



Item No. 11.1.7

**Halifax Regional Council
June 10, 2014**

TO: Mayor Savage and Members of Halifax Regional Council
Original signed by 
SUBMITTED BY: _____
Richard Butts, Chief Administrative Officer
Original Signed by 
_____ Mike Labrecque, Deputy Chief Administrative Officer

DATE: March 31, 2014

SUBJECT: Road Maintenance Fee for Redoubt Head Homeowner's Association

ORIGIN

On January 16, 2007, Regional Council approved the Private Road Maintenance Costs Recovery Policy. The purpose of this Policy is to provide owners of property accessed by private roads with the use of area rates or uniform charges to collect the funds required to maintain private roads. The Redoubt Head Homeowner's Association has applied for such an area rate/ uniform charge under this Policy.

LEGISLATIVE AUTHORITY

Charter section 104(1)(g) which states "The Council may make by-laws imposing, fixing and providing methods of enforcing payment of charges for laying out, opening, constructing, repairing, improving and maintaining private roads, curbs, sidewalks, gutters, bridges, culverts and retaining walls that are associated with private roads, where the cost is incurred (i) by the Municipality, or (ii) under an agreement between the Municipality and a person." Also, By-Law P-1100 "Respecting Charges for Private Road Maintenance", and Administrative Order 45, "Respecting Private Road Maintenance".

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve an annual uniform charge of no more than \$750.00 per property, to be applied against properties abutting Fortress Drive, as depicted in the map shown in Appendix A of this report, effective with the 2014-15 fiscal year for the purpose of funding the road maintenance activities of the Redoubt Head Homeowner's Association;
2. Approve amending Administrative Order 45, Respecting Private Road Maintenance, by adding Schedule 11, respecting a Uniform Charge for the Redoubt Head Homeowner's Association, attached hereto as Appendix B; and
3. Subject to the approval of Schedule 11 of Administrative Order 45, authorize the Mayor to sign on behalf of HRM, an Agreement between HRM and the Association in the form approved by Regional Council on February 11, 2014.

BACKGROUND

Fortress Drive is a private road located in the community of Ferguson's Cove in District 11. The Redoubt Head Homeowner's Association is responsible for maintaining the road and funds road maintenance expenses through an annual fee collected from the owners of 10 properties abutting the road. In the past, the Association has had some difficulty collecting the fee from some of the property owners. As a result, the Association applied to HRM through the Private Road Maintenance Costs Recovery Policy for a uniform charge to ensure timely collection from all property owners.

DISCUSSION

The Private Road Maintenance Costs Recovery Policy outlines the conditions which must be satisfied before an area rate or uniform charge for private road maintenance can be implemented. Those conditions and the manner in which they were satisfied with respect to Fortress Drive are outlined below.

1. *A private road eligible for improvement or maintenance financing under this policy shall include any road that is not public and that provides perpetual direct or indirect access to a public road or highway for at least two properties each of which contains a principal residence.*

Staff have verified that Fortress Drive is privately owned (refer to #2 below), provides access to the public road system, and has more than two properties containing principal residences.

2. *The legal owner(s) of the property on which the private road is situated must consent in writing to the maintenance of the road.*

Staff has verified that the road is a separate parcel owned by Landwork Developments Ltd and is registered as PID# 41034018. One of the Directors of Landwork Developments Ltd owns a residential property abutting Fortress Drive and voted in favour of paying the proposed road maintenance fee on his property tax bill. Therefore, consent of the owner to maintain the private road is implied.

3. *An application for private road maintenance financing assistance under this policy shall be commenced by presenting a petition to the HRM Council. The presented petition shall be signed by property owners comprising at least two-thirds (66.7%) of both the principal residences and the road frontage on that portion of the private road for which the application is made.*

On November 12, 2013, staff received a petition from the owners of property abutting Fortress Drive, requesting HRM collect their annual road maintenance dues via their property tax billings. Staff reviewed the petition and determined that the signatories represented at least two-thirds of the properties which would be charged the fee under the Policy.

4. *Notice of the meeting shall also be made not less than fourteen (14) days prior to the date of the meeting to all property owners that will be affected by the area rate through prepaid mail to their tax assessment addresses. The notice of the public meeting shall set out the date and time and place of the meeting, the name(s) of the applicant, describe the area to be subject to the application and the nature of the road maintenance proposed, the requested method of area flat rate determination (in conformity with this policy), the road maintenance plan and amount of the area flat rate to be requested in the application, and advise that rate payers will be entitled to vote and the method of voting. The mail notice shall contain regular postage pre-stamped self return envelopes, proxy forms and ballots approved to form by the HRM staff coordinator.*

The meeting notice and ballot mailed out to all affected property owners is included as Appendix C to this report. The meeting notice was developed by staff and included all the information required above as per the Private Road Maintenance Cost Recovery Policy. Self-addressed return envelopes were included in the mail-out, and a fax number was also provided.

