



Legislation Text

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TAMRMS#: B06

Presentation of 2018 Fees & Charges

Presented by: Anne Victoor, Financial Services Manager

RECOMMENDATION(S)

1. That the proposed new rates as indicated in the attachment titled "City Council Policy C-FS-16, Municipal Fees and Charges, Schedule 12, Master Rates and Bylaws Fees and Charges" to the Council Agenda Report dated August 21, 2017, be incorporated into the appropriate amending bylaws for fees, charges and fines and presented to Council on September 5, 2017 for consideration.
2. That Council provide notices of motion by August 25, 2017 for any proposed changes to fees and/or fines contained in bylaw or governed by Council Policy C-IS-02 Wastewater Service Line Disruptions and Maintenance to be debated at the September 5, 2017 Council meeting.
3. That the rates governed by Council Policy C-FS-16 Municipal Fees and Charges, Council Policy C-IS-02 Wastewater Service Line Disruptions and Maintenance and contained in bylaws, be used in the development of the 2018-20 Municipal Operating Budget and the 2018 Utility Operating Budget.

PURPOSE OF REPORT

Administration is proposing adjustments to the City's municipal fees, charges and bylaws, as part of the 2018-2020 Municipal Budget Process. The adjustments are designed to reflect Council's policy direction where applicable. The budget impact of the recommended adjustments is detailed in the report below.

COUNCIL DIRECTION

Council Policy C-FS-16, Municipal Fees and Charges, states:

"The City Manager shall review and set fees for the programs, services, goods and requirements noted within this policy. The City Manager shall also advise Council annually of these fees during the budget process."

Council Policy C-FS-16, Municipal Fees and Charges - Schedule 12 - Fees Contained in Bylaw states:

"Council shall set fees contained within bylaw. The City Manager shall make recommendation(s) as to the appropriate fee, as necessary."

BACKGROUND AND DISCUSSION

User fees are a critical element of a municipality's revenue mix. Together with government transfers and property taxation, they represent a significant portion of the City's revenue stream. User fees also reflect the City's support for a 'user pay' philosophy, such that wherever possible, the user of a particular program or service pays the cost of delivering or providing that program or service.

There are four types of fees/fines which are listed below:

1. The first type of fee is a non-optional user fee set in a stand-alone bylaw or the *Master Rates Bylaw 1/82* and requires Council approval to make changes. These fees are regulated and there is no ability to opt out without amending or repealing a bylaw. This includes services such as development permits, building permits, tobacco retail licensing and electrical fees.
2. The second type of fee is within Council Policy C-IS-02 Wastewater Service Line Disruptions and Maintenance relating to wastewater service disruption callout charges.
3. The third type relates to fines that are within bylaw which are levied to individuals not complying with a bylaw. However, fines are set at an appropriate rate in order to act as an effective deterrent to certain behaviour and are not intended to be used for revenue generation. Adjusting levels of fines is done in conjunction with a corresponding review of the bylaw to determine if the fine is having the desired effect on deterring behaviour, for example, exceeding noise regulations under the Noise Bylaw or operating a local business without a required license.
4. The fourth type relates to "optional" fees that are covered within the attachment titled "Council Policy C-FS-16 Municipal Fees and Charges". This policy delegates approval to the City Manager and to be used in the development of the 2018 Municipal Operating Budget. Fees within this policy are charges that users pay if they wish to access or use an "optional" service. This includes services such as recreational memberships, facility rentals and transit fares.

The revenue for fees and fines are found in both the Municipal and Utility Operating budgets.

Review Process

Departments responsible for fees covered in the attachment titled "Council Policy C-FS-16 Municipal Fees and Charges" will start the rate review process at the beginning of the calendar year following the policy outlined within each schedule. The policy can include a defined methodology, market comparables, benchmarks, cost recovery and other research to determine the fee adjustment. For example, the policy in Schedule 5 - Arden Theatre Rental Fees states that fees shall be calculated considering both direct cost and market comparators, but with an emphasis on maximizing flexibility and business opportunities. Exceptions to fees shall only be made when different rates are specified in any contractual arrangement that is approved by Council. The rate adjustments are reviewed by the City Manager for approval and presented to Council as information.

