

Subject: Bylaw No. 22/012 - Fees, Rates and Charges 2023 Bylaw

APPROVALS:

Paul Thorkelsson

Director

Chief Administrative Officer

Recommended Motion:

1. THAT Bylaw No. 22/012, being the Fees, Rates and Charges 2023 Bylaw, be read a second time.
2. THAT Bylaw No. 22/012 be read a third and final time.

Summary:

As per FIN-030 User Fees and Charges, 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 benchmarking across numerous Alberta municipalities, it is proposed that fees, rates, and charges be increased as summarized in the attached Fees, Rates and Charges - Schedule 2023.

Within Park and Roads, Schedules F, G and I, fees and rates have been assessed as being significantly subsidized, and increases have not been implemented in recent years.

Annual increases to Utility Services under Schedules N and P, are necessary to continue towards a cost neutral position, as previously directed by Council in 2017.

Background:

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

A review of all fees, rates, and charges has been completed in 2022. The Municipality on average has fees and charges significantly lower than other jurisdictions in the Province. Proposed increases have been carefully assessed through benchmarking

with other jurisdictions and analysis of direct operating costs. In consideration of citizen impacts, effective dates of rate increases may vary (as defined in the attached Fees, Rates and Charges - Schedule 2023) to ensure fairness and limit impacts to annual program scheduling.

Recommendations for increases are related to the direct benefit of individuals or groups where a significant level of subsidization occurs. The recommended increases, in most cases, will still be the lowest in the province. The primary areas for adjustment are summarized in the following paragraphs:

- An expert external assessment of fees associated with cemetery and columbarium permits and services was recently conducted, identifying a multi-year plan to ensure longevity in service offerings, while reducing the level of subsidization to approximately 50% in 2023 and 40% in future years. (Refer to Schedule F - Parks and Roads)
- Facility operators have indicated that the current ice surface rental fees are being provided at a deficit. Recommended rate increases are still lower than the average benchmark in Alberta. Through user group consultation, increased rates are recommended to be increased in September 2023, to reduce the impact to sport program planning. (Refer to Schedule G - Recreation and Culture)
- The current transit fees, for a one-way fare, are lower than other Alberta jurisdictions by 67% to 140%. The total revenue from fares based on the current rates, results in a subsidization of more than 90%. The proposed 2023 increases will still be lower than other jurisdictions by 25% to 80%. (Refer to Schedule I - Transit Services).
- Utility rates are considered a direct benefit to individuals, groups of individuals and businesses. Due to historical subsidization levels, the Municipality currently continues to subsidize all utilities. Annual increases of 10 to 15% are recommended, as previously directed by Council December 14, 2021, to move towards a cost neutral service. (Refer to Schedules N and P)

Minor increases or reductions have occurred as indicated in the various schedules.

Budget/Financial Implications:

Estimated revenue of approximately \$3,500,000 will be added to the proposed 2023 Operating Budget, to reduce the overall subsidization of various fees, rates and charges funded by the Municipality through its tax revenue.

Strategic Plan Values:

Fiscal Management

Attachments:

1. Bylaw No. 22/012 - Fees, Rates and Charges 2023 Bylaw

2. 2023 Fees, Rates and Charges Schedule of Fees

Fees Rates and Charges Bylaw Presentation