

STAFF REPORT: Financial and Information Services

REPORT TO: Council
MEETING DATE: April 27th, 2009
REPORT NO.: FIS.09.21
SUBJECT: Capital Sewer Charge – Grey County Road 19 and Craigleith Road Sanitary Sewer Works
PREPARED BY: Elizabeth Thompson, Deputy Treasurer and Debbie Brown, Financial Analyst

A. Recommendations

THAT Council receive Staff Report FIS.09.21, "Capital Sewer Charge - Grey County Road 19 and Craigleith Road Sanitary Sewer Works", for information purposes;

AND THAT Council authorize staff to present the proposed by-law at the May 25th, 2009 regular meeting of Council for adoption, to impose the Capital Sewer Charge on the benefiting property owners fronting Grey County Road 19 and Craigleith Road Sewer Works;

AND WHEREAS a public meeting is required to impose the Capital Sewer Charge, staff has circulated the proposed by-law and provided notice by regular mail of the meeting to be held on May 11th, 2009.

AND FURTHER THAT the proposed by-law imposing the Capital Sewer Charge allows for two payment options for benefiting property owners as follows:

- a) Payment in full of \$ 10,798.64 due by June 30th, 2009,
- b) A payment of \$ 1,435.32 annually for 10 years at 6% interest per annum. The balance owing on the loan may be repaid at any time, including interest to date with no penalty applied. If a benefiting property is sold or transferred, the balance of the loan becomes due and payable.

B. Background**Initiation of Project**

The Orchards at Craigleith development required the extension of the municipal sanitary sewer main along Grey Road 19 in order to service their lands, to be developed in two phases.

Description of Project

A sanitary sewer main has been constructed on Grey Road 19 from Lakeshore Road South to 300 metres south of Craigleith Road and on Craigleith Road between Craigleith Walk and Grey Road 19.

Funding and Financing

Report T-2006-16, recommended that 100% of sanitary sewer project costs be funded (recovered) from benefiting property owners. Costs related to the roads upgrades to an urban standard, storm sewers and walking paths will be funded from development charges.

In July, 2005 the Town entered into a Financing and Cost Sharing Agreement with 2011972 Ontario Ltd. and MacPherson Builders (Collingwood) Ltd. (the "Owner") for the purpose of extending the sanitary sewer main along Grey Road 19 to service the Orchards at Craigleith development. The Owner agreed to finance the cost of sanitary sewer main extension and related works to service the Owner's land and future benefiting lands along County Rd 19 (Phase 1) and along Craigleith Road (Phase 2). The Town agreed to finance similar costs to service the existing benefiting lands and use reasonable efforts to impose a charge on future benefiting owners to recover the owners proportional cost of the works, and shall immediately upon receiving payment reimburse to the Owner.

C. The Blue Mountains' Strategic Plan

Providing a strong, well managed municipal government, and addressing the Town's municipal infrastructure needs.

D. Environmental Impacts

Elimination of septic systems will improve the ecosystem and groundwater quality.

E. Budget Impact

The proposed By-Law will impose each benefiting property owner with a capital sewer charge on a per unit basis, with the total project costing \$ 1,541,151.39.

Capital Costs per Unit	
New Sewage Works	\$ 3,780.64
Sewage Lateral	\$ 2,200.00
Equivalent Capital Charge for existing Works - Craigleith Wastewater Treatment Plant	<u>\$ 4,818.00</u>
Total Capital Sewer Charge	\$ 10,798.64

Each Benefiting Property Owner will have the option of paying the capital sewer charge in full or electing to finance the capital sewer charge over 10 years. An election form will be forwarded to each of the benefiting property owners after the adoption of the By-law, to be returned to the Town Treasurer with their choice prior to June 30, 2009. If the election form is not returned by June 30, 2009 the full capital sewer charge will become due and payable by June 30, 2009.

Residents that elect to finance their capital sewer charge with the Town will be billed in four quarterly instalments each year for 10 years. The annual payment amount is \$1,435.32 and will be due with the municipal tax instalments.

