



STAFF REPORT

Meeting Date: November 12, 2024

Title: User Fees and Charges Effective January 1, 2025

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Department: Finance

Report Number: Finance-2024-033

Recommendation:

THAT Council approves the recommended user fees and charges effective January 1, 2025.

Background:

In 2021, the City developed a new User Fee Policy that provides Department Managers with principles, guidance, and direction on establishing user fees and charges.

From the Policy:

To facilitate the review of user fees and evaluation of cost recovery rates, user fees are categorized based on the following classification:

- i. Market-Based: Fees in this category are compared annually to rates charged by other service providers for the same or similar services to ensure that market competitiveness is maintained.*
- ii. Province-Legislated: Fees in this category are legislated by the Province.*
- iii. City Policy: Fees in this category are determined by City policy and recover less than the full cost of providing the service.*
- iv. Full Cost Recovery: Fees that require 100% cost recovery will be updated to recover the full cost of providing the service and will be effective on January 1 of each year, subject to Council approval, or the start of the program offering.*

- v. *Subsidized: Fees that are subsidized should be updated to ensure alignment with Council established subsidy targets.*

Fees that require less than 100% full cost recovery may be adjusted for inflationary changes. Authority is delegated to the Treasurer, through consultation with the Finance Committee, to determine the annual inflationary adjustment to each user fee.

User fees reviews should re-evaluate the assumptions upon which the user fee is based and the degree to which the User Fee Policy is complied with. The review will be coordinated between the Finance department and each program Manager and will include the following:

- *List of user fees along with primary beneficiaries of the relevant services;*
- *Full cost of providing each user fee services;*
- *User fee revenues generated for each service;*
- *Indication of whether subsidies are to be provided and why along with criteria for waiving the fee in whole or in part, if applicable;*
- *Service levels and standards established to deliver the service as well as actual performance levels that have been reached, and other relevant performance metrics.*

Any changes to the user fees will be incorporated in the rates and fees schedule for Council consideration.

Discussion:

Department Managers were asked to review all department user fees and charges and submit their recommended changes to the existing fees and charges.

For 2025, the inflationary increase of 4% was recommended (*Fees that require less than 100% full cost recovery may be adjusted for inflationary changes.*).

The attached schedule shows the recommended user fees and charges for 2025 that Managers put forward.

A By-law will be brought forward in November/December for Council to approve associated with the approved fees and charges effective January 1, 2025.

Attachments (Reference Material):

- Fees and Charges By-Law Schedule – Proposed Rates for 2025