



REQUEST FOR DECISION

MEETING DATE: November 29, 2021

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

DIVISION: Corporate Services

SUMMARY:

Third 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:

THAT third reading be given to Bylaw C-1175-21 – 2022 Fees and Charges Bylaw, as amended.

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% in 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 projected a 2022 rate of \$2.05/m³ to their Board (0.97% decrease from 2021). Administration for the Alberta Capital Region Wastewater Commission have advised they are proposing a 2022 rate of \$1.42/m³ to their Board in early December (4% increase from 2021), which is likely to be lower than proposed after deliberations.

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

Additional stormwater information has been added since second reading to differentiate between small and large customers:

The stormwater utility rate came into effect October 1, 2020, and is set based on a storm rate model. The rate charged is based on the size of the water meter servicing a property. Small customers are defined as those with water meters under 1 inch, while large customers are defined as those with water meters that are 1 inch or larger. The City currently has approximately 12,350 small customers and 150 large customers. In accordance with the model, the rates are proposed to increase in 2022 as follows:

- Small Customer rates were increased by 57.5% - \$11.50/m³
- Large Customer rates were increased by 23.7% - \$46.00/m³

Transit updates/information since second reading are as follows:

- It has been confirmed that passengers under 12 years old should have been free when accompanied by a paying customer and included for both local and commuter fares. This has been updated in the local fare to reflect this change. There is no limit as to the number of passengers under 12; per payee.
- It has been clarified that the ARC monthly cap does not exceed \$135. The fares remain the same, however, there was clarification that the cap is NOT \$135 per commuter plus \$65 for local but rather never exceeds the \$135 as a cap total.
- The 1.5 hour transfer limit applies to both the ARC card and the local (LUM) pass. Passengers can take as many trips as they want within the 1.5 hour limit. However, if they transfer to a different agency (e.g. Edmonton Transit or St. Albert Transit) they would pay a separate fare for the other agency.
- Once the ARC electronic fare payment system is fully implemented and stable, the paper products (monthly passes and ticket books) will be discontinued. Administration has not introduced a paper monthly pass for local service because the ARC system is expected to be fully operational prior to the end of 2022. There is also the expectation that the Edmonton Metropolitan Transit Service Commission will take over the responsibility for transit service and fares in 2022.

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 November 29, 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 December

and January. Notice was given to Parkland County of the proposed rate increase for 2022 via a letter dated November 10, 2021.

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

Utility operations and capital projects are funded with utility revenue. In some cases, debt has also been used to fund utility capital projects. Neither grants nor taxes are used to subsidize utility 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.