

## Request for Decision

### Elderly Water and Wastewater Rebate Program

Presented To:	Policy Committee
Presented:	Wednesday, Nov 16, 2011
Report Date	Wednesday, Nov 09, 2011
Type:	Managers' Reports

### Recommendation

THAT Council approve Option 2, providing a \$75 Elderly Water Wastewater Rebate for single dwelling residential property owners who are 65 years of age and older and who are in receipt of the Guaranteed Income Supplement (GIS) from the Federal Government; and

THAT a budget option be prepared for approval by the Finance Committee during the Water and Wastewater budget deliberations, all in accordance with the report dated November 9, 2011 from the Chief Financial Officer/City Treasurer.

### Finance Implications

If Option 2, as recommended, is approved, a budget option will be prepared and incorporated into the proposed enhancements in the 2012 water wastewater budget. The estimated cost of \$71,250 for the rebate would equate to a 0.15% increase to the overall water and wastewater user fees.

If Option 1 is approved, the estimated cost of \$47,500 for the rebate would equate to a 0.10% increase to the overall water and wastewater user fees.

If Option 3 is approved, the estimated cost of \$95,000 for the rebate would equate to a 0.2% increase to the overall water and wastewater user fees.

## Background

During the 2011 Budget deliberations, Council directed staff to investigate an affordability program for senior water wastewater customers, similar to the Elderly Property Tax Assistance Credit program that the City provides.

### GUIDING PRINCIPLES

The following principles were considered when developing this program:

#### Signed By

##### **Report Prepared By**

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Co-ordinator of Accounting  
*Digitally Signed Nov 9, 11*

##### **Division Review**

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##### **Recommended by the Department**

Lorella Hayes  
Chief Financial Officer/Treasurer  
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##### **Recommended by the C.A.O.**

Doug Nadorozny  
Chief Administrative Officer  
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- Water and wastewater services should be affordable
- Program should be consistent with water conservation goals by not encouraging wasteful use of water
- Respond to concern by low water consumers that the fixed service charge is a much larger percentage of their overall water/wastewater bill than the average consumer

## **ELDERLY PROPERTY TAX ASSISTANCE CREDIT**

The current Elderly Property Tax Assistance Credit Program provides a \$200 tax rebate to single dwelling residential property owners who are 65 years of age and older and who are in receipt of the Guaranteed Income Supplement (GIS) from the Federal Government. For 2010 the \$200 represented an approximate rebate of 10% of the average tax bill for those eligible residents who applied for the credit. Approximately and on average 950 seniors are receiving the City's Property Tax Rebate.

## **OTHER MUNICIPALITIES**

An informal search indicated that only Niagara Falls, Toronto and Hamilton provide a Water Relief Program for Low Income Families and /or seniors.

Niagara Falls offers a \$100 water account credit to homeowners over the age of 65 who reside at the property and receive the GIS.

Toronto offers a rebate for low income seniors who own and reside at the property and consume less than 400 cubic metres annually. The household income cannot exceed \$50,000 annually.

Hamilton offers a Support Program that provides assistance with Utilities arrears for low income families or individuals, Ontario Works and Ontario Disability Support Program participants.

## **ALTERNATIVE METHODS TO CALCULATE A REBATE**

There are different methods that can be considered to calculate a rebate:

- Straight discount – involves a fixed rebate on the total WWW bill
- Discount variable (usage) portion – only the portion used is discounted and the fixed portion of the bill is left untouched. This method provides greater dollar discounts to customers that use greater amounts of water, but does not promote conservation and would seem to be unfair to the average consumer
- Discount fixed portion – only the fixed service charge of the bill is discounted. From a conservation principle, customers should pay for water used
- Percentage of income – usually involves a system that charges customers for service based on a percentage of their income

Staff recommends using a fixed amount to be provided as a rebate, and that the City uses the existing eligibility requirements and processes established under the Elderly Property Tax Assistance Program. This would not add any additional administrative burden, minimize processing costs, and would be consistent with the guiding principles noted above.

Staff analyzed a sample of water and wastewater bills of 30 recipients who received the Elderly Property

Tax Assistance Credit during 2010. Of those sampled, the average annual water consumption was 142 cubic metres while the average water/wastewater bill was approximately \$690. The fixed component of the average bill was \$380.00 or 55%. In the sample of 30, 23 of those customers had fixed charges that exceeded the volumetric charge.

The intent of this water/wastewater rebate is to provide assistance to low income seniors living in their own homes and who are less able to pay for a service that does not have a lower priced alternative. This rebate would offset the financial burden that the monthly fixed rate has on low income seniors. If the applicant meets the eligibility requirements, a rebate cheque would be processed together with the Elderly Property Tax Assistance Credit.

#### **OPTIONS FOR COUNCIL'S CONSIDERATION:**

The following table provides the impact of various levels of rebates on the fixed charge component of the residential water wastewater bill:

<b>Options</b>	<b>Level of Rebate</b>	<b>% Fixed Portion of 2011 Water/Wastewater Bill</b>	<b>Estimated Total Cost</b>	<b>Est. Increase in Overall Water Rates</b>
Option 1	\$50	12.5%	\$47,500	0.1%
Option 2	\$75	18.75%	\$71,250	0.15%
Option 3	\$100	25.0%	\$95,000	0.2%
Option 4	Status quo & no rebate program	-	-	-

#### **CONCLUSION and STAFF RECOMMENDATION**

It is recommended that Council approve Option 2, a \$75 Elderly Water Wastewater Rebate to be applied to the water wastewater bill for single dwelling residential property owners who are 65 years of age and older and who are in receipt of the Guaranteed Income Supplement (GIS) from the Federal Government . If approved, a budget option will be prepared for the Finance Committee's consideration on November 24<sup>th</sup>, 2011.

Option 2 and a rebate of \$75 would translate into approximately a 10% reduction of an average water wastewater bill of those seniors deemed eligible for the rebate and would be comparable to the elderly tax assistance impact on property taxes. If approved by Council and the Finance Committee, the Elderly Tax Assistance Rebate Credit by-law and application form will be revised to include the water wastewater rebate program so that citizens need only apply once,