



THE CORPORATION OF THE CITY OF VERNON

MEMORANDUM

TO: Will Pearce, Chief Administrative Officer **FILE:** 5210-01
PC: James Rice, Director, Operation Services **DATE:** July 29, 2022
FROM: Chris Ovens, General Manager, Public Works
SUBJECT: ADDITIONAL OPERATING COSTS DUE TO DEVELOPMENT

Administration is recommending that Council consider a service level increase for additional operating costs due to development as part of the 2023 budget deliberation process. Administration typically brings additional operating cost due to development funding requests forward on a five year cycle. New development areas including additional infrastructure are recorded and tracked using the City’s Geographical Information System.

As part of the 2017 budgeting process, Council approved \$272,700 in additional operating costs due to development over the previous five years (2011-2016). The addition of seven Sanitary Sewer lift stations installed over this time period accounted for \$203,000 of the total increase. The remaining \$69,700 in annual operating costs related to construction of additional utilities and road works.

The additional infrastructure added by development since 2017 is shown in the table below. An increase in the annual operating budget of \$118,439 is required to continue regular maintenance at existing services levels.

Table 1 – Additional Infrastructure (2017-2021)

Infrastructure Type	2017	2018	2019	2020	2021	Total	Cost/Unit	Annual Cost
Sidewalk length (m)	244	598	1482	352	268	2944	\$ 1.49	\$ 4,392
Park Area (ha)	0	0	21	3	6	29	\$ 1,724.00	\$ 30,000
Storm Main (m)	208	1118	1486	341	893	4046	\$ 1.70	\$ 6,878
Sanitary Main (m)	376	1413	1499	499	980	4767	\$ 2.70	\$ 12,871
Road (Lane m)	330	2150	3170	540	0	6190	\$ 6.76	\$ 41,844
Streetlights (count)	18	23	20	6	4	71	\$ 316.24	\$ 22,453
Total Cost								\$ 118,439

RECOMENDATION

THAT Council receive the memorandum titled “Additional Operating Costs Due to Development” dated July 29, 2022, respectfully submitted by the General Manager, Public Works;

AND FURTHER, that Council authorize Administration to bring forward a service level increase for consideration during 2023 Budget Deliberations for additional operating costs due to development to be funded \$105,567 by taxation and \$12,871 from Sewer Rates.

Respectfully Submitted,

**James
Rice**

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For:
Chris Ovens
General Manager, Public Works