

THE CORPORATION OF THE TOWN OF EXETER

BY-LAW NO. 28, 2000

- THE EXETER COMMUNITY DEVELOPMENT FUND BY-LAW -

A By-law to provide for the management of the proceeds of the sale of the Exeter Hydro Electric Utility by the Corporation of the Town of Exeter to Hydro One Networks Inc. and to provide for the use of the investment income derived from those proceeds.

WHEREAS Exeter Council expects to receive approximately \$3.9 million dollars from the sale of the hydro electric utility;

WHEREAS the utility has been paid for entirely by the ratepayers of the Town through the years;

WHEREAS the utility is an asset of the Town of Exeter or that part of the Municipality of South Huron, to be created by January 1, 2001, that is to be known as the former Town of Exeter;

WHEREAS the proceeds of the sale of the Exeter Utility have been recognized by the Minister's Order on Restructuring made under the Municipal Act on February 8, 2000 in Section 11(5) as moneys to be received and used for the benefit of the former Town of Exeter;

WHEREAS the Councils of the townships of Stephen and Osborne have recognized that the proceeds of the utility sale are to be used for the benefit of the former Town of Exeter;

WHEREAS it is the position of the Council of the Town of Exeter that a special reserve fund be created for use in projects over the next five years as well as for use in addressing long term service needs, specifically water and sanitary services;

AND WHEREAS the fund will be used for projects that will primarily benefit Exeter. It is also recognized that there will be municipal-wide benefit from tax and service perspectives from the various projects paid for from the fund;

NOW THEREFORE the Council of the Corporation of the Town of Exeter ENACTS AS FOLLOWS:

1. Establishment Of The Exeter Community Development Fund (E.C.D.F.):

- 1.1 Upon receipt of the down-payment on the sale of the Exeter Electric Utility to Hydro One Networks Inc., said down-payment is to be placed in a reserve fund to be established by the Town of Exeter and known as the E.C.D.F.
- 1.2 Upon receipt of the balance of the proceeds from the sale of the utility, said proceeds shall be deposited in the E.C.D.F.
- 1.3 Upon receipt of the proceeds of the disposition of other property of the H.E.C. such as the H.E.C. Main Street Office, such moneys shall be deposited in the E.C.D.F.

2. General Principles For The Management Of The E.C.D.F.:

- 2.1 The proceeds of the utility sale as referred to in Section 1.1 and 1.2 above, and investment income from the proceeds shall be used for specific immediate and short term projects which are identified in Schedule A attached to and forming a part of this by-law and which may be identified by procedures outlined in this by-law. Immediate and short term projects shall be defined as any capital or capital replacement project which is within or benefits primarily the former Town of Exeter and which is scheduled for completion within five years of the date of this by-law.
- 2.2 An immediate or short term project may be funded in full from the E.C.D.F. Alternatively, a project may be funded in part in the event there is considered to be a significant municipal-wide benefit but a relatively greater benefit to the former Town of Exeter.

- 2.3 The proceeds shall also be used for long term servicing projects, where the service is financed by area or user rates specific to the former Town of Exeter, as defined in Schedule B attached and forming part of this By-law.
- 2.4 The former Town of Exeter is defined as the Corporation of the Town of Exeter as it existed on the date of the passing of this by-law and as depicted in the map attached as Schedule 'A'.

### 3. Process For The Review And Approval Of Exeter Community Development Projects:

#### 3.1 Establishment Of The E.C.D.F. Committee:

The Council of the Corporation of the Town of Exeter hereby recommends that the Council of the new Municipality of South Huron establish an E.C.D.F. Committee to review the projects identified in Schedules A and B and to select projects to be funded from those Schedules or to add selections.

The Committee shall be 3 in number, 2 of whom shall be appointed by the South Huron Council from among its members, which Committee members must reside in the former Town of Exeter.

The third Committee member, also appointed by the Council of South Huron, must reside in the former Town of Exeter and will be selected for having demonstrated a broadly-based interest and understanding of community development in the former Town of Exeter. Financial planning abilities will also be considered to be an asset.

