

Kerrobert Street Project Questions

1. **Question:**

I received information in the mail regarding one of my properties and the costs involved with the proposed local improvement. I have more than one property in Kerrobert. Will this involve all of my properties?

Answer:

The Town of Kerrobert mailed packages with information about specific properties that would be involved in the local improvement street project. If you have more than one property that was affected, you would have received a separate information package for each property that it affects.

2. **Question:**

Why are some properties having both water and sewer services installed and others get only a new water service or a new sewer service? Why do some get neither?

Answer:

On the streets scheduled for rebuilding under the Local Improvement plan, the Town has replaced a few short sections of water main in the recent past. Where newer water main sections are in place, the Town does not plan to replace the water service connection.

The Town has recently run camera inspections of all sewer mains that are adjacent to where we know we are replacing water mains. Some of those sewers are defective, so we have made plans to replace them while the streets are going to be torn up anyway. In those cases, we automatically planned to replace the sewer connection from the new main to the property line.

Where the sewer main still appeared to be serviceable, we had generally planned to only replace the water connection.

If you are not scheduled to have a new sewer service installed but have experienced problems (root intrusions or other issues) with your sewer service connection, please write back and tell us about them. We can check your situation out (we may need to send a camera through your connector line). If your service connection is defective between your property line and the sewer main, the Town will replace that service connection while we have the street torn up. The Town will authorize and pay for any work needed from the main to your property line. Any problems between the property line and your home will be at your expense to fix.

Please let us know if this might apply to you and if you wish to pursue it further. In order to help us to accurately track any requests we receive, we ask that you make your request for review in writing, either by email to kerrobertstreetproject@sasktel.net or by regular mail at PO Box 558, Kerrobert, SK S0L 1R0, or drop your written concerns off in person at the Town Office. Please be sure to include your contact details with your request.

3. **Question:**

Where is the grant money that the Town got going to? What is it paying for?

Answer:

The bulk of the grant money will be used to pay for replacing the old cast iron mains that have been failing repeatedly these past several years. A small portion will help rebuild the streets afterward. This includes all the excavation work, temporary water services, backfilling work, pipe and connection work, traffic control etc. Please refer to the mail out you received to see where all the money for the project is coming from and where it is all going to. There is a summary budget on the third page of the handout.

4. **Question:**

If a whole block votes 100% that they want the pavement but others petition against it & win, does that mean that our block doesn't get the local improvement.

Answer:

The petition form you received with the mail out (if you are in Phase 1) is strictly for the use of those who oppose the project. If you want to circulate a petition in favour of doing the work on your block, we would ask that you wait until after April the 8th, and we can offer assistance at that point to help you do so (if needed at all) and you should be able to get your block done. If you are in favour of this project you need do nothing at this time.

5. **Question:**

I am hearing about people getting these mail outs. Why did I not get one?

Answer:

There were two mailings - the first had notices of tentative assessments attached to the general handout explaining the project which went first. The second one went out the following Wednesday to all other property owners in Town with only the handout. Please check your mail again. If you do not receive a package by Monday March 14, contact the office and we will print you out one directly. As a side note, everything in the mail out is also on our web page under the general heading of Kerrobert Street Project. The mail outs were sent to owners.

6. **Question:**

If I really want to discuss this with someone, who do I call?

Answer:

In order to try to answer everyone's questions in a timely and organized fashion, we are requesting that you first ask questions in writing. Office staff will either answer them directly, or will forward them on to someone who can answer them. We are experiencing a large influx of questions currently, but as we get first questions answered over the next week or two, we can spend more time if needed with individuals with more complex concerns. We know and understand the desire to speak to a person about this, and we will do the best we can to get your questions answered. We would also ask your patience - it's a big project. It has taken us quite a bit of time to get our arms around it all. If you list your primary concerns in your questions we can be better prepared initially at least, to get you the answers you need.

7. **Question:**

Is the value of the work being added to the town owned properties sale price or being distributed to the other rate payers?

Answer:

If anyone inquires about Town owned properties in the Phase 1 work area, they are being advised that the property is subject to a Local Improvement assessment. The Town will let the prospective buyer know the estimated amount of the total bill and that they will have the option to pay the local improvement in one lump sum in late 2022 or in fifteen annual installments beginning in 2023, the same as every other owner of property in Phase 1.

8. **Question:**

How do the tax and utility increases work?

Answer:

The increases are applied each year to the previous year's amounts, for example:

2020 Payments	Municipal Taxes	Fire Levy	School Taxes	Total Taxes	Utilities	Annual Payments
Taxes	2,698	50	1,042	3,790		3,790
Water (per month)					87	1,044
Sewer (per month)					26	312
Solid Waste (per month)					42	504
Yearly Total						5,650

2021 - 3% increase in Municipal Taxes						
2021 Payments	Municipal Taxes	Fire Levy	School Taxes	Total Taxes	Utilities	Annual Payments
Taxes	2,779	50	1,042	3,871		3,871
Water (per month)					87	1,044
Sewer (per month)					26	312
Solid Waste (per month)					42	504
Yearly Total						5,731

Percent Total Increase						1.4%
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2022 - 3% increase each in Municipal Taxes, Water & Sewer						
2022 Payments	Municipal Taxes	Fire Levy	School Taxes	Total Taxes	Utilities	Annual Payments
Taxes	2,862	50	1,042	3,954		3,954
Water (per month)					90	1,075
Sewer (per month)					27	321
Solid Waste (per month)					42	504
Yearly Total						5,855
Percent Total Increase						2.2%

2023 - 3% increase each in Water & Sewer						
2023 Payments	Municipal Taxes	Fire Levy	School Taxes I	Total Taxes	Utilities	Annual Payments
Taxes	2,862	50	1,042	3,954		3,954
Water (per month)					92	1,108
Sewer (per month)					28	331
Solid Waste (per month)					42	504
Yearly Total						5,897
Percent Total Increase						0.7%

Total Increase over 3 years	\$247
Percent Total Increase after 3 years	4.4%
Average Annual Increase	1.5%

If school taxes increase in any year, then the totals and averages shown will also increase.

9. **Question:**

I own a corner lot and my house faces the flankage side of the property and my address is on the street that my flankage faces. For the proposed local improvement assessment, will I be charged for the flankage side because of this?

Answer:

You will only be assessed and billed for the short side. It doesn't matter which way the house faces, the lot configuration controls which side of a corner lot is determined as frontage.

10. **Question:**

I am having trouble understanding the timing of any preliminary assessment notices and when I would actually have to pay for those assessments. How does that work for Phase 1, and how is it likely to work for Phases 2 and 3?

Answer:

Any local improvement project must follow strict rules laid down by the province and can only be billed to benefitting properties **AFTER** all work is complete. So for example, the timeline on **Phase 1** was/is as follows:

2019. Grant application to help with the replacement of all our old cast iron mains, award of grant - Neither of these steps is formally a part of the local improvement process, but the Town was/is required to contribute toward the cost of the grant approved project and has to secure funds on its own.

