

AREA RATE POLICY

1. PURPOSE

The purpose of this Policy is to provide the framework and guidelines for establishing and managing area rates approved by Council, in accordance with the provisions of the Municipal Government Act, Chapter 18 of the Acts of 1998, and as amended from time to time.

2. DEFINITIONS

For the purposes of this Policy, the following definitions are provided:

- a. "CAO" refers to the Chief Administrative Officer of the Municipality.
- b. "Council" refers to the Council of the Municipality.
- c. "General Rate" refers to the tax rate applied across the Municipality for the delivery of equal services.
- d. "MGA" refers to the Municipal Government Act
- e. "Municipality" refers to the West Hants Regional Municipality.
- f. "Owner" refers to the person(s) who owns a property and to whom taxes are assessed.

3. APPLICABILITY

This Policy does not apply to taxes levied under the following:

- a. User Fees and Charges, pursuant to Section 79 of the MGA and Local Improvement Charges under Section 81.

A service or local improvement used directly by a specific group or type of individuals where the Municipality can identify the users or properties receiving the benefit of the services or improvement. These charges currently include:

- Sewer charges,
 - Street improvements fees under the Street Improvement By-law.
- b. Private fees and taxes for a service which is privately owned and the public has no or limited access, in which case any fee or tax collected on their behalf will be fully levied on the users and/or owners, pursuant to Section 81(1)(da) of the MGA. These would include fees such as:
 - Private roads under the Private Roads By-law.

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- c. Fire Protection Fees, pursuant to Section 80 of the MGA.

4. PRINCIPLES

- a. The Municipality recognizes that the delivery of equal services is funded by sharing costs among taxpayers in proportion to property assessments as a general rate. However, in some instances equal services are unlikely to be available or desirable throughout the Municipality due to:
- Growth and development occurring at different rates and with different levels of intensity of land use.
 - Local or specific needs being met in different ways for practical or historic reasons, including historically separate governance.
 - Use of infrastructure and services specific to local areas versus availability across the Municipality.

It is to be expected that general rate funding would not be applicable in those instances, nor in those instances where former municipal units have different services.

Therefore, prior to levying a tax other than a general rate, Council should consider the following:

- A. Where is the service provided now and where will it be provided in the future, if not the entire Municipality?
 - B. Who will benefit, either directly or indirectly, from the service?
 - C. Who or what has caused the need for the service?
 - D. Is the service standard or level different from that offered in other communities within the Municipality and does this make sense?
 - E. Has there been a recent governance change which is relevant to the issue, and if so, what are the reasonable expectations of both those living in the former municipal unit and those outside the boundaries?
- b. Council will define each service broadly and not tax various parts of the service in ways that are so specific to result in an inconsistent application or undue administrative cost.

Subject to geographically defined services appropriately funded by the Local Improvement Charge under Section 81 of the MGA, Council will not make exceptions to service standards or levels based solely on willingness to pay additional taxes.

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Special taxes should not be created for amounts that are immaterial.

5. KEY TERMS

- a. Area Rates – for the purposes of this Policy area rates are taxes levied in addition to general rated taxes, at the request of an association, society, or local community group, for which the Municipality has the power to approve and expend for the purposes of:

- Providing a service for an area.
- Increasing the level of service on a significant minority of taxpayers.

These may include operating and/or capital costs.

Operating area rates established in one year may continue from year to year upon presentation and approval by Council of an annual budget. Any surplus or deficit from one year will be applied first to the following year's area rate calculation.

The approved budget, adjusted for surpluses or deficits, forms the basis on which the area rate is calculated.

- b. Area Rated Services – services not readily available to all taxpayers or which exceed service levels provided to the general population such as:

- Sidewalks, street lighting, or road maintenance.
- Recreation, cultural or social expenditures provided directly or indirectly (through a third party) on behalf of the Municipality.
- Cemetery Services.

- c. Affected Area – can be defined in one of the following ways:

- Geographically – the area located within the Municipality, which is situated within the circumference of a circle having as its centre the geographic centre of the section in which the service is located and having a radius appropriate to the service being delivered.

For example, the boundary of a former municipal unit may be designated as a geographic area for purposes of applying an area rate.

- Community of Interest (Facilities or Service) – the area the intended facility or service can reasonably serve.

For purposes of this Policy, Council should adopt the following definitions:

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- A. Neighbourhood – a facility or service which is usually used daily by citizens who are within a 1 km radius.
 - B. Community – a facility or service which typically attracts people within a 5 km radius or within a former municipal unit.
 - C. Regional – a facility or service which is intended to serve residents of an entire municipality and attract visitors from outside the Municipality.
 - D. Cultural – a facility or outdoor space which has an attached historical or cultural value and may attract people within a 30 km radius.
- d. Community Rate – a rate applied to a geographic area of a former municipal unit intended to offset prior commitments and liabilities entered into prior to any consolidation or dissolution such as debt financing, pension and other liabilities, and contracts continuing beyond one year, as examples.

A portion of the community rate may also be set aside to smooth the impact of future taxes upon the Municipality's taxpayers' entire community as a result of the ending of the dedicated external funding received to offset operational impacts such as equalization payments and streets and roads formerly maintained by a former municipal unit.

Some community rates end once the debts, contracts, or other liabilities are fully satisfied, although area rates may still be applied after that where there is an expanded menu or level of services provided to that community.

6. ROLES AND RESPONSIBILITIES

a. Association, Society, or Local Community Group

Associations, societies, or local community groups are responsible, with the help of Administration, for seeking approval of Council for the area rate fund's annual budget through the annual budgeting process.

