



INFORMATION REPORT
TOWN OF NEWMARKET
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January 29, 2016

CORPORATE SERVICES INFORMATION REPORT – FINANCIAL SERVICES 2016-05

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: Stormwater Management Rate Update

ORIGIN: Financial Business Analyst

In accordance with the Procedure By-law, any Member of Council may make a request to the Town Clerk that this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.

COMMENTS

Staff was directed in Financial Services Report 2015-42 to inform Council on the progress of the potential implementation of the stormwater management rate in January, 2016. This report provides information on results of the initial public consultation and how the rate calculation is developing. Staff will report back to Council on further progress with respect to the implementation of the stormwater management rate in the third quarter of 2016.

Public Consultation


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.

Social Media

The Facebook advertisement for the PIC was viewed over 10,000 times in the Newmarket area. The advertisement was 'liked' 44 times, shared 34 times, clicked on 320 times for more information, and users left 18 comments. The comments provided a diversity of opinions on the potential rate. The stormwater management rate Facebook advertisement is among the most successful in terms of views and interactions that the Town has issued.

Public Information Centre

The PIC was attended by upward of a dozen residents. The majority of attendees were in favour of implementing a storm water management rate. A dedicated funding source for stormwater



management resonated well with the participants. The major concerns raised by residents were asset replacement, flood prevention, and environmental protection.

Many felt that there should be a rebate program in place in order to incentivize low impact development (LID). LID is development that puts minimal strain on the stormwater management service by reducing the quantity and increasing the quality of the stormwater runoff from the property.

To view the slides from the presentation, see attachment 'a'. Most participants at the PIC filled out a survey to provide their feedback in writing. See attachment 'b' for the survey responses.

Invitations were extended to Newmarket Chamber of Commerce, The Newmarket Main Street Business Improvement Area, Lake Simcoe Regional Conservation Authority, and the Newmarket Tax Advocacy Group Inc., to inform them of the meeting. Representatives from the latter two groups attended the PIC.

Community Open House

The stormwater management rate materials were presented at the Community Open House on December 3, 2015. The event was well attended, 55 residents signed in at the event and others attended the event but did not sign in. The residents at the open house had similar reactions to those expressed at the PIC.

Rate Development

Rate Calculation Method

Due to the overall positive feedback provided by the public, staff is continuing with the recommended rate calculation method: Option 4, the Tiered Rate. Financial Services is working closely with Information Technology Services to develop the rate calculation method. The development of the rate calculation method is progressing well.

Rebate Program

Based on the public feedback, staff will engage in further analysis on the implications of adopting a rebate program for residential and non-residential properties with LID measures.

Funding Requirements

Staff is refining the funding requirements to support the stormwater management rate at a sustainable level.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report supports Council's Strategic Priorities by following the theme of "Efficiency / Financial Management" and the specific priority of "Ensuring Effective and Efficient Management" by pursuing a funding source for stormwater management that is reliable, predictable, and fair, to ensure the service can continue to be effectively run in the future.

This report supports the Town's Strategic Plan linkages of being "Well-Equipped & Managed" by implementing processes that reflect sound fiscal responsibility; "Well-Planned & Connected" with long-term strategy matched with a short-term action plan; and "Well-Respected" for considering innovative solutions for the future well-being of the Town.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report.

BUDGET IMPACT

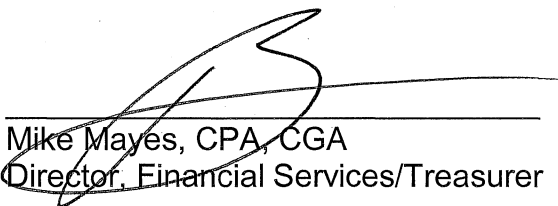
Not applicable to this report.

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
Director, Financial Services/Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

MM/ne

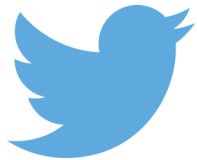
Attachments:

- a) PIC Presentation Slides (33 pgs.)
- b) Survey Responses (18 pgs.)



Attachment A: PIC Presentation Slides

Stormwater Rate Open House



#SWMRate
#Newmarket

October 27th,
2015



Agenda



- **Introducing Stormwater Management**
- **Our Challenges**
- **Our Funding Solution**
- **Rate Options**
- **Rate Impact**
- **Questions and Comments**

