Walkerton, refinements to various legislation have been introduced which may impact stormwater services. Some of these Bills have found their way into law, while others have not been approved. Bill 72, the *Water Opportunities Act, 2010*, was introduced into legislation on May 18, 2010, and received Royal Assent on November 29, 2010.

The Act provides for the following elements for Stormwater:

- The fostering of innovative water, wastewater and stormwater technologies, services and practices in the private and public sectors;
- Preparation of sustainability plans for municipal water services, municipal wastewater services and municipal stormwater services.

Regarding the sustainability plans:

- The Act requires a detailed review of a financial plan for water, wastewater, and stormwater services; and
- Regulations will provide performance targets for each service – these targets may vary based on the jurisdiction of the regulated entity or the class of entity.

The financial plan shall include:

- An asset management plan for the physical infrastructure;
- A financial plan;
- For water, a water conservation plan;
- An assessment of risks that may interfere with the future delivery of the municipal service, including, if required by the regulations, the risks posed by climate change and a plan to deal with those risks; and



- Strategies for maintaining and improving the municipal service, including strategies to ensure the municipal service can satisfy future demand, consider technologies, services and practices that promote the efficient use of water and reduce negative impacts on Ontario's water resources, and increase co-operation with other municipal service providers.

Performance indicators will be established by service, with the following considerations:

- May relate to the financing, operation, or maintenance of a municipal service or to any other matter in respect of what information may be required to be included in a plan;
- May be different for different municipal service providers or for municipal services in different areas of the Province.

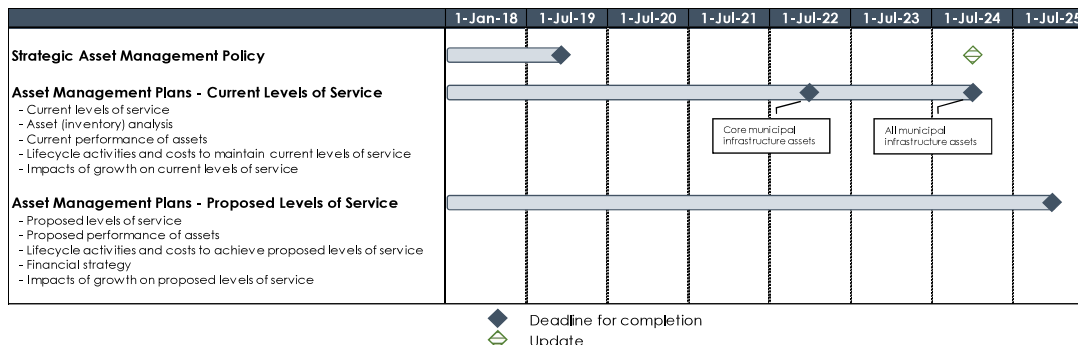
Regulations will prescribe:

- Timing;
- Contents of the plans;
- Which identified portions of the plan will require certification;
- Public consultation process; and
- Limitations, updates, refinements, etc.

As noted earlier, it is expected that this Act will implement the principles of the S.W.S.S.A. once all regulations are put in place.

1.2.2 Infrastructure for Jobs and Prosperity Act, 2015 (I.J.P.A.)

On June 4, 2015, the Province of Ontario passed the I.J.P.A. which, over time, will require municipalities to undertake and implement asset management plans for all infrastructure they own. On December 27, 2017, the Province released Ontario Regulation 588/17 under the I.J.P.A. which has three phases that municipalities must meet:



Note: on March 15, 2021, the Province filed Regulation 193/21 to extend all of the timelines of Regulation 588/17 by one year (reflected in the table above).

Every municipality in Ontario was required to prepare a strategic asset management policy by July 1, 2019. Municipalities will be required to review their strategic asset management policies at least every five years and make updates as necessary. The subsequent phases are as follows:

- Phase 1 – Asset Management Plan (by July 1, 2022):
 - For core assets, municipalities must have the following:
 - Inventory of assets;
 - Current levels of service measured by standard metrics; and
 - Costs to maintain levels of service.
- Phase 2 – Asset Management Plan (by July 1, 2024):
 - Same steps as Phase 1 but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2025):
 - Builds on Phase 1 and 2 by adding:
 - Proposed levels of service; and
 - Lifecycle management and financial strategy.

In relation to stormwater (which is considered a core asset), municipalities needed to have an asset management plan that addresses the related infrastructure by July 1, 2022 (Phase 1). O. Reg. 588/17 specifies that the municipality’s asset management plan must include the following for each asset category:

- The current levels of service being provided, determined in accordance with the following qualitative descriptions and technical metrics and based on data from at



most the two calendar years prior to the year in which all information required under this section is included in the asset management plan;

- The current performance of each asset category, including:
 - a summary of the assets in the category;
 - the replacement cost of the assets in the category;
 - the average age of the assets in the category, determined by assessing the average age of the components of the assets;
 - the information available on the condition of the assets in the category;
 - a description of the municipality's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate; and
- The lifecycle activities that would need to be undertaken to maintain the current levels of service.

1.2.3 Environmental Compliance Approval

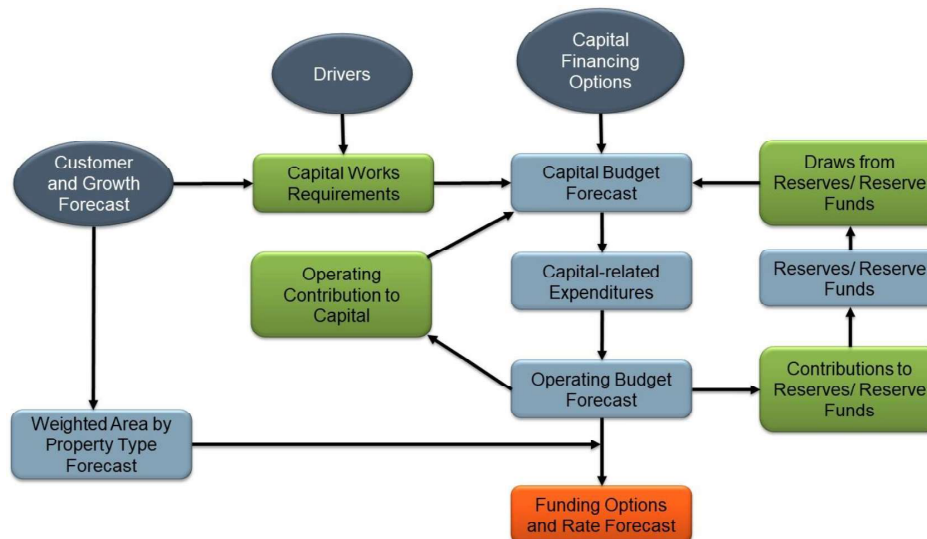
Stormwater infrastructure is predominately approved by Provincial agencies under the *Ontario Water Resources Act* as an Environmental Compliance Approval (E.C.A.). The Province has specific requirements and expectations of municipalities on how stormwater infrastructure is operated and maintained. To comply with the Provincial legislation, the Township manages its stormwater infrastructure under a system-wide Consolidated Linear Infrastructure Environmental Compliance Approval (C.L.I. E.C.A.) that requires regular inspections, monitoring, maintenance, and reporting to the Province the status of its entire stormwater system to demonstrate it is functioning properly and is in compliance with Provincial approvals. The C.L.I. E.C.A. requires that the stormwater system be properly operated and maintained with a specific reference to "adequate funding".

1.2.4 Study Methodology

Figure 1-1 illustrates the general methodology utilized in undertaking this study.



Figure 1-1
Township of Centre Wellington
Study Methodology



The methodology employed generally consists of 5 major elements:

1. Customer Profile and Growth Forecast

This step in the analysis is important as it informs the need for services and development of the capital program. In addition, it produces the denominator in the rate calculation. The first step is to understand the number, use, and types of properties in the municipality as well as the land area they occupy. In addition, the impervious area of all properties in the urban area were identified. A detailed description on how this was undertaken is provided in Chapter 3 of this report.

2. Capital Needs Forecast

Capital needs forecasts are developed to measure program/service level adjustments, lifecycle requirements, and growth-related needs. Developing the capital needs forecasts involves reviewing servicing studies such as master plans, needs assessment studies, and D.C. background studies. Growth-related infrastructure is typically identified in D.C. background studies. Additional growth-related infrastructure may be funded directly by developers as local services and then assumed by the municipality.



Once assumed, the municipality is responsible for maintenance and replacement of the infrastructure. Capital expenditures are forecasted with inflationary adjustments based on capital cost indices.

Stormwater capital needs have been identified through the capital budgeting process and the Stormwater Master Plan. These sources address the asset lifecycle and replacement requirements to maintain the Township's current level of service. Contributed assets are directly funded by developers and have not been considered in the capital plan. Once assumed, the lifecycle needs associated with these assets will become the Township's responsibility and will need to be included in future studies.

3. Capital Funding Plan

The capital funding plans consider the potential funding sources available to address the capital needs forecast. The sources of capital funding include development contributions for local services, development charges (D.C.s), grants, and debt financing, with the remaining costs funded from reserves, the tax levy, or user rates. Growth-related sources of funding include D.C.s, if imposed by a municipality, and debt financing. The use of levy or rate-based funding is measured against the revenue projections and affordability impacts. The reserve/reserve fund sources are measured against the sustainability of these funds, relative to lifecycle demands, revenue projections, and affordability impacts. Debt financing is considered for significant capital expenditures where funding is required to assist with cash flow needs, to assist in funding growth initiatives, or to facilitate rate transition policies and/or rate fluctuations. Debt financing is measured against the municipality's debt policies and annual repayment limits to ensure a practical and sustainable funding mix.

4. Operating Budget Forecast

The operating budget forecast considers adjustments to the municipality's base budget reflecting program/service level changes, operating fund impacts associated with infrastructure, and financing for capital needs. The operating expenditures are forecast with inflationary adjustments and growth in service demand, based on fixed and variable cost characteristics. The operating budget forecast ties the capital funding plan and reserve/reserve fund continuity forecast to the rate-based revenue projections. This ensures sufficient funding for both the ongoing annual operation and maintenance of stormwater management services, as well as the capital cost requirements to ensure



service sustainability. Operating revenues to be recovered from the levy or rates are projected net of any other anticipated operating revenues.

5. Funding Options and Rate Forecast

There are a number of funding options used by municipalities in Ontario to fund stormwater management services. These include:

- Property taxes;
- Flat rate per property (may vary by use or size);
- Area rate;
- Utility rate;
- Estimated impervious area per property; and
- Actual impervious area per property.

In this step, these funding options are assessed against the following criteria to determine what the Township's preferred options for further evaluation are: ease of calculation, equity, and cost of administration. A detailed discussion on this assessment is provided in Chapter 2 of this report. Once the preferred options are determined, the rate forecast for each of the options is developed.

Rates in their simplest form can be defined as total costs to maintain the utility function divided by the total expected amount of a charging parameter to be generated for the period. The charging parameter could, for example, be the volume of water consumption, number of properties, or hectares of impervious area. Total costs are usually a combination of operating costs (e.g., staff costs, materials and supplies, contracted services, maintenance, administration, etc.) and capital-related costs (e.g., past debt to finance capital projects, transfers to reserves to finance future expenditures, etc.). These operating and capital expenditures will vary over time. Examples of factors that will affect the expenditures over time are provided below.

Operations:

- Inflation;
- Increased maintenance as system ages;
- Changes in costs reflecting level of service investments; and
- Changes to provincial legislation.



Capital Related:

- Replacement capital needed as system ages;
- New capital emplaced or built as areas expand;
- Financing of capital costs which is a function of policy regarding reserves and direct financing from rates (pay as you go), debt, and user pay methods (e.g., development charges).

The rate forecast and structure component of the analysis considers various rate structures to recover the forecast rate-based revenue from the projected customer demands. At this stage in the analysis, the full costs of service are measured against the customer base plus anticipated growth and service demands to determine full cost recovery rates. To contextualize the rate forecast, the calculated rates are quantified for representative hypothetical customers to measure the impacts on a range of customer types.



Chapter 2

Stormwater Rate Structure



2. Stormwater Rate Structure

2.1 Current Rate Structure

The Township currently collects funding for S.W.M. through property tax rates and wastewater rates. A dedicated rate would allow the Township to recover all operating and capital infrastructure costs through this funding source and would provide for sustainability and flexibility. A stormwater rate is also a more equitable approach to recovering stormwater costs, given that recovery through property taxes is based on property assessment, which does not have a clear link to stormwater runoff from the property.

2.2 Assessment of Rate Structure Alternatives

As part of this study, the Township and the consulting team explored various rate structure alternatives based on ease of calculation, equity, cost of administration, and best practices across Ontario. A summary of rate structures in place across Ontario is provided in Appendix A.

An important consideration with respect to establishing a stormwater funding model is identifying the underlying charging parameters that most closely relate to the benefits of service received. In this regard, there are several approaches which have been used by municipalities across Ontario. These approaches are assessed below in the context of Centre Wellington.

2.2.1 Assessment Criteria

The various funding models/rate structures can be assessed based on the following criteria:

“Ease of Calculation” is a criterion to capture the relative data intensity required to support a given funding model. In the presence of good data, any given funding structure can be calculated with relative ease, but the difficulty lies in the ability to obtain and maintain a comprehensive and accurate data source.

“Equity” measures how closely the amount paid by any given property owner reflects the benefits of service received. Although all Township residents benefit from a well-



functioning stormwater system, property owners with more impervious areas on their properties generate more stormwater runoff and, consequently, place greater demands on the Township's infrastructure. A more direct linkage between the amount paid and the benefit derived from services is considered more equitable, and funding structures that provide this are therefore preferred.

“Cost of Administration” reflects the fact that although a funding structure that is well supported by data and provides a tight relationship between the ultimate cost to, and benefits received by, the person paying them may be more desirable, the costs of administering such a funding structure typically rise. This is an important consideration because any increase in the costs of administration would have the effect of diverting funding from actual stormwater system needs. Therefore, the benefit of recovering service costs from benefiting parties needs to be measured against the costs of implementation.

2.2.2 Assessment of Alternatives

Table 2-1 provides the spectrum of options for stormwater cost recovery and the ranking of each relative to various service criteria discussed in the previous section.



Table 2-1
Township of Centre Wellington
Spectrum of Options for Stormwater Cost Recovery

Funding Model	Basis of Calculation	Ease of Calculation	Equity	Cost of Administration	Other Comments
Property Taxes	Tax rate applied to assessed value	Easy	Low	Low	Easy to implement on tax bill
Flat Rate per Property	\$/property	Easy	Low	Low	May be varied between residential and non-residential to reflect differences
Utility Rate	\$/cu.m. of water consumption	Easy	Medium	Low	Less costly to implement. May not include all properties
Area Rate: Size of Property	\$/area of property	Medium	Medium	Low	Often gaps in MPAC data – need to supplement with GIS or site visit
Estimated Impervious Area per Property	\$/estimated impervious area	Difficult	Medium	High	Use of estimated impervious areas identified in the Township's Stormwater Management Master Plan. Needs continual detailed review and likely additional staff to implement
Measured Impervious Area per Property	\$/measured impervious area	Difficult	High	High	Could be costly and need to monitor building permits and update data. Needs continual detailed review and likely additional staff to implement



Generally, moving from the top of the table to the bottom, the relationship between the amount paid and benefits derived from the service becomes more direct. However, the costs to populate and maintain the "denominator" for the calculation also increases as the options progress down the table.

Property Taxes

Property taxes are considered easy to calculate since this is a funding model currently in use across all municipalities and hence data is readily available to support assessment calculations. Similarly, the cost of administration is considered low since the Township already maintains a tax database and has the resources in place to maintain and update it as needed. Property assessment is not considered a good proxy for the benefits that a given property receives from the Township's stormwater system.

This is the Township's current funding mechanism for S.W.M. It is not recommended that the Township continue charging based on assessment, given the absence of a linkage to stormwater runoff.

Flat Rate per Property

Charging a uniform flat rate per property would be the easiest approach both computationally and administratively. Data on the number of properties is readily available through the Township's tax database, and determining an appropriate flat fee would simply entail dividing the net costs of the stormwater program by the number of properties. From an administrative perspective, a flat rate approach would be quite inexpensive, as each year the number of properties would simply be adjusted for any subdivisions/severances that take place. However, this type of funding structure provides no direct link between the amount paid and the benefits derived from the stormwater system, as it does not capture any property characteristics and simply treats every property the same.

Given the low equity this rate structure provides, it is not recommended that the Township adopt this rate structure.

Utility Rate

Similar to property taxation, utility billing is an established mechanism, and therefore consumption data is readily available to support rate calculations. Cost of administration is also considered low since this would be no different than the current annual updates



to water and wastewater rates. Volumetric utility rates provide customers with a high degree of control over how much they pay, by giving them the option of adjusting water consumption patterns. A weak area of the utility rate approach is its disconnect from system benefits. There is little evidence of a correlation between water usage and the impacts on the municipal stormwater system. Given this consideration, it is not recommended that the Township utilize a utility rate.

Area Rate

Another relatively simple rate structure would be to charge each property based on its size using a uniform rate per acre. Generally, stormwater rates recognize a relationship between the volume of water which may be derived from the size of the property.

Grouping properties based on size into discrete property groups (e.g. small and large residential property types) and charging each property within the category the same rate is a variation of the area rate. This tiered flat rate based on area can simplify the calculation and administrative burden of the rate structure, however, certain challenges exist for properties that are at the breakpoints of the various tiers. For example, if the cutoff between small and large residential properties is one acre, properties that are 1.01 acres would be charged a higher rate than a property that is 0.99 acres. This could create issues of perceived inequities among properties that are otherwise very similar in size and type.

While area is a key factor for the amount of stormwater to fall on a particular property, this approach does not directly reflect the rate at which the water migrates from the property into the municipal storm system. Given this consideration, it is not recommended that the Township utilize an area rate.

Estimated Impervious Area per Property

This approach would require an estimate of the impervious area of each property. This approach would require actual measurements of the land area of each property. The Township's stormwater master plan provides estimated impervious percentages per property type, as follows:



Land Use	Percentage Impervious
Low Density Residential	40%
Residential	50%
Future Residential	10%
Residential Transition	60%
Central Business District	85%
Commercial	85%
Industrial	85%
Future Development	10%
Future Employment Lands	10%
Open Area	4%
Recreational	7%

Based on the above percentages, an estimate of impervious area would be provided for each property. Each property owner would then pay an amount directly proportionate to the amount of impervious area estimated on their property, and consequently, the link between costs and benefits would be relatively strong. Certain challenges exist for this type of rate structure, given the initial data acquisition and annual data maintenance for the property areas. Additionally, given that the impervious area of each property would be estimated based on a land use generalization, this provides an inequity for property owners with varying impervious land areas.

Measured Impervious Area per Property

As the heading suggests, this approach would require actual measurement of the impervious area of each property, either physically, through Geographic Information System (GIS), or through a combination of both. Each property owner would then pay an amount directly proportionate to the amount of impervious area on their property, and consequently, the link between costs and benefits would be very strong.

Property owners would also have a degree of influence over the amount they are required to pay, as charges are directly tied to site characteristics under their control, such as the extent of paved or built surfaces (e.g. driveways, patios, or rooftops). While, in practice, property owners may be unlikely to significantly alter these features, the rate structure is designed such that any reduction in impervious area would correspondingly reduce the applicable stormwater charge. In addition, stormwater charges would increase with the increase of impervious area from adding features such as replacing



grass with paver stones or concrete. This establishes a clear and transparent relationship between site design and cost responsibility.

On the other hand, the desirable attributes of this rate structure come at a cost from an initial data acquisition and rate calculation perspective, as well as from the annual data maintenance perspective. However, increased investment in high-quality data acquisition and automation may help offset, and potentially minimize, ongoing staff time requirements. Ongoing administration of the database may still require dedicated staff resources, depending on the level of data accuracy and maintenance standards established by the Township.

2.3 Preferred Rate Structure

The various rate structure options were presented and discussed with the Township. A thorough analysis of the advantages and disadvantages of each approach in the context of Centre Wellington was undertaken.

Given the benchmarking survey undertaken of rate structures in place across Ontario (see Appendix A), there is no consistent approach in rate structures across municipalities. Rate structures are driven by various parameters, including the distribution of property types, the size of the municipality, administrative considerations, etc.

The Township has detailed impervious area information generated for each property type through GIS data. Given this, it is recommended that the Township implement a measured impervious area per property rate structure. With this rate structure, one rate is calculated based on a charge per acre of impervious area, then customer bills vary based on the measured impervious area of each property. This rate structure functions well for the vast majority of properties across the Township and provides a strong link between the rate charged and the contribution to stormwater runoff.

The rate calculation process is data-intensive for this rate structure but given that the Township has detailed information for each property type, the calculations can be done with relative ease. The calculation process is detailed in Chapter 8. This rate structure provides a strong link between the rate charged and the contribution to stormwater runoff, given that property owners with more impervious areas on their properties generate more stormwater runoff and, consequently, place greater demands on the



Township's infrastructure. This rate structure will require a detailed database of Township customer property areas and impervious areas. The Township will need to update and maintain the database annually to ensure equitable rates are being charged to Township customers.



Chapter 3

Forecast Growth and Servicing Requirements



3. Forecast Growth and Servicing Requirements

The Township of Centre Wellington currently has a population of approximately 35,233 people, and 13,608 properties on the tax roll. Of the 13,608 properties, the total acreage is approximately 103,000. Information on the existing number of customers and property sizes was obtained from the Township. An analysis of the Township's property data and profile was undertaken to understand the current profile and forecast potential changes resulting from new growth over the next decade. A growth forecast has also been developed based on the Township's 2025 D.C. Background Study. The property analysis, classification, and growth forecast are described in the following sections.

3.1 Property Analysis and Classification

Township staff provided the 2026 tax roll, which includes all properties within the Township. The tax roll includes 133 unique property codes, and each roll number is assigned to one of them.

The 133 unique property codes were mapped to the following 15 broad property types:

- Residential (Low-Density);
- Residential (Medium-Density);
- Residential (High-Density);
- Residential Vacant;
- Residential with Commercial Mix;
- Residential with Commercial/Industrial Mix;
- Agricultural;
- Commercial;
- Commercial Vacant;
- Industrial;
- Industrial Vacant;
- Institutional;
- School;
- Institutional Vacant; and
- Other.



Once the property codes were classified by property type, the total land area of each parcel was extracted from the Township's tax roll, supplemented by their GIS database. Additionally, Township staff provided a database of impervious area for each parcel. A few parcels had missing land area, and in these cases, Township staff manually imputed the land area based on measurements.

A summary of the property types is provided in Table 3-1. The summary includes the number of existing properties within a classification, the total land area for the classification, and the total impervious area for the classification, broken down between rural and urban properties¹.

Through discussions with Township staff, it is recommended that only urban properties be charged the proposed stormwater rate. Additionally, the following property classes are exempt from the potential stormwater charge:

- Schools, as per the *Education Act*, are exempt from fees imposed under the *Municipal Act, 2001*
- Township-owned properties are exempt from fees imposed under the *Municipal Act, 2001*
- Farm properties, as per O.Reg 584/06 to the *Municipal Act, 2001*
- Managed forests, as per O.Reg 584/06 to the *Municipal Act, 2001*

The above properties have been excluded from the calculations, resulting in approximately 11,154 urban acres of property area, and of those, approximately 3,776 acres of impervious area, to be included in the rate calculations.

¹ Note: Urban properties include properties within the Salem, Fergus, Elora, Belwood, Inverhaugh, and Ennotville areas.



