



## The Corporation of the Town of LaSalle

<b>Date:</b>	January 19, 2018	<b>Report No:</b>	FIN-06-2018
<b>Directed To:</b>	Members of Council	<b>Attachments:</b>	A: FIN-35-2016 B: Bylaw 4135 C: Bylaw 4199
<b>Department:</b>	Finance		
<b>Prepared By:</b>	Joe Milicia, CA Director of Finance & Treasurer	<b>Policy References:</b>	None
<b>Subject:</b>	Sewage Service Charge – Optional Buy-Out		

### **Recommendation:**

- That Council approve the optional buy-out program as outlined in this report for those individuals wishing to opted out of the \$9 monthly payment plan for the Sewage Service Charge
- That Council approve an amendment to the bylaw should one be necessary

### **Report:**

As Council may recall, at the November 2016 meeting of the Water & Wastewater Committee, the committee endorsed and adopted the administrative recommendation to elimination of the ability for new home owners/building to defer the payment of the Sewage Service Charge and required the charge to be paid upon the application/issuance of a water permit – effective January 1, 2017.

As was noted in the report, Administration was reviewing alternatives for homeowners that are currently in the \$9 per month for 20 year option to 'buy-out' early, which will provide a benefit to the homeowner (reduced fees) and municipality (reduced administrative time).

Since in the elimination of the option to defer the Sewage Service Charge and the institution of the currently policy there have been a number of requests from existing customers on the monthly payment plan for an option to buy out. After reviewing various options, Administration has developed and is recommending the following buy-out plan.

Expiry	Buy-Out Formula	Proposed Buy-Out Amount	Number Of Customers (3,340)	Amount Paid to LaSalle	Yrs	Value of original \$818.08 at 3%	Value of original \$818.08 at 5%	Value of original \$818.08 at 7%
January 1, 2018 to December 31, 2018	=1/20*818.08	\$40.90	248	\$2,052.00	20	\$1,477.54	\$2,170.61	\$3,165.71
January 1, 2019 to December 31, 2019	=2/20*818.08	\$81.81	343	\$1,944.00	19	\$1,434.51	\$2,067.25	\$2,958.61
January 1, 2020 to December 31, 2020	=3/20*818.08	\$122.71	322	\$1,836.00	18	\$1,392.73	\$1,968.81	\$2,765.05
January 1, 2021 to December 31, 2021	=4/20*818.08	\$163.62	245	\$1,728.00	17	\$1,352.16	\$1,875.05	\$2,584.16
January 1, 2022 to December 31, 2022	=5/20*818.08	\$204.52	175	\$1,620.00	16	\$1,312.78	\$1,785.77	\$2,415.11
January 1, 2023 to December 31, 2023	=6/20*818.08	\$245.42	209	\$1,512.00	15	\$1,274.54	\$1,700.73	\$2,257.11
January 1, 2024 to December 31, 2024	=7/20*818.08	\$286.33	132	\$1,404.00	14	\$1,237.42	\$1,619.74	\$2,109.45
January 1, 2025 to December 31, 2025	=8/20*818.08	\$327.23	165	\$1,296.00	13	\$1,201.38	\$1,542.61	\$1,971.45
January 1, 2026 to December 31, 2026	=9/20*818.08	\$368.14	63	\$1,188.00	12	\$1,166.39	\$1,469.15	\$1,842.47
January 1, 2027 to December 31, 2027	=10/20*818.08	\$409.04	61	\$1,080.00	11	\$1,132.41	\$1,399.19	\$1,721.94
January 1, 2028 to December 31, 2028	=11/20*818.08	\$449.94	56	\$972.00	10	\$1,099.43	\$1,332.57	\$1,609.29
January 1, 2029 to December 31, 2029	=12/20*818.08	\$490.85	90	\$864.00	9	\$1,067.41	\$1,269.11	\$1,504.01
January 1, 2030 to December 31, 2030	=13/20*818.08	\$531.75	64	\$756.00	8	\$1,036.32	\$1,208.68	\$1,405.61
January 1, 2031 to December 31, 2031	=14/20*818.08	\$572.66	85	\$648.00	7	\$1,006.14	\$1,151.12	\$1,313.66
January 1, 2032 to December 31, 2032	=15/20*818.08	\$613.56	133	\$540.00	6	\$976.83	\$1,096.31	\$1,227.72
January 1, 2033 to December 31, 2033	=16/20*818.08	\$654.46	139	\$432.00	5	\$948.38	\$1,044.10	\$1,147.40
January 1, 2034 to December 31, 2034	=17/20*818.08	\$695.37	188	\$324.00	4	\$920.76	\$994.38	\$1,072.34
January 1, 2035 to December 31, 2035	=18/20*818.08	\$736.27	183	\$216.00	3	\$893.94	\$947.03	\$1,002.18
January 1, 2036 to December 31, 2036	=19/20*818.08	\$777.18	233	\$108.00	2	\$867.90	\$901.93	\$936.62
January 1, 2037 to December 31, 2037	=20/20*818.08	\$818.08	206	\$0.00	1	\$818.08	\$818.08	\$818.08

The formula is based on the number of years remaining (under the \$9/month 20 year timetable) multiplied by the original balance of \$818.08. The chart above identifies the value of the buy-out, along with the amount paid to date.

