

**VILLAGE OF FRUITVALE
SPECIAL COUNCIL MEETING AGENDA
Council Chambers
MONDAY, FEBRUARY 25, 2019**

A. CALL TO ORDER

B. PURPOSE OF THE MEETING

The purpose of the February 25, 2019 Special Meeting of Council is to reconsider and possibly adopt three utility rate bylaws: Sanitary Sewer, Stormwater, and Solid Waste.

C. ADOPTION OF AGENDA

D. BUSINESS AT HAND

- a) Request for Decision: Sanitary Sewer and Stormwater utility annual service rates.

THAT Council provide the fourth reading and adoption to the Village of Fruitvale Sewer User Rates and Fees Bylaw 842, amendment bylaw # 899, 2019.

THAT Council provide fourth reading and adoption to the Village of Fruitvale Stormwater Utility Rates and Fees Bylaw #901, 2019.

- b) Village of Fruitvale Waste Control Bylaw 850 Solid Waste Fees & Charges Amendment Bylaw 900, 2019

THAT Council provide fourth reading and adoption to Waste Control Bylaw 850 Solid Waste Fees and Charges Amendment Bylaw 900, 2019.

E. ADJOURNMENT



THE CORPORATION OF
THE VILLAGE OF FRUITVALE

In the "HEART OF THE BEAVER VALLEY"

Date: February 20, 2019
To: Mayor & Council
From: Mike Maturo, CAO
SUBJECT: Request for Decisions –
Sanitary Sewer Utility: increase to annual fee
Stormwater Utility: introduction of annual fee

Introduction and Analysis:

The Village's asset management plans are based in engineering reports for the fleet, facilities and linear infrastructure elements (Stormwater, Sanitary Sewer and Roads). Falling out from these documents, which were submitted to the Village from 2016 – 2017, the costs of both operations and capital came into focus. To address the O&M and capital shortfalls, the proposed bylaws show a continuing increase to the annual service fee and the parcel tax for the sanitary sewer utility (begun last year) and the introduction of a service fee and parcel tax for the stormwater utility. The total absence of reserves for either utility combined with large capital deficits for each, along with the Village's asset management reports, provide the justification.

i. Sanitary Sewer Utility - Treatment plant and distribution system

Analysis of the Sanitary Sewer utility's annual budget demand (including the treatment plant, lift stations and pipes) shows that the utility's annual operations and maintenance' (O&M) costs run to roughly \$400,000. However, the current annual sanitary sewer fee (per household customer) billed by the Village totals \$295,000, leaving a roughly \$105,000 shortfall for the O&M. The sanitary sewer service fee (now \$330/household) is the charge that is supposed to cover annual O&M costs (labour and routine running costs of the full system), not including capital upgrades and replacements. In order to reach parity with current operational costs, the fee would need to be roughly \$466.00 per household customer. The proposed service fee

increase of 9% is an incremental approach to advance toward this level. A similar O&M percentage increase was approved in 2018.

Additionally, the sanitary sewer utility carries a parcel tax that should be dedicated to for the utility's capital upgrades. Historically, however, the Village has used the parcel tax to meet the O&M budget's shortfalls, resulting in no capital reserves. To begin addressing this the Village raised its sanitary sewer parcel tax \$50 in 2018 to \$200. The five-year financial plan shows the sanitary sewer parcel tax rising \$50 each year for five more years to arrive at a parcel tax of \$450 for each household (exactly the same amount as the current water parcel tax).

The two charges for the sanitary sewer utility have distinct destinations points and should not be used as substitutes for each other. Each should cover the designated area, O&M, or, capital. In order for the sanitary sewer utility to eventually be self-financing and secure, each charge (annual service fee and parcel tax) must increase incrementally. If the incremental increases continue as proposed, then in five years, by 2024, the sanitary sewer system should be self-financing, with O&M covered by the service fee and reserve funds being established. By incrementally raising the two charges over five years, the Village also reduces risk expediently.