Table 3-1
Township of Centre Wellington
2026 Property Classification and Total Land Area (acres)

Property Type	Property Classifications	Customer Count	Total Acres	Total Rural Acres	Total Urban Acres	Impervious Area Acres	Impervious Area Acres - Rural	Impervious Area Acres - Urban	Percentage Impervious - Urban
Residential	Residential (Low Density)	8,544	6,462	4,352	2,110	786	212	575	27%
	Residential (Medium Density)	883	432	360	72	99	60	39	54%
	Residential (High Density)	1,361	4,607	3	4,604	2,522	0	2,522	55%
	Residential Vacant	853	956	442	514	16	4	11	2%
	Residential with Commercial Mix	29	97	86	12	8	5	3	28%
	Residential with Commercial/Industrial Mix	18	124	116	8	16	13	3	38%
Agricultural	Agricultural*	1,040	80,877	80,297	580	983	978	-	0%
Commercial	Commercial	381	1,540	1,156	385	335	84	252	65%
	Commercial Vacant	25	33	16	17	4	1	3	17%
Industrial	Industrial	155	1,648	1,159	488	315	58	257	53%
	Industrial Vacant	26	108	5	103	9	2	7	7%
Institutional	Institutional	57	627	291	337	92	36	56	17%
	School*	15	93	10	83	30	2	-	0%
	Institutional Vacant	220	5,347	3,503	1,843	81	34	47	3%
Other	Other	1	0	-	-	-	-	-	-
Total		13,608	102,951	91,797	11,154	5,297	1,488	3,776	

*Note: Impervious Area Acres – Urban have been removed for Agricultural and School property classifications, as they are exempt from stormwater rate charges



3.2 Growth Forecast

To estimate the potential impacts of imposing a stormwater charge on an impervious acre basis, a forecast of property numbers by size was required. The growth forecast was developed based on the residential unit growth forecast from the Township's 2025 D.C. Background Study. To be conservative, only residential growth was forecasted and included in the stormwater rate calculation.

3.2.1 Number of Units Forecast

Over the 10-year forecast period, 2026 to 2035, the Township is anticipated to grow by an average of 307 residential units per year. It was assumed that when a new unit is added, it would generate a half-year of stormwater rate revenue in the first year of occupancy. This is to recognize that some units will be developed and occupied at various times throughout the year. The forecasted growth in residential units is provided in Table 3-2.

3.2.2 Land Area (Acres) Forecast

The new residential units were converted into land area (in acres) by applying assumptions of units per acre for low, medium, and high-density residential units:

- Single/Semi-Detached (Low Density): 6 units/acre;
- Multiples (Medium Density): 15 units/acre; and
- Apartments (High Density): 40 units/acre.

The forecasted growth in residential land area is provided in Table 3-3.

3.2.3 Impervious Land Area (Acres) Forecast

The new residential land area was converted into an estimated impervious land area (in acres) by applying assumptions of existing impervious area per property type classification, as shown in Table 3-1. The assumptions per property type are as follows:

- Single/Semi-Detached (Low Density): 27% impervious;
- Multiples (Medium Density): 54% impervious; and
- Apartments (High Density): 55% impervious.



The forecasted growth in residential impervious land area is provided in Tables 3-4 and 3-5.



Table 3-2
Township of Centre Wellington
Growth in Residential Units Forecast

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Growth in Units:											
Single/Semi	221	221	221	221	221	221	221	221	221	221	221
Multiples	41	41	41	41	41	41	41	41	41	41	41
Apartments	45	45	45	45	45	45	45	45	45	45	45
Total Units	307	307	307	307	307	307	307	307	307	307	307

Table 3-3
Township of Centre Wellington
Growth in Residential Land Area (Acres) Forecast

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Growth in Land Area (Acres)											
Single/Semi	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87
Multiples	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73
Apartments	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Total Acres	40.72	40.72	40.72	40.72	40.72	40.72	40.72	40.72	40.72	40.72	40.72

Table 3-4
Township of Centre Wellington
Growth in Residential Impervious Land Area (Acres) Forecast

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Growth in Impervious Land Area (Acres)											
Single/Semi	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04
Multiples	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Apartments	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Total Impervious Acres	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14



Table 3-5
Township of Centre Wellington
2025 to 2035 Stormwater System Forecast

Forecast Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Acres	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2025	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2026	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07
2027	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2028	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2029	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2030	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2031	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2032	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2033	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2034	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2035	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
Total	133.54	18.21	30.35	42.49	54.63	66.77	78.91	91.05	103.19	115.33	127.47
Impervious Area	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54
Existing Impervious Area	6.07	18.21	30.35	42.49	54.63	66.77	78.91	91.05	103.19	115.33	127.47
New - Growth	3,781.61	3,793.75	3,805.89	3,818.03	3,830.17	3,842.31	3,854.45	3,866.59	3,878.73	3,890.87	3,903.01
Total	3,781.61	3,793.75	3,805.89	3,818.03	3,830.17	3,842.31	3,854.45	3,866.59	3,878.73	3,890.87	3,903.01



Chapter 4

Capital Infrastructure Needs



4. Capital Infrastructure Needs

4.1 Capital Forecast

A capital forecast for the stormwater system has been provided and is presented in Table 4-1 (note: the costs are provided in inflated dollars). The basis for this forecast is the Township's capital budget forecast, Stormwater Master Plan, and discussions with staff. The anticipated capital expenditures total approximately \$34.30 million over the 2026-2035 forecast period. These expenditures and financial pressures provide the impetus to prepare this long-term financial plan and consider how the service is funded. Utilizing a user rate system would provide a segregated source of funding separate from the tax base and wastewater rates, and allow for charging structures that better align the benefits of services conferred with the incidence of funding.

Table 4-1
Township of Centre Wellington
2026 to 2035 Stormwater Capital Forecast Summary (Inflated \$)

Description	Total 2026 to 2035	Years Undertaken
Capital Expenditures		
2023-051 - Storm Sewer Relocation on WR7 from Carlton Place to McNab St	\$1,161,000	2034
2025-070 - Storm Water Pond Sediment Removal - 2026-2034	\$581,000	2026, 2028, 2030, 2032, 2034
2025-071 - Open Channel Rehabilitation - 2027 - 2034	\$465,000	2027, 2029, 2031, 2033
2024-017 - Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	\$728,000	2026, 2028, 2030, 2032, 2034
2024-019 - Sewer Relining and Repairs - 2026 to 2033	\$232,000	2027, 2029, 2031, 2033
Stormwater Capital Identified Separately		
Bridge St (Fergus) - Tower St S to Queen St	\$20,000	2027
Chalmers Street - East Mill to Church	\$849,000	2033
Church St - Metcalfe St to Price St	\$220,000	2031
David St - Aqua St to John St N	\$134,000	2031
David St - Geddes St to Aqua St	\$250,000	2031
David St - John St N to Irvine St	\$41,000	2031
Fergus Curling Club Parking Lot Major Resurfacing	\$52,000	2026
First Line - WR 7 to Bridge St	\$560,000	2030 to 2031
Forfar St E - St David St to James St	\$437,000	2028
Garafraxa St - Provost Lane to St David St	\$215,000	2033
Gerrie Rd - WR 18 to Patrick St	\$118,000	2031
Gilkison St - South River Road to Trestle Bridge Trail Crossing	\$367,000	2033
Hill St Drainage Within Subdivision, Elora	\$1,013,000	2033
Irvine St - East Mill St to Colborne St	\$814,000	2027
James St (Elora) - Metcalfe St to Victoria Cres	\$664,000	2027 to 2028
John St. (Fergus) - Provost Lane to Tower St.	\$179,000	2030
Melville St - Moir St to David St	\$327,000	2030



Table 4-1 (Continued)
Township of Centre Wellington
2026 to 2035 Stormwater Capital Forecast Summary (Inflated \$)

Description	Total 2026 to 2035	Years Undertaken
Nichol St - Victoria St to High St Reconstruction	\$232,000	2028
North Queen St - Colborne St to David St	\$414,000	2029
Open Channel Rehabilitation - 2027 - 2034	\$465,000	2027, 2029, 2031, 2033
Price St - Church St to James St	\$175,000	2028
Princess St (Elora) - Moir St to David St	\$180,000	2027
Provost Parking Lot Improvements	\$82,000	2026
Salem Semi-Urban Road Drainage Improvements and Gravel Road Conversion (Washington, George & James)	\$268,000	2031
Sewer Relining and Repairs - 2026 to 2033	\$232,000	2027, 2029, 2031, 2033
Sideroad 18 Reconstruction - Vincent St to Steele St	\$540,000	2033
Smith St - David St to Henderson St	\$124,000	2026
South River Road - Haylock Ave to Gilkison Rd	\$396,000	2032
St Andrew St E - Lamond St to Anderson St	\$957,000	2033
St Andrew St W - Tower St to St David St	\$439,000	2029
St George St E - Gowrie St to Cameron St	\$252,000	2032
St George St W - Maple St to Beatty Line	\$33,000	2028
St Patrick Lane - Breadalbane St to Beatty Line Reconstruction	\$435,000	2030
Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	\$565,000	2026, 2028, 2030, 2032
Storm Water Pond Sediment Removal - 2026-2034	\$451,000	2026, 2028, 2030, 2032
Tower St N - Hill St W to Garafraxa St W	\$290,000	2029
Tower St N - Hill St W to St George St W	\$135,000	2029
Victoria Cres (Elora) - Henderson St to David St	\$128,000	2026
Washington St - Woolwich St W to George St	\$42,000	2031
Wellesley St - Colborne St to Church St Reconstruction	\$378,000	2032
High Priority Stormwater Projects from Master Plan	\$14,070,000	2026 to 2035
Open Channel Rehabilitation - Major Operating	\$581,000	2026, 2028, 2030, 2032, 2034
Pond Cleanout - Major Operating	\$581,000	2026, 2028, 2030, 2032, 2034
Snow Management Site	\$2,185,000	2028
Studies:		
2021-048 - Water, Wastewater and Stormwater Rate Study - 2030	\$55,000	2030
New - Water, Wastewater and Stormwater Rate Study - 2035	\$64,000	2035
Salt/Sand Management Plan	\$53,000	2027
Total Capital Expenditures	\$34,297,000	



Chapter 5

Lifecycle Costing



5. Lifecycle Costing

5.1 Overview of Lifecycle Costing

5.1.1 Definition

For many years, lifecycle costing has been used in the field of maintenance engineering and to evaluate the advantages of using alternative materials in construction or production design. The method has gained wider acceptance and use in the areas of industrial decision-making and the management of physical assets.

By definition, lifecycle costs are all the costs which are incurred during the lifecycle of a physical asset, from the time its acquisition is first considered to the time it is taken out of service for disposal or redeployment. The stages which the asset goes through in its lifecycle are specification, design, manufacture (or build), install, commission, operate, maintain and disposal. Figure 5-1 depicts these stages in a schematic form.

5.1.2 Financing Costs

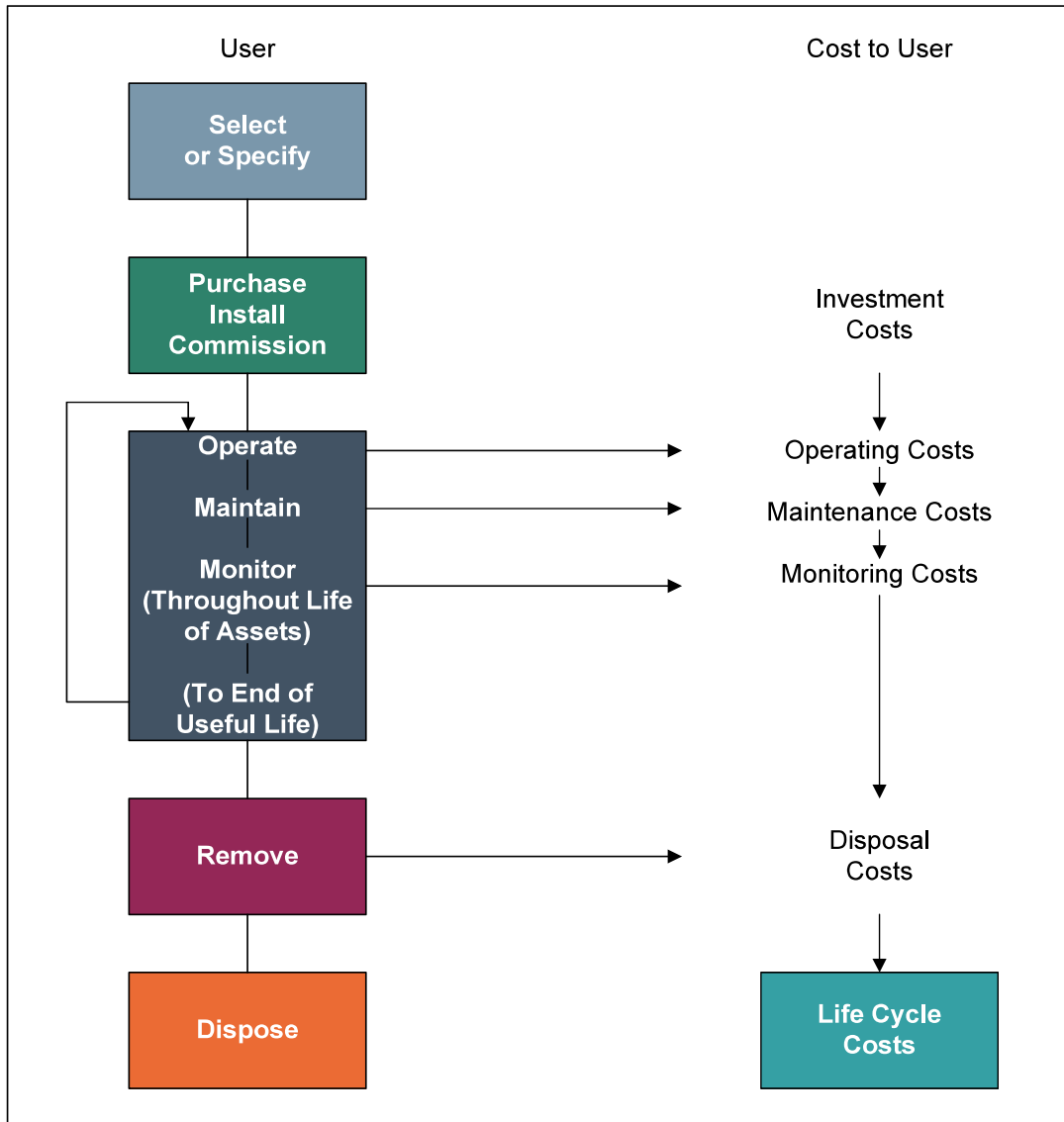
This section will focus on financing mechanisms in place to fund the costs incurred throughout the asset's life.

In a municipal context, services are provided to benefit tax/rate payers. Acquisition of assets is normally timed in relation to direct needs within the community. At times, economies of scale or technical efficiencies will lead to oversizing an asset to accommodate future growth within the Township. Over the past few decades, financing mechanisms such as D.C.s have been employed based on the underlying principle of having tax/rate payers who benefit directly from the service paying for that service. Operating costs which reflect the cost of the service for that year are charged directly to all existing tax/rate payers who have received the benefit. Operating costs are normally charged through the tax base or user rates.

Capital expenditures are recouped through several methods, with operating budget contributions, D.C.s, reserves, developer contributions and debentures, being the most common.



Figure 5-1
Lifecycle Costing



New construction related to growth could produce D.C.s and developer contributions (e.g., works internal to a subdivision which are the responsibility of the developer to construct) to fund a significant portion of projects, where new assets are being acquired to allow growth within the Township to continue. As well, debentures could be used to



fund such works, with the debt charge carrying costs recouped from rate payers in the future.

Capital construction to replace existing infrastructure, however, is largely not growth-related and will therefore not yield D.C.s or developer contributions to assist in financing these works. Hence, a municipality will be dependent upon debentures, reserves, and contributions from the operating budget to fund these works.

Figure 5-2 depicts the costs of an asset from its initial conception through to replacement and then continues to follow the associated costs through to the next replacement.

As referred to earlier, growth-related financing methods such as D.C.s and developer contributions could be utilized to finance the growth-related component of the new asset. These revenues are collected (indirectly) from the new homeowner/business who benefits directly from the installation of this asset. Other financing methods may be used as well to finance the non-growth-related component of this project, such as reserves which have been collected from past rate payers, operating budget contributions collected from existing rate payers and debentures which will be carried by future rate payers. Ongoing costs for monitoring, operating, and maintaining the asset will be charged annually to the existing ratepayer.

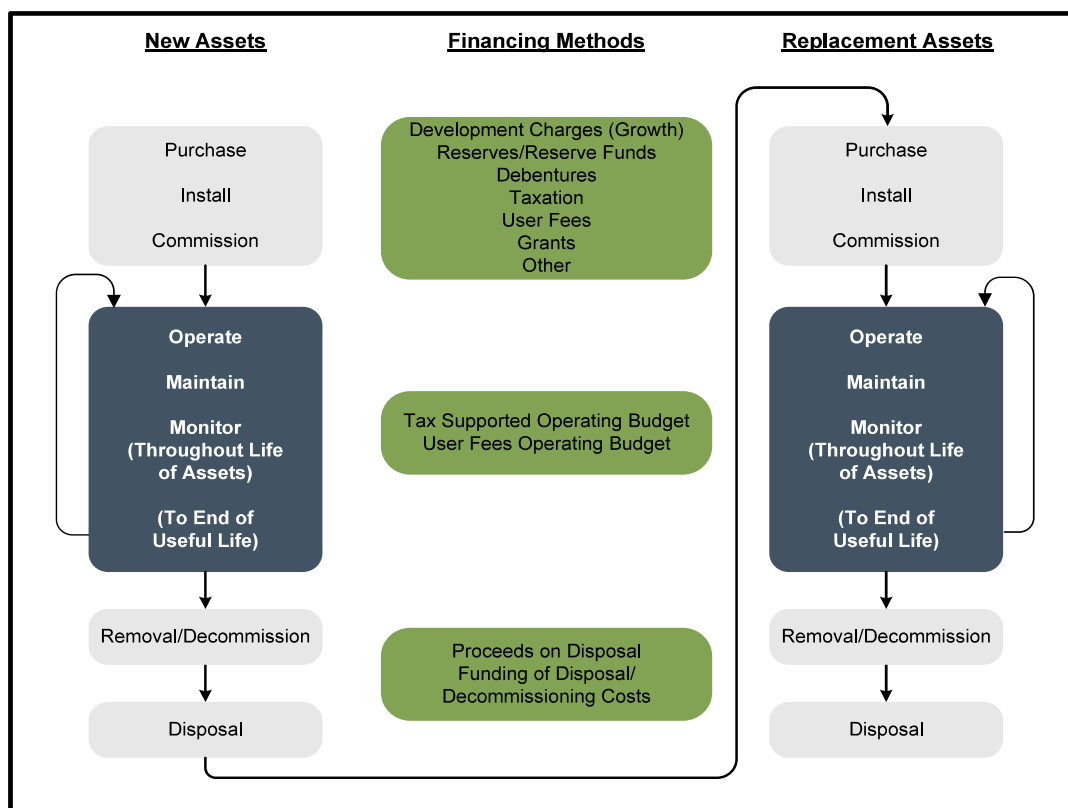
When the asset requires replacement, the sources of financing will be limited to reserves, debentures, and contributions from the operating budget. At this point, the question is raised: "If the cost of replacement is to be assessed against the ratepayer who benefits from the replacement of the asset, should the past ratepayer pay for this cost, or should future rate payers assume this cost?" If the position is taken that the past user has used up the asset, hence he should pay for the cost of replacement, then a charge should be assessed annually through the life of the asset, to have funds available to replace it when the time comes. If the position is taken that the future ratepayer should assume this cost, then debentures and, possibly, a contribution from the operating budget should be used to fund this work.

Charging for the cost of using up an asset is the fundamental concept behind depreciation methods utilized by the private sector. This concept allows for expending the asset as it is used up in the production process. The tracking of these costs forms part of the product's selling price and, hence, end-users are charged for the asset's depreciation. The same concept can be applied in a municipal setting to charge existing



users for the asset's use and set those funds aside in a reserve to finance the cost of replacing the asset in the future.

Figure 5-2
Financing Lifecycle Costs



5.1.3 Costing Methods

There are two fundamental methods of calculating the cost of the usage of an asset and for the provision of the revenue required when the time comes to retire and replace it. The first method is the Depreciation Method. This method recognizes the reduction in the value of the asset through wear and tear and aging. There are two commonly used forms of depreciation: the straight-line method and the reducing balance method (shown graphically in Figure 5-3).



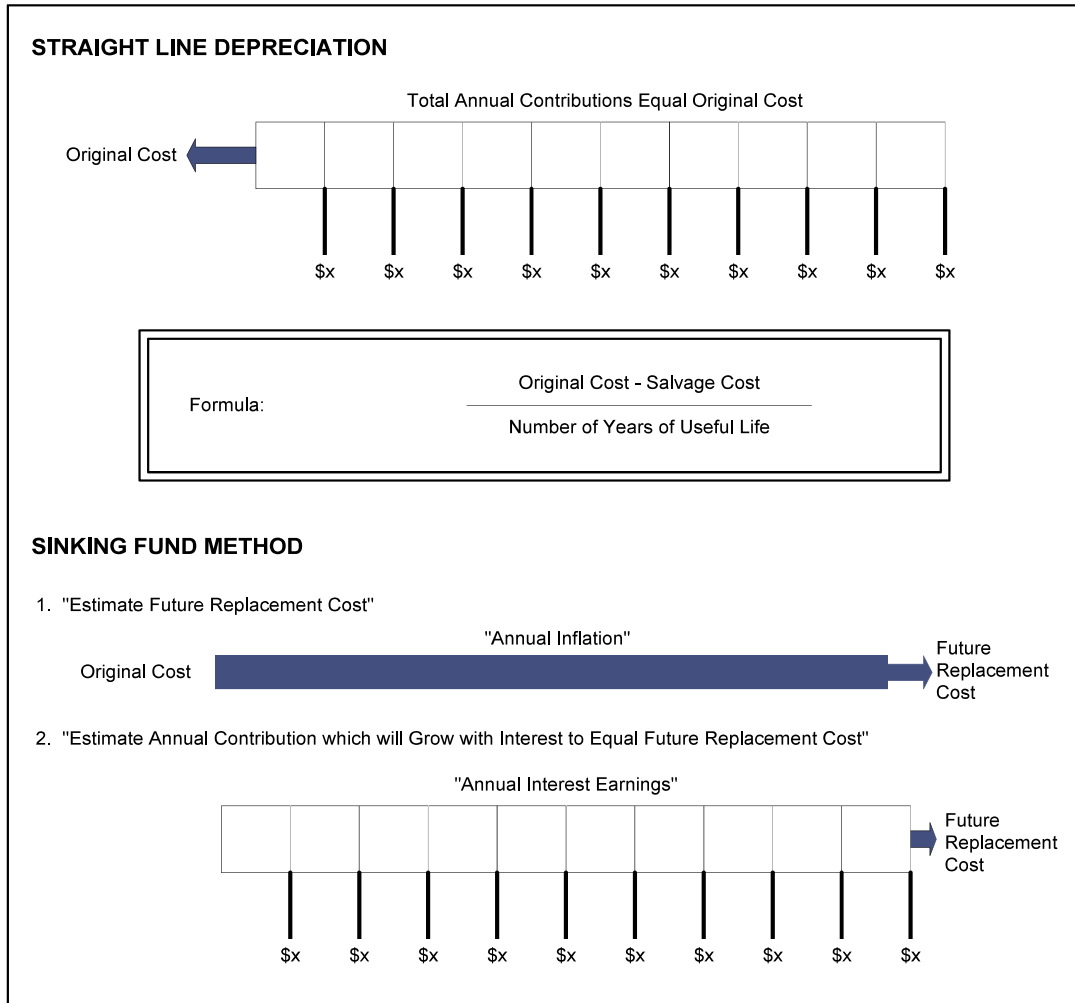
The straight-line method is calculated by taking the original cost of the asset, subtracting its estimated salvage value (estimated value of the asset at the time it is disposed of) and dividing this by the estimated number of years of useful life. The reducing balance method is calculated by utilizing a fixed percentage rate and this rate is applied annually to the undepreciated balance of the asset value.