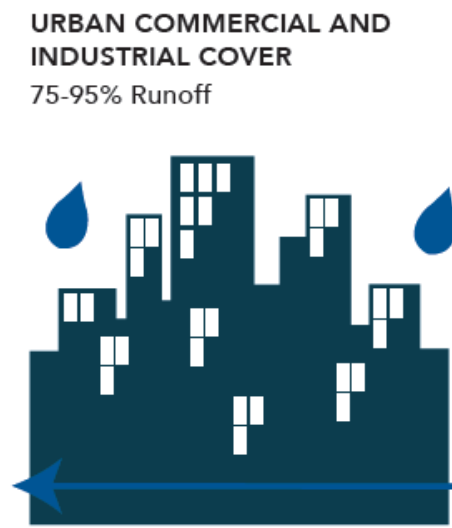
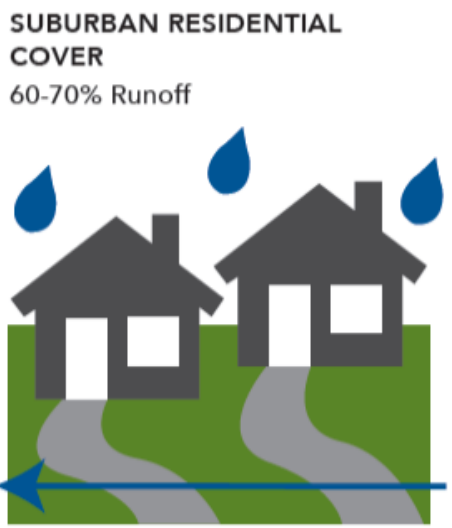
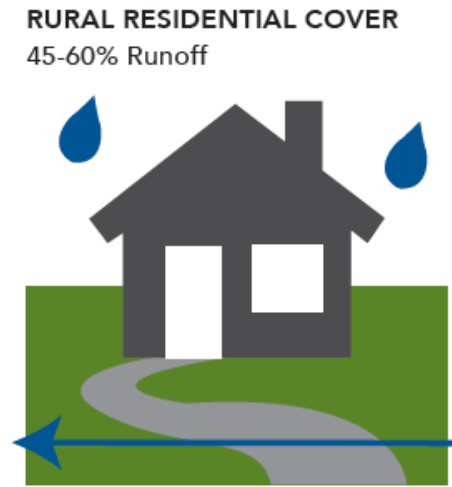
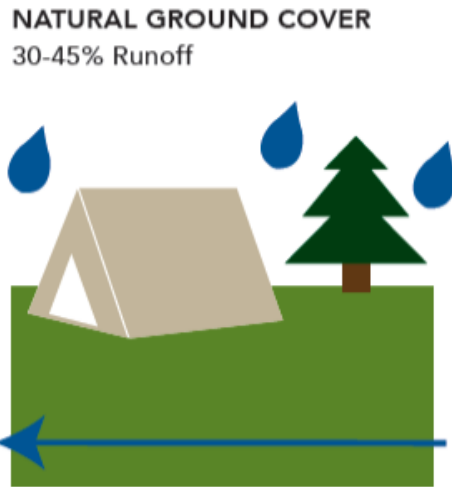
Sources of Stormwater