5. *The meeting shall be conducted by the applicant under the supervision of the HRM staff coordinator. The applicant shall make a presentation to the meeting setting out the reasons and proposed purposes for the use of the area rate fund and the amount of the flat rate.*

A meeting of the affected property owners was held on Thursday, March 20th at 10 Fortress Drive in Ferguson's Cove. The HRM staff coordinator was present at the meeting to supervise the proceedings and to answer any questions with respect to the Private Road Maintenance Costs Recovery Policy. The President of the Association explained the amount and use of the uniform charge after which attendees had an opportunity to ask questions.

6. *The support for the proposed area flat rate shall be the owners of at least two-thirds (66.7%) of the affected properties.*

The owners of 9 of the 10 properties (90%) voted in favour of establishing an annual uniform charge of no more than \$750.00 each to fund the road maintenance activities of the Redoubt Head Homeowner's Association.

7. *The application for the establishment of an area flat rate shall define the proposed area to which the flat rate is to apply with sufficient clarity to allow for proper implementation of the flat rate for billing purposes.*

The uniform charge would be applied to 10 properties abutting Fortress Drive, as depicted in the map shown in Appendix A of this report.

8. *An application shall include a budget in support of the proposed area flat rate.*

The budget in support of the proposed area flat rate (uniform charge) is included on the second page of Appendix C of this report. Staff have reviewed the budget and determined that it is sufficient to justify the amount of the area flat rate.

9. *The Applicant shall form, under the Societies Act, an incorporated association of the owners of the subject properties.*

Staff has verified with the Registry of Joint Stock Companies that the Redoubt Head Homeowner's Association, Registry ID 2546435, is currently in good standing (i.e. not lapsed).

10. *The administration fee shall be a set up charge of \$200.00 for each area rate.*

The administration fee will be collected if Council approves the implementation of the uniform charge.

FINANCIAL IMPLICATIONS

If approved, the uniform charge would take effect in the 2014-15 fiscal year. As all funding is from the uniform charge (i.e. no transfers from the general tax rate), there would be no impact on the HRM General Operating Budget at any time in the future.

The uniform charge of \$750.00 per property is based on the 2014-15 operating budget of \$7,500, divided by the number of properties in the catchment area, which is 10. Details of the budget are provided in Appendix C of this report.

COMMUNITY ENGAGEMENT

The Community Engagement process is outlined in detail in the Discussion section of this report. All property owners were mailed a formal ballot which included information regarding the purpose and amount of the uniform charge, and the date, time and location of a public information meeting. The purpose of the meeting was to provide additional information and address questions and concerns raised by property owners.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications resulting from the recommendations in this report.

ALTERNATIVES

Council could deny approval of the uniform charge. This alternative is not recommended because owners of more than 66.7% of the affected properties voted in favour of paying the uniform charge which is the minimum required under the Private Road Maintenance Costs Recovery Policy.

ATTACHMENTS

- Appendix A: Map of Catchment Area for Proposed Uniform charge
- Appendix B: Draft of Administrative Order 45 Schedule 11
- Appendix C: Copy of Meeting Notice and Ballot mailed to Property Owners, including proposed budget

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Gordon Roussel, Sr. Financial Consultant, 490-2500

Report Approved by: _____
Bruce Fisher, Manager, Financial Policy & Planning, 490-4493

Financial Approval by: _____
Greg Keefe, Director of Finance & Information, Communications & Technology/CFO, 490-6308

FORTRESS DRIVE NOVEMBER 12, 2013



Appendix B

Halifax Regional Municipality ADMINISTRATIVE ORDER NUMBER 45 Respecting Private Road Maintenance

1. Area Rate Charges pursuant to By-Law Number P-1100 Respecting Charges for Private Road Maintenance are hereby imposed in those areas described in the attached Schedules as is more particularly set out in the Schedules.

Schedule 11

- (a) An Area Rate Charge for properties fronting or abutting in whole or in part on Fortress Drive, a private road located in the community of Ferguson's Cove as identified on the map dated November 12, 2013 attached hereto, shall be a flat area rate of no more than \$750.00 annually.
- (b) The Charges collected under this By-Law shall be used by the Redoubt Head Homeowner's Association for the maintenance of Fortress Drive, including culverts, retaining walls, sidewalks, curbs and gutters that are associated with the roads. Road maintenance includes all work required to maintain the road in a serviceable condition year round and may include snow removal, grading, ditch and culvert and bridge repair and brush clearing.

