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STAFF REPORT: Finance and IT Services



REPORT TO: Council
MEETING DATE: September 16, 2013
REPORT NO.: FIT.13.34
SUBJECT: Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services
PREPARED BY: Ruth Prince, Manager of Revenue
 John Caswell, Manager of Water and Wastewater Services

A. Recommendations

THAT Council receive Staff Report FIT.13.34 “Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services” for information purposes; and

THAT Council approve the Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services Policy and Communication Plan as attached.

B. Background

On December 11, 2012 Staff Report FIT.12.74 was presented to the Finance and Administration Committee and the following recommendation subsequently approved at Council:

THAT Council receive Staff Report FIT.12.74 “Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services;”

AND THAT Council direct Staff to include an Infrastructure Renewal Fee for Unconnected Vacant Lots fronting municipal water and wastewater services as part of the 2013 Water and Wastewater budgets;

AND FURTHER THAT a policy and communication strategy be developed to levy an Infrastructure Renewal Fee for unconnected vacant lots fronting municipal water and wastewater services, **unanimously Carried.**

Staff has developed a Policy (Attachment 1) and a Communication Plan (Attachment 2) to levy an Infrastructure Renewal Fee for unconnected vacant lots fronting municipal water and wastewater services for Council’s consideration. It is proposed that the identified property owners will be mailed the attached letter (Attachment 3) that identifies why we are levying the fee, the amount of the proposed fee, and the dates of two Public Information Centres and a Public Meeting to discuss the proposed fee. Information will also be available on the Town’s web page and included in the local newspapers.

Currently we have identified 692 properties that meet the criteria identified in the Policy. There are 148 properties that front water only and 544 properties that front both water and wastewater. Staff will review the properties one more time, before notice to the residents is mailed.

In developing the policy, staff reviewed and considered the following:

- **Ability to Receive Building Permit** – The Infrastructure Renewal Fee would be charged on those vacant lots fronting municipal water and wastewater services and have the ability to get a building permit.
- **Development Land** – If a building permit is available, one Infrastructure Renewal Fee would be charged per lot.
- **Registered Plan of Condominiums** – The Infrastructure Renewal Fee will be charged on each allocated unit.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability.

D. Financial Impact

The 2013 budget included four months of Infrastructure Renewal Fee revenue of \$49,260 (Water) and \$34,97 (Wastewater) from unconnected vacant lots fronting municipal water and wastewater services.

The Infrastructure Renewal Fee collected from the unconnected vacant lots will be held in the Water and Wastewater Asset Replacement Reserve Fund to be used for the purpose of long-term repair and replacement of the water/wastewater infrastructure.

E. In Consultation With

Senior Management Team

F Attached

1. Draft Policy for Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services
2. Communication Plan
3. Letter to Property Owners

Respectfully submitted,

Ruth Prince, Manager of Revenue

John Caswell, Manager of Water and Wastewater Services

Robert Cummings, CMA
Director of Finance & IT Services

For more information, please contact:

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TOWN OF THE BLUE MOUNTAINS

POLICY & PROCEDURES

Subject Title: Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services

Corporate Policy (Approved by Council)

Policy Ref. No.: POL.COR**. **

Administrative Policy (Approved by CAO)

By-law No.:

Department Policy: (Approved by Mgr.)

Name of Dept.:

Date Approved:

Staff Report:

Policy Statement

The Corporation of the Town of The Blue Mountains (herein referred to as “the Town”) is committed to ensuring long term financial sustainability for the water and wastewater systems.

Purpose

The purpose of this policy is to ensure that all properties benefitting from water and wastewater infrastructure are contributing to the maintenance and ultimate replacement of the water and wastewater infrastructure. Water and wastewater systems are designed to service all lands. Although not utilizing the system directly, adjacent unconnected lots fronting municipal services benefit from having the availability of the service. A portion of the cost of maintaining the systems is attributable to ensuring the availability of capacity throughout the systems for unconnected lots.

Application

This policy applies to unconnected vacant lots fronting municipal water and wastewater services, where the Town has assumed the underground works.

Definitions

“**Act**” means the *Municipal Act, 2001*, S.O. 2001, c25 as amended.

“**Owner**” or “**property owner**” means the person who is the registered owner of an estate in fee simple of a property.

