



City of Port Moody

Report/Recommendation to Council

Date: October 25, 2021
Submitted by: Finance and Technology Department – Financial Services Division
Subject: 2022 Fees Bylaw

Purpose

To present the draft 2022 Fees Bylaw for consideration.

Recommended Resolution(s)

THAT City of Port Moody Fees Bylaw, 2021, No. 3327 as presented in Attachment 1 be read a first, second, and third time as recommended in the report dated October 25, 2021 from the Finance and Technology Department – Financial Services Division regarding the 2022 Fees Bylaw.

Background

Draft City of Port Moody Fees Bylaw, 2021, No. 3327 (**Attachment 1**) has been prepared with input from all departments and is attached for Council's review. If adopted, Bylaw No. 3327 would repeal Bylaw No. 3213 and all subsequent amendments.

Discussion

Each department has reviewed their fees for reasonability and comparability against other municipalities. Some fees remained the same as 2021 rates, but in most cases, the fees were adjusted to reflect a 2% inflationary increase with rounding.

The following fees contained adjustments in exception to the statement above.

Building Fees

The Waste Management Fee for Demolition (**Attachment 1**, page 10) has been adjusted in the square footage categories, and increased by 20-72%. The square footage adjustment was required as the majority of homes being demolished are being declared at a lower than expected square footage to pay the lower rate. This new scale will still allow smaller accessory buildings to be demolished without the higher waste management fee.

The waste management fee for the two most used square footages were increased because this is the most typical range for homes currently being demolished, and staff have identified that, over the past year, more and more people are not submitting their compliance report at the end of their demolition project. The fee increase is needed to encourage recycling of demolition waste. The waste management fee is the returnable portion if they show evidence of diverting waste from the land fill.

Cultural Services

The Street Performer Licence (**Attachment 1**, page 17) was increased by 20% from \$25 to \$30 as the annual SOCAN fee to support the Street Performers Program is significantly higher than the revenue from permits. The goal is to raise the permit fee over the next few years in order to fully cover this cost. Alternatively, Council may wish to keep the permit fee at \$25 and continue to subsidize the program at the current rate, which is approximately 50%.

Operations

Net Solid Waste charges are increasing by 2.4% for 2021, resulting in a \$10 increase for a single-family residential property (**Attachment 1** page 25).

Water and Sewer Fees

At the October 19, 2021 Finance Committee meeting, the following resolution was passed:

FC21/058

THAT the provisional 2022-2026 Utility Five-Year Financial Plan be approved with revised Metro Vancouver Charges incorporated once available as recommended in the report dated September 30, 2021 from the Finance and Technology Department – Financial Services Division regarding Provisional 2022-2026 Utility Five-Year Financial Plan;

AND THAT the proposed 2022 fees for the Water, Sewer, and Solid Waste Utilities be included in the 2022 Fees Bylaw with revised Metro Vancouver charges incorporated once available.

On October 20, 2021, Metro Vancouver's Board of Directors approved the 2022 Budget and 2022-2024 Financial Plan. Staff have incorporated revised Metro Vancouver charges into the Utility budgets. As a result, Water rates will increase by 2.95%, and Sewer rates will decrease by 2.79% in 2022. This translates to an increase in the residential rate for Water from \$475 to \$489. The residential rate for Sewer will decrease from \$358 to \$348 (originally proposed at \$379).

At the October 5, 2021 Special Council (Committee of the Whole) meeting, staff presented a tiered approach to water and sewer fees in response to the following resolution:

RC20/409

THAT staff report back with a tiered approach to water and sewer fees that includes lower utility rates for secondary suites and an analysis of the associated financial impacts.

At that meeting, the following resolution was passed:

CW21/106

THAT staff report back with options to reduce water and sewer rates for housing types generally considered to be affordable housing options such as secondary suites and laneway houses, and set rates for churches within a new not-for-profit class that are consistent with comparable benevolent and not-for-profit organizations.

Staff reported back at the October 19, 2021, Finance Committee Meeting. At that meeting, the following resolution was passed:

FC21/059

THAT staff report back with rate reductions for townhouses and condos.

Due to Council scheduling constraints, and the need to adopt the 2022 Fees Bylaw before the end of the year, staff have prepared an alternate Fees Bylaw (**Attachment 2**) which includes reduced water and sewer rates for townhomes and condos for Council consideration.

The updated alternative water and sewer rates are based on the population per unit per Metro Vancouver Regional Population Projection used in the recent DCC Bylaw update (Table 1).

Table 1 – Estimated Population by Housing Type

Land Use	Population per Unit per Metro Vancouver Regional Population Projection
Residential Single-Family (SF) and Duplex	4.6*
Residential Laneway	1.5
Residential Townhouse	2.9
Multi-Residential (up to 6 storeys)	2.0
Multi-Residential – TOD (greater than 6 storeys)	1.9

*4.6 Population per unit is based on 3.1 population per unit for SF plus 1.5 population per unit for secondary suite.

The result is a ratio of 94% for townhomes, 63% for condos (apartments), and 48% for secondary suites and laneway houses (detached accessory dwelling units).