While grant funding can be anticipated for some sanitary sewer deficiencies, most individual components (like pipes) will not be funded from outside sources. Therefore, the proposed increases to both the annual service fee and annual parcel tax are imperative to meeting annual operational costs along with establishing capital reserves to address the upgrades that should have already been completed (i.e. the deficit) and planning the funding for necessary future upgrades. The asset reports highlight the Village's budgetary vulnerability and capital funding for this utility. Anecdotal evidence from the PW crews also confirm conditions and costs. Both the proposed service fee increase (of 9%) and planned parcel tax increase (of \$50) have ample, evidence-based justification.

ii. Stormwater System

The proposed introduction of a service fee and parcel tax for stormwater is based on the 2010 ***Comprehensive Stormwater Management Plan*** that has been incorporated into the asset management documents. Similar to sanitary sewer, this utility has not seen the required funding to manage the 60 projects identified in 2010; two have since been completed. The deficit (or backlog) for stormwater stands at roughly \$3 million while that for upgrades over 20 years runs at roughly \$3 million as well.

In order to begin a more assertive approach to funding, an annual service fee of \$45 per household based on annual estimated labour and routine administrative costs; (a parcel tax will be proposed to ensure that the Village's storm water system is properly maintained and upgraded.) The *VoF Asset Management Investment Plan, 2016* states in Section 4.2, in Table 4.2 *Stormwater System Details*, that the Village's *Average Annual Life-Cycle Investment (AALCI)* for the stormwater system should be \$165,200; this means the yearly amount collected simply for infrastructure, not servicing. The report notes that with the more "optimistic" forecast in which the assets last 50% longer than what has been conservatively estimated, then the *AALCI* figure falls to \$96,000.

Further investigation into stormwater management shows dozens of municipalities across Canada (including BC) and over 1500 in the US, have created stormwater utilities to formalize the approach to managing the conveyance and impacts of stormwater. <https://institute.smartprosperity.ca/sites/default/files/webinar-2march2017.pdf>

This approach has evolved from the increasing recognition of the impacts of stormwater on properties and existing linear assets (sanitary sewer and roads). By distinguishing stormwater as a separate utility (rather than treating it as a general fund line item) municipalities more directly manage the required operations for the conveyance systems.

The Village's settlement pattern within a large drainage basin preceded the recognition of the need for reliable stormwater management systems, now mandated

by subdivision servicing bylaw requirements. Much of the ongoing maintenance and upgrades can therefore qualify as retrofits applied to allay risk.

This charge, which has historically been drawn from the general fund, will provide more dependable funding for PW crews and more discipline for the Village by creating a defined funding structure to align with the 2010 **Comprehensive Stormwater Management Plan**. That report forms part of the 2016-'17 asset management documents and aligns closely with reports from the Village's PW crew, along with steady complaints from residents that focus on the impacts of stormwater runoff. With the Village seriously considering a parcel tax for stormwater, then a service fee would complement that and treat the system as a stand-alone utility.

Conclusion:

Each of the bylaws strongly supports asset management and reflects the Village's commitment to address its infrastructure needs pro-actively. For future grant funding opportunities, the focus by grantors is anticipated to shift toward necessary, locally-sourced funding as an offset, much like a grant. Therefore, the Village's practice of full-cost accounting and rational pricing for its two utilities aligns with sound utility management practices and positions the Village more strongly for future grant applications.

Recommendation – Sanitary Sewer Annual Service Fee:

THAT Council provide the fourth reading and adoption to the Village of Fruitvale Sewer User Rates and Fees Bylaw 842, amendment bylaw # 899, 2019.

Recommendation: Stormwater Annual Service Fee:

THAT Council provide fourth reading and adoption to the Village of Fruitvale Stormwater Utility Rates and Fees Bylaw #901, 2019.

Alternatives:

- a) THAT Council not provide the fourth reading and adoption to both bylaws.

