

**MALAHIDE SEWER
2022 DRAFT BUDGET**

PROPOSED RATE CHANGES

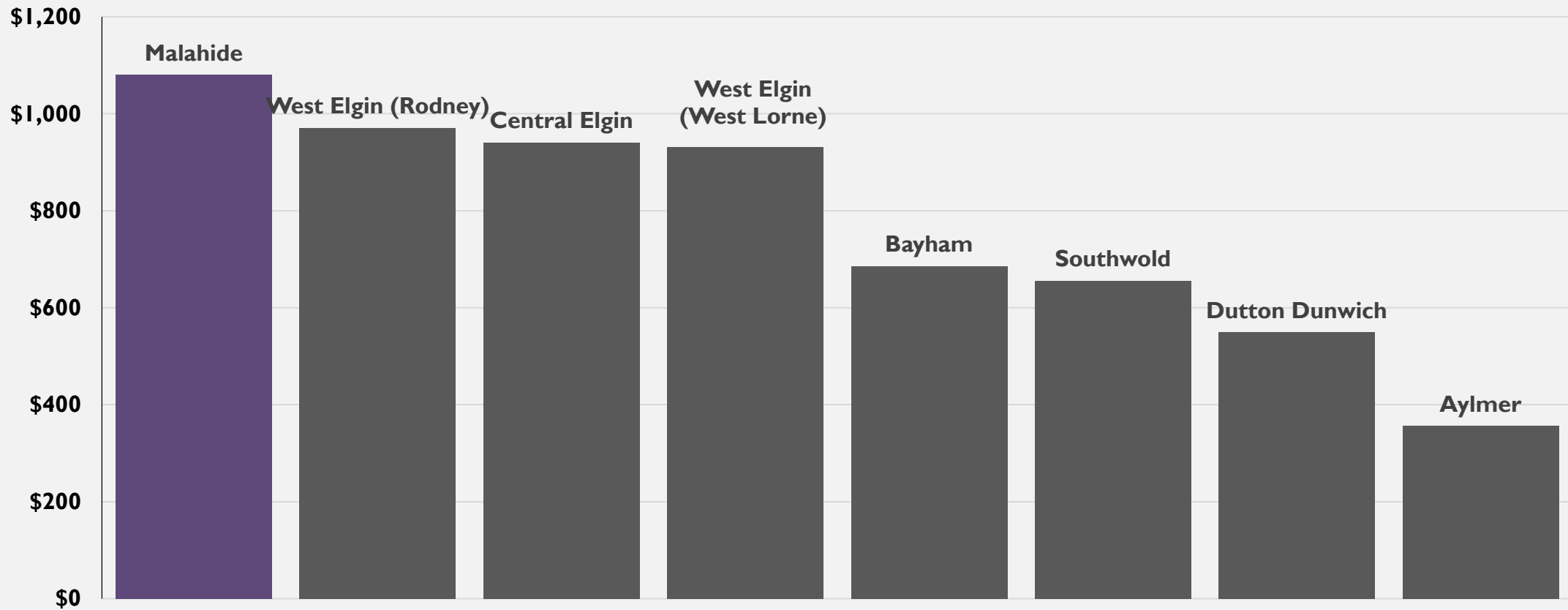
Year	Fixed Charge (per month)	Average Annual Household Cost
2022*	94.34	\$1,132
2021	90.05	\$1,080
2020	85.96	\$1,031
2019	82.05	\$985
2018	78.32	\$940
2017	74.76	\$897

* Subject to approval

If 2022's rates are approved as proposed, the average household in Malahide would pay an additional \$4.29/month for municipal water.

COMPARATIVE REGIONAL RATES (2021)

