



## STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG

### Public Works, Planning, and Development Standing Committee

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Report to: Mayor, Deputy Mayor, and Councillors

From: Laurie Wills, Director of Public Works

Standing Committee Date: June 5, 2024

Report Number: PW-2024-014

Council Meeting Date: June 26, 2024

Subject: **Stormwater Rate Structure Review**

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#### 1. Recommendation:

THAT Council receive the Stormwater Rate Structure Review as prepared by Watson & Associates for information purpose; and

FURTHER THAT Council acknowledge that the Stormwater Rate Structure Review will be presented to Council on June 26, 2024 by Watson & Associates; and

FURTHER THAT Council refer the item to the June 26, 2024 Regular meeting of Council.

#### 2. Executive Summary:

On June 27, 2022, Council adopted the Stormwater Management Asset Management Plan and Funding Assessment dated April 28, 2022 as prepared by Watson & Associates Ltd. By-law 048-2022 was adopted to implement the stormwater services charge.

Upon roll out of the new services charges in 2023, resident inquiries to Staff and Council were substantial and included several delegations at the January 10, 2024 Planning and Public Works Standing Committee as well as the January 31, 2024 Regular Council meeting. Council directed Staff to conduct a review of the stormwater rate structure and report back with considerations for improvement.

Staff engaged Watson & Associates to assist with the review which resulted in two additional rate options:

Option A: 10 acre cap on chargeable land area per property for vacant, medium and low density properties as well as a lesser rate for land area in excess of 1 acre

Option B: flat rate for all properties up to 1 acre with additional charges for land area in excess of 1 acre for Commercial, Industrial and institutional properties.

**PLEASE NOTE: Peter Simcisko of Watson & Associates will present the findings of the stormwater rate structure review at the June 26, 2024 Regular Council meeting.**

Direction from Council is required for the following:

1. which Option to implement,
2. how to reconcile the charges billed to date with the new rate structure,
3. if any exemptions/discounts are to apply to any property types, and
4. if interest rates are to be waived for current outstanding stormwater charges until the implementation of the revised rate structure.

### **3. Background**

On June 27, 2022, Council adopted the Stormwater Management Asset Management Plan and Funding Assessment dated April 28, 2022 as prepared by Watson & Associates Ltd. By-law 048-2022 was adopted to implement the stormwater services charge.

The stormwater charges commenced billing in October 2023.

On January 31, 2024, Council passed the following resolution:

WHEREAS at the Public Works, Planning, and Development Standing Committee meeting on January 10, 2024, the Committee considered a delegation from Colline Bell and the Woodward Family regarding Stormwater Charges and to present recommendations and Community Petition.

NOW THEREFORE BE IT RESOLVED THAT Council receive the petition from Colline Bell and Woodward family regarding Stormwater Charges for information purposes; and

FURTHER THAT Council direct Staff to review the suggested \$200.00 residential cap and report back on impacts to stormwater revenue; and

FURTHER THAT Council direct Staff to engage the authoring consultant to review the stormwater rate study and report back to Council with alternative approaches; and

FURTHER THAT Council recognize and acknowledge the following members of the public that submitted correspondence and/or spoke at the Regular Council Meeting, to be considered by Staff and the Consultant in their review:

1. Colline Bell
2. Steven Woodward
3. Andrew Fergusson
4. Peter Delanty
5. Allan Carruthers / Paul Burnham on behalf of Northumberland Federation of Agriculture
6. Jason Ducharme
7. Resident of 1032 Elgin Street
8. Tony Ferren

#### **4. Discussion:**

Staff engaged Watson & Associates to assist with the review which began with identifying noticeable thresholds and trends at the high and low end of the annual rates. It was noted that the vast majority of vacant and residential lands paid less than \$200 and it was also noticeable that a few properties paid over \$2,000. Table 2-3 of the Watson report summarizes the number of properties that fall either below or above the noted thresholds.