Maximum financing cash required by the Town, if all property owners chose to repay the debt over time, is \$809,898. The addition of the resulting annual debt repayment will not cause the Town to exceed the annual repayment limit as determined by Ontario Regulation 403/02.

The funding of this project will have no impact on the property tax rate.

F. Attached

1. Proposed Capital Sewer Charges By-Law (Draft)
2. Notice of Public Information Session and Public Meeting to impose Capital Sewer Charge

Respectfully submitted,

Signature

For more information, please contact:

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Signature

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DRAFT – PROPOSED FOR CIRCULATION

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-Law No. 2009-

**BEING A BY-LAW TO IMPOSE CAPITAL SEWER CHARGES FOR
THE USE OF THE TOWN'S SEWAGE SYSTEM
(County Road 19 and Craigleith Road sewer extension)**

WHEREAS sections 9, 11 and Part XII of the *Municipal Act, 2001*, as amended, (the *Act*) and the *Regulations* thereto enables a municipality to impose by by-law, fees or charges for the use of a sewage system;

AND WHEREAS *Ontario Regulation 581/06* provides that fees or charges imposed for the use of a sewage system under the *Act* and added to the tax roll under subsection 398(2) of the *Act* have priority lien status as described in section 1 of the *Act*;

AND WHEREAS the Council of The Corporation of the Town of The Blue Mountains has authorized the construction of the new sewage works which works are now completed and are connected to and form part of the sewage system;

AND WHEREAS the sewage system which consists of the new sewage works and the existing sewage works will provide a benefit to the benefitting owners;

AND WHEREAS the Council deems it necessary to impose upon the benefitting owners, capital sewer charges for the use of the sewage system to pay a portion of the capital cost of the new sewage works and to pay a portion of the capital cost of the existing sewage works;

AND WHEREAS the Town has held a public meeting before passing this by-law and has provided notice of the public meeting and its intention to pass this by-law and has made available to members of the public information with respect to the capital sewer charges.

NOW THEREFORE the Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

Definitions

1. In this by-law, including the recitals thereto:

“Act” means the *Municipal Act, 2001*, as amended;

“benefit” means a benefit accruing to the benefitting owners which is derived or derivable from the sewage system immediately upon completion of the new sewage works;

“benefitting property” means each separately assessed property connected to or fronting on the sewage system as set out in Schedule “A”;

“benefitting owner” means the registered owner of an estate in fee simple of a benefitting property and a future benefitting property as set out in Schedule “A”;

“capital cost” means the cost of constructing the new sewage works and the existing sewage works, inclusive of all items of cost usually and properly chargeable to capital account, and where applicable, the interest amounts payable on the debentures to be issued for these works and the imputed interest cost on the money supplied from the funds of the Town to finance the benefitting owners’ share of the cost of these works;

“capital sewer charge” means the capital sewer charge on a per unit basis in the amount set out in Schedule “D” imposed by this by-law on the benefitting owners receiving a benefit of

the sewage system;

“Council” means the Council of The Corporation of the Town of The Blue Mountains;

“existing sewage works” means the Craigleith Wastewater Treatment Plant and does not include the new sewage works;

“new sewage works” means the new sewage works described in Schedule “B” for the collection and transmission of sewage, or any part of such works;

“Town” means The Corporation of the Town of The Blue Mountains;

“Treasurer” means the person appointed by Council, as the Treasurer for the Town or his/her designate;

“sewage system” means the existing sewage works and the new sewage works, all of which are necessary for the collection, transmission, treatment or disposal of sewage and provide a benefit to the benefitting owners;

“unit” means a residential dwelling unit or equivalent residential unit;

Unless the context otherwise requires in this by-law, words importing the singular include the plural and vice versa.

Capital Costs

2. The capital cost of the new sewage works and the portion of the capital cost of the new sewage works to be paid by the benefitting owners under this by-law is as set out in Schedule “B”.

3. The portion of the capital sewer charge for the existing sewage works to be paid by the benefitting owners under this by-law is \$4,818.00 for each unit on a benefitting property as set out in Schedule “C”.

