

Comprehensive User Fee Study
and
Lame Duck Considerations

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September 12, 2022

Consultant Contract

- At the August 15th Committee of the Whole meeting, staff recommended that the User Fee Study contract be awarded to Watson and Associates at a total cost of \$91,289 This amount is:
 - \$56,289 over the \$35K budget
 - \$6,289 over the \$50K “Lame Duck” approval limit.
- From another prospective, this \$91,289 contact is:
 - almost four times what a Town Councillor is paid
 - three times the 2020 median employment income in Cobourg.

- A recommendation in the 2020 Service Delivery Review report as prepared by KPMG included the following statement –
 - “the Town **may** wish to consider undertaking a detailed user fee review that includes:
 - (i) a review of user fees charged by similar-sized municipalities; and
 - (ii) quantifying the cost of delivering municipal services so as to provide a basis for determining an appropriate user fee structure.”

Aug 15 COW

Recent Cobourg User Fee Bylaws were updated by Staff, and according to the Staff Report there are no guarantees that this project will lead to additional user fee revenue to offset the cost of \$91,288.90;

Aug 15 Motion

- THAT Council direct the CAO to work with Directors to examine all fees charged by the Town of Cobourg during the 2023 budget deliberations, to determine which fees still need updating and include these fees in budget presentations to Council. And that User Fee Bylaws be updated annually

Amended

- An amended motion by Clr. Aaron Burchat to award the \$91,289 Comprehensive User Fee Study contact was passed by Council.
- **No mention** was made regarding the \$50K “Lame Duck” Cap
- **No mention** was made regarding annual update to fees

Renegotiate

- After the Committee of the Whole meeting, discussions and negotiations occurred between the Town and Watson with the aim of reducing the project cost overspend to less than \$50K, thereby circumventing the “Lame Duck” \$50K cap. Clearly this was(is) to the consultant’s benefit.
- It is not clear that there is ANY benefit to Cobourg’s residents benefit

Result

the project cost could be reduced to no more than \$84,997, which is **only** \$49,997 over budget and \$3 under the \$50K “Lame Duck” cap. This is an obvious effort to circumvent the Lame Duck prohibition and is of questionable legality.

Sept 6 COW

Staff's recommendation was to award the contract at the renegotiated cost of \$84,997.

Instead, the Deputy Mayor motioned to:

- Council refer the Comprehensive User Fee Study to the next term of Council that will be elected on October 24, 2022 for discussion during the 2023 budget deliberations and if approved, be scheduled for the first COW meeting after the approval of the operating budget in 2023.

The motion was amended by Clr. Adam Bureau and passed to awarded the \$84,997 contract to the consultant.

I was puzzled by this vote. With the municipal election due shortly, this is a time for **certainty and confidence, not indecision. Flip-flop** is not viewed favourably by the electorate especially considering the amount involved, \$85K.

Engagement

The KPMG report set out quite clearly what should be done:

- (i) a review of user fees charged by similar-sized municipalities;
and
- (ii) quantifying the cost of delivering municipal services so as to provide a basis for determining an appropriate user fee structure."

Public Engagement

- The Town's public engagement policy has been largely ignored. Some of the policy requirements explicitly required by the Town's Public engagement Policy ADM21 are:

Citizen Engagement:

- The Town of Cobourg believes that a key element of local government is that people should be involved in the process of decisions that affect them

Early involvement:

- Help identify issues and look at opportunities and challenges during concept development, design and implementation of municipal policies, projects and initiatives.

Council Responsibilities:

- Review information gathered through the community engagement process to better inform Council decisions
- The consultant's concession to public engagement:
- The public will also have the opportunity to engage in the public process as the study findings are brought forward to Council.

How is this early involvement?

- It is a bit late to engage the public after something has been brought to Council.

Public Engagement will be done by using the Engage Cobourg platform.

This has proved to be on very limited use in the past.

Consider This

- The KPMG report set out quite clearly what should be done:
 -
 - (i) a review of user fees charged by similar-sized municipalities; and
 - (ii) quantifying the cost of delivering municipal services so as to provide a basis for determining an appropriate user fee structure.”
 -
 - **Public Engagement**
 - The Town’s public engagement policy has been largely ignored. Some of the policy requirements **explicitly required by the Town’s Public engagement Policy ADM21** are:
 -
 - **Citizen Engagement:**
 - The Town of Cobourg believes that a key element of local government is that people should **be involved** in the process of decisions that affect them

No Benefit

Council is being asked to approve spending \$85K, to get what?

According to the Staff Report there are no guarantees that this project will lead to additional user fee revenue to offset the cost.

No indication as to what the likely revenue increase could be.

Risky.

Town Purchase policy

Through negotiation, the consultant agreed to drop the fee by \$6,292 if the Town did some of the public engagement and survey work.

Is this sort of “negotiation” after closing of a public tender even allowed by Cobourg’s purchasing policies?

Could Staff Do More

Could Town Staff do more? Maybe \$10K, 20K?
Could staff do the entire study, without hiring a consultant and save the taxpayers \$84,997.

This is not as outlandish as it may sound.
There are precedents.

In recent years, Town staff have done at least two significant projects on their own..... No consultants.

Staff Projects

The Sidewalk Priority Guideline was done by Town staff, at the direction of Council. The guideline was, for the most part, well done, showing some innovative “out of the box” thinking.

The recent parking plans were also done by Town Staff. No consultants. And again, for the most part, were well done.

There were (are) some problems, but that is part of the learning process. Organizations and Staff learn by doing. The mistakes can be (and are) corrected and the experience helps build skill and confidence for the next project.

Ready, Fire, Aim

3M's, a very successful innovative company, corporate motto is

“Ready, Fire, Aim”

This acknowledges that innovation is error prone, but advancement can be rapid if mistakes are made as soon as possible and learning occurs.

Staff will never learn how to do advanced work if they are not given the opportunity to try, fail, learn and succeed.

Conclusion

Why do it this way?

- No guarantee that the study will produce additional revenue
- No estimate of what the revenue potential is.
- The \$85K can be better spent on other projects:
 - East Pier, Harbour break-wall
 - Monks Cove Campground
 - New Fire Truck To name a few
- Town Staff is capable of doing this project. There are three new executive staff eager to show their prowess. Give them the opportunity.
- Adhere to the Town's Public Engagement Policy ADM21

I strongly advise that the Comprehensive User Fee Study be referred to the next term of Council, as provided by the Sept 6th motion.