



CITY OF PRINCE GEORGE

Welcome to the City of Prince George Online
Finance and Audit Committee Agenda.

Monday, November 18, 2019

12:00 p.m. - 2nd Floor Conference Room

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A. COMMENCEMENT

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C.1 [Minutes of the Standing Committee on Finance and Audit meeting held September 9, 2019](#)

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D.1 Report: [2020 - 2023 Sewer and Water User Fees](#)

Attachment: [National Water and Wastewater Benchmarking Initiative \(NWWBI\) - Water and Sewer Rate Comparisons with other Canadian Municipalities for 2017](#)

RECOMMENDATION: That the Committee:

1. RECOMMEND to Council approval of Sewer and Water capacity charge, per gallon charge and flat rate charges for each year inclusive of 2020 through 2023 to be effective January 1st of each year, as described in Option 1

presented in the report dated November 6, 2019 from the Director of Finance titled "2020-2023 Sewer and Water User Fees".

D.2 Report: [Financial Report on Significant Capital Projects](#)

RECOMMENDATION: THAT the Standing Committee on Finance and Audit receive for information, the report dated November 5, 2019 from the Director of Finance titled "Financial Report on Significant Capital Projects".

D.3 Report: [Standing Committee on Finance and Audit - 2019 Workplan](#)

RECOMMENDATION: That the Standing Committee on Finance and Audit APPROVE the 2019 Work Plan as attached to the November 18, 2019 Committee meeting agenda.

E. ADJOURNMENT

STANDING COMMITTEE ON FINANCE AND AUDIT

Minutes of the Standing Committee on Finance and Audit meeting held in the 2nd Floor Conference Room at City Hall, 1100 Patricia Boulevard, Prince George, BC on Monday, September 9, 2019 at 12:00 p.m.

PRESENT: Mayor Lyn **Hall** (Chair); Councillor Frank **Everitt** <via telephone, 12:00 p.m. to 12:45 p.m.>; Councillor Garth **Frizzell** <via telephone, 12:00 p.m. to 12:45 p.m.>; and Councillor Cori **Ramsay**

IN ATTENDANCE: Ms. Kathleen **Soltis**, City Manager; Ms. Santa **Du Preez**, Supervisor of Revenue Services; Mr. Ian **Wells**, General Manager Planning and Development; Mr. Dave **Dyer**, General Manager of Engineering and Public Works; Ms. Gina **Layte Liston**, Director of Public Works; Mr. Blake **McIntosh**, Manager of Roads and Fleet; Mr. William **Wedel**, Manager of Utilities; Mr. Walter **Babicz**, General Manager of Administrative Services; Deputy Chief Cliff **Warner**, Fire Rescue Services; Mr. Adam **Davey**, Associate Director of Community Services; Ms. Joan **Switzer**, Deputy Corporate Officer; and Ms. Leslie **Kellett**, Legislative Coordinator.

A. COMMENCEMENT

Mayor Hall called the Standing Committee on Finance and Audit meeting to order at 12:00 p.m.

B. ADOPTION OF AGENDA

Moved by Councillor Frizzell, seconded by Councillor Everitt, that the agenda for the September 9, 2019 Standing Committee on Finance and Audit meeting, BE ADOPTED.

Carried Unanimously

C. ADOPTION OF MINUTES

C.1 Minutes of the Finance and Audit Committee Meeting held August 19, 2019

Moved by Councillor Ramsay, seconded by Councillor Everitt, that the minutes of the meeting held August 19, 2019 for the Standing Committee on Finance and Audit, BE ADOPTED.

Carried Unanimously

D. REPORTS

D.1 Report dated August 19, 2019 from Mr. Adam Davey, Associate Director of Community Services, regarding 2020 – 2023 RCMP Support Services Fees and Charges.

Mr. Adam Davey, Associate Director of Community Services, provided an overview of the proposed amendments to the Comprehensive Fees and Charges related to RCMP Support Services.

Moved by Councillor Everitt, seconded by Councillor Frizzell, that the Committee RECOMMENDS to Council approval of a 3% increase for each year inclusive of 2020-2023 RCMP Support Services Fees and Charges to be effective on January 1st of each year.

Carried Unanimously

Moved by Councillor Frizzell, seconded by Councillor Ramsay, that the Committee RECOMMENDS to Council approval of amendments to the appropriate schedules of the "Comprehensive Fees and Charges Bylaw No. 7557, 2004" and "False Alarm Bylaw No. 6358, 1995".

Carried Unanimously

D.2 Report dated August 29, 2019 from Ms. Kathleen Soltis, City Manager, regarding 2020 – 2023 Proposed Fees and Charges for the Fire Protection and Emergency Response.

Ms. Kathleen Soltis, City Manager, provided an overview of the proposed amendments to the Comprehensive Fees and Charges related to Fire Protection and Emergency Response.

Discussion commenced regarding the proposed amendments and Ms. Soltis responded to questions of the Committee.

Moved by Councillor Frizzell, seconded by Councillor Ramsay, that the Committee RECOMMENDS to Council approval of a 3% increase for each year inclusive of 2020-2023 of Schedule C-4 of Comprehensive Fees and Charges Bylaw No. 7557, 2004.

Carried Unanimously

Moved by Councillor Ramsay, seconded by Councillor Everitt, that the Committee RECOMMENDS to Council the approval of all amendments to the "Comprehensive Fees and Charges Bylaw (Schedule C-4 Fire Protection and Emergency Response) No. 7557, 2004".

Carried Unanimously

D.3 Report dated August 21, 2019 from Mr. Adam Davey, Associate Director of Community Services, regarding 2020-2023 Aquatics Fees and Charges.

Mr. Adam Davey provided an overview of the proposed amendments to the Fees and Charges related to Aquatics.

Discussion commenced regarding the proposed amendments and Mr. Davey responded to questions of the Committee.