- b) THAT Council not provide the fourth reading and adoption to the Village of Fruitvale Sewer User Rates and Fees Bylaw 842, amendment bylaw # 899, 2019.
- c) THAT Council not provide the fourth reading and adoption to the Village of Fruitvale Stormwater Utility Rates and Fees Bylaw #901, 2019.
- d) THAT Council defers the decision.

Budget Impacts – the mill rate for the general fund may witness adjustment if the stormwater utility bylaw for a fee is approved.



THE CORPORATION OF THE VILLAGE OF FRUITVALE

BYLAW NO. 899, 2019

A Bylaw to amend the charge against the owner or occupier
of real property for the use of the Village of Fruitvale sewerage system

WHEREAS it is deemed expedient and necessary to amend the levied fee to meet the costs of works and services to the sewerage collection system;

AND WHEREAS municipalities are authorized under the *Community Charter*, Part 7, Division 2, Section 194 to impose fees and vary rates thereon for municipal services;

AND WHEREAS the Village of Fruitvale enacted a bylaw to levy and vary fees to meet the costs of works and services to the sewerage collection system cited as "Village of Fruitvale Sewer User Rates and Fees Bylaw No. 842, 2013";

NOW THEREFORE the Council of the Corporation of the Village of Fruitvale, in open meeting assembled, enacts as follows:

1. THAT "Village of Fruitvale Sewer User Rates and Fees Bylaw No. 842, 2013" is hereby amended by replacement of Schedule "A" of said Bylaw 842, 2013 by Schedule "A" attached hereto and forming part of this bylaw;
2. THAT "Village of Fruitvale Sewer User Rates and Fees Bylaw 842 Amendment Bylaw No. 885, 2018" be rescinded in its entirety;
3. THAT this bylaw shall be known and cited for all purposes as "Village of Fruitvale Sewer User Rates and Fees Bylaw 842 Amendment Bylaw No. 899, 2019"; and
4. THAT this bylaw shall take effect on the date of adoption.

READ A FIRST TIME this 11th day of February, 2019.

READ A SECOND TIME this 11th day of February, 2019.

READ A THIRD TIME this 11th day of February, 2019.

RECONSIDERED, FINALLY PASSED AND ADOPTED this day of February, 2019.

Mayor

Chief Administrative Officer

CERTIFIED a true copy of Bylaw No. 899 cited as "Village of Fruitvale Sewer User Rates and Fees Bylaw 842 Amendment Bylaw 899, 2019".

DATED this day of February, 2019.

Chief Administrative Officer

THE CORPORATION OF THE VILLAGE OF FRUITVALE
BYLAW 899, 2019
 Page 2

SCHEDULE "A"

BYLAW 899, 2019

A Schedule to Govern Rates for
Sewer User Fees Charged by the Village of Fruitvale

PREMISES	RATES	
	MONTHLY	ANNUALLY
Each dwelling unit, including duplexes	\$30.00	\$360.00
Each apartment building, a minimum charge of	\$41.70	\$500.00
For each additional unit	\$11.70	\$140.00
Each living unit adjoining a business premise	\$30.00	\$360.00
Each restaurant, garage or car wash (large commercial use)	\$42.10	\$505.00
Each store or office building (small commercial use)	\$32.75	\$393.00
Each hotel	\$151.45	\$1,817.00
Each school - for first classroom	\$19.20	\$230.00
- for each additional classroom	\$15.00	\$180.00
Sewer blockage clearing	ACTUAL COSTS INCURRED	



THE CORPORATION OF THE VILLAGE OF FRUITVALE

BYLAW NO. 901, 2019

A By-law to impose a charge against the owner or occupier
of real property for the use of the Village of Fruitvale Stormwater Utility System

WHEREAS it is deemed expedient and necessary to impose and levy a fee to meet the costs of works and services to the stormwater utility system;

AND WHEREAS municipalities are authorized under the *Community Charter*, Division 2, Section 194 to impose fees and vary rates thereon for municipal services;

