

Local services board guide for inhabitants and board members

Read the guide for residents and board members who live in rural areas governed by local services boards.

Introduction

The *Northern Services Boards Act* (<https://www.ontario.ca/laws/statute/90I28>) (NSBA) and Regulation 737 (<https://www.ontario.ca/laws/regulation/900737>) govern the establishment of local services boards (LSBs). LSBs provide basic services called powers, in Northern Ontario unincorporated areas without municipal organization.

The purpose of this guide (the guide) is to assist inhabitants (as defined in section 1 (<https://www.ontario.ca/laws/statute/90I28#BK1>) of the NSBA) and elected members of the board (board members) by providing them with information on the operation of an LSB.

The NSBA is the governing legislation that establishes LSBs. The guide contains information on ministry policy as well as suggestions to LSBs on operational processes.

This guide is a summary of key sections of the NSBA.

It is for your information and assistance only. **It is not a legal document.** If there is any discrepancy between this guide and the Act or regulation, the provisions of the Act and regulation prevail.

Description

A LSB is an entity established under the NSBA that has the authority under the NSBA to deliver any combination of 9 approved powers (the powers) within a specific geographic area (the board area). LSBs are established in Northern Ontario unincorporated areas without municipal organization.

Except as is prescribed by regulation, the *Not-for-Profit Corporations Act, 2010* (<https://www.ontario.ca/laws/statute/10n15?search=Not-for-Profit+Corporations+Act%2C+2010+>) does not apply to LSBs (NSBA, subsection 6(1) (<https://www.ontario.ca/laws/statute/90I28#BK6>)).

A LSB is not a municipality or a local board for the purposes of any Act (NSBA, subsection 6(2) (<https://www.ontario.ca/laws/statute/90I28#BK6>)). Therefore, unless LSBs are specifically named in an Act (other than the NSBA) that applies to local boards or municipalities (such as certain sections of the *Municipal Act, 2001, S.O. 2001, c.25* (<https://www.ontario.ca/laws/statute/01m25>) or the *Emergency Management and Civil Protection Act, R.S.O. 1990, c.E.9* (<https://www.ontario.ca/laws/statute/90e09>)), then such other Act does not apply to LSBs.

A LSB has either 3 or 5 board members (NSBA, subsection 3(8) (<https://www.ontario.ca/laws/statute/90I28#BK3>)). The term of office of a board member is 1 year beginning October 1 and ending on September 30, unless the minister orders otherwise (NSBA, section 5 (<https://www.ontario.ca/laws/statute/90I28#BK5>)). This term of office coincides with the fiscal year of the board. Where a full board is not elected at the election meeting, a board election should be called as soon as possible to fill the position.

Board members are elected annually between August 1 and September 30 each year (NSBA, section 19 (<https://www.ontario.ca/laws/statute/90I28#BK19>)).

Each board elects 1 of its elected board members as the chairperson on the first meeting following the election meeting, and no later than October 10 (NSBA, section 21 (<https://www.ontario.ca/laws/statute/90l28#BK21>)). Section 14 (<https://www.ontario.ca/laws/statute/90l28#BK14>) of the NSBA also permits the board to appoint a secretary who serves at the pleasure of the board.

Definitions

The following definitions that are used in this guide are also defined at Part I section 1 (<https://www.ontario.ca/laws/statute/90l28#BK1>) of the NSBA.

Board

A local services board established under the NSBA Part I. For the purposes of this guide, LSB shall mean the same.

Board area

The geographical area within which the board may exercise its jurisdiction.

Days

The calendar days (and not business days).

Inhabitant (except for the purposes of sections 3 (<https://www.ontario.ca/laws/statute/90l28#BK3>) and 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))

A permanent resident of a board area or an owner of property situated in a proposed board area, who is a Canadian citizen and who has attained the full age of 18 years.

Inhabitant (under sections 3 (<https://www.ontario.ca/laws/statute/90l28#BK3>) and 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))

A permanent resident of a proposed board area or an owner of property situated in a proposed board area, who is a Canadian citizen and who has attained the full age of 18 years. For the purposes of this guide, such Inhabitants will be referred to as proposed inhabitants.

Minister

The Minister of Northern Development.

Owner

A person entitled to convey land and whose interest in the land is defined and whose name is specified in an instrument registered in the proper land registry office.

Other terms

Terms used in this guide, but not defined in section 1 (<https://www.ontario.ca/laws/statute/90l28#BK1>) in the NSBA:

Board member

An inhabitant who is elected by the Inhabitants of the board area to serve a 1 year term of office on the board, or for a different term in the first year as may be set out in the Regulation establishing the LSB (NSBA, sections 4(1)(d) (<https://www.ontario.ca/laws/statute/90l28#BK4>), 5 (<https://www.ontario.ca/laws/statute/90l28#BK5>) and 19(6) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

Chair

A board member who is elected by the board to act as head of the board, except in the initial term where the chair may be determined in the regulation establishing the LSB. (NSBA, section 21 (https://www.ontario.ca/laws/statute/90l28#BK21)).

Dissolution proposal

A proposal for dissolution of an LSB brought forwards by the dissolution committee or the board.

Dissolution committee

A committee created by any 10 inhabitants proposing that the board be dissolved.

Election meeting

An annual meeting of inhabitants be held in the board area after August 1 and before the September 30 for the purpose of electing a new board (NSBA, section 19 (https://www.ontario.ca/laws/statute/90l28#BK19)).

Establishment committee

A committee created by any 10 proposed inhabitants desiring the establishment of a local services board.

Establishment meeting

A meeting of proposed inhabitants of a specific geographic area called pursuant to section 3 (https://www.ontario.ca/laws/statute/90l28#BK3) of the NSBA by a person authorized by any 10 proposed inhabitants to consider the desirability of establishing a local services board.

Fiscal year

The fiscal year of a board which commences on October 1 and expires on September 30 of the next September following (NSBA, subsection 29(2) (https://www.ontario.ca/laws/statute/90l28#BK33)).

First meeting

The first meeting of a newly elected board following the election meeting, which must be held no later than October 10. The board must elect a chair at the first meeting (NSBA, section 21 (https://www.ontario.ca/laws/statute/90l28#BK21)).

Ministry

The Ministry of Northern Development.

MFIPPA

The *Municipal Freedom of Information and Protection of Privacy Act*.

MOF

The Ministry of Finance.

MPAC

The Municipal Property Assessment Corporation, a non-share capital, not-for-profit corporation, whose main responsibility is to provide property owners, tenants, municipalities, governments and businesses with property valuations (assessments). LSBs receive a copy of the interim assessment roll from MPAC for the land in the board area.

Public accountant

An accountant authorized to perform audits in the Province of Ontario, licensed under the *Public Accounting Act, 2004, S.O. 2004, c. 8* (<https://www.ontario.ca/laws/statute/04p08>).

Recording secretary

A person appointed by the chair of the establishment meeting or the chair of the dissolution meeting where the dissolution request came from the dissolution committee. The recording secretary performs certain duties related to the establishment and dissolution of an LSB (refer to the sections Establishment of an LSB (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/establishment-lsb>) and Dissolution of an LSB (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/dissolution-lsb>) for further details).

Secretary

A person appointed by the board to carry out the duties described in the NSBA, The secretary may be a member of the board other than the chair. The secretary holds office at the pleasure of the board (NSBA, section 14 (<https://www.ontario.ca/laws/statute/90l28#BK14>)) and is not required to be an inhabitant of the board.

TPON

Transfer Payment Ontario means an online system to access Ontario Government funding programs.

OPTA

Online Property Tax Analysis means a tool provided by the MOF to LSBs to assist in the calculation of levies/fees.

Opted-in LSB

An LSB that has chosen to opt into the MOF consolidated billing system, whereby they have agreed to have MOF collect fees or levies on its behalf.

Levy

Refers to a tax rate applied to the assessed value and type of a property.

Fee

Refers to assessing costs for LSB services by applying a flat fee to properties.

PLTA

The *Provincial Land Tax Act, 2006, S.O. 2006, c. 33, Schedule Z.2* (<https://www.ontario.ca/laws/statute/06p33>).

Power

Any 1 of the 9 powers set out at the schedule to the NSBA and described in this guide under the heading powers (services) of the board. An LSB may provide any 1 power or any combination of powers as authorized by the minister and provided in a by-law duly passed by the board in accordance with the NSBA, and powers means any combination of the 9 powers.

Tenant

Any person who rents rather than owns a residence within the board area and if a permanent resident is considered an inhabitant as defined in section 1 (<https://www.ontario.ca/laws/statute/90l28#BK1>) of the NSBA.

Powers (services) of the board

Powers are not obligations. Powers give the LSB the authority to provide certain services, but do not impose a legal obligation to provide those services. (NSBA, section 7 (<https://www.ontario.ca/laws/statute/90l28#BK7>)). In addition, the NSBA provides flexibility with respect to the provision of services within the board area. This allows the LSB to provide:

- service to the whole of the board area or to a part thereof as designated by the board
- a different level of service to different designated parts of the board area

However, no fee may be charged, and no levy may be imposed in respect of a service or level of service in any part of the board area where the service or level of service is not provided (NSBA, subsection 7(2) (<https://www.ontario.ca/laws/statute/90l28#BK7>)).

The type and level of services provided by LSB varies.

The minister may by order designate any number of combinations of the 9 powers to the board. For information on requesting additional powers or establishing an LSB refer to the Appendix (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/appendices>).

Available powers

The powers available to a LSB are set out in the schedule to the NSBA and are as follows.

Water supply

The board may by by-law:

- acquire, establish, operate, and maintain water supply works
- contract for, a supply of water and for that purpose may regulate the time, manner, extent and nature of such supply and the persons to whom water may be supplied and may charge a fee for the cost of such supply

Fire protection

The board may by by-law:

- establish a fire department and for that purpose acquire, operate and maintain a fire-hall, fire engines and apparatus and equipment for use by volunteer firefighters in connection with fire suppression and other fire protection activities
- contract for fire protection, and may charge a fee for the cost of such service

Garbage collection

The board may by by-law:

- establish and maintain a system for the collection and removal of garbage
- contract for the collection, removal, and disposal of garbage, and for that
- purpose may regulate the occasions, manner, extent, and nature of such service
- the persons to whom such service may be supplied and may charge a fee for the cost of such service

Sewage

The board may do the following by by-law:

1. Acquire, establish, operate, and maintain sewage works, including sewers, pumping plants, treatment works and other like works necessary for a sewage collection and treatment system.
2. Contract for the collection and treatment of sewage, and for such purposes may charge a fee for such service or add a surcharge to the fee, if any, for water supply.
3. Upon such terms and conditions as the board considers appropriate and with the approval of a majority of the inhabitants at a meeting called for that purpose, financially assist by grant or loan the installation of private septic tank systems or other systems approved by the Ministry of the Environment, Conservation and Parks for the benefit of any inhabitant or inhabitants.

Street or area lighting

The board may do the following by by-law:

- Contract with any person for the provision of street or area lighting in the board area.
- Contract with any person for the provision of power and acquire by purchase or lease lights, light standards and lighting equipment in order to provide street or area lighting in the board area and may charge a fee for the cost of such service, but no board shall generate its own power.

Recreation

The board may by by-law:

- contract for the use of recreation facilities or participation in programs of recreation
- provide for the carrying out of programs of recreation
- acquire, establish, construct, operate and maintain recreation facilities, and may charge fees in respect of the programs of recreation or the recreation facilities

Roads

The board may by by-law:

- contract for the construction, inspection and maintenance of roads and bridges in the board area
- determine the work to be performed on roads and bridges in the board area, and may charge a fee for the cost of such services

Public library service

The board may by by-law:

- contract for the provision of public library service by a public library board, union board or county library board or by a board of an Ontario library service area acting under subsection 34 (2) (<https://www.ontario.ca/laws/statute/90p44#BK36>) of the *Public Libraries Act*
- establish and maintain a public library service, and may, subject to the *Public Libraries Act*, charge fees in respect of such service

Emergency telecommunications

The board may, by by-law:

- contract for the establishment, operation and maintenance of an emergency telecommunications service that communicates with fire, police, and ambulance communications services, and may charge a fee for the cost of such service.

Limitations

A board is only authorized to deliver the powers (services) that have been designated to it in an order of the minister from the list of available powers set out in the schedule to the Act.

A LSB cannot enact regulations enforcing building code or traffic violations such as speeding and parking, nor can it authorize, regulate, or license individuals, groups, or businesses as the NSBA does not have a provision for these types of items.

A LSB may only comment or consent to matters that fall within their designated powers. For example, a LSB is unable to comment on economic development planning and building planning.

Powers are approved at the time of establishment of the LSB or later as the result of a request by the LSB to the minister.

- For more information, refer to the sections on Establishment of an LSB (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/establishment-lsb>) and LSB Requests to vary powers (additional power(s) (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/request-vary-services-additional>)).

A board can only deliver the powers within the geographic boundaries of the LSB. (the board area) (NSBA, subsection 7 (2) (<https://www.ontario.ca/laws/statute/90l28#BK7>)).

Freedom of Information and Protection of Privacy Act

LSBs are subject to the *Municipal Freedom of Information and Protection of Privacy Act, RSO 1990, c M.56* (<https://www.ontario.ca/laws/statute/90m56>) (MFIPPA) and therefore should familiarize themselves with the requirements and obligations thereunder.

Rights, roles and responsibilities

Ministry

The local ministry staff person (known as Northern Development Advisor) is the first point of contact between the LSB and the ministry.

The ministry's role is to administer the NSBA. Ultimately each LSBs is responsible for its compliance with the NSBA.

The ministry does not provide legal opinions to LSBs. Where legal interpretation of the NSBA or of the LSB's obligations pursuant to the NSBA, the LSB should obtain its own legal advice.

Contact information for the nearest ministry staff can be found on the provincial INFO-GO (<https://www.infogo.gov.on.ca/infogo/#orgProfile/-212/en>) website.

Ministry staff

Ministry staff are not required by the NSBA to attend LSB board meetings.

When requested, ministry staff may play a facilitative role at board meetings to aid in the focus and flow of board meetings. Ministry staff will only assume this role at the request of the LSB and attendance will be at the ministry's

discretion.

Ministry staff are available to provide training to new and existing board members on their roles as defined in the NSBA and assist LSBs in understanding the budget process and funding requests.

Inhabitants

All inhabitants are eligible to run for office as a board member (NSBA, subsection 19(6) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

Inhabitants are eligible to vote at the following meetings:

- meetings for the election of board members (NSBA, section 19 (<https://www.ontario.ca/laws/statute/90l28#BK19>)) (refer to the Meetings (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings>) section for further details)
- where a decision is made on the following, refer to the Appendix (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/appendices>) of this guide for specific details:
 - establishment of an LSB (NSBA, subsection 3(7) (<https://www.ontario.ca/laws/statute/90l28#BK3>))
 - dissolution of an LSB (NSBA, subsection 32(1) (<https://www.ontario.ca/laws/statute/90l28#BK36>))
 - proposed alteration of the boundaries of the board area (NSBA, section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))
 - proposed variation of the powers of the board (NSBA, section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))
- where a decision is made in respect of the incursion by the board of a debt, the payment of which is not provided for in the current year (NSBA, section 28(b) (<https://www.ontario.ca/laws/statute/90l28#BK32>))
- where a decision is made on the proposed levy if imposed under the *Provincial Land Tax Act, 2006* (NSBA, section 23.1(5) (<https://www.ontario.ca/laws/statute/90l28#BK24>)) (refer to the section Budget process (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-0>) for further details)
- any 10 inhabitants have the right to propose a dissolution of an LSB, and if they do so, a vote of the inhabitants must be held (NSBA, subsection 32(1) (<https://www.ontario.ca/laws/statute/90l28#BK36>)) (refer to the Appendix (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/appendices>))

Inhabitants have the right to attend any and all board meetings (NSBA, subsection 10(3) (<https://www.ontario.ca/laws/statute/90l28#BK10>)) and the board must call sufficient public meetings so that inhabitants may:

- participate in discussions on current and proposed programs of the board
- participate in preparation of the annual estimates of the board
- participate in discussions of the annual audit report on the issues, budgets and audits (NSBA, section 16 (<https://www.ontario.ca/laws/statute/90l28#BK16>)) (refer to the Meetings (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings>) section for further details)

If in any year both the board and the secretary fail to call an election meeting before September 15, any 10 inhabitants have the right to call a meeting and may appoint 1 of participating inhabitants to act as chair of the meeting.