2019 continued. Selection of consulting engineer.

2020. Preliminary and detailed designs for Phase 1, concept designs for Phases 2 and 3, including preparation of preliminary assessment rolls for Phase 1.

2021. Finalize design for Phase 1, prepare engineer's report and obtain approval by province in advance of issuing preliminary assessment notices to let people know what's happening and to allow them to petition against the work, prepare and issue contract documents for bidding, award contract, install all underground work, and begin rebuilding road bases. Note - paving is being deferred for one winter season in case there are any unexpected issues with trench settlements after all the utilities are built.

2022. Fix any defects, re-prep the streets and pave. Determine final costs and issue final assessment notices. Allow time for any appeals of those final assessments. Issue bills to either be paid outright in 2022, or to be paid over the following 15 years. This billing choice will happen in 2022.

2023. For those who elect to pay over 15 years the first annual instalment for Phase 1 will be due with their 2023 tax bill.

Phases 2 and 3 should hopefully be a bit simpler as we do not currently expect to have to do any major utility replacements.

Possible schedules for these works is as follows:

Phase 2

2024. Consultant selection.

2025. Core sampling and detailed designs, prepare preliminary assessment notices, prepare and obtain approval of engineer's report by province, issue preliminary assessment notices.

2026. Build Phase 2. If no major trenching is required, all construction would be done in one season. Finalize costs, issue final assessment notices & go through any appeals of assessments, issue bills as for Phase 1.

2027 First of 15 annual payments due with 2027 tax bill.

Phase 3

Same as Phase 2, likely beginning in 2030 with consultant selection, design etc. in 2031, then construction in 2032 and lump sum payments in 2032 and first annual payments due in 2033.

While the assessments represent a real and significant cost to owners, property owners in Phase 1 are in effect being given almost two years notice of these impending bills. Property owners for Phases 2 and 3 are receiving a much longer advance notice of these plans.

11. **Question:**

I am wondering if there are any stipulations as to what the \$4.5 million grant can be spent on? May it be used for pavement as well as line replacement?

Short Answer:

The grant may be used for both watermains and street work **directly above those mains**.

Long Answer:

The ICIP Grant Agreement that the Town has executed with the provincial and federal governments requires that we rebuild 2,527 meters of watermain and 2,527 meters of streets. If either of these benchmark standards are not met, the actual amount of grant funds the Town receives will be reduced in proportion to the shortfall.

When the ICIP grant program was first made public in 2019, the Town (and all other communities) were given approximately four weeks to put together an Expression of Interest (EOI) for the program. Earlier (in 2015) the previous Council had authorized a study to determine both the extent and likely costs of replacing various elements of our linear assets (streets, watermains and sewers). Utilizing the results of this study, the Town put together an EOI to replace watermains and streets primarily on Atlantic and Manitoba Avenues, and the lower blocks of Ussher, Bosworth and Bulling Streets.

Two factors entered into the decision to submit the EOI for these particular blocks:

- 1) The condition of the water mains was thought to be the factor that might enable us to actually get a grant (the grant conditions did not directly allow for street replacements but welcomed applications to fix water supply and distribution problems). The blocks in our original application are at the lowest elevations in Town and are the sections where water pressure is highest. These mains were thought to be the most likely to fail as they aged even further.
- 2) The grant requires that the Town pay 27% of the total cost. **At the time of the application, we thought that we could manage the overall Town share of that 27% using local improvement charges and a modest tax increase.** Even with the overall scope limited to those few blocks, a driving consideration was the costs that the Town itself would have to bear in relation to Town owned properties and flankage costs.

Later that summer, we were invited to submit a full grant application, which was approved in August 2019.

Over the course of the next many months as Council went through the process of the selection of a consulting engineer and preliminary designs two major concerns continued to surface.

First, as the project was originally conceived and approved by the granting agency, **it involved significant contributions by the whole Town, but the direct benefit would only be seen on a limited number of blocks.** Secondly, only 2,527 meters of cast iron mains were being replaced, **leaving nearly 1,600 meters of old defective mains still in the ground.** We had been awarded a grant to take care of many of the old mains, but there was no way to predict if we would ever be so fortunate again. On top of that concern those older water mains would remain as a serious impediment to ever fixing the streets above them.

As Council wrestled with these two concerns, a solution to both emerged. First we looked at what it would cost to replace all the water mains AND fix all our currently paved but damaged streets. To do it all at once would require a Town wide Local Improvement assessment of \$604 per front meter. However, it would also require a major tax increase to cover the Town's share of frontage charges. In the whole project area there are about 16,500 meters of assessable frontages and flankages. Of this, 5,700 meters are flankages (which the Town would pay) and the Town owns outright a further 1,100 meters of frontage.

Council reasoned that a \$584 per front meter charge was a big, but doable number. For a 75 foot lot, this would cost an owner \$13,500 in one lump sum or \$1,200 a year or \$100 per month. A 50 foot lot would have charges levied at 2/3 the price of those for a 75 foot lot.

Council then looked at splitting the project into phases so that the Town's share of costs could be paid from tax revenues that would no longer be needed to pay for the Water Treatment Plant improvements and the Wastewater Treatment plant once those debts were paid off. By utilizing existing reserves, Council could pay the Town's share of Phase 1 frontage costs. The end of payments for the Water Treatment Plant will allow the Town to pay for its share of Phase 2 costs, and the Wastewater Plant payoff will allow the Town to cover its costs for Phase 3.

From the perspective of the ICIP Grant Agreement our planned Phase 1 project will exceed the agreed upon outcomes. We will be rebuilding 4,100 meters of water main and 2,900 meters of streets, well above the 2,527 meters of each required under the Agreement.

From the perspective of Town taxpayers, by allocating most of the grant money to water mains, we have been able to present the Local Improvement Assessment plan as a plan to rebuild the streets in Town on an equal basis for all affected blocks. Owners in each Phase should be facing similar cost obligations.

This split and allocation also allows us to get all our defective mains fixed. If a main fails it affects all of us as we lose water that we all pay to treat. If enough mains fail, it becomes a really serious public health and public safety issue. We can and do drive over defective streets. We cannot live here without a safe water supply system.

12. Questions:

I live in the 700 block of Manitoba.

- 1) What phase are we in?**
- 2) Do I have it correct that we will only be receiving pavement in front of our house?
No new lines?**

- 3) Will there be a penalty for paying off the frontage lien before the 15 year period is up?
- 4) Do we pay our frontage lien right away or when our phase starts?
- 5) When will we know if this is approved or not?

