

## Staff Report

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**Report To:** City Council  
**Report From:** Mason Bellamy, Manager of Public Works and Engineering  
**Meeting Date:** April 13, 2026  
**Report Code:** OP-26-017  
**Subject:** Delegation Authority for Servicing Agreements

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### Recommendations:

THAT in consideration of Staff Report OP-26-017 respecting Delegation of Authority for Servicing Agreements, City Council directs staff to bring forward a by-law to amend the Delegation of Powers and Duties By-law, section 26 of Schedule A, to delegate signing authority for Servicing Agreements to the Director of Public Works and Engineering and the Manager of Public Works and Engineering, acting jointly, where:

1. A Servicing Agreement is required to support a Planning Act application or building permit application; and
2. The City has no financial contribution pursuant to the Servicing Agreement.

### Highlights:

- Servicing Agreements are required to support development applications [i.e. Site Plan Approvals (SPA)] where off-site infrastructure improvements, such as servicing, access and roadway improvements, are required to support various Planning Applications.
- 'Special Services Applications' (SSAs) have been used to permit minor off-site improvements; to streamline and clarify operations, the SSA system is under review to limit SSAs to the equivalent of individual residential private services (Project No. OPR-26-056).
- For off-site work exceeding the scope of the SSA process, City staff propose using a simplified Servicing Agreement.

- A housekeeping amendment to the Delegation of Powers and Duties By-law is proposed to remove reference to Council notification requirements for Servicing Agreements without a financial impact for the City, as Planning Application Approval has been delegated to staff since 2022.
- Seeking Council approval for each agreement has become resource-intensive and time-consuming; delegating authority to staff to execute Servicing Agreements without a financial contribution from the City would streamline the process and enhance efficiency.
- Agreements requiring any City financial contribution would continue to need Council approval.

### **Vision 2050 - Strategic Plan Alignment:**

The recommendation contributes to core service delivery or a corporate initiative that enables service delivery for one or more strategic priorities.

### **Previous Report/Authority:**

Previous Servicing Agreements and reports have been linked below for reference – it is noted that any future agreements with cost recovery will continue to be brought to Council for approval.

- [CS-22-084](#) – Staff Delegation for Site Plan Control
- [OP-22-009](#) – Servicing Agreement for off-site works associated with 530 28<sup>th</sup> Street West SPA
- [OP-22-043](#) – Servicing Agreement for off-site works associated with 1960 16<sup>th</sup> Street East
- [OP-24-003](#) – Master Servicing Agreement for off-site works associated with 3195 East Bayshore Road SPA
- [OP-24-045](#) – Master Servicing Agreement for off-site works associated with 1555 18<sup>th</sup> Avenue East SPA

### [Delegation of Authority By-law](#)

### **Background:**

A Servicing Agreement is a legally binding contract between a municipality and an owner/developer that establishes the terms and conditions under which municipal infrastructure and services are to be designed, constructed, financed (including securities), and ultimately transferred to support a development. Servicing Agreements are typically required as part

of development applications (i.e. Site Plan Approval) and a necessary process to facilitate off-site improvements completed by an owner/developer.

In recent years, for uncomplicated off-site improvements, the City has used 'Special Services Applications' to permit minor infrastructure works in the road allowance. '**Off-site works**' is defined as the necessary municipal infrastructure improvements required in the City's road allowance, required to support a development (i.e. service connections, entrances, roadway improvements).

Recently, it has become evident that there is a need to define the intended scope of the SSA process, as well as identify the positions/groups responsible and involved with the process. Staff endeavour to right-size the City's service delivery to the need in the community, and to ensure full cost recovery of those services as much as possible. Operational Review project 'OPR-26-056', involves limiting the size of services installed under the SSA process to the equivalent of individual residential services, i.e. 150mm diameter for sewer lines and 50mm for water lines. This will eliminate the use of SSAs for small development projects; the thought being that these projects are already supported by consulting engineers and contractors, and therefore there is no need for City staff to install the services for them.

With the increased emphasis on infill and small multi-unit sites, there has been increasing demand for individual residential and small-to-medium development servicing; historically these have been undertaken by Public Works staff, but with the small multi-unit developments in particular, there will often be associated minor roadworks or storm sewer extensions required as well. Undertaking this work with the City's own forces is becoming unsustainable. For context, the City's Public Works and Engineering Department issued five (5) SSAs in 2023, eight (8) in 2024, and 13 in 2025.

