

**City of Port Colborne
Committee of the Whole
Budget Meeting Agenda**

Date: Wednesday, November 22, 2023
Time: 6:30 pm
Location: Council Chambers, 3rd Floor, City Hall
66 Charlotte Street, Port Colborne

Pages

1. Call to Order

2. Adoption of Agenda

3. Disclosures of Interest

4. Staff Reports

4.1 2024 Rates Budget, 2023-164

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4.2 2024 Rates Setting, 2023-165

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5. Correspondence Items

6. Presentations

7. Delegations

Anyone wishing to speak to Council is asked to submit a written delegation that will be circulated to Council prior to the meeting. Written delegations will be accepted until noon the day of the meeting by emailing deputyclerk@portcolborne.ca or submitting a hard copy in the after-hours drop box in front of City Hall, 66 Charlotte Street, Port Colborne. Written delegations accepted after this time will be circulated with the minutes and included as public record.

8. Procedural Motions

9. Information Items

10. Adjournment



Subject: 2024 Rates Budget

To: Committee of the Whole - Budget

From: Corporate Services Department

Report Number: 2023-164

Meeting Date: November 22, 2023

Recommendation:

That the Committee of the Whole recommend to Council:

That Corporate Services Department Report 2023-164, **BE RECEIVED**; and

That the 2024 Rates Budget as outlined in Appendix B to Corporate Services Department Report 2023-164, **BE APPROVED**.

Purpose:

The purpose of this report is to present the proposed 2024 Rates Budget to the Budget Committee of the Whole.

A separate report has been prepared and presented to the Committee of the Whole – Budget, titled “2024 Rates Setting Report 2023-165,” to establish water, wastewater, and storm sewer rates to be charged.

Background:

The 2024 Rates Budget is presented in a similar fashion as the prior year Rate Budget.

Financial Services would like to thank Public Works staff for their leadership and support in developing the 2024 Rates Budget.

Should the 2024 Rates Budget report be approved by the Committee of the Whole – Budget on November 22, 2023, it will move forward to be ratified at the November 28, 2023, Council meeting.

Similar to the 2024 Capital and Related Project Budget, the 2024 Rate Budget was developed through a process that requested Council and staff input. Staff have prepared their recommendations after considering:

- The City's established Vision/Mission/Values;
- The Strategic Pillars identified in the City's Strategic Plan;
- The following themes/focuses:
 - Environment and Climate Change;
 - Welcoming, Livable, Healthy Community;
 - Economic Prosperity;
 - Increased Housing Options;
 - Sustainable and Resilient Infrastructure;
- Tactically considering where the City can support and drive competitive advantages:
 - People;
 - Processes – getting to simple (moving towards);
 - Community – Connection;
 - Location;
- Service levels;
- Growth – achieving economies of scale; and
- Impact of leading a reduction in the Infrastructure Deficit.

The budget document should be read in conjunction with:

- The 2024 Capital and Related Project Budget (Report 2023-160) presented to the Budget Committee of the Whole on September 20, 2023 and ratified by Council on September 26, 2023.
- The 2024 User Fees and Charges (Report 2023-162) presented to the Budget Committee of the Whole on October 18, 2023 and ratified by Council on October 24, 2023 with appendments.

Discussion:

Financial Services highlights the budget is a plan to allocate resources in advance for the maximum benefit of City residents and stakeholders. It is a method to authorize revenue and expense authority. In preparing the 2024 Rates Budget, certain assumptions and estimates are necessary. They are based on information available to staff at the time of preparing the budget. Actual results will vary although, as regulated through the Municipal Act, a balanced budget is required.

Rate Budget Impact

Water and Wastewater

If the proposed 2024 Rates Budget and 2024 Rates Setting reports are approved as presented, the water and wastewater impact to a single-family property use 188 m³ of water will be:

	\$ Change	% Change
Water	\$81.05 per year	12%
Wastewater	\$120.29 per year	12%
Blended/Combined	\$201.34 per year	12%
	\$16.78 per month	

This increase is required to offset the Niagara Region anticipated water and wastewater increases as presented at the Niagara Region's Budget Review Committee of the Whole – November 16, 2023, and to fund City of Port Colborne capital projects to reduce water loss and inflow and infiltration ("I&I"). Reduced water loss and I&I would result in lower charges from the Niagara Region, all things being equal.

Storm Sewer

If the proposed 2024 Rates Budget is approved as presented, the storm sewer impact to a single-family property is \$55.90 per year or \$4.66 per month, which represents a 40% increase over the prior year.

This increase is part of the approved Disaster Mitigation Adaptation Fund (DMAF) grant application (Report 2023-39) to address storm sewer outlet protection, outlet pumping, and sump pump drains in storm sewer districts 6, 7, and 13 which are at highest risk of storm seiche events.

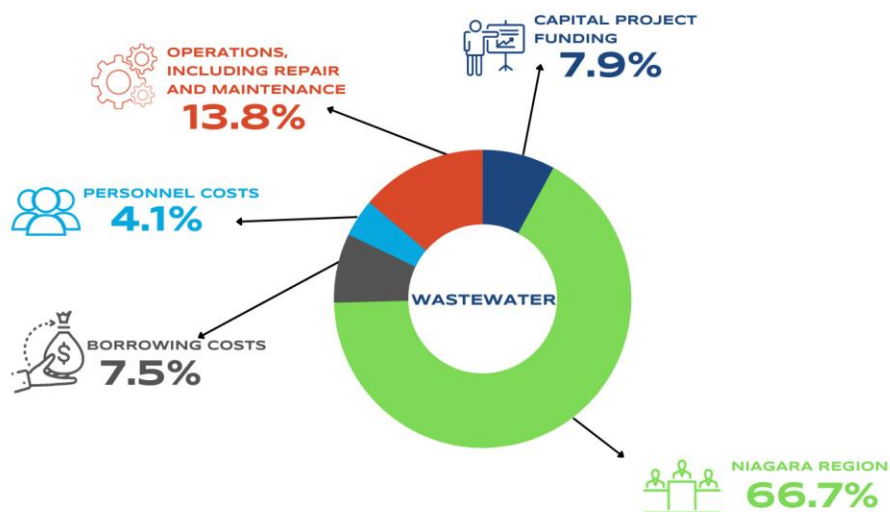
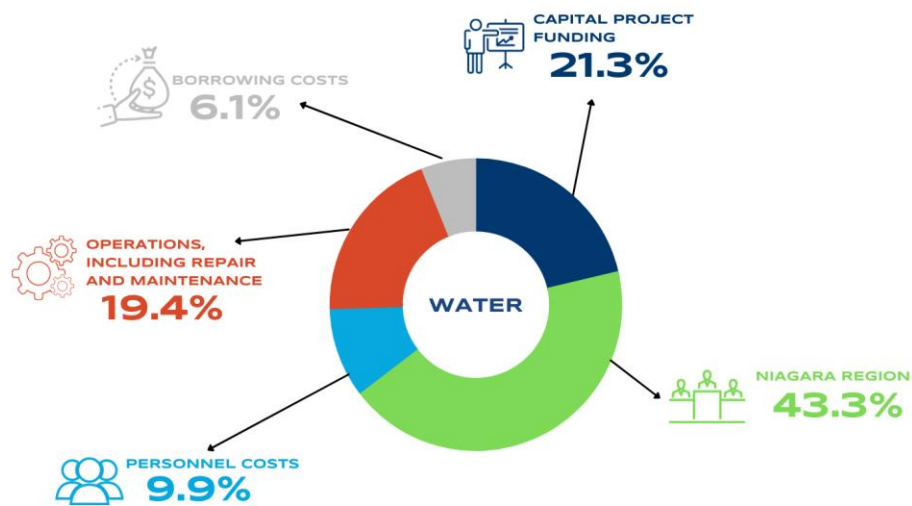
Budget Summary

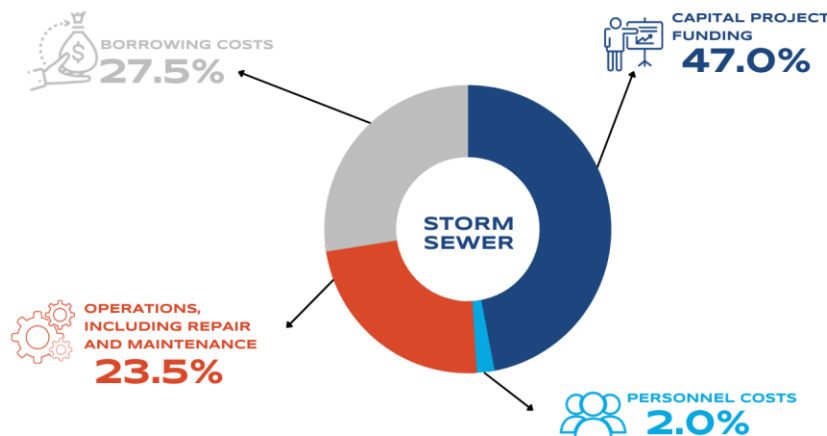
This budget was developed to maintain current service levels and tackle water loss and I&I.

The number of initiatives and actions that are funded within this budget are significant.

The 2024 Rates Budget as outlined in Appendix A – 2024 Rates Budget Presentation and Appendix B – 2024 Rates Budget Divisional Summary & Detail totals \$16,559,613 (2023 - \$13,661,100).

In percentage terms, the water, wastewater, and storm sewer budgets can be broken down as follows:





In dollar terms, the water, wastewater, and storm sewer budgets can be broken down as follows:

	Water	Wastewater	Storm	Total
Revenue	5,939,113	8,685,700	1,934,800	16,559,613
Personnel Expenses	589,900	356,025	37,875	983,800
Operating Expenses	1,149,513	1,196,396	455,725	2,801,634
Borrowing Expenses	364,800	650,000	531,200	1,546,000
Niagara Region	2,572,900	5,797,279	-	8,370,179
Total Expenses	4,677,113	7,999,700	1,024,800	13,701,613
Surplus/(Deficit) Before Capital Transfers	1,262,000	686,000	910,000	2,858,000
Transfer to/(from) Capital	568,700	302,000	26,000	896,700
Transfer to/(from) Reserves	693,300	384,000	884,000	1,961,300
Surplus/(Deficit)	0	0	0	0

Water and wastewater usage and billing metrics can be found in Appendix D.

Some of the salient highlights and changes in the 2024 Rates Budget are as follows:

- The budget incorporates an anticipated 7.95% combined increase in water and wastewater charges from the Niagara Region, as communicated at their Budget Review Committee of the Whole – November 16, 2023. This increase is before adjusting for the City's increase in water purchases and wastewater volumes.
- This budget accounts for the fact that water purchased vs. water billed ratio fell to a forecasted 56.6% in 2023 vs. 64.0% in 2022 and sent to the wastewater plant

vs. water metered increased to 2.7 m³ in 2023 vs. 2.17 m³ in 2022. These water and wastewater volume occurrences are why the combined water and wastewater budget to the Niagara Region has increased 14% year over year.

- The budget maintains the wastewater backflow and disconnect grant program, with the backflow at \$1,000 and disconnect at \$2,500. This program exists through the wastewater by-law.
- The budget maintains the Guaranteed Income Supplement (GIS) grant introduced in 2021 for wastewater charges.
- The budget maintains the pre-authorized payment (PAP) and move to online billing incentives that have been in place since 2021. The City currently has 1,658 or 26.8% of properties on PAP and 889 or 14.4% of properties on online billing.
- The budget proposes changing the water and wastewater lateral replacement grant and loan program introduced in 2022 to a straight grant program with an incentive for doing both the water and wastewater lines at the same time. Specifically, instead of a proposed \$1,000 grant per line and up to a \$2,500 loan per line the program be adjusted to a straight grant of \$1,000 per line with an incentive, an additional \$1,000, if both lines are done. This would make the total value of the grant \$3,000. Moving away from the loan component will reduce complexity and collectability concerns.
- This budget provides a number of water, wastewater and storm water projects as follows:
 - \$5 million in water upgrades funded over 5 years with Federal and Provincial funding support.
 - \$10 million in wastewater lateral lining (1/3 the City).
 - \$32 million Disaster Mitigation Adaptation Fund (DMAF) Grant Application to address storm sewer outlet protection, outlet pumping, and sump pump drains in storm sewer districts 6, 7, and 13 which are at highest risk of storm seiche events.
- To facilitate the lining of 1/3 of the City's wastewater pipes, this debt includes annual funding of \$650,000 to fund \$10,000,000 in debt.

2023 Forecast

The City is forecasting a slight deficit in the combined rates budget of \$72,300. This represents ½ of 1% differential from budget. The main drivers are charges from the Niagara Region as volumes of water purchased and wastewater cleaned are higher than budgeted. Water sales are also down slightly year over year. These budget pressures were partly offset by reductions in personnel expenses and operating costs.

In preparing this forecast, as with this budget, certain assumptions and estimates are necessary. This forecast is based on information available to Staff at the time. Actual results will vary.

Reserve Forecasted Balances

Should this budget be approved, and the 2024 budget equal actual, and the 2023 forecast equal forecast at year end, the forecasted rate reserves would be as follows at the end of 2024 (provided there are no new projects approved):

- Water forecasted at \$1,525,700;
- Wastewater forecasted at \$2,804,900;
- Storm Sewer forecasted at \$1,039,300.

Reserves are used in case of an emergency, to cover a budget shortfall in-year and to support future capital works recognizing the identified infrastructure deficit. The main priority of these reserves is to support the City's portion of funding in the DMAF Grant Application.

Risks to the Rates Budget

- Changes to legislation, including rules and regulation;
- Decisions of other levels of government:
 - i.e. Ministry of the Environment, Conservation and Parks;
 - i.e. the Bereavement Authority of Ontario;
- Unforeseen and/or unplanned environmental considerations related to approved projects;
- Economic weakness or other unforeseen factors impacting changes in past patterns of facility and service usage and/or goods purchased by users and customers;
- Inflation advancing more than anticipated;
- Interest rate changes, impacting investments and borrowing costs;
- Unexpected changes or usage in infrastructure;
- Unbudgeted and/or unexpected changes in needs or wants of residents resulting in Council approved changes in service levels or goods and service offerings;
- A resurgence in COVID-19 or other epidemics, pandemics, or other public health crisis event; and
- Weather conditions that impact operations, including storm surges.

Looking Forward

Corporate Services recognizes that continuous improvement is a process. Looking forward to 2024, staff identify the following activities that will help determine the financial outcomes of the City going into the 2025 budget process:

- Finalize reviewing fees (specifically non-full cost recovery fees);

- Continue to work on Key Performance Indicators (KPIs) and related benchmarks, where applicable;
 - Complete the Infrastructure Needs Assessment (INS) and Non-Linear Asset Management Plan to support future capital and related project budgets;
 - Update the development charges by-law so growth pays for growth Report 2023-161;
 - Review and update long standing by-laws related to rate budget activities;
 - Working on a multi-year operating forecast (anticipated T1 reporting time [June 2024]);
 - A multi-year capital and related project funding plan has been developed. Upon completion of the INS, staff will assign projects for Council consideration.
-

Internal Consultations:

As stated, Financial Services would like to thank Public Works for their leadership and support in developing this 2024 Rates Budget.

Financial Implications:

Financial Services identifies the proposed 2024 Rates Budget is a staff recommendation that Council can adjust, if required.

Public Engagement:

The 2024 Rates Budget was published on the City's website on November 17, 2023, through the agenda process. The 2024 Rates Budget will be considered by the Committee of the Whole on November 22, 2023, and, if approved by the Committee of the Whole, the 2024 Rates Budget will be presented before Council on November 28, 2023, for ratification.

Following the budget process, staff will continue to review service levels and operations. Should changes be requested or sought, staff will seek input and where necessary approval from Council.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
- Welcoming, Livable, Healthy Community

- Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
-

Conclusion:

Staff recommend that the Committee of the Whole recommend approval of the 2024 Rates Budget as outlined in this report and the various appendices.

Appendices:

- a. Appendix A – 2024 Rates Budget Presentation
- b. Appendix B – Divisional Summary & Detail
- c. Appendix C – Divisional Multi-Year Budgets
- d. Appendix D – Divisional Usage & Billing Metrics

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

2024 Rate Budget

Budget Committee of the Whole: November 22, 2023



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2024 Rate Budget

In preparing the **2024 Rate Budget**, certain assumptions and estimates are necessary.

They are based on information available to staff at the time.

Actual results will vary although, as regulated through the Municipal Act, **a balanced budget is required.**



Agenda

- 1 2024 Budget Summary
- 2 City Fundamentals
- 3 Budget Details
- 4 Billing Change
- 5 Thank You

Agenda

1 2024 Budget Summary

2 City Fundamentals

3 Budget Details

4 Billing Change

5 Thank You

- Recommendation
- Vision, Mission & Corporate Values
- Alignment with the Strategic Plan
- Budget Highlights
- Process
- Rate impacts
- Tax and rate comparisons
- Risks to the budget

Recommendation

That the Corporate Services
Department, Financial Services
Division, Report No. 2023-164
Subject: 2024 Rate Budget, **BE
RECEIVED**; And

That the 2024 Rate Budget as
outlined in Report 2023-164, **BE
APPROVED**.



Vision, Mission & Corporate Values

Vision Statement:

A healthy and vibrant waterfront community embracing growth for future generations.

Mission Statement:

To provide an exceptional small-town experience in a big way.

Corporate Values

- **Integrity** – We interact with others ethically and honourably
- **Respect** – We treat each other with empathy and understanding
- **Inclusion** – We welcome everyone
- **Responsibility** – We make tomorrow better
- **Collaboration** – We are better together



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Alignment with the Strategic Plan



**Environment
& Climate
Change**



**Welcoming,
Livable &
Healthy
Community**



**Economic
Prosperity**



**Increased
Housing
Options**



**Sustainable
& Resilient
Infrastructure**

PEOPLE  **SIMPLE**  **VALUE**  **CUSTOMER**



Sustainable & Resilient Infrastructure



Goal:

To sustainably renew and improve infrastructure.

Measures:

- All stormwater assets to have a remaining asset life of 20% or greater by 2030. Currently 96%
- All wastewater assets to have a remaining asset life of 20% or greater by 2030. Currently 80%
- All water assets to have a remaining asset life of 20% or greater by 2040. Currently 64%

Approach:

- **\$32 million** application to the Disaster Mitigation & Adaptation Fund (DMAF)
- **\$10 million** investment to reline 1/3 of the City
- **Erie Street plus \$5 million** Fed/Prov Grant Program (water projects)

Reminder:

- 20% or less is very poor.

