

Subject: User Fees, Rates and Charges - Bylaw Nos. 19/023 and 19/024**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

1. THAT Bylaw No. 19/024, being the Fees, Rates and Charges Bylaw, be read a second time.
2. THAT Bylaw No. 19/024 be read a third and final time.
3. THAT Bylaw No. 19/023, being the Fees Amending Bylaw, be read a second time.
4. THAT Bylaw No. 19/023 be read a third and final time.

Summary:

As per FIN-030 User Fees and Charges, a comprehensive cost analysis was completed for all user fees and charges that the Regional Municipality of Wood Buffalo ("Municipality") levies for goods, services and access to facilities. Based on this analysis, several user fees and charges are recommended to be adjusted and implemented in 2020.

Background:

The Municipality levies fees and charges to fund the provision of goods, services and access to facilities. A fee is imposed to regulate an activity and result in the purchase of a privilege or authorization to engage in a certain activity while a charge is a payment for goods, services or access to a facility, such as water, wastewater, transit and other recreational activities. As per FIN-030 User Fees and Charges, the total cost and appropriate level of subsidization of each municipal service will be determined as the starting point for setting the user fee and charge, regardless of whether the full cost will be recovered.

Financial Services completed a comprehensive cost analysis of all user fees and charges, to update the Municipality's user fees and charges model, and calculate the

full cost of providing services within the community. Working with each department, a total cost for each user fee and charge was determined, including both direct and indirect costs, level of subsidization required, as well as benchmarking against other Alberta jurisdictions.

Where it is determined that a service, good or access to a municipal facility provided by the Municipality provides a direct benefit to individuals, group of individuals or businesses, a user fee or charge will be imposed to recover the full cost of providing the service, good or access to a municipal facility. Utility fees and charges are part of the direct benefit, a model has been developed to recover direct costs over the next 5 years followed by assessing the needed fees and charges to recover full cost once direct cost is realized.

Where it is determined that a service, good or access to a municipal facility provided by the Municipality provides a direct benefit to individuals, group of individuals or businesses, but also results in benefits to the public, such will be partially funded by means of a public subsidy from the Municipality's general revenue.

Financial Services researched other Alberta jurisdictions to determine if the Municipality's user fees and charges were reasonable. While not all fees were comparable because of their specific nature, on average the Municipality's user fees and charges were approximately 25% lower than other jurisdictions within the Province.

Throughout the cost analysis, it has been determined that additional bylaws are required to document all user fees and charges, as well as a centralized bylaw which will contain the fee amounts for all municipal bylaws.

Budget/Financial Implications:

Additional revenue of \$3.1M from increased user fees and charges will be built into the proposed 2020 Operating Budget.

Rational for Recommendation:

As per FIN-030 User Fees and Charges, the total cost and appropriate level of subsidization of each municipal service will be determined as the starting point for setting the user fee and charge.

Strategic Priorities:

Responsible Government

Attachments:

User Fees, Rates and Charges - Presentation PDF

1. Bylaw No. 19.023 Fees Amending Bylaw

2. Bylaw No. 19.024 Fees, Rates and Charges Bylaw

3. User Fees, Rates and Charges - Schedule

4. User Fees, Rates and Charges - Benchmarking Analysis