The second method of lifecycle costing is the sinking fund method. This method first estimates the future value of the asset at the time of replacement. This is done by inflating the original cost of the asset at an assumed annual inflation rate. A calculation is then performed to determine annual contributions (equal or otherwise), which, when invested, will grow with interest to equal the future replacement cost.

The preferred method used herein for forecasting purposes is the sinking fund method of lifecycle costing.



Figure 5-3



5.2 Impact on Budgets

The Township completed a Stormwater Master Plan in 2024, which evaluated the detailed inventory of the Township's stormwater system. The Master Plan identifies capital projects needed for the repair and replacement of infrastructure. These projects have been included in the capital budget as presented in Table 4-1.



Chapter 6

Capital Cost Financing Options



6. Capital Cost Financing Options

6.1 Summary of Capital Cost Financing Options

Historically, the powers that municipalities had to raise alternative revenues to taxation to fund capital services have been restrictive. Over the past decade, legislative reforms have been introduced. Some of these have expanded municipal powers (e.g. Bill 26 introduced in 1996 to provide for expanded powers for imposing fees and charges), while others appear to restrict them (e.g. Bill 23 in 2022 providing amendments to the D.C.A.).

The Province passed a new *Municipal Act* which came into force on January 1, 2003. Part XII of the Act and O.Reg. 584/06 govern a municipality's ability to impose fees and charges. In contrast to the previous *Municipal Act*, this Act provides municipalities with broadly defined powers and does not differentiate between fees for operating and capital purposes. It is anticipated that the powers to recover capital costs under the previous *Municipal Act* will continue within the new Statutes and Regulations, as indicated by s.9(2) and s.452 of the new *Municipal Act*.

Under s.484 of *Municipal Act, 2001*, the *Local Improvement Act* was repealed with the in-force date of the *Municipal Act* (January 1, 2003). The municipal powers granted under the *Local Improvement Act* now fall under the jurisdiction of the *Municipal Act*. To this end, on December 20, 2002, O.Reg. 390/02 was filed, which allowed for the *Local Improvement Act* to be deemed to remain in force until April 1, 2003. O.Reg. 119/03 was enacted on April 19, 2003, which restored many of the previous *Local Improvement Act* provisions; however, the authority is now provided under the *Municipal Act*.

The methods of capital cost recovery available to municipalities are provided as follows:

Recovery Methods	Section Reference
• <i>Development Charges Act, 1997</i>	6.2
• <i>Municipal Act</i>	6.3
○ Fees and Charges	
○ Stormwater Area Charges	
○ Connection Fees	
○ Local Improvements	
• Grant Funding	6.4



Recovery Methods	Section Reference
• Existing Reserves/Reserve Funds	6.5
• Debenture Financing	6.6
• Infrastructure Ontario	6.7

6.2 Development Charges Act, 1997

Development charges are a revenue tool used by municipalities to recover the capital costs associated with new development and redevelopment. These costs are in addition to what a developer/builder normally constructs as part of their subdivision (i.e. Local Services). Empowered by the *Development Charges Act, 1997*, municipalities may pass by-laws to impose charges to recover the capital costs associated with development and redevelopment.

The Township currently imposes Development Charges via by-law 2026-22, and will impose charges via by-law 2026-23 as of October 1, 2026. The Township does not impose Development Charges for Stormwater Services. However, this rate study has identified a project with a component of Development Charges as the funding source (i.e. D.C. reserve funds and growth-related debentures to be funded from future D.C. revenues). The growth component of this project is proposed to be funded from the Township's Public Works Development Charges reserve fund.

Since the inception of the revised *Development Charges Act*, in 1997, the province has expanded the number of mandatory exemptions and discounts required for new development. Should the mandatory exemptions and discounts continue to change with new legislation, the Township may need to reexamine the timing of capital projects to ensure adequate funding is available.

6.3 Municipal Act

Part XII of the *Municipal Act* provides municipalities with broad powers to impose fees and charges via passage of a by-law. These powers, as presented in s.391(1), include imposing fees or charges:

- “for services or activities provided or done by or on behalf of it;
- for costs payable by it for services or activities provided or done by or on behalf of any other municipality or local board; and



- for the use of its property including property under its control.”

Restrictions are provided to ensure that the form of the charge is not akin to a poll tax. Any charges not paid under this authority may be added to the tax roll and collected in a like manner. The fees and charges imposed under this part are not appealable to the Ontario Land Tribunal (OLT).

Section 221 of the previous *Municipal Act* permitted municipalities to impose charges, by by-law, on owners or occupants of land who would or might derive benefit from the construction of sewage (storm and sanitary) or water works being authorized (in a specific benefit area). For a by-law imposed under this section of the previous Act:

- A variety of different means could be used to establish the rate and recovery of the costs and could be imposed by a number of methods at the discretion of Council (i.e., lot size, frontage, number of benefiting properties, etc.);
- Rates could be imposed with respect to costs of major capital works, even though an immediate benefit was not enjoyed;
- Non-abutting owners could be charged;
- Recovery was authorized against existing works, where a new water or sewer main was added to such works, "notwithstanding that the capital costs of existing works have in whole or in part been paid;"
- Charges on individual parcels could be deferred;
- Exemptions could be established;
- Repayment was secured; and
- OLT approval was not required.

While under the new *Municipal Act* no provisions are provided specific to the previous s.221, the intent to allow capital cost recovery through fees and charges is embraced within s.391. The new *Municipal Act* also maintains the ability of municipalities to impose capital charges for water and sewer services on landowners not receiving an immediate benefit from the works. Under s.391(2) of the Act, “a fee or charge imposed under subsection (1) for capital costs related to sewage or water services or activities may be imposed on persons not receiving an immediate benefit from the services or activities but who will receive a benefit at some later point in time.” Also, capital charges imposed under s.391 are not appealable to the OLT on the grounds that the charges are “unfair or unjust.”



Section 222 of the previous *Municipal Act* permitted municipalities to pass a by-law requiring buildings to connect to the municipality's sewer and water systems, charging the owner for the cost of constructing services from the mains to the property line. Under the new *Municipal Act*, this power still exists under Part II, General Municipal Powers (s.9 (3) b of the *Municipal Act*). Enforcement and penalties for this use of power are contained in s.427 (1) of the *Municipal Act*.

Under the previous *Local Improvement Act*:

- A variety of different types of works could be undertaken, such as watermain, storm and sanitary sewer projects, supply of electrical light or power, bridge construction, sidewalks, road widening and paving;
- Council could pass a by-law for undertaking such work on petition of a majority of benefiting taxpayers, on a 2/3 vote of Council and on sanitary grounds, based on the recommendation of the Minister of Health. The by-law was required to go to the OLT, which might hold hearings and alter the by-law, particularly if there were objections;
- The entire cost of a work was assessed only upon the lots abutting directly on the work, according to the extent of their respective frontages, using an equal special rate per metre of frontage; and
- As noted, this Act was repealed as of April 1, 2003; however, O. Reg. 119/03 was enacted on April 19, 2003, which restores many of the previous *Local Improvement Act* provisions; however, the authority is now provided under the *Municipal Act*.

6.4 Grant Funding

Phase 1 (April 1, 2016 to March 31, 2018)

Funding was provided by the Government of Canada to expressly help municipalities with repair and rehabilitation projects. Funding was mainly provided through the Clean Water and Wastewater Fund (C.W.W.F.) and Public Transit Infrastructure Fund (P.T.I.F.) in Federal Phase 1 projects. The C.W.W.F. was announced in Ontario on September 15, 2016. The Fund was \$1.1 billion for water, wastewater, and stormwater systems in Ontario. The federal government provided \$569 million and Ontario and municipal governments provided \$275 million each.



Over 1,300 water, wastewater, and stormwater projects have been approved in Ontario through the C.W.W.F. In Ontario, P.T.I.F. accounted for nearly \$1.5 billion of the national total of \$3.4 billion. The program was allocated by ridership numbers from the Canadian Urban Transit Association. The Association of Municipalities of Ontario (A.M.O.) understands that \$1 billion of Ontario's share has been approved.

Phase 2: Next Steps

The federal government announced Phase 2 of its infrastructure funding plan with a total of \$180 billion spent over 11 years. In addition to the balance of funding for previous green, social, and public transit infrastructure funds (\$20 billion each, including Phase 1), the government added \$10.1 billion for trade and transportation infrastructure and \$2 billion for rural and northern communities.

In Phase 2, Ontario was eligible for \$11.8 billion including \$8.3 billion for transit, \$2.8 billion for green infrastructure, \$407 million for community, culture and recreation and \$250 million for rural and northern communities.

Canada Community-Building Fund

The Canada Community-Building Fund (C.C.B.F.) is a permanent source of funding provided up front, twice-a-year, to Provinces and Territories, who in turn flow this funding to their municipalities to support local infrastructure priorities. Municipalities can pool, bank and borrow against this funding, providing significant financial flexibility. Every year, the C.C.B.F. provides over \$2 billion and supports approximately 2,500 projects in communities across Canada. Each municipality selects how best to direct the funds with the flexibility provided to make strategic investments across 18 different project categories, which include other water and wastewater servicing.

Ontario Government

The Province has taken steps to increase municipal infrastructure funding. The Ontario Community Infrastructure Fund (O.C.I.F.) was increased in 2016 with formula-based support growing to \$200 million, and application funding growing to \$100 million annually by 2018/2019. As well, \$15 million annually will go to the new Connecting Links program to help pay for the construction and repair costs of municipal roads that connect communities to provincial highways. This is on top of the Building Ontario Up investment of \$130 billion in public infrastructure over 10 years starting in 2015.



Recently the Province announced funding through a new Ontario Infrastructure Bank. This new, arms-length, board-governed agency will assist investors and institutions to further participate in large-scale infrastructure projects. Ontario is providing \$825 million over three years towards the Housing-Enabling Water Systems Fund (H.E.W.S.F.), which will help municipalities repair, rehabilitate and expand drinking water, wastewater and stormwater infrastructure needed to build more homes.

The Township received a \$6.80 million grant from the H.E.W.S.F. in August 2025. The grant is intended to extend servicing to South Fergus, enabling the construction of 3,000 homes. The fund will be used to finance water, wastewater, and stormwater project costs for the following projects:

- Guelph St. – 60m south of Cummings Cres. to Union St.; and
- Union St. – Guelph Rd. to Tower St. to Queen St. to Fergus Wastewater Treatment Plant.

6.5 Existing Reserves/Reserve Funds

The Township does not have a dedicated stormwater capital reserve or reserve fund. If the Township implements a dedicated stormwater funding mechanism for stormwater management services, it is recommended that a stormwater capital reserve or reserve fund be established with funding over the first few years of the forecast to be transferred from other general capital reserves if required. Revenue from the stormwater rates should then be allocated to the reserve fund annually to fund future capital expenditures.

6.6 Debenture Financing

Although it is not a direct method of minimizing the overall cost to the ratepayer, debentures are used by municipalities to assist in cash flowing large capital expenditures. In addition, debenture financing can promote inter-generational equity whereby future tax and rate payers who will benefit from the infrastructure pay for the cost of the infrastructure.

The Ministry of Municipal Affairs regulates the level of debt incurred by Ontario municipalities, through its powers established under the *Municipal Act*. Ontario Regulation 403/02 provides the current rules respecting municipal debt and financial



obligations. Through the rules established under these regulations, a municipality's debt capacity is capped at a level where no more than 25% of the municipality's own purpose revenue may be allotted for servicing the debt (i.e. debt charges). The Township of Centre Wellington's calculation on Debt Capacity is shown on the Township's 2026 Annual Repayment Limit. This calculates the Township's estimated annual repayment limit of approximately \$9.24 million. Based upon 20-year financing at an assumed rate of 4.30%, the available debt for the Township is approximately \$122.36 million. With respect to new debt issuances, the analysis presented herein does not forecast the need for any new debt issuances for stormwater. While the 2025 Water and Wastewater Rate Study forecasted approximately \$45.66 million in growth-related debt for water services, no new debt issuances were forecasted for wastewater services over the forecast period.

6.7 Infrastructure Ontario

Infrastructure Ontario (I.O.) is an arms-length crown corporation, which supports the Ontario government's goals of modernizing and maximizing the value of public infrastructure. Its lending program was established as a tool to offer low-cost and longer-term financing to assist municipalities in modernizing and renewing their infrastructure. I.O. combines the infrastructure renewal needs of municipalities into an infrastructure investment "pool." I.O. will raise investment capital to finance loans to the public sector by selling Infrastructure Renewal Bonds to individual and institutional investors.

I.O. provides access to infrastructure capital that would not otherwise be available to smaller borrowers. Larger borrowers receive longer loan terms than they could get in the financial markets. They can also save on costs such as legal fees and underwriting commissions. Under the I.O. approach, all borrowers receive the same low interest rate. I.O. will enter into a financial agreement with each municipality, subject to technical and credit reviews, for a loan up to the maximum amount of the loan request.

To be eligible to receive these loans, municipalities must submit a formal application along with pertinent financial information. Allotments are prioritized and distributed based upon the Province's assessment of need.



6.7.1 Housing-Enabling Water Infrastructure Lending Stream

On November 28, 2024, the Province and I.O. announced the Housing-Enabling Water Infrastructure (H.E.W.I.) lending stream. This lending stream will provide up to \$1.0 billion in loans to municipalities for projects to construct, expand, and rehabilitate drinking water, wastewater, and stormwater infrastructure to enable new housing development. Eligible projects under this stream include:

- Potable Water Assets: Treatment plants, reservoirs, local pipes, distribution system watermains, municipal service lines, and pump stations.
- Wastewater Assets: Lagoon systems, pump stations, lift stations, linear assets, treatment plants, storage tanks, and collection systems.
- Stormwater Assets: Management facilities and linear assets such as conveyance piping, ditches, and culverts.

Key features of this lending stream include lower interest rates, the option to defer interest payments during the construction phase of a project, and extended amortization periods (up to 40 years). Additionally, municipalities have the flexibility to issue multiple debentures in sequence over the 40-year period (i.e., split terms during debentures) and to pay down the principal between sequential debentures. This program started accepting applications on December 2, 2024, and is being administered on a “first-come-first-served” basis until the maximum program amount is reached.

6.8 Summary of Capital Financing

Of the various funding alternatives provided in this section, the following are recommended for further consideration by the Township for the capital expenditures (inflated) provided in Chapter 4:

Table 6-1
 Township of Centre Wellington
 Capital Forecasting Financing Sources (2026 to 2035)
 Inflated \$

Description	Stormwater
Other Development Charges Reserve Fund	\$1,966,500
Stormwater Reserve	\$32,330,500
Total Capital Financing	\$34,297,000



Tables 6-2 provide for the full capital expenditure and funding program by year for the stormwater system.



Table 6-2 (Continued)
Township of Centre Wellington
Capital Budget Forecast – Stormwater (Inflated \$)

Description	Total	Forecast												
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035			
Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	565,000	129,000	-	137,000	-	145,000	-	154,000	-	-	-	-	-	-
Storm Water Pond Sediment Removal - 2026-2034	451,000	103,000	-	109,000	-	116,000	-	123,000	-	-	-	-	-	-
Lower St N - Hill St W to Garrauxa St W	290,000	-	-	-	290,000	-	-	-	-	-	-	-	-	-
Lower St N - Hill St W to St George St W	135,000	-	-	-	135,000	-	-	-	-	-	-	-	-	-
Victoria Cres (Ebor) - Henderson St to David St	128,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Washington St - Woodrich St W to George St	42,000	-	-	-	-	-	42,000	-	-	-	-	-	-	-
Wellesley St - Colborne St to Church St Reconstruction	378,000	-	-	-	-	-	-	378,000	-	-	-	-	-	-
High Priority Stormwater Projects from Master Plan	14,070,000	1,227,000	1,264,000	1,302,000	1,341,000	1,381,000	1,423,000	1,466,000	1,510,000	1,555,000	1,601,000	-	-	-
Open Channel Rehabilitation - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	-	-	130,000	-	-
Pond Cleanout - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	-	-	130,000	-	-
Snow Management Site	2,185,000	-	-	2,185,000	-	-	-	-	-	-	-	-	-	-
Studies:														
2021-048 - Water, Wastewater and Stormwater Rate Study - 2030	55,000	-	-	-	-	55,000	-	-	-	-	-	-	-	-
New - Water, Wastewater and Stormwater Rate Study - 2035	64,000	-	-	-	-	-	-	-	-	-	-	-	-	64,000
Soil/Sand Management Plan	53,000	-	53,000	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	34,297,000	2,283,000	2,720,000	5,667,000	3,025,000	3,407,000	3,135,000	3,292,000	5,831,000	3,269,000	1,665,000			
Capital Financing														
Provincial/Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Charges Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Development Charges Reserve Fund	1,966,500	-	-	1,966,500	-	-	-	-	-	-	-	-	-	-
Non-Growth Related Debtenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debtenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lifecycle Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Reserve	32,330,500	2,283,000	2,720,000	3,700,500	3,025,000	3,407,000	3,135,000	3,292,000	5,831,000	3,269,000	1,665,000			
Total Capital Financing	34,297,000	2,283,000	2,720,000	5,667,000	3,025,000	3,407,000	3,135,000	3,292,000	5,831,000	3,269,000	1,665,000			



Chapter 7

Operating Expenditures and Revenues



7. Operating Expenditures and Revenues

7.1 Operating Expenditures

In this report, the operating budget for 2026 was provided by Township staff who extracted stormwater-related costs from the approved budgets for stormwater, water, wastewater, and public works. The costs for each component of the operating budget have been reviewed with staff to establish forecast inflationary adjustments. The expenditures have been assumed to increase at a rate of 2.0% annually.

Operating expenditures include a portion of those related to ditching (10%), curbs, gutters, and basins, storm sewers, stormwater pond maintenance, and various works recommended in the Township's Stormwater Master Plan. Additionally, an expenditure for general administrative costs has been added to the stormwater operating budget to account for the proportion of administrative time allocated to S.W.M.

Annual transfers to the new (proposed) capital reserve fund have been built into the operating expenditure forecasts to minimize the need for debt to finance the capital program.

Gross operating expenditures for stormwater services are expected to increase from approximately \$5.00 million in 2026 to \$8.00 million in 2035.

7.2 Operating Revenues

The Township has identified annual revenue from stormwater frontage and connection charges to help contribute to operating expenditures. These revenues are assumed to increase by 2% each year over the forecast period.

The resulting net costs will be funded from the preferred funding source discussed in Chapter 8 of this report. Similarly, the reserve or reserve fund would then be supported by the preferred funding option selected by Council.

Table 7-1 provides for the operating budget for stormwater management services.



Table 7-1 (Continued)
Township of Centre Wellington
Operating Budget Forecast (inflated \$)

Description	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital-Related										
Existing Debt (Principal) - Growth Related										
Existing Debt (Interest) - Growth Related										
New Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Existing Debt (Principal) - Non-Growth Related										
Existing Debt (Interest) - Non-Growth Related										
New Non-Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Sub Total Capital Related	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Total Expenditures	5,006,149	5,273,087	5,554,196	5,850,238	6,161,991	6,490,321	6,836,062	7,200,174	7,583,629	7,987,406
Revenues										
Public Works										
PW - Storm Front /Connect Charge	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Stormwater Billing Recovery - Total	5,000,539	5,267,387	5,548,396	5,844,338	6,155,991	6,484,221	6,829,862	7,193,874	7,577,229	7,980,906



Chapter 8

Stormwater Rate Calculations



8. Stormwater Rate Calculations

8.1 Introduction

To summarize the rate study developed thus far, Chapter 2 summarizes the process undertaken to arrive at the potential rate structure. Chapter 3 provides forecasted growth and servicing requirements. Chapter 4 reviewed capital-related investment, and Chapter 5 responded to the provincial directives to maintain and upgrade infrastructure to the required levels. Chapter 6 provided a review of capital financing options. Finally, Chapter 7 established the operating forecast of expenditures, including an annual capital reserve contribution. The following section describes the rate calculation and analysis undertaken to calculate the potential impact of the proposed funding option. Additionally, a billing database was generated and provided to Township staff for the proposed funding option if a decision is made to proceed with this approach.

8.2 Stormwater Rate Calculation

Based on the discussion of rate structures provided in Chapter 2 and the recommendation to implement a rate per measured impervious acre of land area, the rates are calculated by taking the net recoverable amounts from Table 7-1 (the product of total expenditures less non-rate revenues, and completes the calculation by dividing them by the impervious acres, resulting in the forecasted rates. The rates are anticipated to increase at a rate of 5% per year over the entire forecast. The rates are presented in Table 8-1. Detailed calculations on the rates are provided in Appendix B. A summary of the recommended rates, along with the total annual bill for various customer types per year, is summarized in Table 8-2.

Table 8-1
Township of Centre Wellington
Rate per Impervious Acre Forecast

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Constant Rate	\$1,318	\$1,384	\$1,453	\$1,526	\$1,602	\$1,682	\$1,766	\$1,855	\$1,947	\$2,045
% Increase - Constant Rate		5%	5%	5%	5%	5%	5%	5%	5%	5%



Table 8-2
Township of Centre Wellington
Sample Annual Stormwater Bill (2027)

Property Type	Acres of Land	Impervious Land Area ¹	Average Annual Stormwater Bill
Residential - Single Family Detached	0.29	0.08	\$109
Commercial - Retail	0.70	0.46	\$637
Industrial - Standard	4.30	2.26	\$3,131

¹Impervious land area estimates are based on the average imperviousness of the property code for existing Township properties



Chapter 9

Considerations



9. Considerations

Based on increasing financial pressures on the Township's stormwater system, it is recommended that the Township consider implementing a funding option that includes a user fee dedicated to stormwater management services, versus continuing with the current approach of funding stormwater management services through the general tax levy.

One of the more compelling reasons for introducing a user fee is that the costs related to stormwater management would be more fairly distributed amongst benefitting properties. Impervious area can be used to assess the benefit derived from a municipal stormwater management program.

If a decision is made by Council to adopt a dedicated stormwater management rate, an implementation phase should follow this study. The implementation phase would include the development of an integrated billing database in preparation for sending out stormwater bills to customers. Note that stormwater user fees cannot be included on the tax bill in accordance with the following legislation:

- O. Reg. 75/01 of the *Municipal Act, 2001*, being a regulation that sets out the form and content require for tax notices, and
- Section 326 of the *Municipal Act, 2001* which outlines the requirements for a Special Service.

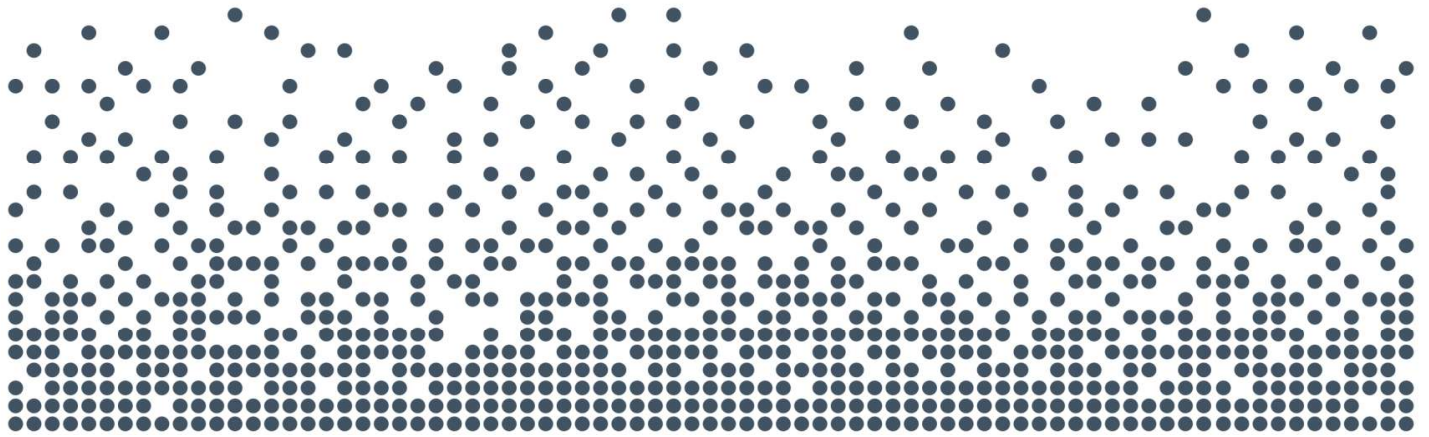
The rates presented in this report should be reviewed based on the information in the billing database (i.e., number of properties and/or land area/impervious land area by property category for billable properties) and updated as necessary. The implementation phase should include public engagement to inform the public about the importance of stormwater management services, the proposed 10-year plan, and the changes to the funding model and associated rates.

