

DATE OF MEETING DECEMBER 02, 2024
AUTHORED BY ANA FRANCISCO, ASSISTANT MANAGER, REVENUE SERVICES
SUBJECT **AMENDMENT TO USER FEE SUBSIDIES**

OVERVIEW

Purpose of Report

To introduce “User Fee Subsidies Bylaw 2024, No. 7095.06” for first, second and third readings.

Recommendation

That:

1. “User Fee Subsidies Amendment Bylaw 2024, No. 7095.06” (a bylaw to set the 2025 thresholds for User Fee Subsidies) pass first reading;
2. “User Fee Subsidies Amendment Bylaw 2024, No. 7095.06” pass second reading;
and
3. “User Fee Subsidies Amendment Bylaw 2024, No. 7095.06” pass third reading.

BACKGROUND

In accordance with Section 202(1) of the *Municipalities Enabling and Validating Acts*, 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.

Historically, Council has provided user fee subsidies for water and sewer to senior citizens who meet the age and income limits set out by legislation. Historically, the subsidies provided by Council has been 50% of the minimum water and sewer charges on owner occupied residences.

DISCUSSION

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, and the table is generally one to two years behind depending on when Statistics Canada releases the data.

Currently, Statistics Canada has release LICO information to 2022. If these low-income thresholds were inflated to 2025 levels using the Victoria Consumer Price Index (CPI), the resulting 2025 income thresholds would be as follows:

Annual low-income cut-offs before tax					
Community Size*	Family Size	2022	2023**	2024**	2025**
100,000 – 499,999	1	25,303	26,239	26,921	27,621
	2	31,498	32,663	33,513	34,384

*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 (2023 3.7%, 2024 & 2025 2.6% (estimate based on CPI change up to Oct 2024)).

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

Base Rate	2024 Annual Subsidy	Estimated 2025 Annual Subsidy	\$ Annual Change
Water	\$184.12	\$193.33	\$9.21
Sewer	\$82.46	\$85.76	\$3.30

OPTIONS

1. That:

1. “User Fee Subsidies Amendment Bylaw 2024, No. 7095.06” (a bylaw to set the 2025 thresholds for User Fee Subsidies) pass first reading;
2. “User Fee Subsidies Amendment Bylaw 2024, No. 7095.06” pass second reading; and
3. “User Fee Subsidies Amendment Bylaw 2024, No. 7095.06” 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 Implication:

- There are approximately 30 accounts utilizing the program for sewer subsidies (some accounts do not pay for water directly such as manufactured homes) and 24 accounts for the water subsidies. The estimated amount of total subsidies provided would be approximately \$7,212.

2. That Council provide alternative direction.]

SUMMARY POINTS

- Section 202 (1) 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 \$7,212.

ATTACHMENTS:

User Fee Subsidies Amendment Bylaw 2024, No. 7095.06 |

Submitted by:

Ana Francisco
Assistant Manager, Revenue Services

Concurrence by:

Wendy Fulla
Director, Finance

Laura Mercer
General Manager, Corporate Services