

**REGULAR MEETING
MINUTES**

The Regular Meeting of the Council of the Municipality of North Middlesex was held on Monday, February 4, 2013 in the Council Chambers with a quorum present.

1. CALL TO ORDER

2. ROLL CALL

Present: Mayor Don Shipway
Deputy Mayor Chuck Hall
Councillor Ward One – Doreen McLinchey
Councillor Ward Two – Brian Ropp
Councillor Ward Three – Gord Moir
Councillor Ward Four- Andrew Hemming - Absent
Councillor Ward Five – Adrian Cornelissen
CAO - Linda Creaghe
Clerk – Jackie Tiedeman

3. DISCLOSURE OF PECUNIARY INTEREST

None

4. MINUTES

MOIR/HALL: That the following minutes be hereby accepted as presented:

January 21 Regular Meeting
January 21 Court of Revisions
January 14 Special Meeting

CARRIED

5. PUBLIC MEETINGS

7:00 p.m. Presentation of Draft Development Charges Study

Several members of the public were in attendance.

Mayor Shipway opened by stating the meeting is a mandatory requirement under the Development Charges Act. A Background Study was prepared and available to the public according to the Act. This meeting is to provide for a review of the DC proposal and to receive public input on the proposed policies and charges.

Gary Scandlan, from Watson and Associates stated that the project was initiated due to the upcoming expiry of one of the three Development Charge By-laws currently in effect. It was recommended early in the process that it would be an opportune time to consolidate the remaining two by-laws into one document. As well, staff recommended exploring the possibility of an additional component municipal wide pertaining to wind turbine structures. Mr. Scandlan provided an overview of the purpose of the study being a way to recover capital costs associated with residential and non-residential growth within the municipality. The capital costs are in addition to what servicing costs would normally be entailed as part of a subdivision (ie. Internal roads, sewers, watermain, roads, sidewalks, streetlights, etc) Municipalities are empowered to impose these charges via the Development Charges Act. This process involves identifying the amount, type and location of growth; identifying servicing needs to accommodate growth and identifying capital costs to provide services to meet the needs. The

next step is to deduct grants, subsidies and other contributions, benefit to existing development, statutory 10% deduction (soft services), amounts in excess of 10 year historic service calculation, and DC reserve funds (where applicable). The net costs are then allocated between residential and non-residential benefit and net costs divided by growth to provide the proposed DC charge. He then explained the mandatory exemptions to be for industrial building expansions (may expand by 50% with no DC), addition of up to 2 apartments for a single detachment dwelling as long as size of home doesn't double, addition of one additional unit in medium and high density buildings, Upper/Lower Tier Governments and School Boards. Discretionary exemptions were described to be: reduce in part or whole DC for types of development or classes of development (eg industrial or churches), may phase-in over time or redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law). Mr. Scandlan advised that currently in addition to the mandatory exemptions, North Middlesex applies DC charges with exception to: infill lots within the Parkhill Area are exempt from the charge related to roads service. The background study is now proposing the following:
Ailsa Craig/Nairn/Petty Area – Residential Development Charge Comparison

SERVICE	EXISTING CHARGE	PROPOSED CHARGE	DIFFERENCE
Roads Service	2,197.00	1,962.00	(235)
Water Services	313.00	313.00	-
Wastewater Services	9,741.00	8,026.00	(1,715)
TOTAL	12,251.00	10,301.00	

Ailsa Craig/Nairn/Petty Area – Non-Residential

SERVICE	EXISTING CHARGE	PROPOSED CHARGE	DIFFERENCE
Road Service	0.30	0.27	(0.03)
Water Services	0.04	0.04	0.00
Wastewater services	1.59	1.11	(0.48)
TOTAL	1.93	1.42	(0.51)

Parkhill Area – Residential

SERVICE	EXISTING CHARGES	PROPOSED CHARGES	DIFFERENCE
Road Service	2,610.00	1,149.00	(1,461)
Storm Water Drainage Services	825.00	912.00	87
Wastewater Services	7,691.00	7,530.00	(161)
Water Services	817.00	903.00	86
TOTAL	11,943.00	10,494.00	(1,449)

Parkhill Area – Non Residential

SERVICE	EXISTING CHARGES	PROPOSED CHARGES	DIFFERENCE
Roads Service	0.36	0.16	(.20)
Storm Water Drainage Services	0.11	0.12	0.01
Wastewater Services	1.06	1.04	(0.02)
Water Services	0.11	0.13	0.02
TOTAL	1.64	1.45	(0.19)

Information was also provided that compared our current and proposed DC fee compared to other municipalities and they are found to be at the lower end of the scale.

