

MANAGING DEBT



by Peter Hobb

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For some time now we have been hearing about the debt to disposable income ratio for Canadians continuing to rise. In the second quarter of 2019 Canadians owed approximately \$1.74 in debt for every \$1 of disposable income. On average approximately 15% of disposable income goes to servicing debt, a record. Experts attribute most of this growth in debt to the low interest rate environment we have

experienced since the financial crisis in 2008. The low interest rates have encouraged people to borrow more money than they might have otherwise been comfortable in borrowing if interest rates were higher.

The key to managing debt is understanding when borrowing can be beneficial and when it can lead you down a path to financial hardship. There are several ways we can borrow money: credit card; line of credit secured by real estate, consumer loan, lease and a mortgage. Each play a useful role in helping us manage our finances when used in the right context. When they are not used in the right context that is when we can start to lose control of our finances. I will review each of these vehicles providing guidance on when they can be beneficial to use and when you should reconsider their use.

Credit cards should not be used to borrow money. As we all know, the interest rate on credit cards is very expensive (over 20% in some cases). This makes credit cards a very poor choice when borrowing money. Credit cards are very convenient to use. They also allow you to easily track your spending. Your monthly statement gives you a detailed breakdown of your credit card expenditures. However, because of their convenience many people overuse their credit cards. For example, credit cards make it easier to make those impulsive purchases. We are all guilty. People then find themselves in a position where they cannot pay off the previous month's bal-

ance, so they carry it to the next month. The end of the next month they are in the same position and, possibly, the balance is growing along with financial stress. Credit card companies encourage this behavior since you are only required to make a minimum payment which is usually far less than what is owed. The best way to manage your use of credit cards is to pay off the balance shown on your credit card statement each month before interest starts to accrue.

A Line of Credit secured by real estate (secured line of credit) is also a borrowing vehicle that requires the borrower to exercise a great deal of discipline to avoid getting themselves into financial difficulty. A secured line of credit is normally approved for a large amount (tied to the equity you have in your home) and only requires a minimum payment at the end of each month. The interest rate floats based upon the prime rate plus some percentage. The interest rate is usually lower than the rate charged on most other types of loans because the loan is fully secured. The risk with these loans includes a floating interest rate which can increase, and the line of credit can be used indiscriminately. If little discipline is exercised, the balance owed can quickly grow eroding the equity you have in your home reducing your borrowing power in the future. I suggest using these vehicles in limited circumstances, for example, a major house repair or renovation or other large expenditures not planned for. Once the expenditure is made you make every effort to pay off the balance as quickly as possible. Avoid only making the minimum monthly payment. It is not recommended that you use these lines of credit on a regular basis. If you are someone who has difficulty controlling your spending this is likely not a good option for you.

A consumer loan is made to an individual for a specific purpose. For example, the purchase of a car or a house renovation. These loans require regular monthly payments of principal and interest. Compared to a secured line of credit these types of loans have the advantage of making it easier to control spending, you only borrow the amount needed, and the loan will be paid off in a reasonable period. If you use a secured line of credit to purchase a vehicle there is a risk that the amount borrowed will not be paid off by the time you replace the vehicle. The interest rate on a consumer loan is higher than a secured

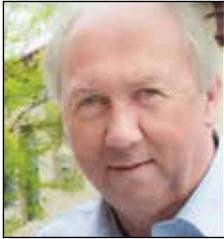
line of credit, however, this type of loan is a good option for people who would have difficulty in managing a secured line of credit. Another option when purchasing a vehicle is to lease the vehicle. Remember, a lease is another form of financing that has an inherent interest rate which is disclosed at the time of purchase. The up-front costs of a lease can be lower than when you purchase the vehicle. Sometimes this encourages people to acquire a more expensive vehicle than they may have otherwise purchased. I would recommend deciding on the vehicle you would like to purchase before worrying about the financing. You can then compare the cost of financing using a consumer loan versus a lease to find out which one is most economical. Normally if you like to change your vehicles every two to three years a lease is the best option. If you plan to keep your vehicle more than five years a consumer loan would be the best option.

A mortgage is a pledge of the ownership of real estate as collateral for a loan. The more common uses of a mortgage are when purchasing a home or, as discussed above, to secure a line of credit. A mortgage used to purchase a home is normally a good thing. Homes usually appreciate over time, so you are getting a return on your investment and everyone needs a place to live.