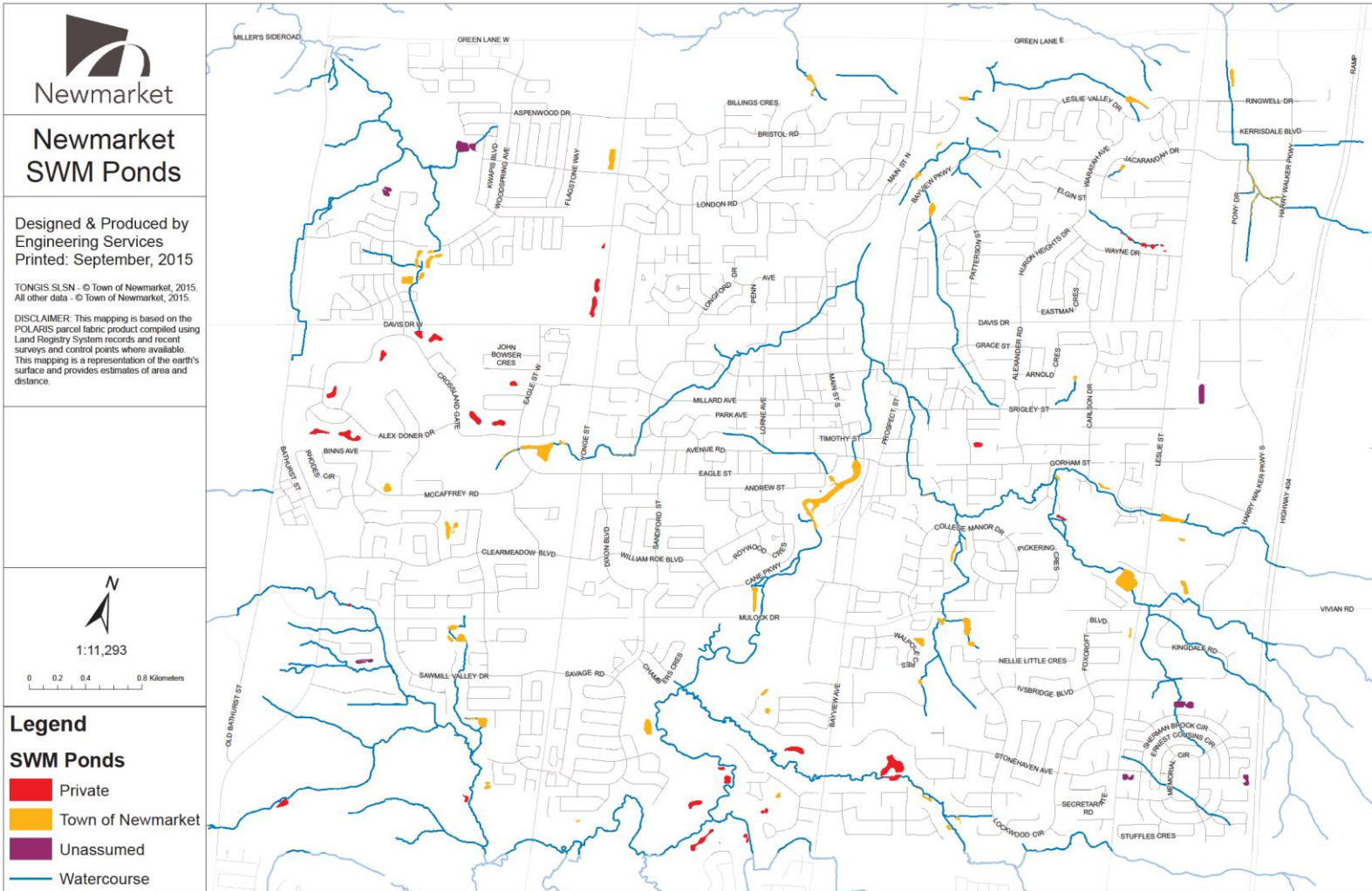
Impervious Areas



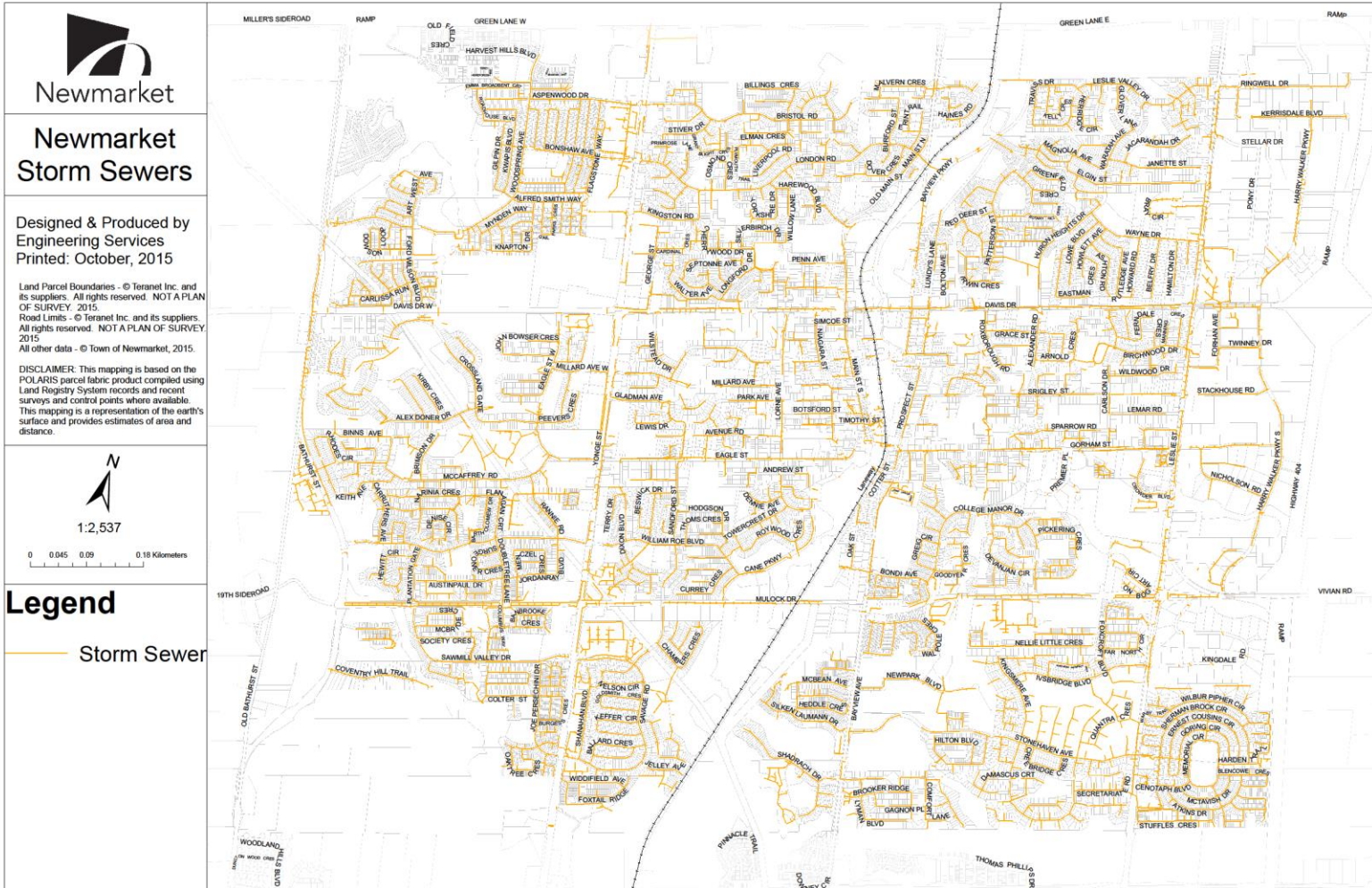
Stormwater Runoff by Property Type



Stormwater Management Infrastructure



Stormwater Management Infrastructure



Stormwater Management Infrastructure



Stormwater Management Infrastructure



Asset Name	Estimated Quantity	Unit of Measure	Historical Cost
Real Assets			
Land	130	Acres	\$ 12,264,376
Pipe Assets			
Storm Sewers	225	Kilometers	\$ 63,919,809
Catch Basins	7,278	Number	
Stormwater Manholes	3,450	Number	
Outlets to receiving waters	355	Number	
Pond Assets			
Stormwater Management Facilities	53	Number	\$ 9,847,092
Watercourse Assets			
Watercourses, streams, rivers, and creeks	55	Kilometers	N/A