The inhabitant appointed as chair shall act as chair even if the chair attends the meeting (NSBA, subsection 19(5) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

Inhabitants have the right at any reasonable time to examine and copy the audit report procured by the board in respect of the LSB (NSBA, subsection 29(4) (<https://www.ontario.ca/laws/statute/90l28#BK33>)). LSBs are bound by MFIPPA and it is their responsibility to ensure that requests for LSB documentation complies with the act.

Boards and board members

Boards are made up of either 3 or 5 members as set out in the regulation establishing the LSB (NSBA, sub-sections 3(8) (<https://www.ontario.ca/laws/statute/90l28#BK3>) and 4(1) (<https://www.ontario.ca/laws/statute/90l28#BK4>)).

The term of office for board members is 1 year, beginning on October 1 and ending on September 30 (NSBA, section 5 (<https://www.ontario.ca/laws/statute/90l28#BK5>)), with the exception of the term of office of the first board, which may be set out in the regulation establishing the LSB if the minister so orders (NSBA, subsection 4(1) (d) (<https://www.ontario.ca/laws/statute/90l28#BK4>) and section 5 (<https://www.ontario.ca/laws/statute/90l28#BK5>)).

While many of the activities that a board undertakes are done at the discretion of the board, there are certain matters the board is obliged to undertake. Refer to the NSBA (<https://www.ontario.ca/laws/statute/90l28#BK1>) and for details.

Board members are responsible, on behalf of the inhabitants within the local services board, to discuss issues and make the necessary decisions for the day-to-day operation of the LSB including responsibility for the management of funds entrusted to the board.

A board member must bear in mind that they are accountable to the inhabitants of the local services board for decisions made by the board including responsibility for the management of funds entrusted to the board and should be attentive to the manner in which funds are safeguarded, how financial data is recorded, and how it is disclosed to the public.

Board members cannot receive payment for performance of duties as board members (NSBA, section 13 (<https://www.ontario.ca/laws/statute/90l28#BK13>)).

A board may appoint 1 of its own members as secretary or choose to appoint an individual other than a board member. In both situations the secretary would serve at the pleasure of the board. (NSBA, section 14 (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

The secretary can receive an honorarium (payment for the duties associated with that position). (NSBA, section 15 (<https://www.ontario.ca/laws/statute/90l28#BK15>)).

If a board member:

- ceases to be an inhabitant

- fails to attend any 3 consecutive meetings of the board
- refuses to act
- dies

then a board may by by-law call a public meeting to elect an inhabitant of the board area to serve for the remainder of the term of such board member (NSBA, section 9(3) (<https://www.ontario.ca/laws/statute/90l28#BK9>)).

Each year, the board must call an election meeting between August 1 and September 30 to elect board members for the upcoming LSB fiscal year. Read the section on meeting notice of election meeting (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings>) for details.

Chair of the board

The chair is a member of the board elected by the board members at the board's first meeting after its initial election. The first meeting of a board must take place no later than October 10 of each year. (NSBA, section 21 (<https://www.ontario.ca/laws/statute/90l28#BK21>)).

The NSBA establishes a number of responsibilities, the chair:

- is the head of the board (NSBA, subsection 9(1) (<https://www.ontario.ca/laws/statute/90l28#BK9>))
- presides at all board meetings (NSBA, subsection 9(1) (<https://www.ontario.ca/laws/statute/90l28#BK9>))
- of the board shall act as chair of the annual elections and if necessary, shall administer declarations of eligibility to vote (NSBA, sections 19 (<https://www.ontario.ca/laws/statute/90l28#BK19>) and 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>))
- has the authority to expel or exclude anyone, including a board member for improper conduct at a meeting (NSBA, section 18 (<https://www.ontario.ca/laws/statute/90l28#BK18>))

In the event of the chair's absence, the position of chair being vacant or the chair refusing to act, the board members may appoint an acting chair from among the board members. The acting chair will, during the absence, vacancy, or refusal to act, act in the place of the chair and preside at the meetings of the board (NSBA, subsection 9(3) (<https://www.ontario.ca/laws/statute/90l28#BK9>)).

Secretary to the board

The secretary is a signing officer for the board (NSBA, subsection 12(2) (<https://www.ontario.ca/laws/statute/90l28#BK12>)).

The secretary is appointed by the board on an annual basis, and serves at the board's pleasure (NSBA, section 14 (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

The secretary may be but is not required to be a member of the board (NSBA, subsection 14(1) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

The secretary cannot be the chair of the board (NSBA, subsection 14(1) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

It is not unusual for the same secretary to be re-appointed annually over several years, which provides continuity in the conduct of the board's business.

A secretary who is not a board member need not be an inhabitant of the LSB area. Subsection 14(1) (<https://www.ontario.ca/laws/statute/90l28#BK14>) of the NSBA provides for the appointment of the secretary and it does not limit the appointment to an inhabitant of the board area.

The secretary is required to provide security for the faithful performance of his or her duties, including duly accounting for and paying over all money that comes into his or her hands.

Security must be in the form and on such terms as the minister may approve.

Premiums in respect of the security are paid for by the board (NSBA, subsections 14(2) (<https://www.ontario.ca/laws/statute/90l28#BK14>) and (3) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

The secretary is responsible to ensure the items listed in the NSBA, subsection 14(4) (<https://www.ontario.ca/laws/statute/90l28#BK14>) which form part of his or her duties are performed:

- Attend all meetings of the board.
- Keep minutes of the meetings.
- Post the minutes of meetings in at least 1 location visible to the public in the board area and, if available, published by electronic means or in an electronic format.
- Post notices of meetings called by the board in at least 1 location visible to the public in the board area, and if available, published by electronic means or in an electronic format. Read the section on meeting notices (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings>) for details.
- Carry on correspondence as directed by the board.
- Receive and safely keep all money paid to the board.
- Maintain books of account and other records as may be required by the board or by the minister.

The board has the option to pay an honorarium to the secretary. Where an honorarium is paid, the board must pass a by-law to that effect. (NSBA, section 15 (<https://www.ontario.ca/laws/statute/90l28#BK15>)).

If the secretary is an elected board member the secretary must declare conflict and must refrain from voting on the budget in which the honorarium is tabled and the supporting by-law.

Either the secretary or the person who called the meeting must sign the notice of the meeting (other than election meetings and establishment meetings (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))).

If the board fails to call an election meeting before September 10 in a given year, the secretary must immediately call the election meeting in accordance with the NSBA and shall act as the chair of the meeting even if the chair attends the meeting (NSBA, subsection 19(4) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

On or before October 15 of each year, MPAC sends the secretary of a LSB a copy of the portion of the interim assessment roll for the lands in the board area that are liable to assessment and taxation under the *Assessment Act* (<https://www.ontario.ca/laws/statute/90a31>) and liable to taxation under the PLTA showing the amount of the

interim assessment of those lands for the following year (NSBA, section 22 (https://www.ontario.ca/laws/statute/90l28#BK23)).

The secretary is responsible for sending the minister a copy of the by-law passed by the board to approve the annual estimates (NSBA, subsection 23(5) (https://www.ontario.ca/laws/statute/90l28#BK24)). A copy should go to ministry staff.

The secretary is responsible for sending the Ministry of Finance a copy of the by-law passed by the board of an opted-in LSB that requests the minister of Finance to collect under the PLTA in the following year the rate or rates in respect of land that is taxable under the PLTA (NSBA, subsection 25(2) (https://www.ontario.ca/laws/statute/90l28#BK27)).

The secretary is also responsible for sending the Ministry of Finance a copy of the by-law passed by the board of an opted-in LSB that requests the minister of Finance to collect under the PLTA in the following year the fees charged by the board in respect of a service (NSBA, subsection 25.1(2) (https://www.ontario.ca/laws/statute/90l28#BK27)).

The secretary is responsible for sending a copy of the annual audit report to the minister (NSBA, subsection 29(3) (https://www.ontario.ca/laws/statute/90l28#BK33)) and a copy to ministry staff.

The secretary must permit any Inhabitant at any reasonable time to examine and copy the annual audit report (NSBA, subsection 29(4) (https://www.ontario.ca/laws/statute/90l28#BK33)).

The secretary must record the votes of meetings in accordance with the NSBA.

The secretary must send to the minister and copies to ministry staff voting results, minutes of meetings, and such other correspondence as may be required by the NSBA.

The secretary may destroy the ballots once the chair and board pass a motion to destroy the ballots following a vote.

If there is turnover with the secretary, the outgoing secretary (or in the absence of, the board), must transfer all the records, seal, banking information and any LSB operational documents to the newly appointed secretary (or chair of the board).

The secretary is responsible for affixing the LSB seal on all necessary documents.

The secretary is responsible for meeting Transfer Payment Ontario (TPON) requirements. Read the section on TPON (https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings#tpon) for details.

The secretary should ensure the LSB has a file retention procedure and revise it as required (for example: non-digital and digital filing system).

Committees of the board

The board may, if it chooses to, appoint committees to advise the board as the board considers appropriate (NSBA, subsection 7(4) (https://www.ontario.ca/laws/statute/90l28#BK7)).

Committees operate in an advisory capacity and do not make decisions for the board, nor do they maintain separate bank accounts. Refer to the Meetings (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings>) and Financial (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial>) sections for further details.

If the board decides to create a committee as per subsection 7(4) (<https://www.ontario.ca/laws/statute/90l28#BK7>) of the NSBA, it may do so, and the committee can function as a working group in preparation for a board meeting. These committee meetings do not need to be open to the public, provided no board decisions are made by this committee and that the board conducts sufficient public meetings to allow inhabitants to participate in the preparation of the annual estimates as required by section 16(a) (<https://www.ontario.ca/laws/statute/90l28#BK16>) , 16(b) (<https://www.ontario.ca/laws/statute/90l28#BK16>) , 16(c) (<https://www.ontario.ca/laws/statute/90l28#BK16>) of the NSBA.

LSB complaint process

In situations of conflict or disagreement, boards and inhabitants are encouraged to make every effort to address the issue and reach a solution at the local level that is acceptable to all parties concerned. Where a solution cannot be achieved at the local level, then the board, an inhabitant or group of inhabitants may contact the local ministry staff and request his or her assistance in addressing the issue.

Prior to the ministry reviewing a concern or complaint related to an LSB, the complainant will be required to submit the concern or complaint in writing to the local ministry staff with documentation of actions taken with the board to address and resolve the issue.

When reviewing the issue, the ministry staff will determine whether the issue presented is internal to the LSB or falls within the scope of the NSBA prior to proceeding. The ministry will not direct or provide oversight to the board on areas that fall outside of the ministry's mandate as outlined in the NSBA.

Issues that are internal to the LSB

Where the issue is internal to an LSB, it will be referred back to the board for resolution. Items that are internal to the LSB and therefore must be addressed and resolved at the local level include, without limitation, the following:

- contractual disputes
- LSB policies on matters relating to procurement, procedures and conflict of interest; Scope of annual audit and any related issues
- meeting processes beyond the requirements outlined in the NSBA

In situations where the LSB requires legal advice, it is the responsibility of the LSB board to seek its own legal counsel.

Issues within the mandate of the ministry

Items that are within the mandate of the ministry include, without limitation:

- clarification of requirements under the NSBA
- issues of LSB compliance with the NSBA
- concerns in relation to the board's approved powers and the exercise thereof

- concerns in relation to the administration of the board's affairs and finances as it relates to the approved powers of the board

Where a conflict arises that is within the scope of the NSBA, the ministry staff will work with the board and inhabitants to resolve the matter at the local level. Where local resolution is not possible, the ministry staff will take additional steps as necessary to facilitate a resolution, including consulting with advisors within the ministry.

Dependant on the nature of the complaint, the ministry staff will make a determination on whether the issue can be resolved between the LSB board and complainant; if not, the matter will be elevated within the ministry as may be necessary.

Although LSBs are able to, within the confines of the NSBA, determine their own policies and processes for conducting business, the NSBA under sections 29 (<https://www.ontario.ca/laws/statute/90l28#BK33>) and 30 (<https://www.ontario.ca/laws/statute/90l28#BK34>) provides authority for the minister to intervene in certain situations. Such intervention will occur only in very rare situations and as a last resort where an issue is of such consequence that in the ministry's view, resolution without ministry intervention is not possible.

Ministry interventions

The minister may at any time cause the accounts and transactions of a board to be audited (NSBA, subsection 29(5) (<https://www.ontario.ca/laws/statute/90l28#BK33>)).

The minister may, where the minister determines that a board is:

- misusing its funds
- is not administering its affairs in a proper and straightforward manner
- cannot or is unlikely to be able to meet its obligations as they fall due, order one of the following actions:
 - dissolve the board and call a new election
 - dissolve the board and assume the powers of the board
 - dissolve the board and the board area. (NSBA, section 30 (<https://www.ontario.ca/laws/statute/90l28#BK34>))

Establishment of an LSB

Prior to moving forward with the process of forming an LSB, inhabitants are encouraged to contact the ministry staff (<https://www.ontario.ca/page/ministry-northern-development>) for guidance on steps to take.

Steps to establish an LSB

1. Although not a requirement of the NSBA, it is recommended that prior to calling a meeting to vote on the establishment of a LSB, sufficient information meetings be held to allow proposed inhabitants within the proposed area, to review the proposal to form the LSB including:

- the proposed boundaries
- the suggested power(s)
- the financial and other implications

- the LSB establishment process

Information meetings will enable proposed inhabitants to make informed decisions when the time comes to vote on establishing a local service board.

Ministry staff are able to assist in this process, including providing contacts to other government ministries responsible for regulating elements of the establishing a LSB and associated power(s).

2. Any 10 proposed inhabitants desiring the establishment of a LSB (the establishment committee) may in writing authorize and name 1 of participating inhabitants to call a meeting with the of proposed inhabitants of a specific geographic area to consider the desirability of establishing a LSB (the establishment meeting) (NSBA, subsection 3(2) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

The establishment committee will be required to provide documented proof that the 10 proposed inhabitants meet the definition of inhabitants as per the NSBA, subsection 3(1) (<https://www.ontario.ca/laws/statute/90l28#BK3>), being either a permanent resident of or a property owner in a proposed board area, who is a Canadian citizen and who has attained the full age of 18 years.

Such documented proof will consist of a listing of the 10 proposed inhabitants; an attestation by each of their eligibility as proposed inhabitants under the NSBA; and such other documented proof as may be required by the ministry.

3. The person named to call the establishment meeting must do so within 10 days of being authorized; otherwise, any person who signed the authorization may call a meeting (NSBA, subsection 3(3) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

4. The notice of the establishment meeting must be posted at least 14 days before the date of the establishment meeting, should be dated and signed by the person calling the meeting, and must:

- include a description or drawing of the proposed boundary of the LSB
- include the date, time, place, and purpose of the establishment meeting (including that a vote will be held)
- should include a listing of what will be required to prove eligibility to vote, such as proof of residency or property ownership, age, and Canadian citizenship
- be posted in at least one location visible to the public in the proposed board area
- if available, publish the notice in a local publication available in the physical form and having general circulation in the proposed board area or by electronic means or in an electronic format
- be forwarded to the minister with a copy sent to the ministry staff (NSBA, subsection 3(4)(a)-(d) (<https://www.ontario.ca/laws/statute/90l28#BK3>))

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?
- Are there possible conflicts or overlaps in jurisdiction with other organizations (such as municipalities or other statutory boards)? If any such organizations have any concerns with the establishment of an LSB in the proposed board area, suggest providing such information to the ministry.

