

TOWNSHIP OF WELLINGTON NORTH

PUBLIC MEETING MINUTES

Friday, June 14, 2013

The Public Meeting was held Friday, June 14, 2013, 9:30 a.m. at the Township of Wellington North Council Chambers, Kenilworth to consider amendments to the Development Charge By-law for the Township of Wellington North.

Present:

Mayor: Raymond Tout
Councillors: Sherry Burke
Mark Goetz
Andy Lennox
Dan Yake

Also Present:

Acting CAO - Treasurer: Mike Givens
Deputy Clerk: Catherine More
Executive Assistant: Cathy Conrad

(A) CALLING THE MEETING TO ORDER

Mayor Tout called the meeting to order.

(B) DECLARATION OF PECUNIARY INTEREST

- None reported

(C) OPENING REMARKS/PURPOSE OF PUBLIC MEETING

The purpose of this public meeting was to consider the Development Charge By-law for the Township of Wellington North and the Development Charge Background Study prepared by Watson & Associates Economists Ltd. dated May 30, 2013.

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(D) **PRESENTATION OF BACKGROUND STUDY – PROPOSED POLICIES AND DEVELOPMENT CHARGE**

Gary Scandlan, Associate Director, Watson & Associates Economists Ltd.

- Opening Remarks

Consultant Gary Scandlan outlined the purpose and the format of the Public Meeting. The meeting was held in accordance with the Development Charges Act.

- Presentation of Proposed Development Charge Policies and By-law

Mr. Scandlan outlined the mandatory steps followed during the study process and explained that Council will consider the proposed by-law at the next regular Council meeting.

Development charges are imposed to recover the capital costs associated with residential and non-residential growth within the township. The Development Charges Act empowers municipalities to impose these charges.

There are limitations on services. Development Charges may not provide for parkland acquisition, municipal halls, tourism, arts/culture facilities, museums, solid waste service, hospitals, vehicles and equipment with an average life of less than 7 years, or computer equipment.

Mr. Scandlan presented an overview of the Development Charges Act and the process. The amount, type and location of growth are identified as well as the servicing needs to accommodate growth. The capital costs to provide services to meet the needs are also identified. Deductions are made for grants, subsidies and other contributions, the benefit to existing development, a statutory 10% deduction for soft services, amounts that are in excess of 10 year historic service calculation and where applicable, Development Charge Reserve Funds. Net costs are then allocated between residential and non-residential benefit. Net costs divided by growth to provide the Development Charge.

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Mandatory exemptions include industrial building expansions, which may expand by 50% with no Development Charge, adding up to 2 apartments for a single as long as the size of the home doesn't double, adding one additional unit in medium and high density buildings, and upper/lower tier governments and school boards.

Discretionary exemptions reduce, in part of whole, development charges for types of development or classes of development (e.g. industrial or churches), may phase-in over time, and redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law). Most municipalities provide a 4 or 5 year time frame.

The current Wellington North Development Charges By-law includes exemptions for bona fide farms, places of worship, hospitals, North Wellington Healthcare Corporation, and accessory buildings and structures.

Part of the development charge process defines what is included in the development charge and what a developer is responsible for. Developers are generally responsible for water and wastewater connections to trunk mains and pumping stations to service specific areas; storm water management quality and quantity works, including downstream or adjacent erosion works; and internal roads, sidewalks, streetlights and private entrances. The relationship between needs to service growth vs. funding are reviewed.

The 2013 development charge forecast is based upon the County of Wellington Forecast for the Township and provides for population increase, residential unit increase and non-residential gross floor area increase.

Services considered include municipal wide services such as parks, recreation, fire protection, administration and roads and related services; and urban services such as wastewater and water.

Mr. Scandlan reviewed the summary of calculated charges, the proposed charges by type and a comparison of current, calculated and proposed charges.

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- Questions from Members of Council

Councillor Lennox clarified that the Development Charges Act allows for the creation of a model for growth.

Mr. Scandlan explained that all studies calculate the maximum. However, municipalities do not need to implement the maximum. Water and wastewater services have to be provided as per provincial standards.

Mayor Tout commented that the Growth Forecast shows signs of growth in Wellington North and increased growth of population in our area.

- Deputations and Questions from the Public

Brad Schwindt, Schwindt Building Contractors, Mount Forest, questioned why there are no development charges for the agricultural sector.

