J. STOLLAR CONSTRUCTION LIMITED
219 Dunlop Street W., Barrie, Ontario L4N 1B5 **Phone: (705) 728-7204**
Fax: (705) 728-6118

05-December-2016

To: The Mayor & Members of Council,
City of Kawartha Lakes

Re: Subdivision Agreement for 25-lot Bromont Homes draft plan 16T-15502

Members of Council will perhaps recall that on December 8 of last year Council had approved – on what was claimed to be an urgent basis -- the staff-proposed Subdivision Agreement for Bromont Homes' 25-lot draft plan abutting Logie Street. Since we are now approaching the first anniversary of that approval, it would seem an appropriate time to take stock of the outcome.

Let me begin by reminding you of what occurred last year:

- At the December 2, 2015 Planning Committee meeting, Mr. Rojas had given an oral report in which he advised that Bromont's consultant had requested that the proposed Subdivision Agreement be allowed to by-pass the standardly-required step of being considered by Planning Committee, and instead go directly to Council for approval at its December 8th meeting.
- As a result the proposed Subdivision Agreement was placed on Council's December 8th Agenda via Mr. Rojas' staff Report PLAN2015-097 (as amended).
- Although this was nowhere mentioned or referenced in Mr. Rojas' Report, that staff-recommended draft Subdivision Agreement fixed the per-unit "hard services" Development Charges that Bromont would be required to pay at the reduced 2015 Phase-in Rates, notwithstanding that there was no reason to expect that the Agreement would be signed prior to 2016 (at which point, of course, the full non-phased-in rates would have become applicable).
- As you will perhaps recall, I myself had been the one who had attempted to bring this unmentioned financial provision to Council's attention in the letter I'd submitted to Council's December 8th meeting. As expected, Council ignored my request that that provision be amended and instead approved it as presented.
- The upshot was that yet another financial windfall had been bestowed on Bromont at the rate-payers' and tax-payers' expense.

As you may (or may not) recall, Bromont's and Mr. Rojas' contention that obtaining Council's approval was a matter of urgency had been based on their having advised Council that speedy approval was required in order to ensure Bromont's ability to build-out that new subdivision and complete its home sales in 2016. So as to refresh your memory in that regard, I am appending hereto a copy of the November 25, 2015 letter from Bromont's consultant wherein he stated:

> *"The demand for home sales has been very high for this development and in order to ensure that Bromont Homes meets the necessary dates for Building Permits and for **delivery of homes in 2016** the subdivision agreement **must** proceed at this time."*

And in a follow-up letter (also appended) presented to Council at its December 8, 2015 meeting Bromont's representative had stated:

> *"Accepting the Subdivision Agreement at this time will move this small development forward and it will ensure an additional supply of homes to meet market demand in **2016**."*

Moreover the Minutes of the December 2, 2015 Planning Committee meeting (also appended hereto) likewise document Mr. Rojas' having made this same case to the Committee.

As you will perhaps also recall, in the correspondence that I'd submitted to Council I had suggested that these claims were simply a pretense … and that the sole purpose behind requesting this allegedly "urgent" approval was to secure yet another windfall for Bromont at the rate-payers' and tax-payers' expense (without Council's even being made aware that that was what it was being asked to do).

Since we are now at the end of 2016, I am able (and surely entitled) to point out the following:

- The subdivision in question has still **not** been registered.
- Accordingly, no homes have in fact been completed in that subdivision.
- It follows, therefore, that the promised "delivery of homes in 2016" has **not** in fact occurred.

So much for the pretenses by which Council was persuaded to ram through the approval of the proposed Subdivision Agreement – and with it, Council's approval of fixing of the "hard services" D.C. charges for this subdivision at the reduced (and therefore subsidized) 2015 Phased-in Rates.

As for that Subdivision Agreement itself:

- I am not in a position to advise Council as to whether or not it has already been signed.
- If it has been signed, of course, then I'm afraid that it is now too late to correct the error that Council was persuaded to make on December 8, 2015. (The most that Council could accomplish at this point would to be schooled by this experience.)
- On the other hand, if it hasn't been signed then it is not too late: Council is still free to correct that error and thereby recover the tax-payer/rate-payer funded subsidy to Bromont Homes that it approved last year.

To be clear: In order to accomplish the latter outcome, there is no need for Council to *rescind* that earlier approval. All that need occur is that Council adopt a new Resolution of the following sort:

> RESOLVED THAT, prior to its being executed by the Mayor and Clerk, Subsection 9(g) of the Subdivision Agreement for the Bromont Homes draft plan 16T-15502 (File D05-15-003), as previously approved by Council on December 8, 2015, be amended to specify that the payments of the Development Charges for Sewage Collection & Treatment, Water Distribution & Treatment, and Roads & Related are to be at the rates in effect as of the date of execution, this being in accordance with Development Charge By-law 2015-224.

Sincerely yours,

Marty Stollar

Martyn Stollar
Managing Director

P.S.: For those Members who might be interested in further refreshing their recollection, I am also enclosing a copy of my December 6, 2015 letter to Council (as referenced above).

VALDOR ENGINEERING INC.
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25 November 2015
File: **15148**

City of Kawartha Lakes
Development Services-Engineering Division
PO Box 9000, 12 Peel Street
Lindsay, Ontario
K9V 5R8

Attention: **Mr. Juan Rojas, P.Eng.**

Dear Sir:

Re: **Proposed Subdivision Agreement**
90 Logie Street, Lindsay

Further to our discussion, on behalf of Bromont Homes we respectfully request that the proposed Subdivision Agreement for the above captioned 25 lot development proceed straight to the December 8, 2015 Council Meeting for approval.

We will provide the proposed M-Plan, cost estimate, engineering drawings and response to the draft agreement shortly. We also wish to note that all other requirements for fulfilling the agreement have been undertaken and will be completed in a timely manner.

The demand for home sales has been very high for this development and in order to ensure that Bromont Homes meets the necessary dates for Building Permits and for delivery of the homes in 2016 the subdivision agreement must proceed at this time.

We trust that this is acceptable, should you have any questions please do not hesitate to contact us.

Yours very truly,

VALDOR ENGINEERING INC.

Peter S. Zourntos, P.Eng.
Associate

c: **Mr. S. Montemarano,** Bromont Homes
C. Sisson, P.Eng., City of Kawartha Lakes

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07 December 2015
File: **15148**

City of Kawartha Lakes
City Clerk's Office
PO Box 9000, 26 Francis Street
Lindsay, Ontario
K9V 5R8

Attention: **Mayor and Members of Council**

Re: **Council Meeting on December 8, 2015, Plan 2015-097**
Bromont Homes, Proposed Subdivision Agreement (25 Lots) 16T-15502
90 Logie Street, Lindsay

We are the Engineering Consultants representing Bromont Homes for the above noted proposed Plan of Subdivision. We are respectfully requesting for City Council to accept the subdivision agreement for this development at the December 8, 2015 Council Meeting.