Associations, societies, or local community groups are responsible to determine the appropriate funding model to be established for the area rate including:

- The proposed budget, following public input and recommendation.
- Length of funding period if capital in nature, in keeping with the Municipality's capital asset policy.

Associations, societies, or local community groups are responsible for determining if an expense is permissible and are expected to expend funds in

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accordance with the Municipality's policies and sound business practices, including being accountable to Council for the use of public funds.

b. Financial Services Department

Staff of the Financial Services Department are responsible for:

- Collecting the levy, once approved.
- Processing the payment of expenditures.
- Monitoring appropriateness of expenses.
- Maintaining financial records including all original receipts, invoices, and cheque requisitions.
- Providing advice on financial policies including purchasing and financial reporting.
- Oversight of auditing of accounts as required.

c. Office of the CAO

Staff of the CAO's Office are responsible for:

- Assisting the association, society, or local community group with setting up and recording the results of all votes held at information sessions with the affected taxpayers.
- Providing advice and direction in the preparation of information to be released including the reason for requesting an area rate, what services or level of service the rate will apply to, and the length of time the area rate is proposed to be in place.

7. APPROVAL PROCESS

Area rates must be approved by resolution of Council, ideally, during the annual budget approval process, following a recommendation from the CAO and/or the association, society, or community group having obtained public support.

Council may be guided by, but is not bound by, the results of the recommendation voting process (outlined in **Section 8**).

8. PUBLIC INFORMATION AND RECOMMENDATION PROCESS

Associations, societies, or local community groups are required to notify and seek recommendation of taxpayers for which an area rate is being proposed. Such notification and approval are not required for area rates applied by the Municipality for services provided by the Municipality.

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Public notification of meetings for associations, societies, or local community groups seeking to obtain, maintain, or increase area rates under **Section 6** of this Policy will be given at least 14 days' notice prior to the date of the meeting.

Notifications should be made in the following manner:

- An information letter sent out to all households within the area to be affected, either by door-to-door delivery. Property owners living outside of the district should be contacted via Canada Post.

The information letter should contain detailed information on the operating costs or capital purchase being proposed, the need and the amount of the expenditure, the length of financing, and the estimated area rate anticipated at the time of the notification.

The information letter should also contain the date, time, and location for the public meeting.

- It is the responsibility of the association, society, or local community group to draft and distribute the letter to all properties within the specified area.
 - It is the responsibility of staff to provide the proposed tax rate and post notice of the hearing on the Municipal website.
 - Should the Municipality be required to take on any additional cost as part of the application process, there will be a fee to the association, society, or local community group.
- The public meeting will be open to the general public but only those taxpayers directly affected will be eligible to vote on a recommendation to be made to Council. The Councillor for the affected area will be deemed the Presiding Officer. Where an affected area extends beyond one district, the Presiding Officer will be chosen by the Municipal Clerk for purposes of the meeting.
 - Voting on recommendations to be made to Council will be done by those individuals deemed eligible as determined by the Municipal Clerk as they enter the meeting place. The Municipal Clerk will determine eligibility from the tax roll of the Municipality available at the time the information letter was sent out. The first real property taxpayer registered for each property will be deemed as the eligible voter.

Eligible taxpayers will have one vote per property. Taxpayers may vote by proxy by providing a signed letter indicating the property address and name of the person to be voting, provided no other taxpayer for the property is present. A person can only represent one taxpayer but for multiple properties.

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- Two eligible voters, appointed by the Presiding Officer will act as scrutineers during the counting of the votes, conducted by the Municipal Clerk. Not more than one of the scrutineers will be a member of the organization requesting the area rate.
- The results of the vote will be declared immediately.

9. APPROVED PURPOSES AND GUIDELINES

Each area rate is required to have an annual detailed budget which is to be submitted in accordance with the annual budgeting process. All expenditures are to be made in accordance with the approved budget.

Area rate funds are to be budgeted on a break-even basis. Any deficit which arises in any year must be the first charge on the area rate in the next fiscal year. Reserves or surplus carryforwards are not to occur without a Council approved reserve.

Area rate funds can only be used for the provision of services within the municipal mandate as defined in Section 65 of the MGA.

Expenditures must comply with the spirit and objectives of the *RCOFN-003.00 Procurement Tendering Policy* and practices as approved by Council.

Expenditures must be in accordance with all Provincial and Federal legislation.

10. RECORD KEEPING REQUIREMENTS

All expenditures must have original supporting documentation for payment, no advances will be issued.

All expenditures should be approved by the appropriate representatives confirming the expenditure is in accordance with the appropriate policies and the good or service has been satisfactorily received, prior to submission to the Municipality for payment.

11. REPORTING REQUIREMENTS

A financial report for each area rate will be prepared by the Financial Services Department on a quarterly basis and provided to the area rate society, association, or local community group and Council.

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12. REPEAL

The Area Rate Policy, COFN-001.00, dated April 21, 2016 of the former Municipality of the District of West Hants and the Fire Protection Rate Policy dated October 23, 2007 of the former Town of Windsor are hereby repealed.

I, Rhonda Brown, Municipal Clerk of the West Hants Regional Municipality, the Province of Nova Scotia, do hereby certify that this is a true copy of the Policy as adopted by the Council of the West Hants Regional Municipality at a meeting duly called and held on the **26th** day of **May, 2020**.



R.N. Brown
Municipal Clerk

<i>Adoption</i>	
<i>Notice to Council:</i>	May 12, 2020
<i>Approval:</i>	May 26, 2020
<i>Description:</i> Initial Approval of Area Rate Policy, RCOFN-008.00.	