Charges Imposed

4. The name of each benefitting owner on which a capital sewer charge is imposed by this by-law, the roll number and description of the benefitting owner’s benefitting property and the number of units on the benefitting property is as set out in Schedule “A”. Any benefitting property shown as vacant land on the latest revised assessment roll shall be deemed to have one unit on it for the purposes of this by-law.

5. A capital sewer charge on a per unit basis for the sewage system in the amount set out in Schedule “D” is hereby imposed on each of the benefitting owners set out in Schedule “A” to pay for the capital cost of the new sewage works and to pay for a portion of the capital cost of the existing sewage works.

6. In accordance with section 90(3) of the Act, if new parcels of land are created from existing benefitting properties or new units are constructed on existing benefitting properties, the capital sewer charge as set out in section 5 is imposed on the benefitting owner of the new parcel of land or of the new unit in the manner set out in this by-law.

Notification

7. The Treasurer shall forthwith after the enactment of this by-law mail to the benefitting owners, by prepaid regular mail, a copy of this by-law together with an explanation of this by-law and an election form prescribed by the Treasurer for the purpose of the benefitting owners making the election referred to in section 11.

Charges Due and Payable

8. The capital sewer charges imposed by this by-law constitute a debt of the benefitting owners to the Town and subject to section 9, are hereby due and payable on June 30th, 2009.

9. In the event a benefitting owner makes the election provided for in section 11 by June 30th, 2009, the capital sewer charge imposed on that benefitting owner by this by-law shall become due in the amounts, at the times and payable in accordance with section 11.

10. In the event a benefitting owner fails to make an election provided for in section 11 by June 30th, 2009 the full amount of the capital sewer charge imposed on that benefitting owner by this by-law shall become due and payable on June 30th, 2009.

Payment Options

11. (1) A benefitting owner may elect, by notice of election delivered to the Treasurer no later than June 30th, 2009, in the form prescribed by the Treasurer in accordance with section 7, to pay the capital sewer charge of \$10,798.64 together with interest thereon at the rate of 6.0 percent per annum over a period of ten (10) years in four installments per year (which include a portion of the capital sewer charge and interest thereon). Installments will be due on the dates the municipal taxes are due in each and every year from and including the two final installment in 2009 to and including the interim tax installment of 2019, (such installments to be applied first in payment of the interest due from time to time, and the balance to be applied in reduction of the capital sewer charge owing) and the balance of the capital sewer charge with interest thereon as aforesaid shall be due and payable on the date of the municipal tax installment of 2019.
- (2) Subject to section 11(3), a benefitting owner may at any time or times pay the whole or any part of the unpaid balance of the capital sewer charge together with interest thereon to the date of payment.
- (3) And further provided that in the event of a benefitting owner selling, conveying or transferring title to the benefitting property to any person or corporation the unpaid balance of the capital sewer charge and interest thereon shall forthwith become due and payable.

Collection of the Capital Sewer Charges

12. The Treasurer is hereby authorized and directed to add the capital sewer charges to the tax rolls for the benefitting properties set out in Schedule “A” in accordance with subsection 398(2) of the Act and to collect the capital sewer charges in the same manner as municipal taxes.

13. The capital sewer 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, and the capital sewer charges, including interest:

- (1) may be collected in the same manner as taxes on the benefitting property;
- (2) may be recovered with costs as a debt due to the Town from the assessed owner of the benefitting property at the time the capital sewer charges are added to the tax roll and from any subsequent owner of the benefitting property or any part of it;
- (3) are a special lien on the property in the same manner as are taxes under subsection 349(3) of the Act; and
- (4) may be included in the cancellation price under Part XI of the Act in the same manner as are taxes on the benefitting property.

Non-payment of Charges

14. On all capital sewer charges which are in default on the day following each due date a penalty of 1.25% shall be added and thereafter a penalty 1.25 % 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 capital sewer charges in default on January 1 of the following year, interest will be added at the rate of 1.25% per month for each month or fraction thereof of default.

Application to the Ontario Municipal Board

15. No application shall be made to the Ontario Municipal Board under clause 71 of the *Ontario Municipal Board Act* on the grounds that the capital sewer charges imposed under this by-law are unfair or unjust.