In addition, the chart provides the value of the \$818.08 had it been invested (or debentured) for the 20 year period. This program is intended to be optional and will provide those individuals, which either were not aware of the up-front one-time payment option or have changed their position on how they would like to handle this cost. Those individuals wishing not be participate in the buy-out plan will continue on the \$9/month payment alternative


Lastly, should the committee agree with the recommendation from Administration, a bylaw would need to be adopted, amending the previous bylaw to allow for the buy-out option.

Should you have any questions, please do not hesitate to contact me.

Yours truly,



Joe Milicia, CPA CA  
Director of Finance & Treasurer



Marilyn Abbruzzese, B.A. BComm  
Supervisor of Revenue

<i>Reviewed by:</i>						
<i>CAO</i> 	<i>Finance</i>	<i>Council Services</i>	<i>Environmental Services</i>	<i>Planning &amp; Development</i>	<i>Culture &amp; Recreation</i>	<i>Fire Services</i>



**COPY**

The Corporation of the Town of LaSalle

<b>Date:</b>	November 1, 2016	<b>Report No:</b>	FIN-35-2016
<b>Directed To:</b>	Members of Council	<b>Attachments:</b>	Sample Letter
<b>Department:</b>	Finance		
<b>Prepared By:</b>	Joe Milicia, CA Director of Finance & Treasurer	<b>Policy References:</b>	None
<b>Subject:</b>	Sewage Service Charge		

**Recommendation:**

- That Council approve the elimination of the ability for new home owners/building to defer the payment of the Sewage Service Charge and require the charge to be paid upon the application/issuance of a water permit – effective January 1, 2017
- And that advertisements be placed in the local newspapers advising the development and building community of the change in process

**Report:**

As Council may be aware when a new home is constructed in the Town of LaSalle several permits are issues and fees are collected. Among those fees is the Sewage Service Fee, although this fee is not collected in the same manner as all other fees at the permit stage.

Upon the issuance of building permit a letter is issued to the permit applicant. This letter informs the applicant of the sewage related fees charged by the Town of LaSalle, include the Sewage Service Fee. It provides the applicant with the option for a one-time payment of \$818.08 or alternatively pay \$9 per month for 20 years which totals \$2,160 over that period. It also provides the applicant with 90 days to exercise the option of a one-time payment, otherwise the monthly payment option is automatically applied.

A

A copy of the full letter is attached with an exert included below.

The sanitary sewer servicing lot(s) \_\_\_\_\_, on Registered Plan Number \_\_\_\_\_ is in place.

Approved by the Ontario Municipal Board, the applicable Municipal By-law provides for the following method of billing for sewage service and treatment.

Treatment – 100% of water billing  
Sewage Service \$9.00 flat charge per month for 20 years.

In lieu of paying the \$9.00 per month for 20 years (\$2,160.00), you may commute (pay in cash) \$818.08 as a one-time fee only. This amount must be commuted within 90 days of the date of this letter or the \$9.00 per month will be added to the water bill

At issue is the fact that in the majority of the cases the applicant is not in fact the ultimate homeowner but rather the builder. As a result, the letter advising of the options available is sent to the builder who in turn rarely passes along the information to the owner and never chooses the one-time payment option. As such the homeowner is force to accept the \$9 per month payment option.

Once they become aware of this and begin to understand the financial effect, the disappointed hoemowners contact the Town however at that point there is nothing that can be done – which in some cases can begin a homeowner/ratepayers tenure in the Town of the wrong foot. This situation has become more and more common in the past several years and with the municipal takeover of the water billing there is an opportunity to rectify this situation for the homeowner and ratepayer.

As a result, it is the administrative recommendation to elimination of the ability for new home owners/building to defer the payment of the Sewage Service Charge and required the charge to be paid upon the application/issuance of a water permit – effective January 1, 2017. This effective date will allow the development and building community to adjust their fees to and contract with potential homeowners and avoid any undue hardship.

Administration is currently reviewing alternatives for homeowners that are currently in the \$9 per month for 20 year option to 'buy out' which will provide a benefit to the homeowner (reduced fees) and municipality (reduced administrative time). This will be a subject of a future report to Council.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

**COPY**

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Joe Milicia. CA  
Director of Finance & Treasurer

<i>Reviewed by:</i>						
<i>CAO</i>	<i>Finance</i>	<i>Council Services</i>	<i>Environmental Services</i>	<i>Planning &amp; Development</i>	<i>Culture &amp; Recreation</i>	<i>Fire Services</i>

A2

THE CORPORATION OF THE TOWNSHIP OF SANDWICH WEST

BY-LAW NUMBER 4135

A by-law to establish a Sewer Rate structure under Sections 8 and (38(5) of the Ontario Water Resources Act; and within the meaning of Section 218 of the Municipal Act.

