

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE
Area Rating Focus Group Meeting Minutes
Judge's Chambers, Town Hall

DATE: December 2, 2013

TIME: 9:09 a.m.

PRESENT: Mayor, Linda Thompson, Ian Angus and Gord Walter (arrival at 9:27 a.m.)

STAFF: Director of Finance, David Baxter and Finance Clerk, Devanne Kripp

Mr. Baxter opened the meeting by indicating the focus group was developed to provide context and framework to the area rating topic. Ideally, Mr. Baxter would like to have the focus group determine more commonalities between the three options submitted. It was noted that all three options presented, agreed on weighted assessment as the tool to use for calculating taxes.

Note that Ian Angus and Gord Walter emphasized an approach based on the principles and further that the focus group should be considering compliance first and foremost. Subsequently the Mayor Thompson indicated the focus group framework should include:

- a. Clear context of special services and area rating (definitions)
- b. Develop framework to define a special service.
- c. Input from outside sources (MMAH, City of Hamilton, City of Kawartha Lakes)
- d. Commonalities to review
- e. Suggestions for implementation and phasing

All members agreed that should be the basis of the focus group.

Mr. Angus inquired about having a facilitator come in and how to obtain a third party participant. Mayor Thompson indicated that Council has not confirmed this; however, the focus group can provide suggestions. Ian Angus expressed that the facilitator should be experienced and considered a third party, which was agreed by the group.

The focus group reviewed the Evaluation of Municipal Services as Potential "Special Services" and indicated that it is a good communication piece; however the columns need to better tie into the legislation.

Mr. Angus said it would be beneficial to know the core services of each department to better determine if it is a special service or common. Mayor Thompson specified that there is a document that is available.

Ian Angus provided the Focus Group with a "Talking Points" document and Bill Bickle's "Focus Group Objectives".

In closing, the focus group made progress in outlining the framework of the focus group.

Next Meeting Dates:

- 1) Thursday, December 5, 2013 10:30 a.m. to 12:00 p.m.
- 2) Friday, December 13, 2013 9:30 a.m. to 11:30 a.m.

- 3) Tuesday, December 17, 2013 10:00 a.m. to 12:00 p.m.
- 4) Friday, December 20, 2013 9:30 a.m. to 11:30 p.m.

Adjourned – 11:03 a.m.

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE
Area Rating Focus Group Meeting Minutes
Lower Board Room, Town Hall

DATE: December 5, 2013

TIME: 9:35 a.m.

PRESENT: Mayor, Linda Thompson, Ian Angus and Gord Walter

STAFF: Director of Finance, David Baxter and Finance Clerk, Devanne Kripp

CONFERENCE CALL: Municipal Advisor Kent Fitzhugh and Senior Municipal
Financial Advisor Alison Fath-York from Ministry of Municipal
Affairs & Housing (MMAH)

Mr. Baxter opened the meeting by introducing two Municipal Advisors, Kent Fitzhugh and Alison Fath-York, from the Ministry of Municipal Affairs & Housing (MMAH) who were participating in the meeting via a conference call. There was consensus to postpone reviewing minutes from previous meeting to best utilize time with MMAH.

Special Services - General

The Focus Group reviewed the revised Evaluation of Municipal Services document. There was a request to revise the headings further so they become either a positive or negative statement and revise the check marks and x's to yes and no for easier understanding.

It was suggested that the Focus Group further evaluate the services that could be considered a special service based on limitations such as fair and equitable, significant, and implementable. It was agreed that this be added to the table.

The Focus Group had an in depth conversation of services within the Evaluation of Municipal Services chart seeking clarification from the MMAH representatives when necessary. Mr. Angus asked our MMAH representatives what makes up a special service. Mrs. Fath-York indicated that within the Municipal Act, different levels of services can be area rated and the definition of special services must reflect the distinct service. Mrs. Fath-York indicated the application of the definition of "special service" in one Municipality or Township will be unique to their situation. Further, the determination must be justifiable and defensible, suggesting review by legal counsel to ensure their agreement.

Parks, Recreation and Culture

The Focus Group discussed how to evaluate the suitability of Parks, Recreation and Culture as a special service. Mr. Angus indicated that the recreation facilities may not meet the needs of those who reside in Ward 2. In addition, he spoke to the large backyards in the rural area and as a result rural properties do not attend urban facilities as frequently or at all. Mrs. Fath-York indicated that the definition needs to be justifiable and defensible. Mr. Fitzhugh specified that the debate to determine if a service is deemed a special service is not about who is using Municipal facilities but rather if the facility is accessible and/or available to all residents.