Moved by Councillor Frizzell, seconded by Councillor Ramsay, that the Committee RECOMMENDS to Council approval of a 3% increase for each year inclusive of 2020-2023 of Schedule B-4 Aquatics - Comprehensive Fees and Charges Bylaw No. 7557, 2004.

Carried Unanimously

Moved by Councillor Ramsay, seconded by Councillor Everitt, that the Committee RECOMMENDS to Council the approval of all amendments to the "Comprehensive Fees and Charges Bylaw (Schedule B-4 Aquatics) No. 7557, 2004".

Carried Unanimously

D.4 Report dated August 26, 2019 from Mr. Adam Davey, Associate Director of Community Services, regarding 2020-2023 Proposed Fees and Charges for the Prince George Conference and Civic Centre and Canada Games Plaza.

Mr. Adam Davey provided an overview of the proposed amendments to the Fees and Charges related to Prince George Conference and Civic Centre and Canada Games Plaza.

Discussion commenced regarding the proposed amendments and Mr. Davey responded to questions of the Committee.

Moved by Councillor Ramsay, seconded by Councillor Everitt, that the Committee RECOMMENDS to Council approval of a 3% increase for each year inclusive of 2020-2023 of Schedule B-3 of Comprehensive Fees and Charges Bylaw No. 7557, 2004.

Carried Unanimously

Moved by Councillor Everitt, seconded by Councillor Frizzell, that the Committee RECOMMENDS to Council the approval of all amendments to the "Comprehensive Fees and Charges Bylaw (Schedule B-3 Conference and Civic Centre) No. 7557, 2004".

Carried Unanimously

D.5 Report dated August 28, 2019 from Mr. Adam Davey, Associate Director of Community Services, regarding 2020-2023 Community Arenas/CN Centre and PG Playhouse Theatre.

Mr. Adam Davey provided an overview of the proposed amendments to the Fees and Charges related to Community Arenas, CN Centre and the PG Playhouse Theatre.

Discussion commenced regarding the proposed amendments and Mr. Davey responded to questions of the Committee.

Moved by Councillor Ramsay, seconded by Councillor Frizzell, that the Committee RECOMMENDS to Council approval of a 3% increase for each year inclusive of 2020-2023 of (Schedule B-1 Community Services – CN Centre; and Schedule B-2 Community Services – Community Arenas; and Schedule B-7 Community Services – PG Playhouse Theatre) - Comprehensive Fees and Charges Bylaw No. 7557, 2004.

Carried Unanimously

Moved by Councillor Everitt, seconded by Councillor Ramsay, that the Committee RECOMMENDS to Council the approval of all amendments to the "Comprehensive Fees and Charges Bylaw (Schedule B-1 Community Services – CN Centre; and Schedule B-2 Community Services – Community Arenas; and Schedule B-7 Community Services – PG Playhouse Theatre) No. 7557, 2004".

Carried Unanimously

- D.6** Report dated August 28, 2019 from Mr. Dave Dyer, General Manager of Engineering and Public Works, regarding Amendment to the City of Prince George Comprehensive Fees and Charge Bylaw No. 7557, 2004 Schedule A-7, A-14, and A-18.

Mr. Dave Dyer, General Manager of Engineering and Public Works, provided an overview of the proposed amendments to the Fees and Charges related to the Road Division.

Discussion commenced regarding the proposed amendments. Mr. Dyer and Mr. McIntosh, Manager of Roads and Fleet, responded to questions of the Committee.

Moved by Councillor Everitt, seconded by Councillor Ramsay, that the Committee RECOMMENDS to Council approval of amendments to the Schedule A-7, A-14, and A-18 of the "Comprehensive Fees and Charges Bylaw No. 7557, 2004", as presented in the report dated August 28, 2019 from the General Manager of Engineering and Public Works titled "Amendment to the City of Prince George Comprehensive Fees and Charges Bylaw No. 7557, 2004 Schedule A-7, A-14, and A-18".

Carried Unanimously

- D.7** Report dated August 26, 2019 from Mr. Dave Dyer, General Manager of Engineering and Public Works, regarding Amendment to the City of Prince George Comprehensive Fees and Charge Bylaw No. 7557, 2004 Schedule A-9, A-13 and A-16.

Mr. Dave Dyer, General Manager of Engineering and Public Works, provided an overview of the proposed amendments to the Fees and Charges related to the Utilities Division.

Discussion commenced regarding the proposed amendments and Mr. Dyer and Mr. Wedel, Manager of Utilities, responded to questions of the Committee.

Moved by Councillor Everitt, seconded by Councillor Frizzell, that the Committee RECOMMENDS to Council approval of amendments to Schedule A-9, A-13 and A-16 of the "Comprehensive Fees and Charges Bylaw No. 7557, 2004", as presented in the report dated August 26, 2019 from the General Manager of Engineering and Public Works titled "Amendment to the City of Prince George Comprehensive Fees and Charges Bylaw No. 7557, 2004 Schedule A-9, A-13 and A-16".

Carried Unanimously

- D.8** Report dated August 29, 2019 from Mr. Walter Babicz, General Manager of Administrative Services, regarding Proposed Amendments to Fees and Charges for Records Administration – Schedule C-3 of City of Prince George Comprehensive Fees and Charges Bylaw No. 7557, 2004.

Mr. Walter Babicz, General Manager of Administrative Services, provided an overview of the proposed amendments to the fees and charges related to Records Administration.

Moved by Councillor Ramsay, seconded by Councillor Frizzell, that the Committee RECOMMENDS that Council approve the proposed amendments to Schedule C-3 Administrative Services of "City of Prince George Comprehensive Fees and Charges Bylaw No. 7557, 2004" as outlined in the report dated August 29, 2019, from the General Manager of Administrative Services titled "Proposed

Amendments to Fees and Charges for Records Administration - Schedule C-3 of City of Prince George Comprehensive Fees and Charges Bylaw No. 7557, 2004".

