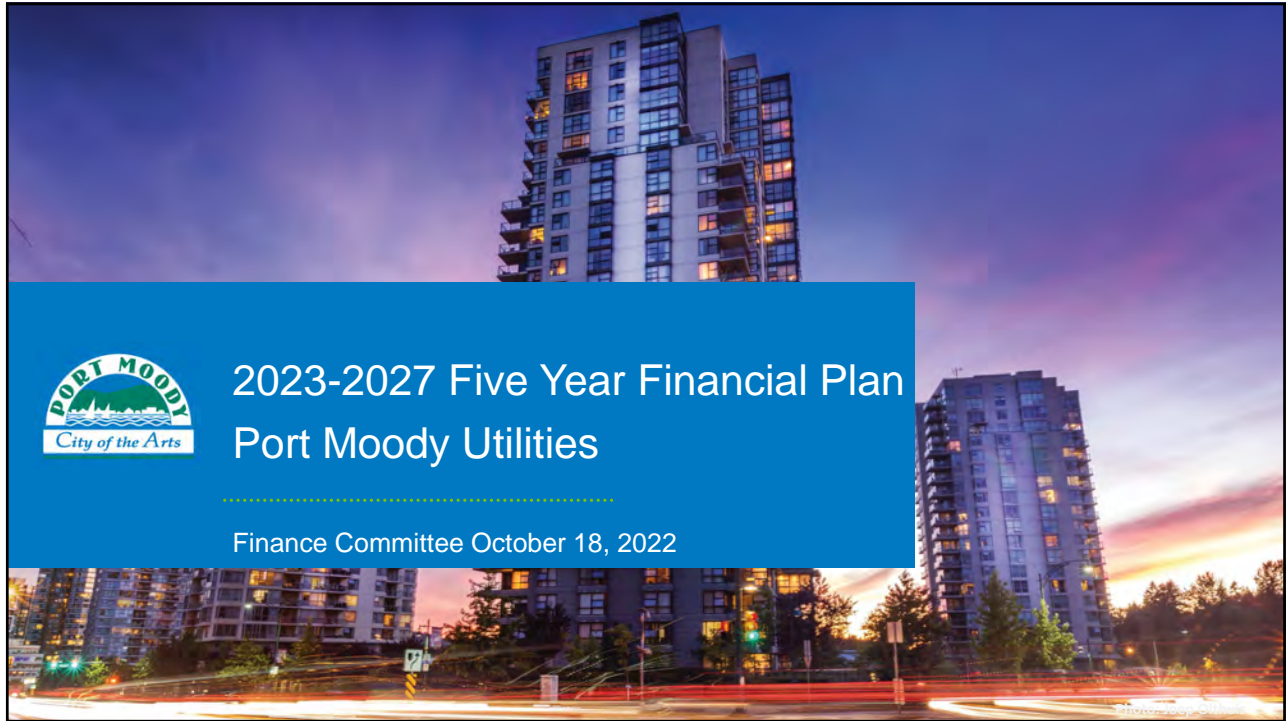


**Special Council
October 18, 2022
On-Table Items**


Item Type	Date	Item No.	Item Name	Page Number(s)	Reason For On-Table Distribution
Presentation	October 18, 2022	3.1	Provisional 2023-2027 Utility Five-Year Financial Plan	3-30	Received after agenda publication

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Agenda



- 1 Overview
- 2 Provisional Budget - Summary
- 3 Water
- 4 Sanitary Sewer
- 5 Drainage
- 6 Solid Waste

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2023-2027 Utilities Five Year Financial Plan

Overview

- Engineering & Operations and Financial Services have prepared the provisional budgets based on the most recent information
- Intent is to walk the Committee through the proposed utility budgets and fee changes and obtain approval for inclusion in the 2023 Fees Bylaw
- COVID-19 does not have a significant impact on the 2023 Utility budgets
- The Fees Bylaw is scheduled for the November 8th Regular Council Meeting for first three readings with tadoption scheduled for November 22nd
- At the time of writing the report, Metro Vancouver had not yet provided a preliminary estimate; as such, staff have used estimates based on 2022 through 2026 of their 2022 Five-Year Financial Plan
- Staff received the **DRAFT 2023-2027** Metro Vancouver budget on Oct 7th. Updated figures incorporating these changes will be shown at the end of the presentation

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2023-2027 Utilities Five Year Financial Plan

Utility Funds

- ❖ City provides 4 utility services
- ❖ 3 funded by user fees; 1 by taxation
 - Water – user fee
 - Sewer (Sanitary) – user fee
 - Solid Waste – Garbage, Recycling, Glass and Green Waste – user fee
 - Drainage (Storm) – taxation
- ❖ User fees versus taxation (private vs. public goods)
 - Where the service is direct to a household and the service can be priced as a “private” good, the appropriate charge is **USER FEE**.
 - Where the service is delivered more to a broader area and the service needs to be priced as a “public good”, the appropriate charge is **TAXATION**.
- ❖ Utilities are for the most part “regionalized”
 - Significant costs passed from Metro Vancouver (dams, filtration plants, pipes, etc.)
 - Local government costs include workers/infrastructure within city boundaries
- ❖ Self Balancing Funds (capital and operating costs = revenues)

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2023-2027 Utilities Five Year Financial Plan Annual Rate – 5 Year Comparison

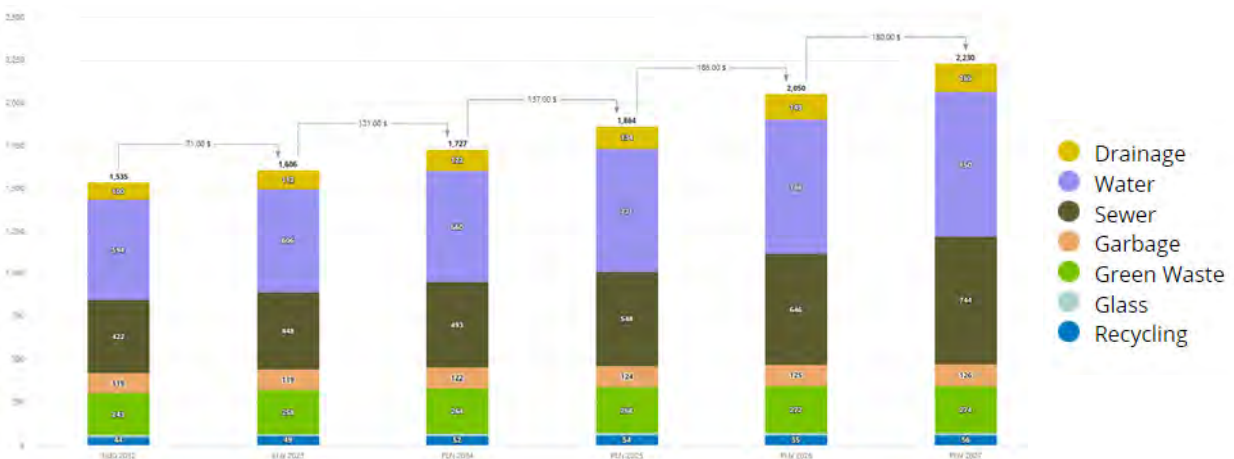
Total Utility (Single-Family)	2022	2023	2024	2025	2026	2027
Water	\$ 594	\$ 606	\$ 660	\$ 721	\$ 788	\$ 850
Sewer	\$ 422	\$ 448	\$ 493	\$ 548	\$ 646	\$ 744
Garbage	\$ 119	\$ 119	\$ 122	\$ 124	\$ 125	\$ 126
Waste Management	\$ 44	\$ 49	\$ 52	\$ 54	\$ 55	\$ 56
Glass	\$ 13	\$ 14	\$ 14	\$ 15	\$ 15	\$ 15
Green Waste	\$ 243	\$ 258	\$ 264	\$ 268	\$ 272	\$ 274
Total	\$ 1,435	\$ 1,494	\$ 1,605	\$ 1,730	\$ 1,901	\$ 2,065
Increase over prior year		\$ 59	\$ 111	\$ 125	\$ 171	\$ 164
Variance %		4.11%	7.43%	7.79%	9.88%	8.63%

Total utility charges for a SFD including Drainage are as follows:

Drainage	\$ 100	\$ 112	\$ 122	\$ 134	\$ 149	\$ 165
Total Including Drainage	\$ 1,535	\$ 1,606	\$ 1,727	\$ 1,864	\$ 2,050	\$ 2,230
Increase Including Drainage		\$ 71	\$ 121	\$ 137	\$ 186	\$ 180
Variance %		4.63%	7.53%	7.93%	9.98%	8.78%

