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DATE: June 9, 2009

REPORT TITLE: **IMPOSING A SANITARY SEWER FRONTAGE RATE AND CONNECTION CHARGE UNDER THE MUNICIPAL ACT (PROJECT 04-2705) CITY OF MISSISSAUGA, WARD 2**

FROM: Dan Labrecque, Commissioner of Environment, Transportation and Planning Services

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## RECOMMENDATION

**That the imposition of a sanitary sewer frontage rate and connection charge upon the owners of land who derive or may derive a benefit from the construction of Project 04-2705 in the City of Mississauga, be authorized;**

**And further, that the necessary by-law be presented to Regional Council for enactment.**

### REPORT HIGHLIGHTS

- Regional Council has by Resolution 2004-606 previously approved the construction of sanitary sewer project 04-2705 authorizing the Region's portion of the costs of the works to be financed from the Wastewater Capital Financing Stabilization Reserve (R0242) and the owners' portion of the cost of the works to be set up as an external recovery and collected as a special assessment.
- A sanitary sewer frontage rate and connection charge for the owners' portion must be imposed in order to process the special assessment billing to the affected property owners.

## DISCUSSION

### 1. Background

Environment, Transportation and Planning Services staff submitted the necessary report to General Committee at its meeting on June 3, 2004 recommending that the project noted above be undertaken pursuant to the Ontario Regulation 119/03 – Local Improvement Charges – Priority Lien Status of the Municipal Act, 2001. The report identified the estimated cost for the works for the project and apportioned the costs between the Region and the owners. The owners' portion was calculated based on a cost per meter of frontage (\$285), as well as a mandatory connection fee of \$1,550 per lot. Regional Council adopted Resolution 2004-606 stating that the Region's portion is to be financed from the Wastewater Capital Financing Stabilization Reserve (R0242) and the owners' portion is to be set up as an external recovery and collected as a special assessment.

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It was not necessary to borrow funds from a third party to complete construction of this project as the Regional reserves were sufficient to finance the owners' portion of the construction costs.

**2. Project Detail**

The following table represents the details of Local Improvement Project 04-2705:

Project Number	Location	Council Resolution Date	Council Resolution Number	Cost of Works	Owners' Portion
04-2705	South Sheridan Way, City of Mississauga	June 3, 2004	2004-606	\$116,153.62	\$25,064.55

Final costs have been calculated and the owners' portion determined as noted above. In order for the owners' portion to be specially assessed, an interest rate was set to calculate the annual charge to the owners which is amortized over a fifteen (15) year period (2009 to 2023). The Treasurer has certified an interest rate of 5.08 percent, which represents the average interest rate that would have been payable had we issued debentures for this fifteen (15) year period.

**FINANCIAL IMPLICATIONS**

The property owners will be invoiced and owners given a choice of paying the local improvement special assessment in full without incurring interest, or to amortize the amount over the next fifteen (15) years and to have that amount invoiced annually. If the annual amount is not paid within the due date of the invoice, that amount will be added to their tax bill.

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**CONCLUSION**

There was no need to borrow from a third party to complete the construction of Local Improvement Project 04-2705. In order for the Region to collect the owners' portion for this project, a by-law is being presented for Council approval to authorize the imposition of a sanitary sewer frontage rate and connection charge for this project.






Dan Labrecque  
Commissioner of Environment, Transportation  
and Planning Services

**Approved for Submission:**



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D. Szwarc, Chief Administrative Officer

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