

User Fee Update and 2024 Sugarloaf Marina User Fees

City Council Meeting: July 18, 2023



PORT COLBORNE

User Fees to Consider

- VHWC – Non-resident rate (update September 1, 2023)
- Marina (2024 fees, effective September 1, 2023 to implement early registration discount)
- Next Steps

Legislation

- Subsection 391(1) of the *Municipal Act, 2001, S.O. 2001, c. 25*, as amended allows municipalities to adopt By-laws imposing fees or charges on any class of person for services or activities provided or done by or on behalf of it, for cost payable by it for services or activities provided or done by or on behalf of any other municipality or local board, and for the use of its property including property under its control
- *Building Code Act, 1992, S.O. 1992, c. 23*, as amended provides a municipality may pass by-laws imposing fees and charges
- *Cemeteries Act (Revised), R.S.O. 1990, c. C.4*, as amended, provides a municipality may pass by-laws imposing fees and charges
- *Planning Act, R.S.O. 1990, c. P.13*, as amended, provides a municipality may pass by-laws imposing tariffs, fees and charges

User Fee Principles

	Model 1 – Full Cost Recovery	Model 2 – Subsidized (Partial cost recovery)	Model 3 – Differentiated (Model 1 & 2)
Principle 1 – Benefits Principle	Yes	Yes	Yes
Principle 2 – Cost Recovery Principle	Full	Partial (improve demand, improve accessibility barriers, promote)	Full and Partial (+ balances supply and demand and recognizes the ultimate subsidized is the local tax and/or rate payer)
Principle 3 – Management of Public Assets Principle	Yes	Yes	Yes
Principle 4 – Allocation of Resources Principle	Yes	Yes	Yes

Full Cost Recovery Means

- Full cost recovery, includes people costs, direct costs, future liabilities, capital, environmental costs, administrative, implicit and social costs.

(\$50 per ton of Co2)

(overhead \approx 15 percent
all other costs)

Will fund Co2 reduction
initiatives

Asset replacement

i.e. Vale Health and Wellness Centre
i.e. Beaches
i.e. Sugarloaf Marina



VHWC Non-resident Rate

- **Model 3** – Differentiated, full cost recovery and/or subsidized user fees and charges

							2023		
Recreation + VHWC net budget before Ice Rental							\$ 2,517,480		
Less: Direct YMCA Budget							\$ 365,000		
Less: Recreation service costs attributed to YMCA and non-ice activities							\$ 181,700		
Less: YMCA allocated costs (primarily facilities)							\$ 514,400	40%	
							\$ 1,456,380	—————→	\$ 1,456,380
Rented Hours							3,200	Capacity Hours	6,100
Cost per hour before capital replacement or enviromental							\$ 455		\$ 239
Our Fees							\$57 to \$223	—————→	\$57 to \$223

VHWC Non-resident Rate

- **Model 3** – Differentiated, full cost recovery and/or subsidized user fees and charges

Fees modelled is based on average of local area municipalities

Arena	Term	2022 Fee	2023 Proposed Fee
Adult Prime (Mon to Sat 5.00pm – 10.00pm and Sun 8.00am – 10.00pm)	Per hour	\$197.35	\$223.36
Adult Non-Prime (Mon to Fri 8.00am – 4.00pm)	Per hour	\$141.60	\$136.28
Adult League/Tournament (Rental of 3 or more hours for Adults)	Per hour	\$186.75	\$207.96
Junior Hockey Team - Game	Per hour	\$162.83	\$185.84
Individual Training (half ice) (per player w/one coach; 50% of minor hockey)	Per hour	\$65.50	\$75.22
Public/Catholic Schools - Physical Education Classes	Per hour	\$50.45	\$57.52
Public/Catholic Schools - Varsity Hockey Team Practices	Per hour	\$60.20	\$69.02
Public/Catholic Schools - Varsity Hockey Team Games	Per hour	\$131.85	\$146.90
Youth Prime/Minor Hockey	Per hour	\$131.85	\$146.90
Youth Non-Prime (Adult Supervision) (Mon to Fri 8.00am – 4.00pm)	Per hour	\$80.55	\$88.50

Leagues are charged the rate in effect at the time their ice rental agreement are made for the duration of the agreement.



