

**A SPECIAL MEETING OF THE
COUNCIL OF THE TOWN OF LADYSMITH
AGENDA
5:30 P.M.**

Tuesday, November 10, 2020

This meeting will be held electronically as per Ministerial Order No. M192

Pages

1. CALL TO ORDER

Please follow this link to view the meeting: <https://www.youtube.com/channel/UCH3qHAExLiW8YrSuJk5R3uA/featured>

2. AGENDA APPROVAL

Recommendation

That Council approve the agenda for this Special Meeting of Council for November 10, 2020.

3. 2021 BUDGET WORKSHOP - WATER AND SEWER UTILITY INTRODUCTION

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Recommendation

That Council receive for information the report from the Director of Financial Services, dated November 10, 2020, regarding Water and Sewer Rates for 2021.

3.1. Presentation and Council Discussion

3.2. Public Input and Questions

Residents can submit questions to Council via email at info@ladysmith.ca during the meeting.

4. ADJOURNMENT

INFORMATION REPORT TO COUNCIL

Report Prepared By: Erin Anderson, Director of Financial Services
Meeting Date: November 10, 2020
File No:
Re: Water and Sewer Rates for 2021

RECOMMENDATION:

That Council receive for information the report from the Director of Financial Services, dated November 10, 2020, regarding Water and Sewer Rates for 2021.

EXECUTIVE SUMMARY:

The Water and Sewer utility expenses are funded by user rates and parcel taxes. The user fees are billed each quarter, with the first quarter starting January.

PREVIOUS COUNCIL DIRECTION:

N/A

DISCUSSION:

The Town operates our own Water and Sewer (also known as waste water) utilities. The expenses in the respective utilities are funded through user fees and parcel taxes. This budget continues with the past practice of using the parcel taxes to fund the debt payments and the capital projects whereas the user fees cover most of the day-to-day operations.

The Water Fund is proposing a 3% utility increase which will result in a \$3.66 increase per quarter for an average single family dwelling using 1 cubic meter of water a day. There is no proposed increase to the Water Parcel Tax. The increase is due to a rise in inflationary operating costs as well as factoring in a decrease in annual consumption.

The Sewer Fund is proposing to keep the rates at the current levels for both the user fees and the parcel tax.

I approve the report and recommendation(s).

Allison McCarrick, Chief Administrative Officer

ATTACHMENT(S):

- Appendix A – Sewer Utility Fund revenues and expenses
- Appendix B – Water Utility Fund revenues and expenses

Appendix A – Sewer Utility Fund revenues and expenses

Sewer Revenues:

Object	Proposed Budget 2021	Approved Budget 2020
DCC	43,000	43,000
Parcel Tax	1,287,200	1,279,950
User Fees	1,630,190	1,606,781
Grand Total	2,960,390	2,929,731

There are no proposed changes to the rates; the proposed revenues are increasing due to growth.

Expenses:

	2021 Proposed Budget	2020 Approved Budget	Dollar Change (\$)	Percent Change (%)
Employment Costs	870,694	835,523	35,171	4.21%
Debt payment	657,500	667,500	- 10,000	-1.50%
Transfer to Capital	575,750	600,000	- 24,250	-4.04%
Other	227,382	233,720	- 6,338	-2.71%
Materials & Supplies	187,135	190,325	- 3,190	-1.68%
Utilities	156,682	155,490	1,192	0.77%
Reserve	147,429	47,261	100,168	211.95%
Contract Services	96,089	158,516	- 62,427	-39.38%
Insurance	41,729	41,396	333	0.80%
Grand Total	2,960,390	2,929,731	30,659	1.05%

Cost Drivers:

- Inflationary increases
- Reduction in Professional Fees

Appendix B – Water Utility Fund Revenues and Expenses

Water Revenues:

	Proposed Budget 2021	Approved Budget 2020
User Fees	1,417,546	1,375,779
Parcel Tax	1,785,280	1,772,383
Grand Total	3,202,826	3,148,162

There is a proposed 3% increase to the Water Rates which equates to a \$3.66 increase per quarter for the average single family dwelling using 90m³ in a quarter. There is no change to the Water Parcel Tax.

Expenses:

	2021 Proposed Budget	2020 Approved Budget	Dollar Change (\$)	Percent Change (%)
Employment Costs	814,176	797,590	16,586	2.08%
Debt payment	765,691	765,690	1	0.00%
Transfer to Capital	458,000	675,000	-217,000	-32.15%
Reserve	390,945	180,539	210,406	116.54%
Other	248,303	194,630	53,673	27.58%
Materials & Supplies	225,150	233,200	- 8,050	-3.45%
Contract Services	150,070	153,670	- 3,600	-2.34%
Utilities	105,400	104,900	500	0.48%
Insurance	45,091	42,943	2,148	5.00%
Grand Total	3,202,826	3,148,162	54,664	1.74%

Cost Drivers:

- Inflationary increases
- Debt payments include funds for the unexecuted debt approved by the electors in January of 2020.