

**Town of Bon Accord**  
**Supplemental Information Package**  
**WITH ADDITIONS**

**Committee of the Whole Meeting**  
**November 29, 2023 5:00 p.m. in Council Chambers**  
Live streamed on Bon Accord YouTube Channel

- 1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT**
- 2. ADOPTION OF AGENDA**
- 3. UNFINISHED BUSINESS**
- 4. NEW BUSINESS**
  - 4.1.** Financial Plans Review (enclosure)
  - 4.2.** Budget – Sewer Rates
- 5. BYLAWS/POLICIES/AGREEMENTS**
  - 5.1.** Fees and Charges Bylaw (enclosure)
  - 5.2.** Cyber Security Incident Response & Disaster Recovery Plan Policy (enclosure)
- 6. CLOSED SESSION**
- 7. ADJOURNMENT**

**TOWN OF BON ACCORD**  
**REPORT TO COUNCIL**

<b>Meeting:</b>	Committee of the Whole Meeting
<b>Meeting Date:</b>	November 29, 2023
<b>Presented by:</b>	Falon Fayant, Corporate Services Manager
<b>Title:</b>	<b>2024 Budget – Sewer Rates</b>
<b>Agenda Item No.</b>	<b>4.2 (Addition to Budget)</b>

**BACKGROUND/PROPOSAL**

At the November 7<sup>th</sup> regular meeting of Council, Council approved the 2024 operating and capital budget. Within that budget, the sewer department had a rate of wastewater disposal from Arrow Utilities projected at \$1.73/m<sup>3</sup>.

However, Arrow Utilities has increased their wastewater rate to \$1.85/m<sup>3</sup>. This will impact the 2024 operating budget, increasing the cost of providing wastewater services. The 2023 rate is \$1.50/m<sup>3</sup>.

**DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES**

It is the best practice and financially prudent to provide utility services on a cost recovery basis. Therefore, the increase of \$0.35 from Arrow Utilities should be added to the sewer rate on the monthly utility bills for 2024.

This would increase the sewer rate from \$3.03/m<sup>3</sup> to \$3.38/m<sup>3</sup> for residential and from \$2.98/m<sup>3</sup> to \$3.33/m<sup>3</sup> for commercial and institutional.

The impact of this additional charge to the average ratepayer can be seen in the “*Utility Bill Comparison for 2024 Budget*” attachment.

Past budgets have followed a cost recovery process, increasing the utility rates by the rate increase from the provider for that year. Cost recovery is a best practice to follow for utilities as they are user based and users will impact the amount of the service. Consumers should pay for the full cost of the services they consume. Full cost recovery supports local infrastructure and helps to ensure that the services are sustainable.

The impact to the overall 2024 budget would be a budget increase of 5.31% versus the previously budgeted 5.21%. The overall budget would be \$4,173,915 versus the previous budget of \$4,162,779 approved at the November 7<sup>th</sup>, 2023, meeting.

The *projected* municipal tax levy would be as follows:

CLASS	DESCRIPTION	2023 Tax RATE	2024 Projected Tax RATE	% Increase
Class 1	Residential	0.01054493	0.010819098	2.60%
Class 2	Non-Residential	0.01942108	0.019421080	0.00%
Class 2-Vac	Non-Residential Vacant	0.01942108	0.019926028	2.60%
Class 3	Farmland	0.05078854	0.052109042	2.60%
Class 4	Machinery & Equipment	0.01946484	0.019970926	2.60%

**\*\*Based on 2023 assessment values.**

The previous *projected* municipal tax levy from the approved November 7<sup>th</sup>, 2023, budget was:

CLASS	DESCRIPTION	2023 Tax RATE	2024 Projected Tax RATE	% Increase
Class 1	Residential	0.01054493	0.010803281	2.45%
Class 2	Non-Residential	0.01942108	0.019421080	0.00%
Class 2-Vac	Non-Residential Vacant	0.01942108	0.019896896	2.45%
Class 3	Farmland	0.05078854	0.052032859	2.45%
Class 4	Machinery & Equipment	0.01946484	0.019941729	2.45%

**\*\*Based on 2023 assessment values.**

The above projected municipal tax levy rates are based on current assessment values and would be impacted by an increase or decrease in 2024. These municipal tax levy rates are only projection at this time, as tax rates are approved through bylaw by Council in the spring.