Economic Development and Tourism

Mr. Angus inquired about Economic Development and Tourism arguing residential property owners do not benefit, and asking why all taxpayers should contribute to the services received by industrial and commercial businesses. Mr. Fitzhugh indicated that the business revenues coming in affect the community as a whole (i.e. affects jobs, supports all businesses, allows for a thriving downtown core). Further, Mayor Thompson clarified that Economic Development and Tourism increases the commercial and industrial assessment which will affect the municipal property tax rate that the business owners pay as well as residents (eg. if industrial and commercial assessments increase, it will lessen the burden to all residential taxpayers). Mrs. Fath-York indicated that a special service can only be applied to a geographic area and not by specific property type. It was noted that there are often home-based offices operating out of urban and rural residential properties. Mr. Fitzhugh asked whether one can justify what service is different. In addition, David noted that tax ratios already shift an increased Municipal property tax burden to the commercial and industrial property owners. Of the 444 other Ontario local governments, MMAH was not aware of any that area rated Economic Development and Tourism.

Works and Engineering

Mr. Angus discussed concerns regarding the difference in roads (i.e. curbs vs. ditches and resulting different servicing needs). Mayor Thompson clarified that the difference in maintaining is based on type of road (i.e. arterial vs. local). There is more local roads in rural but all receive the same level of service based on usage or designation. In addition, Mrs. Fath-York indicated that property assessment reflects positive and negative impacts which is factored into the Municipal property tax calculation, eg the gravel road that a resident lives on will be taken into consideration when assessed. Further, it was noted that plowing and maintenance is based on volume and need as well. Of the 444 other Ontario local governments, MMAH was not aware of any that area rated roads.

Mr. Baxter distributed the Service Delivery Review (SDR) Core Services document to the Focus Group to better understand the services that departments provide.

The Focus Group recommended consideration in the next user fee review for a “non-resident user fee” for those individuals residing outside the Municipality.

Next Meeting Dates:

- Friday, December 13, 2013 - 9:30 a.m. to 11:30 a.m.
- Tuesday, December 17, 2013 - 10:00 a.m. to 12:00 p.m.
- Friday, December 20, 2013 - 9:30 a.m. to 11:30 a.m.

Adjourned – 12:22 p.m.

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE
Area Rating Focus Group Meeting Minutes
Judge's Chambers, Town Hall

DATE: December 13, 2013

TIME: 9:35 a.m.

PRESENT: Mayor, Linda Thompson, Ian Angus and Gord Walter

STAFF: Director of Finance, David Baxter and Finance Clerk, Devanne Kripp

The focus group reviewed the December 2, 2013 minutes and there was a consensus to forward them to the next Committee of the Whole meeting. Mr. Baxter indicated that the December 5, 2013 minutes are to be reviewed by Ministry of Municipal Affairs and Housing (MMAH) representatives to ensure their representation of comments is noted correctly. These will come forward once returned.

Mr. Baxter spoke to his Area Rating Update report that went to Committee of the Whole (COW) on December 10, 2013, indicating that it was received for information and no questions or concerns were raised. A copy of the report was provided to the Focus Group for information purposes.

Mr. Angus inquired about obtaining a facilitator. Mayor Thompson specified that the resolution from the November 26, 2013 COW meeting was to obtain a facilitator. Further, Mr. Baxter indicated that the Area Rating Update report included the Focus Groups recommendation that the CAO and Council search for a facilitator and that the individual be experienced and considered a third party.

The Focus Group reviewed the revised Evaluation of Potential Special Services document and noted minor changes, including an additional limitation: justifiable and defensible based on comment from MMAH at previous meeting.

Mr. Baxter provided a follow up to Mr. Angus' email requests for financial data, indicating that it is still premature in the process for this information; the Focus Group must first determine special services through the principles approach was agreed upon. Mr. Angus indicated that financial data needs to be made available to the public for this process. Mr. Baxter clarified that financial statements and budgets are posted on the Municipal website for the public to access and reiterated that further data will be made available to the Focus Group when at that point. Mayor Thompson explained that the Focus Group mandate was first to define potential special services through principles and obtain financial information once those special services were determined. Further, that data does not dictate the principles. Mr. Walter was in agreement that financial data should be included only if a service could be considered a special service per the Evaluation of Potential Special Services document.

Mr. Baxter provided a follow up to the request of what is included in "non-departmental." The main items included: interest, investments, tax changes, payments in lieu (PIL), Committees of Council, and insurance. Mr. Angus suggested that the PIL's should be divided by Ward. Mr. Baxter indicated that within the Municipal Act (Section 211(8)), a section states that the portion of PIL's of taxes received and not distributed by a local municipality (to the County or Education) shall

be credited to its general fund. Therefore the inclusion of PIL's as being Area Rated is not in compliance with the Municipal Act.

Mayor Thompson referred to the Service Delivery Review (SDR) document regarding Department Core Services that was circulated at the previous meeting and requested that the department order be parallel the Evaluation of Potential Special Services document. The Focus Group agreed that the SDR Department Core Services document needs to be included in the final public document. It was asked that the SDR document be rearranged in order of the Evaluation of Potential Special Services document.