Appendix C



BALLOT FOR PRIVATE ROAD MAINTENANCE TAX

February 26, 2014

FIRSTNAME LASTNAME
FIRSTNAME2 LASTNAME2
MAILINGADDRESS
CITY, PROV PC

Assessment # AAN#
CIVIC# STREET ST_TYPE, CITY LOT_TYPE LOT#

Dear Property Owner:

The Halifax Regional Municipality has been petitioned by the owners of property abutting the private road on which you own the above referenced property. The petition concerns the possible implementation of an area property tax rate to fund the maintenance of Fortress Drive. Since those signing the petition represent at least 66.7% of the properties along Fortress Drive, a formal vote of all property owners must be held in accordance with the Municipality's Private Road Maintenance Costs Recovery Policy.

A ballot is provided at the bottom of this page. The purpose of this ballot is to determine whether at least 66.7% of owners with property abutting Fortress Drive wish to implement a per property charge of \$750.00 annually to maintain their road. If the 66.7% minimum is attained, then all property owners balloted would be required to pay the charge starting in 2014. The charges collected would be turned over to the Redoubt Head Homeowners' Association which is responsible for maintaining the private road. The annual per property charge is calculated as follows:

Estimated Cost of Services in the First Year = \$ 7,500 = \$ 750.00 per property
Number of Properties abutting Private Road 10

Following Regional Council approval of the new property charge, a service agreement must be executed between HRM and the Redoubt Head Homeowners' Association. On the reverse side of this letter is a summary of the responsibilities of both parties under the service agreement. The reverse side of this letter also includes a budget which outlines how the total estimated cost of services was determined.

As required by the Private Road Maintenance Costs Recovery Policy, a meeting of the owners of property abutting the private road will be held to provide additional information and to give property owners an opportunity to ask questions or raise concerns. The meeting will be held:

Thursday, March 20th @ 7:00 p.m.
10 Fortress Drive, Ferguson's Cove

Completed ballots may be dropped off at the meeting, faxed to 490-5622, or mailed in the enclosed self-addressed envelope. You may also scan and email the completed ballot to rousseg@halifax.ca. If you have any questions regarding the process, please contact Gordon Roussel at 490-2500.

Please note that all ballots must be received by March 28, 2014. If you are mailing in your ballot please allow adequate time for delivery. Results of the ballot will be communicated by the Redoubt Head Homeowners' Association.

- YES, I am in favour of implementing the area rate for private road maintenance and paying an annual area rate of \$750.00 on my property tax bill.
NO, I am not in favour of implementing the area rate for private road maintenance.

Assessment # AAN#

NOTE: Only one vote per assessment number will be counted. Ballots with written-in, typed-in, or altered assessment numbers will not be accepted.

The Responsibilities of the Municipality under the Service Agreement:

- HRM’s responsibilities are restricted only to collecting the road maintenance fees on property tax bills and then turning those funds over to the Association.
- HRM does not have any responsibility to monitor or oversee how the Association spends the funds.
- HRM also does not provide any other services such as maintenance, engineering, technical or legal services or advice, and takes no responsibility for private roads or their condition.
- Therefore, HRM provides a fee collection service for the Association and nothing more. However, HRM does review the budget and year-end financial statements provided each year by the Association to ensure that the funds are spent in accordance with the purpose of the Area Rate.

The Responsibilities of the Association under the Service Agreement:

- The Association is required to provide to HRM each year a budget that has been approved at the Association’s Annual General Meeting (AGM). It must include the amounts to be spent on each type of road maintenance work and the costs for administration, insurance, etc.
- At the end of the year, the Association is to provide HRM with a copy of its financial statements for the year, also approved by the membership at the AGM. These financial statements must detail all expenditures made from the Area Rate funds.
- Maintenance of the road(s) and proper expenditure of the area rate funds is entirely under the control and direction of the Association.
- The area rate funds must be kept separate from other funds.
- While the Association is expected to seek competitive prices before hiring a third party to undertake Road Maintenance, HRM does not monitor compliance.
- Liability insurance is also the responsibility of the Association.
- The Association must maintain an active status with the Registry of Joint Stock Companies at all times.
- All property owners who are required to pay the Area Rate are members of the Association and are entitled to all rights and privileges as outlined in the Association By-Laws including the right to attend and vote at all general and special meetings of the Association.

**Redoubt Head Homeowners’ Association
Fortress Drive Road Maintenance Budget**

Revenues	Road Maintenance Fees (10 X \$750)	\$ 7,500
Expenditures		
	Snow Clearance & Sanding	\$ 5,100
	Ditch Repairs & Seasonal Maintenance*	\$ 2,100
	Bank Charges & Society Fees	\$ 100
	Office Expenses	<u>\$ 200</u>
	Total Expenditures:	<u>\$ 7,500</u>

**Ditch Repairs/Seasonal Maintenance are to include, but not be limited to damage resulting from storms, tree fall removal, heavy rain erosion of shoulders, etc.*