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2023-2027 Utilities Five Year Financial Plan Water, Sewer, Drainage & Solid Waste



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2023-2027 Utilities Five Year Financial Plan

Annual Rate – Proposed change over 2022

Total Utility (Single-Family)	2022	2023	Difference
Water	\$ 594	\$ 606	\$ 12
Sewer	\$ 422	\$ 448	\$ 26
Garbage	\$ 119	\$ 119	\$ 0
Recycling	\$ 44	\$ 49	\$ 5
Glass	\$ 13	\$ 14	\$ 1
Green Waste	\$ 243	\$ 258	\$ 15
Total Before Drainage	\$ 1,435	\$ 1,494	\$ 59
Drainage	\$ 100	\$ 112	\$ 12
Total Including Drainage	\$ 1,535	\$ 1,606	\$ 71

2023
increase
\$1.13 / week
before
Drainage

2023
increase
\$1.37 / week
including
Drainage


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2023-2027 Utilities Five Year Financial Plan


Utility Budget Drivers (Including Drainage)

2023 Utility Drivers (including Drainage)			
Metro Vancouver	785,000	61%	Metro
Reserve Changes	-12,000	-1%	
Salary and Benefits	180,000	14%	
Vehicles and Equipment	174,000	14%	
Internal Administration Charges	36,000	3%	City
Insurance	12,000	1%	39%
Contracted/Professional Services	6,000	0.5%	
Supplies and Material	13,000	1%	
Other	12,000	1%	
Yard Support – funding requirement	75,000	6%	
Total Proposed Increase over 2022	\$1,281,000	100%	

2023 Increase

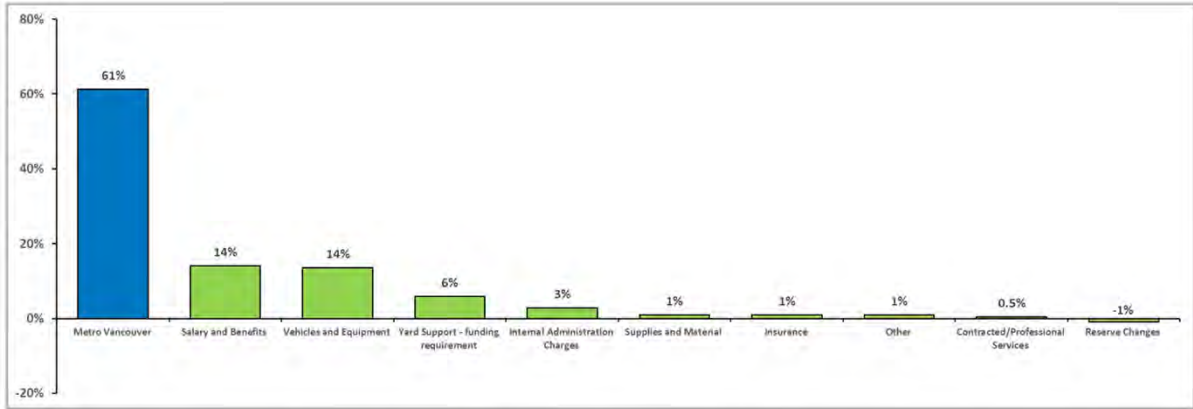
61% (Metro Vancouver) | 39% (City)

■ City ■ Metro Vancouver

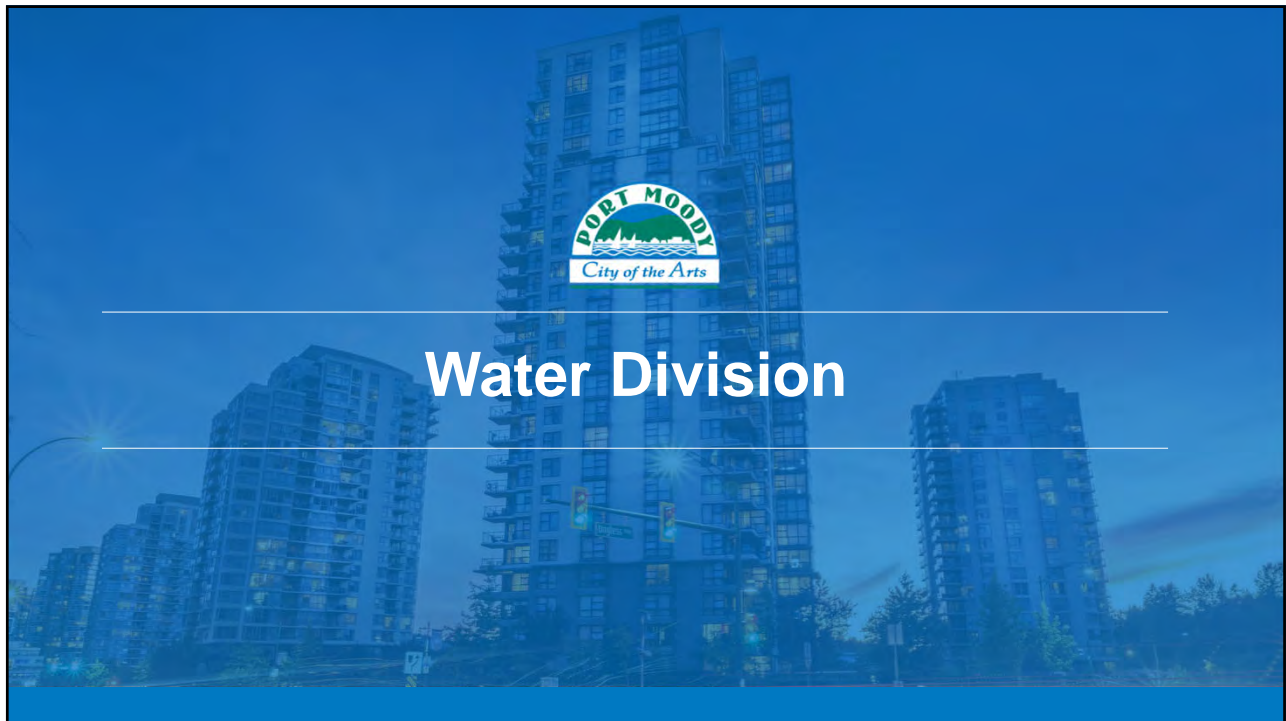

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2023-2027 Utilities Five Year Financial Plan *Utility Budget Drivers (Including Drainage)*



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2023-2027 Utilities Five Year Financial Plan

Water Utility

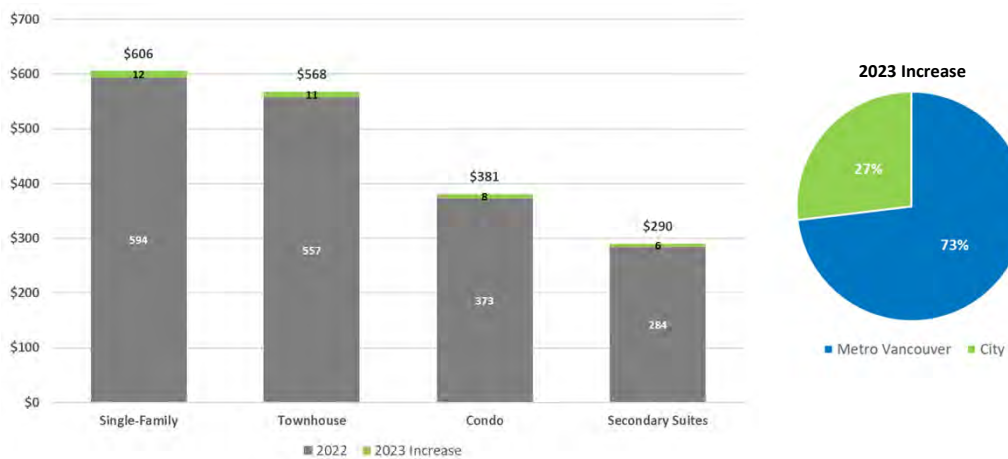
Highlights of the Provisional 2023 Water Financial Plan

- ❖ The Water Budget is approximately \$8,760,000, an increase of \$400,000
- ❖ The Greater Vancouver Water District (GVWD) water charge is estimated to increase by 6.3% or \$293,000 for 2023.
- ❖ Transfers to the Water Capital reserve are increasing by \$36,000, to \$1,478,000 (2.5% increase over 2022).
- ❖ The internal administration (utility shift) charged to the Water utility is decreasing by \$56,000. The reduction is mainly attributed to the funding source change for Utilities Superintendent, which was entirely from Water Utility in the past and is now changed to an equal split between Water and Sewer Utility.
- ❖ Salary and wages, including benefits are increasing by \$58,000 as a result in increases in employee benefits and projected contractual salary increases.
- ❖ \$22,500 new service is proposed to fulfill various core functions, such as works yard maintenance, store support etc.