- If any opposition to the establishment of an LSB is vocalized, this opposition should be disclosed to the ministry.
- If the area is remote or large, consider posting the meeting notices in more locations than the required location to ensure every effort is made to advise proposed inhabitants within the proposed area.
- Is the chosen location large enough to handle the anticipated number of proposed inhabitants that would attend?
- Where the LSB will cover a significant geographic area that would require travel time by proposed inhabitants to attend the establishment meeting, it is recommended that the establishment committee consider more than 1 location for the meeting and voting as well as allowing sufficient time for inhabitants to attend and to cast a ballot.
- Is there sufficient parking for inhabitants driving to the establishment meeting location(s)?
- Has there been information sessions held prior to the vote to provide information relating to proposed area, powers being sought, and estimated costs?

5. The person named to call the establishment meeting presides as chair of the meeting unless that person declines or is absent, then the proposed inhabitants from the proposed area present at the meeting will elect 1 of their number to act as chair (NSBA, subsection 3(5) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

6. The chair of the establishment meeting appoints a recording secretary from among the inhabitants present at the meeting. The recording secretary records the proceedings of the meeting (NSBA, subsection 3(6) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

7. Any recommendation or matters determined at the meeting are arrived at by a vote of the majority of the inhabitants present and voting at the meeting. Proxy voting is not permitted. The chair of the establishment meeting decides how the voting will be conducted (NSBA, subsection 3(7) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

Items to consider when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote?
 - Examples include but are not limited to: proof of residency within the proposed area, proof of property ownership within the proposed board area, proof of age and Canadian citizenship.
- How will voters be registered? (an example may be a sign in sheet). Read the section on Voting (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/miscellaneous-items#section-1>) for details.
- How will voting be conducted? (examples include without limitation: show of hands or secret ballot)
- Is the question being asked worded in a fashion that is clear and understandable? (an example of a clearly worded question: "Are you in favour of the establishment of a local services board to be known as XXXXX and to consist of XX number of board members in the following geographic area XXXXX which will have the powers of XX and XX? Yes or No")
- Voting is by secret ballot: are voting stations set up so as to ensure privacy? Who will count the votes and who will observe the vote counters?

- Establish a procedure to destroy the ballots after the vote (such as motion made by chair at end of announcement of vote results).

Eligibility to vote

In order to vote, an individual must be able to prove they qualify as a proposed inhabitant.

Where a proposed inhabitant's eligibility to vote is challenged by any other individual, it is the responsibility of the establishment committee to determine the eligibility of the proposed inhabitant to vote.

Where eligibility is challenged, the chair of the establishment committee must require the individual being challenged to make a declaration, in English or French that they are an inhabitant as defined in the NSBA to the chair. Once the declaration has been made the individual is able to vote. (NSBA, section 20 (https://www.ontario.ca/laws/statute/90l28#BK20)).

8. Once the voting has been completed, where the vote results are in favour of the proposal to establish an LSB, a recommendation is made by the establishment committee to the minister and copies the local ministry staff. The recommendation to the minister must include the following:

- the desirability of establishing an LSB
- the boundaries of the board area
- the name of the board
- whether the number of board members should be 3 or 5
- the powers chosen
- any other matters as the proposed inhabitants consider appropriate (NSBA, subsection 3(8) (https://www.ontario.ca/laws/statute/90l28#BK3)) (together, the Recommendation)

The boundaries of the proposed LSB included in the recommendation cannot include an area greater than the area that was described in the notice calling the establishment meeting (NSBA, subsection 3(9) (https://www.ontario.ca/laws/statute/90l28#BK3)).

9. The recording secretary is responsible for posting the record of the meeting in at least one location visible to the public in the proposed board area; and if available, publish the record of proceedings in a local publication available in physical form and having a general circulation in the proposed board area or by electronic means or in an electronic format; and sending a copy of the record of proceedings, including the recommendation to the minister (NSBA, subsection 3(6) (https://www.ontario.ca/laws/statute/90l28#BK3)). A copy will also be sent to the local ministry staff with the ministry.

10. Prior to the minister making a decision respecting the establishment of a local services board, the ministry will undertake a due diligence process that may include without limitation the following:

- Consultation with other ministries on the establishment of the LSB including the proposed powers and boundaries, will take place to determine:
 - if there would be any opposition to the establishment of the LSB
 - what statutes or regulations or pieces of legislation would impact the proposed LSB (any information obtained in this regard that would be of benefit to the proposed LSB would then be conveyed to the

establishment committee)

- A request by the ministry to the Office of the Surveyor General of Ontario to provide a legal description of the proposed boundaries and a final map.
- A review of the process undertaken by the proposed inhabitants to ensure transparency and compliance with the requirements of the NSBA. Elements reviewed include without limitation the information provided to proposed inhabitants, posting of notices and process to conduct meetings.

11. Once the due diligence process is complete, a recommendation is made to the minister who will then make a final decision on the establishment of the LSB. Should the minister choose to proceed with the establishment of an LSB, the minister will make an order:

- establishing an LSB by order under the name of the local services board of XXXX
- establishing the boundaries of the board area
- establishing the number of board members
- establishing the term of office of the first board
- designating the powers of the board from those listed in the schedule of the NSBA
- providing for all matters necessary to conduct the election of the first board members including where the minister deems appropriate, the method and timing of the first election of a board
- providing for any other matters the minister considers appropriate (NSBA, subsection 4(1) (<https://www.ontario.ca/laws/statute/90I28#BK4>)

Dissolution of an LSB

A board may be dissolved in 1 of 3 ways:

1. At the request of the board, which request must be put to a vote of the inhabitants in accordance with the NSBA (NSBA, subsection 32(1) (<https://www.ontario.ca/laws/statute/90I28#BK36>)).
2. At the request of 10 inhabitants, which request must be put to a vote of the inhabitants in accordance with the NSBA (NSBA, subsection 32(1) (<https://www.ontario.ca/laws/statute/90I28#BK36>)).
3. By order of the minister (NSBA, section 30 (<https://www.ontario.ca/laws/statute/90I28#BK34>)).

Note: prior to moving forward with the process to dissolve the LSB, the board or inhabitants (dependant on who is making the request) are required to contact the local ministry staff with the ministry for guidance on steps to take.

Steps to dissolve an LSB where the request is from the board

1. The notice of the dissolution meeting must be posted at least 1 week before the date of the dissolution meeting, and must:
 - include the date, time, place, and purpose of the dissolution meeting (including that a vote will be held)
 - include what will be required to prove eligibility to vote under the Act, proof of permanent residency or property ownership, age, and Canadian citizenship
 - contain the signature of the secretary or the chair or member of the board

- be posted in at least 1 location visible to the public in the board area and, if available, published by electronic means or in an electronic format
- outline the dissolution proposal (NSBA, sections 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>) and 32 (<https://www.ontario.ca/laws/statute/90l28#BK36>))

The notice must be forwarded to the minister. A copy is to be send to the local ministry staff with the ministry.

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?
- If any opposition to the dissolution of an LSB is vocalized, this opposition should be disclosed to the ministry.
- If the area is remote or large, consider posting the meeting notices in more locations to ensure every effort is made to advise inhabitants.
- Is the chosen location large enough to handle the anticipated number of inhabitants that would attend?
- Where the LSB covers a significant geographic area that would require travel time by inhabitants to attend the dissolution meeting, it is recommended that the board or dissolution committee consider more than 1 location for the meeting and voting as well as allowing sufficient time for inhabitants to attend and to cast a ballot.
- Is there sufficient parking for inhabitants driving to the meeting location?

2. The chair of the board will be the chair of the dissolution meeting (NSBA, section 9 (<https://www.ontario.ca/laws/statute/90l28#BK9>)). If the chair is absent, then another board member will appoint a chair. The LSB secretary will act as secretary at the dissolution meeting.

3. A dissolution proposal must be approved by a vote of the majority of the inhabitants present and voting at the dissolution meeting. Proxy voting is not permitted (NSBA, subsection 32(2) (<https://www.ontario.ca/laws/statute/90l28#BK36>)).

The chair of the dissolution meeting decides how the voting will be conducted.

Items to consider when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote? (such as proof of residency within the proposed area, proof of property ownership within the proposed board area, proof of age and Canadian citizenship)
- How will voters be registered (an example may be a sign-in sheet)
- How will voting be conducted? (examples include without limitation; show of hands or secret ballot)
- Is the question being asked worded in a fashion that is clear and understandable? (an example of a clearly worded question is “Are you in favour of the dissolution of Local services board XXXXX? Yes or No”)
- If voting is by secret ballot are voting stations set up so as to ensure privacy?
- Who will count the votes and who will observe the vote counters?
- Where the geographic size of the LSB is large, consideration should be given to holding vote meetings in more than 1 location in order to facilitate inhabitants being able to attend and also enough time allotted for the voting process.

Eligibility to vote

- In order to vote, an individual must be able to prove they qualify as an inhabitant.
- Where an inhabitant's eligibility to vote is challenged by any other individual, it is the responsibility of the board chair or chair of the dissolution committee, to determine the eligibility of the inhabitant to vote or be elected as a member of the board.
- Where that eligibility is challenged, the chair of the meeting must require the individual being challenged to make a declaration in English or French before the chair. Once the declaration has been made then the individual is able to vote. (NSBA, section 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>)).

If the majority of inhabitants present at the dissolution meeting approve a dissolution proposal, the secretary or recording secretary must send to the minister a copy of the dissolution proposal together with a statement of the vote for and against the dissolution proposal (NSBA, subsection 32(2) (<https://www.ontario.ca/laws/statute/90l28#BK36>)).

4. The secretary is responsible for posting the record of the meeting in at least one location visible to the public in the board area and, if available, by electronic means or in an electronic format (NSBA, subsection 14(4)(c) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

5. Prior to the minister making a decision respecting the dissolution of a local services board, the ministry will undertake a due diligence process that may include without limitation the following:

- Consultation with other ministries on the dissolution of the LSB including any impacts that may exist as the result of loss of services to the board area.
- A review of a complete list of assets and potential liabilities of the board that may exist at the time of dissolution.
- A review of the process undertaken by the inhabitants to ensure transparency and compliance with the requirements of the NSBA. Elements reviewed include without limitation the information provided to affected inhabitants, posting of notices and process to conduct meetings.

6. Once the due diligence process is complete, a recommendation is made by the ministry to the minister who will then make a final decision on the dissolution of the LSB and the board area. Should the minister choose to proceed with the dissolution of an LSB, the minister makes an order:

- dissolving the board and the board area (NSBA, subsection 32(2) (<https://www.ontario.ca/laws/statute/90l28#BK36>))
- making such provisions with respect to the transfer of liabilities and assets of the board as the minister considers appropriate (NSBA, subsection 32(3) (<https://www.ontario.ca/laws/statute/90l28#BK36>))

Steps to dissolve an LSB where the request is from 10 inhabitants

1. The 10 inhabitants will form a dissolution committee. The dissolution committee is to follow a process similar to that of establishing an LSB. The dissolution committee may in writing authorize and name 1 of their number to call a meeting of inhabitants to consider the desirability of dissolving the local services board (the Dissolution meeting)

Where the dissolution is led by a dissolution committee, the person named to call the dissolution meeting presides as chair unless that person declines or is absent, then the inhabitants present at the meeting will elect 1 of their number to act as chair. The chair of the dissolution meeting may appoint the existing LSB secretary or a recording

secretary from among the inhabitants present at the meeting. The recording secretary records the proceedings of the meeting.

The dissolution committee will be required to provide documented proof that the 10 inhabitants meet the definition of inhabitants as per the NSBA, section 1 (<https://www.ontario.ca/laws/statute/90l28#BK1>), being either permanent resident of or an owner of property in the board area, who is a Canadian citizen and who has attained the full age of 18 years.

Such documented proof will consist of a listing of the 10 inhabitants; an attestation by each of their eligibility as inhabitants under the NSBA; and such other documented proof as may be required by the ministry.

2. The person named to call the dissolution meeting must do so within 10 days of being authorized; otherwise, any person who signed the authorization may call a meeting.

3. Refer to the process set out above under the heading Steps to dissolve an LSB where the request is from the board steps 4-6.

Dissolution by the minister

Before any recommendation is made to the minister to dissolve a board, ministry staff will work with the existing board to gather all the relevant facts and information relating to the proposed dissolution. This may include requesting that the board hold public meetings to discuss the proposed dissolution with the inhabitants.

If the minister determines that a board is:

- mis-using its funds
- is not administering its affairs in a proper and straightforward manner
- cannot or is unlikely to be able to meet its obligations as they fall due

then the minister may by order:

1. dissolve the board and call a new election
2. dissolve the board and assume the powers of the board
3. dissolve the board and the board area (NSBA, section 30 (<https://www.ontario.ca/laws/statute/90l28#BK34>))

If the minister chooses to dissolve the board and the board area, then NSBA, subsection 32(3) (<https://www.ontario.ca/laws/statute/90l28#BK36>) will apply to that order.

Request to vary services (additional services)

Steps you need to follow

1. Prior to moving forward with the process requesting to vary powers for a LSB, the board is encouraged to contact ministry staff for guidance on steps to take. Local ministry staff can be located by referring to the ministry (<https://www.ontario.ca/page/ministry-northern-development>) website or on the provincial INFO-GO (<https://www.infogo.gov.on.ca/infogo/#orgProfile/-212/en>) website.

2. Although not a requirement of the NSBA it is recommended that prior to calling a meeting to vote to vary the powers of an LSB, sufficient information meetings be held to allow inhabitants to review the proposal to vary the powers of the LSB, the implications of the loss or addition of powers and the financial implications. Information meetings will enable inhabitants to make an informed decision when the time comes to vote on the issue.
3. Where the board considers it desirable that the powers of the board be varied, the board must put a proposal to vary the powers of the board (the Proposal to vary powers) to a vote of the inhabitants of the board area (NSBA, section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>)).
4. The notice of the meeting must be posted at least 1 week before the date of the meeting, and must:
 - include the date, time, place, and purpose of the meeting (including that a vote will be held), and a description of the Proposal to vary powers, which description shall include a description of the requested powers to be either added or deleted (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
 - contain the signature of the secretary (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
 - be posted in at least one location visible to the public in the board area and, if available, published by electronic means or in an electronic format (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
 - Where required or necessary be posted in both English and French (as the board deems necessary)
 - be forwarded to the minister, and a copy to the local ministry staff

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?
 - If the area is remote or large, would it be a good idea to post the meeting notices in more locations than the required and to use additional means such as radio, newspapers, email lists, to ensure every effort is made to advise inhabitants.
 - Is the chosen location large enough to handle the anticipated number of inhabitants that would attend?
 - Is there sufficient parking for inhabitants driving to the meeting location?
 - The chair would preside at the meeting unless that person declines or is absent then the inhabitants present at the meeting will elect 1 of their number to act as chair.
 - The secretary records the proceedings of the meeting and is responsible for posting the minutes of the meeting in the board area as well as sending by a copy of the minutes and the recommendations agreed upon, at the meeting to the minister of the ministry. (NSBA, section 3(6) (a-c) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).
5. Any recommendation or matters determined at the meeting are arrived at by a vote of the majority of the inhabitants present and voting at the meeting. Proxy voting is not permitted (NSBA, subsection 31(4)) (<https://www.ontario.ca/laws/statute/90l28#BK35>).

Items that can be considered when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote? (such as proof of residency within the proposed area, proof of property ownership within the proposed area, proof of age and Canadian

citizenship)

- How will voters be registered? (for example: sign in sheet)
- How will voting be conducted? (show of hands, secret ballot)
- Is the question being asked worded in a fashion that is clear and understandable? (such as Are you in favour of varying the powers of the local services board of XXXXX to add or delete the following powers XX, XX resulting in the board having the powers of XX, XX. Yes or No)
- If voting is by secret ballot are voting stations set up so as to ensure privacy.
- Who will count the votes and who will observe the vote counters
- Where the geographic size of the LSB is large, consideration should be given to holding vote meetings in more than one location in order to facilitate inhabitants being able to attend and also enough time allotted for the voting process.

