

**CITY OF BELLEVILLE
2023 BUDGET
ENVIRONMENTAL SERVICES - WATER
SUMMARY OF BASE BUDGET ADJUSTMENTS**

	<u>Expenditures</u>	<u>Revenue</u>	<u>Net</u>
2022 Water Budget	\$ 17,163,500	\$ 17,163,500	\$ -
Reversal of Previous Years Issues			
Revenue - User Fees and Grants			
Changes to revenue from new user rates		413,700	(413,700)
Other Revenue		17,000	(17,000)
	<u>-</u>	<u>430,700</u>	<u>(430,700)</u>
Financing Related			
Long Term debt charges	(13,700)	-	(13,700)
DC Fee Waivers	2,004,900	2,004,900	-
	<u>1,991,200</u>	<u>2,004,900</u>	<u>(13,700)</u>
Contractual Agreements			
Adjustments to Compensation Agreements	71,000		71,000
Adjustments to Contractual Agreements	-		-
	<u>71,000</u>	<u>-</u>	<u>71,000</u>
Other Operating Items			
Material costs	10,400		10,400
Allocated costs	198,400		198,400
Legal Expense	-		-
Hydro	(50,000)		(50,000)
Fleet costs	25,000		25,000
Property Taxes	-		-
Water Treatment Operations	87,000		87,000
Increase in Insurance costs	23,600		23,600
Other Expenses	37,400		37,400
	<u>331,800</u>	<u>-</u>	<u>331,800</u>
Net Increase/(Decrease) to Water Reserve Fund	<u>41,600</u>	<u>-</u>	<u>41,600</u>
Total Base Budget Adjustments	<u>\$ 2,435,600</u>	<u>\$ 2,435,600</u>	<u>\$ -</u>
Total 2023 Water Base Budget	<u>\$ 19,599,100</u>	<u>\$ 19,599,100</u>	<u>\$ -</u>

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BASE BUDGET ADJUSTMENT DESCRIPTION

Revenue - User fees **Net Impact** **(430,700)**

Revenue- user fee base adjustments reflect increases or decrease as a result of water rate increases and adjustments in utilization. 2023 adjustments reflect moderate increases in the water rates established under the adoption of the 2023 rates and fees (bylaw 2022-179). Rates have increased to ensure sufficient funds to cover operations as long term capital requirements.

Financing related **Net Impact** **(13,700)**

Financing related base adjustments include debt financing cost adjustments and DC fee waiver costs.

Contractual Service Agreements **Net Impact** **71,000**

Contractual service agreement budget adjustments reflect items of a contractual nature; including compensation agreements and contracted service arrangements.

Net Labour, pension and benefit cost adjustments for water in the year relate to compensation increases as well as increased pension and benefit rates.

Operating Revenue / Costs **Net Impact** **331,800**

Water operating costs have experienced an increase in the year and is driven largely by cost allocations for administrative and office space. Additional cost pressures are also being seen in chemical prices, fuel and insurance.

Net Increase/(Decrease) to Water Reserve Fund **Net Impact** **41,600**

The net increase/(decrease) to Water reserve represents the change in contribution to the Water Reserve fund. The annual operations for water should result in a contribution to reserve allowing for a balance that supports long term capital requirements and provides for operation stabilization for one-time or unexpected expenditures. The increase in 2023 is in line with the long term financing strategy for water which will allow for sufficient funding to be available for capital expenditures expected in the forecast period.