Current Level of Funding



Operations: \$401,807 per year

Capital: \$779,227 per year

Total: \$1,181,033 per year

Share of Tax Bill: 2.2%

Average Resident: \$35.79 per year

Our Challenges

The Perfect Storm



Flood Prevention

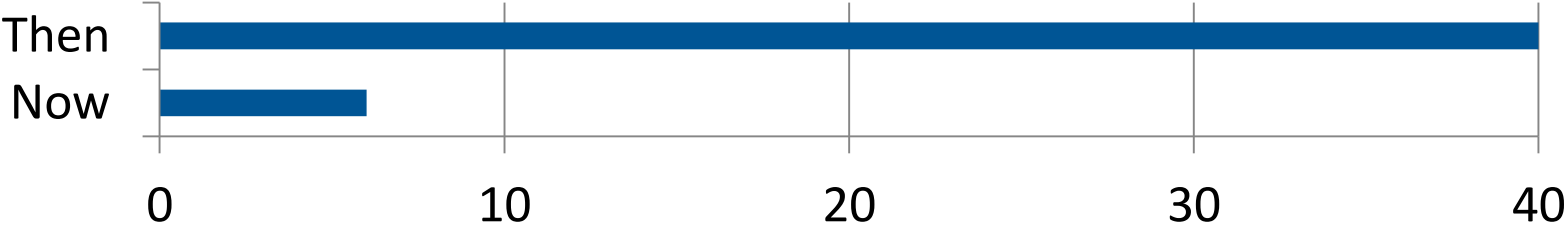
Aging Assets

**Environmental
Protection**

Flood Prevention



Frequency of Severe Storms



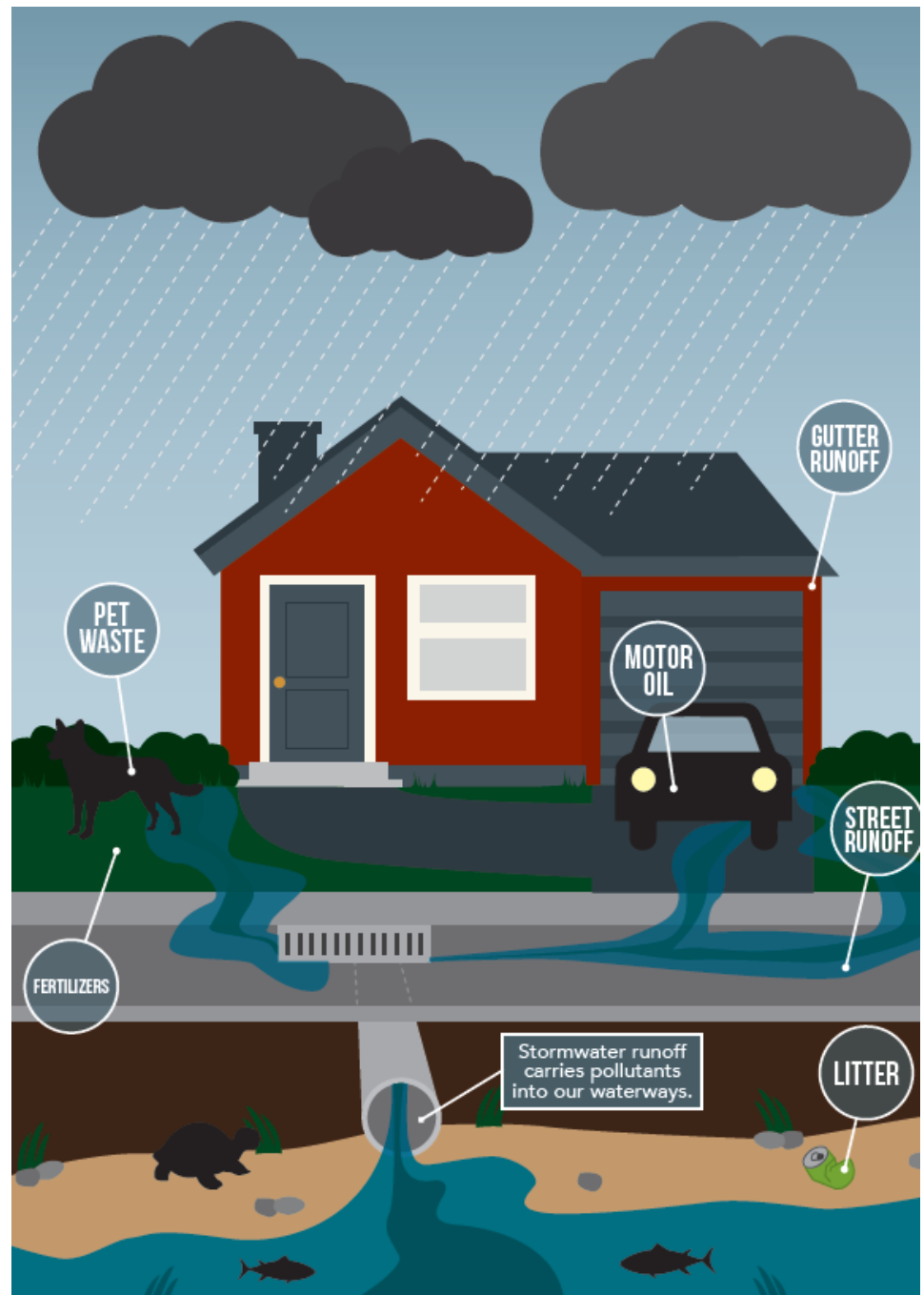
Source: Insurance Bureau of Canada



Environmental Protection

Stormwater runoff containing phosphorus from both urban and rural sources has upset Lake Simcoe's ecosystem.