Mr. Scandlan also noted that he has brought forward any previous policies from the three by-laws and council can now amend as they see fit. He advised that the wind turbine component is relatively new to most municipalities in Ontario and over the past few years this component is being incorporated into by-laws as they renew. The justification for this is based on the road component only and is being treated similar to that of traffic impact from a single family dwelling. He did not use a cost per sq ft of the base because his experience with preparing this in by-laws for other municipalities is the base is not very large for these structures and using the flat fee generates a little more revenue. He then elaborated on his experience with the component with respect to being able to justify the amount if challenged in the courts. He indicated he can defend this portion under roads as it currently stands. Council has the right to modify his suggestion however they have to keep in mind that he would not be able to defend an unjustifiable amount. if appealed by the wind companies. If it was appealed, in his experience and expertise, the courts would likely review the calculation and put it back to the original amount recommended (ie: road portion only).

Councillor Cornelissen inquired as to why the storm sewer charge is within Parkhill and not Ailsa Craig. The response was that this is attributed to the capital project costs in the calculation which includes the reconstruction of West Park Drive in Parkhill and no storm water projects occurred in Ailsa Craig and area.

Councillor Cornelissen asked if this impacted the rural area and the response was that farm building are exempt. He then commented that he felt the fee was low for wind turbines. Mr. Scandlan replied that he took the higher of the roads portion of the charge between Parkhill and Ailsa Craig and applied that way.

Councillor Ropp inquired as to the charge for Industrial expansions. He requested verification that industry can expand up to 50% without the charge applying. Mr. Scandlan replied that the current policy indicates no charge if expansion is under 50% of the current existing gross floor area. If over 50%, only the portion that is over the 50% would be subject to the charge. He indicated council can change this if they wish.

Mr. Scandlan also mentioned that there was an exemption for infill lots for Parkhill with respect to roads portion. This was a request of the council of the day and again can be amended.

Members of the Public were then given an opportunity for input and questions.

It was asked why switch stations and transfer stations were not taken into consideration when developing the proposed fee. The public indicated these structures take up a significant area. They indicated their disapproval of not being able to include the size of the structure themselves instead of just using the

base. They indicated the impact on fire services should have been taken into account. They indicated the impact on the roads is much greater than what is being reflected in the proposed charge. Mr. Scandlan replied he has not been asked the particular question about including switch stations before and would have to look into this in more detail. His first thought is that establishment of ownership of these stations would have to be determined. If it is owned by Hydro One then these types of facilities are exempt from development charges anyway. Mr. Scandlan cautioned that Council has to be able to justify the amount included and adhere to the regulations under this applicable Act. It was suggested to council by the public that the limit should be pushed on the fees and they should consider making them higher. The public questioned who made the recommendations on what was to be included in the study. Mr. Scandlan advised that he worked with municipal staff. The credibility of staff providing this information was then questioned by a member of the public. Mr. Scandlan reminded the public that this was an exercise in consolidating current by-laws and policies in place and that it was felt the new component was an appropriate recommendation. Fire service was not included in the current by-laws and that is why it was not looked at this time.

It was explained that the municipality is preparing other agreements that take into consideration of impact on roads, services, decommissioning etc by wind projects that are separate from this by-law. They are different matters. The development charge is collected at the building permit stage on new development in the urban areas.

Mr. Scandlan then advised that the wind turbine component can be withdrawn at this time, proceed with passage of the new by-law as planned on Feb.20th and that an addendum be looked at specific for the wind turbine projects at a later date. Council has one year to pass a by-law and make an addendum based on the background study.

The Mayor then closed the public meeting at 8:05 p.m.

The Planning portion of the agenda is contained under separate minutes.

6. DELEGATIONS

None at this time

7. PASSING OF ACCOUNTS

- a) Report on the compilation of accounts to 2013 be accepted as presented:

MOIR/ROPP: That the following bills and accounts be approved for payment:

General	\$490,972.59
	CARRIED

8. DEPARTMENTAL REPORTS

None at this time

9. COMMITTEE REPORTS

None at this time

10.CORRESPONDENCE

- a. AMO –MEOCO (Municipal employer Pension Centre of Ontario) annual report (Action: receive and file)
- b. Environment Canada –consultation on the proposed recovery strategy for the American Badger subspecies in Canada (action: receive and file)
- c. Parkhill Lions Club – request to apply for Trip of the Month Raffle (action: receive and approve pending all requirements under the AGCO is up to date with the municipality)

MCLINCHEY/CORNELISSEN: that the correspondence package a-c be accepted with recommendations.