Eligibility to vote

- In order to vote, an individual must be able to prove they qualify as an inhabitant.
- Where an inhabitant's eligibility to vote is challenged by any other individual, it is the responsibility of the board to determine the eligibility of the inhabitant to vote.
- Where that eligibility is challenged, the chair of the meeting must require the individual being challenged to make a declaration in English or French before the chair. Once the declaration is made the individual is able to vote. (NSBA, section 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>)).

7. Recommendations

Where the vote results are in favour of the proposal to vary powers then the secretary must forward to the minister a copy of the proposal as approved at the meeting including:

- the desirability of varying the powers of the local services board
- a description of the Proposal to vary powers, which description shall include a description of the requested powers to be either added or deleted
- a statement of the results of the vote showing the vote of the inhabitants for and against the proposal

8. The secretary is responsible for posting the record of the meeting in at least one location visible to the public in the board area and, if available, published by electronic means or in an electronic format (NSBA, subsection 14(4)(c) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

9. Prior to the minister making a final decision on altering the boundaries of a local services board, the ministry will undertake a due diligence process that may include without limitation the following.

Consultation with other ministries on the implications of the LSB varying its powers to determine if there would be any opposition or concerns as well as information regarding any applicable legislation.

A review of the process undertaken by the inhabitants to ensure transparency and compliance with the requirements of the NSBA. Elements reviewed include without limitation the information provided to inhabitants, posting of notices and process to conduct meetings.

10. Once the due diligence process is complete, a recommendation is made by the ministry to the minister who will then make a final decision on the Proposal to vary powers. Should the minister choose to proceed with varying the powers of an LSB, the minister may make such order as the minister considers appropriate (NSBA, subsection 31(4)) (<https://www.ontario.ca/laws/statute/90l28#BK35>) .

Resources

Notice of meeting – example (<https://files.ontario.ca/mnd-notice-of-meeting-en-2023-03-07.odt>)

Declaration of eligibility to vote - example (<https://files.ontario.ca/mnd-declaration-of-eligibility-to-vote-en-2023-03-07.odt>)

Meetings

All meetings

The NSBA, subsection 10(3) (<https://www.ontario.ca/laws/statute/90l28#BK10>) states “All meetings of the board shall be open to the public.” This means that the board cannot hold meetings to conduct board business where the public is not allowed access to the meeting.

Subject to the board complying with the NSBA, the board may establish its own rules and procedures for transacting the business of the board (NSBA, section 11 (<https://www.ontario.ca/laws/statute/90l28#BK11>)).

The chair presides at all meetings of the board. If there is no chair, or in his or her absence or refusal to act, the board may appoint from its board members an acting chair (NSBA, subsections 9(1) (<https://www.ontario.ca/laws/statute/90l28#BK9>) and (2) (<https://www.ontario.ca/laws/statute/90l28#BK9>)).

Although there is no provision for the number of meetings a board is required to hold, the board must hold at least the following public meetings:

- sufficient public meetings to allow for the inhabitants to participate in:
 - a discussion of the current and proposed programs of the board
 - the preparation of the annual estimates of the board
 - a discussion of the annual audit report (NSBA, section 16 (<https://www.ontario.ca/laws/statute/90l28#BK16>))
- meeting to establish an LSB (NSBA, subsection 3(2) (<https://www.ontario.ca/laws/statute/90l28#BK3>))
- election meetings (NSBA, section 19 (<https://www.ontario.ca/laws/statute/90l28#BK19>))
- meetings to vary the powers of the board (NSBA, section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))
- meetings to alter the boundaries of the board area (NSBA, section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))
- meetings to dissolve the LSB, where a group of 10 inhabitants or the board of the LSB proposes to dissolve the board (NSBA, subsection 32(1) (<https://www.ontario.ca/laws/statute/90l28#BK36>))

LSBs are encouraged to develop policies around virtual meetings if there are circumstances that would prevent in-person meetings. Considerations may include the following:

- Is voting required? If so, how will it be conducted?
- Nomination process to occur prior to the virtual meeting.
- Open to all inhabitants and properly notified with sign-in details.
- How meeting minutes will be shared.

Notice of public meetings other than election meetings and establishment meetings

Specific requirements for notices of public meetings other than election meetings and establishment meetings are set out elsewhere in the NSBA. Please refer to the relevant sections of the NSBA for additional requirements specific to the public meeting that is being called.

General requirements that must be included in all Meeting notices:

- posted in at least one location visible to the public in the board area and, if available, published by electronic means or in an electronic format (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- posted at least 1 week in advance of a public meeting (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- include:
 - location of the meeting
 - date of the meeting
 - time of the meeting
 - purpose of the meeting
 - the signature of the secretary or the person or persons calling the meeting (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))

For information on notices of establishment meetings, please refer to the Appendix (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/appendices>). For information on notices of election meetings, please read the section on Election meeting (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings#section-1>) for details.

Quorum for all meetings

Quorum is defined as a majority of the board members (NSBA, subsection 10(1) (<https://www.ontario.ca/laws/statute/90l28#BK10>)).

Regulation 737 (<https://www.ontario.ca/laws/regulation/900737>) defines board composition for each of the LSBs. For instance, if a board is composed of 5 members, 3 members are considered quorum and if a board is composed of 3 members, 2 board members would be quorum.

In camera (private) meetings

The NSBA provides in section 10(3) (<https://www.ontario.ca/laws/statute/90l28#BK10>) that all board meetings are open to the public. However, there is a difference between a meeting open to the public and a public meeting. The

public meetings in section 16 (<https://www.ontario.ca/laws/statute/90l28#BK16>) are intended to permit the inhabitants to participate in the meeting and in the decisions made as a result.

The board can hold meetings other than the public meetings contemplated in section 16 (<https://www.ontario.ca/laws/statute/90l28#BK16>) and these meetings would not require notices as set out in section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>). These meetings must, however, be open to the public. Being open to the public simply means that the meeting cannot be held in camera (private), so persons in the community may attend but the NSBA does not provide the right for these persons to participate in the meeting.

Members of the board can meet to discuss board matters and planning so long as there are no decisions made during these meetings and quorum is not present. As these don't constitute board meetings, the notice provisions under the NSBA do not apply.

For example: if Bell Canada would like to get feedback on a new contract prior to board execution, it could meet with 2 members (of a 5-member board) to discuss. Those 2 members would report back to the entire board, who would then have a board meeting to make a decision.

By-laws

Unless a vote of inhabitants is conducted, all decisions by the board are done under by-law.

All by-laws should be signed either by the secretary and 1 board member or 2 board members with signing authority (NSBA, subsection 12(2) (<https://www.ontario.ca/laws/statute/90l28#BK12>)).

All by-laws of the board shall be under seal (NSBA, subsection 12(1) (<https://www.ontario.ca/laws/statute/90l28#BK12>)).

All by-laws passed or repealed by the board shall be referenced in the minutes of the board meeting at which the by-law was approved by the board.

By-laws should be listed 1 to a page, numbered and filed in order, kept separately from any other records.

Where a by-law is changed or repealed, then a notation to that effect should be recorded and a by-law would need to be passed that amends or repeals the original by-law.

It is further defined in NSBA, subsection 10(2) (<https://www.ontario.ca/laws/statute/90l28#BK10>) "The concurrent vote of the majority of the whole number of board members is necessary to pass any by-law or approve any measure." What this means is for any by-law or measure to carry, a majority of all board members must approve it.

For example: where a board has 5 board members, then for a by-law or measure to pass, regardless of the number of board members voting, a minimum of 3 board members must vote in favour of the by-law or measure. If at least 3 board members do not vote in favour, the by-law or measure is defeated. If only 4 of the 5 board members vote on a by-law or measure, then 3 must be in favour; if only 3 of the 5 board members vote, then all 3 must be in favour.

Eligibility to vote

Inhabitants are eligible to vote at the election meeting, where they would vote on candidates for the board positions. Inhabitants have the ability to vote for up to the number of desired board members established under

Regulation 737 (<https://www.ontario.ca/laws/regulation/900737>) and are not required to vote for a full slate of candidates for a ballot to be considered valid.

For example: where a board has 5 members, inhabitants can vote for anywhere from 1 up to 5 candidates.

Inhabitants are also eligible (have a right and obligation) to vote at the estimates (Budget meeting (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings#section-2>)) when the LSB uses the levy method to collect funds for provided services.

When the LSB uses the fee method to collect funds, voting by inhabitants on changes to the fees is not required. Although inhabitant input is considered, the board members are authorized to approve the fees. The board may however choose to provide inhabitants with a vote.

In all other situations, although input is taken into consideration, voting on by-laws is restricted to board members only.

In order to vote, an individual must be able to prove they qualify as an inhabitant.

Any inhabitant is eligible to vote or seek election as a board member (NSBA, subsection 19(6) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

Where an inhabitant's eligibility to vote is challenged by any other individual, it is the responsibility of the board to determine the eligibility of the inhabitant to vote or be elected as a member of the board.

Where that eligibility is challenged, the chair of the meeting must require the individual being challenged to make a declaration in English or French before the chair. Once the declaration has been made the individual is able to vote or seek office (NSBA, section 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>)).

Conflict of interest

The NSBA does not include provisions on conflict of interest.

Boards are encouraged to develop their own conflict of interest policy or procedures.

It is not the ministry's role to determine whether a conflict-of-interest situation arises.

Issues the board may want to consider in developing their policy or procedures would include a process to ensure quorum is met if board members declare a conflict, a policy on transactions between related parties.

LSBs are encouraged to seek professional advice if conflicts cannot be resolved at the local level.

Minutes of meetings

The secretary is responsible for the recording of minutes of all meetings other than the establishment meeting where the appointed recording secretary is responsible (NSBA, subsection 14(4)(b) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

Minutes are required to be posted in at least one location visible to the public in the board area and, if available, published by electronic means or in an electronic format.

In order to facilitate reference to actions or decisions taken at meetings, minutes should be filed in systematic order. For ease of access to review or copy minutes, it is suggested that they be filed in an electronic filing system, or alternately a printed copy kept in a file system in date order.

File retention

It is recommended that the LSB board establish a file retention policy. Read the section on retention (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-7>) for details.

Voting

Voting by seasonal residents

An inhabitant is a permanent resident of a board area, or an owner of property situated in a board area, who is a Canadian citizen and who has attained the full age of 18 years (NSBA, section 1 (<https://www.ontario.ca/laws/statute/90l28#BK1>)).

A tenant who is not a permanent resident but rather only occupies a rented property on a seasonal basis would not be considered an inhabitant and therefore not be eligible to vote.

For example maintains a permanent residence outside the board area, but rents a camp, cottage, trailer lot then these are not considered inhabitants.

Where an individual rents a property in the LSB area that is his or her permanent residence, while also spending part of the year away, then that individual(s) would be considered an inhabitant and thus eligible to vote.

Where that eligibility is challenged, the chair of the election meeting must require the individual being challenged to make a declaration in English or French before the chair.

Voting by corporations

A corporation is a separate entity with a separate legal existence from that of its shareholders or owners. If the corporation is the owner of the land and has registered title in its name, then the individual shareholders or owners cannot meet the definition of an owner set out in section 1 (<https://www.ontario.ca/laws/statute/90l28#BK1>) of the *Northern Services Board Act* (the Act). If the individual is not an owner of land within the proposed LSB area then the individual is not an inhabitant under subsection 3(1) (<https://www.ontario.ca/laws/statute/90l28#BK3>) of the Act and is not eligible to vote at a meeting held according to section 3 (<https://www.ontario.ca/laws/statute/90l28#BK3>) of the Act to establish a LSB. A corporation is not an inhabitant or proposed inhabitant under the definition of inhabitant in the NSBA.

Voting rights of joint owners

A person is considered an inhabitant if the person owns property in a board area.

Owner means a person who is entitled to convey land, who has a defined interest in the land and whose name is specified in an instrument registered in the proper registry office.

Therefore, if the property in question is located in the board area, and the individuals in question meet the definition of owner, they are inhabitants and are eligible to vote.

Election meeting

The election meeting is for the purpose of electing a board for the upcoming LSB fiscal year.

Timing

The board must call an election meeting each year to take place between August 1 and September 30 (NSBA, subsection 19(1) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

If the board has not called an election meeting before September 10, then the secretary is responsible to call the meeting (NSBA, subsection 19(4) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

If both the board and the secretary fail to call the election meeting by September 15, then any 10 inhabitants may call a meeting (NSBA, subsection 19(5) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

Election notice

The secretary is responsible for posting the notice of the election meeting where the meeting is called by the secretary or by the board (NSBA, subsection 19(2) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

The notice must include the:

- date of the election meeting
- location of the election meeting
- time of the election meeting (NSBA, subsection 19(2) (<https://www.ontario.ca/laws/statute/90l28#BK19>))

The notice must be posted in at least one location visible to the public in the board area and, if available, published by electronic means or in an electronic format at least 2 weeks before the election meeting (NSBA, subsection 19(2) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

The secretary must send a copy of the notice to the minister (NSBA, subsection 19(2) (<https://www.ontario.ca/laws/statute/90l28#BK19>)).

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?
- If the area is remote or large, would it be a good idea to post the meeting notices in more locations than the one location. Read the section on Notice (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings>) for details.
- Is the chosen location large enough to handle the anticipated number of inhabitants that would attend?
- Is there sufficient parking for inhabitants driving to the meeting location?

Voting process

The election meeting can be called by 1 of the following:

1. the board, the chair of the board acts as chair of the election meeting (NSBA, subsection 19(3) (https://www.ontario.ca/laws/statute/90l28#BK19))
2. the secretary, the secretary will act as chair of the election meeting, even if the chair of the board attends the meeting (NSBA, subsection 19(4) (https://www.ontario.ca/laws/statute/90l28#BK19))
3. the inhabitants, the inhabitants may appoint 1 of their number to act as chair of the election meeting who will act as chair even if the chair of the board attends the meeting (NSBA, subsection 19(5) (https://www.ontario.ca/laws/statute/90l28#BK19))

Voting for the election of board members to the board must be done by secret ballot. The board determines all other matters related to all election meetings other than the first election meeting, procedures for which are set out in the regulation establishing the LSB. (NSBA, subsections 19(7) (https://www.ontario.ca/laws/statute/90l28#BK19) and (8) (https://www.ontario.ca/laws/statute/90l28#BK19)).

In instances where there is a tie, the LSB can follow its election procedural by-law or other established voting procedure such as Elections Canada or Elections Ontario.

Items that can be considered when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote? (such as proof of residency within the proposed area, proof of property ownership within the proposed area, proof of age and Canadian citizenship).
- How will voters be registered? (such as sign in sheet).
- Voting is by secret ballot, are voting stations set up so as to ensure privacy?
- Who will count the votes and who will observe the vote counters?
- For the election meeting, it is normal practice for ministry staff to attend (as an observer only), but not a requirement?
- The secretary should advise their ministry staff with significant notice for availability.
- At the end of the vote, the results should be announced and then a motion is passed to destroy the ballots.

Eligibility

In order to vote, an individual must be able to prove they qualify as an inhabitant.

Any inhabitant is eligible to be elected as a board member (NSBA, subsection 19(6) (https://www.ontario.ca/laws/statute/90l28#BK19)).

Where an inhabitant's eligibility to vote is challenged by any other individual, it is the responsibility of the board to determine the eligibility of the inhabitant to vote or be elected as a member of the board.

Where that eligibility is challenged, the chair of the election meeting must require the individual being challenged to make a declaration in English or French before the chair. Once the declaration (sample template under Appendices (https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/appendices)) is made then the individual is able to vote or seek office. (NSBA, section 20 (https://www.ontario.ca/laws/statute/90l28#BK20)).

