

April 23, 2018

Report To: Mayor and Council

From: Travis Rob, Manager of Operations and Facilities

RE: Request from EDAC - Sewer and Water Rates – Report 4

The following item has been defeated at the Council table 5 different times, the matter has, each time, been reviewed at the Operations and Facilities Executive Committee Level, returned to council to be defeated. Attached to this report you will find copies of all reports taken to OFEC as well as the original recommendation from the Economic Development Advisory Committee. At the April 18, 2018 meeting of the Operations and Facilities Executive Committee the matter was again discussed where Administration informed the committee that to review it again at the committee level would be a waste of time as the committee majority are in favour of remaining with the current model and that instead, the matter would return directly to the Committee of the Whole for consideration by all of Council.

Administration has been working with the request from Economic Development Advisory Committee since December of 2017. Administration has been looking for direction from both the whole of Council as well as the Operations and Facilities Executive Committee and has received very little. At the April 9, 2018 meeting the comment was made that the town charges too much for this work. The Town bills on a time and materials formula plus a 10% administration charge. At the end of the job the time taken to complete the work is reviewed as is the materials used. If time was taken to complete works not directly related to the installation or materials were used to complete repairs outside of the installation works, those costs are taken out of the bill to be sure that the cost borne by the property owner is as fair as possible. Attached you will find a full break down of an installation that was completed in 2017 where there was 18" of frost in the road way therefore the asphalt patch will be completed in 2018. In addition, you will find attached the actual billed amounts showing the difference absorbed by the Town, \$5438.12 before asphalt. Currently we are paying \$50.45 per m² for asphalt through our contract with Pioneer. The Town does not charge a mark-up on any of the materials, we bill out at true cost (materials plus shipping) nor do we charge overtime. Further the rates we charge are set out in the Town's user fee by-law which is reviewed annually. Typically, an installation takes between one to two days depending on depth, ground conditions, main location, etc. This comment therefore does not apply to the current costing model.

Another comment that has been made is that people choose to build homes outside of Town because the cost of servicing is too much. The price listed above of \$8,212.81 is far lower than any septic system could be installed to code by a licenced installer, and the life of a current service installation is well in excess of 80 years compared to 25 years for a maintained septic system. This comment also does not apply to the current costing mode.

What the Operations and Facilities Executive Committee has been saying through this entire process reviewing this matter, is that the person that is getting the installation should pay the true costs for that work and no one should be subsidising another, each person gets exactly what they pay for as this is the fairest method for this type of work. What other members of council are NOT saying but eluding to is that the Town should be subsidising these installations at some level up to no cost to the property owner. This would mean that all property owners would pay some set amount less than the actual costs

for the work and the Town would pay for the remaining costs from the Sewer and Water Rates or Reserves. In relation to this, the Town of Fort Frances Official Plan states that

“The Planning Act allows municipalities to identify Community Improvement Project Areas, prepare Community Improvement Plans, and provide incentive programs which stimulate redevelopment of lands as a means to maintain the vitality of the municipality.”

The Town of Fort Frances Community Improvement Plan states that

1.0 Plan Background

1.1 Foundation and Basis

The Town of Fort Frances has undertaken a number of studies in recent years that recognise the changing role of the Town towards economic development and the need to facilitate a broader and more diverse range of uses throughout the community.

Various and significant area of the community are available for development and although the permitted uses generally exemplify the current and anticipated uses, it is recognized that the opportunity exists to attract and broaden potential prospective developers to the Town of Fort Frances through innovative and unprecedented methods.

In June 2002 Council considered and approved in principle the establishment of various financial incentive programs as a means toward attracting development to the community.

This community improvement plan was adopted by council and represents a strong indication by Council to the community that the future health and vitality of the Town is important and that the Community Improvement Project Areas identified, and defined by by-law, are deserving of special attention.

The Planning and Development Division will administer this Community Improvement Plan with assistance provided by various other Departments and Divisions assigned the responsibility for specific implementation of projects.

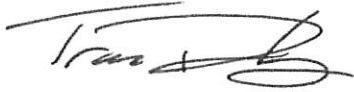
Currently the Town administers a grant program for residential property owners where they can get up to \$2500.00 to put toward a number of costs relating to works over \$25,000.00 that require a building permit through the current Community Improvement Plan which was adopted in 2002. To ensure that the Town incentivises development in a fair and equitable manner, in accordance with the regulations set out in the Municipal Act and Planning Act, any incentive put toward the installation of sewer and water services should be part of a Community Improvement Plan. Further the economic outlook of the Town has changed dramatically since 2002 and areas of the current Community Improvement Plan are no longer valid.

It is the recommendation of Administration that:

1. The Operations and Facilities Division continues to charge time and materials for the installation of sewer and water services as this is the most fair and equitable method to do so.

2. That the matter be referred to the Planning and Development Executive Committee for consideration of inclusion into the Community Improvement Plan.

Respectfully Submitted



Travis Rob, P.Eng
Manager of Operations and Facilities

Council approval of this report will ensure the following:

1. The Operations and Facilities Division continues to charge time and materials for the installation of sewer and water services as this is the most fair and equitable method to do so.
2. That the matter be referred to the Planning and Development Executive Committee for consideration of inclusion into the Community Improvement Plan.