Answers:

- 1) The 700 block of Manitoba is in Phase 2, scheduled to begin in 2024 or 2025, and is most likely to be actually built in 2026¹. The phasing plan is in the package sent out to all owners in Town and is also on the Town's website under the Street Project link.
- 2) Based on current information, there will be no need to replace water mains or sewers in the 700 block of Manitoba as this is a newer development and the PVC mains that have been installed on this block should be good for many more years to come. Only the street would be rebuilt. Core samples will be taken from the existing roadway, and an engineer's determination will be made as to whether full reconstruction of the street is required or if somewhat less preparation and base rebuilding will suffice. A full rebuild would excavate at least 18 inches of material, then rebuild the gravel sub base and base before placing and rolling new asphalt. It is also likely that where sidewalk or curbs have settled, that those sections of concrete would be replaced as well so that the street drains properly.
- 3) The current financial plan for all three phases is to allow any owner to pay the principal amount at virtually any time, which would reduce any total interest payable. There will be no penalty for early payouts.
- 4) **You are not required to make any payment until all the work in your phase is complete.** Only then can the Town legally issue a bill that must either be paid in one lump sum or be paid by installments on succeeding years' tax bills.
- 5) You will know for sure that Phase 2 is proceeding when you receive a formal Notice of Preliminary Assessment, which the Town would most likely issue in 2025, and which would be accompanied by a draft petition form that any owner in Phase 2 could sign if they are opposed to the proposed project. If sufficient signatures are received after the preliminary notices are issued, Phase 2 would not happen.

The Town has issued Preliminary Notices of Assessment to all owners in Phase 1, along with petition forms for those who are opposed to the Phase 1 street rebuild. Those petitions are due by April 8th, 2021, so we won't know for sure if Phase 1 street rebuilds will happen until after that date.

The Town has sent our information packages to all property owners in Town so that everyone knows what the overall plan looks like and particularly so that owners in later phases have long term advance notice of what and when Phases 2 and 3 might cost them and can plan their own budgets accordingly.

¹ The current Council's term ends in October 2024. While it is our hope that the next Council will continue with the three phase plan to upgrade our streets, it will be the next Council's decision as to whether to actually do so.

13. **Questions:**

- 1) **How long should I expect to have the disruption on my street and with my services when the project is being done on my block. Would it be 2 – 3 weeks or longer, all summer? What should I be expecting?**
- 2) **Will there be a drop in my water pressure while my home is using connected to the temporary water supply service?**

Answers:

- 1) The time frame depends on the contractor, but most contractors should be reasonably capable of completing one block within a two week time frame. Water and sewer being one week, roadway work being another week.
- 2) There should be very little if any noticeable pressure drop when any home is on temporary service.

14. **Questions:**

Why are only the 200 & 400 blocks of Manitoba being done in Phase 1?

Answers:

All the other blocks of Manitoba have newer PVC pipe in the ground. Replacement of old cast iron main was the determining factor for assigning the 200 and 400 blocks to Phase 1.

15. **Question:**

The amount that I was given in my Notice for the proposed Local Improvement says it is an estimate. How much more could it be when the project is done and the final assessment is done? It seems unfair that we don't know how much it could be.

Answer:

Included in the estimate we used to establish the tentative assessment amount is a 10% construction contingency allowance, so if bid prices match the estimate, we still have a safety cushion to deal with unexpected problems during construction. If bid prices are higher than expected, there will be less forgiveness for unexpected construction issues. Any combination of higher bid prices and unforeseen construction issues that drive the total construction cost more than 10% above the engineer's estimate for construction could result in a higher final assessment cost. However, it would also result in a higher cost than the Town is expecting to pay for its share of the grand total. Since the Town is paying 77% of the total project cost, the Town has a very strong incentive to not exceed the overall budget. The Town and our engineer will be doing everything we can to prevent cost overruns from happening, including reducing the scope of work if bid prices are too high, and carefully scrutinizing any proposed change orders that would

increase the total cost of the project. While this answer may not give you 100% certainty, that level of certainty is something we cannot promise at this time.

16. **Question:**

Who from the town or town council will be placed in a position of overseeing that the proposed work is effectively completed on time, done properly and on budget? The white elephant that sits outside of town "wastewater treatment plant" is an example of making sure the job is looked after in every aspect.

Answer:

Part of the engineering costs for this project is having a full time resident engineer from BCL to supervise and oversee the day to day work of whichever contractor we hire to build the project. While having full time resident supervision does add to the overall cost of the project Council believes having such supervision on site will minimize errors and construction cost overruns and will greatly improve the quality of the work done.

Where direct input from the Town is required in resolving issues arising during construction the contractor and engineer will be dealing with our Town Administrator. If she needs additional assistance in resolving issues, she will advise Council.

Any changes in scope of work that result in change orders will be subject to Council approval before any work is done in excess of what is listed in the bid documents.

It should be noted that the work is being done on a unit price basis. The engineer has provided an estimate of the quantity of each type of work that is being done. The contractor will provide a unit price for that element. All the unit prices are multiplied by the estimated quantities to arrive at a total bid price. During construction, detailed measurements are taken of the actual work done, and those dimensions are multiplied by the agreed unit price to determine how much the contractor actually gets paid. So, for example, the estimated quantity of asphalt to be laid on the residential streets in Phase 1 is 34,000 square meters. As the project proceeds the contractor and our on site engineer will measure the actual area of asphalt laid down, and then jointly prepare an invoice to the Town for the actual area times the contracted unit price. While this will very likely produce a final bill different from the bid "total amount", it is the fairest way to handle this type of work and avoids a large number of change orders in comparison with a fixed total bid contract.

17. **Question:**

Has the town / town council considered putting a cap on taxpayers' assessments if the proposed work has overages? Considering the references to Railway Ave and the extra work needed there, I am hazarding to guess other streets in town will be in the same state. Leaving it as an open-ended bill is very concerning to me.

Answer:

No cap on assessments has been formally set. Whatever the final total bill might be, it must be paid, whether from charges to benefitting properties (final assessments) or to the Town as a whole (general tax increases across the board). There is no other pot of money to pay costs that are not already accounted for in the project.

That being said, Council has established a contingency allowance of 10% of the construction cost estimate that will permit some minor fluctuation in the final bill without adding to the published tentative assessment estimates you have received. Also, four members of Council have homes and/or properties in Phase 1 who have a very strong incentive not to exceed our budget for Phase 1. The other three members of Council have homes in Phase Two and are similarly motivated to keep costs under control. We all live here and want the project to succeed at the lowest cost possible.

18. **Question:**

Can you explain what the “plus temporary borrowing costs” placed on taxpayers refers to? In my opinion then the "assessment" is already going up without any overages.