Bromont Homes is currently completing its first residential phase which consists of 132 units (both single family homes and some Townhouse units). This development is nearly 90% built and there will not be a sufficient supply of lots available to meet the demand of this growing community in 2016.

Accepting the Subdivision Agreement at this time will move this small development forward and it will ensure an additional supply of homes to meet market demand in 2016. The Sales Centre is already set up, sales staff are present, building construction trades are already on-site and it will allow them to continue to work with this new phase without any disruption in their service.

In addition, Bromont will be completing the Municipal work related to the existing 132 lot phase including final paving, sidewalks and landscaping. With a contractor on-site in 2016 completing this work it will be very easy to complete the roads and services for this smaller phase at the same time which will be a benefit to the Community, the City and to the Developer.

Should you have any questions I will be present at the Council Meeting on December 8, 2015 to answer them.

Yours very truly,

VALDOR ENGINEERING INC.

Peter S. Zourntos, P.Eng.
Associate

c: Bromont Homes

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7.3 PC2015-13.7.3

Juan Rojas, Acting Director of Development Services
Verbal Report
Valdor Engineering Inc. Request on Behalf of Bromont Homes Regarding Proposed Subdivision Agreement - 90 Logie Street, Lindsay

Acting Director Rojas advised that a request was received from Valdor Engineering Inc., on behalf of Bromont Homes, requesting that the proposed Subdivision Agreement for the 90 Logie Street Subdivision be presented directly to Council for approval at the December 8, 2015 Regular Council Meeting. He stated that the City's usual process is for a Subdivision Agreement to be presented to Planning Committee for recommendation prior to proceeding to Council for approval, noting that a copy of draft Council Report PLAN2015-097 was circulated as part of the Amended Agenda for this meeting and a complete copy of Schedule D was circulated to Committee at today's meeting. Acting Director Rojas stated that the developer's request is driven by the demand for home sales, noting that the developer anticipates being fully built out by spring of 2016 and the timely approval of this Subdivision Agreement will give them an additional 25 units to carry their home sales through to the end of next year. He stated that Bromont Homes has agreed to pay 100% of the servicing costs. Acting Director Rojas responded to questions from Committee members.

Moved by Mayor Letham, seconded by Councillor Breadner,

RECOMMEND THAT the Verbal Report from Acting Director Rojas regarding Valdor Engineering Inc.'s Request on Behalf of Bromont Homes Regarding Proposed Subdivision Agreement - 90 Logie Street, Lindsay, be received; and
THAT Planning Committee support the recommendations in Draft Council Report PLAN2015-097, being presented to Council at the December 8, 2015 Regular Council Meeting.

CARRIED PC2015-065

8. ADJOURNMENT

Moved by Councillor Miller, seconded by Mayor Letham,

RESOLVED THAT the Planning Committee Meeting adjourn at 2:34 PM

CARRIED

J. STOLLAR CONSTRUCTION LIMITED
219 Dunlop Street W., Barrie, Ontario L4N 1B5 **Phone: (705) 728-7204**
Fax: (705) 728-6118

06-December-2015

To: The Mayor & Members of Council,
City of Kawartha Lakes

Re: Staff Report PLAN2015-097 (Agenda Item 10.3.5)
- Proposed Subdivision Agreement for 25-lot Bromont Homes draft plan 16T-15502

On November 25th Bromont's engineering consultant submitted a request that the proposed subdivision agreement for Plan 16T-15502 go straight to Council for approval at its December 8th meeting – rather than following the City's standard procedure of having such documents first go to Planning Committee for review, scrutiny and consideration. The consultant's claim was that it is essential that the still-incomplete agreement be approved on December 8th in order for Bromont to ensure that it meets the timetable for the delivery of homes in 2016. (A copy of that request is appended hereto.)

Let me begin by reminding you that this is not the first occasion on which Bromont Homes has asked to be exempted from having the Planning Committee review one of its proposed subdivision agreements. In point of fact, Bromont has *never* been required to comply with this particular procedure.

As for that procedure itself: As referenced in staff Report PLAN2015-097, on February 16, 2010 Council had directed (via CR2010-223) that, on a go-forward basis, "*Subdivision Agreements be reviewed at the Planning Committee meetings for recommendation to Council*". It is to be noted that this Council direction had been adopted in the immediate aftermath of the termination of the former Director of Public Works (Mr. Becking) and the former Manager of Engineering (Mr. Oostveen); and its acknowledged intent to was safeguard against the sorts of oversights and abuses that had been documented as having occurred during their tenure.

As to how that direction has been implemented:

- As it happens, the very first subdivision agreement to which this procedure was applied was my own company's – which at that point was fully complete and ready for execution (with all pre-requisite requirements having already been fulfilled).[1]
- Thereafter, for the next three-and-a-half years, each and every proposed subdivision agreement was subjected to Planning Committee's review and scrutiny prior to being recommended to Council for approval.
- So far as I am aware, the first deviation from this practice did not occur until September 11, 2013. On that occasion Planning Committee was asked by then-Director Taylor to forego reviewing the proposed subdivision agreement for Bromont's *Waterside Acres* development and recommend that, instead, it go directly to Council for approval. Planning Committee agreed; and the draft subdivision agreement that thereafter materialized on Council's September 24, 2013 Agenda was in fact approved.

[1] Notwithstanding that I had been the person who had proposed the adoption of this practice – and therefore fully support it -- I'm nevertheless obliged to point out that compliance with this new policy delayed the agreement's execution (and accordingly the initiation of actual servicing) by more than a month.

- So far as I am aware, subsequent to September 24, 2013 there has been no other occasion on which a subdivision agreement has not been submitted to Planning Committee's review and scrutiny prior to going to Council for consideration – until now.
- As reflected in the just-circulated Minutes of last week's Planning Committee meeting, the Committee has once again accepted staff's recommendation that it forego the opportunity to properly review the currently-proposed Bromont agreement, and that it instead go directly to Council for approval.[2]

This much, accordingly, is clear: Insofar as no Bromont Homes subdivision agreement has ever been processed in the manner directed by Council in February of 2010, it would appear that Bromont Homes does not believe that it is reasonable or appropriate for it to be subject to the same prerequisite procedures that apply to the rest of us. And it would equally appear that certain members of staff, along with a sufficient number of members of Council, are of the same view.

