



City of Port Moody

Report/Recommendation to Council

Date: November 15, 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 November 15, 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.

Staff presented Draft City of Port Moody Fees Bylaw, 2021, No. 3327 at the November 9, 2021 Regular Council meeting. At that meeting Council passed the following resolutions:

RC21/454

THAT staff be directed to report back on adding a non-profit housing category for the sewer and water rates.

RC21/455

THAT the drop-in fees for all youth programs be set at a flat rate of \$2.00.

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 11) 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 18) 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 2022-2026 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.

Staff reported back at the November 9, 2021, Regular Committee Meeting. At that meeting, the following resolution was passed:

RC21/454

THAT staff be directed to report back on adding a non-profit housing category for the sewer and water rates.

Due to Council scheduling constraints, and the need to adopt the 2022 Fees Bylaw before the end of the year, staff have prepared two alternate Fees Bylaws (**Attachment 2** and **Attachment 3**) for Council consideration.

The recommended Draft City of Port Moody Fees Bylaw, 2021, No. 3327 (**Attachment 1**) includes Water and Sewer fees based on the traditional cost distribution (flat rate residential). This represents a \$14 residential increase for Water and a \$10 residential decrease for Sewer.

Water and Sewer Fees – Attachment 2

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.

Water

	No Change Recommended Fees Bylaw			Alternative #1 Attachment 2		
Proposed 2022 Water Rates	2022 Rate	Rate Change over Bylaw	Rate Change over 2021	2022 Rate	Rate Change over Bylaw	Rate Change over 2021
Single-Family	\$489	-	\$14	\$592	\$103	\$117
Townhouse	\$489	-	\$14	\$556	\$67	\$81
Condo	\$489	-	\$14	\$373	(\$116)	(\$102)
Secondary Suites	\$489	-	\$14	\$284	(\$205)	(\$191)
Laneway House	\$489	-	\$14	\$284	(\$205)	(\$191)
Office	\$489	-	\$14	\$592	\$103	\$117
Restaurant	\$1,052	-	\$30	\$1,273	\$221	\$252
Service Stations	\$1,052	-	\$30	\$1,273	\$221	\$252
Not-For-Profit (non-housing)	\$263	-	\$8	\$320	\$57	\$65
Unclassified	\$489	-	\$14	\$592	\$103	\$117

Sewer

	No Change Recommended Fees Bylaw			Alternative #1 Attachment 2		
Proposed 2022 Sewer Rates	2022 Rate	Rate Change over Bylaw	Rate Change over 2021	2022 Rate	Rate Change over Bylaw	Rate Change over 2021
Single-Family	\$348	-	(\$10)	\$422	\$74	\$64
Townhouse	\$348	-	(\$10)	\$397	\$49	\$39
Condo	\$348	-	(\$10)	\$266	(\$82)	(\$92)
Secondary Suites	\$348	-	(\$10)	\$203	(\$145)	(\$155)
Laneway House	\$348	-	(\$10)	\$203	(\$145)	(\$155)
Office	\$375	-	(\$11)	\$456	\$81	\$70
Restaurant	\$643	-	(\$18)	\$781	\$138	\$120
Service Stations	\$644	-	(\$18)	\$781	\$137	\$119
Not-For-Profit (non-housing)	\$375	-	(\$11)	\$456	\$81	\$70
Unclassified	\$375	-	(\$22)	\$456	\$81	\$70

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

Alternative #1 Attachment 2	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	\$138
Unclassified	\$103	\$108	\$211

*Draft City of Port Moody Fees Bylaw, 2021, No. 3327 – Version 1 – as recommended (Historical Calculation method)

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).

Water and Sewer Fees – Attachment 3

A third option (**Attachment 3**) of the Draft City of Port Moody Fees Bylaw, 2021, No. 3327 has been prepared to include a residential Not-For-Profit (NFP) class. The rate for the residential NFP class has been set to that of laneway houses and secondary suites in Alternative #1 (**Attachment 2**).

Water

	No Change Recommended Fees Bylaw			Alternative #2 Attachment 3		
Proposed 2022 Water Rates	2022 Rate	Rate Change over Bylaw	Rate Change over 2021	2022 Rate	Rate Change over Bylaw	Rate Change over 2021
Single-Family	\$489	-	\$14	\$594	\$105	\$119
Townhouse	\$489	-	\$14	\$557	\$68	\$82
Condo	\$489	-	\$14	\$373	(\$116)	(\$102)
Secondary Suites	\$489	-	\$14	\$284	(\$205)	(\$191)
Laneway House	\$489	-	\$14	\$284	(\$205)	(\$191)
Not-For-Profit Housing	n/a	-	n/a	\$284	(\$205)	(\$191)
Office	\$489	-	\$14	\$594	\$105	\$119
Restaurant	\$1,052	-	\$30	\$1,275	\$223	\$254
Service Stations (Garage)	\$1,052	-	\$30	\$1,275	\$223	\$254
Not-For-Profit (non-housing)	\$263	-	\$8	\$320	\$57	\$65
Unclassified	\$489	-	\$14	\$594	\$105	\$119