Carried Unanimously

D.9 Report dated September 3, 2019 from Mr. Kris Dalio, Director of Finance, regarding 2020 Permissive Tax Exemptions.

Councillor Ramsay declared a non-pecuniary conflict of interest regarding the proposed Permissive Tax Exemption for the Two Rivers Gallery due to her involvement on the Board for the Two Rivers Art Gallery.

Ms. Santa Du Preez, Supervisor of Revenue Services, provided an overview of the proposed 2020 Permissive Tax Exemptions, excluding consideration of the Two Rivers Art Gallery.

The Committee discussed the proposed 2020 Permissive Tax Exemptions, excluding consideration of the Two Rivers Art Gallery.

Discussion commenced regarding the proposed exemptions and Ms. Du Preez, and Ms. Soltis, City Manager, responded to questions of the Committee.

Moved by Councillor Ramsay, seconded by Councillor Frizzell, that the Standing Committee on Finance and Audit RECOMMENDS that Council APPROVE the 2020 Permissive Tax Exemptions, excluding the Two Rivers Art Gallery, itemized in the attachment to the report dated September 3, 2019 from the Director of Finance titled "2020 Permissive Tax Exemptions".

Carried Unanimously

Councillor Ramsay exited the 2nd Floor Conference Room at 12:41 p.m.

Discussion commenced regarding the proposed Permissive Tax Exemption for the Two Rivers Art Gallery.

Moved by Councillor Everitt, seconded by Councillor Frizzell, that the Standing Committee on Finance and Audit RECOMMENDS that Council APPROVE the 2020 Permissive Tax Exemptions for the Two Rivers Art Gallery, as itemized in the attachment to the report dated September 3, 2019 from the Director of Finance titled "2020 Permissive Tax Exemptions".

Carried Unanimously

Councillor Ramsay returned to the 2nd Floor Conference Room at 12:42 p.m.

D.10 Standing Committee on Finance and Audit – 2019 Workplan

Discussion commenced regarding upcoming information sessions and meetings for the Standing Committee on Finance and Audit. There were no changes to note on the 2019 Workplan.

E. ADJOURNMENT

Moved by Councillor Ramsay, seconded by Councillor Frizzell, that there being no further business, the meeting of the Standing Committee on Finance and Audit BE ADJOURNED.

Carried Unanimously

The meeting adjourned at 12:45 p.m.

Mayor Lyn Hall, Chair

Certified Correct

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: November 6, 2019

TO: **STANDING COMMITTEE ON FINANCE AND AUDIT**

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: 2020-2023 Sewer and Water User Fees

ATTACHMENT(S): National Water and Wastewater Benchmarking Initiative (NWWBI) - Water and Sewer Rate Comparisons with other Canadian Municipalities for 2017

RECOMMENDATION(S):

That the Committee:

1. RECOMMEND to Council approval of Sewer and Water capacity charge, per gallon charge and flat rate charges for each year inclusive of 2020 through 2023 to be effective January 1st of each year, as described in Option 1

presented in the report dated November 6, 2019 from the Director of Finance titled "2020-2023 Sewer and Water User Fees".

PURPOSE:

The Standing Committee on Finance and Audit is requested to review the financial information described in this report and approve the proposed approach with respect to Sewer and Water user fees for 2020 through 2023.

STRATEGIC PRIORITIES:

Providing rate structures that maintain the City's self-sustaining fully funded utilities supports Council's priorities of Sustainable Finance, Sustainable Infrastructure and Organizational Excellence.

POLICY/REGULATORY ANALYSIS:

City utilities are structured to be self-funded through user fees (as per Sustainable Finance Guideline 3) that are invoiced to customers on either a quarterly or semi-annual basis. The rates are developed to provide revenues to fund operating costs, debt payments and maintain a contingency fund. In addition the user fees are required to fund new and renewal of capital infrastructure. Sustainable Finance Guideline 7.0 requires that a contingency of between 5 and 10% of current year's expenditures is to be achieved. Contingency funds are used to fund unexpected expenses and emergency costs. They also reduce the need to borrow temporarily early in the year before revenues from utility bills are received.

FINANCIAL CONSIDERATIONS:

Finance staff has completed a review of the revenue, expenditures and capital needs of the Sewer and Water utilities. That review included a projection for the years 2020 to 2024.

Cost Drivers

The Collective Agreement between the City of Prince George and CUPE Locals 399 and 1048 expires at the end of 2020 but this report has assumed an increase of 2% per year for labour costs.

The City of Prince George continues to work on an asset plan for the utilities that incorporates sustainable approaches to infrastructure management. This plan includes integrated approaches to underground and surface infrastructure renewals. Administration uses local data to determine the actual condition of assets rather than relying on standard national data. Annual average reinvestment (AAR) figures for the utilities' infrastructure are as follows:

Sewer and Water Average AAR		
Infrastructure Type	Sewer	Water
Linear Assets (underground)	\$4,180,290	\$5,260,918
Facilities	1,895,250	1,650,562
Mobile Equipment	530,125	254,865
TOTAL	\$6,605,665	\$7,166,345

Each year, the City attempts to determine, as accurately as possible, an inflationary factor that can be used in the development of capital project cost estimates. We also apply this inflationary factor to the AAR figures when considering the long-term financial plans of the utilities. This year, the City considered five different inflation options:

1. Consumer Price Index (CPI) of 2.3% – the primary challenge for this approach is that the basket of goods is consumer based (food, clothing, etc.), not construction based, and therefore does not provide us with accurate information for construction estimates;
2. City of Prince George growth rate in Gross Domestic Product (GDP) of 1.9% - this approach also struggles with showing a direct link from GDP to Infrastructure Investment;
3. Statistics Canada non-residential construction price index of 5.8% - uses average construction costs from 1981 to 2017 for building construction. Disadvantages are that it is not separated by region and building construction inflation may be different from linear infrastructure inflation;
4. Building construction price index for non-residential buildings for 11 census metropolitan areas across Canada (Vancouver – 5.7%) – provides more regional specific data but still does not take into account variations between large centres and northern communities;
5. Infrastructure construction price index by the City of Ottawa of 5.7% - this is a service developed specifically for the City of Ottawa; it could be done similarly for the City of Prince George but would require ongoing costs, time and resources to do so.