Should Council choose not to continue with a cost recovery process, there would be an additional \$11,136 of expenditures. Either the revenue from taxes collected would need to be increased to subsidize this cost or other budget expenditures would need to be cut.

As the leadership team has reviewed the 2024 operating budget to ensure that it is fiscally responsible and maintaining service levels as well as responding to necessary operating and capital expenditures, the list of recommended optional cuts is limited. The risk of cutting expenditures is that the funds to operate and maintain services will not be available when needed.

## **STRATEGIC ALIGNMENT**

**Priority #3** The Town of Bon Accord is maintaining and improving all infrastructure in a fiscally responsible manner.

**Values Statement of Stewardship:** Administration and Council embody the responsible planning and management of our resources.

## **COSTS/SOURCES OF FUNDING**

The 2024 operating and capital budget.



Town of  
**Bon Accord**  
building for tomorrow

Utility Bill Comparison for 2024 Budget

<b>RESIDENTIAL</b>	<b>2024</b>	<b>2023</b>	<b><i>Difference</i></b>
Monthly Consumption (based on 12m <sup>3</sup> /month)			
- Water (No Increase \$3.30/m3)	\$ 39.60	\$ 39.60	\$ -
- Sewage (Increase from \$3.03 to \$3.38/m3)	\$ 40.56	\$ 36.36	\$ 4.20
Water Service Charge & Capital Rider	\$ 12.00	\$ 11.50	\$ 0.50
Sewer Service Charge & Capital Rider	\$ 12.50	\$ 12.00	\$ 0.50
Garbage	\$ 16.15	\$ 13.49	\$ 2.66
Per Month	<b>\$ 120.81</b>	<b>\$ 112.95</b>	<b>\$ 7.86</b>
Per Year	<b>\$ 1,449.72</b>	<b>\$ 1,355.40</b>	<b>\$ 94.32</b>

<b>COMMERCIAL</b>	<b>2024</b>	<b>2023</b>	<b><i>Difference</i></b>
Monthly Consumption (based on 35m <sup>3</sup> /month)			
- Water (No Increase \$3.25/m3)	\$ 113.75	\$ 113.75	\$ -
- Sewage (Increase from \$2.98 to \$3.33/m3)	\$ 116.55	\$ 104.30	\$ 12.25
Water Service Charge & Capital Rider	\$ 17.00	\$ 16.50	\$ 0.50
Sewer Service Charge & Capital Rider	\$ 17.50	\$ 17.00	\$ 0.50
Per Month	<b>\$ 264.80</b>	<b>\$ 251.55</b>	<b>\$ 13.25</b>
Per Year	<b>\$ 3,177.60</b>	<b>\$ 3,018.60</b>	<b>\$ 159.00</b>

<b>INSTITUTIONAL</b>	<b>2024</b>	<b>2023</b>	<b><i>Difference</i></b>
Monthly Consumption (based on 75m <sup>3</sup> /month)			
- Water (No Increase \$3.25/m3)	\$ 243.75	\$ 243.75	\$ -
- Sewage (Increase from \$2.98 to \$3.33/m3)	\$ 249.75	\$ 223.50	\$ 26.25
Water Service Charge & Capital Rider	\$ 22.00	\$ 21.50	\$ 0.50
Sewer Service Charge & Capital Rider	\$ 22.50	\$ 22.00	\$ 0.50
Per Month	<b>\$ 538.00</b>	<b>\$ 510.75</b>	<b>\$ 27.25</b>
Per Year	<b>\$ 6,456.00</b>	<b>\$ 6,129.00</b>	<b>\$ 327.00</b>