A good rule of thumb is to borrow to purchase appreciating assets (a home) or make investments where the return has a good chance of exceeding the interest rate you will be paying on the loan. No guarantee of course. Investments could include an investment in a business, the purchase of a rental property or the purchase of publicly traded securities (stocks and bonds). When borrowing for investment purposes the interest is tax deductible making the interest cost even less. If you use debt when purchasing a vehicle or a depreciating asset, focus on paying off these debts as quickly as possible. No matter the situation you don't want to borrow if you are going put yourself in a position where you are going to have difficulty making the required payments. Also, in a low interest rate environment like we have now, it is a good opportunity to focus on paying down debt rather than going further into debt. More of your debt payment will be going towards principal. You will be in a much better position when interest rates start to rise.

Opinions and Views

WILL CHRISTMAS COME EARLY? DOES COUNCILLOR JOE NEAL HAVE THE VOTES?



by Jim Abernethy,

Editor/Publisher
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Are you one of the approximately 6,000 Clarington property owners mixed up in the EP fiasco wishing for an early Christmas?

If so, you should attend the upcoming December 2nd Clarington Council meeting. Perhaps you will get an early Christmas

gift..... perhaps not. The battle lines are drawn. I understand Councillor Joe Neal will introduce a motion to give many of these property owners an early Christmas present by rolling back the boundaries of lands designated Environmental Protection (EP) in the Clarington Official Plan.

Mayor Foster will likely oppose the Neal motion and continue to throw his support behind Clarington Planning Staff who claim they were just implementing the Provincial Policy Statement when expanding the EP designation in the Official Plan to included about 50% of all of the lands in Clarington.

The previous Council made a grave error on October 3, 2016 in choosing to NOT send written notification to these approx. 6,000 property owners during the process to approve the rezoning of almost 50% of all the land in Clarington.

Any Councilor who does not support this error will wear the October 3, 2016 decision as their own.

So, will it be candy or coal the owners of those approximately 6,000 properties will find in their stockings on Christmas morning?

It all comes down to how well our three recently elected Councillors understand their responsibilities. Will they follow the direction of the Mayor and Clarington Staff, or will they support the people who elected them?

For background on the EP issue you will find a good read on pages 8 & 9 of this edition.

Moving on to other seasonal events. December is a time of year for giving. Here are two opportunities for you to support our community thru Rotary.

Looking for a Christmas Tree this year? Our hats are off to Rotarian Ted Watson who has been organizing one of these projects for the past 25 years.

Bowmanville Rotary Club sells locally grown Christmas Trees at Watson Farms Market located on the south side of Highway 2 just east of Maple Grove Road.

This Fundraiser has always been a tremendous success for the Club. All of the proceeds go to Rotary's local and international projects, community groups and organizations, student bursaries and programs for children with Special Needs. Read more about it on page 15.

Be entertained and Feed the Need! Here is a suggestion how you can have a great afternoon or night of entertainment (without driving

to Toronto) and support an important non-profit organization which provides an important service to our community.

Purchase concert tickets for the Rotary sponsored "Concert to Feed the Need in Durham" and enjoy your choice of a great afternoon or evening out with friends and family, on Sunday December 15, 2019.

Turn to page 7 of this publication to see the event poster with all the details.

Or, go online to: [ConcertToFeedTheNeedinDur-](http://ConcertToFeedTheNeedinDurham.ca)

ham.ca call: 905-435-7428 | or email: elibrooks@rogers.com

Locations of our Local Food Banks

Turn to page 4 to see the location & contact information for Food Banks in Clarington

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*From my family to yours,
Merry Christmas and warm
wishes for the year ahead*



*We hope you'll come out to join us at our
Annual Free Family Skate:*

Fri. Jan. 3, 2020
Rickard Complex, Pad B
2440 Hwy 2, Bowmanville
11:00am - 1:00pm



Hon. **ERIN O'TOOLE**
Member of Parliament for Durham

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A MAN'S HOME IS HIS CASTLE...OR IS IT?