The final three inflation options are the most applicable options and so Administration has used 5% as the inflationary factor for our capital reinvestment needs.

Recommended Increases to Sewer and Water Rates

Administration has prepared three options for the Committee to consider. All options are prepared with the goal of maintaining fully self-funded utilities. Administration is recommending Option 1 as the preferred option.

Option 1 – Adjust Water Capacity Charge and Implement New Sewer Capacity Charge to align with capital cost recovery and increase the Flat Charge for Sewer and Water as described in Option 2

Administration is recommending the implementation of a two cost component structure for metered customers in the Sewer Utility. The goal is to create a system similar to the one used by the Water Utility. Currently, metered customers in Sewer are charged a per imperial gallon rate that recovers the costs associated with delivering the service. Administration is proposing that the charge to customers be split into a capital component (a static charge that is tied to the service size of the pipe to the property); and an operating component (the per imperial gallon charge that is tied to usage).

There is a large capital cost to the utility to have the infrastructure in place and ready to use at a property. The fixed charge is meant to recover this cost even if no usage is taking place. Service lines (connections) have the ability to provide flow in proportion to the pipe diameter to the 2.63 power. A 50mm (2") diameter pipe is capable of providing 6.2 times as much flow as a 25mm (1") diameter pipe. Typical residential service lines are 19mm (0.75") in diameter.

The water utility capacity charge was created in 2004 and the charge per pipe size was calculated by using the 19mm pipe as the base service to calculate the relative share of capacity costs for the metered accounts, taking into consideration flat charge accounts (assuming all 19mm services), and the annual debt servicing costs as a means to allocate the cost recovery on a 19mm equivalency basis. This is the method Administration has prepared the sewer capacity charge model on as well, but due to the City's work in recent years on Asset Management, an AAR figure is a much more accurate and reliable method on which to estimate capital costs for the utilities.

Reviewing the Water Utility using the AAR method, the capital/operating expense recovery that the City should base its revenue collection on is out of balance (we currently over-collect on the capacity charge and under-collect on the per gallon charge) by approximately \$500,000 per year. This is further confirmed by the fact that our imperial gallon charge for water is low when compared to other municipalities. Bringing the water utility billing into balance, using an estimated 2020 AAR of \$7,524,662 (this is the 2019 figure inflated at 5% for linear and facilities, and 2.5% for fleet) for the capital costs of the utility, would be:

PROPOSED WATER CAPACITY CHARGE MODEL FOR 2020				
Service Main Size	# of accounts	19mm Flow Equivalency	Total 19mm Flow Equivalency	Proportional share of AAR per account per year
19mm (0.75") (Flat Charge)	22,150	1.0	22,150	
19mm (0.75") (Meter Charge)	1,842	1.0	1,842	\$221.52
25mm (1")	484	2.0	996	\$455.92
38mm (1.5")	347	6.2	2,148	\$1,371.32
51mm (2")	247	13.4	3,315	\$2,973.16
76mm (3")	31	38.3	1,188	\$8,488.80
102mm (4")	13	83.1	1,080	\$18,404.52
152mm (6")	3	237.2	712	\$52,547.84
203mm (8")	1	507.7	508	\$112,465.84
			33,939	

This results in a lower water capacity charge than Option 2 for all customers, except the one account in the 203mm (8") category. In order to collect the same combined projected revenue as Option 2, the per gallon charge would increase for all customers from \$.00252 to \$.00340 per imperial gallon.

For the Sewer Utility Capacity Charge, an AAR method is still required but the size of pipes that provide the service are different. A 102mm (4") pipe is used for the water connections that are serviced by a 19mm-25mm pipe; a 152mm (6") pipe is used for 38mm-76mm water connections; and a 203mm (8") pipe is used for 102mm and larger water connections. Using a three-tier pipe size system and a 2020 AAR of \$6,922,695 (this is the 2019 figure inflated at 5% for linear and facilities, and 2.5% for fleet) for the capital costs of the utility, the model is calculated as follows:

PROPOSED SEWER CAPACITY CHARGE MODEL FOR 2020				
Service Main Size	# of accounts	19mm Flow Equivalency	Total 19mm Flow Equivalency	Proportional share of AAR per account per year
19mm (0.75") (Flat Charge)	21,875	1.0		
19mm (0.75") (Meter Charge)	1,833	1.0		
25mm (1")	482	2.0		
38mm (1.5")	345	6.2		
51mm (2")	246	13.4		
76mm (3")	31	38.3		
102mm (4")	13	83.1	2,009,705	\$265.54
152mm (6")	3	237.2	147,542	\$758.17
203mm (8")	1	507.7	8,631	\$1,622.68
			2,165,878	

The sewer metered charge is currently \$0.00401/imperial gallon. If the capacity charge is implemented, this charge should be reduced to only reflect the operating cost component of the utility. It is estimated that, on average, only 90% of the water that is consumed in a property will require the use of the sewer infrastructure. As the projected metered water charge for 2020 is \$0.00340/imperial gallon, it is recommended that the new sewer metered charge be \$0.00306/imperial gallon.

For years 2021 through 2023 of this option, the ongoing capacity charge increases and per gallon charge increases would match the flat charge increases as described Option 2. The only exception to this is that the Sewer per gallon charge increase would now have to match the Water per gallon charge increase in order to maintain the 90% ratio.