“Treasurer” means the Director of Finance and IT Services (Treasurer) for the Town of The Blue Mountains or designate.

“Property” means a separately assessed parcel of land connected to or fronting on the water or sewage system or both.

“Vacant Lot” means any property with no dwelling that is not connected to a municipal water or wastewater system to which water or wastewater service is available.

Procedures

Vacant lots fronting on a water and wastewater system have the benefit in that, the moment that a decision is made to improve the property, the main service is available to be connected to. There is a cost to the municipality in maintaining and replacing the system.

The Infrastructure Renewal Fee (less the 5m³ minimum usage) will be charged based on the following criteria:

- 1) The vacant land fronts municipal water and/or wastewater services, and;
- 2) The vacant land has the ability to receive a building permit

Registered Plan of Condominiums will be charged the Infrastructure Renewal on each un-built unit.

Development Land will be charged one Infrastructure Renewal Fee.

The Infrastructure Renewal Fee (less the 5m³ minimum usage) will be billed on a semi-annual basis using the criteria set out in this policy.

When the vacant lot connects to municipal services the property will move to the regular bi-monthly billing cycle of a fixed charge and a tiered consumption rate.

Exclusions

The Infrastructure Renewal Fee will not be charged on vacant land that fronts municipal wastewater services only. Currently the Town would not allow connections to wastewater services without being connected to water for billing purposes.

References and Related Policies

None.

Consequences of Non-Compliance

- 1) The charges imposed constitute a debt of the owner to the Town, may be added by the Treasurer to the tax roll for the owner’s property and collected

in the same manner as municipal taxes in accordance with subsection 398(2) of the Act. The charges added to the tax rolls under subsection 398(2) of the Act have priority lien status as described in Section 1 of the Act.

- 2) The Treasurer is hereby authorized to add the charges which are in default to the tax rolls.
- 3) On all charges which are in default and added to the tax roll by the Treasurer in accordance with Section 8, a penalty of 1.25 per cent per month will be added on the first day of each and every month the default continues until December 31 in the current year. On all charges in default on January 1 of the following year, interest will be added at the rate of 1.25 per cent per month for each month or fraction thereof of default.

Review Cycle

This policy will be reviewed bi-annually by the Senior Management Team.

(Signature)



Fee for Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services Communication Plan

1.0 Introduction

This document is a communication plan for the proposed fee for unconnected vacant lots fronting municipal water and wastewater services.

It is intended that this communication plan will also be used through public process of communicating the proposed fee for unconnected vacant lots fronting municipal water and wastewater services.

The following work groups will administer the plan:

- Engineering and Public Works
- Finance and IT Services
- Senior Management Team

2.0 Objectives

The objectives of the plan are:

- to disseminate information regarding the proposed fee to the community;
- to provide an opportunity for community feedback; and
- to document, record and report on feedback.

3.0 Target Audience

It is understood that key stakeholder groups may have distinctive issues and concerns regarding the proposed fee.

The initial target audiences include:

- Property owners who will have a direct impact on the proposed fee; and
- Residents.

4.0 Modes of Communication

The following list outlines the proposed modes of communication to be used throughout the project design and implementation phases:

- Information pamphlet mailed directly to the affected property owners mailing address based on the current tax roll;
- Public Information Centre
Date: Saturday, October 19th 2013
Time: 10:00 A.M. – 12:00 P.M.
Location: Town Hall, Council Chambers
32 Mill Street, Thornbury, ON;
- Public Information Centre and Public Meeting
Date: Monday, October 28th 2013
Time: 5:00 P.M. – 6:30 P.M. Public Information Centre
7:00 P.M. Public Meeting during Council Meeting
Location: Town Hall, Council Chambers
32 Mill Street, Thornbury, ON;
- Local Newspaper advertisement; and
- Town website.

