

SCHEDULE D – COMMUNITY RECREATION FUND

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SCHEDULE D – COMMUNITY RECREATION FUND

BACKGROUND

Strada has an existing, voluntary agreement with Melancthon Township to contribute to a community fund. This fund is above and beyond the 61%¹ production and licence fees paid to the Municipality as required by the ARA/TOARC. It is also in addition to road construction and maintenance fees which Strada has assumed responsibility for in agreements with the Municipality.

Outside of these existing agreements, Strada and NDACT have agreed that if the science proves that the below the water table application is viable and the Application is filed then NDACT will not object to the Application. In recognition of the positive working relationship that has been established between NDACT and Strada, and, if the below the water table license is granted, Strada wishes to continue and expand its contributions towards community benefits through the establishment of a **Community-Based Recreation Fund** for developing local recreational and community-based improvement projects.

This document describes the protocol and processes which will be used to govern this program and includes:

- Establishing and maintaining the Community-Based Recreation Fund
- Initiation and Oversight of the Community-Based Projects Program

¹ The Ontario Aggregate Resources Corporation (TOARC) collects fees from licenses, wayside permits and aggregate permits which are distributed as follows: 3% to Aggregate Resource Trust; 61% local Municipality; 15% Upper Tier Municipality; 21% to the Crown

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The Community-Based Recreation Fund

Purpose of the Fund

Strada agrees to pay a graduated rate/tonne annually (see table below) into the Community-Based Recreation Fund in support of developing local recreational and community improvement projects.

Establishing, Topping-up and Closing the Account

Melancthon Township shall open a bank account with its preferred financial institution in trust called **The Community-Based Recreation Trust Account (CRTA)**.

Every licensee and every holder of an aggregate permit must file on or before January 31st an annual production report setting out the quantity of aggregate removed from a site in each month of the previous year with **The Ontario Aggregate Resource Corporation's (TOARC) Aggregate Resources Trust**.

Strada shall provide a copy of this annual production report to the **Community-Based Recreation Committee (CRC)** responsible for overseeing the **Community-Based Recreation Fund Protocol**. Strada is required to follow certain regulations that will ensure that its production numbers are reported to TOARC. TOARC and its agents have been given the authority by the Responsible Ministry to inspect the records of licensees and permittees for the purpose of verifying reported production amounts according to subsection 62 (2) of the **Aggregate Resources Act (ARA)** which states that:

“Every licensee or permittee shall make available for inspection by any person authorized for the purpose of this Act all the records required to be kept under subsection 62. (1). R.S.O. 1990, c. A. 8. s. 62 (2).”

Depending on the year in operation, Strada shall multiply its reported annual tonnage by the **Community-Based Recreation Rate (CRR)** established for that year (see below) and deposit the resulting funds in the CRTA. For example, in year 6 if the Annual Tonnage is 1MM Tonnes, then the CRTA deposit shall be:

$$\text{YEAR 6: } 1,000,000 \text{ Tonnes} \times 4^{\text{¢}} = \mathbf{\$40,000.00}$$

The deposit to the CRTA shall take place no later than February 15th.

When the quarry license is surrendered, the CRTA shall be closed with any remaining balance distributed to final local community project(s).

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Establishing the Rate

In recognition of the time and expense to apply for and get through the aggregate application process, to getting licensed, as well as ramping up production, the first five years of the quarry operation would see a graduated cents/tonne **Community-Based Recreation Rate (CRR)** based on annual tonnage extracted from limestone quarry operations:

Year in Operation	TOARC Reported Tonnage	CRR
1-5	0-500,000	1¢
	500,000 -750,000	2¢
	750,000+	3¢
6	Annual Tonnage	4¢
7	Annual Tonnage	5¢
8	Annual Tonnage	6¢
9	Annual Tonnage	7¢
10+	Annual Tonnage	7¢

In January of Year 9 and for each year thereafter, the **Community-Based Recreation Rate (CRR)** will be re-evaluated by the Fund's oversight committee to ascertain as to whether economic conditions of the times allow for a two cent (\$0.02) increase

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The Community-Based Recreation Fund Protocol

The Oversight Committee

The **Community-Based Recreation Committee (CRC)** shall be made up of representatives from

- NDACT (1)
- Strada (1)
- Municipal Council (1)
- Community Volunteer(s) (2+)

A Chair and Secretary shall be elected on an annual basis.

The CRC's responsibilities include, but are not limited to:

1. Oversight of the Community-Based Recreation Application and Project Process
 - Review Community-Based Recreation Applications
 - Select that year's applicant(s)
 - Present and distribute that year's funding
 - Oversight of the selected project(s) progress
 - Attend the ribbon-cutting ceremony for the completed project
2. Oversight to the CRTA
 - Review the Strada Annual Production Results and mandatory deposit
 - Oversight of activities in the CRTA

The Candidates for the CRTA Funds

Applications for recreation or community-based improvement projects shall only be open to local not-for-profits, associations, groups, and clubs (**Local Community Group or LCG**).

