

DATE OF MEETING DECEMBER 4, 2023

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SUBJECT AMENDMENT TO USER FEE SUBSIDIES FOR 2024

OVERVIEW

Purpose of Report

To introduce “User Fee Subsidies Amendment Bylaw 2023, No. 7095.05” for first, second and third readings.

Recommendation

That:

1. “User Fee Subsidies Amendment Bylaw 2023, No. 7095.05” (a bylaw to set the 2024 thresholds for User Fee Subsidies) pass first reading;
2. “User Fee Subsidies Amendment Bylaw 2023, No. 7095.05” pass second reading;
and
3. “User Fee Subsidies Amendment Bylaw 2023, No. 7095.05” pass third reading.

BACKGROUND

Pursuant to section 202 of the *Municipalities Enabling and Validating Act*, Council is permitted to waive any part of any water or sewer rate to property owned and occupied by any class citizens of 65 years of age and older.

For over 25 years, Council has provided user fee subsidies for water and sewer to senior citizens who meet the age and income limits set out by legislation. Traditionally, Council has allowed a subsidy of 50% of the minimum water and sewer charges on owner occupied residences.

DISCUSSION

In 2023 Council adopted a new qualification income level set at the low-income cut-off statistics produced by Statistics Canada. The low-income cut-off (LICO) statistics are the most established and widely recognized approach to estimating low-income cut-offs in Canada. These are income thresholds that outline when a person or family will devote a larger share of its income on the necessities of food, shelter and clothing than the average family.

Statistics Canada produces the Annual Low Income Cut-Off table each year, but the table is always one to two years behind, depending on when Statistics Canada releases the data.

Currently, Statistics Canada has released LICO information to 2021. If these low-income thresholds were inflated to 2024 levels using the Victoria Consumer Price Index (CPI), the resulting 2024 income thresholds would be as follows:

Annual low income cut-offs before tax					
Community Size*	Family Size	2021	2022**	2023**	2024**
100,000 – 499,999	1	23,696	25,378	26,647	27,980
	2	29,498	31,592	33,172	34,830

*Census Canada statistics released 2023-MAR-29 reported that the population within City limits was just under 100,000 in 2021.

**Estimated amounts based on Victoria CPI increase (2022 7.1%, 2023 & 2024 5% (estimate))

The User Fee Subsidy program provides for a 50% reduction in the base rates charged for both water and sewer.

Base Rate	2023 Daily Rate	2023 Annual Subsidy	Estimated 2024 Daily Rate	Estimated 2024 Annual Subsidy	% Change	\$ Change
Water	\$0.94918	\$173.22	\$1.00613	\$183.62	6%	\$10.39
Sewer	\$0.43324	\$79.07	\$0.45057	\$82.23	4%	\$3.16

OPTIONS

1. That:

1. "User Fee Subsidies Amendment Bylaw 2023, No. 7095.05" (a bylaw to set the 2024 thresholds for User fee Subsidies) pass first reading;
2. "User Fee Subsidies Amendment Bylaw 2023, No. 7095.05" pass second reading; and
3. "User Fee Subsidies Amendment Bylaw 2023, No. 7095.05" pass third reading.

- **Advantages:** Low income senior households will have the opportunity to apply for the user fee subsidy and decrease the financial burden that they are facing for basic service including water and sewer.
- **Disadvantages:** Other users of the water and sewer system will need to subsidize the costs of the program.
- **Financial Implications:** There are approximately 18 accounts utilizing the program for water subsidies and 24 accounts for the sewer subsidies (some accounts do not pay for water directly such as manufactured homes). The estimated amount of total subsidies provided would be approximately \$5,278.

2. That Council deny first three readings of the "User Fee Subsidies Amendment Bylaw 2023 No. 7095.05".

- **Advantages:** Residents not enrolled in the program will not need to subsidize the program.

- **Disadvantages:** The City would not be providing assistance to low income senior households with respect to User Fees, which is a practice that has continue for a significant number of years.
- **Financial Implications:** There are currently 24 accounts using the program (18 water and 24 sewer). If the program is discontinued, other households within the City would not have to subsidize approximately \$5,278. |

SUMMARY POINTS

- Section 202 of the *Municipalities Enabling and Validating Act* allows Council to waive any part of water and/or sewer rates to property owned and occupied by any class of citizens 65 years of age and older.
- Since 2023 the Statistics Canada Low Income Cut-Offs (LICO) tables are used as a measurement for low-income.
- The estimated annual subsidy for low-income seniors based on current program enrollment is \$5,278.

ATTACHMENTS:

“User Fee Subsidies Amendment Bylaw 2023, No. 7095.05” |

Submitted by:

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Concurrence by:

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