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2023-2027 Utilities Five Year Financial Plan

Water Utility – 2023 Water Rate by Housing Type



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2023-2027 Utilities Five Year Financial Plan

Water Utility (Single-Family Dwelling)

Water (SFD)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 594		
2023	\$ 606	\$ 12	2.02%
2024	\$ 660	\$ 54	8.91%
2025	\$ 721	\$ 61	9.24%
2026	\$ 788	\$ 67	9.29%
2027	\$ 850	\$ 62	7.87%

The top chart shows the total water utility rate for single-family dwellings from 2022 to 2027. The rate starts at \$594 in 2022 and increases to \$850 by 2027. The bottom chart shows the contribution of Metro Vancouver and the City to the total rate. Metro Vancouver's contribution increases from \$9 in 2023 to \$56 in 2027, while the City's contribution increases from \$1 in 2023 to \$6 in 2027.

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2023-2027 Utilities Five Year Financial Plan

Water Utility (Townhouse)

Water (Townhouse)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 557		
2023	\$ 568	\$ 11	1.97%
2024	\$ 619	\$ 51	8.98%
2025	\$ 676	\$ 57	9.21%
2026	\$ 739	\$ 63	9.32%
2027	\$ 797	\$ 58	7.85%

The top chart shows the total water utility rate for townhouses from 2022 to 2027. The rate starts at \$557 in 2022 and increases to \$797 by 2027. The bottom chart shows the contribution of Metro Vancouver and the City to the total rate. Metro Vancouver's contribution increases from \$8 in 2023 to \$52 in 2027, while the City's contribution increases from \$1 in 2023 to \$6 in 2027.

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2023-2027 Utilities Five Year Financial Plan

Water Utility (Condo)

Water (Condo)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 373		
2023	\$ 381	\$ 8	2.14%
2024	\$ 415	\$ 34	8.92%
2025	\$ 453	\$ 38	9.16%
2026	\$ 495	\$ 42	9.27%
2027	\$ 534	\$ 39	7.88%

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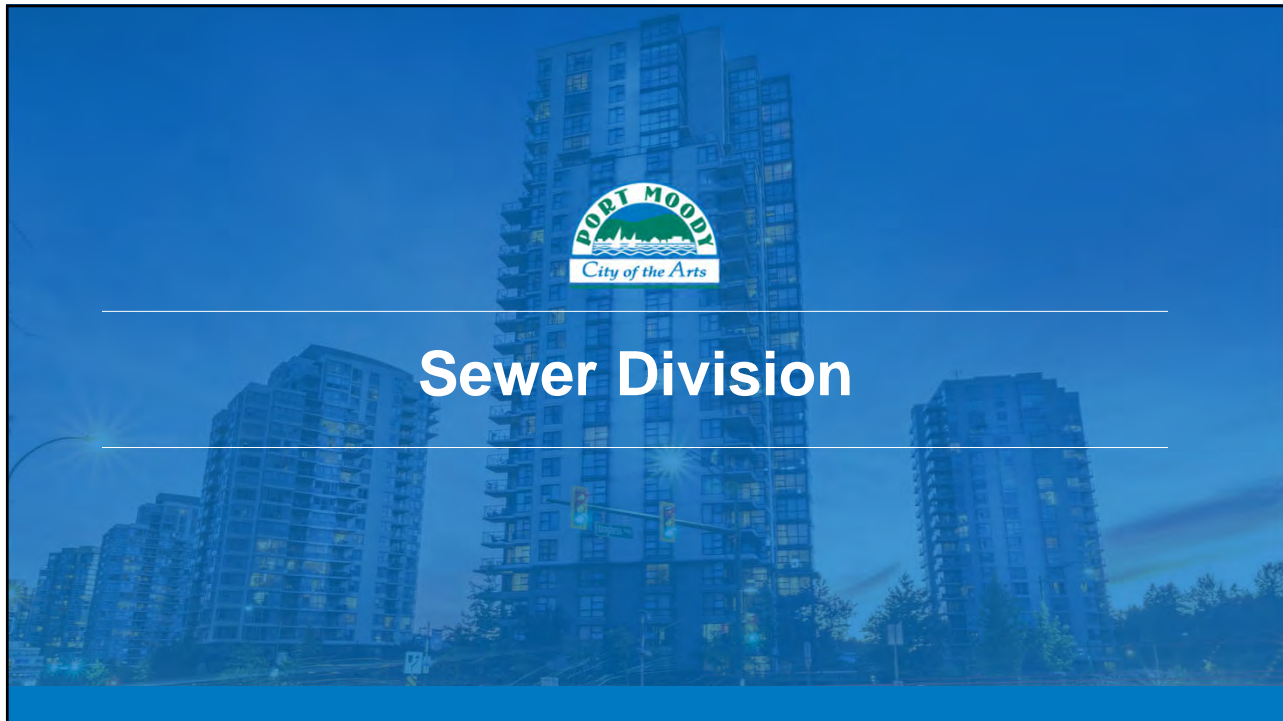
2023-2027 Utilities Five Year Financial Plan

Water Utility (Secondary Suites)

Water (Secondary Suites)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 284		
2023	\$ 290	\$ 6	2.11%
2024	\$ 316	\$ 26	8.97%
2025	\$ 345	\$ 29	9.18%
2026	\$ 377	\$ 32	9.28%
2027	\$ 407	\$ 30	7.96%

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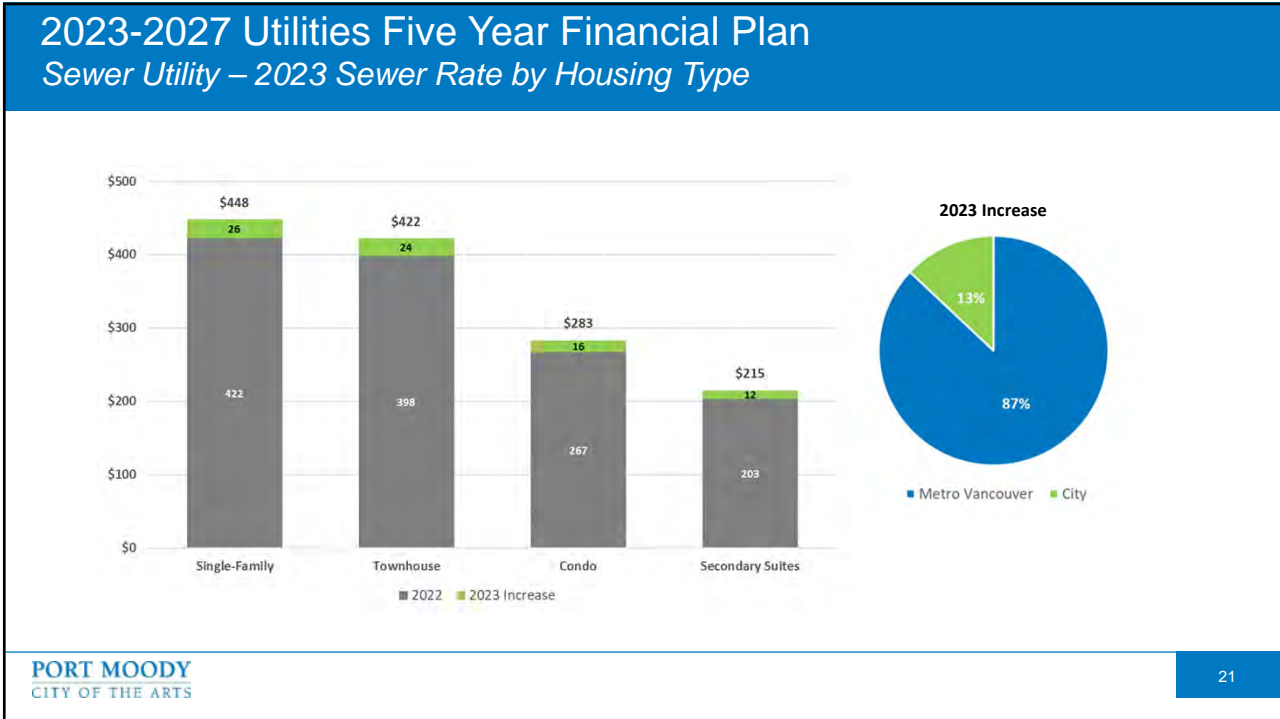
2023-2027 Utilities Five Year Financial Plan