Answer:

The Local Improvement Act prohibits the Town from formally billing anyone for the work done as a Local Improvement until all work is complete. The Town does not have cash on hand to pay for the street improvements that will eventually be paid by benefitting property owners. As such, we must borrow money to pay the engineer and contractor as construction proceeds through completion. It is our plan to obtain a line of credit from one of our local institutions to cover these interim costs. We would draw down on the line of credit as construction proceeds, so that we actually borrow only as much (or as little) as we need and only when we actually need it, to get through the construction period. Interest charges will accrue on these borrowings and will be added to the final total of construction costs to determine the final total assessments due. The total interest due should fall well within the contingency allowance we have established for the project and should not cause final assessments to be adversely impacted. When the project is complete and any full payments have been received we will borrow an amount equal to the outstanding debt at that time on a long term basis, and begin making annual principal and interest payments on that amount.

19. **Question:**

What financial institution is the loan for this proposed project being applied for? Is 4% interest the best we can get or is the town getting a better rate and just charging taxpayers 4% for financing?

Answer:

We have not yet selected a financial institution to borrow the long term amount we will need. We do hope to get a rate somewhat better than 4%, but 4% is the rate we will be charging anyone who does not pay off their assessment in a lump sum payment. With over 230 properties involved any gain brought about by charging 4% will offset the additional

administrative costs we will be incurring in tracking all these individual loans. We would encourage all owners to either pay the lump sum amount due in order to avoid any interest charges on the long term debt. If you don't have the cash available but can secure a loan for the full amount owed at a better rate than the Town offers, by all means please do so.

20. **Question:**

Has the work been advertised for tender or is the same group BCL Engineering going to be doing the work?

Answer:

The construction work has been let out for bids by qualified construction companies. BCL is the Town's consulting engineering firm who has prepared the plans and bid documents and who will oversee the works as they proceed. They will also prepare as-constructed documents and plans after all the work is complete so that we have solid records of what has been put in place for the next time we need to work on the streets involved.

21. **Concern:**

The proposed improvements in many cases exceed 30% of the marketable value for the properties they aim to service.

The marketable value of the homes in the proposed service area are not likely to increase in relation to the proposed improvements.

Reply:

While the sale price of a home may or may not be increased by the improvement of the street in front of the home, it is our belief that if two comparable homes with similar asking prices are on an unimproved street and an improved street, the one on the improved street has a better probability of actually selling to a single buyer who is comparing those homes.

22. **Concern:**

A chargeable rate of \$8900 is equivalent to approx. \$12,000 of pre-tax earnings. (a large percentage of many owners annual income)

Economic forecasts do not bode well for the Canadian economy and specifically the region (de-carbonization as mandates for 2030)

Reply:

The oil industry is definitely struggling. In order for Kerrobert to have any chance of attracting alternative economic activity Council believes we need to make our community an appealing location in which to invest and settle. If we look like we are in decline and failing, who will buy a home or risk private capital to start a business here? Appearances matter.

Almost any real estate agent will advise a prospective seller to dress up the street appeal of the home they are trying to sell, particularly to make sure the front door is painted. The streets in Town are the "front door" to our community, and we are trying hard to sell Kerrobert to the rest

of the world as a good place to live and start a business. We would also like to make it a more attractive and pleasant place for current residents to live.

23. **Concern:**

Further, it is my view that the Town of Kerrobert lacks a well-considered development plan, one with the means of keeping infrastructure and maintenance costs in check into the future.

Reply:

Agreed. We see this project and 3 phase street program as a large step in that direction. By doing major street rebuilding, we should be reducing our street repair costs, allowing us instead to build cash reserves so that perhaps when the time comes to rebuild we are not struggling so hard to catch up.

24. **Concern:**

Projects approved over the past 15 years have seemingly only extended further and further outward from what was once the downtown core. This reallocation of resources to new developments has likely come at a cost for existing infrastructure and escalates maintenance costs into the future.

More notably, this sprawling out of businesses and residences over a wider area increases reliance on automobiles and thus results in more rapid deterioration of infrastructure the Town is already seemingly unable to support via its tax base.

Planners are often judged by the landscapes, neighbourhoods, and communities they produce.

Reply:

Agreed.

25. **Concern:**

Many townspeople can form the argument that recent decisions in planning / approved projects have led to the rapid deterioration of place and community in favour of fleeting revenues for what has become a transient encampment.

Before we can embrace investments in our infrastructure for the future, planners must become advocates of land development policies that positively affect good town form, a sense of community, and neighbourhood livability.

Towns and cities are already facing an insolvency crisis.

Doing things the same as they have always been done or as others are doing is not a path forward.

Reply:

Also agreed. Which is why we are doing this major reconstruction rather than continuing to just putting band aids on our aging and failing infrastructure.

26.

Concern:

The objection to the Project is specifically in relation to the methodology of the proposed special assessment and the reasons are as follows:

1. The benefit derived from the Project does not correspond to the frontage of the land where the proposed Project is being undertaken. The benefit of a new road on a street impacts the value of each parcel of land on that street approximately proportionate to the value each parcel of land plus the improvements (i.e. houses) located on each parcel of land. Simply put, more valuable houses benefit disproportionately from a new street than less valuable houses.

Reply:

A new street provides the same level of access to the properties in question, regardless of the value of the structures on those properties. A 100 foot wide parcel requires twice as much street in front of the property as a 50 foot parcel, and Council has determined the owner of a 100 foot parcel should contribute twice as much as an owner of a 50 foot plot.

Concern 1 continued:

If none of the parcels of land had pre-existing houses, then the proposed methodology would seem appropriate. The reason for this is the potential value of the land is greater as one could construct a larger and better house than a lot with a smaller frontage and land area. However, once a house pre-exists on a parcel of land the value of the value of the land does not benefit independent of the house in almost all cases. Only when the value of the land exceeds the value of the land with the house on it can the potential for redevelopment be considered and the value a new road or improved utility service be considered in relation to the frontage.

Reply:

Nearly all the permissible methods for Council to allocate costs under the Act **require** (emphasis added) that the use of any permitted method applies **to the land only, not to the land plus improvements**. There is only one section in the Act that would permit Council to consider the number of households which **may** be accommodated on the land. If a street were zoned for high rise apartments on one side and single family homes on the other, this particular method might well be most appropriate, but it considers **permissible** usage not **actual** usage of the land, and this clause is consistent with the remainder of the Act which allows, for example, a reduction in assessment for unbuildable lots. **The permitted or practical possible usage of land is the determining consideration in selecting a method, not the actual current usage.**

As a counter example of why taking the value of improvements into account would not work, consider the following example. A Local Improvement project costing \$100 only affects two lots, A and B. Lot A has 50 feet of frontage and has a residence built on it. Lot B, across the street is also 50 feet wide and is vacant. Using any of the more common permissible methods of; frontage; area; equal amounts; or, assessed valuation **of land** (emphasis added), each owner should pay the same amount (\$50 each). Using assessed value of land plus improvements, Owner B will pay much less than Owner A for the same 50 feet of improvements, so, in order to pay \$100 of project costs between them, Owner A may have to pay, say, \$90 and B would then pay only \$10, instead of each paying \$50. Once the assessments are paid, Owner B can then

build a home and fully enjoy the identical benefit of a new street at a much lower cost than Owner A. Under the Act, only if lot B were partially or fully unbuildable should the Owner of Lot B expect a lower assessment than the owner of Lot A.