Sewer

	No Change Recommended Fees Bylaw			Alternative #2 Attachment 3		
Proposed 2022 Sewer Rates	2022 Rate	Rate Change over Bylaw	Rate Change over 2021	2022 Rate	Rate Change over Bylaw	Rate Change over 2021
Single-Family	\$348	-	(\$10)	\$422	\$74	\$64
Townhouse	\$348	-	(\$10)	\$398	\$50	\$40
Condo	\$348	-	(\$10)	\$267	(\$81)	(\$91)
Secondary Suites	\$348	-	(\$10)	\$203	(\$145)	(\$155)
Laneway House	\$348	-	(\$10)	\$203	(\$145)	(\$155)
Not-For-Profit Housing	n/a	-	n/a	\$203	(\$145)	(\$155)
Office	\$375	-	(\$11)	\$455	\$80	\$69
Restaurant	\$643	-	(\$18)	\$781	\$138	\$120
Service Stations (Garage)	\$644	-	(\$18)	\$781	\$137	\$119
Not-For-Profit (non-housing)	\$375	-	(\$11)	\$455	\$80	\$69
Unclassified	\$375	-	(\$22)	\$455	\$80	\$69

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

Alternative #2 Attachment 3	Change over 2022 Water Rate*	Change Over 2022 Sewer Rate*	Total Impact
Single-Family	\$105	\$74	\$179
Townhouse	\$68	\$50	\$118
Condo	(\$116)	(\$81)	(\$197)
Secondary Suites	(\$205)	(\$145)	(\$350)
Laneway House	(\$205)	(\$145)	(\$350)
Not-For-Profit Housing	(\$205)	(\$145)	(\$350)
Office	\$105	\$80	\$183
Restaurant	\$223	\$139	\$362
Service Stations (Garage)	\$223	\$138	\$361
Not-For-Profit (non-housing)	\$57	\$81	\$138
Unclassified	\$105	\$108	\$213

The NFP Housing class will be limited to rental housing that is owned and operated by community-based, non-profit societies (excluding local or provincial governments, and regional districts). Finance staff may request additional information and documentation from utility customers to determine their eligibility for this class. Regionally, no other municipalities have a reduced sewer or water rates specific to NFP housing.

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 two Alternative Draft 2022 Fees Bylaws), 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).

At the November 9, 2021, Regular Committee Meeting, the following resolution was passed:

RC21/455

THAT the drop-in fees for all youth programs be set at a flat rate of \$2.00.

The 2022 drop-in fee was proposed to be \$4.15, thus reducing the fee by 52%. This resolution also impacts the drop-in fee for children (previously \$2.30 per drop in), and the ages for the Teen rate and the Student rate so that they match the Family rate.

The change in the Teen rate will result in an estimated reduction in revenue of \$31,500.

Engineering/ Community Services

The Designated Anchorage Area Fee (**Attachment 1**, page 38) 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 42). 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

Alternative 1 (**Attachment 2**) and Alternative 2 (**Attachment 3**) could be given three readings.

Financial Implications

Each department will be incorporating revenues from the approved fees into the 2022 Draft Five-Year Financial Plan. The change in Community Services youth drop-in fee will result in an estimated revenue reduction of \$31,500 for 2022.

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.
3. Draft City of Port Moody Fees Bylaw, 2021, No. 3327 – Version 3 – Alternative with Tiered Water and Sewer Rates.

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Report Approval Details

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Attachments:	<ul style="list-style-type: none">- Attachment 1 - Draft City of Port Moody Fees Bylaw, 2021, No. 3327.pdf- Attachment 2 - Draft City of Port Moody Fees Bylaw, 2021, No. 3327 - Alternative 1.pdf- Attachment 3 - Draft City of Port Moody Fees Bylaw, 2021, No. 3327 - Alternative 2.pdf
Final Approval Date:	Nov 17, 2021

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

Paul Rockwood, General Manager of Finance and Technology - Nov 16, 2021 - 4:37 PM

Dorothy Shermer, Corporate Officer - Nov 16, 2021 - 4:52 PM

Rosemary Lodge, Manager of Communications and Engagement - Nov 17, 2021 - 9:56 AM

Tim Savoie, City Manager - Nov 17, 2021 - 10:48 AM