



**Freestanding Committee of the Whole
(Corporate Administration & Finance Committee - Budget)**

October 5, 2021, 1:00 p.m.

Council Chambers

8645 Stave Lake Street, Mission, BC

Pages

- | | | |
|----|-------------------------------------------------------------------------------------|----|
| 1. | CALL TO ORDER | |
| 2. | ADOPTION OF AGENDA | |
| 3. | CORPORATE ADMINISTRATION AND FINANCE | |
| a. | Agenda Overview Presentation | |
| b. | Citizen Satisfaction Survey Results | 3 |
| | No staff recommendation accompanies this report and Council action is not required. | |
| c. | Capital Plan – Revenue and Expenditures | 98 |

RECOMMENDATIONS:

1. That Council consider, as part of its 2022 – 2026 Financial Plan deliberations,
 - a. increasing property taxes by 0.5% in 2022 to provide additional funds for the capital plan;
 - b. increasing property taxes by 1% each year from 2023 through 2027 to provide additional funds for the capital plan;
 - c. acquiring long-term debt to fund certain large capital projects; and
2. That Council direct staff to prepare an amendment to the Development Cost Charge Bylaw and Community Amenities Contribution policy to ensure development activities provide adequate funds to construct or acquire capital assets to support growth in the community.

- d. Spending Packages Submitted for Operations** 111
- This report is provided for information purposes only, no staff recommendation accompanies this report and Council action is not required at this time.
- e. Draft Solid Waste Utility Financial Plan** 122
- This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.
- f. Draft Water Utility Financial Plan** 127
- This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.
- g. Draft Sewer Utility Financial Plan** 133
- This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.
- h. Draft Drainage Utility Financial Plan** 140
- This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.
- i. 2022 Fees and Charges Review** 145
- This report is provided for information purposes only, no staff recommendation accompanies this report and Council action is not required at this time.
- j. 2022 General Operating Fund Draft Budget Status** 160
- This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.
- k. Forestry Enterprise – 2022 - 2026 Draft Operating and Capital Budget** 166
- No staff recommendation accompanies this report and Council action is not required at this time.
- l. Public Consultation Preparation** 173
- This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.

4. ADJOURNMENT



STAFF REPORT

To: Chief Administrative Officer **Date:** October 5, 2021
From: Clare Seeley, Manager of Tourism & Communications
Subject: **Citizen Satisfaction Survey Results**

Recommendation(s)

This report provides Council with the results of the 2021 Citizen Satisfaction Survey. No staff recommendation accompanies this report and Council action is not required.

Purpose

This report provides a summary of the 2021 Citizen Satisfaction Survey, with this information used to provide additional information to Council as part of the 2022 budget process.

Background

The Citizen Satisfaction Survey was first launched in 2016 and has remained a consistent document enabling the tracking of citizen sentiment year over year. This is the first of two consultation processes for the annual financial planning process. The Citizen Satisfaction Survey is followed by a formal public presentation and consultation on the budget later in the year.

Discussion and Analysis

The annual survey provides a performance-based report for Council, staff, and the public that gives insight into the perspectives and opinions on life in Mission and the quality of service received from the City.

This information also offers staff and Council guidance to the main areas of interest during the 2022 budget discussions.

Environmental Factors:

Several factors have directly impacted the number of respondents that completed the survey for 2021.

COVID-19 related restrictions: Civic engagement for 2020 and 2021 has mainly occurred online, which has seen an increase in "survey fatigue" where our target audience (the Mission community) is no longer interested in participating in surveys and online forums. It was therefore anticipated that the number of survey participants would be down for this year.

Timing of the survey release: With the budget discussions moving forward by a month, the survey ran from June 21, 2021, to July 31, 2021, a month shorter than the 2020 survey. It was also preceded by several other municipal surveys including the Central Neighbourhood Plan and the 7th Avenue Greenway.

Survey Questions:

This year's survey questions remained similar to previous years to ensure consistency of both the message and responses for year on year comparison during the Council's term in office. The survey questions are included as **Attachment B**.

Additional or adapted questions:

- Please rate the overall quality of the services you receive from the District of Mission during the COVID-19 pandemic.
This was to determine if the community felt the service levels were acceptable as staff adapted to the latest Public Health Orders.
- Which of the following tax categories apply to you (resident, business, both).
Allowing us to track a different demographic this year.
- Which area of Mission do you live in?
Not all services are available in all parts of the community therefore not all the questions are relevant. In the future, there is the opportunity to tailor questions to the rural and urban residents if desired.
- How are you currently receiving communications from the City and which method of communications do you prefer?
These questions were added to ensure that we are able to reach our audiences and are currently aligning our communications with the ways our citizens would like to receive this information.
- Is there any way we can improve the survey for the future?
This was raised by Council as a suggestion from last year's survey findings.
- The main body of the survey which asks respondents to assess the quality of service and levels of investment remained the same for content, but the order and headings were changed to align with Council's strategic goals and objectives. i.e. rather than Protection and Safety, the title was changed to safe community.

Distribution:

The survey was available digitally via the engage.mission.ca platform, with hard copies available at municipal office locations and the library. Hardcopies were also printed in Punjabi and distributed at the Mission Sikh Temple, with the translation also available online into a variety of languages.

Notice of the survey and reminders to participate were also communicated via social media, paid digital advertising, newspaper advertising, a press release and email notifications to community organisations who also shared via their channels.

It should be noted that discussion has taken place regarding the opportunity to place a hard copy of the survey with the tax notice for 2022.

Participation:

While there were additional challenges with survey engagement this year, we still received a higher than anticipated response. 2020 saw higher participation with 935 participants, while for 2021, this was 787, a decrease of 16%. For data sampling purposes this reduction in participation is seen as negligible and still allows for year-over-year data comparison. The Summary of the 2021 Citizen Satisfaction Survey is **Attachment A**. The Summary of the 2020 Citizen Satisfaction Survey is **Attachment C**.

Reporting Back:

Reporting back to citizens on the input we receive from them is an essential closure to the public participation process and is an important acknowledgment of their valuable time. The final results report will be posted at mission.ca/engage after the presentation to Council and shared through our various digital channels.

Observations:

- All completed surveys were in English. More work is required to ensure we achieve a more balanced representation of the community.
- All completed surveys were from over 18's. Changing the time of year the survey is available would allow for youth input.
- 16% drop in participation over 2020. This was anticipated, however with a change in the time of year the survey is made available: aligning with the tax notice, we have the potential to reach a much larger audience.
- Six paper copies were returned. These can be hard to read and it is easy to skip questions.
- Many of the key themes were consistent with previous years.

Council Goals/Objectives

This survey was undertaken in support of Council's strategic focus of fostering an engaged community, as set out in the 2018-2022 Strategic Plan.

Financial Implications

This report has no direct financial implications, but is undertaken to provide Council with feedback from the community on municipal services and important issues that will support the financial planning process for 2022.

Communication

The results from the survey will be published on the City of Mission's website as part of the overall communications for the 2022 budget process and will be shared across our media platforms.

Summary and Conclusion

Staff are presenting the findings of the 2021 Citizen Satisfaction Survey in a report to Council to support the 2022 budget process. This will also be shared with the public to ensure transparency through public participation.

Report Prepared by: Clare Seeley, Manager of Tourism and Communications

Reviewed by: Kerri Onken, Deputy Treasurer/Collector

Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: 2021 Summary of Citizen Satisfaction Survey Results

Attachment B: 2021 Citizen Satisfaction Survey Design

Attachment C: 2020 Summary of Citizen Satisfaction Survey Results.

Contact: Communications and Public Engagement

CITIZEN SATISFACTION SURVEY 2021



Table of Contents

- Background
- Highlights & Summary
- Assessment of life in Mission
- COVID-19 service levels
- Service satisfaction for 2021 & Service investments for 2022
- Demographics
- Communication
- Conclusion

Background

- Since 2016, staff has released a Citizen Satisfaction Survey to improve annual consultation in support of financial and operational planning.
- While questions are similar to previous years to track trends, this year's survey included questions on the City's service levels during the COVID-19 pandemic, the area of Mission respondents live in, and methods of communications preferred to received City information. Some questions were removed to keep the survey to a reasonable length.
- The survey was available from June 21 – July 31, 2021, online at engage.mission.ca or via hardcopy at Municipal locations, the Sikh Temple, and the library.
- The participation rate decreased by 16% (787 responses in 2021 compared to 935 in 2020). This is a negligible change to the data sample.

Highlights & Summary

1. Perceptions about **quality of life** remain high at 77%; which is a slight increase from 2019 at 73%;
2. Why people **like living in Mission**: small town, views and nature, outdoor recreation and sense of community; affordability has moved down the list and some new themes developed around ties to family and the Raceway.
3. Themes identified related to the most **important issues facing Mission** include infrastructure, homelessness, sustainable growth & development, economic development, outdoor recreation, and traffic congestion. Schools and healthcare were also high on the list.
4. Most of the community felt that the municipality did well at **maintaining service levels** during the changing public health orders of the **COVID-19 pandemic**.
5. There is a strong **desire to maintain current service levels** across the board, with the **desired increase** in levels for economic development, recreation services, and transportation improvements.
6. Preferred methods for the City to communicate with the community were online platforms including social media and websites.

ASSESSMENT OF LIFE IN MISSION

Quality of Life

Survey Question: Please rate your overall satisfaction with the quality of life in Mission.



77% of respondents selected **Very Satisfied** or **Somewhat Satisfied**



11% of respondents selected **Neutral**



12% of respondents selected **Very Dissatisfied** or **Dissatisfied**.

What Respondents Liked Most

Respondents were asked an open-ended question to identify what they **liked most** about living in Mission.

Themes:

- Small Town
- Views and Nature
- Outdoor Recreation
- Sense of Community
- Location/Accessibility
- Family/Home ties
- Local Businesses
- City & Country
- Affordability
- The Raceway

What is the most important issue

Respondents were asked an open-ended question to identify **what is the most important issue facing Mission.**

Key themes:

- Meeting Infrastructure Needs
- Sustainable Growth/Development
- Homelessness
- Health care
- Economic Development
- Traffic & Transit
- RCMP/Crime
- Outdoor Recreation
- Schools
- Housing & Affordability

Quality of Services from the City

Please rate the overall quality of the services you receive from the District of Mission during the COVID-19 pandemic.

- 50% of respondents selected **Excellent** or **Good**
- 36% of respondents selected **Neutral**
- 9.5% of respondents selected **Poor**
- 4.5% selected **Don't know.**

Quality of Services from the City

Respondents were then asked an open-ended question as to **why they gave this rating.**

Themes:

- Great customer service
- No change in service
- Unsure of services included
- Length of time for building permits
- Vaccination clinics
- Good Communications
- Overcrowding/closure of park spaces, trails and playgrounds
- Rural community do not receive service



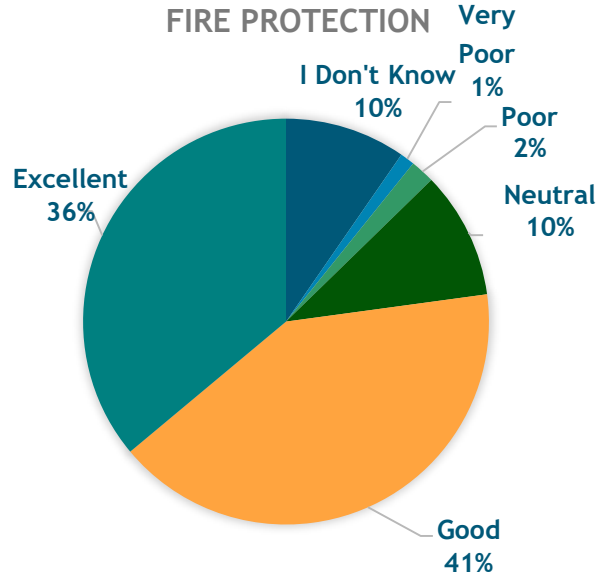
SERVICE SATISFACTION & FUTURE INVESTMENT



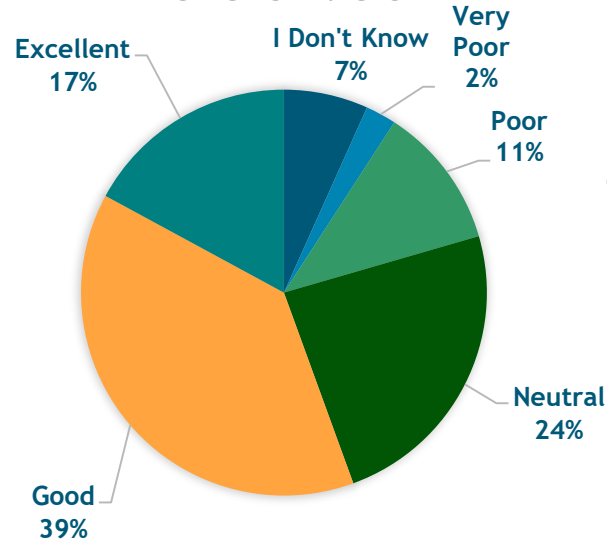
SAFE COMMUNITY

Safe Community – Fire, Police & Bylaws

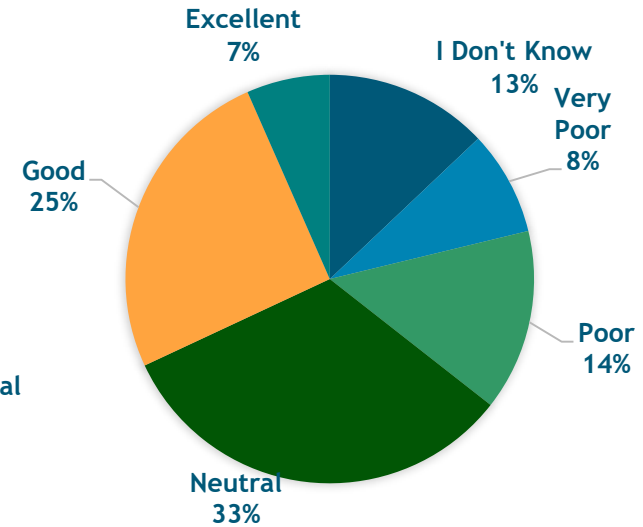
FIRE PROTECTION



POLICE SERVICES

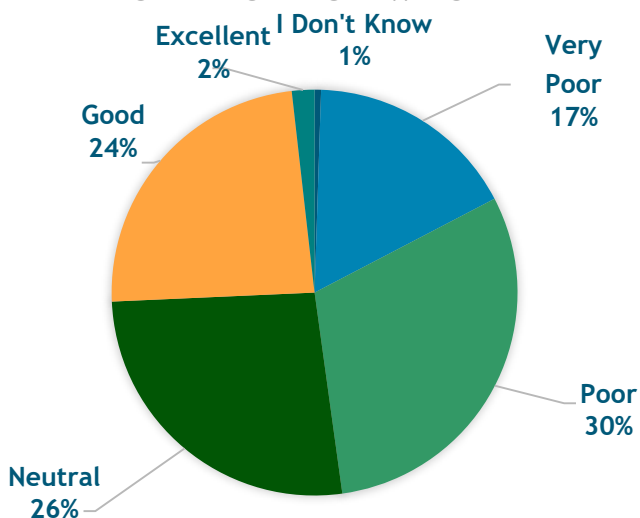


BYLAW ENFORCEMENT

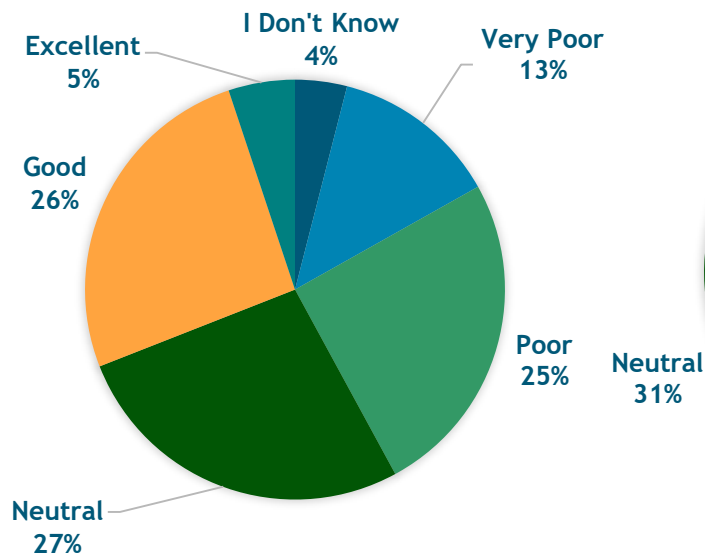


Safe Community - Streets, Sidewalks & Cycling Routes

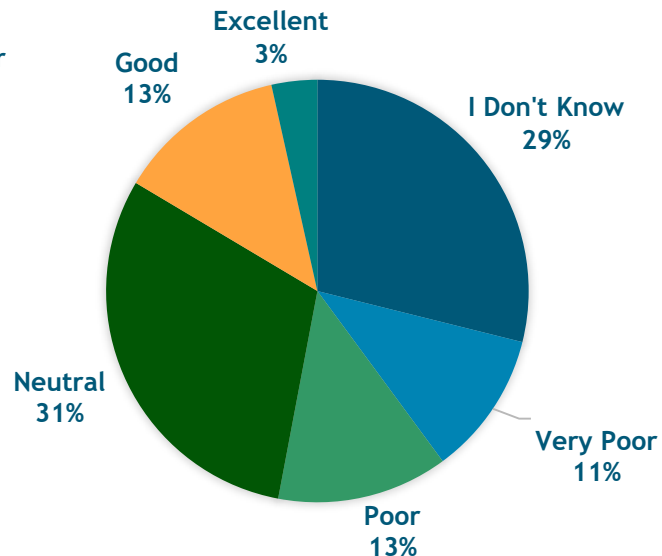
STREETS & ROADWAYS



SIDEWALKS & WALKWAYS



CYCLING ROUTES



Safe Community

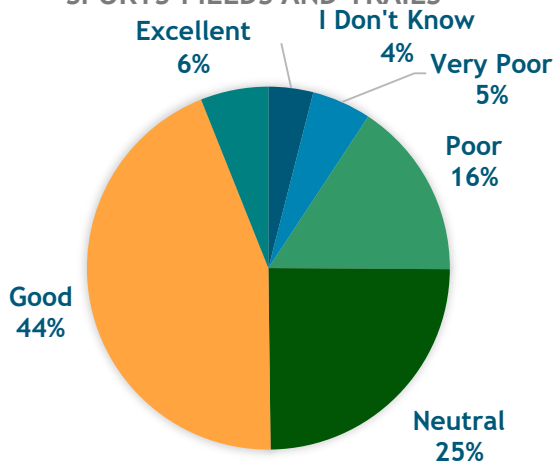
Respondents were asked to indicate the level of investment for Protection & Safety Services for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Fire Protection	27%	64%	1%	8%
Police Services	45%	43%	6%	6%
Bylaw Enforcement	23%	49%	12%	16%
Sidewalks	52%	40%	3%	4%
Streets & roadways	60.5%	34%	3%	2.5%
Cycling routes	23%	32%	25%	20%

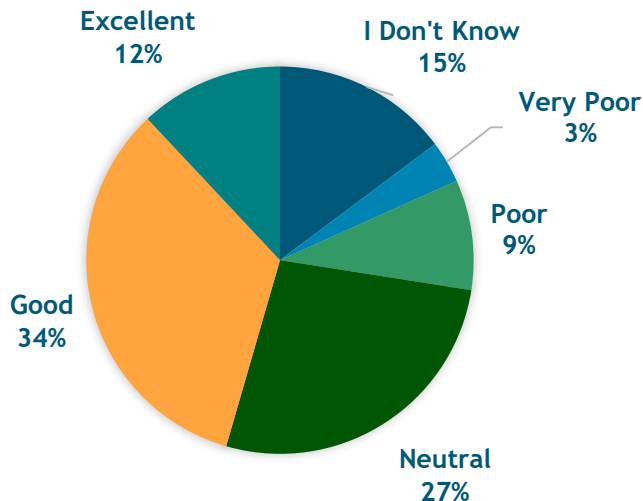
SECURE FINANCES, ASSETS AND INFRASTRUCTURE

Secure Finances, Assets and Infrastructure

BUILDING, MAINTAINING, AND
UPGRADING PARKS, PLAYGROUNDS,
SPORTS-FIELDS AND TRAILS



SANITARY SEWER AND STORMWATER
DRAINAGE



Secure Finances, Assets & Infrastructure

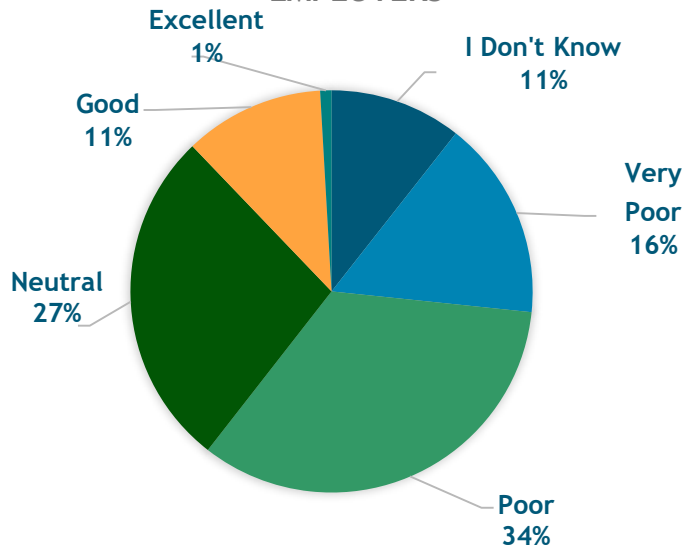
Respondents were asked to indicate the level of investment for maintaining and upgrading recreational facilities and sewer/stormwater for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Parks, Trails and Fields Maintenance	42%	52%	2%	4%
Sanitary Sewer/Stormwater	32%	52%	0%	16%

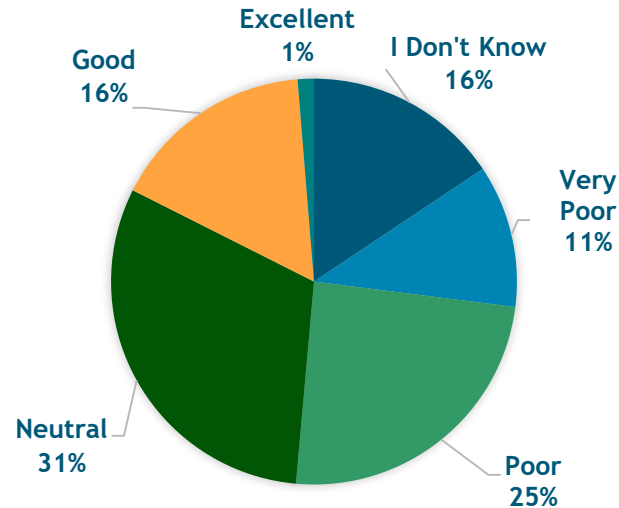
BOLD ECONOMIC DEVELOPMENT

Quality of Bold Economic Development

ATTRACTING/RETAINING BUSINESSES AND EMPLOYERS

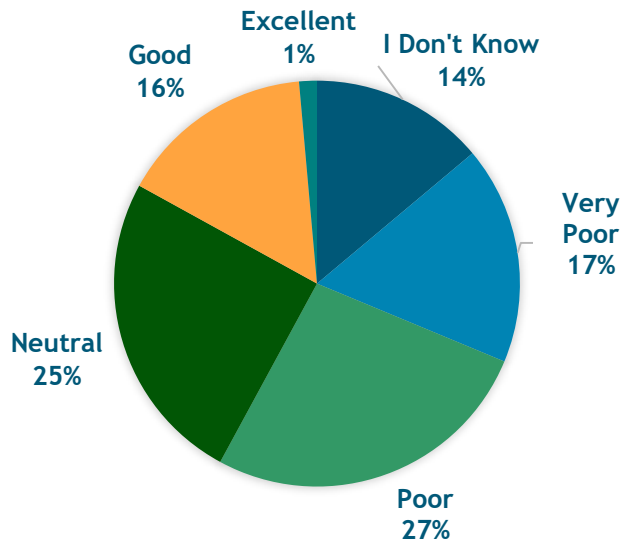


REGULATING BUILDING TYPES

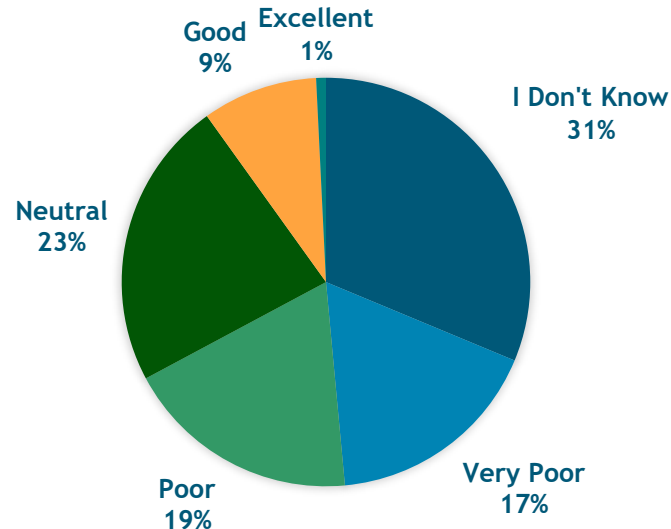


Quality of Bold Economic Development Cont.

DEVELOPING MASTERPLANS



ISSUING BUILDING PERMITS/INSPECTIONS



Bold Economic Development

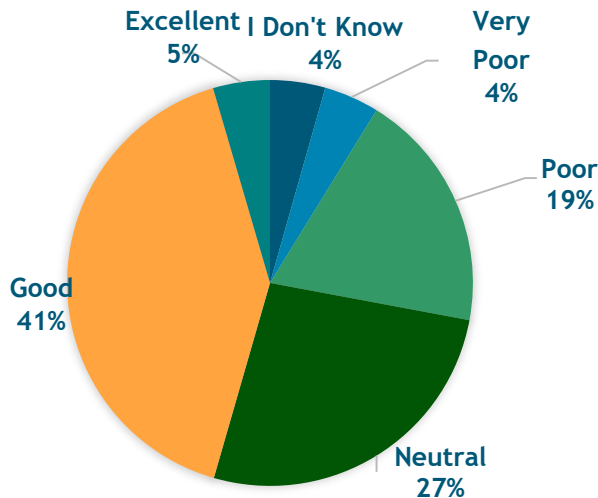
Respondents were asked to indicate the level of investment for Growth & the Economy for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Attracting and retaining business	65%	22%	5%	8%
Regulating building	34.5%	40.5%	11.5%	13.5%
Building permits	38%	35%	6%	21%
Masterplans to guide growth	48%	32%	7%	13%

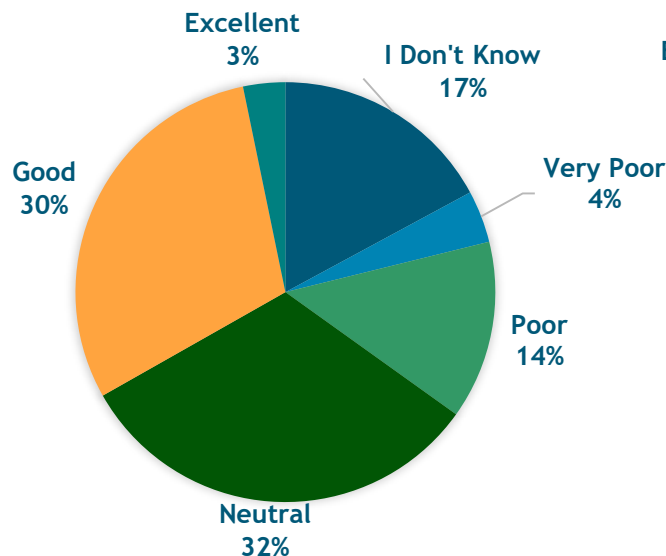
LIVABLE COMPLETE COMMUNITY

Liveable Complete Community - Parks, Recreation & Culture

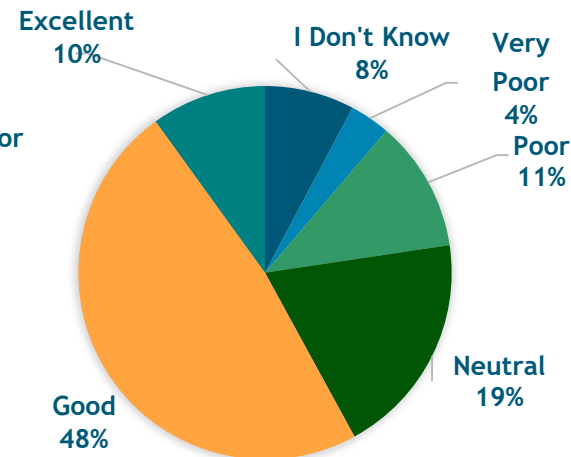
REC FACILITIES & PROGRAMMING



CULTURAL FACILITIES & PROGRAMMING



DEVELOPING & MAINTAINING FOREST REC AREAS AND TRAILS



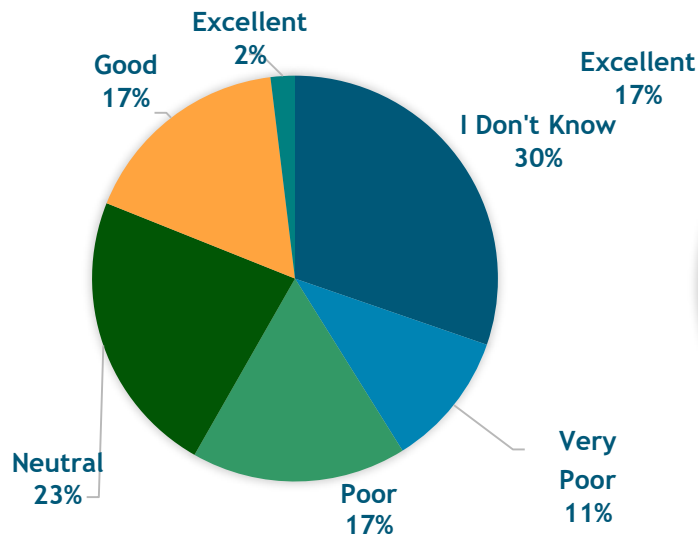
Liveable Complete Community

Respondents were asked to indicate the level of investment that make for Parks & Recreation for 2021.

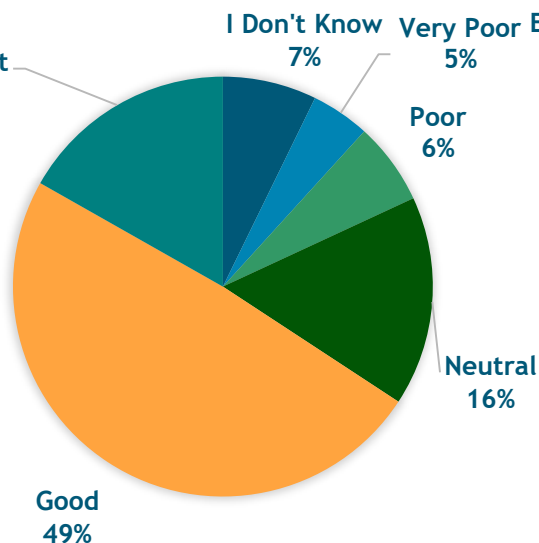
Service	Increased	Maintained	Reduced	Don't Know
Rec Facilities & Programming	50%	44%	2%	4%
Cultural Facilities & Programming	34%	47%	7%	12%
Development and maintenance of forest rec and trails	40%	52%	3%	5%

Liveable Complete Community – Transit, Water & Solid Waste Management.

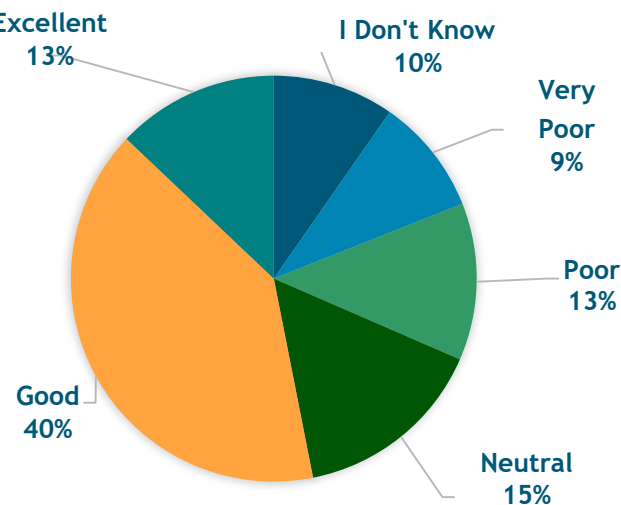
PUBLIC TRANSIT



DRINKING WATER



SOLID WASTE/CURBSIDE COLLECTION



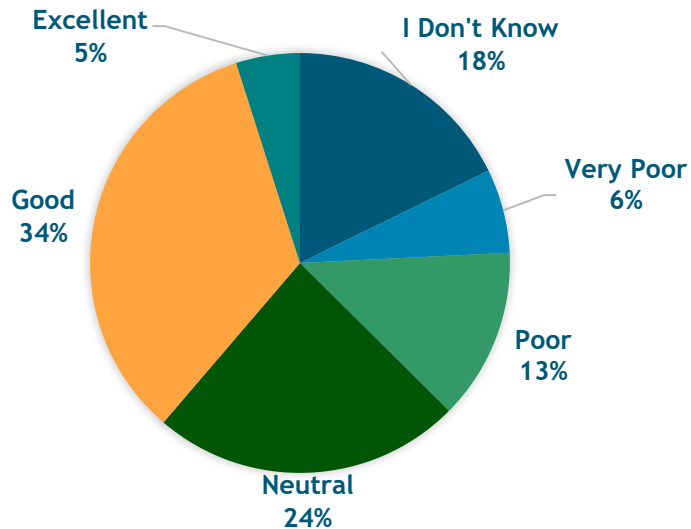
Liveable Complete Community.

Respondents were asked to indicate the level of investment for Transit, Drinking Water & Solid Waste Management for 2021.