The runoff has fostered excessive aquatic plant growth, raised water temperatures, and decreased oxygen levels, thereby rendering limited breeding grounds inhospitable



Aging Assets



To maintain current service levels, the Town's **Capital Financing Sustainability Strategy** estimated that 17 million dollars is required to replace the stormwater assets as they reach the end of their useful lives in the next 10 years.

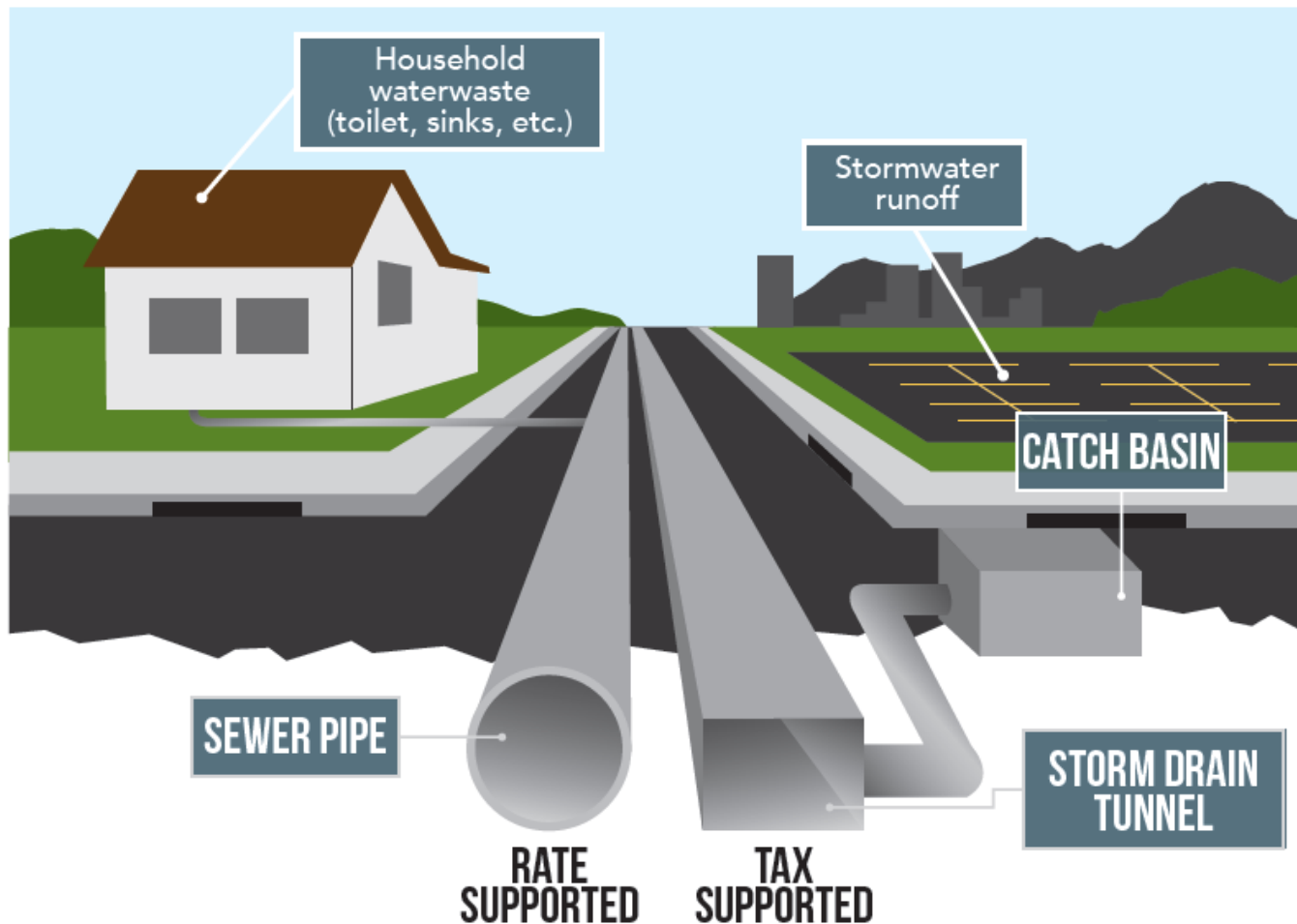
Projected Replacement	Replacement Value	Percentage
1 - 10 Years	\$ 17,017,100	15%
11 - 20 Years	\$3,992,900	4%
21 - 30 Years	\$ -	0%
31 - 40 Years	\$ 219,300	0%
41 - 50 Years	\$ 1,670,400	1%
51 + Years	\$ 90,939,100	80%
Total	\$ 113,839,000	100%

Our Funding Solution

Stormwater Management Rate



This user rate will provide a funding source that is dedicated, stable, predictable, and fair to ensure the service can continue to be effectively run in the future.



Rate Principles



Fairness and Equity

Rates should reflect each customer's fair share of the costs of controlling and treating stormwater runoff.

Water Resource Management

Water rates should be structured to encourage customers to increase the quality and reduce the peak quantity of stormwater runoff water.

Simplicity

Customers' bills should be predictable and easy to understand. The rate should also be simple to administer in order to keep Town costs low.

Financial Sustainability

Rates must fund all necessary investments and operating cost with respect to storm water management.

Rate Structure Options

Property Taxes



**Assessed value
of your property**



Property Taxes



Advantages

- Property taxes are an accepted source of revenue for municipalities.
- No set up and administration costs.