Option 2 – No changes to the capacity charge structure

Assuming no changes to the structure on which the City collects utility revenue, all sewer utility user fees should increase 5% per year for 2020 through 2023 and all water utility user fees should increase 3% per year for 2020 through 2023 in order to maintain revenue that offset the estimated capital and operating expenses of the utilities. The table below provides a 2018 Year history and projections for 2019 through 2023, and highlights the Single Family Dwelling (SFD) rate for information. The goal in the financial models of the utilities is to have the capital contribution to the reserve match the AAR of each utility.

SEWER	2018	2019	2020	2021	2022	2023
% Increase	0%	3%	5%	5%	5%	5%
SFD Rate	\$445.20	\$458.56	\$481.48	\$505.56	\$530.84	\$557.38
Capital Contribution	\$5,410,284	\$4,900,000	\$5,500,000	\$6,000,000	\$6,500,000	\$7,000,000
WATER	2018	2019	2020	2021	2022	2023
% Increase	0%	0%	3%	3%	3%	3%
SFD Rate	\$499.32	\$499.32	\$514.30	\$529.73	\$545.62	\$561.99
Capital Contribution	\$6,843,261	\$7,200,000	\$7,800,000	\$8,000,000	\$8,200,000	\$8,550,000

Option 3 – Modified Option 1 providing a 2-year phased in approach

Administration was directed to bring back an option that would show a two-year phased in approach to Option 1. The 19mm services receive the largest increase in Option 1, so Option 3 smooths that impact. Option 3 shows the 102mm (4") sewer pipe used for water connections serviced by a 19mm-25mm pipe being introduced at roughly 50% of the anticipated 2021 cost at full implementation.

Comparison of Options

The table below summarizes the multiple changes for the 2020 year presented in all options. It assumes an average consumption per account for each tier shown below. Low consumption users should experience lower costs than presented and high consumption users should see higher costs.

PROJECTED COMBINED SEWER AND WATER UTILITY BILLS								
Service Main Size		2019	2020 Option 1	Option 1 as a %	2020 Option 2	Option 2 as a %	2020 Option 3	Option 3 as a %
19mm (0.75") (Flat)		\$957.88	\$995.78	3.96%	\$995.78	3.96%	\$995.78	3.96%
19mm (0.75") (Metered) - Residential	Avg/gallon Cap. Charge TOTAL	335.33 <u>217.68</u> 553.01	331.73 <u>486.94</u> 818.67	48.04%	349.71 <u>224.20</u> 573.91	3.78%	331.73 <u>361.40</u> 693.13	25.33%
19mm (0.75") (Metered) - Commercial	Avg/gallon Cap. Charge TOTAL	1,035.54 <u>217.68</u> 1,253.22	1,024.44 <u>486.94</u> 1,511.38	20.60%	1,079.94 <u>224.20</u> 1,304.14	4.06%	1,024.44 <u>361.40</u> 1,385.84	10.58%
25mm (1")	Avg/gallon Cap. Charge TOTAL	1,345.64 <u>674.48</u> 2,020.12	1,331.22 <u>721.18</u> 2,052.40	1.60%	1,403.34 <u>694.72</u> 2,098.06	3.86%	1,331.22 <u>595.64</u> 1,926.86	(4.62)%
38mm (1.5")	Avg/gallon Cap. Charge TOTAL	2,659.92 <u>1,457.68</u> 4,117.60	2,631.41 <u>2,128.69</u> 4,760.10	15.60%	2,773.98 <u>1,501.40</u> 4,275.38	3.83%	2,631.41 <u>2,128.69</u> 4,760.10	15.60%
51mm (2")	Avg/gallon Cap. Charge TOTAL	5,257.90 <u>4,166.64</u> 9,424.54	5,201.53 <u>3,729.57</u> 8,931.10	(5.24)%	5,483.35 <u>4,291.64</u> 9,774.99	3.72%	5,201.53 <u>3,729.57</u> 8,931.10	(5.24)%
76mm (3")	Avg/gallon Cap. Charge TOTAL	4,351.28 <u>9,040.52</u> 13,391.80	4,304.63 <u>9,242.01</u> 13,546.64	1.16%	4,537.86 <u>9,311.72</u> 13,849.58	3.42%	4,304.63 <u>9,242.01</u> 13,546.64	1.16%
102mm (4")	Avg/gallon Cap. Charge TOTAL	27,453.77 <u>25,805.40</u> 53,259.17	27,159.47 <u>20,016.44</u> 47,175.91	(11.42)%	28,630.96 <u>26,579.56</u> 55,210.52	3.66%	27,159.47 <u>20,016.44</u> 47,175.91	(11.42)%
152mm (6")	Avg/gallon Cap. Charge TOTAL	314,478.99 <u>55,233.48</u> 369,712.47	311,107.85 <u>54,139.80</u> 365,247.65	(1.21)%	327,963.54 <u>56,890.48</u> 384,854.02	4.10%	311,107.85 <u>54,139.80</u> 365,247.65	(1.21)%
203mm (8")	Avg/gallon Cap. Charge TOTAL	78,648.10 <u>99,587.72</u> 178,235.82	77,805.02 <u>114,022.84</u> 191,827.86	7.63%	82,020.46 <u>102,575.36</u> 184,595.82	3.57%	77,805.02 <u>114,022.84</u> 191,827.86	7.63%

While the 19mm Residential customers have a large percentage increase, they are still well below the flat charge customers, on average. They also have the ability to reduce their bill further through conservation efforts.

The 19mm and 25mm Commercial customers (all the 25mm customers are commercial with the exception of two large residential accounts) also receive a high percentage increase. Examples of customers within these tiers are stratas (apartments), hotels, trailer parks, churches, laundromats and restaurants.

SUMMARY AND CONCLUSION:

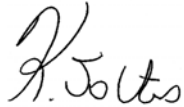
The service of the utilities and their infrastructure should be fully funded through fees paid by the users of the utility. The committee is asked to provide endorsement of the proposed user fee structure in Option 1 that provides for meeting the operational and capital expenses of the Sewer and Water utilities.

