



REQUEST FOR DECISION

MEETING DATE: November 15, 2021

TITLE: Bylaw C-1175-21 – 2022 Fees and Charges Bylaw – First and Second Reading

DIVISION: Corporate Services

SUMMARY:

First and second reading of Bylaw C-1175-21 is being brought forward for Council's consideration. This bylaw authorizes the 2022 fees for water, wastewater and waste management, transit, the cemetery and community tribute program, fines and penalties and other general administrative services.

PROPOSED MOTION:

First reading is recommended for approval on the consent agenda

THAT first reading be given to Bylaw C-1175-21 – 2022 Fees and Charges Bylaw.

THAT second reading be given to Bylaw C-1175-21 – 2022 Fees and Charges Bylaw.

BACKGROUND / ANALYSIS:

The Fees and Charges Bylaw establishes rates, fees and charges for certain goods and services provided by the City, and provides for the imposition of fines and penalties for certain offences and unpaid taxes.

The recommended 2022-2024 Corporate Plan proposes a utility rate increase of 2.0% for 2022 to fund utility operating and capital costs. The impact on a household with an average monthly consumption of 14 cubic meters would be \$1.74/month (\$20.88/year). Utility rates are partially driven by the cost of purchasing water and processing wastewater. The Capital Region Parkland Water Services Commission has proposed a 2022 rate of \$2.05/m³ to their Board (0.97%

decrease from the 2021 rate). Administration for the Alberta Capital Region Wastewater Commission have advised they proposed a 2022 rate of \$1.42/m³ to their board in early December (4% increase from 2021).

In addition to water and wastewater costs, the utility rate increase reflects infrastructure maintenance and replacement (lifecycling), and market cost of construction.

Other services with proposed increases include:

- Supply of water service only to Parkland County - \$3.645/m³
- Supply of water and wastewater for the purpose of new land development - \$972/ha.
- Supply of wastewater service only - \$26.71/unit per month
- City of Spruce Grove bulk water station - \$6.331/m³

Storm Water rates are proposed to increase in accordance with the storm water rate model implemented in 2020.

- Small Customer rates are proposed to increase by 57.5% to \$11.50/m³
- Large Customer rates are proposed to increase by 23.7% to \$46.00/m³

Other explanations of changes include the following:

- Section 3.2 – “Adult” is added to underline the specific age range for transit purposes.
- Section 3.4 – “Arc” is added to describe the new electronic fare payment system to be used by transit agencies in Spruce Grove, St. Albert, Strathcona County, Fort Saskatchewan, Leduc, Beaumont, and Edmonton.
- Section 3.22 – “Local Fare” is added to reflect the transit routes under this category.
- Section 3.30 – “Proof of Payment” is added to highlight the area(s) where having a valid proof of payment is required and enforceable.
- Section 3.41 – “Student” is added for transit purposes.
- Section 3.43 – “Tribute Park” name was changed to “Community Tribute Program” to align with operations.
- Section 3.49 – “Youth” is added to underline the specific age range for transit purposes.
- Section 10.1 & 10.2 – Tribute Park name was changed to Community Tribute Program to align with operations.
- Schedule B (Rural Rate) - Fees added as a result of the Annexation order. The rate reflects the cost of water purchased from the Capital Region Parkland Water Services Commission (CRPWSC) plus a 5% administration fee.
- Schedule B (Rural Service Fee) – Reflects the service charge imposed by CRPWSC for monthly meter reads.
- Schedule D (Transit Fees) – Changes reflects alignment with the Arc electronic fare system introduced within City of Spruce Grove and other participating agencies.

OPTIONS / ALTERNATIVES:

The City has not proposed any changes to the Solid Waste Utility as the cost drivers have not increased for that utility for 2022. The Electric Franchise Fee has already reached its maximum rate of 20%. Natural Gas Franchise Fees are currently at 30% and are not yet at the maximum rate of 35%. For utility rates to be effectively communicated, the bylaw will need to receive third reading by December 13, 2021.

CONSULTATION / ENGAGEMENT:

Utility rates are discussed in detail as part of the Committee of the Whole and Council corporate plan deliberations.

IMPLEMENTATION / COMMUNICATION:

Communication of the utility rate increase will occur through the Examiner, City of Spruce Grove website, and social media outlets and on the utility bill to be issued in early January. Notice will be given to Parkland County of the proposed rate increase for 2022.

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

Utility operations and capital projects are funded from utility reserves. Neither grants nor taxes are used to subsidize rates.

STRATEGIC VISION ELEMENT:

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

RELATED GOAL:

Spruce Grove has a robust, growing economic base that generates increased revenues to support the City's high standards for service and programs.