

# **The City of Port Colborne**

***User Fee Budget Review  
February 1, 2017***



# User Fees

- Provide revenue of over \$2M annually
- Virtually every City department charges user fees
- Helps to offset property tax increases
- Shift responsibility for payment for services from general levy to individual users



# User Fees, cont'd

Two schools of thought:

My taxes shouldn't cover services - those who use services should pay the full cost (or some portion).

- OR -

The City already has the materials and employees, why should there be a fee?

# User Fees, cont'd

Unrealistic to have no user fees at all....

Council needs to give staff direction by implementing a policy identifying:

- a. The City services will be subject to fees.
- b. The manner in which those fees will be calculated.

# User Fees, cont'd

1. Draft policy enclosed in budget package (page 276).
2. Draft Consolidated Fee By-law in budget package (page 289).



# User Fee Policy

- There is no existing policy that guides staff in calculating user fees for Council's approval
- No consistent method applied
- Difficult to justify amount of some user fees



# User Fee Policy, cont'd

- A policy will provide guidance to staff when calculating fees for Council approval
- A policy will identify which services should be provided for a fee
- A policy will identify services that should be subject to a subsidy
- User fees calculated using the policy will be justifiable to users

# Policy Principles

1. There is a cost to providing every City service
2. Services that benefit an individual user should be provided on a full cost recovery basis
3. Services that benefit the entire community should be provided at no charge (funded through tax levy)



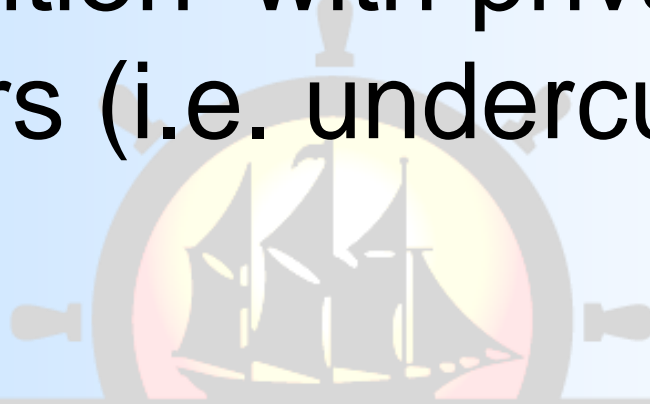
# Policy Principles, cont'd

4. Providing a service at less than full cost means that every taxpayer in the City is paying more tax to provide the service at a discount
5. Council may subsidize some services by offering them at less than full cost



# Policy Principles, cont'd

6. As services are provided, City assets are used up – user fees should include a capital replacement component
7. The City should not be in 'competition' with private sector providers (i.e. undercutting)



# Policy Implementation

- Staff have attached (next slide) a guide that can be included in the policy to help determine user fees
- Staff recommend adoption of a policy to provide clarity and guidance
- Council can provide input at this meeting and staff can prepare a policy for a future Council meeting



# User Fees

## Who Benefits

## Tax/User Fee Policy Mix

## Examples

Community

100% *Taxes*

- Winter control
- City parks

Primarily *Community* with  
some Individual benefit

Primarily *Taxes* with some  
User Fees

- Fire suppression
- Accident responses

Primarily *Individual* with  
some Community benefit

Primarily *User Fees* with  
some Taxes

- Ice rentals
- Community services

Individual

100% *User Fees*

- Boat launch
- Sewer Rodding

# Consolidated Fee By-law

- Provides a 'one-stop' location for most user fees for users, staff, council
- Council can review individual fees prior to passing
- Can cover multiple years and increase based on a Council approved percentage



# Questions and Discussion