Average Annual Household Cost for Municipal Sewer



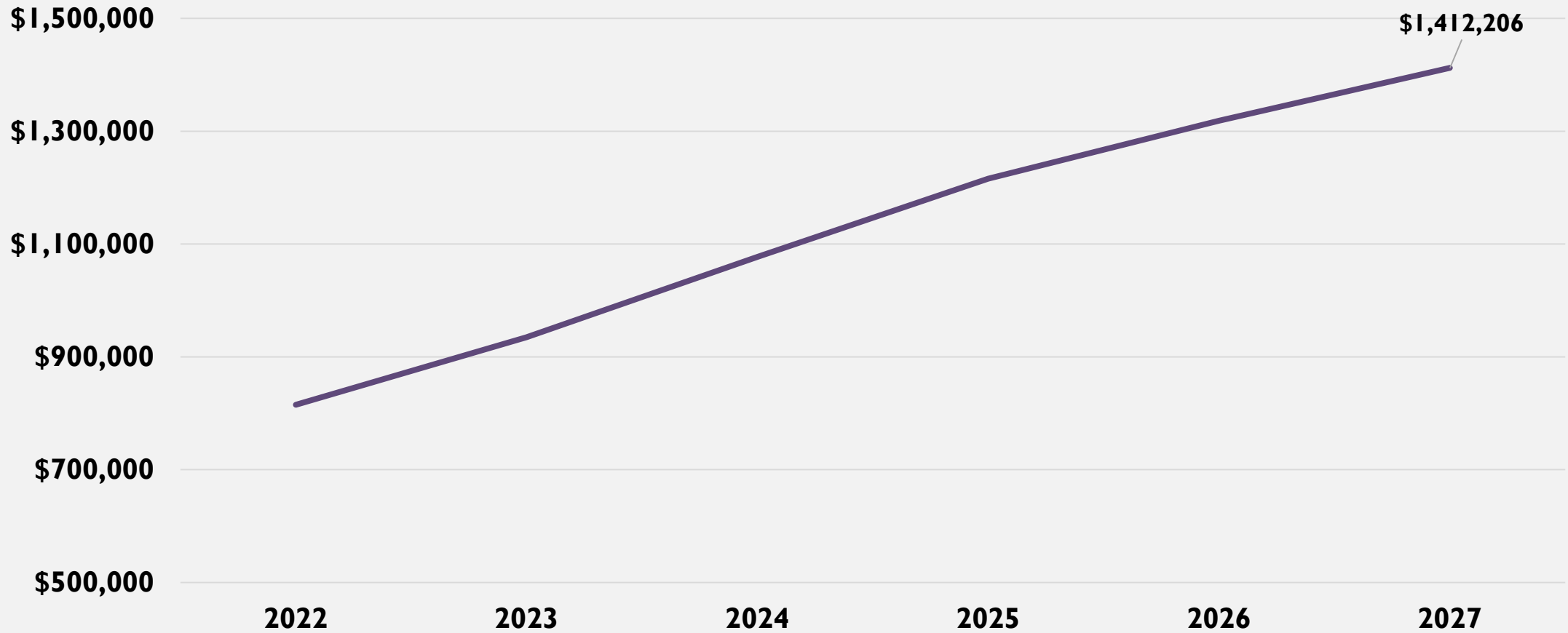
2022 BUDGET SUMMARY

How Will Additional Funds Be Spent?

Administrative Costs	(\$982)	Inflationary pressures & addressing existing budget gaps
Pumping Stations	\$875	Inflationary pressures & addressing existing budget gaps
System Operations	(\$9,281)	Removal of the budget for a one-time initiative, SCADA upgrades, in 2021 results in savings for 2022
Lagoon Operations	\$28,373	Lagoon fees have been underbudgeted for two years. 2022 lagoon operation budget has been developed in consultation with the Town of Aylmer to improve accuracy
Current and Future Capital	(\$1,843)	Slight reduction to reserve contributions to fund the operating budget without further rate increases
New Funding Raised in 2022	\$17,142	

CAPITAL & RESERVES

Projected Sewer Reserve Balance



CAPITAL & RESERVES (CONTINUED)

Why not propose an increase in contributions to reserves for 2022 like the Water Budget?

While an increase to reserves would be ideal, there are a few reasons one is not being proposed for 2022.

- 1) The Township's lacks a strong, forward-looking financial planning document to guide reserve strategy. A new rate study will provide a reserve strategy for the next decade.
- 2) The Township's sewer infrastructure is relatively new with no major capital projects being projected in the immediate future. Due to these factors, the Township will have future opportunities to improve capital funding, especially if development were to occur.
- 3) The Township already has around \$800,000 in reserves which should cover off any short-term costs.
- 4) The Township should endeavor to limit large, single-year rate increases. If rate increases are required, they are generally better received if spread over a number of years to reduce impact on residents.

OPPORTUNITIES FOR IMPROVEMENT

Opportunity	Est. Time of Completion
A New Rate Study / Financial Plan including presentation to Council	Late 2022
B Develop the Township's Asset Management Plan so that it can be integrated with the annual sewer budget	Mid 2022
C Report financial outcomes against the Township's approved rate study	2023
D Improved goal setting and financial performance metrics	2023

QUESTIONS?