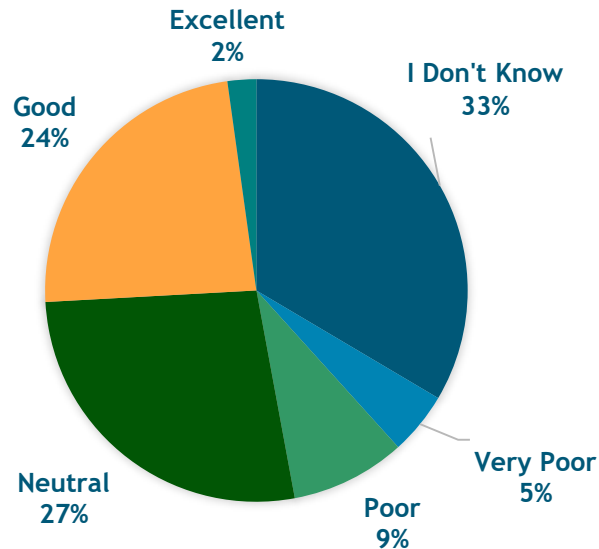
Service	Increased	Maintained	Reduced	Don't Know
Public Transit	38%	36%	3%	23%
Drinking Water	26%	65%	0%	9%
Solid Waster Management	26%	64%	0%	10%

Liveable Complete Community – Environmental³⁴ Services

PROTECTING SENSITIVE ENVIRONMENTS



MANAGING INVASIVE SPECIES

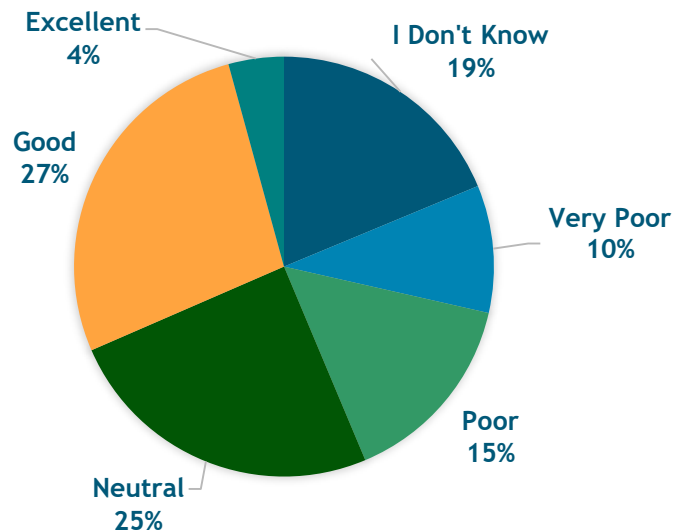


Liveable Complete Community - Environmental Services Cont. ³⁵

REDUCING GHGS/CLIMATE ACTION



PROTECTING TREE CANOPY



Liveable Complete Community

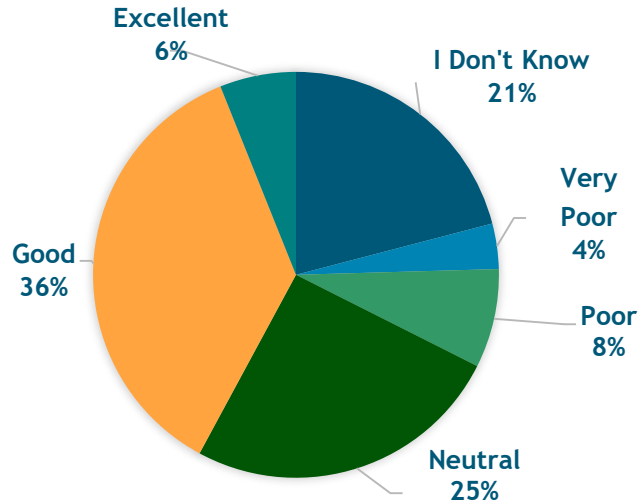
Respondents were asked to indicate the level of investment for Environmental Services for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Protecting Sensitive Areas	36%	53%	2%	9%
Invasive Species Management	23%	53%	2%	22%
Reducing GHGs/Climate	29%	44%	5%	22%
Protecting Trees	37%	47%	4%	12%

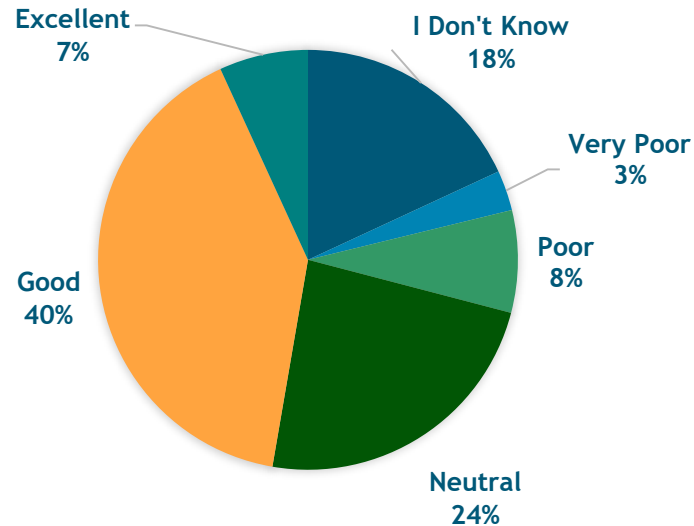
ORGANIZATIONAL EXCELLENCE

Organizational Excellence

IN-PERSON (PERMITS, TAXES)

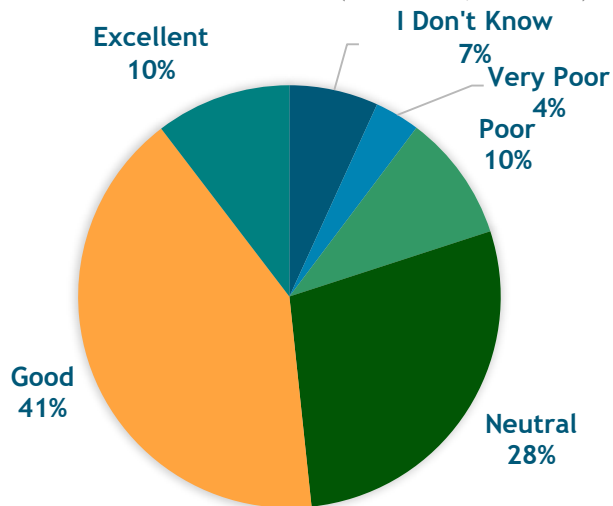


ONLINE (REGISTRATION, PERMITS, FEES)

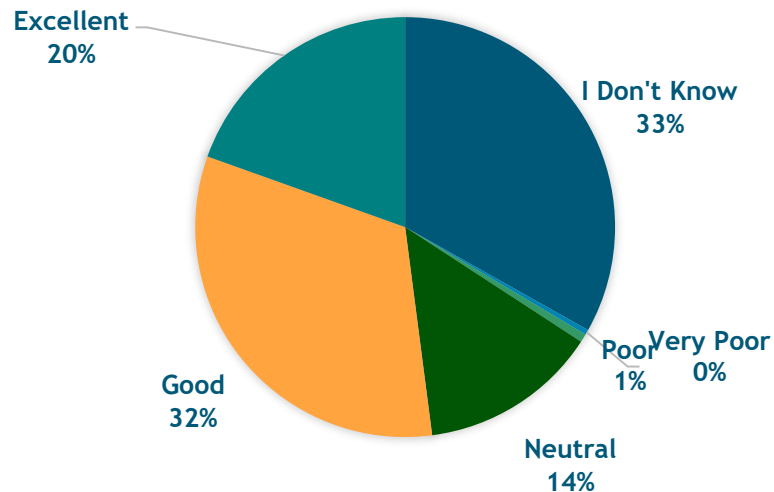


Online & In-Person Services Cont.

COMMUNICATIONS (WEBSITE, SOCIAL)



IN-PERSON/ONLINE LIBRARY



Organizational Excellence

Respondents were asked to indicate the level of investment for Online & In-Person Services for 2021.

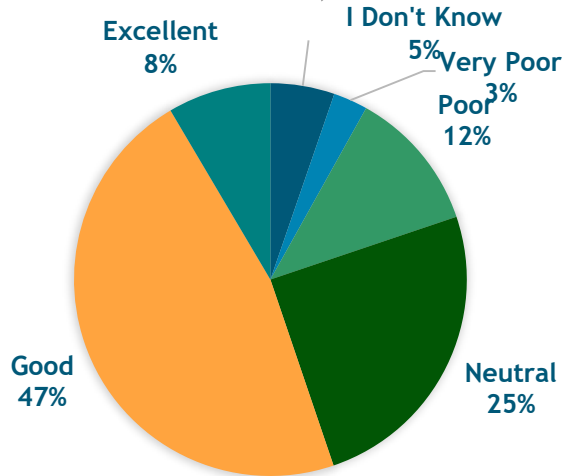
Service	Increased	Maintained	Reduced	Don't Know
In-Person	13%	65%	5.5%	16.5%
Online	20%	64%	4%	12%
In-Person/Online FVRL	8%	64%	4%	24%

ENGAGED COMMUNITY

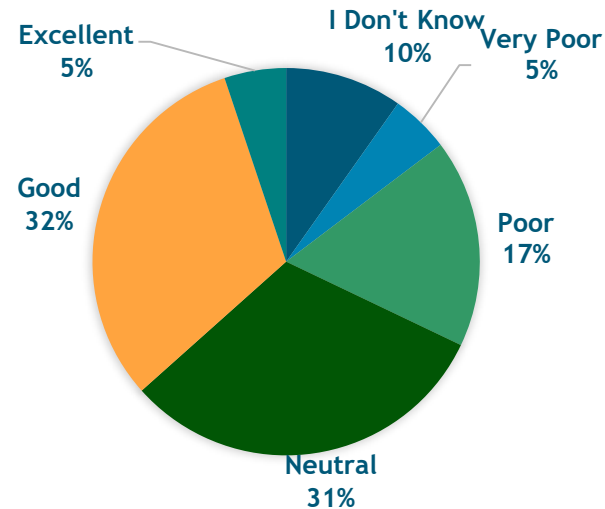


Engaged Community

COMMUNICATIONS (WEBSITE, SOCIAL,
PRINT)



TO PROVIDE INPUT IN CURRENT
PROJECTS AND INITIATIVES



Engaged Community

Respondents were asked to indicate the level of communications and engagement for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Communications	36%	57%	3%	4%
Input to Projects & Initiatives	47%	46%	0.5%	6.5%

DEMOGRAPHICS

Demographics

Age	
Under 18	-
18-24	3.2%
25-34	15.5%
35-44	23.3%
45-54	23.0%
55-64	24.0%
65 +	11%

Tax Category	
Resident	88.4%
Business	0.3%
Both	11.4%

Household

Children and/or Seniors in the House	
Children	42.9%
Seniors	13.6%
Both	9.4%
Neither	34.1%

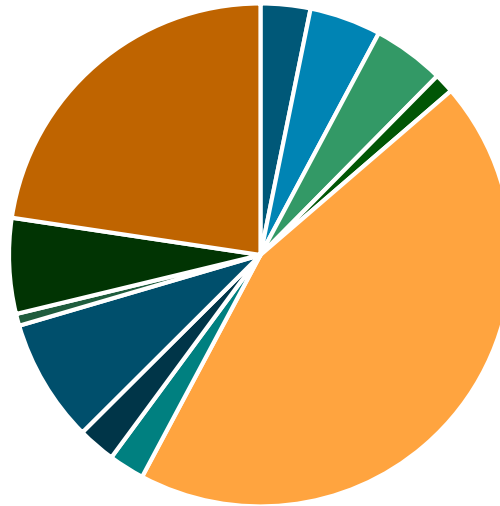
Own or Rent	
Own	84.0%
Rent	12.1%
Other	3.9%

Area of Mission located in

Urban - 70%

Rural - 22%

Hatzic - 8%



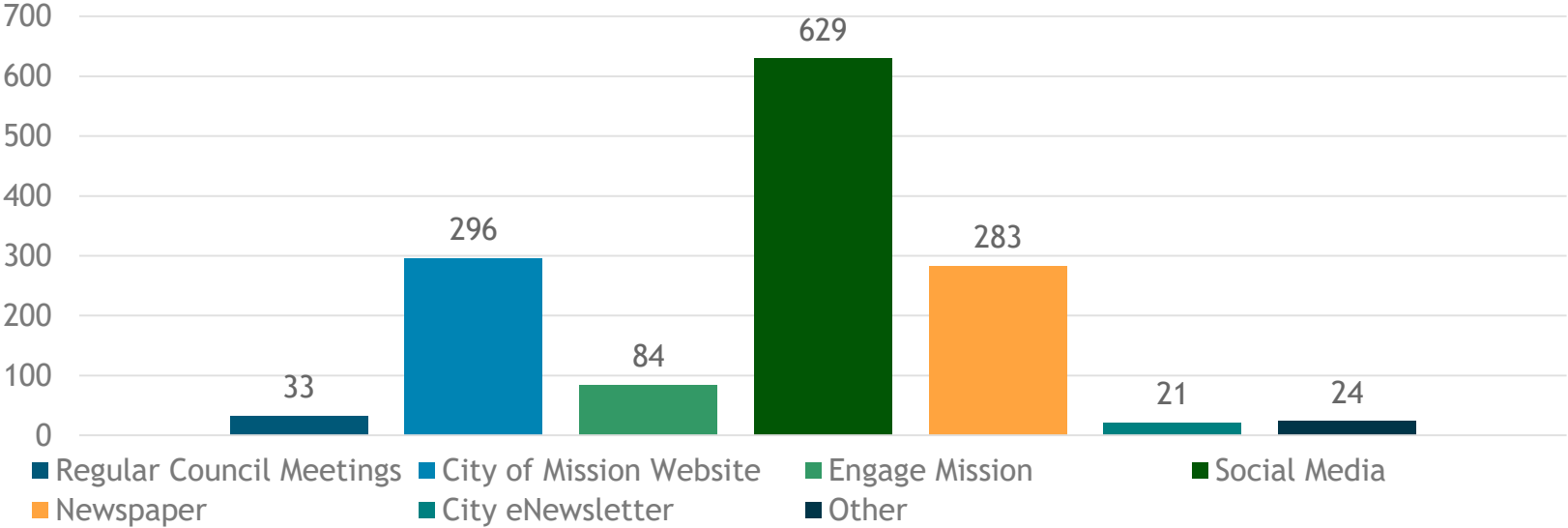
■ Steelhead
■ Mission Core
■ Fraser Corridor

■ Stave Falls
■ Keystone
■ Ferndale

■ Silver Creek
■ Israel Bench
■ Cedar Valley

■ Silverdale
■ Hatzic

Currently Receiving Communications



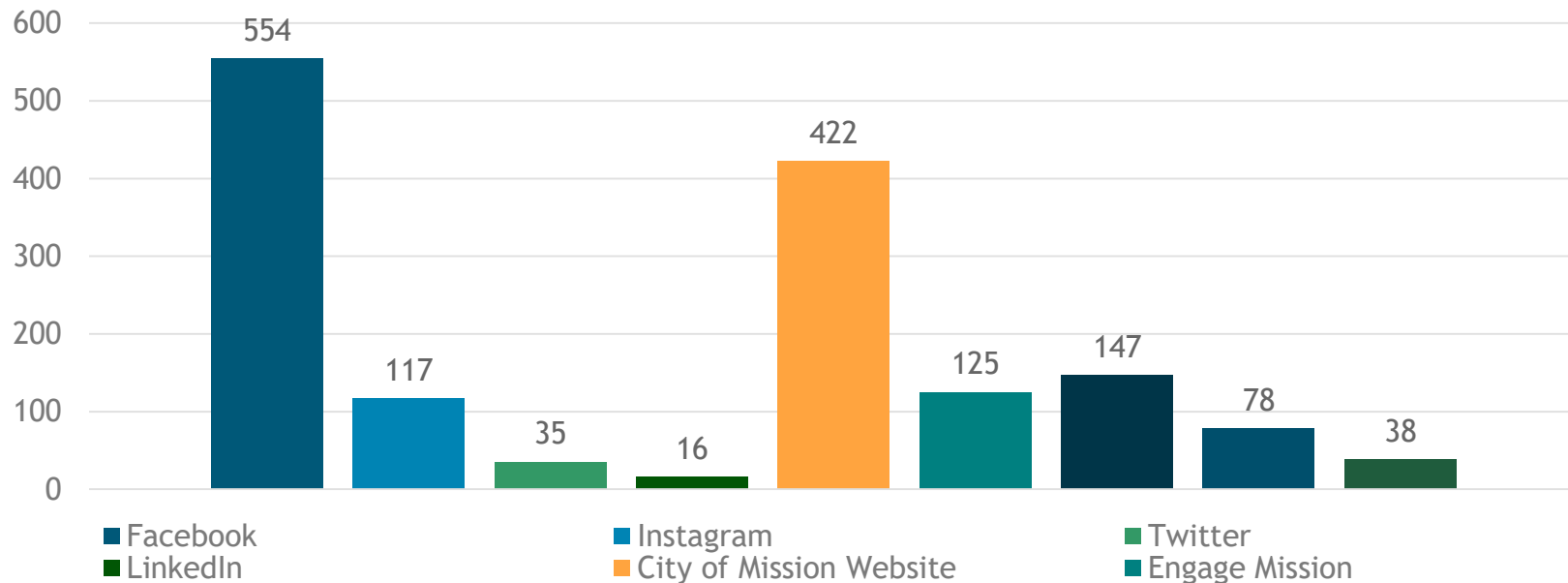
Social media - 81.6%

City website/engage.mission - 49.3%

Newspaper - 36.7%



Preferred Communications



Social media - 94% City website/engage.mission - 72% Newspaper - 38% City Newsletter - 19% In-person - 10%

FINAL COMMENTS

Survey Improvements

Respondents were asked if we could improve the survey for the future.

Key themes:

- No changes Required
- Include comments after each question
- Use this information to make informed decisions
- Great work
- Make it shorter
- Advertise more
- Make the level of investment questions to rank in order of importance

Final Comments

Respondents were asked an open-ended question to identify any final comments they would like to share.

Key themes: Many referred back to their key community issue, other key themes included:

- More trails & Outdoor Recreational Amenities
- We Love Mission!
- Family & Youth Activities
- Lower Taxes
- Reconciliation and Park Signage
- Include more survey questions for rural residents



2021 Citizen Satisfaction Survey

This survey will take about 10 minutes to complete, and will help the municipality understand your priorities and opinions on the services we provide so that we can better plan our 2022 budget with Mayor and Council.

The results of this survey create a foundation for our annual financial planning and are used to rate our performance and track our community's priorities over time.

Your Privacy Matters

We are seeking your input related to your satisfaction with services and assets provided by the District of Mission. We are collecting data under section 26(e) of the Freedom of Information and Protection of Privacy Act for the purpose of planning programs and services.

You have the option of providing your contact information as part of this survey. Your personal information will not be published in any way or reviewed in combination with your responses to survey questions, and your information will be securely stored in Canada. We will not share your information with any external third party and will only use your contact information to provide you with future opportunities to engage with the District of Mission.

If you have questions about this survey, the collection of data or how it is stored and used please contact:

Office of Communications and Public Engagement
District of Mission
8645 Stave Lake Street, Mission, BC, V2V 4L9
communications@mission.ca

Survey

Page 1

Quality and Importance of Services

Mission provides a broad range of services, largely funded by property taxes. Examples include emergency response services like fire, rescue, and policing, business licensing, regulating what types of buildings can be built in specific areas, as well as building and maintaining public assets like roads, water service, sewer, parks, playgrounds and trails.

Please rate your satisfaction with the overall quality of life in Mission

Very satisfied

Somewhat satisfied

Neutral

Somewhat dissatisfied

Very dissatisfied

Please rate the overall quality of the services you receive from the District of Mission during the COVID-19 pandemic

- Excellent
- Good
- Neutral
- Poor
- Very Poor
- Don't Know

Please let us know why you selected that rating

TEXTBOX

Please tell us what you like most about living in Mission

TEXTBOX

In your opinion as a resident of Mission, what is the most important issue facing the community that should receive the most attention from the local government?

TEXTBOX

Page 2

Service Areas

The list below represents the main service-areas for the municipality.

Please provide your rating for the **quality** of the services you receive.

	Excellent	Good	Neutral	Poor	Very Poor	Don't Know
Safe Community						
Fire Protection						
Police Services						
Bylaw Enforcement Services						
Sidewalks and walkways						
Streets and roadways						
Cycling routes						
Secure Finances, Assets and Infrastructure						
Building, maintaining, and upgrading parks, playgrounds, sports-fields and trails						
Sanitary Sewer and Stormwater Drainage						
Bold Economic Development						
Attracting and retaining businesses and employers						
Regulating what types of buildings can be built in specific areas						
Issuing building permits and providing inspections						
Developing master plans and neighbourhood plans to guide growth.						
Liveable Complete Community						
Recreation facilities and programming						
Cultural facilities and programs						
Developing and maintaining forest recreation areas and trails						
Public transit services						
Drinking water						
Solid waste management and curbside collection						
Protecting environmentally sensitive areas						
Management of invasive plants						
Reducing GHG emissions & our impact on the climate						
Protecting and maintaining trees and the tree canopy						
Organizational Excellence						
In-Person Services like Applying for Permits, Paying Taxes etc.						
Online Services like Registering for Recreational Programs, Applying for Permits or Licenses, Paying Fees etc.						
Online and In-Person Services at the Fraser Valley Public Library.						
Engage Community						
Communications and information provided through the public website, social media and print media.						
To provide input in current projects and initiatives						

Please indicate if you think the level of investment for each of the following services needs to be increased, maintained, or decreased.

	Increased	Maintained	Reduced	Don't Know
Safe Community				
Fire Protection				
Police Services				
Bylaw Enforcement Services				
Sidewalks and walkways				
Streets and roadways				
Cycling routes				
Secure Finances, Assets and Infrastructure				
Building, maintaining, and upgrading parks, playgrounds, sports-fields and trails				
Sanitary Sewer and Stormwater Drainage				
Bold Economic Development				
Attracting and retaining businesses and employers				
Regulating what types of buildings can be built in specific areas				
Issuing building permits and providing inspections				
Developing master plans and neighbourhood plans to guide growth.				
Liveable Complete Community				
Recreation facilities and programming				
Cultural facilities and programs				
Developing and maintaining forest recreation areas and trails				
Public transit services				
Drinking water				
Solid waste management and curbside collection				
Protecting environmentally sensitive areas				
Management of invasive plants				
Reducing GHG emissions & our impact on the climate				
Protecting and maintaining trees and the tree canopy				
Organizational Excellence				
In-Person Services like Applying for Permits, Paying Taxes etc.				
Online Services like Registering for Recreational Programs, Applying for Permits or Licenses, Paying Fees etc.				
Online and In-Person Services at the Fraser Valley Public Library.				
Engage Community				
Communications and information provided through the public website, social media and print media.				
To provide input in current projects and initiatives				

Page 3

Demographic Characteristics

- **Please indicate your age**

- Under 18
- 18 – 24
- 25 – 34
- 35 – 44
- 45 – 54
- 55 – 64
- 65 years or more

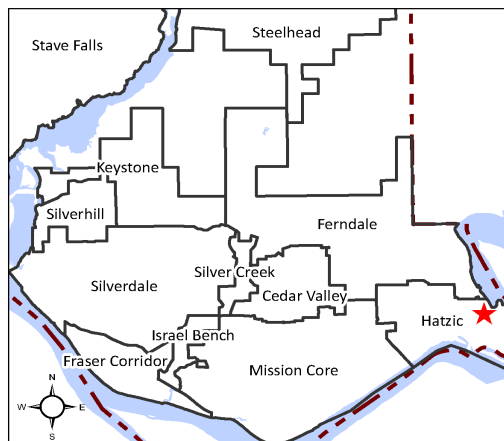
- **Which of the following tax categories applies to you?**

- Resident
- Business
- Both

Do you own or rent your home in Mission?

- Own
- Rent
- Other

Which area of Mission do you live in?



- Cedar Valley
- Ferndale
- Fraser Corridor
- Hatzic
- Israel Bench
- Keystone
- Mission Core
- Silverdale
- Silver Creek

- Stave Falls
- Steelhead

Do you have seniors or children living with you in your home?

- Seniors
- Children
- Both
- Neither

How are you currently receiving District of Mission communications?

- Regular Council Meetings
- District of Mission Website
- Engage Mission
- Social Media
- Local Newspaper
- District eNewsletter
- Other: please specify

What method of communication do you prefer?

- Facebook
- Instagram
- Twitter
- LinkedIn
- District of Mission Website
- Engage Mission
- Local Newspaper
- District eNewsletter
- In-person engagements
- Other: Please specify

Is anyone in your household an elected official for Mission or employed by the municipality?

- Yes
- No

Please share any final comments you have

TEXTBOX

Is there any way we can improve this survey in the future?

TEXTBOX

Thank you for your time completing this survey!

CITIZEN SATISFACTION SURVEY 2020

Report
September 16, 2020

Contact: Communications and Public Engagement

Table of Contents

- Background
- Highlights & Summary
- Assessment of life in Mission
- COVID-19 recovery ideas
- Services satisfaction
- Services investments for 2021
- Demographics
- Conclusion

Background

- The survey was available from July 21 – Aug. 31, 2020 online at engage.mission.ca or via hardcopy at Municipal Hall.
- The participation rate this year increased over 114% (935 responses in 2020 compared to 437 in 2019).
- Since 2016, staff have released a standardized citizen satisfaction survey to improve annual consultation in support of financial and operational planning.
- While questions are similar to previous years to track trends, this year's survey included questions on COVID-19 recovery and additional demographics.

Highlights & Summary

1. Perceptions about quality of life remain high at 73%; however, are lower than described in 2019 at 81%;
2. Themes identified related to what respondents liked most about living in Mission include: nature, outdoor recreation, friendly people, community feel, events, real estate, affordability, local businesses, local amenities, and connectivity to the Lower Mainland;
3. Themes identified related to what respondents liked least about living in Mission include: high property taxes, traffic, increasing density and development, loss of tree canopy, speed zone enforcement, homelessness, and crime;
4. Pressing issues facing Mission identified include: homelessness, high property taxes, affordable housing, need for more schools, permit wait-times, sustainability measures/protecting the environment, transportation improvements, traffic safety and enforcement;
5. COVID-19 recovery ideas identified include: promoting local businesses, re-opening more civic recreation facilities, focusing on community mental health, tourism, encourage mask wearing, keeping the community connected, public safety, and attracting more industry;
6. Overall, respondents rated the services they received from the District as Good or Very Good;
7. There is a strong desire to maintain current service levels across the board, with a few exceptions to increase levels in economic development, recreation services, and transportation improvements.

ASSESSMENT OF LIFE IN MISSION

Key Findings and Highlights

Quality of Life

Survey Question: Please rate your overall satisfaction with the quality of life in Mission.

- 73% of respondents selected **Very Satisfied** or **Somewhat Satisfied**
- 12% of respondents selected **Neutral**
- 15% of respondents selected **Very Dissatisfied** or **Dissatisfied**.

Community Recommendation

Survey Question: How likely are you to recommend Mission to someone you know as a place to live or do business?

- 54% of respondents selected **Very Likely** or **Somewhat Likely**
- 30% of respondents selected **Neutral**
- 16% of respondents selected **Not Very Likely** or **Unlikely**.

What Respondents Liked Most

Respondents were asked an open-ended question to identify what they **liked most** about living in Mission.

Themes:

- Small town feel
- Community
- Friendly people
- Outdoor recreation
- Community amenities
- Connectivity
- Affordability
- Rural areas
- Nice neighbourhoods
- Local businesses

What Respondents Liked Least

Respondents were asked an open-ended question to identify what they **liked least** about living in Mission.

Key themes:

- High taxes
- Increasing development
- Lack of local jobs and variety in amenities
- Homelessness
- Property crime
- Limited housing choices
- Building permit timelines
- Speeding enforcement
- Limited transit

Most Pressing Issues Facing Mission

Respondents were asked an open-ended question to identify what is the most pressing issue facing Mission.

Key themes:

- Infrastructure keeping up with growth
- Lowering taxes
- Community planning
- Public and traffic safety
- Waterfront and access to the river
- Sewage pipeline replacement
- Housing affordability
- Homelessness

Other Issues Facing Mission

Respondents were asked an open-ended question to identify their thoughts on other issues facing Mission.

Key themes:

- Economic development and creating local jobs
- Sustainability/preserving the environment
- Parking
- Increasing sidewalks and walkability
- Help for small businesses
- Reducing congestion

COVID-19 Recovery Ideas

Respondents were asked an open-ended question to identify their ideas for COVID-19 recovery in Mission.

Key themes:

- Supporting local businesses
- Encouraging masks
- Mental health
- Public safety
- Re-opening civic recreation
- Tourism
- Attracting new industries

SERVICES SATISFACTION

Key Findings and Highlights

Quality of Services

Survey Question: Please rate the overall quality of the services you receive from the District of Mission:

- 52% of respondents selected **Very Good** or **Good**
- 30% of respondents selected **Neither Poor nor Good** or **I Don't Know**
- 18% of respondents selected **Poor** or **Very Poor**.

Quality of Services Findings

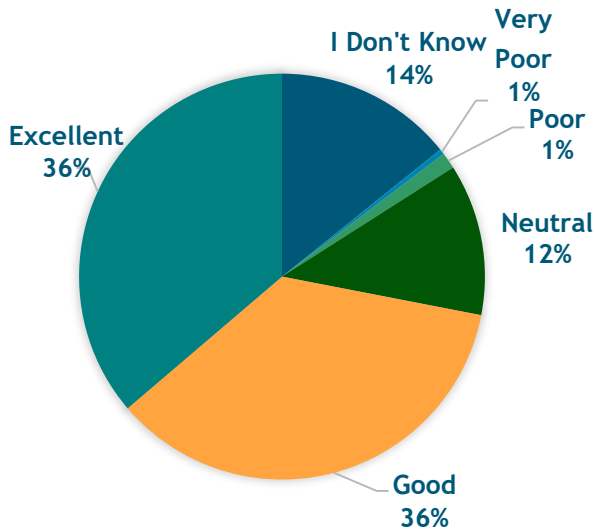
Respondents were asked an open-ended question on why they chose to rate the services how they did.

Overall response themes:

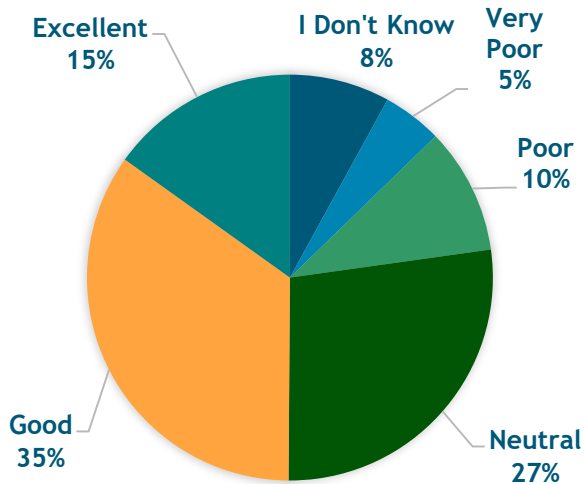
- Roads need improvements improvement
- Live in rural area with limited services
- Limited internet
- Always room for
- Inconsistent answers from District staff
- Curbside collection issues

Quality of Protection and Safety Services

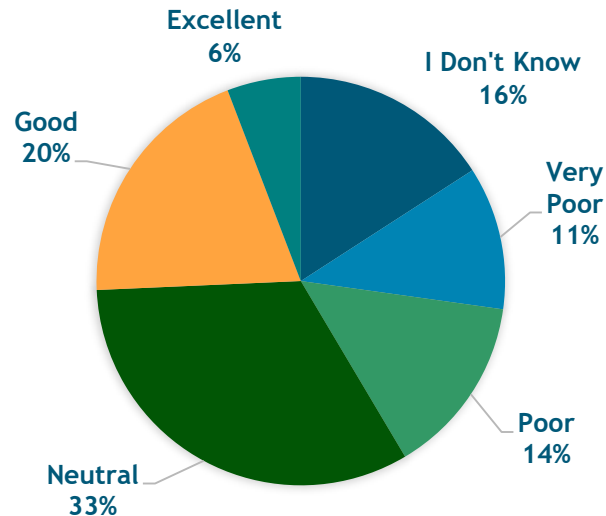
FIRE PROTECTION



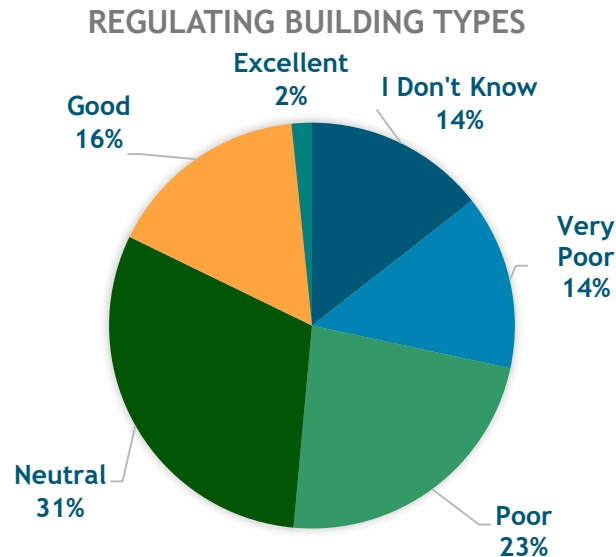
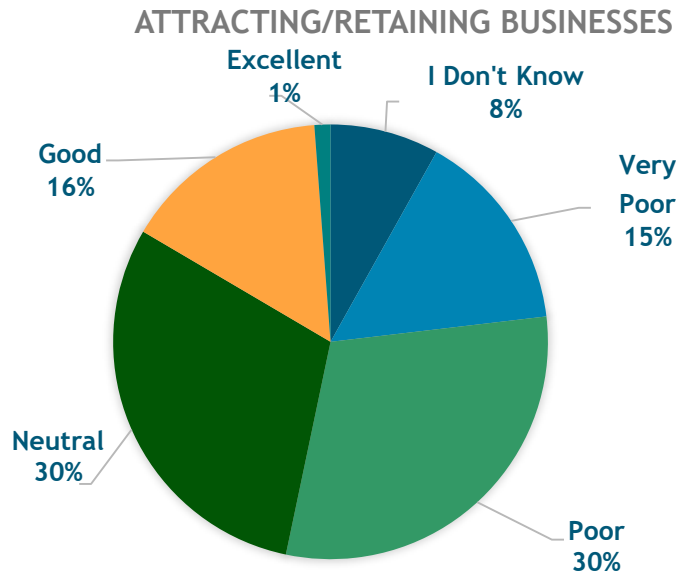
POLICE SERVICES



BYLAW ENFORCEMENT

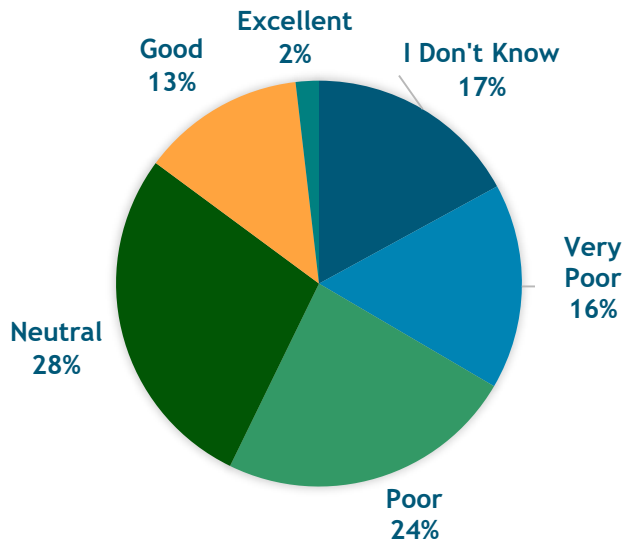


Quality of Growth & the Economy

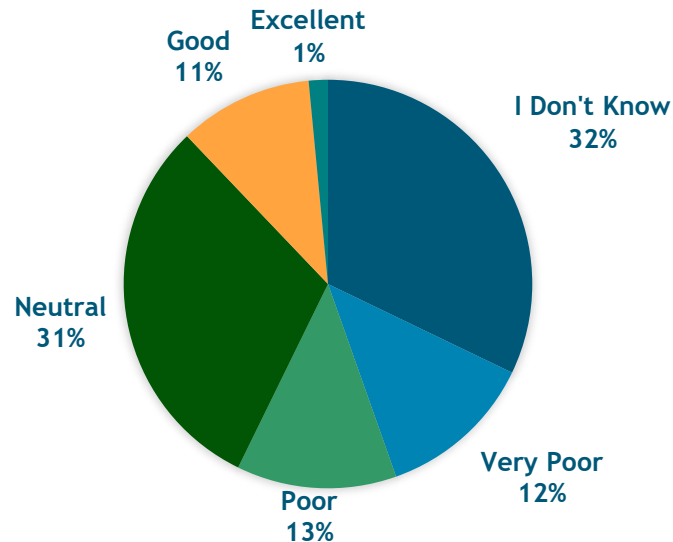


Quality of Growth & the Economy Cont.