As part of the implementation phase, the Township may wish to consider options for a credit program to recognize investments made by property owners to better manage stormwater on properties, thereby giving them greater control over their stormwater bill. However, it is noted that the total value of the stormwater program must be funded, therefore, where a credit program is in place, it would result in higher charges to other properties unless an external funding source for the credit program is established.



As presented within this report, capital and operating expenditures have been identified and forecasted over a ten-year period for stormwater management services. Based upon the foregoing, the following recommendations are identified for consideration by Township Council:

1. That Council provide for the recovery of all stormwater costs through full cost recovery rates.
2. That Council consider the Capital Plan for stormwater as provided in Table 4-1 and the associated Capital Financing Plan as set out in Table 6-1.



Appendices



Appendix A

Survey of Stormwater Rate Structures



Appendix A: Survey of Stormwater Rate Structures

Table A-1
Township of Centre Wellington
Municipal Survey of Stormwater Rate Structures

Municipality	Type of Rate Based Structure	Rate Categories
Aurora	Flat Rate Charge per Unit	Residential and condominium properties Non-residential and multi-residential properties
Brampton	Tiered Flat Fee (based on rooftop area) Rate per m ² of impervious area (impervious area individually assessed for each property)	5 categories for Single Residential properties Multi-residential & non-residential properties
Hamilton	Flat Rate Charge per Unit Rate per Equivalent Residential Unit (ERU) based on impervious area (ERU multiplier = impervious area/291 cu.m)	11 Residential Categories Non-Residential
London	Flat Rate Charge per Property Rate per hectare	Land area 0.4 hectares or less Residential land area 0.4 hectares or less without a storm drain within 90m Land area above 0.4 hectares
Markham	Flat Rate Charge per Property Current Value Assessment	Residential Non-residential
Middlesex Centre	Flat Rate Charge per Property Rate per hectare	Land area 0.4 hectares or less Non-residential land area above 0.4 hectares
Mississauga	Tiered Flat Fee (based on rooftop area) Rate per m ² of impervious area (impervious area individually assessed for each property)	5 categories for Single Residential properties Multi-residential & non-residential properties
Newmarket	Tiered charge per unit of land area	3 tiers by runoff level group
North Middlesex	Flat Rate Charge per Property	All Properties



Table A-1 (Continued)
Township of Centre Wellington
Municipal Survey of Stormwater Rate Structures

Municipality	Type of Rate Based Structure	Rate Categories
Ottawa	Residential - Flat Rate per Property (by property type, Urban & Rural) Non-Residential - Tiered Flat Fee (based on CVA, Urban/Rural)	Residential (RS) and Multi-Residential (RA) - Urban/Rural ICI - 8 CVA ranges/categories - Urban and Rural
Richmond Hill	Area Rate (Varied by Property Type Based on Runoff Coefficient)	Residential Commercial/Industrial and Multi-Res Vacant Land Golf Courses
St. Thomas	Flat Rate per Property Rate per Hectare	Residential & commercial/institutional under 1,800 m ² land area Commercial/institutional over 1,800 m ² land area & all industrial
Vaughan	Flat Rate Charge per Property	3 Residential categories Vacant 3 Non-Residential categories
Whitchurch-Stouffville	Flat Rate Charge per Property	Residential Commercial, Industrial, and Multi-residential
Guelph	Flat Rate Charge Rate per Equivalent Residential Unit (ERU) based on impervious area (ERU multiplier = impervious area/188 cu.m)	Residential - applied to every detached home, townhouse, apartment, and condo Industrial, commercial, and institutional properties
Kitchener	Tiered Flat Fee (based on property type and size of impervious area)	10 residential categories 6 non-residential categories
Waterloo (City)	Flat Rate per Property (by property type & size)	3 residential categories & 3 multi-residential categories 3 institutional categories & 4 industrial/commercial categories



Appendix B

Detailed Rate Calculations



Table B-2 (Continued)
Township of Centre Wellington
Capital Budget Forecast (inflated \$)

Description	Total	Forecast												
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035			
Provost Parking Lot Improvements	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Salem Semi-Urban Road Drainage Improvements and Gravel Road Conversion (Washington, George & James)	268,000	-	-	-	-	-	268,000	-	-	-	-	-	-	-
Sewer Relining and Repairs - 2026 to 2033	232,000	-	53,000	-	56,000	-	60,000	-	-	63,000	-	-	-	-
Sideroad 18 Reconstruction - Vincent St to Steele St	540,000	-	-	-	-	-	-	-	-	540,000	-	-	-	-
Smith St - David St to Henderson St	124,000	124,000	-	-	-	-	-	-	-	-	-	-	-	-
South River Road - Haylock Ave to Gilkison Rd	396,000	-	-	-	-	-	-	396,000	-	-	-	-	-	-
St Andrew St E - Lamond St to Anderson St	957,000	-	-	-	-	-	-	-	-	957,000	-	-	-	-
St Andrew St W - Tower St to St David St	439,000	-	-	-	439,000	-	-	-	-	-	-	-	-	-
St George St E - Gowrie St to Cameron St	252,000	-	-	-	-	-	-	-	-	252,000	-	-	-	-
St George St W - Maple St to Beatty Line	33,000	-	-	33,000	-	-	-	-	-	-	-	-	-	-
St Patrick Lane - Breadalbane St to Beatty Line Reconstruction	435,000	-	-	-	-	435,000	-	-	-	-	-	-	-	-
Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	565,000	129,000	-	137,000	-	145,000	-	154,000	-	-	-	-	-	-
Storm Water Pond Sediment Removal - 2026-2034	451,000	103,000	-	109,000	-	116,000	-	123,000	-	-	-	-	-	-
Tower St N - Hill St W to Garlraxa St W	290,000	-	-	-	290,000	-	-	-	-	-	-	-	-	-
Tower St N - Hill St W to St George St W	135,000	-	-	-	135,000	-	-	-	-	-	-	-	-	-
Victoria Cres (Elora) - Henderson St to David St	128,000	128,000	-	-	-	-	-	-	-	-	-	-	-	-
Washington St - Woolwich St W to George St	42,000	-	-	-	-	-	42,000	-	-	-	-	-	-	-
Wellesley St - Colborne St to Church St Reconstruction	378,000	-	-	-	-	-	-	378,000	-	-	-	-	-	-
High Priority Stormwater Projects from Master Plan	14,070,000	1,227,000	1,264,000	1,302,000	1,341,000	1,381,000	1,423,000	1,466,000	1,510,000	1,555,000	1,601,000	-	-	-
Open Channel Rehabilitation - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-	-	-	-
Pond Cleanout - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-	-	-	-
Snow Management Site	2,185,000	-	-	2,185,000	-	-	-	-	-	-	-	-	-	-
Studies:														
105-7022 - Water, Wastewater and Stormwater Rate Study - 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-048 - Water, Wastewater and Stormwater Rate Study - 2030	55,000	-	-	-	-	55,000	-	-	-	-	-	-	-	-
New - Water, Wastewater and Stormwater Rate Study - 2035	64,000	-	-	-	-	-	-	-	-	-	-	-	-	64,000
Salt/Sand Management Plan	53,000	-	53,000	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	34,297,000	2,283,000	2,720,000	5,667,000	3,025,000	3,407,000	3,138,000	3,292,000	5,831,000	3,269,000	1,665,000	-	-	-



Table B-2 (Continued)
Township of Centre Wellington
Capital Budget Forecast (inflated \$)

Description	Total	Forecast													
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035				
Capital Financing															
Provincial/Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Charges Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Development Charges Reserve Fund	1,966,500	-	-	1,966,500	-	-	-	-	-	-	-	-	-	-	-
Non-Growth Related Debt Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debt Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lifecycle Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Reserve	32,330,500	2,283,000	2,720,000	3,700,500	3,025,000	3,407,000	3,136,000	3,292,000	5,831,000	3,269,000	3,269,000	3,269,000	3,269,000	1,665,000	
Total Capital Financing	34,297,000	2,283,000	2,720,000	5,667,000	3,025,000	3,407,000	3,136,000	3,292,000	5,831,000	3,269,000	3,269,000	3,269,000	3,269,000	1,665,000	

Table B-3
Township of Centre Wellington
Schedule of Non-Growth-Related Debt Repayments (inflated \$)

Debt Repayment Year	Principal (Inflated)	Forecast												
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035			
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Debt Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Table B-4
Township of Centre Wellington
Schedule of Growth-Related Debenture Repayments (inflated \$)

Debenture Year	Principal (Inflated)	Forecast												
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035			
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Debt Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table B-5
Township of Centre Wellington
Stormwater Reserve/Reserve Fund Continuity (inflated \$)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	-	414,661	616,879	61,623	437,087	698,245	1,522,812	2,507,420	1,240,157	2,897,779
Transfer from Operating	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Transfer to Capital	2,283,000	2,720,000	3,700,500	3,025,000	3,407,000	3,138,000	3,292,000	5,831,000	3,269,000	1,665,000
Transfer to Operating	-	-	-	-	-	-	-	-	-	-
Closing Balance	406,530	604,783	60,414	428,517	684,554	1,492,953	2,458,255	1,215,841	2,840,960	6,452,036
Interest	8,131	12,096	1,208	8,570	13,691	29,859	49,165	24,317	56,819	129,041



Table B-6 (Continued)
Township of Centre Wellington
Operating Budget Forecast (inflated \$)

Description	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital-Related										
Existing Debt (Principal) - Growth Related										
Existing Debt (Interest) - Growth Related										
New Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Existing Debt (Principal) - Non-Growth Related										
Existing Debt (Interest) - Non-Growth Related										
New Non-Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Sub Total Capital Related	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Total Expenditures	5,006,149	5,273,087	5,554,196	5,850,238	6,161,991	6,490,321	6,836,062	7,200,174	7,583,629	7,987,406
Revenues										
Public Works										
PW - Storm Front /Connect Charge	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Stormwater Billing Recovery - Total	5,000,539	5,267,387	5,548,396	5,844,338	6,155,991	6,484,221	6,829,862	7,193,874	7,577,229	7,980,906

Table B-7
Township of Centre Wellington
Stormwater Rate Forecast

Description	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Stormwater Billing Recovery	5,000,539	5,267,387	5,548,396	5,844,338	6,155,991	6,484,221	6,829,862	7,193,874	7,577,229	7,980,906
Total Impervious Area (Acres)	3,794	3,806	3,818	3,830	3,842	3,854	3,867	3,879	3,891	3,903
Constant Rate	1,318	1,384	1,453	1,526	1,602	1,682	1,766	1,855	1,947	2,045
Annual Percentage Change	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%





Report to Council

To: Mayor Watters and Members of Council

Report: CAO2026-17

Prepared By: Dan Wilson, Chief Administrative Officer

Date: 15 Jun 2026

RE: Elora South Inc. Tax Increment Equivalent Grant Update

Recommendation:

THAT the Council of the Township of Centre Wellington receive report CAO2026-17 relating to the "Elora South Inc. Tax Increment Equivalent Grant Update" for information.

AND THAT Council delegates authority to the Township Chief Administrative Officer and Chief Financial Officer / Treasurer to sign an amendment to the Elora South Inc. Tax Increment Equivalent Grant Agreement reflecting the proposed changes to the development phasing.

Summary:

In 2022, the Township approved a Tax Increment Equivalent Grant (TIEG) with Elora South Inc. Section 4.6 of this agreement states that the Township may permit changes to the actual order of the development (phasing) specified. Where Township staff receive a written request to change the order of development (phasing) from Elora South Inc., and Township staff are of the opinion that said request should be approved, Township staff will prepare an information report to Council that specifies the rationale for the proposed changes to the order of development, prior to approving said request.

Report:

Agreement Summary

The TIEG Agreement between the Township and Elora South Inc. establishes the terms under which the Township will provide financial incentives to support a significant, multi-phase redevelopment project within Elora. The agreement is intended to stimulate private investment, intensification, and economic revitalization by allowing Elora South Inc. to recover a portion of eligible development costs through rebates of future increases in municipal property taxes generated by the development.

A TIEG is a financial incentive offered through the Township Community Improvement Plan (CIP).

The agreement applies to lands municipally known as 6523 Wellington Road 7 and 30 Carlton Place in Elora and outlines a comprehensive mixed-use development consisting of residential, hotel, commercial, and parking components delivered across six phases. The total estimated eligible cost of the development (at the time of writing the TIEG agreement) is approximately \$266.7 million, with each phase contributing to an overall increase in assessed property value and corresponding municipal tax revenue.

Under the TIEG Agreement, the Township will provide annual grant payments equivalent to up to 80% of the municipal tax increment resulting from the increased assessment following completion of each phase, for a period of up to 10 years. In addition, the County of Wellington will contribute a separate grant based on the County tax increment attributable to eligible non-residential and affordable housing components, for a period of up to 5 years on a declining scale. In all cases, total grant payments are capped at the actual eligible costs of each phase as verified and approved by the Township, ensuring that public funding is directly tied to demonstrated investment and property taxation uplift.

Grant payments are not provided upfront but are issued annually after each phase is completed and reassessed, and only where Elora South Inc. has satisfied all conditions of the agreement. These conditions include full payment of property taxes, compliance with all applicable approvals and regulations, submission of documentation verifying eligible costs, and confirmation that the development has been completed in accordance with approved plans. The Township retains full discretion to review and validate costs, determine eligibility, and calculate the final grant amounts, which may vary from initial estimates based on actual assessment values and property taxation rates.

The agreement also establishes strict timelines for the commencement and completion of each phase, with the overall project required to be completed within 15 years of execution, unless otherwise extended by Council. Should Elora South Inc. fail to meet these timelines or other program requirements, the Township may suspend or terminate grant payments and, where applicable, require repayment of funds already issued. Additional provisions ensure that the development is maintained in accordance with approved standards, including protection of heritage features, and that the property remains in good standing with respect to taxes, fees, and regulatory compliance throughout the duration of the agreement.

Overall, the agreement provides a performance-based financial incentive framework that aligns municipal support with the successful delivery of a major redevelopment project, while safeguarding the Township's financial interests through defined eligibility criteria, oversight mechanisms, and repayment provisions.

Requested Development Phasing Change

Township staff have received a written request to change the development phasing order (see Attachment A to this report). Upon review, staff recommend approval of the

proposed changes given that the overall total development timeline of 15 years has not been changed.

TIEG Agreements continue to be an effective tool within the Township's CIP, encouraging significant development (or redevelopment) of underutilized sites with long term economic and property taxation benefits resulting.

A copy of the executed Elora South Inc. TIEG Agreement is provided in Attachment B to this report.

Representatives from Elora South Inc. will be in attendance at the June 15, 2026 Council meeting to delegate to Council on their development plans.

Corporate Strategic Plan:

Create the conditions for economic prosperity
Managing growth while enhancing the community's unique character
Provide innovative & sustainable governance

Financial Implications:

The Elora South Inc. TIEG agreement requires annual grants equivalent to 80% of the increase in property taxation as a result of the development over 10 years. This has been accounted for in the Township's annual budget.

Consultation:

This report was prepared in consultation with the Township's Senior Management Team.

Attachments:

- [Attachment A - Elora South TIEG Formal Request to Revise Phase Order](#)
- [Attachment B - Executed Elora South TIEG Agreement](#)

Approved By:

Dan Wilson, Chief Administrative Officer

May 27, 2026

Dan Wilson
Chief Administrative Officer
Township of Centre Wellington

Re: Request to Revise Order of Development Phasing – Tax Increment Equivalent Grant Agreement

Dear Dan,

On behalf of Elora South, I am writing to formally request that the Township revise the order of development phasing set out in the Tax Increment Equivalent Grant Agreement for the Elora Mill South lands.

As outlined in the Agreement dated June 15, 2022, the Township may permit changes to the order of development phasing where the Owner submits a written request. In that circumstance, Township staff may bring forward an Information Report to Council regarding the proposed update.

We are requesting that Township staff review and approve the revised order of development phasing included in page 2 of this letter and bring forward the required Information Report to Council in support of this change.

The requested change is intended to better align the TIEG phasing schedule with the current development program and construction sequencing for the overall Elora Mill South project. At the time the TIEG was developed in 2022, it was understood that the sequencing of later phases were not known at the time, which is why this flexibility was incorporated into the Agreement.

With Phase 2 of the Elora South project, (Walser Reconstruction) nearing completion and Elora South now working to advance the hotel/commercial building and parking structure, being Buildings F and G, it is an appropriate time to revise the TIEG phasing chart order based on the current understanding of project sequencing.

The proposed revision relates only to the order of development phasing, together with minor refinements to the descriptions of uses. Where both hotel and residential uses were referenced in the original Agreement, this reflected the fact that the final use mix was not fully understood in 2022. The proposed updates clarify the current intended uses. No proposed revisions impact the overall phase commencement or completion timelines contemplated in the original Agreement chart.

We would appreciate Township staff's review and acceptance of this updated phasing chart and respectfully request that the Information Report be brought forward to Council at the June Council meeting.

Sincerely,

Mackenzie Meek, MCIP, RPP
Project Planner
Pearle Hospitality

Current TIEG Phasing and Description Chart

Phase	Description	Must be Commenced Within the Following Time Period After Execution of this Agreement	Must be Completed Within the Following Time Period After Execution of this Agreement
1	Construction of Mid-Rise Residential Condominium Building (Building A)	1 year	5 years
2	Reconstruction of Walser Ruin	3 years	5 years
3	Construction of Elora Mill Hotel and Condominium (Building D)	6 years	8 years
4	Construction of Retail-Commercial-Residential Building (Building F) and Parking Structure (Building G)	9 years	11 year
5	Construction of Hotel-Commercial Building (Building E)	10 years	13 years
6	Flat Iron Building (Building B)	10 years	15 years

Proposed TIEG Phasing and Description Chart

Phase	Description	Must be Commenced Within the Following Time Period After Execution of this Agreement	Must be Completed Within the Following Time Period After Execution of this Agreement	Rationale for change
1	Construction of Mid-Rise Residential Condominium Building (Building A)	1 year	5 years	No change
2	Reconstruction of Walser Ruin	3 years	5 years	No change
3	Construction of Retail-Commercial Building (Building F) and Parking Structure (Building G)	6 years	8 years	Order and description adjusted to reflect current anticipated use and construction sequencing.
4/5	Construction of Elora Mill Hotel – Commercial Building (Building D and Building E)	9 years	13 years	Order adjusted to reflect current anticipated building use and construction sequencing. Buildings D and E are now anticipated to proceed as one combined phase; accordingly, the timing for these buildings has been consolidated.
6	Flat Iron Building (Building B)	10 years	15 years	No change

Tax Increment Equivalent Grant Agreement

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON (**hereinafter referred to as the "Township"**)

and

ELORA SOUTH INC. (**hereinafter referred to as the "Owner"**)

WHEREAS :

- A. The Township has adopted its Urban Centre Community Improvement Plan (the "CIP") pursuant to the community improvement provisions of the *Planning Act*;
- B. The Township has instituted a Tax Increment Equivalent Grant Program (the "TIEG Program") to promote the development, redevelopment, or rehabilitation of eligible buildings or properties within the Township, in accordance with the CIP;
- C. The Owner is the registered Owner of the lands described in Section 1 and **Schedule "A"** to this agreement (the "Subject Lands") which are located within the Community Improvement Project Area;
- D. The parties acknowledge that 2344805 Ontario Inc., an affiliate of the Owner, is the registered owner of a small portion of the Subject Lands as detailed in **Schedule "A"**. All The terms and provisions of this agreement shall apply to that corporation as well, and this Agreement shall be binding upon that corporation.
- E. The Owner has made application (the "application") to the Township for a Tax Increment Equivalent Grant ("TIEG" or "Grant") under the Township's TIEG Program for the development of the Subject Lands (hereinafter referred to as "development") as described in **Schedule "B"**, and the application was conditionally approved by Council or Council's designate on July 26, 2021, via adoption of Item No. COR2021-41 such that the Grant will be provided in accordance with the Program terms and conditions;
- F. The Owner is required as a condition of approval of their TIEG application to enter into this Agreement (the "Agreement");
- G. The Schedules attached to this Agreement form part of the Agreement;
- H. The County has agreed to participate in the TIEG Program by providing a grant for the County portion of the property tax increases on:

- a) non-residential assessment in accordance with the County of Wellington Invest Well Programme. N.B. This excludes residential buildings and the residential portion of mixed use (residential/non-residential) buildings; and,
- b) affordable housing assessment in mixed use buildings. N.B. "Affordable housing" is defined by the County as housing where rents are set at 80% or below the average market rent for the area.

NOW THEREFORE IN CONSIDERATION of the Township making this Grant to the Owner as set out herein, the Owner and the Township hereby agree as follows:

1. INFORMATION ON SUBJECT LANDS

- 1.1 The Grant shall apply to the Subject Lands as set out in Schedule "A" attached, which forms part of this Agreement.

2. INITIAL GRANT ELIGIBILITY

- 2.1 To be eligible for the Grant, the proposed development of the Subject Lands (hereinafter referred to as "development"), shall conform to and fulfill:
- a) the goals, objectives, general eligibility criteria, and program eligibility requirements of the TIEG Program and the CIP; and,
 - b) any other requirements as specified by the Township or as set out herein.
- 2.2 The Owner acknowledges that it has read a copy of the CIP, and that it has received and read a copy of the Township's TIEG Program Guide (the "Guide"), and Urban Design Guidelines (the "Guidelines"), and the Owner covenants with the Township that the Subject Lands shall be developed and the Grant provided for in this Agreement shall be applied in accordance with the Township's goals, objectives, policies, eligibility criteria and program requirements as set out in the CIP, Guide and the Guidelines.
- 2.3 The Township shall review all cost estimates submitted in support of the Application in evaluating the estimated costs eligible for the Grant, which costs, when designated by the Township shall constitute the maximum amount of the total Grant to be paid. In the event the Township is not satisfied with said cost estimates, the Township may substitute their opinion of such amounts for purposes of calculating the eligible costs for the Grant.
- 2.4 If the Township is not in receipt of sufficient information satisfactory to the Township, in its sole discretion, to determine eligible program costs and the amount of the Grant, the application will be closed and there will be no Grant. The decision of the Township regarding the total amount of eligible costs, the calculation of the total estimated maximum Grant and the calculation of the actual total maximum Grant amount and annual Grant payments is final, absolute and within the Township's sole discretion.

3. GRANT CALCULATION AND PAYMENT

3.1 Definitions applicable to each phase of the development:

“Development Completion Date” – the date that development of the Subject Lands is complete, as determined by the Township, provided that if the development is occurring in phases, the Development Completion Date for each phase shall be the date that development of the Subject Lands with respect to such phase is complete, as determined by the Township.

“Force Majeure” - strikes, lockouts, industrial action, action or inaction of any regulatory authority or government having jurisdiction, civil commotion, riot, invasion, war, threat of or preparation for war, terrorist activity, explosion, storm, flood, earthquake, subsidence, epidemic or other natural physical disaster, impossibility of the use of railways, shipping, aircraft, motor transport, or other means of public or private transport, failure or suspension of utilities.

