

Meeting: GENERAL PURPOSE &
ADMINISTRATION COMMITTEE



Date: April 21, 2008

Dept: Corporate Services

Report No: CORP-2008-25-GP&A

Title: CONSULTING SERVICES TO RENEW
TOWNSHIP DEVELOPMENT CHARGE
BACKGROUND STUDY AND BY-LAW

RECOMMENDATION:

THAT this Committee recommend to Council that Hemson Consulting Ltd. be retained to renew the Township of Scugog Development Charges Background Study and By-Law, to an upset limit of \$27,500 (excluding Goods and Services Tax);

AND THAT the necessary by-law be passed to authorize execution of the consultant agreement.

BACKGROUND

The municipality's existing development charge by-law was enacted on August 30, 2004. In accordance with the Development Charges Act, this by-law has an expiry date of 5 years. The purpose of a development charge by-law is to collect fees to finance capital improvements required in the areas of general government, libraries, parks and recreation, animal control, public works and fleet, municipal roads, and fire protection as a result of new development.

The municipality must prepare a new by-law based on the results of an up to date background study. The background study and report is required to justify and defend the resultant charge. In addition, the background study must be available for the public before the required public meeting.

Preparation of policy documents of this nature require the expertise of a consultant experienced in municipal and developmental finances. In addition, significant input will be required from the Township departments, (Corporate Services, Fire and Emergency, Parks, Recreation and Culture, and Planning and Public Works).

CONSULTANT SELECTION

As in the case of the preparation of the current by-law, staff participated with the Township of Brock in inviting and selecting a qualified consultant to undertake this assignment. The advantage is that some cost-savings can be realized through the retention of one consultant to prepare by-laws for both municipalities. However, the study and by-law is specific to each municipality based on their long-term goals and objectives.

Proposals were solicited from two (2) consultants: Hemson Consulting Ltd. and Watson & Associates. Both firms are highly experienced in the preparation of development charge background studies and by-laws; in fact, between the two, they have written almost every development charge background study in the Province. In addition, each firm employs demographers to prepare detailed population and housing forecasts which are an integral component of the assignment. Both firms also specialize in municipal financial services to municipalities.

The following is a summary of costs proposed by each firm:

Firm	Individual Cost (excluding GST)	Collective Cost (excluding GST)
	If one municipality selects consultant	If both municipalities select consultant
Hemson Consulting Ltd.	\$27,500	\$25,000
Watson & Associates	\$27,000	\$26,000

Based on a review of the proposals submitted staff recommends that the firm of Hemson Consulting Ltd. be retained to renew the background study and by-law for the municipality for the following reasons: It is acknowledged that the individual proposal submitted by Hemson is \$500 higher than Watson; however, staff believe that the retention of Hemson Consulting Ltd. is justified for the following reasons:

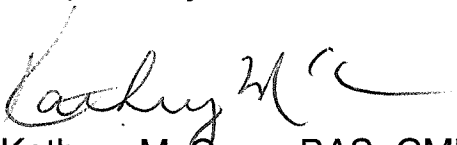
- Hemson Consulting Ltd. prepared the last two development charge studies and by-laws for the Township of Scugog. Much of the background material and record of capital project completion is presently in their possession.
- Hemson Consulting Ltd. Has recently completed the Township's building and planning fees study, which is based on the same underlying development projections. Again, the firm possesses much of the required background information. The performance was judged satisfactorily.
- Hemson Consulting Ltd. has proposed to complete the background study and by-law by November 2008. Conversely, Watson & Associates proposes that the background study and by-law will not be completed until July, 2009. While the Hemson Consulting Ltd. timeframe may be overly optimistic, there is room for unavoidable delays. The Watson & Associates proposal does not allow for delays as the existing by-law expires September 1, 2009.

- The preparation of the 1999 and 2004 background study report and by-law was a seamless process as Hemson Consulting Ltd. was well organized in terms of data collection and delivery of required information. The performance was judged satisfactory.

In the event that Brock Township does not ultimately select Hemson Consulting Ltd., staff continues to recommend Hemson Consulting Ltd. However, it is understood that the Township of Brock staff will be recommending that Hemson Consulting Ltd. be retained at the Brock Township Council meeting on April 21, 2008. The approved 2008 budget for the development charge background study and by-law was set at \$30,000 (funded from the Development Charge Reserve).

FUNDING OPTIONS: The 2008 Operating Budget (Planning and Public Works Department) allocates \$30,000 for this study (Account 17.18.467). Financing is to be provided from the Development Charge Reserve Fund.

Respectfully submitted,



Kathryn McCann, BAS, CMM
Commissioner of Corporate Services/Treasurer



Gene Chartier, P.Eng.
Commissioner of Planning and Public Works

Approved for Submission to Committee by,



Bev Hendry
CAO