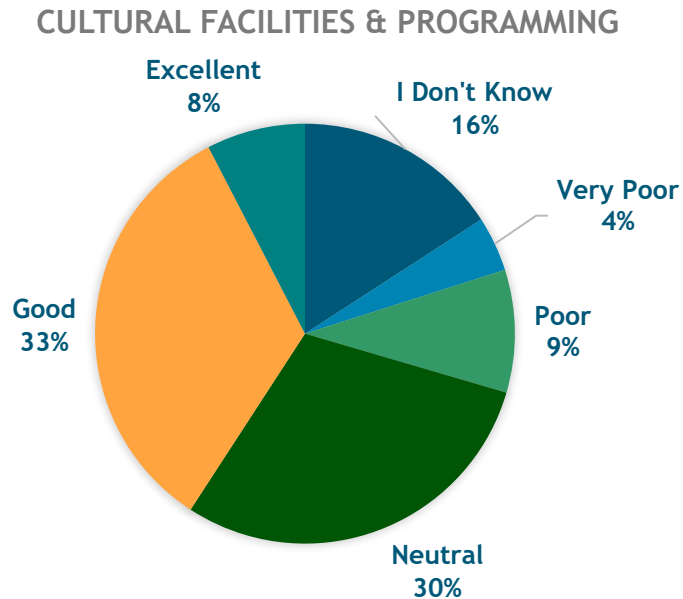
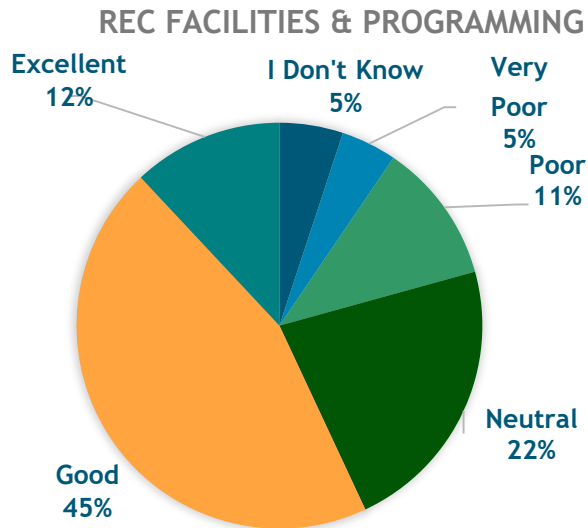
DEVELOPING MASTERPLANS



ISSUING BUILDING PERMITS/INSPECTIONS

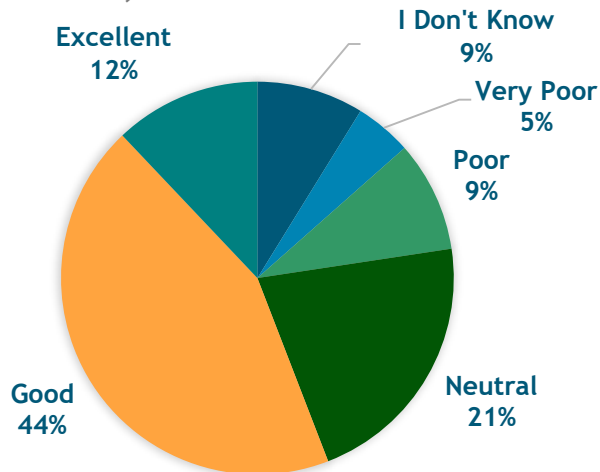


Quality of Parks, Recreation & Culture

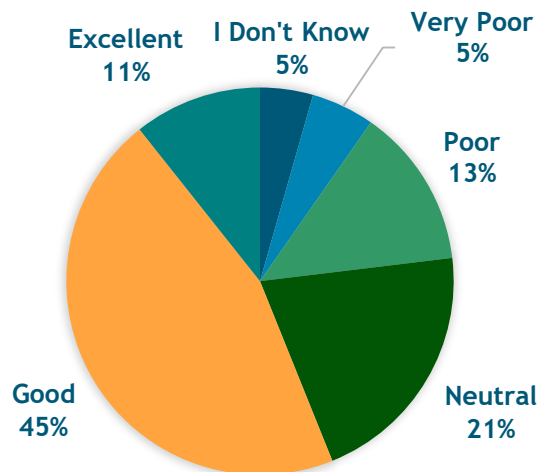


Quality of Parks, Recreation & Culture Cont.

MAINTENANCE OF PARKS, BUILDINGS,
FIELDS, PLAYGROUNDS & TRAILS

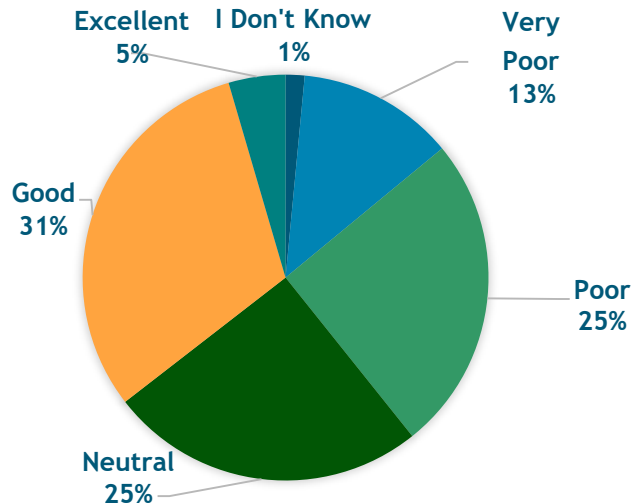


DEVELOPING & MAINTAINING FOREST REC &
TRAILS

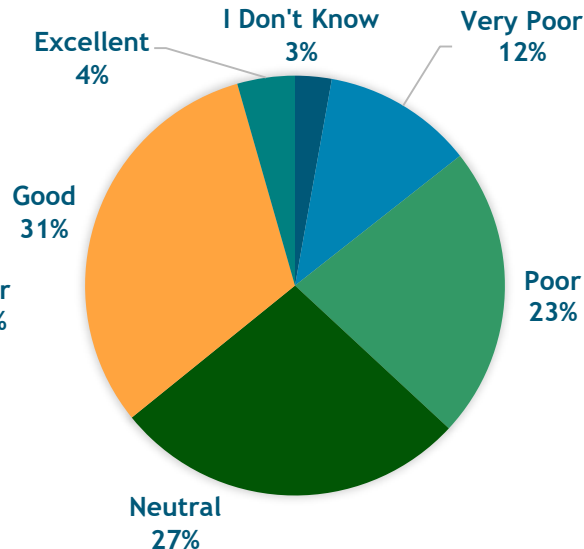


Quality of Streets, Transportations & Utilities

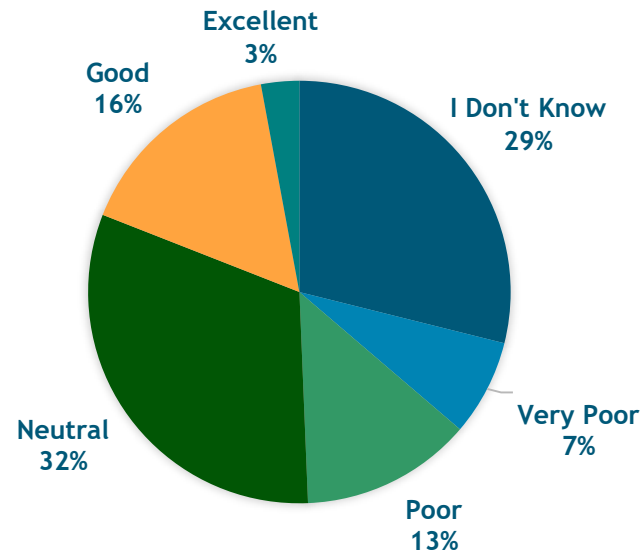
STREETS & ROADWAYS



SIDEWALKS & WALKWAYS

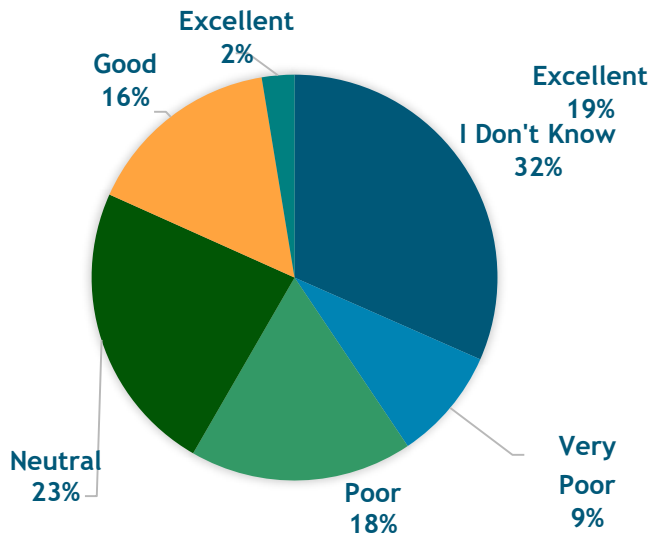


CYCLING ROUTES

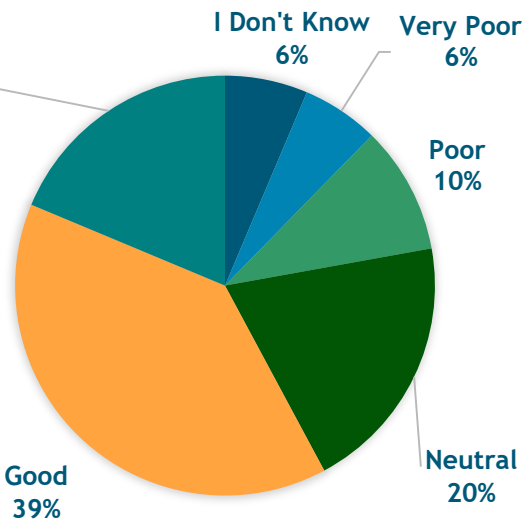


Quality of Streets, Transportations & Utilities Cont.

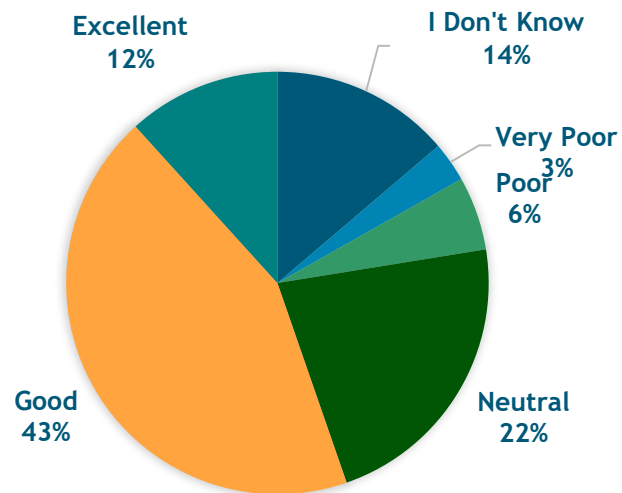
PUBLIC TRANSIT



DRINKING WATER

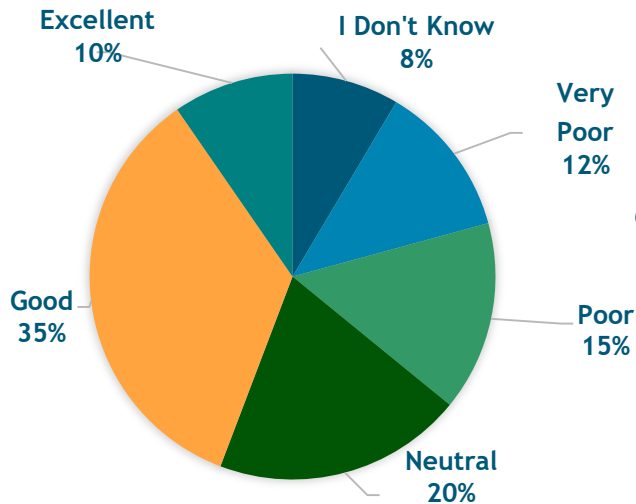


SANITARY SEWER/STORM DRAIN

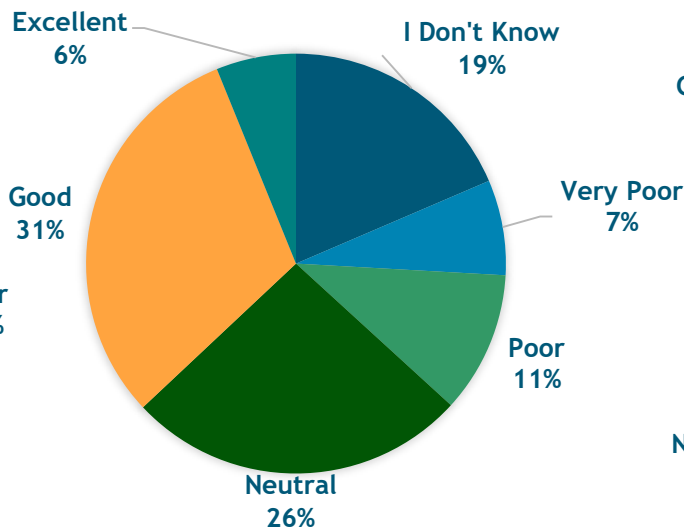


Environmental Services

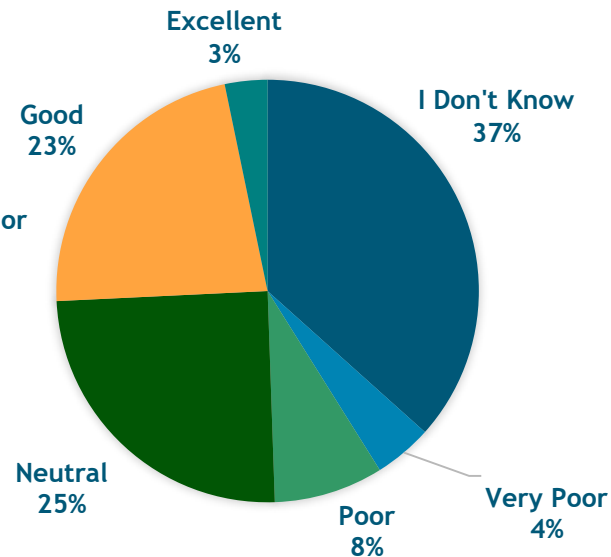
SOLID WASTE/CURBSIDE COLLECTION



PROTECTING SENSITIVE ENVIRONMENTS



MANAGING INVASIVE SPECIES

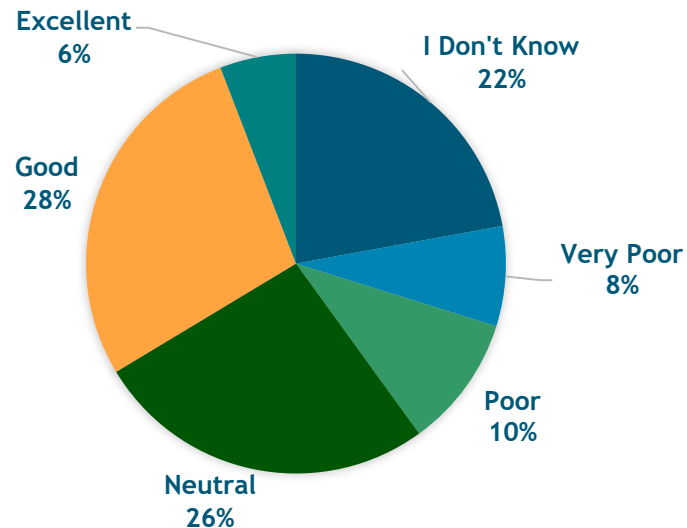


Environmental Services Cont.

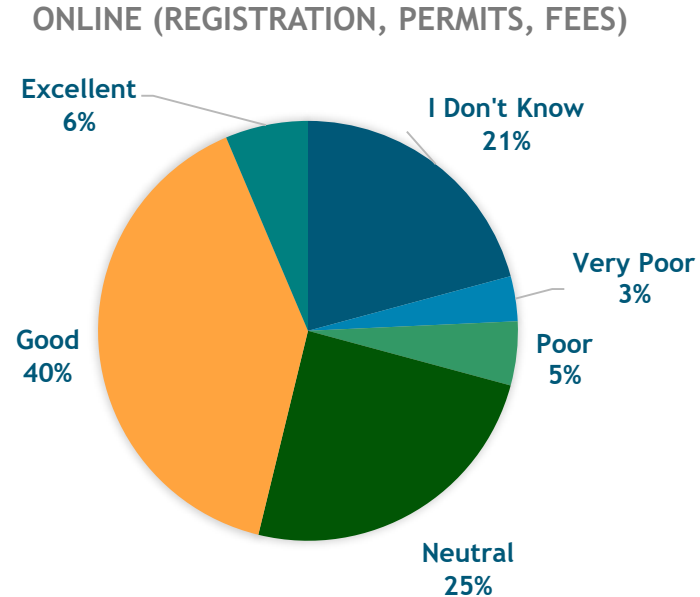
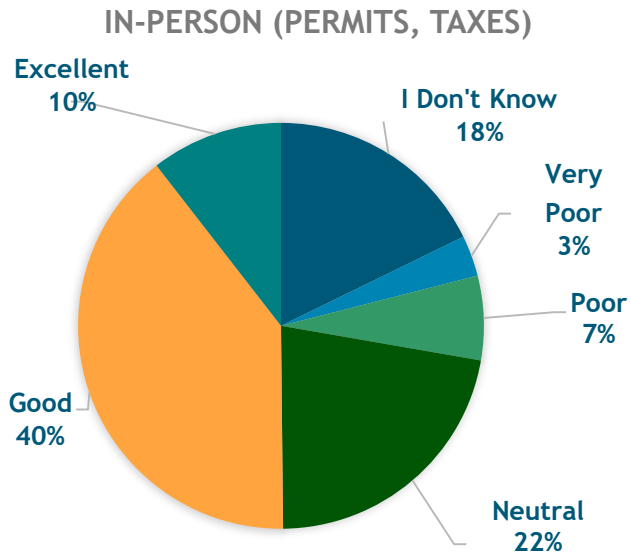
REDUCING GHGS/CLIMATE ACTION



PROTECTING TREE CANOPY

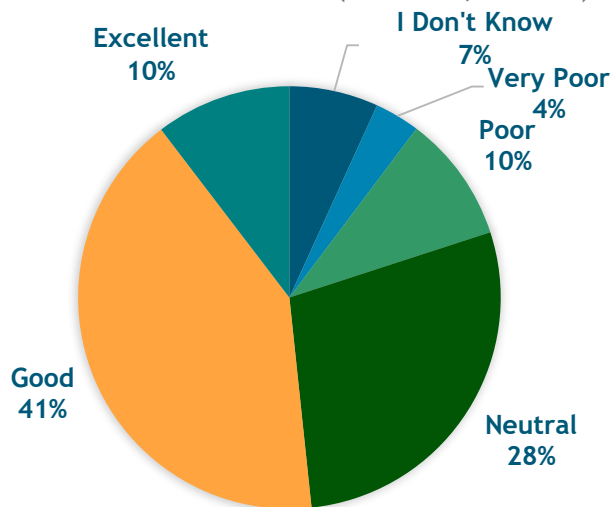


Online & In-Person Services

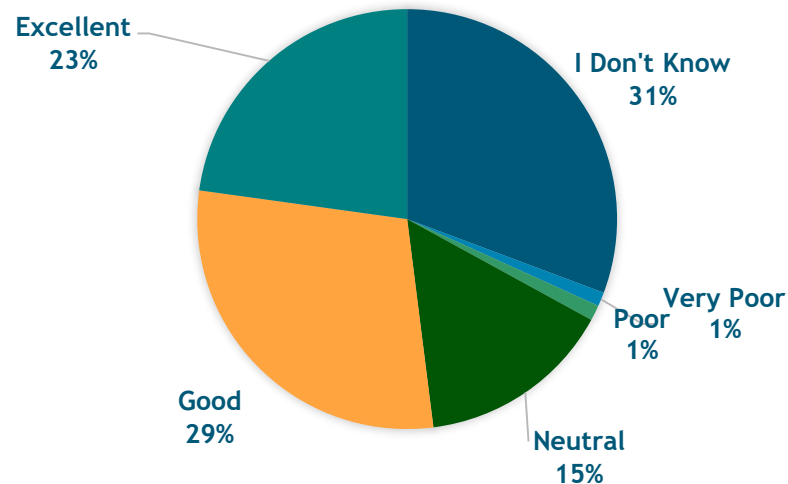


Online & In-Person Services Cont.

COMMUNICATIONS (WEBSITE, SOCIAL)



IN-PERSON/ONLINE LIBRARY



SERVICE LEVEL INVESTMENTS

Key Findings and Highlights



Protection & Safety Services

Respondents were asked to indicate the level of investment for Protection & Safety Services for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Fire Protection	16%	69%	3%	12%
Police Services	41%	42.5%	7.5%	9%
Bylaw Enforcement	26%	42%	16%	16%

Growth & the Economy

Respondents were asked to indicate the level of investment for Growth & the Economy for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Attracting and retaining business	65%	21%	7%	7%
Regulating building	36%	41%	11%	12%
Building permits	30%	41%	6%	23%
Masterplans to guide growth	43%	32%	10%	15%

Parks, Recreation & Culture Services

Respondents were asked to indicate the level of investment for Parks, Recreation & Culture Services for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Rec Facilities & Programming	46%	45%	2%	7%
Cultural Facilities & Programming	30%	47%	9%	14%
Parks, Trails and Fields Maintenance	43%	50%	3%	4%
Development and maintenance of forest rec and trails	40%	50%	3%	7%

Streets, Transportation & Utilities

Respondents were asked to indicate the level of investment for Streets, Transportation & Utilities for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Streets & Roadways	49.5%	44.5%	3%	3%
Sidewalks	41%	50%	3%	6%
Cycling Routes	21%	37%	23%	19%
Public Transit	35%	39%	3.5%	22.5%
Drinking Water	26%	63%	2%	9%
Sanitary Sewer/Stormwater	16%	68%	1%	15%

Environmental Services

Respondents were asked to indicate the level of investment for Environmental Services for 2021.

Service	Increased	Maintained	Reduced	Don't Know
Protecting Sensitive Areas	34%	50%	4%	12%
Invasive Species Management	26%	49%	3%	22%
Reducing GHGs/Climate	28%	40%	8%	24%
Protecting Trees	35%	49%	4%	13%
Solid waste/curbside	31%	57%	3%	9%

Online & In-Person Services

Respondents were asked to indicate the level of investment for Online & In-Person Services for 2021.

Service	Increased	Maintained	Reduced	Don't Know
In-Person	13%	65%	5.5%	16.5%
Online	17%	65%	3%	15%
Communications	28%	61%	3%	9%
In-Person/Online FVRL	10%	61%	4%	25%

DEMOGRAPHICS

Resident profile of who responded

Demographics

Age	
Under 18	.6%
18-24	2.9%
25-34	16.9%
35-44	25%
45-54	21.08%
55-64	19.9%
65 +	12.8%

Visible Minority or Indigenous Person	
Yes	9.3%
No	90.7%

Household

Household Size

1	7.1%
2	29.8%
3	20.4%
4	21.3%
5	11.6%
6+	9.7%

Children and/or Seniors in the House

Children	39.8%
Seniors	15.5%
Both	11.7%
Neither	33%

Own or Rent

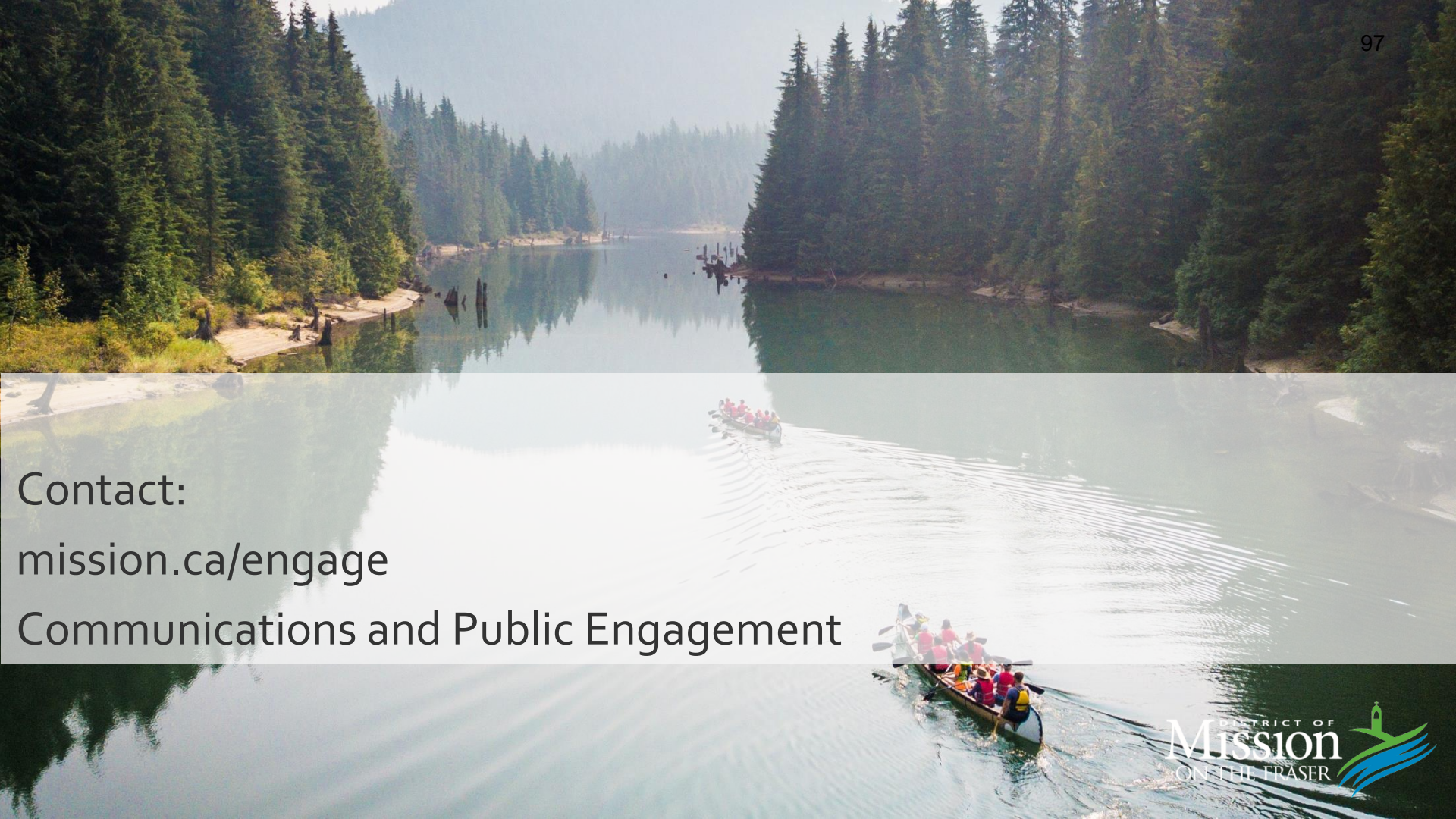
Own	82.7%
Rent	12.9%
Other	4.4%

Final Comments

Respondents were asked an open-ended question to identify any final comments they would like to share.

Key themes:

- “I Love Mission”
- Beautiful, peaceful community
- Increase the focus on heritage and community history
- Increase sustainability and environmental protection
- Shorten permit wait-time
- Include more survey questions for rural residents



Contact:
mission.ca/engage
Communications and Public Engagement



STAFF REPORT

To: Chief Administrative Officer
From: Doug Stewart, Director of Finance
Subject: **Capital Plan – Revenue and Expenditures**

Date: October 5, 2021

Recommendation(s)

1. That Council consider, as part of its 2022 – 2026 Financial Plan deliberations,
 - a. increasing property taxes by 0.5% in 2022 to provide additional funds for the capital plan;
 - b. increasing property taxes by 1% each year from 2023 through 2027 to provide additional funds for the capital plan;
 - c. acquiring long-term debt to fund certain large capital projects; and
2. That Council direct staff to prepare an amendment to the Development Cost Charge Bylaw and Community Amenities Contribution policy to ensure development activities provide adequate funds to construct or acquire capital assets to support growth in the community.

Executive Summary

Over the past few years, the City has prepared many documents that list proposed capital projects for Council to consider. Each year Council adopted a five-year financial plan that included many of the proposed capital projects. The remaining projects were then put on an “Unfunded Capital List” for future consideration, or, in some cases, just not advanced from the original master plan suggestion. Staff revisited the most recent master plans and consolidated the projects proposed within those plans with the unfunded list and the current capital plan to prepare a comprehensive list of capital projects for Council to consider. It became evident that the City does not have sufficient revenue to complete all of the capital projects proposed. Staff have examined various revenue sources available to the City to fund capital projects and have provided some recommendations for Council to consider to increase certain revenue.

City staff are proposing Council consider increasing property taxes by 0.5% in 2022 and 1% for each year from 2023 through 2027 to provide additional revenue to allow for the repair, refurbishment and/or replacement of its tangible capital assets as they reach the end of their useful lives.

The proposed capital plan has some large projects for Council to consider. These projects include the design and construction of large City facilities such as Fire Hall, City Hall or Public Works Building. Without grants from senior governments the City will need to consider either saving funds over a long period of time or acquiring long-term debt. Staff are recommending that Council consider acquiring long-term debt to fund some large capital projects that would otherwise, not be possible in the short-term.

Staff also recommend that Council consider amending its Development Cost Charge (DCC) Bylaw and Community Amenities Contribution (CAC) policy to ensure development activities provide adequate funds to construct or acquire capital assets to support growth in the community. The DCC Bylaw and CAC policy have not been updated for a few years so it would be appropriate for Council

to consider amending these documents to ensure the infrastructure required is identified and costed properly and that the development community is contributing its fair share to the cost of constructing or acquiring these assets.

The direction provided by Council through the recommendations in this report will allow staff to consider the capital projects identified and to determine the total revenue available to support the capital plan. Staff can then prepare a prioritized, fully funded capital plan for Council's consideration. This plan would be presented to the general public and Council at the Public Consultation portion of the November 1, 2021 Regular Council meeting and then be presented at the November 17, 2021 Freestanding Committee of the Whole Budget meeting with recommendations for Council's consideration.

Purpose

The purpose of this report is to provide information to Council regarding the various sources of revenue available to fund the capital plan. The report describes some of the challenges staff are having preparing the capital plan because of some revenue shortfalls and provides some options for Council's consideration to deal with these shortfalls. If Council is willing to provide direction as to what revenue options it will consider, staff can prepare a five-year capital plan to be included in the 2022 – 2026 Financial Plan that is being prepared for Council's consideration that incorporates the direction provided.

Background

The City's capital plan has seven main sources of revenue:

- | | |
|----------------------------|-----------------------------------------|
| 1. Property Taxes | 4. Grants |
| | ○ Community Works (Gas Tax) |
| 2. Utility Levies | ○ Gaming |
| ○ Water | ○ Carbon Tax Rebate |
| ○ Sewer | |
| ○ Drainage | 5. Developer Fees and Contributions |
| ○ Solid Waste | ○ Development Cost Charges (DCC) |
| | ○ Community Amenity Contributions (CAC) |
| 3. Revenue from Operations | ○ 5% Parkland Cash-in-lieu |
| ○ Forestry | ○ Other Developer Contributions |
| ○ Cemetery | |
| ○ Landfill | 6. Donations and Recoveries |
| ○ Land Sales | |
| | 7. Debt |

Funds acquired through these sources that are not spent in the year they are earned are put into reserves to be utilized in future years. As the specific use of the funds can be restricted based on how it is earned the City sets up reserves to identify the original source and to preserve any restrictions on the funds.

It appears that for a long time the City has not been committing enough funds toward capital expenses. This includes the maintenance, refurbishment and replacement of exiting capital assets and the construction of new assets required to accommodate growth. This is evidenced by the large list of "unfunded" capital projects and a large number of projects identified in various master plans (transportation, facilities, recreation and culture, etc.) that have not been included in any capital plans.

To overcome this issue, City staff consolidated all of the projects in the current capital plan, the unfunded capital projects list, the master plans and the development cost charge bylaws into a single list for analysis and evaluation. With this large comprehensive list, City staff will identify the year a capital expense can realistically be incurred based on the priority of the project and the resources available. If resources are not available a specific project can be deferred to a future year or canceled outright. It should be noted that in some cases, the funds may be available but the project must be deferred because of a lack of capacity of City staff or external contractors to physically get the work completed.

As the resulting comprehensive list is very long, staff made some broad assumptions about the funding sources for specific type of expenses to allow for easier analysis. By sorting the projects by type, staff have been able to review smaller lists of projects to be funded from a single source of revenue and determine if there are any shortfalls. Staff have then been able to provide recommendations or options for Council to consider to deal with the identified shortfalls.

The following table lists the types of capital expenditures incurred by the City and the recommended predominant funding sources for each type:

Expenditure Type	Predominant Funding Source
IT equipment replacement	Property taxes and utility levies collected for this specific purpose
Vehicles and equipment replacement	Property taxes and utility levies collected for this specific purpose
Landfill and other solid waste capital	Landfill revenue and solid waste operating surplus
Cemetery capital	Cemetery fees and surplus' earmarked for capital
Forestry capital	Forestry operations revenue
Water utility capital asset renewal, refurbishment or replacement	Water levies
Sewer utility capital asset renewal, refurbishment or replacement	Sewer levies
Drainage utility capital asset renewal, refurbishment or replacement	Drainage levies
General fund capital asset renewal, refurbishment or replacement	Property taxes
New Infrastructure required for development	Development levies and contributions
New Infrastructure not required for development	Grants
Large capital projects	Debt

The table above is not absolutely definitive. Some projects may be funded from multiple funding sources and some may not follow the list above at all. For the purposes of this analysis the type of expenditure and the corresponding funding source listed in the chart are used to divide the total capital project list into smaller, more manageable, groups.

The basic philosophy used to prepare the table above is that:

- Current tax and utility revenue should pay for the maintenance or replacement of asset the City already owns.
- Developers should pay for the infrastructure they need to accommodate growth.
- Grants should be used to acquire new assets the City desires.
- Debt should be used to acquire large assets with long useful lives (greater than 15 years) where grant funds are not available.