VHWC Non-resident Rate

- **Model 3** – Differentiated, full cost recovery and/or subsidized user fees and charges

Council directed staff to review a “non-residential” fee option ... what staff found:

- 3 of the 12 municipalities in Niagara currently use a non-resident ice rate
 - Fort Erie, Niagara Falls, and Fort Erie
- All are border cities and sometimes have American interest to use their rinks
- Niagara Falls specifically mentioned they apply the rate to groups outside of the Niagara Region
- Few non-residential rentals were reported

VHWC Non-resident Rate

- **Model 3** – Differentiated, full cost recovery and/or subsidized user fees and charges

If Council directs staff to add a non-resident ice rate, staff recommend it applies to:

- does not have a Port Colborne address; and
- customers without a regular season recurring ice permit. For the purposes of application, this means any user with fewer than 2 hours per week for the duration of the season

If Council directs staff to add a non-resident ice rate, staff recommend:

- The rate only apply for the fall/winter season (September – March)
- customers that are charged the non-resident rate will pay our highest fee which is the adult prime rate; and

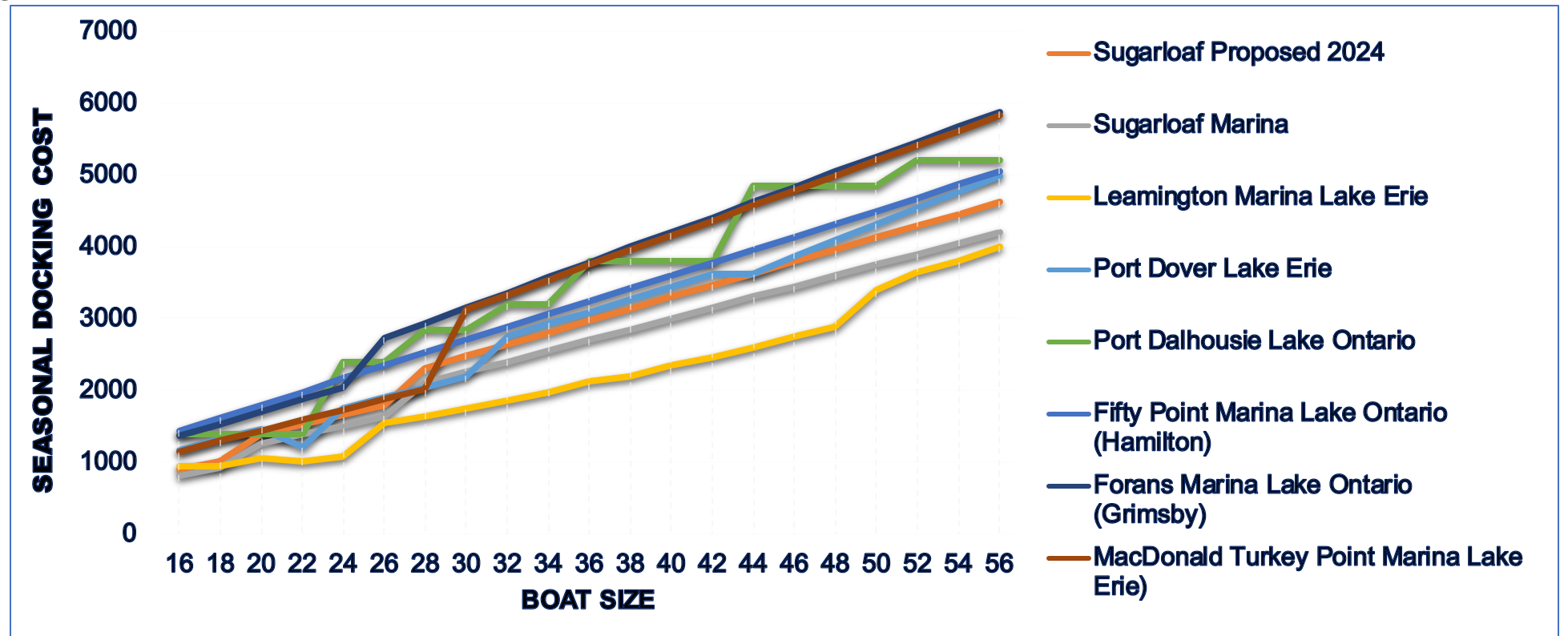
Marina

- **Model 3** – Differentiated, full cost recovery and/or subsidized user fees and charges
 - As a self-sustaining entity, by definition, the Marina costs are full cost recovery
 - The fees are differentiated based on user type that follow industry norms/practices
 - The 2024 fees are here to approve so boaters can know the 2024 fee before deciding to reserve their storage and dock for the winter and following 2024 season. An early bird registration discount of 5% of the total fee is applied if done by September 1.
 - The fee increase recommended is generally 10%. The early bird registration model effectively would reduce this to 5%.
 - Fees are attached as Appendix B



Marina

- **Model 3** – Differentiated, full cost recovery and/or subsidized user fees and charges



Thank you!