“Pre-project assessed value” – the assessed value of the Subject Lands as determined by the Municipal Property Assessment Corporation (“MPAC”) the day before development works commence. The pre-project assessed value for each phase of development will be calculated as: (Land Area of that Phase/Total Land Area of the Property) x Total Assessed Value of the property as determined by the Municipal Property Assessment Corporation (“MPAC”) the day before development works commence.

“Post-project assessed value” – the final assessed value of the Subject Lands as determined by the MPAC as of the Development Completion Date.

“Township pre-project property taxes” - Township of Centre Wellington property taxes (calculated using only the Township General Tax Rate and the Township Dedicated Capital Tax Rate) on the day before eligible development works commence.

“Township post-project property taxes” - Township of Centre Wellington property taxes (calculated using only the Township General Tax Rate and the Township Dedicated Capital Tax Rate) based on the post-project assessed value.

“Township Tax Increment” = Township post-project property taxes less Township pre-project property taxes. The Township Tax Increment will be a fixed amount based on the post-project assessed value

N.B. Township pre and post-project property taxes do not include education taxes, Elora BIA taxes, and Grand River Conservation Authority (GRCA) Taxes.

“County pre-project property taxes” – County of Wellington property taxes the day before eligible development works commence.

“County post-project property taxes” – County of Wellington property taxes based on the post-project assessed value.

“County Tax Increment” = County post-project property taxes less County pre-project property taxes. The County Tax Increment will be a fixed amount based on the post-project assessed value.

N.B. County pre and post-project property taxes do not include residential taxes and education taxes, but do include residential taxes for affordable housing in mixed use buildings.

- 3.2 For each phase of the development as listed in Section 4.6,
- a) The Grant will be paid in annual installments, calculated according to the formulas set out in **Schedule “C”** to this Agreement;
 - b) The annual grant installments will be considered a separate stream of payments, subject to all the terms and conditions of this Agreement;
 - c) The Township portion of the annual Grant payment will equal 80% of the Township Tax Increment (fixed) that results from the development for up to 10 years;
 - d) *The County portion of the annual Grant payment will equal a percentage (as shown in Schedule “C”) of the County Tax Increment (fixed) that results only from non-residential development for up to 5 years;*
 - e) Grant payments will cease on the earlier of:
 - i) the date when the total of all annual Grant payments equals the total eligible TIEG Program costs for that phase as determined by the Township;
 - ii) 10 years after the Development Completion Date of that phase for the Township portion of the Grant;
 - iii) *5 years after the development Completion Date of that phase for the County portion of the Grant.*

- 3.3 The total value of the sum of the annual Grant payments that may be provided by the Township to the Owner under the TIEG Program for each phase of the development and the entire development shall not exceed the total actual eligible costs for each phase of the development and for the entire development that have been accepted by the Township, which costs are estimated as of the date of this agreement, at: (list the estimated eligible costs for each phase of the development and for the entire development): e.g.

Phase 1 (Building A) = \$ 90,120,550
Phase 2 (Building C) = \$ 3,388,533
Phase 3 (Building D) = \$ 79,727,778
Phase 4 (Buildings F&G) = \$ 53,554,468
Phase 5 (Building E) = \$ 26,814,341
Phase 6 (Building B) = \$ 13,094,381
Entire Development = \$266,700,051 (sum of all phases).

For greater certainty, the amounts listed above shall be considered the maximum applicable estimated Grant amount, subject to section 3.4.

- 3.4 Where actual eligible TIEG Program costs submitted by the Owner are, in the opinion of the Township, less than the estimated eligible TIEG Program costs, the maximum amount of total annual Grant payments shall be reduced to the actual submitted eligible TIEG Program costs. This applies to each phase of the development and the entire development.
- 3.5 Where at any time after the original development of the Subject Lands, major new construction that is not part of the original TIEG Program application (e.g., a new building or major building addition) is added to the Subject Lands, the Grant will be calculated only in respect of the original development contained in the original TIEG Program application.
- 3.6 Some of the figures contained in Schedule "C" are estimates only. The estimated annual Grant payment calculated as set out in Schedule "C" is based on preliminary estimates of post-project assessed value and post-project tax rates. Accordingly, the amount of the annual Grant payment shall be calculated by the Township for each phase of development based on the actual post-project assessed value of each phase of development as determined by MPAC and actual post-project property taxes for each phase of development based on actual tax rates in place at the time. For greater certainty, there must be an increase in net municipal property taxes as a result of an increase in the assessed value attributable to the completion of each phase of development. Annual Grant payments after the first Grant payment will be adjusted downwards in the event the property tax increase in any subsequent year has been reduced. As a result, it is acknowledged by the Owner that the value of the annual grant payment may vary during the term of this Agreement.
- 3.7 The decision of the Township regarding the total amount of eligible costs and the calculation of the actual annual grant payments for each phase of development and the total grant amount is final and absolute.
- 3.8 Grant payments and the value of the eligible grant provided under this program (each phase and entire development) shall be reduced by the amount of any property tax cancellation, reduction, rebates or relief provided on the subject property by the Township or County, or by property tax relief provided or allowed under any statute.
- 3.9 All grants payments will be made only to the Owner as defined herein and not to the registered owner of any lands developed as a condominium or any other party, unless the Owner exercises its assignment rights as specified herein.

4. GRANT CONDITIONS

- 4.1 The Owner shall not be entitled to a grant unless and until they have met all the conditions of this Agreement to the satisfaction of the Township. Grant entitlement may be reviewed and reassessed by the Township, at its discretion, on a periodic basis.
- 4.2 Except where expressly stated in this Agreement, all conditions in this Agreement are for the benefit of the Township and may only be waived by the Township, in writing.
- 4.3 Payment of the grant is subject to the Township's review and satisfaction with all reports and documentation submitted in support of the application, including but not limited to: documentation of the estimated and actual costs of eligible works. Any and all of these costs may be, where required by the Township, subject to verification, third party review and/or independent audit, at the expense of the Owner.
- 4.4 Any and all grant payments that have been provided to the Owner will become repayable to the Township upon notice in writing from the Township that one or more of the conditions set out in the application, this Agreement, the TIEG Program, the CIP, the Guide or the Guidelines, or any other condition imposed in accordance with any of the foregoing, have not been met.
- 4.5 Payment of the Grant is subject to the Township being satisfied that development of the Subject Lands was completed and took place in accordance with the proposed development as specified in the Program Application and this Agreement.
- 4.6 In the event that construction of any of the Phases 1 through 6 of the development as listed below and as described in the TIEG Program Application (including supporting materials) and Schedule B to this Agreement is not commenced, which shall be defined to mean the date a building permit is issued, and completed within the time period following execution of this Agreement as specified in the table below, unless delay is due to Force Majeure, or unless extended by the Township at its sole discretion, this Grant approval shall be at an end, no further Grant payments shall be paid to the Owner, and this Agreement shall be terminated.

At its sole and absolute discretion, Township Council may extend the commencement and/or completion timing specified in the table below. The Township's decision as to when such development (each building and entire project) is commenced and completed is final and absolute.

At its sole and absolute discretion, the Township may also permit changes to the actual order of development (phasing) specified in the table below. Where Township staff receive a written request to change the order of development (phasing) from the Owner, and Township staff are of the opinion that said request should be approved, Township staff will provide an Information Report to Council that specifies the rationale for and proposed changes to the order of development, prior to approving said request from the Owner.

Phase	Description	Must be commenced within the following time period after execution of this Agreement	And must be completed within the following time period after execution of this Agreement
1	Construction of Mid-Rise Residential Condominium Building (Building A)	1 year	5 years
2	Reconstruction of Walsler Ruin	3 years	5 years
3	Construction of Elora Mill Hotel and Condominium (Building D)	6 years	8 years
4	Construction of Retail-Commercial-Residential Building (Building F) and Parking Structure (Building G)	9 years	11 years
5	Construction of Hotel-Commercial Building (Building E)	10 years	13 years
6	Flat Iron Building (Building B)	10 years	15 years

- 4.7 In the event that construction of the entire development as described in the TIEG Program Application is not completed within fifteen (15) years of the execution of this agreement, failing which, unless extended by the Township at its sole and absolute discretion, this Grant approval shall be at an end, no further Grant payments shall be paid to the Owner, and this Agreement shall be terminated. The Township's decision as to when such development is commenced and completed is final and absolute.
- 4.8 All grant payments under this Agreement will end twenty-seven (27) years after the execution of this Agreement, unless extended by the Township at its sole and absolute discretion.
- 4.9 At its sole and absolute discretion, The Township may permit annual grant payments for Phase 2 (Flat Iron Building - Building B) to be made to 2344805 Ontario Inc. (an assignee). However, this in no way relieves the Owner from its duties, liabilities and obligations required under this Agreement. If payments are not permitted to be made to 2344805 Ontario Inc., then such payments shall continue to be made to the Owner.

- 4.10 Annual Grant payments for each phase of the development are not payable by the Township unless and until the Owner has satisfied the Township that each of the following conditions has been fulfilled for each phase of development:
- a) development has been fully completed in accordance with the proposed development as specified in the TIEG Application;
 - b) for each Grant payment, the Owner has submitted a written request for the grant payment to the Township;
 - c) the Owner has supplied the Township with evidence satisfactory to the Township as to the actual eligible costs incurred by the Owner and that these actual eligible costs have been paid in full, and that there are no liens, claims or litigation in respect of the Owner's obligation to pay these costs;
 - d) the Owner has satisfied the Township that all completed development works have not been substantially altered or demolished;
 - e) there are no outstanding work orders and/or orders or requests to comply from any Township department, the County, or other regulatory authority in respect of the Subject Lands, or the business of the Owner conducted on the Subject Lands;
 - f) the Owner, its development and the Subject Lands are in full compliance with:
 - i) any agreement(s) relating to the Subject Lands in favour of the Township or County, including any Agreement relating to: condominium, subdivision, service, site plan approval, encroachment, joint sewer & water use, easement or other agreement; and,
 - ii) by-laws of the Township, County, provincial and federal legislation and their regulations.
 - g) the post-project assessed value is greater than the pre-project assessed value as a result of the development;
 - h) there are no outstanding or pending appeals of the post-project assessed value by the Owner;
 - i) the property taxes payable by the Owner for the year during which property taxes were calculated pursuant the post project assessed value and for each of the preceding years, have been paid in full, have not been deferred, and there are at the time of payment of the annual Grant payment, no instalments of property taxes payable by the Owner for the current year remaining to be paid;
 - j) there are no unpaid charges against the Subject Lands in favour of the Township, including but not limited to: Development Charges, park land dedication fees, special assessments, building permit fees, local improvement charges, and other applicable assessments and charges; and,
 - k) the Owner has provided to the Township a declaration from a Director and Officer of the Owner if it is a corporation, or an individual satisfactory to the Township if the Owner is not a corporation, that states:
 - i) the Owner is in compliance with the terms of this Agreement;

- ii) no construction liens or other claims have been registered on title to the Subject Lands as a result of the development;
- iii) the Property Taxes for the Property payable by the Owner are in good standing and any other fees and charges owing to the Township with respect to the Subject Lands payable by the Owner have been paid in full; and,
- iv) there are no assessment appeals by the Owner which have not been finally resolved;

4.11 If the Owner or the Township has appealed the increased assessed value and/or there exists other pending appeals which have not been settled completely in respect of the assessed value, the Owner will be not be entitled to the annual Grant for that portion of the tax increment pertaining to the assessed value that has been appealed until that appeal is finally resolved. The annual grant to the applicant will be prorated if an assessment appeal has been filed with the MPAC by any condominium unit owners. The Grant for condominium units that are under appeal will not be released until the appeals are fully and finally settled through the Assessment Review Board. Upon final settlement of the assessment appeal, necessary adjustments to the amount of the annual Grant will be made by the Township, as required.

4.12 The Grant payment will not be issued if there is an outstanding tax payment for those portions of the Subject Lands which remain owned by the Owner.

4.13 If at any time after the execution of this Agreement, property taxes are owing on Subject Lands which remain owned by the Owner for more than one full year, the Township will have the option, upon notice to the Owner, and at its sole and absolute discretion, to terminate all future Grant payments.

5. CORPORATE STATUS

5.1 The Owner warrants and represents to the Township that:

- a) the Owner is a valid and existing corporation in good standing under the *Business Corporations Act* and is in compliance with all laws that may affect it, and will remain so throughout the term of this Agreement;
- b) the Owner has the corporate capacity to enter into this Agreement and to perform and meet any and all duties, liabilities and obligations as may be required of it under this Agreement;
- c) the Owner is a resident of Canada as of the date of this Agreement and that in the event the Owner ceases to be a resident of Canada, the Owner shall immediately notify the Township, and it is agreed, the Township may deduct from any or all annual Grant payments, such sum(s) as may be required by the Canada Customs and Revenue Agency in order to meet the Township's obligations as a payor and the Owner's obligations under the *Income Tax Act (Canada)* and other applicable laws;

- d) to the best of its knowledge and belief, there are no actions, suits or proceedings pending or threatened against or adversely affecting the Owner in any court or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, Canadian or foreign, which might materially affect the financial condition of the Owner or title to the Subject Lands or assets;
- e) the Owner shall notify the Township immediately of any material change in the conditions set out in paragraphs a)-d) above.

6. PROVISIONS RELATING TO THE OWNER AND THE SUBJECT LANDS

- 6.1 At the time the Owner signs this Agreement, the Owner will provide the Township with a certified true copy of a resolution of the Board of Directors of the Owner (certified by an officer of the corporation) that authorizes the Owner to enter into this Agreement with the Township.
- 6.2 At the time of application, or at other times at the request of the Township, the Owner submitted to the Township for its review and acceptance, the Owner's plans for the development and supporting documentation, including the Owner's proposed residential and non-residential uses for the property.
- 6.3 The Owner shall immediately notify the Township if the Owner has applied for, been approved for, or has received project funding from any other levels of government or government funded agencies, e.g., County, Provincial, Federal, Canada Mortgage and Housing Corporation, Federation of Canadian Municipalities, etc...), even if said funding is applied for, approved or received after the execution of this agreement.
- 6.4 The Owner will complete all eligible works as specified in the approved TIEG application, and in documentation submitted in support of the TIEG application, including but not limited to the architectural/design drawings, specifications, contracts and cost estimates. As the Township is relying upon this information, if the information in this Agreement, the associated TIEG application, and/or any supporting documentation submitted to the Township is, in the opinion of the Township, incomplete, false, inaccurate or misleading, the Grant may be reduced and/or delayed, and/or cancelled, at the Township's sole discretion, and where part or all of the Grant has already been paid by the Township, such payments shall be repaid by the Owner as required by the Township.
- 6.5 Upon request, the Owner shall supply to the satisfaction of the Township prior to issuance of any and all Grant payments, environmental reports and documentation showing that the Subject Lands have been remediated to the appropriate levels for the proposed use. This includes, where required by the Township, a copy of a Record of Site Condition (RSC) filed in the Environmental Site Registry under Section 168.4 of the Environmental Protection Act, and a

proof of acknowledgement of this RSC by the Ministry of Environment, Conservation and Parks (MECP).

- 6.6 The Owner agrees that the development shall be constructed in compliance with all required Building Permits, and in accordance with the Ontario Building Code and all applicable zoning by-law requirements, municipal requirements and other approvals required at law.
- 6.7 The Owner agrees and covenants to the Township that if the building(s) and improvements that are the subject of this Agreement are demolished, in whole or in part, or any of the heritage features of the property are altered in any way that would compromise the reasons for designation, prior to the expiration of the term of this Agreement, all subsequent Grant payments shall cease, and all Grant payments already paid by the Township to the Owner shall be repaid to the Township.
- 6.8 Upon completion of each phase of the development, the Owner shall provide the Township with documentation satisfactory to the Township as to the amount of the actual eligible TIEG costs incurred by the Owner, and the Township shall, in its discretion designate this cost as the total maximum amount of the TIEG for that phase.
- 6.9 The Owner will provide to the Township, upon request, a detailed status report for each phase of development signed by the Owner to confirm the status and completion of that phase of development, including, but not limited to the: development schedule, existence and extent of any faults or defects, value of the work done under any contract, amounts owing to any contractors and the amounts paid or retained by the Owners on any contract.
- 6.10 The Owner shall ensure there are no liens or other claims outstanding in respect of the Subject Lands, including its development, and all accounts for work and materials which could give rise to any claim for a construction lien against the Subject Lands have been paid.
- 6.11 The Owner shall ensure that the Owner is in compliance with the *Construction Lien Act*, including its holdback provisions and is not aware of any potential or unresolved Lien claim in respect of the redevelopment.
- 6.12 The Owner covenants to the Township that the Owner shall use the Subject Lands in compliance with this Agreement, all municipal by-laws pertaining to use, and all applicable environmental laws.
- 6.13 The Owner agrees to comply with all outstanding work orders and/or orders or requests to comply from any and all Township departments prior to or as a condition of Grant approval.

- 6.14 The Owner covenants to the Township that the Subject Lands shall be maintained in their rehabilitated condition and not re-contaminated during the term of this Agreement.
- 6.15 The Owner covenants to the Township that the Owner shall not commit or permit any waste to be dumped or any nuisance upon the Subject Lands, or cause or permit any part of the Subject Lands to be used for any dangerous occupation or business or for any noxious or offensive trade.
- 6.16 The Owner's lawyer shall provide the Township, prior to the Township's execution of this Agreement, a legal opinion, in a form satisfactory to the Township's Corporate Counsel that certifies to the Township that:
- a) the Owner named in this Agreement is the registered Owner of the Subject Lands;
 - b) the Agreement has been executed on behalf of the corporate Owner by individual(s) who have authority to bind the corporate Owner; and,
 - c) the legal description of the Subject Lands as set out in Schedule "A" of this Agreement is full and complete.
- 6.17 The Owner covenants to the Township that where the ownership of part or all of the Subject Lands ceases for any reason to be in the Owner's name by sale, assignment or otherwise, prior to the advance of all of the Grant payments, the Owner will notify the Township in writing of said pending ownership change at least 45 days prior to the ownership change taking place.
- 6.18 The Owner acknowledges that it may not assign its interest in this Agreement or the Grant payments to a new owner or an assignee without the express written consent of the Township. The Township, entirely at its own discretion and to its satisfaction, agrees that such consent shall not be unreasonably withheld, subject to:
- a) the new owner or assignee agreeing in writing to be bound by all of the Owner's obligations and maintenance conditions under this Agreement;
 - b) the Owner and the new owner or assignee executing such written consent, agreement or other documentation as required by the Township; and,
 - c) The new owner or assignee agreeing in writing to be bound by any new conditions and requirements imposed by the Township to address any project deficiencies.
- 6.19 In the event that after this Agreement is executed, the ownership of part or all of the Subject Lands ceases for any reason to be in the Owner's name while grant payments remain to be paid, the Owner acknowledges that it may not assign its interest in this Agreement or the remaining grant payments to a new owner without the express written consent of the Township. The Township, entirely at its own discretion and to its satisfaction, prior to the Owner ceasing to be an owner, agrees that such consent shall not be unreasonably withheld, subject to:

- a) the new owner agreeing in writing to be bound by all of the Owner's obligations and maintenance conditions under this Agreement that have not been fulfilled; and,
- b) the Owner and new owner executing such written consent, agreement or other documentation as required by the Township.

No assignment shall relieve the Owner from any obligation or liability arising prior to the Owner ceasing to be an owner.

- 6.20 The Owner will be responsible for ensuring that they can be contacted by the Township for the purpose of delivering Grant cheques.
- 6.21 The Owner acknowledges that without limiting the generality of the other provisions of this Agreement:
- a) the onus and responsibility is upon the Owner at all times to assume all development costs and to apply for and obtain, at the Owner's expense, all approvals required from the Township, the County, and all other agencies for the development of the Subject Lands, including but not limited to all Official Plan Amendments, re-zoning bylaws, minor variances, and site plan approval;
 - b) nothing in this Agreement limits or fetters the Township or in exercising its statutory jurisdiction under the *Planning Act* or under any other legislative authority or by-law and that in the event the Township decides to deny or oppose or appeal any such decision, that such action by the Township is not in any manner limited by reason of the Township entering into this Agreement;
 - c) the Owner releases the Township from any liability in respect of the Township's reviews, decisions, inspections or absence of inspections regarding this development and the Owner agrees that it is its responsibility at all times to prepare and implement its development as would a careful and prudent land owner;
 - d) nothing in this Agreement is intended to impose or shall impose upon the Township any duty or obligation to inspect or examine the land for compliance or non-compliance or to provide an opinion or view respecting any condition of development; and,
 - e) nothing in this Agreement is intended to be or shall be construed to be a representation by the Township regarding compliance of the Subject Lands with: (1) applicable environmental laws, regulations, policies, standards, permits or approvals, or, (2) other by-laws and policies of the Township.
- 6.22 The Owner agrees that if, after it has received one or more Grant payment(s) from the Township, it or any new owner successfully appeals the post-project assessed value on which such Grant payment(s) are based, and as a result, there is a retroactive decrease in the assessed value, the Township may deduct the amount of any resulting Grant overpayment from future Grant payments and/or add any Grant overpayment to municipal property taxes payable on the Subject Lands.

- 6.23 The Owner shall indemnify and save harmless from time to time and at all times, the Township, its officers, employees, and agents from and against all claims, actions, causes of action, interest, demands, costs, charges, damages, expenses and loss made by any person arising directly or indirectly from:
- a) the Township entering into this Agreement; and
 - b) any failure by the Owner to fulfil its obligations under this Agreement. This indemnification shall, in respect of any matter arising prior to the termination of this Agreement, remain in force following termination or expiry of this Agreement.
- 6.24 The Owner acknowledges and agrees that they have been advised by the Township to consult a lawyer before executing this Agreement. The Owner further acknowledges and agrees that it has either obtained independent legal advice from their own lawyer with respect to the terms of this Agreement prior to execution or declined seeking such independent legal advice. Nevertheless, the Owner herein acknowledges that they have read this Agreement, understand the terms and conditions and the Owner's rights and obligations under this Agreement and agrees to be bound by same. The Owner acknowledges and agrees that this Agreement is being executed voluntarily. The executed Certificate of Independent Legal Advice attached as **Schedule "D"** shall constitute prima facie evidence of aforesaid legal consultation and independent legal advice or that the Owner declined to obtain same.
- 6.25 The Owner is bound by this Agreement, unless prior to the Owner receiving the Initial Grant payment, the Owner gives notice in writing to the Township that the Owner has decided not to accept the Grant contemplated by this Agreement, in which case, the Agreement shall be terminated as of the date of such notice.

7. PROVISIONS RELATING TO THE TOWNSHIP

- 7.1 On an annual basis upon receipt of a written request by the Owner for Grant payment, and provided the Township has determined that the Owner is in compliance with this Agreement, the Township agrees to pay a Grant to the Owner subject to and in accordance with the terms and conditions set out in this Agreement, provided that the total grant for each phase of the development and the entire development shall not exceed the total actual eligible costs for each phase of the development and for the entire development that have been accepted by the Township.
- 7.2 If the Township receives no communication from the Owner, or is unable, for any reason, to contact the Owner, for any two year period, the Township will have the option, without notice and at its own discretion, of terminating all future Grant payments to the Owner, and this Agreement shall be at an end.

- 7.3 The Township reserves the right to require a third party review or independent audit, at the Owner's expense, of all documentation submitted in support of the Application or during the administration of the annual Grant payments, including, but not limited to:
- a) estimates and actual costs of all development works; and,
 - b) environmental reports and documentation.
- 7.4 The Township, its employees and agents are entitled to inspect the Subject Lands and all development, improvements and fixtures upon the Subject Lands at any time during usual business hours for the purpose of ascertaining their condition or state of repair or for the purpose of verifying compliance with the application, this Agreement, and the TIEG Program.
- 7.5 If in the opinion of the Township the Subject Lands are not maintained in their rehabilitated condition, the Township may at its own discretion, terminate all future Grant payments and require repayment of all Grant payments already paid out by the Township to the Owner.
- 7.6 The Grant is conditional upon periodic reviews satisfactory to the Township to there being no adverse change in the development and to there being compliance on the part of the Owner with all requirements contained in this Agreement.