Disadvantages

- Does not correlate well with the amount of runoff from a property.
- When funded through taxes, stormwater management funding competes directly with more visible services

Flat Rate

Classification of your property



or



Flat Rate



Advantages

- Minimal setup costs and administration costs.
- Provides dedicated, stable funding for stormwater management.

Disadvantages

- Does not correlate well with the amount of runoff from a property.
- Small properties would pay the same rate as large properties.
- No ability to incentivize property owners to reduce their runoff

Prorated Rate

Impervious area of your property



Prorated Rate



Advantages

- Correlates well the with the amount of runoff from a property.
- Possible ability to incentivize property owners to reduce there runoff.
- Provides dedicated, stable funding for stormwater management.

Disadvantages

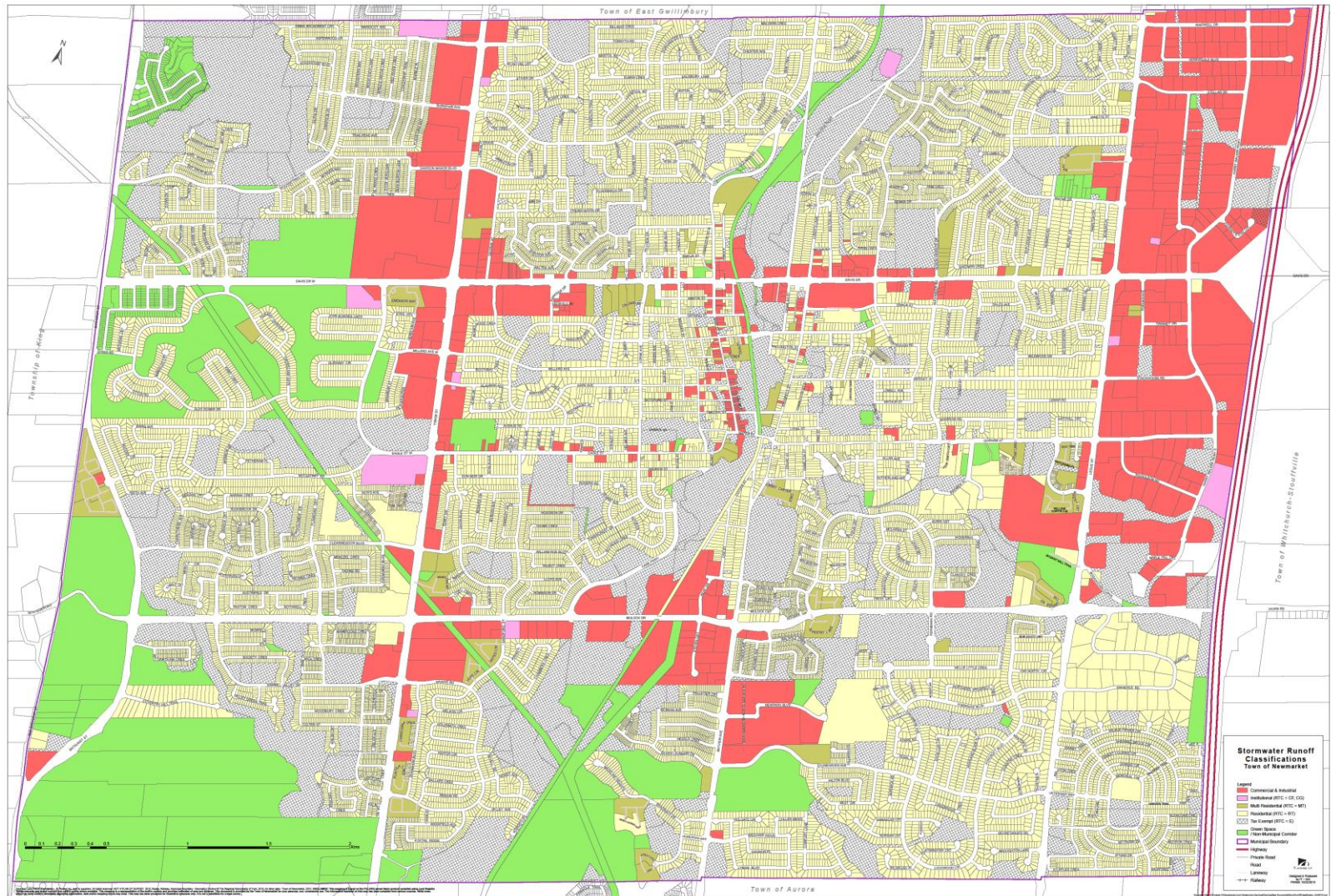
- Significant setup costs and administration costs.
- Administration costs would divert funding from the stormwater management system.

Hybrid Rate

Type and size of your property



Mapping Impervious classes in Newmarket



Hybrid Rate



Advantages

- Correlates well the with the amount of runoff from a property.
- Possible ability to incentivize property owners to reduce there runoff.
- Provides dedicated, stable funding for stormwater management.

Disadvantages

- Some properties may have significantly more or less runoff than others in their class.
- The outliers would required special attention.

