


Office of the Regional Chair | Alan Caslin

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March 22, 2018

John Peters
 Vice President, Commercial Underwriting
 Infrastructure Ontario
 One Dundas Street West, Suite 2000
 Toronto ON M5G 2L5

Dear Mr. Peters,

The purpose of this letter is to clarify the Region of Niagara's position related to the Town of Pelham's new community centre project.

On June 30, 2016 Regional Council passed By-Law 37-2016 enabling me to sign the "Finance Agreement" dated September 7, 2016 between the Region of Niagara, the Town of Pelham, and Ontario Infrastructure and Lands Corporation (OILC).

Thereafter, on November 16, 2017 information was brought to the attention of the Regional Council which prompted the corresponding motion, and included:

That the Niagara Region DEFER consideration of any future bylaws pertaining to additional Town of Pelham debt until such time that the summer 2017 KPMG audit and other relevant material is shared and reviewed with Regional audit staff.

Yesterday, regional staff participated in a teleconference with staff from the Town of Pelham and KPMG. The Town advised, corroborated by KPMG, that there was no "summer 2017 KPMG audit". It was disclosed that the Town had retained legal counsel to conduct an "HR investigation", who in turn, retained KPMG to participate in this HR investigation. Thereafter, updated financial findings and conclusions from the HR investigation were included in KPMG's Forensic Review (dated December 18, 2017).

Given that there was no "summer 2017 KPMG audit", the above noted portion of the regional motion of November 16, 2017 is not applicable.

Furthermore, given that Regional Council passed By-Law 37-2016 on June 30, 2016, and the Niagara Region has entered into a Finance Agreement with the Town and OILC, the Niagara Region is bound by all parameters agreed upon within the Finance Agreement. Thus, the Niagara Region will be in compliance with the Finance Agreement, subject to the terms and conditions as identified in the Agreement.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alan".

Alan Caslin
 Niagara Regional Chair