



# Utility Committee Report

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## 2012 Operating and Capital Utilities Budget

### *Recommendation of the Committee*

1. That the following amendments be considered at the November 25, 2011, City Council Budget meeting, prior to approval of the 2012 Sanitary Drainage and Stormwater Drainage, Utilities Operating and Capital Budgets:
  - a. That the 2012 Budget for Sanitary Drainage, be reduced by \$875,000 to reflect lower projected interest rates, on an ongoing basis, and be allocated to a decrease in the utility rate.
  - b. That the 2012 Budget for Stormwater Drainage be reduced by \$661,000 to reflect projected lower interest rates, on an ongoing basis, and be allocated to a decrease in the utility rate.
  - c. That the 2012 Budget for Sanitary Drainage be reduced by \$2,588,000 to reduce the Return on Rate Base from 4% to 3.5%, on a one-time basis, and be allocated to a decrease in the utility rate.
2. That the proposed 2012 Operating and Capital Utilities Budget be approved as follows for the Waste Management Utility:
  - a) Waste Management Utility with Revenues of \$142,989,000 and expenditures of \$142,989,000.
  - b) Waste Management Utility 2012-2014 Capital Budgets totalling \$85,268,000 including a carry forward from 2011 of \$8,800,000.

### *History*

At the November 3, 2011, Utility Committee meeting, the following motions were passed:

- That the proposed 2012 Budget for Waste Management be reduced by \$940,000 to reflect a projected lower interest rate and the removal of the Aurum Land Purchase, on an ongoing basis, and be allocated to a decrease in the utility rate.
- That the proposed 2012 Utility Budget for Waste Management be reduced by \$423,000, on a one-time basis, due to the contract extension on waste collection.



### *Subsequent Motion:*

#### **Link between Surface and Drainage Work in Neighbourhood Renewal**

That Administration provide a report to the November 25, 2011, City Council Budget deliberations, on the link between surface and drainage work in Neighbourhood Renewal, explaining why each priority neighbourhood is funded or unfunded in each respective budget, and how they are connected causally by surface and drainage asset conditions.

### *Attachments:*

1. October 26, 2011, Financial Services report 2011CF6506

**(Please bring your binder – Attachment 1 Utilities Budget – 2012 City Council Discussion previously distributed with the October 26, 2011, City Council agenda item 6.2)**

2. As per Utility Committee's motions on the Waste Management Utility, pages 3 to 4 and 5 to 20 have been replaced (in blue) in the Utilities Budget binder to reflect the changes to the following pages:

**Page 4** – Department introduction was changed to reflect the revised lower fee increase of \$1.86.

**Page 5** – Provision of Weekly Collection Service, changed to reflect the delay in implementation of weekly year round collection. The delay has reduced the budget requirements and therefore has contributed to the lower monthly waste service fee.

**Page 6** – Updated in multiple places to reflect the revised lower fee increase of \$1.86.

**Page 7** – Updated in multiple places to reflect the revised lower fee increase of \$1.86.

**Page 8** – Updated in multiple places to reflect the revised lower fee increase of \$1.86.

**Page 9** – Updated in multiple places to reflect the revised lower fee increase of \$1.86.

**Page 10** - Updated in multiple places to reflect the revised lower fee increase of \$1.86.

**Page 11** – Debt to Net Assets Ratio revised.

**Page 17** – “Utility Fees (Regulated Rates)” table revised to reflect the revised lower fee increase.

**Page 18** – Updated in multiple places to reflect the revised lower fee increase of \$1.86.

**Page 19** – Updated in multiple places to reflect the revised lower fee increase of \$1.86.

**Page 20** – Updated in multiple places to reflect the revised lower fee increase of \$1.86.