First meeting of the newly elected board

The new board is required to conduct its first meeting following the election meeting (the First meeting) no later than October 10 (NSBA, section 21 (<https://www.ontario.ca/laws/statute/90l28#BK21>)).

The board must elect a chair at the first meeting. The chair must be a board member (NSBA, section 21 (<https://www.ontario.ca/laws/statute/90l28#BK21>)).

The election of the chair is done by the new board and not the public at large (NSBA, section 21 (<https://www.ontario.ca/laws/statute/90l28#BK21>)).

The board will also appoint a secretary for the upcoming fiscal year.

Although not a requirement of the Act, for expediency, it has been the practice of some LSBs to hold the first meeting immediately following the election meeting, while all of the newly elected members are present in order to elect their chair. This practice enables the board to begin work as a board on October 1 without any delays. Where the board opts to do this, then notice is required to be posted as outlined in NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>).

Board member vacancy

Where there is a vacancy on the LSB board, a board must fill that vacancy as soon as possible because Regulation 737 (<https://www.ontario.ca/laws/regulation/900737>) requires that a certain number of members compose a board. There may be instances where filling a vacancy is impossible or impractical. In such cases the best course of action is to work with the board and consult with the ministry staff to find a solution to fill the vacancy.

Budget meeting

The Act requires that the board prepare annual estimates (NSBA, section 23 (<https://www.ontario.ca/laws/statute/90l28#BK24>)).

The estimates (budget) need to be presented to the inhabitants for discussion at a meeting called for that purpose. (NSBA, section 16 (<https://www.ontario.ca/laws/statute/90l28#BK16>)).

Notice for budget meeting

Notices for budget meetings must meet all of the following requirements:

- posted at least 1 week in advance (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- posted in at least 1 location visible to the public in the board area
- if available, published by electronic means or in an electronic format (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- include:
 - location of the meeting
 - date of the meeting
 - time of the meeting
 - purpose of the meeting

- o the signature of the secretary or the person or persons calling the meeting. (NSBA, section 17 (https://www.ontario.ca/laws/statute/90l28#BK17))

Process for budget meeting

The estimates should forecast the amount needed in the current fiscal year by the board for the operating and capital expenditures. (NSBA, subsection 23(1) (https://www.ontario.ca/laws/statute/90l28#BK24))

When calculating estimates, any surplus from the previous year available in the current year or deficit from the previous year and debts owed to the Crown in the current year must be taken into consideration. (NSBA, subsection 23(2) (https://www.ontario.ca/laws/statute/90l28#BK24))

The estimates will set out the amounts to be raised, the manner in which they are raised and the rate or rates which the board proposes to levy inhabitants or the fee to be charged for services. (NSBA, subsection 23(3) (https://www.ontario.ca/laws/statute/90l28#BK24))

The estimates (budget) need to be adopted before December 1. (NSBA, subsection 23(1) (https://www.ontario.ca/laws/statute/90l28#BK24))

Refer to the section on Budget processes (https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-0) and Levy and fees (https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-1) for further details on the annual estimates.

TPON

The ministry transitioned the LSB program to the TPON (https://www.ontario.ca/page/available-funding-opportunities-ontario-government) system in 2021. Each year, the LSB secretary should review the LSB TPON account for any required revisions such as banking information, LSB contacts. LSB agreements and annual allocations are uploaded to TPON for processing of transfer payments. If changes to banking information are needed by the LSB, please contact your local ministry staff for the process on this.

If LSBs need assistance with logging in, navigating or updating the organization information, there are a number of resources available at:

- visit Get funding from the Ontario government (http://www.ontario.ca/page/get-funding-ontario-government)
- call toll-free 1-855-216-3090
- email TPONCC@ontario.ca (mailto:TPONCC@ontario.ca)

Note that any inquiries with TPON supports will require the following information:

- name of the program you are interested in (local services board program)
- your case or file number
- name of your organization (be sure to provide the legal name of the LSB)

Legal matters

LSB legal advice

The ministry does not provide legal advice to LSBs. LSBs must retain their own lawyers for legal advice relating to board operations. These cost estimates should be included in the annual budget estimates as part of board administration.

Security for secretary

Because the secretary handles the financials for an LSB, before the secretary is permitted to fulfill his or her duties, the secretary must provide security in a form and on terms approved by the minister for the faithful performance of his or her duties and for duly accounting for and paying over all money that passes through his or her hands (the security) (NSBA, subsection 14(2) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

The security should be for an amount equal to the anticipated revenues for the year plus any accumulated revenues.

The premium in respect of the security is paid for by the LSB and the ministry considers this premium to be an eligible operating expense (NSBA, subsection 14(3) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

The LSB may want to consult a relevant professional such as their insurance provider or financial advisor to assist with the purchase of an appropriate security instrument that will meet the requirements.

Cheque signing practices

The NSBA, subsection 12(2) (<https://www.ontario.ca/laws/statute/90l28#BK12>) requires the board to pass a by-law authorizing 2 people to be signing officers on behalf of the board, 1 of which would be the secretary and 1 or more board members.

Policies of the board

The content of any policies developed by the board is at the discretion of the board (so long as the board is in compliance with the NSBA).

Any policy developed by the board must be adopted by a by-law of the board passed at a public meeting. The ministry encourages the board to allow public discussion in respect of a policy in advance of adopting it.

The board is permitted to amend any policy by by-law as it sees fit.

The implementation and enforcement of any policies of the board is the responsibility of the board. There is no provision in the NSBA for the ministry to enforce policies of the board.

Although there are not constraints on the policies a board would develop, 2 of the most common policies a board should consider developing and adopting are procedural and procurement policies.

Procedural policies

In order for meetings to proceed in an orderly fashion, it may be beneficial for a board to develop procedural policies. These policies could, among other things, govern the conduct of meetings, including the conduct of voting and of public discussions. This policy should also consider conflict of interest scenarios and how they will be handled and managed by the board.

Procurement policies

To ensure transparency in the purchase of goods or services, LSBs are encouraged to develop and adopt procurement policies which would govern the purchase of goods and services. Read the section 270(2) (<https://www.ontario.ca/laws/statute/01m25#BK337>) of the *Municipal Act* (<https://www.ontario.ca/laws/statute/01m25>) for details.

Insurance

LSBs are required to contract for insurance against risks that may involve pecuniary loss or liability on the part of the board (NSBA, subsection 7(5) (<https://www.ontario.ca/laws/statute/90l28#BK7>)).

The insurance requirement is applicable to all LSBs regardless of whether they receive operational grant funding from the ministry or not.

The board must pass a by-law to contract for this insurance and must provide for the premiums for the insurance (NSBA, subsection 7(5) (<https://www.ontario.ca/laws/statute/90l28#BK7>)).

The NSBA, subsection 7(6) (<https://www.ontario.ca/laws/statute/90l28#BK7>) states that "*No action shall be brought against a board or any member of a board for damage caused by any failure by the board to exercise any of its power or to provide any service.*" The liability protection stated here deals with only the failure of the board to exercise any of its powers or provide a service. It is not a broad scope liability protection for everything the board or its board members might do or omit to do, which is why the requirement in subsection 7(5) (<https://www.ontario.ca/laws/statute/90l28#BK7>) exists.

Once an insurance provider is located, then a by-law is passed authorizing the LSB to enter into a contract for coverage.

LSBs who receive funding from the ministry must check the funding agreement for contractual insurance requirements.

LSBs that do not receive ministry funding are required to have adequate insurance and should contact an insurance broker for appropriate insurance coverage.

LSB should ensure that adequate insurance is in place for the services provided under the NSBA.

Contracts

In the delivery of its powers, LSBs may by by-law:

1. deliver the power itself
2. contract with a third party for the delivery of the power

Where the LSBs choose to contract for services, its advised that a contract is developed with the provider that includes without limitation consideration of the following:

- the service to be delivered
- the location or area to receive the service
- the term of the contract

- the cost of the contract
- all other items the LSB deems necessary

As contracts are legal agreements between parties for goods, services or both, the ministry does not supply advice on the content or form of a contract, nor is the ministry a party to those contracts.

The LSB is encouraged to seek legal advice in respect of a proposed contract prior to entering a proposed contract.

If an LSBs opts to provide services themselves, it is important to note that they are not to provide services outside of the LSBs legal boundaries. If LSBs contract out to 3rd parties for services, this 3rd party may (or may not) be within the LSB boundaries as long as the contract clearly stipulates that the LSB is only covering costs for services within its geographic boundaries.

Contracts and section 28 of the NSBA

Where a contract involves payment, that payment is considered a debt. A board cannot incur a debt, the payment of which is not provided for, in the current fiscal year's estimates. Therefore, all contracts other than the exceptions noted in section 28 (<https://www.ontario.ca/laws/statute/90l28#BK32>) of the NSBA should be for the period of October 1 until September 30 of the next year or any term in that date range.

Please read the below discussion under the heading Debt for details of the exceptions noted at section 28 (<https://www.ontario.ca/laws/statute/90l28#BK32>) of the NSBA, and other relevant information related to the application of section 28 (<https://www.ontario.ca/laws/statute/90l28#BK32>).

Debt

A board may incur a debt but cannot incur a debt where the payment of that debt is not provided for in the estimates for the current fiscal year (NSBA, section 28 (<https://www.ontario.ca/laws/statute/90l28#BK32>)).

The following are exceptions to the above:

- if the debt is to the Crown in right of Ontario which means that the debt is owed to the Crown (Province of Ontario) (NSBA, subsection 28(1) (<https://www.ontario.ca/laws/statute/90l28#BK32>))
- if the purpose and amount of the debt has been approved by a majority vote of the inhabitants present at a meeting called for that purpose and also approved by the minister (NSBA, subsection 28(2) (<https://www.ontario.ca/laws/statute/90l28#BK32>))

Where an LSB is contemplating incurring debt under any condition, it is encouraged first to contact the local ministry staff to ensure compliance to section 28 (<https://www.ontario.ca/laws/statute/90l28#BK32>) and for guidance on the process.

Ministry funding to LSBs

The NSBA, section 24(1) (<https://www.ontario.ca/laws/statute/90l28#BK26>) allows for the payment of an operational grant to LSBs by the minister.

Funding received under this program can only be used for eligible operating expenses, (as defined in the Bookkeeping (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-7>) section) in the delivery of approved powers. Refer to the section under Revenues and

expenses (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-3>) .

Funding under this program is normally paid out in 2 instalments. Refer to 1st and 2nd advances (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-2>) sections for details on payments.

If an LSB is uncertain of their powers, they can review Regulation 737 (R.R.O 1990, Reg.737: Local services boards (<https://www.ontario.ca/laws/regulation/900737>) .

Funding agreements

Under the government's Transfer Payment Accountability Directive (TPAD), prior to receiving funds a recipient must enter into a funding agreement with the province.

LSB grant payments from the ministry are subject to TPAD; therefore, LSBs must enter into a funding agreement with ministry prior to funds being released.

LSBs will receive a funding agreement, during the months of October or November, from the local ministry staff outlining among other things the powers of the board, the term of the agreement and terms and conditions for funding. After reviewing, the signing officers for the board sign the agreement and return it to the ministry staff who will arrange for a signature on behalf of the ministry. The executed agreement will be returned to the LSB for their files.

Funding agreements can be sent and returned using electronic means or in an electronic format. E-signatures and approvals are permitted granted it is permissible under the LSB's policies.

Financial

Budget process

Refer to Budget meeting (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings#section-2>) in Meetings (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/meetings>) section for NSBA requirements on budget meetings.

The ministry will supply an excel workbook to all LSBs to facilitate the completion of the estimates (budget) along with an instruction booklet on how to input information into the workbook. This workbook will be used to submit the budget. The excel workbook will also be used as the request for advances from the grant allocation.

Refer to the sections Eligible or ineligible expenses by power (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-6>) and Eligible and ineligible revenues (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/financial#section-3>) for information on eligible revenues and expenses.

All LSBs are required to submit estimates (an operating budget) to the ministry each LSB fiscal year.

The secretary must upload the estimates (budget) of the board accompanied by the by-law adopting the estimates to the Transfer Payment Ontario tool before December 10. If LSBs have digital challenges or capabilities, it can

contact ministry staff to explore other options.

The LSB is required to pass a by-law to authorize the Ministry of Finance to collect the levies (or fees) on behalf of the LSB and include the approved rates by property (Methodology 3) for the current fiscal year. It is not to include the grand total in the by-laws.

The LSB must also pass a by-law adopting the annual estimates and provide to the ministry.

Since the yearly tax roll is only sent out after the fact, and OPTA is only open subsequent to the tax roll release, the LSB will:

- make data or information entries in OPTA in January or February
- obtain from the OPTA summary table the total amount of PLT to be collected – generated by the system
- forward an email to the Ministry of Finance confirming the total amount (must match the amount on OPTA) to be collected on behalf of the LSB by no later than the date provided by MOF (contact ministry staff or MOF staff name)

Levy and fees

Where in the exercise of its powers, a LSB provides a service; LSBs have the authority to charge a levy or a fee to inhabitants in order to raise sufficient funds for its purposes.

The amount charged, the purpose for which it is charged, and the area where it will be charged is determined when the LSB is structuring its estimates (budgets) for the coming year. Please note any levy to be added or changed must be approved through a vote of the inhabitants during a public meeting. The board could, but is not required, to put any proposed fee to be added or changed to a vote of the inhabitants. In either case, the annual budget is voted on by the board after discussion with the inhabitants.

The NSBA, subsection 7(2)(b) (<https://www.ontario.ca/laws/statute/90i28#BK7>) states that an LSB can only charge a levy or a fee where the LSB delivers a service in the exercise of its powers.

A LSB cannot charge a levy or a fee in any part of the board area where the service is not being provided (NSBA, subsection 7(2) (<https://www.ontario.ca/laws/statute/90i28#BK7>)).

This needs to be taken into consideration when developing the estimates (budget) for the LSB.

What this means is where the LSB is not providing the service to a particular inhabitant (for example: by providing different services or levels of services to different parts of the board area), then the levy or fee cannot be charged. Where the board provides a service to an inhabitant, but the inhabitant chooses not to access that service, the levy or fee still applies to that inhabitant.

A LSB cannot apply a levy or a fee to a vacant property unless that property is receiving a service. Vacant land would not benefit from certain services and therefore cannot be charged a levy or a fee for them.

Method of collection for levy or fees

LSBs have 2 options available to them for the collection of levy or fees.

Direct billing

Direct billing allows the LSB to conduct its own billing. This includes producing the bills, mailing them to their ratepayers and collecting payment. By opting for direct billing, boards are entering a labour-intensive process that requires them to wait to receive payment from ratepayers and leaves them with the responsibility to collect any arrears owing to the LSB. This could present financial challenges for a LSB if it does not receive all the levies or fees charged.

PLT consolidated billing

PLT consolidated billing offers boards the opportunity to opt-in to a consolidated PLT that will include the Provincial Land Tax, Education Property Tax, Local Roads Board Tax and local service board levy or fees. Billing will be done by the Ministry of Finance thus eliminating the need for LSBs to bill the ratepayers directly. The consolidated billing option also means the LSB will receive the amounts billed as opposed to collected. Because boards are being paid amounts billed instead of collected, arrears collected by the Ministry of Finance will not be passed on to the LSB. LSBs are encouraged to consider this option for collecting their levy or fees as it removes the billing and collection process from the LSB.

If LSBs do not opt-in to the system in a given year, the Ministry of Finance will not collect arrears resulting from that given year, in future years. In other words, Ministry of Finance will only collect arrears for years that the LSB opted-into the system.

Allowable use for levies or fees collected

Levies or fees are collected to assist in paying the costs associated with the delivery of services in the exercise of the board's powers.

Levies or fees can only be used for the delivery of services in accordance with a board's approved powers.

Any other use is prohibited.