For development-related off-site improvements beyond the scope of an SSA, Servicing Agreements provide the framework of terms and conditions between the developer/owner and the City. Currently, each Servicing Agreement is prepared and brought forward individually for Council consideration and approval, resulting in a resource-intensive and time-consuming process for staff.

Prior to 2022, planning applications were subject to Council Approval. As a part of Bill 109, "Municipal Councils are no longer empowered to approve site plan applications for any class of development requiring site plan approval".

Correspondingly, report [CS-22-084](#) was brought forward to recommend select planning applications to be staff delegated.

## **Analysis and Options:**

The City has experienced an increase in development applications in recent years; a trend that is anticipated to continue. Currently, Council approval is required to execute each Servicing Agreement. This approach, while appropriate for complex or high-impact projects with associated costs, has created inefficiencies when applied to less complex developments, such as small sites requiring fewer off-site works and no cost contribution by the City.

There are approximately eight pending Servicing Agreement-eligible developments slated for the near future. At present, staff have two options for approving off-site works involving construction of infrastructure: SSAs and Servicing Agreements. The Special Services Application process does not provide the same level of protection or consistency as a formal Servicing Agreement, but a comprehensive Servicing Agreement is much too laborious to develop for simple projects. The divide between the two needs will be ever wider by streamlining the SSA scope to small services only.

As a result, there is a need to find a “happy medium” vetting and approval process for smaller multi-family and non-residential developments to balance workload and effort expended with ensuring the City’s interests being adequately protected. Staff propose these developments be subject to a simplified Servicing Agreement process. The simplified Servicing Agreement would still identify the works, expectations, timelines, applicable standards, and financial securities to cover the faithful execution of works intended to be conveyed to the City, including authority to draw on securities if there are issues with the works constructed; however, the authority to execute these simplified agreements would be delegated to the Director of Public Works and Engineering and the Manager of Public Works and Engineering, acting jointly, on behalf of the City, via the Delegation of Powers and Duties By-law (Delegation By-law). **This delegation would apply only to agreements without any financial contribution from the City.** Servicing Agreements with financial implications would continue to require Council approval through a formal report.

In addition to simply streamlining the approval process, the housekeeping update to the Delegation By-law would remove the need to seek Council

approval to execute the agreement, to be consistent with the previously adopted delegation of select planning applications (i.e. Site Plan Approval) to the Director of Community Services or designate. Typically, Servicing Agreements are a creature of the planning application approval process, so unless there is a financial impact that Council should be aware of, these Servicing Agreements are essentially authorizations of work and security contracts. Should there be a cost component on the City, Council will have been made aware of the project through the planning approval process, Capital Budget approval, and by a separate report requesting authorization to execute the agreement.

This approach is intended to improve administrative efficiency, reduce processing timelines, and maintain appropriate oversight for agreements with financial or higher-risk considerations.

The broader use of Servicing Agreements of varying degrees of complexity should better protect City interests (clear objectives and requirements) and streamline the process with owners/developers to permit off-site improvements required to support development applications.

## **Resource Alignment:**

### **Financial Resources**

There are no financial resources required as a direct result of this report. The City is updating the Fees and Charges by-law to more closely reflect the cost of preparing Servicing Agreements; any legal fees are borne by the developer. Any future developments requiring a cost contribution from the City will be subject to multiple layers of Council approval.

### **Human Resources**

The delegation of authority will reduce staff time spent writing and presenting reports and will save Council time, improving overall efficiency and capacity to process development applications involving off-site works.

### **Time and Scheduling**

To be enacted at the time of by-law approval.

### **Technology and Infrastructure**

N/A.

## **Climate and Environmental Impacts:**

There are no anticipated climate or environmental impacts.

## **Communication and Engagement:**

This report has been posted to the City's website with the agenda in advance of the meeting.

The Delegation of Powers and Duties By-law is posted on the City's website.

## **Report Developed in Consultation With:**

The Director of Public Works and Engineering, the Engineering Technologists, and the Manager of Legislative Services were consulted.

## **Attachments:**

None.

## **Reviewed by:**

Lara Widdifield, Director of Public Works and Engineering

## **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Mason Bellamy, Manager of Public Works and Engineering at [mbellamy@owensound.ca](mailto:mbellamy@owensound.ca) or 519-376-4440 ext. 3300.