QUESTIONS & ANSWERS ON THE ENVIRONMENTAL PROTECTION (EP) ISSUE



by Jim Abernethy,

Editor/Publisher
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I recently sat down with Councillor Joe Neal to clarify some of the growing concerns amongst many of the property owners who have been adversely affected by the expansion of Environmental Protection (EP) designated lands in Clarington.

Joe Neal is the Chairman of Clarington Planning & Development Committee, a practicing lawyer for 35+ years and is currently serving his third term on Clarington Council.

Here is what Joe had to say.

Please note: the views expressed here are the views of Councillor Joe Neal and may not be the views of other Councillors or Council as a whole.

Q #1: Why should residents be concerned about the Zone Clarington process?

A: The Zone Clarington process is very complicated for most of us. But basically it is simply updating our "outdated" Zoning By-law.

Perhaps, I should first explain the relationships and differences between the Official Plan and the Zoning By-law.

The Official Plan designates where specific land uses are permitted. Land uses such as residential, commercial, industrial and environmental protection.

The Zoning By-law sets out the rules of use for those specific land uses.

For example the Official Plan may designate a portion, or all of your property, as Environmental Protection (EP). The Zoning By-law provides a list of permitted uses within those environmental designated areas, including building specifications and restriction.

The Zoning By-law also provides greater "property by property" mapping details.

The Zoning Clarington process to date has provided detailed mapping for all rural areas of our municipality. As a result of releasing these detailed maps, many property owners have discovered Environmental Protection (EP) designated areas have increased substantially, and may now include a portion, or all of their lands. These property owners are concerned with the land uses restrictions that come with the Environmental Protection designation.

Q #2: What is the current status of the Zone Clarington process?

A: Council voted several weeks ago to table, or delay any further processing of the Zoning By-law in the rural areas of our municipality. At some future date Council will put the process for rural properties back on the Council agenda and determine how to proceed.

The processing of the urban (in-town) areas of Clarington is proceeding, and we hope the urban

mapping will be released soon. The completion of that process will increase the number of properties affected by the expansion of the Environmental Protection designation. Currently our Staff have identified 4,500 rural properties affected by the Environmental Protection designation. This number will increase once the urban mapping has been released, perhaps to more than 6,000.

Q #3: There has been a lot of discussion about Clarington's Official Plan (OP) - how does this fit into Zone Clarington?

In 2016 Council passed an update to the Official Plan. There was a noticeable expansion of lands designated Environmental Protection (EP) in the revised Official Plan maps. Myself and Councillor Hooper expressed our concerns at that time about this expansion of EP lands in our Official Plan. We brought our concerns to other Members of Council during a public meeting held in Clarington Council Chambers on October 3, 2016. Councillor Hooper and I introduced a motion, which was supported by Councillor Traill to effectively notify all property owners adversely affected by the EP designation prior to the next meeting in which the Official Plan was scheduled to be approved. However the motion was defeated, with Mayor Foster and three other Councillors voting against the motion.

The current Zoning by-law amendments (detailed mapping) mirror what I call the "supersizing" of the EP designated lands of our rural properties in 2016. In my opinion this "supersizing" needs to be reversed.

Q #4: Is there anything that can be done at this stage of the process to change the Official Plan?

A: Yes, the Official Plan can be changed by way of an amendment, it is done all the time.

Clarington Council has the authority to amend the Official Plan at any time. The challenge for the average person is amendments can be an expensive exercise, but not so for the municipality.

Recently, I visited a number of properties and saw first hand where the mapping of the expanded



Councillor Joe Neal

EP designation is simply wrong. The Official Plan needs to be amended. Council has the authority to amend it, and it should be done at no cost to the landowner.

I have a motion which would mandate that Clarington Staff prepare and Council approve a comprehensive amendment to our current Official Plan. The amendment would fix many of these mapping errors. My motion will be introduced on the December 2, 2019 Planning Agenda. I believe this current Council needs to fix what the previous Council allowed to happen in 2016.

Q #5: How does the Region of Durham affect the Clarington Official Plan?

A: The Region is required to approve any amendments to the Clarington Official Plan. The mapping of the EP designated lands in the current Clarington Official Plan exceeds the amount of EP lands designated lands found in the Region's mapping. The Region of Durham refers to EP designated lands as "natural heritage" designated lands.