NOW THEREFORE the Council of the Corporation of the Village of Fruitvale, in open meeting assembled, enacts as follows:

1. THAT a Stormwater utility fee shall be charged against the owner or occupier of land or real property that is situated within the Village boundaries;
2. THAT the said Stormwater utility fee shall be consistent in accordance with the nature and use of the premises served.
3. THAT the Collector of the Corporation of the Village of Fruitvale shall, when making out the roll of rates and taxes payable to the Village, make a separate roll of the Stormwater fees due for the use of the said common stormwater utility users in the Village of Fruitvale, and cause such roll to be placed in the hands of the Municipal Collector;
4. THAT the said Stormwater utility fees and charges shall be levied and imposed as set out in Schedule "A" attached hereto and forming part of this bylaw;
5. THAT the said fees shall be due and payable as set out in Schedule "B," attached hereto and forming part of this bylaw;
6. THAT the fees and charges payable by the owner or occupier of any parcel of land in the Village, if unpaid on the 31st day of December in any year, shall be added to and form part of the taxes payable in respect to that land, and shall be entered upon the Collector's Roll as taxes in arrears.
7. THAT this bylaw shall be known and cited for all purposes as the "Village of Fruitvale Stormwater Utility Rates and Fees Bylaw No. 901, 2019"; and
8. THAT this bylaw shall take effect as of the first day of January, 2019.

**THE CORPORATION OF THE VILLAGE OF FRUITVALE
BYLAW NO. 901, 2019**

Page 2

READ A FIRST TIME this day of February, 2019.

READ A SECOND TIME this day of February, 2019.

READ A THIRD TIME this day of February, 2019.

RECONSIDERED, FINALLY PASSED AND ADOPTED this day of February, 2019.

Mayor

Chief Administrative Officer

CERTIFIED a true copy of Bylaw No. 842 entitled "Village of Fruitvale Stormwater Utility Rates and Fees Bylaw No. 901, 2019".

DATED this day of February, 2019.

Chief Administrative Officer

**THE CORPORATION OF THE VILLAGE OF FRUITVALE
BYLAW NO. 901, 2019**

Page 3

SCHEDULE "A"

BYLAW NO. 901, 2019

A Schedule to govern Rates
For Stormwater User Fees in the Village of Fruitvale

PREMISES	RATES ANNUALLY
Each dwelling unit, including duplexes	\$45.50
Each apartment building, a minimum charge of	\$45.50
For each additional unit	\$45.50
Each living unit adjoining a business premise	\$45.50
Each restaurant, garage or car wash	\$45.50
Each store or office building	\$45.50
Each hotel	\$45.50
Each school - for first classroom	\$45.50
For each additional classroom	\$45.50
Stormwater Clearing	ACTUAL COSTS INCURRED

**THE CORPORATION OF THE VILLAGE OF FRUITVALE
BYLAW NO. 901, 2019**

Page 4

SCHEDULE "B"

BY-LAW NO. 901, 2019

A Schedule to Govern
Billing Periods and Discount of Stormwater User Rates

1. All accounts are payable January 1st of each year or on receipt of the billing notice.
2. Accounts are billed annually and are applicable for the calendar year.
3. Where a new account is set up at any time during the year, a bill will be sent for the remaining months of that year.
4. A late penalty of 10% shall be charged on all accounts outstanding after the last working day of October of each year.

**THE CORPORATION OF THE VILLAGE OF FRUITVALE
BYLAW NO. 901, 2019**

Page 5

Division 2 – Fees

Municipal fees

194 (1) A council may, by bylaw, impose a fee payable in respect of

- (a) all or part of a service of the municipality,
- (b) the use of municipal property, or
- (c) the exercise of authority to regulate, prohibit or impose requirements.