What makes the currently-requested deviation especially striking, of course, is that the proposed approval of the subdivision agreement for the Mason Homes *Cloverlea 3* development is also on your December 8th Agenda (as Item 10.3.2). It therefore seems singularly appropriate to remind you that:

a. As per standard procedure, the proposed Mason subdivision agreement was in fact submitted to and reviewed by Planning Committee at its October 14, 2015 meeting.

b. In part as result of submissions made to Planning Committee, Council thereafter directed that that draft agreement be referred back to staff in order to rectify and address certain specific issues.

c. Only now (i.e., some seven weeks later) is the Mason subdivision agreement coming back to Council for final approval.

It would appear that neither staff nor Planning Committee believe that it's reasonable to require Bromont's subdivision agreement to be processed in accordance with the same procedures that were scrupulously followed in the case of the Mason agreement.

It goes without saying, of course, that principle alone would suffice to warrant my objecting to the exception that staff are recommending be made in this instance. As it happens, however, there is far more at issue here than principle.

- To begin with, the concerns that led to the Mason agreement's being sent back to staff equally apply to the currently-proposed Bromont agreement; and had the latter document gone through the same review process as the former, it may safely be taken for granted that the corresponding submissions would have been received by the Planning Committee last week. (The procedure that was instead followed of course precluded that from occurring – insofar as the draft agreement was not made public until after the deadline for correspondence and/or deputations to Planning Committee had already passed.)
- In this particular case, moreover, the subdivision agreement that staff are proposing for Council's approval is infected with certain outright errors – errors of rather significant consequence.
- In this particular case, staff's recommendations likewise give rise to certain specific financial consequences for the City – these being financial burdens to which no reference is made in Report PLAN2015-097.

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[2] I note the Planning Committee Minutes indicate that a draft of the current staff Report had been circulated with the *Addendum Package,* and that a copy of the proposed Schedule D had been circulated at the Planning Committee meeting itself. Accordingly I expect that it will end up being claimed that, in the end, the standard procedure had been conformed-to.

In response, let me respectfully suggest that such last-minute circulations cannot be claimed to have afforded the Committee an opportunity to carry out its mandated function – which is to actually review and scrutinize the proposed agreement.

These last two issues will of course be identified and addressed herein. Before turning to them, however, there are a few more preliminary observations that must be made.

Let's begin with the explanation that has been advanced by Bromont's engineering consultant, namely:

> *"…in order to ensure that Bromont Homes meets the necessary dates for Building Permits and for delivery of the homes in 2016 the subdivision agreement must proceed at this time."*

Those of us in the industry of course know that this is complete nonsense. Bearing in mind that this is, after all, only a 25-lot development, and especially given staff's extraordinarily "liberal" approach to authorizing "Model Home" permits for Bromont, were servicing of this subdivision not to commence until the end of March[3] there is no reason that those 25 homes could not end up being completed well before the end of 2016.

I would further submit to you that, in considering the current claim by Bromont's engineer, what is especially worth remembering is that:

- On September 11, 2013 precisely this same sort or urgency had been claimed as the basis for the alleged need to by-pass Planning Committee and have Bromont's 2013 subdivision agreement go directly to Council.
- As it turned out, however -- notwithstanding that that subdivision agreement was indeed approved by Council on September 24, 2013 -- it was not actually finalized and signed until December 13, 2013 – being almost three months later.
- That subsequent 3-month delay, in and of itself, clearly indicates that Council's approval of the subdivision agreement was not nearly as urgent a matter as Council had been led to believe. Rather, as it turns out, there had been more-than-ample time available for the City to have followed its standard mandated procedure.

I'm obliged to point out that, if Council had then insisted on following that standard procedure, and had likewise insisted on Planning Committee's being presented with an actual *finalized* agreement before recommending approval, it is entirely possible that what ended up occurring thereafter could have been avoided – which, *inter alia*, would have saved the City many hundreds of thousands of dollars.

Let me also remind you that Bromont has *already* benefitted from a rather extraordinary time-table acceleration in relation to this subdivision. As noted in Report PLAN2015-097, this particular plan only received draft approval on August 11th of this year – being less than 4 months ago. Insofar as a subdivision agreement has now been prepared, what this means is that Bromont managed to get its engineering design and drawings finalized and approved in roughly 3 months. I realize that those of you who aren't in the industry can't begin to understand how extraordinary that is. For most of the rest of us, even getting a preliminary response to an initial engineering submission takes more than 3 months. And the fact is that I know of only one prior instance in which engineering drawings were finalized and approved in less than 4 months – that being, of course, Bill Curnew's "Riverview Hieghts" subdivision. (I'm taking it for granted, of course, that members of Council would prefer to avoid the mistakes that were made in that instance.)

*

[3] Which, by the way, is the timetable Bromont is most likely to follow even if the subdivision agreement is approved on December 8th.

Turning now to staff Report PLAN2015-097 itself and to what that Report refers to (on page 2) as "*the staff endorsed final draft Subdivision Agreement*", let me begin by quickly summarizing the points that I now find myself obliged to draw to your attention:

Firstly: On page 2 of his Report Mr. Rojas explicitly leads Council to believe that "*This Agreement complies with Council's policies and by-laws applicable to the development of land*". Unfortunately, that isn't actually true.

Secondly: On page 4 of his Report, under the heading of "*Financial Considerations*", Mr. Rojas fails to alert Council to the financial burdens that will end up being imposed on the ratepayers and taxpayers if Council ends up accepting his recommendations – burdens that would have been avoided if this agreement had been processed in accordance with the City's standard procedures.

Thirdly: Mr. Rojas likewise makes no reference to the fact that, if Council approves this agreement, it will be gratuitously conferring on Bromont a financial windfall of some significant magnitude.

In order to spare both you and myself the burden of fully explaining these matters within the body of this letter, what I elected to do this weekend was prepare a Memo in which each of these issues is identified and addressed in appropriate detail, which I then forwarded to Mr. Found and Mr. Grunda. I have appended a copy of that Memo hereto. And while I would encourage you to read it for yourselves, what I am actually relying-on is that Mr. Found will be made available both to brief you and to advise you of whatever possible solutions may turn out to be available.

