

BACKGROUND

During the 2016 budget deliberations Council approved eliminating the fixed charge exception for private serviced vacant lots and uninhabitable buildings. Staff made the recommendation on the basis that, where a service connection is available, the lot owner should share in the costs of maintaining the infrastructure. This report will provide information as to the status of the implementation.

Prior to 2002, vacant properties were charged a fixed water service charge. At that time there were 370 vacant lots with water and wastewater connections and an additional 65 vacant lots with access to a water connection only. In 2002, Staff surveyed 9 similar sized municipalities in Ontario and none of them levied any water or wastewater charges on serviced vacant land. Council, at that time, approved the exemption from these charges as water/wastewater charges should commence when water is connected at the lot line.

The revenue foregone due to the change in policy at that time was estimated at \$110,750 annually. The latest inventory of vacant lots shows that there are approximately 687 private vacant lots that are serviced by water and wastewater and 133 that are serviced by water only. The potential fixed revenue is estimated at \$353,000 using 2017 residential rates. The fixed charge will be established at the lowest rate in effect as per the rate by-law, which is the rate charged to 5/8" service. Regardless of the number of services attached to the vacant lot, the customer will only be charged for a maximum of one service per lot.

In 2017, staff surveyed MBNCan municipalities and out of 7 respondents, no municipality charges fixed charges on vacant lots that have no structures, which puts the City of Greater Sudbury in the minority of fees administration in this area.

A communication letter has been prepared to be sent to ratepayers affected by this charge. If a customer disputes City records and believes that the lot is not serviced, they may request proof that it is. That may require excavation and if the lot is serviced, the cost of the excavation will be passed onto the customer. If it is determined that the lot is not serviced, the fixed service charges will be refunded and the cost of the excavation will be borne by the City of Greater Sudbury.

Due to delays in determining the inventory and ownership of the properties, the fixed charges have not been implemented in 2016 and 2017. The charges will commence in January of 2018. At this time, the revenue has not been budgeted but staff will include it in the 2019 budget once a firm estimate of the revenue is determined through the billing process.