While you may not be planning currently to undertake major improvements or structural changes to your property, that choice is entirely yours to make. A 100 foot lot could support a larger structure or could conceivably even be subdivided into two lots with new homes placed on each. What you do with your lot has no bearing on what it costs to rebuild 100 feet of street in front of the lot nor to the benefit received by that lot.

Council decided to use frontage as the preferred method, coupled with the Town paying any flankages. This means that any owner of a corner lot will only ever receive one bill during this three phase project regardless of which phase his property is in. None of the other permissible methods readily allows for the "one bill only" option to happen.

- 2. New roads are for the benefit of everyone. All property owners within the Town of Kerrobert have the ability to enjoy the replacement of Atlantic Avenue and many likely as well as it is in the downtown area. Additionally, many visitors to Kerrobert also benefit from the replacement of Atlantic Avenue as it is in the downtown area, which benefits all property owners in Kerrobert due to enhanced image perception of the town.**

Reply:

In addition to paying 100% of flanking costs for this project, the Town is significantly subsidizing actual frontage costs in recognition that not all streets are being rebuilt to the same width and to the same level of load bearing capacity and that some blocks receive higher and heavier traffic volumes than others.. The cost being borne by ANY assessed property owners (\$584 per front meter) is less than the **lowest** expected cost of ANY residential street. The frontage subsidy being paid by the Town is not intended to be an equal subsidy to all owners, it is intended to equalize the contribution rate expected from all owners, while not overcharging owners of lots receiving lesser improvements.

- 3. As per the Town of Kerrobert Bylaw No. 944-10 Section IV "Regulations for Kinds and Classes of Vehicles", Subsection 3 "Maximum Gross Vehicle Weight" stipulates that the maximum gross vehicle weight within town limits shall not exceed 20,000 kilograms, except as outlined per Schedule E of the Bylaws, which identifies Atlantic Avenue from Peters Street to Highway 51 as having an allowable weight limit of 39,500 kilograms. Kerrobert has enacted bylaws to protect against street damage and potential damage to utilities beneath the street from heavy trucks in general except in the case of almost all of Atlantic Avenue and selected other streets. This demonstrates that Atlantic Avenue is a main street of Kerrobert, which other land owners and visitors of Kerrobert disproportionately enjoy and should have to participate in the costs they have put upon the property owners of said street. It is not consistent with the Municipality Act of the Province of Saskatchewan to administer a special levy for a community benefit. Atlantic Avenue from Peters Street to Highway 51 is a community benefit as it has increased weight limits for the community to take advantage.**

Reply:

See the response to 3 above.

- 4. The special assessment may also include cost overruns from the water and sewer service replacement work performed. The replacement of the water and sewer services benefits all property owners equally from the perspective of the property being serviced or not. In the alternate scenario of not replacing the water and sewer services, the cost of one-time repairs would be spread to all property within the town of Kerrobert prorata via their property taxes. Therefore, the Project in its entirety is to the benefit of the value of the land plus improvements upon the land as previously mentioned.**

Reply:

While the Local Improvement project physically includes water and sewer components, the cost for these components is being paid for entirely by the Town. Since later Phases of the three phase plan will hopefully only relate to street improvements, Council determined to have the whole Town pay for water and sewer improvements so that owners in all three phases would only actually be paying for street improvements benefitting their properties.

- 5. There was no public hearing afforded in relation to this special assessment. While it is understood that current provincial regulations exists regarding the assembly of more than 30 individuals due to Coronavirus Pandemic, other arrangements could have been made. I am currently the Vice-President of one of the condominium corporations of the urban community in which I live. This urban community is approximately the same size of the Town of Kerrobert. We fulfilled our obligations to hold an Annual General Meeting (AGM) as per the Condominium Property Act of the Province of Alberta by conducting a virtual AGM. The collective size of the two towers and podium/parkade is over 600 residential condominiums and various commercial businesses in the towers located at street level. All condominium owners were consulted, had the ability to ask questions and voice their concerns. It would have been very easy for the Town of Kerrobert to afford their property owners this experience.**

Reply:

We did want to have a Town meeting and did consider options for trying to have a Town wide Zoom meeting but our technical expertise to manage such a Zoom meeting which could involve 200 or more people was just not there. In addition, some of our residents are not comfortable or sufficiently tech savvy to participate in such a meeting. Since the purpose of such a meeting is to explain what the proposed program is to EVERYONE and to elicit questions and comments that would help residents understand what was being proposed, Council elected to send out a detailed explanation of the plan on paper and to invite questions in writing, to which everyone could see the answers provided. Older tech perhaps, but equally effective and allowing equal participation for all. While somewhat slower than a Zoom meeting, the exchange of written questions and answers has provided well over four weeks for individuals to ask their questions and raise their concerns. And, the process chosen did not pose any risk of spreading COVID-19.

As a side note, in contrast to the Condominium Act you refer to, there is no legal obligation for the Town to hold a meeting in advance of passing the construction bylaw when Council has initiated a local improvement under Section 5.1.b of the *Local Improvement Act*. Formal hearings before the Local Government Committee are required for projects initiated by owners under 5.1.a (unless the petition in favour is unanimous) or under 5.1.c of the Act (project initiated by Council with no right of petition). The opportunity for a majority of owners under 5.1.b to petition out the work fulfills the legal obligation for ratepayers to formally have their say in the strongest terms possible. From an ethical standpoint, we wanted to allow people the opportunity to address their concerns, so we did choose to use a strictly written process as the best and safest possible alternative for us to meet that goal.

- 6. Property is owned in a town under the pretense that property taxes are assessed and support the repair and reserve funds for the eventual replacement of the utilities services when necessary. It is understandable that due to economic hardship caused by the downturn in oil prices coupled with the Coronavirus Pandemic and other circumstance outside of the control of the Town of Kerrobert have contributed to the financial situation of the town. However, had prudent fiscal management of town affairs been performed, engineer reports would have been obtained on a semi-regular (e.g. every 5 years). Such reports would have assessed the condition, life expectancy and replacement cost of the various assets under stewardship of the Council of the Town of Kerrobert. Therefore, the appropriate methodology for financing the Streets Project petitioned against is through property taxes or a methodology that would produce similar assessed values.**

Reply:

Each Council that has been elected in the past has done their best to manage the affairs and finances in the best way they can. Each has had their successes and each has no doubt made mistakes. All strive for perfection and none get there, particularly when viewed through crystal clear hindsight.

