

THE MUNICIPALITY OF CENTRAL MANITOULIN

BY-LAW NO. 2026-12

BEING A BYLAW TO ADOPT THE FACILITY USER FEES FRAMEWORK PROCEDURE

WHEREAS the Municipality of Central Manitoulin is authorized under section 224 (d) of the Municipal Act, 2001, S.O. 2001, c. 25, to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council;

AND WHEREAS Council have never adopted a formal Facility User Fee Framework Procedure;

AND WHEREAS Council has reviewed and approved a Facility User Fees Framework Procedure, which is attached to and forms part of this Bylaw.

NOW THEREFORE the Council of the Municipality of Central Manitoulin enacts the following:

1. Facility User Fees Framework Procedure, as attached to this Bylaw and incorporated by reference, is hereby adopted as the official Facility User Fees Framework Procedure of the Municipality.
2. This Facility User Fees Framework Procedure shall supersede all prior facility user fee framework bylaws, policies, resolutions, motions, procedures, and administrative practices, to the extent of any inconsistency.
3. The Chief Administrative Officer or designate is hereby authorized and directed to implement, administer, and enforce the Facility User Fees Framework Procedure.

Administration

4. This By-Law shall be referred to as the Facility User Fees Framework By-law.
5. That this By-Law shall come into full force and effect after third and final reading thereof.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS _____ DAY OF _____.

Mayor – Richard Stephens

CAO/Clerk – Denise Deforge

I, _____, Clerk of the Municipality of Central Manitoulin, do hereby certify that that this is a true copy of By-law 2026-10 as passed in open Council on the day of ,
2026.

Clerk

Municipality of Central Manitoulin

Facility User Fees Framework Procedure

The Purpose:

The purpose of this Facility User Fees Framework is to establish a consistent, transparent, and equitable framework for setting municipal user fees based on the degree of public versus private benefit, while supporting long-term financial sustainability and asset management.

User fees allow the Municipality of Central Manitoulin to recover a fair portion of the costs associated with providing optional or discretionary services that primarily benefit the individual users or groups rather than the entire community. This approach promotes fairness by ensuring that the cost of services is largely borne by those who choose to use them, rather than being subsidized by all property taxpayers (residential, commercial, and seasonal) through the general tax levy.

Facility User fees are only applied where:

- Users have a reasonable choice whether or not to use the service,
- It is practical to identify and charge the user for the service; and
- Exclusion of non-payers is possible (e.g., facility access can be controlled).

Guiding Principles for User Fees

The Municipality of Central Manitoulin adopts the following principles when setting, reviewing, or introducing user fees:

1. **Equity and Fairness** – Those who directly benefit from a service should pay a proportionate share of its cost. Taxpayer subsidies should be limited to the public or societal portion of the benefit.
2. **Cost Recovery Understanding** – Fees are based on a portion of the cost of providing the service including direct operating costs, indirect/overhead costs, and a reasonable contribution toward future capital renewal or replacement.
3. **Sustainability** – Fees should generate sufficient revenue over time to maintain service quality and support asset renewal without creating undue reliance on taxation.
4. **Choice** – Fees apply will be applied only where residents and visitors have a meaningful choice about whether, when, and how extensively the service is used.
5. **Accessibility & Affordability** – Where practical, fees will be structured with consideration for time-of-use, seasonality, ability to pay, and the goal of maximizing facility utilization. In-Kind Donations towards a reduced facility contract may be offered for low-income

residents, youth, seniors, or non-profit groups where Council deems appropriate. Any approved donation will be applied as and a credit will be applied to the facility contract.

6. **Strategic Alignment** – Fees support Council’s strategic priorities, including but not limited to recreation, tourism, economic development, health & wellness.
7. **Transparency & Consistency** – All fees are reviewed using a standardized costing methodology and will be reviewed in the fourth quarter annually with a 30-day public comment period followed by further discussion at the Committee of the Whole budget meeting. Public input will be sought on major fee changes.

Annual Review & Adjustment Process

- Every year, as part of the budget process, staff will present a Facility User Fees Report that includes:
 - Current fee vs. full cost of service,
 - Achievement against the applicable recovery target,
 - A comparison with of fees charged by neighbouring municipalities (Assiginack, Gore Bay, MChigeeng, Northeastern Manitoulin & the Islands, etc.),
 - Recommended fee adjustments, typically based on the Consumer Price Index (“CPI”) and progress toward target.
- Annual fee increases will not be greater than CPI or five percent (5%), whichever is lower. Any proposed increase above this amount will require specific Council approval and public consultation.
- All user fees are rounded to the nearest logical amount using \$5 increments for higher cost items and \$0.50 to \$1.00 for lower cost items.

FACTORS TO CONSIDER WHEN SETTING OR REVIEWING A USER FEE

Staff shall document the following for each fee (or group of related fees) at least every four (4) years or when significant cost changes occur:

- Full Cost of Service Delivery VS Current Cost Recovery
 - Direct operating costs (Wages, Maintenance Cost, Supplies and Services, Utilities)
 - Indirect/overhead costs (Administration, Insurance, IT, Fleet allocation)
 - Capital costs (Depreciation, Debt repayment, Reserve contributions for asset replacement)
 - ⊖ Identification of any material changes in costs-
- Market Comparators
 - Fees charged by neighbouring municipalities, including Mindemoya, Gore Bay, Little Current, Espanola, Manitoulin Island First Nations Communities, Northeastern Ontario averages, where available.
- Demand Management
 - The ability of pricing to influence or shift demand (e.g., peak vs. off-peak rates, resident vs. non-resident fees)
 - Changes in usage patterns or service demand over time.
- External Funding & Grants
 - Recognition of any provincial or federal contributions that already offset operating or capital costs
 - Increasing capital renewal pressures related to asset condition or lifecycle
- Inflation and Indexation
 - Annual fee adjustments will generally be based on the seasonally adjusted Consumer Price Index (CPI), measured from November to November, unless Council directs otherwise.
- Subsidization Policy for Residents
 - Where a public benefit exists, residents may request an in-kind donation from council to reduce the cost of facility fees. Any approved donation will be applied as a credit to the facility rental contract.
 - All facility users may submit a written request to the Chair for an in-kind donation towards the cost of a facility rental. Requests will be placed on **the next Property Committee (or Office and Administration)** agenda for review. If the Property Committee deems the donation request provides a public benefit to the community

a Motion to Council must be made for discussion and approval at the next available Council meeting.

- Any unused portion of the in-kind donation credit will not be converted to cash and must be used in the fiscal year for which it was approved by Council.
- All in-kind donation requests that have been approved by Council must acknowledge the Municipality of Central Manitoulin as a corporate sponsor of the public event. The Municipal logo must appear on all applicable advertising and promotional materials.

IMPLEMENTATION

This Facility User Fee Framework Policy is effective February 1, 2026 and will be reviewed in the last quarter of each fiscal year in preparation for the upcoming budget deliberations and applies to all facility user fees applied to all facilities and arena ice rentals

This framework ensures fairness, transparency, financial sustainability, and continued high-quality discretionary services for residents and visitors of Central Manitoulin.

This User Fee Framework shall apply to all existing and future user fees effective February 1, 2026.

All current fees will be reviewed against this framework within 30 days of adoption.

Adopted by the Council of the Municipality of Central Manitoulin on [insert date]

Dated this _____ day of _____, 2026

Mayor – Richard Stephens

CAO/Clerk – Denise Deforge