Discussion and Analysis

After consolidating all of the capital projected identified in the various capital plan lists and master plans, staff were able to prepared a single list of capital project for consideration. The following table shows the amount in the current capital plan for each of the identified expenditure types:

Expenditure Type	2022	2023	2024	2025	2026	5-year Average
IT equipment replacement	224,800	140,100	275,400	279,100	337,300	251,340
Vehicles and equipment replacement	57,300	1,479,400	980,600	946,100	347,900	762,260
Landfill and other solid waste capital	163,200	157,700	123,100	1,029,400	1,145,800	523,840
Cemetery capital	-	80,000	120,000	78,000	35,000	62,600
Forestry capital	250,000	108,000	563,100	-	150,000	214,220
Water utility capital asset renewal, refurbishment or replacement	3,117,998	2,160,992	5,831,142	4,556,612	1,902,276	3,513,804
Sewer utility capital asset renewal, refurbishment or replacement	1,297,937	2,411,201	3,477,126	4,329,991	3,717,691	3,046,789
Drainage utility capital asset renewal, refurbishment or replacement	475,600	920,700	731,800	4,082,900	2,371,900	1,716,580
General fund capital asset renewal, refurbishment or replacement	6,153,700	6,027,175	4,409,400	4,745,600	5,473,100	5,361,795
New Infrastructure required for development	10,175,322	6,250,314	11,474,854	8,488,547	27,890,490	12,855,905
New Infrastructure not required for development	5,210,941	4,608,600	5,193,900	3,704,700	3,520,100	4,447,648
Large capital projects	-	2,805,000	9,834,400	12,805,900	19,657,100	9,020,480
Total	27,126,798	27,149,182	43,014,822	45,046,850	66,548,657	41,777,262

Although each expenditure type has a recommended predominant funding source, due to the lack of resources described later in this report, the final capital plan proposed may use a different funding source for some projects than what would normally be suggested. Options for Council to consider to increase the revenue available will be presented as well. Ultimately, staff will prepare a capital plan that can be funded with the revenue levels Council is willing to consider.

One factor for the City to consider, to help determine if it is spending enough on the maintenance, refurbishment and/or replacement of its existing capital assets, is to compare the annual amount spent to the annual depreciation expense. The annual amortization of each asset is calculated by dividing its original cost by the expected useful life. For example, if a vehicle cost \$40,000 and has an expected useful life of 10 years we would record the depreciation expense as \$4,000 per year.

Ideally, the City would spend an amount at least equal to the annual amortization to maintain its current capital assets. This would ensure its equity in assets did not decrease. An alternative is to reserve an amount equal to the amortization in a replacement reserve and then fund capital maintenance activities from this reserve. This would ensure funds are available as required and would not cause large tax increases in years the maintenance occurred.

It is recognized that comparing the amortization amount to the amount spent each year is not a perfect comparison as it does not consider deterioration patterns where an asset such as a road may not deteriorate much for its first 10 years and then may deteriorate faster as it gets older and the calculation is using the original cost not the replacement cost. This comparison does provide a quick way to determine if the City is at least covering this cost with annual property tax or utility levy revenue. This is another justification for taxing an amount equal to the amortization expense.

If the City was to pursue a philosophy whereby current taxpayers pay their full share of the expenses incurred by the City it should be taxed for the depreciation expense. In other words: if a vehicle has a 10-year service life, then in a single year $1/10^{\text{th}}$ of the life of that vehicle is used and, therefore; the current taxpayers should pay $1/10^{\text{th}}$ of the cost of that vehicle for each year they pay taxes in the City. By not taxing for the annual amortization amount, the burden to fund the cost of the use of the vehicle is passed on to future taxpayers.

The 2020 annual amortization for the City's tangible capital assets is:

Asset Category	2020 Amortization Amount
IT Equipment	315,794
Vehicles and Equipment	1,134,187
Landfill and other Solid Waste capital	492,121
Sanitary Sewer	580,530
Water	740,645
Drainage	1,127,469
	4,390,746
General fund:	
Buildings	1,152,006
Land Improvement	55,856
Parks	411,820
Transportation	2,982,295
	4,601,977
Regional utilities:	
Sewer	563,542
Water	645,083
	1,208,625
Total amortization	10,201,348

IT Equipment Replacement

The City currently collects \$223,737 in property taxes and utility levies to fund the replacement of IT equipment. The current 2022 capital budget request for IT equipment replacement is \$224,800 and the average for the next five years is \$251,340. The 2020 depreciation expense for the IT Equipment was \$315,794. At this time, it appears the City is collecting enough revenue to fund the capital plan as proposed by the IT division staff. Further analysis is required to determine why the capital requests are not as high as the annual depreciation amount. The current five-year financial plan includes a minor (3%) increase in the amount transferred to the reserve – an approximate \$6,700 increase per year. This increase has been applied for over 15 years. No further increase in the amount collected in 2022 is proposed.

Vehicles and Equipment Replacement

Like the IT Equipment Replacement program, the Vehicles and Equipment Replacement program is sufficiently funded at this time. The amount currently collected each year from property taxes and utility levies is \$1,107,861. The 2020 annual amortization amount was \$1,134,187. Although the table above only shows a projected average expense of \$762,260 over the next five years, the ten-year average is \$1,168,600 due to some expensive pieces of equipment needing replacement between 2027 and 2031. In 2020 Council endorsed a strategy to increase the vehicle charge-out rate by 1% per year for five years from 2020 through 2024. Based on current projections, the charge-out rates may need to be further increased after 2024 to ensure there are sufficient funds in the reserve over the long-term. City staff are not proposing any further increase above the 1% charge-out-rate increase for 2022.

Landfill and other Solid Waste Capital

Any surplus generated from Solid Waste Operations is transferred to the Refuse Reserve to be used to fund capital expenses required to support the operation of the department. An updated Design, Operating and Capital Plan is being completed for the landfill. Once completed, the City will be able to determine the capital requirements to continue operating the landfill. Until the report is completed and a full analysis is done, staff recommend keeping the contribution to the capital reserve based on any earned surplus and not dedicating any additional funds. The current budget anticipates a surplus of \$883,648 which would be transferred to the Refuse Reserve. In 2025 the capital plan anticipates expenses of \$1,029,400 and in 2026 the budget is \$1,145,800 which is why the five-year average between 2022 and 2026 is over \$500,000. The average of the 2022 – 2024 budgets is only \$148,000.

Cemetery Capital

The current budget includes a \$15,000 contribution to the Cemetery Reserve. The capital plan includes an \$80,000 project in 2023 to upgrade the office and a \$120,000 project in 2024 for building maintenance. The amount currently in the reserve plus the \$15,000 annual contribution are sufficient to cover all of the costs excluding these two building upgrades. Staff will likely suggest utilizing an alternate source of funds for these projects. Council may wish to consider increasing the funds allocated to capital expenditures, but staff recommend this be done in conjunction with an analysis of the Cemetery operation and its fees and charges.

Forestry Capital

Any surplus generated from Forestry Operations is transferred to the Forestry Reserve. These funds have been used to fund the replacement of forestry related equipment as well as the development of recreation sites and trails in the Stave West Forest and Recreation Area. Excess reserves have also been appropriated for other significant City assets such as the Boswyk Seniors Activity Centre. As it appears the Forestry Operation will continue to generate surpluses exceeding \$600,000 there may be an opportunity to utilize some of these funds for other non-forestry related

capital initiatives.

Water Utility Capital Asset Renewal, Refurbishment or Replacement

The current 2022 budget includes transferring \$2,628,735 of annual water levies to the Water Capital Reserve. The funds in this reserve pay for local water capital projects and Mission's share of the regional water capital projects. Note: Mission's share of the regional capital projects is based on the percentage of the total water treated that is used by Mission residents. The share percentage is recalculated each year. It is currently 22.6%.

The water capital budget includes \$3,117,998 of spending in 2022 and a five-year average of \$3,513,804. As many of the water assets are beyond their predicted useful lives the costs of the assets have been fully amortized which may explain why the 2020 annual depreciation expense was only \$1,385,728. This deferred maintenance and/or replacement is likely one of the reasons the capital budget is much higher than the depreciation amount. Another possible reason is the large increase in construction prices due to rising material costs.

The Water Capital Reserve has a large balance (perhaps because of the deferred maintenance) and is, therefore, able to fund the capital plan as recommended by staff. This assumes the development levies collected by the City through Development Cost Charges (DCC) are sufficient to fund the capital infrastructure required to service the growth. Staff are working on a review of the DCC Bylaw to ensure all of the capital infrastructure required is identified and that an appropriate water DCC levy is proposed for Council's consideration. Should Council not wish to increase the DCC levy additional revenue from water user fees may be necessary.

The City has engaged a consultant to update the water master plan which will likely have an impact on the proposed capital project list required to maintain and upgrade the water utility network and the anticipated timing of these works. The results of this study will be incorporated into the capital plan as part of the 2023 budget deliberations.

Sewer Fund Capital Asset Renewal, Refurbishment or Replacement

The current 2022 budget includes transferring \$1,534,751 of annual sewer levies to the Sewer Capital Reserve. The funds in this reserve pay for local sewer capital projects and Mission's share of the regional sewer capital projects. Mission's share of the regional capital projects is currently 19.48%.

The sewer capital budget includes \$1,297,937 of spending in 2022 and a five-year average of \$3,046,789. Like the water assets, the sewer assets are beyond their predicted useful lives, as a result, the 2020 annual depreciation expense was only \$1,144,072. The cost of construction likely has an impact on the increased costs projected in the five-year plan as well.

Again, like the Water Capital Reserve, the Sewer Capital Reserve has a large balance (perhaps because of the deferred maintenance) and is, therefore, able to fund the capital plan as recommended by staff over the next five years. In 2023 the City may need to acquire debt to fund the Fraser River Crossing project. In 2030 and 2031 it is anticipated that significant costs will be required to expand the Sewer Treatment Plant. Although much of the cost will be funded through DCCs, Mission's share of the non-DCC funding for this regional project is estimated to be approximately \$23 million. To mitigate the impact on the ratepayers when these significant expenses are added to the budget, staff recommend increasing the sewer levy by 2% annually starting 2022. Any funds received can be reserved and put toward the City's share of the cost of the treatment plant expansion. As the costs are anticipated to exceed the amount the City could reserve over the next eight years, the City will likely need to take on long-term debt to fund the remainder. The annual funds previously reserved could be re-purposed and used to pay the debt servicing costs, thus eliminating the need for a significant utility levy increase in 2030.

Staff are working on a review of the DCC Bylaw to ensure all of the sewer capital infrastructure required is identified and that an appropriate sewer DCC levy is proposed for Council's consideration. The intention is to ensure that the development levies collected by the City through DCCs are sufficient to fund the capital infrastructure required to service growth from development activities.

The City has engaged a consultant to update the sewer master plan. The results of this study will be incorporated into the capital plan as part of the 2023 budget deliberations.

Drainage Fund Capital Asset Renewal, Refurbishment or Replacement

The drainage capital budget includes \$475,600 of spending in 2022 and a five-year average of \$1,716,580. The 2020 annual depreciation expense was \$1,127,469. The Drainage Utility is relatively new, having only been separated from the General Fund activities in 2016. In 2021 Council approved an increase in the drainage levy to allow for increased funds to be designated for capital purposes. The increases for 2021, 2022, 2023 and 2024 are \$125,000, \$250,000, \$250,000 and \$125,000 respectively. This will bring the amount of annual drainage levies allocated to capital from \$1,065,000 in 2022 to \$1,440,000 in 2024 and beyond. Staff do not recommend any further increases to the amount allocated to Council beyond what has been committed until 2024. Further increases may be needed in 2025 and beyond depending on the capital requirements identified in the upcoming drainage master plan.

General Fund Capital Asset Renewal, Refurbishment or Replacement

The 2020 annual depreciation expense for the General Fund Tangible Capital Assets was \$4,601,977. The capital plan proposes spending \$6,153,700 in 2022 to repair, refurbish or replace the City's General Fund capital assets with a five-year average of \$5,361,795. The 2022 budget includes a proposed transfer to the General Capital Reserve of \$2,549,959. So, although it appears the City is spending a reasonable amount to maintain its General Fund capital assets, it is not collecting enough tax revenue annually to fund the proposed expenses.

The shortfall in tax revenue to fund the capital expenses, approximately \$2 million per year, is being supplemented by utilizing other sources of revenue such as Gas Tax grants, Gaming Revenue grants, funds in the Forestry Reserve and Accumulated Surplus. As the City has relied on these grant funds and reserves, the impact of the budget shortfall has been understated in prior years. Utilizing the grant funds and surplus earnings to fund the repair, refurbishment and replacement of the existing capital assets has resulted in less investment in new assets required to meet the increasing demands of a growing community.

City staff recommend Council consider a strategy to increase property taxes by \$2 million to allow for more funds to be allocated to maintaining and replacing the existing capital assets. This will in turn make more grant funds available for growth related capital expenses. To generate an additional \$2 million an approximate 5.5% tax increase will be required. To mitigate the impact, staff recommend Council consider increasing the property tax levy by 0.5% in 2022 and 1% each year from 2023 through 2027. Although the City will still need to fund some asset maintenance activities with grant funds and reserves in the short term, over time, the reliance on these sources of funds can be reduced and potentially eliminated completely.

New Infrastructure Required for Development

While a municipality experiencing growth will benefit from an increasing housing stock and commercial and industrial employment base, the influx of new residents and employees into their community can place increasing demands on existing public infrastructure and amenities. It is reasonable that new development should contribute to the capital costs of new or improved public amenities and infrastructure.

The City collects funds from the development community through Development Cost Charges (DCCs), Community Amenity Contributions (CAC), Cash-in-lieu of Parkland Contribution and other means as allowed through the *Community Charter* and the *Local Government Act* to fund the infrastructure required to meet the demands of the new homes and business in the municipality.

City staff are undertaking a review of the anticipated growth in the municipality and the associated capital infrastructure required to support this growth. This review will likely result in a proposed DCC Bylaw amendment and a proposed change to the CAC Policy. The review will also provide the information necessary to update the capital plan including the list of capital projects required to support the growth and the timing of the projects. The review will also identify whether these projects can be funded completely using DCC, CAC and Parkland funds or if alternative sources of funds will be necessary such as taxes, utility levies, grants or debt.

Staff plan to have the review of the DCC bylaw and CAC policy completed and presented to Council prior to final adoption of the financial plan.

New Infrastructure Not Required for Development

Capital projects in this category include new initiatives such as Pump Tracks or Dog Parks that the community would like to have, but that are not necessarily required to support development activities. Also included in this category are capital projects that, although support growth, were not identified in prior DCC bylaws or CAC policies. We cannot utilize DCC and CAC funds to finance projects that, perhaps, should have been constructed in previous years.

Staff recommend utilizing Gas Tax and Gaming Revenue grant funds for these expenses as much as possible. The ability to undertake the new initiatives is based on the funds available, therefore; if these funds are being used to maintain existing assets, there are less funds available for new projects. The current capital plan identifies \$5,361,941 of potential projects for 2022 and the five-year average from 2022 to 2026 is \$4,477,648. It is unlikely that the City will have sufficient funds to proceed with everything on the list.

Once Council has established the level of property taxes and utility levies it will allocate to capital asset maintenance, City staff can provide a recommendation as to the amount of grant funds that could be used for the maintenance of the current assets and what is available for new initiatives. Council will then be asked to prioritize the projects and identify what should proceed, what should be deferred, or what should be eliminated.

In prior years the City created an “Unfunded List” of capital projects. Staff recommend that this list be eliminated and all planned capital projects be funded, deferred or eliminated.

Large Capital Projects

The capital plan includes some large capital projects that will likely require long-term debt to finance. These projects are primarily large City facilities that cannot be funded through development levies. Due to the current financial position, the City does not have sufficient reserves to pay for these projects, and waiting a significant length of time to put funds away to pay for these initiatives may not be practical or desired. Borrowing funds allows the City to obtain these assets and reduces the immediate property tax or utility levy increases. For example, a \$1 million debt at 2% interest, amortized over 15 years, will require a tax increase of \$76,789. The same debt amortized over 20 years would require an increase of \$60,142.

The City can borrow up to approximately \$315 million in total and up to \$35 million without requiring the asset of the electors. The following is a list of potential projects the Council may wish to consider acquiring long-term debt to finance:

	Total Cost	2023	2024	2025	2026	2027
Cedar Valley Fire Hall (#4)	5,100,000	765,000	4,335,000			
Public Works - seismic upgrade	1,530,000	1,530,000				
RCMP Building expansion and renovation	26,519,200	510,000	3,060,000	10,199,800	12,749,400	
Enclosing the lacrosse box at Centennial park	1,689,400		1,689,400			
Search and Rescue Building	3,250,000		750,000	2,500,000		
Public Works Expansion	4,562,800			106,100	4,456,700	
Municipal Hall Replacement	16,176,800				2,451,000	13,725,800

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

The financial implications are discussed throughout this report.

Communication

Highlights of the City's 2022 General Operating Budget, the Utility Funds Operating Budgets and the Capital Plan will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Report Prepared by: Doug Stewart, Director of Finance

Reviewed by: Kerri Onken, Deputy Treasurer/Collector

Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: 2022 – 2026 Capital Plan - Summary

ATTACHMENT A

CITY OF MISSION 2022 - 2026 Capital Plan Summary As at September 28, 2021

****Note: not all projects have identified funding sources yet****

	2022	2023	2024	2025	2026
IT equipment replacement	224,800	140,100	275,400	279,100	337,300
Vehicles and equipment replacement	57,300	1,479,400	980,600	946,100	347,900
Landfill and other solid waste capital					
Landfill	73,400	74,900	76,400	77,900	1,122,600
Regional Solid Waste	89,800	82,800	46,700	951,500	23,200
	163,200	157,700	123,100	1,029,400	1,145,800
Cemetery capital	-	80,000	120,000	78,000	35,000
Forestry capital					
Equipment	-	-	-	-	150,000
Parks	-	-	563,100	-	-
Trails	250,000	108,000	-	-	-
	250,000	108,000	563,100	-	150,000
Water utility capital asset renewal, refurbishment or replacement					
Water	1,112,700	1,032,800	1,036,100	1,017,000	1,037,600
Regional Water	2,005,298	1,128,192	4,795,042	3,539,612	864,676
	3,117,998	2,160,992	5,831,142	4,556,612	1,902,276
Sewer utility capital asset renewal, refurbishment or replacement					
Sewer	340,300	347,100	395,000	396,200	368,300
Regional Sewer	957,637	2,064,101	3,082,126	3,933,791	3,349,391
	1,297,937	2,411,201	3,477,126	4,329,991	3,717,691
Drainage utility capital asset renewal, refurbishment or replacement	475,600	920,700	731,800	4,082,900	2,371,900

	2022	2023	2024	2025	2026
General fund capital asset renewal, refurbishment or replacement					
Arena & Curling	76,500	237,200	21,000	230,000	-
Arts & Culture	26,450	61,875	25,000	-	-
Bridge Replacement	-	-	-	-	1,400,000
Buildings	76,300	325,600	68,900	70,200	71,600
Electrical	130,100	315,000	-	-	-
Equipment	-	31,600	-	-	-
Fire Equipment	79,900	81,500	83,100	351,700	353,300
HVAC	56,050	82,400	42,400	43,200	44,100
MLC Building	1,091,500	1,120,300	952,900	1,024,000	1,021,400
MLC Building Mechanical	195,400	81,600	83,200	84,900	86,600
MLC Program Equipment	42,000	55,000	55,000	90,000	-
Park Amenities	125,100	155,000	317,200	-	-
Parks	318,400	228,900	289,800	180,800	184,500
Paving	2,275,800	2,090,800	1,195,500	1,649,400	1,243,800
Pool	86,000	-	-	-	-
Roofs	628,600	208,100	24,000	-	20,000
Small Capital	58,700	47,700	48,700	49,700	50,700
Software	-	-	-	-	6,100
Traffic	-	-	280,000	30,600	31,200
Trails	828,200	844,700	861,600	878,800	896,300
Walks/Sidewalks	58,700	59,900	61,100	62,300	63,500
	6,153,700	6,027,175	4,409,400	4,745,600	5,473,100
New Infrastructure required for development					
Community Amenity Contributions	257,300	64,100	4,247,900	37,400	330,700
Drainage DCC	-	-	-	-	2,098,500
Parks DCC	20,300	-	-	-	2,975,600
Recoveries	306,000	312,100	318,300	324,700	331,200
Road DCC	2,016,300	2,292,200	2,547,000	4,089,700	21,326,900
Sewer DCC	281,500	-	-	-	600,000
Sewer Regional DCC	78,622	15,932	154,554	130,347	227,590
Water DCC	-	-	95,100	-	-
Water Regional DCC	7,215,300	3,565,982	4,112,000	3,906,400	-
	10,175,322	6,250,314	11,474,854	8,488,547	27,890,490

	2022	2023	2024	2025	2026
New Infrastructure not required for development					
Building	420,000	-	-	-	-
Cemetery	-	20,000	-	-	-
Electrical	10,941	-	-	-	-
Equipment	920,000	12,300	-	-	-
Fire Equipment	150,000	-	-	-	-
Large Facility	-	-	78,000	78,000	82,800
MLC Building	-	25,200	39,700	-	26,700
Municipal Share of Development Levies	129,600	3,049,500	3,267,500	2,494,000	2,179,400
Park Amenities	52,200	103,100	314,300	55,400	56,500
Parks	2,721,100	28,100	193,200	100,000	-
Roof	20,000	-	-	-	-
Small Capital	-	-	-	8,000	-
Traffic	293,500	294,200	45,100	46,000	-
Trails	156,100	110,300	129,500	114,800	117,100
Walk/Sidewalks	227,500	65,000	-	-	-
Water	110,000	900,900	1,126,600	808,500	1,057,600
	5,210,941	4,608,600	5,193,900	3,704,700	3,520,100
Large capital projects					
Cedar Valley Fire Hall (#4)		765,000	4,335,000		
Public Works - seismic upgrade		1,530,000			
RCMP Building expansion and renovation		510,000	3,060,000	10,199,800	12,749,400
Enclosing the lacrosse box at Centennial park	-	-	1,689,400	-	-
Search and Rescue Building			750,000	2,500,000	
Public Works Expansion				106,100	4,456,700
Municipal Hall Replacement					2,451,000
	-	2,805,000	9,834,400	12,805,900	19,657,100
	27,126,798	27,149,182	43,014,822	45,046,850	66,548,657



STAFF REPORT

To: Chief Administrative Officer **Date:** October 5, 2021
From: Kerri Onken, Deputy Treasurer/Collector
Subject: **Spending Packages Submitted for Operations**

Recommendation(s)

This report is provided for information purposes only, no staff recommendation accompanies this report and Council action is not required at this time.

Purpose

The purpose of this report is to provide Council with a list of the operating service level spending packages submitted by departments for the possible inclusion into the 2022 to 2026 Financial Plan. Unless otherwise directed by Council, the Priority One Recommended Spending Packages for Council's Consideration will be presented at the Public Consultation portion of the November 1, 2021 Regular Council meeting. This report will come back to Council at the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

Discussion and Analysis

In preparations for the 2022 budget discussions, staff reviewed 23 spending package submissions. The senior leadership team and the Chief Administrative Officer (CAO) met on August 17th to discuss and prioritize each of them, resulting in the spending packages being grouped into three sections:

1. (Priority One) – Recommended Spending Packages for Council's Consideration,
2. (Priority Two) – Other Spending Packages for Council's Consideration, and
3. Spending packages for the 2023 Budget discussions.

Chart A, below, summarizes the nine spending packages identified as Priority One, (see details in Attachment A) with eight applications for the General Operating Fund and one application exclusively for the Utility Operations (Water, Sewer, and Drainage) and capital projects.

The first section of the chart, under the blue heading, lists the eight spending packages with impacts on the General Operating Fund, which is primarily funded from taxation. One spending package could be funded from an internal reserve as it is a one-time project (over two years) without any on-going costs. The remaining seven are staffing related with on-going commitments. The cost associated with each submission is broken into the following four columns:

- One-time Funding Request. These are costs that occur only once and are usually capital costs to set-up the staff with a computer, desk and resources where the project is on-going. Funding of one-time projects either performed by a contractor or for supplies and materials are also listed here.
- On-going Budget Expense Request. These are the annual costs for the project and would include salary, training, equipment, consulting and supplies to provide the service.
- Recovery / Revenue / Budget Savings. This would record any additional revenue that could be generated from the spending package, any budget reductions in the department due to synergy or economies of scale that could be achieved, and any costs that would be charged to the Utility Operations (Water, Sewer, Solid Waste, Drainage or capital projects) for services provided that are either charged directly to the utility or capital projects or charged as a recovered through an administrative fee (three applications).

- Net Impact on General Operating Budget. This is the net budget impact on the General Operating Fund the spending package would require. The potential tax impacted percentage calculation uses this final net cost for the spending package.

The second section, under the green heading, provides the budget impact on the Utility Operations for the three applications mentioned above, plus the one spending package application where the service and costs would be charged directly to the Utility Operations. As with the first section, the associated costs with each submission is broken into four columns ending with the net impact on the utility operating budgets. Since user fees for each utility are not the same, a percentage rate impact for \$1,000 in one utility will be different to a \$1,000 impact in another utility, so the net costs to the Utility Operations is shown as an equivalent tax impact.

The spending packages are listed by department.

CHART A

Priority One - Recommended Spending Packages for Council's Consideration

Department	Title of Initiative and Project Description General Operating Fund - Priority One Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Recovery / Revenue/ Budget Savings	Net Impact on General Operating Budget	Potential Tax Impact
1 C/A	<i>Community Visioning, Brand & Website Redevelopment (\$77,000 year 1 & \$90,000 year 2, total of \$167,000) (Carry forward from 2020)</i>	Internal Reserve	\$77,000	\$0	\$0	\$0	0.00%
2 C/A	<i>Records Management Clerk</i>	General Capital Reserve	\$5,000	\$84,500	-\$8,450	\$76,050	0.21%
3 ENG	<i>Engineering Administrative Clerk Increase part-time hours</i>	N/A	\$0	\$28,000	-\$2,800	\$25,200	0.07%
4 ENG	<i>Engineering Technologist</i>	General Capital Reserve	\$5,500	\$124,500	-\$124,500	\$0	0.00%
5 ENG	<i>New Building Maintenance Worker (Carry forward from 2021)</i>	General Capital Reserve	\$40,000	\$91,500	-\$9,150	\$82,350	0.22%
6 ENG	<i>Traffic and Transportation Technologist I (Carry forward from 2021)</i>	General Capital Reserve	\$5,000	\$104,000	-\$104,000	\$0	0.00%
7 FIRE	<i>Increase hours for Administrative Support Hours at Fire Hall - Admin Assistant</i>	N/A	\$0	\$32,693	\$0	\$32,693	0.09%
8 FIRE	<i>Full-time Emergency Planning/Emergency Support Services Co-ordinator</i>	N/A	\$0	\$85,500	\$0	\$85,500	0.23%
Total Priority One Spending Packages Impacting General Operating:			\$132,500	\$550,693	-\$248,900	\$301,793	0.82%

Department	Title of Initiative and Project Description Utility Operating Funds - Priority One Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Budget Impact to General Operating / Capital Costs	Net Impact on Utility Operating Budgets	Equivalent Tax Impact
(2) C/A	<i>Records Management Clerk (Utility impact only)</i>	General Capital Reserve	N/A	\$84,500	-\$76,050	\$8,450	0.02%
(3) ENG	<i>Engineering Administrative Clerk Increase part-time hours (Utility impact only)</i>	N/A	\$0	\$28,000	-\$25,200	\$2,800	0.01%
(5) ENG	<i>New Building Maintenance Worker (Utility impact only) (Carry forward from 2021)</i>	General Capital Reserve	N/A	\$91,500	-\$82,350	\$9,150	0.02%
9 ENG	<i>Public Works Technologist (100 % funded from Utility Operations)</i>	Utilities Capital Reserve	\$5,000	\$107,000	-\$52,200	\$54,800	0.15%
Total Priority One Spending Packages Impacting Utility Operating:			\$5,000	\$311,000	-\$235,800	\$75,200	0.20%
Total Priority One Spending Packages for Council's Consideration:			\$137,500			\$376,993	1.02%

It should be noted that the request for the Community Visioning, Brand & Website Redevelopment has a total cost of \$167,000 spread over two years, \$77,000 impact on the 2022 budget with an additional impact of \$90,000 to the 2023 budget.

These nine spending packages have a total one-time cost of \$137,500 plus an on-going net impact of \$376,993. The total equivalent tax impact is 1.02% for 2022, with 0.82% on property taxes and the balance in the Utility Operations.

Attachment B lists three additional spending packages Council may wish to support for inclusion into the 2022 budget. These three applications have a one-time cost of \$15,000, plus an on-going net impact of \$451,400. The total equivalent tax impact is 1.22% for 2022, with 1.07% on property taxes and the balance in the Utility Operations.

All spending packages Council does not consider during the 2022 budget discussion, will be added to Attachment C, Spending Packages for 2023 Budget Discussions, unless otherwise directed.

Further details on all spending package applications have been included in Council's electronic reading basket. Some of the financial information may have been updated or modified for this report after discussions with departments.

Next Steps

This report provides preliminary information to Council on operating service level spending package requests to improve service delivery, improve overall department efficiencies, improve customer service and meet deadlines. Unless otherwise directed by Council, the Priority One Recommended Spending Packages for Council's Consideration (Attachment A) will be presented at the Public Consultation portion of the November 1, 2021 Regular Council meeting.

This report will come back to the November 17, 2021 Freestanding Committee of the Whole – Final Budget meeting along with recommendations for Council's consideration on which spending package applications should be included into the City's five-year financial plan.

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure and Organizational Excellence.

Financial Implications

The financial implications will be dependent upon which operating service level spending packages Council considers for inclusion into the 2022 to 2026 Financial Plan. Some operating service level spending packages have a capital component.

Communication

The spending packages Council would like to consider for inclusion into the budget would be included in the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting. This report, along with feedback from the public, will come back to Council at the November 17, 2021 Freestanding Committee of the Whole Budget meeting with recommendations for Council's consideration

Summary and Conclusion

This report provides preliminary information to Council on the operating service level spending package applications to improve service delivery, improve overall department efficiencies, improve customer service and meet deadlines. In preparation for the 2022 budget, staff reviewed 23 spending package submissions. The senior leadership team and the CAO met on August 17th and discussed and prioritized each of them, resulting in the spending packages being grouped into three sections:

- (Priority One) – Recommended Spending Packages for Council's Consideration
- (Priority Two) – Other Spending Packages for Council's Consideration, and
- Spending packages for the 2023 Budget Discussions.

Unless otherwise directed by Council, the nine spending packages identified in the Priority One Recommended Spending Packages for Council's Consideration (Attachment A) will be presented at the Public Consultation portion of the November 1, 2021 Regular Council meeting. These nine spending packages have a total one-time cost of \$137,500 plus an on-going net impact of \$376,993 between the General Operating Fund and the Utility Operations.

Details on all spending package applications have been included in Council's electronic reading basket. Some of the financial information may have been updated or modified for this report after discussions with departments.

This report will come back to the November 17, 2021 Freestanding Committee of the Whole – Final Budget meeting along with input from the public and recommendations for Council's consideration on which spending package applications are to be included into the City's five-year financial plan.

Report Prepared by: Kerri Onken, Deputy Treasurer/Collector
Reviewed by: Doug Stewart, Director of Finance
Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: Priority One – Recommended Spending Packages for Council's Consideration
Attachment B: Priority Two – Other Spending Packages for Council's Consideration
Attachment C: Spending Packages for the 2023 Budget Discussions

Reference Number	Department	Title of Initiative and Project Description General Operating Fund - Priority One Applications	One-time Funding Requests Funding Source Value	On-going Budget Expense Request	Recovery / Revenue/ Budget Savings	Net Impact on General Operating Budget	Potential Tax Impact	
5	C/A	Community Visioning, Brand & Website Redevelopment (\$77,000 year 1 & \$90,000 year 2, total of \$167,000) (<i>Carry forward from 2020</i>)	Internal Reserve	\$77,000	\$0	\$0	\$0	0.00%
<p>This allows for a series of public engagement sessions to be launched in partnership with community leaders, associations, and organizations to:</p> <ul style="list-style-type: none"> -Advance and deepen the community’s investment in the vision as set out in the Official Community Plan. -Establish common understandings of what defines Mission as a municipality and community. -Build partnerships and strengthen relationships with community organizations and stakeholders. -Engage the public in defining a clear unique identity and positioning for the municipality. <p>It also supports the development of a visual identity and creative platform (logo, colours, visual and standards and templates for publications, promotions, print and online materials) to guide all public communications for the municipality, and the initial phase of a comprehensive redevelopment of the municipal website. This is a net-new project not focused on operational efficiencies, but has a secondary impact of improved engagement and communication with the public as a result of this work. Staff will be supported in delivering on Council's Priority Action 5.1, undertaking community engagement towards delivering Vision150.</p>								
24	C/A	Records Management Clerk	General Capital Reserve	\$5,000	\$84,500	-\$8,450	\$76,050	0.21%
<p>Government bodies have a duty to create and maintain adequate records of their decisions, and a duty to ensure that an appropriate system is in place that creates and maintains information. This new position is required to manage and maintain the City's records. Currently, City records are not properly stored in the City's repository which makes it difficult for all staff to locate the records they need to do their jobs, and puts the City at risk from a legal perspective. A dedicated Records Management Clerk would ensure that all City records are properly identified, properly filed, retention rules are properly applied, and documents outside of retention are purged. Included in the budget request of \$84,500 are services to the other funds estimated at 10% staff time which can be allocated to the Utility Funds as an Admin Fee Recovery. (See Utility section below).</p> <p>Option 2: Position starts July 1, 2022. 2022 Budget impact would be \$38,500, 2023 Budget impact would be \$39,100 (net of Admin Cost Recovery)</p>								
21	ENG	Engineering Administrative Clerk Increase part-time hours	N/A	\$0	\$28,000	-\$2,800	\$25,200	0.07%
Increase hours for the front-counter part-time administrative clerks by 0.33 FTE to ensure the Engineering department can provide a timely response to increased walk-ins, telephone calls, emails, referrals and records management duties, overall making the department more efficient. Included in the budget request of \$28,000 are services to the other funds estimated at 10% staff time which can be allocated to the Utility Funds as an Admin Fee Recovery. (See Utility section below).								
19	ENG	Engineering Technologist	General Capital Reserve	\$5,500	\$124,500	-\$124,500	\$0	0.00%
This new position will allow the current Technologist to go from working 0.5 FTE to 1.0 FTE on development referrals, reducing wait times. A Technologist working full-time on enforcement of soil removal/deposit operations will increase soil permitting and ensuring remitting is completed correct and on time. Frequency of inspection of pits and dump sites will increase, along with following up on all reported unauthorized activities. It is anticipated that this position will bring in additional development revenue for the department estimated at \$124,500.								

