



Committee Report

To:	Warden Milne and Members of Grey County Council
Committee Date:	May 11, 2023
Subject / Report No:	Natural Heritage Review / Addendum to PDR-CW-10-23
Title:	Natural Heritage Review Options Update
Prepared by:	Scott Taylor
Reviewed by:	Randy Scherzer
Lower Tier(s) Affected:	All Municipalities within Grey County
Status:	Recommendation adopted by Committee as presented per Resolution CW76-23; Endorsed by County Council June 8, 2023, per Resolution CC38-23.

Recommendation

1. That report Addendum to PDR-CW-10-23 regarding an update on natural heritage review options be received; and
2. That the report be shared with member municipalities and conservation authorities within Grey County for their review; and
3. That staff be directed to proceed with recruitment of a second County planning ecologist staff position for natural heritage review of municipal applications, as funded in 2023 from any year-end surplus from the 2023 Planning Operating budget, application fees, along with funds from the waste management, planning studies, and one-time funding reserves; and
4. That staff work with member municipalities to ensure that the second planning ecologist position is paid for via cost recovery from developers and landowners undertaking planning applications for 2024 and onwards; and
5. That should the draft natural heritage policies in the 2023 Provincial Policy Statement propose significant alterations to the natural heritage review process, that hiring of a second planning ecologist may be paused or eliminated at the discretion of staff; and
6. That staff be authorized to proceed prior to County Council approval as per Section 26.6(b) of Procedural By-law 5134-22.

Executive Summary

On February 23, 2023, County staff presented report PDR-CW-10-23 to Council with respect to

options for assuming natural heritage review. The Bill 23 changes to the roles of conservation authorities created a gap in natural heritage review in Grey. Council directed staff to proceed with hiring a planning ecologist for County application review, and to consult further with municipalities on whether a second position is warranted to cover municipal application review. Staff have heard back from all nine municipalities, who have all requested that the County assume this role on their behalf. This Report provides options for the hiring of a second planning ecologist position.

Background and Discussion

On November 28, 2022, the province passed Bill 23, known as the *More Homes Built Faster Act*. Bill 23 amended several pieces of legislation, many of which impact the planning application review process. Through Bill 23, the province amended the *Conservation Authorities Act* in a few ways, but notably to this report, the province scoped the role of conservation authorities (CAs) when reviewing and commenting on proposals, applications, or other matters related to development and land use planning. The province is now proposing further changes through Bill 97, and a new draft Provincial Policy Statement (PPS). The impacts of the new draft PPS will be discussed later in this Report.

On February 23, 2023, County staff presented report PDR-CW-10-23 to Committee of the Whole on options for natural heritage review in Grey. A link to that staff report has been included in the Attachments section of this report. Council provided direction to staff to proceed with hiring one planning ecologist for County planning application review. Through the February staff report, Council also directed staff to consult further with municipalities on whether a second planning ecologist is warranted to cover municipal application review.

Since that initial staff report, staff have consulted with member municipalities on their preferred options for natural heritage review. All nine municipalities have requested that the County assume the role of natural heritage review on their behalf. Several municipalities caveated their support with the notion that this role should be paid for by developers and landowners undertaking planning applications, and not through tax levy increases. Based on having support from all nine municipalities, County staff are recommending that a second planning ecologist position be hired, and that a future funding model be established in concert with municipalities for this role.

As of writing this report, a planning ecologist job description has been developed, and staff are currently conducting interviews to hire the first planning ecologist. Should the staff recommendation be supported via this Report, staff hope to be able to offer the second planning ecologist role to one of the candidates currently being interviewed for the first role, rather than having to re-post the job and duplicate the hiring process.

Draft Provincial Policy Statement (PPS) 2023

Under the *Planning Act*, the County is required to (a) have regard for matters of provincial interest, and (b) make decisions that are consistent with the Provincial Policy Statement. The protection of the natural ecological systems is a matter of provincial interest and is also encapsulated in the current 2020 Provincial Policy Statement.

On April 6, 2023, the province introduced Bill 97, the *Helping Homebuyers, Protecting Tenants Act* as well as a new draft 2023 PPS. It is noteworthy that although the province has released a new draft PPS 2023, this draft document does not include updated natural heritage policies. The province has noted that these policies are to follow at a later date. At the time of drafting this report, these policies had not yet been released and nor were staff aware of the timeline for releasing such policies. It is difficult to understand the full scope of the new PPS, with such a major component of the PPS still outstanding.

Should the province make radical changes to the natural heritage review process, it could impact the planning ecologist role. Staff are seeking direction to proceed in principle with hiring a second planning ecologist. That said, staff will delay making any job offers until the draft PPS policies on natural heritage have been released. If there are significant changes proposed, staff may not hire a second planning ecologist, or may consider other options in this regard. Staff will keep Council up to date with respect to this position and the release of any draft natural heritage policies.