That being said, I do feel the need to further flesh out these issues a bit:

- Subsection 9(g) of the proposed agreement[4] addresses the developer's obligation to have paid the Development Charges applicable to what are generally termed "the hard services" (i.e., roads, water and sewage) prior to the execution of the subdivision agreement. What has happened, however, is that in computing the requirement payment Mr. Rojas, rather than using the charge-rates that are actually mandated under the DC By-law that is currently in effect[5], has instead taken his figures from the now-repealed 2014 DCB. Setting aside the fact that this contravenes both the existing DCB and the *Development Charges Act*, I'm obliged to point out that the payments for Water and Sewage in Mr. Rojas' agreement are almost $5,000 per unit lower than the rates specified in the current DC By-law.

  For reasons detailed in my Memo to Mr. Found, however, it turns out that this problem is one for which there is no self-evident solution – specifically due to the Phase-in that Council chose to incorporate into the current DCB. For while it is absolutely clear that the figures that Mr. Rojas has chosen to use cannot possibly be justified or correct, what's not actually clear is what the correct figures should be – assuming, that is, that this payment is to be computed on the basis of the Phased-in Rates for 2015. (There is of course no problem computing the payment on the basis of the full 2016 Rates.) Accordingly I'll leave it to Mr. Found to advise you as to the potential for implementing a correction without having to amend the existing DCB.

- To be clear: But for Bromont's request and staff's recommendation that the approval of this subdivision agreement be accelerated, the proposed agreement would not be coming before Council until some time in 2016 – in which case the foregoing issue would not even arise.

  Put otherwise: Were this accelerated approval not being recommended, it would be self-evident that the 2016 DC rates would be the applicable ones; and, as already

[4] Which I have appended hereto for your ease of reference.

[5] i.e., the one you adopted scarcely 2 weeks ago (BL 2015-224)

noted, they are sufficiently well defined in the DCB as to make their insertion into the agreement non-problematic.

This much is also evident: While the phased-in hard services rates for 2015 may not yet be well-defined, what *is* clear is that they would necessarily be substantially lower than those that will take effect on January 1, 2016. And insofar as it is self-evident that the intention behind proposing the accelerated processing of this agreement is to enable Bromont to avoid paying those higher 2016 rates, it follows that Council's approving this agreement would result in a substantial top-up transfer's having to be made to the DC Reserves -- the burden for which would of course fall on the ratepayers/taxpayers. (Again, Mr. Found will confirm that this is the case.) Accordingly Mr. Rojas' failure to have mentioned the financial consequence of Council's agreeing to the accelerated approval of this agreement is, at minimum, a major oversight on his part.

Put bluntly: If a decision Council is being asked to make is going to have predictable financial consequences for the City, it is surely staff's obligation to ensure that Council is made aware of those consequences prior to making that decision.

- I'm afraid that the identification of the predictable financial consequences is not the only information that has not been disclosed to Council. What Council has likewise not been told is that, in the event that it approves this proposed subdivision agreement, it would at the same time be agreeing to pre-set the hard services payments that Bromont will be required to make <u>regardless of when the subdivision agreement ends up actually being signed</u>.

  By way of explanation:

  - While Mr. Rojas obviously erred in taking his proposed charge-rates from the 2014 DCB rather than from the DCB that is now actually in effect, this much is clear: His intention was to base the payment required from Bromont on the phased-in DC charge-rates applicable to 2015.
  - You'll note, however, that nothing in the agreement itself, and nothing in Mr. Rojas' Report, stipulates that those rates only apply in the event that the agreement is actually signed in 2015.
  - The pertinence of that omission relates to Subsection 5.06(a) of the 2015 DCB – which specifies that the Hard Services DC payments made in conjunction with the execution of the subdivision agreement are to "<u>*be calculated as of … the date the agreement is executed*</u>".
  - Put otherwise: In compliance with the City's current DCB, the mandated presumption is that the charge-rates to be plugged into subsection 9(g) of the subdivision agreement would be those in effect on the date that agreement ends up being actually signed by the Mayor and Clerk.

  As you of course know, subsections 5.06 (b) & (c) do make explicit provision for exceptions to this. Specifically, Council has the right to approve the City's entering into an agreement whereby the rates applicable to a particular subdivision would instead be those in effect on some other specified date. And it would appear that, insofar as the manner in which the proposed Bromont agreement has been formulated pre-sets the charge-rates regardless of when it ends up being signed, approving such an exception for Bromont is precisely what Council is being asked to do in this instance. The problem, again, is two-fold:

  1. Council hasn't been told, or even in any way alerted to the fact, that what it's being asked to do is approve a gratuitous windfall for Bromont.

2. Council has not been advised of, or in any way even alerted to, the financial burdens that conferring that windfall on Bromont would impose on the ratepayers/taxpayers.

The upshot is that, while Council indeed has the authority to make exceptions to the prescriptions of subsection 5.06(a) of the City's DCB, staff equally have an obligation to disclose to Council that adopting their recommendations would result in the conferring of such an exception. Presumably staff are equally obliged both to alert Council to the financial consequences of doing so and to offer Council some justification for making such an exception. In this instance, obviously, none of those obligations has been met.

As indicated previously, these are matters that are more fully addressed in the Memo I have already sent to Mr. Found and Mr. Grunda. Mr. Found, accordingly, will be in a position to brief you on them in appropriate detail.

Two final comments:

1. It would be my submission that, in this instance, there is no possible warrant for conferring the contemplated windfall on Bromont Homes (other than, I suppose, the simple fact that the beneficiary would be Bromont).

   That being said, I do acknowledge that there are in fact circumstances in which presetting the applicable charge-rates ***would*** be warranted – specifically those in which the finalization of a subdivision agreement had been delayed as a result of the City's not being able to adhere to a reasonably-expected timetable in the preparation of that agreement.

   In this instance, however, the very opposite has been the case. As noted, the draft plan was approved only four months ago; accordingly there was no reasonable expectation that a subdivision agreement would be ready for execution prior to the end of 2015. And the engineering approvals have themselves been obtained at an extraordinarily accelerated pace – but for which, this matter would not even be before Council at this point.

2. The by-passing of Planning Committee's review and scrutiny is not the only circumvention that has occurred in this instance. In the course of reading Mr. Rojas' Report recommending approval of the Mason agreement (ENG2015-016) you will of course have noted his reference on page 4 to a report's having been provided to the Treasurer, and likewise to the fact that "*confirmation of the Development Charges … has been received from Finance*".

   Obviously there are no corresponding references to such Finance Department review and input in his Bromont Report.

   Presumably the explanation will be that meeting Bromont's requested timetable left no time for such internal circulations and input. The consequences of by-passing Finance's input became strikingly evident towards the end of the Becking-Oostveen era, just as they should be obvious to you now. No less to the point: Had Mr. Rojas not by-passed Finance's review, I would have presumably been spared the burdens that ended up falling on my shoulders instead.

