Introduction

- Jason Ducharme, proud Cobourg resident living at 883 Ontario Street
- Recently retired municipal finance and funding model expert. My experience:
  - $1.5B new funding model for Child Welfare in Ontario
  - Operating and cost recovery model for new provincial building services agency
  - $1.2B new funding model for Post Secondary Education in Alberta
  - $300M model for funding low-income dental services in Ontario
  - $100M capital funding allocation model for public housing
  - $1.8B new model for funding social housing in Ontario
  - Region of York Courts – financial model for Administrative Monetary Penalties system
  - Province of Ontario - methodology to regulate community benefits authority for municipalities
  - Property appraisal, assessment and municipal fiscal impact
  - Municipal core service delivery reviews
- I'm a numbers and municipal finance geek and proud of it.
- So imagine my surprise seeing my monthly Lakefront Utility bill last November!

Analysis of Stormwater Funding Model

- In 2024 the Town needs to raise $1.7 million to pay for the Town's stormwater operations and capital.
- Financing options were considered, and a choice was made to use a ""Runoff Coefficient by Actual Land Area per Property" model to raise the required funds. Runoff coefficients are applied to different use categories, to allocate the required $1.7M to different land use types.
- Based on this model, $458,550 needs to be raised from "Low Density Residential" land use category.
- For "low density" a 2024 levy of $936.65 is applied to the 482.5 HA in order to raise the $450K+/-
- Watson report says that ***"It is important to note that the impacts felt by individual properties could vary widely depending on the size of the property…"***
- Model allocates 42.7% of cost to 3.4% of properties, despite fact that larger properties have much lower runoff coefficients (they're all green space)

$ 1,146,763	Capital reserve contributions
$ 555,600	Actual annual operating cost
$ 1,702,363	Total Annual Funding Requirement

	Total Area (HA)	Runoff Coefficient	Hard Surface Area	Share of total hard surface area	Share of Funding by type
Commerical	179.0	90%	161.1	20.0%	$ 340,230
Industrial	240.0	80%	192.0	23.8%	$ 405,488
Institutional	52.0	75%	39.0	4.8%	$ 82,365
Agri/Vac	769.0	20%	153.8	19.1%	$ 324,813
Res - Low	482.5	45%	217.1	26.9%	$ 458,550
Res - Med	23.0	60%	13.8	1.7%	$ 29,144
Res - High	39.0	75%	29.3	3.6%	$ 61,774
	1784.5		806.1	100.0%	$ 1,702,363

	Number of Properties	Avg Size (HA)	Total Area HA)	SW Levy by lot size	Average levy per property	Share of low density levy	Share of number of properties
Average res lot size	5413	0.051	276.6	$ 259,081	$ 47.86	57.3%	96.6%
Large lots (>0.2HA)	190	1.084	205.9	$ 192,843	$ 1,014.96	42.7%	3.4%
	5603		482.5	$ 451,924			

Notes: All figures extracted from Watson Associates report, except for the estimated number of residential properties >0.2 ha which is generated by the Town's GIS system. The 0.51 ha average size of smaller properties is from the Town's information brochure (50/110 ft lot)

A $200 cap on low density residential levy will fix the inequity

- If a $200 cap is imposed, the per/HA rate for smaller lots would need to increase to maintain the total revenues needed from low density residential properties
- With a $200 limit, total revenues from 190 larger properties would be $38,000 rather than the $192,843 (assuming the $936.65/HA current rate)

	Number of Properties	Avg Size (HA)	Total Area HA)	Revenues assuming $200 cap on low den res levy Total Rev	Per Property	
Average lot size	5413	0.051	276.6	$ 413,924	$ 76.47	Avg levy/smaller properties
Large lots (>0.2HA)	190	1.084	205.9	$ 38,000	$ 200.00	Avg levy/smaller properties
	5603		482.5	$ 451,924	$ 80.66	Avg of all low density residential

- To offset the revenue loss created by a $200 cap, average levy per property for smaller properties would need to increase from $47.86 to $76.47, an increase of $28.61 annually or $2.38 per month
- Town's brochure states **"The proposed funding structure will distribute fees proportionally among property types that are estimated to produce more stormwater runoff"**
  - Current levy does not do this. It burdens 43% of cost onto 3.4% of properties – the very same properties that produce virtually no stormwater because they're mostly green.

	Number of Properties	Share of # of properties	Share of SW Levy Revenues	
			Current Levy	with $200 cap
Average res lot size	5413	96.6%	57.3%	91.6%
Large lots (>0.2HA)	190	3.4%	42.7%	8.4%
	5603			

- A $200 cap will result in much fairer allocation of cost burden, it is easy to administer (ie no site measurements needed), and with a very small increase to the levy on smaller properties (ie<$3/mo) the Town still collects the required revenues needed to fund stormwater operations and capital.

Proposed Council Motion

"That Council approve a $200 cap on low density residential properties, subject to the following two conditions:

1. Staff be directed to confirm the feasibility and fiscal impact of the $200 cap to ensure that the Town will still collect the required revenues from low density residential properties.
2. To offset any revenue loss created by a $200 cap, the average increase in levy for smaller properties should be less than $3.00 per month/property."