8. DEFAULT AND REMEDIES

- 8.1 If the Township determines in its sole discretion that the Owner is in default, as defined below, the Township may at its sole discretion:
- a) cease or delay Grant payments, in whole or in part;
 - b) require repayment of Grant payments already made to the Owner, in whole or in part; and/or,
 - c) terminate this Agreement.

The Owner shall not have any claim for compensation or reimbursement of any costs and expenses against the Township and the Township shall not be liable to the Owner for losses, damages, interest, or claims which the Owner may bear as a result of the lapse of time (if any) where the Township is exercising its rights herein to cease, delay, require repayment of a Grant payment or terminate this Agreement.

These rights are cumulative and not exclusive, and are in addition to and without prejudice to any other rights or remedies available at law, in equity, by statute or otherwise, and the exercise by the Township of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise.

- 8.2 The Owner shall be in default of this Agreement in the event any of the following occurs:
- a) the as constructed works do not generally comply with the description of the works as provided in the Application Form as final updated on (*insert date*);
 - b) deficiencies in the as constructed works during the term of this Agreement;
 - c) the works are not undertaken in conformity with the Ontario Building Code and all applicable zoning requirements and planning approvals;
 - d) the Owner sells, transfers or otherwise disposes of the Subject Lands without advising the Township within the required timeframe as set out in Paragraph 6.17;
 - e) the building for which a Grant was provided is demolished or designated heritage features of that building are altered during the term of the Grant;
 - f) the building is damaged by fire or otherwise, and repair or reconstruction is not commenced within 365 days (1 year);
 - g) the Owner is in property tax arrears with respect to the property for more than 90 days;
 - h) any representation, warranty, statement, declaration or information provided to the Township by the Owner in the Application or connection with this Agreement or in this Agreement is incorrect, false, misleading or erroneous in any material respect;
 - i) the Owner fails to perform or comply with any of the obligations contained in this Agreement or contained in any other Agreement entered into between the Owner and the Township;
 - j) if the Owner is a corporation, any change in the corporate status of the Owner including but not limited to: the Owner's certificate of incorporation is cancelled; the Owner is otherwise wound up or dissolved as a corporation;
 - k) the Owner takes any of the following actions (1) without first obtaining written consent from the Township, and (2) the result of one or more of these actions is a change in the effective control of the majority of the voting shares of the Owner:
 - i) issuance, redemption or transfer of any of the shares of the Owner;
 - ii) any sale or transfer of the legal or beneficial interest of any of the shares of the Owner; or,
 - iii) any amalgamation, merger or consolidation with any other corporation.
 - l) the Owner makes an assignment for the benefit of creditors, or assigns in bankruptcy or takes the advantage in respect of their own affairs of any statute for relief in bankruptcy, moratorium, settlement with creditors, or similar relief of bankrupt or insolvent debtors, or if a receiving order is made against the Owner, or if the Owner is adjudged bankrupt or insolvent, or if a liquidator or receiver is appointed by reason of any actual or alleged insolvency, or any default of the Owner under any mortgage or other obligation, or if the Subject Lands or interest of the Owner in the Subject Lands becomes liable to be taken or sold by any creditors or under any writ of execution or other like process;
 - m) construction ceases for a period of more than 365 days (1 year) due to the Owner's default (Force Majeure excepted), and/or the Owner abandons

- the development of Subject Lands for a period of more than 365 days (1 year);
- n) the Owner is in default of the terms and conditions of the construction financing secured by the first mortgage;
 - o) this Agreement is forfeited or is terminated by any other provision contained in it;
 - p) the Owner is otherwise in breach of any of its obligations pursuant to the terms of this Agreement.

8.3 The Township may, at its sole discretion, provide the Owner with an opportunity to remedy any default.

9. ADDITIONAL PROVISIONS

- 9.1 This Agreement shall remain in effect from the date of its execution to the earlier of:
- a) the Owner informing the Township in writing prior to payment of the initial Grant payment, that the Owner has decided not to accept the Grant;
 - b) the Township informing the Owner in writing that due to the non-fulfilment or non-compliance with a required condition or due to default, this Agreement is at an end;
 - c) the total amount of the Grant paid out to the Owner equals the total actual eligible costs;
 - d) 27 years from the date of execution of this Agreement.
- 9.2 Time shall be of the essence with respect to all covenants, provisions, conditions and other matters contained in this Agreement.
- 9.3 This Agreement and the covenants, provisions and conditions herein contained shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
- 9.4 This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.
- 9.5 This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
- 9.6 This Agreement, together with TIEG Application, and all related exhibits and schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

- 9.7 This Agreement is governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.
- 9.8 For purposes of this Agreement, (a) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole; (d) whenever the singular is used herein, the same includes the plural, and whenever the plural is used herein, the same includes the singular, where appropriate; and (e) whenever the masculine is used herein, the same includes the feminine, and whenever the feminine is used herein, the same includes the masculine, where appropriate. Unless the context otherwise requires, references herein: (x) to sections, schedules and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein are construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.
- 9.9 The Owner may not, without the prior written consent of the Township, which consent may be arbitrarily withheld, make any public announcement in respect of this Agreement or the Grant or otherwise communicate with any news media, and the parties shall cooperate as to the timing and contents of any such announcement.
- 9.10 No waiver is effective unless in writing. No waiver by the Township will operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 9.11 Upon termination or expiration of this Agreement for any reason, nothing in this Agreement shall be construed to release either party from any obligations that accrued prior to the effective date of such termination or expiration. Any provisions of this Agreement which, by their nature, must survive termination or expiration of this Agreement to give effect to same will survive any such termination or expiration.

10. NOTICES

10.1 Where this Agreement requires notice to be delivered by one party to the other, such notice shall be in writing and delivered either personally, by e-mail, by fax or by prepaid registered first class post, by the party wishing to give such notice, to the other party at the address noted below:

Such notice shall be deemed to have been given:

- a) in the case of personal delivery, on the date of delivery;
- b) in the case of e-mail or fax, on the date of transmission provided it is received before 4:30 p.m. on a day that is not a holiday, as defined in the *Interpretation Act*, failing which it shall be deemed to have been received the next day that is not a holiday; and,
- c) in the case of registered post, on the third day, which is not a holiday, following posting.

Notice shall be given:

To the Owner at:

Elora South Inc
Attn: Sally Stuart
611 Tradewind Dr, Suite 300
SS 108
Ancaster, ON
L9G 4V5

To the Township at:

Township of Centre Wellington
Attn: Managing Director of Corporate Services
1 MacDonald Square
Elora, ON.
N0B 1S0

IN WITNESS WHEREOF the parties hereto have affixed their corporate seal duly witnessed and attested by the hands of the proper signing officers and said signing officers certify that they have authority to bind their corporation.

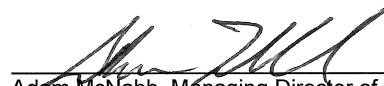
SIGNED, SEALED AND DELIVERED

**THE CORPORATION OF THE TOWNSHIP
OF CENTRE WELLINGTON**

Per:



Dan Wilson, Chief Administrative Officer



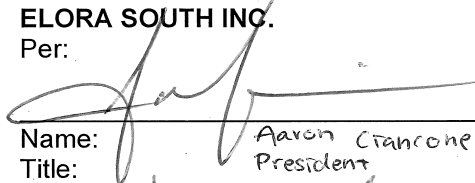
Adam McNabb, Managing Director of Corporate Services

Date: June 15, 2022

I/We have authority to bind the corporation.

ELORA SOUTH INC.

Per:



Name: Aaron Ciancone
Title: President

Date: June 6, 2022

Name:
Title:

Date: _____
I/We have authority to bind the corporation.

SCHEDULE "A"

Subject Lands

Of an Agreement between the Township of Centre Wellington and the Owner named in this Agreement.

Name of Registered Property Owner Elora South Inc./ 2344805 ONTARIO INC

Address of Subject Lands 6523 Wellington Road 7, Elora
30 Carlton Place, Elora

Assessment Roll Number(s) 232600001114500000
2326000011145080000

Mailing Address of Property Owner (where different from address of Subject Lands)

ELORA SOUTH INC
ATTN: SALLY STUART
611 TRADEWIND DR, SUITE 300
SS 108
ANCASTER, ON
L9G 4V5

Legal Description of Subject Lands

Elora South Inc.

FIRSTLY: PT LT RESERVE BTN ALLAN ST & THE RIVER PL 181 ELORA AS IN RS6698 (THIRDLY) EXCEPT 61R6273; S/T MS60371, ROS225455; PT LT W END ALLAN ST ABUTTING THE RIVER PL 181 ELORA, PT LT RESERVE BTN ALLAN ST & THE RIVER PL 181 ELORA, PT LT 5 S/S ALLAN ST PL 181 ELORA, LT 6 S/S ALLAN ST PL 181 ELORA, LT 7 S/S ALLAN ST ABUTTING GUELPH RD PL 181 ELORA, LT8 S/S ALLAN ST NE/S GUELPH RD PL 181 ELORA, PT ALL ST PL 181 ELORA (CLOSED BY BY-LAW 1482), PT RDAL BTN TWP OF PILKINGTON & TWP OF NICHOL (CLOSED B Y BYLAW 1783), PTS 1, 2 & 3, 61R8045; PT RESERVE BTN ALLAN ST & RIVER PL 181, PT ALLAN ST PL 181 (CLOSED BY BYLAW RS6582 & UNREG'D BYLAW 1482, LTS 1 TO 4 & PT LT 5 PL 181, PTS 2, 6-12, 61R6273 EXCEPT PTS 1 TO 3 61R8045, PT 1, 61R8958 & PTS 1-5 61R20253 S/T MS60370; SUBJECT TO AN EASEMENT OVER PTS 2 AND 7 ON PL 61R11042 IN FAVOUR OF PTS 1,2,3,4 AND 5 PL 61R20253 AS IN WC416342; SECONDLY: LT 12 NE/S OF GUELPH RD & S/S ALLAN ST PL 181 ELORA; THIRDLY: PT RESERVE BTN ALLAN ST & RIVER PL 181 ELORA; PT VICTORIA (CLOSED BY MS57159) PL 181 ELORA, PT 1, 61R8958 ; CENTRE WELLINGTON; SUBJECT TO AN EASEMENT IN GROSS

OVER PART 1 PLAN 61R8958 AS IN WC522369; FOURTHLY: LT 1 SE/S ROSS ST PL 181 ELORA; LT 2 SE/S ROSS ST PL 181 ELORA; FIFTHLY: PT LT 3 SE/S ROSS ST PL 181 ELORA AS IN MS50372; SIXTHLY: PT LT 3 SE/S ROSS ST PL 181 ELORA AS IN RO707936; SEVENTHLY: PT LT 4 SE/S ROSS ST PL 181 ELORA AS IN RO691721; EIGHTHLY: PT LT 4 SE/S ROSS ST PL 181 ELORA; PT LT 5 SE/S ROSS ST PL 181 ELORA AS IN RO738151; NINTHLY: PT LT 5 SE/S ROSS ST PL 181 ELORA; LT 4 NW/S CARLTON PLACE PL 181 ELORA; LT 5 NW/S CARLTON PLACE PL 181 ELORA; LT 6 NW/S CARLTON PLACE PL 181 ELORA; PT LT 7 NW/S CARLTON PLACE PL 181 ELORA; PT LT 8 NW/S CARLTON PLACE PL 181 ELORA PT 1, 61R6273; TENTHLY: PART ALLAN ST PL 181 ELORA PART 2 61R21121; STOPPED UP AND CLOSED AS IN WC516551; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 ON 61R21787 AS IN WC605871; TOWNSHIP OF CENTRE WELLINGTON

2344805 ONTARIO INC.

LT 7 NW/S OF CARLTON PLACE ABUTTING THE RIVER PL 181 ELORA PARTS 4, 5, 6 61R21121; CENTRE WELLINGTON

SCHEDULE "B"

Project Description

Building A Mid Rise Residential Building

136 residential units

Building B Residential Commercial (Flatiron)

3,600 sq.ft commercial (retail/service)

16 residential units

Building C Walsler Ruin

4,456 sq.ft commercial (retail, service, or office)

1 artist unit

**Building D Hotel-Residential-
Commercial**

13,000 sq.ft commercial
services/retail)

58 hotel suites

50 residential units

Building E Hotel-Commercial

25,400 sq.ft commercial (retail, service, or office)

15 hotel suites

Building F Residential-Commercial

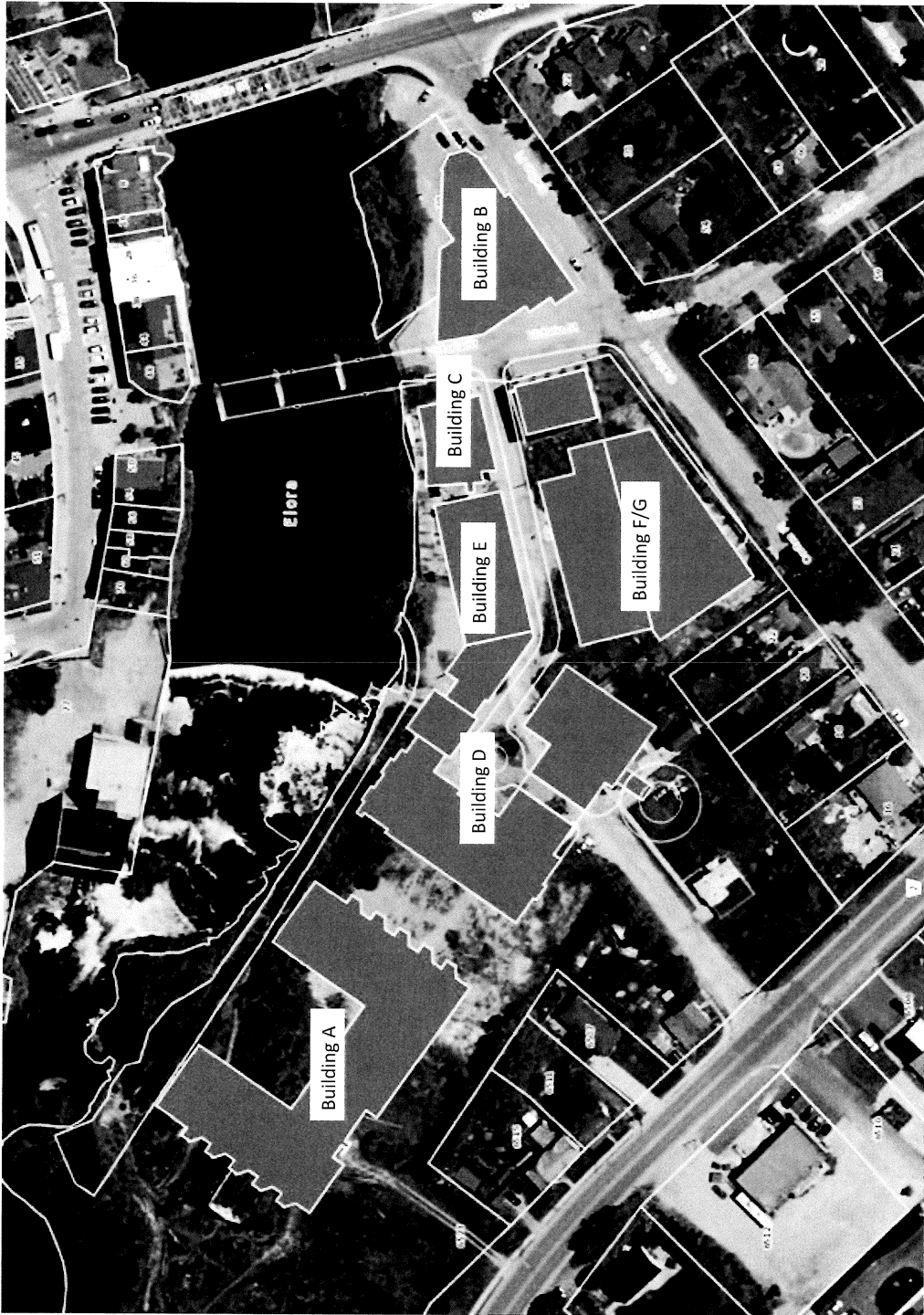
18,082 sq.ft commercial (retail, service, or office)

12 residential units

Building G Parking Garage

195 parking spaces

Schedule B



SCHEDULE "C"

Estimated Grant Calculation and Payment Schedule

N.B. The estimated figures in all the tables below will be recalculated to actuals using the actual post-project assessed value as determined by MPAC and the actual applicable Township *and County* tax rates.

Phase 1: Construction of Mid-Rise Residential Condominium Building (Building A) - see Schedule "B" for description

A. Estimated Tax Increment			
1	Total Eligible Costs		\$ 90,120,550
2	Pre-project Assessed Value (2016) as per MPAC (estimate)		\$ 760,420
3	Pre-project Township Property Taxes*		\$ 3,725
4	Pre-project County Property Taxes**		\$ 7,052
5	Estimated Post-project Assessed Value		\$ 60,905,000
6	Estimated Post-Project Township Property Taxes*		\$ 200,079
7	Estimated Post-Project County Property Taxes**		\$ -
8	Estimated Township Tax Increment		\$ 196,354
9	Estimated County Tax Increment		\$ -
B. Estimated Grant Payment Schedule for Township Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	0.8	\$ 196,354	\$ 157,084
2	0.8	\$ 196,354	\$ 157,084
3	0.8	\$ 196,354	\$ 157,084
4	0.8	\$ 196,354	\$ 157,084
5	0.8	\$ 196,354	\$ 157,084
6	0.8	\$ 196,354	\$ 157,084
7	0.8	\$ 196,354	\$ 157,084
8	0.8	\$ 196,354	\$ 157,084
9	0.8	\$ 196,354	\$ 157,084
10	0.8	\$ 196,354	\$ 157,084
TOTAL			\$ 1,570,835
C. Estimated Grant Payment Schedule for County Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	1	\$ -	\$ -
2	0.8	\$ -	\$ -
3	0.6	\$ -	\$ -
4	0.4	\$ -	\$ -
5	0.2	\$ -	\$ -
TOTAL			\$ -

Notes:

* Does not include Education Taxes, Elora BIA Taxes, and GRCA Taxes.

** Does not include County Residential Taxes and Education Taxes.

Phase 2: Reconstruction of Walser Ruin (Building C) - see Schedule "B" for description

A. Estimated Tax Increment			
1	Total Eligible Costs		\$ 3,388,533
2	Pre-project Assessed Value (2016) as per MPAC (estimate)		\$ 86,680
3	Pre-project Township Property Taxes*		\$ 425
4	Pre-project County Property Taxes**		\$ 804
5	Estimated Post-project Assessed Value		\$ 1,593,262
6	Estimated Post-Project Township Property Taxes*		\$ 7,804
7	Estimated Post-Project County Property Taxes**		\$ 14,776
8	Estimated Township Tax Increment		\$ 7,379
9	Estimated County Tax Increment		\$ 13,972
B. Estimated Grant Payment Schedule for Township Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	0.8	\$ 7,379	\$ 5,904
2	0.8	\$ 7,379	\$ 5,904
3	0.8	\$ 7,379	\$ 5,904
4	0.8	\$ 7,379	\$ 5,904
5	0.8	\$ 7,379	\$ 5,904
6	0.8	\$ 7,379	\$ 5,904
7	0.8	\$ 7,379	\$ 5,904
8	0.8	\$ 7,379	\$ 5,904
9	0.8	\$ 7,379	\$ 5,904
10	0.8	\$ 7,379	\$ 5,904
TOTAL			\$ 59,035
C. Estimated Grant Payment Schedule for County Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	1	\$ 13,972	\$ 13,972
2	0.8	\$ 13,972	\$ 11,178
3	0.6	\$ 13,972	\$ 8,383
4	0.4	\$ 13,972	\$ 5,589
5	0.2	\$ 13,972	\$ 2,794
TOTAL			\$ 41,916

Notes:

* Does not include Education Taxes, Elora BIA Taxes, and GRCA Taxes.

** Does not include County Residential Taxes and Education Taxes.

Phase 3: Construction of Elora Mill Hotel and Condominium (Building D) - see Schedule "B" for description

A. Estimated Tax Increment			
1	Total Eligible Costs		\$ 79,727,778
2	Pre-project Assessed Value (2016) as per MPAC (estimate)		\$ 760,420
3	Pre-project Township Property Taxes*		\$ 3,725
4	Pre-project County Property Taxes**		\$ 7,052
5	Estimated Post-project Assessed Value		\$ 42,376,000
6	Estimated Post-Project Township Property Taxes*		\$ 169,890
7	Estimated Post-Project County Property Taxes**		\$ 176,400
8	Estimated Township Tax Increment		\$ 166,165
9	Estimated County Tax Increment		\$ 169,348
B. Estimated Grant Payment Schedule for Township Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	0.8	\$ 166,165	\$ 132,932
2	0.8	\$ 166,165	\$ 132,932
3	0.8	\$ 166,165	\$ 132,932
4	0.8	\$ 166,165	\$ 132,932
5	0.8	\$ 166,165	\$ 132,932
6	0.8	\$ 166,165	\$ 132,932
7	0.8	\$ 166,165	\$ 132,932
8	0.8	\$ 166,165	\$ 132,932
9	0.8	\$ 166,165	\$ 132,932
10	0.8	\$ 166,165	\$ 132,932
TOTAL			\$ 1,329,323
C. Estimated Grant Payment Schedule for County Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	1	\$ 169,348	\$ 169,348
2	0.8	\$ 169,348	\$ 135,478
3	0.6	\$ 169,348	\$ 101,609
4	0.4	\$ 169,348	\$ 67,739
5	0.2	\$ 169,348	\$ 33,870
TOTAL			\$ 508,044

Notes:

* Does not include Education Taxes, Elora BIA Taxes, and GRCA Taxes.

** Does not include County Residential Taxes and Education Taxes.

Phase 4: Construction of Retail-Commercial-Residential Building (Building F) and Parking Structure (Building G) - see Schedule "B" for description

A. Estimated Tax Increment			
1	Total Eligible Costs		\$ 53,554,468
2	Pre-project Assessed Value (2016) as per MPAC (estimate)		\$ 242,310
3	Pre-project Township Property Taxes*		\$ 1,187
4	Pre-project County Property Taxes**		\$ 2,247
5	Estimated Post-project Assessed Value		\$ 11,393,738
6	Estimated Post-Project Township Property Taxes*		\$ 48,775
7	Estimated Post-Project County Property Taxes**		\$ 65,231
8	Estimated Township Tax Increment		\$ 47,588
9	Estimated County Tax Increment		\$ 62,984
B. Estimated Grant Payment Schedule for Township Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	0.8	\$ 47,588	\$ 38,071
2	0.8	\$ 47,588	\$ 38,071
3	0.8	\$ 47,588	\$ 38,071
4	0.8	\$ 47,588	\$ 38,071
5	0.8	\$ 47,588	\$ 38,071
6	0.8	\$ 47,588	\$ 38,071
7	0.8	\$ 47,588	\$ 38,071
8	0.8	\$ 47,588	\$ 38,071
9	0.8	\$ 47,588	\$ 38,071
10	0.8	\$ 47,588	\$ 38,071
TOTAL			\$ 380,705
C. Estimated Grant Payment Schedule for County Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	1	\$ 62,984	\$ 62,984
2	0.8	\$ 62,984	\$ 50,387
3	0.6	\$ 62,984	\$ 37,790
4	0.4	\$ 62,984	\$ 25,194
5	0.2	\$ 62,984	\$ 12,597
TOTAL			\$ 188,951

Notes:

* Does not include Education Taxes, Elora BIA Taxes, and GRCA Taxes.