Administration

16. This by-law shall be administered and enforced by the Town.

Schedules

17. Schedules “A”, “B”, “C” and “D” are hereby declared to form part of this by-law.

18. This by-law shall come into force and take effect upon the enactment thereof.

ENACTED AND PASSED this ____ day of _____, 2009.

The Corporation of the Town of The Blue Mountains

Ellen Anderson, Mayor

Stephen Keast, Clerk

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-Law No. 2009 -

Schedule “A”

Benefitting Owners and a Description of their Properties

Roll No.	Name	Property Description	No. of Units
424200000334400000	Brackett Daniel David Earl	Plan 529, Pt Lot 159	1
424200000334402000	Brackett Daniel David Earl	Plan 529, Pt Lot 159 RP 16R2647, Pt 1	1
424200000334405000	Holba Elizabeth A, Holba Stanley A	Plan 529, Pt Lot 160 RP16R1202, Pt 6	1
424200000334406000	Lash Pamela Jane	Plan 529, Pt Lot 160 RP16R1202, Pt 4	1
424200000334500000	Amoranto Ana Maria Machado S, Phillips Sara Deidre	Plan 529, Pt Lot 160 RP16R1202, Pt 2	1
424200000334501000	Nordholm Edwin	Plan 529, Pt Lot 161	1
424200000334800000	Eichenberg Paul	Plan 521, Lot 1	1
424200000334810000	Odomatic Inc	Plan 521, Lot 2	1
424200000334900000	Carroll Jacqueline Ann	Plan 521, Lot 3	1
424200000335000000	Hoadly Bren	Plan 521, Lot 4	1
424200000335100000	Young Anna M	Plan 521, Lot 5	1
424200000335200000	Jira Antonin Pribyslav, Jira Jana Marie	Plan 521, Lot 6	1
424200000335300000	Alma Cameron, Crompton Heather	Plan 521, Lot 7	1
424200000335400000	Wallace Catherine Clare	Plan 521, Lot 8	1
424200000335500000	Wallace Catherine Clare	Plan 521, Lot 9	1
424200000335501000	Ross Judy Gail	Plan 529 Pt Lot 161 RP 16R7696, Pt 1&2	1
424200000335600000	Bunting Linda Jane	Plan 529, Lot 162	1
424200000335700000	Burack Susan	Plan 529, Pt Lot 166 RP 16T3198, Pt 2	1
424200000336000000	Bauer Ralph Gerhardt, Bauer Elizabeth June	Plan 529 Pt Lot 166 RP 16R3198 Pt 1, RP 16R2413 Pt 1 less RP 16R3465 Pt 2	1
424200000602700000	Cavanagh Helena S	Con 3 N Pt Lot 21	1
424200000602800000	Anvelt George Jr	Con 3 Pt Lot 21	1
424200000602900000	Jpe Ronald Leslie	Con 3 Pt Lot 21	1
424200000603000000	Reid Jonathan Bradley Leo, Fulton Pilar Tristana	Con 3 Pt Lot 21	1
424200000603100000	Forest Miro, Forest Thomas	Con 3 Pt Lot 21	1
424200000603110000	Kiss Leslie, Kiss Gizella	Con 3 Pt Lot 21 RP 16R3600 Pt 1	1
424200000603200000	Gallant Reid Joseph, Gallant Bernadine	Con 3 Pt Lot 21 RP 16R3600 Pt 2	1
424200000603201000	Hall Andrew Leonard	Con 3 Pt Lot 21 RP 16R3600 Pt 3	1
424200000615300000	Grant Judy	Plan 822 Lot 1	1
424200000615301000	Auty Pauline Eleanor	Plan 811 Lot 2	1
424200000615603000	Grant John Roderick, Grant Joan Elizabeth	Plan 822 Lot 9	1