Rate Impact

Sustainable Level of Funding



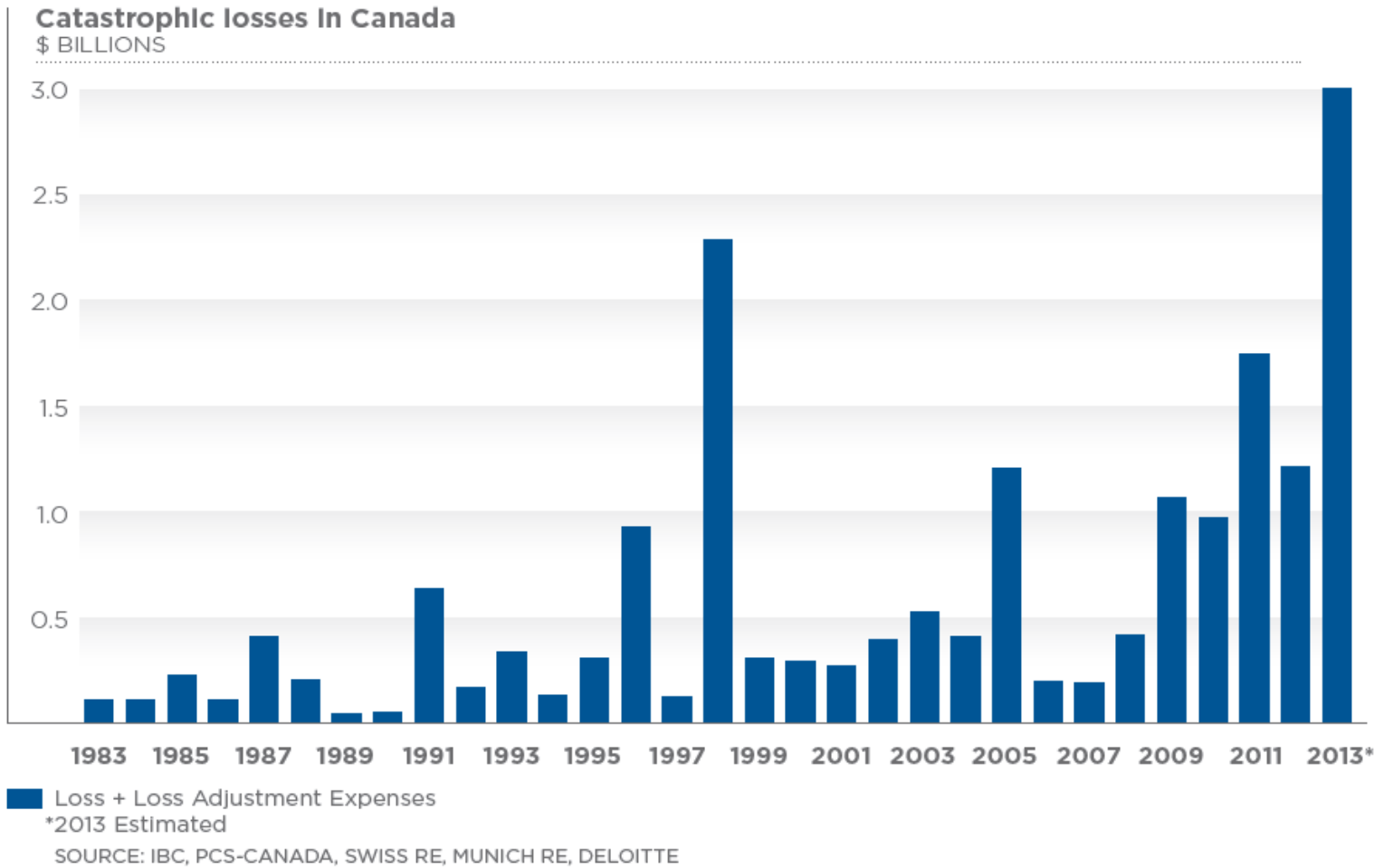
**Current Level of Annual Funding:
\$1,181,033 per year**

**Current Monthly Charge for Average Resident:
\$2.98 per month**

**Sustainable Level of Funding
\$2,400,000 per year**

**Sustainable Monthly Charge for Average
Resident: \$6.06 per month**

Conclusion



The Perfect Storm



Flood Prevention

Aging Assets

**Environmental
Protection**

Questions and Comments



#SWMRate
#Newmarket

Kevin Yaraskavitch

Financial Business Analyst

Financial Services

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kyaraskavitch@newmarket.ca

Attachment B: Survey Responses

Public Consultation Meeting

October 27, 2015

Stormwater Management Rate

The Town of Newmarket is interested in hearing the community's comments, questions, concerns and suggestions regarding the implementation of the proposed stormwater management rate. Please take a few minutes to complete this brief comment sheet. All comments will be carefully considered as this project proceeds.

1. Are you a (circle all that apply)

Newmarket Home Owner Newmarket Renter Newmarket Business Owner

2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

Yes

3. What do you believe is the most critical stormwater issue in Newmarket?

Keeping the water where
it lands

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

- provides incentives to reduce
runoff from private land

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

Yes,

6. Are there any other funding options or incentive programs that the Town should consider?

on the right track

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

- need to reflect LID

opportunities in new development
& retro-fit S.

Thank you for your time and sharing your thoughts. Submitted comments will help inform the Town will move forward with stormwater management funding.

Project Contact:

Kevin Yaraskavitch
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Newmarket Home Owner

Newmarket Renter

Newmarket Business Owner

2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

Yes.

3. What do you believe is the most critical stormwater issue in Newmarket?

Too Many Hard Surfaces

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

Yes

6. Are there any other funding options or incentive programs that the Town should consider?

Hybrid.

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

- bylaws that would regulate sizes of roofs, driveways etc

- zoning bylaws should reflect the task

Thank you for your time and sharing your thoughts. Submitted comments will help inform the Town will move forward with stormwater management funding.