Mr. Scandlan explained that five years ago the Council of the day did impose development charges on agricultural development. Due to a large response Council amended the by-law and removed development charges on agricultural buildings. Council of the day has decided to continue with that policy.

Councillor Yake stated that the decision at that time was based on lack of consultation with the agricultural sector. The development charges were put in place without discussion. A public meeting was held to discuss the development charges relating to agricultural development.

Mr. Scandlan provided that a survey of municipalities shows the policy is consistent and approximately 90 to 95% of municipalities do not impose development charges on agricultural buildings.

Mayor Tout commented that Wellington North has not industrialized into the factory farm; however, he felt that a few years down the road that will change.

Mr. Schwindt stated that development charges are all coming from residential and that Council is missing out by not having agricultural development charges.

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Mayor Tout commented that the agricultural sector has exemptions from other things, such as lower taxes on farmland.

Joanne Aitken, Mount Forest stated that factory farms are already happening and asked if development charges could be phased in for larger operations.

Dan Cotton, Arthur, agreed with Mrs. Aitken. He felt that the larger barns need more fire protection and the trucks going to and from the farm are bigger and harder on the roads. He added that Council is expecting to see development charges come out of the urban areas. The "Mom and Pop" farms are okay; but, the large farms need to pay development charges.

Jim Hewson, Mount Forest, asked if buildings used for welding shops or repair shops on agricultural land pay development charges.

Mayor Tout explained that if it is a commercial use they pay development charges. If it is not producing food it is not agriculture.

Mr. Scandlan further explained that if it is used for the farm they would not be charged. If it is not for the farm they would be charged for the commercial use.

Ivan Armstrong, Ivan Armstrong Trucking, Arthur, questioned why they can't do the same with agriculture as they have done with houses and phase development charges in, farms generate revenue.

Councillor Goetz commented that there is a difference between cash crop farms and those that use buildings. Cash croppers are not building; they tend to tear down buildings. There are very few factory farms in Wellington North. We would be targeting two different areas.

Mr. Cotton stated that there is a large farm close to him that was built in three stages and more will be built. There are farmers that are running 1,000 acres that build driving sheds. That would still be some money. He was at the meeting held in Arthur a few years ago for the agricultural sector and felt that Council had been overwhelmed.

Mayor Tout commented that there is a small number of factory farms but that will probably increase in eight to ten years. It will have to be addressed in the next review.

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Mr. Cotton stated that because of urban sprawl in other areas there are people who want to farm and are moving here.

Councillor Lennox commented on issues not yet discussed. Regarding the issue of competitiveness – do we want to put farms at a disadvantage? The schedules look at development charges and the cost of growth. We are not increasing roads, fire or parks. None of those services are required on a barn like they are required for houses. Farm houses have the same development charges as a house in town.

Mr. Schwindt stated that it would be similar to storage units in the urban area.

Councillor Lennox commented that a storage unit would have more traffic.

Mrs. Aitken asked if any of the costs are being charged through municipal taxes. Municipal taxes have increased more over the past couple of years.

Mayor Tout explained that taxes went up by 4%. Some was for the cost of services. A percentage goes to various services. The previous Council would have had development charges at \$24,000. This Council has decreased development charges.

Mrs. Aitken stated that some builders have left town and gone to Durham. Wellington North development charges are almost as high as Fergus and Orangeville; but, we don't have the same to offer. There are no big box stores or fitness services here. Mrs. Aitken felt we should not be lumped in with Fergus, Guelph and Toronto. Mapleton and Minto have lower development charges.

Mayor Tout explained that development charges in Guelph are \$30,000. We may not have as many services to offer but our development charges are \$14,000. He asked if Mrs. Aitken had compared taxes.

Mrs. Aitken felt that the taxes should be more and the development charges less. Builders have to pay the development charges and then end up having to take a cut because the market is not sustaining the increases. Other municipalities have found a balance, why can't Wellington North? There is an increase in housing to the south because you get more services for your money. Building is down in Wellington North. She felt there are other ways to get money to cover these costs

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Mayor Tout commented that building is down all over. There are a lot more factors to it than development charges

Mr. Schwindt urged Council to look at the public meeting held last time development charges were reviewed. The meeting was held at the Kenilworth Public School with many more people attending than those present now. The number of builders is down. Next time there will be even fewer.