	Storm	Wastewater	Water	Total
Very Poor	6,676,630	48,626,018	83,995,037	139,297,685
Poor	19,207,416	34,072,821	11,534,660	64,814,897
	25,884,046	82,698,839	95,529,697	204,112,582



Investment required in the system

2024 base funding = 2.8 million + 655 thousand in new debt payments
2023 base funding = 1.8 million



Sustainable & Resilient Infrastructure



Goal:

To implement capital projects required for the sustainability of the water, wastewater, and storm water rate systems.

Measures:

- Reduce the wastewater to water ratio to 1 by 2040.
Currently 2.17

Update for 2023 = 2.7

- Reduce the water loss rate to 15% by 2040.
Currently 35%

Update for 2023 = 30.7% (unaccounted)

Update:

- Approx 80% of all wastewater treated is resulting from inflow and infiltration
- The City needs a storm sewer system



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Sustainable & Resilient Infrastructure



Goal:

To fund infrastructure resulting from growth.

Measures:

- Complete a Development Charges (DCs) study and implement new DCs



Approach:

- Development Charge study is underway and estimated to be complete by spring 2024



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Budget Highlights

Guaranteed Income Supplement (GIS) Grant

134 participants



\$35K



\$25K



Backflow and Disconnect Grant
\$1,000 backflow and \$2,500 disconnect



\$75K



Lateral Replacement Grant
Incentivise both laterals with an additional \$1,000 grant (cancel loan program)



\$8K

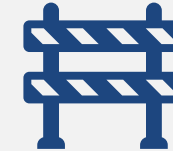


Pre-authorized payment (PAP) and online billing incentive

1,658 or 26.9% of properties are PAP; 889 or 14.4% are online billing



\$10M



Wastewater Lateral Lining
1/3 of the City's infrastructure



DMAF[^] Grant

To mitigate impacts of storm surges related to storm sewer (phased funding over 2 years)



\$32M



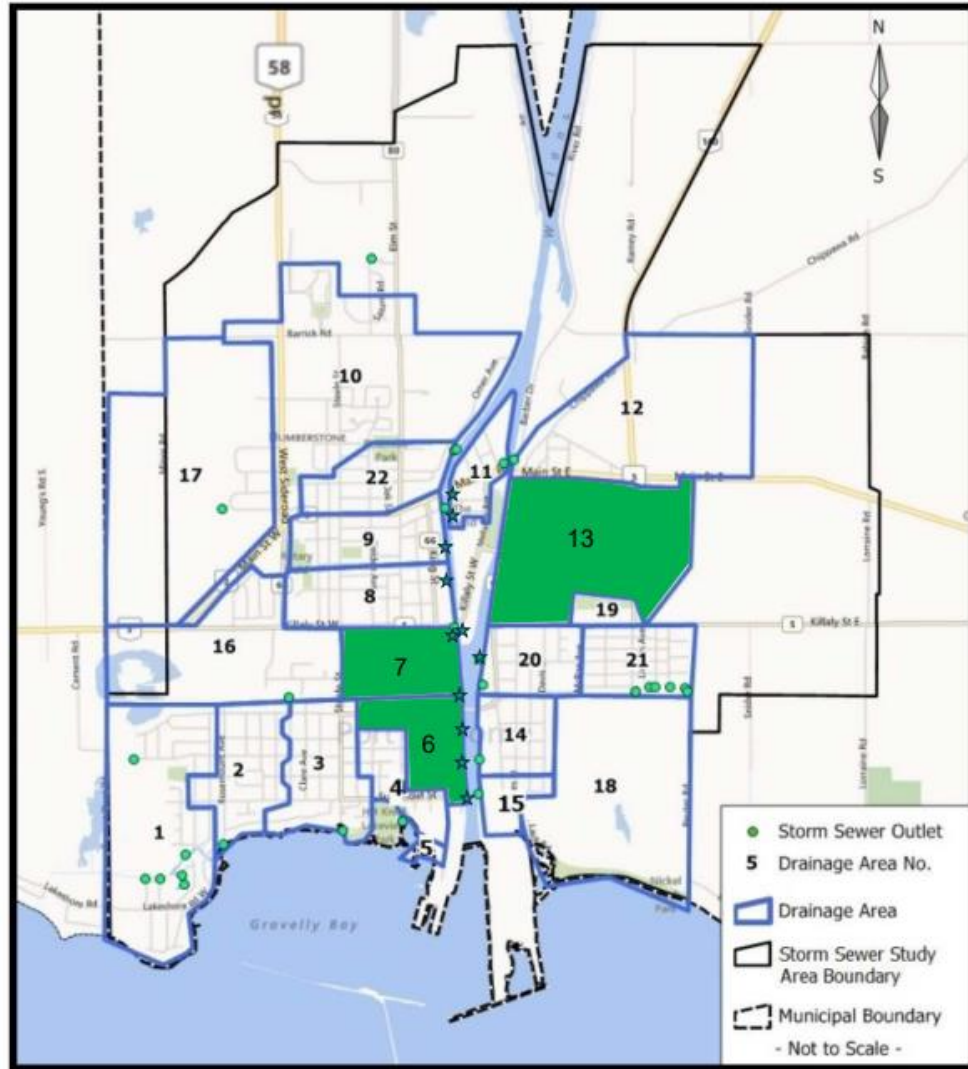
Supports ongoing operational improvements (see previous Public Works departmental presentation)

[^]Disaster Mitigation and Adaptation Fund



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DMAF – Project



- Total estimated cost is \$32 million (40% would be grant)
- **Projects include:**
 - Storm sewer outlet protection
 - Storm sewer outlet pumping
 - Storm sewer and sump pump drains



DMAF - Project Timeline

Phasing reduces risk



2024

Planning and Design

Area 13,
Outlet
Protection &
Pumping



2025

Construction

Area 13,
Outlet
Protection &
Pumping

Planning and Design

Outlet
Protection &
Pumping
(cont)



2026

Construction

Area 13, Outlet
Protection &
Pumping (cont)

Planning and Design

Area 6 & 7



2027

Construction

Area 6



2028

Construction

Area 7



Rate Impacts



Rate Impacts

For average residential water usage of 188m3

Storm:	↑ 40.0%	\$55.90	\$4.66
Wastewater:	↑ 12.0%	\$120.29	\$10.03
Water:	↑ 12.0%	\$81.05	\$6.75
		\$257.24	\$21.44
		Yearly	Monthly

Drivers of increase:

- Capital infrastructure
- Treatment costs (Niagara Region)

Process

Developed through a process that obtained input from both Council and Staff

Current Value Assessment	Capital	Levy	Rate
Submissions to Finance	June 31, 2023	June 31, 2023	September 29, 2023
Staff Review	August 10, 2023	September 13, 2023	November 1, 2023
Budget Committee Package	September 6, 2023	October 4, 2023	November 8 & 17, 2023
Budget Committee of the Whole	September 20, 2023	October 18, 2023	November 22, 2023
Council Approval	September 26, 2023	October 24, 2023	November 28, 2023

Comparison: Property Taxes

	CVA	Niagara Region	City	Education	Total	
City of Port Colborne (ALL)	\$213,407	\$1,630	\$2,193	\$327	\$4,150	+ Storm \$139.76
Average						
City of Port Colborne (Standard)	\$199,897	\$1,527	\$2,055	\$306	\$3,887	+ Storm \$139.76
Weighted Average Local Area Municipality (LAMs)	\$297,431	\$2,272	\$1,783	\$455	\$4,510	
Median						
City of Port Colborne (Standard)	\$179,000	\$1,367	\$1,840	\$274	\$3,481	+ Storm \$139.76
Weighted Average Local Area Municipality (LAMs)	\$274,053	\$2,096	\$1,640	\$420	\$4,156	

Driven by assessment

Full-time fire department vs. volunteer; and
Focus on capital (17% of levy in 2023)

Comparison: Water and Wastewater Rates

	Avg. Usage	Water	Wastewater	Total
City of Port Colborne (ALL)	188 m3	\$676	\$1,002	\$1,678
Next Closest LAM	188 m3	\$601	\$974	\$1,575
Average LAM	188 m3	\$564	\$711	\$1,275

\$103

\$403

Wastewater differential is driven by inflow and infiltration

Comparison: Total Cost

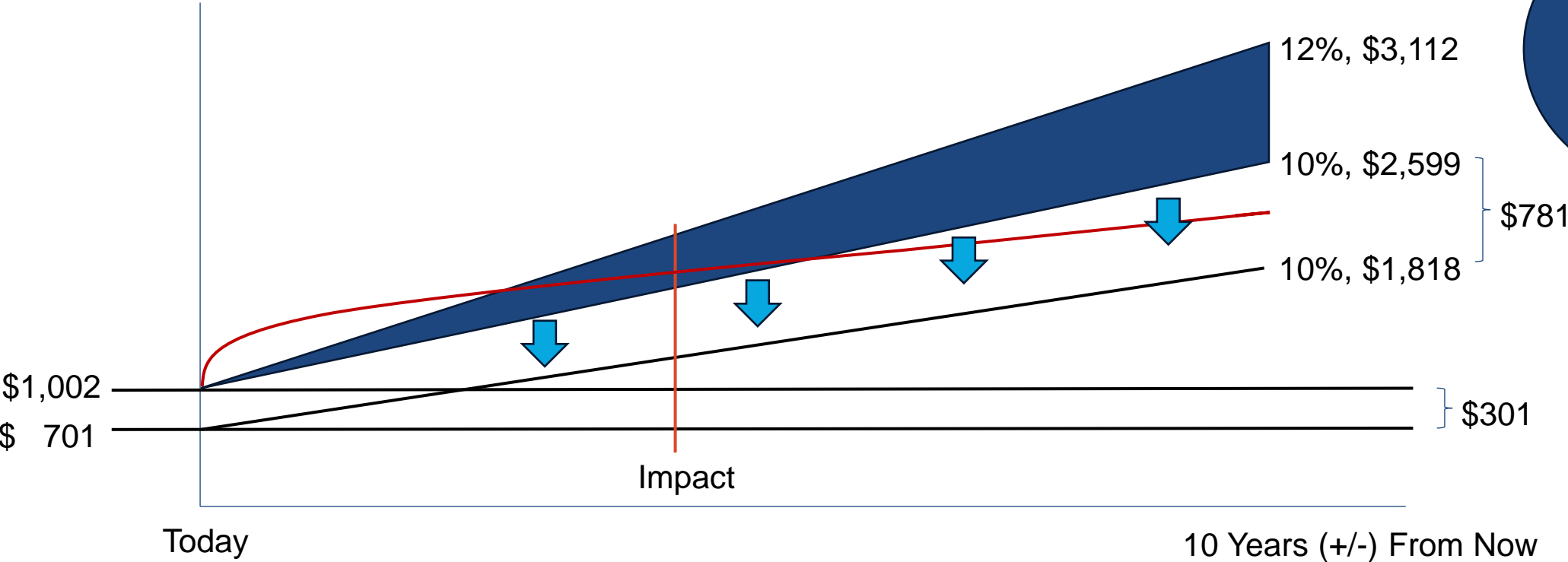
CVA	Port Colborne	Local Area Municipalities	Delta
Property Tax	3,887	4,510	(623)
Storm Sewer	140	Included in above	140
	4,027	4,510	(483)
Water and Wastewater	1,678	1,275	403
Total	5,705	5,785	(80)

Net “all-in” average household cost is slightly below average



Impact of Doing Nothing

Illustration - Annual Wastewater Payment per Average Residential Property

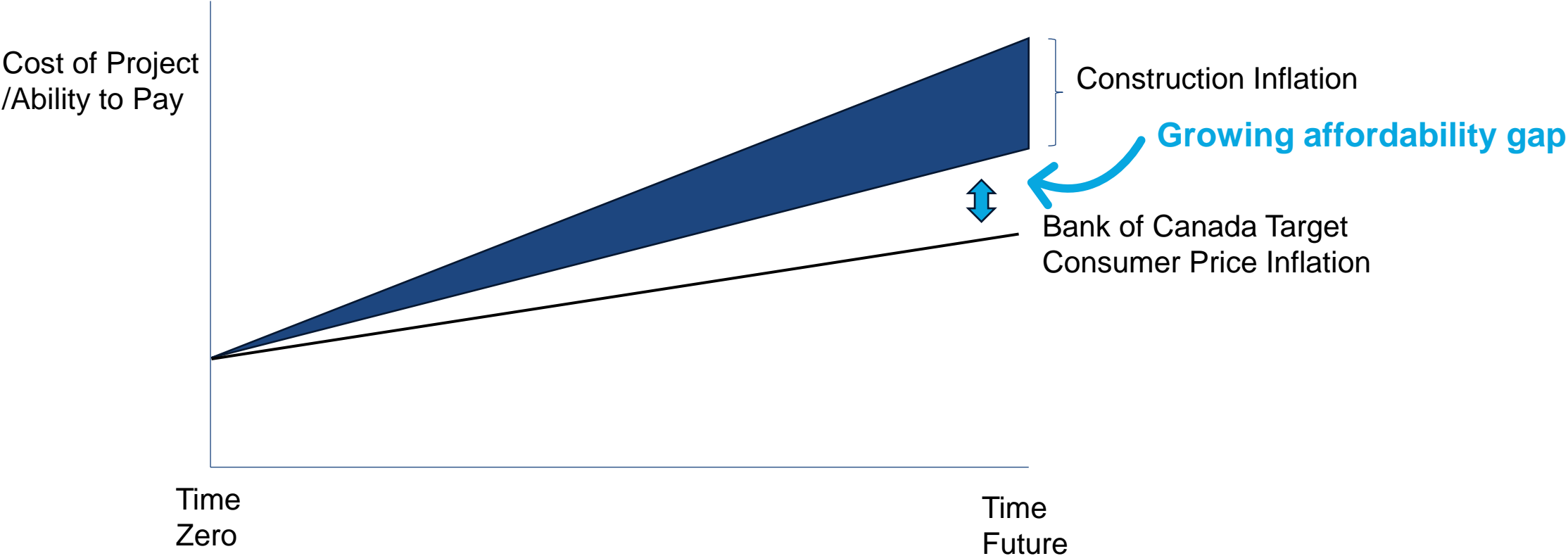


≈ 67% of bill is Niagara Region

↓ **Combined effort** – Address the 2/3 of the city without storm sewers and replace and/or reline wastewater pipes

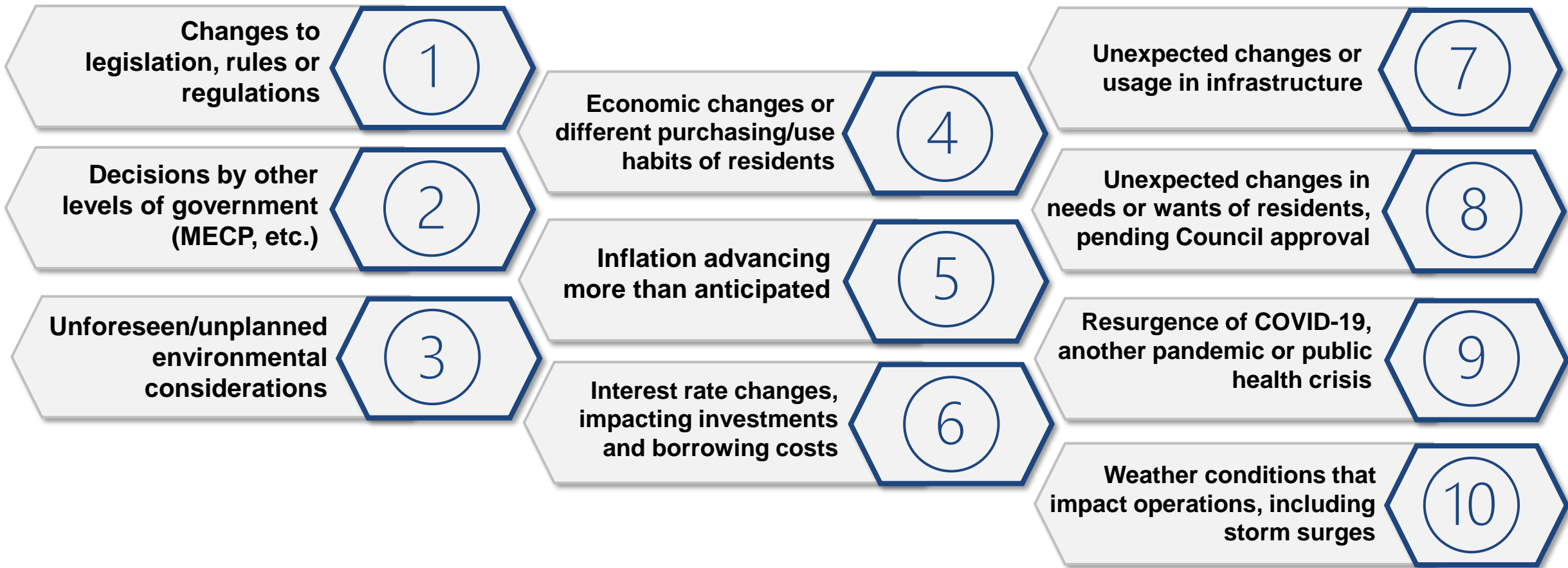
Impact of Doing Nothing

Illustration – Timing of Construction Projections



Risks to the Budget

Actual events and results can be substantially different from what is expected or implied as a result of risk, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:



Agenda


1 2024 Budget Summary

2 City Fundamentals

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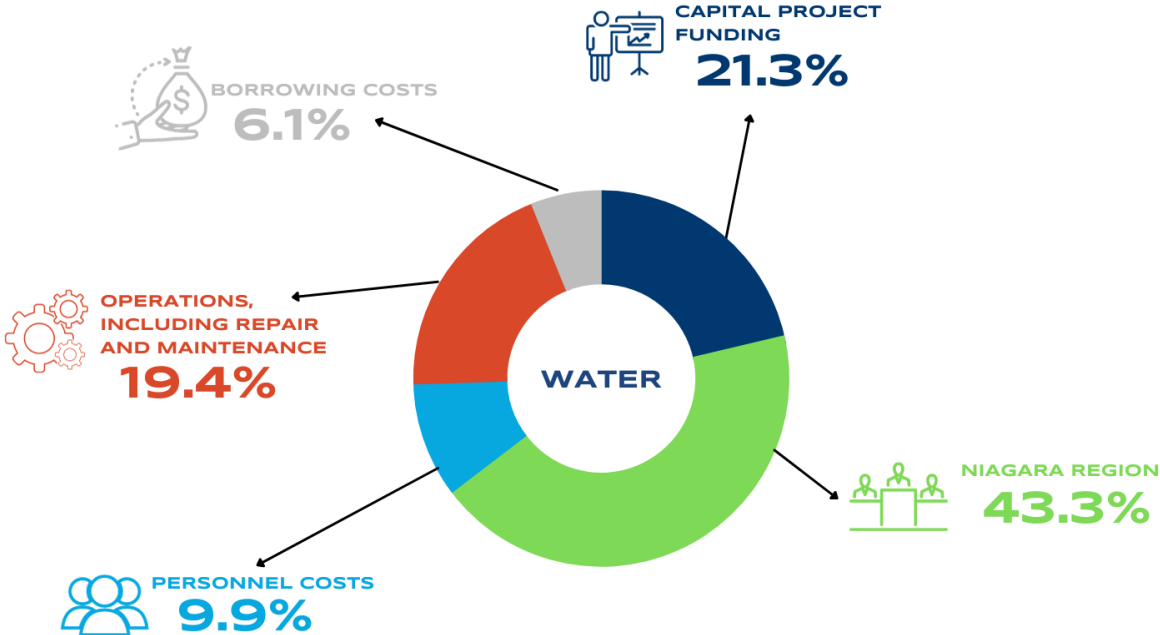
4 Billing Change

5 Thank You

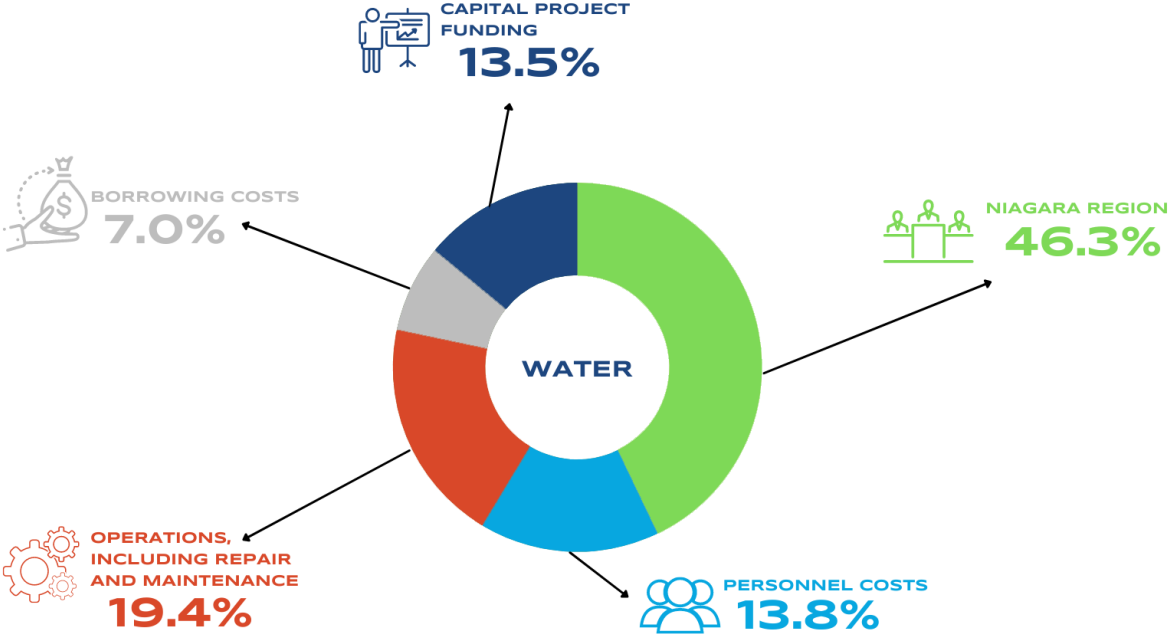
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- What rate dollars support ...
 - City growth projections
 - 2023 Forecast
 - Debt outlook
 - Reserves

What water dollars support ...

2024

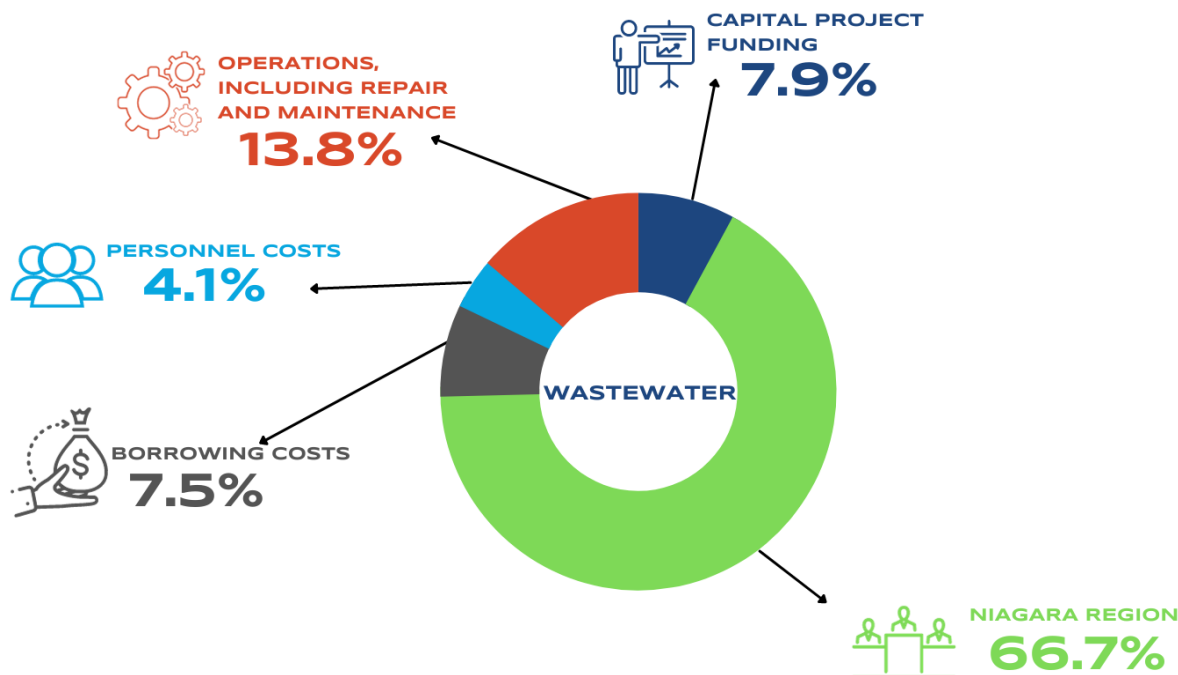


2023

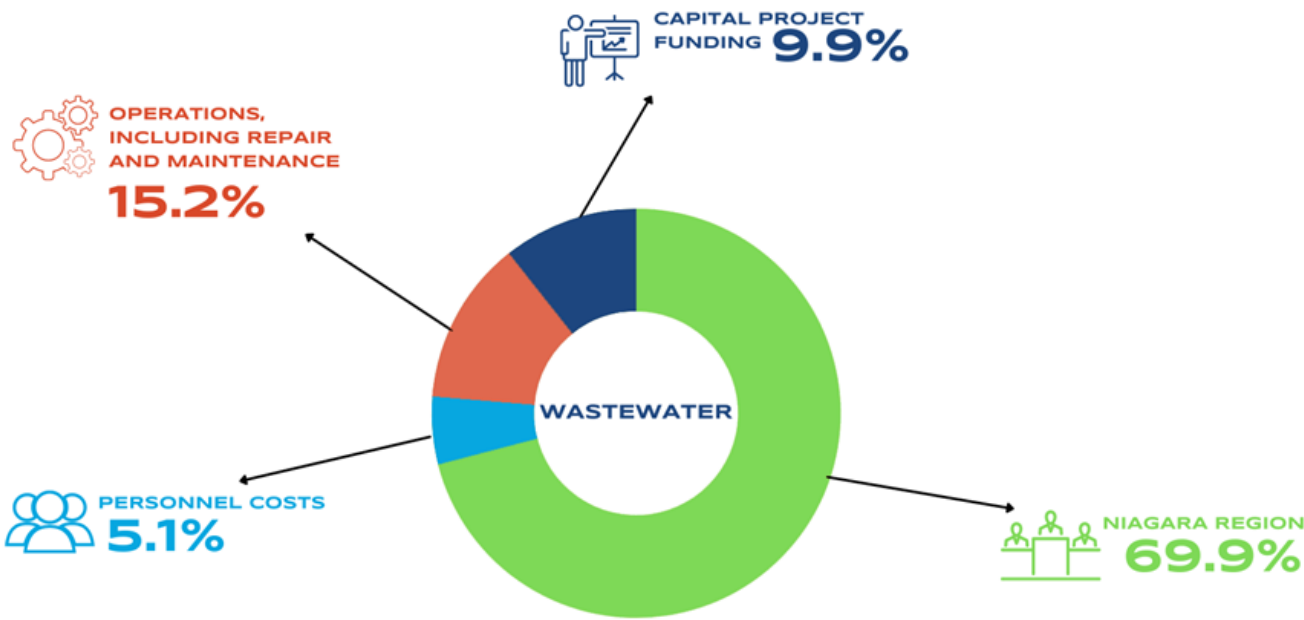


What wastewater dollars support ...

2024

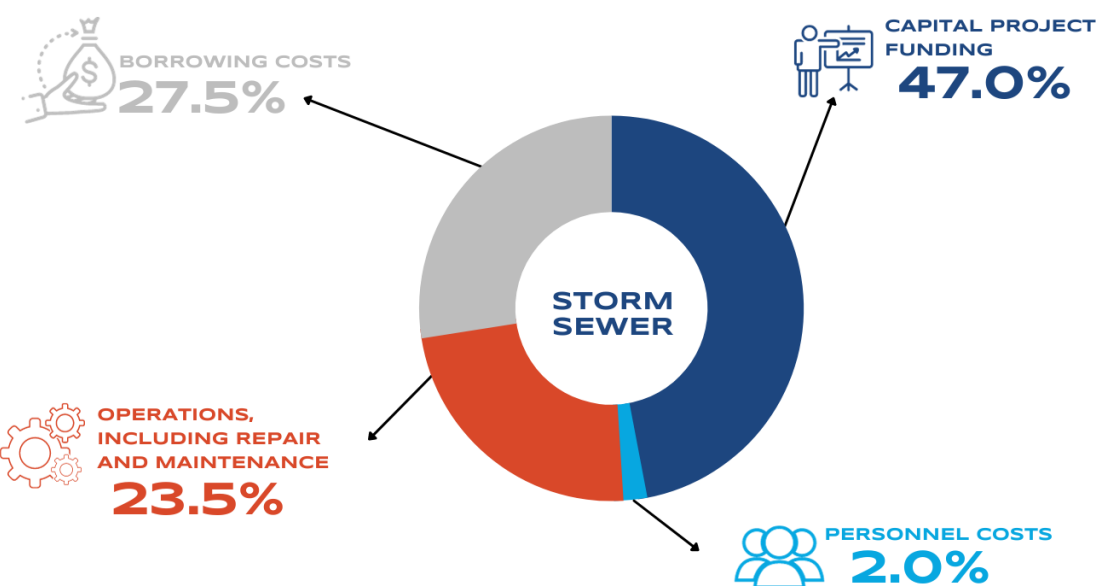


2023

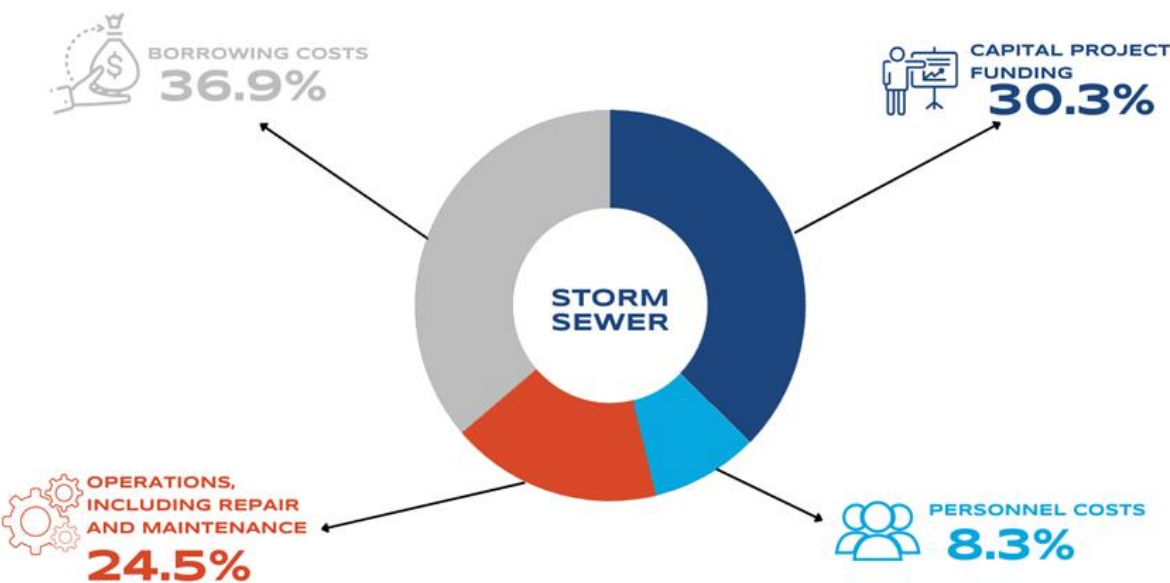


What storm water dollars support ...

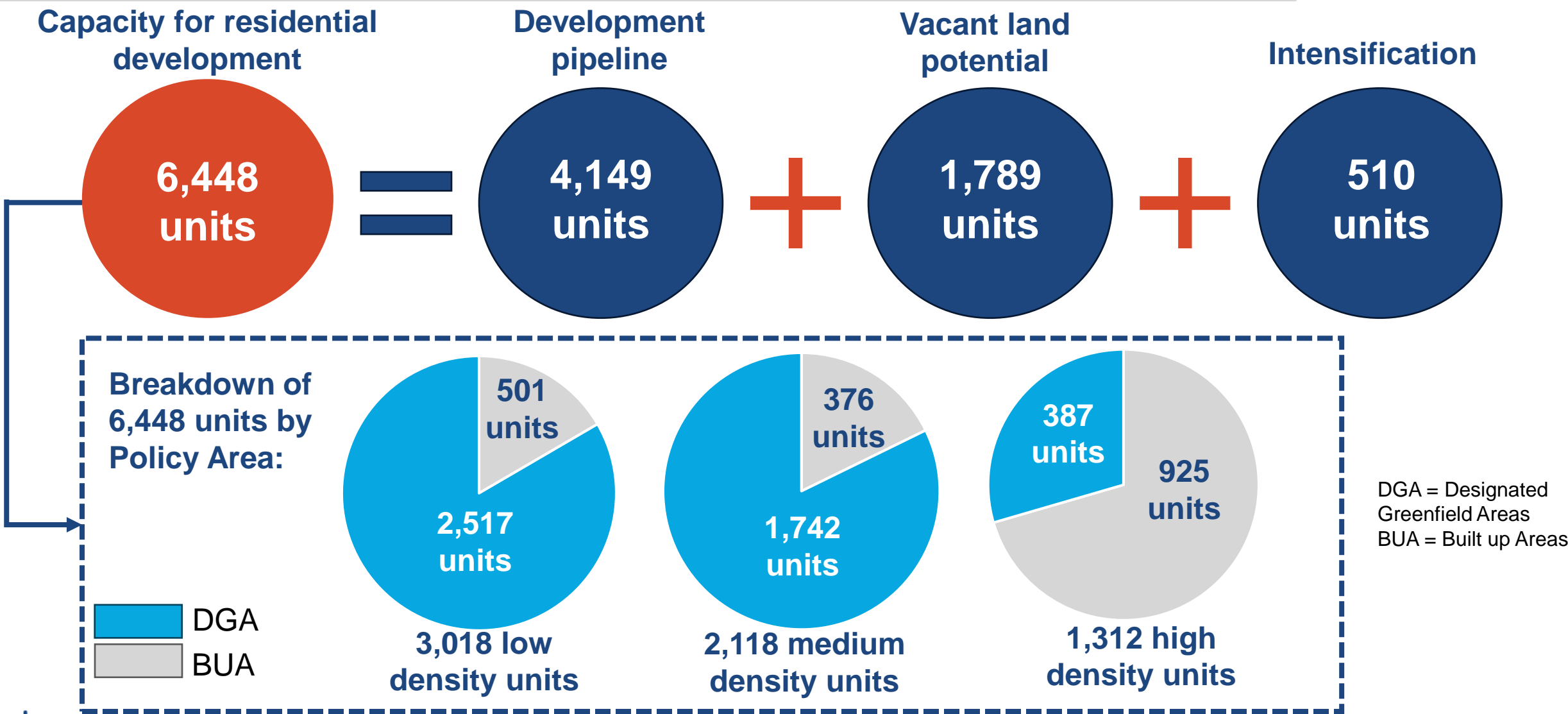
2024



2023



City Growth Projections



2024 Budget and 2023 Forecast

	Budget		Forecast	Change from Budget		Change from Forecast	
	2024	2023	2023	\$	%	\$	%
Revenue	16,559,613	13,661,100	13,495,820	2,898,513	21.2%	3,063,793	22.7%
Personnel Expenses	983,800	1,190,900	1,094,800	(207,100)	(17.4%)	(111,000)	(10.1%)
Operating Expenses	2,801,634	2,423,929	2,238,519	377,705	15.6%	563,115	25.2%
Borrowing Expenses	1,546,000	895,481	895,481	650,519	72.6%	650,519	72.6%
Niagara Region	8,370,179	7,319,079	7,507,600	1,051,100	14.4%	862,579	11.5%
Total Expenses	13,701,613	11,829,389	11,736,400	1,872,224	15.8%	1,965,213	16.7%
Surplus/(Deficit) Before Capital Transfers	2,858,000	1,831,711	1,759,420	1,026,289	56.0%	1,098,580	62.4%
Transfer to/(from) Capital	896,700	2,311,700	2,311,700	(1,415,000)	(61.2%)	(1,415,000)	(61.2%)
Transfer to/(from) Reserves	1,961,300	(479,989)	(479,989)	2,441,289	508.6%	2,441,289	(508.6%)
Surplus/(Deficit)	-	-	(72,291)	-		72,291	

A – Rate increase plus June 27, 2023 Water and wastewater by-law updated

B – Operating down two headcount (9 in 2024 vs. 11 in 2023)