Sewer Utility

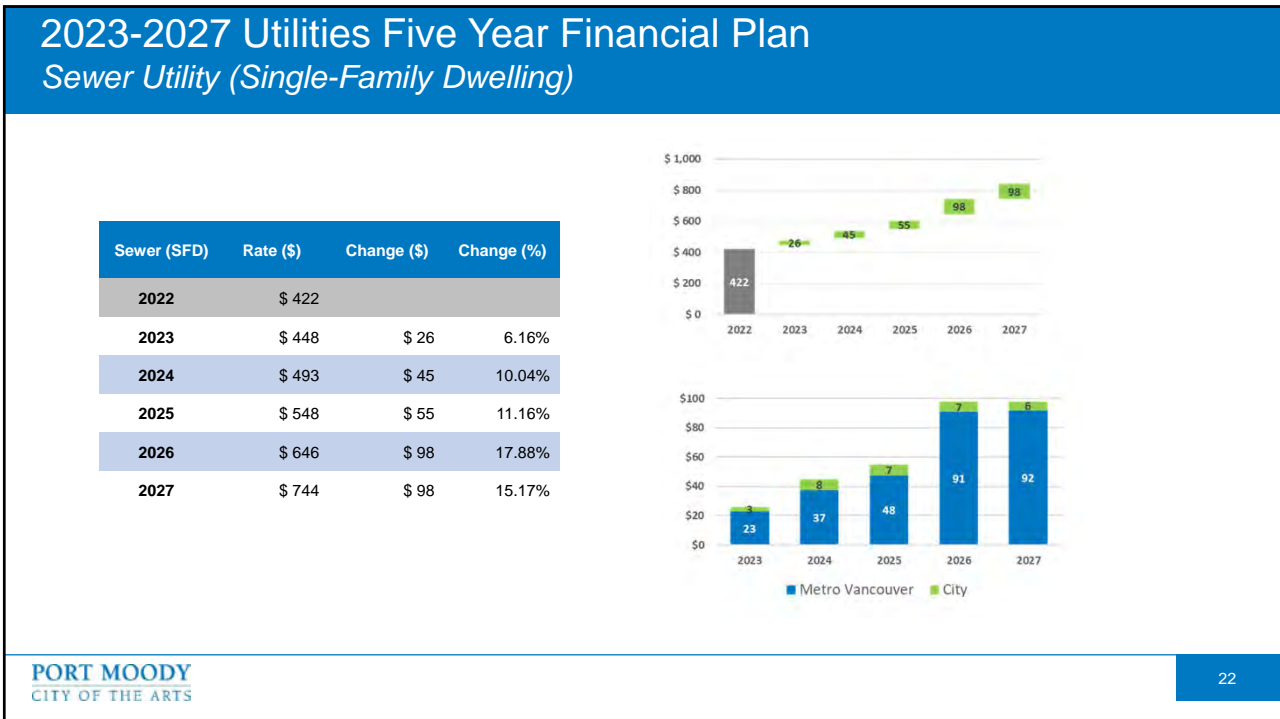
Highlights of the Provisional 2023 Sewer Financial Plan

- ❖ The Sewer Budget is approximately \$6,200,000, an increase of \$490,000
- ❖ The Greater Vancouver Sewer and Drainage District (GVS&DD) levy is estimated to increase by approximately 19.3% or \$423,000 for a total 2023 sewage and drainage levy of \$2,621,000.
- ❖ Transfers to the Sewer Capital reserve are decreasing by \$91,000 to \$1,905,000. The reduction is mainly due to the Civil Construction crew costs are now built into the operating budget. Previous practice was to fund the crew from annual operating projects from the Utility reserves. This adjustment will have no net operating budget impact in any of the three utilities.
- ❖ The internal administration (utility shift) charged to the Water utility is increasing by \$81,000. The increase is mainly attributed to the funding source change for Utilities Superintendent, which was entirely from Water Utility in the past and is now changed to an equal split between Water and Sewer Utility.
- ❖ Salary and wages, including benefits are increasing by \$31,000 as a result in increases in employee benefits and projected contractual salary increases.
- ❖ \$22,500 new service is proposed to fulfill various core functions, such as works yard maintenance, store support etc.

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2023-2027 Utilities Five Year Financial Plan Sewer Utility (Townhouse)

Sewer (Townhouse)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 398		
2023	\$ 422	\$ 24	6.03%
2024	\$ 465	\$ 43	10.19%
2025	\$ 516	\$ 51	10.97%
2026	\$ 608	\$ 92	17.83%
2027	\$ 700	\$ 92	15.13%



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2023-2027 Utilities Five Year Financial Plan Sewer Utility (Condo)

Sewer (Condo)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 267		
2023	\$ 283	\$ 16	5.99%
2024	\$ 312	\$ 29	10.25%
2025	\$ 347	\$ 35	11.22%
2026	\$ 409	\$ 62	17.87%
2027	\$ 471	\$ 62	15.16%



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2023-2027 Utilities Five Year Financial Plan

Sewer Utility (Secondary Suites)

Sewer (Secondary Suites)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 203		
2023	\$ 215	\$ 12	5.91%
2024	\$ 237	\$ 22	10.23%
2025	\$ 263	\$ 26	10.97%
2026	\$ 310	\$ 47	17.87%
2027	\$ 357	\$ 47	15.16%

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Metered Rates - Water & Sewer Divisions

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2023-2027 Utilities Five Year Financial Plan

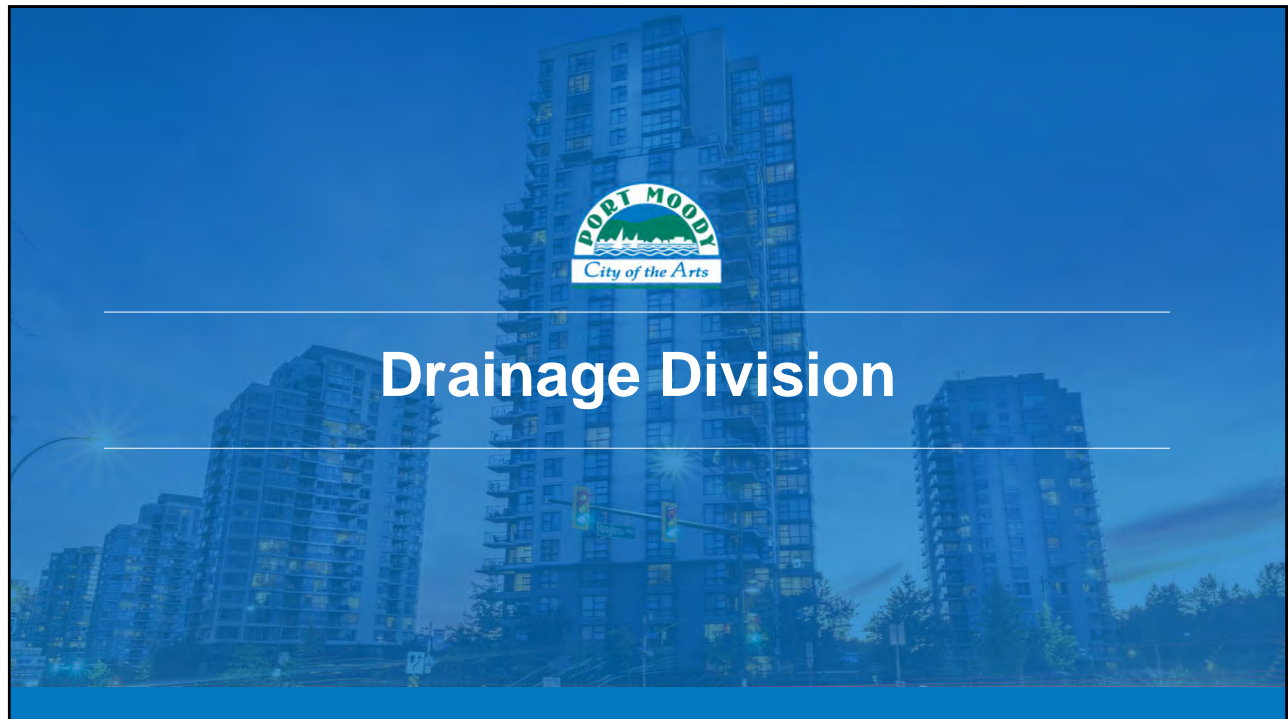
Metered Rates

Metered Water Utility Rate

- ❖ Metered revenue has remained unchanged at \$1,300,000 for 2023
- ❖ Charges are proposed to increase by 2.02% from \$3.22 per 100ft³ to \$3.29 (equal to flat rate increase)

Metered Sewer Utility Rate

- ❖ Metered revenue has remained unchanged at \$650,000 for 2023
- ❖ Charges are proposed to increase by 6.61% from \$2.46 per 100ft³ to \$2.61 (equal to flat rate increase)



2023-2027 Utilities Five Year Financial Plan

Drainage Utility

Highlights of the Provisional 2023 Drainage Financial Plan

- ❖ The Drainage Budget is approximately \$2,100,000, an increase of \$207,000
- ❖ The Greater Vancouver Sewer and Drainage District (GVS&DD) levy is estimated to increase by approximately 19.3% or \$69,000 for a total 2023 drainage levy of \$425,000.
- ❖ MV levies the sewer and drainage together as part of the sewer and drainage district.
- ❖ 86% of the total GVS&DD levy is attributed to Sewer and 14% to Drainage.
- ❖ Transfers to the Drainage Capital reserve are proposed to increase by \$124,000 to \$1,243,000. Funding to the Drainage reserve was increased significantly starting in 2020 to balance the reserve and address the shortfall identified in the City's Asset Management Plan, which indicates that an annual investment of approximately \$1,600,000 (based on 2013 figures) is required for storm drainage infrastructure replacement and maintenance.
- ❖ \$7,500 new service is proposed to fulfill various core functions, such as works yard maintenance, store support etc.