RESPECTFULLY SUBMITTED:

A handwritten signature in dark ink that reads "Kris Dalio". The signature is fluid and cursive, with the first name "Kris" and last name "Dalio" clearly distinguishable.

Kris Dalio, Director of Finance

APPROVED:

A handwritten signature in dark ink that reads "K. Soltis". The signature is cursive and stylized, with the first initial "K." and the last name "Soltis" being prominent.

Kathleen Soltis, City Manager
Meeting date: November 18, 2019

Current Assignment

System Type

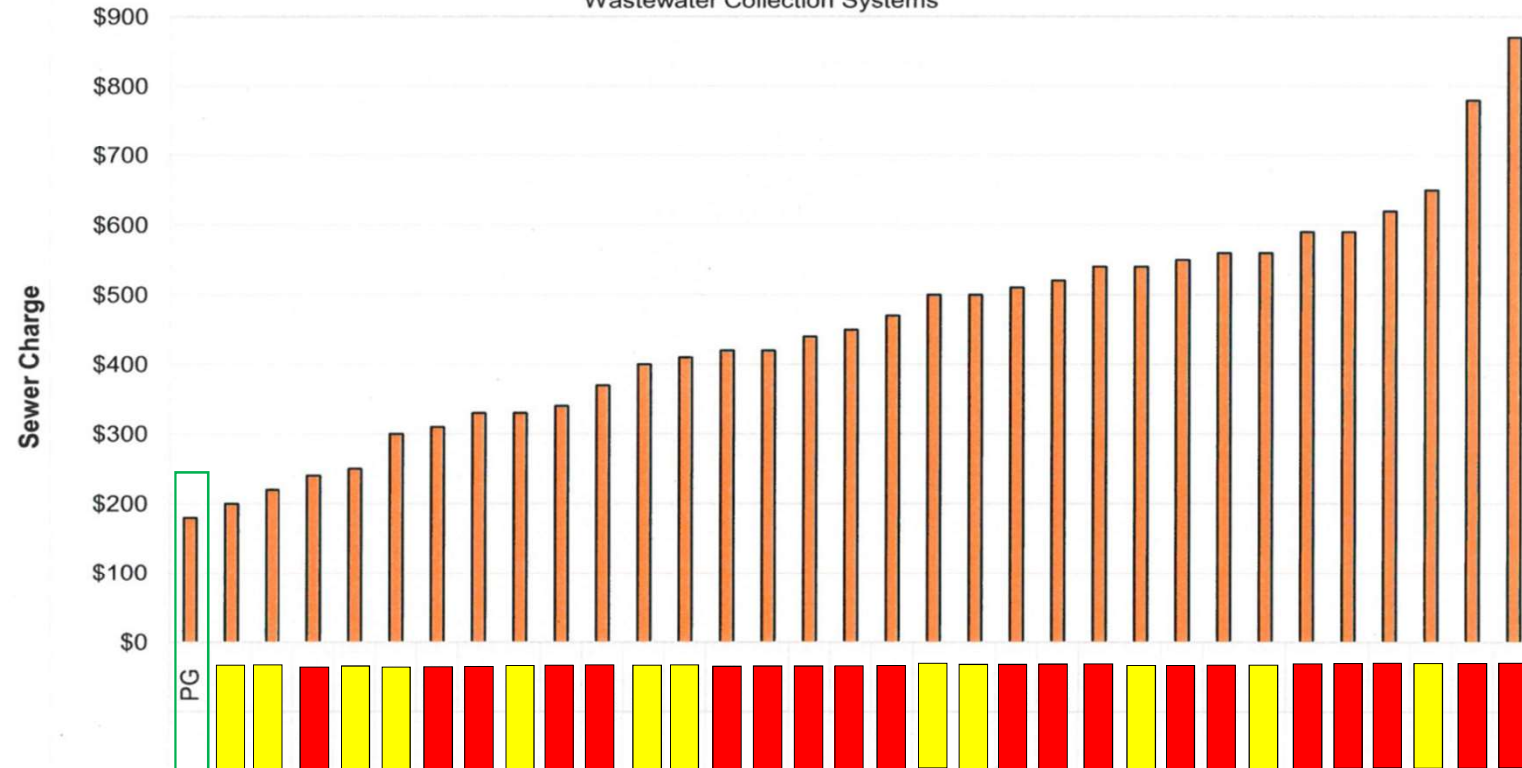
Sum of 210

Meet Service Requirements with Economic Efficiency - 1

Sewer Charge for a Typical Size Residential Connection using Canadian Average

Consumption Rate (210m³ of Water / Year)