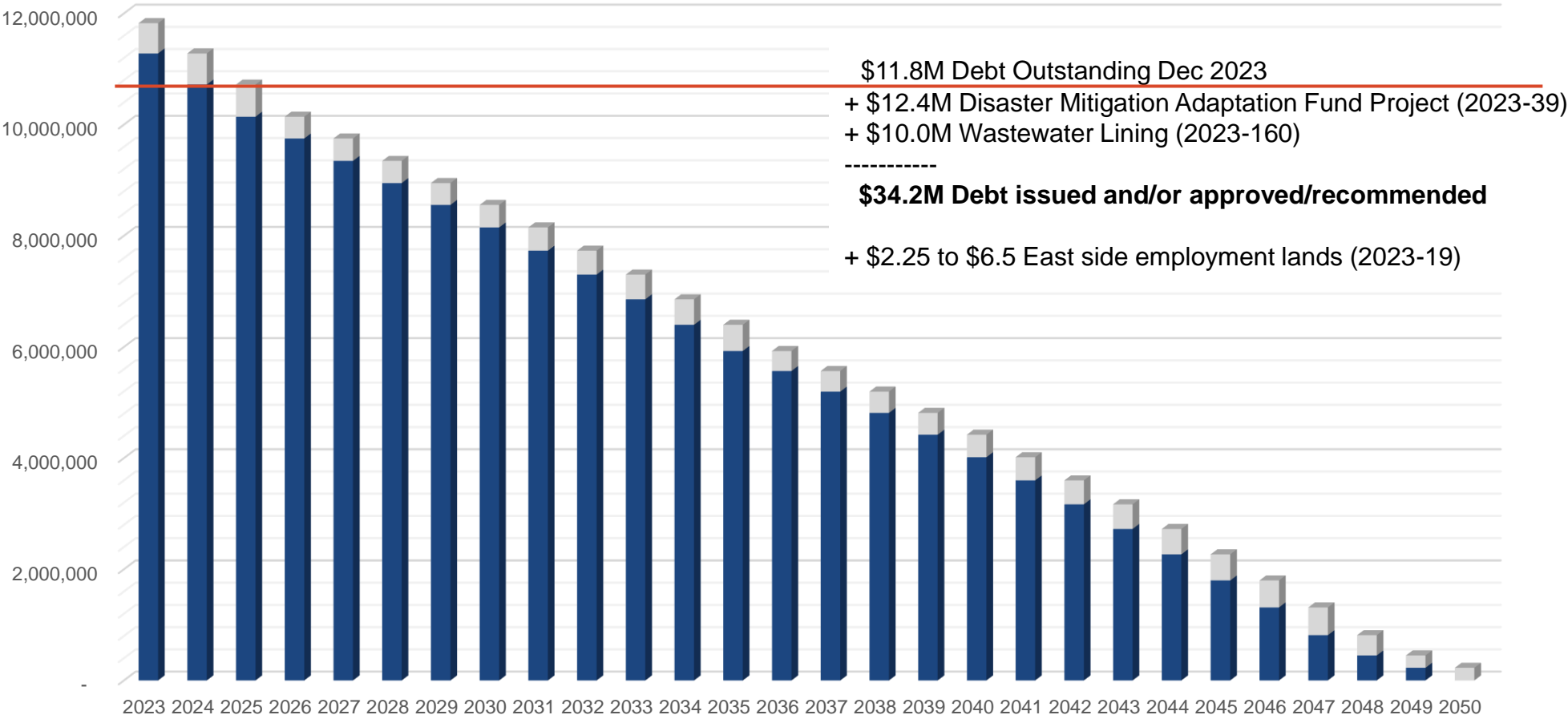
C – Phasing in grant program (see future slide) and shared service cost review complete

D – Borrowing cost for project to reline 1/3 of the City's wastewater linear assets

E – Niagara Region rate increases plus increased inflow and infiltrating (see future slide) and water loss (see future slide)

F – Net increase of capital and reserves is \$1,026,289. Funds temporarily reserved for \$32 million dollar Disaster Mitigation Adaptation Fund (DMAF) application.

Current Debt Position



Reserves

	2022 Year-End Reserve Balance	2023 Forecasted Year-End Reserve Balance	2024 Budgeted Reserve Transfer	2024 Forecasted Reserve Balance
Storm Sewer Reserve	557,323	155,348	884,000	1,039,348
Waste Water Reserve	2,479,933	2,420,906	384,000	2,804,906
Water Reserve	807,614	832,456	693,300	1,525,756
	3,844,870	3,408,710	1,961,300	5,370,010

Capital Funding Levels

Storm = 26% of required capital funding level

Wastewater = 28% of required capital funding level

Water = 78% of required capital funding level

Funding Level

Required Funding per Asset Management Plan

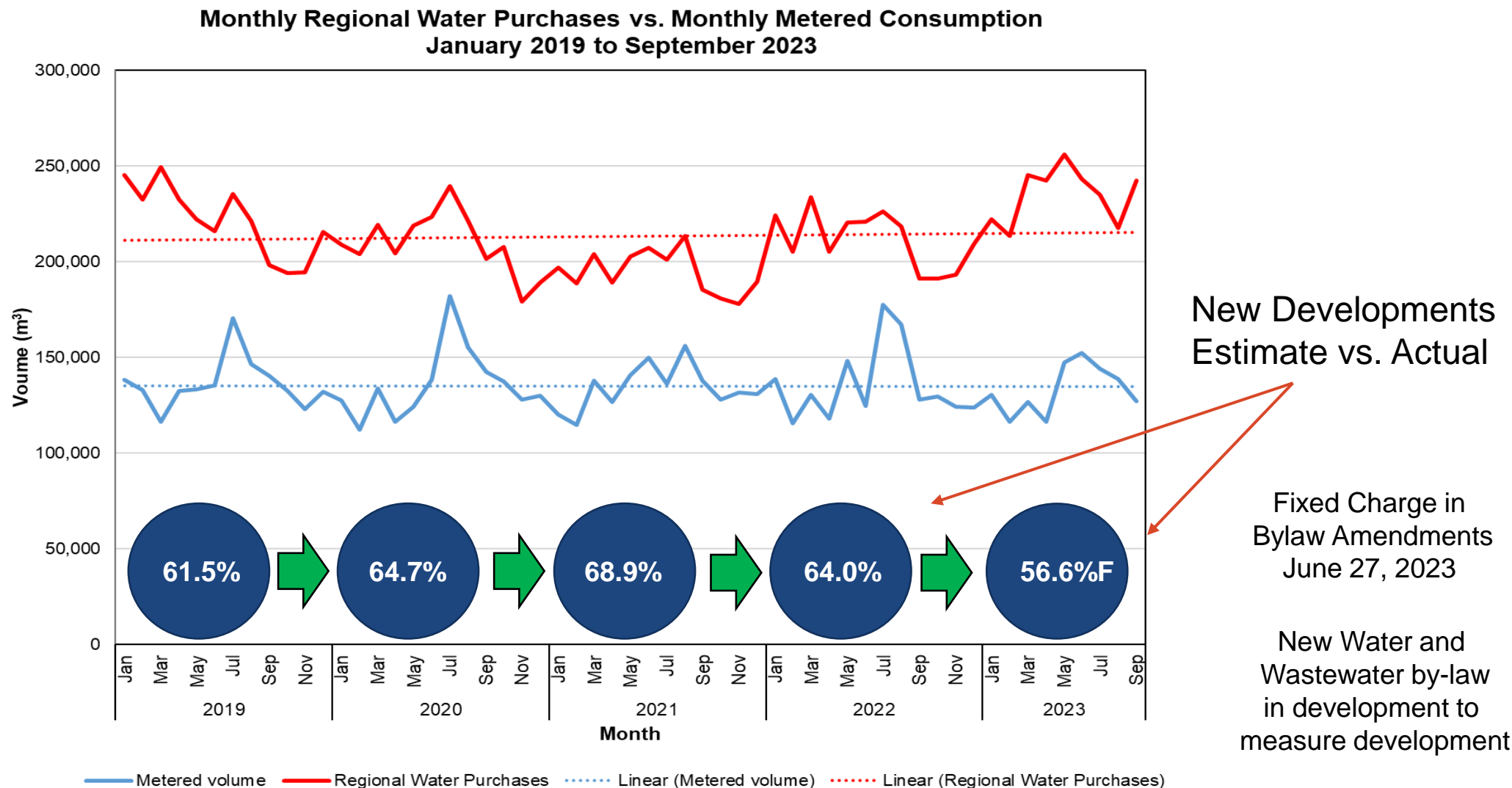
in millions	2024	2025	2026	2027	2028
Storm					
Projected	910	1,546	1,839	2,169	2,541
Required	3,458	3,631	3,812	4,003	4,203
	(2,547)	(2,085)	(1,973)	(1,834)	(1,662)
Funding Gap	74%	57%	52%	46%	40%
Wastewater					
Projected	1,336	1,695	2,055	2,461	2,915
Required	4,759	4,997	5,247	5,509	5,785
	(3,423)	(3,302)	(3,192)	(3,048)	(2,870)
Funding Gap	72%	66%	61%	55%	50%
Water					
Projected	1,262	1,795	2,427	2,913	3,444
Required	5,792	6,081	6,386	6,705	7,040
	(4,530)	(4,286)	(3,959)	(3,792)	(3,596)
Funding Gap	78%	70%	62%	57%	51%

In-Year Operating Activity

Water	2022	2023*	Trend	Waste/Storm Water	2022	2023*	Trend
Watermain breaks	21	7	↓	Maintenance holes inspected	519	2,055	↑
Complaints	7	14	↑	Sewer lateral backups	25	15	↓
Chlorine samples	1,956	2,281	↑	Wastewater lateral installations	2	1	→
Microbiological samples	350	352	↑	Clean out repairs	33	25	↓
Hydrant inspections	1,631	1,844	↑	Catch basin/manhole repairs	3	38	↑
Valves turned	302	649	↑	Water meter repairs or replacements	75	96	↑
Water services installed	7	6	→	Final Meter Reads	368	311	→
Curb boxes repaired	44	34	↓	Fire Flow Testing	110	229	↑
Dead end flushing	684	570	→	Acoustic Leak Detection Locations & Leaks Found	751 locations 10 leaks	1,298 locations 2 Leaks	↑
New subdivision flushing	60	60	→	CCTV inspections	22.5 km	12.5 km	↓

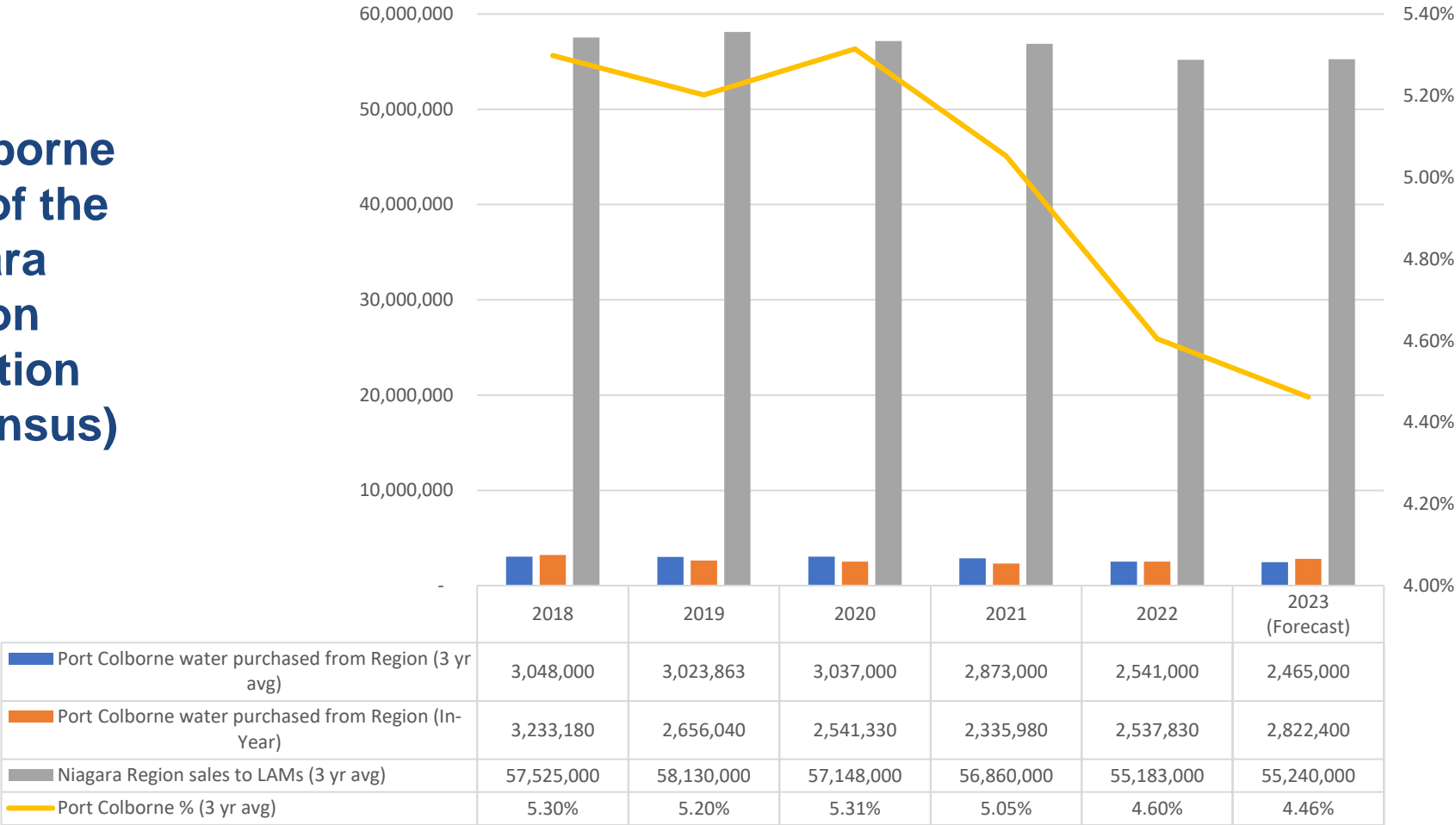


Water Purchased vs. Water Billed

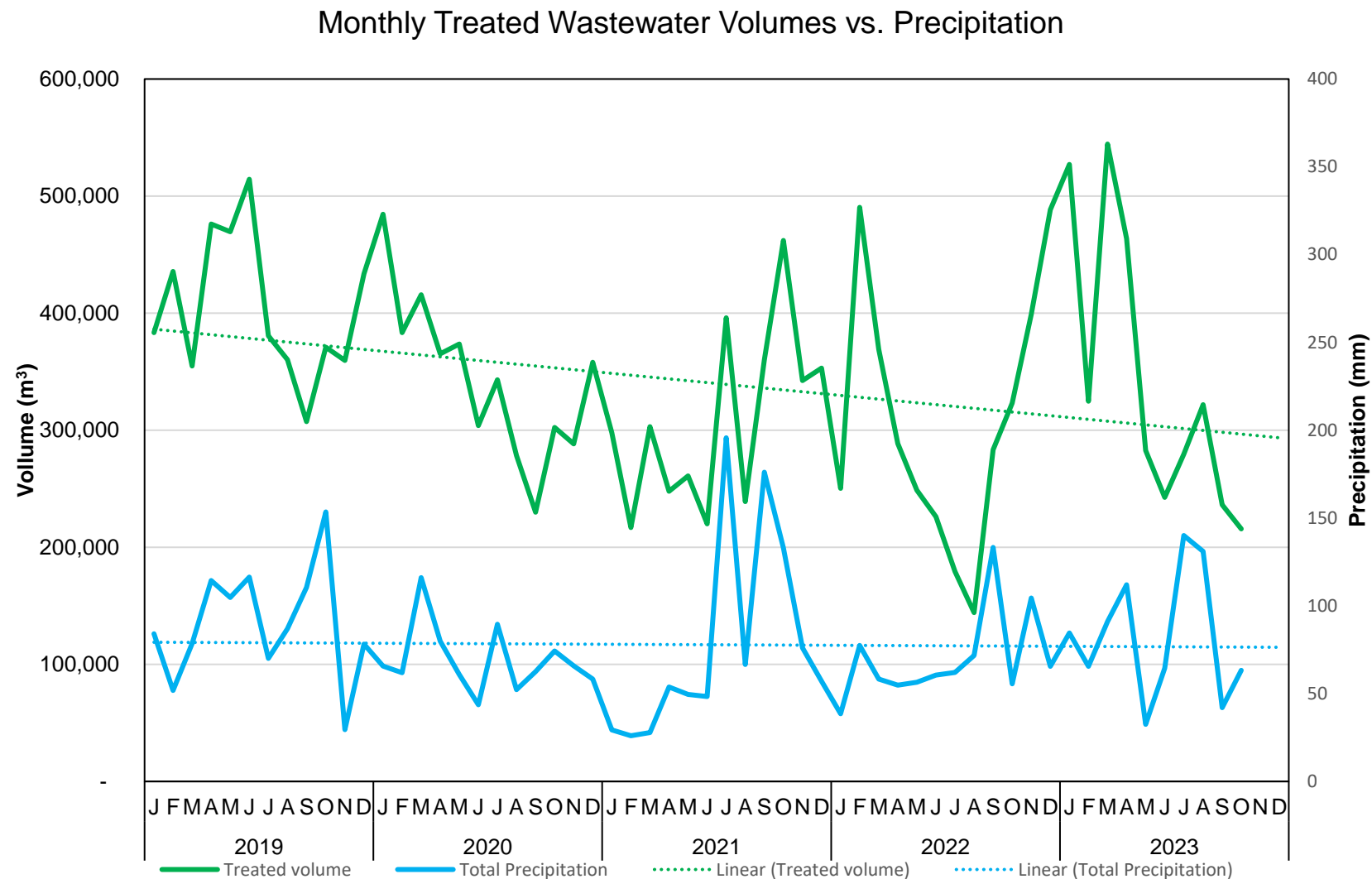


Water Volumes (m³)

