

City of North Bay Report to Council

Report No: CORP-2023-010

Date: December 19, 2022

Originator: Shannon Saucier

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: City of North Bay User Fees – City Departments and Fire and Emergency Services

Closed Session: yes ☐ no ☒

Recommendation

1. That Council authorizes the City Clerk to amend the user fees charged by the various City Departments (By-law No. 2019-07, as amended) and Fire and Emergency Services (By-law No. 2019-08) as outlined in Report to Council No. CORP 2023-010 dated December 19, 2022 from Shannon Saucier.
2. That Report to Council No. CORP 2022-010 be referred to a Public Meeting to be held on January 10th, 2023.

Background

Municipalities in Ontario are responsible for ensuring that the delivery of local services is undertaken in accordance with the provisions of Provincial legislation. To offset the cost of providing services, municipalities have the authority under Section 391(1) of the Municipal Act to impose a fee or charge on individuals who benefit directly from the service. The rationale for imposing user fees is that those who clearly benefit from a service should be the ones to pay for it.

Like other Ontario municipalities, user fees and charges represent a significant source of revenue for the City. User fees accounted for approximately 6% of total revenue within the City's 2022 Operating Budget.

It is the City's practice to approve user fee schedules for a four year period that aligns with the term of Council. Following approval, departments will continue to review the schedules on an annual basis as part of the City's budget process to ensure that fees continue to reflect the cost of services

provided and to consider whether or not there are any opportunities to introduce new fees.

Financial/Legal Implications

See Options/Analysis section for Financial Implications.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Provide smart, cost effective services and programs to residents and businesses
- Ensure that Council and staff have a shared perception and goals

Options Analysis

The proposed user fees for 2023 to 2026 for Various City Departments and Fire and Emergency Services are attached to this report as Schedules A through N. For comparison purposes, the current 2022 rates in effect have also been included in the attached schedules.

In establishing the user fees rates, departments reflected upon: 1) the current fees in effect and whether or not the fees were still appropriate based on changes within operations and services provided; and 2) on opportunities to introduce new fees. New fees may not be reflected in the 2023 budget as user fees are subject to user reactions and revenues are not predictable until time passes. It is recommended that the ice rental rates for 2023 come into effect on July 1st, 2023. All other fees are recommended to come into effect on February 1, 2023.

There are significant differences between departments within the City with respect to the percentage of operating costs recovered through user fees. Specifically, administrative costs such as finance, information technology and human resources are generally not included in the analysis of costs as these expenses are not allocated to operating departments within the City's budget. In addition, corporate costs, such as debt servicing and capital expenditures, are also typically excluded from the analysis of the total cost of providing a specific service. The recovery rates are dependent upon factors such as, the level of departmental direct and indirect cost recovery, user fee policies in affect within various departments, as well as, the reasonableness of change in the fee.

The City of North Bay currently does not have an overarching user fee policy

as part of its Long Term Financial Plan. In the absence of a user fee policy, departments have been asked to prepare the enclosed fee schedules using their professional judgment of their respective businesses, the type of service under consideration (as certain services are better suited for full cost recovery than others) and the potential impact of changes to user fees on residents and other users, as well as, understanding comparative rates in other jurisdictions. Generally, the user fees enclosed are very conservative and do not reflect a full cost recovery methodology.

Recommended Option

1. Council authorizes the City Clerk to amend the user fees charged by the various City Departments (By-law No. 2019-07, as amended) and Fire and Emergency Services (By-law No. 2019-08) as outlined in Report to Council No. CORP 2023-010 dated December 19, 2022 from Shannon Saucier.
2. That Report to Council No. CORP 2022-010 be referred to a Public Meeting to be held on January 10th, 2023.

Respectfully submitted,

Name: Shannon Saucier, CPA, CA

Title: Director, Financial Services / Deputy Treasurer

I concur with this report and recommendation

Name Karen McIsaac, Dipl. M.A.

Title: City Clerk

Name Peter E.G. Leckie, B.A. (Hons.), LL.B.

Title: City Solicitor

Name Domenic Schiavone

Title: Director Public Works and Parks

Name Jason Whiteley

Title: Fire Chief

Name Ian Kilgour, MCIP, RPP

Title: Director, Community Development and Growth

Name John Severino, P.Eng., MBA

Title: City Engineer – Infrastructure and Operations

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name David Euler, P.Eng., PMP

Title: Chief Administrative Officer

Personnel designated for continuance:

Shannon Saucier, CPA, CA

Director, Financial Services / Deputy Treasurer

Attachments:

- Schedule A – Building Department
- Schedule B – City Clerk’s Department
- Schedule C – City Solicitor’s Department
- Schedule D – Engineering, Environmental Services and Works Department
- Schedule E – Financial Services Department
- Schedule F – Parks, Recreation and Leisure Services Department (Athletic Fields)
- Schedule G – Parks, Recreation and Leisure Services Department (Steve Omischl Sports Field)
- Schedule H – Parks, Recreation and Leisure Services Department (Athletic Fields – Park/Shelter)
- Schedule I – Parks, Recreation and Leisure Services Department (City Arenas)
- Schedule J – Parks, Recreation and Leisure Services Department (Park Vendors)
- Schedule K – Parks, Recreation and Leisure Services Department (Waterfront Marina Slip Rental)
- Schedule L – Planning Services Department
- Schedule M – Transit Department
- Schedule N – North Bay Fire and Emergency Services