2023-2027 Utilities Five Year Financial Plan

Drainage Utility

Highlights of the Provisional 2023 Drainage Financial Plan

Drainage Rates

- ❖ Based on the 2022 average residential assessed value of \$1,200,000, it is projected that the drainage rates would increase from \$100 (2022) to \$112 in 2023.
- ❖ This represents a \$12 or 12% increase.

2023-2027 Utilities Five Year Financial Plan

Drainage Utility

Drainage (avg. SFD)	Rate (\$)	Change (\$)	Change (%)
2022	\$ 100		
2023	\$ 112	\$ 12	12.00%
2024	\$ 122	\$ 10	8.93%
2025	\$ 134	\$ 12	9.84%
2026	\$ 149	\$ 15	11.19%
2027	\$ 165	\$ 16	10.74%

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Solid Waste Division

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2023-2027 Utilities Five Year Financial Plan

Solid Waste Utility

Highlights of the Provisional 2023 Solid Waste Financial Plan

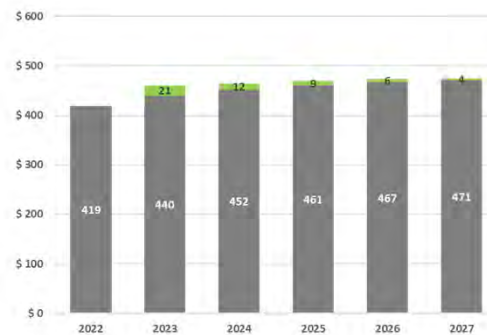
- ❖ The Solid Waste Budget is approximately \$3,522,000, an increase of \$186,000
- ❖ Vehicle charges are increasing by \$124,000 (replacement provisions, fuel, maintenance, and garage charges)
- ❖ The internal administration (to offset the cost of City services funded through tax) charged to the Solid Waste utility is being increased by \$11,000
- ❖ Salary and wages are increasing by \$18,700 (employee benefits, projected contractual increases)
- ❖ \$22,500 new service is proposed to support various core functions, such as works yard maintenance, stores support, materials stocking and handling, equipment operations and etc.

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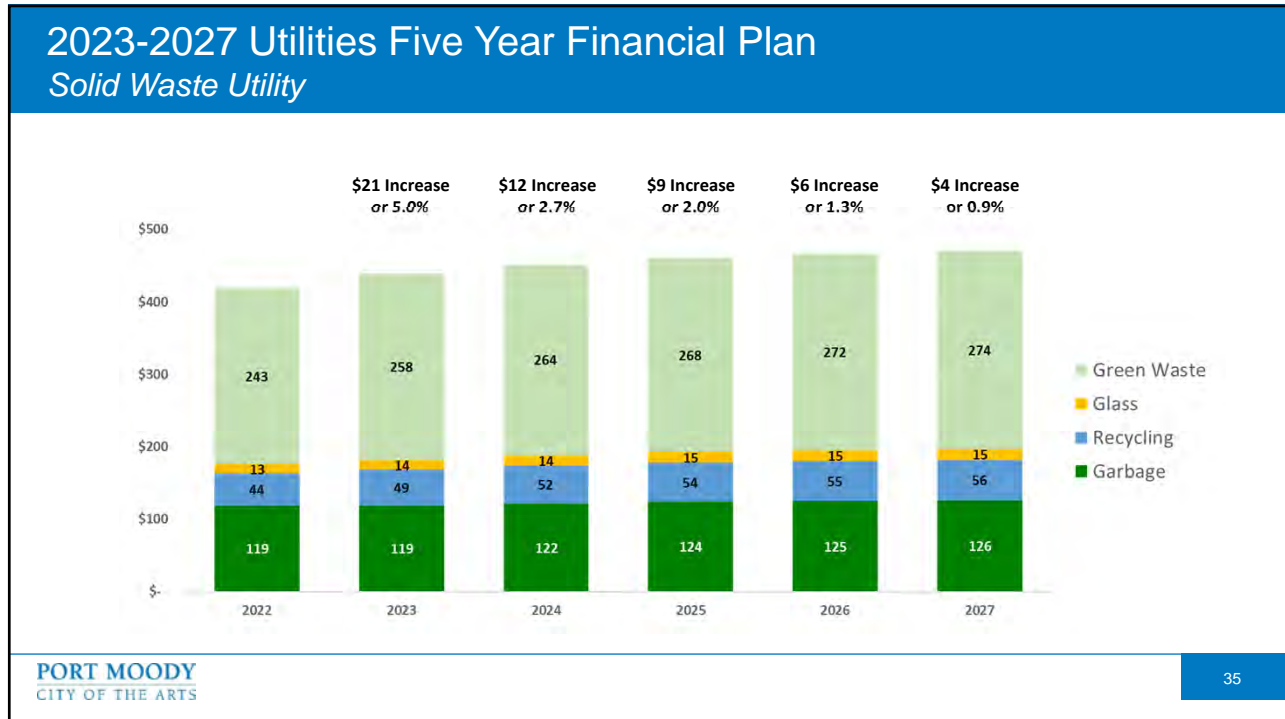
2023-2027 Utilities Five Year Financial Plan

Solid Waste Utility

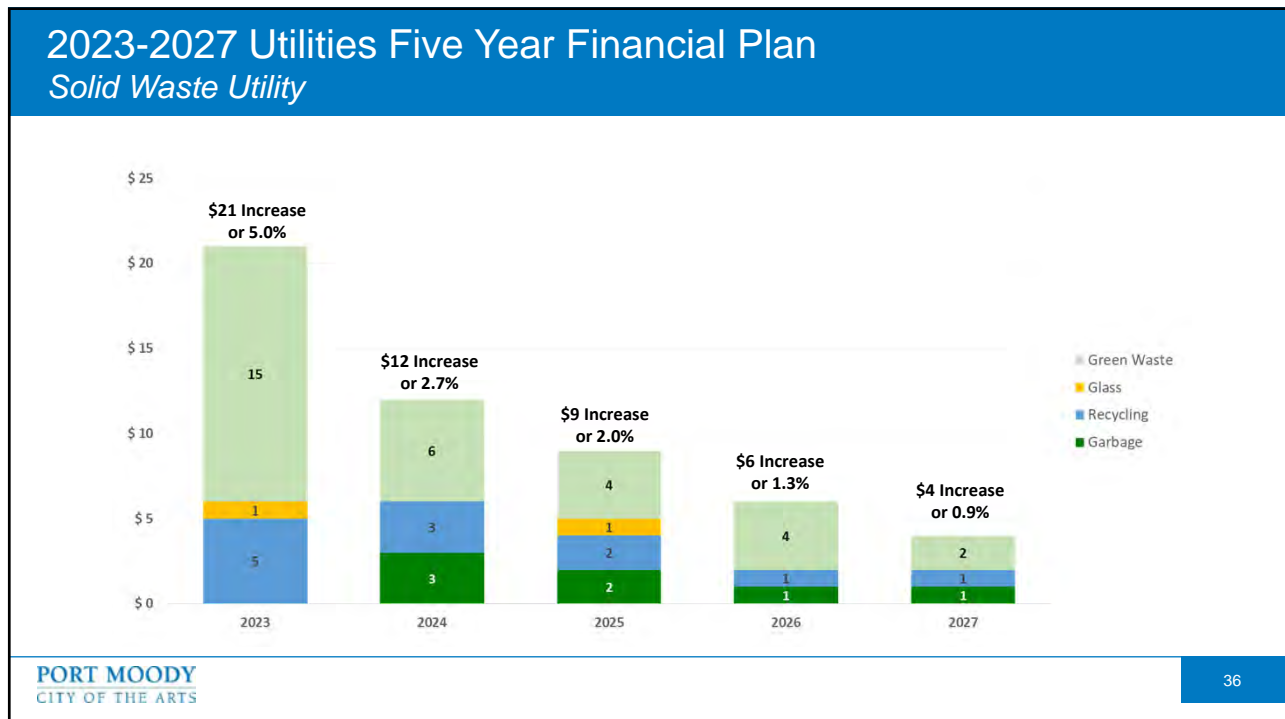
Solid Waste (avg. SFD)	2022	2023	2024	2025	2026	2027
Garbage	\$ 119	\$ 119	\$ 122	\$ 124	\$ 125	\$ 126
Recycling	\$ 44	\$ 49	\$ 52	\$ 54	\$ 55	\$ 56
Glass	\$ 13	\$ 14	\$ 14	\$ 15	\$ 15	\$ 15
Green Waste	\$ 243	\$ 258	\$ 264	\$ 268	\$ 272	\$ 274
Total	\$ 419	\$ 440	\$ 452	\$ 461	\$ 467	\$ 471
Increase over prior year		\$ 21	\$ 12	\$ 9	\$ 6	\$ 4
Variance %		5.01%	2.73%	1.99%	1.30%	0.86%