We have discovered the Clarington mapping includes buffer zones for valley lands. These buffer

zones are not a requirement of the provincial policies. So, by eliminating these buffer zones from the mapping we can effectively reduce the amount of adversely affected lands by approximately 6,000 hectares (14,800 acres). This is an example of the “supersizing” that took place in 2016. However, time is of the essence. My concern is if Clarington Council fails to amend our Official Plan soon, the Region will adopt the current Clarington Official Plan “as is”. This will not serve our residents well.

Q #6: What should residents do at this point?

A: Residents should also talk to their Councillors about where they stand i.e. on the motion to amend the Official Plan. Go online to Clarington.net or phone 905-623-3379.

Also, I have been suggesting to residents that they contact the Clarington Planning department 905-623-3379 and request the following for their property:

- 1996 Official Plan mapping
- Current Official Plan mapping
- Current Zoning mapping
- Zone Clarington Mapping
- Region of Durham natural heritage mapping

This will show what has happened with the EP designations, and then compare that with what is actually on the ground.

Q #7: Can residents request a site inspection?

A: Yes, site inspections can be requested by contacting the Clarington Planning Department. Tell them you would like them to “ground truth” your property. Go online to Clarington.net or phone 905-623-3379. I suggest you open a file and begin documenting this process. This “ground truthing” site inspection should include representatives from both the Municipality of Clarington and your local Conservation Authority.

In several cases where I initiated an inspection, the “ground truthing” confirmed that the mapping was incorrect. However I do caution you, in another site inspection case involving a “potential wetland” the inspection team included a biologist from CL-OCA. So, in this case it potentially could result in an expansion of the EP designation for the property owner. However that remains to be seen. In that case, the house which has been there for over 50 years, is now in the EP buffer zone. This makes no sense to me.

Q #8: What can residents do if Council adopts the current Zone Clarington proposals?

A: Any resident affected by the Zone Clarington amendments to the Zoning By-law can appeal Council’s decision to the Local Planning Appeal Tribunal (LPAT). LPAT is the tribunal which has replaced the former Ontario Municipal Board (OMB). In going the LPAT route, property owners may have to hire their own expert to dispute the EP designation, so this could involve a fair amount of expense.

I believe Clarington Council needs to avoid putting our residents in this position.

This concludes my interview with Councillor Joe Neal.

Many of you may be wondering what the what is the difference between Zone Clarington and Re-Zoning Clarington? Zone Clarington is the process of updating our outdated Zoning By-law, whereas Re-Zoning Clarington is the name of the group of voluntary, concerned and angry residents who have discovered our municipality rezoned their lands in the 2016-17 Official Plan revision process, without giving them written notice. This volunteer group is now trying to inform other property owners of the changes will impact their property.

You may recall the old saying, “A man’s home is his castle”.

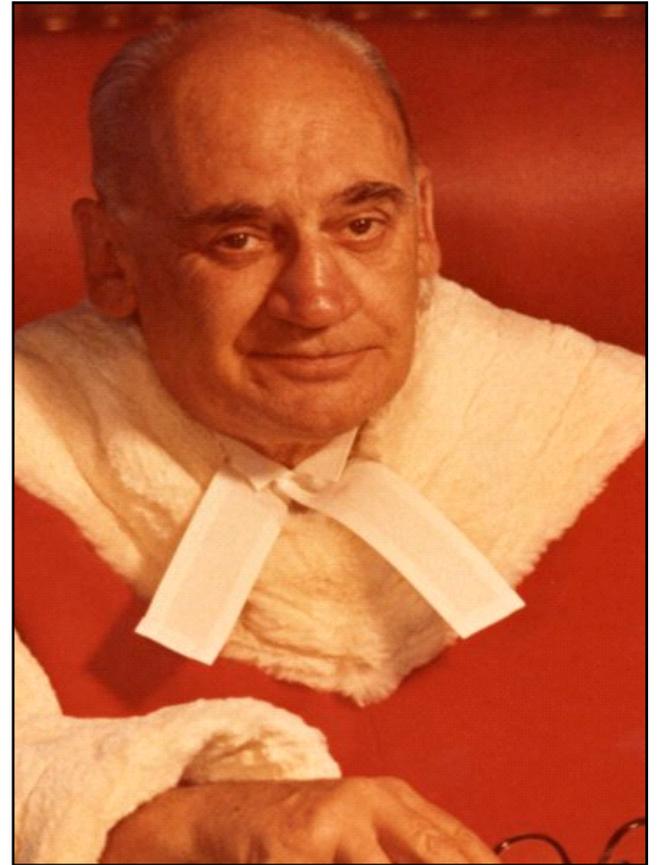
It has been used many times in many varying situations, but what does that mean?

