



## Staff Memo

To: South Huron Council  
From: Kate Farwell, Manager of Taxation & Revenue / Deputy Treasurer  
Julia Warwick, Director of Financial Services / Treasurer  
Date: March 4, 2024  
Re: Comprehensive User Fee Review & Revenue Generation Study

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### **Recommendation:**

That Council receive Staff Memo FIN-MEMO-03-2024 for information purposes.

### **Purpose:**

To provide Council with an update to the Comprehensive User Fee Review & Revenue Generation Study, including next steps.

### **Background and Analysis:**

User fees are charged to users for Municipal services to cover part, or all, of the cost of providing these services. A primary principle in setting user fees is that those who benefit from a service should contribute to the cost of that service. In many cases, a Municipality's user fees are set to recover the full cost of providing the applicable service. However, when setting fees, consideration is given to:

- Whether the service benefits the community or the individual
- Capacity of the user to pay
- Competitive market conditions
- Demand for services
- Limits set by Municipal policy objectives or other legislative requirements on pricing.

Currently, South Huron levies user fees through By-Laws 34-2015, as amended by By-Laws 46-2017, 5-2018, 10-2019, 2-2020, 89-2021, and 86-2022. While some of the user fees have been reviewed and updated, as



evidenced by the by-law amendments, many have remained static since the initial 2015 by-law. As part of the 2023 Budget process, Council approved the undertaking of South Huron's first comprehensive user fee review with a supplemental goal of identifying additional revenue opportunities.

The Municipality of South Huron has engaged Hemson Consulting Ltd. to complete a comprehensive review and analysis of its user fees. The study includes fees associated with development application and approval processing, imposed under the authority of the **Planning Act**, **Building Code Act**, and **Municipal Act**, as well as licensing, fire, recreation, administration and other fees imposed under the authority of the *Municipal Act*.

After several months of data collection, staff interviews and benchmarking, Hemson Consulting Ltd. is presenting their findings and recommendations to Council on March 4, 2024.

Following the March 4, 2024 Council meeting, staff will launch a period of Community Engagement from March 5 through April 15, 2024, including:

- A webpage on [www.southhuron.ca](http://www.southhuron.ca) dedicated to the User Fee Review & Revenue Generation Study where the South Huron Community members can review the report, ask questions and provide their feedback and comments. This webpage will be promoted through the Municipality's social media accounts as well as through The Hub. Community members are also encouraged to provide their feedback via mail, email, telephone or in person.
- A public consultation session is scheduled for March 20, 2024 at 6pm and will be promoted through Municipal social media accounts and the Hub. This meeting will be held in a hybrid format where the public can register to attend virtually or attend in person in Council Chambers. Hemson will present virtually their findings and recommendations and provide opportunities for public feedback and input.
- A statutory public meeting, as required by the **Building Code Act**, has been scheduled for April 2, 2024.

Upon completion of the Community Engagement period, staff will compile feedback, draft their recommendations and present to Council for discussion at a Committee of the Whole meeting, scheduled for April 29, 2024.



### **Additional Notes:**

Through Hemson's Comprehensive User Fee Review and Revenue Study it is noted that the current municipal portion of the planning fees would have to be increased by 64% and the building fees by 51%, respectively, to achieve full cost recovery. Staff understands the magnitude of these increases and the potential impacts to South Huron's economic development. As such, staff will be analysing the data for both the planning and building fees, and will provide options to Council for consideration as part of the planned meetings referenced above.

Further, the County is currently conducting a review of their planning fees as well. These fees will include both a County and Municipal apportionment and is intended to be consistent across the lower-tier municipalities. As such, these fee increases will also be assessed by staff and included as an option so Council can have a clear picture of the fee increase, both Municipal and County.

### **Related Documents:**

Hemson Comprehensive User Fee Review and Revenue Generation Study

### **Consultation:**

Rebekah Msuya-Collison, Chief Administrative Officer

Alex Wolfe, Acting Clerk

Mike Rolph, Director of Building & Planning / Chief Building Official

Jeremy Becker, GM of Community & Emergency Services / Fire Chief

Don Giberson, GM of Infrastructure & Development

Alyssa Keller, Manager of Environmental Services

Shane Timmermans, Manager of Operations (Transportation)