CARRIED

11. OTHER BUSINESS

- a. Deferred – Design Guidelines and Construction Standards
Action: approval of by-law and document

Following some brief questions from Council, it was agreed that the document could proceed to approval by by-law.

- b. Water and Sewer Rate Study – Report requested outlining impact of new rates on livestock users

Finance Co-ordinator Martha Gawley, Water/Sewer Manager Glen Bullock and Treasurer Chuck Daigle was present to provide the requested information on users in the agricultural area and how they would be impacted by the new rates. It was found that the increase to the water rate only will have minimal impact as the agricultural area was already paying \$1.40 cubic meter and the proposed increase is 12 cents to \$1.52 for 2013. The biggest difference to all water users is the new infrastructure fee of \$327.00/year. The proposed rates and infrastructure fee will result in a full cost recovery system. This concept ensures the water rates fund the Municipality's anticipated annual operation costs, in-year capital financing needs, and provide a provision for the ultimate repair and replacement of water infrastructure. In response to a request from Council regarding options for phasing in the rates, it was suggested that the rate could be increased over a number of years however this will also result in phasing in the municipalities goal of full cost recovery in 2013 over a four year period. The municipality would then fund a portion of the in- year non growth related capital works through the water rates while the balance of the capital expenditures would be funded from other sources until 2016. This option would still include annual provision to reserves for the ultimate repair and replacement of infrastructure. The suggested phase in will require the municipality to fund 25% of in year capital expenditures through the water rates for 2013, 50% funded for 2014, 75% funded for 2015 and then 2016-2023 will fund 100% of in year capital expenditures through the water rates.

Council was advised that the sewer rate cannot be phased-in.

Deputy Mayor Hall inquired as to the type of facility that is being proposed to replace the lagoon system at the end of its life span. The report is indicating that by the end of 2022-Ward 1 will have a 4 million dollar surplus. Mr. Hall requested clarification on what is being proposed and what options have been explored to determine this amount. Mr. Bullock replied that he understood a New Hamburg system has been suggested for the lagoon system and that this would also entail purchasing adjacent land in order to accommodate this. Mayor Shipway inquired if it was possible to join Parkhill system into Ailsa Craig. Staff responded that due to the topography of the land, this would entail several lift stations and the cost would be exorbitant. Deputy Mayor Hall requested staff to investigate some options as this may find that we do not need to raise as much in reserves.

Councillor Moir questioned that the report was using an average annual water demand for its calculations. There was concern that sewer figures were being based on all water users, however not all water users have sewers which would make the sewer system figure inaccurate. Staff were asked to review this with the consultant.

Although Council understands that the importance of the full cost recovery program, they have concerns with the impact these rates will have on the ratepayers of North Middlesex if they are not phased in. CAO, Linda Creaghe, expressed to Council that importance of moving ahead with accepting this study as it is a requirement of the financial plan and the municipality is overdue in producing this document for the MOE. Rate increases should have occurred many years ago as it was part of legislated requirements. We are not the only municipality faced with this challenge. After careful consideration the following motion was made.

MOIR/ROPP: That council approves the water/sewer rate study as provided by Hemson Consulting Ltd. Staff are requested to implement the increase by approximately 30% for the first two years and then implement the remainder accordingly. Also, that staff may proceed with the completion of the Municipality of North Middlesex Water/Sewer Financial Plan based on the Hemson Rate Study as provided. That council direct staff to prepare notification for holding a public meeting to present the proposed new rates as soon as possible.

CARRIED

c. Direction on Development Charges Study

Clerk Jackie Tiedeman requested clarification from Council on how to proceed with the upcoming development charges by-law. Council concurred that they would like the wind turbine component removed at this time pending further investigation into the matters discussed during the public meeting. Also, that the policy to exempt infill lots in Parkhill from the road portion of the DC charge be removed as it was unclear why this was in place.

IN CAMERA

None

13. RISE AND REPORT

n/a

14. READING OF BY-LAWS

- a. By-law #79 of 2012 – A by-law to adopt design guidelines and construction standards for the Municipality of North Middlesex
- b. By-law #7 of 2013 – a by-law to confirm the proceedings of the Council of the Municipality of North Middlesex

HALL/ROPP: That By-law #79 of 2012 and By-law #7 of 2013 be read a first and second time.

CARRIED

CORNELISSEN/MCLINCHEY: That By-law #79 of 2012 and By-law #7 of 2013 be read a third and final time.

CARRIED

15. ADJOURNMENT

ROPP/MOIR: That the meeting adjourn at 9:55 p.m.

CARRIED

MAYOR

CLERK