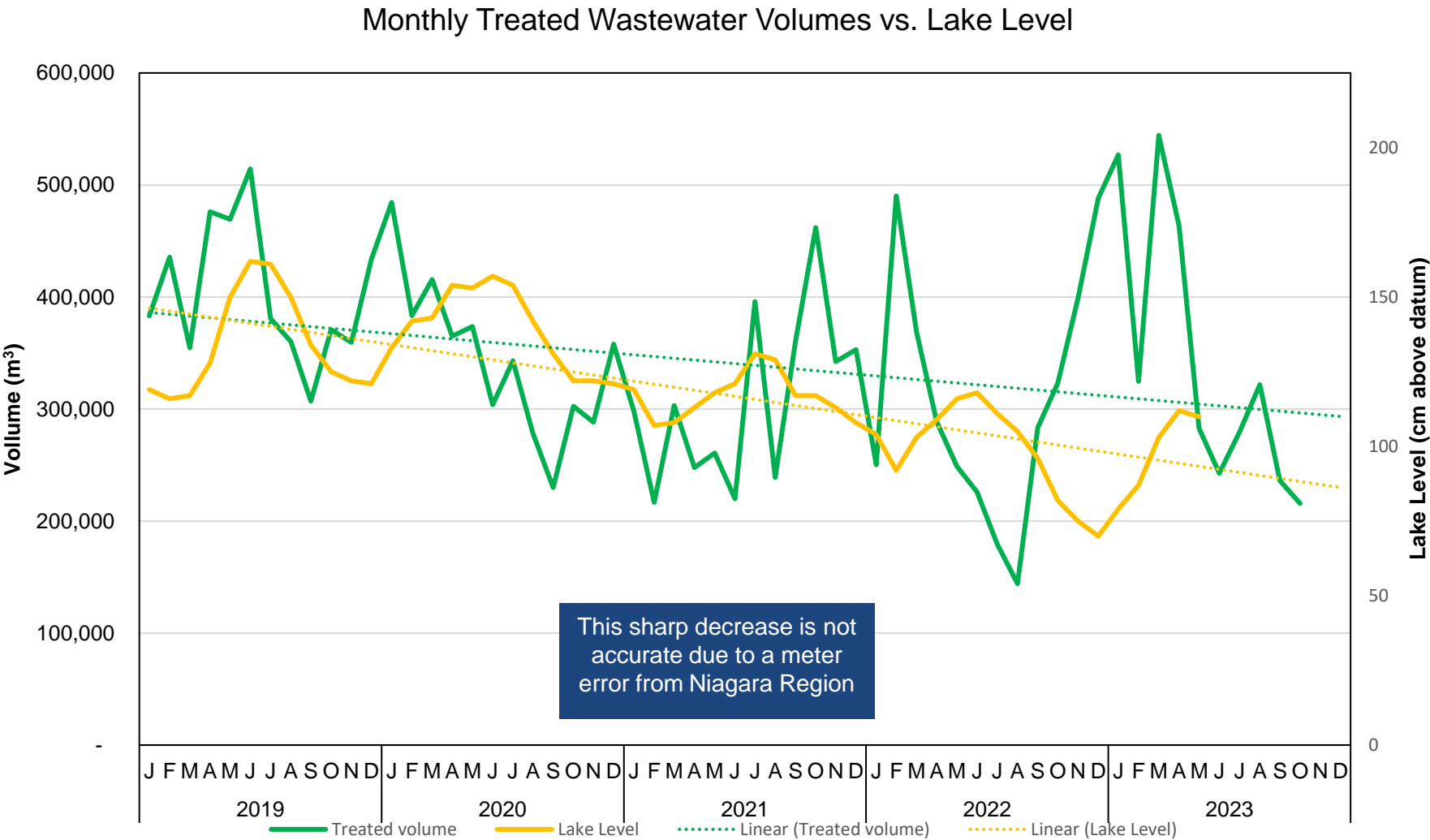
Port Colborne
is 4.1% of the
Niagara
Region
Population
(2021 Census)



Wastewater Treated Volumes vs. Precipitation



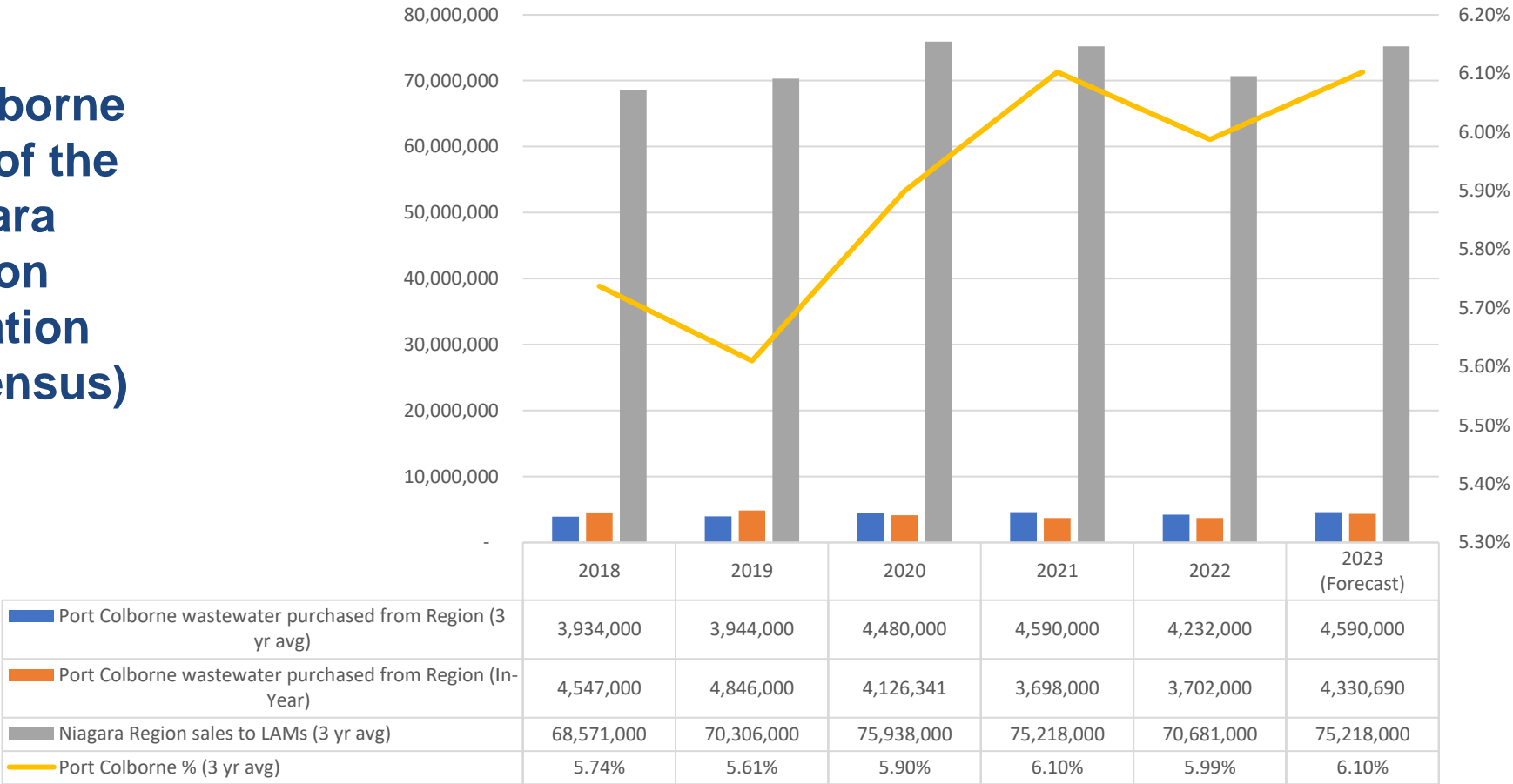
Wastewater Treated Volumes vs. Lake Level



Wastewater Volumes (m³)

In 2023 YTD
1 M³ of water metered = 2.7 M³
sent to the Niagara Region
wastewater plant

Port Colborne
is 4.1% of the
Niagara
Region
Population
(2021 Census)



2023 Initiatives



PORT COLBORNE

2023 Initiatives



2023 Initiatives



PORT COLBORNE



2023 Initiatives



Recommended Upgrade

\$44.9M

Recommended Upsize

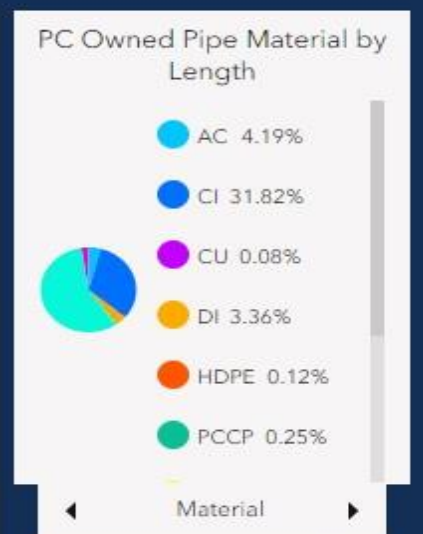
\$11.7M

Total PC Owned Watermain

111.8k

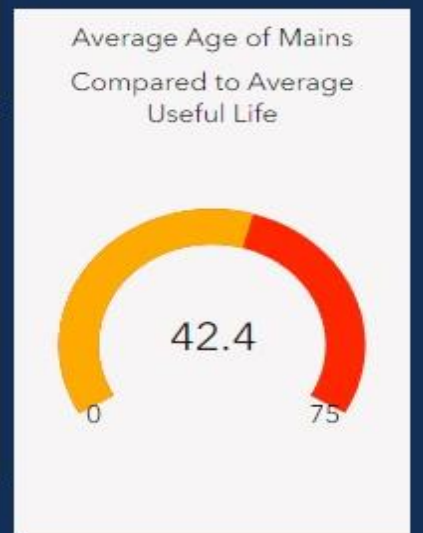
Watermain Breaks This Year

9



WatermainBreaks

WorkOrders



Agenda


1 2024 Budget Summary

2 City Fundamentals

3 Budget Details

4 Billing Change

5 Thank You

- 
- Rate Program Incentives
 - Water
 - Wastewater
 - Storm Water
 - Looking Forward

Rate Program Incentives

Water Service and Wastewater Lateral Replacement Grant Program

Current

Grant portion	Loan program
\$1,000 for water service	\$2,500 for water service
\$1,000 for wastewater lateral	\$2,500 for wastewater lateral

Proposed

Grant
\$1,000 for only water service
\$1,000 for only wastewater lateral (replacement or lining)
\$3,000 if both water and wastewater are done

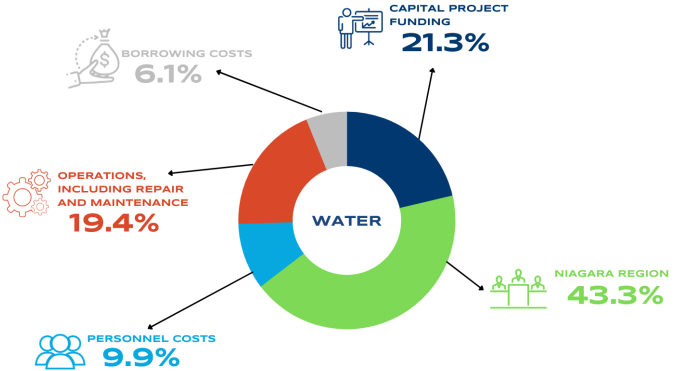


Reasons to retire program

- Complexity
- Collectability
- Interest

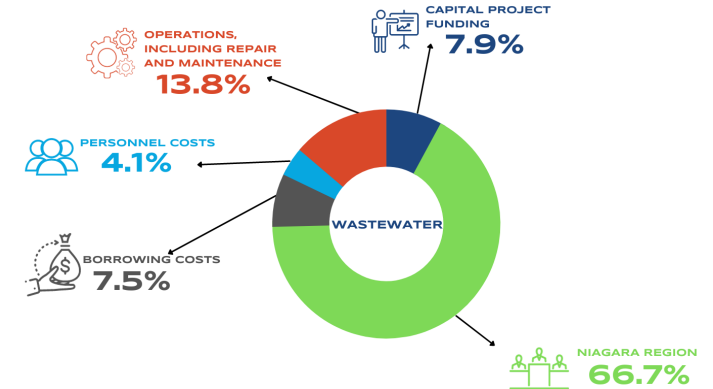


Water



	2020	2020	2021	2021	2022	2022	2023	2023	2024	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	43,773	49,600	118,714	39,998	71,587	97,000	28,700	63,100	28,700	(34,400)	(54.5%)
Variable	2,192,600	2,600,201	2,140,479	2,128,931	2,142,479	2,120,000	2,280,300	2,376,000	2,604,993	228,993	9.6%
Fixed	2,649,521	2,530,023	2,568,152	2,572,569	2,547,531	2,540,000	2,750,920	2,743,200	3,305,420	562,220	20.5%
Total Revenue	4,885,893	5,179,824	4,827,345	4,741,498	4,761,596	4,757,000	5,059,920	5,182,300	5,939,113	756,813	14.60%
Fixed vs. Variable	55%	49%	55%	55%	54%	55%	55%	54%	56%		
Niagara Region	2,124,086	2,430,382	2,013,547	2,212,840	2,172,540	2,040,866	2,455,000	2,398,200	2,572,900	174,700	7.3%
Personnel costs	540,705	790,145	610,954	561,350	649,478	749,300	656,900	714,540	589,900	(124,640)	(17.4%)
Operations	875,788	741,748	774,080	739,260	845,712	935,310	1,067,306	1,003,970	1,149,513	145,543	14.5%
Capital	509,219	509,219	200,000	250,000	266,700	266,700	621,700	621,700	568,700	(53,000)	(8.5%)
Borrowing costs	364,242	364,299	364,392	364,300	364,629	364,629	364,326	364,326	364,800	474	0.1%
Reserve transfers	471,853	344,031	864,372	613,748	462,537	400,195	79,564	79,564	693,300	613,736	771.4%
Total Expenses	4,885,893	5,179,824	4,827,345	4,741,498	4,761,596	4,757,000	5,244,796	5,182,300	5,939,113	756,813	14.60%
Surplus / (Deficit)	-	-	-	-	-	-	(184,876)	-	-	-	-

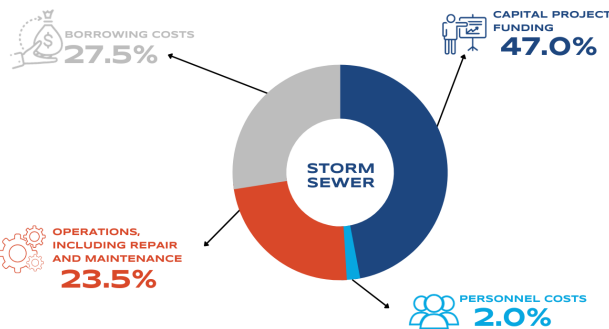
Wastewater



	2020 Actual	2020 Budget	2021 Actual	2021 Budget	2022 Actual	2022 Budget	2023 Forecast	2023 Budget	2024 Budget	\$ Y/Y Budget Change	%
Penalties and other fees	14,306	19,500	63,962	33,000	82,109	14,000	89,800	31,100	31,400	300	1.0%
Variable	1,723,798	2,559,638	1,022,571	2,207,282	632,371	623,067	457,500	640,000	698,400	58,400	9.1%
Fixed	3,521,448	3,409,291	5,624,115	4,519,326	6,345,888	6,300,000	6,505,700	6,370,000	7,955,900	1,585,900	24.9%
Total Revenue	5,259,552	5,988,429	6,710,648	6,759,608	7,060,368	6,937,067	7,053,000	7,041,100	8,685,700	1,644,600	23.36%
Fixed vs. Variable	67%	57%	85%	67%	91%	91%	93%	91%	92%		
Niagara Region	4,531,531	4,544,117	4,265,746	4,805,000	4,209,067	4,920,879	5,052,600	4,920,879	5,797,279	876,400	17.8%
Personnel costs	108,994	354,379	305,477	561,350	324,739	374,600	328,450	357,270	356,025	(1,245)	(0.3%)
Operations	721,460	585,333	768,917	785,050	638,672	903,500	907,312	1,067,997	1,196,396	128,399	12.0%
Capital	545,573	545,573	400,000	350,000	1,124,797	324,897	840,000	840,000	302,000	(538,000)	(64.0%)
Borrowing costs	-	-	-	-	-	-	-	-	650,000	650,000	
Reserve transfers	(648,006)	(40,973)	970,508	258,208	763,093	413,191	(145,046)	(145,046)	384,000	529,046	(364.7%)
Total Expenses	5,259,552	5,988,429	6,710,648	6,759,608	7,060,368	6,937,067	6,983,316	7,041,100	8,685,700	1,644,600	23.36%
Surplus / (Deficit)	0	-	-	-	-	-	69,684	-	-	-	

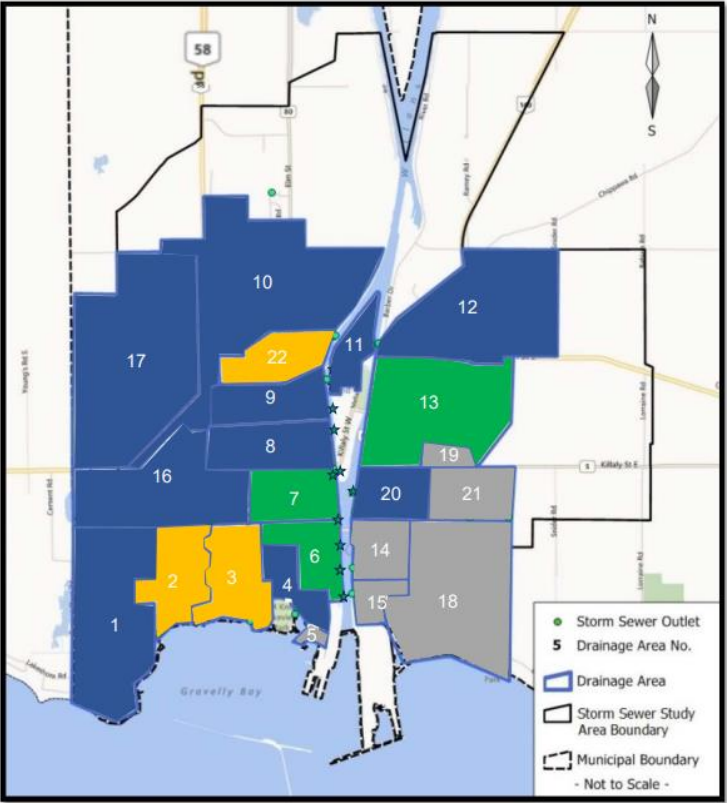


Storm Water



	2020	2020	2021	2021	2022	2022	2023	2023	2024	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Foercast	Budget	Budget	Y/Y Budget Change	
Installation service fee	(276)	5,000	-	-	120	-	700	-		-	
Rate fees	766,976	770,279	693,086	854,720	1,305,980	1,407,000	1,382,200	1,437,700	1,934,800	497,100	34.58%
Total Revenue	766,700	775,279	693,086	854,720	1,306,100	1,407,000	1,382,900	1,437,700	1,934,800	497,100	34.58%
Personnel costs	-	-	101,826	-	108,487	124,800	109,450	119,090	37,875	(81,215)	(68.20%)
Operations	279,204	248,181	156,948	252,870	128,578	250,100	263,901	351,962	455,725	103,763	29.48%
Capital	39,998	-	23,724	23,724	210,876	110,000	850,000	850,000	26,000	(824,000)	(96.94%)
Borrowing costs	309,823	299,819	531,156	535,819	531,156	531,156	531,155	531,155	531,200	45	0.0%
Reserve transfers	137,675	227,279	(120,567)	42,307	327,003	390,944	(414,507)	(414,507)	884,000	1,298,507	(313.27%)
Total Expenses	766,700	775,279	693,086	854,720	1,306,100	1,407,000	1,339,999	1,437,700	1,934,800	497,100	34.58%
Surplus / (Deficit)	-	-	-	-	-	-	42,901	-	-	-	-

