

DC Task Force Issues Tracker

New Issues - DC Background Study Draft Findings Comments

Context

Watson and Assoc have prepared a Draft Findings document providing capital needs, a calculation of service standards and preliminary DC calculations. The document is a snapshot and represents work in progress.

Issue:

1. As noted in the Draft Findings, the impact associated with the updated reconciliation of DC reserve funds needs to be provided.

Proposed Recommendation: Staff and Watson continue to reconcile and include DC reserve funds into DC charge calculation.

2. The DC calculation yields a per unit rate for Other Multiples and Two Bedroom + Apartments that seems counterintuitive. Firstly, because the numbers are so counterintuitive, it has the potential to cause doubt on the calculation. If the calculation is correct, and carried forward, this DC rate has the potential unintended consequence of disincentivizing the production of so called “family type” high density units.

Recommendation: Review calculation to confirm calculation correct. If correct, review alternative DC quantum better/fairly incentivize Two Bedroom + apartment units.

3. Under the Capital Needs assessment for Fire Services:
 - a) What has changed from the previous DC calculation to require a 536% increase in the per unit charge?
 - b) How does the DC calculated charge relate to the level of service from previous DC calculation? In determining the maximum DC eligible amount, what population beyond the 2051 horizon year is included?
 - c) What assumptions go into the determination of “benefit to existing” – especially for new HQ replacement.
 - d) Is there a Level of Service applied to the current potential D.C. recoverable cost?

Recommendation: Watson and staff report back on assumptions and inputs into DC calculations .

4. Under the Capital Needs assessment for Social Housing:

- a) 2019 DC Background Study provided for \$17.5 million for new housing. How can such a substantial increase be included in current DC calculation?
- b) Is there a service standard to be applied to Social Housing? There is no service standard calculation included in current calculation.
- c) This Background Study provides for gross capital cost of \$228 million and net capital cost of \$183 million. The benefit to existing of 147.3 million is 80%. The 2019 DC Background study assumed an 84% benefit to existing.
- d) How is final per unit # calculated?
- e) Is there a Level of Service applied to the current potential D.C. recoverable cost?

Recommendation: Watson and staff report back on assumptions and inputs into DC calculations .

5. Under the Capital Needs assessment for Solid Waste:

- a) What has changed from the previous DC calculation to require a 1752% increase in the per unit charge?
- b) How is final per unit # calculated?
- c) Is there a Level of Service applied to the current potential D.C. recoverable cost?

Recommendation: Watson and staff report back on assumptions and inputs into DC calculations .

6. Under the Capital Needs assessment for Solid Waste

- a) What has changed from the previous DC calculation to require a 1752% increase in the per unit charge?
- b) How is final per unit # calculated?
- c) Is there a Level of Service applied to the current potential D.C. recoverable cost?

Recommendation: Watson and staff report back on assumptions and inputs into DC calculations .

7. Under the Capital Needs assessment for Parks & Recreation Services

- a) A local service definition needs to be provided. This question is related to comments provided in Issue #6.
- b) In the absence of a Parks Master Plan, how was the DC recoverable cost estimate of \$22 million developed as compared to the 2019 DC eligible cost estimate of \$5.9 million?
- c) Is there a further discussion on post period benefit to be held?
- d) Is there a Level of Service applied to the current potential D.C. recoverable cost?

Recommendation: Watson and staff report back on assumptions and inputs into DC calculations .

8. Under the Capital Needs assessment for Water and Wastewater Services

- a) What works are triggered by the MZO lands beyond the 2051 DGA land requirements?
- b) A reduction in the water distribution component of the DC calculation from 2019 seems counterintuitive. Some further clarification requested.

Recommendation: Watson and staff report back on assumptions and inputs into DC calculations .

9. Post period benefit needs to be reviewed in the context of capital works being built to service lands beyond the 2051 horizon year. This question relates to comments provided within Issue #7

Recommendation: Staff and Watson review proposed financial framework to service those lands is fair and appropriate..