



Subject: *Request to Waive 5% Administration Fee for Private Road*
To: Corporate and Residential Services Committee
Date Prepared: February 12, 2024
Related Motions: N/A
Prepared by: Wade Tattrie, CPA, CA, Director of Finance
Approved by: Kim Ramsay, CAO

Summary

At the January 24, 2024 meeting of Council, concerns raised by the Arrowhead Park Road Association were discussed. One of the concerns related to the possible loss of funds for the Association due to the recent municipal purchase of Arrowhead lands for the water utility. Council addressed this issue as they approved continuing payment of these three road fees. Another concern/request was that the 5% administration fee (of \$1,569) be waived for the 24/25 fiscal year. Discussion took place and it was decided that this decision should be deferred until the 24/25 budget discussions to take place in February of 2024.

Financial Impact Statement

If Council decides to grant this request it would lose \$1,569 of revenue for the 24/25 fiscal year. If Council were to grant this to all 23 Road associations that the Finance department administers, it would lose approximately \$15,000 of revenue. Funds would need to be found elsewhere to balance the 24/25 budget. Moreover, if Council decided to remove the fee all together, indefinitely, the cost in human resources for other roads who request support could be significant, with only 36 of the 225 private roads currently using municipal billing services.

Recommendation

It is recommended Council not approve this request.

Recommended Motion

Move that the Corporate and Residential Services Committee recommends to Council that Council deny the request from the Arrowhead Road Association to waive the 24/25 5% administration fee.

Discussion

While \$1,500 or \$15,000 are not significant amounts in relation to the entire draft 24/25 Operating Budget, Council should consider the following:

- While HRM does not charge an annual administration fee, they do charge a onetime setup fee of approximately \$250.
- The Municipality of West Hants charges a 10% administration fee for these services.
- Private Road budgets for 24/25 were due January 31, 2024. These have all now been input into our SAP system - which is between 200 and 300 properties. Waiving the 24/25 fee for all Road Associations will require contacting all associations again to determine how they wish to handle the elimination of fees, and making the relevant changes to the SAP system for those properties impacted.
- The Municipality of East Hants charges residents a whole host of fees based on a user pay methodology. Waiving Private Road fee for one year might then require/necessitate waiving other types of user fees.
- By-Law F-300 "A Bylaw Respecting the Maintenance and Improvement of Private Roads" under section 5.1 indicates the maximum the administration fee will be is 5%.

- While this request is for one year only, it is important to note that the Municipality of East Hants has 225 private roads and currently services 36 of these roads via 23 Road Associations. Waiving of fees on any sort of longer-term basis could cause a significant increase in these requests and thereby increase the amount of Finance staff time to administer. This could then increase the requirement for more staff salary expenditures.

Alternatives

Council could approve the request for one year, but apply it to all Road Associations that are currently administered (for one year).