

THE CORPORATION OF THE TOWNSHIP OF HORTON

## Special Council Meeting

April 28, 2016

There was a Special Council Meeting held in the Municipal Council Chamber on Thursday April 28, 2016. Present was Mayor Robert Kingsbury, Deputy Mayor Robert A. Johnston, Councillor Dave Bennett and Councillor Jamey Larone. Absent was Councillor Glen Campbell. Staff present was Mackie McLaren, CAO/Clerk.

1. CALL TO ORDER

Mayor Kingsbury called the Meeting to Order at 4:30 pm.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest expressed by Members of Council or Staff.

3. TOWNSHIP GRAVEL PIT PROPERTY:

- By-law 2016-32     Execute Termination Agreement

The CAO/Clerk informed Council that the Termination Agreement has been prepared and executed by Energy East Pipeline Limited. Our solicitor has reviewed the agreement and her only comment was to ensure that the Township was able to keep the deposit received when the Option Agreement was executed. The CAO/Clerk advised that the Energy East representative verbally confirmed in a telephone call with Mayor Kingsbury and himself that this was the case.

The CAO/Clerk recommended that Council is now in a position to authorize the execution of the Termination Agreement by the Township.

Moved by Deputy Mayor Johnston

Resolution No. 2016-149

Seconded by Councillor Larone

That Council Enact By-law 2016-32 to terminate the Option Agreement with Energy East Pipeline Limited for the Township Gravel Pit.

Carried.

- Receive Offer to Purchase

Councillor Bennett informed Council Members that since the last meeting he has met with representatives of BEI Construction Co. and offered them an opportunity to submit a bid for the gravel pit property. They rent the adjoining property and had expressed an interest in purchasing the property in 2015. The time given for a firm offer was end of day on Monday April 25. Due a construction accident on a project they are working on, Councillor Bennett informed them that the date could be extended to Tuesday evening. After three phone calls with no response on Tuesday he considered that BEI did not want to submit an offer. However he did receive a phone call from an Executive of the company this afternoon who expressed concern that they were not given an opportunity through a public tender. All communication with the company was verbal. He said he explained to the executive that every opportunity was given for the company to submit an offer on the sale.

Mayor Kingsbury requested the CAO/Clerk open the bid that was received earlier in the day in sealed envelope. The CAO/Clerk opened the envelope and announced that a bid had been received from 1716729 Ontario Inc. with a purchase price of \$550,000 subject to the following conditions:

- 20 day closing from today
- the company would charge \$150.00 per load of gravel delivered from the pit to Lime Kiln Road.

Councillor Bennett informed Council on the price per load of gravel was too high. His hope was that with a fee of \$120 per load for the material it would mean the material was free. \$120 would only be enough funds to cover the trucking costs. With Council's permission he used the speaker phone in the Council Chamber to call the Owner and asked, with all present hearing the discussion, if the bidder would reduce his trucking price to \$120 per load. The bidder instantly agreed to this reduction.

After the phone call ended, Councillor Bennett suggested that the Township required 60 days after closing to remove the township's materials from the site.

Councillor Larone said he was pleased with the price received. Deputy Mayor Johnston agreed. Councillor Larone asked what the appraisals were last year when they were carried out for the Energy East Option Agreement. The CAO/Clerk advised that the highest appraisal was \$1,700 per acre and Energy East agreed to pay twice this value per acre. The CAO/Clerk noted that this appraisal did not include the value of the gravel in the pit. If Energy East picked up the option to purchase, the gravel was to be valued at that time. Councillor Larone suggested that the value of the gravel would then be approximately \$400,000 based on this offer.

Mayor Kingsbury asked if this was a fair price for the property. Councillor Bennett said yes and explained that it is difficult for an appraiser to value the amount of aggregate in a pit.

Councillor Larone asked if there would be any need to change the zoning for the new use. The CAO/Clerk said he understood the bidder planned to establish a concrete batch plant in the pit and the zoning currently permitted this use. Councillor Bennett said he advised the bidder that he would have to work with MNR on changes to the Pit Licence and get approval for any changes to the use of the property.

Councillor Bennett said there were two pits sold in Horton Township recently. One sold for \$400,000 and a larger pit sold for \$750,000. He believes that \$550,000 is a fair value for the property. He suggested that if we do not place the gravel on Lime Kiln Road for a few years then there is no need for the additional proposal on trucking.

Deputy Mayor Johnston asked what the common charge for material and delivery per tri-axle load would be. Councillor Bennett said approximately \$180.00 per load.

Mayor Kingsbury asked if we are getting true value for the material. Compared to the Energy East offer the answer is yes for the purchase price but less on annual taxes. We can place the proceeds into our Infrastructure Reserve Account for future use. He supports accepting this offer. The neighbouring company had plenty of time to make an offer and chose not to.

Moved by Councillor Bennett

Resolution No. 2016-150

Seconded by Deputy Mayor Johnston

That Council receive the offer from 1716729 Ontario Inc. for the sale of the Township Gravel pit in the amount of \$550,000.00;

Further that Council accept that the Notice requirement under Section 7 of By-law 95-17 has been met with the prior Notice of the Township entering into an Option Agreement with Energy East Pipeline Limited and therefore a new Notice is not required;

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And Further Council agrees to accept the offer from 1716729 Ontario Inc. which has a closing date of 20 days from this acceptance;

And Further Council authorizes the Township Solicitor to represent the Township in this sale;

And Further that the net proceeds from this sale be added to the Infrastructure Reserve;

And Further that the agreement of sale include a 60 day period from closing for the township to remove all its materials from the site;

And Further that Council accepts the reduced trucking offer of \$120.00 per load for a maximum of 250 loads to truck material from this pit to Lime Kiln Road.

Carried

4. BY-LAW 2016-33 CONFIRMING BY-LAW

Moved by Councillor Bennett

Resolution No. 2016-151

Seconded by Councillor Larone

That Council Enact By-law 2016-33 – Confirming By-law.

Carried.

5. ADJOURNMENT

Mayor Kingsbury adjourned the Meeting at 5:01 pm.

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MAYOR

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CAO/Clerk