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2023-2027 Utilities Five Year Financial Plan Recycling Waste Management Programming Reserve

- ❖ Reserve created in 2015 to address any contamination penalties levied by Recycle BC
 - To date, the City has not had any penalties levied from Recycle BC
 - Currently working with Recycle BC to improve performance and avoid future penalties
- ❖ Unspent funds used:
 - to expand recycling program
 - for education and promotion of the recycling program
- ❖ Recycling related bonuses/incentives deposited to reserve*

	2022	2023	2024	2025	2026	2027
Opening Balance	\$304,668	\$339,084	\$349,084	\$359,084	\$369,084	\$379,084
Reserve transfers	10,000	10,000	10,000	10,000	10,000	10,000
Bonus/Incentive (Recycle BC)*	24,416	-	-	-	-	-
Transfer from Reserve	-	-	-	-	-	-
Ending Balance	\$339,084	\$349,084	\$359,084	\$369,084	\$379,084	\$389,084

*Bonus/ incentives from Recycle BC are not budgeted as the incentive is performance based and not guaranteed.

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2023-2027 Utilities Five Year Financial Plan *Capital Plan*

The Capital program for the City's Utilities will be brought forward with the rest of the City's capital budgets in the fall of 2023

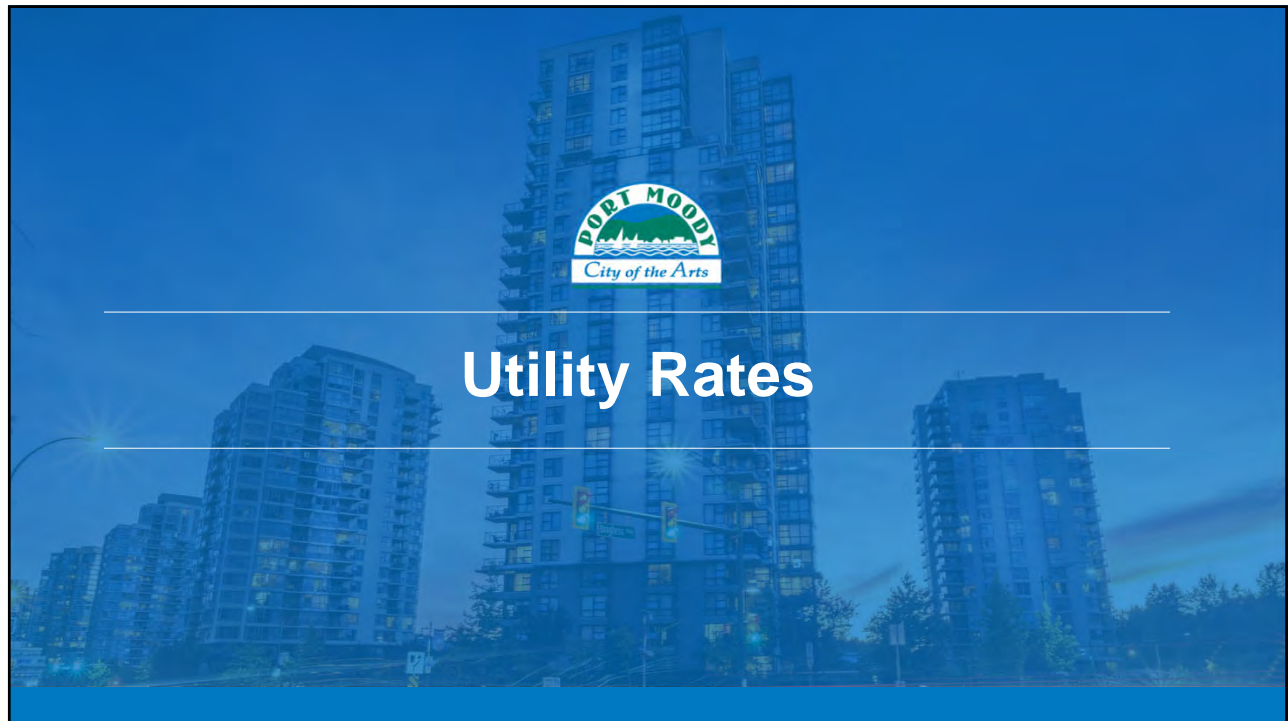


2023-2027 Capital Plan

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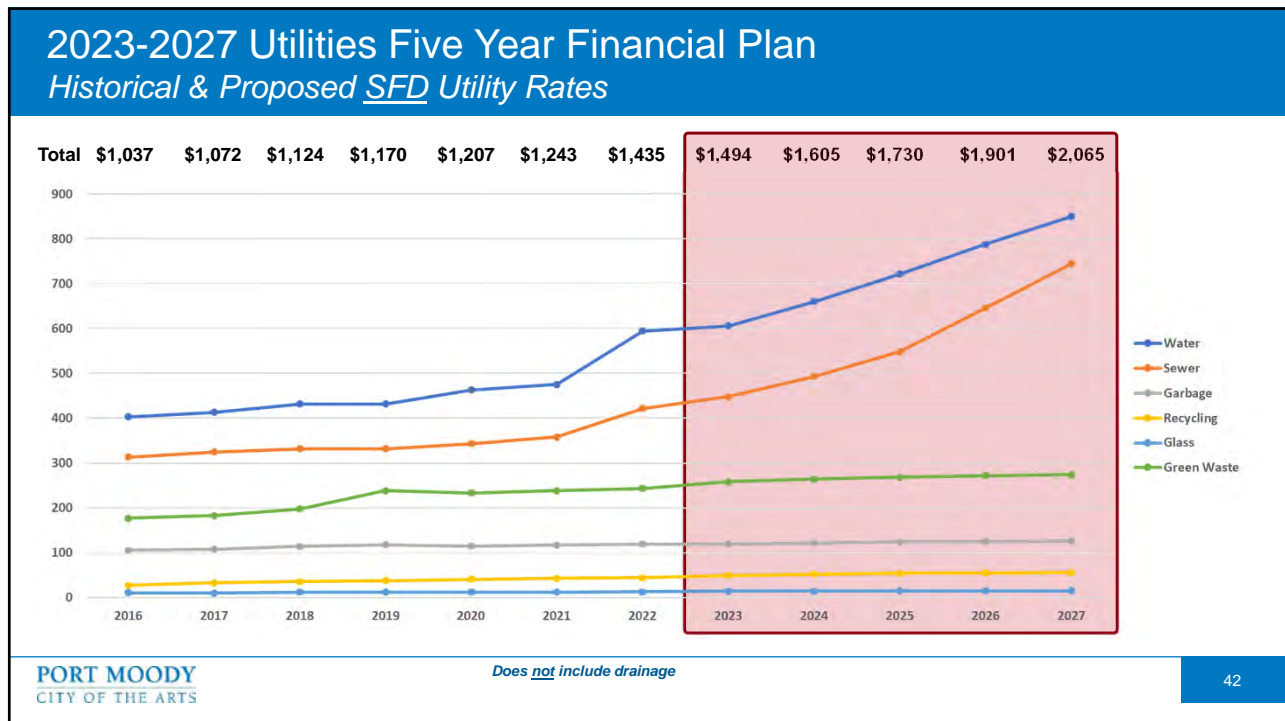
40

2023-2027 Utilities Five Year Financial Plan Historical & Proposed SFD Utility Rates

