

Subject: Bylaw No. 21/019 - Fees, Rates and Charges 2021 Bylaw**APPROVALS:****Jamie Doyle**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT Bylaw No. 21/019, being the Fees, Rates and Charges 2021 Bylaw, be read a first time.

Summary:

As per the User Fees and Charges Policy (FIN-030), a review was completed for the user fees, rates, and charges that the Regional Municipality of Wood Buffalo (Municipality) levies for goods, services, and access to facilities. Based on this review, and taking into consideration the economic conditions currently faced by the community, it is proposed that all fees, rates, and charges (other than those levied for solid waste, water, and wastewater services) remain at their current rates. To ensure the sustainability of utility services provided by the Environmental Services Department, the movement towards direct cost recovery will continue as previously recommended and approved.

Background:

The Municipality levies fees and charges to fund for the provision of goods, services, and access to municipal facilities. As per the User Fees and Charges Policy (FIN-030), the total cost and appropriate level of subsidization of each municipal service is determined as the starting point for setting the user fee and charge, regardless of whether the full cost will be recovered.

Utility rates are considered a direct benefit to individuals, groups of individuals and businesses and, as per FIN-030, a user fee or charge will be imposed to recover the full cost of providing the service, good or access to a municipal facility. Full cost includes the direct costs and indirect costs which include operating, maintenance and overhead. In 2017, it was established that the Municipality's Environmental Services utility rates were not in line with cost to provide the service. At that time, a model based on a 10 per cent to 15 per cent year-over-year increase was developed for solid waste, water, and wastewater fees to begin recovering direct costs within 5 years. Once direct costs are achieved within the 5 years, another assessment and model will be proposed to ensure

the full recovery of all costs.

While not all fees and rates are directly comparable to other Alberta jurisdictions, curbside waste removal, water, and wastewater are equivalent. The proposed rates for the Municipality would establish an average Urban residential fee that is 5 per cent lower than the average in Alberta (based on 16 mm meter and 10 m³ monthly usage), and an average Rural residential fee that is 71 per cent lower than the average in Alberta. The average Urban residential bill would increase by \$8 per month (\$16 bi-monthly), and the average Rural residential bill would increase by \$7 per month (\$14 bi-monthly). Some rural rates are being proposed at a higher rate to bring equity between the Urban and Rural residential rates.

In addition to the utility rates (Schedule M - Solid Waste; Schedule N - Water; and Schedule P - Wastewater) a review of all other fees, rates, and charges has been completed in 2021. Due to the uncertain economic conditions caused by the current global pandemic, it is not recommended to increase user fees at this time. The Municipality, on average has fees and charges approximately 25 per cent lower than other jurisdictions in the province. While there were a few housekeeping items addressed in the proposed bylaw, none involved increases to any fees, rates, or charges. Proposed amendments include removing the electronic self-service assessment and taxation notice charge from Schedule C and removing the file search fee from Schedule K, as these charges are no longer relevant.

Budget/Financial Implications:

Revenue of approximately \$3.4 million will be added to the proposed 2022 Operating Budget, ensuring the Municipality remains on track for cost recovery.

Strategic Priorities:

Responsible Government

Attachments:

1. Bylaw No. 21/019 Fees, Rates and Charges Bylaw

2. 2021 Fees, Rates and Charges Schedule