



Subject: 2024 Proposed User Fees and Charges

To: Committee of the Whole - Budget

From: Corporate Services Department

Report Number: 2023-162

Meeting Date: October 18, 2023

Recommendation:

That the Committee of the Whole recommend to Council:

That Corporate Services Department Report 2023-162 **BE RECEIVED**;

That the 2024 Proposed User Fees and Charges schedules attached as Appendices A to S of Corporate Services Report 2023-162 **BE APPROVED**; and

That the draft by-law attached as Appendix T of Corporate Services Report 2023-162 be brought forward to Council for consideration.

Purpose:

The purpose of this report is to seek Council approval to amend and replace schedules from the previously approved user fees and charges (Report 2022-244) by-law with the 2024 proposed user fees and charges schedules identified in Appendices A to S of Corporate Services Report 2023-162.

Background:

As part of the annual budget process, user fees and charges are reviewed to ensure that previously approved or new user fees and charges are complete and included in this user fee bylaw, account for changes in service, and consider market rates and cost recovery.

Section 391 of the *Municipal Act* and section 69 of the *Planning Act* provide the authority for a municipality to establish fees and charges. The fundamental principle behind user fees and cost recovery price setting is that those who actually consume and benefit from the good/service pay for it and those who do not use the good/service or

receive any benefit from it should not be obligated to pay for it. A key element is that the benefit of the service is to the individual, not the general taxpayer. The main economic reason why user charges should be levied on the direct recipient of benefits is that this improves the efficiency of the government in allocating resources in a way which creates the largest bundle of possible services demanded by the public.

Discussion:

User fees and charges were reviewed as part of the annual budget process. This review is occurring as per the approved User Fee Principles and Framework approved by Council at the May 9, 2023 meeting.

Financial Services is in the process of reviewing user fees category-by-category. As identified in the 2024 Operating (Levy) Budget, Report 2023-161, Financial Services has started with the largest user fees and those at full-cost recover. In 2024 Financial Services will expand its review as follows:

Category	Model	Model Reviewed by Finance
Engineering and Operations	1	2024
Dog Licensing	2	2024
Fire and Emergency	2	2024
Vale Health and Wellness Centre	2, 3	Yes
Parks and Pavilions	2	2024
Playing Fields and Sports Courts	2	2024
Beaches	1, 3	Yes
Roselawn Centre	2, 3	2024
Sugarloaf Marina	1, 3	Yes
Procedures for Tax Registration and Tax Sales	1	Yes
Corporate Services	1	Yes
Port Colborne Historical and Marina Museum	2, 3	2024
L.R. Wilson Heritage Research Archives	2, 3	2024
By-Law Enforcement	2	2024
Cemeteries of the City of Port Colborne	1, 2, 3	Yes
Planning and Development	1	Yes
Maintenance & Occupancy of Property (Property Standards By-Law)	1	2024
Permits for Construction, Demolition, Occupancy and Change of User, Transfer of Permits and Inspections	1	2024

Model 1 – Full Cost Recovery; Model 2 – Subsidized (Partial cost recovery); Model 3 – Differentiated

Some of the salient changes included in this proposed bylaw are as follows:

- Arena fees have been updated to reflect the average Niagara municipal ice rates of comparable times and to, in many cases, include user group liability insurance premiums. Non-resident has been redefined to be non-Niagara. Prime and non-Prime hours have been redefined to expand non-Prime time and School related rates has been consolidated. Staff believe that the impact of these changes will have no material on an organization but rather clarify user rates and provide additional opportunities to provide ice time.
- Rental facilities (including pavilions, playing fields, and meeting rooms) across the city fees have been updated to include user group insurance premiums in an effort for fees to be more transparent and to insure that groups and the City are protected.
- Beach fees were updated to reflect a new non-beachfront parking options (Zone 2 Reserved Daily Pass). Staff are reviewing the possibility of adding hourly parking fees, if proposed this will occur early in 2024.
- Marina fees have been updated to reflect the 2024 Sugarloaf Marina User Fees approved by Council on July 18, 2023 (report 2023-136).
- Corporate Services fees have been updated to include new fees for civil ceremonies, a service new to the City.
- Cemetery fees have been simplified and updated after having reviewed the operational costs of the services offered as well as the cost of maintaining the cemeteries in perpetuity. In 2022, the City underwent a full cost accounting exercise. For 2024 those fees, adjusted for cost escalation, are proposed for non-residents. Based on feedback from Council the following discounted rates are proposed for Port Colborne residents:
 - Opening and closing fees are proposed at the average rate of neighbouring municipal cemeteries of weekend and holidays.
 - Cemetery services and interment rights are proposed at the highest comparator, rounded to nearest tenth.
 - The one rate opening and closing rate, regardless of burial or cremation, is due to the fact that the City does not schedule this type of work given the lower occurrence. Therefore, any work otherwise scheduled during the day is moved to overtime.
- Planning and building fees have been increased by inflation as per recommendations during the fee setting process. As noted during the budget process, structural changes to those departments will require another review of those fees which will come in early 2024.

- Filming fees have been added to reflect the new fees proposed in the Filming Policy presented to Council on October 10, 2023 through report 2023-173.
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Internal Consultations:

Internally, user fees and charges have been discussed through the development of the 2024 Levy Budget.

Financial Services would like to thank City departments for their leadership and cooperation in updating certain user fees and charges in this report and look forward to working with others to update their user fees and charges going forward.

Financial Implications:

User fees and charges are a significant source of revenue for the City. The City will rely on \$4.2 million generated through user fees and charges to deliver the wide range of services offered in the 2024 Levy Budget. This represents a \$0.5 million increase over the \$3.7 million projected in the 2023 Levy Budget. This year-over-year change is primarily driven by a budgeted increase in planning and development fees (\$155,000) and building permits (\$293,000) resulting from anticipated growth. This increase will be realized through the changes in this bylaw and updates to be proposed in early 2024.

An alternative to the proposed fees and charges schedules would be to not increase the fees and charges and to subsidize the cost of service through the general levy tax base. This alternative is not recommended since many of these services directly benefit the user and provide little or no direct benefits to the community as a whole. Alternatively, larger increases to the fees and charges schedule could have been applied to ensure full cost recovery and no subsidization from the general tax levy. This alternative is also not recommended since larger increases may have negative impacts on lower income customers and small businesses.

Public Engagement:

User fees and charges take into account cost recovery and for significant or material user fees and charges market rates are considered when available.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
 - Welcoming, Livable, Healthy Community
 - Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
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Conclusion:

Staff recommend Council approve the proposed user fees and charges outlined in this report.

Appendices:

- a. Schedule A - Engineering and Operations
- b. Schedule B - Dog Licensing
- c. Schedule C - Fire and Emergency
- d. Schedule D - Vale Health and Wellness Centre
- e. Schedule E - Parks and Pavilions
- f. Schedule F - Playing Fields and Sport Courts
- g. Schedule G - Beaches
- h. Schedule H - Roselawn Centre
- i. Schedule I - Sugarloaf Marina
- j. Schedule J - Procedures for Tax Registration and Tax Sales
- k. Schedule K - Corporate Services
- l. Schedule L - Port Colborne Historical and Marine Museum
- m. Schedule M - L.R. Wilson Heritage Research Archives
- n. Schedule N – By-Law Enforcement
- o. Schedule O - Cemeteries of the City of Port Colborne
- p. Schedule P – Planning and Development
- q. Schedule Q - Maintenance & Occupancy of Property (Property Standards By-law)
- r. Schedule R - Permits for Construction, Demolition, Occupancy and Change of Use, Transfer of Permits and Inspections
- s. Schedule S - Filming

- t. Draft By-law to Establish User Fees and Charges

Respectfully submitted,

Adam Pigeau, CPA, CA
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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.