5.0 Summary of Communication Activity

The following is a set of communication activities, action steps, target audience information, proposed initiation and completion dates:

Mode of Communication	Major Action Steps	Target Audience	Proposed Initiation Date	Proposed Completion Date
Information Flyer mailed directly to affected property owners of the proposed fee.	Provide Information on the Proposed Fee for Unconnected Vacant Lots Fronting Municipal Water and Wastewater Services.	Property Owners identified as directly affected	Sept 17, 2013	Sept 20, 2013
Public Information Centre	Develop content for Public Information Centre, Invite affected property owners, Invite appropriate Staff and Council, Advertise on web page and in local newspaper.	All	Sept 16, 2013	Oct 28, 2013
Public Meetings	Develop content for Public Meeting, Invite affected property owners, Invite appropriate Staff and Council, Advertise on web page and in local newspaper.	All	Sept 16, 2013	Oct 28, 2013
Town Website	Provide information pamphlet, policy and staff report.	All	Sept 17, 2013	Ongoing
Local Newspaper Advertisement	Advertise the Public Information Centre and Public Meeting.	All	Sept 17, 2013	Oct 28, 2013



IMPORTANT INFORMATION FOR VACANT LOT PROPERTY OWNERS FRONTING MUNICIPAL WATER AND WASTEWATER SERVICES

The Town is proposing a charge to unconnected vacant lot properties fronting municipal water and wastewater services for the associated cost to operate and maintain the system in anticipation of a connection.

What is a vacant lot?

Any property (without a dwelling) not connected to a municipal water or wastewater system to which water or wastewater service is available.

Why is the Town proposing a charge to unconnected vacant lots fronting municipal water and wastewater services?

The Town realizes that while the system is not directly being utilized by the vacant lot, there are expenses for servicing these lots, including but not limited to;

- replacing the service to the lot and the water and wastewater mains in the ground fronting the lot as they age;
- maintaining water quality, particularly through areas of sparse house construction. Water must be flushed on a regular basis. The costs in doing so include additional electricity charges and staff time; and
- maintaining the treatment plant equipment.

Enacting service fees on vacant properties is part of a larger strategy to stabilize water and wastewater rates and better fund life cycle costs of municipal systems. This will also affect any registered development and condominium properties that front municipally owned water and wastewater infrastructure.

Specifically, this program will;

- allow for better decision-making by Council regarding allocation of the budget;
- ensure equitable cost sharing for infrastructure costs;
- provide sustainable infrastructure for use by our community; and
- assist the Town to develop long-term plans for the budget.

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The Town is committed to complying with provincial regulations and providing the public with safe drinking water and wastewater treatment. Part of our responsibility involves appropriately funding our infrastructure (water mains, sewer trunks, pumps, chambers and treatment plants) to ensure long-term, sustainable water and wastewater systems for our Town residents. With the expectation that **all** developable lots fronting the services have or will be connected to the Town's water and wastewater systems at some point, the Town's inground and built infrastructure is waiting to provide the services. The systems also require maintenance and, in the meantime, are degrading.

What will the fees look like for 2013 and beyond?

In 2013, the proposed Infrastructure Renewal Fee for vacant properties fronting water and wastewater services will be \$15.00 per month for water and \$13.25 per month for wastewater. The 2013 Approved Budget included four months revenue from the proposed Infrastructure Renewal Fee for unconnected vacant lots fronting municipal water and wastewater services. It is proposed that this fee will be billed to affected property owners semi-annually.

In future years, the cost of servicing of vacant lots will be considered during the budget process. All fees collected will be held in the water and wastewater infrastructure reserve funds for the purpose of long-term repair and replacement of the water and wastewater infrastructure.

Notice of Meetings

The Town, in accordance with the Ontario Municipal Act, will be holding Public Information Centres so residents can learn more about this and a Statutory Public Meeting where residents can formally submit comments to Council. Meetings will be as follows:

Public Information Centre

Date: Saturday, October 19th 2013
Time: 10:00 A.M. – 12:00 P.M.
Location: Town Hall, Council Chambers
32 Mill Street, Thornbury, ON

Public Information Centre and Public Meeting

Date: Monday, October 28th 2013
Time: 5:00 P.M. – 6:30 P.M. Public Information Centre
7:00 P.M. Public Meeting during Council Meeting
Location: Town Hall, Council Chambers
32 Mill Street, Thornbury, ON

If residents are unable to attend the Statutory Public Meeting, they may also send written comments to the Town Clerk at cgiles@thebluemountains.ca no later than 12:00 p.m. (noon) on Wednesday, October 23rd 2013. Written comments received and submissions made at the Public Information Session and Public Meeting will be considered by Council prior to the enactment of the Infrastructure Renewal Fee for vacant lots fronting municipal water and wastewater services.

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