Sincerely yours,

Marty Stollar

Martyn Stollar
Managing Director

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25 November 2015
File: **15148**

City of Kawartha Lakes
Development Services-Engineering Division
PO Box 9000, 12 Peel Street
Lindsay, Ontario
K9V 5R8

Attention: **Mr. Juan Rojas, P.Eng.**

Dear Sir:

Re: **Proposed Subdivision Agreement**
90 Logie Street, Lindsay

Further to our discussion, on behalf of Bromont Homes we respectfully request that the proposed Subdivision Agreement for the above captioned 25 lot development proceed straight to the December 8, 2015 Council Meeting for approval.

We will provide the proposed M-Plan, cost estimate, engineering drawings and response to the draft agreement shortly. We also wish to note that all other requirements for fulfilling the agreement have been undertaken and will be completed in a timely manner.

The demand for home sales has been very high for this development and in order to ensure that Bromont Homes meets the necessary dates for Building Permits and for delivery of the homes in 2016 the subdivision agreement must proceed at this time.

We trust that this is acceptable, should you have any questions please do not hesitate to contact us.

Yours very truly,

VALDOR ENGINEERING INC.

Peter S. Zourntos, P.Eng.
Associate

c: **Mr. S. Montemarano,** Bromont Homes
C. Sisson, P.Eng., City of Kawartha Lakes

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paid to the City the Engineering Fee herein provided and the City's reasonable legal expenses and planning staff expenses incurred by the City in connection with the preparation, administration and enforcement of this Agreement.

Said Engineering Fee, intended to reimburse the City for the expenses incurred by it in processing the post-draft-plan-approval development of the subdivision, shall be in the amount of 3.5% of the estimated construction value of the Public Services created relative to the subdivision as laid out in Schedule "D" (exclusive of H.S.T.). Inter alia, the above mentioned fee includes all services provided by the City in relation to approval of the grading on individual Lots created by the proposal. The collection of all of the aforementioned Fees shall be in accordance with By-Law 2007-132, as amended.

g) Prior to the execution of this Agreement by the City, the Owner shall have paid Development Charges in accordance with applicable By-law 2015-224, as amended or replaced from time to time, whereby Development Charges for roads and related, water and wastewater services for dwelling units are payable at the time of executing the subdivision agreement based on the proposed number of dwelling units and based on the number of dwelling units permitted under the existing zoning for blocks intended for future development.

The calculation of the Development Charges payable prior to the execution of this Agreement is as follows:

Residential Dwelling Type	Single-detached dwellings & semi-detached dwellings	Apartments 2 bedroom and larger	Apartments bachelor & 1 bedroom	Multiple units	Total
Proposed Number of Dwelling Units	25	--	--	--	25
Development Charge per Dwelling Unit for Roads and Related	$6,948.00	--	--	--	$173,700.00
Development Charge per Dwelling Unit for Water Distribution and Treatment	$3,052.00	--	--	--	$76,300.00
Development Charge per Dwelling Unit for Sewage Collection and Treatment	$3,445.00				$86,125.00
Total Development Charges Payable at Time of Subdivision Agreement	--	--	--	--	$336,125.00

Development Charges for all other services are payable at the time of issuance of Building Permit, in accordance with the provisions of the Development Charges By-law then in effect.

10. NOTIFICATION

a) If any notice is required to be given by the City to the Owner with respect to this Agreement, such notice shall be mailed or delivered to:

J. STOLLAR CONSTRUCTION LIMITED
219 Dunlop Street W., Barrie, Ontario L4N 1B5 **Phone: (705) 728-7204**
Fax: (705) 728-6118

05-December-2015

MEMO

To: Adam Found

And to: Andrew Grunda

From: Marty Stollar

Re: *The failure of By-law 2015-224 (hereafter "the 2015 DCB") to provide a service-by-service breakdown of the Phased-in DC Rates for 2015;*

And re: *Staff Report PLAN2015-097*
-- *The "Hard Services" DC payments specified in the staff-recommended Subdivision Agreement for Bromont Homes*

My purpose herein is two-fold:

Firstly, to advise you of a staff Report going to Council on December 8th whose recommendations, if adopted by Council, would contravene the City's very-recently-adopted 2015 DCB (not to mention the *D.C.A.* itself); and

Secondly, to request your providing Council with the necessary information, direction and guidance so as to ensure that this does not occur.

Before turning to these matters, let me begin by pointing out that one of the (many) defects in the 2015 DCB that was adopted by Council two weeks ago is that, unlike its predecessor, it failed to provide a service-by-service breakdown of the Phased-in rates that apply to the balance of 2015.

Perhaps it was simply *assumed* that each of those service-by-service rates would be reduced in the same proportion as the overall aggregate rate-reductions identified in Schedules 1 and 2; or perhaps some other approach was *assumed*. But, whatever the *presumption*, the 2015 DCB itself offers no guidance of any sort in this regard.

It had of course been my expectation that this lack of specification would inevitably give rise to manifold problems. What I had not anticipated, however, was that they would rear their head quite so quickly. Indeed, it is only because of staff's decision to support the accelerated approval of the subdivision agreement for the Bromont Homes development on Logie Street that you are going to find yourself obliged to deal with them so quickly.

*

Turning to the matter at hand:

Report PLAN2015-097, which appears as Item 10.3.5 on Council's December 8th Agenda, is recommending that Council approve the execution of the accompanying draft subdivision agreement (enclosed therewith as Appendix "C").

In compliance subsection 5.06(a) of the 2015 DCB, I would confirm that the proposed subdivision agreement does include provisions requiring payment of the D.C.s for roads, sewage and water

(which I will refer to hereafter as, collectively, the "Hard Services") prior to the execution of the agreement. For your ease of reference I am appending the pertinent extract hereto.

In reviewing that extract, however, what I would ask you to note and confirm is the following:

- To begin with, a fairly minor concern:

  On page 14 of the proposed agreement, subsection 9(g) correctly identifies the applicable DCB as being By-law 2015-224. Having done so, However, its rendering of what is required under that By-law (ie., from "*whereby …*" onwards) is completely inaccurate – insofar as it has been based on stipulations of the City's 2009 DCB rather than those in the one now actually in effect. (Granted, this discrepancy doesn't have earth-shattering consequences; but surely, given that it materializes in an agreement to be signed by the City, it ought to be corrected.)

- Secondly, a truly consequential issue:

  The service-by-service rates on which the required payment has been computed (as detailed in the table on page 15 of the agreement) are not correct.