#### 3.2 Role And Responsibilities Of The E.C.D.F. Committee Of The Council Of The Municipality Of South Huron:

- (a) The Committee shall review Schedule A and B projects and/or seek out candidate projects from the community.
- (b) The Committee shall review all candidate projects with input from the community and in the context of the criteria contained in Section 3.3 below.
- (c) The Committee shall meet at least twice annually once before municipal budget preparation and a second time six months later for the purposes outlined in clauses 3.2 (a) and (b).
- (d) The Committee shall finalize the selection of community development projects, allocate investment moneys for selected future projects and/or adopt financial plans for selected current and future projects, and submit those project selections, allocations and plans to the Council of the Corporation of the Municipality of South Huron for confirmation.
- (e) A quorum shall be 2.
- (f) The Committee shall annually elect, from its members, a Chair and a Vice-Chair.
- (g) The Chair shall work with a Council-appointed Secretary to prepare agendas and to ensure that the business of the Committee is properly conducted.

#### 3.3 Eligibility Criteria For Project Selection:

In addition to the general principles of Section 2, the E.C.D.F. Committee will use the following criteria in selecting a community project for funding or in allocating moneys to a future community project:

##### 3.3.1 Hard Services:

- (a) A project may be determined to be eligible for funding if it is defined as infrastructure that would otherwise be paid for primarily by ratepayers of the former Town of Exeter by way of area rates or specific user rates for the former Town of Exeter. Examples may include projects for water supply, water distribution, sewage treatment, sewage collection systems and storm water management systems.
- (b) An infrastructure project is not eligible for funding if the infrastructure is general to the municipality and/or is normally paid for by all or most ratepayers through the general tax (such as roads or bridges) or through generally-applied user rates (such as solid waste management).
- (c) Infrastructure work for a neighborhood, a block or blocks or any small part of the former Town of Exeter (eg. a sewer repair) will not be eligible unless the work is part of a larger project plan to be undertaken through a defined project period.
- (d) An infrastructure project is not eligible if it is a normal operations cost.

### 3.3.2 Soft Services:

- (a) A recreation, cultural or social project may be determined to be eligible for funding although such project would normally be funded by the general tax rate or by user rates applicable to users from throughout the municipality provided that:
  - i) the project primarily benefits the former Town of Exeter, and
  - ii) the project is unlikely for the foreseeable future to be given priority in the normal municipal budget process.
- (b) A recreation, cultural or social project is not eligible for funding if it is a capital repair, a maintenance cost or a cost of normal operations.

### 3.3.3 Economic Development:

An economic development project may be determined to be eligible for funding although such project would normally be funded by the general tax rate provided that:

- (a) The project is intended to generate assessment growth and jobs within the former Town of Exeter or in another defined industrial area in South Huron.
- (b) The project is unlikely in the foreseeable future to be given priority in the normal municipal budget process.
- (c) Among candidate economic development projects, priority will be given to such projects as industrial servicing, business incubator projects and/or industrial land acquisition and development. Consideration may also be given to economic promotion programs where it can be demonstrated that such programs are beyond the capacity of the general tax sources.

### 3.4 Role And Responsibilities Of The Council Of South Huron:

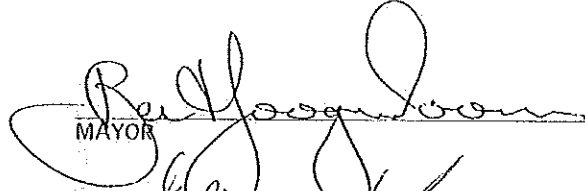
- (a) The Council shall appoint the members of the E.C.D.F. Committee in accordance with this by-law. Members may be appointed for periods of 1, 2 or 3 years only.
- (b) The Council shall appoint a member to replace a member who has resigned or fill a vacancy created by reason of incapacity, death or other within 2 months.
- (c) The Council shall require the Treasurer to invest the fund and its investment income in accordance with sound investment practice and the municipality's financial policy.
- (d) The Council shall appoint a Secretary to assist in the preparation of agendas and minutes, and to provide administrative services for the Committee.
- (e) The Council shall receive project selections, investment allocation decisions and project financial plans from the Committee, and shall reject a submission only where, in the Council's opinion, the project does not conform with the by-law.
- (f) Where the Council has determined that a Committee project selection, investment allocation or financial plan does not conform with the By-law, the matter will be returned to the Committee for further consideration.
- (g) Once a project has been revised or returned to Council the Council shall make a final decision on the disposition of the project. The Council shall assign staff, consultants and/or resources necessary for detailed planning, design, consultant selection, tendering and/or contracting for the work to be done. Aside from necessary municipal staff time, all the costs for the planning and implementation of the project will be paid from the E.C.D. Fund or shall be paid to the extent determined by the Committee/Council.