(2) Without limiting subsection (1), a bylaw under this section may do one or more of the following:

- (a) apply outside the municipality, if the bylaw is in relation to an authority that may be exercised outside the municipality;
- (b) base the fee on any factor specified in the bylaw and, in addition to the authority under section 12 (1) [*variation authority*], establish different rates or levels of fees in relation to different factors;
- (c) establish fees for obtaining copies of documents that are available for public inspection;
- (d) establish terms and conditions for payment of a fee, including discounts, interest and penalties;
- (e) provide for the refund of a fee.

(3) As exceptions, a council may not impose a fee under this section

- (a) in relation to Part 3 [*Electors and Elections*] or 4 [*Other Voting*] of the *Local Government Act*, or
- (b) in relation to any other matter for which this or another Act specifically authorizes the imposition of a fee.

(4) A municipality must make available to the public, on request, a report respecting how a fee imposed under this section was determined.

(5) A municipality may not impose a highway toll unless specifically provided by a Provincial or federal enactment.



THE CORPORATION OF THE VILLAGE OF FRUITVALE

BYLAW NO. 900, 2019

A Bylaw to amend the charges against the owner or occupier of real property for solid waste collection

WHEREAS it is deemed expedient and necessary to amend the levied fee to meet the costs of works and services for the solid waste collection system;

AND WHEREAS municipalities are authorized under the *Community Charter*, Part 7, Division 2, Section 194 to impose fees and vary rates thereon for municipal services;

AND WHEREAS the Village of Fruitvale enacted a bylaw to levy and vary fees to meet the costs of works and services for the solid waste collection system cited as "Village of Fruitvale Waste Control Bylaw 850, 2014";

NOW THEREFORE the Council of the Corporation of the Village of Fruitvale, in open meeting assembled, enacts as follows:

1. THAT "Village of Fruitvale Waste Control Bylaw No. 850, 2014" is hereby amended by replacement of Schedule "A" of said Bylaw 850, 2014 by Schedule "A" attached hereto and forming part of this bylaw;
2. THAT Bylaw 886, 2018 cited as "Village of Fruitvale Waste Control Bylaw 850 Solid Waste Fees & Charges Amendment Bylaw 886, 2018" is hereby repealed in its entirety;
3. THAT this bylaw shall be known and cited for all purposes as "Village of Fruitvale Waste Control Bylaw 850 Solid Waste Fees & Charges Amendment Bylaw 900, 2019"; and
4. THAT this bylaw shall take effect as of the date of adoption.

READ A FIRST TIME this 11th day of February, 2019.

READ A SECOND TIME this 11th day of February, 2019.

READ A THIRD TIME this 11th day of February, 2019.

RECONSIDERED, FINALLY PASSED AND ADOPTED this day of February, 2019.

Mayor

Chief Administrative Officer and
Corporate Officer

CERTIFIED a true copy of Bylaw No. 900 cited as "Village of Fruitvale Waste Control Bylaw 850 Solid Waste Fees & Charges Amendment Bylaw 900, 2019".

DATED this day of February, 2019.

Chief Administrative Officer and
Corporate Officer

**THE CORPORATION OF THE VILLAGE OF FRUITVALE
BYLAW NO. 900, 2019**

Page 2

SCHEDULE "A"

BYLAW 900, 2019

A Schedule to Govern Rates for Solid Waste
Collection Fees Charged by the Village of Fruitvale

-
- a) The minimum Annual Garbage Service Charge shall be eighty dollars (\$80.00) per annum and with this charge the user may choose to receive twenty (20) Village of Fruitvale garbage bags.
 - b) All additional bags may be purchased at a cost of four dollars (\$4.00) per bag.
 - c) A five percent (5%) discount will be applied on the annual charge if paid for on/or before the last working day in March.
 - d) A five percent (5%) discount will be applied on the purchase of additional bags until the last working day in March.
 - e) A late penalty of ten percent (10%) shall be charged on all accounts outstanding after the last working day in October.
 - f) All accounts unpaid on the 31st day of December in any year shall be added to and form part of the taxes payable in respect of that land, and shall be entered upon the Collector's Roll as taxes in arrears.