

## Staff Report

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**Report To:** Service Review Implementation Ad Hoc Committee  
**Report From:** Christine Gilbert, Deputy Treasurer  
**Meeting Date:** July 9, 2025  
**Report Code:** CR-25-077  
**Subject:** 4C.3 – Process for Annual Fees and Charges Review

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### Recommendations:

THAT in consideration of Staff Report CR-25-077 respecting Project 4C.3 – Process for Annual Fees and Charges Review, the Service Review Implementation Ad Hoc Committee recommends that City Council receive the report for information purposes.

### Highlights:

- Service Review Project 4C.3 was initiated to streamline and standardize the annual fees and charges review process.
- In 2025, Standing Committees reviewed departmental fees and charges prior to Council consideration.
- The 2025 Fees and Charges were then presented to Council at the May 26, 2025 Council meeting, with the By-law being presented June 16, 2025.
- Feedback from Council, committees, and staff has been positive, highlighting improved transparency, engagement, and effectiveness.

### Strategic Plan Alignment:

[Strategic Plan](#) Priority: This report supports the delivery of Core Service.

## **Climate and Environmental Implications:**

There are no anticipated climate or environmental impacts.

## **Previous Report/Authority:**

[Report CR-25-055 Re: Fees and Charges Update – Corporate Services Committee](#)

[Report CR-25-062 Re: Fees and Charges Update – Operations Committee](#)

[Report CR-25-063 Re: Fees and Charges Update – Community Services Committee](#)

[Report Cr-25-072 Re: 2025 Fees and Charges – Council](#)

## **Background:**

Service Review Project 4C.3 aimed to:

- Streamline and improve the efficiency of the annual fees and charges process;
- Standardize the review process and ensure fees accurately reflect the cost of service delivery and opportunities for revenue generation;
- Improve transparency and communication with stakeholders regarding fees;
- Introduce standardized templates that document fee rationale, including total service cost, estimated volumes, comparator fees, and any rationale for fee subsidies; and
- Implement a rolling schedule to ensure comprehensive, phased-in fee reviews across all departments.

In addition to this Service Review project, in June 2023 Council passed a resolution which directed that the annual fees and charges updates be presented to the applicable Standing Committees, prior to Council final approval. This change was implemented in 2025 to increase transparency and provide additional opportunity for Committee input.

## **Analysis:**

As part of the new review process, responsibility for the annual fees and charges review has been realigned to the Finance division, as responsibility was previously under the Clerks division.

During this year's annual review, departments were asked to divide their fee schedules into three-year cyclical review cycles, beginning in 2026. This approach ensures every fee is reviewed at least once every three years while also considering staff capacity and allowing for a more in-depth review of fees. For 2025, the full annual review model remained in place as it has in previous years.

Since departments will not be required to review their entire fee schedule in any given year, it will facilitate the opportunity for an increasingly in-depth review of fees that come up for review as per the review cycles beginning in 2026. This includes:

- Investigating comparator fees, based on a provided list of relevant comparators to ensure consistency
- Performing cost-benefit analyses to ensure appropriate cost recovery or to identify any subsidies
- Referencing any legislation regarding certain fees
- The three-year cycle is intended to establish a minimum review frequency, not a fixed limit. Fees may still be identified by staff or Standing Committees for a more fulsome review at any time due to operational changes, new service offerings, Council direction, or changes in legislative requirements.

Having departmental fees presented to Standing Committees prior to Council approval was piloted this year and will continue for future years. This allowed for:

- More targeted discussion of each department's fees;
- Earlier feedback from Council and public committee members; and
- Better communication of changes to the public and stakeholders.

Feedback on the pilot was strongly positive, with key themes including:

- Committees saw their feedback reflected in the final Council report, which increased buy-in.
- The transition of responsibility from the Clerk's Division to Finance was well received and viewed as logical.
- Although the approach required more upfront work from Finance, it enabled a more meaningful review process within each committee.
- Council members appreciated that public committee members were able to provide more input under the revised structure.

To formalize and sustain these improvements, the City will develop a Fees and Charges Policy in 2025. This work will absorb the scope of Project 4C.4 and will:

- Document the rolling review model;
- Ensure consistency across departments and divisions;
- Clarify the process for proposing new fees or removing outdated ones;
- Confirm the use of standardized templates ensuring key metrics are considered during each fee review; and
- Set out responsibilities and timelines.

The policy will also support ongoing public transparency and internal consistency.

### **Financial Implications:**

- User fees and charges (not including water and wastewater rates) are anticipated to generate \$10,685,010 or approximately 22% of the City of Owen Sound's 2025 Operating Budget.
- Improvements to the review process help ensure fees are updated in a consistent, fair, and fiscally responsible manner.

### **Communication Strategy:**

Annual Fees and Charges Council reports communicate recommended fee changes and rationales to Council and the public. Notice is provided annually on the City's website a minimum of 2 weeks ahead of any fee changes, and after adoption, fees and charges by-laws are available on the City's website.

### **Consultation:**

Directors, Managers, Supervisors and Departmental Staff

Standing Committees and Council

### **Attachments:**

None.

### **Recommended by:**

Christine Gilbert, Deputy Treasurer

**Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Christine Gilbert, Deputy Treasurer at [cgilbert@owensound.ca](mailto:cgilbert@owensound.ca) or 519-376-4440 ext. 1223.