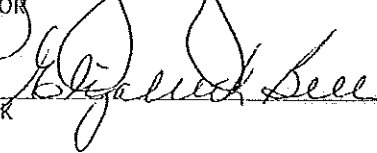
### 4. Final Disposition Of Fund:

In the event that the community development fund must be closed for any reason, the fund must be:

- (a) designated in a reserve fund or funds for water supply, water distribution, sewage treatment and/or sewage collection systems, such facilities serving the former Town of Exeter, and/or
- (b) returned to the ratepayers within the former Town of Exeter by way of reduction or elimination of water and sewer rates until the fund is completely depleted.

5. Adoption By The Council Of The Corporation Of The Municipality Of South Huron:  
It is hereby decided that this by-law, known as the Exeter Community Development Fund By-law, upon adoption by Exeter Council, shall be submitted to the South Huron Transition Board for the new municipality and further it is recommended that, within the first year of the term of Council in the year 2001, the Council of South Huron adopt this by-law as its own policy, regulations and criteria for the management and use of the proceeds and investment income from the sale of the Exeter Hydro Electric Utility.

  
MAYOR

  
CLERK

FIRST READING - November 6, 2000  
SECOND READING - November 6, 2000  
THIRD READING - December 4, 2000

BY-LAWS/2000/128-2000a

## SCHEDULE 'A' TO BY-LAW NO. 28, 2000

IDENTIFIED IMMEDIATE AND SHORT-TERM PROJECTS  
FOR THE USE OF THE EXETER COMMUNITY DEVELOPMENT FUND

1. SOUTH HURON LIBRARY PROJECT:  
An unspecified amount, determined to be the balance owing for the library development project (first floor only), cenotaph and site improvement following the allocation of Exeter library reserves, fund-raising revenue and any applicable grants or donations.
- (2.) EXETER WATERWORKS UPGRADE: *- Hamlet*  
An unspecified amount, which project may be identified as the result of the assessment of water supply and distribution required by Provincial regulation to be completed by January, 2001.
3. EXETER-AREA FLOOD CONTROL WORKS:  
An unspecified amount, which works may be identified as a result of analysis conducted under the guidance of a Steering Committee charged with the task of determining any viable plans or actions that may prevent flood damage that results from aberrant rain storms.
4. LIFE INSURANCE FUND:  
An unspecified amount necessary to discharge the Town's responsibility for life insurance for retirees of the H.E.C. or an unspecified amount reserved for the purpose of paying this premium.
5. EXETER SWIMMING POOL: *- Lions?*  
An unspecified amount for the replacement of the Exeter outdoor pool and facility.
6. SIDEWALK DEVELOPMENT PLAN: *100,000*  
An unspecified amount for the completion of a sidewalk/walkway development plan.
7. AUSABLE-MORRISON DAM CORRIDOR:  
An unspecified amount for the acquisition of land or easements, and for the development of a walkway and ski trail between MacNaughton Park and the Morrison Dam Conservation Area. *- 6 Land owners*

SCHEDULE 'B' TO BY-LAW NO. 28, 2000

IDENTIFIED LONG TERM AND ON-GOING PROJECTS  
FOR THE USE OF THE EXETER COMMUNITY DEVELOPMENT FUND

1. A reserve dedicated specifically to sewage treatment expansion and/or sewage collection system for the former Town of Exeter.
2. A reserve dedicated specifically to waterworks expansion and/or water system distribution for the former Town of Exeter.
3. A reserve for investment in infrastructure to facilitate industrial development in South Huron.
4. A reserve for economic program work including the maintenance of a data base on South Huron.