DRAFT – Cty Rd 19 & Craigleith Rd – Sewer Extension

4242000006033900000	Addison Clarke, Addison Annette	Plan 634 Pt Blk A Pcl 2	1
4242000006034000000	Sifton Terra Lynn	Plan 634 Pt Blk A Pcl 1	1
4242000006034010000	Nelson Suzanne Louise	Plan 634 Pt Blk A Pcl 3	1
4242000006034020000	Mottershead Gary George, Mottershead Karen Margaret	Plan 634 Pt Blk A Pcl 4	1
4242000006035000000	Taylor Robert Edgar	Plan 634 Lot 1	1
4242000006036000000	Craigview Investments Inc.	Plan 634 Lot 2	1
4242000006037000000	Atkins Michael Ross	Plan 634 Lot 3	1
4242000006038000000	Sims Jacqueline V, Sims David J	Plan 634 Lot 4	1
4242000006039000000	Naylor Donald W	Plan 634 Lot 5	1
4242000006040000000	Vertical Investments Ltd.	Plan 634 Lot 6	1
4242000006041000000	Cronin Tom, Cronin Kathryn	Plan 634 Lot 7	1
4242000006042000000	Tulk Yvonne Marie, Tulk Shawn Harrison	Plan 634 Lot 8	1
4242000006042500000	Tulk Shawn Harrison	Plan 634 Lot 9	1
4242000006043000000	Trotter William Maurice, Trotter Jean Janet	Plan 634 Lot 10	1
4242000006043000000	Trotter William Maurice, Trotter Jean Janet	Plan 634 Lot 11	1
4242000006044000000	Wilson William F, Wilson Margaret E	Plan 634 Lot 12	1
4242000006045000000	Kirkpatrick Shirley, Kirkpatrick Edwin	Plan 634 Lot 13	1
4242000006046000000	Struthers Ian, Vilo-Struthers Elle	Plan 634 Lot 14	1
4242000006046010000	Blinkhorn Paula Michele	Plan 634 Lot 15	1
4242000006046020000	Ivardi Vello, Ivardi Lynda Constance May	Plan 634 Lot 16	1
4242000006046030000	Johnston Sharon Ann, Johnston John Alexander	Plan 634 Lot 17	1
4242000006046040000	Henderson Bradley James, Henderson Anne Lorraine	Plan 634 Lot 18	1
4242000006046050000	Colangelo Gennaro, Colangelo Assunta	Plan 634 Lot 19	1
4242000006047000000	Milnes Shelley Anne, Milnes Donald Hardy	Plan 634 Lot 20	1
4242000006048000000	Metzger Barbara, Metzger Werner	Plan 634 Lot 21	1
4242000006048010000	Beallor Florence	Plan 634 Lot 22	1
4242000006049000000	Sands Cynthia Daria	Plan 634 Lot 23	1
4242000006050000000	Miller Alexander Olmstead, Miller Marianne	Plan 634 Lot 24	1
4242000006051000000	Harrison, Erna	Plan 634 Lot 25	1
4242000006052000000	Galligan Shelagh Margaret	Plan 634 Lot 26	1
4242000006053000000	Allen Jean Marjory	Plan 634 Lot 27	1
4242000006054000000	Carson James Brendan, Carson Terri Ann	Plan 634 Lot 28	1
4242000006055000000	Bruce Robert Wallace	Plan 634 Lot 29	1
4242000006056000000	Waite Philip C, Waite Patricia J	Plan 634 Lot 30	1
4242000006057000000	Bigelow William Harold, Dexter Barbara	Plan 634 Lot 31	1
4242000006058000000	Podborski M S, Podborski J L	Plan 634 Lot 32	1
4242000006058010000	Sifton Derek Andrew, Sifton Sheila Mary	Plan 634 Lot 33	1
4242000006059000000	Cirella Family Trust	Plan 634 Lot 34	1
4242000006060000000	Dawson Jeffrey Steven	Plan 634 Lot 35	1
4242000006061000000	Smegal Brad, Corrigan Lynn Abby	Plan 634 Lot 36	1
4242000006062000000	Schipper Lionel H	Plan 634 Lot 37	1
4242000006063000000	Rosenfeld Adam	Plan 634 Lot 38	1
4242000006108000000	Lash Douglas Geoffrey	Plan 775 Pt Blk A Pcl 2	1
4242000006109000000	LaChance Geraldine Pearl, LaChance William Roy	Plan 775 Pt Blk A	1

4242000003343010000	Town of The Blue Mountains	Plan 529 Lot 160	1
TOTAL Benefiting Users			75

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-Law No. 2009 -

Schedule “B”

Description and Capital Cost of the New Sewage Works;

Being a project to construct a Sanitary Sewer on Grey Road 19 from Lakeshore Road south to 300 metres south of Craigleith Road and on Craigleith Road between Craigleith Walk and Grey Road 19.