ATTACHMENT A

Operating Service Level Spending Packages

Reference Number	Department	Title of Initiative and Project Description General Operating Fund - Priority One Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Recovery / Revenue/ Budget Savings	Net Impact on General Operating Budget	Potential Tax Impact
20	ENG	New Building Maintenance Worker <i>(Carry forward from 2021)</i>	General Capital Reserve	\$40,000	\$91,500	-\$9,150	\$82,350	0.22%
		<i>This new position would help alleviate the current demand for facility maintenance. Current staff are not able to keep up with demand and instead of reactive repairs, issues could be dealt with in a timely manner and be proactive in completing facilities maintenance, potentially saving on larger and costly outside contractor repairs. More maintenance work is resulting from aging properties and an increase to the number of civic facilities. Budget includes cost of new maintenance vehicle, cell phone and training. Included in the budget request of \$91,500 are services to the other funds estimated at 10% staff time which can be allocated to the Utility Funds as an Admin Fee Recovery. (See Utility section below).</i>						
18	ENG	Traffic and Transportation Technologist I <i>(Carry forward from 2021)</i>	General Capital Reserve	\$5,000	\$104,000	-\$104,000	\$0	0.00%
		<i>The demand for transit and transportation services has increased significantly particularly on growth related tasks such as development application referrals, street use permits and on an increasing amount of traffic complaints/inquiries. This new position will help alleviate the backlog and workload stresses on these services and provide much needed redundancy to the other traffic position. Additional Engineering Development revenue of \$104,000 per annum is expected.</i>						
11.b (23)	FIRE	Increase hours for Administrative Support Hours at Fire Hall - Admin Assistant	N/A	\$0	\$32,693	\$0	\$32,693	0.09%
		<i>This request is to bring the part-time admin assistant to full time status and would allow for current higher level duties to be performed in a timely fashion, including records management and processing public inquiries. Clerical demands have grown as the department has moved to employing full-time career staff and support staff are influenced by emerging technologies, changes to the E-Comm and RMS Management demands and application management. Once the ability to complete current required duties is realized, opportunities will become available to explore different service delivery, revenue generation, and department expansion initiatives.</i>						
12	FIRE	Full-time Emergency Planning/Emergency Support Services Co-ordinator	N/A	\$0	\$85,500	\$0	\$85,500	0.23%
		<i>A less than optimal review of the current emergency program by the AGLG, (workload being the key issue) lends substantial credence to the need for a full-time Emergency Planning Co-ordinator. This new Co-ordinator position, replacing the existing ESSD Contract (set to expire December 31, 2021) and removing ESS duties from the Fire Chief would alleviate these workload issues and address the AGLG's 14 recommendations to improve the existing emergency program. A vehicle for this position can be shared using existing vehicles in the department.</i> Option 2: <i>If this position is phased-in over 2 years, the budget impact could be as follows:</i> 2022 - start with a 0.67 FTE with a budget impact of \$54,200 2023 - move to 1 FTE with an increase to the budget of \$33,300 Option 3: <i>Continue with current situation of hiring a contractor which would require a budget increase of \$30,000.</i>						
Total Priority One Spending Packages Impacting General Operating:				\$132,500	\$550,693	-\$248,900	\$301,793	0.82%

ATTACHMENT A

Operating Service Level Spending Packages

Reference Number	Department	Title of Initiative and Project Description Utility Operating Funds - Priority One Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Budget Impact to General Operating / Capital Costs	Net Impact on Utility Operating Budgets	Equivalent Tax Impact
24	C/A	<i>Records Management Clerk (Utility impact only)</i>	General Capital Reserve	N/A	\$84,500	-\$76,050	\$8,450	0.02%
21	ENG	<i>Engineering Administrative Clerk Increase part-time hours (Utility impact only)</i>	N/A	\$0	\$28,000	-\$25,200	\$2,800	0.01%
20	ENG	<i>New Building Maintenance Worker (Utility impact only) (Carry forward from 2021)</i>	General Capital Reserve	N/A	\$91,500	-\$82,350	\$9,150	0.02%
25	ENG	<i>Public Works Technologist (100 % funded from Utility Operations)</i>	Utilities Capital Reserve	\$5,000	\$107,000	-\$52,200	\$54,800	0.15%

A new position that would be focused on management of capital and maintenance projects for the utilities. Cost for maintenance activities would be allocated amongst the operating budgets for Water, Sewer, and Drainage. Approximately 48% of this employee's time would be spent on capital projects with wages, estimated at \$52,200, posted directly to those capital projects.

Total Priority One Spending Packages Impacting Utility Operating:	\$5,000	\$311,000	-\$235,800	\$75,200	0.20%
Total Priority One Spending Packages Impacting General Operating:	\$132,500			\$301,793	0.82%
Total Priority One Spending Packages for Council's Consideration:	\$137,500			\$376,993	1.02%

One-Time Funding Summary

General Capital Reserve	\$55,500
Utilities Capital Reserve	\$5,000
Internal Reserve	\$77,000
	\$137,500

ATTACHMENT B
Priority Two - Other Spending Packages for Council's Consideration

Reference Number	Department	Title of Initiative and Project Description General Operating Fund - Priority Two Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Recovery / Revenue/ Budget Savings	Net Impact on General Operating Budget	Potential Tax Impact
16	DEV	Manager of Inspection Services - Building Inspections	General Capital Reserve	\$5,000	\$179,500	\$0	\$179,500	0.49%

New position which would be specifically to oversee and support the Building Inspections section of Development Services. Current Manager of Inspection Services would oversee the Bylaw section of the department.

17	ENG	Environmental Technician (Operating fund budget only)	General Capital Reserve	\$5,000	\$113,000	-\$56,500	\$56,500	0.15%
----	-----	------------------------------------------------------------------	-------------------------	---------	-----------	-----------	-----------------	--------------

A new position in the Solid Waste department to allow for development of a waste disposal master plan, development of a tree protection bylaw, and ensure better regulatory compliance, particularly at the landfill, as regulations have been changing recently. This position will help address WorksafeBC requirements and concerns regarding more regular and thorough safety inspections of contractors, allowing for a pro-active approach to addressing the issues and complaints. This will free up current staff enabling them to respond to referrals for development applications and reviews related to curbside collection, watercourse protection, tree cutting and management, soil permitting and private well certification in a timely fashion. This position would spend 50% of their time on projects in the general operating fund (funded by taxes) and 50% on projects at the Landfill and for curbside collection. (See Utility section below).

10	FIRE	Lieutenant - Fire Prevention	General Capital Reserve	\$5,000	\$170,500	-\$11,600	\$158,900	0.43%
----	------	-------------------------------------	-------------------------	---------	-----------	-----------	------------------	--------------

The creation of a Lieutenant position lays the framework for expanding the Prevention Division as growth within the City puts more demand on the Prevention Division in every aspect of their duties from the development permit approval process to final building inspections. This new position will also work with the Fire Inspector on inspections creating efficiencies that will prepare and enable the department to meet the inevitable growth demands without becoming a bottle neck for development or fall behind on mandated inspections. A vehicle for this position can be shared using existing vehicles in the department.

Total Priority Two Spending Packages Impacting General Operating:

\$15,000

\$463,000

-\$68,100

\$394,900

1.07%

Reference Number	Department	Title of Initiative and Project Description Utility Operating Funds - Priority Two Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Budget Impact to General Operating	Net Impact on Utility Operating Budgets	Equivalent Tax Impact
17	ENG	Environmental Technician (Solid Waste Utility Fund only)	N/A	N/A	\$113,000	-\$56,500	\$56,500	0.15%

Total Priority Two Spending Packages Impacting Utility Operating:

\$0

\$113,000

-\$56,500

\$56,500

0.15%

Total Priority Two Spending Packages for Council's Consideration:

\$15,000

\$451,400

1.22%

One-Time Funding Summary

General Capital Reserve	\$15,000
Utilities Capital Reserve	\$0
Internal Reserve	\$0
	\$15,000

Reference Number	Department	Title of Initiative and Project Description General Operating Fund -2023 Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Recovery / Revenue/ Budget Savings	Net Impact on General Operating Budget	Potential Tax Impact
9	C/A	Infrastructure Security Analyst	General Capital Reserve	\$5,000	\$126,000	-\$21,264	\$104,736	0.28%
		Cyber-security and its ever-evolving threat landscape is a major area of risk to municipalities. This budget request is for a full-time, dedicated and professionally trained specialist to oversee, monitor and respond immediately to threats and vulnerabilities. The potential for reputational damage and loss of public trust looms large and we want to be proactive in bringing these resources onboard. This new position will alleviate some operational workload from both the Network Analyst and the Technical Services Supervisor, freeing both up to focus more on their intended roles and responsibilities. The budget request of \$126,000 is net of an amount set aside annually for the bi-annual security audit plus approximately 16% of the costs can be allocated to the computers used for the Utility Funds as an Admin Fee Recovery. (See Utility section below)						
15	C/A	HR Advisor - Training & Development	General Capital Reserve	\$5,000	\$118,300	-\$11,830	\$106,470	0.29%
		New position specifically hired to provide training and development for supervisors and managers, which will increase the overall skill level for managers and supervisors. This position will increase the Manager's capacity which can be redirected to recruitment activities. Included in the budget request of \$118,300 are services to other funds estimated at 10% of staff time which can be allocated to the Utility Funds as an Admin Fee Recovery. (See Utility section below)						
27	DEV	Planner	General Capital Reserve	\$5,000	\$115,200	\$0	\$115,200	0.31%
		This position is needed to keep up with demand from an increase in development in the community.						
26	DEV	Planning Assistant	General Capital Reserve	\$5,000	\$94,000	\$0	\$94,000	0.25%
		An increase in development in the community has increased the workload on the current Planning Assistant to the point that another employee is needed in order to keep up the service levels provided in the past.						
28	DEV	Planning Technician	General Capital Reserve	\$5,000	\$107,500	\$0	\$107,500	0.29%
		Demand from the building department for building permit reviews has increased. This position is needed in order to keep up with service delivery expectations.						
4	EDO	Tourism Mission - Part-time Clerk (Carry forward from 2020)	N/A	\$0	\$51,500	\$0	\$51,500	0.14%
		Operationally, Tourism Mission is currently running with two full-time personnel while acting as a Destination Marketing Organization (DMO), Visitor Information Centre (VIC) and Film Liaison. Request for an increase to the budget for one additional part-time position (0.5 FTE) to support tourism plus software, subscriptions, phones and supplies. This additional capacity is required to more adequately meet Council's strategic goals and objects to fully implement the Tourism Strategy and Operational Plan. In addition to strategic and operational benefits, the staffing increase allows the VIC to remain open to the visiting public 7 days/week during the summer (tourist) months.						

ATTACHMENT C

Reference Number	Department	Title of Initiative and Project Description General Operating Fund - 2023 Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Recovery / Revenue/ Budget Savings	Net Impact on General Operating Budget	Potential Tax Impact
22	ENG	Electrician	General Capital Reserve	\$95,000	\$125,000	-\$41,850	\$83,150	0.23%
		Hiring a second electrician will help with work load volumes, including electrical repairs at City water/sewer stations, facility upgrades, and streetlighting maintenance, (to name a few) and providing coverage on days off (sick/vacation, etc.). This position's intentions are to better serve the City's electrical servicing needs, lessening the need to contract this work out, and thus saving money. The cost of this portion would result in budget reductions estimated of \$41,850.						
11.a	FIRE	Increase hours for Administrative Support Hours at Fire Hall - Admin Clerk	N/A	\$0	\$29,343	\$0	\$29,343	0.08%
		This request is to bring the part-time admin clerk to full time status and would allow for current duties to be performed in a timely fashion, including records management and processing public inquiries. Clerical demands have grown as the department has moved to employing full-time career staff and support staff are influenced by emerging technologies, changes to the E-Comm and RMS Management demands and application management. Once the ability to complete current required duties is realized, opportunities will become available to explore different service delivery, revenue generation, and department expansion initiatives.						
13	PRC	Facilities Maintenance 2 - Night Shift	N/A	\$0	\$83,000	\$0	\$83,000	0.22%
		This new position will allow for pool maintenance to occur at night while the building is closed and to provide sick and holiday coverage for the current Facilities Maintenance 1 position. Current services will increase as pool maintenance can be performed at night ensuring enough time to properly balance the pool chemicals, as well as timely repairs improving public safety.						
6	PRC	Urban Forestry Strategy + Public Tree Management Guidebook (Carry forward from 2020)	Internal Reserve	\$72,000	\$0	\$0	\$0	0.00%
		Request to hire a consultant to create an Urban Forest Strategy document that summarizes a city-wide approach to managing our urban forest. This would provide a guidebook with the specifications and a procedure manual for Parks management activities for street and park trees. Currently several departments are managing trees within the City, and this guidebook will include who manages trees in the community as well as how they are managed, giving the City clear direction.						
7	RCMP	Increase to Victim Services Case Worker hours and Stand-by Pay (Carry forward from 2020)	N/A	\$0	\$35,000	\$0	\$35,000	0.09%
		The Victim Services program benefits all Mission residents that find themselves victimized of any type of crime. This budget request will increase resources to allow Case Workers to work four 6-hour days per week. Working one extra day per week will allow Case Workers to accompany clients to court when needed. Currently Auxiliary workers receive a stipend of \$1.50 per hour to be available for call-outs. This budget request is to increase the stand-by pay to \$3.00 per hour to acknowledge the value of the auxiliary worker's time, and could allow Victim Services to continue with 24-hour crisis coverage.						
Total Spending Packages Impacting the General Operating for 2023 Budget Discussions:				\$192,000	\$884,843	-\$74,944	\$809,899	2.20%

ATTACHMENT C

Reference Number	Department	Title of Initiative and Project Description Utility Operating Funds - 2023 Applications	One-time Funding Requests Funding Source	Value	On-going Budget Expense Request	Budget Impact to General Operating	Net Impact on Utility Operating Budgets	Equivalent Tax Impact
9	C/A	<i>Infrastructure Security Analyst (Utility impact only)</i>	General Capital Reserve	N/A	\$126,000	-\$104,736	\$21,264	0.06%
15	C/A	<i>HR Advisor - Training & Development (Utility impact only)</i>	General Capital Reserve	N/A	\$118,300	-\$106,470	\$11,830	0.03%
Total Spending Packages Impacting the Utility Operating for 2023 Budget Discussions:				\$0	\$244,300	-\$211,206	\$33,094	0.09%

Total Spending Packages Impacting the General Operating for 2023 Budget Discussions:

\$192,000

\$809,899

2.20%

Total Spending Packages for 2023 Budget Discussions for Council's Consideration:

\$192,000

\$842,993

2.28%

One-Time Funding Summary

General Capital Reserve	\$120,000
Utilities Capital Reserve	\$0
Internal Reserve	\$72,000
Total	\$192,000

	General Operating		Utilities Operations		Totals	
	Value	Tax Impact	Value	Tax Impact	Value	Tax Impact
Priority One Spending Packages	\$301,793	0.82%	\$75,200	0.20%	\$376,993	1.02%
Priority Two Spending Packages	\$394,900	1.07%	\$56,500	0.15%	\$451,400	1.22%
Spending Packages for 2023 Budget Discussions	\$809,899	2.20%	\$33,094	0.09%	\$842,993	2.28%
Total	\$1,506,592	4.08%	\$164,794	0.45%	\$1,671,386	4.53%



STAFF REPORT

To: Chief Administrative Officer
From: Kerri Onken, Deputy Treasurer/Collector
Subject: **Draft Solid Waste Utility Financial Plan**

Date: October 5, 2021

Recommendation(s)

This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.

Purpose

The purpose of this report is to present the draft Solid Waste Utility Financial Plan with no change to the curbside flat rate user fee for refuse or for recycling/compost to Council and to seek authorization to present this plan at the Public Consultation portion of the November 1, 2021 Regular Council meeting. Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

Background

As part of the City's annual financial planning process, staff have compiled a draft Solid Waste Utility Financial Plan. This financial plan details the operating and capital requirements of the following facilities and services:

1. Curbside collection of refuse, recyclable materials, and compost;
2. Environmental stewardship initiatives, including wildlife conflict reduction, hazardous waste collection and clean-up, streamside protection, tree protection, invasive plant management, climate change initiatives, litter management including Mission Environmental Stewardship Society, promotion of public awareness, and waste reduction;
3. The Mission Landfill (Minnie's Pit), including the onsite compost processing facility;
4. The Mission Recycling Depot, located on Mershon Street; and
5. The joint Abbotsford/Mission Recycling Depot (AMRD) and primary processing facility, located on Valley Road in Abbotsford.

Discussion and Analysis**1. Operating Financial Plan (Attachment A)**

The draft summary of changes to the Solid Waste operating budget is attached as Attachment A. Significant changes to the financial plan for 2022 to maintain existing service levels include:

Revenue highlights:

1. \$142,745 increase in landfill site revenues due to increased rates and increased tonnage;
2. \$58,133 increase in revenue from sales and salvage of recycling materials;

3. \$29,928 increase in revenue from new homes joining the curbside refuse and recycling program; and
4. \$14,269 increase in revenue from AMRD operations.

Expense highlights:

1. \$84,191 increase in the administration fee for shared services to cover the increased cost of corporate governance and additional financial support;
2. \$70,737 increase in landfill operations from increased volume from curbside compost and inflation on operation contract;
3. Increased cost projections of \$53,531 at the AMRD sorting facility; and
4. A net decrease of \$44,472 to curbside collection costs due to the reallocation of some staff time to engineering projects.

The net change to the 2022 draft Solid Waste Utility Operating Budget results in a projected increase to the transfer to the Refuse Reserve of \$93,847 (see Attachment A). There are three priority one spending packages that if approved for the 2022 budget, will have minor impacts totaling \$2,764. These would adjust the increase to the transfer down to \$91,083.

The operating costs for AMRD are shared between the City of Abbotsford and the City of Mission, based on formulas directly related to the tonnage processed between the two cities at the joint recycling facilities. 2020 tonnage calculation of 19.29% was used for the 2022 operating budget, increased from 18.47% in the prior year. Capital share is based on the prior three years tonnage for 2018 to 2020 of 18.90%, which is decreased from 19.92% in the prior year.

Operating Service Level Spending Package – Environmental Technician

Staff have submitted a priority two operating service level spending package for an Environmental Technician which would be funded 50% from Solid Waste and 50% from the General Operating Fund (funded by taxation). The total impact of this position is \$56,500, ongoing, to the Solid Waste Operations plus a one-time capital cost of \$5,000. Details of the spending package are in Council's electronic reading basket. As a priority two, the costs associated with this spending package are not reflected in this report or attachments.

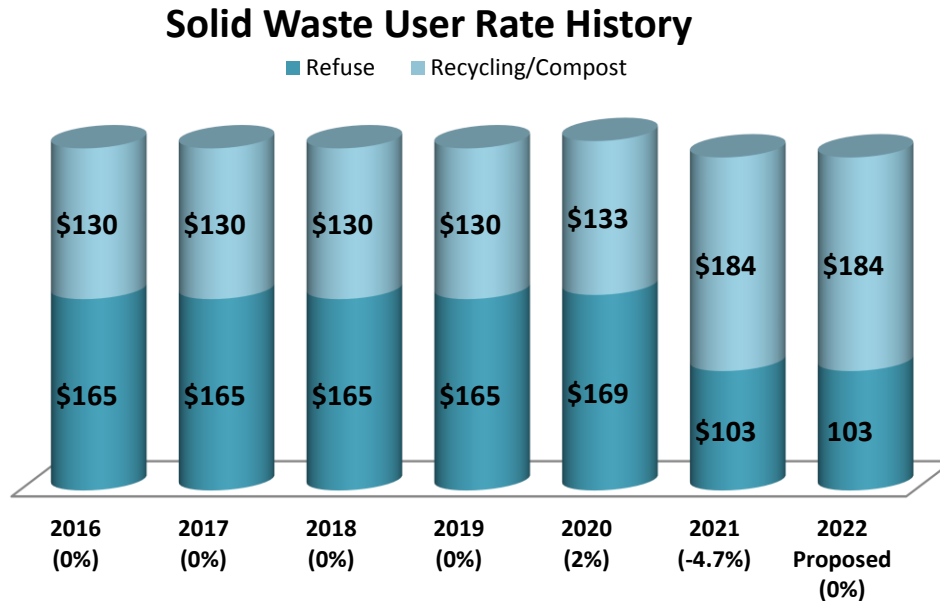
2. Capital Plan

The capital plan for solid waste operations, including the regional projects, is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a solid waste capital plan for Council's consideration.

3. Rate Recommendations

On Attachment A the impact of the changes to the 2022 budget for the Solid Waste Operations is detailed included a projected increase to the transfer to the Refuse Capital Reserve of \$93,847. Should the spending packages be approved, the increase would be reduced to \$34,583. The transfer to the capital reserve for 2022 is projected to be \$883,648. At this time, no changes to the current curbside pick-up user fees are proposed for 2022.

The following graph shows a seven-year history of curbside refuse collection and recycling/compost collection user rates for single-family residential customers in the curbside collection area, which make up the majority of Solid Waste Utility revenues:



Note: Based on flat-rate utility charges for a single-family residential property.

Staff will be recommending various CPI increases in landfill tipping fees, in order to address landfill operation contract inflation, as well as to deter certain types of waste from outside the City which require additional handling. These proposed fee increases are in the “2022 Fees and Charges Review” report on today’s agenda and any additional revenue is reflected in the operating budget summary of changes in Attachment A.

4. Reserve Projections

The Refuse Capital Reserve is set-up to fund future capital projects. Currently a Landfill Design, Operations and Closure Plan (DOCP), report is being finalized which will provide updated capital projects and estimate. The report may provide recommendation to revise the long-term landfill capital plan and may significantly affect the reserve fund. The report may also provide options with regard to the future use of landfill site. The potential impact of the DOCP is not reflected in this report.

The City of Abbotsford completed a business case for continuing to use the AMRD as a processing facility under contract to the Recycle BC program, and various options for managing collected recycling. Engineering and procurement staff from Abbotsford and Mission jointly met over the summer to explore alternatives available for getting our curbside and depot recycling into the Recycle BC program with the Recycle BC post-collection contractor, GFL Environmental. Staff are awaiting a reply from GFL and will provide an update through the JSSC once there is information available.

The current capital plan for solid waste operations, including the regional AMRD projects is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a solid waste capital plan and updated reserves projects for Council's consideration.

5. Debt

There is currently no external or internal debt outstanding related to the Solid Waste Utility and none is anticipated at this time.

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

The financial implications of the draft Solid Waste Utility Financial Plan are discussed throughout this report.

Communication

Highlights of the City's financial plan and proposed rate increases, will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Summary and Conclusion

This report is to present the draft Solid Waste Utility Financial Plan net costs associated with curbside collection, environmental stewardship initiatives, the Mission Landfill, the Mission Recycling Depot; and the joint Abbotsford/Mission Recycling Depot (AMRD) to Council and to seek authorization to present this plan at the Public Consultation portion of the November 1, 2021 Regular Council meeting.

Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

Report Prepared by:	Kerri Onken, Deputy Treasurer/Collector
Reviewed by:	Tracy Kyle, Director of Engineering & Public Works
Reviewed by:	Doug Stewart, Director of Finance
Approved for Inclusion:	Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: Solid Waste Utility Operating Financial Plan Changes (Draft)

Attachment A
Solid Waste Utility Operating Financial Plan Changes (Draft)
Summary of Changes to Operating Budget 2021 to 2022

Revenue Changes:

Revenue change at landfill due to rate increases and tonnage changes	(142,745)
Increased revenue from sale of services & recyclables	(58,133)
New homes joining the curbside pick-up program	(29,928)
Increase to revenue from AMRD operations	(14,269)
Annual payment from Recycle BC for recycling collection service	(7,016)
Subtotal - Revenue Changes	(252,091)

Expense Changes:

Increase administrative cost recovery	84,190
Increase in landfill operation	70,737
Increase in expenses at AMRD operations	53,531
Transfer to arterial road reserve from increased tonnage from trucks	4,255
Decrease in environmental stewardship for testing, education and research	(9,997)
Decrease to curbside pick-up contract	(44,472)
Subtotal - Expense Changes	158,244

Net change to Solid Waste Budget from Operations	(93,847)
---------------------------------------------------------	-----------------

Admin Cost Recovery on spending packages for consideration (Priority One)	2,764
----------------------------------------------------------------------------------	--------------

Net decrease to draft 2022 Solid Waste Operating Budget	(91,083)
----------------------------------------------------------------	-----------------

Summary of Changes to Transfer to Refuse Reserve

Transfer to Refuse Reserve Fund - 2021 amount	792,565
Plus: Net decrease to draft 2022 Solid Waste Operating Budget *	91,083
Proposed 2022 Transfer to Refuse Reserve Fund	883,648

* A decrease to the budget will increase the transfer to Refuse Reserve Fund, an increase to the budget reduces the transfer to Refuse Reserve Fund.



STAFF REPORT

To: Chief Administrative Officer **Date:** October 5, 2021
From: Kerri Onken, Deputy Treasurer/Collector
Subject: Draft Water Utility Financial Plan

Recommendation(s)

This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.

Purpose

The purpose of this report is to present the draft Water Utility Financial Plan with no proposed rate change to Council and to seek authorization to present this plan at the Public Consultation portion of the November 1, 2021 Regular Council meeting. Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting for Council's consideration.

Background

As part of the City's annual financial planning process, staff have compiled a draft Water Utility Operating Financial Plan, a long-term capital plan, and proposed rate increases.

Included in this plan are the costs of operating and maintaining the City's local water distribution system, as well as Mission's share of the regional water supply and treatment system (cost-shared with the City of Abbotsford). The provisional budgets for the regional water system operating and capital plans were provided in August 2021. Further details and updated budget numbers for both these plans will be provided at a future Joint Shared Services Committee (JSSC) meeting. Only the provisional budget information provided in August is incorporated into this report. Updates will be brought back for Council's review and approval as they become available.

Discussion and Analysis**1. Operating Financial Plan (Attachment A)**

The draft summary of changes to the Water Utility operating budget is attached as Attachment A. Significant changes to the operating financial plan for 2022 to maintain existing service levels include:

Revenue highlights:

1. \$144,721 increase from new residential customers (metered charges); and
2. \$23,597 additional revenue from sale of services and hydrant revenue.

Expense highlights:

1. \$127,599 increase for water testing. The City of Abbotsford is no longer providing this service for Mission's distribution system, plus new water testing regulations were introduced by the Province which has increased the quantity of testing required;
2. \$85,462 increase in the administration fee for shared services to cover the increased cost of corporate governance and other overhead expenses;
3. \$71,486 increase to the local water distribution system budget for wages, replacement equipment rates, contractual obligations; and

4. \$7,518 increase in regional operating expenses based on the provisional budget provided in August (*further details will be presented at a future (JSSC) meeting*).

The net impact of the changes to the 2022 draft Water Utility Operating Budget, results in a net increase to the water operational costs of \$125,248 (see Attachment A).

Operating Service Level Spending Package – Public Works Technologist

Staff have submitted a Priority One Operating Spending Package for a shared position between the water, sewer and drainage utility operations for Council's consideration (see report "Spending Package Submitted for Operations" by the Deputy Treasurer/Collector on today's agenda for details). The request is for a "Public Works Technologist" to manage capital and maintenance projects for these utility operations. The total impact of this position is \$18,267, ongoing, to the water operations plus a one-time capital cost of \$1,667. Details of the spending package are in Council's electronic reading basket.

In addition to this spending package, there are three other Priority One spending packages that, if approved for the 2022 budget, will have minor impacts totaling \$5,078 on water operations for a total of \$23,345.

2. Capital Plan

The DCC Capital Plans are subject to a unique review and update process. Legislation requires DCCs to be levied under very specific bylaws. As such, the DCC Capital Plans are not included for discussion as part of this report.

The capital plan for water operations, including the regional projects and the support provided for the DCC plan is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a water capital plan for Council's consideration.

3. Regional Financial Plan

The provisional budgets for the regional water distribution system operations and capital plans were provided to staff in August, 2021 and are reflected in the 2022 projections. However, these budget projections are preliminary in nature and further details on both these plans will be provided at a future JSSC meeting. Once the regional budget process has completed, staff will update the City's operating and capital plans accordingly.

4. Reserve Projections

The water reserves are set-up to fund future capital projects. The capital plan for water operations, including the regional projects and the support provided for the DCC plan is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a water capital plan and updated reserves projects for Council's consideration.

5. External Debt

The water utility has been debt-free since December 2014. As a result of capital reserves built up over the past number of years, the water utility financial plan does not anticipate any external debt for local water services will be required at this time; however, borrowing may be required in the future to support the development of future water system capacity and redundancy concerns funded by DCC's.

6. Internal Debt

In the past, the City has considered using internal debt from the Water Capital Reserve Fund to assist the water DCC reserves to fund DCC project expenses incurred prior to the collection of DCC revenue. Repayment of these internal debts is dependent on DCCs collected during the year, as well as the need to proceed with additional DCC projects to support growth in advance of collecting the related DCCs.

As at December 31, 2020, the outstanding internal debt in the water utility totals \$287,305, no change from the prior year.

Internal debt is generally preferable to external debt, because instead of interest being paid to an external party, the interest is paid internally to other reserves within the City.

7. Regional Cost Sharing

Mission's share of the regional water utility costs for 2020 and 2021, based on 2019 and 2020 water flows in each community, are as follows:

	2021 Actual	2020 Actual
Operating costs	22.60%	23.28%
Non-growth-related capital costs	22.60%	23.28%
Growth-related capital costs	20.56%	20.56%

The final cost sharing for 2022 operating and non-growth-related capital costs is dependent upon each community's actual water usage for the 2021 calendar year, therefore will not be available until early 2022. The 2022 regional budget is calculated using the 2021 actual share percentage which is based on 2020 water flows.

For growth-related projects, the cost sharing percentage is based on estimated growth in peak day water demand. Any deviation from estimated growth will result in a future transfer of costs between the municipalities to compensate for the difference, as per the approved cost-sharing methodology.

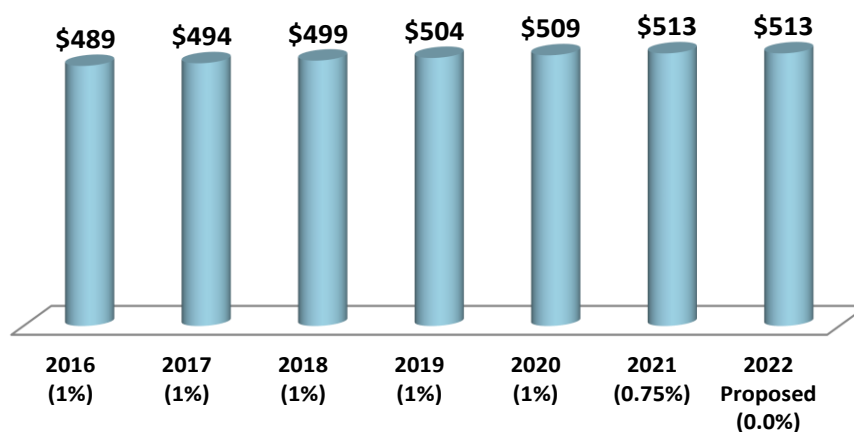
8. Rate Recommendations

On Attachment A, the net 2022 budget from water operations is projecting a reduction in the transfer to capital of \$125,248. Should the spending packages be approved, the reduction would increase to \$148,593. After a review of water capital reserves over the next 20 years, staff determined that the reserve balances are sufficient even with this reduced transfer to capital reserve. At this time, no rate increase is proposed for 2022.

For every 1% increase in water rates approximately \$68,400 in revenue would be generated.

The following graph shows a seven-year history of water user rates for single-family residential flat-rate customers, including the proposed 0% rate change for 2022.

Water User Rate History



Note: Based on flat-rate utility charges for a single-family residential property

The provisional budgets for the regional system operating and capital plans were provided to staff in August, 2021. However, these budget projections are preliminary in nature and further details on them will be provided at a future Joint Shared Services Committee (JSSC) meeting. Staff will be working with Abbotsford to determine if the current rate is sufficient to accommodate any regional changes, and will report back once the results are known

Attachment B provides historical details on the water user rates, including metered rates.

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

The financial implications of the draft Water Utility Financial Plan are discussed throughout this report.

Communication

Highlights of the City's financial plan and no proposed rate increase, will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Summary and Conclusion

The purpose of this report is to present the draft Water Utility Financial Plan including a 0% proposed rate change to Council and to seek authorization to present this plan at the Public Consultation portion of the November 1, 2021 Regular Council meeting.

Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

Report Prepared by:	Kerri Onken, Deputy Treasurer/Collector
Reviewed by:	Tracy Kyle, Director of Engineering & Public Works
Reviewed by:	Doug Stewart, Director of Finance
Approved for Inclusion:	Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A:	Water Utility Operating Financial Plan (Draft) Summary of Changes to Operating Budget 2021 to 2022
Attachment B:	Historical and Proposed Water Utility User Rates

Attachment A
Water Utility Operating Financial Plan (Draft)
Summary of Changes to Operating Budget 2021 to 2022

Revenue Changes

New residential water customers	(144,721)
Increase to sale of services for local water distribution	(14,435)
Increase in Hydrant revenue	(9,162)
Increase to regional water distribution revenue *	483
Subtotal - Revenue Changes	(167,835)

Expense Changes

Water Testing new regulations and previously provided by City of Abbotsford	127,599
Increase shared administrative cost	85,462
Increase to local water distribution operating expenses	71,486
Increase to regional water distribution operating expenses *	7,518
Increase transfer to information systems reserve	1,017
Subtotal - Expense Changes	293,082

Net change to Water Budget from Operations	125,248
---------------------------------------------------	----------------

Spending Package - Public Works Technologist **18,267**

Admin cost recovery on spending packages **5,078**

Net change to draft 2022 Water Operating Budget	148,593
--------------------------------------------------------	----------------

** Based on provisional information provided in August, 2021.*

Summary of Changes to Transfer to Water Capital Reserve

Transfer to Water Capital Reserve Fund - 2021 amount	2,777,328
Less: Net change to draft 2022 Water Operating Budget **	(148,593)
Proposed 2022 Transfer to Water Capital Reserve Fund	2,628,735

*** A decrease to the budget will increase the transfer to Water Capital Fund, an increase to the budget reduces the transfer to Water Capital Reserve Fund.*

Attachment B
Historical and Proposed Water Utility User Rates

	2017	2018	2019	2020	2021	2022 (proposed)
Flat Rate – Single Family Residential	\$493.80	\$498.72	\$504.00	\$508.80	\$512.64	\$512.64
Flat Rate – Multi-family Residential (per unit)	\$423.84	\$428.04	\$432.00	\$436.20	\$439.56	\$439.56
Meter Rate – Residential (per cubic meter)	\$1.25	\$1.26	\$1.27	\$1.28	\$1.29	\$1.29
Meter Rate – Institutional, Commercial, Industrial (per cubic meter)	\$1.0753	\$1.0861	\$1.0970	\$1.1077	\$1.1160	\$1.1160
Declining to ... (depending on consumption) *	\$0.5506	\$0.5561	\$0.5617	\$0.5672	\$0.5715	\$0.5715
Percentage Increase over Previous Year	1%	1%	1%	1%	0.75%	0%

* “declining block rate”, rate decreases as consumption increases



STAFF REPORT

To: Chief Administrative Officer **Date:** October 5, 2021
From: Kerri Onken, Deputy Treasurer/Collector
Subject: **Draft Sewer Utility Financial Plan**

Recommendation

This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.

