



DEPARTMENTAL REPORT

Finance Department FIN 2025-15

To: Mayor Davidson and Council
Subject: Municipal Service Corporation (MSC) - Articles of Incorporation, Business Name and Appointment of Board Members
Meeting: Regular Council Meeting - 22 Apr 2025
Department: Finance Department
Staff Contact: Patrick Kelly, Chief Financial Officer / Treasurer

RECOMMENDATION:

THAT the Council of the Township of Mapleton receive Report FIN 2025-15, regarding the Municipal Service Corporation (MSC) Articles of Incorporation, Business Name and Appointment of Board Members for information; and further,

THAT Council endorse the operating business name of the MSC as _____; and further,

THAT _____ and _____ be appointed as Council representatives on the _____ Board of Directors; and further,

THAT _____ and _____ be appointed as public representatives on the _____ Board of Directors; and further,

THAT Council appoint the Mayor and Clerk as the incorporators for _____ and direct them to sign the Articles of Incorporation.

BACKGROUND INFORMATION:

At the April 8, 2025 meeting, Council endorsed the establishment of a Municipal Service Corporation for Water and Wastewater Services, based upon the previously published Business Case Study and public consultation.

Pending approval of Report FIN 2025-14 Municipal Asset Transfer Policy, the Township will have satisfied all legislative requirements under O. Reg. 599/06.

This report is intended to authorize the Mayor and Clerk to execute the Articles of Incorporation, establish the business name for the MSC and appoint the Council and Public representatives to the Board of Directors.

PREVIOUS PERTINENT REPORTS:

PW 2024-07 - RFP 2023-16, Water and Wastewater Upgrades

CL 2024-14 - Mapleton's Water and Wastewater Upgrades

FIN 2024-32 - Municipal Service Corporation (MSC) - Early Works Agreement

FIN 2025-03 - Municipal Service Corporation (MSC) Business Case and Public Engagement

DISCUSSION:

Articles of Incorporation

With the Township's water and wastewater assets being transferred to an MSC, Township staff have been working collaboratively with legal representation from SV Law to establish Articles of Incorporation "the Articles" for the new business entity. This is a standard legal practice that enables the registration of an MSC under the Business Corporations Act.

The Articles generally outline the "First Directors" of the Corporation, restrictions on the powers of the Corporation, and identify any specific shareholder rights. Given that O. Reg. 599/06 does not allow for additional shareholders beyond the municipality, the Articles are fairly straightforward in nature. Having said that, in order to submit the Articles for approval to the Ontario Business Registry (OBR), the Township needs to identify the names and addresses of the incorporators. As such, this report is recommending that the Mayor and Clerk be appointed as the incorporators and that they be given direction to sign the Articles.

Business Operating Name

In establishing the MSC as separate and distinct from the Township of Mapleton's general operations, the staff team have identified a potential name for the new business unit. In developing the name staff looked for something that signifies the area of operations and the nature of the business. The proposed name and logo will be shared at the Council meeting for consideration and approval.

In determining a name for the MSC, staff consulted with the legal team at SV Law, who undertook a Nuans search of potential names. Nuans is the Government of Canada's business name and trademark search tool. This tool uses a powerful search algorithm to list all Canadian corporate names and trademarks similar or identical to the searched name.

SV Law representatives noted that the proposed operating business name would be acceptable for registration, based upon the testing completed.

Board Representation

As directed under Report FIN 2025-13, the Board of Directors for the MSC will include, in addition to staff representation, two (2) members of Council and two (2) members of the general public. Council was requested to identify the two (2) Council representatives at the meeting on April 22nd, while staff were directed to undertake a public recruitment for interested members to serve on the board.

A public posting of the Board Opportunities was posted onto the Township's website and social media accounts as attached to this report. The public recruitment was set to close on April 18th at 12pm. As such, at the time of drafting this report, the public recruitment had not closed.

Subject to the receipt of applications, Township staff will evaluate the candidates based upon a set of pre-established criteria as noted below.

Criteria	Weighting
Engineering Experience	30%
Financial Acumen	12%
Governance Experience	12%
Corporate Social Responsibility	4%
Risk / Legal Experience	12%
Board Experience	30%

*In order to be eligible for membership on the board, the candidate must be a property owner within Mapleton Township, and preferably an existing user of water and wastewater services.

Staff will present the results of the recruitment for Council's consideration and will look to have Council approval of the two (2) board appointments take place in open Council.

CONSULTATION:

Public consultation regarding the establishment of a Municipal Service Corporation (MSC) was completed in accordance with O. Reg. 599/06.

The posting of the MSC Board Recruitment Opportunity was placed on the public facing website and social media. Given the short turnaround time, this was not placed in the local newspaper.

SUMMARY:

Legal fees associated with the establishment of the MSC will be funded through the water and wastewater operating budget. This process will have zero impact on the general tax levy.

STRATEGIC PLAN PILLARS:

Vigilant Asset Management: n/a

Prosperous & Diversified Economy: n/a

Our Wellbeing: n/a

Diligent Fiscal Management: Investigate innovative financial solutions for major infrastructure investment including water / wastewater capital financing.

Operational Excellence: n/a