



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

2020 Stormwater Revenue Update Information Report to Council

Report Number: INFO-2020-36

Department(s): Financial Services

Author(s): Lawrence Villanueva, Supervisor, Property Tax and Assessment

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

Purpose

The purpose of this report is to provide members of Council with an update regarding the billing of the Stormwater fee in 2020.

Background

On January 13, 2020, staff brought a report to Council titled “Stormwater Billing 2020 – Options”. This report provided Council with a summary of the methods staff utilized to bill the Stormwater fee in previous years (2017 to 2019). The report also provided Council with options on how to bill the Stormwater fee in 2020, along with a recommended approach.

Council approved staff’s recommended option of billing the Stormwater fee on the utility bill beginning in 2020.

Discussion

The Town of Newmarket’s Stormwater revenue requirement for 2020 is approximately \$2.1M. The approved rates for 2020 are illustrated under Figure 1 – 2020 Stormwater Approved Rates.

Figure 1 – 2020 Stormwater Approved Rates					
Runoff Level Groups	Average Percent Impervious	2019 Per Square Meter Charge	2020 Per Square Meter Charge	Increase \$	Increase %
Low Runoff	9%	\$0.016698	\$0.018511	\$0.001813	10.9%
Medium Runoff	44%	\$0.081633	\$0.090498	\$0.008865	10.9%
High Runoff	88%	\$0.163325	\$0.181062	\$0.017737	10.9%

The following provides background information on the 2020 Stormwater Fee:

- There are approximately 26,600 active utility accounts as of October 30, 2020
- The average stormwater fee, all types of property, is \$78.33
 - Average single detached residential home (represents 70% of all accounts) - \$54.32
 - Average semi-detached and townhome (20% of all accounts) - \$23.23
 - Average high-rise condo unit (7.5% of all accounts) - \$17.40
 - Average commercial property - \$2,414.60
 - Average industrial property - \$2,345.68

Staff recognized that the change in billing approach in 2020 may cause some confusion and questions from Newmarket’s residents and property owners. To mitigate the impact of the change, staff utilized the following strategies:

1. Public Communication; and,
2. Stormwater Fee payable in Four (4) instalments.

1. Public Communication

Staff utilized the following communication platforms to provide residents with information regarding the Stormwater fee in 2020:

- Town of Newmarket’s external website;
- Social media platforms (e.g., Twitter, Facebook);
- Targeted communication to property owners/tenants with Stormwater fee greater than \$5,000; and,
- Information Notice insert on the December 2020 utility bill (Appendix A – Information Notice) explaining the added line item on the utility bill.

2. Stormwater Fee payable in Four (4) Instalments

In 2019, residents were given one instalment to pay the Stormwater fee. Due to the current state of the pandemic, staff realized that some residents may experience difficulties in paying the Stormwater fee all at once. As a result, the fee for 2020 will be

broken up equally into four equal instalments. Each instalment will be included in the corresponding monthly utility bill, which is outlined as follows:

- First instalment – December 2020 utility bill;
- Second instalment – January 2021 utility bill;
- Third instalment – February 2021 utility bill; and,
- Fourth instalment – March 2021 utility bill.

Unless otherwise directed by Council, staff will continue using the four-instalment payment plan to collect the Stormwater fee with some modification. The following due dates will be used for collecting the 2021 Stormwater fee:

- First instalment – July 2021 utility bill;
- Second instalment – August 2021 utility bill;
- Third instalment – September 2021 utility bill; and,
- Fourth instalment – October 2021 utility bill.

For all subsequent years, staff will utilize the July to October instalments to ensure consistency.

In 2020, there are approximately 800 tax accounts (or 3% of all tax accounts) that are eligible to be billed the stormwater fee however, these do not have an active utility account with Newmarket Hydro. As a result, Staff will bill the Stormwater charges directly to the property owner's tax account, which will appear as a separate line item on their 2021 Interim property tax bill. For these properties, the Stormwater fee will be included in the three instalment due dates provided on the 2021 Interim taxes.

Conclusion

Resident inquiries and feedback will be closely monitored and provided to members of Council, on a regular basis.

Business Plan and Strategic Plan Linkages

This report links to Newmarket's key strategic directions in being well managed through fiscal responsibility.

Consultation

Consultation has taken place within the Town between Financial Services, Customer Service, Engineering Services, Information Technology and Corporate Communications.

Staff also consulted directly with Newmarket Tay Hydro as well as staff from Olameter.

Human Resource Considerations

None

Budget Impact

2020 Stormwater Revenue - \$2,141,000

Attachments

Appendix A – Information Notice

Contact

Lawrence Villanueva, AIMA

Supervisor, Property Tax and Assessment, lvillanueva@newmarket.ca (Ext. 2143)

Approval

Mike Mayes, CPA, CGA, DPA
Director of Financial Services

Esther Armchuk, LL.B
Commissioner, Corporate Services



Newmarket's Stormwater Charge will now be on your Newmarket Hydro bill

As of December 2020, the Town of Newmarket's 2020 Stormwater Charge will be collected through your Newmarket Hydro bill in four (4) installments (December 2020, January 2021, February 2021 and March 2021). You will notice the first instalment reflected as a line item on the December 2020 bill with the last instalment on the March 2021 bill.

