Agenda – Executive Policy Committee – July 15, 2020

REPORTS

Item No. 13 Fees and Charges Review

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the review of fees and charges conducted by the Public Service as part of the preparation for the 2020 multi-year budget be received as information.

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 22, 2020, the Executive Policy Committee granted a further extension of 60 days for the Winnipeg Public Service to report back on the matter:

On March 17, 2020, the Executive Policy Committee granted a further extension of up to 60 days for the Winnipeg Public Service to report back on the matter.

On December 3, 2019, the Executive Policy Committee granted an extension of up to 90 days for the Winnipeg Public Service to report back on the following:

1. V. i. That the Chief Administrative Officer be directed to report back to the appropriate committee of Council on the following items in 2019, in preparation of the multi-year budget planning process for 2020:

    c. Recommendations on any changes to the City's current fees and charges based on an assessment of best practices in other jurisdictions and the cost of service delivery.

COUNCIL DECISION:

On March 20, 2019, Council concurred in the recommendation of the Executive Policy Committee, which included the following recommendation:

1. V. i. That the Chief Administrative Officer be directed to report back to the appropriate committee of Council on the following items in 2019, in preparation of the multi-year budget planning process for 2020:

    c. Recommendations on any changes to the City's current fees and charges based on an assessment of best practices in other jurisdictions and the cost of service delivery; and

ADMINISTRATIVE REPORT

Title: Fees and Charges Review

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Pablo	P. Olafson	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

As part of the preparation for the multi-year budget, the Public Service conducted a review of fees and charges levied by the City with respect to whether or not applicable fees and charges achieved cost recovery for the services provided.

In this regard, new fees and charges and/or above inflation fees and charges increases were reviewed by departments and considered as part of the multi-year budget.

The Public Service attempted to do a cross jurisdictional scan but unfortunately, very few municipalities responded and, as such, no general best practices could be identified.

RECOMMENDATION

1. That the review of fees and charges conducted by the Public Service as part of the preparation for the 2020 multi-year budget be received as information.

REASON FOR THE REPORT

On March 20, 2019, as part of the 2020 multi-year budget process, recommendation 1. V.i.c. of the Council Adopted 2019 Budget directed the Chief Administrative Officer to report back to the appropriate committee of Council with recommendations on any changes to the City's current fees and charges based on an assessment of best practices in other jurisdictions and the cost of service delivery.

On December 3, 2019, Executive Policy Committee granted an extension of up to 90 days for the Winnipeg Public Service to report back.

On March 17, 2020, Executive Policy Committee granted a further 60-day extension for this report.

The Public Service was granted a further 60-day extension by Executive Policy Committee on May 22, 2020.

IMPLICATIONS OF THE RECOMMENDATIONS

The results of the review provide additional information for the use of Council in the 2020 multi-year budget process.

HISTORY/DISCUSSION

As part of the 2020 multi-year budget process, Council directed the Public Service to review the fees and charges levied by the City of Winnipeg.

Discussion

Under the Fees and Charges By-law, the Chief Financial Officer (CFO) has the authority to approve increases to fees levied by the City of Winnipeg, where the increase is at or below the rate of inflation. The CFO may approve a fee increase above the rate of inflation where rounding rules, or prior year inflationary increases, were not implemented.

Where a fee is proposed to be increased, or a new fee is introduced, Council approval is required, either through the annual budget process or a separate administrative report.

A number of departments and Special Operating Agencies (SOAs) have, either through Council motion, By-law, or the terms of their Operating Charter (in the case of SOAs) been delegated direct authority over their fees and charges, primarily to allow the departments/SOAs to ensure fees reflect cost recovery without having to specifically seek Council approval for each increase in fees. Note that these fee increases are still subject to Council review as part of the annual budget process.

Each year the schedule of fees and charges, as approved by Council and the CFO, is posted on the City's website.

As part of the preparation for the 2020 budget, departments were asked to conduct a review of best practices relating to fees in other jurisdictions and to conduct a review of their own fees to determine if the costs of service delivery were being recovered and to provide that information to Corporate Finance. Information requested included:

- Full or partial cost recovery, if known, with an estimated % of cost recovery;
- Basis of proposed fee increases (e.g. market, affordability, policy);
- Comparison to other municipalities; and
- Other pertinent information.

Departments focused cost recovery calculations on those situations where they would be requesting Council approval for new fees or fee increases above inflation. A summary of the fees and charges review for the 2020 multi-year budget process is attached at Appendix 1, and further details are provided in Appendix 2.

On January 30, 2020, City Council gave a four-year rate approval of numerous water and sewer rates for 2020 to 2023. The typical residential customer bill increases annually between 2.8% and 3.0%.

Jurisdictional Review

Municipal fees and charges policies are typically not publicly available and, as such, jurisdictional reviews are dependent on voluntary responses from other municipalities. Unfortunately, very few municipalities responded and, as such, no general best practices could be identified.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 11, 2020

Project Name:

Fees and Charges Review

COMMENTS:

There is no financial impact associated with the report recommendations.

original signed by
Tanis Yanchishyn, CPA, CA
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

Not Applicable.

OURWINNIPEG POLICY ALIGNMENT

The review of fees and charges aligns with the following OurWinnipeg key directions and enabling strategies under the 'City that Works – Prosperity" objective:

- Direction 1: Provide efficient and focused civic administration and governance.
    - an efficient and focused civic administration and governance; and
- Direction 2: Provide a predictable and cost-effective business environment that promotes investment and growth.
    - delivery of services essential in supporting economic success in order to pursue objective-based revenues and revenue diversity.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Not Applicable.

SUBMITTED BY

Department: Corporate Finance
Division: Financial Planning & Review
Prepared by: C. Stewart
Date: June 11, 2020

Attachments:

Appendix 1 – Summary of Fees & Charges Review

Appendix 2 – Fees and Charges Review Details