** Does not include County Residential Taxes and Education Taxes.

Phase 5: Construction of Hotel-Commercial Building (Building E) - see Schedule "B" for description

A. Estimated Tax Increment			
1	Total Eligible Costs		\$ 26,814,341
2	Pre-project Assessed Value (2016) as per MPAC (estimate)		\$ 120,170
3	Pre-project Township Property Taxes*		\$ 589
4	Pre-project County Property Taxes**		\$ 1,114
5	Estimated Post-project Assessed Value		\$ 7,081,034
6	Estimated Post-Project Township Property Taxes*		\$ 34,683
7	Estimated Post-Project County Property Taxes**		\$ 65,669
8	Estimated Township Tax Increment		\$ 34,094
9	Estimated County Tax Increment		\$ 64,555
B. Estimated Grant Payment Schedule for Township Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	0.8	\$ 34,094	\$ 27,276
2	0.8	\$ 34,094	\$ 27,276
3	0.8	\$ 34,094	\$ 27,276
4	0.8	\$ 34,094	\$ 27,276
5	0.8	\$ 34,094	\$ 27,276
6	0.8	\$ 34,094	\$ 27,276
7	0.8	\$ 34,094	\$ 27,276
8	0.8	\$ 34,094	\$ 27,276
9	0.8	\$ 34,094	\$ 27,276
10	0.8	\$ 34,094	\$ 27,276
TOTAL			\$ 272,755
C. Estimated Grant Payment Schedule for County Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	1	\$ 64,555	\$ 64,555
2	0.8	\$ 64,555	\$ 51,644
3	0.6	\$ 64,555	\$ 38,733
4	0.4	\$ 64,555	\$ 25,822
5	0.2	\$ 64,555	\$ 12,911
TOTAL			\$ 193,664

Notes:

* Does not include Education Taxes, Elora BIA Taxes, and GRCA Taxes.

** Does not include County Residential Taxes and Education Taxes.

Phase 6: Construction of Flat Iron Building (Building B) - see Schedule "B" for description

A. Estimated Tax Increment			
1	Total Eligible Costs		\$ 13,094,381
2	Pre-project Assessed Value (2016) as per MPAC (estimate)		\$ 250,000
3	Pre-project Township Property Taxes*		\$ 1,225
4	Pre-project County Property Taxes**		\$ 2,318
5	Estimated Post-project Assessed Value		\$ 7,627,757
6	Estimated Post-Project Township Property Taxes*		\$ 26,637
7	Estimated Post-Project County Property Taxes**		\$ 9,077
8	Estimated Township Tax Increment		\$ 25,412
9	Estimated County Tax Increment		\$ 6,759
B. Estimated Grant Payment Schedule for Township Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	0.8	\$ 25,412	\$ 20,330
2	0.8	\$ 25,412	\$ 20,330
3	0.8	\$ 25,412	\$ 20,330
4	0.8	\$ 25,412	\$ 20,330
5	0.8	\$ 25,412	\$ 20,330
6	0.8	\$ 25,412	\$ 20,330
7	0.8	\$ 25,412	\$ 20,330
8	0.8	\$ 25,412	\$ 20,330
9	0.8	\$ 25,412	\$ 20,330
10	0.8	\$ 25,412	\$ 20,330
TOTAL			\$ 203,300
C. Estimated Grant Payment Schedule for County Portion			
Year	Grant Factor	Tax Increment	Grant Amount
1	1	\$ 6,759	\$ 6,759
2	0.8	\$ 6,759	\$ 5,407
3	0.6	\$ 6,759	\$ 4,055
4	0.4	\$ 6,759	\$ 2,703
5	0.2	\$ 6,759	\$ 1,352
TOTAL			\$ 20,276

Notes:

* Does not include Education Taxes, Elora BIA Taxes, and GRCA Taxes.

** Does not include County Residential Taxes and Education Taxes.

SCHEDULE "D"

Certificate of Independent Legal Advice

- The Owner represents, which representation the Township is relying upon, that it:
- a) hereby acknowledges and agrees that it has been advised by the Township or its appointed representative to obtain independent legal advice with respect to the TIEG Agreement;
 - b) has had an opportunity to obtain independent legal advice and has obtained same, or having had the opportunity to obtain independent legal advice, has refused or declined same;
 - c) has read this Agreement in its entirety has full knowledge of its contents, and understands its respective rights and obligations under this Agreement;
 - d) agrees to be bound by the terms of this Agreement;
 - e) is signing this Agreement voluntarily.

ELORA SOUTH INC.

Per:



Name: Aaron Fiancone

Title: President

Date: June 6, 2022

Name: _____

Title: _____

Date: _____

/We have authority to bind the corporation.



**Report to
Council**

To: Mayor Watters and Members of Council

Report: IS2026-14

Prepared By: Colin Baker, Managing Director of
Infrastructure Services

Date: 15 Jun 2026

RE: Review of Township Road Salt Management Programs

Recommendation:

THAT the Council of the Township of Centre Wellington receive the 2026 Township of Centre Wellington Salt Management Plan for information AND;

Whereas road salt is a known toxic substance designated under the Canadian Environmental Protection Act because of tangible threats of serious or irreversible environmental and health damage from road salt; and

Whereas salt levels in Ontario's groundwater aquifers, creeks, rivers, and lakes have increasingly worsened since the 1970s, seriously affecting municipal drinking water sources and aquatic life; and

Whereas the Township of Centre Wellington takes actions to minimize salt impacts, local salt concerns and economic damages from salt, etc., and

Whereas the Ontario and Canadian governments have taken many actions over the past 25 years including setting water quality guidelines, developing voluntary codes of practice, signing the Canada-Ontario Great Lakes Agreement, and holding workshops, yet still the salt problem continues to grow; and

Whereas numerous situation analyses have recommended salt solutions liability protection, contractor certification, government-approved Best Management Practices (BMPs) and salt management plans; and

Whereas increased numbers of slips and falls claims, and other injury/collision claims related to snow and ice, are resulting in salt applicators overusing salt beyond levels considered best practices; and

Whereas unlimited contractor liability is making it difficult or expensive for snow and ice management contractors to obtain insurance coverage, resulting in contractors leaving

the business, thereby making it difficult for municipalities and private owners to find contractors; and

Whereas the Snow and Ice Management Sector (SMS) of Landscape Ontario is working with the Ontario government to institute a limited liability regime for snow and ice management, including enforceable contractor training/certification and government-approved BMPs for salt application; and

Whereas many Ontario municipalities have Salt Management Plans, but these often require updating in light of improved science and better salt management practices now available; and

Whereas environmentally friendly and pet friendly alternatives to road salt and sidewalk have been widely available for decades and are used successfully world wide;

Therefore Be It Resolved That:

1. The Township of Centre Wellington urges the Province of Ontario to work urgently with key stakeholders to develop limited liability legislation, including enforceable contractor training and a single set of provincially-endorsed standard Best Management Practices (BMPs) for snow and ice management including incorporating the enforcement and BMPs into Risk Management Plans and Source Protection Plans pursuant to the Clean Water Act where applicable; and
2. The Township of Centre Wellington urges the province of Ontario to create and fund an expert stakeholder advisory committee to advise the province and municipalities on the best courses of action to protect freshwater ecosystems and drinking water from the impacts of salt pollution; and
3. The Township of Centre Wellington investigate and implement, where feasible and cost-effective, measures to reduce the use and impacts of winter maintenance materials on the environment, infrastructure, pets, and the community, while maintaining safe and accessible roads, sidewalks, and parking lots; and
4. This resolution be sent to all municipalities within the County of Wellington, the City of Guelph, the Regional Municipality of Waterloo, the Association of Municipalities of Ontario (AMO), local MPPs, Conservation Ontario, Minister Todd McCarthy (MECP), Attorney General Doug Downey, and Premier Doug Ford.

Summary:

At the December 15, 2025 Council meeting delegations were received by the Wellington Water Watchers, the Ontario Salt Pollution Coalition and a concerned resident on road salt pollution and the Township's responsibilities. Council referred the matter to staff for review and a report. Staff have reviewed the delegations' information and are in support of the resolution proposed by the delegates, with minor edits noted.

Report:

At the [December 15, 2025 Council meeting](#), delegations were received from the Wellington Water Watchers, the Ontario Salt Pollution Coalition and a resident regarding the use and environmental impact of road salt. The delegations provided a proposed resolution for Council's consideration and Council referred the matter and the proposed resolution to staff for review and to report back to Council. This report is in response to the matter raised at the December 15, 2025 Council meeting.

Township of Centre Wellington (Township) staff have reviewed the delegations' information and the proposed resolution provided by the Ontario Salt Pollution Coalition and are in support. Staff have provided the above resolution for Council's consideration and endorsement. The resolution provided above has been edited since the proposed version provided to Council on December 15, 2025. The edits include receiving the Township's 2026 Salt Management Plan for information, incorporating the proposed enforcement and Best Management Practices into Risk Management Plans and Source Protection Plans pursuant to the Clean Water Act where applicable and updating the circulation list to include all neighbouring municipalities and the current Minister of Environment, Conservation and Parks.

Review of Ontario Salt Pollution Coalition Resolution

Staff reviewed the proposed resolution provided by the Ontario Salt Pollution Coalition and reviewed responses from other municipalities and / or agencies. The content of the resolution aligns with actions already being taken by the Township regarding road salt and winter maintenance activities. Further detail on those actions is provided below.

Additionally, Township staff are in agreement on the need for limited liability legislation including enforceable contractor training and a single set of provincially-endorsed standard best management practices (BMPs) for snow and ice management. Staff do have a concern if provincially-endorsed BMPs and enforceable training are established that these are incorporated into Risk Management Plans and Source Protection Plans pursuant to the Clean Water Act instead of replacing these existing tools. The concern is that Risk Management Plans already provide municipalities' tools within portions of municipal wellhead protection areas to require enforceable training and BMPs. Risk Management Plans also provide municipalities with liability protection under the Clean Water Act when regulating all significant drinking water threats including road salt application, storage and snow storage. The proposed resolution would broaden the use of enforceable training and BMPs across the Province outside of portions of municipal wellhead protection areas and staff support this broadening. Staff note that in the absence of limited liability legislation, snow and ice contractors are put under pressure to over-salt and this has been noted in our interactions with some contractors. The current system of unlimited liability for snow and ice contractors can lead to contractors applying salt beyond what is considered best practices to avoid costly slip and fall claims. As discussed at a [City of Guelph Council meeting](#) in September 2025 this creates an unsustainable business climate and leads to struggles with insurance. The development of limited liability legislation appears to be a reasonable solution to this

problem. Staff are also in support of the remainder of the proposed resolution including an expert stakeholder advisory committee which should incorporate a number of ad hoc, staff level committees already established on this topic.

According to the Ontario Salt Pollution Coalition website, 37 municipalities or Conservation Authorities have passed the proposed resolution including many of our direct neighbours such as City of Guelph, Region of Waterloo, City of Waterloo, City of Kitchener and Township of Amaranth. No other Wellington County municipalities are listed on the website. It is noted that this is likely an incomplete and possibly incorrect list as the Township is also listed as having passed the proposed resolution at its December 15, 2025 meeting, however, it was received and sent to staff for review. Additionally, a similar resolution has been circulated from the Town of Bracebridge and staff are aware that the Town of Minto has discussed and reviewed that resolution.

Township Road Salt Management Plan

Until 2025, the Township has been part of Wellington County's (County) Salt Management Plan providing overall policy and guidance regarding winter maintenance activities. Upon the completion of the County's most recent plan update, it was communicated to the Township that this model would no longer be followed as Township's winter operations are independent of the County's winter operations.

This plan presents the Township's first independent Salt Management Plan for consideration and endorsement by Council. A full copy of the Salt Management Plan is attached as Appendix A while a brief overview of the plan is noted below:

- Provides a summary overview of regulatory requirements under O. Reg. 239/02 Minimum Maintenance Standards for Municipal Highways and how it applies to Township Infrastructure
- Sets policy and guiding principles relating to winter maintenance activities level of service
- Tracks the amount of winter materials consumed (salt and sand).
- Provides a general overview of current winter maintenance operations including a summary of the fleet and other supporting infrastructure (Public Work Facilities) utilized.
- Source Water Protection policy
- Reporting requirements
- Initiatives for continuous improvement through annual reviews

This Salt Management Plan documents the Township's commitment to continue to use industry best practices while trying new technologies, equipment, and materials. It will seek the most efficient use of winter maintenance techniques on Township roads while ensuring safe surfaces for vehicular traffic while continuing to minimize the environmental impact and road salt usage. The Salt Management Plan is intended to establish a policy and procedural framework to ensure that the Township focuses on

continuous improvement in the effective delivery of winter maintenance services and the management of road salt usage. The Salt Management Plan is designed to be dynamic allowing the Township to evaluate and phase in any changes, such as new approaches and technologies that maintain roadway safety during winter maintenance activities.

Source Water Protection

As previously reported to Council, each of the Township's municipal wells have wellhead protection areas identified. Within these wellhead protection areas, certain activities, including winter maintenance activities, are designated significant drinking water threats under the Clean Water Act and therefore require management and enforcement. There is a range of regulatory tools available under the Clean Water Act for designated significant drinking water threats ranging from prohibition of an activity, risk management plans, provincial approval, planning policies, incentives, education and outreach, training and monitoring. Within the Township of Centre Wellington's wellhead protection areas many of these tools are already being utilized.

A number of different factors determine which tools are used to manage significant drinking water threats and whether activities are even considered significant drinking water threats. The factors include the property location within the wellhead protection, municipal well water quality data specifically if an issue has been declared, area or volume thresholds and the approval status of the Source Protection Plans. As a result, there are different regulatory tools applicable for properties within the Township. The Township does have two municipal wells that have elevated concentrations of sodium and chloride, well E3 in Elora (First Line Nichol, Elora) and well F1 in Fergus (Queen Street, Fergus). In both municipal wells, concentrations are below Provincial aesthetic objectives for sodium and chloride and, as reported to Council previously in the Drinking Water Annual Reports, monitoring continues. To manage these concentrations, Issue Contributing Areas were established for both municipal wells under the Clean Water Act and the Grand River Source Protection Plan. This designation allows the broader use of risk management plans across the entire wellhead protection area for both wells.

Within the Township's Issue Contributing Areas for well E3 and well F1, road salt storage and application and snow disposal are considered significant drinking water threats. Within close proximity of municipal wells (100 metre radius), uncovered storage of road salt is prohibited and covered storage containers must be below 100 kilograms and kept in good repair. Under the Clean Water Act, the Township's Risk Management Official and Wellington Source Water Protection must negotiate Risk Management Plans with property owners whose parking lots exceed 200 m² and / or where properties are storing road salt or snow. Currently, 430 properties have been identified as potentially requiring Risk Management Plans. That number is being reviewed and is expected to decrease. There are 37 private properties that have signed and active Risk Management Plans in place. Risk Management Plans are negotiated with property owners either through the planning or building application process or through staff proactively contacting property owners, informing them of the requirements and negotiating the plan. To date, the majority of Risk Management Plans in the Township

have been signed through the planning or building application process. Staff are planning an outreach campaign in 2026 and extending into 2027 for the existing properties that have not needed planning or building approval.

Prior to proactively contacting the existing private properties, staff have been first establishing a Risk Management Plan to cover the municipally owned or maintained parking lots. There are 59 parking lots owned or maintained by the Township. These include parking lots for buildings, infrastructure such as wells or wastewater treatment plants and parks or trails. Of the 59 total, 14 parking lots are outside of areas requiring Risk Management Plans leaving 45 municipally owned or maintained parking lots that require a Risk Management Plan. The Risk Management Plan to cover these parking lots is being drafted and reviewed by staff and will be in force prior to the winter season. It is anticipated that the 14 remaining parking lots will be covered by a best management plan that is similar in scope to the Risk Management Plan. The Township Risk Management Plan will also cover the Fergus snow disposal site at the Fergus Public Works Garage. Separately, the Operations Centre Risk Management Plan and Best Management Plan is already signed and in force.

Wellington Source Water Protection also reviews planning applications within broader wellhead protection areas, offering comments on winter maintenance practices for multi-residential, commercial, institutional, and industrial developments. Recommendations encourage the use of best management practices and may become conditions of Planning Act approvals where appropriate. Voluntary salt management plans are routinely requested and reviewed through Planning Act approvals. In conjunction with Township Development Engineering, Wellington Source Water Protection staff also comment on parking lot and stormwater design as it relates to management of road salt impacted run-off. Design measures vary but can include diversion of parking lot run-off to catch basins and the stormwater system and lining of stormwater management features to prevent groundwater infiltration

Beyond the regulatory approach of Risk Management Plans, prohibition and planning review, the Township and Wellington Source Water Protection supports education and outreach initiatives. These include distributing salt box stickers, postcards, and other materials promoting best practices for snow removal and salt application. Materials are shared at community events and select businesses near municipal wells. Staff have proactively dropped off materials in the Elora and Fergus downtowns in both 2025 and 2026. Targeted outreach has also occurred with winter maintenance contractors, this has had limited uptake and staff are reviewing our outreach methods to increase participation. As noted above, Smart about Salt training is provided to Township Public Works and Community Services staff as required. Best practices for snow removal and salt application is also a common topic for our school age education programs including classroom visits and at the Waterloo Wellington Children's Groundwater Festival. At the recent 2026 Festival at Marden Park, County and local municipal snow removal, salt application and anti-icing vehicles were on display along with an activity centre teaching the importance of salt for road safety but the need to balance its use to protect our water resources.

Corporate Strategic Plan:

Championing environmental stewardship

Financial Implications:

Cost implications related recommended changes to the Township's winter maintenance materials and procedures will be considered as part of the 2027 Budget process.

Consultation:

This report was prepared in consultation with Dan Wilson - Chief Administrative Officer, Trevor Brown, Manager of Engineering and Public Works and Kyle Davis - Risk Management Official.

Attachments:

- [Salt Management Plan - 2026 - Centre Wellington](#)

Approved By:

Dan Wilson, Chief Administrative Officer



Centre Wellington

Township of Centre Wellington Salt Management Plan



Introduction

Overview

In response to concerns over the impacts of road salt on the environment, Environment Canada published the Code of Practice for the Environmental Management of Road Salts in April 2004. This document states that road salts are on the Priority Substance List compiled under the Canadian Environmental Protection Act, 1999. The Code of Practice was developed by Environment Canada through a multi-stakeholder consultation and includes practices relating to:

- salt storage
- snow disposal
- salt application with all environmental impacts considered

This code applies to organizations that:

- use more than 500 tonnes of road salts per year (five-year rolling average); and
- have vulnerable areas that could be potentially impacted by road salt

The Township of Centre Wellington (Township) meets the criteria listed in the Code of Practice for the Environmental Management of Road Salts. Maintenance of the Township's roadways during the winter season is both challenging and costly. Township staff currently utilize salt, sand, or a salt/sand mix as their main tool in maintaining a safe and efficient roadway system during the winter season.

Purpose of the Document

This Salt Management Plan is intended to establish a policy and procedural framework to ensure that the Township focuses on continuous improvement in the effective delivery of winter maintenance services and the management of road salt usage, as outlined in the Code of Practice for the Environmental Management of Road Salts.

The Salt Management Plan is designed to be dynamic to allow the Township to evaluate and phase in any changes, such as new approaches and technologies that maintain roadway safety in winter maintenance activities.

Policy Statement

The Township of Centre Wellington will provide effective winter maintenance to ensure the safety of users of our road network in keeping with applicable Provincial Legislation and accepted standards, while striving to minimize the adverse effects that road salt can have on our environment. To meet this commitment the Township will:

- Meet and adhere to the guidelines contained within the Salt Management Plan;
- Strive to review and upgrade, as necessary, the standards contained in the Salt Management Plan on an annual basis to take into account new technologies and developments;
- Work with Environment Canada, other transportation agencies and environmental groups to upgrade best winter practices; and
- Commit to ongoing staff training and education.

Legislation

The minimum standards for winter maintenance are mandated under provincial legislation. The Levels of Service (LOS) set within the Township currently meet or exceed those specified in the Ontario Regulation 239/02 of the Municipal Act, 2002. For winter operations, these regulations specify both patrol frequency and the clearance of ice and snow.

The Code of Practice for the Environmental Management of Road Salts, under the Canadian Environmental Protection Act, recommends that the Salt Management Plan follow the best management practices that have been set out by the Transportation Association of Canada.

Township of Centre Wellington Program and Road Classifications

Road classifications in Ontario are determined based on functional hierarchy (traffic volume, speed, and purpose) and maintenance standards, categorized into Provincial Highways, County/Regional Roads, and Municipal Local Roads. Municipalities use a 1–6 class system for maintenance regulations, with a Class 1 being a Provincial Highway (e.g. 400 Series Highways) to a Class 6 road being low volume, low speed road. Overall, the Township is responsible for

the maintenance of approximately 473 kilometers of road, ranging in Classification between 3 and 6 as noted below

Table 1 – Township Road Statistics (2026)	
Road Classification	Length of Roadway
3	24.99 km
4	243.66 km
5	138.49 km
6	66.18 km

Winter Maintenance Standards

Winter Patrol

The Township employs a rotating one-person road patrol to provide road condition information during the winter season. These individuals are responsible for calling out the winter maintenance operators to ensure that the roads are cleared in a timely fashion while remaining in compliance with the Provincial Maintenance Standards as noted below:

Table 2 - Road Patrolling Frequency	
Road Classification	Patrolling Frequency
3	Once every 7 days
4	Once every 14 days
5	Once every 30 days
6	Not required

The individuals assigned to the patrol function are familiar with local conditions within their area and prepare a road condition log of road and weather conditions as well as any action taken during the shift.

On weekdays each road is covered during normal working hours. On weekends, the roads are patrolled as conditions warrant; no specific schedule is maintained. The Public Works Supervisors are on call 24 hours a day, 7 days a week via their cellphone and will call out the operators and mobilize equipment as required.

To supplement the Township's road patrols, staff monitor local weather conditions via the internet. All winter maintenance personnel are equipped with two-way radios and are responsible for reporting changing weather conditions and/or road conditions.

Depending on weather conditions, the Township establishes a winter patrol schedule from mid November to the beginning of April.

Level of Service

In accordance with the Ontario Regulation 239/02, the Township provides a level of service for clearing snow accumulation and for treating icy roadways and sidewalks as outlined in the Tables below:

Table 3 - Snow Accumulation		
Class of Highway	Depth	Time of Response
3	8 cm	12 hours
4	8 cm	16 hours
5	10 cm	24 hours
6	N/A	N/A

Table 4 - Treatment for Icy Roadways	
Road Classification	Time of Response
3	8 hours
4	12 hours
5	16 Hours
6	N/A

Winter Materials

The Township uses two products for winter control operations; sand and salt. These can be used together, or separately, depending on road conditions, weather conditions, and the forecasted weather.

Staff currently apply straight salt at a rate of approximately 100 kg per km of two-lane roadway and includes salt application to Township owned sidewalks. Public works staff are allowed latitude in adjusting the application rates depending on road and weather conditions. Overall, the application rates currently have been established through experience and industry best practices.

Spreader controls are currently manual and are adjusted accordingly by the operator. As the fleet is replaced, review of automated spreader controls will be reviewed.

- Sand – a 2% salt is mixed into the sand when it is stockpiled.
- Salt – treated salt which yields increased performance, and reduced usage.
- Salt sand Mixture (weather dependent) – a typical 50/50 mix of salt and sand

For Fergus area operations, salt and sand is procured by the Township and stored in a salt dome at the Fergus Public Works Yard located at 600 Glengarry Crescent, Fergus.

For Elora area operations, salt and sand is procured and stored by the County of Wellington at their Wellington County Public Works Facility located at 7454 Centre Wellington, Elora. A contractual arrangement between the County and the Township has been in place for many years to share salt and sand resources in Elora.

Year	Salt (tonnes)	Sand (tonnes)
2023-2024	2059.80	2651.77
2024-2025	5095.03	5424.22
2025-2026	4657.89	9369.05

Equipment

- 5 pick ups for road patrol and supervisory tasks.
- 12 combination plow/spreader units
- 1 front-end loader
- 4 graders
- 4 back hoes
- 7 sidewalk machines

Prior to each winter season, the fleet undergoes a pre-season mechanical review to determine road worthiness; ensuring that the appropriate winter equipment is installed, calibrated and safety checked.