The 2021 Stormwater Charge will be collected with your July, August, September and October 2021 Newmarket Hydro bill.

The Stormwater Charge is **not a new charge**. It was previously collected with property taxes.

Why is the Stormwater Charge being collected on my utility bill?

In an effort to streamline the collection process and to keep all water-related charges on one bill, the once per year Stormwater Charge will be collected through your Newmarket Hydro bill beginning on December 2020.

What is the Stormwater Charge?

The Stormwater Charge is a 'user pay' charge that was implemented in 2017. Before 2017, the Stormwater Charge was funded through property taxes and the water bill.

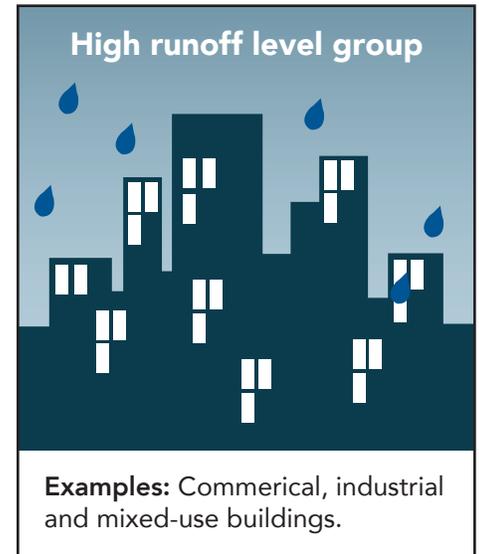
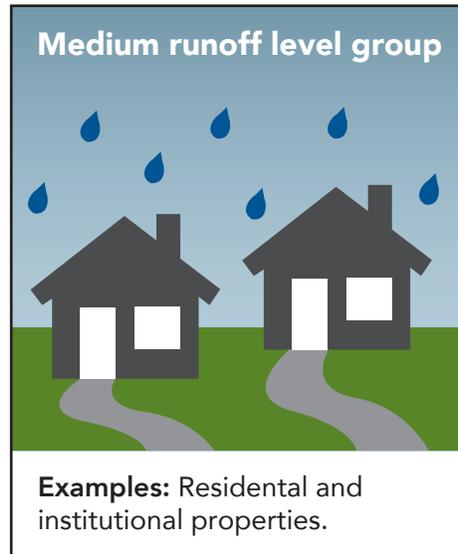
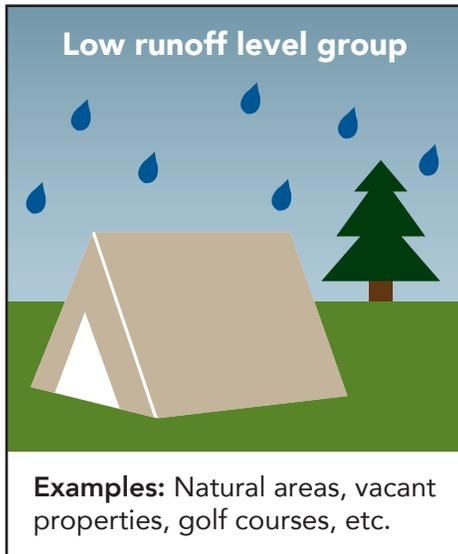
The purpose of the Stormwater Charge is to ensure properties that produce more stormwater runoff (i.e. commercial and industrial properties) pay more and residential properties, that may produce less stormwater, pay less.



Residents can learn more about the Stormwater Charge by visiting newmarket.ca/stormwatercharge

Questions regarding your utility bill can be directed to Newmarket Hydro by emailing nmhydro@nmhydro.ca or calling 905-895-2309.

Newmarket's Stormwater Charge will now be on your Newmarket Hydro bill



The Stormwater Charge is calculated by the:

Size of Property X Runoff Level Group Rate

The majority of residential properties fall into the medium runoff level group rate category, while the majority of commercial and industrial buildings are charged the high runoff level group rate category.

What is stormwater and why is stormwater management important?

Stormwater is the rain and melted snow that flows from your property, onto the street and into the storm drains. Along the way, stormwater picks up debris, chemicals and other pollutants from rooftops and paved surfaces that can upset the water quality of our lakes and rivers.

Stormwater management is essential to Newmarket. It reduces the negative effects of stormwater and lowers the risk of flooding that can damage your property and the environment. Today, there is more stormwater than ever before due to climate change and the growing population in Newmarket.

The Stormwater Charge will be used to fund Stormwater Management initiatives like low impact development (LID) and green infrastructure to minimize the negative impacts of stormwater runoff.

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