Purpose

The purpose of this report is to present the draft Sewer Utility Financial Plan, including a proposed 2.62% rate increase, to Council and to seek authorization to present this plan at the Public Consultation portion of the November 1, 2021 Regular Council meeting. Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

Background

As part of the City's annual financial planning process, staff have compiled a draft Sewer Utility Financial Plan, with proposed rate increases.

Included in this plan are the costs of operating and maintaining the City's local sanitary sewer conveyance system, as well as Mission's share of the JAMES Wastewater Treatment Plant (cost-shared with the City of Abbotsford). The provisional budgets for the regional sewer system operating and capital plans were provided to staff in August 2021. Further details and updated budget numbers for both these plans will be provided at a future Joint Shared Services Committee (JSSC) meeting. Only the provisional budget information provided in August is incorporated into this report. Updates will be brought back for Council's review and approval as they become available.

Discussion and Analysis

1. Operating Financial Plan (Attachment A)

The draft summary of changes to the Sewer Utility operating budget is attached as Attachment A. Significant changes to the operating financial plan for 2022 to maintain existing service levels include:

Revenue highlights:

1. \$45,500 increase from new residential sewer customers;
2. An increase of \$14,879 for sewer collection revenue; and
3. Reduction of \$1,498 to the regional sewer revenue based on provisional budget provided in August (*further details will be presented at a future (JSSC) meeting*).

Expenses highlights:

1. \$63,563 increase in the admin fee for shared services to cover the increased cost of corporate governance;
2. \$27,220 for increased pre-servicing needs; and
3. \$21,822 decrease to local sewer system for wages, replacement equipment rates, contractual obligations, and reduced maintenance.

The net impact of the changes to the 2022 draft Sewer Utility Operating Budget, results in an increase to the sewer levy requirement of \$9,179 (see Attachment A).

Operating Service Level Spending Package – Public Works Technologist

Staff have submitted a Priority One Operating Spending Package for a shared position between the water, sewer and drainage utility operations for Council's consideration (see report "Spending Package Submitted for Operations" by the Deputy Treasurer/Collector on today's agenda for details). The request is for a "Public Works Technologist" to manage capital and maintenance projects for these utility operations. The total impact of this position is \$18,267 ongoing to the sewer operations plus a one-time capital cost of \$1,667. Details on the spending package are in Council's electronic reading basket.

In addition to this spending package, there are three other Priority One spending packages that, if approved for the 2022 budget, will have minor impacts totaling \$4,637 on sewer operations for a total of \$22,904 for spending packages.

2. Capital Plan

The DCC Capital Plans are subject to a unique review and update process. Legislation requires DCCs to be levied under very specific bylaws. As such, the DCC Capital Plans are not included for discussion as part of this report.

The capital plan for sewer operations, including the regional projects and the support provided for the DCC plan is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a sewer capital plan for Council's consideration.

3. Regional Financial Plan

The provisional budgets for the regional sewer system operating and capital plans were provided to staff in August, 2021 and are reflected in the 2022 projections. However, these budget projections are preliminary in nature and further details on both these plans will be provided at a future JSSC meeting. Once the regional budget process has completed, staff will update the City's operating and capital plans accordingly.

4. Reserve Projections

The sewer reserves are set-up to fund future capital projects. The capital plan for sewer operations, including the regional projects and the support provided for the DCC plan is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a sewer capital plan and updated reserves projects for Council's consideration.

5. External Debt

The sewer utility has been debt-free since December 2014 allowing the City to build up reserves for capital projects. However, two capital projects are beyond the capital reserve current balance and incurring debt is required:

1. The Fraser River Sewer Crossing project has a Loan Authorization Bylaw to provide debt estimated at \$12.5 million as a funding source, (see the April 6, 2021 report, written by the Director of Finance, which outlined to Council the financial challenges of completing the river crossing.) It was recommended that the City consider debt to ensure funds were available for the project. The potential debt servicing cost is estimated at \$302,896 per year. This would require an increase to the sewer user rates estimated to be 5.73% by 2023.
2. The Regional Sewer DCC plan includes upgrades for seismic and flood proofing at the JAMES Plant starting in 2030 for approximately \$233 million, with Mission's share estimated at \$48.5

million. Currently this project would be funded 50% from Development Cost Charges and 50% from the Sewer Capital Reserve Fund - \$23 million funding requirement 2032. This estimate from Abbotsford is revised annually and could change before the project begins.

Borrowing for this project could be considered. An annual increase to the flat rate sewer user fee of 2% over seven years (\$102,800 in the first year growing to approximately \$720,000 by 2030) would allow for approximately \$2.9 million to accumulate. The \$720,000 could then be redirected to debt payments which would cover a substantial portion of the debt servicing costs required to fund the balance by debt.

A 2% annual increase to the flat-rate sewer user fee is approximately a \$9.30 to the average ratepayer.

6. Internal Debt

In the past, the City has considered internal debt from the Sewer Capital Reserve Fund to assist the sewer DCC reserves to fund DCC project expenses incurred prior to the collection of DCC revenue. Repayment of these internal debts is dependent on DCCs collected during the year, as well as the need to proceed with additional DCC projects to support growth in advance of collecting the related DCCs.

As at December 31, 2020, the outstanding internal debt in the sewer utility totaled \$1.63 million (December 31, 2019 = \$1.68 million). The existing loans are being paid down annually based on DCC collections during the year.

Internal debt is generally preferable to external debt, because instead of interest being paid to an external party, the interest is paid internally to other reserves within the City.

7. Regional Cost Sharing

Mission's estimated share of the regional sewer utility costs for 2020 and 2021, based on 2019 and 2020 sewer flows in each community, are as follows:

	2021 Actual	2020 Actual
Operating costs	19.48%	19.59%
Non-growth-related capital costs	19.48%	19.59%
Growth-related capital costs - LOAD	14.33%	14.24%
Growth-related capital costs – FLOW	22.03%	21.93%

The final cost sharing for 2022 operating and non-growth-related capital costs is dependent upon each community's actual sewer flows for the 2021 calendar year, therefore will not be available until early 2022. The 2022 regional budget is calculated using the 2021 actual share percentage which is based on 2020 sewer flows.

For growth-related projects, the cost sharing percentage is based on estimated growth in sewage flows and strength. Any deviation from estimated growth will result in a future transfer of costs between the municipalities to compensate for the difference, as per the approved cost-sharing methodology.

8. Rate Recommendations

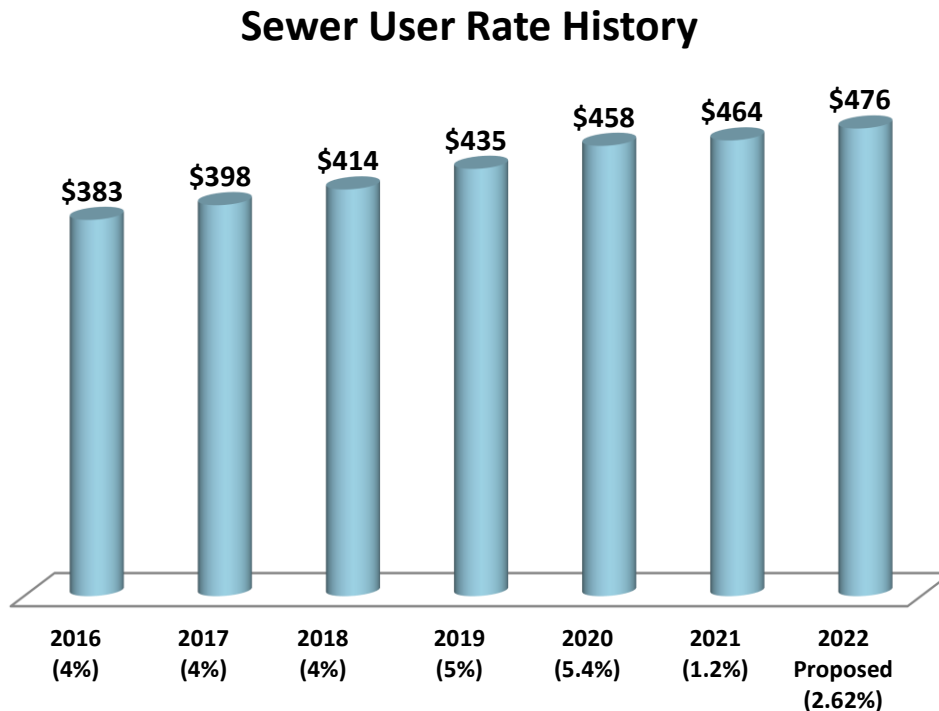
On Attachment A, the 2022 budget from sewer operations is projecting a reduction to the transfer to capital of \$9,179. Should the spending packages be approved, the reduction would increase to \$32,083. Based on the current projections of sewer capital reserves over the next 20 years, the reserve balances will be depleted by 2030 and reducing the transfer would not be recommended. To maintain the transfer to the capital reserve at the 2021 level, a flat rate sewer user fee increases of 0.62% is required. This would increase the user fee by \$2.88.

In order to fund the potential debt servicing costs starting in 2023, and to reduce the total debt required, an annual 2% rate increase is proposed, starting in 2022. This revenue would be allocated to a Debt Reserve account. This 2% would increase the user fee by an additional \$9.27 for a total of \$12.15 over 2021.

To maintain existing services and to fund future debt servicing charges, a total of 2.62% increase to the user fees is proposed.

For every 1% increase in sewer rates approximately \$51,400 in revenue would be generated.

The following graph shows a seven-year history of sewer user rates for single family residential flat-rate customers, including the proposed 2.62% rate increase for 2022.



Note: Based on flat-rate utility charges for a single-family residential property

The draft provisional budgets for the regional sewer system operating and capital plans were provided to staff in August 2021. However, these budget projections are preliminary in nature and further details on them will be provided at a future Joint Shared Services Committee (JSSC) meeting. Staff will be working with Abbotsford to determine if this rate increase is sufficient and will report back once the results are known.

In addition to the flat rate user fee increase, staff will be proposing a 2.62% increase to the residential meter rate bringing the fee up to \$1.20 per cubic meter and a 2.62% increase to the declining block rates for institutional, commercial, and industrial metered customers.

Attachment B provides further historical details on the sewer user rates, including metered rates.

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

The financial implications of the draft Sewer Utility Financial Plan are discussed throughout this report.

Communication

Highlights of the City's financial plan and the proposed rate increases, will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Summary and Conclusion

This report is to present the draft Sewer Utility Financial Plan, including a proposed 2.62% rate increase, to Council and to seek authorization to present this plan at the Public Consultation portion of the November 1, 2021 Regular Council meeting. Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

There are two capital projects that are beyond the capital reserve's current balance and incurring debt is recommended; the Fraser River Sewer Pipe Crossing project and the upgrades for seismic and flood proofing at the JAMES Plant starting in 2030. An option for consideration is an annual increase of 2% starting in 2022. This would assist with covering the debt servicing costs and the added benefit of building up the capital reserves to reduce the debt required for the second project. A 2% annual increase would raise the flat rate sewer user fee by approximately a \$9.27 each year and these funds would be segregated into a Debt Reserve account.

Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

Report Prepared by:	Kerri Onken, Deputy Treasurer/Collector
Reviewed by:	Tracy Kyle, Director of Engineering & Public Works
Reviewed by:	Doug Stewart, Director of Finance
Approved for Inclusion:	Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A:	Sewer Utility Operating Financial Plan (Draft) Summary of Changes to Operating Budget 2021 to 2022
Attachment B:	Historical and Proposed Sewer Utility User Rates

Attachment A
Sewer Utility Operating Financial Plan (Draft)
Summary of Changes to Operating Budget 2021 to 2022

Revenue Changes:

New residential customers	(45,500)
Increase in local sewer collection revenue	(14,879)
Increased consumption for industrial, commercial, institution metered customers	(700)
Decrease in regional sewer collection revenue *	1,498
Subtotal - Revenue Changes	(59,581)

Expense Changes:

Increase administrative cost recovery	63,563
Preservicing, increase in service cost	27,220
Increase transfer to information systems reserve	1,017
Decrease to regional sewer operating expenses *	(1,218)
Decrease to local sewer collection operating expenses (contractual and maintenance)	(21,822)
Subtotal - Expense Changes	68,760

Net change to Sewer Operating Budget	9,179
---------------------------------------------	--------------

Spending Package - Public Works Technologist	18,267
Admin cost recovery on spending packages	4,637
Proposed 0.62% increase to user rates to maintain services	(32,083)
Increase in transfer Debt Reserve	102,800
Proposed 2% increase to user rates to fund Debt Reserve	(102,800)

Net Change to draft 2022 Sewer Operating Budget	-
--------------------------------------------------------	----------

* Based on provisional information provided in August, 2021.

Summary of Changes to Transfer to Sewer Capital Reserve

Transfer to Sewer Capital Reserve Fund - 2021 amount	1,534,751
Plus: Net increase to draft 2022 Sewer Operating Budget **	-
Proposed 2022 Transfer to Sewer Capital Reserve Fund	1,534,751

** A decrease to the budget will increase the transfer to Sewer Capital Fund, an increase to the budget reduces the transfer to Sewer Capital Reserve Fund .

Attachment B
Historical and Proposed Sewer Utility User Rates

	2017	2018	2019	2020	2021	2022 (proposed)
Flat Rate – Single Family Residential	\$398.16	\$414.00	\$435.00	\$458.40	\$463.92	\$476.04
Flat Rate – Multi-family Residential (per unit)	\$341.40	\$354.96	\$372.00	\$391.20	\$395.88	\$406.20
Meter Rate – Residential (per cubic meter)	\$1.02	\$1.0608	\$1.10	\$1.16	\$1.17	\$1.20
Meter Rate – Institutional, Commercial, Industrial (per cubic meter)	\$0.8774	\$0.9125	\$0.9542	\$1.0057	\$1.0178	\$1.0444
Declining to ... (depending on consumption)*	\$0.4492	\$0.4672	\$0.4885	\$0.5148	\$0.5210	\$0.5346
Percentage Increase over Previous Year	4%	4%	5%	5.4%	1.2%	2.62%

* “declining block rate”, rate decreases as consumption increases



STAFF REPORT

To: Chief Administrative Officer **Date:** October 5, 2021
From: Kerri Onken, Deputy Treasurer/Collector
Subject: **Draft Drainage Utility Financial Plan**

Recommendation

This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.

Purpose

The purpose of this report is to present the draft Drainage Utility Financial Plan, including a proposed drainage levy increase of 14.76% to Council and to seek authorization to present this plan and any proposed rate increase at the Public Consultation portion of the November 1, 2021 Regular Council meeting. Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting for Council's consideration.

Background

As part of the City's annual financial planning process, staff have compiled a draft Drainage Utility Financial Plan and a proposed levy increase. The City established the drainage system as a self-funding utility during the 2016 financial planning process, which ultimately resulted in the budget for drainage operations and capital projects moving out of the general fund and into its own utility fund. The resulting decrease in the general property tax levy was offset by a new drainage levy.

The City's drainage utility is responsible for managing all aspects of storm water within its jurisdiction, including snow and rainfall related storm water runoff. The purpose of the drainage system is to convey storm water runoff flows to their downstream destination while minimizing flooding impacts, ditch/creek erosion, and water-quality degradation. The drainage system infrastructure includes ditches, dikes, creeks, culverts, storm sewer pipes, storm sewer manholes, catch-basins, storm water management ponds, underground tanks, pump stations, service connections, and other related infrastructure.

Mission, like other municipalities, is facing challenges managing its aging drainage infrastructure. Structurally deteriorated storm pipes and culverts, higher storm water runoff rates due to growth and urbanization, and meeting more stringent environmental regulations are examples of these challenges that often require drainage infrastructure upgrades. Failure to adequately maintain drainage infrastructure can result in personal and public property damage, injury or loss of life.

Discussion and Analysis

1. Operating Financial Plan (Attachment A)

The draft summary of changes to the Drainage Utility operating budget is summarized in Attachment A. Significant changes to the operating financial plan for 2022 to maintain existing service levels include:

Revenue Increases:

1. \$29,100 estimated increase in drainage levy revenue from development in Mission - the new buildings and new lots developed in 2021 and 2020. (New revenue from 2021 development is estimated at \$20,000 and new revenue from 2020 development was \$9,100);
2. \$16,100 increase for fee for service revenue;
3. \$5,025 increase from grants in-lieu of taxes on properties owned by the Province, the Federal government and BC Hydro; and
4. A reduction in revenue of \$6,555 from Private Access installations as this service is no-longer available.

Changes to Expenses:

1. \$64,581 increase in the admin fee for shared services to cover the increased cost of corporate governance and additional financial support;
2. \$26,783 for pre-servicing of property to reduce future costs when services are delivered; and
3. Inflationary increases, after departmental review, of \$36,717 as the Drainage Operations moves towards industry standards for culvert brushing and cleaning, dike pump station maintenance and manhole maintenance.

The expenditure increases totaling \$128,081 is partially offset by revenue increases of \$43,670 requiring the drainage levy to increase by \$84,411 to maintain existing service levels, which represents a 3.49% increase.

During the 2020 budget discussions, Council approved a drainage operating spending package proposal to increase in the annual transfer to the Drainage Capital Reserve Fund by \$750,000 over 4 years. This would build-up the Drainage Capital Reserve Fund balance, providing funding toward ongoing infrastructure maintenance and replacement costs with the goal of transferring \$1.44 million annually.

The changes noted above for the Drainage utility Operations have a net impact of 13.88% on the drainage levy (*see Attachment A*). This 13.88% represents an additional \$19.85 to the 2022 property tax notice of the average assessed home in Mission. Note: This is equivalent to a 0.91% general property tax increase.

Operating Service Level Spending Package – Public Works Technologist

Staff have submitted a Priority One Operating Spending Package for a shared position with the sewer and water utility operations for Council's consideration (see report "Spending Package Submitted for Operations" by the Deputy Treasurer/Collector on today's agenda for details). The request is for a "Public Works Technologist" to manage capital and maintenance projects for these utility operations. The total impact of this position is \$18,267, ongoing, to the Drainage Operations budget plus a one-time capital cost of \$1,667. Details of the spending package are in Council's electronic reading basket.

In addition to this spending package, there are three other Priority One spending packages that, if approved for the 2022 budget, will have minor impacts totaling \$2,837 on drainage operations. The overall increase to change these services levels, total \$21,104 which represents a 0.88% increase to the drainage levy.

2. Capital Plan

The DCC Capital Plans are subject to a unique review and update process. Legislation requires DCCs to be levied under very specific bylaws. As such, the DCC Capital Plans are not included for discussion in this report

The capital plan for drainage operations, including the support provided for the DCC plan is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a drainage capital plan for Council's consideration.

3. Reserve Projections

The drainage reserves are set-up to fund future capital projects. The capital plan for Drainage Operations, including the support provided for the DCC plan is covered in the report on today's agenda "Capital Plan - Revenue and Expenditures" by the Director of Finance which outlines the challenges with the City's capital program and possible solutions. After today's discussion, staff will bring back a drainage capital plan and updated reserves projects for Council's consideration.

4. External Debt

The drainage utility has no outstanding external debt, and none is currently anticipated in the financial plan.

5. Internal Debt

The drainage utility has no outstanding internal debt, and none is currently anticipated in the financial plan.

Internal debt is generally preferable to external debt, because instead of interest being paid to an external party, the interest is paid internally to other reserves within the City.

6. Levy Recommendations

The changes to the Drainage Utility Operations budget to maintain existing service levels have a \$84,411, or a 3.49% impact to the drainage levy requirement. The increase to the annual transfer to the Drainage Capital Reserve Fund of \$250,000 has an impact of 10.38% on the drainage levy. Should the spending packages be approved an additional 0.88% would be added. These together total 14.76% and represents an additional \$21.13 to the 2022 property tax notice of the average assessed home in Mission. This is the equivalent to a 0.91% on the property tax notice.

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

The financial implications of the draft Drainage Utility Financial Plan are discussed throughout this report.

Communication

Highlights of the City's financial plan and proposed levy increase will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Summary and Conclusion

The purpose of this report is to present the draft Drainage Utility Financial Plan, including a proposed drainage levy increase of 14.76% to Council and to seek authorization to present this plan and the proposed rate increase at the Public Consultation portion of the November 1, 2021 Regular Council meeting.

Final recommendations related to this report will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting for Council's consideration.

Report Prepared by: Kerri Onken, Deputy Treasurer/Collector
Reviewed by: Tracy Kyle, Director of Engineering & Public Works
Reviewed by: Doug Stewart, Director of Finance
Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: Drainage Utility Operating Budget Changes (Draft)

Attachment A
Drainage Utility Operating Budget Changes (Draft)
Summary of Changes to Operating Budget 2021 to 2022

	Budget Dollars	Potential Levy Impact	
Revenue Increases (-) or Decreases (+)			
New construction/development revenue estimate	\$ -29,100	-1.21%	<i>Additional drainage levy revenue, 2021/2020 new development</i>
Other sale of service revenue	-16,100	-0.67%	
Grant in Lieu of Taxes	-5,025	-0.21%	<i>Collected from Provincial and Federal properties</i>
Department review	6,555	0.27%	
Total Revenue Increases over Prior Year	\$ -43,670	-1.82%	
Expenditure Changes			
Administrative cost recovery	64,581	2.68%	
Preservicing	26,783	1.11%	<i>Change in process has increased the cost of preservicing</i>
Department review	36,717	1.52%	<i>Moving towards industry standards/drainage inspections</i>
Total Expenditure Increases over Prior Year	\$ 128,081	5.31%	
Subtotal - To Maintain Existing Services	\$ 84,411	3.49%	
Increase Transfer to Capital Reserve			
Increase transfer to drainage capital reserve	250,000	10.38%	<i>Annual increase until transfer equals \$1.44 million annually</i>
Subtotal	\$ 334,411	13.88%	
Spending Package for Council's Consideration *			
Public Works Technologist	18,267	0.76%	
Admin cost recovery on spending packages	2,837	0.12%	
Subtotal	\$ 21,104	0.88%	
Potential Changes to Drainage Operating Fund Budget as at October 5, 2021	\$ 355,515	14.76%	

2022 Vancouver CPI Budget Estimate = 2.4%

Estimated \$ Impact on Average Tax Notice - using average home value of \$754,900 (2020)

Potential Changes	\$355,515	\$21.13	(A)
-------------------	-----------	----------------	-----

** Requires Council's Approval*



STAFF REPORT

To: Chief Administrative Officer
From: Allison Anderson, Revenue Supervisor
Subject: **2022 Fees and Charges Review**

Date: October 5, 2021

Recommendation(s)

This report is provided for information purposes only, no staff recommendation accompanies this report and Council action is not required at this time.

Purpose

The purpose of this report is to present Council with the proposed 2022 fee increases and changes to existing fees and charges, and to introduce new fees for Council's consideration. The 2022 Fee Revision Bylaw will be brought forward for three readings at the December 6, 2021 Regular Council meeting and adoption at the December 20, 2021 Regular Council meeting in order for the fees to be in place by January 1, 2022.

Background

Each year, staff review the current fees and charges; new fees are assessed and introduced, where applicable, and old fees that are no longer applicable are removed. The goal is to offset the increased cost of doing business using a user-pay philosophy to minimize property tax increases.

Over the last several years, staff have been asked to review their fees and charges and many have been adjusted to take into consideration the cost to provide the service, how these fees and charges will impact the service levels, (i.e. recreation participation), and how the City's fees and charges compare to neighbouring communities. By keeping up with annual reviews, most fees have a minimal or no increase year over year.

The City has a number of fees where the cost to provide the service, depending on the work involved, could be different for each project, so in order to make the charges equitable, staff have these fees listed as "time and materials".

In the 2021 to 2025 Financial Plan Bylaw, adopted by Council on January 18, 2021, Section 1 Funding Sources sets out the following objective and policy for operating revenue sources.

Section 1 - Funding Sources

Council's objectives and policies in regards to operating and capital revenue sources are provided below. Table 1 highlights the various operating and capital revenue sources, including the percentage from each source, reflected in the District's five-year financial plan (2021 to 2025). Over the five years about 50% of operating revenues will come from property value taxes (includes diking and drainage levy) with user fees making up the other significant portion at about 40%. The majority of capital funding is intended to come from the District's internal reserves and from development cost charges (DCCs).

Operating Revenue Sources

Objective:

Over the five-year financial plan timeframe, it is Council's goal to diversify and expand its revenue base as much as possible.

Policy:

Council recognizes that the District of Mission is reliant on property taxes to fund the majority of its services/programs. Council is committed, on an annual basis, to formally reviewing and adjusting, where possible, existing user fees, including those that should be charged on a cost recovery basis, and examining and implementing new user fees where applicable, in order to minimize overall property tax increases and reliance on reserves to maintain service levels. Council also recognizes that raising user fees beyond a certain point may result in less usage or demand and ultimately less revenue and that various services like recreation need to be subsidized to ensure all citizens can partake. The District of Mission, like other local governments in B.C., also needs access to other sources of revenue to meet growing service demands and to stabilize property

Table 1: Sources of Revenue

	2021	2022	2023	2024	2025
Operating Revenue Sources					
Property value taxation	49%	50%	50%	51%	51%
Parcel tax *	0.1%	0.1%	0.0%	0.0%	0.0%
User fees and charges	40%	39%	39%	40%	40%
Other revenue **	11%	11%	11%	9%	9%
Proceeds from borrowing	0%	0%	0%	0%	0%
Totals	100%	100%	100%	100%	100%

* Cedar Valley Sewer 20 year parcel tax ends 2022

** Current Gas Tax agreement ends in 2023, reducing other revenue by \$1.84 million taxes. Grants from senior levels of government are actively sought to maximize other revenue sources.

This report supports the objective and policy in this Bylaw.

Discussion and Analysis

Departments have reviewed their fees and charges over the summer and have proposed changes to many of them. The changes to the bylaws that staff will be recommending are shown below, sorted into the following groupings:

- A. New fees proposed for 2022 (*Table 2*);
- B. Proposed changes to existing bylaw fees for 2022 (*Attachment A*);
- C. Housekeeping items (*Table 3*); and
- D. Fees requested to be deleted (*Table 4*).

All anticipated new revenue generated by these proposed fees in this report has been considered when drafting the 2022 provisional operating budget and the budgets have been updated accordingly unless noted in this report. Many changes will have only minor impacts to the budget.

A – New Fees

Table 2 proposes new fees by department to be added to: Schedule 1 of the User Fees & Charges Administrative Bylaw; Burning Bylaw; Land Use Application Procedures and Fees Bylaw; and Filming Bylaw. These fees will assist with partially recovering costs associated with performing a service.

Table 2 – Proposed New Fees

Name of New Fee	Proposed 2022 Rate	Explanation
User Fees & Charges Administrative Bylaw #4029-2007 – Schedule 1		
Engineering/Public Works Services		
6 (a) Water Modeling: Existing pressure and flow results (per scenario)	\$100.00	Rather than having one \$100 fee for all utility hydraulic modeling requests, staff have broken down the utilities and modeling scenarios. This will enable staff to recover costs for time spent completing these requests depending on the varying degrees of administrative time required.
6(b) Water Modeling: Local area impact review, new/proposed pipe drafted in (per scenario)	\$300.00	
6(c) Water Modeling: Local area impact review, new/proposed pipe and demand drafted in (per scenario)	\$600.00	
6(d) Sanitary or Drainage Modeling: Existing sewer capacity and flow results (per scenario)	\$200.00	
6(e) Sanitary or Drainage Modeling: Local area impact review. New/proposed pipe drafted in (per scenario)	\$450.00	
6(f) Sanitary or Drainage Modeling: Local area impact review. New/proposed pipe, load, detention, retention facilities drafted in (per scenario)	\$900.00	
Forestry Services		
Salvage Material (various) i.e. wood waste, shake and shingle, biofuels	Price on request - based on current market value	To further define the minor forest products as more public requests are received
Land Use Application Procedures & Fees Bylaw #3612-2003		
Refunds		
1(a) Withdrawn, in writing, by the applicant prior to significant resource investment, as determined by the Director of Development Services, a refund of 90% of the application fee;	90% refund of application fee	To account for instances where no significant resource investment has been undertaken by the City of Mission staff

Burning Bylaw #5962-2020		
3.1(c)(i) Hold a special occasion, special circumstance, or ceremonial burn (Provided no active fire ban):		
Charitable organizations & societies	No Charge	Current practice
All other requests	\$5.00	To recover a portion of the costs of issuing and processing permits
Filming Regulation Bylaw #5750-2018		
Film Application Fee, non-refundable Per Each Additional Location (after four)	\$100.00	A fee for each additional film location after the first four (which are covered in the Application Fee)
Set up and Demobilization per day	\$200.00	To recover costs incurred by Forestry staff during filming process
Forestry services required to assist on filming prep work i.e.: road grading, hazard tree removal, other	Actual Cost	
License of Use Fee – Parking Per Day	\$500.00	To be in line with other municipalities' filming fee structure
Fire Liaison Officer – Per Day	\$500.00	To liaison with filming crews when filming in/at a Fire Station

B – Proposed Changes to Existing Bylaws for 2022

Attachment A shows only those fees that are increasing or changing in the following bylaws:

- Cemetery and Crematorium Bylaw #5664-2017
- User Fees and Charges Bylaw #4029-2007 (Schedule 1)
- Penitentiary Sewage Lift Station Catchment Area Fee Bylaw #5040-2009
- Solid Waste Management Bylaw #5226-2015
- Cost Recovery Bylaw #5479-2015
- Burning Bylaw #2975-1996
- Highway Access Bylaw #1705-1987
- Holding Tank Sewage Discharge Bylaw #3823-2005
- Soil Removal Bylaw #3088-1997
- Soil Deposit Bylaw #5506-2015
- Water Bylaw #2196-1990
- Sewer Bylaw #5033-2009
- Building Bylaw #3590-2003
- Good Neighbour Bylaw #5524-2015
- Land Use Application Procedures & Fees Bylaw #3612-2003
- Fire Prevention Bylaw #3281-1999
- Filming Regulation Bylaw #5750-2018

Staff are proposing an average 2-3% increase to various fees, (in some cases rounded to facilitate cash transactions), to assist with recovering costs and inflationary impacts. There are a few adjustments made in charges in order to separate the actual cost of the fee from the appropriate tax amounts to facilitate easier processing of these fees.

In a few instances, staff are recommending that the following fees be increased by more than the 2.5% average.

User Fees and Charges Administrative Bylaw #4029-2007 (Schedule 1)

- Engineering/Public Works Services:
 - Private Fire Hydrant Maintenance - increase from \$125 to \$200 to account for inflation as the rate has not been changed since 2011.
- Forestry Services:
 - Minor Forest Products and Activity Permits – the bylaw shows the fees net of taxes however, it was incorrectly reported with both taxes when only one applies.
 - Deciduous trees, any size - increase from \$200 to \$250 to reflect market rates.

Cemetery and Crematorium Bylaw #5664-2017

- Grave Liners - Cremains liner rate will increase from \$107.87 to \$174.29 as the 2021 amount was entered as \$107.87 when it should have been \$170.87.
- Marker Permit & Installation - Single and Cremains amounts (\$262.65 and \$286.55) were inadvertently switched in 2021. The new 2022 amounts (\$292.28 and \$267.90) show the Single amount increase by 11% and the Cremains amount decrease by 7%.

Penitentiary Sewage Lift Station Catchment Area Fee Bylaw #5040-2009

- For all new units to be constructed within the penitentiary lift station catchment area, the fee will increase from \$2,780 to \$6,300. This is due to a significant increase in the cost estimate for the replacement of the pump station.

Holding Tank Sewage Discharge Bylaw #3823-2005

- The Holding Tank Sewage Bylaw fee increased by 10% to account for inflation as the rate has not changed since 2017.

Fire Prevention Bylaw #3281-1999

- The fees in this bylaw have all been increased (9% – 57%) to align with industry averages, and to cover the cost of providing the services.
- The Re-inspection fee has been increased to \$100 (from \$65.00) to align with the Fire Safety re-inspection fee in the Building Bylaw, and to cover costs of providing the service.

Filming Regulation Bylaw #5750-2018

- The License of Use per day fee for “City owned fee simple land other than municipal parks” - increased to \$1,000 (from \$500) per day and “Lands within Municipal Forest (TFL26) increased from \$500 to \$750 per day.
- License of Use Fee - changed from \$500 per day to \$1,000 per day interior and \$750 per day exterior.

C – Housekeeping

Table 3 – Lists housekeeping items required to various bylaws with fees and charges.

Name of Fee	Housekeeping Change	Explanation
Solid Waste Management Bylaw #5526-2015		
Commercial Recyclables received at the Recyclables Processing Facility with loads greater than 50% corrugated cardboard	Reference to the Landfill was removed	Description was updated to more accurately reflect the fee being charged.
Commercial Recyclables received at the Recyclables processing Facility with loads less than 50% corrugated cardboard		
Cost Recovery Bylaw #5479-2015		
(3) Fire Watch	Updated fee description to remove “as set out in the Inter-Agency Operational Procedures and Reimbursement Manual”	Fire Watch is not always conducted by the fire department, updated fee description allows for inclusion of 3 rd parties.
Burning Bylaw #5962-2020		
Hold a special occasion special circumstance or ceremonial burn	Added “(Provided no active fire ban)”	Adds clarity as to when people are allowed to request special burn permits.
Filming Regulation Bylaw #5750-2018		
Lands within Municipal Forest	Added: excluding Recreation Sites and Florence Lake Forest Service Road	Description updated to add more clarity on areas the fee applies to.
Trees for Filming Purposes	New reference in this Bylaw	To include all services that relate to filming.
Highway Access Bylaw #1705-1987		
2. (ii) The administration fee to complete the building permit application for access shall be: (for a total of \$252 for 2016)	Removed section (ii) (a) “for a total of \$252 for 2016”	Outdated description, no longer relevant.
Land Use Application Procedures & Fees Bylaw #3612-2003		
“For rezoning applications”	Updated to “All Applications”	Refunds were separated into rezoning applications and all other development permits. Listing only once in the bylaw.

D – Fees to be Deleted**Table 4**

Bylaw and Fee Description		Explanation
User Fees and Charges Bylaw #4029-2007 – Schedule 1		
E. Forestry		
3. Forestry Gate Keys 3(a) Weekly Charge for key being issued (minimum charge 2 weeks)	Fee is not currently being utilized.	
Schedule 2		
P& R Room Rentals		
Capacity 51-100 Youth/Minor Group Adult Group Commercial/Non-Resident Private/Non-Profit	Parks & Recreation no longer has a room to accommodate this capacity	
Land Use Application Procedures & Fees Bylaw #3612-2003		
Refunds		
2. For all other development applications:	Duplicate, as all refunds are now encompassed under the “Refunds - All Applications”.	
2 (a) Withdrawn in writing by the applicant within 30 days of submission, a refund of 50% of the application fee;		
2 (b) Withdrawn in writing by the applicant 30 or more days after submission but prior to consideration by Council, 20% of application fee shall be refunded to the applicant;		
2 (c) Withdrawn in writing by the applicant after consideration by Council, no refund.		
Fire Prevention Bylaw #3281-1999		
Filling of Self-Contained Breathing Apparatus (SCBA) Cylinders	No longer offering this as the service is provided elsewhere in the city and it reduces the risk to municipal staff.	