  More to the point: They are not even based on the 2015 DCB. Instead, the author of the agreement has evidently taken them from the schedule of *Phased-in Rates for 2015* that was formerly in effect under the now-repealed 2014 DCB.

On its face, of course, this is really quite shocking. After all, it can safely be taken for granted that Mr. Rojas, the Report's author, is fully aware that the 2014 DCB is no longer in effect and that, accordingly, its rate-structure is no longer applicable. *[Lest there be any doubt as to his being aware of this, one need only look to Agenda Item 10.3.2, which is a further staff Report from Mr. Rojas wherein he is recommending approval of the subdivision agreement for the Mason Cloverlea 3 development – into which agreement he has correctly incorporated the 2015 DCB's service-by-service rates.]* And over and above the fact that he's drawn these rates from the wrong by-law, it surely would have been evident to him that ***they could not possibly be correct***. To see that this is the case, after all, one only need consider the following:

1. The full mandated rate for *Roads and Related* that is to take effect as of January 1, 2016 -- as stipulated in the 2015 DCB and justified by the Background Study -- is $4,668 per SDU. Consequently the phased-in rate applicable to the balance of 2015 cannot exceed that amount. The upshot is that Mr. Rojas' recommendation that the subdivision agreement require a payment based on a rate of $6,948 per SDU cannot possibly be warranted under the 2015 DCB. No less to the point, imposing such a rate would also contravene the *D.C.A.*.
2. The total phased-in rate for 2015 that would be applicable to this subdivision[1] is $15,504 per SDU. It is to be noted, however, that the full-rate charges for Soft Services specified in Schedule 1 of the DCB total $1,581. Accordingly, even if one assumes that the entirety of the phase-in reduction is going to end up being applied to the Hard Services categories, that would still result in an absolute minimum Hard Services payment of $13,923 per SDU in 2015[2]. However, if you add up the charges Mr. Rojas is proposing to collect, they total only $13,466 per SDU. Accordingly, at bare minimum, that charge-rates he has incorporated into the proposed subdivision agreement would leave the City with a shortfall of $478 per SDU.

Needless to say, Mr. Rojas' decision to have recourse to the service-by-service rates in the 2014 DCB is utterly mystifying. I'm not suggesting, of course, that it's your responsibility to explain that mystery. What I *am* suggesting, however, is that it *is* your responsibility to ensure that this error is corrected prior to Council's being asked to approve this agreement.

[1] Insofar as it is located in Lindsay, but outside the NWTSA.

[2] I will be elaborating on this in greater detail below.

The problem you now face, of course, is that – insofar as the Bromont subdivision is subject to the Phase-in -- the 2015 DCB itself does not clearly prescribe what the correct applicable Hard Service charge-rates would be in 2015.

That being the case, I've taken the liberty of running a number of different scenarios, each reflecting a different arguably-appropriate approach to the apportionment of the requisite reduction in the aggregate Phased-in Rate applicable to SDUs. The detailed computations yielded under those scenarios – which I've labeled "Alt.1", "Alt.2", "Alt.3" and "Alt.4" -- are to be found in Table A-1 appended hereto.

As to the individual approaches themselves:

"Alt.1": This scenario assumes that the full Soft Service rates would apply to the balance of 2015 … and that accordingly:

a. the phasing discount is applied only to the Hard Service rates, and
b. the same percentage discount is applied uniformly to each of the five Hard Services

The outcome this produces, of course, represents the lowest possible total of Hard Service DCs that would be payable in conjunction with the execution of the subdivision agreement.

"Alt.2": This scenario assumes that the Soft Service rates would be discounted by 100% in 2015 …and that accordingly:

a. the aggregate phasing discount applied to the Hard Service rates would be reduced to the greatest degree possible, and
b. one again, a uniform percentage discount is being applied to each of the five Hard Services

The outcome this produces, of course, represents the highest possible total of Hard Service DCs that would be payable in conjunction with the execution of the subdivision agreement.

"Alt.3": This scenario assumes that all service rates (i.e., both Hard and Soft) would be uniformly discounted by the same percentage in 2015.

The outcome this produces necessarily falls somewhere between Alt.1 and Alt.2 (albeit *much* closer to Alt.1 of course).

"Alt.4": This scenario assumes that the only service that would be discounted in 2015 is *Sewage Collection*.

The outcome, of course – so far as the total Hard Services payment is concerned -- is the same as in Alt.1. However, under this scenario the financial burden of under-writing the Phase-in would of course fall exclusively on the ratepayers.

Let me make clear that, in sketching out these alternative approaches, my intent was not to suggest that any one of them represents "the correct approach". Rather, my purpose was simply to delineate the sorts of options that might be available and get some sense of the implications/consequences of adopting any one of them (or others like them). Based on that delineation what can be said at this point, at minimum, is the following:

- The analysis establishes the range into which the required Hard Services payment can fall as being from a low of $13,923 to a high of $15,504 – being a spread of some $1,581.00.

- Insofar as this results from Council's decision to adopt a Phase-in, the choice of approach will not only determine the developer's payment obligations but also the City's top-up obligations. (The lower the payment, of course, the greater the top-up.)
- Beyond quantifying the total amount of the requisite top-up, the choice of approach will likewise define the apportionment of that burden as between the taxpayers and ratepayers.[3] (As noted: Alt.1 and Alt.4 result in precisely the same developer payment. But whereas Alt.4 resulted in entirety of the top-up falling on the ratepayers, under Alt.1 $642 would be apportioned to the taxpayers.)

Having already indicated that I don't believe that any of these four approaches can be claimed to be "the correct one", I must nevertheless acknowledge that, on a *prima facia* basis, it would appear that a strong argument could be made in support of Alt.4 – being the approach that would apply the entirety of the reduction to the *Sewage Collection* charge. The rationale, of course, would be that, on the *Residential* side, only development that is subject to that particular charge-component is subject to the Phase-in. Put otherwise: Insofar as *Residential* development within the NWTSA is subject to the full computed rates in all other service-categories, why would the same not be true within the urban service areas outside the NWTSA?

But while I would acknowledge that the foregoing reasoning clearly makes sense – and while this approach would clearly "work" on the *Residential* side – I'm obliged to draw your attention to the fact that, unfortunately, it doesn't in fact "work" when applied to the phase-in of the *Commercial* and *Institutional* rates.

Correspondingly a case could be made for Alt.2, insofar as it avoids imposing any of the top-up burden on the taxpayers. But Alt.2 suffers from a more restricted version of the same defect as Alt.4 – namely, it's incapable of accommodating the phase-in of the *Commercial* rates.