Looking Forward



Stream 1

Focus Areas:

- Area 6
- Area 7
- Area 13

DMAF

Stream 2

Focus Areas:

- Area 2
- Area 3
- Area 22

Dependent on:

- Infrastructure Needs Study
- Pollution Prevention Control Plan

Stream 3

Focus Areas:

- TBD

Dependent on:

- Infrastructure Needs Study
- Pollution Prevention Control Plan

Stream 4

Not currently required

Looking Forward

- Continue to work on Key Performance Indicators (KPIs) and related benchmarks, where applicable
- Complete the Infrastructure Needs Assessment to support future capital and related project budgets
- Enhancing geographic information systems (GIS) to visualize asset management program
- Update the development charges by-law so growth pays for growth
- Working on a multi-year capital forecast (to follow completion of INS)



Agenda

1 2024 Budget Summary

2 City Fundamentals

3 Budget Details

4 Billing Change

5 Thank You

- 
- Billing Changes

Storm Water - Billing Changes

Properties that do not receive a Property Tax Bill

Current

- Receive a special purpose bill (property tax bill format) for the storm water portion of the bill only

Proposed

- Allocate the applicable storm water charge over 12 months on their water and wastewater bill

Storm Water - Billing Changes

Adjusted Storm Sewer Billing Model for Multi-Residential to Parallel Water and Wastewater

Current

- Fixed charges varies by unit categories
- Categories are 2 to 5 units, 6 to 10 units and >10 units

Proposed

- Fixed charge on 3 units or more
- Fixed charge x number of units

Agenda

1 2024 Budget Summary

2 City Fundamentals

3 Budget Details

4 Billing Change

5 Thank You

- Thank You
- Recommendation



Thank You

Recommendation

That the Corporate Service
Department, Financial Services
Division, Report No. 2023-164
Subject: 2024 Rate Budget, **BE
RECEIVED**; And

That the 2024 Rate Budget as
outlined in Report 2023-164, **BE
APPROVED**.



Appendix B - Divisional Summary & Detail

Rates (Water, Wastewater, Storm Sewer) Divisional Summary

CITY OF PORT COLBORNE
2024 Budget - Rates Divisional Summary

	Storm Sewer	Wastewater	Water	Total 2024 Rate Budget
Revenue				
Other Revenue			\$6,000	\$6,000
Fees		700	3,000	3,700
Penalties and Interest		30,700	19,700	50,400
Rate Revenue - Variable		698,400	2,604,993	3,303,393
Rate Revenue - Fixed	1,934,800	7,955,900	3,305,420	13,196,120
Total Revenue	1,934,800	8,685,700	5,939,113	16,559,613

Expense

Personnel Expense

Salaries and Wages - Full Time			684,000	684,000
Salaries and Wages - Students			26,000	26,000
Overtime Pay			14,200	14,200
Employee Benefits			259,600	259,600
Subtotal Personnel Expense			983,800	983,800

Operating Expense

Association/Membership Fees		3,000	3,000	6,000
Comm and Public Relations		5,000	5,000	10,000
Computer Software		20,000	20,000	40,000
Contract Services	80,000	200,000	176,500	456,500
Cost of Goods Sold			10,000	10,000
PAP / Online Incentives		4,000	4,000	8,000
GIS Credit		35,000		35,000
Equipment - Purchase		20,000	20,000	40,000
Equipment - Rental	2,000			2,000
Grants and Sponsorship Expense		50,000	50,000	100,000
Hospitality Expense			1,000	1,000
Office Supplies		2,600	2,600	5,200
Postage & Courier		26,000	26,000	52,000

	Storm Sewer	Wastewater	Water	Total 2024 Rate Budget
Protective & Uniform Clothing		3,000	3,000	6,000
R&M - Consumables and Parts	15,000	20,000	105,000	140,000
Staff Training & Development			14,500	14,500
SME - Consultants	20,000	25,000	35,000	80,000
Telephone/Internet			7,200	7,200
Travel			7,300	7,300
Utilities - Hydro	5,100	20,400	4,400	29,900
Utilities - Water	1,100			1,100
Region Rate - Fixed		5,797,279	608,000	6,405,279
Region Rate - Variable			1,964,900	1,964,900
Subtotal Operating Expense	123,200	6,231,279	3,067,400	9,421,879
Total Expense	123,200	6,231,279	4,051,200	10,405,679
Surplus/(Deficit) Before Allocation	1,811,600	2,454,421	1,887,913	6,153,934
Allocations: Within Departments	37,875	356,025	(393,900)	
Surplus/(Deficit) After Allocation	1,773,725	2,098,396	2,281,813	6,153,934
Transfer to/ (from) Reserves	884,000	384,000	693,300	1,961,300
Transfer Between Funds	889,725	1,714,396	1,588,513	4,192,634
Total Transfer	1,773,725	2,098,396	2,281,813	6,153,934

City of Port Colborne
2024 Operating Budget
Water/WasteWater/Storm

	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
Revenue						
Other Revenue	\$45,306.03	\$85,000.00	\$6,400.00	\$45,000.00	\$6,000.00	(\$39,000.00)
Fees	1,323.76		9,700.00	700.00	3,700.00	3,000.00
Grants - Other	51,152.43		63,700.00			
Sales	7,688.35			100.00		(100.00)
Penalties and Interest	48,345.22	26,000.00	39,400.00	48,400.00	50,400.00	2,000.00
Rate Revenue - Variable	2,774,850.44	2,743,067.00	2,737,800.00	3,016,000.00	3,303,393.00	287,393.00
Rate Revenue - Fixed	10,199,398.48	10,247,000.00	10,638,820.00	10,550,900.00	13,196,120.00	2,645,220.00
Total Revenue	13,128,064.71	13,101,067.00	13,495,820.00	13,661,100.00	16,559,613.00	2,898,513.00
Expense						
Personnel Expense						
Salaries and Wages - Full Time	791,559.48	868,800.00	788,460.00	855,600.00	684,000.00	(171,600.00)
Salaries and Wages - Part Time		30,300.00				
Salaries and Wages - Students	10,563.48	15,300.00	20,000.00	24,000.00	26,000.00	2,000.00
Overtime Pay	19,644.37	41,300.00	14,200.00	18,000.00	14,200.00	(3,800.00)
Employee Benefits	260,937.12	293,000.00	272,140.00	293,300.00	259,600.00	(33,700.00)
Subtotal Personnel Expense	1,082,704.45	1,248,700.00	1,094,800.00	1,190,900.00	983,800.00	(207,100.00)
Operating Expense						
Association/Membership Fees	3,884.71	6,000.00	6,000.00	6,000.00	6,000.00	
Comm and Public Relations	805.60	20,000.00	20,000.00	20,500.00	10,000.00	(10,500.00)
Computer Software	17,524.61	18,400.00	39,700.00	39,700.00	40,000.00	300.00
Contract Services	276,415.08	496,010.00	456,500.00	490,500.00	456,500.00	(34,000.00)
Cost of Goods Sold	7,156.61		30,000.00	10,000.00	10,000.00	
PAP / Online Incentives	12,875.00	40,000.00	8,000.00	14,000.00	8,000.00	(6,000.00)
GIS Credit	30,093.32	35,000.00	35,000.00	35,000.00	35,000.00	
Equipment - Purchase	19,970.14	30,800.00	47,000.00	32,300.00	40,000.00	7,700.00
Equipment - Rental	18,080.46	18,000.00	2,000.00	33,000.00	2,000.00	(31,000.00)
Grants and Sponsorship Expense	7,000.00	50,000.00	20,000.00	50,000.00	100,000.00	50,000.00
Hospitality Expense	1,265.38		4,400.00	1,000.00	1,000.00	

	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
Office Supplies	7,112.38	27,500.00	27,600.00	3,000.00	5,200.00	2,200.00
Postage & Courier	61,791.06	52,000.00	52,000.00	28,500.00	52,000.00	23,500.00
Protective & Uniform Clothing	9,422.50	10,000.00	6,000.00	10,000.00	6,000.00	(4,000.00)
R&M - Consumables and Parts	94,081.75	158,100.00	140,000.00	134,750.00	140,000.00	5,250.00
Staff Training & Development	29,514.20	25,600.00	16,000.00	28,000.00	14,500.00	(13,500.00)
SME - Consultants	4,463.40	59,000.00	80,000.00	160,000.00	80,000.00	(80,000.00)
Subscriptions and Publications			4,600.00			
Telephone/Internet	5,550.49	8,800.00	3,800.00	7,500.00	7,200.00	(300.00)
Travel	1,064.57	3,200.00	8,300.00	3,200.00	7,300.00	4,100.00
Utilities - Hydro	23,449.15	30,600.00	27,000.00	30,250.00	29,900.00	(350.00)
Utilities - Water	1,120.51	900.00	1,000.00	1,100.00	1,100.00	
City Owned Property Tax Charges	(6,762.35)	11,000.00		1,900.00		(1,900.00)
City Owned Property Drainage Charges	2,104.14					
Reassessment/Uncollectable	3,594.84					
Region Rate - Fixed	4,767,547.10	5,479,356.00	5,623,000.00	5,524,079.00	6,405,279.00	881,200.00
Region Rate - Variable	1,614,059.88	1,482,389.00	1,884,600.00	1,795,000.00	1,964,900.00	169,900.00
Subtotal Operating Expense	7,013,184.53	8,062,655.00	8,542,500.00	8,459,279.00	9,421,879.00	962,600.00
Total Expense	8,095,888.98	9,311,355.00	9,637,300.00	9,650,179.00	10,405,679.00	755,500.00
Surplus/(Deficit) Before Allocation	5,032,175.73	3,789,712.00	3,858,520.00	4,010,921.00	6,153,934.00	2,143,013.00
Surplus/(Deficit) After Allocation	5,032,175.73	3,789,712.00	3,858,520.00	4,010,921.00	6,153,934.00	2,143,013.00
Transfer to/ (from) Reserves	1,552,633.41	1,204,330.00	(479,988.72)	(479,988.72)	1,961,300.00	2,441,288.72
Transfer Between Funds	3,479,542.32	2,585,382.00	4,410,799.68	4,490,909.72	4,192,634.00	(298,275.72)
Total Transfer	5,032,175.73	3,789,712.00	3,930,810.96	4,010,921.00	6,153,934.00	2,143,013.00
Surplus / (Deficit)			(\$72,290.96)			

Appendix B - Divisional Summary & Detail

Rates (Water, Wastewater, Storm Sewer) Divisional Detail

**City of Port Colborne
2024 Operating Budget**

	Water					
	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
Revenue						
Other Revenue	\$45,306.03	\$85,000.00	\$6,000.00	\$45,000.00	\$6,000.00	(\$39,000.00)
Fees	457.57		3,000.00		3,000.00	3,000.00
Sales	7,688.35			100.00		(100.00)
Penalties and Interest	18,134.81	12,000.00	19,700.00	18,000.00	19,700.00	1,700.00
Rate Revenue - Variable	2,142,479.16	2,120,000.00	2,280,300.00	2,376,000.00	2,604,993.00	228,993.00
Rate Revenue - Fixed	2,547,530.56	2,540,000.00	2,750,920.00	2,743,200.00	3,305,420.00	562,220.00
Total Revenue	4,761,596.48	4,757,000.00	5,059,920.00	5,182,300.00	5,939,113.00	756,813.00
Expense						
Personnel Expense						
Salaries and Wages - Full Time	474,935.69	521,300.00	473,100.00	513,360.00	684,000.00	170,640.00
Salaries and Wages - Part Time		18,200.00				
Salaries and Wages - Students	6,338.09	9,200.00	12,000.00	14,400.00	26,000.00	11,600.00
Overtime Pay	11,786.62	24,800.00	8,500.00	10,800.00	14,200.00	3,400.00
Employee Benefits	156,417.77	175,800.00	163,300.00	175,980.00	259,600.00	83,620.00
Subtotal Personnel Expense	649,478.17	749,300.00	656,900.00	714,540.00	983,800.00	269,260.00
Operating Expense						
Association/Membership Fees	1,676.19	3,000.00	3,000.00	3,000.00	3,000.00	
Comm and Public Relations	691.97	10,000.00	10,000.00	10,500.00	5,000.00	(5,500.00)
Computer Software	13,555.97	13,400.00	20,700.00	20,700.00	20,000.00	(700.00)
Contract Services	158,375.13	170,760.00	176,500.00	176,500.00	176,500.00	
Cost of of Goods Sold	7,156.61		30,000.00	10,000.00	10,000.00	
PAP / Online Incentives	6,437.50	20,000.00	4,000.00	7,000.00	4,000.00	(3,000.00)
Equipment - Purchase	13,737.34	17,300.00	25,000.00	17,300.00	20,000.00	2,700.00
Equipment - Rental	2,730.59					
Grants and Sponsorship Expense	5,000.00	25,000.00	10,000.00		50,000.00	50,000.00
Hospitality Expense	1,265.38		4,400.00	1,000.00	1,000.00	
Office Supplies	3,566.07	13,750.00	25,000.00		2,600.00	2,600.00
Postage & Courier	30,935.00	26,000.00	26,000.00		26,000.00	26,000.00

	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
Protective & Uniform Clothing	4,785.65	6,000.00	3,000.00	6,000.00	3,000.00	(3,000.00)
R&M - Consumables and Parts	88,415.77	104,500.00	105,000.00	105,000.00	105,000.00	
Staff Training & Development	23,230.66	18,400.00	14,500.00	20,000.00	14,500.00	(5,500.00)
SME - Consultants	4,463.40	34,000.00	35,000.00	35,000.00	35,000.00	
Subscriptions and Publications			300.00			
Telephone/Internet	5,550.49	8,800.00	3,800.00	7,500.00	7,200.00	(300.00)
Travel	1,064.57	1,800.00	7,300.00	1,800.00	7,300.00	5,500.00
Utilities - Hydro	3,289.42	2,600.00	3,900.00	3,250.00	4,400.00	1,150.00
Reassessment/Uncollectable	3,594.84					
Region Rate - Fixed	558,480.00	558,477.00	570,400.00	603,200.00	608,000.00	4,800.00
Region Rate - Variable	1,614,059.88	1,482,389.00	1,884,600.00	1,795,000.00	1,964,900.00	169,900.00
Subtotal Operating Expense	2,552,062.43	2,516,176.00	2,962,400.00	2,822,750.00	3,067,400.00	244,650.00
Total Expense	3,201,540.60	3,265,476.00	3,619,300.00	3,537,290.00	4,051,200.00	513,910.00
Surplus/(Deficit) Before Allocation	1,560,055.88	1,491,524.00	1,440,620.00	1,645,010.00	1,887,913.00	242,903.00
Allocations: Within Departments					(393,900.00)	(393,900.00)
Surplus/(Deficit) After Allocation	1,560,055.88	1,491,524.00	1,440,620.00	1,645,010.00	2,281,813.00	636,803.00
Transfer to/ (from) Reserves	462,537.12	400,195.00	79,564.21	79,564.21	693,300.00	613,735.79
Transfer Between Funds	1,097,518.76	1,091,329.00	1,545,931.96	1,565,445.79	1,588,513.00	23,067.21
Total Transfer	1,560,055.88	1,491,524.00	1,625,496.17	1,645,010.00	2,281,813.00	636,803.00
Surplus / (Deficit)			(\$184,876.17)			

City of Port Colborne
2024 Operating Budget

Wastewater

	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
Revenue						
Other Revenue			\$400.00			
Fees	746.19		6,000.00	700.00	700.00	
Grants - Other	51,152.43		63,700.00			
Penalties and Interest	30,210.41	14,000.00	19,700.00	30,400.00	30,700.00	300.00
Rate Revenue - Variable	632,371.28	623,067.00	457,500.00	640,000.00	698,400.00	58,400.00
Rate Revenue - Fixed	6,345,888.17	6,300,000.00	6,505,700.00	6,370,000.00	7,955,900.00	1,585,900.00
Total Revenue	7,060,368.48	6,937,067.00	7,053,000.00	7,041,100.00	8,685,700.00	1,644,600.00
Expense						
Personnel Expense						
Salaries and Wages - Full Time	237,467.84	260,600.00	236,520.00	256,680.00		(256,680.00)
Salaries and Wages - Part Time		9,100.00				
Salaries and Wages - Students	3,169.04	4,600.00	6,000.00	7,200.00		(7,200.00)
Overtime Pay	5,893.31	12,400.00	4,300.00	5,400.00		(5,400.00)
Employee Benefits	78,208.89	87,900.00	81,630.00	87,990.00		(87,990.00)
Subtotal Personnel Expense	324,739.08	374,600.00	328,450.00	357,270.00		(357,270.00)
Operating Expense						
Association/Membership Fees	2,208.52	3,000.00	3,000.00	3,000.00	3,000.00	
Comm and Public Relations	113.63	10,000.00	10,000.00	10,000.00	5,000.00	(5,000.00)
Computer Software	3,968.64	5,000.00	19,000.00	19,000.00	20,000.00	1,000.00
Contract Services	70,276.03	187,550.00	200,000.00	276,000.00	200,000.00	(76,000.00)
PAP / Online Incentives	6,437.50	20,000.00	4,000.00	7,000.00	4,000.00	(3,000.00)
GIS Credit	30,093.32	35,000.00	35,000.00	35,000.00	35,000.00	
Equipment - Purchase	3,357.06	13,500.00	20,000.00	15,000.00	20,000.00	5,000.00
Equipment - Rental	3,469.51			1,000.00		(1,000.00)
Grants and Sponsorship Expense	2,000.00	25,000.00	10,000.00	50,000.00	50,000.00	
Office Supplies	3,546.31	13,750.00	2,600.00	3,000.00	2,600.00	(400.00)
Postage & Courier	30,856.06	26,000.00	26,000.00	28,500.00	26,000.00	(2,500.00)
Protective & Uniform Clothing	4,636.85	4,000.00	3,000.00	4,000.00	3,000.00	(1,000.00)