Using the Provincial Land Tax billing method

In order to assist LSBs in calculating its levy or fee, the Ministry of Finance has made available to all LSBs a tool to assist with that process. The tool named Online Property Tax Analysis (OPTA) enables LSBs to develop scenarios for determining a method to collect as well as amounts that would be charged to inhabitants.

OPTA has 3 methods of collection available to LSBs.

Method 1

Used when the LSB wants to charge the same amount of fee for every property. This method divides the total revenue to be collected equally to all properties in the LSB area.

Method 2

Provides some flexibility for the LSB to charge different fees for the same service for year-round, seasonal or vacant properties. If the LSB uses Method 2 and charges the same fee for all types of properties, the result would be the same as Method 1.

Method 3

The LSB can levy a tax based on a property's value. The LSB tax is calculated by multiplying the tax rate by the assessed value of the property.

Note: if an LSB decides to change methods (such as change from a fee to a levy), the Ministry of Finance should be informed as soon as possible so that they may prescribe a tax ratio for the LSB through regulation.

In order to use the PLT system to collect a levy or a fee, the LSB is required to provide the Ministry of Finance with a by-law authorizing the Ministry of Finance to bill and collect on the LSBs behalf before December 31 of the previous year.

The by-law should contain the following:

- name of LSB
- total amount to be collected
- the year in which it applies
- method of calculation (which of the 3 options will the LSB choose)
- example: The LSB of XXXX authorizes the Ministry of Finance to collect levy or fee calculated using Methodology (1 or 2) in the OPTA system, on their behalf for a total amount of \$XX.XX . Dated, signed, and sealed by the LSB

In keeping with the dates in the NSBA, section 23 (<https://www.ontario.ca/laws/statute/90l28#BK24>) for the finalizing of estimates, the LSB should submit its by-law to the Ministry of Finance no later than December 10.

Ministry grant program payment process

Not all LSBs receive grant funding to offset costs of operations. The ministry operating grant was established when the LSBs were created based on services they were providing. There is no guarantee that funding would be available to newly established LSBs.

LSB to refer to the funding agreement (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/legal-matters#section-1>) for specific requirements for the given year.

Revenues and expenses

For the purposes of determining whether a LSB meets the criteria for the ministry grant, revenues and expenses are broken down into both eligible and ineligible categories.

Only eligible items can be considered when determining whether an LSB has met the requirements to receive the operating grant.

Eligible revenues

Revenues considered eligible for operating grant purposes, must be derived from the community, from items such as:

- net proceeds of community fund raising events
- user fees

- levy imposed under the Provincial Land Tax

Ineligible revenues

Revenues considered ineligible for operating grant purposes, include the following:

- in kind donations, such as voluntary labour or materials
- proceeds from the sale of assets
- rental of facilities other than on a per event basis, that takes away from community use
- grants or monies received from government sources, and interest earned on those funds including the ministry's annual LSB operating grant
- bequests and legacies
- while other revenues or in-kind contributions can be considered eligible for capital projects, they are not eligible for operating purposes

Eligible expenses

Eligible expenses are those costs incurred in the day-to-day operation and maintenance of approved services for which the LSB has powers.

In general, expenses consist of those items where the benefits are realized during the year which the cost is incurred.

Repairs and maintenance

Repairs, replacement parts or restoration of units, plants, buildings, in order to return to normal working efficiency or to extend the useful life of the asset. Does not include the replacement or renewals that alter the original use of the asset (improvement of the asset) these would be considered as a capital expenditure.

Maintenance means the cost of keeping a property or asset (equipment) in efficient working condition. Enhancements that go beyond maintenance and add value would be considered a capital expense.

Repairs and maintenance will be allowed as eligible operating expenses provided its related to its approved powers, within the estimated budget allocation, within a financial plan to support the expense or both.

A detailed breakdown of this budget item may be requested by the ministry if clarification is needed.

Fixed assets

The ministry's grant program will not fund the purchase or lease of fixed assets, other than as listed below:

- capital leases may be considered an eligible expense, in extraordinary circumstances, with the prior written approval of the ministry
- the ministry may disallow any planned expenses which are either beyond the scope of the LSB program or is considered inconsistent with the LSB program objectives

Acquisition of land

The NSBA, section 8 (<https://www.ontario.ca/laws/statute/90l28#BK8>) allows for a board to acquire land in the situation where that land is necessary in the exercise of its powers (delivery of services), such as:

- land can be acquired by purchase or lease
- land no longer of use to the board can be disposed of
- any planned acquisitions should be part of the annual budget process

Disposition of assets (including land)

Where any government funding was received to purchase assets, the LSB should review their funding agreement associated to that funding to ensure they are in compliance with the disposal requirements.

Although not a requirement of the NSBA, to ensure a transparent process is used in the disposition of an asset or land, it is recommended that the LSB board adopt a policy on the process to be followed when disposing of the asset or land. Items to consider when developing a policy:

- where the asset is useful (such as surplus fire equipment) LSBs may want to consider requesting bids be submitted
- similar to a procurement policy, determine a method to dispose of assets based on their value at the time of disposition such as advertise for sale or request bids

Eligible, ineligible expenses by power

The following section describe eligible and ineligible expenses for each LSB Power and LSB administration costs.

LSB administration

Eligible expenses

- Utilities (heat, electricity, telephone, internet, water, sewer).
- Insurance (including the security bond for the secretary).
- Office expenses (office supplies including photocopying, advertising, newsletter, IT costs).
- Honorarium paid to secretary.
- Rental costs associated with LSB board office or meeting room.
- Audit expenses for preparation of audit for all board operations.
- Bank charges (service charges and interest costs on temporary borrowing where borrowing does not contravene NSBA, section 28 (<https://www.ontario.ca/laws/statute/90l28#BK32>)).
- Legal fees incurred in the collection of revenues or other board administration matters.
- Dues, fees and permits relating to the delivery of approved powers (services).
- Repairs and maintenance (refer to Repairs and maintenance section for eligible expenditures).
- Mileage costs incurred for LSB administration purposes only.

Ineligible expenses

- Legal fees for the purchase or sale of property.

- Write off of bad debts (uncollectible fees and levies).
- Unless a donation is accounted for in the budgeting process and fits within the LSBs delivery of basic services, donations should be deemed ineligible. These donations would come from inhabitant fees or levies and should not be donated without public consultation and budgeting process.

Fire protection

Eligible expenses

- Utilities (heat, electricity, telephone, internet, water, and sewer).
- Communications (operation of a call system, lease of pagers).
- Insurance (community owned vehicles, fire hall, liability insurance where required).
- Office supplies.
- Training and firefighting supplies, consumable within the current year (can include video tapes, membership fees, subscription related to the service and mutual aid dues).
- Repairs and maintenance of vehicles (fuel, oil, license fees, repairs on community owned vehicles).
- Repairs and maintenance for all community owned fire equipment.
- Repairs and maintenance of property (includes repairs and maintenance of the fire hall as well as snow removal costs).

Where the LSB contracts to an independent fire department for fire protection services, the cost of that contract is considered eligible. LSBs are responsible for ensuring that the contract complies with the NSBA.

Ineligible expenses

- Capital purchases and related expenses other than minor assets.
- Honorariums paid to volunteer Fire Fighters, Fire Chief, or any other individual other than the LSB secretary.

Recreation

Services considered as recreational include:

- community hall
- parks
- playgrounds
- ice rink
- beach
- curling rink (if not privately owned)
- swimming pool
- playing fields
- community docks or wharf
- seasonal campgrounds or vacant land used to rent out to campers

Eligible expenses

- Heat, electricity, telephone, internet, water, sewer.
- Insurance (including liability) on recreational facilities.
- Office and recreational supplies.
- Repairs and maintenance of equipment or property (includes snow removal and up keeping of landscaping).
- Programs as defined by the Ministry of Heritage, Sport, Tourism and Culture Industries.

Where the LSB contracts to an independent provider for recreation services, the cost of that contract is considered eligible.

Ineligible expenses

- Fundraising expenses.
- Capital purchases and related expenses that are not part of the annual budget process.

Water supply

Eligible expenses

- Heat, electricity, telephone, internet, water, sewer.
- Insurance.
- Materials and supplies (chemicals and materials needed in the day-to-day operation of the water system, office supplies).
- Repairs and maintenance of the system (distribution system).
- Repairs and maintenance of the property (building repairs and maintenance, snow removal).

Where the LSB contracts to an independent provider for water supply or to an operator for its water distribution system, the cost of that contract would be considered an eligible expense.

Ineligible expenses

- Capital purchases and related expenses that are not part of the annual budget process.
- Direct financial assistance to owners of private systems is not considered an eligible expense.

Sewage

Eligible expenses

- Heat, electricity, telephone, internet, water, sewer.
- Insurance.
- Repairs and maintenance of equipment (equipment necessary to provide the service only).
- Repairs and maintenance of the collection or disposal system.
- Repairs and maintenance of property.

- Where the LSB contracts to an independent contractor or company for the collection and disposal of sewage as per the Ministry of the Environment, Conservation and Parks Regulations, those costs would be considered as an eligible expense.

Ineligible expenses

- Capital purchases and related expenses that are not part of the annual budget process.
- Direct financial assistance to owners of private systems is not considered an eligible expense.

Garbage collection

Eligible expenses

- Insurance.
- Repairs and maintenance of equipment.
- Repairs and operating cost of a garbage truck.
- Where the LSB contracts to an independent contractor for the collection, removal and disposal of garbage, those costs would be considered as an eligible expense. All 3 services have to be provided if these services are contracted out.
- Costs associated with the operation of a transfer station for the collection of garbage as long as the LSB contracts for the disposal of the garbage by an independent contractor.

Ineligible expenses

- Costs associated with the operation of a landfill site or the disposal of garbage by the LSB would not be considered as eligible as a LSB is not authorized under the power of Garbage to carry out these activities.
- Capital purchases and related expenses that are not part of the annual budget process.

Street or area lighting

Eligible expenses

- Electricity.
- Repairs and maintenance of equipment.
- Contracted services.

Ineligible expenses

- Capital purchases and related expenses that are not part of the annual budget process.

Roads

Eligible expenses

- Contracted services (road maintenance, includes administration costs).
- Insurance (third party liability).
- Office expenses (supplies, telephone).
- Summer maintenance

- dragging or grading
- patching or mulch
- dust laying
- rock work
- brush work
- ditching
- beaver dams
- signs (that meet MTO requirements)
- drainage or clearing
- gravelling
- roads patrol
- line painting
- culvert repairs
- pothole repairs on surface treated or paved roads
- Winter maintenance
 - snow clearing, plowing and removal
 - snow ditching or draining control
 - ice blading
 - sanding
 - salting
 - culvert thawing
- Construction
 - gravelling
 - pit run gravel
 - crushed gravel
 - surface treatment
 - road rehabilitation or realignments
 - bridges and culvert replacement
 - road reconstruction
 - new signs
- Other minor asset items.

If LSBs have issues with local roads, it should work with the local roads board in the area to address any concerns.

Ineligible expenses

- Sidewalks, new roads or entrances.
- Street or area lighting (the LSB would need that power for costs associated with it).
- Any work performed on roads that are not part of the LSB roads system.
- Capital purchases and related expenses.

Public library service

Eligible expenses or costs

- Operating costs (all costs that are reasonable and that are related to providing public library service).
- Minor assets.

Ineligible expenses

- Capital purchases and related expenses that are not part of the annual budget process.

Emergency telecommunications

Eligible expenses or costs

- 911 dispatch services.

Bookkeeping and recordkeeping

Financial tracking

LSBs are encouraged to consult an accounting professional regarding the most effective bookkeeping system or process to use.

The following items should be taken into consideration in developing a bookkeeping process:

- must reflect Generally Accepted Accounting Principles (GAAP)
- should be set up in such a fashion to ensure easy transfer of information from the bookkeeping system to the financial reporting forms (excel budget document, that is submitted to the ministry)
- either a manual or automated bookkeeping system is acceptable

Accounting method

The LSB can make their own decision on what method of accounting it will use. The accrual method is probably more accurate. The accounting system (cash or accrual) doesn't prevent the auditor from preparing the year-end statements on the accrual basis.

The ministry encourages LSBs to consult with an accounting professional prior to making this decision.

Recordkeeping

Records retention

All LSBs should adopt a by-law that clearly outlines their records retention policy. Where concern exists on the amount of time to retain records, the LSBs should consult their legal counsel for assistance.

The ministry recommends that LSBs should, at the minimum, adopt a by-law establishing the following ground rules for records retention:

- Recommended that financial records be maintained for a minimum of 7 years (consistent with Canada Revenue Agency).
- Where financial records are specific to a government program (funding program), such as the Northern Ontario Heritage Fund Corporation (NOHFC), the records would be retained based on the conditions set out in the Funding Agreement.
- Records should be filed in at least the following 5 categories and maintained as follows:
 1. Minutes of meeting – these records serve as the history of the organization and it is recommended that they be kept on file indefinitely or for the lifespan of the LSB plus an additional 7 years, in the event they need to be referenced at some later date.
 2. By-laws – these records should be numbered and filed in order. When a by-law is changed or revoked, a notation should be placed on the original by-law, and it should reference the by-law that effected the change. These should be maintained for the lifespan of the LSB, plus an additional 7 years.
 3. Correspondence – maintained for a minimum of 7 years.
 4. Financial records – maintained for a minimum of 7 years.
 5. Legal documents – retention of these would be determined by what the document is for, but at the least 7 years.

Any key documentation as it relates to the NSBA requirements (such as varying powers) is required to be kept for the lifespan of the LSB.

With the use of TPON, it is recommended that records also be maintained outside of TPON for future reference.

Audit requirements

There are 2 provisions in the NSBA for financial audits:

- subsection 29(1) (<https://www.ontario.ca/laws/statute/90l28#BK33>) requires that an audit be performed by a public accountant on an annual basis or more often as the board requires
- subsection 29(5) (<https://www.ontario.ca/laws/statute/90l28#BK33>) states that the minister may, at any time, cause the accounts and transactions of a board to be audited

Copy to the ministry

The secretary must send a copy of the annual audit report to the minister (NSBA, subsection 29(3) (<https://www.ontario.ca/laws/statute/90l28#BK33>)).

Delivery of the annual audit to ministry staff would satisfy this requirement. This is also required as part of the interim reporting to the ministry.

Examination of audit report

The board must conduct sufficient meetings to allow inhabitants to participate in a discussion of the annual audit report (NSBA, subsection 16(c) (<https://www.ontario.ca/laws/statute/90l28#BK16>)).

The secretary must permit any inhabitant at any reasonable time, to examine and copy the audit report. Where an inhabitant makes a request to view or copy the audit report, then the secretary should endeavour to make the audit available within a reasonable and mutually agreed upon time (NSBA, subsection 29(4) (<https://www.ontario.ca/laws/statute/90l28#BK33>)). This could also include sending it digitally.

Miscellaneous items

Employees

The NSBA does not include a provision enabling an LSB to hire employees, nor does it state that the LSB cannot hire employees.

The NSBA allows the board to exercise its powers and to do all things and make all arrangements necessary to provide, maintain and improve services in the board area. Therefore, the board would only be able to hire employees so long as such hiring is consistent with the exercise of the board's powers (NSBA, subsection 7(1) (<https://www.ontario.ca/laws/statute/90l28#BK7>)).

For both liability and financial reasons, LSBs are encouraged to avoid hiring employees and instead contract for the services they provide consistent with their powers so that the LSB is able to avoid incurring employment related costs including without limitation the following:

- Canada Pension Plan (CPP) (<https://www.canada.ca/en/employment-social-development/programs/pension-plan.html>)
- Employment Insurance (EI) (<https://www.canada.ca/en/employment-social-development/programs/ei.html>)
- Employer Health Tax (<https://www.ontario.ca/document/employer-health-tax-eh-t>)

Agreements between LSB and OFM

LSB owned or operated

Where a LSB delivers fire protection services directly by setting up its own volunteer fire department, then the LSB would enter into an agreement with the Ontario Fire Marshal's office (the OFM) under section 3 (<https://www.ontario.ca/laws/statute/97f04#BK10>) of the *Fire Protection and Prevention Act, 1997, S.O. 1997, c. 4* (the FPPA).