WHEREAS the Corporation of the Township of Sandwich West has entered into an agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment for the supplying of sewage service to the Municipality.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF SANDWICH WEST ENACTS AS FOLLOWS:-

1. A Sewer Rate is hereby imposed upon the owners or occupants of lands which are supplied with sewage service as a consequence of the entering into of the above-mentioned agreement by the Corporation of the Township of Sandwich West.
2. The Sewer Rate shall be an annual charge and shall be imposed for a period of twenty (20) years commencing in the year the sewage works are put into service.
3. The Sewer Rate shall be an annual metre frontage rate on each lot of \$108.35 per metre divided by the frontage of the lot, or at the option of the person liable therefore, the sewer rate may otherwise be commuted as a flat charge of \$818.08 and shall be due and payable in the calendar year in which the service is available.
4. (a) A reduction in the case of corner lots at the junction or intersection of streets the flankage and a reduction or increase in the case of triangular or irregularly-shaped lots may be made in the frontage that that sewer rate otherwise would be chargeable on, having regard to the situation, value and superficial area of such lots as compared with other lots, sufficient to adjust its frontage on a fair and equitable basis.  
(b) Where a lot is for any reason wholly or in part unfit for building purposes, a reduction may also be made in the frontage that otherwise would be chargeable on sufficient to adjust its frontage as compared with that of lots fit for building purposes on a fair and equitable basis.  
(c) Where a lot, other than a corner lot, has two limits that abut on streets and the size and nature of the lot is such that any or all of the works in such streets are not required, a reduction in respect of the works that are not required, so long as they are not required, may also be made in the frontage that the sewer rate would otherwise be chargeable on, sufficient to adjust its frontage on a fair and equitable basis.  
(d) In the case of lots that, because of the nature of the terrain or the elevation of the sewer, do not derive the same benefit as other lands abutting on the sewer, a reduction may be made in the frontage that the sewer rate would otherwise be chargeable on, sufficient to adjust its frontage on a fair and equitable basis.

B.


(e) The reduction shall be made by deducting from the total frontage of the lot liable to the annual metre frontage rate so much thereof as is sufficient to make the proper reduction, but the whole of the lot shall be charged with the annual metre frontage charge as so reduced.

4. This by-law is subject to the approval of the Ontario Municipal Board.

READ a first and second time this 19th day of November  
A.D., 1985.

1st reading - November 19th, 1985

2nd reading - November 19th, 1985

  
\_\_\_\_\_  
Reeve

  
\_\_\_\_\_  
Clerk

READ a third time and FINALLY PASSED this 19th day of  
November, A.D., 1985.

3rd reading - November 19th, 1985.

  
\_\_\_\_\_  
Reeve

  
\_\_\_\_\_  
Clerk

B2

THE CORPORATION OF THE TOWNSHIP OF SANDWICH WEST

BY-LAW NUMBER 4199

A by-law to establish a Sewer Rate structure under Section 8 and (38(5) of the Ontario Water Resources Act; and within the meaning of Section 218 of the Municipal Act.

WHEREAS the Corporation of the Township of Sandwich West has entered into an agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment for the supplying of sewage service to the Municipality.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF SANDWICH WEST ENACTS AS FOLLOWS: -

1. A Sewer Rate is hereby imposed upon the owners or occupants of lands which are supplied with sewage service as a consequence of the entering into of the above-mentioned agreement by the Corporation of the Township of Sandwich West.
2. The Sewer Rate shall be an annual charge and shall be imposed for a period of twenty (20) years commencing in the year sewage works are put into service.
3. The Sewer Rate shall be an annual metre frontage rate on each lot of \$108.35 per metre divided by the frontage of the lot, or at the option of the person liable therefore, the sewer rate may otherwise be commuted as a flat charge of \$818.08 and shall be due and payable in the calendar year in which the service is available.
4. By-Law 4135 finally passed on the 19th day of November, A.D., 1985 is hereby repealed.
5. This by-law is subject to the approval of the Ontario Municipal Board.

READ a first and second time this 14th day of October, A.D., 1986.

1st Reading - October 14, 1986

Vince Marotta  
REEVE

2nd Reading - October 14, 1986

R. W. Saegvick  
CLERK

READ a third time and FINALLY PASSED this 20<sup>th</sup> day of January, A.D., 1987.

3rd Reading - January 20th, 1987.

Vince Marotta  
REEVE

R. W. Saegvick  
CLERK

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