Mayor Tout stated that there are more contractors that could have been at this meeting but were not.

Mr. Armstrong stated that there may only be a couple of factory farms but there are only a couple of warehouses. He asked if this was an amendment or a new by-law. He also asked if this meant that he could build 50% more of a building.

Mayor Tout explained that it is a new by-law and that the Development Charge By-law must be reviewed every five years.

Mr. Scandlan further explained that the 50% exemption is for adding onto the existing building. It must be an actual expansion of the building, not a new building. The by-law has been set up so it isn't in perpetuity. The 50% expansion is one time only, you can't keep increasing with additional add ons.

Darren Jones, Chief Building Officials, added that the 50% expansion does not have to do with the by-law. You cannot add on another 50% after a new by-law is passed in five years.

Arnold Deboer asked if Mr. Scandlan does studies for Durham and Hanover. Those municipalities have water and sewer, are they using taxes?

Mr. Scandlan stated that if they are not collecting development charges they are using taxes. Municipalities have to find a balance between development charges and taxes.

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Councillor Lennox explained that if we don't need to add services we don't need development charges. It is possible that some municipalities may already have excess services. In Wellington North we need to invest major dollars in infrastructure to have growth. Other municipalities may be able to have growth without development charges.

Mayor Tout added that water and sewer services are mandated by the province and must be self sustaining. Those services cannot come out of taxes. Mount Forest has grown and needs another supply of water. Five years ago a new wastewater treatment plant was built. Arthur needs a new plant as it is at capacity. These things will cost millions to allow for growth.

Mr. Deboer cautioned that we need to be careful when comparing Wellington North to others, such as Fergus and Orangeville. Basically, the builders have to pass on the cost to the end user.

Mayor Tout responded that builders are building where they are because they are making money. Commuting has increased.

Jens Dam, Moorefield, questioned where the numbers came from. At an OMB hearing the vice chair questioned the reductions. Was there a 40% reduction of services because of the 40% reduction in Development Charges? What is being passed on to tax payers? How much should be passed on to tax payers?

Mr. Scandlan explained that the costs are deemed by engineering costs. Council looks at standards and the province mandates some service levels. A process was followed to determine the level of services. Based on discussions they came up with the proposed figure of \$15,000.

Mr. Scandlan stated that in 2008 we had different economic times and the study reflected the perspective of the Council of the day, they had a different vision. This study is the current Council's perspective. Council looks at capital projects, how much is needed and when, they determine the level of service they want to provide.

Mayor Tout commented that previously the economic times showed higher growth. With the economic downturn there will not be as much of an increase.

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Mr. Dam stated that development charges are for growth. If there is no growth the current by-law is false.

Mr. Scandlan explained that the development charges were sanctioned by the OMB and the current by-law is legal.

Jim Coffey, Arthur, asked if there will be any room for expansion at the Arthur sewer plant as there are currently only 11 uncommitted units. Mr. Coffey asked how much money is in the development charge reserve fund.

Councillor Lennox commented that we may not have money in the bank but the Development Charges Act allows us to go ahead and use future development charges. There is a firm looking at an environmental assessment in Arthur. We may be able to expand one part of the plant now to allow for expansion and another later on.

Mike Givens, Treasurer, provided that there is 1.3 million in the Development Charge Reserves for all services.

Councillor Lennox explained that development charges can only be used for growth related infrastructure. If a water tower needs to be replaced that money cannot come from development charges. If we replace the current tower in Mount Forest with a bigger tower the expansion could be paid from development charges.

Mayor Tout commented that when the water tower was built it was built with the future in mind.

Mr. Scandlan stated that infrastructure always has to be built in advance for growth. Council may have to incur debt to provide the service and may have to add it on to water rates. Council takes the risk in providing the service for future growth.

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Mayor Tout thanked Mr. Scandlan for his report and work on the study. He hoped that we will see continued growth. Major issues needing to be addressed are the sewer in Arthur and water tower in Mount Forest. Concepts have changed, factories now follow people, whereas previously people followed factories.

- Written Submissions – none received

(E) CLOSE PUBLIC MEETING

Meeting adjourned at 11:30 a.m.

DEPUTY CLERK

MAYOR