Applications shall not be accepted from the local Municipality for municipal initiatives and/or infrastructure projects. However, for initiatives that are located on municipal property, the Municipality must be a co-applicant on the Application. It is up to the LCG to delegate to the Municipality in order to get their agreement and signature to participate in the project.

A formal **Application Document** shall be drawn up which shall include a section to describe the LCG and its Application Project Lead (**APL**), the need; provisions for a detailed budget; a project management timeline to completion, proof of insurance and proof of the capacity to conduct the project. A Municipal Co-Applicant Sign-off Page for applicable initiatives will also be included. Applications shall be written and submitted by the APL of the LCG.

Consider this example of a recreation project: *Shelburne Little League needs baseball shirts. The application will describe the need, detail the budget: 100 shirts for \$20.00 – in total \$2,000 + HST, where they will be produced: the local Shirt Shoppe. Timeline to produce: one month.*

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Consider this example of a community improvement project: *a community within the Municipality wishes their kiddie-park to be modernized. The LCG would prepare the Application in conjunction with the local Municipality.*

Funding The Selected Application(s)

The Application(s) that are selected by the CRC shall be funded with one half of the estimated total project costs to start. The APL shall provide the CRC with a monthly project status report until it is completed. Submission of expenses incurred, and proof of payment will mark the completion of the project. Upon review and approval by the CRC, the balance of the project costs will be paid out to the APL/LCG.

The Project Selection and Oversight Process

A rigorous process shall be followed to select the candidates for project funding, as well as follow project progress to its fruition:

Date/Frequency	Activity
On or before Jan 31 st	Strada reports previous year's production results.
On or before Feb 15 th	Strada provides the CRTA production result cheque to the Municipality in order to annual deposit.
On or before Feb 20 th	The CRC will convene to review the production results and confirm the funding available for that year's project(s).
On or before Mar 15 th	Calls for Applications shall go out to the community (print & social media), including a date for an Application Completion Training Session to help those new to this kind of process.
April 15 th	Application Calls are closed.
April 15 th	The CRC shall convene to receive the Applications for that year's disbursement of funds. Applications shall be reviewed and correspondence regarding a particular project shall be emailed to the candidate through the Secretary of the CRC.
On or before May 1 st	The CRC shall reconvene in order to vote on which project shall receive that year's funding. Depending on the CRTA Deposit and candidate project budgetary requirements, more than one project can be selected for that year. The Chair of the CRC shall break any voting ties
On or before May 15 th	All APL(s) shall be notified of the results. Selected APL(s) shall be notified of their funding. The initial funding cheque(s) will be prepared for the selected project(s). Strada reserves the right to determine whether project(s) will be recognized as having been funded by the company.
On or before May 30 th	The recipient LCG shall be presented with their funding in an official ceremony held in late May
Monthly Basis for the Duration of Project	On a monthly basis, APL(s) shall report their project progress to the CRC Secretary, who in turn shall report status to the CRC.

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On Completion	APLs shall report their final expenses to the Secretary for review by the CRC, assessing any budget overages. The Municipality shall prepare the cheque(s) for the final balance.
Completion	The CRC shall attend the “ribbon cutting” ceremony of the completed project. APL/LCG shall be presented with the balance of their funding from the CRTA as assessed.

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SIGN-OFF PAGE

The Parties agree to the terms and conditions described in this Schedule which is part of the larger Strada/NDACT Community Engagement Agreement between the Parties.

12-05-2023

Signed on this _____ day of _____, 2023

	NDACT	STRADA AGGREGATES INC.
REPRESENTATIVE NAME & TITLE	Karren Wallace Chair	Grant Horan, Controller, Executive Officer
SIGNATURE	DocuSigned by: <i>Karren Wallace</i> F66A115C71324C9...	DocuSigned by: <i>Grant Horan Controller/Executive Officer</i> 83A6368D1BB2481...

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DEFINITIONS

APL: Application Project Lead

ARA: Aggregate Resources Act

CRC: Community-Based Recreation Committee

CRTA: Community-Based Recreation Trust Account

CRR: Community-Based Recreation Rate

LCG: Local Community Group including local not-for-profits, associations, groups and clubs.

Local Municipality can include:

- Township of Melancthon
- Township of Mulmur

Responsible Ministry can include:

- **MNRFF:** Ministry of Northern Development, Mines, Natural Resources and Forestry
- **MOEE:** Ministry of the Environment and Energy

Reviewing Agencies can include:

- Local Conservation Authority

TOARC: The Ontario Aggregate Resources Corporation

REFERENCES

TOARC Production Reporting Handbook

<https://toarc.com/production-reporting-handbook/>