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Yes

3. What do you believe is the most critical stormwater issue in Newmarket?

Infrastructure replacement

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

Cost to manage a fair assessment

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

Only if it is not an "add" without cost reduction in other areas

6. Are there any other funding options or incentive programs that the Town should consider?

Rebate program for reduced run-off
for business & residents

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

Look at other ways to capture / return
run-off with infrastructure

Thank you for your time and sharing your thoughts. Submitted comments will help inform the Town will move forward with stormwater management funding.

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2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

OK job

3. What do you believe is the most critical stormwater issue in Newmarket?

Not falling behind on replacement of failing infrastructure

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

The hybrid proposal seems to be easiest to administer & yet give incentive to increase pervious land area

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

yes

6. Are there any other funding options or incentive programs that the Town should consider?

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

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2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

Yes

3. What do you believe is the most critical stormwater issue in Newmarket?

Keeping stormwater from rushing to water bodies

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

Provide owners an encouragement to reduce runoff if rates reflect amount of runoff.

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

Yes

6. Are there any other funding options or incentive programs that the Town should consider?

Depaving to make driveway & parking lots permeable, downspout disconnections for homes/buildings which downspout are connected to the storm sewer.

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

Might put a financial stress on low income families.

Thank you for your time and sharing your thoughts. Submitted comments will help inform the Town will move forward with stormwater management funding.

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Newmarket Home Owner

Newmarket Renter

Newmarket Business Owner

2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

3. What do you believe is the most critical stormwater issue in Newmarket?

- Infrastructure -
- Maintenance -
- environment -

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

- Disadvantage - quad town home owner could potentially pay more than owner of large multi-million property (such as a Mulock Farms)
- Not socially conscious

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

No - Leave it in tax rate. More socially conscious to charge fee based on property value

6. Are there any other funding options or incentive programs that the Town should consider?

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

Thank you for your time and sharing your thoughts. Submitted comments will help inform the Town will move forward with stormwater management funding.

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Newmarket Home Owner Newmarket Renter Newmarket Business Owner

2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

Yes.

3. What do you believe is the most critical stormwater issue in Newmarket?

- pond maintenance
- need to increase level of service to protect lake since quality

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

adv - sustainable funding for environmental gain
dis - incentive to reduce rate is too low - too big of level of effort.

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

Yes! The rates seem too low for improving the current level of service, but is a good stepping stone.

6. Are there any other funding options or incentive programs that the Town should consider?

Make development community contribute to the reserves as a mandatory contribution

The cost of incentive would be significantly higher than the ~~required rate~~ ~~rate~~ I don't see this approach incentivizing people to put in LID.

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

consider presenting cost in relation to actual costs for regular family costs

eg. water rate vs storm rate
dinner out vs storm rate

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2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

Yes. Newmarket can be a leader in the area if they put this rate into place.

3. What do you believe is the most critical stormwater issue in Newmarket?

Ensuring a fair funding mechanism that ensures all associated costs are covered. Need to demonstrate cost of maintaining stormwater through utility fees, capex, to not manage infrastructure & associated cost to society due to flooding pollution, flood damage etc

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

Advantage - sustainably allocated funding directed to the specific issue
Disadvantage: Still need to determine a fair, defensible funding model.
- proper hybrid based on property size is best

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

Yes -

6. Are there any other funding options or incentive programs that the Town should consider?

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

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2. Did the information presented provide a clear understanding of the stormwater management issues facing the Town?

RECOMMENDING INVOLVING THE LSRAA MORE
DIRECTLY FOR SUPPORT

3. What do you believe is the most critical stormwater issue in Newmarket?

ABOVE INFRASTRUCTURE NEEDS TO BE
REPLACED, WITH CONSIDERATION FOR BETTER
LOW IMPACT DEVELOPMENT SOLUTIONS FOR WASTEWATER
TREATMENT PLANT APPROACHES TO NEW AND RETROFIT
OPPORTUNITIES, WITH APPROPRIATE CONSIDERATION FOR CLIMATE
CHANGE.

4. What do you see as the advantages and disadvantages of the proposed stormwater management rate?

ADVANTAGES - PROVIDE FINANCIAL SUPPORT TO ADDRESS ITEM NO. 3 ABOVE

DISADVANTAGES - WITHOUT AN ASSOCIATED RISK/ CREDIT PROGRAM,
OPTAKE MAY BE MORE

5. Do you agree in principle with the concept of funding the Town's stormwater management program with a stormwater rate?

Yes.

6. Are there any other funding options or incentive programs that the Town should consider?

* ICC GRANT PROGRAM VIA LSRCIA. * (ONCE OPERATIONAL IN 2016)

PHOSPHOROUS OFF-SETTING PROGRAM. (SUBJECT TO MOECC APPROVAL)

SWP - WATER BUDGET OFF-SETTING (VIA SOURCE WATER PROTECTION POLICY NOW IN EFFECT IN YORK REGION)

SUPPORT FOR LOCAL INFRASTRUCTURE PROJECTS.

7. Do you have any additional comments, concerns, questions, or suggestions related to the stormwater management rate initiative?

NOT AT THIS TIME.

KEEP US INVOLVED AND INVOLVED TO SUPPORTING THE DELIVERY OF THIS IMPORTANT DISCUSSION FOR THE TOWN OF NEWMARKET.

Thank you for your time and sharing your thoughts. Submitted comments will help inform the Town will move forward with stormwater management funding.

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