Next Meeting Dates:

- Tuesday, December 17, 2013 - 10:00 a.m. to 12:00 p.m.
- Friday, December 20, 2013 - 9:30 a.m. to 11:30 p.m.

Adjourned – 11:28 a.m.

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE
Area Rating Focus Group Meeting Minutes
Judge's Chambers, Town Hall

DATE: December 17, 2013

TIME: 10:04 a.m.

PRESENT: Mayor, Linda Thompson, Ian Angus and Gord Walter (arrival at 10:28 a.m.)

STAFF: Director of Finance, David Baxter and Finance Clerk, Devanne Kripp

The minutes from December 5, 2013 and December 13, 2013 were reviewed and approved with minor revisions. Mayor Thompson requested confirmation from Ministry of Municipal Affairs and Housing (MMAH) regarding section (211(8)) in the Municipal Act which speaks to Payments in Lieu (PIL's).

The revised Evaluation of Potential Special Services document was circulated and the Focus Group made some minor changes. Further, a list of definitions was circulated to assist the Focus Group when evaluating potential special services. Members of the Focus Group added a definition to the four limitations (C-F).

The Focus Group went through each service and indicated if they were in agreement of how the service was represented by the principles (i.e. yes or no). Mayor Thompson suggested integrating the Evaluation of Potential Special Services document and SDR Core Services document into one for easier reference. Members of the Focus Group inquired about the number and location of catch basins in Ward 2. David indicated that staff will speak with the respected department to obtain information.

Mayor Thompson suggested having the information from the Municipalities' organizational charts as part of the consultation process for information.

David provided further information regarding a facilitator, indicating that the CAO, Carl Cannon, is following up with obtaining a facilitator.

Next Meeting Date:

- Friday, December 20, 2013 - 9:30 a.m. to 11:30 p.m.

Adjourned – 11:56 a.m.

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE
Area Rating Focus Group Meeting Minutes
Judge's Chambers, Town Hall

DATE: December 20, 2013

TIME: 9:34 a.m.

PRESENT: Mayor, Linda Thompson, Ian Angus and Gord Walter

STAFF: Director of Finance, David Baxter and Finance Clerk, Devanne Kripp

The minutes from December 17, 2013 were reviewed and approved with minor revisions.

A letter from the Parks, Recreation and Culture Advisory Committee was submitted and circulated to the Focus Group. This was received for information. Ian suggested that a response letter be sent thanking them for their input and encourage members to comment during the public consultation period.

The Evaluation of Potential Special Services document was circulated as revised. Mayor Thompson suggested integrating the Service Delivery Review Core Services into the Evaluation of Potential Special Services as bullets rather than separate appendix.

Mayor Thompson inquired about follow up with Ministry of Municipal Affairs and Housing (MMAH) regarding section (211(8)) in the Municipal Act which speaks to Payments in Lieu (PIL's). David indicated that when he previously spoke with MMAH, they indicated that the PIL's are addressed in the Municipal Act and are based on assessment. Mayor Thompson suggested including the details that PIL's are calculated by assessment therefore are allocated to the specific Ward. The Focus Group agreed to this.

Devanne provided follow up to Ian's inquiry about the number of catch basins in Ward 2, identifying that there are a total of 4 catch basins in the rural area based on information provided by the Works and Engineering department. It was requested that staff identify how many catch basins are in Ward 1 for a comparison. It was suggested that this information be included in the details, the Focus Group agreed.

The Focus Group reviewed the details in the Evaluation of Potential Special Services making revisions and recommendations as needed. Mayor Thompson recommended that information from MMAH and the organizational charts for specific departments be incorporated into the details. The Focus Group agreed to this. It was noted that all of the changes would likely not be prepared for the January 7th COW meeting.

David indicated the next steps would be revisions to the Evaluation of Potential Special Services document and the recommendation that the document (being the explanation of special services opening sheet and the evaluation and information table) be included for public consultation. David indicated that financial data needs can be provided with the buckets as per the Evaluation of Potential Special Services for the public process, suggesting the most appropriate time would be after the principle based discussion. Gord agreed that financial data should be included after the public has had an opportunity to review the principles. Ian indicated that financial data needs to be available but does not think the public would review neatly and in subsequence. He believes that some members of the public could go right to

the financial information. Finally, Ian requested that staff include financial information for all areas that are being considered by the public as potentially area rateable. Mayor Thompson specified that this is a principle approach and the financial data should be available when we go out to the public with a facilitator. Ultimately, the group was generally agreeable to including the financial amount of each service being considered for area rating in the evaluation document as a compromise.

Since this is the final meeting of the Focus Group, David specified that the December 20, 2013 minutes will be circulated that afternoon and if any members of the Focus Group have comments, to please provide to Devanne no later than noon on December 23, 2013.

Adjourned – 11:16 a.m.