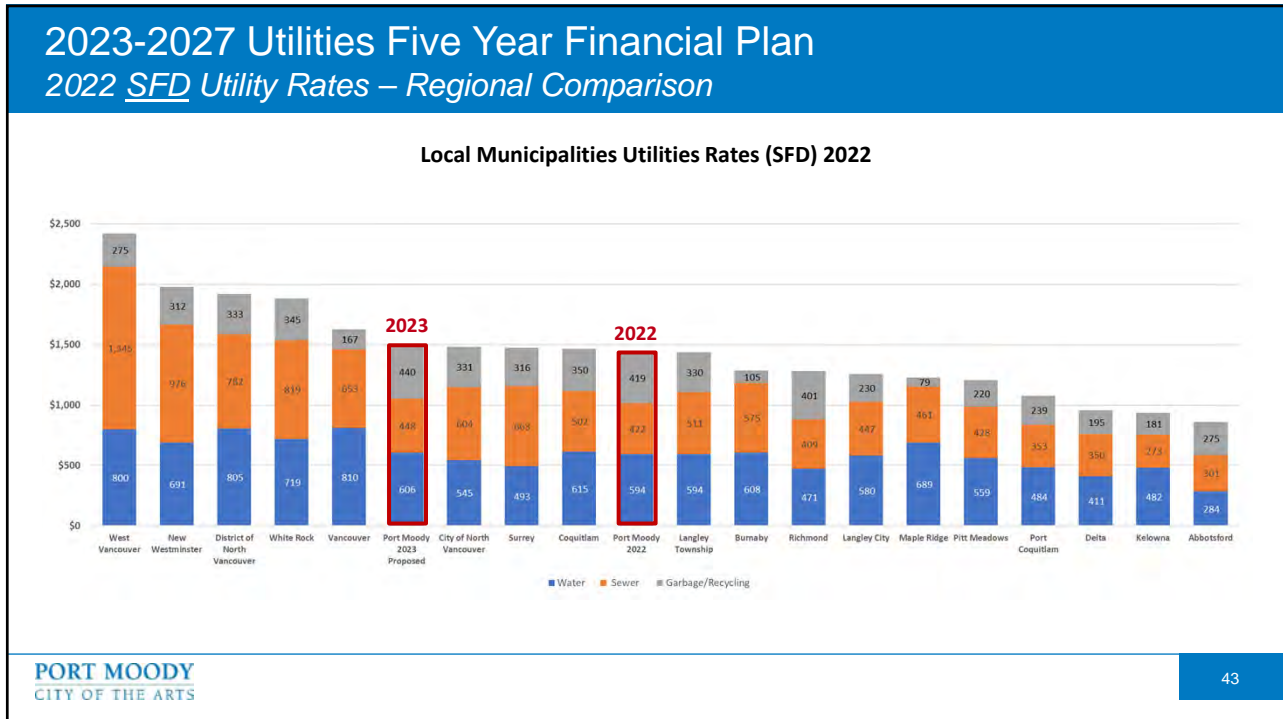
Year	Water	Sewer	Garbage	Recycling	Glass	Green Waste	Total Utility Bill	Annual Increase	Increase over Prior Year
2016	403	313	106	27	11	177	1,037	49	
2017	413	325	108	33	10	183	1,072	35	
2018	432	332	114	36	12	198	1,124	52	
2019	432	332	118	38	12	238	1,170	46	
2020	463	343	115	41	12	233	1,207	37	
2021	475	358	117	43	12	238	1,243	36	
2022	594	422	119	44	13	243	1,435	192	
2023	606	448	119	49	14	258	1,494	59	4.11%
2024	660	493	122	52	14	264	1,605	111	7.43%
2025	721	548	124	54	15	268	1,730	125	7.79%
2026	788	646	125	55	15	272	1,901	171	9.88%
2027	850	744	126	56	15	274	2,065	164	8.63%

PORT MOODY CITY OF THE ARTS Does not include drainage 41

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Estimated 2023 Water rates by housing type for neighbouring municipalities

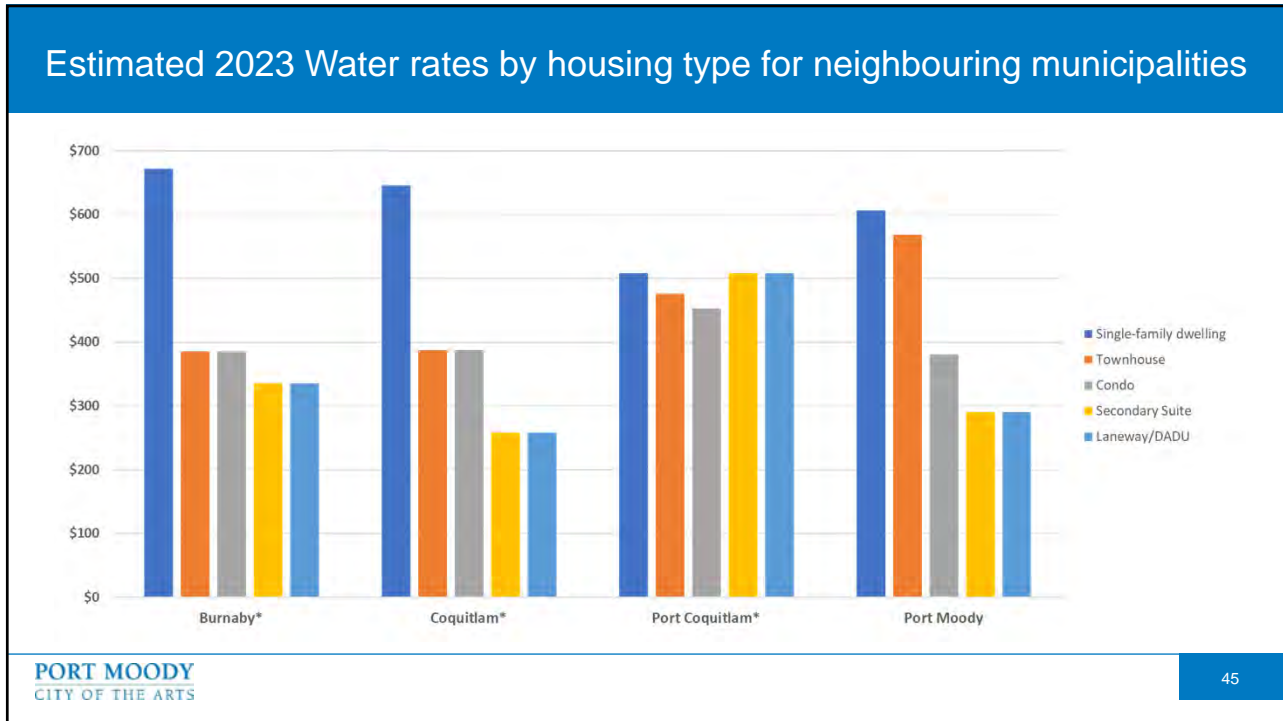
	Burnaby*	Coquitlam*	Port Coquitlam*	Port Moody
Single-Family Dwelling	672	646	509	606
Townhouse	386	387	476	568
Condo	386	387	453	381
Secondary Suite	336	258	509	290
Laneway/DADU	336	258	509	290

