



The Corporation of the City of Stratford Finance and Labour Relations Sub-committee MINUTES

Date: February 19, 2019

Time: 3:30 P.M.

Location: Council Chamber, City Hall

Sub-committee Present: Councillor Clifford - Chair Presiding, Councillor Gaffney - Vice Chair, Councillor Beatty, Councillor Bunting

Regrets: Councillor Ritsma

Staff Present: Michael Humble - Director of Corporate Services, Joan Thomson - City Clerk, Jodi Akins - Council Clerk Secretary, Mike Beitz - Corporate Communications Lead, Ed Dujlovic - Director of Infrastructure and Development Services, Taylor Crinklaw - Project Engineer

Also present: Councillor Bonnie Henderson, Media

1. Call to Order

The Chair called the meeting to Order and advised that Councillor Ritsma provided regrets for this meeting.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence

from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

No disclosures of pecuniary interest were made at the February 19, 2019 Sub-committee meeting.

3. Delegations

None scheduled.

4. Report of the Project Engineer

4.1 Local Improvement – Past Practice and Policy Update (FIN19-005)

Staff Recommendation: THAT the Local Improvement process remain as an option to recover costs of municipal infrastructure projects, where applicable;

THAT Policy L.3.1 be amended such that Local Improvement projects will only be engaged when the recoverable charges exceed \$40,000;

THAT Policy L.3.1 be amended such that sidewalks, road work and storm sewer, be subject to Local Improvement Charges based on 60% of costs attributable to the City and 40% of the costs attributable to the Owners;

THAT Policy L.3.1 be amended such that the Local Improvement Charges of sidewalks for collector and arterial roads be based on 50% of costs attributable to Development Charges and 50% of costs attributable to the City;

THAT Policy L.3.1 be amended such that residential sidewalk flankage exemption is increased from 30 m to 40 m;

THAT Policy L.3.1 be amended such that watermains be included as infrastructure eligible for Local Improvement charges, in the same manner as sanitary sewers;

AND THAT Council adopt the new Policy L.3.1 – Local Improvement Charges.

Sub-committee Discussion: The Director of Infrastructure and Development Services reviewed the staff report, explaining the history of local improvements in general and as utilized in the City of Stratford.

He then reviewed the staff recommendations, suggesting the Local Improvement process only be engaged when the recoverable charges exceed \$40,000, that the cost percentages be switched to 60% City and 40% owner based on recent Council decisions, that sidewalks on collector and arterial roads benefit the greater good so should be funded 50% from development charges and 50% City and to amend the flankage exception to avoid penalizing owners of corner lots.

The Director stated that other municipalities use local improvement charges to recover costs and have varying policies. It was suggested that there are implications Council needs to consider if the policy is abandoned, such as the impacts on the 2019 budget and how recent projects will be dealt with.

In response to a question regarding a sidewalk on Pleasant Drive, the Director clarified that all applicable owners are charged for the sidewalk, regardless of which side the sidewalk is installed.

Motion by Councillor Beatty

Sub-committee Recommendation: THAT the Local Improvement process remain as an option to recover costs of municipal infrastructure projects, where applicable;

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THAT Policy L.3.1 be amended such that watermains be included as infrastructure eligible for Local Improvement charges, in the same manner as sanitary sewers;

AND THAT Council adopt the new Policy L.3.1 – Local Improvement Charges.

The Chair referred to a revised version of the local improvement policy amended by the solicitor that was handed out at the meeting.

In response to questions, the Director advised that only projects identified in the Development Charges by-law would be covered by development charges, that a maximum charge would not be beneficial as potential inequity is addressed by amending the flankage exemptions and noting that staff are recommending several discounts under the amended policy.

The overall cost of the Pleasant Drive project is \$1.6 million, with \$300,000 recoverable under local improvement charges.

The Chair called the question on the motion on the floor.

Carried

It was suggested by a Sub-committee member that this item be reconvened when it is listed on the Finance Committee agenda on March 4, 2019.

5. Report of the Director of Corporate Services

5.1 Vacant / Excess Land Subclasses For Commercial and Industrial Properties (FIN19-006)

Staff Recommendation: THAT the report of the Director of Corporate Services dated February 19, 2019 regarding tax policy considerations of vacant and excess land subclasses for commercial and industrial land be received for information;

AND THAT direction be given to staff regarding any changes to the existing taxation policy.

Sub-committee Discussion: The Director of Corporate Services reviewed the staff report, noting that the report was requested by Sub-committee at the January sub-committee meeting.

Previously, MPAC set mandatory tax subclasses with a 30% reduction for commercial vacant/excess land subclasses and 35% for industrial. There are currently 144 affected properties based on the tax roll. In 2018, \$378,000 was collected from those properties at the discounted rate at cost of \$131,500 in lost revenue to the City.

Of the municipalities surveyed, a dozen have opted to eliminate the discounted tax subclasses, with a 50% split between immediate elimination and a phased out approach.

Motion by Councillor Gaffney

Sub-committee Recommendation: THAT the report of the Director of Corporate Services dated February 19, 2019 regarding tax policy considerations of vacant and excess land subclasses for commercial and industrial land be received for information;

AND THAT vacant/excess land subclasses for commercial and industrial properties be phased out as follows:

<u>Year</u>	<u>Commercial %</u>	<u>Industrial%</u>
2020	30% (current)	35% (current)

2021	15%	15%
2022	0%	0%

Discussion took place regarding particular properties. The Director stated that he has not looked at geographical locations and individual situations can be complex, as they are not all former industrial/commercial land.

In response to whether the Director had any experience in what happens when these tax subclasses are removed and whether infill is achieved, the Director noted that this option has only been available for 18 months.

The Director clarified that it is up to MPAC to set a tax subclass for a property and the City can now determine a percentage for that subclass based on the new rules.

Discussion took place regarding eliminating the discounted rates in 2019 and the potential ramifications. The Director clarified that if the discounted rates are eliminated, a commercial or industrial property would pay one rate even if a building is demolished.

The Chair called the question on the motion.

Carried

The Director advised that there will open houses and consultation with the BIA if the motion is approved, similar to the process of eliminating the vacancy rebate.

6. Advisory Committee/Outside Board Minutes

There were no Advisory Committee/Outside Board minutes to be provided to Sub-committee at this time.

7. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is Tuesday, March 19, 2019 at 3:30 p.m. in the Council Chamber, City Hall.

8. Adjournment

Motion by Councillor Beatty

Sub-committee Decision: THAT the Finance and Labour Relations Sub-committee meeting adjourn.

Carried

Meeting Start Time: 3:30 pm

Meeting End Time: 4:05 pm