

REPORT TO: Mayor M. Collins, Chairman of the Finance Committee
Alderman D. Beamer and Members of Council

FROM: Treasurer G. Cherney

DATE: March 25th, 1991

RE: Fenwick Sanitary Sewer System
1991 Operating Budget

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RECOMMENDATIONS:

THAT Council:

- (1) Receive and adopt the Sanitary Sewer system budget for 1991;
- (2) Approve the 1991 Fenwick Sewer System surcharge of \$126 for the year;
- (3) Approve the 1991 Fenwick sewer area mill rate of 5.116 mills.

A comparison of yearly charges follows:

	<u>Sewer Surcharge</u>	<u>Area Mill Rate</u>
1991	\$126.	5.116 mills
1990	<u>93.</u>	<u>6.757 mills</u>
Increase (decrease)	\$ <u>33.</u>	<u>(1.641 mills)</u>
% Increase (decrease)	35.5%	(24.3%)

Attached for your information is a copy of sewage flows for the Fenwick System for the years 1985 to 1990 as well as the January and February 1991 flows.

The total flows for the years 1987 - 1989 were in the 15 million gallon range. Our 1990 estimate of 16 million gallons was low.

For 1991 we have used a projection of 21 million gallons which takes into account the new apartments at the old high school.

A new cost element has been added i.e. the sewer monitoring program. This cost alone although small (\$5,000) adds \$14.28 to the sewer surcharge for each unit in the Fenwick system. This amount itself contributes to 15.4% of the total increase over the 1990 rates. An additional reason for the large increase in the surcharge is the fact that the Region has increased its processing costs to the municipality by 10% (9.9 % to be exact).

On the positive side, the area mill rate will decrease by 1.64 mills or 24.3%.

For a home assessed at \$5,000 the net increase is as follows:

1991 sewer surcharge	\$126.00
Less reduction of area rate on tax bill	<u>8.21</u>
Net increase for sewer purposes	\$117.79
or	<u>26.7%</u>

Regional

This expenditure is based on projected flows for the year and represents the amount paid to the Region for processing the sewage for the Fenwick system.

Part of the sewer surcharge included on the water bills is used to pay for these costs.

Municipal

The balance of any surcharge collected is used to offset the Town's operating costs for the system which includes repairs, cleaning, sewer monitoring program, etc.

Obviously, if the Region continues to pass on large increases (10% in 1990 and 10% in 1991), the amount of money required to be raised by the surcharge will have to increase and the rates will have to escalate.

Rate increases in future years will depend on:

- (1) escalation of Regional costs;
- (2) development within the sewer area.

The new apartments at the old high school will add to the assessment base and the area will benefit from the increased assessment in 1992. As a result the mill rate can be expected to decline slightly again in 1992.

Reviewed by,



M. Hackett
C.A.O./Clerk

Prepared and Submitted by,



G. Cherney, A.M.C.T.
Treasurer

GC:jew
attach.

ENVIRONMENTAL SERVICES

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	1990 Budget	1990 Actual	1991 Budget
Sewers			
Sanitary Sewer System Fenwick			
Expenditures			
Distributed Salaries & Wages	1,250	779	1,200
Distributed Overhead	450	292	420
Debenture Principal	6,900	6,890	8,165
Debenture Interest	27,675	27,677	26,780
Materials	1,100		1,000
Cleaning Sewers	1,000		1,000
Sewage Processing Costs--Region	21,395	26,364	30,850
Sewer Main Repair	1,200		1,200
Insurance	100	55	60
Sewer Monitoring Program			5,000
Equipment Rental Own	1,100	493	500
Equipment Rental - Other	500		400
Taxes Written Off	50	108	50
Total - Sewer System Fenwick	62,720	62,658	76,625

Sewers			
Revenue:			
Frontage Charges	21,655	21,509	21,510
Sewer Surcharge on Water Bills	27,900	28,233	44,100
Penalties on overdue accounts	250	165	200
Fenwick Sewer Area Mill Rate	10,230	10,534	8,130
Interest on Investment	2,685	2,688	2,685
Total - Revenue - Fenwick Sewers	62,720	63,129	76,625

NOTES - Re: 1991 Fenwick Sewer Budget

- (1) 1991 costs are based on 21,000,000 gallons @ \$1.469 per M. \$30,850
 - (2) Sewer Surcharge approximately 350 units @ \$126.00 per year 44,100
 - (3) Total 1991 assessment in Fenwick Sewer Area 1,589,210
- Required area mill rate for 1991
- | | |
|------------------|-------------|
| 8,130 x 1,000 | 5.116 mills |
| <u>1,589,210</u> | |

FENWICK SEWER
SYSTEM BUDGET - 1991

=====	1990 BUDGET	1990 ACTUAL	1991 BUDGET	CAPITAL	MUNICIPAL	REGIONAL
Accumulated Net Revenue as at December 31	73,168	73,170	73,642	39,937	33,705	
REVENUES						
Area Rate	10,230	10,535	8,130	8,130		
Frontage Charges	21,655	21,509	21,510	21,510		
Sewer surcharge	27,900	28,233	44,100		13,250	30,850
Frontage Prepayments	2,935	2,853	2,885	2,685	200	
Interest & Penalties						
	62,720	63,130	76,625	32,325	13,450	30,850
EXPENDITURES						
Disposal Plant	21,395	26,364	30,850			30,850
Debt	34,575	34,567	34,945	34,945		
System operating costs	6,700	1,619	10,780		10,780	
Taxes written off	50	108	50	50		
	62,720	62,658	76,625	34,995	10,780	30,850
Est. Accumulated Net Revenue as at December 31	73,168	73,642	73,642	37,267	36,375	0

SEWAGE FLOWS - REGION OF NIAGARA - FENWICK

94.1 /1,000												
99.3 /1,000												
106.3/1,000												
113.7/1,000												
121.7/1,000												
133.7/1,000												
146.9/1,000												
MONTH	1985	1986	1987	1988	1989	1990	1991	YTD TOTALS	YTD TOTALS	YTD TOTALS	YTD TOTALS	YTD TOTALS
GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS
JAN.	932	1,138	1,274	1,310	1,335	1,734	1,777	1,734	1,734	1,734	1,734	2,086
FEB.	1,370	2,302	2,161	2,353	2,705	917	2,252	2,252	3,511	3,511	3,511	3,777
MAR.	1,320	3,622	3,464	3,673	4,160	1,161	3,413	3,413	5,384	5,384	5,384	3,777
APRIL	1,082	4,704	4,702	5,201	5,495	1,448	4,861	4,861	1,792	1,792	1,792	3,777
MAY	972	5,676	5,876	6,478	6,749	1,589	6,450	6,450	1,873	1,873	1,873	3,777
JUNE	919	6,595	6,936	7,698	7,857	1,443	7,893	7,893	1,432	1,432	1,432	3,777
JULY	862	7,457	7,957	8,906	8,941	1,206	9,099	9,099	1,327	1,327	1,327	3,777
AUGUST	895	8,352	8,983	10,116	10,065	1,205	10,304	10,304	1,417	1,417	1,417	3,777
SEPT.	957	9,309	10,055	11,293	11,202	1,282	11,586	11,586	1,229	1,229	1,229	3,777
OCT.	968	10,277	11,256	12,529	12,391	1,354	12,940	12,940	1,571	1,571	1,571	3,777
NOV.	1,220	11,497	12,447	13,793	13,595	1,421	14,361	14,361	1,594	1,594	1,594	3,777
DEC.	1,136	12,633	13,923	15,308	14,893	1,532	15,893	15,893	2,100	2,100	2,100	3,777