	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
R&M - Consumables and Parts	2,773.51	45,100.00	20,000.00	19,750.00	20,000.00	250.00
Staff Training & Development	6,283.54	7,200.00	1,500.00	8,000.00		(8,000.00)
SME - Consultants		25,000.00	25,000.00	25,000.00	25,000.00	
Subscriptions and Publications			4,300.00			
Travel		1,400.00	1,000.00	1,400.00		(1,400.00)
Utilities - Hydro	13,585.16	22,000.00	18,500.00	22,000.00	20,400.00	(1,600.00)
Region Rate - Fixed	4,209,067.10	4,920,879.00	5,052,600.00	4,920,879.00	5,797,279.00	876,400.00
Subtotal Operating Expense	4,392,672.74	5,364,379.00	5,455,500.00	5,448,529.00	6,231,279.00	782,750.00
Total Expense	4,717,411.82	5,738,979.00	5,783,950.00	5,805,799.00	6,231,279.00	425,480.00
Surplus/(Deficit) Before Allocation	2,342,956.66	1,198,088.00	1,269,050.00	1,235,301.00	2,454,421.00	1,219,120.00
Allocations: Within Departments					356,025.00	356,025.00
Surplus/(Deficit) After Allocation	2,342,956.66	1,198,088.00	1,269,050.00	1,235,301.00	2,098,396.00	863,095.00
Transfer to/ (from) Reserves	763,093.33	413,191.00	(145,046.01)	(145,046.01)	384,000.00	529,046.01
Transfer Between Funds	1,579,863.33	784,897.00	1,344,411.96	1,380,347.01	1,714,396.00	334,048.99
Total Transfer	2,342,956.66	1,198,088.00	1,199,365.95	1,235,301.00	2,098,396.00	863,095.00
Surplus / (Deficit)			\$69,684.05			

City of Port Colborne
2024 Operating Budget

	Storm Sewer					
	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
Revenue						
Fees	\$120.00		\$700.00			
Rate Revenue - Fixed	1,305,979.75	1,407,000.00	1,382,200.00	1,437,700.00	1,934,800.00	497,100.00
Total Revenue	1,306,099.75	1,407,000.00	1,382,900.00	1,437,700.00	1,934,800.00	497,100.00
Expense						
Personnel Expense						
Salaries and Wages - Full Time	79,155.95	86,900.00	78,840.00	85,560.00		(85,560.00)
Salaries and Wages - Part Time		3,000.00				
Salaries and Wages - Students	1,056.35	1,500.00	2,000.00	2,400.00		(2,400.00)
Overtime Pay	1,964.44	4,100.00	1,400.00	1,800.00		(1,800.00)
Employee Benefits	26,310.46	29,300.00	27,210.00	29,330.00		(29,330.00)
Subtotal Personnel Expense	108,487.20	124,800.00	109,450.00	119,090.00		(119,090.00)
Operating Expense						
Contract Services	47,763.92	137,700.00	80,000.00	38,000.00	80,000.00	42,000.00
Equipment - Purchase	2,875.74		2,000.00			
Equipment - Rental	11,880.36	18,000.00	2,000.00	32,000.00	2,000.00	(30,000.00)
R&M - Consumables and Parts	2,892.47	8,500.00	15,000.00	10,000.00	15,000.00	5,000.00
SME - Consultants			20,000.00	100,000.00	20,000.00	(80,000.00)
Utilities - Hydro	6,574.57	6,000.00	4,600.00	5,000.00	5,100.00	100.00
Utilities - Water	1,120.51	900.00	1,000.00	1,100.00	1,100.00	
City Owned Property Tax Charges	(6,762.35)	11,000.00		1,900.00		(1,900.00)
City Owned Property Drainage Charges	2,104.14					
Subtotal Operating Expense	68,449.36	182,100.00	124,600.00	188,000.00	123,200.00	(64,800.00)
Total Expense	176,936.56	306,900.00	234,050.00	307,090.00	123,200.00	(183,890.00)
Surplus/(Deficit) Before Allocation	1,129,163.19	1,100,100.00	1,148,850.00	1,130,610.00	1,811,600.00	680,990.00

	2022	2022	2023	2023	2024	Variance
	Actual	Budget	Forecast	Budget	Proposed Budget	(2024 Budget - 2023 Budget)
Allocations: Within Departments					37,875.00	37,875.00
Surplus/(Deficit) After Allocation	1,129,163.19	1,100,100.00	1,148,850.00	1,130,610.00	1,773,725.00	643,115.00
Transfer to/ (from) Reserves	327,002.96	390,944.00	(414,506.92)	(414,506.92)	884,000.00	1,298,506.92
Transfer Between Funds	802,160.23	709,156.00	1,520,455.76	1,545,116.92	889,725.00	(655,391.92)
Total Transfer	1,129,163.19	1,100,100.00	1,105,948.84	1,130,610.00	1,773,725.00	643,115.00
Surplus / (Deficit)			\$42,901.16			

Appendix C - Divisional Multi-Year Budgets

Appendix C - Summary - Five Year Combined Water and Wastewater Budgets

	2020	2020	2021	2021	2022	2022	2023	2023	2024	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	58,079	69,100	182,676	72,998	153,696	111,000	118,500	94,200	60,100	(34,100)	(36.2%)
Variable	3,916,398	5,159,839	3,163,050	4,336,213	2,774,850	2,743,067	2,737,800	3,016,000	3,303,393	287,393	9.5%
Fixed	6,170,969	5,939,314	8,192,267	7,091,895	8,893,419	8,840,000	9,256,620	9,113,200	11,261,320	2,148,120	23.6%
Total Revenue	10,145,446	11,168,253	11,537,993	11,501,106	11,821,965	11,694,067	12,112,920	12,223,400	14,624,813	2,401,413	19.65%
Fixed vs. Variable	61%	54%	72%	62%	76%	76%	77%	75%	77%		
Niagara Region	6,655,617	6,974,499	6,279,293	7,017,840	6,381,607	6,961,745	7,507,600	7,319,079	8,370,179	1,051,100	14.4%
Personnel costs	649,699	1,144,524	916,431	1,122,700	974,217	1,123,900	985,350	1,071,810	945,925	(125,885)	(11.7%)
Operations	1,597,248	1,327,081	1,542,997	1,524,310	1,484,384	1,838,810	1,974,618	2,071,967	2,345,909	273,942	13.2%
Capital	1,054,792	1,054,792	600,000	600,000	1,391,497	591,597	1,461,700	1,461,700	870,700	(591,000)	(40.4%)
Borrowing costs	364,242	364,299	364,392	364,300	364,629	364,629	364,326	364,326	1,014,800	650,474	178.5%
Reserve transfers	(176,153)	303,058	1,834,880	871,956	1,225,630	813,386	(65,482)	(65,482)	1,077,300	1,142,782	(1745.2%)
*Total Expenses	10,145,445	11,168,253	11,537,993	11,501,106	11,821,965	11,694,067	12,228,112	12,223,400	14,624,813	2,401,413	19.65%
Surplus / (Deficit)	0	-	-	-	-	-	(115,192)	-	-	-	-
Revenue Budget to Actual / Forecast	(1,022,807)		36,887		127,898		(110,480)				
Niagara Region	65.6%	62.4%	54.4%	61.0%	54.0%	59.5%	61.4%	59.9%	57.2%		
Capital & Reserves	8.7%	12.2%	21.1%	12.8%	22.1%	12.0%	11.4%	11.4%	13.3%		
% of Total Revenue	74.3%	74.6%	75.5%	73.8%	76.1%	71.5%	72.8%	71.3%	70.6%		

*Some expense categories have been re-classed in this schedule to match prior years' reporting.

Appendix C - Summary - Five Year Water Budgets

	2020	2020	2021	2021	2022	2022	2023	2023	2024	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	43,773	49,600	118,714	39,998	71,587	97,000	28,700	63,100	28,700	(34,400)	(54.5%)
Variable	2,192,600	2,600,201	2,140,479	2,128,931	2,142,479	2,120,000	2,280,300	2,376,000	2,604,993	228,993	9.6%
Fixed	2,649,521	2,530,023	2,568,152	2,572,569	2,547,531	2,540,000	2,750,920	2,743,200	3,305,420	562,220	20.5%
Total Revenue	4,885,893	5,179,824	4,827,345	4,741,498	4,761,596	4,757,000	5,059,920	5,182,300	5,939,113	756,813	14.60%
Fixed vs. Variable	55%	49%	55%	55%	54%	55%	55%	54%	56%		
Niagara Region	2,124,086	2,430,382	2,013,547	2,212,840	2,172,540	2,040,866	2,455,000	2,398,200	2,572,900	174,700	7.3%
Personnel costs	540,705	790,145	610,954	561,350	649,478	749,300	656,900	714,540	589,900	(124,640)	(17.4%)
Operations	875,788	741,748	774,080	739,260	845,712	935,310	1,067,306	1,003,970	1,149,513	145,543	14.5%
Capital	509,219	509,219	200,000	250,000	266,700	266,700	621,700	621,700	568,700	(53,000)	(8.5%)
Borrowing costs	364,242	364,299	364,392	364,300	364,629	364,629	364,326	364,326	364,800	474	0.1%
Reserve transfers	471,853	344,031	864,372	613,748	462,537	400,195	79,564	79,564	693,300	613,736	771.4%
*Total Expenses	4,885,893	5,179,824	4,827,345	4,741,498	4,761,596	4,757,000	5,244,796	5,182,300	5,939,113	756,813	14.60%
Surplus / (Deficit)	-	-	-	-	-	-	(184,876)	-	-	-	-
Revenue Budget to Actual / Forecast	(293,931)		85,847		4,596		(122,380)				
Niagara Region	43.5%	46.9%	41.7%	46.7%	45.6%	42.9%	46.8%	46.3%	43.3%		
Capital & Reserves	20.1%	16.5%	22.0%	18.2%	15.3%	14.0%	13.4%	13.5%	21.2%		
% of Total Revenue	63.6%	63.4%	63.8%	64.9%	60.9%	56.9%	60.2%	59.8%	64.6%		

*Some expense categories have been re-classed in this schedule to match prior years' reporting.

Appendix C - Summary - Five Year Wastewater Budgets

	2020	2020	2021	2021	2022	2022	2023	2023	2024	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	14,306	19,500	63,962	33,000	82,109	14,000	89,800	31,100	31,400	300	1.0%
Variable	1,723,798	2,559,638	1,022,571	2,207,282	632,371	623,067	457,500	640,000	698,400	58,400	9.1%
Fixed	3,521,448	3,409,291	5,624,115	4,519,326	6,345,888	6,300,000	6,505,700	6,370,000	7,955,900	1,585,900	24.9%
Total Revenue	5,259,552	5,988,429	6,710,648	6,759,608	7,060,368	6,937,067	7,053,000	7,041,100	8,685,700	1,644,600	23.36%
Fixed vs. Variable	67%	57%	85%	67%	91%	91%	93%	91%	92%		
Niagara Region	4,531,531	4,544,117	4,265,746	4,805,000	4,209,067	4,920,879	5,052,600	4,920,879	5,797,279	876,400	17.8%
Personnel costs	108,994	354,379	305,477	561,350	324,739	374,600	328,450	357,270	356,025	(1,245)	(0.3%)
Operations	721,460	585,333	768,917	785,050	638,672	903,500	907,312	1,067,997	1,196,396	128,399	12.0%
Capital	545,573	545,573	400,000	350,000	1,124,797	324,897	840,000	840,000	302,000	(538,000)	(64.0%)
Borrowing costs	-	-	-	-	-	-	-	-	650,000	650,000	
Reserve transfers	(648,006)	(40,973)	970,508	258,208	763,093	413,191	(145,046)	(145,046)	384,000	529,046	(364.7%)
*Total Expenses	5,259,552	5,988,429	6,710,648	6,759,608	7,060,368	6,937,067	6,983,316	7,041,100	8,685,700	1,644,600	23.36%
Surplus / (Deficit)	0	-	-	-	-	-	69,684	-	-	-	
Revenue Budget to Actual / Forecast	(728,877)		(48,960)		123,301						
Niagara Region	86.2%	75.9%	63.6%	71.1%	59.6%	70.9%	72.4%	69.9%	66.7%		
Capital & Reserves	(1.9%)	8.4%	20.4%	9.0%	26.7%	10.6%	10.0%	9.9%	7.9%		
% of Total Revenue	84.2%	84.3%	84.0%	80.1%	86.4%	81.6%	82.3%	79.8%	74.6%		

*Some expense categories have been re-classed in this schedule to match prior years' reporting.

Appendix C - Summary - Four Year Storm Sewer Budgets

	2020	2020	2021	2021	2022	2022	2023	2023	2024
	Actual	Budget	Actual	Budget	Actual	Budget	Foercast	Budget	Budget
Installation service fee	(276)	5,000	-	-	120	-	700	-	
Rate fees	766,976	770,279	693,086	854,720	1,305,980	1,407,000	1,382,200	1,437,700	1,934,800
Total Revenue	766,700	775,279	693,086	854,720	1,306,100	1,407,000	1,382,900	1,437,700	1,934,800
Personnel costs	-	-	101,826	-	108,487	124,800	109,450	119,090	37,875
Operations	279,204	248,181	156,948	252,870	128,578	250,100	263,901	351,962	455,725
Capital	39,998	-	23,724	23,724	210,876	110,000	850,000	850,000	26,000
Borrowing costs	309,823	299,819	531,156	535,819	531,156	531,156	531,155	531,155	531,200
Reserve transfers	137,675	227,279	(120,567)	42,307	327,003	390,944	(414,507)	(414,507)	884,000
*Total Expenses	766,700	775,279	693,086	854,720	1,306,100	1,407,000	1,339,999	1,437,700	1,934,800
Surplus / (Deficit)	-	-	-	-	-	-	42,901	-	-

*Some expense categories have been re-classed in this schedule to match prior years' reporting.

Appendix D - Divisional Usage & Billing Metrics

Appendix D - Water and Wastewater Usage and Billing Metrics

	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Actual	Forecast
Water (M³)					
Water purchase from Region (Actual)	2,656,040	2,541,330	2,335,980	2,537,830	2,822,400
Water purchase from Region (3 year average for budget)	3,023,863	3,037,000	2,873,000	2,541,000	2,465,000
Water of Region Total (3 year average for Budget purposes)	58,130,000	57,148,000	56,860,000	55,183,000	55,240,000
Port Colborne %	5.20%	5.31%	5.05%	4.60%	4.46%
Wastewater (M³)					
Wastewater to Region (Actual)	4,846,000	4,126,341	3,698,000	3,702,000	4,330,690
Wastewater to Region (Budget basis - 3 Year Average - Oct 31 Ending)	3,944,000	4,480,000	4,590,000	4,232,000	4,590,000
Wastewater of Region Total (Budget basis - 3 Year Average - Oct 31 Ending)	70,306,000	75,938,000	75,218,000	70,681,000	75,218,000
Port Colborne %	5.61%	5.90%	6.10%	5.99%	6.10%
Billing (M³)					
Water bill	1,632,548	1,629,458	1,607,686	1,623,262	1,598,479
Water billed vs. Water Purchased (Goal 85%)	61.47%	64.12%	68.82%	63.96%	56.64%
Additional Data					
Lake Level (Avg. cm above datum)	134.0	140.0	117.0	98.0	98.0 (to June)
Precipitation (MM)	1,078.3	830.0	939.0	839.0	763.0 (to September)

Subject: 2024 Rates Setting

To: Committee of the Whole - Budget

From: Corporate Services Department

Report Number: 2023-165

Meeting Date: November 22, 2023

Recommendation:

That the Committee of the Whole recommend to Council:

That Corporate Services Report 2023-165, **BE RECEIVED**;

That the 2024 Water and Wastewater Rates as outlined in Corporate Services Department Report 2023-165, **BE APPROVED**; and

That the 2024 Storm Sewer Rates as outlined in Corporate Services Department 2023-165, **BE APPROVED**; and

That the draft by-law attached as Appendix A of Corporate Services Report 2023-165 be brought forward to Council for consideration.

Purpose:

The purpose of this report is to present the proposed 2024 water, wastewater, and storm sewer rates to the Budget Committee of the Whole.

A separate report has been prepared and presented to the Committee of the Whole – Budget entitled, 2024 Rates Budget Report 2023-164, to establish water, wastewater, and storm sewer budgets.

Background:

The City of Port Colborne (the “City”) water and wastewater system is operated under a two-tier municipal governance model. The Niagara Region is responsible for cleaning and providing drinking water and treating all wastewater. The City is responsible for water distribution and wastewater collection. The City is also responsible for billing,

retains all collection risk and, except for some shared volume risk with water, is responsible for the risk associated with volume under or over usage from budget.

The Niagara Region bills the municipality for all water that leaves their water plant and for all wastewater that enters the treatment plant. As noted in the report, 2024 Rate Budgets, Report 2023-164, water billed in 2023 is projected at 56.6% suggesting a 43.4% water loss rate. Directionally this figure should be closer to 15%. In the same report it can be identified the amount of wastewater that is sent to the Niagara Region treatment plants is approximately 2.7 times the amount of clean drinking water metered. These figures identify the current linear assets (the pipes) transporting water and wastewater are in need of significant investment. The Niagara Region charge, water loss and inflow and infiltration (I&I), coupled with the capital investment required, are the most significant drivers of the water and wastewater rates within the City.

The City storm sewers alleviate storm water from the City. An effective storm sewer system can help reduce inflow and infiltration (I&I) in the wastewater system.

Discussion:

The 2024 Rates Budget, Report 2023-164 translates into the following impacts on rates.

Rate Budget Impact

Water and Wastewater

If the proposed 2024 Rates Budget and 2024 Rates Setting reports are approved as presented, the water and wastewater impact to a single-family property use 188 m3 of water will be:

	\$ Change	% Change
Water	\$81.05 per year	12%
Wastewater	\$120.29 per year	12%
Blended/Combined	\$201.34 per year	12%
	\$16.78 per month	

This increase is required to offset the Niagara Region anticipated water and wastewater increases as presented at the Niagara Region's Budget Review Committee of the Whole – November 16, 2023 and to fund City of Port Colborne capital projects to reduce water loss and inflow and infiltration (I&I). Reduced water loss and I&I would result in lower charges from the Niagara Region, all things being equal.