Every Council that is elected is under constant pressure to keep tax and utility rates as low as possible. This is very difficult to do when general inflation has averaged 2% a year, but construction costs (for streets at least) have experienced inflation rates of closer to 4% since at least the mid 1980's. As an example, the 700 blocks of Alberta and Saskatchewan and the 400 block of Peters Street were first paved in 1986 under a Local Improvement plan at a total cost of \$107,000. The estimate for these three blocks today is closer to \$500,000. On top of which, the Government of Saskatchewan has recently decided to impose a 6% sales tax on municipal construction projects. Each of these factors has contributed to Council's need to do the street work as a local improvement to raise additional funds beyond our normal taxation rates. Even with the best of planning and reserve building, there was no way to have set aside sufficient funds to pay for all the work involved.

There is also a strong public policy argument to be made that the majority of the costs of any public improvements should be paid for by those who actually receive the benefit of those improvements, not by their predecessors. The engineer for this project has certified that the formal expected lifetime of the street work is 15 years. Individuals who choose to pay their assessments by installments will be paying for the work over that same 15 year period. With proper care, we hope to actually get a much longer life out of the street work than 15 years (the

Alberta, Saskatchewan, Peters project is now scheduled to be rebuilt in 2026 – 40 years after it was first done), but eventually it will all need to be replaced again, and the next beneficiaries will likely need to pay for that future upgrade. In the meantime, those who pay for the street work now will enjoy the best years of use of the new streets.

7. **All three phases of the water service, sewer service and streets replacement should be passed as a bylaw at the same time. In the event a majority of landowners included in phase one do not petition against the special assessment and one of the other two phases does, this will unfairly impact the property owners included in phase one. If Kerrobert were to have some paved streets and some gravel streets it will impact the value of all property in town. The alternative scenario of paving the street of those in a subsequent phase that successfully petitions against a special assessment is to pay for the pavement with general town funds, which would cause those included in phase 1 to be subject to double taxation.**

Reply:

Council did look at doing all three phases as a single project but could find no way to finance what would be the Town's portion of costs without a huge tax increase on top of the same local improvement assessments you are facing now. Only by splitting the project into three phases could we make use of current streams of revenue when they are freed up in 2025 and 2031 to pay for the Town's portion of costs in those later phases and keeping similar local improvement assessment rates for street improvements in all three phases.

Council had also considered using a general tax increase to pay for the street work needed in this project. In 2019 the 500 block of Peters Street and the 700 Block of Columbia Avenue were rebuilt as a Local Improvement Project. Council determined that a general tax increase to pay for street improvements in Phase 1 of the current project would subject the owners along Columbia Avenue to the double taxation you refer to in your comment above and thus rejected general taxation as a way to fully fund the street improvements needed in Phase 1.

Upon the conclusion of construction, Council will tally up all the costs and issue final Notices of Assessment. If you still believe our logic, methodology and calculations are incorrect you will have an opportunity to appeal that Assessment to a Board of Revision before the Town issues a final bill.

27. **Comment:**

The total cost of this complete improvement is too much at this time. Do the pavement later. Gravel streets would be better than what we have now.

Reply:

Deleting asphalt from the finished project would save about one third of the total cost of rebuilding the streets which we must do after we replace the water mains and would leave a very unsatisfactory finish. Council does not believe anyone would want to pay two thirds of the proposed assessment cost just to have a gravel street in front of their home.

A gravel street in an urban setting is far more expensive to maintain than a properly constructed asphalt finish. Calcium Chloride or other chemical treatments for dust control are not cheap, and if they get wet, pedestrian traffic can track the chemical into local homes and businesses. Running the grader is not cheap either and with cars parked everywhere is not likely to produce a satisfactory job. Running the grader over an urban street also risks either burying or damaging manholes and water control valve boxes, increasing the costs and efforts needed to maintain and operate our buried utilities.

Kerrobert is located "On the Rise". Gravel placed on the up and down cross streets would very likely wash down onto Pacific and Railway Avenues leaving dangerous ruts on those streets.

As unhappy as everyone is with the patchwork asphalt in place currently, the level of unhappiness would only rise with gravel streets. Dust, mud, windshield chips, household cleaning costs – the list is endless.

28. **Comment:**

Doing it in phases is not fair to the people in Phase 1. There is no opportunity to save. So if you can't afford to pay the whole amount by 2023 then you will pay interest. Residents in Phase 2 & 3 have time to save and avoid interest charges.

Reply:

The Town needed to do the work in Phases since there was no way to raise the total amount needed to pay the Town's share if all the work is done as a single project. The Phasing plan was strictly determined by the need to replace old water mains in Phase 1 using the available grant money. Later Phases will hopefully be road work only.

29. **Comment:**

Any residents/business owners on Manitoba (by the new hospital), Old Columbia, and the Highway street did not have to pay.

Reply:

We cannot offer an explanation as to why the properties in the 300 to 600 block of Columbia were not required to make a direct contribution by way of local improvement charges. We have received complaints from owners on Alberta who did pay local improvement charges for work done in the 1980's and were then asked to contribute by way of general taxation to the improvements done later for those blocks of Columbia.

Council did require owners on the 700 block of Columbia to make local improvement payments for the work done there in 2018 and 2019. We do not believe it is fair now to those owners to institute a general property tax increase to pay for the full cost of new road replacements on other streets in Town.

We cannot bind future Councils to any particular method of securing local funding for street projects, but it is this Council's hope at least that the precedent we are setting with this phase

will carry through to future projects so any owner in any generation can expect similar treatment when the time comes to fix their streets.

With respect to the reconstruction on Pacific Avenue, the owners on Pacific Avenue did not have to pay for underground infrastructure, which is the case now as well in Phase 1. The people living on Pacific Ave live on an Urban connector highway. The Ministry of Highways along with the Provincial Urban connector program agreed to pay the full bill for reconstructing Pacific Ave. If we (both the owners on Pacific and the Town as a whole) had not ALL received this gift from the government the overall cost of this highway project, if done today, would have substantially increased the cost of our current project.

There are at least 5 large corner properties on Pacific Avenue that will be directly assessed for work in Phases 2 and 3, assuming future Councils follow through with the currently planned program. Their frontages are on the side streets.

There is also no way to know if the province will pay for future upgrades and improvements on Pacific Avenue or if the Town will need to pay some or all of the full cost. If the Town has to pay all or part, then the owners on Pacific will likely be required to directly participate in those costs.

With respect to the 100 block of Manitoba Avenue, the Council of the day was offered the opportunity to pay for that street work by the contractor who was doing the paving work on Pacific as the work on Pacific was winding down. After considerable debate, since there would be no direct contribution to the work by private owners along this block, Council chose to pay and get the work done.

