

**THE CORPORATION OF THE
TOWNSHIP OF EDWARDSBURGH CARDINAL
BY-LAW NO. 2025-14**

**“A BY-LAW TO ESTABLISH A SURPLUS SHARING POLICY BETWEEN THE
TOWNSHIP OF EDWARDSBURGH CARDINAL AND PORT OF JOHNSTOWN”**

WHEREAS The Council of the Corporation of the Township of Edwardsburgh Cardinal deems it expedient to establish a surplus sharing policy between the Township of Edwardsburgh Cardinal and the Port of Johnstown; and

NOW THEREFORE the Council of the Corporation of the Township of Edwardsburgh Cardinal enacts as follows:

1. That the Council of the Corporation of the Township of Edwardsburgh Cardinal and the Port of Johnstown adopts the surplus sharing policy as detailed in Schedule “A” attached hereto and forming part of this by-law
2. This By-law shall come into force and take effect upon passing.
3. This By-law shall be known as the “Surplus Sharing Policy By-law”

Read a first and second time in open Council this 31 day of March, 2025.

Read a third and final time, passed, signed, and sealed in open Council this 31 day of March, 2025.



Tory Deschamps (Apr 1, 2025 12:53 EDT)

Mayor



Interim Clerk

Schedule ‘A’ to By-law No. 2025-14

Township of Edwardsburgh Cardinal and Port of Johnstown Surplus Sharing Policy

1. PREAMBLE & POLICY INTENT

The Port of Johnstown (hereinafter referred to as the 'Port'), owned by the Township of Edwardsburgh Cardinal (hereinafter referred to as the 'Township') operates as a distinct division of the Township providing local, national and international clients with an efficient, reliable and affordable intermodal infrastructure in support of foreign and domestic trade.

As one of the only municipally owned Ports in the Province of Ontario, a few key benefits include a shared governance model and ability for the Port to not only reinvest in its aging infrastructure to ensure continued successful operations but also give back to the community via the Township through its industry revenue generated profits.

The purpose and objective of this policy is to outline the parameters surrounding the annual contributions to the Township by the Port, which include:

- i. Payment in Lieu of Taxes
- ii. Shared Services
- iii. Dividend Sharing

2. PROCEDURE

i. Payment in Lieu of Taxes

A payment in lieu of taxes is a payment made to compensate for some, or all the property tax revenue lost due to tax exempt ownership or use of real property.

For the purposes of this policy, the lands and associated buildings known as the Port, located at 3035 County Road 2 in Johnstown is owned by the Township.

In lieu of property taxation, on an annual basis, the Port shall compensate the Township in the amount of \$750,000. This payment shall be divided and transferred on a quarterly basis, to be utilized towards Township operations.

ii. Shared Services

Shared services are a business model that consolidates support functions into a centralized unit to provide services to multiple business units. The goal is to properly allocate the cost of services to the department/division that utilize a service or system.

For the purposes of this policy, shared services include Township support to the Port through the provision of Administration (CAO, Clerk, Finance and HR) and Communications.

On an annual basis, the Port shall compensate the Township in the amount of \$250,000. This payment shall be divided and transferred on a quarterly basis, to be utilized towards Township operations.

iii. Dividend Sharing

Dividend sharing is the distribution of profits among members of a mutual organization.

For the purposes of this policy, given that the Port has historically operated in a surplus position each year, dividend sharing will involve the Port transferring one half of its audited net surplus to the Township.

In November of each calendar year, the Township CAO and Port General Manager will undertake a review of the Port's financial situation and determine an approximate surplus estimate. The first \$1,000,000 of surplus will remain at the Port of Johnstown. Once the year-end audit has finalized the prior year surplus, the Port shall transfer one half of its previous year surplus less \$1,000,000 to the Township to be utilized solely towards capital projects and/or be transferred to reserves. Should the Port require capital for critical projects based on the 5-year capital plan, the Port General Manager, in consultation with the Port Management Committee and at the discretion of Council can reduce the amount of the dividend paid to the Township.

Signature:



Email: clerk@twpec.ca