In the end, therefore, it may well be that there is no choice but to opt for a more broadly distributed approach of the sort exemplified by Alt.3.

In any case, this is a matter that I will leave to yourself and Andrew Grunda.

*

Turning back to Report PLAN2015-097 itself: Once the requisite corrections are made to the charge-rates employed in the agreement, I'm afraid that there's yet another set of not-unrelated issues to which I'm obliged to draw to your attention.

As referenced earlier, the Report is in effect recommending accelerated approval for this subdivision agreement. As acknowledged therein, the City's standard procedure requires that the proposed agreement first be brought to Planning Committee for detailed review prior to going to Council for actual approval. In this case, that preliminary step has essentially been by-passed. And the fact is that, even now, the subdivision agreement (by the Report's own acknowledgement) is not actually ready for execution (if only insofar as documents that are Schedules to that agreement have not yet even been submitted for review). The upshot is that, insofar as there are barely more than two weeks left before Christmas shut-down, it would seem to be enormously improbable that this agreement (assuming that it is approved by Council) will end up being executed prior to 2016.

I need hardly remind you, of course, that subsection 5.06(a) of the 2015 DCB specifies that the Hard Services DC payments made in conjunction with the execution of the subdivision agreement are to "*be calculated as of … the date the agreement is executed*". Accordingly, under the assumption that the agreement will not in fact be executed until 2016, this default provision entails

[3] An even more extreme outcome would result if the proposed subdivision agreement were to go through without being correct. In this regard it is to be noted that, Note that, as detailed in Table A-3, under Mr. Rojas's proposed charge-rates the Ratepayer-funded top-up works out to **$4,980 per SDU –** being a total of **just under $125,000 for the 25-lot subdivision.**

that the 2015 Phased-in rates would *not* be the ones on which the developer payment is to be based.

In this instance, however, the proposed subdivision agreement has been formulated to preset the rates that would be applicable to the computation of the Hard Services DC payment obligation – apparently regardless of when the agreement ends up actually being signed. In this regard, however, I would ask you to note that:

- There is no actual reference to this, either in the proposed agreement or in the Report itself.
- Equally, there is no provision either in the Report or in the proposed agreement stipulating that the indicated rates (assuming that they were correct in the first place) would only apply in the event that the agreement is signed prior to the end of 2015.

The upshot is that it appears to be Mr. Rojas' intention, based on Council's anticipated approval, that the subdivision agreement would serve the purposes of subsections 5.06(b) and 5.06(c) of the 2015 DCB in authorizing the application of the 2015 rates even if the agreement is not executed until 2016 (or even sometime thereafter). And even if this does not reflect his actual *intention*, this would surely be the effect of Council's approving the agreement as currently structured.

I acknowledge, of course, that under subsections 5.06(b) and 5.06(c) of the 2015 DC Council has an absolute right to approve such an agreement. But what I would respectfully submit is that:

a. Council also has an absolute right to be told in advance that that is what it is being asked to do.

b. Council likewise has an absolute right to be advised of the financial implications of its approving such an agreement – above all, of course, the financial burdens that would be gratuitously passed on to the taxpayers and ratepayers.

c. Correspondingly, staff have a no-less-absolute obligation to disclose the foregoing matters and information to Council prior to asking it to accord its approval.

As already noted, there is no reference to or mention of any of this in either Mr. Rojas' staff Report or the proposed agreement itself.

More to the point: <u>There is no mention of this under the "Financial Considerations" section of Report PLAN2015-097</u>.

The upshot is that Council is being explicitly led to believe that no financial burdens will accrue to the City as a result of either the accelerated approval of the subdivision agreement or the specification of the charge-rates in subsection 9(g) – notwithstanding that this is clearly untrue. Accordingly it would be my submission that this misimpression clearly needs to be corrected.

I suspect that Mr. Rojas will advise you that it is his expectation that the subdivision agreement will in fact end up being executed in 2015. I obviously can't rule out that possibility. But I can suggest that there is certainly no guarantee that this will occur. And I would still maintain that, even if that *does* happen to occur, it does not change the fact that Council is entitled to the disclosures I've referenced above prior to approving this agreement.

In any case, let me suggest that – in the event that Council (for whatever reason) decides that it wants to accelerate the approval of the agreement but does nevertheless not wish to provide Bromont with yet another gratuitous taxpayer/ratepayer-funded subsidy – there is a simple solution. My proposal would be that the existing table in subsection 9(g) of the agreement be replaced by <u>two (2) tables</u>:

> The first table – under the heading "*Payment required if this Agreement is signed prior to January 1, 2016*" – would set out the correctly-computed phased-in Hard Services rates applicable to 2015.

The second table – under the heading "*Payment required if this Agreement is signed during the 2016 calendar year*" – would set out the indexed rates applicable to 2016 under the 2015 DCB.

The result would be that, regardless of when the agreement ends up actually being executed, both sets of contingencies will have been covered. It would then be up to the Treasurer to confirm that the correct payment was in fact made.

Alternatively: Council could simply direct by resolution that, in the event that the agreement is not actually executed in 2015, the corrected table in subsection 9(g) is to be replaced by one incorporating the 2016 indexed rates.

The most obvious alternative, however, is the following: Insofar as there is no actual warrant for accelerating the agreement's approval, Council could decide to be fiscally responsible and forego doing so. The agreement would then come back to Council for approval once it has been corrected and is complete – which would then leave it subject to the 2016 DC rates.

In considering these various options, I of course recognize that the ultimate *decision* is not within your control. That being said, I'd respectfully submit that you nevertheless have some obligation to ensure that Council is adequately informed – and is given an appropriate range of options -- prior to its being called-upon to make that decision.

Sincerely yours,

Marty Stollar

Martyn Stollar
Managing Director

paid to the City the Engineering Fee herein provided and the City's reasonable legal expenses and planning staff expenses incurred by the City in connection with the preparation, administration and enforcement of this Agreement.

Said Engineering Fee, intended to reimburse the City for the expenses incurred by it in processing the post-draft-plan-approval development of the subdivision, shall be in the amount of 3.5% of the estimated construction value of the Public Services created relative to the subdivision as laid out in Schedule "D" (exclusive of H.S.T.). Inter alia, the above mentioned fee includes all services provided by the City in relation to approval of the grading on individual Lots created by the proposal. The collection of all of the aforementioned Fees shall be in accordance with By-Law 2007-132, as amended.

g) Prior to the execution of this Agreement by the City, the Owner shall have paid Development Charges in accordance with applicable By-law 2015-224, as amended or replaced from time to time, whereby Development Charges for roads and related, water and wastewater services for dwelling units are payable at the time of executing the subdivision agreement based on the proposed number of dwelling units and based on the number of dwelling units permitted under the existing zoning for blocks intended for future development.