The The Honourable Roland Almon Ritchie helped to define a meaning when he used it in the reading of a decision by the SUPREME COURT OF CANADA - Colet v. The Queen, [1981] 1 S.C.R. 2 Date: 1981-01-27

The judgment of the Court was delivered by RITCHIE J.— here is a portion of what his judgment stated:

“what is involved here is the longstanding right of a citizen of this country to the control and enjoyment of his own property, including the right to determine who shall and who shall not be permitted to invade it. The common law principle has been firmly engrafted in our law since Semayne’s case[2] in 1604 where it was said “That the house of every one is to him as his castle and fortress, as well for his defence against injury and violence, as for his repose ...”.

Clearly, many thousands of property owners may have a valid case they have been injured by the restrictive nature of EP designed land uses imposed on them by the Municipality of Clarington. These property owners did not ask to have their property



The Honourable Roland Almon Ritchie

rezoned to Environmental Protection (EP), and Clarington Council after publically debating the concept of giving written notice to these property owners went out of their way on October 3, 2016 to avoid notifying them that such was the case.

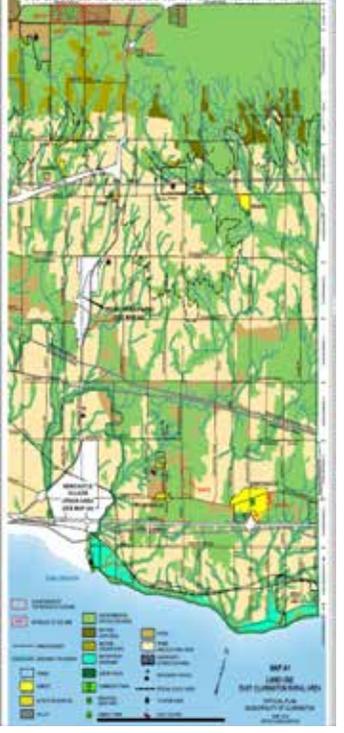
I would ask this question to all Members of Council: Why are we putting 6,000+ Clarington properties owners thru this process when we have an option on the table to avoid it ?



REZONING
Clarington

Our land. Our families. Our future.

Is your
property now
worth less?



Expanded mapping of environmentally protected land in rural Clarington can reduce the value of your property.

Property owners were not notified of these changes.

Contact Rezoning Clarington, a volunteer group of rural landowners, at rezoningclarington.ca.

Can you afford to have your land's value reduced by 30 to 70%?



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The Municipality of Clarington is the eastern Gateway to the GTA. We are a diverse community, rich in heritage and history. Our community incorporates vast tracks of beautiful and productive farmland, an abundance of fresh water streams, heritage main streets and well-defined communities. Here we have a sense of time, a sense of place. Clarington is the largest agricultural producer from the west side of Toronto to the Quebec border.

We are the home to OPG-Ontario Power Generation new head office and their Darlington Generating Station which now provides almost 20% of Ontario's electrical energy. Since 2007, Clarington has continually been one of Ontario's fastest growing communities and is now home to more than 90,000 people.

Clarington Promoter.ca is a publication designed to help you explore the richness of our historical past and to educate ourselves about the similarities and differences found in each of the more than 35 communities that define Clarington.

Clarington is a "Gem" and we are well positioned to take on the future. So I invite you to browse our website www.ClaringtonPromoter.ca

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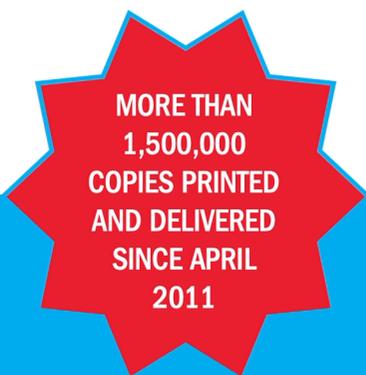
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Thank you so much for taking the time to read about our community.

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