

Council Information Session

Stormwater Rate Study



Municipality of Arran-Elderslie
July 14, 2025



Agenda

- Background
- Stormwater Rate Structure
- Expenditure Profile
- Full Cost Recovery Stormwater Rates
- Phased-in Stormwater Rates
- Next Steps and Questions

Background

- The management of municipal stormwater infrastructure is currently funded from the tax base with the intention to move to a dedicated user fee to recover costs
- The Municipality is undertaking separate Stormwater Needs Studies for Tara, Paisley, and Chesley
- The primary beneficiaries of stormwater infrastructure are urban residents and businesses
- Hemson developed a user rate model to calculate user fees over a 10-year period

Benefits to Ratepayers

- Costs to manage the stormwater system will not be supported from the tax levy
- Overall improvements:
 - Stormwater infrastructure and network
 - Reduce the number of open ditches in residential neighbourhoods
 - Improved streetscape

Stormwater Rate Structures

Funding Source	Rate Structure	Considerations
Tax Revenue	<ul style="list-style-type: none"> Current funding model Tax-supported 	<ul style="list-style-type: none"> Inequitable approach Easy to administer
Flat Rate	<ul style="list-style-type: none"> Flat rate based on property type Non-residential properties pay more than residential 	<ul style="list-style-type: none"> Inequitable approach Easy to administer
Impervious Surface Area	<ul style="list-style-type: none"> Based on impervious surface area (e.g. pavement, roofs, etc.) Municipality does not have adequate data 	<ul style="list-style-type: none"> Equitable approach Untenable administration
Property Land Area	<ul style="list-style-type: none"> Based on land area and property type Non-residential properties pay more per square metre than residential 	<ul style="list-style-type: none"> Equitable approach More difficult administration

Arran-Elderslie Proposed Rate Structure

- **Property land area** rate structure
- Different rates based on property type
- Ratios based on benchmarking from other Municipalities

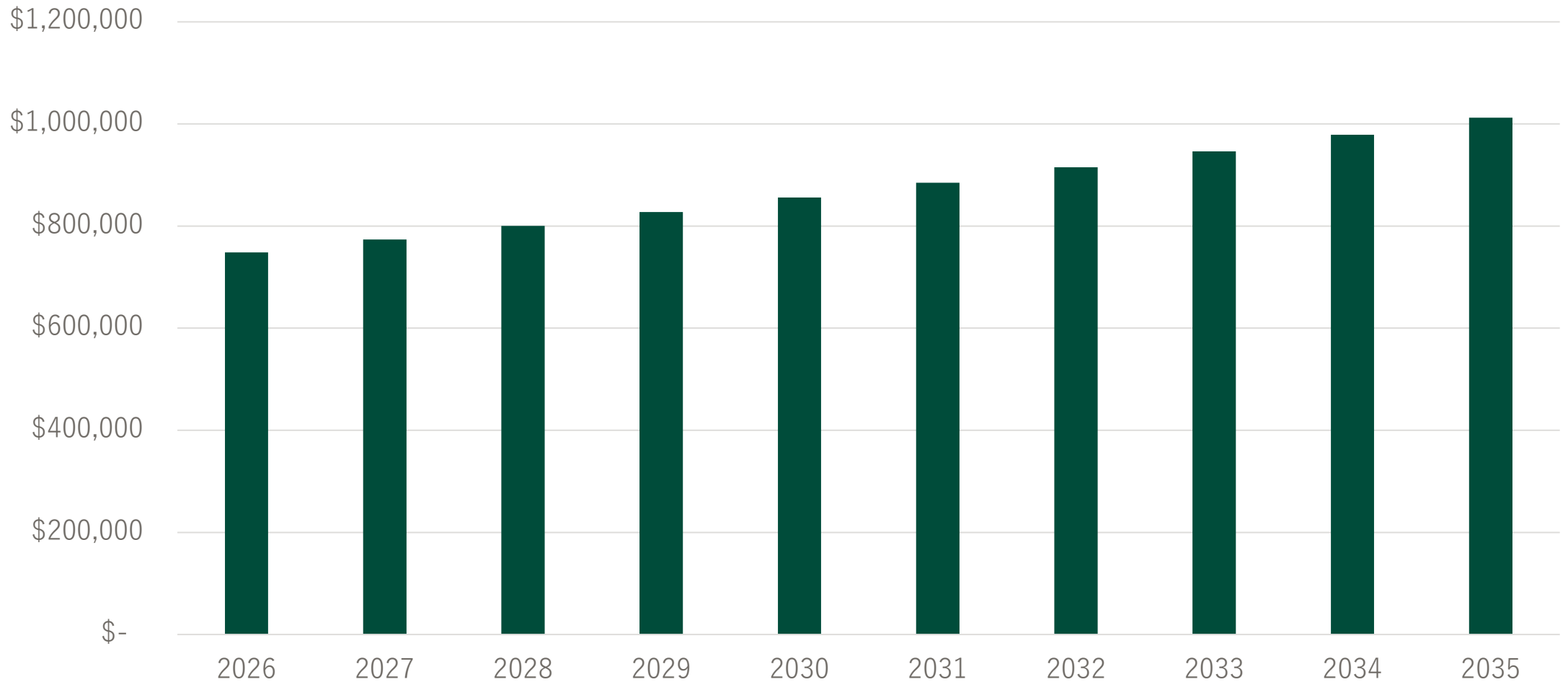
Ratios of Land Uses - Stormwater Rates		
Residential Single and Semi	Multi-Residential	Non-Residential
1.0	1.27	2.0