A LSB is not permitted to provide fire protection services beyond the LSBs defined geographic boundary.

The LSB should contact the Fire Marshall's office to discuss the details of the fire protection services.

Contracted fire services

Where the LSB makes the decision to contract with an independent fire department for fire protection services, then the LSB would not enter into or sign an agreement with the OFM; rather that agreement would be between the OFM and the independent fire department. The LSB would, however, enter into an agreement with the

independent fire department for fire protection services, ensuring that the agreement coincides with the LSB fiscal year and does not go beyond the 1-year term.

Automatic and mutual aid agreements

LSBs are not authorized under the NSBA to enter into mutual aid agreements that would require the LSB to provide services beyond its boundaries.

LSBs are not legally authorized to enter into automatic aid agreements, as these are limited to municipalities pursuant to the FPPA and, in any event, would not be authorized under the NSBA to the extent that they would require providing services outside of the LSB boundaries.

First response teams

First response services are provided by volunteer first response teams, which were originally established under the Ministry of Health and Long-Term Care to provide first aid to persons in remote areas pending the arrival of an ambulance service.

The NSBA does not permit the LSB itself, to provide first response itself or to contract for these services. The NSBA only allows for the delivery of fire suppression and fire protection activities and does not provide the LSB with the legal authority for medical or ambulance related services.

Garbage collection

LSBs are permitted to pass a by-law to do the following in respect of garbage collection.

- Establish and maintain its own system for only the collection and removal of garbage.
 - LSBs are able to operate a transfer station (garbage bin) as long as they are only collecting and not disposing at a landfill site. LSBs cannot themselves own or manage a landfill site or hold a certificate of approval for a landfill site.
- Contract for the collection, removal, and disposal of garbage.
 - LSBs may enter into contracts with third parties who own or operate landfill sites for the collection, removal, and disposal of waste.
 - Under the NSBA, LSBs do not have the legislative authority to enter into maintenance agreements for waste disposal sites.

Operation of a dock

Operating a dock would be considered to be within the boundaries of the power of recreation.

The LSB must ensure that they have adequate operational funding planned for in their estimates (budget) and also that insurance coverage is adequate to cover the additional risk involved with owning and operating the dock.

Operation of a marina

Under the schedule to the NSBA at paragraph 6 (<https://www.ontario.ca/laws/statute/90I28#BK6>), a board with the power of recreation may by by-law do the following:

- contract for the use of recreation facilities or participation in programs of recreation
- provide for the carrying out of programs of recreation
- acquire, establish, construct, operate and maintain recreation facilities

The operation of a marina would fall within the meaning of a recreational facility. In addition to the fees or levies, the LSB could explore fundraising and donation mechanisms for the maintenance.

Zoning by-laws

LSBs do not have the authority under the NSBA to create or to enforce zoning by-laws.

Cemetery

LSBs are not authorized to provide cemetery services or to purchase or manage a cemetery.

For inquiries on cemeteries in the unincorporated areas of Ontario, individuals should contact the Ministry of Heritage, Sport, Tourism and Culture Industries (<https://www.ontario.ca/page/ministry-tourism-culture-sport>).

Emergency measures (disaster relief program)

LSBs are not able to apply for emergency funding under the Municipal Disaster Recovery Assistance Program (<https://www.ontario.ca/page/guidelines-apply-municipal-disaster-recovery-assistance-mdra>). Further, there is no general power to do what is necessary in the event of an emergency.

Ontario may activate a program which would allow individual property owners to access the Disaster Recovery Assistance Program if there's a sudden, unexpected natural event, such as a flood or tornado that causes costly and widespread damage in the area.

LSBs do not have the authority to declare a state of emergency.

Emergency Management Ontario (<https://www.ontario.ca/page/emergency-management>) works to coordinate with other organizations to prepare for emergencies and respond when they occur.

Websites

LSBs are able to develop their own websites if they wish to do so. There is nothing in the NSBA restricting this however, requirements stated in the NSBA still have to be met. Website content should be directly related to the LSBs approved powers and only these costs would be considered eligible under the LSB administration. Visit the Business Development Bank of Canada (http://www.bdc.ca/EN/solutions/smart_tech/tech_advice/free_low_cost_applications/Pages/website_creation_tools.aspx)'s website creation page for many tools available that are free or very low cost.

Contact list of LSBs in Northern Ontario

The ministry can provide a list of LSBs and contact information upon request. The ministry maintains a list of contacts for each LSBs secretary and chair and is shared upon request.

LSBs are encouraged to have contact information easily available on their website or other social media platforms

Appendices

Establishment of an LSB

Prior to moving forward with the process of forming an LSB, inhabitants are encouraged to contact the ministry staff (<https://www.infogo.gov.on.ca/org?id=217722>) for guidance on steps to take.

Steps to establish an LSB

1. Although not a requirement of the NSBA, it is recommended that prior to calling a meeting to vote on the establishment of a LSB, sufficient information meetings be held to allow proposed inhabitants within the proposed area, to review the proposal to form the LSB including:

- the proposed boundaries
- the suggested power(s)
- the financial and other implications
- the LSB establishment process

Information meetings will enable proposed inhabitants to make informed decisions when the time comes to vote on establishing a local service board.

Ministry staff are able to assist in this process, including providing contacts to other government ministries responsible for regulating elements of the establishing a LSB and associated power(s).

2. Any 10 proposed inhabitants desiring the establishment of a LSB (the establishment committee) may in writing authorize and name 1 of participating inhabitants to call a meeting with the of proposed inhabitants of a specific geographic area to consider the desirability of establishing a LSB (the establishment meeting) (NSBA, subsection 3(2) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

The establishment committee will be required to provide documented proof that the 10 proposed inhabitants meet the definition of inhabitants as per the NSBA, subsection 3(1) (<https://www.ontario.ca/laws/statute/90l28#BK3>), being either a permanent resident of or a property owner in a proposed board area, who is a Canadian citizen and who has attained the full age of 18 years.

Such documented proof will consist of a listing of the 10 proposed inhabitants; an attestation by each of their eligibility as proposed inhabitants under the NSBA; and such other documented proof as may be required by the ministry.

3. The person named to call the establishment meeting must do so within 10 days of being authorized; otherwise, any person who signed the authorization may call a meeting (NSBA, subsection 3(3) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

4. The notice of the establishment meeting must be posted at least 14 days before the date of the establishment meeting, should be dated and signed by the person calling the meeting, and must:

- include a description or drawing of the proposed boundary of the LSB
- include the date, time, place, and purpose of the establishment meeting (including that a vote will be held)

- should include a listing of what will be required to prove eligibility to vote, such as proof of residency or property ownership, age, and Canadian citizenship
- be posted in at least one location visible to the public in the proposed board area
- if available, publish the notice in a local publication available in the physical form and having general circulation in the proposed board area or by electronic means or in an electronic format
- be forwarded to the minister with a copy sent to the ministry staff (NSBA, subsection 3(4)(a)-(d) (https://www.ontario.ca/laws/statute/90l28#BK3))

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?
- Are there possible conflicts or overlaps in jurisdiction with other organizations (such as municipalities or other statutory boards)? If any such organizations have any concerns with the establishment of an LSB in the proposed board area, suggest providing such information to the ministry.
- If any opposition to the establishment of an LSB is vocalized, this opposition should be disclosed to the ministry.
- If the area is remote or large, consider posting the meeting notices in more locations than the required location to ensure every effort is made to advise proposed inhabitants within the proposed area.
- Is the chosen location large enough to handle the anticipated number of proposed inhabitants that would attend?
- Where the LSB will cover a significant geographic area that would require travel time by proposed inhabitants to attend the establishment meeting, it is recommended that the establishment committee consider more than 1 location for the meeting and voting as well as allowing sufficient time for inhabitants to attend and to cast a ballot.
- Is there sufficient parking for inhabitants driving to the establishment meeting location(s)?
- Has there been information sessions held prior to the vote to provide information relating to proposed area, powers being sought, and estimated costs?

5. The person named to call the establishment meeting presides as chair of the meeting unless that person declines or is absent, then the proposed inhabitants from the proposed area present at the meeting will elect 1 of their number to act as chair (NSBA, subsection 3(5) (https://www.ontario.ca/laws/statute/90l28#BK3)).

6. The chair of the establishment meeting appoints a recording secretary from among the inhabitants present at the meeting. The recording secretary records the proceedings of the meeting (NSBA, subsection 3(6) (https://www.ontario.ca/laws/statute/90l28#BK3)).

7. Any recommendation or matters determined at the meeting are arrived at by a vote of the majority of the inhabitants present and voting at the meeting. Proxy voting is not permitted. The chair of the establishment meeting decides how the voting will be conducted (NSBA, subsection 3(7) (https://www.ontario.ca/laws/statute/90l28#BK3)).

Items to consider when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote?

- Examples include but are not limited to: proof of residency within the proposed area, proof of property ownership within the proposed board area, proof of age and Canadian citizenship.
- How will voters be registered? (an example may be a sign in sheet). Read the section on Voting (<https://www.ontario.ca/document/local-services-board-guide-inhabitants-and-board-members/miscellaneous-items#section-1>) for details.
- How will voting be conducted? (examples include without limitation: show of hands or secret ballot)
- Is the question being asked worded in a fashion that is clear and understandable? (an example of a clearly worded question: “Are you in favour of the establishment of a local services board to be known as XXXXX and to consist of XX number of board members in the following geographic area XXXXX which will have the powers of XX and XX? Yes or No”)
- Voting is by secret ballot: are voting stations set up so as to ensure privacy? Who will count the votes and who will observe the vote counters?
- Establish a procedure to destroy the ballots after the vote (such as motion made by chair at end of announcement of vote results).

Eligibility to vote

In order to vote, an individual must be able to prove they qualify as a proposed inhabitant.

Where a proposed inhabitant’s eligibility to vote is challenged by any other individual, it is the responsibility of the establishment committee to determine the eligibility of the proposed inhabitant to vote.

Where eligibility is challenged, the chair of the establishment committee must require the individual being challenged to make a declaration, in English or French that they are an inhabitant as defined in the NSBA to the chair. Once the declaration has been made the individual is able to vote. (NSBA, section 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>)).

8. Once the voting has been completed, where the vote results are in favour of the proposal to establish an LSB, a recommendation is made by the establishment committee to the minister and copies the local ministry staff. The recommendation to the minister must include the following:

- the desirability of establishing an LSB
- the boundaries of the board area
- the name of the board
- whether the number of board members should be 3 or 5
- the powers chosen
- any other matters as the proposed inhabitants consider appropriate (NSBA, subsection 3(8) (<https://www.ontario.ca/laws/statute/90l28#BK3>)) (together, the Recommendation)

The boundaries of the proposed LSB included in the recommendation cannot include an area greater than the area that was described in the notice calling the establishment meeting (NSBA, subsection 3(9) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

9. The recording secretary is responsible for posting the record of the meeting in at least one location visible to the public in the proposed board area; and if available, publish the record of proceedings in a local publication available in physical form and having a general circulation in the proposed board area or by electronic means or in an electronic format; and sending a copy of the record of proceedings, including the recommendation to the minister (NSBA, subsection 3(6) (<https://www.ontario.ca/laws/statute/90l28#BK3>)). A copy will also be sent to the local ministry staff with the ministry.

10. Prior to the minister making a decision respecting the establishment of a local services board, the ministry will undertake a due diligence process that may include without limitation the following:

- Consultation with other ministries on the establishment of the LSB including the proposed powers and boundaries, will take place to determine:
 - if there would be any opposition to the establishment of the LSB
 - what statutes or regulations or pieces of legislation would impact the proposed LSB (any information obtained in this regard that would be of benefit to the proposed LSB would then be conveyed to the establishment committee)
- A request by the ministry to the Office of the Surveyor General of Ontario to provide a legal description of the proposed boundaries and a final map.
- A review of the process undertaken by the proposed inhabitants to ensure transparency and compliance with the requirements of the NSBA. Elements reviewed include without limitation the information provided to proposed inhabitants, posting of notices and process to conduct meetings.

11. Once the due diligence process is complete, a recommendation is made to the minister who will then make a final decision on the establishment of the LSB. Should the minister choose to proceed with the establishment of an LSB, the minister will make an order:

- establishing an LSB by order under the name of the local services board of XXXX
- establishing the boundaries of the board area
- establishing the number of board members
- establishing the term of office of the first board
- designating the powers of the board from those listed in the schedule of the NSBA
- providing for all matters necessary to conduct the election of the first board members including where the minister deems appropriate, the method and timing of the first election of a board
- providing for any other matters the minister considers appropriate (NSBA, subsection 4(1) (<https://www.ontario.ca/laws/statute/90l28#BK4>))

Dissolution of a LSB

A board may be dissolved in 1 of 3 ways:

1. At the request of the board, which request must be put to a vote of the inhabitants in accordance with the NSBA (NSBA, subsection 32(1) (<https://www.ontario.ca/laws/statute/90l28#BK36>)).
2. At the request of 10 inhabitants, which request must be put to a vote of the inhabitants in accordance with the NSBA (NSBA, subsection 32(1) (<https://www.ontario.ca/laws/statute/90l28#BK36>)).

3. By order of the minister (NSBA, section 30 (<https://www.ontario.ca/laws/statute/90l28#BK34>)).

Note: prior to moving forward with the process to dissolve the LSB, the board or inhabitants (dependant on who is making the request) are required to contact the local ministry staff with the ministry for guidance on steps to take.

Steps to dissolve an LSB where the request is from the board

1. The notice of the dissolution meeting must be posted at least 1 week before the date of the dissolution meeting, and must:

- include the date, time, place, and purpose of the dissolution meeting (including that a vote will be held)
- include what will be required to prove eligibility to vote under the Act, proof of permanent residency or property ownership, age, and Canadian citizenship
- contain the signature of the secretary or the chair or member of the board
- be posted in at least 1 location visible to the public in the board area and, if available, published by electronic means or in an electronic format
- outline the dissolution proposal (NSBA, sections 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>) and 32 (<https://www.ontario.ca/laws/statute/90l28#BK36>))

The notice must be forwarded to the minister. A copy is to be send to the local ministry staff with the ministry.

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?
- If any opposition to the dissolution of an LSB is vocalized, this opposition should be disclosed to the ministry.
- If the area is remote or large, consider posting the meeting notices in more locations to ensure every effort is made to advise inhabitants.
- Is the chosen location large enough to handle the anticipated number of inhabitants that would attend?
- Where the LSB covers a significant geographic area that would require travel time by inhabitants to attend the dissolution meeting, it is recommended that the board or dissolution committee consider more than 1 location for the meeting and voting as well as allowing sufficient time for inhabitants to attend and to cast a ballot.
- Is there sufficient parking for inhabitants driving to the meeting location?

2. The chair of the board will be the chair of the dissolution meeting (NSBA, section 9 (<https://www.ontario.ca/laws/statute/90l28#BK9>)). If the chair is absent, then another board member will appoint a chair. The LSB secretary will act as secretary at the dissolution meeting.

3. A dissolution proposal must be approved by a vote of the majority of the inhabitants present and voting at the dissolution meeting. Proxy voting is not permitted (NSBA, subsection 32(2) (<https://www.ontario.ca/laws/statute/90l28#BK36>)).

The chair of the dissolution meeting decides how the voting will be conducted.

