



## **ROAD IMPROVEMENT POLICY**

### **1. Purpose**

- a. To establish rules and procedures to be followed for the implementation of an area rate for capital improvements made to roads owned by the Municipality of the County of Pictou.

### **2. Objectives**

- a. To establish guidelines for the implementation of an area rate to an area or service district.
- b. To define the administrative procedures to be followed by the Municipality upon implementation of the area rate.

### **3. Policy**

- a. Area rates may be used to finance all or part of the cost of any municipal service or facility that council deems to be for the benefit of an area.
- b. In addition to an area rate, the Council may provide from the general tax rate a subsidy to finance all or part of the cost of any municipal service or facility that council deems to be for the benefit of an area.

### **4. Eligibility**

- a. An area rate may be established by Council to pay for the capital improvement including construction, alteration, paving, resurfacing, and or repair of a road.
- b. The area rate may be applied to roads owned by the Municipality (in whole or in part).

### **5. Guidelines for establishing the Area Rate**

- a. An information letter shall be provided to all property owners within the area to be affected, either by Canada Post or door to door delivery.
- b. The letter shall contain detailed information on the area rate being proposed, the need for the expenditure and an estimate of the area rate charge.
- c. Property owners shall be requested to provide their opinions and return a form provided by the Municipality indicating whether they support the implementation of the area rate and the manner in which the rate shall be implemented.
- d. Property owners will be provided a minimum of 14 days from the date of mailing of the information letter to return their opinions and comments on the proposed area rate.

i. If no response is returned, Council will conclude that the property owner(s) is/are in agreement with the area rate.

e. The Municipality shall provide an envelope with postage prepaid for property owners to return their form described in section 3.

f. The results of the information received from property owners shall be presented to the Municipal Council by the Chief Administrative Officer.

g. The Municipal Council will examine the opinions received from property owners and will determine if an area rate should be implemented by a resolution or motion of Council.

i. In order for the Municipal Council to consider the implementation of the area rate, 75% of residents must be in agreement with the rate.

## **6. Area Rates Administration & Calculation**

a. The cost of the capital improvement project will be cost-shared evenly (50/50) between the property owners and the Municipality.

i. For the purpose of this policy the capital/ improvement cost shall be the net cost of the project, should the municipality be able to secure cost sharing from any other sources.

b. All area rates shall be subject to financing or administration charges.

c. If the Municipality is required to finance the capital improvements borrowing through the Municipal Finance Corporation or its lending institution, financing and administration charges shall be calculated at the actual rate of interest incurred by the municipality for financing the loan.

d. If the Municipality finances the capital improvements through its own reserve funds or operating budgets then the financing and administration charges shall be calculated at the lesser of rates that the Municipality would normally have incurred for such a borrowing from the Municipal Finance Corporation or the municipality's lending institution for a debenture or loans of similar term and principal.

e. An area rate shall continue from fiscal year to year fiscal year until such time as all debt relating to the project is retired or Council pass a resolution canceling the area rate.

f. Area rates to cover capital costs not funded by Federal, Provincial or municipal sources will be collected from the defined area for a period not to exceed ten (10) years.

g. An area rate shall be based upon an annual uniform per lot charge or a frontage charge and shall be applied to all properties including residential, resource, or commercial lots that have frontage on the road.

i. The decision to implement a uniform charge or frontage charge is up to the residents. The decision to implement a uniform per lot charge or a

frontage charge shall be based upon the majority of decision of the residents responding as per section5 (c).