Cost Overview

Cost Centre	2026 Cost Projection
Operating Costs	\$157,500
Capital Costs	\$621,000
Tax Revenues needed for Stormwater Ditches	(\$30,300)
Net Rate Funding Need	\$748,200

- Operating costs from historical data and staff estimates
- Capital costs from Stormwater Needs Studies

Net Rate Funding Need



Forecast of Parcel Area in Square Metres: Paisley, Tara, and Chesley

Property Type	2026	2030	2035
Residential – Single and Semi	2,964,000 m ²	3,094,000 m ²	3,258,000 m ²
Multi-Residential	855,000 m ²	893,000 m ²	940,000 m ²
Non-Residential	1,323,000 m ²	1,381,000 m ²	1,454,000 m ²

- Modest growth in-line with historical census data
- Source: Bruce County Mapping

Full Cost Recovery Rate per Square Metre

User Group	2026 Rate per Square Metre	2026 Typical Bill
Single Detached	\$0.1117	\$103
Semi Detached	\$0.1117	\$84
Multi-residential Complex	\$0.1421	\$485
Commercial	\$0.2234	\$60
Business Park	\$0.2234	\$1,810
Institutional	\$0.2234	\$2,123

Phase-in to Cost Recovery: Rate per Square Metre

User Group	2026 Rate	2027 Rate	2028 Rate	2029 Rate	2030 Rate	2031 Rate
Cost Recovery	25%	40%	55%	70%	85%	100%
Residential	\$0.0279	\$0.0457	\$0.0643	\$0.0837	\$0.1040	\$0.1252
Multi-Residential	\$0.0355	\$0.0582	\$0.0818	\$0.1065	\$0.1324	\$0.1594
Commercial	\$0.0559	\$0.0914	\$0.1286	\$0.1675	\$0.2081	\$0.2505

Median Bills

User Group	2026 Median Bill	2027 Median Bill	2028 Median Bill	2029 Median Bill	2030 Median Bill	2031 Median Bill
Cost Recovery	25%	40%	55%	70%	85%	100%
Single Detached	\$26	\$42	\$60	\$78	\$96	\$116
Semi Detached	\$21	\$34	\$48	\$63	\$78	\$94
Multi-residential Complex	\$121	\$198	\$279	\$363	\$452	\$544
Commercial	\$15	\$25	\$34	\$45	\$56	\$67
Business Park	\$452	\$741	\$1,042	\$1,356	\$1,685	\$2,029
Institutional	\$531	\$869	\$1,222	\$1,591	\$1,977	\$2,380

Next Steps and Questions

- Public consultation
- Final draft to Council
- Target adoption for 2026