



CORPORATE SERVICES COMMISSION
Financial Services

TOWN OF NEWMARKET
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November 16, 2016

CORPORATE SERVICES REPORT – FINANCIAL SERVICES – 2016-55

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: 2017 Stormwater Rates

ORIGIN: Financial Business Analyst

RECOMMENDATION(S):

- a) **THAT Corporate Services Report-Financial Services – 2016-55 dated November 16 regarding 2017 Stormwater Rates be received and the following recommendation(s) be adopted:**
- i. **THAT the attached Schedule “A”, being the Town of Newmarket Stormwater Rates, be approved and adopted by Bylaw;**
 - ii. **AND THAT the Stormwater Rates implementation come into full force and effect as of January 1, 2017;**

COMMENTS:

Purpose

The purpose of this report is to adopt the 2017 stormwater fees and charges.

Budget Impact

In 2017, the median low runoff property will see a new stormwater charge of \$6, the median medium runoff property will see a new charge of \$30 and the median high runoff property will see a new charge of \$73. The charge will be revenue neutral in 2017. Property taxes and wastewater rates will be reduced to account for the new revenue source.

Summary

The proposed fee will be \$0.013300 per square metre for the low level run level group, \$0.065045 per square metre for the medium runoff level group, and \$0.130091 per square metre for the high runoff level group.

Background

The Municipal Act, 2001, S.O. 2001 (the "Act"), authorizes a municipality to pass by-laws imposing fees and charges pertaining to a stormwater system pursuant to sections 9, 10, 11 and 391 of the Act. The proposed Stormwater Management Services Charge Bylaw will enable the Town to impose a stormwater fee.

Analysis and Options

A stormwater charge will provide a fair, transparent and dedicated funding source to help protect homes and businesses from floods.

The stormwater management rate will help protect the environment, fund the replacement of aging infrastructure and protect homes and businesses from rain events that are becoming more frequent and severe.

To understand how properties will be impacted by this charge, table 1 shows the size of the average property of each runoff level group. It compares the taxes and wastewater rates each group currently pays to fund stormwater management and what it will pay if the stormwater charge is adopted.

Table 1: Average Annual Impact on Stormwater Customers by Runoff Level Group

	Size (square meters)	Taxes	Water	Stormwater	Impact
Low Runoff Level	14,200	-\$50	-\$4	\$189	\$135
Medium Runoff Level	600	-\$45	-\$8	\$39	-\$14
High Runoff Level	3,720	-\$216	-\$23	\$484	\$245

Sometimes, a few outliers can significantly skew averages. Therefore averages may not give a great idea of how the 'typical' property is impacted. The median was used for further analysis. Table 5 shows the size of the median property of each runoff level group. It compares the taxes and water rates it currently pays to the stormwater charge it would pay.

Table 2: Median Annual Impact on Stormwater Customers by Runoff Level Group

	Size (square meters)	Taxes	Water	Stormwater	Impact
Low Runoff Level	478	-\$40	-\$8	\$6	-\$42
Medium Runoff Level	465	-\$43	-\$8	\$30	-\$21
High Runoff Level	561	-\$36	-\$8	\$72	\$28

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

Staff executed the communications plan approved by Council with report 2015-42. The Town engaged the public by issuing a press release, posting an advertisement on Facebook, sending invitations to key stakeholders, hosting a Public Information Centre (PIC), and having a presence at the Community Open House. Overall, the feedback on the direction of the project was positive. The Newmarket Chamber of Commerce and Newmarket Environmental Advisory Committee were consulted to refine the program.

Staff has formed a task force represented by Finance, Engineering, Communications, Information Technology and Customer Service to develop and implement the stormwater charge. Updates were regularly provided to the Utility Transition Task Force, which includes the departments above as well as Legal Services, Economic Development and Strategic Initiatives. Various departmental representatives were consulted as components of the project related to them.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report

BUDGET IMPACT

This charge will be a new revenue tool to fund the stormwater management service.

In 2017, the median low runoff property will see a new stormwater charge of \$6, the median medium runoff property will see a new charge of \$30 and the median high runoff property will see a new charge of \$73. The charge will be revenue neutral in 2017. Property taxes and wastewater rates will be reduced to account for the new revenue source.

Operating Budget (Current and Future)

\$227,000 will be removed from the rate supported budgets and \$1,418,000 (\$435,000 for operating costs and \$983,000 in capital contributions) will be removed from the tax supported budget. This item will be proposed in the 2017 budget.

Capital Budget

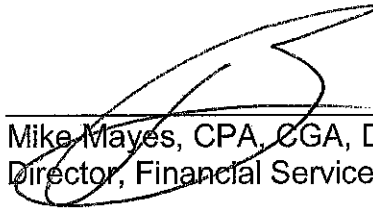
An annual contribution of \$983,000 to the tax supported asset replacement fund will go to the stormwater asset replacement fund. This item will be proposed in the 2017 budget.

CONTACT

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca



Kevin Yaraskavitch
Financial Business Analyst



Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer



Esther Armchuk, LL.B.
Commissioner, Corporate Services

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Attachment:

- a) 2017 Stormwater Rates

Effective Date: January 1, 2017

Rates	Per Square Metre	Per Square Foot	Per Acre
Low Runoff Level Group	\$0.013300	\$0.001236	\$53.82
Medium Runoff Level Group	\$0.065045	\$0.006043	\$263.23
High Runoff Level Group	\$0.130091	\$0.012086	\$526.46
Regulatory Fees			
Stormwater Credit Application Fee		\$50.00	
Median Charge	Area in Square Meters		Charge
Low Runoff Level Group	478		\$ 6.36
Medium Runoff Level Group	465		\$ 30.25
High Runoff Level Group	561		\$ 72.98