

Report to Council

Report Title:	2019 Utility Rate Changes		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	February 12, 2019		
Report Number:	FIN2019-02	File Number:	C11FIN
Attachments:	None		

Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number FIN2019-02 – 2019 Utility Rate Changes, prepared by Trish Serratore, Chief Financial Officer, and in so doing authorizes a By-Law coming forward approving the 2019 Water/Wastewater Rates.

Report:

Background:

On January 22, 2016, Steve Burns from B.M Ross presented the Water Works Financial Plan (2016-2021) in accordance with O. Reg. 453/07. The Plan includes the following basic components:

1. A full cost analysis of the provision of water services.
2. A cost recovery plan, including a proposal for a series of revenue increases

The Ontario Ministry of the Environment and Climate Change (MOECC) has set out, in the *Safe Drinking Water Act, 2002* (SDWA), detailed requirements for financial planning related to water works systems.

The key aspects that were considered were the following:

1. The Financial Plan must apply to a period of at least six years. The first year to which the Financial Plan must apply must be the year in which the drinking water system's existing Municipal Drinking Water License would otherwise expire (i.e. 2016).
2. Amortization costs for existing infrastructure must be identified in the Financial Plan, but there is no requirement to recover those costs.

On February 16, 2016, Council accepted the Five Year Water and Wastewater System Financial Plan (Res 16-06-042)

16-06-042 Moved by B. Bell Seconded by C. Oberle:

“Whereas the Council of the Municipality of Brockton has reviewed financial information regarding Water and Wastewater System Financial Plan requirements under O. Reg. 453/07 presented by Steve Burns of B.M. Ross on February 16, 2016.

Be it resolved that the Council of the Municipality of Brockton hereby approve a three percent (3%) annual increase as part of Brockton’s Five Year Water and Wastewater System Financial Plan to allow for long term cost recovery and capital planning.”

Analysis:

Each year Council needs to approve the annual increase to the utility rates. These rates take effect March 1st each year. In prior years, the utilities budget would have been passed by Council prior to the March 1st date and the By-law with the changes to the rates would have come forward with the budget approval.

Since there is only one Council meeting in February, staff require Council to approve the By-law to be able to implement the rate change on March 1st. The 2019 budget has been prepared with the previously approved 3% increase.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? N/A
- Do the recommendations contribute to achieving Cultural Vibrancy? N/A
- Do the recommendations contribute to achieving Economic Prosperity? N/A
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes
- Increased rates are included in the annual budget as per the approved 6 year Financial Plan.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:

A handwritten signature in black ink, appearing to read "Suzanne Ald", with a long, sweeping flourish extending to the right.

Chief Administrative Officer