Capital Costs of New Sewer Works

Benefiting Property Proportionate Share of Sanitary Sewer Works

Construction Costs	\$1,425,243.33
Engineering Costs	\$103,392.91
Legal Costs	\$1,586.47
Miscellaneous (Tender Advertising, Grant Application etc)	\$5,412.51
Financing Charges	\$5,516.17
SUB-TOTAL	\$1,541,151.39
Less Construction Costs of Laterals	(\$165,000.00)
SUB-TOTAL	\$1,376,151.39
Total Benefiting Equivalent Residential Units (ERU)	364
Capital Costs incurred per ERU	\$3,780.64

Benefiting Property Proportionate Share of Sanitary Sewer Works

Benefiting Property as per Schedule “A” hereto		
	75 ERU at \$3,780.64 per Unit	\$283,548.00

Proportionate Share Under Section 10 of the Agreement between 2011972 Ontario Ltd. and MacPherson Builders (Collingwood) Ltd. and The Corporation of the Town of The Blue Mountains, dated the 27th day of July, 2005.

Proportionate Share of 2011972 Ontario Limited Benefiting Properties	130 ERU at \$3,780.64 per Unit	\$491,483.20
Proportionate Share of 2011972 Ontario Limited Financing Obligations for Future Benefiting Properties	159 ERU at \$3,780.64 per Unit	\$601,121.76

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-Law No. 2009 -

Schedule “C”

Description and Capital Cost of the Existing Sewage Works

Based on the Master Servicing Plan and as identified in the Development Charges Background Study, each benefiting property owner has been imposed with Craigleith Wastewater Treatment Plant capital infrastructure cost equivalent as follows:

Craigleith Wastewater Treatment Plant (Detailed under by-law 2005-27 and further indexed each year)	Per Unit Cost	\$4,818.00
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THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-Law No. 2009 -

Schedule “D”

Capital Sewer Cost - New Sewage Works
(Per Unit)

New Sewage Works	\$ 3,780.64
Sewage Lateral	\$ 2,200.00

Capital Sewer Charge - Existing Sewage Works
(Per Unit)

\$ 4,818.00

Total Capital Sewer Charge Imposed
(Per Unit)

\$10,798.64

Dear Residents of Grey County Road 19 / Craigleith Road:

Re: Notice of a Public Information Session and Public Meeting to Impose Capital Sewer Charges for the use of the Town's Sewage System

TAKE NOTICE THAT the Council of The Corporation of the Town of The Blue Mountains will hold a Public Information Session, **10:00 am, Saturday, May 9, 2009 at the L. E. Shore Memorial Library, 183 Bruce Street, Thornbury** to review the proposed By-law that will impose capital sewer charges to benefiting property owners for the use of the Town's sewage system on Grey County Road 19 / Craigleith Road.

ALSO TAKE NOTICE THAT the Council of The Corporation of the Town of The Blue Mountains will hold a Public Meeting at the Regular Meeting of Council, **Monday May 11, 2009 at 7:05 pm at the L. E. Shore Memorial Library, 183 Bruce St. S., Thornbury** to consider the proposed By-Law to impose capital sewer charges for the use of the Town's sewage system (Grey County Road 19 / Craigleith Road Sewer Extension).

The proposed By-law will be presented to Council for adoption at the Regular Meeting on Monday, May 25, 2009 and will affect the property owners listed on Schedule "A" of the proposed by-law, a draft of which is enclosed with this Notice. Alternatively, copies will be made available by contacting the Town Office and/or at the meetings.

The Corporation of the Town of The Blue Mountains

Elizabeth Thompson, Deputy-Treasurer

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519-599-2474 fax

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