The calculation of the Development Charges payable prior to the execution of this Agreement is as follows:

Residential Dwelling Type	Single-detached dwellings & semi-detached dwellings	Apartments 2 bedroom and larger	Apartments bachelor & 1 bedroom	Multiple units	Total
Proposed Number of Dwelling Units	25	--	--	--	25
Development Charge per Dwelling Unit for Roads and Related	$6,948.00	--	--	--	$173,700.00
Development Charge per Dwelling Unit for Water Distribution and Treatment	$3,052.00	--	--	--	$76,300.00
Development Charge per Dwelling Unit for Sewage Collection and Treatment	$3,445.00				$86,125.00
Total Development Charges Payable at Time of Subdivision Agreement	--	--	--	--	$336,125.00

Development Charges for all other services are payable at the time of issuance of Building Permit, in accordance with the provisions of the Development Charges By-law then in effect.

10. NOTIFICATION

a) If any notice is required to be given by the City to the Owner with respect to this Agreement, such notice shall be mailed or delivered to:

Table A-1

per DCB2015-224 (adopted Nov.24/15)

Lindsay - Excluding NWT SA

SDU DC Rates - 2015 & 2016

	Full 2016 Rates			2015 Phase-in - Alt.1*			2015 Phase-in - Alt.2**			2015 Phase-in - Alt.3***			2015 Phase-in - Alt.4****		
Service	**Total Charge**	**Payable @ Subdivision Agreement**	**Payable @ Building Permit**	**Total Charge**	**Payable @ Subdivision Agreement**	**Payable @ Building Permit**	**Total Charge**	**Payable @ Subdivision Agreement**	**Payable @ Building Permit**	**Total Charge**	**Payable @ Subdivision Agreement**	**Payable @ Building Permit**	**Total Charge**	**Payable @ Subdivision Agreement**	**Payable @ Building Permit**
Total mandated DC rate	**$17,726**	**$16,146**	**$1,581**	**$15,504**	**$13,923**	**$1,581**	**$15,504**	**$15,504**	**$0**	**$15,504**	**$14,121**	**$1,383**	**$15,504**	**$13,923**	**$1,581**
Breakdown															
Municipal-Wide															
Social Housing															
Library	$206		$206	$206		$206	$0		$0	$180		$180	$206		$206
Parks & Rec	$178		$178	$178		$178	$0		$0	$156		$156	$178		$178
Fire	$467		$467	$467		$467	$0		$0	$408		$408	$467		$467
Paramedic	$65		$65	$65		$65	$0		$0	$57		$57	$65		$65
Airport	$27		$27	$27		$27	$0		$0	$24		$24	$27		$27
Admin.Studies	$123		$123	$123		$123	$0		$0	$108		$108	$123		$123
Roads & Related	$4,668	$4,668		$4,026	$4,026		$4,482	$4,482		$4,083	$4,083		$4,668	$4,668	
Lindsay & Ops Only															
Police	$446		$446	$446		$446	$0		$0	$390		$390	$446		$446
Lindsay Only															
Transit	$68		$68	$68		$68	$0		$0	$59		$59	$68		$68
Serviced Urban															
Water Treatment	$2,183	$2,183		$1,882	$1,882		$2,096	$2,096		$1,909	$1,909		$2,183	$2,183	
Water Distribution	$2,646	$2,646		$2,282	$2,282		$2,541	$2,541		$2,314	$2,314		$2,646	$2,646	
Water Subtotal	$4,829	$4,829		$4,164	$4,164		$4,637	$4,637		$4,224	$4,224		$4,829	$4,829	
Sewage Treatment	$1,531	$1,531		$1,320	$1,320		$1,470	$1,470		$1,339	$1,339		$1,531	$1,531	
Sewage Collection (outside. NWT	$5,117	$5,117		$4,413	$4,413		$4,915	$4,915		$4,476	$4,476		$2,895	$2,895	
Sewage Subtotal	$6,648	$6,648		$5,733	$5,733		$6,385	$6,385		$5,815	$5,815		$4,426	$4,426	
Totals	**$17,726**	**$16,146**	**$1,581**	**$15,504**	**$13,923**	**$1,581**	**$15,504**	**$15,504**	**$0**	**$15,504**	**$14,121**	**$1,383**	**$15,504**	**$13,923**	**$1,581**

* - Alt.1: Full Soft Services rates apply to 2015 -- Only Hard Services are phased-in - All Hard Services are subject to the same discount percentage

** - Alt.2: Soft Service charge rates are reduced to $0 for 2015, with the Hard Services again being subject to a uniform (albeit smaller) discount percentage.

** - Alt.3: All Services (i.e., both Hard and Soft) have the same percentage discount applied to them.

** - Alt.4: Only the *Sewage Collection* charge is phased-in. All others are at full 2016 Rates.

Proposed Hard Services Payments for Bromont Subdivision *Non-compliance with DCB2015-224*					
	Proposed Payments	**MINIMUM Phased-in Rates**		**MAXIMUM Phased-in Rates**	
Charge Category	**As per Report PLAN2015-097**	**As per Alt. 1**	**Shortfall**	**As per Alt. 2**	**Shortfall**
Roads & Related	**$6,948**	$4,026	($2,922)	$4,482	($2,466)
Water Treatment		$1,882		$2,096	
Water Distribution		$2,282		$2,541	
Water Subtotal	**$3,052**	$4,164	$1,112	$4,637	$1,585
Sewage Treatment		$1,320		$1,470	
Sewage Collection		$4,413		$4,915	
Sewage Subtotal	**$3,445**	$5,733	$2,288	$6,385	$2,940
Totals	**$13,446**	**$13,924**	**$478**	**$15,504**	**$2,059**

Proposed Payments per Report PLAN2015-097

Required DC Reserve Top-ups

Charge Category	As per Report PLAN2015-097	Full 2016 Rates	RATE-Supported Top-up Required	TAX-Supported Top-up Required
Roads & Related	$6,948	$4,668		$0
Water Treatment		$2,183		
Water Distribution		$2,646		
Water Subtotal	$3,052	$4,829	$1,777	
Sewage Treatment		$1,531		
Sewage Collection		$5,117		
Sewage Subtotal	$3,445	$6,648	$3,203	
Totals	**$13,446**	**$16,146**	**$4,980**	**$0**