Some Departments will be bringing separate reports, with recommendations for Council's consideration, after completing the comprehensive fees and charges review of their bylaws. The proposed changes to those fees and charges were not included for the purpose of this report and amending bylaws.

Council Goals/Objectives

This report addresses goals under Council's strategic focus areas of: Secure Finances, Assets and Infrastructure, and Organizational Excellence, and supports the Objective and Policy reported in Section 1 of the 2021 to 2025 Financial Plan Bylaw adopted January 18, 2021 by Council.

Financial Implications

Any increased revenue projections generated from the proposed new fees and increases to the existing fees are reflected in the City's 2022 provisional budget.

In general, fees are being increased to ensure cost recovery; therefore, the fees are not expected to generate excess revenue for the City.

Communication

Signage informing the public of the fees and charges increases will be posted in various City facilities. As well, the City's website and City Page will include information that fees are increasing effective January 1, 2022.

Summary and Conclusion

The changes to the bylaws that staff will be recommending are shown in the body of the report, sorted into the following groupings:

- A. New fees proposed for 2022 (*Table 2*);
- B. Proposed changes to existing bylaw fees for 2022 (*Attachment A*);
- C. Housekeeping items (*Table 3*); and
- D. Fees requested to be deleted (*Table 4*).

The increases and/or changes to the City's fees only include those that were discussed with departments for the sole purpose of preparing this report and creating the Fee Revision Bylaw.

Some Departments are completing comprehensive fees and charges reviews. Separate reports with recommendations will be brought forward for Council's consideration at a later date, consequently, these fees and charges are not included in this report and amending bylaws. The 2022 Fee Revision Bylaw will be brought forward for three readings at the December 6, 2021 Regular Council meeting and adoption at the December 20, 2021 Regular Council meeting in order for the fees to be in place by January 1, 2022.

Report Prepared by: Allison Anderson, Revenue Manager
Reviewed by: Kerri Onken, Deputy Treasurer/Collector
Reviewed by: Doug Stewart, Director of Finance
Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: Proposed Fee Increases for 2022.

Cemetery and Crematorium Bylaw 5664-2017

Description of Existing Fee/Charge	Grave Space	Care Fund Portion	Total Fees + applicable	Grave Space	Care Fund Portion	Total Fees + applicable
All Fees are subject to applicable taxes and are effective January 1, 2019			2021 Rates	Proposed 2022 Rates		
GRAVE SPACE - Resident						
Adult	2,498.91	832.97	\$3,331.88	2,548.89	849.63	\$3,398.52
Child (2-12 years)	1,280.05	430.02	\$1,720.07	1,315.85	438.62	\$1,754.47
Infant (under 2 years)	1,075.04	358.35	\$1,433.39	1,096.54	365.52	\$1,462.06
Cremated Remains	1,115.66	371.89	\$1,487.55	1,137.97	379.33	\$1,517.30
Columbarium niche - bottom row	2,171.94	241.33	\$2,413.27	2,215.38	246.16	\$2,461.54
Columbarium - single niche, middle	2,409.02	267.67	\$2,676.69	2,457.20	273.02	\$2,730.22
Columbarium - single niche, top two	2,644.37	293.82	\$2,938.19	2,697.26	299.70	\$2,996.95
Columbarium - double niche, bottom	3,306.80	367.42	\$3,674.22	3,372.94	374.77	\$3,747.70
Columbarium - double niche, middle	3,662.44	406.94	\$4,069.38	3,735.69	415.08	\$4,150.77
Columbarium - double niche, top two	4,015.47	446.16	\$4,461.63	4,095.78	455.08	\$4,550.86
GRAVE SPACE - Non-Resident						
Adult	4,997.79	1,665.93	\$6,663.72	5,097.75	1,699.25	\$6,796.99
Child (2-12 years)	2,580.13	860.04	\$3,440.17	2,631.73	877.24	\$3,508.97
Infant (under 2 years)	2,150.08	716.69	\$2,866.77	2,193.08	731.02	\$2,924.11
Cremated Remains	2,231.34	743.78	\$2,975.12	2,275.97	758.66	\$3,034.62
Columbarium - single niche, bottom	4,343.87	482.65	\$4,826.52	4,430.75	492.30	\$4,923.05
Columbarium - single niche, middle	4,818.06	535.34	\$5,353.40	4,914.42	546.05	\$5,460.47
Columbarium - single niche, top two	5,288.76	587.64	\$5,876.40	5,394.54	599.39	\$5,993.93
Columbarium - double niche, bottom	6,613.59	734.94	\$7,348.43	6,745.86	749.54	\$7,495.40
Columbarium - double niche, middle	7,324.85	813.87	\$8,138.72	7,471.35	830.15	\$8,301.49
Columbarium - double niche, top two	8,030.92	892.32	\$8,923.24	8,191.54	910.17	\$9,101.70
OSSUARY						
Ossuary	257.64	28.63	\$286.27	262.79	29.20	\$292.00
Ossuary market/faceplate	-	-	\$198.65	-	-	\$202.62
GRAVE LINERS						
Remains Liner			\$107.87			\$174.29
Adult Liners			\$510.20			\$520.40
Child Liners			\$510.20			\$520.40
SERVICE FEES						
Opening and Closing						
Adult	-	-	\$2,176.76	-	-	\$2,220.30
Child (2-12 years)	-	-	\$1,379.86	-	-	\$1,407.46
Infant (under 2 years)	-	-	\$1,079.14	-	-	\$1,100.72
Cremated Remains	-	-	\$707.85	-	-	\$722.01
Each additional set of remains interred at same time (per additional set)	-	-	\$353.92	-	-	\$361.00
Exhumation/Disinterment						
Adult	-	-	\$4,052.82	-	-	\$4,133.88
Child (2-12 years)	-	-	\$3,255.90	-	-	\$3,321.02
Infant (under 2 years)	-	-	\$2,336.39	-	-	\$2,383.12
Cremated Remains	-	-	\$1,376.24	-	-	\$1,403.76
MARKER PERMIT & INSTALLATION						
Single	262.65	29.18	\$291.83	292.28	32.48	\$324.76
Double	315.18	35.02	\$350.20	321.48	35.72	\$357.20
Cremains	286.55	31.84	\$318.39	267.90	29.76	\$297.66
Columbarium niche plate inscription	286.55	31.84	\$318.39	292.28	32.48	\$324.76
Re-set marker or niche plate on subsequent inscription			\$213.44			\$217.71
OTHER FEES						
License Transfer	-	-	\$110.82	-	-	\$113.04
Documentation Replacement Fee	-	-	\$110.82	-	-	\$113.04

SOLID WASTE MANAGEMENT BYLAW #5526-2015

Description of Existing Fee/Charge	Unit	Current Rate	Proposed Rate January 1, 2022
Refuse Reserve Fund			
Garbage from sources within the City except as specified below	per tonne	\$109.00	\$114.50
Garbage, Trade Waste or Construction and Demolition Waste requiring special management practices, including residential asbestos, from sources within the City	per tonne	\$174.50	\$183.00
Garbage, Trade Waste or Construction and Demolition Waste received from sources outside the City, except as specified below	per tonne	\$178.50	\$187.00
Garbage, Trade Waste or Construction and Demolition Waste requiring special management practices, including residential asbestos, from sources outside the City	per tonne	\$255.00	\$268.00
Greenwaste from sources within the City	per tonne	\$70.50	\$72.00
Greenwaste from sources outside the City	per tonne	\$72.50	\$74.00
Gypsum board (post 1990) from sources within the City	per tonne	\$169.50	\$173.00
Gypsum board (post 1990) from sources outside the City	per tonne	\$173.50	\$177.00
Sod, soil, bricks and small concrete debris (not exceeding 30 centimetres in any dimension) from within the City only (sources from outside Mission pay the rate for Garbage from outside the City)	per tonne	\$34.50	\$36.00
Residential Food Waste from sources outside the City	per tonne	\$68.00	\$69.50
Commercial Food Waste from sources within the City	per tonne	\$82.50	\$84.00
Commercial Food Waste from sources outside the City	per tonne	\$84.50	\$86.00
Commercial Recyclables received at the Recyclables Processing Facility with loads greater than 50% corrugated cardboard	per tonne	\$95.00	\$97.00
Commercial Recyclables received at the Recyclables processing Facility with loads less than 50% corrugated cardboard	per tonne	\$160.00	\$163.00

PENITENTIARY SEWAGE LIFT STATION CATCHMENT AREA FEE BYLAW #5040-2009

Description of Existing Fee/Charge	2021 Rate	Proposed Rate January 1, 2022
As a condition of subdivision approval or connection of existing dwellings to the sewer, all property owners in the Penitentiary Sewage Lift Station Catchment Area shall pay to the Municipality a fee of:	\$2,780.00	\$6,300.00
For all new units to be constructed within the Penitentiary Sewage Lift Station Catchment Area.		

WATER BYLAW #2196-1990

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Water Operating Fund		
Water Service Connection Installation Fund		
19 mm diameter up to 1 metre in length	\$1,530.00	\$1,565.00
19 mm diameter beyond 1 metre, per metre charge	\$102.00	\$105.00
25 mm diameter up to 1 metre in length	\$2,050.00	\$2,100.00
25 mm diameter beyond 1 metre, per metre charge	\$112.00	\$115.00
38 mm diameter up to 1 metre in length	\$3,580.00	\$3,660.00
38 mm diameter beyond 1 metre, per metre charge	\$205.00	\$210.00
All diameters Exceeding 38 mm	Time and Materials	Time and Materials
Fee for Raising Water Meters		
Where a water meter assembly exists but the meter box and setter have not been installed to final grade, a rate shall apply to adjust the elevation	\$64.00	\$65.00
Water Service Connection Administration Fees		
In addition to (i), the administration fee to complete the service connection, irrespective of diameter, shall be:	\$210.00	\$215.00
Water Connection Inspection Fee	\$82.00	\$84.00
Water Connection Inspection Fee - After hours	Time and Materials	
Reconnection Fee		
To turn water back on after a temporary disconnections	\$64.00	\$65.00
Deposit for Water Meter Installation		
Where a water service exists to a residential lot and does not have a meter installed, a deposit is required for the District to supply and install a meter-box, setter and meter with radio head.	\$2,100.00	\$2,150.00
Non-Scheduled Water Meter Readings		
For each water meter reading outside regular billing cycle, for the purpose of the sale of a property, a rate shall apply:	\$61.50	\$63.00
Miscellaneous Charges		
Water Service Disconnection Fee		
Disconnection of the service at the main by municipal crews	\$1,588.00	\$1,625.00
Capping of the service at property line by municipal crews	\$1,120.00	\$1,145.00
Capping of the water service at property line by municipal crews in conjunction with capping of either a storm or sanitary service capped	\$1,470.00	\$1,500.00
Capping of water service at property line by municipal crews in conjunction with capping of both of sanitary and storm sewer services	\$1,470.00	\$1,500.00
Capping of the service at property line by Owner under direct municipal inspection - per service charge	\$92.00	\$94.00
Water Pre-Service Connection Fee		
Deposit for Testing Water Meters		
(a) up to 25 mm in diameter	\$107.00	\$110.00
(b) over 25 mm and up to 50 mm in diameter	\$158.00	\$160.00
(c) over 50 mm in diameter	\$265.00	\$270.00

SOIL REMOVAL BYLAW #3088-1997

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
For each Permit there shall be payable by the Applicant to the Municipality a Permit fee as set out below, which Permit fee shall be paid in full prior to the issuance of a Permit.	\$369.00	\$378.00
There shall be payable by the Permit Holder to the Municipality a Soil Removal fee as follows:		
cents per cubic meter of soil (m3)	\$0.72	\$0.74
cents per metric tonne of soil	\$0.38	\$0.39
of Soil from lands within the City of Mission during the term of the Permit.		

SOIL DEPOSIT BYLAW #5506-2015

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
A non-refundable application fee payable	\$369.00	\$378.00
In addition to the non-refundable application fee in Section 8(e), every permit holder shall, pay the City of Mission a volumetric soil deposit fee as follows:		
cents per cubic meter of soil (m3)	\$0.72	\$0.74
cents per metric tonne of soil	\$0.38	\$0.39
of soil intended to be deposited		
Should a permit lapse or be revoked under the provisions of this bylaw it may be renewed by the engineer upon application and receipt of a non-refundable fee, plus the difference between the volumetric soil deposit fee amount previously paid and that of the current volumetric soil deposit fee payable	\$110.00	\$112.00

HIGHWAY ACCESS BYLAW #1705-1987

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Permit & Inspection fee	\$153.00	\$156.00
The administration fee to complete the building permit application for access shall be:	\$210.00	\$215.00

SEWER BYLAW #5033-2009

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Sewer Connection Fees		
Sanitary Sewer Service Connection Fee		
0 to 1 meter depth		
first meter or less	\$650.00	\$665.00
per meter beyond 1 meter	\$195.00	\$200.00
1.01 to 2 meters depth		
first meter or less	\$910.00	\$930.00
per meter beyond 1 meter	\$230.00	\$235.00
2.01 to 3 meters depth		
first meter or less	\$1,170.00	\$1,200.00
per meter beyond 1 meter	\$360.00	\$369.00
3.01 to 4 meters depth		
first meter or less	\$1,440.00	\$1,475.00
per meter beyond 1 meter	\$645.00	\$660.00
In addition to (i), the administration fee to complete the service connection, irrespective of diameter, shall be:	\$210.00	\$215.00
Sanitary Sewer Connection Inspection fee	\$82.00	\$84.00
Storm Sewer Connection Fee		
0 to 1 meter depth		
first meter or less	\$650.00	\$665.00
per meter beyond 1 meter	\$195.00	\$200.00
1.01 to 2 meters depth		
first meter or less	\$910.00	\$930.00
per meter beyond 1 meter	\$230.00	\$235.00
2.01 to 3 meters depth		
first meter or less	\$1,170.00	\$1,200.00
per meter beyond 1 meter	\$360.00	\$369.00
3.01 to 4 meters depth		
first meter or less	\$1,440.00	\$1,475.00
per meter beyond 1 meter	\$645.00	\$660.00
More than 4 meters depth or larger than 150 mm diameter		
In addition to (i), the administration fee to complete the service connection, irrespective of diameter, shall be:	\$210.00	\$215.00
Storm Service Connection Inspection Fee	\$82.00	\$84.00
Sanitary Sewer Disconnection Fee		
Disconnection of the service at the main by municipal crews	\$1,588.00	\$1,625.00
Capping the service at the property line by municipal crews	\$1,120.00	\$1,145.00
Capping the service at property line by municipal crews in conjunction with capping of either a storm sewer or water service	\$1,470.00	\$1,500.00
Capping the service at property line by municipal crews in conjunction with capping of both storm sewer and water services	\$1,470.00	\$1,500.00
Capping the service at property line by owner under direct municipal inspection - each service	\$92.00	\$94.00
Storm Sewer Disconnection Fee		
Disconnection of the service at the main by municipal crews	\$1,588.00	\$1,625.00
Capping the service at the property line by municipal crews	\$1,120.00	\$1,145.00
Capping the service at property line by municipal crews in conjunction with capping of either a storm sewer or water service	\$1,470.00	\$1,500.00
Capping the service at property line by municipal crews in conjunction with capping of both storm sewer and water services	\$1,470.00	\$1,500.00
Capping the service at property line by owner under direct municipal inspection - each service.	\$92.00	\$94.00
Building Sewer Installed by the City		
Where an Owner fails to comply with an order to connect to the sewer connection and the work is directed to be done by the City, the entire cost of the work plus a supervision and overhead charge not exceeding 20% of the total amount for labour, equipment and materials will be charged to the Owners	Time and materials	Time and materials
Sanitary Sewer User Rates and Fees		
Sanitary Sewer User Rates		
All sanitary sewer use rates shall be paid by the User in accordance with the Consolidated Sewer User Rates and Charges Bylaw and this bylaw, where applicable. The following table specifies sewer use rates for those discharges authorized by a Wastewater Discharge Permit and where a Sanitary Sewer meter is in place. Charges will be invoiced on a quarterly basis.		
*The fees listed below are tied to Abbotsford's sewer bylaw and the WSC/JSSC.		
Non-Residential Users:		
1 - 10,000 m ³	\$0.62	\$0.64
10,001 - 100,000 m ³	\$0.57	\$0.58
100,001 +	\$0.49	\$0.50
Residential users and Multiple Use with Residential Users	\$0.84	\$0.86
BOD and TSS Waste Charges		
Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) charges are calculated based on Full Mass Loading		
Biochemical Oxygen Demand (BOD) \$/kg/month	\$0.42	\$0.43
Total Suspended Solids (TSS) \$/kg/month	\$0.47	\$0.48
Disposal of Trucked Liquid Waste at the JAMES Treatment Plant		
Per 1,000 litres	\$51.63	\$52.70

HOLDING TANK SEWAGE DISCHARGE BYLAW #3823-2005

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Holding Tank Sewage Bylaw (per tanker load)	\$47.62	\$52.38

BUILDING BYLAW #3590-2003

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Building Permit Fees		
The fee payable for a Permit for the Construction of a Building of part thereof where the value of Construction does not exceed \$5,000 shall be:	\$150.00	\$153.75
for each \$1,000 of Construction value or portion thereof, over \$5,000.00 and up to \$50,000.00, plus	\$11.50	\$11.75
for each \$1,000 of Construction value or portion thereof, over \$50,000.00 and up to \$150,000.00, plus	\$10.00	\$10.25
for each \$1,000 of Construction value or portion thereof, over \$150,000.00 and up to \$500,000.00, plus	\$8.50	\$8.75
for each \$1,000 of Construction value or portion thereof, over \$500,000.00.	\$7.50	\$7.70
For removal, repair or alteration of a building envelope and the repair of damage to structures caused by building envelope failure for any residential building completed between 1985 & 1998 shall be charged a flat fee	\$510.00	\$522.75
For the alteration of, or minor addition (less than 25% of the existing floor area) to any building that is not:		
• a single family dwelling, duplex, multi-family dwelling building;	\$500.00	\$512.50
• an accessory building to a single family dwelling, duplex, multi-family dwelling building; or		
• an agricultural building		
For any new building or major building addition that is not:		
• a single family dwelling, duplex, multi-family dwelling building;	\$2,500.00	\$2,562.50
• an accessory building to a single family dwelling, duplex, multi-family dwelling building; or		
• an agricultural building;		
• an agricultural building.		
Non-Refundable Building Permit Application Fees		
Each Building Permit application shall include the payment of a non-refundable portion of the Building Permit application fee as follows:		
Per Permit for:		
i. the alteration or minor addition (less than 25% of the existing floor area) to a single family dwelling or duplex building;	\$150.00	\$153.75
ii. an accessory building to a single family dwelling or duplex use; or		
iii. an agricultural buildings;		
Per Permit for:		
i. a new single family or duplex dwelling; or	\$1,000.00	\$1,025.00
ii. a major addition to a single family or duplex dwelling;		
Per Permit for the alteration of or minor addition (less than 25% of the existing floor area) to any other building not included in clause (a) above;	\$500.00	\$512.50
Per Permit for any other new building or major addition not included in clause (b) above.	\$2,500.00	\$2,562.50
Covenant Preparation, Processing, Registration and Removal Fees		
The fee to remove Land Title Notice from a property's Title	\$650.00	\$666.25
Security and Compliance Deposit		
The following security and compliance deposits shall be included at the time of a Permit application:		
New Single Family Dwelling or Duplex	\$3,000.00	\$3,075.00
Major Additions to a Single Family Dwelling or Duplex (more than 25% of the existing floor area)	\$1,000.00	\$1,025.00
New Multi-Family Residential, Mixed Use, Commercial, Industrial or Institutional Building (per building)	\$5,000.00	\$5,125.00
Significant alteration of or major addition (more than 25 % of the existing floor area) to a Multi-Family Residential, Mixed Use, Commercial, Industrial or Institutional Building (per building)	\$5,000.00	\$5,125.00
Minor alteration of or small addition (less than 25 % of the existing floor area) to a Multi-Family Residential, Mixed Use, Commercial, Industrial or Institutional Building (per building)	\$2,000.00	\$2,050.00
Removal of a Temporary Building pursuant to Section 9 of this Bylaw	\$10,000.00	\$10,250.00
An additional deposit for the removal or conversion of an existing residential building due to the construction of a new residential building on the property	\$5,000.00	\$5,125.00
New Free Standing Signs	\$1,000.00	\$1,025.00
Occupancy Permit and Provisional Occupancy Permit Fees		
Fee for an Occupancy Permit issued pursuant to Section 7.18 (r) of the Building Bylaw	\$75.00	\$76.75
Provisional Occupancy Permit Fees:		
Single Family Dwelling or Duplex:		
(i) (90 day max period)	\$250.00	\$256.25
(ii) Renewal (90 day max period)	\$125.00	\$128.00
Multi Family Dwelling		
(i) Per unit (120 day max period)	\$120.00	\$123.00
(ii) Renewal per unit (120 day max period)	\$60.00	\$61.50
Other Than Residential		
(i) Per unit (60 day max period)	\$500.00	\$512.50
(ii) Renewal per unit (60 day max period)	\$250.00	\$256.25
Plumbing Permit Fees		
Plumbing Permit fees:		
Plumbing, involving the installation of fixtures, for each fixture	\$15.00	\$15.25
Notwithstanding subsection (a), the minimum fee payable for a plumbing Permit shall be	\$90.00	\$92.25
Plumbing work involving the installation of storm sewers, sanitary sewers, water service lines and related appurtenances:		
(i) sanitary sewer	\$90.00	\$92.25
(ii) storm sewer	\$90.00	\$92.25
(iii) water service	\$90.00	\$92.25
(iv) for each sump, oil or grease interceptor, catch basin, manhole, cleanout, inspection chamber, fire hydrant, water meter or reducing station	\$50.00	\$51.25
Fire Sprinkler System		
for the first 15 sprinkler heads	\$120.00	\$123.00
each additional sprinkler head	\$2.00	\$2.05
each siamese connection	\$70.00	\$71.75

Equivalency Proposal Fee		
The fee to be paid at the time of submission of required information and documentation for an equivalency proposal, shall be	\$500.00	\$512.50
The fee for each additional revision of the documentation for an equivalency proposal	\$200.00	\$205.00
Revision to Issued Permit Drawings		
The fee to review and revise issued Permit plans or supporting documents for the first two hours or part thereof shall be	\$200.00	\$205.00
Each additional hour or part thereof to review revised plans or documents shall be \$/hour	\$90.00	\$92.25
Demolition Permit Fees		
The fee for a demolition permit shall be	\$200.00	\$205.00
Building demolition Building Permit fee for properties located within the MissionCity Downtown Action Plan Area (as shown on Schedule "B") received on or before December 31, 2019	\$100.00	\$102.50
Re-Inspection Fees		
Re-inspection Fee	\$90.00	\$92.25
Special Inspection Fees		
Inspection Fee for inspections during regular office operating hours that require special arrangements because of the location or nature of the construction, shall be billed per hour, plus travel expenses where such inspection is not within the City (for each hour or part thereof including travel time to and from the office).	\$90.00	\$92.25
Inspection Fee for inspections conducted after Standard Office Hours on a Standard Office Work Day (for each hour or part thereof including travel time back to the office)	\$130.00	\$133.25
Inspection Fee for inspections conducted on a Non-Standard Office Work Day (for each hour or part thereof including travel time back to the office; minimum 3 hour charge); or, before Standard Office Hours on a Standard Office Work Day (for each hour or part thereof)	\$200.00	\$205.00
Geotech Report Review Fee	\$150.00	\$153.75
Secondary Suite Inspection to determine building upgrade requirements to add Secondary Suite to a dwelling unit	\$250.00	\$256.25
Woodstove Permit Fee		
Woodstove Permit Fee	\$150.00	\$153.75
Administrative Processing Fee		
Building Permit Renewal fee	\$150.00	\$153.75
Change of Property Owner fee	\$100.00	\$102.50
Transfer of Building Permit fee	\$150.00	\$153.75
File research fees:		
(i) First 30 minutes of part there of	\$30.00	\$30.75
(ii) Each additional 30 minutes or part thereof	\$30.00	\$30.75

LAND USE APPLICATION PROCEDURES & FEES BYLAW #3612-2003

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Rezoning		
Attached Multi-Unit Residential	\$4,908.50	\$5,031.25
Single Family/Two Family Residential	\$3,681.50	\$3,773.50
Commercial, industrial, institutional users	\$4,848.00	\$4,969.25
Mixed-Use Commercial and Residential if an application is received for a project on a property within the MissionCity Downtown Action Plan area (Schedule "B") and the Building Permit for the project will be received on or before December 31, 2019, this fees will be reduced by 1/2 (50%) of the amount shown.	\$5,491.50	\$5,630.00
Secondary Dwelling	\$969.50	\$993.75
All others (including text change)	\$3,681.50	\$3,775.00
Comprehensive Development *	\$5,489.00	\$5,625.00
Rezoning Extensions	\$2,583.50	\$2,650.00
Official Community Plan Amendment		
OCP Amendment only	\$2,584.50	\$2,649.25
OCP Amendment (with rezoning)	\$1,242.00	\$1,273.00
Permits		
Development Permit – (Area A: Intensive Residential on a property designated Urban Compact in the OCP)		
Neighbourhood Form & Character	\$2,357.00	\$2,415.00
Intensive Residential Design Review (review design of a proposed home for conformance with previously issued Neighbourhood Form & Character DP)	\$267.50	\$274.25
Development Permit - (Area A - Intensive Residential on a property designated Urban Res in OCP)	\$507.00	\$519.75
Development Permit - (Area B multi-family residential) *	\$3,230.00	\$3,311.00
Development Permit - (Area C commercial use only)	\$2,454.00	\$2,515.00
Development Permit - (Area C mixed use only)	\$3,812.00	\$3,907.00
Development Permit - (Area D - industrial)	\$2,454.00	\$2,515.25
Development Permit - (Area E - natural environment)	\$100.00	\$102.50
Development Permit - (Area F - Fraser River Development Permit)	\$100.00	\$102.50
Development Permit - (Area G - Geotechnical Hazards)	\$100.00	\$102.50
Development Permit - (Area H - fire interface)	\$100.00	\$102.50
Development Permit – (Area I: MissionCity Downtown), except a development permit application that consists of a Downtown Façade Improvement Grant only, to LAN.42 only, is exempt from the fee. All new buildings and additions to buildings within the MissionCity Downtown area shall pay the full fee.	\$517.00	\$530.00
Development Permit - Other	\$2,430.00	\$2,490.00
Development Permit (Minor Amendment - New)	\$502.00	\$514.50
Development Variance Permit		
Single Family Residential zones on an existing lot	\$1,010.00	\$1,035.00
All other zones	\$1,236.00	\$1,265.00
To facilitate a subdivision	\$1,937.00	\$1,985.00
Construction initiated without building permit issuance	\$1,937.00	\$1,985.00
plus per 2nd and subsequent requests	\$257.50	\$264.00
Temporary Use Permits	\$4,845.00	\$4,965.00
Temporary Use Permits - Renewal	\$505.00	\$518.00
Temporary Use Permits in the area shown in Schedule "C"	\$505.00	\$518.00

Request for Council Resolution		
Bylaw Variance Request	\$1,938.00	\$1,985.00
Site Specific Exemption from Floodplain Management Bylaw	\$1,880.50	\$1,925.00
Miscellaneous Fees		
Legal Review of Phased Development Agreements (Agreements) Application fee plus all City direct legal costs associated with reviewing Agreements	\$380.00	\$389.50
Servicing Agreement Processing Fee – Minor (Service Connections/Sidewalk)	\$2,500.00	\$2,562.50
Servicing Agreement Processing Fee – Industrial/Commercial/Institutional	\$500.00	\$512.50
Servicing Agreement Processing Fee – Single Family/Multi Family	\$10,000.00	\$10,250.00
Latecomer Agreement Processing Fee	\$1,500.00	\$1,537.50
DCC Front-Ending and Development Works Agreement Processing Fee	\$5,000.00	\$5,125.00
Reassignment Fee for DCC Front-Ending or Development Works Agreement	\$150.00	\$153.75
Liquor Primary, new licence (exclusive of rezoning)	\$3,619.00	\$3,710.00
Liquor Primary Licence Amendment (change to existing licence, increased seating capacity, patio endorsement, hours of operation)	\$1,236.00	\$1,267.00
Food Primary Licence Amendment (extension of liquor service hours past midnight, or for patron participation)	\$1,236.00	\$1,267.00
Retail Cannabis Store, new licence (exclusive of rezoning)	\$3,619.00	\$3,710.00
Retail Cannabis Store Licence Amendment (amendment/change to existing licence)	\$1,236.00	\$1,267.00
Temporary change to a Liquor Primary, Food Primary or Retail Cannabis Store Licence (temporary change to any condition/restriction on the licence)	\$420.00	\$430.50
Change of Applicant/Owner on a development application file	\$103.00	\$106.00
OCP Background Reports & Planning Studies (cost per each document)	\$51.50	\$52.75
OCP/Zoning Research Letters (cost per property)	\$259.50	\$266.00
Legal Document Amendment/Discharge	\$402.00	\$412.00
Development Inquiry Fee (written comments provided following development meeting)	\$319.00	\$327.00
Request by Developer to have staff attend a developer initiated Public Information Meeting (cost per staff member, per hour)	\$195.00	\$200.00
Strata Conversion/Phase Strata Development	\$1,551.00	\$1,590.00
plus per unit (estimated 16 unit average)	\$98.00	\$100.00
Fee for copy of a legal plan	\$3.00	\$3.10
Conventional and Bare Land Strata		
Up to and including 5 lots for each phase of a subdivision (if applicable)	\$1,550.00	\$1,590.00
plus per lot (estimated 3 lot average)	\$97.00	\$99.50
Greater than 5 lots for each phase of a subdivision (if applicable)	\$1,937.00	\$1,985.00
Engineering Administration Fee		
Subdivision 12-Month Extension	\$1,918.00	\$1,965.00
Signs		
Combination Traffic Control & Road Name	\$300.00	\$307.50
Single Traffic Control or Road Name	\$180.00	\$184.50

FIRE PREVENTION BYLAW #3281-1999

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Practical Fire Training for Private Industry		
Practical fire training for private industry (cost per hour per instructor plus associated equipment costs)	\$56.10	\$80.00
Alarm System Verification		
Cost per hour	\$51.00	\$80.00
Fuel Dispensing Station Permit Fees		
For each storage tank	\$59.45	\$65.00
For each fuel dispensing device	\$59.45	\$65.00
Re-Inspection Fees		
Where more than two inspections are required because of the work or portion of work with respect to a permit is not in compliance with the provisions of this Bylaw or the Fire Code; or the work was incomplete or not ready for inspection at the time notification was given to the Fire Chief to inspect, the charge for each inspection after the second inspection shall be:	\$65.00	\$100.00
Special Inspection and Reports		
Inspection fee – per hour (minimum charge for an inspection shall be one hour)	\$71.80	\$80.00
Copy of Report	\$57.10	\$63.00
New Construction Fire Safety Plan Review (approximately 2 hours per review)	\$107.10	\$120.00
Fire Investigation Fee	\$510.00	\$750.00

GOOD NEIGHBOUR BYLAW #5524-2015

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Noise Regulation - written approval to make noise outside of hours	\$150.00	\$153.75

COST RECOVERY BYLAW #5479-2015

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
(4) City Staff		
Director of Development Services	\$78.00	\$80.00
Building Inspector	\$55.00	\$56.25
Senior Bylaw Enforcement Officer	\$55.00	\$56.25
Bylaw Enforcement Officer	\$50.00	\$51.25
Engineering & Public Works Manager	\$86.00	\$88.00
Public Works Foreman	\$56.00	\$57.50
Water/Sewer Operator	\$52.00	\$53.25
Labourer III	\$45.00	\$46.25
Equipment Operator IV	\$45.00	\$46.25
(5) City Vehicles		
City Cars	\$3.97	\$4.10
City Trucks	\$7.10	\$7.25
City Trucks - Service	\$7.10	\$7.25

FILMING REGULATION BYLAW #5750-2018

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
Film Permit Application Fee (non-refundable)	\$285.00	\$285.00
First four locations		
Per each additional location	NEW	\$100.00
Fire Liaison Officer - Per Day	NEW	\$500.00
City Owned Fee Simple Lands other than municipal parks:		
Licence of Use fee PER DAY	\$500.00	\$1,000.00
Licence of Use Cancellation fee	\$100.00	\$100.00
Licence of Use Fee (Municipal Buildings) PER DAY - Interior	\$500.00	\$1,000.00
Licence of Use Fee (Municipal Buildings) PER DAY - exterior	NEW	\$750.00
Licence of Use Cancellation Fee	\$100.00	\$100.00
Lands within Municipal Forest (TFL26) - excluding Recreational Sites and Florence Lake Forest Service Road	\$500.00	\$750.00

USER FEES AND CHARGES BYLAW #4029-2007 - SCHEDULE 1

Description of Existing Fee/Charge	Current Rate	Proposed Rate January 1, 2022
CORPORATE SERVICES		
Documentation Research Fees		
Provide historical information (per hour)	\$50.50	\$52.00
DEVELOPMENT SERVICES		
Sign Permit		
The applicant for a permit has paid to the District of Mission a fee per sign	\$118.50	\$121.50
Copy of Official Community Plan (OCP) Bylaw	\$95.00	\$97.50
Copy of Zoning Bylaw	\$30.00	\$30.75
Community Heritage Register - Properties Protected by Heritage Designation	\$336.50	\$345.00
Wireless Telecommunication Towers pay a fee to the District - compensation for public notification costs	\$644.00	\$660.00
Board of Variance Fee	\$515.00	\$525.00
ENGINEERING / PUBLIC WORKS SERVICES		
Administrative Fee on Changing an Existing Civic Address	\$108.00	\$110.00
Banner Installation Fee	\$300.00	\$305.00
Fire Hydrant Use (Customer Charges)	\$100.00	\$110.00
Private Fire Hydrant Flow Tests	\$370.50	\$375.00
Private Fire Hydrant Maintenance - to service and maintain private hydrants	\$125.00	\$200.00
Administrative Fee for Water, Sewer and/or Drainage System Modification	\$150.00	\$155.00
Street Use Permit	\$158.00	\$162.00
Extraordinary Traffic Permit	\$103.00	\$106.00
Signal Timing Sheet	\$303.00	\$311.00
Private Firms Parking in the Public Works Yard (Monthly fee)	\$107.19	\$110.00
Street Sweeping		
At the time of a building permit, a street sweeping fee shall be charged	\$55.15	\$56.50
FORESTRY SERVICES		
Minor Forest Products and Activity Permit		
Commercial Permit fee per month	\$267.86	\$285.71
Botanical Products per month	\$133.93	\$142.86
Personal Permit fee per week (any product)	\$30.80	\$33.33
Trees for Filming Purposes		
Conifers (cedars majority)		
Under 15 feet - per regular pick-up truck load	\$385.00	\$400.00
Conifers		
Under 15 feet - per tree	\$60.00	\$61.90
Deciduous trees - any size - per regular pick-up truck load	\$200.00	\$250.00
Salvage Material (various) i.e. wood waste, shake and shingle, biofuels	NEW	Price on request, depending on diameter, species, market value
GOOD NEIGHBOUR BYLAW COST RECOVERY		
City Staff		
Property Attendance by City staff during standard operating hours Monday to Friday	\$150.00	\$153.75
Property Attendance by City staff during at any other time (any time outside of standard operating hours)	\$400.00	\$410.00
TOURISM AND COMMUNICATIONS		
Administration Fee for addition to the Tourism Mission website for tourism-based businesses that fall outside of the City of Mission licensing boundary (no City of Mission business license)	\$75.00	\$76.75



STAFF REPORT

To: Chief Administrative Officer **Date:** October 5, 2021
From: Kerri Onken, Deputy Treasurer/Collector
Subject: **2022 General Operating Fund Draft Budget Status**

Recommendation(s)

This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.