Table 2-3: Summary Statistics – Current Rate Structure

Property Type	Total Number of Properties	Current Rate Structure						
		Properties with Annual Bill < \$200			Properties with Annual Bill > \$2,000			Highest Bill
		#	% of Total	Average Bill	#	% of Total	Average Bill	
Commercial	345	181	52%	\$93	29	8%	\$5,356	\$18,612
Institutional	26	2	8%	\$120	8	31%	\$5,964	\$12,896
Industrial	74	8	11%	\$59	36	49%	\$8,012	\$41,664
Agricultural/Vacant	420	327	78%	\$45	27	6%	\$8,952	\$29,412
Residential (low density)	5,735	5,523	96%	\$64	6	0%	\$2,888	\$5,873
Residential (medium density)	539	527	98%	\$44	0	0%	\$0	\$1,147
Residential (high density)	1,394	1,359	97%	\$31	3	0%	\$4,779	\$7,711

Based on the noted thresholds as well as through research and evaluation of other municipal strategies, the following two options were developed:

Option A: 10 acre cap on chargeable land area per property for vacant, medium and low density properties as well as a lesser rate for land area in excess of 1 acre up to 10 acres.

Option B: flat rate for all properties up to 1 acre with additional charges for land area in excess of 1 acre for Commercial, Industrial and institutional properties.

A more detailed description of each option is included in the attached report.

**Direction from Council is required to determine which rate option shall be implemented.**

**Direction from Council is required for how the charges to date are to be reconciled.** Options for reconciliation include:

Option 1: retroactively collecting or crediting accounts the difference in rates for all or any amount of time since the program's inception (January 1, 2023)

Option 2: keeping the current rate structure billed amounts as owing and implement the new rate structure based on a start date of July 1, 2024.

**Direction from Council is required regarding whether any properties or property types should be exempt from the rate structure.**

Based on Council's decisions, there will be calculations required to determine the final rates and revised 10 year rate forecast. Option B will require additional research into multi-residential properties to ensure that flat rates are applied per unit, and not per property. Implementation timing will be based on the availability of Watson & Associates to complete the final calculations as well as resource availability at Lakefront Utilities to revise the billing system accordingly.

**Direction from Council is required as to whether or not interest rate charges shall be waived for all current outstanding stormwater charges until such time as the new rate structure is implemented.**

## **5. Financial Impact and Budget**

The current rate structure is expected to generate \$1.49M in 2024 which will remain as the target regardless of any changes to the rate structure so there will be no financial impact for the Town.

Depending on the outcome of the review, a change in rate structure will increase or decrease each property owner's annual charge and most significantly for the Commercial, Industrial and Institutional properties.

Option A rates are 17% higher per acre and without any caps for Commercial, Industrial or Institutional lands, these property owners will see a 17% increase in stormwater charges annually.

Option B rates will result in a range of increases from 12%-34% for the larger parcels of Commercial, Industrial or Institutional lands.

## **6. Relationship to Council's Strategic Plan Priorities 2023 to 2027 and beyond:**

☐ Thriving Community

Click or tap here to enter text.

☐ Service Excellence

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☒ Sustainability

A full cost recovery plan for stormwater infrastructure aligns with the Town's financial plan for water and wastewater infrastructure ensuring appropriate levels of services and long-term financial sustainability.

## **7. Public Engagement:**

1. Watson & Associates presented the preliminary results of the Stormwater Asset Management Plan and Funding Assessment at the November 15th, 2021 Committee of the Whole meeting.
2. A public notice was published on April 20, 2022 advising residents of the presentation of the results of the Funding Assessment by Watson & Associates on May 9th, 2022.
3. Watson & Associates presented the results of the funding assessment at the May 9th, 2022 Committee of the Whole meeting.
4. A public forum was established on Engage Cobourg from May 12th to May 26th, 2022 which included links to the Watson & Associates Funding Assessment Report and May 9th presentation to Council as well as Frequently Asked Questions (attached) advertised via:
  - May 12th notice to local media
  - Social Media posts and weekly reminders
  - Ad posted in Town of Cobourg Ad Block May 12 & May 19 and May 26th
  - Email notification sent to all residents who are registered on Engage Cobourg.ca
5. January 10 and 31, 2024 public delegations
6. Three (3) week notice period between the publication of the Public Works and Planning Standing Committee agenda and Regular Council meeting

## **8. Attachments:**

Stormwater Rate Structure Review – Watson & Associates

## Report Approval Details

Document Title:	Stormwater Rate Structure Review 2024.docx
Attachments:	
Final Approval Date:	May 29, 2024

This report and all of its attachments were approved and signed as outlined below:

**Tracey Vaughan, Chief Administrative Officer - May 29, 2024 - 3:02 PM**