Storm Sewer

If the proposed 2024 Rates Budget is approved as presented, the storm sewer impact to a single-family property is \$55.90 per year or \$4.66 per month which represents a 40% increase over the prior year.

This increase is part of the approved Disaster Mitigation Adaptation Fund (DMAF) grant application (Report 2023-39) to address storm sewer outlet protection, outlet pumping, and sump pump drains in storm sewer districts 6, 7, and 13 which are at highest risk of storm seiche events.

Water and Wastewater

As identified during the 2024 Rates Budget, a 12% increase to the 2024 Water Rates was forecasted and has been recommended in this report. The chart below shows the proposed rates for 2024:

Variable			
			Rate per m3
Water (all meter types)			1.5814
Wastewater (5/8 to 3/4 residential meters)			0.0000
Wastewater (all non-5/8 to 3/4 residential meter types)			2.1123
			3.6937
Fixed			
Meter	Water	Wastewater	Combined
Residential properties with 2 or less units [19 mm (3/4") or smaller]	\$ 459.31	\$ 1,122.67	\$ 1,581.97
Residential properties with 3 or more units	\$ 229.65 per unit	\$ 561.33 per unit	\$ 790.98 per unit
N 5/8 to 3/4 - Non-Residential	\$459.31	\$826.59	\$ 1,285.90
N 1	\$ 643.02	\$ 1,157.23	\$ 1,800.25
N 1 1/2	\$ 826.75	\$ 1,487.85	\$ 2,314.60
N 2	\$ 1,331.99	\$ 2,397.11	\$ 3,729.10
N 3	\$ 5,052.35	\$ 9,092.48	\$ 14,144.84
N 4	\$ 6,430.27	\$ 11,572.24	\$ 18,002.51
N 6	\$ 9,645.41	\$ 17,358.38	\$ 27,003.79
N 8	\$ 13,319.85	\$ 23,971.08	\$ 37,290.93
N 10	\$ 18,372.20	\$ 33,063.56	\$ 51,435.77

The rates above will result in the average residential user using 188 cubic meters of water per year paying \$156.61 per month.

While the 2024 rates of other local area municipalities are not available at the time of writing this report, the chart below breaks down the 2023 monthly charge between water and wastewater:

	City of Port Colborne (Proposed 2024)	Local Area Municipality Average (2023)
Water	\$63.05	\$45.66
Wastewater	\$93.56	\$59.88
Total	\$156.61	\$105.54

The monthly charge for wastewater in 2024 is approximately 88% (93.56/105.54) of the combined water and wastewater charge for the average local area municipality.

The primary reason for this is the inflow and infiltration in the wastewater system. The City is built on rock, on a water table and along the lake and canal. While the City is planning improvements and expansions of the storm sewer system, a significant portion of the City does not have a designed storm sewer. When there is a weather event the wastewater system captures a significant amount of that water and sends it to the Niagara Region wastewater treatment plant to be cleaned. A salient fact is for every 1 litre of clean water individuals and business use in the City, the wastewater system collects and sends back to the Niagara Region 2.7 litres to be treated. The Niagara Region bills local area municipalities for treating that wastewater by taking the Niagara Region's total cost for the whole wastewater system and allocating those costs to each local area municipality based on the amount of wastewater each local area municipality sends to the Niagara Region treatment plants.

In 2023, the City of Port Colborne three-year average wastewater flow to Niagara Region wastewater facilities was 6.1% of all local area municipality wastewater flows. This is despite the fact the 2021 census shows that the City of Port Colborne has only 4.1% of the Niagara Region population. In making this comparison staff recognize not all individuals within the City and other cities within the Niagara Region are water and wastewater users. This comparison also does not factor in the impacts of different commercial and industrial activities within different cities. The comparison does directionally indicate the City's portion of Niagara Region wastewater charges are high compared to other municipalities. As identified in the 2024 Rates Budget report, the Niagara Region portion of the wastewater bill represents 66.7% of the total wastewater charge.

In response to the inflow and infiltration experienced in the wastewater system this budget, as highlighted in the Rates Budget, includes:

- \$10 million in wastewater lateral lining (1/3 the City)
- \$32 million Disaster Mitigation Adaptation Fund (DMAF) Grant Application to address storm sewer outlet protection, outlet pumping, and sump pump drains in

storm sewer districts 6, 7, and 13 which are at highest risk of storm seiche events.

The City's Infrastructure Needs Study (INS) that is in the completion phase will provide recommendations for reconstruction and upgrade the wastewater system.

In addition to upgrading the infrastructure, growth within the City of Port Colborne, whether it be residential, commercial, or industrial, can also be very impactful as it shares the cost of the system over more users.

Storm Sewer

As identified during the 2024 Rates Budget and 2024 Capital and Related Project budget process a storm sewer charge increase was proposed. The increase is to fund the DMAF Grant Application work. The proposed increase of 40% on a single-family property is \$55.90 per year or \$4.66 per month.

The proposed rates maintain the same multipliers for calculating the storm sewer fee on properties in the storm sewer boundary as the prior year except with respect to multi-residential houses where it is recommended the City moves to a per unit charge where there is 3 or more units. A similar approach was approved by Council on June 27, 2023, with respect to water and wastewater. This approach replaces the grouping of multi-residential properties into grouping of units. The discount applied to multi-residential properties when these multipliers were established is recommended to be maintained. That discount is 10%. This change will result in a savings that will vary by property from what otherwise would have been paid for multi-residential properties with under 20 units.

In the case of multi-residential properties with one property tax bill, the property owner will receive one consolidated fee. This process will be the same as 2023 and prior. The only difference is the fee will be based on the rate times the number of units where in 2023 it was based on the multi-residential grouping the multi-residential property was classified in.

In the case of multi-residential properties where each unit receives a tax bill (ie. condos) there will be no change in their storm sewer fee calculation or billing process from 2023.

Proposed Storm Sewer fees are as follows:

Bylaw Code	Property Type	Multiplier		Flat Fee Per Year (\$)	
		2023	2024	2023	2024
SS01	Single Family Properties	1	1	\$ 139.76	NA
SS01	Residential properties with 2 or less units	NA	1	NA	\$195.66
SS02	Residential properties with 3 or more units (including condo's)	NA	90% SS01 per unit	NA	\$176.09
SS02	Multi-Residential 2 to 5 Units	5	5	\$ 698.78	NA
SS03	Multi-Residential 6 to 10 Units	10	10	\$1,397.55	NA
SS05	Institutional/Multi-Res > 10 units	20	20	\$2,795.10	NA
SS05A	112 Charlotte St Condo 23 units	90% SS01	90% SS01	\$ 125.78	NA
SS05B	112 Sugarloaf St Condo 22 Units	90% SS01	90% SS01	\$ 125.78	NA
SS05C	72 Main St E Condo 31 Units	90% SS01	90% SS01	\$ 125.78	NA
SS06	Small Commercial	5	5	\$ 698.78	\$ 978.29
SS07	Medium Commercial	10	10	\$1,397.55	\$1,956.57
SS08	Large Commercial	20	20	\$2,795.10	\$3,913.14
SS09	Light Industrial	10	10	\$1,397.55	\$1,956.57
SS10	Heavy Industrial	40	40	\$5,590.20	\$7,826.28
SS12	CNPI Owned	20	20	\$2,795.10	\$3,913.14
SS13	Hydro One Owned	20	20	\$2,795.10	\$3,913.14
SS15	Niagara Region	20	20	\$2,795.10	\$3,913.14

To simplify storm sewer billing moving forward, it is recommended that properties that do not receive a property tax bill, but are within the storm sewer fee boundry, receive their storm sewer charge on their water and wastewater bill on an amortized basis over 12 months.

Looking Forward

As identified on many occasions, “everyday is budget day” in a municipality. Corporate Services continues to identify continuous improvement is a process. Looking forward to 2024, staff identify the following activities, in addition to those identified during the 2024

Levy and Rates Budget processes, that will help determine the financial outcomes of the City going into the 2025 budget process:

- Review the storm sewer boundary in-light of recent and planned growth within the City.
 - Continue the review of properties with significant and specified water, wastewater, and storm sewer usage and discharge rights and associated fees regarding those rights.
-

Internal Consultations:

As stated, Financial Services would like to thank Public Works for their leadership and support in setting the 2024 water, wastewater, and storm sewer rates.

Financial Implications:

Financial Services identifies the proposed 2024 water, wastewater, and storm sewer rates are a staff recommendation that Council can adjust, if required.

Public Engagement:

The 2024 Rates Setting report was published on the City's website on November 17, 2023, through the agenda process. The 2024 Rates Setting report will be considered by the Committee of the Whole – Budget on November 22, 2023. If approved by the Committee of the Whole – Budget, the 2024 Rates Setting report will be considered by Council on November 28, 2023.

Following the budget process, staff will continue to review service levels and operations. Should changes be requested or sought, staff will seek input and, where necessary, approval from Council.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
- Welcoming, Livable, Healthy Community
- Economic Prosperity

- Increased Housing Options
 - Sustainable and Resilient Infrastructure
-

Conclusion:

Staff recommend Council approve the 2024 water, wastewater, and storm sewer rates identified in this report.

The storm sewer rates will be updated by way of the 2024 Property Tax Rates by-law once tax policy decisions are finalized by the Niagara Region in early 2024.

Appendices:

- a. Draft By-Law – 2024 Water and Wastewater Rates

Respectfully submitted,

Bryan Boles, CPA, CA, MBA
Director of Corporate Services/Treasurer
(905) 835-2900 Ext. 105
Bryan.Boles@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

The Corporation of the City of Port Colborne

By-law No. _____

Being a By-law to Amend By-Law No. 3151/22/95, as Amended, Being a By-Law to Regulate the Supply of Water and to Provide for the Maintenance and Management of the Water Works and for the Imposition and Collection of Water Rates

and to

Amend By-Law No. 3424/6/97, as Amended, Being a By-Law for the Imposition and Collection of Sewage Service Rates and Sewer Rates

Whereas at its meeting of December 12, 2023, the Council of The Corporation of the City of Port Colborne (Council) approved the recommendations of the Corporate Services Department Report No. 2023-165, Subject: 2024 Rates Setting; and

Whereas Council resolved the following be effective January 1, 2024:

- Residential properties with 2 or less units [19 mm (3/4") or smaller]
 - Water usage rate be set at \$1.5814 per cubic meter
 - Water fixed service charge be set at \$459.31 per year per year
 - Wastewater fixed service charge be set at \$1,122.67 per year
- Residential properties with 3 or more units
 - Water usage rate be set at \$1.5814 per cubic meter
 - Water fixed service charge be set at \$229.65 per year, per unit
 - Wastewater fixed service charge be set at \$561.33 per year, per unit
- Any users that has or had approval to draw or remove water from the lake or canal.
 - Water usage rate be set at \$1.5814 per cubic meter of water usage
 - Wastewater usage rate be set at \$2.1123 per cubic meter of water usage. If metered wastewater usage is larger than metered water usage for the 12 months ending December 31, the difference, multiplied by 2.1123 per cubic meters will be added to the January water and wastewater bill.
 - Water fixed service charge be set at \$459.31 per year multiplied by meter factor
 - Wastewater fixed service charge be set at \$826.59 per year multiplied by meter factor
- All other users
 - Water usage rate be set at \$1.5814 per cubic meter of water usage
 - Wastewater usage rate be set at \$2.1123 per cubic meter of water usage
 - Water fixed service charge be set at \$459.31 per year multiplied by meter factor
 - Wastewater fixed service charge be set at \$826.59 per year multiplied by meter factor

Whereas any rate in this by-law is subject to change through future amendments, including rate changes due to, but not limited to future budget changes.

Whereas Council is desirous of amending By-Law 3151/22/95, as Amended, Being a By-Law for the Imposition and Collection of Water Rates and By-Law 3424/6/97, as Amended, Being a By-Law for the Imposition and Collection of Sewage Service Rates and Sewer Rates.

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

- 1. That By-Law 3151/22/95, as Amended, Being a By-Law to Regulate the Supply of Water and to Provide for the Maintenance and Management of the Water Works and for the Imposition and Collection of Water Rates and By-Law 3424/6/97, as Amended, Being a By-Law for the Imposition and Collection of Sewage Service Rates and Sewer Rates, be further amended by replacing Schedule "A" thereto with Schedule "A" hereto.
- 2. The usage and fixed rates established by this By-Law's all be effective January 1, 2024.
- 3. That by-law 7107/49/23 be repealed.

Enacted and passed this _____ day of _____, 2023

William C. Steele
Mayor

Saima Tufail
Acting City Clerk

Water and Wastewater Rates

1. Metered Consumption Rates

All users, including Residential, Institutional/ Commercial/ Industrial ("ICI") are subject to a metered consumption rate for water of \$1.5814 per cubic meter of water usage.

All users, with the exception of Residential properties, are subject to a metered consumption rate for wastewater of \$2.1123 per cubic meter of water usage.

If a user has or had the ability to draw or remove water from the lake or canal and metered wastewater usage is larger than metered water usage for the 12 months ending December 31, the difference, multiplied by 2.1123 per cubic meters will be added to the January water and wastewater bill.

There is no minimum charge per billing period.

2. Bulk Water Sales

The metered rate for bulk water sales is \$1.5814 per cubic meter.

The service charge is based on a 75mm (3") meter regardless of the actual meter used. The fixed service charge is \$5,052.35 per year.

3. Fixed Service Charge

Residential properties are subject to a fixed service charges as follows:

Meter Size	Meter Factor	Water	Wastewater
Residential properties with 2 or less units [19 mm (3/4") or smaller]	NA	\$ 459.31	\$ 1,122.67
Residential properties with 3 or more units	NA	\$ 229.65 per unit	\$ 561.33 per unit

All other users are subject to a fixed service charge based on user type or meter size:

Meter Size	Meter Factor	Water	Wastewater
19 mm (3/4") or smaller 1 - non-Residential	1	\$ 459.31	\$ 826.59
25 mm (1")	1.4	\$ 643.02	\$ 1,157.23
38 mm (1 1/2")	1.8	\$ 826.75	\$ 1,487.85
50 mm (2")	2.9	\$ 1,331.99	\$ 2,397.11
75 mm (3")	11.0	\$ 5,052.35	\$ 9,092.48
100 mm (4")	14.0	\$ 6,430.27	\$ 11,572.24
150 mm (6")	21.0	\$ 9,645.41	\$ 17,358.38
200 mm (8")	29.0	\$ 13,319.85	\$ 23,971.08
250 mm (10")	40.0	\$ 18,372.20	\$ 33,063.56

All developable vacant land directly abutting the water distribution and/or wastewater collection system will be charged the fixed service charge for water and wastewater through the property tax billing system unless the property is assessed undevelopable by the City's Planning department.

The fixed service charge applied to developable vacant land will be charged based on property classification as follows:

Property Type	Water	Wastewater
Residential	\$ 459.31	\$ 1,122.67
Commercial/Institutional	\$ 1,331.99	\$ 2,397.11
Industrial	\$ 5,052.35	\$ 9,092.48

It is not the intent of this bylaw for a property owner to have paid the developable vacant land fixed service charge on a property for the same time period as the regular fixed service charge for the same period. For any period of duplicate payment, which may occur due to time of billings as a property moves from undeveloped to developed, the City will refund the developable vacant land fixed service charge.

4. Flat Rate (Residential)

During any month where an accurate meter reading cannot be recorded, a Residential user account will be charged a monthly flat rate of \$126.00 for water and \$187.00 for wastewater will be charged.

Examples of when a meter reading cannot be recorded are as follows:

- where a service connection has been turned on at the property line but where no meter has been installed (water meter refusal);
- refusing to provide a meter reading and / or providing access to read a water meter or reading device;
- refusing to remove any obstruction to reading a meter or reading device;
- refusing to provide for meter or reading device repairs for accurate meter readings;
- the tampering with or alteration of the water meter or reading device and meter readings cannot be obtained.

Flat Rate (ICI)

During a period where an accurate meter reading cannot be recorded, an ICI user account will be charged a monthly flat rate for water and wastewater. The flat rate will be calculated as two (2) times the current fixed service charge per Section 3 (the fixed service charge will be dependent on meter size) above PLUS two (2) times the monthly average of the previous 12 months' available consumption at the metered consumption rates per Section 1 above.

Examples of when a meter reading cannot be recorded are the same as those outlined under "Residential" above.

5. Water for New Construction Rates

During periods of new construction where there is no water meter the following rates are charged:

- Residential properties are subject to a \$297.00 flat fee.
- ICI properties are subject to a \$594.00 flat fee.

Upon final inspection or once a water meter has been installed and is operational, rates are no longer subject to this section. Rates are to be charged based on Sections 1 to 4 above.

6. Administration Charges

- Issuing a water shut off tag shall be charged to the property owner at a fee of \$80.00;
- Water account inquiries will be provided at a fee of \$14.00;
- Reading of analog meters due to refusal to upgrade to RF meters will be provided at a fee of \$80.00 per scheduled reading date.
- Customer request to change out from an RF meter to an analog meter will be at the customer's expense to cover the actual cost of the new analog meter plus removal and installation costs.

7. User Charges

There are certain user charges with respect to water and wastewater that are included in the User Fee By-Law. These include such topics as water turn on / off and installation of water services.

User fees may be billed individually, included in a user's water and wastewater bill or charged and collected through a building permit.

8. Late Payment Fees

Payment terms to be a minimum of net 21 days.

Interest on water and wastewater accounts to begin accruing at one and one fourth (1 ¼) percent of the amount due and unpaid starting on the first day of default.

At the discretion of the Director, Corporate Services / Treasurer a payment can be backdated to the due date on any accounts receivable balance received within five business days of the due date provided a reasonable explanation for the late payment has been provided by the account holder.

The Director, Corporate Services / Treasurer is approved to move any unpaid water and wastewater balances to the property tax roll of the related property.

9. Billing Cycle

Identified and developable vacant land subject to the fixed service charge will be billed semi-annually on the property tax bill or through the supplemental tax billing system on a prorated basis.

The water for new construction charge will be billed and collected at the time of building permit before a building permit is issued.

All water and wastewater meter users will be billed monthly on a water and wastewater bill.

10. Exemptions from Billing for Wastewater costs

- Bulk water haulers accessing City bulk water facilities;
- Port Colborne Poultry Limited;
- Any property that does not directly abut any part of the wastewater system;
- Any other property that is covered by a separate By-Law enacted by Council.