To formally do the work on Manitoba as a local improvement project, Council would have had to hire an engineer and go through a process taking at least six months before the work could have been done. They chose instead to pay for the work directly, avoiding engineering fees, and contractor mobilization costs. The Mayor of the time also secured direct contributions to the cost from both the hospital and the Housing Authority, saving nearly half the cost of the work. Had the project been done as a local improvement, there would have needed to be a significant contribution to the project from all taxpayers since the only way to get to our new Hospital is along this block. To have not done the work would likely meant at least one more year of the mud bath conditions we all had endured on both Pacific and Manitoba the previous two years.

In general terms, if our Town were divided into four groups, A, B, C and D, and planned a project in Area A, it can seek contributions directly from group A (Phase 1 local improvement) and/or it can ask for contributions from all four groups A, B, C and D (whole Town - general taxation). It cannot legally or ethically ask for contributions just from Groups A (which will receive the benefit) and from Group C (which will not) for work being done only in A, even though Group C (Pacific Ave) and Group ABCD (whole Town) hit the lottery jackpot four years ago.

30. **Comment:**

Anyone trying to sell property right now whether it be a home or business in Phase 1 will have a way harder time to sell with the added expense. Any new home buyer if deciding between two properties will obviously choose one in Phase 2 or 3 with the lower taxes/debt on the property. Or choose to purchase a home or business on the highway which won't have to pay.

Reply:

Anyone buying in Phases 2 or 3 should be expecting to pay similar amounts as those owners in Phase 1 are now facing, when those projects materialize.

31. **Comment:**

Everyone in town should pay for all 3 Phases. We all use the streets and we all directly benefit from getting them done. We don't live in subdivisions or cul de sacs.

Reply:

We are all contributing to all three phases. The direct beneficiaries are paying more, but everyone is paying some.

32. **Comment:**

During a pandemic is not the ideal time to add more expenses on to people. We understand the funding was given at this time but that is another reason to spread it out over the whole community.

Reply:

Most of the work will be done as we are hopefully emerging from the pandemic and getting back to some semblance of "normal". As we have indicated in earlier responses, to spread the total cost over all property owners provides only a small amount of relief to those receiving the benefit of new streets at a major cost to those who are not scheduled to get any improvement at all during this program, and at an even greater cost to those on Columbia Avenue who are currently paying local improvement charges on their annual tax bill.

33. **Comment:**

We are also going to see a 6% increase on taxes and the water bills to go along with the other added expenses.

Reply:

Agreed.

34. **Comment:**

Too much can change over a 12 year period. There is talk of more government grants and funding that will be applied for over the years. This is great news and appreciated, but I don't believe that after the residents in Phase 1 have paid that they will get a cheque in the mail paying them back for their portion if the town receives additional funding. It will be Phase 2 & 3 that benefit from future grants.

This gives Phase 1 the option to pay slowly and pay interest of pay it all right away and hope for some reimbursement from the town if they receive funding. Leadership and council can change in that time period so it isn't very reassuring.

Maybe because we own and pay taxes on 3 properties al in Phase 1 we see things differently than others. The choice of \$40,000 up front or \$54,000 over 15 years is not a small amount of money. Comparing this to somebody on the highway who pays nothing at all.

We want to see improvements and value our community but it is clear to us that this is set up unfairly.

We urge you to reconsider and charge every property owner for all 3 phases to spread it out equally.

Reply:

There are no grants out there currently that will pay for local street improvements. It would seem that senior levels of government are willing to spend their money on water and wastewater projects as these are critical elements for public health, but not on streets and roads, with the possible exception of major thoroughfares (like Pacific Avenue) that impact very large segments of the population.

We do agree with your comment that there is no certainty that future Councils will hold to the course we are trying to set. We would hope that voters would choose Council members that will do so, to ensure fairness for all through the passage of time. While we have no way of discerning why Council changed course to pay for the 300 to 600 block of Columbia using general tax revenues rather than local improvement charges as they had done on earlier projects. Our “20-20 hindsight” would say that that particular decision may not have turned out to have been the best for the long term methodology of replacing streets in Town.

We sincerely believe that setting this program up as a local improvement project is the fairest way to deal with all property owners in Town. This decision means there are bound to be less than equal outcomes for all taxpayers especially in regards to the timing of the impact of this decision. Your case is one where you are definitely seeing a less favourable outcome.

We would urge you to try to shop for a better rate and terms for a loan than the Town is proposing. We are not a bank, nor do we want to compete with any lending institution. We are offering a default option to pay the Local Improvement charges with our proposed 15 year, 4% plan as we are required to do under the *Local Improvement Act*. Our true preference would be for as many people to pay these costs in a lump sum, whether by drawing from savings or by securing more favourable loan terms elsewhere.

We did look at trying to charge everyone now for improvements for all three phases. For a 75 foot lot, we would need to have raised taxes on average by \$1,000 per year, as opposed to the \$1,200 a year for this size lot under the local improvement plan. The *Local Improvement Act* only allows us to bill for work after the work is complete, and since we had to divide the project into three phases, it would have meant charging owners of 75 foot lots in Phase 2 additional taxes of about \$1,000 a year for over 5 years before they saw any improvements, and those in Phase 3 would be waiting and paying for 11 years.

If we had raised taxes so that all homeowners were paying substantially more to cover the cost of street improvements, there was also the same concern we are facing with this program –

later Councils could change the rules again, meaning a giant tax increase with no guarantee that streets in Phases 2 and 3 would necessarily ever be done.

Local Improvement charges offer two other distinct advantages. They are based on frontage so that the same sized lots pay the same size bill whether they have a home built on them or are vacant. The street costs the same in either case, so in Council's view the charges should be the same. Under a general taxation plan an occupied lot would pay a substantially higher portion of the cost than a vacant one, but the owner of a vacant lot could pay his lower charges, then construct a home and unfairly profit at his neighbour's expense. Secondly, while one Council might promise to cancel a general tax increase after a period of time, Councils change and later Councils may not honour that promise. Once a Local Improvement charge has been assessed, an owner can pay it off in a lump sum or can pay it off over time, but once it's paid, the charges are done.

35. **Comment Letter:**

In the midst of the COVID 19 pandemic, the timing of this project is unwelcome to say the least. No one is sure if they will still have a job in the oil industry or any other field or for how long. How will they "budget accordingly"?

If people decide to leave Kerrobert, by choice or necessity, what will happen to our tax base which is already suffering? A few cannot carry the financial burdens you are putting on your residents. We have few incentives to offer to families or businesses to come and set up in our town, but you say we will have some new pavement and some new water and sewer lines. Is that enough to draw families and businesses to town?

The enrollment at the school is down, the rink, the swimming pool, the golf course are a few who are requesting financial assistance to continue operating. If we are to pay the proposed costs of the street upgrade plans, who will have anything left to donate to these existing facilities even if we "budget accordingly"?