All equipment is typically stored inside. The majority of washing activities are done indoors with water catchment systems in place. The water goes through oil/grit separators before it is sent to the sanitary system or septic system depending on the location.

Automated Vehicle Location (Geotab)

The Township of Centre Wellington has automated vehicle location capabilities through the Geotab application installed in all winter maintenance vehicles. Geotab has the ability to track the vehicle in real time and collects important operational data, such as speed and plow/wing positioning (up or down), and spreader control data such as material rate, and spinner speed. All collected data is saved within a database for reporting purposes.

Garage Facilities

The Township operates four (4) Public Works Maintenance Yards strategically placed within the limits of the Township.

- Fergus Public Works Facility - 600 Glengarry Crescent, Fergus
- West Garafraxa / West Gary Public Works Facility – 8523 Wellington 19, Belwood
- Elora Public Works Facility - 57 Park Rd, Elora
- Pilkington Public Works Facility - 7444 Wellington County Rd 21, Elora

Table 6 – Facility Overview						
Facility	Vehicle Washing	Washing Inside / Outside	Oil / Water Separator	Drainage	Salt / Sand Storage	Loading Inside
Fergus	Yes	75%	No	Ditch	Yes	No
West Garafaraxa	Yes	50%	No	Field	Yes	No
Elora *	Yes	75%	Yes	Ditch	No	-
Pilkington *	Yes	75%	Yes	Ditch	No	-

* Note – Elora and Pilkington Facilities utilize Wellington County Public Work Yard stockpile for salt/sand materials.

Additional information related to the Public Works Facilities are available upon request.

Snow Removal and Disposal

Periodically throughout the winter season, in the event that snow accumulation within the urban areas begins to encroach into the roadway or impede pedestrian sidewalks, the Township will declare a snow removal event.

Township staff will remove and haul snow to be stored and managed at the Fergus or Pilkington Public Works Facilities. The Fergus site is an unpaved yard with site drainage to roadside ditches. The Pilkington Public Works Facility is an unpaved with side yard swales and site drainage directed to the roadside ditch. Silt fencing/straw bales are provided as required to contain or control the melt water. In the spring, all litter and debris are collected for disposal at both sites.

As part of the Townships capital program, an engineered snow management disposal site is scheduled to be constructed at a site to be determined. As this project progresses, additional information will be included in future updates to this plan.

Source Water Protection

The Environmental Management of Road Salts, Environment, and Climate Change Canada (ECCC), 2004, defines a “vulnerable area” as an area particularly sensitive to road salts and where additional salt management measures may be necessary to mitigate the environmental effects of road salts in that area.

The Township follows the “Good Practices for Winter Maintenance in Salt Vulnerable Areas,” created by Good Roads and Conservation Ontario, and it works with the Wellington Source Water Protection department to identify any vulnerable areas. Maps of the recorded areas can be found for the Township in Appendix A.

Continuous Improvement

Record Keeping

All operational data from Winter Maintenance operations is collected through the Geotab application. This GPS based application tracks all movements and routes along with operational data such as application rates and plow blade positioning. Data is periodically reviewed to ensure all areas of the Township are being maintained and meeting the Minimum Maintenance Standards as outlined in Ontario Regulation 239/02.

The Township also submits an annual report to Environment and Climate Change Canada for its use of road salt. This annual report provides the regulators with details of the Township's salt management practices for the previous season.

Training and Documentation

The Township currently provides staff training for winter maintenance personnel on a as required basis; however, there is no formal annual winter training program currently in place. All staff training is tracked and administered by the Township and cover a wide range of topics, is not specifically focused on Public Work Winter Maintenance.

In addition to regular general training, all Public Work staff are trained on the Smart About Salt program approximately every two years or as required. The Smart About Salt program aims to balance winter safety with environmental protection. It helps winter maintenance professionals and facility owners reduce the negative impacts of road salt on freshwater, drinking water, and infrastructure while maintaining safe, liability-conscious property conditions.

Staff also attend the County Road Supervisors Association meetings to discuss best industry practices such as new equipment, material trends, regulatory changes, and common issues relating to local winter storm management and response.

Internally, staff meet in the Fall to discuss the winter maintenance strategy for the upcoming season, to go over the spreading/plow responsibilities and review the safety issues. In the spring following the winter season, staff typically meet to discuss the successes and challenges of the past winter maintenance campaign to provide input and suggestions for continuous improvement.

Updating the Salt Management Plan

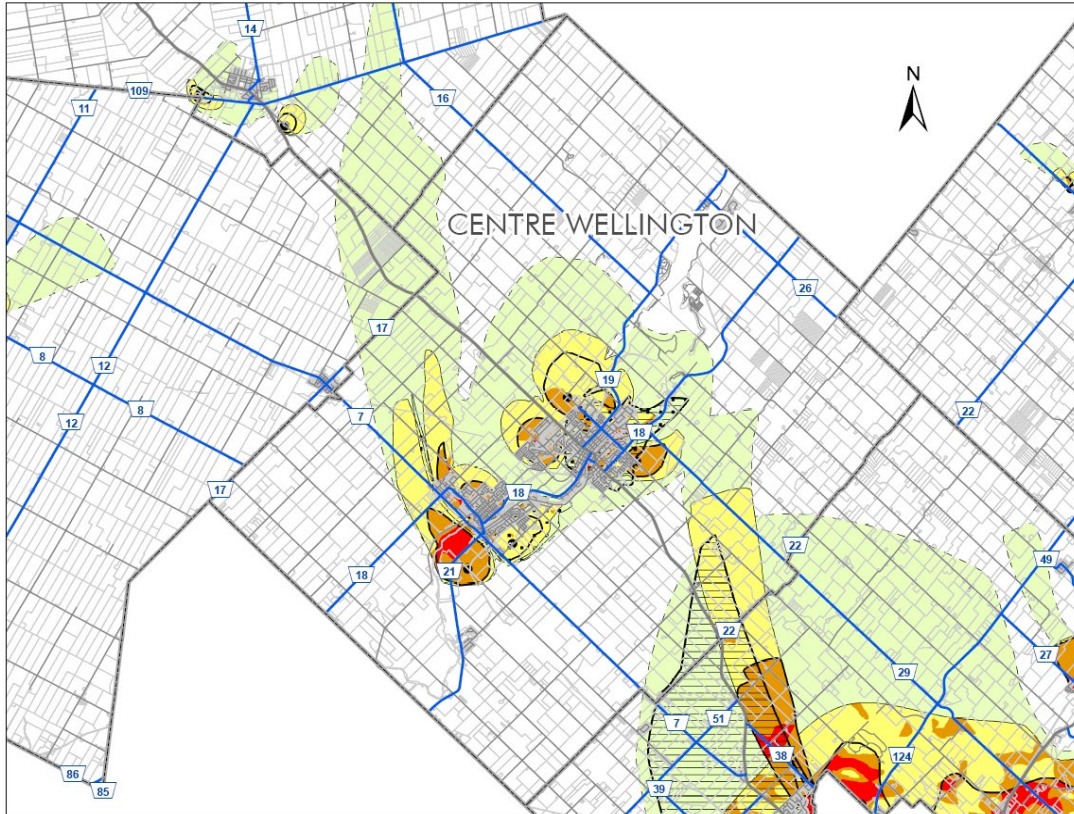
The Township is committed to an annual review of the Salt Management Plan and will be updated as required. Staff will review the Salt Management Plan prior to each season.

Future Initiatives

The Township of Centre Wellington will continue to use industry best practices while trying new technologies, equipment, and materials. It will seek the most efficient use of winter maintenance techniques on Township roads while ensuring safe surfaces for vehicular traffic while continuing to minimize the environmental impact and road salt usage.

Appendix A – Source Water Protection Areas

Township of Centre Wellington





Report to Council

To: Mayor Watters and Members of Council

Report: FIN2026-12

Prepared By: Adam McNabb, Chief Financial Officer & Treasurer

Date: 15 Jun 2026

RE: Development Charge Reduction Program

Recommendation:

THAT the Council of the Township of Centre Wellington receive report FIN2026-12 for information;

AND THAT the Council of the Township of Centre Wellington direct staff to submit an application to Ontario's Development Charge Reduction Program (DCRP), including identifying eligible projects, quantifying the financial impact of a residential development charge reduction;

AND THAT the Council of the Township of Centre Wellington delegate authority to the Chief Administrative Officer and Chief Financial Officer and Treasurer to execute any associated agreements if successful with the application process.

Summary:

The purpose of this report is to summarize Ontario's Development Charge Reduction Program (DCRP), outline the program's requirements and implications for the Township, and identify key risks, financial considerations, and recommended next steps for Council's direction. The DCRP is a one-time, competitive intake program that offers up to 90% funding of eligible project costs for housing-enabling municipal infrastructure, conditional on the municipality reducing residential development charges (DCs) by 30% to 50% or more and maintaining that reduction for three years.

Report:

The DCRP was announced as part of the Canada-Ontario Partnership to Build and is intended to increase housing supply by combining two policy levers:

1. partial residential DC relief for builders over three years; and
2. capital investment in municipal infrastructure over a ten-year period.

To be eligible, an Ontario municipality must have had an active residential DC by-law in place as of March 30, 2026 and, at application, provide an agreement-in-principle to:

- reduce DC rates in effect on March 30, 2026 by 30% to 50% or greater;
- apply the reduction across all residential development types and all areas of the municipality, including area-specific DCs where applicable; and.
- maintain the reduction for three years.

The Province states clearly that this is a competitive program, that funding approval is not guaranteed, and that the Province may deny an application or adjust the amount awarded even where program criteria are met.

Program Requirements

For an application to be considered, the Township would need to identify projects that meet the program's eligibility conditions. Eligible projects must:

- primarily enable new housing units;
- generally be included in the Township's most recent DC background study;
- be informed by the Township's capital plan;
- start no later than July 31, 2030; and
- be completed by October 31, 2035.

Eligible asset classes are broad and include:

- water,
- wastewater,
- stormwater,
- roads and transit,
- fire, police, and paramedic facilities/equipment, and
- community infrastructure such as libraries, community centres, parks, pools, and recreation facilities. However, the guidelines indicate that housing-enabling infrastructure such as water, wastewater, stormwater, roads and transit will be prioritized over community-building projects.

Applications are assessed primarily on:

- the depth of DC rate reduction,
- the housing impact, and
- the municipal contribution.

Projects that are more shovel-ready and more clearly tied to housing delivery are expected to be more competitive.

Eligible Costs

Eligible costs are limited primarily to:

- hard construction costs,
- certain land acquisition costs for the provincial share only, and
- EA and Duty to Consult costs incurred after February 26, 2026.

Ineligible Costs

The Township would remain responsible for all ineligible costs, including:

- design,
- engineering,
- legal,
- permitting,
- insurance,
- staff time and overhead,
- taxes and rebate-eligible amounts,
- operating and maintenance costs, and
- all cost overruns and escalation.

This is a significant consideration. Although soft costs can count toward municipal contribution for assessment purposes, they are not reimbursable under the program.

Identified Projects for Consideration

Staff have identified a number of projects for consideration under this competitive program. In order to facilitate a compliant application, staff have combined a number of related projects within the DC Study, and when summarised focus on the following:

- Water Capacity (Well Areas 3 & 7, Replacement of F2 Well with additional Capacity, the New Water Reservoir - Fergus, and associated land acquisitions and connecting linear infrastructure)
- South Fergus Sewage Pumping Station
- Fergus Wastewater Treatment Plant Expansion
- New Fire Hall; and
- Multi-Use Recreational Facility

Combined, these projects total \$196.4M (2025 \$) including the non-growth and post-period benefit amounts, with approx. \$159.3M (2025 \$) directly impacting the Township's Development Charge requirements identified in the Background Study endorsed by Council in March of 2026; however, worth noting is that these projects include soft costs and other potentially ineligible costs under this program. Staff assume that these soft costs equate to approximately 10% of the total project costs, so from an ineligibility standpoint, approximately \$18.8 million of ineligible growth related

costs would have to be funded by the Municipality over the capital funding horizon of 2027 - 2035. When looking at the anticipated funding sources and applying inflation, the breakdown is estimated to be as follows:

Taxation - \$8.2 million

Water Rates - \$5.0 million

Wastewater Rates - \$10.6 million

These amounts exclude non-growth related project costs, which are already contemplated in future budgets.

Please refer to Attachment A for a further breakdown.

The commitment to fund these soft costs would count towards the Municipality's obligations set-out in the application guidelines, and would form part of the annual budgeting process if the Township is successful with an application.

While significant in terms of the future funding obligations of the Township, the funding certainty (if successful with the application) from the senior levels of government to support growth related infrastructure investment while also alleviating debt capacity constraints and development timing uncertainty cannot be overlooked.

Application Assumptions

Staff are recommending removing capital projects within the DC by-law term horizon from DC background study. These removals would result in reductions to both residential and non-residential development charges. Staff have conducted a preliminary analysis of the proposed reductions which have been summarised in an attachment to this report. This proposed approach would go beyond the 3-year residential reduction requirement of the program, again signalling the Township's willingness to support housing related starts and cooperation with senior levels of government mandates.

Specific areas of note:

- The Township would be required to reduce residential DCs across all residential types and areas for three years. This may reduce funds otherwise available for growth-related capital and could increase pressure on reserves, debt capacity, utility rates, or future tax-supported capital planning, depending on the assets involved. The program does not guarantee a dollar-for-dollar offset against foregone DC revenue.
- The program is discretionary and competitive. Even if the Township makes the DC reduction commitment, funding is not assured, and the Province may reduce the amount awarded. This creates a risk if municipal expectations or preliminary policy decisions are made before award certainty is established.

Corporate Strategic Plan:

Provide innovative & sustainable governance

Financial Implications:

The program can fund up to 90% of eligible project costs, with the Township required to contribute a minimum 10%. Applications with a higher municipal contribution may receive greater consideration.

If the Township participates, it would need to reduce residential DCs for three years creating a direct foregone-revenue impact that would need to be quantified. The program requires municipalities to estimate both:

- the number of housing units that will benefit from the reduced DCs, and
- the amount of DC relief provided to builders.

Funding is paid on a milestone basis, not as an up-front lump sum. The Township would need a financing strategy to carry expenditures and manage timing differences between project costs incurred and reimbursements received. Payments are contingent on satisfactory reporting, achievement of milestones, and continued compliance with the DC reduction commitment. If successful, Township staff would conduct an in-depth analysis of potential cash flow implications.

Attachments:

- [Attachment A - Development Charge Reduction Analysis](#)
- [Attachment B - Centre Wellington - DCRP Resolution MPP Racinsky](#)
- [Attachment C - AMO DCRP Primer](#)

Approved By:

Dan Wilson, Chief Administrative Officer

Attachment A
Development Charges Reduction Analysis

Projects	Residential DC	Non-Residential DC	Post Period Benefit	Soft Costs	Total
	Reduction	Reduction	Reduction		
Multi Use Recreation Facility	52,345,000	2,755,000	-	5,510,000	49,590,000
South Fergus Sewage Pumping Station	13,652,235	5,576,265	-	1,922,900	17,305,600
Water Capacity Project (Well Area 7 and 3, Well F2, Water Reservoir)	28,139,430	11,493,570	-	3,963,300	35,669,700
Fergus Wastewater Treatment Plant Expansion	25,197,119	10,291,781	28,663,100	6,415,200	57,736,800
New Fire Hall	6,958,000	2,842,000	-	980,000	8,820,000
Total (2025 \$)	126,291,784	32,958,616	28,663,100	18,791,400	169,122,100
Total (inflated, 2030 to 2035)	159,982,700	41,751,000	36,309,600	23,804,400	214,238,800 - Grant Request

Impact of Removing Projects from the 2025 DC Background Study

Residential DC Reduction (all categories, estimate)	-36% - Provincial Requirement: 30% to 50%
Non-Residential DC Reduction (all categories, estimate)	-34%

Soft Costs (to be funded by the Township between 2027 and 2035)

Tax Supported	8,221,300	- Property Taxation (General Capital Reserve), Fundraising, OLG Funds
Water Supported	5,020,600	- Water Capital Reserve
Wastewater Supported	10,562,500	- Wastewater Capital Reserve
Total	23,804,400	

* excludes project non-growth related costs, that the Township funds through the budget process.

JOSEPH RACINSKY
MPP - Wellington-Halton Hills



Constituency Office
181 St. Andrew St. E.
Fergus, ON N1M 1P9
☎ 519-787-5247
✉ joseph.racinsky@pc.ola.org

Wellington—Halton Hills Provincial Riding Office
Fergus, Ontario

June 8th, 2026

Members of Council

Township of Centre-Wellington

As a part of our Government's plan to Protect Ontario, we have launched in partnership with the Federal government the Development Charge Reduction Program (DCRP). The program provides \$8.8 billion in funding for municipalities across Ontario that commit to reducing their development charges. I strongly encourage your engagement with this program, as it offers tremendous and much needed benefits to members of our community.

The program began accepting applications on June 1st. The application period ends on June 19th. Applications will be prioritized for municipalities that cut residential building development charges by at least 30 to 50 per cent for a minimum of three years.

Housing affordability is a key issue facing residents in Centre-Wellington – something I have heard firsthand from members of the community. Existing development charges act as a tax which is ultimately passed down to homebuyers.

Coupled with our Government's HST rebate, which can save homebuyers up to \$130,000 on new homes, engagement with this program can make the dream of home ownership a reality.

Through the Development Charge Reduction Program, Centre-Wellington can take advantage of an opportunity to lower the cost of homes, build key housing-enabling infrastructure projects, and deliver real results for our community. Now is the time for all three levels of government to work together to tackle this important challenge, and I hope you will join us.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Racinsky', written in a cursive style.

Joseph Racinsky
MPP Wellington—Halton Hills

Navigating the Development Charges Reduction Program



June 9, 2026

This primer provides context to help councils navigate the key fiscal and community impact considerations of participating in the [Development Charges Reduction Program](#) (DCRP).

Why are Housing Starts Still at Historically Low Levels?

Municipalities are doing everything in their power to increase housing supply and affordability. The overall economic environment is the key driving factor shaping housing activity. Improvements in broader economic conditions are starting to have a positive impact on the housing market, but not to the extent that's needed.

- Housing starts in April of this year are 25% higher than April 2025, with 6,680 units under construction¹. On an annualized basis housing starts in 2025 were 13% lower than 2024.
- Interest rates have declined by more than 50% from its COVID peak. The Bank of Canada's policy interest rate is now 2.25% compared to 5% in June 2024.
- Residential construction cost increases are the lowest in a decade, with cost increases averaging 0.4% in 2025, a substantial decline from its COVID-era peak of 9.4%².

Against this backdrop, the federal and Ontario governments' launch of DCRP hopes to spur housing construction by reducing the cost to build³. Specifically, the portion of construction costs that's attributable to development charges (DCs). The program's assumption is that reducing construction costs will make stalled projects economically viable.

Research released by CMHC earlier this month shows that reductions in DCs can help improve project viability⁴. The size of the impact, however, is limited. In Ontario, an estimated 1 to 5% of projects would become viable if DCs were reduced by 50 to 60%. A complete elimination of DCs would increase project viability by 3 to 11%. In many municipalities with low DCs, further cuts will not boost construction because the cost savings will not be enough to make projects profitable.

¹ AMO analysis of [CMHC's Monthly Housing Starts and Other Construction Data Tables](#). Housing starts for urban centres in Ontario with population 10,000 and over.

² AMO analysis of [residential construction cost in Ontario from Statistics Canada's Building Construction Price Indexes](#), Table 18-10-0289-01

³ The DCRP program guidelines can be found [here](#). Questions about the program can be directed to DCRP@ontario.ca.

⁴ [Development charges: cities aren't created equally](#) | CMHC

Navigating the Development Charges Reduction Program



Considerations for Municipal Participation

The costs and benefits of participating in this program will vary for municipalities, given the unique housing supply and infrastructure needs in each community. To participate in this program, municipalities will need to absorb revenue losses, financing costs, and cash flow impacts. This will need to be weighed against whether a council has reason to believe the DC cuts are sufficient to impact housing project decisions.

Municipalities in a good position to leverage this program include those that have already reduced DCs and can recoup some of these losses, where sufficient funds for projects have already been collected as part of reserves, or where discussions with local developers provide additional certainty regarding impacts on new starts. In these instances, this program could help support a construction sector under strain while moving forward with needed capital projects. Over the medium-term, more housing will benefit municipalities through significant associated economic benefits.

For other municipalities, the cost of opting into the DCRP may undermine long-term municipal fiscal stability and require increases to property taxes, user rates, or debt and related servicing costs. These could include municipalities that are relying heavily on DC revenues to pay down existing debt or those where previous provincial policy changes like mandatory DC deferral to occupancy have created significant fiscal pressure. The CMHC study underscores the significant uncertainty that DC reductions will have a meaningful impact on housing starts in the current market conditions. There will also be instances where projects that were already viable will proceed with a significant DC cut with no mechanism to ensure this is passed along to homebuyers through lower prices.

Program Application and Transfer Payment Agreement Considerations

At Program Application: Council has a narrow window to review staff recommendation and debate the merits of opting in or out of the DCRP, due to the short intake window and the province's intent to execute transfer payment agreements before the August 21st nomination period closes for municipal election. Given the program's 10-year time horizon, the large sums of foregone DC revenue, and the significant uncertainty in predicting total revenue losses, cash flow impacts and the evolution of housing market conditions, councils will need to carefully consider what new fiscal burden may be created under different municipal contribution and DC reduction scenarios and where this burden shifts, e.g., on the tax base, rate base, and/or descope capital plans.

Navigating the Development Charges Reduction Program



The DCRP program guidelines explicitly prioritize housing-enabling infrastructure that supports the creation of new housing units over community infrastructure⁵. This preference along with an evaluation framework that rewards large DC reductions will require council to weigh trade-offs such as likelihood of funding vs. immediate community need in determining what type of projects should be submitted.

At Transfer Payment Agreement (TPA): The DCRP asks municipalities to put forward a project list, project costs, and DC reductions for funding considerations. Municipalities will only know what projects are funded and the level of DC rate cuts required to access funding if they are successful in their funding request. Importantly, DC rate cuts will not take effect until a TPA is signed, providing a degree of de-risking for councils. Councils will need to consider how to proceed with the funded choice set (i.e., projects funded, size of DC cuts) if the grant amount requires additional municipal contribution that were not contemplated at time of application. This decision-making will be complicated by the proximity to municipal elections, as there is a risk that TPA negotiations could extend past the nomination period at the end of August.

Myths Vs. Reality: DCs, Home Prices, Reserves

Myth: *If DCs Didn't Exist Homes Would Be More Affordable*

Reality: DCs are a partial cost recovery tool that is **used to pay for growth related infrastructure**. If DCs did not exist, the cost to build housing-enabling infrastructure would still be borne by homeowners through higher property taxes and utility rates. Property taxes would have to increase by 13%, leading to higher monthly carrying costs and gross debt service (GDS) ratio for homeowners⁶. GDS is one of the financial stress measures that banks use to assess if borrowers can afford to buy a home, with higher GDS indicating lower financial capacity. In addition, **many existing homeowners paid DCs to fund their share of the growth costs when their homes were built.**

Myth: *Municipalities Have Ample Reserves To Pay For Growth*

Reality: DC reserves and almost all non-DC reserve funds are committed to specific projects⁷. Reserve funds are heavily regulated by the province, which require municipalities to use these funds for specific purposes, including keeping infrastructure in a state of good repair or investing in new infrastructure to support housing and economic growth **and to provide full transparency in reporting.**

⁵ Refer to page 8 of the DCRP Program Guidelines that's available on TPNON.

⁶ AMO analysis of 2024 FIR data

⁷ Financial Accountability Office of Ontario.