Purpose

The purpose of this report is to provide an overview of the status of the 2022 draft Operating Budget for the General Operating Fund and to receive any Council direction in preparation for the Public Consultation portion of the November 1, 2021 Regular Council meeting. This report will come back to Council at the November 17, 2021 Freestanding Committee of the Whole Budget meeting with comments from the public and recommendations for Council's consideration.

Background

Under Section 165 of the *Community Charter*, a municipality must have a financial plan adopted annually by bylaw. The financial plan covers five years and sets out the municipal expenditures, funding sources and transfer to, from, or between reserves. The Financial Plan incorporates all operating and capital plans for the municipality. This report focuses on the first year of the financial plan (2022) for the General Operating Fund, which receives most of its revenue from property taxation.

Historical Tax Increases

For Council's reference, the chart below shows the property tax increase for the past five years for the City of Mission and the corresponding Consumer Price Index (CPI) increase.

	2017	2018	2019	2020	2021
New Construction / Development Revenue	-1.65%	-1.39%	-1.34%	-1.11%	-1.4%
Maintain Existing Services	1.43%	2.63%	1.08%	2.3%	2.36%
New Initiatives / Increased Service Levels	3.92%	2.39%	4.09%	3.2%	2.24%
Total Budget/Tax Increase	3.7%	3.63%	3.83%	4.39%	3.2%
Consumer Price Index	2.2%	2.9%	2.5%	0.6%	2.4% *
Increase to Average Home	\$71.31	\$68.92	\$75.02	\$88.64	\$67.39

* 2021 CPI is estimated at 2.4%

It should be noted that the majority of the budget/tax increases over the past five years have been as a result of several new initiatives and increases to service levels, such as:

- two new RCMP officers,
- moving to a 24 hour/7-day fire protection by career fire fighters,
- restructuring the Development Services Department,
- moving staff to Welton,
- taking on operating costs associated with the Clarke Theatre and Boswyk Centre,
- increase in transit service levels, and
- additional support staff in various departments.

Discussion and Analysis

Over the past few months, staff gathered information regarding impacts on the 2022 provisional budget. In addition, staff have completed detailed evaluations of their departmental budget activities, looking for efficiencies and budget savings that can be applied to the 2022 operating budget. In July this year, Finance staff and the department managers did a line-by-line review of each operating project budget. Department Heads and the Chief Administrative Officer then met in August to discuss the operating budget, the operating spending packages and the capital program.

The following table summarizes the impacts on the 2022 budget (see additional details in Attachment A):

Table 1: Summary Status of 2022 General Operating Budget

	Budget Dollars	Potential Tax Impact	Impact on Average Home
New Initiatives or Increased Service Levels			
Remove 2021 installment from Surplus to temporarily reduce taxes	\$ 140,000	0.38%	
Phased-in impacts from previous years spending packages	118,380	0.32%	
Impacts from New Initiatives approved in 2021	112,239	0.30%	
Other Non-inflationary Impacts	206,910	0.56%	
Subtotal of New Initiatives or Increased Service Levels:	\$ 577,529	1.55%	\$ 34.43
Maintaining Existing Services			
Net Revenue Increases	-825,799	-2.24%	
Estimated Impacts from Wages, Salary & Benefits	766,349	2.08%	
Contractual Obligations	466,456	1.26%	
Equipment Purchases & Annual Increase	189,715	0.51%	
Impacts from Department Review & Inflationary Pressures	715,474	1.94%	
Subtotal of Maintaining Existing Services:	\$ 1,312,195	3.55%	\$ 77.82
Net Budget Impact before New Construction:	\$ 1,889,724	5.12%	\$ 112.25
New Construction / Development Revenue			
	-400,000	-1.08%	
Current status of General Operating Fund Budget As presented at October 5, 2021 Budget Meeting:	\$ 1,489,724	4.04%	\$ 88.57

The net impact to the 2022 General Operating budget is a tax requirement increase of \$1,489,724 as of October 5, 2021, which would necessitate a 4.04% increase to property taxes; an impact of \$88.57 on the average home in Mission (2021 assessed value of \$754,900).

New Initiatives or Increase Service Levels

Council has previously approved initiatives that impact the 2022 budget. These are listed on Attachment A under the section entitled “New Initiatives or Increased Service Levels”. The impact to the General Operating budget is \$577,529 and includes:

- Development Services initiatives,
- Removal of funding from Surplus for 2021,
- Additional costs for full-time fire fighters hired July 2020,
- Silverdale Planning Engineer,
- Boswyk Centre operating costs,
- Youth programs, and
- Software subscription costs.

Key Budget Drivers to Maintain Existing Services:

- The 2022 budget includes an estimate for potential contractual obligations for Canadian Union of Public Employees (CUPE) staff and exempt staff. The contract for CUPE ended on December 31, 2020.
- International Association of Fire Fighters (IAFF) contract was recently negotiated and the budget for their wages was updated.
- The RCMP contract is expected to increase by \$450,894 for the City’s 2022 fiscal year. This includes an estimate wage increase that was recently negotiated and maintains the existing service levels.
- Insurance premiums increased by \$76,714 due to a new online security coverage, and \$75,000 was added to the legal fees budget to reflect recent activities.
- The operating costs for various equipment in the fleet that were purchased in 2021 will impact the General Operating Fund by \$168,459. The rates for a new fire apparatus and street sweeper were phased-in to reduce the large budget impact in one year and to acknowledge that these were purchased part-way through the year. These rates include operating costs for fuel, insurance, regular maintenance plus an estimate for replacement at the end of the useful life. In the case of the fire apparatus there is some contingency to reduce the risk of the Canadian dollar fluctuation.
- On the revenue side, the increase is for the administrative fee the General Fund will collect from the Utility Funds and an increase in some development revenue.

New Construction Revenue

New construction/development revenue, estimated at \$400,000, represents additional property taxes expected as a result of new buildings constructed and new lots developed in 2021 that will increase the total assessment values of all land and improvements in the City. The assessment information is provided by BC Assessment in early November and this revenue value will be revised accordingly.

Included in the revenue section on Attachment A is \$36,888 for additional property tax revenue due to 2020 development in Mission once the revised roll from BC Assessment was completed in March 2021.

Additional Potential Impacts

Staff have identified the following issues with potential impacts on the 2022 budget that are not included in the 4.04% increase.

1. Operating Service Level Spending Packages – 0.82%

Staff submitted several operating service level spending packages for Council's consideration to be added to the 2022 to 2026 Financial Plan. These are listed in more detail in the report "Spending Packages Submitted for Operations" by the Deputy Treasurer/ Collector on today's agenda. The priority one list of spending packages for consideration with impacts on taxation total \$301,793 which represents a property tax increase of 0.82%.

There are three additional spending packages included in the priority two list of the same report with impacts on taxation requiring an additional \$394,900 which represents an additional property tax increase of 1.07%.

2. Funding for Capital Program – 0.5%

The report on today's agenda "Capital Plan - Revenue and Expenditure" by the Director of Finance outlining the challenges with the City's capital program and possible solutions. Should Council approve increasing any funding for capital, the CORE would increase by 0.5% which is not reflected in this report.

3. BC Transit Costs – unknown at this time

Ridership continues to recover at a slower rate than anticipated and may not reach pre-pandemic levels for a few years. BC Transit will be completing a 3-year budget this fall which will include updated ridership revenue and operating costs for the new facility and new compressed natural gas buses. This change is not reflected in the Transit budget.

4. Social Housing – 0.54%

A workshop held on September 27 outlined a strategy for social housing that has a budget impact. A budget of \$200,000 would provide for the hiring of one co-ordinator along with some funds to support the initiative. A more detailed workplan can be provided at a later date.

Should these be added to the public presentation the total increase to the 2022 General Operating property tax requirement of \$2.178 million as of October 5, 2021. This would require a property tax increase 5.90%, which would have an impact of \$129.34 on the average home in Mission (2021 assessed value of \$754,900).

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

The financial implications are discussed throughout this report.

Communication

Highlights of the City's 2022 General Operating Budget, along with the Utility Funds and capital budgets will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Summary and Conclusion

Over the past few months, staff gathered financial information regarding the impacts on the 2022 provisional budget. These are listed in Attachment A. Departments have also completed detailed evaluations of their 2021 departmental budgets looking for efficiencies and budget savings that can be applied in 2022. In July this year, Finance staff and the department managers did a line-by-line review of each operating budget project. The Department Heads and the Chief Administrative Officer then met in August to discuss the budget.

The net impacts to the 2022 General Operating budget is a property tax increase requirement of \$2,178 million as of October 5, 2021. This would necessitate an increase to property taxes of 5.9% which would have an impact of \$129.34 on the average home in Mission (2021 assessed value of \$754,900).

Key Budget Drivers:

- Contractual obligations for staffing, including Canadian Union of Public Employees (CUPE) and the International Association of Fire Fighters (IAFF),
- The RCMP contract cost increases including a recently negotiated wage increase,
- Increased insurance premiums and legal costs, and
- Equipment rates for newly purchased fire apparatus and street sweeper. These rates include operating costs for fuel, insurance, regular maintenance plus an estimate for replacement at the end of their useful life.

Included in the projected 5.9% increase is 0.82% for spending packages, 0.54% for social housing and 0.5% for funding of capital programs mentioned in other reports on today's agenda to provide Council with all the potential budget impacts.

Report Prepared by: Kerri Onken, Deputy Treasurer/Collector

Reviewed by: Doug Stewart, Director of Finance

Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: General Operating Fund Budget Summary

Attachment A

General Operating Fund Budget Summary

	Budget Dollars	Potential Tax Impact	
New Initiatives or Increased Service Levels			
Remove one year (2021) installment from Surplus to temporarily reduce taxes	140,000	0.38%	
Impacts from Previous Years Spending Packages			
Additional Firefighters, starting July 2020	46,380	0.12%	
Planning / Engineer - Silverdale, fully funded by Mission	72,000	0.20%	RC20/375 July 20, 2020 report
Subtotal	\$ 258,380	0.70%	
Impacts from New Initiatives			
Seniors Centre Programming & Operations	46,239	0.13%	Costs phased in 2/3 in 2021 and 1/3 in 2022
Youth Programs	66,000	0.18%	RC21/141 April 6, 2021
Subtotal	\$ 112,239	0.30%	
Other Non-inflationary Impacts			
Development Services Initiative	159,910	0.43%	C2021/103 July 5, 2021
Mission Healthy Community	25,000	0.07%	C2021/094 June 21, 2021
Office 365 Subscription cost	12,000	0.03%	RC21/037 Feb 1, 2021
Specialized training Fire/Rescue Services	10,000	0.03%	C2021/077 May 17, 2021
Subtotal	\$ 206,910	0.56%	
Subtotal of New Initiatives or Increased Service Levels	\$ 577,529	1.56%	
Maintaining Existing Services			
Revenue Increases (-) or Decreases (+)			
Budget revenue increases from meetings with every dept	-407,247	-1.10%	(see change in expenses below - net \$31,700 expenditure increases)
Administrative Cost Recovery	-197,153	-0.53%	Portion of shared services to Utilities, Forestry & Equipment
Development Activity Revenue	-100,000	-0.27%	Increased activity in Mission
Various fees, charges and revenues	-92,774	-0.25%	
New construction/development revenue estimate (NCR)	-36,888	-0.10%	Additional Tax Revenue from 2020 new construction
Grants in-lieu of taxes	-28,000	-0.08%	
1% Utility Tax	-8,737	-0.02%	
Interest on outstanding (arrear/delinquent) property taxes	-5,000	-0.01%	
Remove Forestry Reserve funding towards Tourism	50,000	0.14%	
Subtotal	\$ -825,799	-2.24%	
Impacts from Wages, Salary & Benefits			
Net staffing related items	766,349	2.08%	Contractual and step increases, \$22.47 million of salary/wages
Subtotal	\$ 766,349	2.08%	
Contractual Obligations			
RCMP contract and integrated police services	275,894	0.75%	Estimate increase based on 5 year forecast provided in June 2021
Net RCMP impact of negotiated wage increase	175,000	0.47%	Sept 7, 2021 report to Council - with \$400,000 funded from Police Reserve
Westcoast Express Train services/#701 Mission City Bus estimate	15,562	0.04%	Contractual increase for CPI estimate only
Subtotal	\$ 466,456	1.26%	
Fleet Equipment Purchases & Annual Increase			
Operating & replacement costs for previously purchased equipment	107,436	0.29%	Rates phased in for Fire Apparatus (\$25K) & Street Sweeper (\$82K)
Operating & replacement costs for 2022 equipment purchases	61,023	0.17%	Several purchases postponed to 2023
Increase for equipment rates at 1%	21,256	0.06%	
Subtotal	\$ 189,715	0.51%	
Impacts from Department Review & Inflationary Pressures			
Budget changes from meetings with every dept	439,010	1.19%	(see offsetting change in revenue above - net \$31,700 expenditure increase)
Increase in insurance premiums	76,714	0.21%	Online security
Legal costs increase	75,000	0.20%	
Incremental increase in transfer to Reserve Fund	40,706	0.12%	Annual increment of 3% for inflation and growth
Hydro, Gas, and Metered Utilities for Municipal Owned property	31,975	0.09%	Rate increases & special fees to replace street lights with LED bulbs
Operational expenditures associated with capital projects	27,500	0.07%	Based on general capital plan
Detailed budget review by Departments	18,080	0.05%	Inflationary pressures
Networking licensing due to additional staffing and facilities	18,000	0.05%	Welton and Horne
Retirement Pay and Post Retirement Costs	15,100	0.04%	Required under Public Sector Accounting Standards
Additional janitorial services due to COVID and new facilities	15,039	0.04%	Welton and Horne
Property Acquisitions Costs (Appraisals, assessments, etc)	15,000	0.04%	Previously funded by Surplus
Audit Fees	8,350	0.02%	New contract
Removal of additional emergency support hours as contract ends	-30,000	-0.08%	Previously only approved until December 31, 2021
Interest on prepaid taxes	-35,000	-0.09%	Reduced rate set by Provincial Government
Subtotal	\$ 715,474	1.94%	
Subtotal of Maintaining Existing Services	\$ 1,312,195	3.56%	
Net Budget Impact before New Construction	\$ 1,889,724	5.12%	
New Construction / Development Revenue			
New construction/development revenue estimate (NCR)	-400,000	-1.08%	Estimated for 2022 tax roll, BCA update expected late November
Current status of General Operating Fund Budget October 5, 2021 Budget Meeting	\$ 1,489,724	4.04%	(A)
Potential Impacts from Other Reports			
Spending Package Requests - Priority one	301,793	0.82%	Potential spending packages
Increase in transfer to General Capital Reserve	186,250	0.50%	.5% to increase transfer for capital operations
Social Housing	200,000	0.54%	Per workshop of September 27, 2021
Subtotal	688,043	1.86%	
Subtotal of Other Reports	\$ 688,043	1.86%	
Potential Changes to General Operating Fund Budget	\$ 2,177,767	5.90%	(B)

2022 Vancouver CPI Budget Estimate = 2.4%

Estimated \$ Impact on Average Tax Notice - using average home value of \$754,900 (2021)

Current Status	\$88.57	(A)
Total Potential Changes	\$129.34	(B)



STAFF REPORT

To: Chief Administrative Officer **Date:** October 5, 2021
From: Chris Gruenwald, Director of Forestry
Subject: **Forestry Enterprise – 2022 - 2026 Draft Operating and Capital Budget**

Recommendation

No staff recommendation accompanies this report and Council action is not required at this time.

Purpose

The purpose of this report is to present the 2022 provisional Forestry operating and capital budget plans, and to provide an update on the Forestry Reserve balance as well as a review of strategic objectives.

Background

As part of the District's annual financial planning process staff have compiled the provisional 2022 – 2026 Forestry budget, including a projection of the Forestry Reserve balance and some strategic objectives for Forestry operations in 2022.

Discussion and Analysis

1. Operating Budget

The 2022 – 2026 provisional budget, which includes the 2021 final budget, the 2022 provisional budget, and the 2023-2026 forecasted budget, is attached as Attachment A. Highlights are:

- **Net Operations:** The 2022 provisional Forestry budget shows a net surplus after transfers of \$625,263 compared to the final budget for December 31, 2021 of \$768,843, which is a decrease of \$143,580. This decrease for 2022 can be primarily attributed to some cost increases forecasted for 2022:
 - Additional contract road construction cost of \$55,000 to cover off the potential for increased blasting costs
 - Contract logging costs \$270,000 to cover off increased harvesting costs associated with specialized harvesting – thinning, patch cutting, selection harvesting. It is important to note that contract logging costs are covered off by an offsetting increase in timber sale revenue, as the bidders will not have to account for logging costs in their bids on sales where the city is completing the harvesting.
 - Stumpage costs \$728,000 as these fees are expected to remain high at least into the first half of 2022, reflecting record lumber prices in 2021. Note these costs are offset by a projected increase in timber sale revenue in 2022.
- **Revenue:** Total revenues from 2021 and 2022 are projecting an increase of \$952,000. This is due to the projected increase in timber prices from \$70/m³ in 2021 to \$87/m³ in 2022. There is a small increase of \$9,046 from investment revenue due to the increase in the reserve balance expected by year-end 2021. This increase is transferred to reserves (see transfers below).

- **Direct logging expenses:** The difference in total direct logging expenses is an increase of \$1,069,345. This is due to the increase in stumpage fees from \$17/m³ in 2021 to \$30/m³ in 2022, and additional contract logging costs, as the department will be using its own logging contractor for specialty harvesting projects. As mentioned, this will be offset by an increase in bid prices on specialty harvesting sales, as the timber bidders do not have to account for logging costs on these sales.
- **Other expenses:** The difference in other expenses is an increase of \$64,803. This is due to increases in administration costs \$30,677, engineering costs \$18,440 and patrols and vandalism costs \$14,759. Higher engineering costs reflect the increase in annual allowable cut, while higher patrols and vandalism costs are associated with hiring two indigenous forest guardians to patrol the Stave West Forest and Recreation area in 2022.
- **Transfers:** The change in the other transfers has decreased \$15,522. This is primarily due to the decrease in Admin Recovery fees of \$25,049 and off set by an increase to the Forestry Reserve of the interest earned on investments of \$9,046 (see Revenue above).
- **Cut Control:** 2022 is the fourth year of the current five year cut control period for the Tree Farm Licence (TFL). We have the ability to increase or decrease volume harvested in any year based on market conditions, as long as we harvest a minimum of 50% of the AAC per year and fall within 10% of our total annual cut at the end of the five-year period. The cut is 58,398 m³ per year, with an allowance of 2,398 m³ per year for waste and residue, resulting in 56,000 m³ annual harvest. In 2021 we expect to harvest approximately 56,000m³. Market conditions in 2022 will dictate the level of harvest that occurs for the year.

2. Proposed Capital Projects

Attachment B is a listing of the 2022 proposed capital projects for the period and includes:

- \$200,000 for additional Stave West trail development, including completion of the floating bridge on the Devil's Lake loop trail, which we began constructing in 2021, and construction of two new loop trails for Mt. Crickmer and Sayres Lake. This funding would be in partnership with Rec, Sites and Trails BC, who would contribute funds and trail crews towards these projects.
- \$150,000 for Forestry planning investments, including updated timber inventory, long term harvest plan, additional development planning and third-party forest certification. These investments are consistent with the City and Department's goals of continuous improvement.

3. Forestry Reserve Status

A profitable year results in a transfer to the Forestry Reserve. Likewise, if Forestry operations experience a loss in a year or reserve funds are used to acquire capital purchases, this decreases the Forestry Reserve. The 2021 final budget and 2022 projection are subject to change depending on the conditions of the market, thereby impacting the forestry reserve balance as well.

Reserve and Surplus Policy FIN.42 states the minimum recommended level for the Forestry Reserve is \$1,000,000 and the optimum or ideal level is set at \$1,500,000.

The Forestry Reserve is above the recommended minimum balance. There have been a few large projects that will be funded by the Forestry reserve in 2021.

- \$248,786 contribution towards the Seniors Housing and Community Centre;

- \$100,000 towards the construction of the Devil's Lake Loop trail
- \$33,352 to design Interpretive signage for Stave West
- \$32,228 for the completion of the Tree Farm Licence Book
- \$50,000 for Tourism Services Implementation Framework

The 2022 projected balance does not account for the capital projects listed above and as shown in Attachment C. The 2021 year-end reserve balance may be significantly higher, due to the record lumber prices in 2021. This is dependant on stumpage costs, and we will have a better idea of the actual year end reserve projection at the end of the third quarter.

Strategic Objectives

- Continue working with local First Nation communities on meaningful partnerships for the Municipal Forest,
- Investigate additional revenue opportunities on the TFL, and pursue additional efficiencies in our operations,
- Improve public communication about the Municipal Forest, including the multiple benefits the City receives from directly managing a Tree Farm Licence,
- Continue working on the Stave West initiative and pursue funding opportunities, as well as continuing to develop partnering opportunities with local First Nation communities, Mission Public schools, UFV, BCIT and local recreation groups,
- Examine long term solutions to decrease the annual maintenance costs of the Florence Lake FSR,
- Continue to identify additional cost saving measures, both as part of a comprehensive operational review and individual operational items during the year. This includes examining educational training partnerships – providing training sites for falling, brushing, trail building and maintenance, in exchange for no cost work on these projects.

Council Goals/Objectives

This report addresses the specific goals under Council's focus area of Livable Complete Community, Organizational Excellence, and Secure Finances, Assets, and Infrastructure.

Financial Implications

The financial implications of the 2022 Forestry budget shows maintaining profitable Forestry Operations and an increase in the Forestry Reserve balance. Attachment A presents the 2021 - 2026 Forestry Enterprise detailed budget. Profitability of Forestry Operations can be affected by changes in:

- worldwide economic conditions;
- growth or contraction in the marketplace in the US and Asia; and
- changes in government forest policies, tariffs, and related fees.

Communication

Highlights of the District's financial plan will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Summary and Conclusion

The 2022 provisional Forestry budget shows a net surplus after transfers of \$ \$625,263. The projected Forestry Reserve ending balance for 2022 is estimated at \$3,273,087 based on the final budgeted 2021 year-end Forestry Reserve balance of \$2,946,524. This balance is subject to change based on the ending 2021 actual results and the capital projects that are currently on the proposed list.

The 2022 provisional Forestry budget is based on conservative estimates for projected market values and cut control volumes of 56,000 m³.

The strategies for Forestry Operations in 2022 are to continue to develop meaningful partnerships with local First Nation communities, investigate additional revenue opportunities, improve public communications, and continue work on the Stave West initiative.

Report Prepared by: Chris Gruenwald, Director of Forestry
Reviewed by: Doug Stewart, Director of Finance
Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: Appendix A – Forestry Enterprise Budget Projections 2022-2026
 Attachment B: Appendix B – 2022 Forestry Spending Package Proposed
 Attachment C: Appendix C – Forestry Reserve Fund Projections 2021-2026

Attachment A
Forestry Enterprise Budget Projections 2022-2026

	2021 Final Budget	2022 Provisional Budget	2023 Provisional Budget	2024 Provisional Budget	2025 Provisional Budget	2026 Provisional Budget
Timber Sales	\$ 3,920,000	\$ 4,872,000	\$ 4,969,440	\$ 5,068,829	\$ 5,170,205	\$ 5,273,609
Interest Revenue	37,254	46,300	52,920	62,184	72,492	81,965
Other revenues	19,000	33,000	13,000	13,000	13,000	13,000
Total revenues	3,976,254	4,951,300	5,035,360	5,144,013	5,255,697	5,368,574
Direct logging expenses						
Contracts	79,997	350,000	357,000	364,140	371,423	378,851
Stumpage	952,000	1,680,000	1,730,400	1,782,312	1,835,781	1,890,855
Roads	295,000	350,000	350,000	350,000	350,000	350,000
Salaries	208,052	208,052	212,173	216,377	220,664	225,037
Equipment	111,115	127,151	129,654	132,207	134,811	137,468
Materials	17,600	17,906	18,218	18,536	18,861	19,192
Total Direct logging expenses	1,663,764	2,733,109	2,797,445	2,863,572	2,931,541	3,001,404
Gross margin	2,312,490	2,218,191	2,237,915	2,280,441	2,324,157	2,367,171
Other expenses						
Administration	477,673	508,350	518,173	528,191	538,408	548,828
Silviculture	172,486	176,757	180,299	190,249	193,241	197,081
General	77,117	63,860	58,192	58,533	58,881	59,239
Road and Bridge Maintenance	182,755	186,588	190,086	193,653	195,040	198,707
Engineering	188,767	207,207	210,040	212,930	215,878	218,884
Patrols & Vandalism	103,321	118,080	119,470	120,884	122,324	123,789
Recreation	19,798	25,389	25,864	26,349	26,844	27,349
Stave West	36,475	40,475	41,000	41,000	41,000	41,000
Other	52,026	48,516	50,714	51,564	52,432	53,316
Other expenses	1,310,418	1,375,222	1,393,838	1,423,354	1,444,048	1,468,194
Net profit (loss) before transfers	1,002,072	842,970	844,076	857,086	880,108	898,977
Transfers to non-forestry reserves	27,147	27,628	28,124	28,635	29,161	29,522
Admin Recovery Fee	168,828	143,779	145,217	146,669	148,136	149,617
Interest Transferred to Forestry Reserve	37,254	46,300	52,920	62,184	72,492	81,965
Total Other Transfers	233,229	217,707	226,261	237,488	249,789	261,104
Net Transfer to Forestry Reserve	\$768,843.01	\$625,262.69	\$617,815.66	\$619,598.51	\$630,319.85	\$637,872.81
Gross margin percentage	58%	45%	44%	44%	44%	44%
Stumpage \$/m3	\$ 17.00	\$ 30.00	\$ 30.90	\$ 31.83	\$ 32.78	\$ 33.77
Volume (m3) Timber Sales	56,000	56,000	56,000	56,000	56,000	56,000

Attachment B
2022 Forestry Spending Package Proposed

Project Description	Council's Goals & Objectives	Suggested Funding Source	2022 Capital	2023 Capital	2024 Capital	2025 Capital	2026 Capital	Total Capital 20 years	Total Capital 5 Years	Notes
Forestry Planning Investments	Forestry is planning a series of one time investments as a proactive measure to improve the operation of the Department, and to help ensure long term viability of the Municipal Forest	FORESTRY RESERVE	150,000	-	-	-	-	150,000	150,000	Expenditures: 1. Updated Timber Inventory, 2. Additional development planning, 3. Completion of a Long-Term Harvest Plan, 4. Third Party Forest Certification
Stave West Recreational Trail Development	Working in partnership with Rec, Sites and Trails BC, the Forestry Department is planning additional trail development in the Stave West Forest and Recreation Area	FORESTRY RESERVE	200,000					200,000	200,000	The following trails will be planned and constructed: 1. Completion of the Floating Bridge on the Devils Lake Loop Trail, 2. Construction of the Mount Crickmer Loop Trail, 3. Construction of the Sayres Lake Loop Trail

Attachment C
Forestry Reserve Fund Projections

Forestry Reserve Fund Projections Excluding Spending Packages						
	2021	2022	2023	2024	2025	2026
Projected Balance - Jan. 1	\$ 3,022,615.62	\$ 2,946,524.62	\$ 3,273,087.46	\$ 3,835,823.39	\$ 4,517,606.74	\$ 5,220,418.24
Transfers In:						
Forestry Profits (budgeted)	768,843	625,263	617,816	619,599	630,320	637,873
Expenditures & Transfers						
General Capital Program	200,000	295,000	108,000	-	-	150,000
General Capital Program Carry Forwards	65,580					
Senior Community Centre Carry Forward	248,786		-	-	-	-
Tourism Services Implementation Framwork	50,000					
Tourism Services Implementation Framwork Carry Forwards	71,783					
Budget Amendments (operating)	246,039					
Stave West Interpretive Sign		50,000	-	-	-	-
Total expenditures & transfers	882,188	345,000	108,000	-	-	150,000
Projected Balance - Before estimated interest and spending packages	2,909,271	3,226,788	3,782,903	4,455,422	5,147,927	5,708,291
Estimated Interest @ 1.50%	37,254	46,300	52,920	62,184	72,492	81,965
Projected Balance Dec. 31, Excluding spending packages	\$ 2,946,524.62	\$ 3,273,087.46	\$ 3,835,823.39	\$ 4,517,606.74	\$ 5,220,418.24	\$ 5,790,256.56



STAFF REPORT

To: Chief Administrative Officer
From: Kerri Onken, Deputy Treasurer/Collector
Subject: **Public Consultation Preparation**

Date: October 5, 2021

Recommendation(s)

This report is provided for information purposes only, no staff recommendation accompanies this report, and no action is required at this time.

Purpose

The purpose of this report is to summarize the property tax and utility rate recommendations discussed at the October 5, 2021 meeting, to view the total impact on an average assessed home in Mission and to seek authorization to present the proposed rate increases at the Public Consultation portion of the November 1, 2021 Regular Council meeting. Final recommendations will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting for Council's consideration.

Discussion and Analysis

At the October 5, 2021, Freestanding Committee of the Whole Budget meeting, City staff will present several budget reports that will have an impact on the property tax and utility levies for 2022. In 2021, the averaged assessed home of \$754,900 paid \$3,599.09 in property taxes and utility levies.

The reports addressing the flat-rate user fees are recommending a 2.62% increase to sewer user fees and no increase to the water user fees or curbside pick-up fees. This would increase the municipal utility levy by \$12.15.

The report for the drainage utility is recommending a 14.76% increase to the drainage levy which includes the previously approved Council increase of \$250,000 annually to the transfer to capital reserves to deal with the aging drainage infrastructure. This would increase the drainage utility levy by \$21.12 for the average assessed home.

The report addressing the general operating fund recommends a 5.90% increase to the property tax levy that includes;

- 1.56% for new initiatives or increased service levels
- 3.56% to maintain existing service levels
- (1.08%) new revenue from development in the community
- 0.82% proposed for spending packages,
- 0.54% social housing initiative, and
- 0.5% to increase the transfer to capital reserves.

This would increase the property tax levy for municipal services by \$129.34 for the average assessed home.

The following chart shows how a 1% increase in each operational unit user rate impacts the respective revenue, the customer user fee and converts that user fee increase to the equivalent property tax increase.

	Additional Revenue 1% Rate Increase will Generate	Annual Increase of 1% Rate Increase to the Customer	Equivalent Property Tax Increase
Water Operations	\$68,400	\$5.13	➤ 0.24%
Sewer Operations	\$51,400	\$4.64	➤ 0.21%
Curbside Refuse	\$11,132	\$1.03	➤ 0.05%
Curbside Recycling	\$22,477	\$1.84	➤ 0.07%
Drainage Operations*	\$24,100	\$1.43	➤ 0.07%
Municipal Services*	\$368,950	\$21.92	➤ 1.0%

* Annual increase for an average assessed home of \$754,900.

As an example, for every 1% the sewer user fee increases, an additional \$51,400 will be raised and the user fee will increase by \$4.64. This \$4.64 is the equivalent of a property tax increase of just under 0.21%.

For Municipal Services, each 1% property tax levy increase will increase the tax levy for the average home by \$21.92.

Should an operational unit wish to raise \$50,000 to fund a new initiative, the following chart shows the impact on the customer user fee and converts that user fee increase to an equivalent property tax increase:

	Budget Percentage Increase to Raise \$50,000 in Revenue	Increase to Customer's Rate to Raise \$50,000	Equivalent Property Tax Increase
Water Operations	0.73%	\$3.74	➤ 0.17%
Sewer Operations	0.97%	\$4.50	➤ 0.21%
Curbside Refuse	4.49%	\$4.62	➤ 0.21%
Curbside Recycling	2.22%	\$4.09	➤ 0.19%
Drainage Operations*	2.07%	\$2.96	➤ 0.14%
Municipal Services*	0.14%	\$3.07	➤ 0.14%

* Annual increase for an average assessed home of \$754,900.

As an example, if the sewer levy budget increases by \$50,000, that represents a 0.97% increase to the user fee or \$4.50. To increase property taxes by \$4.50, the property tax levy budget would need to increase by just under 0.21%.

Each line on the property tax notice can have a different percentage increase to maintain existing service levels based on the challenges of each operational area. To summarize how each budget affects the property tax and utility levy of the average assessed home, the following chart shows the comparison between the 2021 charges and the proposed 2022 charges for the municipal services discussed in the reports on today's agenda.

Average Assessed Home (2021) \$754,900				
	2021 Taxes	Proposed Increase	2022 Estimated Taxes	Change
Municipal & Drainage Property Taxes ¹⁾				
Municipal Taxes	\$2,192.24	5.90%	\$2,321.59	\$129.34
Drainage Levy	143.13	14.76%	164.25	21.12
Subtotal	2,335.37		2,485.84	150.46
Flat Rate User Fees for Municipal Utilities				
Water Distribution	512.64	0%	512.64	-
Sewer Conveyancing	463.92	2.62%	476.07	12.15
Curbside Refuse Collection	102.96	0%	102.96	-
Curbside Recycling/Compost Collection	184.20	0%	184.20	-
Subtotal	1,263.72		1,275.87	12.15
Total Municipal & Utility Charges: ¹⁾	\$3,599.09		\$3,761.71	\$162.61

The increase of \$162.61 is 4.52% over the 2021 property tax and utility levies and provides for the new initiatives and increased service levels approved by Council, inflationary pressures departments are facing, proposed priority one spending packages and an increase to fund future capital projects.

To reduce the \$162.61 increase, the budget for municipal services must be reduced. For every \$170,000 of new revenue or reduced service levels, the property tax or utility levy would drop by \$10.

Staff will provide a spreadsheet at today's meeting where modifications can be made and show the impact on the levies for the average home.

Council Goals/Objectives

This report addresses goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

The financial implications are discussed throughout this report.

Communication

Highlights of the City's financial plan, with proposed rate increases, will be communicated at the upcoming Public Budget Consultation portion of the November 1, 2021 Regular Council meeting.

Summary and Conclusion

The purpose of this report is to summarize the rate recommendations discussed at today's meeting, to view the total impact on an average assessed home in Mission and to seek authorization to present the proposed rate increases at the Public Consultation portion of the November 1, 2021 Regular Council meeting.

These reports on today's agenda will come back to the November 17, 2021 Freestanding Committee of the Whole Budget meeting along with comments from the public and recommendations for Council's consideration.

Report Prepared by: Kerri Onken, Deputy Treasurer/Collector

Reviewed by: Doug Stewart, Director of Finance

Approved for Inclusion: Mike Younie, Chief Administrative Officer