

## Financial Analysis

### Stormwater Collection/Treatment System

Pipes, Manholes, Catchbasins, Stormwater Ponds (28)

### Sanitary Collection/Treatment System

Pipes, Manholes, Pumping Stations, Treatment Plant

## Community Consultation

- Web site
- Mail-out information with property tax bill in late June
- Two public discussion sessions at City Hall: June 23<sup>rd</sup> and September 20<sup>th</sup>
- Three focus group session: July 20<sup>th</sup>
- External stakeholder group: June 23<sup>rd</sup> and September 14<sup>th</sup>
- Peterborough Farmers Market: September 21<sup>st</sup>

## Recommendations

### STORMWATER FUNDING

- **Stormwater protection fee on property tax bill**
- Rate based on measured hard surface
- Credit program (rate reduction)

### SANITARY FUNDING

- Existing "sewer surcharge" on PUC water bills
- Dedicate to the sanitary system
- **Increase the sewer rate 2.2% per year**

- **Phase-in over 10 years**
- Include all fees in All-inclusive rate

## Financial Analysis:

### STORMWATER SYSTEM

#### The Next 10 Years (2017 – 2026):

Current allocation	\$ 3.0 million
Annual need	\$ 9.2 million

Shortfall	<b><u>\$ 6.2 million</u></b>
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#### Annual need includes:

- Annual system operating and maintenance costs
- Planned capital program to 2026, including FRMP projects
- Asset replacement costs over next 10 years

### SANITARY SYSTEM

#### The Next 10 Years (2017 – 2026):

Current revenue	\$ 15.0 million
Annual need	\$ 18.5 million

Shortfall	<b><u>\$ 3.5 million</u></b>
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#### Annual need includes:

- Annual system operating and maintenance costs
- Planned capital program to 2026
- Asset replacement costs over next 10 years including equipment requirements at sewage plant and pumping stations

Note: Estimates of financial need will improve as the City obtains more information over time on asset conditions, and cost efficiencies are identified.

## Community Consultation: wide range of activities

**Web site:** [peterboroughwaterresources.ca](http://peterboroughwaterresources.ca)

**Over 27,000 mail-outs with property tax bill,**  
June 2016

**Two public discussion sessions at City Hall:**  
June 23 and September 20

**Three focus groups, July 20, City Hall:**

- Businesses
- Residents
- Not-for-profits

**External stakeholder group meetings,**  
June 23 and Sept. 14

- Health Unit, Home Builders, ORCA, GreenUp, Council of Canadians, Green Communities Canada, Sustainable Peterborough, Trent University.

**Two on-line surveys:** 139 and 33 responses

**Farmers Market, Sept. 21**

### Themes and discussions:

- Guiding principles for decision making
- Knowledge and value of stormwater and the municipal drainage system
- Willingness to take measures to reduce stormwater on individual properties
- Funding:
  - existing funding,
  - options for developing a dedicated funding stream, and
  - level of community support

# **Stormwater System Funding**

**A Dedicated Funding Source is recommended.**

**The community understands the need:**

- Flood risk continues to be a concern
- Public health and safety
- Environmental protection and pollution abatement
- Encouraging green infrastructure

**Regulatory compliance:**

- System maintenance (Environmental Protection Act approvals - MOECC)

**Legislation/Policy:**

- Ontario's Water Opportunities Act (2010)
- Growth Plan for Greater Golden Horseshoe (2016)

# Dedicated Funding Source: Stormwater Protection Fee

Three methods considered

<b>Flat fee</b>	Everyone pays the same amount	Markham
<b>Tiered flat Fee</b>	Classify properties as S, M, L, XL	Kitchener, Waterloo, London
<b>Variable Rate</b>	Measured amount of hard surface on each property	Mississauga (most recent Ontario municipality), Halifax, Saskatoon

## Variable Rate preferred:

- Most fair = "user pay"
- Cost effective

## Dedicated Funding Source: Stormwater Protection Fee

- Phase-in period of **10 years**
- Stormwater fee on the property tax bill
- Stormwater fee part of the **All-Inclusive** rate calculation

### Stormwater rates in Year 1: Revenue target \$620,000

Zoning type (count)	% revenue	Avg. lot size	Annual fee		
			Average	Range covering 95% of properties	
<b>Residential</b> (23,568)	64.5%	0.08 ha	\$ 17	\$ 9	to \$ 32
<b>Industrial</b> (323)	12.8%	1.43 ha	\$ 246	\$ 10	to \$ 1,065
<b>Commercial</b> (858)	11.0%	0.32 ha	\$ 79	\$ 9	to \$ 508
<b>Institutional, public service, university/college</b> (250)	11.7%	2.59 ha	\$ 291	\$ 5	to \$ 1,405

## Dedicated Stormwater Fee: Community Feedback

- Roughly 50/50 support/non-support
- Those in support noted the need to
  - address climate change
  - reduce flooding and water pollution
  - protect public safety
  - encourage beneficial measures (stormwater reduction)
- Those opposed were concerned about
  - Unfairly penalizing highly-impervious properties in older parts of the City, particularly downtown commercial properties and older residential lots.
  - Impacts on low-income households
- A significant number noted their reluctance or opposition to accepting any additional fee or tax, citing increasing property taxes and the view that the City should address the infrastructure needs using the existing tax revenue.

# Sanitary System Funding

- Stay with current funding method:
  - Sewer surcharge on water bill --- this is accepted industry standard.
- All revenue should be directed to sanitary system.
- Closing the projected funding gap at 2026 would require sewer surcharge rate factor to increase from 95% to 118%.
- Over a 10-year phase-in, this equates to 2.2% rate increase annually. This will be \$9.50 per year for the average single-family residence.



# Implementation

- Phase-in period of **10 years**
- **Stormwater protection fee** on the **property tax bill**
- **Sewer surcharge** continues on **PUC bills**
- **Stormwater fee** part of the **All-Inclusive** rate calculation

## Next Steps

- Begin implementation of Stormwater Quality Master Plan
- Finalize Stormwater Rates
- Design Stormwater Credit Program
- Public education and communication with the community
- Rate implementation in 2018