Departments responsible for a fee and/or fine covered in a stand-alone bylaw or the Master Rates

Bylaw 1/82 will review the bylaw with any fee and fine adjustments revised through amendment of the bylaw. Proposed fee and fine adjustments are consolidated and presented in an agenda report for Council consideration and approval. Once approved, the Bylaw will be consolidated to include the proposed changes.

This report provides all proposed fee and charge adjustments to Council as part of the annual budget process.

Details of Proposed Changes

1. Fees in Master Rates Bylaw 1/82 and other bylaws (Changes requires Council approval)

Amendments to fees established by bylaw are being recommended to Council for approval. The impact of all proposed fee increases will equate to additional revenue of approximately \$48,800 to the Municipal Operating Budget. No new schedules are proposed for the 2018 budget. The individual schedules can be found in the attachment titled "City Council Policy C-FS-16, Municipal Fees and Charges, Schedule 12, Master Rates and Bylaws Fees and Charges" with changes to rates marked in red.

2. Fees contained in Council Policy C-IS-02 (Adjustments made by Administration as per Policy)

Fees approved through Council Policy C-IS-02 have been calculated based on their specified policy criteria. There are proposed rate changes to reflect the increased cost of undertaking the work which equate to additional revenue of approximately \$5,100 to the Utility Operating Budget. The fee schedule can be found in the attachment titled "Fees Defined by City Council Policy C-IS-02, Wastewater Service Line Disruptions and Maintenance" with changes to rates marked in red.

3. Fines contained in bylaws (Council approval required only if changes to fines are desired)

The fine rates are set at an appropriate level and are having the desired effect of deterring behavior and no additional revenue is generated. The fines schedules can be found in the attachment titled "Fines and Penalties Schedule", and are provided for information purposes only.

4. Recommended Fee Revenue from Council Policy C-FS-16 (City Manager approved as per Policy)

Fees approved through Council Policy C-FS-16 have been calculated based on their specified policy criteria as outlined in their respective schedules. These fees have already been approved by the City Manager as per delegated authority and are presented to Council as information.

Administration, at the request of Council, recommends the introduction of two new products:

- A senior/student LOCAL monthly pass
- A low-income monthly commuter pass (to be known as the All-Aboard program)

These services provide an essential community service to vulnerable members of the community and align with products offered by our regional partners. These reduced rate products facilitate access to

employment, educational opportunities and reduces the risk of senior isolation.

The impact of Schedule 1 - 11 rate increases equates to additional revenue of approximately \$114,000 added to the 2018 Municipal Operating Budget. The fee schedules can be found in the attachment titled "C-FS-16 Fees and Charges Schedule" with changes to rates marked in red. The total impact of all Fees/Charges/Fines/Penalties is approximately \$162,800 increase in revenue to the Municipal Operating Budget and \$5,100 increase in revenue to the Utility Operating Budget. The summary can be found in the attachment titled "Fees and Charges Budget Impact Summary".

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

- Approval of the recommendation will generate \$162,800 in Municipal Operating Revenue and \$5,100 in Utility Operating Revenue. This will provide funding for the delivery of various municipal programs and services while continuing to support the City's user pay philosophy.

Legal / Risk:

- None at this time.

Program or Service:

- None at this time.

Organizational:

- None at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendation, the following alternatives could be considered:

- a) Leave fee(s) unchanged from prior year. This will result in lower forecasted revenue generated from user fees.
- b) Make changes to specific fees by resolution or bylaw. This may result in a change in revenue which may increase/decrease the tax rate.

STRATEGIC CONNECTIONS

SOCIAL - We are a friendly and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.

ECONOMIC - We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.

CULTURE - We are proud of our storied history that has fed and nurtured our festive and culturally-rich community.

Governance Strategy

Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

Service Delivery Strategy

Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

Long Term Plans (e.g. MDP, Social Master Plan, Cultural Master Plan, etc.)

- N/A

Corporate Objectives

- Deliver programs and services that meet or exceed our standards
- Exercise strong fiscal management
- Ensure our customers are very satisfied

Council Policies, Bylaws or Federal/Provincial statutes

- City Council Policy C-FS-16, Municipal Fees and Charges

Other Plans or Initiatives (Business Plans, Implementation Strategies, etc.)

- N/A

Report Date: August 21, 2017

Author(s): Stanley Chan, Divisional Controller

Committee/Department: Financial Services

General Manager: Michelle Bonnici, GM of Corporate Services

City Manager: Kevin Scoble