

DATE OF MEETING December 7, 2020

AUTHORED BY BARBARA D. WARDILL, MANAGER, REVENUE SERVICES

SUBJECT AMENDMENT TO USER FEE SUBSIDIES

OVERVIEW

Purpose of Report

To introduce “User Fee Subsidies Amendment Bylaw 2020 No. 7095.02” for first, second and third readings.

Recommendation

That:

1. “User Fee Subsidies Amendment Bylaw 2020 No. 7095.02” (To set the 2021 thresholds for User Fee Subsidies) pass first reading;
2. “User Fee Subsidies Amendment Bylaw 2020 No. 7095.02” pass second reading; and,
3. “User Fee Subsidies Amendment Bylaw 2020 No. 7095.02” pass third reading.

BACKGROUND

For over 25 years, Council has provided user fee subsidies for water and sewer to senior citizens who meet age and income limits. After a review of the income level criteria, staff recommends that the income limit be increased for both the single owner occupier and household income. The limits were last increased in December, 2012.

Council is permitted by Section 202 of the *Municipalities Enabling and Validating Act* to waive any part of any water or sewer rate to property owned and occupied by any class of citizen 65 years of age or older. Council has, in the past, allowed a subsidy in the amount of 50 percent of the minimum water and sewer charges on owner occupied residences.

Historically the qualification income levels were set at approximately ten (10) percent over the senior’s maximum available income from Old Age Security (OAS) and Guaranteed Income Supplement (GIS).

The maximum available income for recipients eligible for the Federal OAS and GIS as of November 2020 is:

OAS and GIS Maxamum Income	2020			
	Month		Annual	
	Single	Couple	Single	Couple
Old Age Security (OAS)	\$ 614.14	\$ 1,228.28	\$ 7,369.68	\$ 14,739.36
Guaranteed Income Supplement (GIS)	\$ 917.29	\$ 1,104.36	\$ 11,007.48	\$ 13,252.32
Total	\$ 1,531.43	\$ 2,332.64	\$ 18,377.16	\$ 27,991.68

To follow Council's past policy of setting income qualification limits at approximately ten (10) percent over the Senior's maximum available income from OAS and GIS, the following limits are recommended:

	Current	Proposed
Single Owner Occupier		
- Per Month	\$ 1,500	\$ 1,685
- Per Annum	\$ 18,000	\$ 20,215
Couples/Household Owner Occupier		
- Per Month	\$ 2,470	\$ 2,565
- Per Annum	\$ 29,640	\$ 30,790

The current 2020 minimum rates for water and sewer are \$0.80086 and \$0.38515 per day, respectively. This results in an annual subsidy of \$216.45 per eligible property.

The annual cost of the User Rate Subsidies in 2019 was approximately \$8,600 |

OPTIONS

1. That "User Fee Subsidies Amendment Bylaw 2020 No. 7095.02" (To set the 2021 thresholds for User Fee Subsidies) pass first reading.
2. That "User Fee Subsidies Amendment Bylaw 2020 No. 7095.02" pass second reading; and,

3. That “User Fee Subsidies Amendment Bylaw 2020 No. 7095.02” pass third reading.
 - The advantages of this option: The City will provide a “Low Income Senior Household” an entitlement of 50% waiver of the minimum charge for user fees levied under the current Sewer Regulation and Charge Bylaw and the current Waterworks Rate and Regulation Bylaw that reflects current Low Income level for seniors.
4. That Council deny first, second and third readings to “User Fee Subsidies Amendment Bylaw 2020 No. 7095.02” (To set the 2021 thresholds for User Fee Subsidies).
 - The disadvantages of this option: The City will not provide assistance to Low Income Senior Households with respect to User Fees.

SUMMARY POINTS

- Historical income qualification limits have been set at approximately ten (10) percent over the senior’s maximum available income from OAS and GIS.
- Section 202 of the *Municipalities Enabling and Validating Act* allows Council to waive any part of water or sewer rates to property owned and occupied by any class of citizen 65 years of age or older.
- Proposed annual threshold is \$20,215 per person or \$30,790 per household.
- Previous annual threshold was set at \$18,000 per person or \$29,640 per household.

ATTACHMENTS:

Attachment A: “User Fee Subsidies Amendment Bylaw 2020 No. 7095.02”

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Concurrence by:

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