

Utility Programs

The Utility programs will require adjustments to revenues and expenditures as detailed below; however, each utility will balance to \$0 through transfers to or from Utility reserves. The only rate change will be within the new Curbside Organics program as detailed in Appendix 3.

SL&P

SL&P budgeted revenue will increase by \$8.13 million, and expenditures will increase by \$4.75 million for a net change of \$3.38 million which will be offset by an increased transfer to the capital reserves for a \$0 impact to the overall budget.

1. Additional SL&P revenue – Electrical rate increases are expected to result in additional revenue over the 2023 Operating Plan amounts of \$8.13 million.
2. Additional GIL payment from SL&P – Due to additional revenue expected within SL&P, an additional transfer to the mill rate programs for the GIL of \$1.11 million is expected.
3. Increased Fuel Expenditure– The increase fuel rates result in an increased budgeted expenditure of \$163,400 impact to SL&P.
4. Increased Electrical Expenditure – An increase in electrical rates from the 2023 Operating Plan resulted in a \$3.41 million increase in expenditures for bulk power purchases.
5. Increased Natural Gas Expenditure – Due to the increase in Natural Gas rates, Administration has increased the budgeted expenditures by \$32,900 for SL&P.
6. Inflationary Impacts - The impact of larger than normal inflation on the City's budget is still not fully understood or realized. As various agreements, service contracts and material contracts expire in 2023, Administration expects there to be an impact above and beyond what was previously planned and cannot be absorbed within existing budgets. Due to this, Administration is recommending adding \$31,000 for inflationary impacts to the SL&P 2023 budget.

Storm Utility

The Storm Utility budgeted expenditures are increased by \$52,800 which will be offset through a reduction in transfers to the capital reserves for a \$0 impact to the overall budget.

1. Increased Fuel Expenditure – The increase fuel rates result in an increased budgeted expenditure of \$40,500.
2. Inflationary Impacts - The impact of larger than normal inflation on the City's budget is still not fully understood or realized. As various agreements, service contracts and material contracts expire in 2023, Administration expects there to be an impact above and beyond what was previously planned and cannot be absorbed within existing budgets. Due to this, Administration is recommending adding \$12,300 for inflationary impacts to the 2023 budget.

Water Utility

The Water budgeted expenditures will increase by \$1.79 million which will be offset through a reduction in transfers to the capital reserves for a \$0 impact to the overall budget.

1. Increased Chemical costs – The Water Utility is expecting an increase in costs of \$1.21 million for chemicals to treat the City water.
2. Increased Fuel Expenditure – The increase fuel rates result in an increased budgeted expenditure of \$178,500.

3. Reduced Natural Gas Expenditure – Natural Gas expenditures are expected to decrease by \$167,600 due to increased rates offset by decreased consumption within the Water Utility.
4. Increased Inflationary Impacts – The impact of larger than normal inflation on the City's budget is still not fully understood or realized. As various agreements, service contracts and material contracts expire in 2023, Administration expects there to be an impact above and beyond what was previously planned and cannot be absorbed within existing budgets. Due to this, Administration is recommending adding \$217,100 to the Water Utility.
5. Increased Electrical Expenditure – An increase in electrical rates from the 2023 Operating Plan resulted in a \$352,000 increase in expenditures.

Wastewater Utility

The Wastewater budgeted expenditures will increase by \$242,800 which will be offset through a reduction in transfers to the capital reserves for a \$0 impact to the overall budget.

1. Increased Fuel Expenditure – The increase fuel rates result in an increased budgeted expenditure of \$94,600.
2. Increased Natural Gas Expenditure – Due to the increase in Natural Gas rates, Administration has increased the budgeted expenditures by \$188,800.
3. Increased Inflationary Impacts – The impact of larger than normal inflation on the City's budget is still not fully understood or realized. As various agreements, service contracts and material contracts expire in 2023, Administration expects there to be an impact above and beyond what was previously planned and cannot be absorbed within existing budgets. Due to this, Administration is recommending adding \$163,300 for inflationary impacts to the 2023 budget.
4. Decreased Electrical Expenditure – A decrease in electrical expenditures of \$203,900 is due to increased rates offset by decreased consumption.

Waste Services Utility

Overall, the Waste Services budgeted revenue will increase by \$50,500 and expenditures will increase by \$55,600 for a net change of \$5,100 which will be offset through the capital reserves for a \$0 impact to the overall budget.

1. Additional Multi-Material Stewardship Western (MMSW) funding offset through an Increased Transfer to Reserve– Additional revenue of \$2.01 million is expected due to the increased MMSW rate per household the City will receive. This is offset within the expenditures by a transfer to the Waste Minimization Reserve.
2. Reduced Curbside Organics Revenue offset by Reduced Expenditures– At the October 31, 2022, City Council resolved to include the transition funding strategy for Curbside Organics which included offsetting the reduction in revenue as the Curbside Organics Program will not be launched until May 2023. The reduced revenue of \$1.96 million will be offset through reduced expenditures of \$1.32 million and a transfer from the Waste Utilities Stabilization Reserve of \$643,100.
3. Increased Inflationary Impacts – The impact of larger than normal inflation on the City's budget is still not fully understood or realized. As various agreements, service contracts and material contracts expire in 2023, Administration expects there to be an impact above and beyond what was previously planned and cannot be absorbed within existing budgets. Due to this, Administration is recommending adding \$5,100 for inflationary impacts to the 2023 budget.