Items to consider when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote? (such as proof of residency within the proposed area, proof of property ownership within the proposed board area, proof of age and Canadian citizenship)
- How will voters be registered (an example may be a sign-in sheet)
- How will voting be conducted? (examples include without limitation; show of hands or secret ballot)
- Is the question being asked worded in a fashion that is clear and understandable? (an example of a clearly worded question is “Are you in favour of the dissolution of Local services board XXXXX? Yes or No”)
- If voting is by secret ballot are voting stations set up so as to ensure privacy?
- Who will count the votes and who will observe the vote counters?
- Where the geographic size of the LSB is large, consideration should be given to holding vote meetings in more than 1 location in order to facilitate inhabitants being able to attend and also enough time allotted for the voting process.

Eligibility to vote

- In order to vote, an individual must be able to prove they qualify as an inhabitant.
- Where an inhabitant’s eligibility to vote is challenged by any other individual, it is the responsibility of the board chair or chair of the dissolution committee, to determine the eligibility of the inhabitant to vote or be elected as a member of the board.
- Where that eligibility is challenged, the chair of the meeting must require the individual being challenged to make a declaration in English or French before the chair. Once the declaration has been made then the individual is able to vote. (NSBA, section 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>)).

If the majority of inhabitants present at the dissolution meeting approve a dissolution proposal, the secretary or recording secretary must send to the minister a copy of the dissolution proposal together with a statement of the vote for and against the dissolution proposal (NSBA, subsection 32(2) (<https://www.ontario.ca/laws/statute/90l28#BK36>)).

4. The secretary is responsible for posting the record of the meeting in at least one location visible to the public in the board area and, if available, by electronic means or in an electronic format (NSBA, subsection 14(4)(c) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

5. Prior to the minister making a decision respecting the dissolution of a local services board, the ministry will undertake a due diligence process that may include without limitation the following:

- Consultation with other ministries on the dissolution of the LSB including any impacts that may exist as the result of loss of services to the board area.
- A review of a complete list of assets and potential liabilities of the board that may exist at the time of dissolution.
- A review of the process undertaken by the inhabitants to ensure transparency and compliance with the requirements of the NSBA. Elements reviewed include without limitation the information provided to affected inhabitants, posting of notices and process to conduct meetings.

6. Once the due diligence process is complete, a recommendation is made by the ministry to the minister who will then make a final decision on the dissolution of the LSB and the board area. Should the minister choose to proceed

with the dissolution of an LSB, the minister makes an order:

- dissolving the board and the board area (NSBA, subsection 32(2) (<https://www.ontario.ca/laws/statute/90l28#BK36>))
- making such provisions with respect to the transfer of liabilities and assets of the board as the minister considers appropriate (NSBA, subsection 32(3) (<https://www.ontario.ca/laws/statute/90l28#BK36>))

Steps to dissolve an LSB where the request is from 10 inhabitants

1. The 10 inhabitants will form a dissolution committee. The dissolution committee is to follow a process similar to that of establishing an LSB. The dissolution committee may in writing authorize and name 1 of their number to call a meeting of inhabitants to consider the desirability of dissolving the local services board (the Dissolution meeting)

Where the dissolution is led by a dissolution committee, the person named to call the dissolution meeting presides as chair unless that person declines or is absent, then the inhabitants present at the meeting will elect 1 of their number to act as chair. The chair of the dissolution meeting may appoint the existing LSB secretary or a recording secretary from among the inhabitants present at the meeting. The recording secretary records the proceedings of the meeting.

The dissolution committee will be required to provide documented proof that the 10 inhabitants meet the definition of inhabitants as per the NSBA, section 1 (<https://www.ontario.ca/laws/statute/90l28#BK1>) , being either permanent resident of or an owner of property in the board area, who is a Canadian citizen and who has attained the full age of 18 years.

Such documented proof will consist of a listing of the 10 inhabitants; an attestation by each of their eligibility as inhabitants under the NSBA; and such other documented proof as may be required by the ministry.

2. The person named to call the dissolution meeting must do so within 10 days of being authorized; otherwise, any person who signed the authorization may call a meeting.

3. Refer to the process set out above under the heading Steps to dissolve an LSB where the request is from the board step 4-6.

Dissolution by the minister

Before any recommendation is made to the minister to dissolve a board, ministry staff will work with the existing board to gather all the relevant facts and information relating to the proposed dissolution. This may include requesting that the board hold public meetings to discuss the proposed dissolution with the inhabitants.

If the minister determines that a board is:

- mis-using its funds
- is not administering its affairs in a proper and straightforward manner
- cannot or is unlikely to be able to meet its obligations as they fall due

then the minister may by order:

1. dissolve the board and call a new election

2. dissolve the board and assume the powers of the board
3. dissolve the board and the board area (NSBA, section 30 (<https://www.ontario.ca/laws/statute/90l28#BK34>))

If the minister chooses to dissolve the board and the board area, then NSBA, subsection 32(3) (<https://www.ontario.ca/laws/statute/90l28#BK36>) will apply to that order.

Altering LSB boundaries

1. Prior to moving forward with the process of changing the boundaries of a LSB, the board is encouraged to contact ministry staff for guidance on steps to take.
2. Although not a requirement of the NSBA, it is recommended that prior to calling a meeting to vote to alter the boundaries of an LSB, sufficient information meetings be held to allow inhabitants in both the existing board area and, where the board area is proposed to be enlarged, the proposed board area (the Proposed board area) to review the proposal to alter the boundaries of the LSB, the existing boundaries, the powers and the financial implications. Information meetings will enable inhabitants and proposed inhabitants to make informed decisions when the time comes to vote on the issue.

The person named to call the meeting to consider the desirability of altering the boundaries of a LSB, must do so within 10 days of being authorized, otherwise any person who signed the authorization may call a meeting.

3. Where the board considers it desirable that the boundaries of the board area be altered, the board must put a proposal to alter the boundaries of the board area (the Boundary proposal) to a vote of the inhabitants of the board area as well as the proposed inhabitants of the proposed Board area (NSBA, section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>)).

4. The notice of the meeting must be posted at least 1 week before the date of the meeting, and must:

- include the date, time, place, and purpose of the meeting (including that a vote will be held, and a description of the boundary proposal, which description shall include a description or drawing of the proposed board area) (NSBA, sections 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>) and 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))
- contain the signature of the secretary (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- be posted in at least one location visible to the public in the board area and, if available, by electronic means or in an electronic format (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- where the board area is proposed to be enlarged, be posted within the proposed board area (NSBA, section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>))
- be posted in both French and English (as the board deems necessary)
- be forwarded to the minister

A separate vote must be held for inhabitants of the proposed expansion area (NSBA, section 31(2) (<https://www.ontario.ca/laws/statute/90l28#BK35>)).

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?

- If the area is remote or large, would it be a good idea to post the meeting notices in more locations to ensure every effort is made to advise inhabitants?
- Is the chosen location large enough to handle the anticipated number of inhabitants that would attend?
- Is there sufficient parking for inhabitants driving to the meeting location?
- Has the LSB conducted information sessions, or disseminated information out to inhabitants prior to the vote?

5. Where an area is proposed to be added to the board area, the secretary will record separately the vote of the proposed inhabitants within the proposed board area that is proposed to be added (NSBA, subsection 31(3) (<https://www.ontario.ca/laws/statute/90l28#BK35>)).

Where an area is proposed to be removed from the board area, the secretary will record separately the vote of the inhabitants within the board area that is proposed to be removed (NSBA, subsection 31(3) (<https://www.ontario.ca/laws/statute/90l28#BK35>)).

6. Any recommendation or matters determined at the meeting are arrived at by a vote of the majority of the inhabitants present and voting at the meeting. Proxy voting is not permitted (NSBA, subsection 31(4) (<https://www.ontario.ca/laws/statute/90l28#BK35>)). The chair decides on how the voting will be conducted.

Items that can be considered when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote? (such as proof of residency within the proposed area, proof of property ownership within the proposed area, proof of age and Canadian citizenship)?
- How will voters be registered (for example: sign in sheet)?
- How will voting be conducted? (show of hands, secret ballot)
- Is the question being asked worded in a fashion that is clear and understandable? (for example: are you in favour of altering the boundaries of the local services board of XXXXX to consist of the following geographic area XXXXX which has the powers of XX, XX. Yes or No)
- If voting is by secret ballot are voting stations set up so as to ensure privacy?
- Who will count the votes and who will observe the vote counters?
- Where the geographic size of the LSB is large, consideration should be given to holding vote meetings in more than 1 location in order to facilitate inhabitants being able to attend and also enough time allotted for the voting process.

Eligibility to vote:

- In order to vote, an individual must be able to prove they qualify as an inhabitant.
- Where an inhabitant's eligibility to vote is challenged by any other individual, it is the responsibility of the board to determine the eligibility of the inhabitant to vote.
- Where that eligibility is challenged, the chair of the meeting must require the individual being challenged to make a declaration in English or French before the chair. Once the declaration is made, the individual is able to vote. (NSBA, section 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>)).

7. The secretary is responsible for posting the record of the meeting in at least one location visible to the public in the board area and, if available, by electronic means or in an electronic format (NSBA, subsection 14(4) (c) (https://www.ontario.ca/laws/statute/90128#BK14)).

8. Recommendations

Where the vote results are in favour of the proposal to alter the boundaries of the LSB then the secretary must forward to the minister the following:

- A copy of the proposal as approved at the meeting including:
 - the desirability of altering the boundaries of the local services board
 - the boundaries of the board area
- A statement of the results of the vote showing the vote of the inhabitants for and against the proposal.
- A statement of the vote of the inhabitants of the area that is proposed to be added or removed from the board area.

9. Prior to the minister making a final decision on altering the boundaries of a local services board, the ministry will undertake a due diligence process that may include without limitation the following:

- Consultation with other ministries on the implications of the LSB altering their boundaries to determine if there would be any opposition or concerns as well as, what regulations or pieces of legislation would impact the LSB.
- A request by the ministry to the Office of the Surveyor General of Ontario to provide a legal description of the proposed boundaries and a final map.
- A review of the process undertaken by the inhabitants to ensure transparency and compliance with the requirements of the NSBA. Elements reviewed include without limitation the information provided to affected inhabitants, posting of notices and process to conduct meetings.

10. Once the due diligence process is complete, a recommendation is made by the ministry to the minister who will then make a final decision on the proposal to alter the boundaries of the LSB. Should the minister choose to proceed with altering the boundaries of an LSB, the minister may make such order as the minister considers appropriate (NSBA, subsection 31(4) (https://www.ontario.ca/laws/statute/90128#BK35)).

Request to vary powers

Steps you need to follow

1. Prior to moving forward with the process requesting to vary powers for a LSB, the board is encouraged to contact ministry staff for guidance on steps to take. Local ministry staff can be located by referring to the ministry (https://www.ontario.ca/page/ministry-northern-development) website or on the provincial InfoGo (https://www.infogo.gov.on.ca/infogo/#orgProfile/-212/en) website.

2. Although not a requirement of the NSBA it is recommended that prior to calling a meeting to vote to vary the powers of an LSB, sufficient information meetings be held to allow inhabitants to review the proposal to vary the powers of the LSB, the implications of the loss or addition of powers and the financial implications. Information meetings will enable inhabitants to make an informed decision when the time comes to vote on the issue.

3. Where the board considers it desirable that the powers of the board be varied, the board must put a proposal to vary the powers of the board (the Proposal to vary powers) to a vote of the inhabitants of the board area (NSBA,

section 31 (<https://www.ontario.ca/laws/statute/90l28#BK35>).

4. The notice of the meeting must be posted at least 1 week before the date of the meeting, and must:

- include the date, time, place, and purpose of the meeting (including that a vote will be held), and a description of the Proposal to vary powers, which description shall include a description of the requested powers to be either added or deleted (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- contain the signature of the secretary (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- be posted in at least one location visible to the public in the board area and, if available, published by electronic means or in an electronic format (NSBA, section 17 (<https://www.ontario.ca/laws/statute/90l28#BK17>))
- Where required or necessary be posted in both English and French (as the board deems necessary)
- be forwarded to the minister, and a copy to the local ministry staff

Items to consider when setting the date and location for a meeting.

- If there are cottagers in the area, is the meeting date at a time when it would be convenient for them to attend?
- If the area is remote or large, would it be a good idea to post the meeting notices in more locations than the required and to use additional means such as radio, newspapers, email lists, to ensure every effort is made to advise inhabitants.
- Is the chosen location large enough to handle the anticipated number of inhabitants that would attend?
- Is there sufficient parking for inhabitants driving to the meeting location?
- The chair would preside at the meeting unless that person declines or is absent then the inhabitants present at the meeting will elect 1 of their number to act as chair.
- The secretary records the proceedings of the meeting and is responsible for posting the minutes of the meeting in the board area as well as sending by a copy of the minutes and the recommendations agreed upon, at the meeting to the minister of the ministry. (NSBA, section 3(6) (a-c) (<https://www.ontario.ca/laws/statute/90l28#BK3>)).

5. Any recommendation or matters determined at the meeting are arrived at by a vote of the majority of the inhabitants present and voting at the meeting. Proxy voting is not permitted (NSBA, subsection 31(4) (<https://www.ontario.ca/laws/statute/90l28#BK35>)).

Items that can be considered when determining the method of voting.

- What supporting documentation will be required to prove eligibility to vote? (such as proof of residency within the proposed area, proof of property ownership within the proposed area, proof of age and Canadian citizenship)
- How will voters be registered? (for example: sign in sheet)
- How will voting be conducted? (show of hands, secret ballot)
- Is the question being asked worded in a fashion that is clear and understandable? (such as Are you in favour of varying the powers of the local services board of XXXXX to add or delete the following powers XX, XX resulting in the board having the powers of XX, XX. Yes or No)

- If voting is by secret ballot are voting stations set up so as to ensure privacy.
- Who will count the votes and who will observe the vote counters?
- Where the geographic size of the LSB is large, consideration should be given to holding vote meetings in more than one location in order to facilitate inhabitants being able to attend and also enough time allotted for the voting process.

Eligibility to vote

- In order to vote, an individual must be able to prove they qualify as an inhabitant.
- Where an inhabitant's eligibility to vote is challenged by any other individual, it is the responsibility of the board to determine the eligibility of the inhabitant to vote.
- Where that eligibility is challenged, the chair of the meeting must require the individual being challenged to make a declaration in English or French before the chair. Once the declaration is made the individual is able to vote. (NSBA, section 20 (<https://www.ontario.ca/laws/statute/90l28#BK20>)).

7. Recommendations

Where the vote results are in favour of the proposal to vary powers then the secretary must forward to the minister a copy of the proposal as approved at the meeting including:

- the desirability of varying the powers of the local services board
- a description of the Proposal to vary powers, which description shall include a description of the requested powers to be either added or deleted
- a statement of the results of the vote showing the vote of the inhabitants for and against the proposal

8. The secretary is responsible for posting the record of the meeting in at least one location visible to the public in the board area and, if available, published by electronic means or in an electronic format (NSBA, subsection 14(4)(c) (<https://www.ontario.ca/laws/statute/90l28#BK14>)).

9. Prior to the minister making a final decision on altering the boundaries of a local services board, the ministry will undertake a due diligence process that may include without limitation the following.

Consultation with other ministries on the implications of the LSB varying its powers to determine if there would be any opposition or concerns as well as information regarding any applicable legislation.

A review of the process undertaken by the inhabitants to ensure transparency and compliance with the requirements of the NSBA. Elements reviewed include without limitation the information provided to inhabitants, posting of notices and process to conduct meetings.

10. Once the due diligence process is complete, a recommendation is made by the ministry to the minister who will then make a final decision on the Proposal to vary powers. Should the minister choose to proceed with varying the powers of an LSB, the minister may make such order as the minister considers appropriate (NSBA, subsection 31(4) (<https://www.ontario.ca/laws/statute/90l28#BK35>)).

Resources

Notice of meeting (<http://files.ontario.ca/mnd-notice-of-meeting-en-2023-03-07.odt>) – example

Declaration of eligibility to vote (<http://files.ontario.ca/mnd-declaration-of-eligibility-to-vote-en-2023-03-07.odt>) - example