

DATE OF MEETING DECEMBER 1, 2025

AUTHORED BY ANA FRANCISCO, MANAGER, REVENUE SERVICES

SUBJECT 2026 AMENDMENT TO USER FEE SUBSIDIES

OVERVIEW

Purpose of Report

To introduce “User Fee Subsidy Bylaw 2025, No. 7095.07” for first, second and third readings.

Recommendation

That:

1. “User Fee Subsidy Amendment Bylaw 2025, No. 7095.07” (a bylaw to set the 2026 threshold for User Fee Subsidies) pass first reading;
2. “User Fee Subsidy Amendment Bylaw 2025, No. 7095.07” pass second reading; and
3. “User Fee Subsidy Amendment Bylaw 2025, No. 7096.07” 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 and sewer rate to property owned and occupied by any class citizens of sixty-five (65) years of age and older.

Historically, Council has provided user fee subsidies of fifty percent (50%) for water and sewer base rates to senior citizens who meet the age and income limits set out by legislation.

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 their 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 two years behind depending on when Statistics Canada releases the data.

Each year, Staff amend the Bylaw to reflect updated income levels. Currently, Statistics Canada has released the LICO information to 2023. If these low income thresholds were inflated to 2026 levels using the most recent Victoria Consumer Price Index (CPI), the resulting 2026 income thresholds would be as follows:

Annual low income cut-offs before tax					
Community Size*	Family Size	2023	2024**	2025**	2026**
100,000 – 499,999	1	26,290	26,947	27,540	28,146
	2	32,727	33,545	34,283	35,037

*Census Canada statistics released 2023-MAR29 reported that the population within city limits was just under 100,000 in 2021.

**Estimated amounts based on Victoria CPI (2.5% for 2024 based on data from 2024-DEC and 2.2% based on data from 2025-SEPT)

The User Fee Subsidy program allows for a 50% reduction in the base rates charged for both water and sewer. There are currently 31 properties receiving a sewer rate subsidy and 23 receiving a water subsidy.

Base Rate	2025 Annual Subsidy	Estimated 2026 Annual Subsidy	\$ Annual Change
Water	\$193.33	\$202.99	\$9.67
Sewer	\$85.75	\$89.19	\$3.43

OPTIONS

1. That:

1. “User Fee Subsidy Amendment Bylaw 2025, No. 7095.07” (a bylaw to set the 2026 thresholds for User Fee Subsidies) pass first reading;
2. “User Fee Subsidy Amendment Bylaw 2025, No. 7095.07” pass second reading; and
3. “User Fee Subsidy Amendment Bylaw 2025, No. 7095.07” 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 currently 31 accounts utilizing the program for sewer subsidies (some accounts do not pay for water directly such as manufactured homes) and 23 accounts for the water subsidies. The estimated amounts of total subsidies that would be provided in 2026 is \$7,433.56.

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 properties owned and occupied by any class of citizens sixty-five of age and older.
- The Statistics Canada Low Income Cut-Off tables are used as measurement of low income.
- The estimated annual subsidy for low-income seniors based on current program enrollment is \$7,433.56

ATTACHMENTS:

User Fee Subsidy Amendment Bylaw 2025, No. 7095.07 |

Submitted by:

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