

# Request for Decision



To: Committee of the Whole  
From: Chief Financial Officer  
Date: December 11, 2017  
Subject: A Bylaw to Amend the Fees and Charges Bylaw  
Recommendation: **RESOLVED THAT the Committee of the Whole selects an option for Schedule "J" Water Service Charges and instructs staff to include the Schedule J for that option in the Fees and Charges Amendment Bylaw No 1958-A3 , and further recommends to Council to give the first three readings of the "City of Grand Forks Fees and Charges Amendment Bylaw No. 1958-A3, 2018" at the January 15, 2018 Regular Meeting.**

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## Background

In order to reduce the number of bylaws requiring amendment on an annual basis, staff has undertaken a process of removing the fees and charges schedules from certain bylaws and consolidating them within a single bylaw, the Fees and Charges Bylaw.

The two new schedules which we are proposing to add to the **Fees and Charges Bylaw** in this amendment are:

- **Schedule J – Water Service Charges**
- **Schedule K – Sewer Service Charges**

The associated water and sewer regulations bylaws require amendment at the same time to support these changes and are thus also presented at this meeting.

In addition, the water and sewer rates, which have not been adjusted since mid-2016, require revision to meet budgeted revenue targets and to provide equitable treatment of similar property users.

Council recently chose to continue with the flat rate billing for residential customers, but may wish to consider a transition for non-residential services towards the billing model proposed during the recent water rates review. Consequently, three options for Schedule J - Water Service Charges are presented here for consideration, with changes to the non-residential fees as follows:

- Option 1 - Similar to the existing fee structure, with a combination of fixed charge which is the same for all customers, and a consumption charge for the volume of water used. The rate per cubic meter would increase to \$0.25 from \$0.127, in transition towards a rate of >\$0.55 which would likely be in effect after the mock billing period.
- Option 2 - Sets a fixed charge based on service size, and consumption charge at \$0.25.

Option 3 - Sets a fixed charge based on service size, and consumption charge at \$0.53. This option parallels the fee structure presented during the recent water rates review.

The table below provides an overview of the rates and revenue allocations for the three options:

	Existing	Option 1	Option 2	Option 3
<b><u>Rates</u></b>				
Residential				
Single Family	\$72.66	\$75.00	\$72.00	\$72.00
Secondary Dwelling	72.66	45.00	43.00	43.00
Buildings not connected	30.96	37.50	36.00	36.00
Metered				
Fixed charge	72.14	70.00	service size	service size
Usage charge per cubic metre	0.127	0.25	0.25	0.53
<b><u>Revenue Allocations</u></b>				
Between fixed/usage				
Residential	100 - 0%	100 - 0%	100 - 0%	100 - 0%
Non-Residential	66 - 34%	47 - 53%	53 - 47%	37 - 63%
Overall	87 - 13%	87 - 13%	87 - 13%	83 - 17%
Between residential and non-residential	83 - 17%	76 - 24%	73 - 27%	73 - 27%

The sewer rates proposed in Schedule K have been adjusted to meet a 3% increase in revenue over the 2017 budget, and reflect a slight increase in the charge per cubic metre.

Some minor fee adjustments have also been included in the General Office and Administration Fees and Charges Schedule A.

The proposed Fees & Charges Amendment Bylaw No. 1958-A2, along with the new and revised schedules, including the three options for Schedule J - Water Service Charges, are presented here for review and discussion.

## Benefits or Impacts

### General

When annual fees are updated, only one bylaw instead of several will require amendment.

### Strategic Impact



#### Fiscal Responsibility

- Revision of fees and charges is necessary to ensure that the City generates sufficient revenues to meet capital and operating financial requirements.

## **Policy/Legislation**

Asset Management Financial Policy 808

## **Attachments**

Draft Fees and Charges Amendment Bylaw 1958-3, 2018.

Schedule A - General Office and Administration Fees and Charges

Schedule J - Water Service Charges: Options 1, 2 and 3

Schedule K - Sewer Service Charges

Schedule A extract from Fees and Charges Amendment Bylaw, 2015 (existing rates)

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## **Recommendation**

**RESOLVED THAT the Committee of the Whole selects an option for Schedule "J" Water Service Charges and instructs staff to include the Schedule J for that option in the Fees and Charges Amendment Bylaw No 1958-A3 , and further recommends to Council to give the first three readings of the "City of Grand Forks Fees and Charges Amendment Bylaw No. 1958-A3, 2018" at the January 15, 2018 Regular Meeting.**

## **Options**

1. RESOLVED THAT Committee of the Whole accepts the report.
2. RESOLVED THAT Committee of the Whole does not accept the report.
3. RESOLVED THAT Committee of the Whole refers the matter back to staff for further information.