*estimated 2023 rate using 2022 rate plus 5% increase

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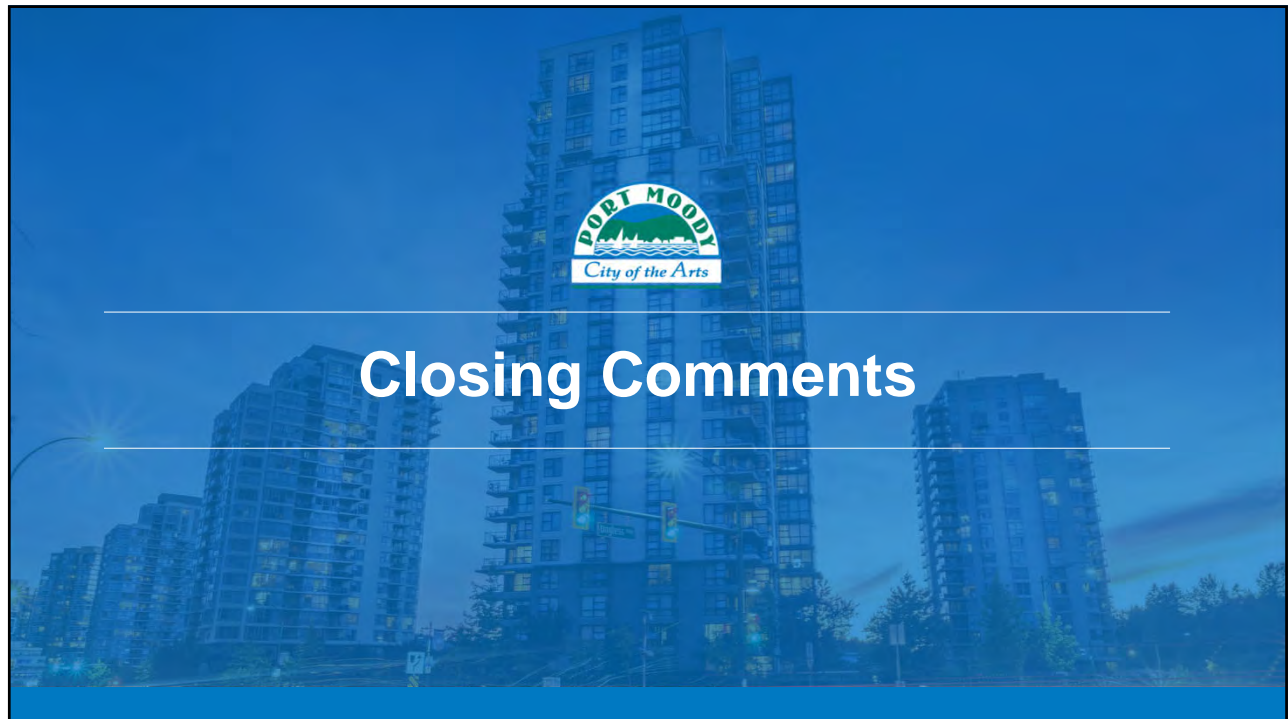
2022 Public Budget Consultation Survey Responses – Key Findings



Key Findings

Over 70% of respondents identified these City services as **very important**:

1. Parks, sports fields, and green spaces (development and maintenance) (77%)
2. Fire Rescue services (75%)
3. Garbage, green waste, recycling, and glass collection (72%)
4. Land use and development planning (70%)



2023-2027 Utilities Five Year Financial Plan

Next Steps

- 1. Utility Budget Approval** – *FC October 18, 2022*
- 2. Fees Bylaw First 3 Readings** – *Council November 8, 2022*
- 3. Fees Bylaw Adoption** – *Council November 22, 2022*
- 4. Utility billing** – *Annual Utility bills are mailed in late January,
Due February 28, 2023*

2023-2027 Utilities Five Year Financial Plan

Summary

- The overall 2023 Utility Budgets (including Drainage) are approximately \$20,583,000, an increase of \$1,281,000 over 2022
- Key drivers:
 - **61% - Metro Vancouver** (result of an extensive Capital infrastructure renewal program)
 - **14% - Salaries and Benefits**
 - **14% - Vehicle/Equipment expenses**
 - **6% - Yard Support – funding requirement**
 - **3% - Internal Administration Charges**
 - **3.5% - Other**
 - **-1% - Reserve Changes**

2023-2027 Utilities Five Year Financial Plan Summary

- These will result in up to a **\$59** (SFD) increase in Utility fees for **2023** comprised of:
 - **\$12** for Water
 - **\$26** for Sewer
 - **\$21** for the combined Solid Waste charges (Green Waste, Garbage, Recycling, and Glass)
- Totalling **\$1,494** for the annual utility fees billed in January, due Tuesday, February 28, 2023
 - **\$12 average increase** for Drainage (will vary based on assessed value)
- Totalling **\$1,606** for all Utilities for average Single-Family dwelling

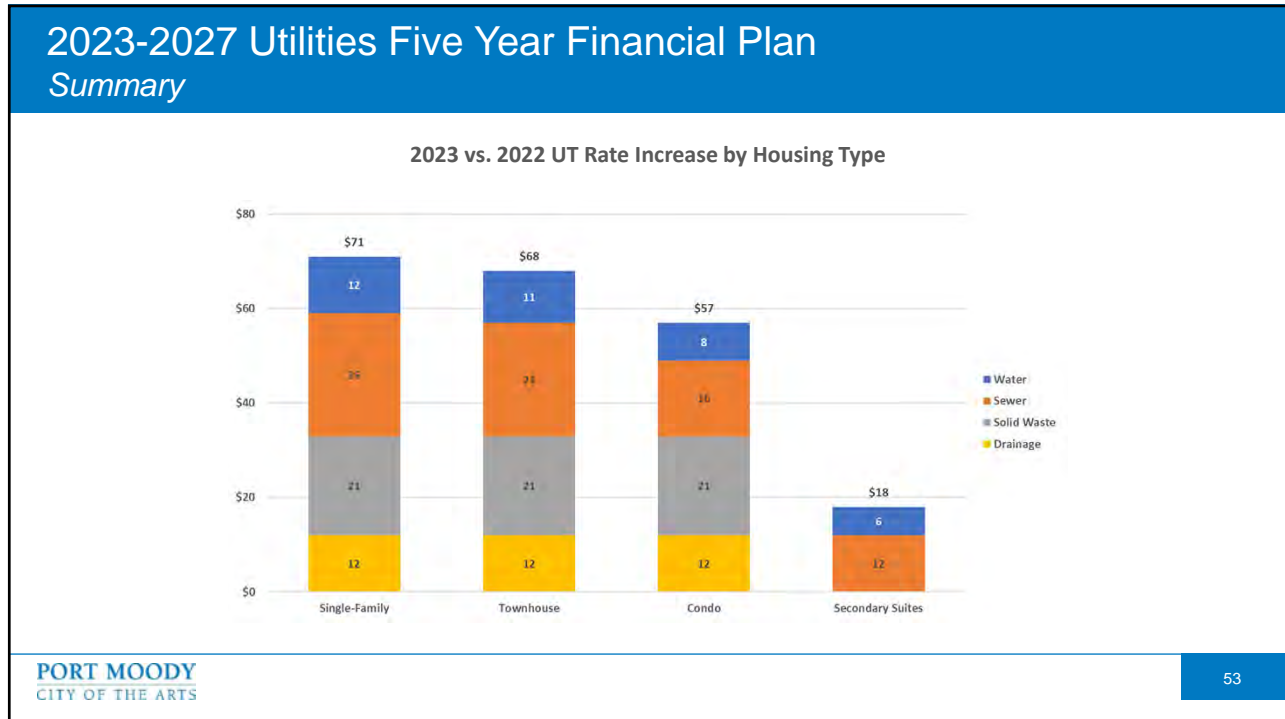
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2023-2027 Utilities Five Year Financial Plan Summary

2023 Total Utility Rate by Housing Type



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2023-2027 Utilities Five Year Financial Plan Recommended Resolution

THAT the provisional 2023-2027 Utility Five-Year Financial Plan be approved with revised Metro Vancouver Charges incorporated once available as recommended in the report dated September 23, 2022 from the Finance and Technology Department – Financial Services Division regarding Provisional 2023-2027 Utility Five-Year Financial Plan;

AND THAT the proposed 2023 fees for the Water, Sewer, and Solid Waste Utilities be included in the 2023 Fees Bylaw with revised Metro Vancouver charges incorporated once available.

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2023-2027 Utilities Five Year Financial Plan

Breaking Information


Avg. SFD	Provisional 2023	Updated 2023	Change	Revised Increase Over 2022
Water	\$606	\$603	(\$3)	\$9
Sewer	\$448	\$438	(\$10)	\$16
Garbage	\$119	\$119	\$0	\$0
Recycling	\$49	\$49	\$0	\$5
Glass	\$14	\$14	\$0	\$1
Green Waste	\$258	\$258	\$0	\$15
Total	\$1,494	\$1,481	(\$13)	\$46
<i>Increase over prior year</i>	<i>\$59</i>	<i>\$46</i>	<i>n/a</i>	<i>\$46</i>
<i>Variance %</i>	<i>4.11%</i>	<i>3.21%</i>	<i>n/a</i>	<i>3.21%</i>



MV Update
October 7



2023 increase
\$0.88 / week
before Drainage



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2023-2027 Utilities Five Year Financial Plan

Breaking Information


Avg. SFD	Provisional 2023	Updated 2023	Change	Revised Increase Over 2022
Total (Water, Sewer, Solid Waste)	\$1,494	\$1,481	(\$13)	\$46
Drainage Rate	\$112	\$114	\$2	\$14
Total (Including Drainage)	\$1,606	\$1,595	(\$11)	\$60
<i>Increase over prior year</i>	<i>\$71</i>	<i>\$60</i>	<i>n/a</i>	<i>\$60</i>
<i>Variance %</i>	<i>4.63%</i>	<i>3.91%</i>	<i>n/a</i>	<i>3.91%</i>



MV Update
October 7



2023 increase
\$0.96 / week
including Drainage


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