This Report is proceeding at this time, based on the desire to be able to ‘piggyback’ on the hiring process of the first planning ecologist. As such, if (a) Council supports the hiring of a second planning ecologist, and (b) if the draft PPS policies do not radically change natural heritage review, then staff can make an offer to one of the candidates that’s already applied for the first position without having to duplicate the job posting and interview processes.

Funding the Second Planning Ecologist

The initial staff report provided annual cost estimates of \$202,000 (for two planning ecologists) or \$101,000 (for one planning ecologist) including salaries, pension, benefits, but exclusive of equipment, training, or travel costs. Staff noted that it would be difficult to achieve full cost recovery for both positions through development application fees. The first planning ecologist will be paid for through a mixture of planning application fees and County levy, based on the fact that their role would encompass more than just development application review (i.e., they may also be commenting on municipal official plan reviews, climate change matters, forestry and trails, etc. for which the County cannot recoup the costs from development application fees). County staff will be preparing a review of the County’s Fees and Services By-law to examine fee increases to help offset the cost of the planning ecologist.

Several municipalities expressed their desire for the second planning ecologist to be paid for from application fees, rather than municipal tax levy. County staff would concur with these comments. Municipal and County staff also discussed the fact that we need to keep any billing arrangements simplified, such that cost recovery is not onerous on municipal and County finance, administrative, or planning staff. Several municipalities also noted that they would be doing fee reviews in 2023, and may be able to consider this in their fee reviews, subject to concurrence from municipal councils and finance staff. However, not all municipalities are considering fee reviews in 2023.

There are numerous options that can be considered with respect to cost recovery, including but not limited to the following:

Option	Description	Staff Comments
--------	-------------	----------------

1	<p>Equal billing to all nine member municipalities for the provision of these services, i.e., each municipality would pay one-ninth of the salary of the second planning ecologist back to the County. Municipalities can recoup these costs through their own fees and services charges.</p>	<p>This would be the simplest option, and would work very similarly to the current provision of GIS [geographic information systems] services to member municipalities. This model would require municipalities to update their fees and services by-laws. It would however result in all municipalities paying equal costs for these services, even though some may have higher utilization rates than others.</p>
2	<p>The County could charge a review fee for municipal applications and pre-submission consultation inquiries, similar to the current relationship with the conservation authority review of municipal applications. Municipalities may choose to collect these fees and remit them back to the County, or to have the County directly invoice the landowner/developer for these costs.</p>	<p>This model would be fair to all municipalities and would be a true ‘user-pay’ system. It may be labour intensive for municipal and County finance and planning staff.</p>
3	<p>The County could bill out the time of the planning ecologist (on an hourly rate) back to municipalities on a monthly or quarterly basis, such that each municipality pays for the time used by the planning ecologist in their municipality. Municipalities could then recoup these costs through their own fees and services charges.</p>	<p>This model would be fair to all municipalities and would also be a ‘user-pay’ system. It would however give municipalities less certainty as to the total annual cost for ecological review. It may be somewhat labour intensive for County finance and planning staff. This model would require municipalities to update their fees and services by-laws.</p>
4	<p>Prorated billing to all nine member municipalities for the provision of these services, i.e., each municipality would pay a portion of the salary of the second planning ecologist back to the County based on the level of development applications in their municipality. Municipalities could then recoup these costs through their own fees and services charges.</p>	<p>It could be difficult to establish what the prorated costs would be in this regard. These costs could also change from year to year given the level of development in any given municipality. This model would require municipalities to update their fees and services by-laws.</p>

Table One: Funding Models for a Second Planning Ecologist

County staff prefer option # 1 above but will consult further with municipal staff on whether this option is suitable to municipalities. Given the fact that this is an unbudgeted expense for 2023, County staff are recommending the following:

- (i) The County will review our Fees and Services By-law in 2023, with the aim to recoup some of the first planning ecologist costs,
- (ii) The County will assume the costs of the two planning ecologists for the remainder of 2023, subject to any new fee increases as per item (i) above,
- (iii) Municipalities who are updating their Fees and Services By-laws in 2023 should add in increased fees to help offset the cost of the second planning ecologist, and
- (iv) County staff will consult further with municipalities on options for recouping the cost of the second planning ecologist ahead of the 2024 County and municipal budgets, to inform budget allocations for next year.

Legal and Legislated Requirements

None with this report.

Financial and Resource Implications

The financial and resource implications have been broadly covered in the discussion of options in the body of this report.

As this was not included in the 2023 budget, staff proposes that this be funded from any surplus realized at year-end in the 2023 Planning Operating budget as well as funding from the waste management, planning studies, and one-time funding reserves, offset by funds that will be recouped from increased application fees (following a Fees and Services By-law update). Starting in 2024, staff would ensure that the second planning ecologist is paid for by municipal fee collection for planning applications.

Relevant Consultation

- Internal: CAO/Deputy CAO, Finance, Human Resources, and Planning
- External: Member municipalities within Grey

Appendices and Attachments

[PDR-CW-10-23 Natural Heritage Review Options](#)