The resulting change to the fee structure would result in the following rates for 2022.

Proposed 2022 Water and Sewer Rates	Ratio	2022 Water Rate	2022 Sewer Rate
Single-Family	100%	\$592	\$422
Townhouse	94%	\$556	\$397
Condo	63%	\$373	\$266
Secondary Suites	48%	\$284	\$203
Laneway House	48%	\$284	\$203
Office	100%	\$592	\$456
Restaurant	215%	\$1,273	\$781
Service Stations (Garage)	215%	\$1,273	\$781
Not-For-Profit (non-housing)	54%	\$320	\$456
Unclassified	100%	\$592	\$456

The updated rates represent the following change over the traditional cost allocation method and the rates in the proposed 2022 Fees Bylaw.

Proposed 2022 Water and Sewer Rates	Change over 2022 Water Rate	Change over 2022 Sewer Rate	Total Impact
Single-Family	\$103	\$74	\$177
Townhouse	\$67	\$49	\$116
Condo	(\$116)	(\$82)	(\$198)
Secondary Suites	(\$205)	(\$145)	(\$350)
Laneway House	(\$205)	(\$145)	(\$350)
Office	\$103	\$81	\$184
Restaurant	\$221	\$139	\$360
Service Stations (Garage)	\$221	\$138	\$359
Not-For-Profit (non-housing)	\$57	\$81	\$137
Unclassified	\$103	\$108	\$211

Under this methodology, it is assumed that the number of users in a household that drive the variable cost of water cost, on average, also put similar usage pressures on the fixed costs (e.g. more dams, filtration, pipe maintenance, etc. is needed to service that household).

Should Council wish to implement an alternative/updated 2022 fee structure for Water and Sewer rates (different to what is presented in the Draft 2022 Fees Bylaw or the Alternative Draft 2022 Fees Bylaw), special Council meetings will need to be scheduled to ensure the bylaw can be updated prior to the 2022 utility billing.

Community Services

Council approved the Community Services fees at the July 27, 2021 Regular Council meeting with amendment bylaw No. 3319. The fees in Bylaw No. 3319 will be included as part of Bylaw No. 3327, as the 2021 Fees Bylaw (No. 3213) will be repealed (**Attachment 1**, page 30).

Engineering/ Community Services

The Designated Anchorage Area Fee (**Attachment 1**, page 37) was located in two areas, Engineering and Community Services. For clarity, the fee was removed from the Engineering list. The fee was also increased by 9% from \$12.75 to \$14.00 to assist with cost recovery, which is only partial at \$14.00.

Cultural Services

Rates for the Inlet Theatre are set two years in advance to accommodate clients' needs. The new rates provided in the Bylaw are those for 2023 (**Attachment 1**, page 41). The Fee for Front of House technician has been increased by 6% from \$30 to \$32, as this more accurately recovers the staff costs estimated to be \$31.39/hr in 2023.

Other Options

THAT staff report back with additional information as directed by Council.

Financial Implications

Each department will be incorporating revenues from the approved fees into the 2022 Draft Five-Year Financial Plan.

Communications and Civic Engagement Initiatives

A variety of stakeholders have been considered in determining the proposed fees, including all City Departments and the Parks and Recreation Commission. Once adopted, Bylaw No. 3327 will be posted on the City website and appropriate rates will be communicated in the City's Utility Newsletter.

Council Strategic Plan Objectives

Exceptional Service is achieved through continuous review of existing fees and ensuring that the fees reflect the most current cost of delivering services.

Attachment:

1. Draft City of Port Moody Fees Bylaw, 2021, No. 3327 – Version 1 – as recommended.
2. Draft City of Port Moody Fees Bylaw, 2021, No. 3327 – Version 2 – Alternative with Tiered Water and Sewer Rates.

Report Author

Tyson Ganske, CPA, CGA
Manager of Financial Planning

Report Approval Details

Document Title:	2022 Fees Bylaw.docx
Attachments:	- Attachment 1 - Draft City of Port Moody Fees Bylaw, 2021, No. 3327 - Version 1.pdf - Attachment 2 - Draft City of Port Moody Fees Bylaw, 2021, No. 3327 - Version 2.pdf
Final Approval Date:	Nov 1, 2021

This report and all of its attachments were approved and signed as outlined below:

Rosemary Lodge, Manager of Communications and Engagement - Oct 26, 2021 - 12:11 PM

Kate Zanon, General Manager of Community Development - Oct 29, 2021 - 8:58 AM

Jeff Moi, General Manager of Engineering and Operations - Oct 29, 2021 - 9:46 AM

Darcey O'Riordan, Fire Chief - Oct 29, 2021 - 11:20 AM

Ron Higo, General Manager of Community Services - Oct 29, 2021 - 7:03 PM

Angie Parnell, General Manager of People, Communications, and Engagement - Nov 1, 2021 - 11:30 AM

Paul Rockwood, General Manager of Finance and Technology - Nov 1, 2021 - 11:32 AM

Dorothy Shermer, Corporate Officer - Nov 1, 2021 - 12:01 PM

Tim Savoie, City Manager - Nov 1, 2021 - 1:31 PM