If the wastewater plant is not paid off until 2031, how can the town pay for it's share of the Phase 3 costs? I know we'll put the burden on to the tax payers of Kerrobert! Previous council introduced a 3% levy for the wastewater plant. We were told that this was necessary and would be a one time levy. Now we are facing a new council, and a 3% levy of yearly increase to our taxes in addition to paying the special assessment of \$584.00 per meter frontage.

The town sent out information packages in March 2021 so that property owners could "budget accordingly". I believe there are some who despite "budgeting accordingly" will not be able to pay this.

You say you cannot give a 100% certainty of costs for the project. Council has established a 10% contingency allowance that has been included in our costs, but there will be no cap on the additional cost to property owners. There is a 3% increase in our taxes and our water and sewer rates each year. There is still the 3% levy being paid for the water treatment plant until 2025, and a 3% levy on the wastewater plant that doesn't work and will last until 2031. In addition, the provincial government has announce they will be increasing property taxes in 2021-2022. Where are we supposed to get all this extra money, so that we can "budget

accordingly”? A lot of home owners in Kerrobert are retired and on fixed pensions. The burden on our Seniors is heartbreaking. Young people who have lost their jobs, or had their work hours cut are supposed to “budget accordingly”. We have people in town using the food bank to provide food for themselves and their families. How do they “budget accordingly”?

What person would want to enter into a financial contract that has no end in sight? We pay property taxes, that will be increasing, and pay some of the highest water rates that will also be increasing. What responsibilities does the Town of Kerrobert have, financially, to the residents of Kerrobert for collecting this money? It seems as though we are paying out a lot, for little in return.

And then in 2024, Council will change again. What if the new council changes the timing and/or decides we can only afford or complete what is done to that date? Other projects have failed at great cost to property owners, but they were just scrapped.

Perhaps the time has come to step up and say “enough is enough”. Perhaps we should question more and not blindly accept what we are told, whether its’ true or not. Perhaps we should live with what we have and be satisfied with that. We are not to be ignored for what we believe in and we should not be treated as though we have no say.

I am only one person, this is my point of view. I hope you as council, can see the other side of the “improvement”.

Reply:

When this Town was founded in the early twentieth century it was built as a rail hub, serving the needs of local farmers to get supplies delivered and to get grain and other agricultural products out to market. The individuals who built it did not live in an era where they could “wait for things to get better”. They worked with what they had on hand and built the best lives they could, turning Kerrobert into a prosperous town, to the point where Kerrobert was selected as the site for a regional Court House in 1920.

A century later, this Council would still prefer to take this optimistic view of the future, relying on the resilience and determination of our residents to make Kerrobert the best possible place we can so that our families and future generations can be proud to call it home and so that others will want to move here and establish businesses and livelihoods of their own.

To give up in the face of the pandemic and of uncertainty in the oil industry is to give up on us as a community, which this Council is not willing to do. Kerrobert has adapted in the past and can do so again as needed in the future.

We cannot say for certain if new streets will draw new residents and businesses. We can say that having poor streets is not likely to attract anyone, nor will it improve the quality of life here.

We cannot say for sure if new watermains will draw new people, but we can say for sure that if the old mains fail to the point where we cannot deliver water to local homes and commercial enterprises, we will ALL have to move.

We do pay a premium for water treated by reverse osmosis, and if we can deliver that water reliably, it can be a strong selling point for our community, particularly for anyone who needs first class water as part of an industrial process. It also helps all of us save on repairing or replacing appliances that use water (washing machines, dishwashers, water heaters, coffee makers etc.) That particular glass of water is half full not half empty.

We still cannot put a final price tag on this project. That will only be finally known when the project is complete. We have received a very favourable bid from a reliable and competent contractor to do the work, allowing us to say with near, but not absolute certainty that we do not believe we will need to adjust assessments or proposed tax and utility rate increases upward beyond that which we have previously stated. This Council does not want to make any promises it cannot keep, other than to say we will do the best we can for all of our residents and businesses.

While we respect the views and concerns you have expressed in your letter, we do not share them and feel that if we were to do as you ask, we would be setting Kerrobert on a permanent downward spiral, leading to the abandonment of Kerrobert to become a ghost town as has happened all too frequently to small communities in rural Saskatchewan.

36. **Comment/Letter:**

Suggestions and concerns to consider:

- Do a risk assessment on all metal lines. (I imagine they will all be deemed high risk)
- Go to next level of assessment, in this case target high traffic and areas that will be a public disturbance if digging is needed.
- Use your grant and other reserves to address those areas.
- Main street to old library and uphill to highway would be a good start, if there's funds left over anywhere by school.
- Doing this should help lower your yearly repair costs.
- Remember to account for all the lots that will not pay their bills and let their properties go back to the town. There will be a significant amount of those. Now not only do the taxpayers have to pay for that frontage bill, but also to restore those properties.
- Do not do it all at once and have to burden people with a tax increase and an open-ended bill at the end.
- Take the conservative route and do it slow without any tax increases.
- We are in an oilfield community and in the past year I'm guessing 75% of the people have went either unemployed or taken a pay cut.
- Also, CPP and EI went up January 1, along with the carbon tax going through people do not need another tax.
- Do what you can with the funds you have, save money and address the rest as the town can afford it.
- Implement a 15 to 20% cost reduction to your staffing department to assist in this savings plan. (This may include wage reductions, less employees, utilizing the existing employees better and scrutinizing every bill that comes across their desks)

Responses:

With respect to Phase 1 of the project, we have now received petitions in opposition to the project from about 20% of the owners in that phase. While we cannot readily claim that the remaining 80% of owners strongly support the program proposed by Council, we are concluding that most Phase 1 owners recognize the need for the work that is to be done and have accepted, however reluctantly or enthusiastically, the proposed method of paying for the upgrades. To institute a change in the program now would be a disservice to all, even those who petitioned against the work.

With respect to some of the other comments in your list, we would respond as follows.

In this Council's previous term of office and in their current term, we did institute one significant tax increase early on, but have had several years now with no tax or utility rate increases at all, in the face of costs that have been rising by at least 2% a year.

We have also reduced staff and restructured work demands on our staff so that all our staff outside the office may have a "specialty area" such as parks, arena, water supply, or streets, but all are expected to (and willingly do) pitch in wherever help is needed anywhere in Town as seasons and conditions change.

We believe that the staff we have retained is competent and is core to the needs the Town has in order to run effectively. We run a 24 hour a day 7 day a week operation and we believe we have pretty much optimized staffing levels to meet our current needs. We do still constantly assess staffing levels and staffing costs, as they are a major component of our annual budget and we will continue to review and make whatever changes are needed while doing our best to ensure that the work that needs to get done is completed.

Finally, in response to your suggestion that we review and scrutinize each bill, please be aware that every bill that gets paid is already reviewed by Council before a cheque is authorized.