Wastewater Collection Systems



Negative Values - no data available

X-axis - in order of increasing sewer costs

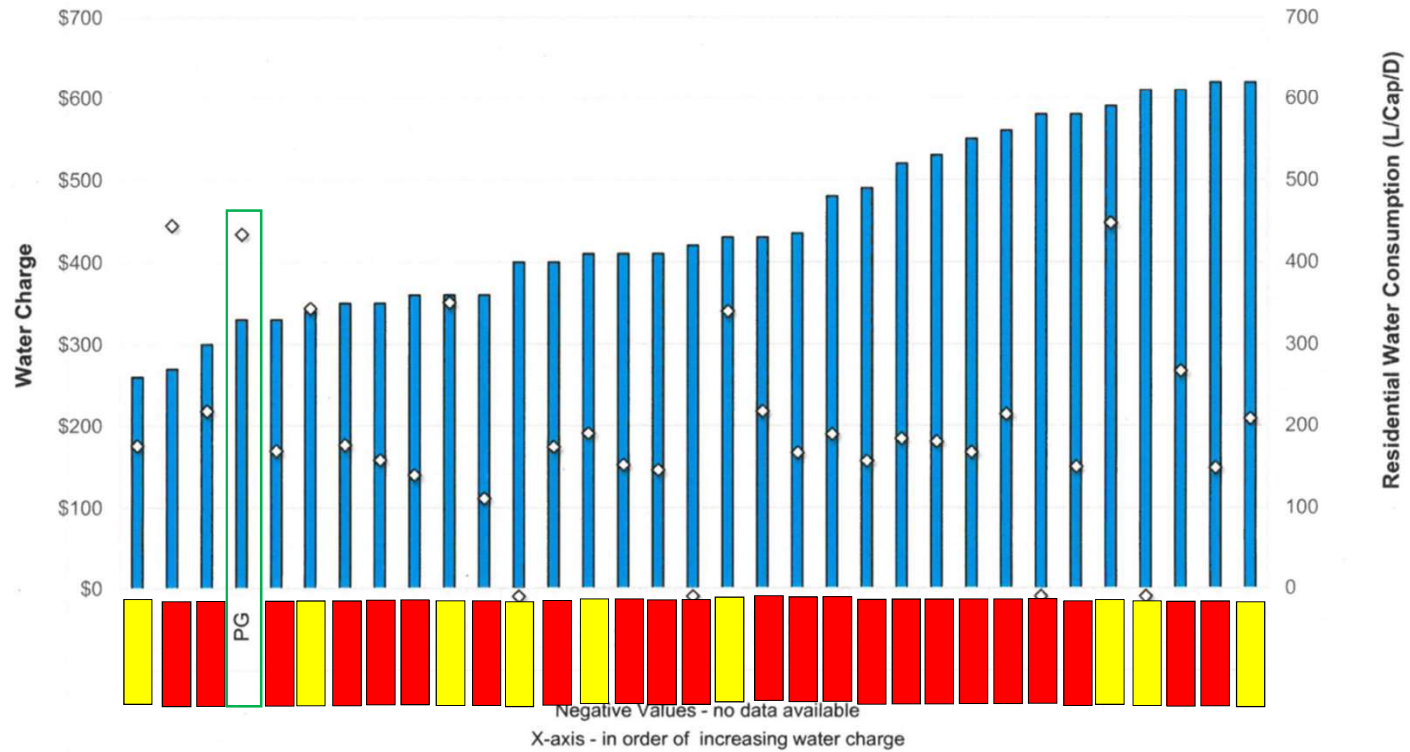
210

Abbrev

- Not Comparable to Prince George
- Comparable to Prince George
- Prince George Data

Meet Service Requirements with Economic Efficiency - 1

Water Charge for a Typical Size Residential Connection using Canadian Average Consumption Rate (210m³ / year)
Distribution and Integrated Systems



Not Comparable to Prince George

Comparable to Prince George

Prince George Data

AECOM

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: November 5, 2019

TO: **STANDING COMMITTEE ON FINANCE AND AUDIT**

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Financial Report on Significant Capital Projects

ATTACHMENT(S): N/A

RECOMMENDATION(S):

THAT the Standing Committee on Finance and Audit receive for information, the report dated November 5, 2019 from the Director of Finance titled "Financial Report on Significant Capital Projects".

PURPOSE:

The purpose of this report is to update the Finance and Audit Committee on the progress of the City's significant capital projects.

STRATEGIC PRIORITIES:

This report supports Council's priorities of Sustainable Fiscal Management, Sustainable Infrastructure and Organizational Excellence.

BACKGROUND:

Administration has prepared a list of active capital projects that have a budgeted or actual spending of \$1 million or more. This list also includes any debt-funded projects with no applied threshold.

FINANCIAL CONSIDERATIONS:

2019 Active Capital Projects

Debt-Funded, Approved Budget over \$1m, and/or Actual Spending over \$1m

Project	Total Original Budget (incl. Future Years)	Approved Amendments	Total Approved Budget	Total Actual as of Nov 5/19	Variance
Debt					
110443 - Mobile Equip Replacement	6,904,596	-	6,904,596	1,877,392	5,027,204
115339 - 2nd Ave Parkade Upgrade	2,725,000	2,444,446	5,169,446	1,396,604	3,772,842
115385 - Nechako Riverside Park	700,000	282,182	982,182	1,049,407	(67,226)
115391 - PW Yard Development	1,450,000	-	1,450,000	58,906	1,391,094
115403 - Hart Ind-Storm Drain Treatment	1,470,000	-	1,470,000	314,207	1,155,793
115409 - FSLP Replacement	42,000,000	750,000	42,750,000	6,282,882	36,467,118 *
115426 - Fire Hall 1 Replacement	15,000,000	-	15,000,000	3,273,541	11,726,459
115443 - Kelly Rd North Culvert Replace	1,100,000	-	1,100,000	657,170	442,830
115460 - AQC-Swim Meet Equipment Renewal	140,000	-	140,000	-	140,000
115461 - Aquatic Centre Parking Lot	100,000	-	100,000	-	100,000
115462 - AQC-Mech/Bldg Envelope Upgrade	8,580,000	-	8,580,000	-	8,580,000
115463 - AQC-Building Components Renew	1,385,500	-	1,385,500	99,766	1,285,734
115464 - 14th Ave Upgrades - General	1,200,000	-	1,200,000	118,993	1,081,007
115465 - Domano/St. Lawrence Signalizat	500,000	-	500,000	10,527	489,473
115466 - Hwy16W Frontage-Heyer to Henry	800,000	-	800,000	-	800,000
115468 - Goose Country Rd Culvert Replc	1,100,000	-	1,100,000	-	1,100,000
115469 - Crit St Lt/Traffic Signal Repl	5,000,000	-	5,000,000	-	5,000,000
115470 - Mausoleum Expansion Phase 2	1,400,000	-	1,400,000	-	1,400,000
115472 - Masich Stadm Amenities Refurb	2,701,000	-	2,701,000	30,490	2,670,510
115473 - Ron Brent Pk Redevelop Ph 2&3	1,675,000	-	1,675,000	-	1,675,000
115474 - Civ Fac Roofs Replace 19 to 22	4,670,450	-	4,670,450	7,500	4,662,950
314280 - KSW Sanitary Sewer LAS	-	1,944,000	1,944,000	1,653,692	290,308
314293 - Dunbar Place Sewer LAS	-	307,897	307,897	276,261	31,636 **
Non-Debt					
115187 - IT New	1,259,280	-	1,259,280	315,427	943,853
115190 - Road Rehabilitation	5,650,000	-	5,650,000	5,514,160	135,840
115208 - Computerized Mtce Mgmt System	2,472,000	-	2,472,000	1,675,627	796,373
115272 - Library New Entrance	2,472,000	1,478,000	3,950,000	1,632,809	2,317,191
115307 - Wood Innovation Square	750,000	236,331	986,331	986,331	-
115314 - McMillan Creek Crossing-Aberde	1,245,000	-	1,245,000	1,034,775	210,225
115353 - Airport Hill Drainage Control	4,000,000	-	4,000,000	3,638,564	361,436
115420 - Downtown Util Relocation-Gen	3,236,317	-	3,236,317	2,181,960	1,054,357
314229 - Danson Lagoon System Upgrade	1,745,000	-	1,745,000	655,852	1,089,148
314251 - Blackburn Lagoon Syst Upgrades	2,890,000	-	2,890,000	646,318	2,243,682
314261 - Biosolid Odour Control	1,370,000	-	1,370,000	-	1,370,000
314270 - Western Acre Lagoon Upgrade	1,640,000	-	1,640,000	157,738	1,482,262
314275 - BCR Gravity Sewer Upgrade	3,800,000	-	3,800,000	2,519,274	1,280,726
314290 - Downtown Util Relocation-Sew	602,768	5,092,968	5,695,736	5,695,736	-
314294 - WWTC Renewal	4,000,000	-	4,000,000	5,649	3,994,351
411137 - Rec Place to Massey Looping	1,345,000	-	1,345,000	1,221,489	123,511
411138 - Rec Place to PW803 Water Main	1,250,000	133,769	1,383,769	1,383,769	-
411141 - Water Main Twinning PW650-817	3,400,000	2,800,000	6,200,000	5,510,017	689,983
411145 - PW615 Emergency Power Supply	1,050,000	2,690,974	3,740,974	3,740,974	-
411161 - PW623 Booster Pump	1,420,000	-	1,420,000	39,493	1,380,507
411164 - Western Acres Water System UG	3,385,000	2,950,000	6,335,000	4,166,872	2,168,128
411167 - Hart Water Main Replacement	1,730,000	283,091	2,013,091	2,013,091	-
411192 - New Water Mains	1,698,704	-	1,698,704	3,183	1,695,521
Cancelled					
Plaza Parkade Upgrade	1,170,000	-	1,170,000	-	1,170,000 ***
Debt project totals	100,601,546	5,728,525	106,330,071	17,107,339	89,222,731
Non-Debt project totals	52,411,069	15,665,132	68,076,201	44,739,108	23,337,094
Cancelled	1,170,000	-	1,170,000	-	1,170,000
Grand Total	154,182,615	21,393,657	175,576,272	61,846,447	113,729,825

* Original budget includes \$7m for the cost of acquiring the new site and demolition of the Days Inn and existing FSLP. Approved amendment is a confirmed \$750,000 grant from RDFFG.

** Includes \$145,897 of related works that are not part of the LAS.

*** Included in Staff Report to Council "2020 Spring Security Issue Resolution and Debt Relinquishment" with recommendation to relinquish debt authorization.

SUMMARY AND CONCLUSION:

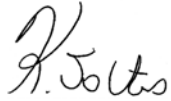
This report informs the Committee of the City's budget-compared-to-actual performance for its major capital projects and provides some knowledge leading into consideration of the 2020 - 2024 Capital Plan.

RESPECTFULLY SUBMITTED:



Kris Dalio, Director of Finance

APPROVED:



Kathleen Soltis, City Manager
Meeting date: November 18, 2019

**Standing Committee on Finance and Audit
Work Plan
Year 2019**

Month	Date	Agenda Item Description
January	21 st	• 2019 Operating Budget Options • Finance and Audit Committee Terms of Reference
February	25 th	• BC Transit Fare Review • Review 2019 Audit Plan – KPMG LLP representatives to attend • Review 2019 Assessment information – BC Assessment representatives to attend • Tax rate setting background information and options
April	29 th	• Revision of Sustainable Finance Guidelines • Report on Year 2018 investment results • Report on Reserve Funds
May	13 th	• Presentation by KPMG LLP of City of Prince George 2018 Financial Statements • Presentation of Other Controlled Entities 2018 Financial Statements (Public Library and Tourism PG)
June	13 th	• Transit Fare Review
July	29 th	• Placeholder for potential agenda items (CANCELLED)
August	19 th	• Parks and Recreation Fees and Charges • Cemetery Fees and Charges • Off-Street Parking User Fees • Solid Waste User Fees • Sewer and Water User Fees
September	9 th	• Police Support Fees and Charges • Fire Rescue Services Fees and Charges • Aquatics Fees and Charges • Conference and Civic Centre Fees and Charges • Community Arenas and PG Playhouse Fees and Charges • Roads Fees and Charges • Storm, and other Sewer/Water User Fees and Charges • Administrative Services Fees and Charges • Report on 2020 Recommended Permissive Tax Exemptions
November	18 th	• Progress and Financial Report on Significant Capital Projects • Sewer and Water User Fees with Additional Option
December	2 nd	• Report on 2020 - 2022 Operating Budget Guidelines • Draft Year 2020 Capital Expenditure Plan • Report on Snow Control Expenses • Financial Strategy on Civic Facilities • Draft 2020 Committee Work Plan