



# Tariff of Fees Update

*Budget Committee of the Whole  
October 22, 2019*



# Objectives

- Review annual tariff of fees process
  - Updated annually in preparation of the annual operating budget process
  - Incorporates new fees and varying levels of existing fee increases
- Revenue impacts in consideration of budget direction

# Basis for Update

Fees reviewed & updated annually to ensure:

- a) Justifiable & reasonable for cost recovery
- b) Comparable with neighbouring Municipalities
- c) Affordable to citizens/users, yet competitive

# Fee Categories

All fees have been classified based on the below categories to provide additional context for review:

- 1. Legislative Fees** – enacted by a government body and are required. Such fees may be communicated through various Acts and are consistent across municipalities.  
Limited flexibility
- 2. Regulatory Fees** – imposed through a regulatory body or City by-law and are meant to ensure adherence to rules and policies
- 3. Cost Recovery Fees** – fees charged to fully recoup the cost of the services provided
- 4. Community Fees** – fees charged for non-mandatory or discretionary programs/services

# Tariff of Fees Update - Summary

- 2019 budget for user fees and fines total \$37.7 million, or approximately 21% of total revenues
  - Other Municipalities (Markham 16%, Vaughan 18%, Mississauga 21%, Oakville 22%, Brampton 25%)
- Internal direction to staff of a 5% increase in user fee revenues for 2020 to assist in meeting overall Operating Budget direction (ie. 1% increase)
- Update includes 1,350 total fees, of which 78 are new charges, 847 increased by CPI or more
- In 2020, staff expect additional revenues of \$1,291,150 (\$1,212,900 Operating, \$78,250 Water & Wastewater)
  - Annualized impact of Ed Sackfield Arena & Fitness Studio in 2020 is approximately \$192,500 (5 months) – included in above

# Tariff of Fees – Summary by Category

| Fee Category    | Total Fees   | New Fees  | No Change  | Amended <2% | Amended >2% | Estimated Revenue Impact | Estimated WWW Revenue Impact | Additional Revenue Impact of 5% Increase |
|-----------------|--------------|-----------|------------|-------------|-------------|--------------------------|------------------------------|--|
| Regulatory      | 30           | -         | 15         | 10          | 5           | \$12,800                 |                              | \$37,700                                 |
| Cost Recovery   | 220          | 6         | 35         | 46          | 133         | \$246,100                | \$78,250                     | \$14,400                                 |
| Community       | 1,012        | 70        | 170        | 75          | 697         | \$743,500                |                              | \$118,200                                |
| <b>Subtotal</b> | <b>1,262</b> | <b>76</b> | <b>220</b> | <b>131</b>  | <b>835</b>  | <b>\$1,002,400</b>       | <b>\$78,250</b>              | <b>\$170,300</b>                         |
| Legislative     | 88           | 2         | 4          | 70          | 12          | \$210,500                |                              | 77,800                                   |
| <b>Total</b>    | <b>1350</b>  | <b>78</b> | <b>224</b> | <b>201</b>  | <b>847</b>  | <b>\$1,212,900</b>       | <b>\$78,250</b>              | <b>\$248,100</b>                         |

- In 2020, 88 fees were removed as programs are no longer offered
- Total of 224 fees remain unchanged from 2019 due to provincial mandate, new program/service introduced in 2019 or benchmarking with neighbouring municipalities

# Tariff of Fees Update - Summary

- For 2020, 62% of total fees have been increased by more than CPI (2%), as compared to 48% in 2019.
- Staff have estimated that increasing all fees by a minimum of 5% would generate approximately \$248,100 in additional revenues (\$116,100 from the Recreation & Culture division)
- However, 5% increase to all fees may negatively impact volume/demand and increase complaints

# Recreation & Culture – Fee Summary

| Fee Sub-Category | Total Fees | New Fees  | No Change  | Amended <2% | Amended >2% | Additional Revenue Impact of 5% Increase |
|------------------|------------|-----------|------------|-------------|-------------|--|
| Adult            | 173        | 9         | 18         | 3           | 143         | \$11,900                                 |
| Children & Youth | 318        | 30        | 43         | 21          | 224         | \$74,600                                 |
| Seniors          | 91         | 12        | 17         | -           | 62          | \$2,200                                  |
| Residents        | 40         | 2         | 7          | 3           | 28          | \$2,200                                  |
| Non-Residents    | 52         | 2         | 12         | 3           | 35          | \$3,400                                  |
| Others           | 319        | 15        | 71         | 41          | 192         | \$21,800                                 |
| <b>Total</b>     | <b>993</b> | <b>70</b> | <b>168</b> | <b>71</b>   | <b>684</b>  | <b>\$116,100</b>                         |

- Majority of Rec & Culture fee revenue comes from either Adult or Children & Youth programs
- Increasing all Adult and Children & Youth fees by minimum 5% could potentially generate \$86,500 in additional revenues, assuming no changes to participation rates



# Tariff of Fees Update – New Fees

- Community Services
  - David Dunlap Observatory (new programs introduced in 2019)
  - Adult & Older Adult Programs (walk fit, indoor golf, pickleball, salsa)
  - Children's & Preschool Programs (sports night, drop-in sports, bubble soccer)
  - FIRE dept - Paid Duty (Fire Prevention Staff), Forcible Entry Prop rental
- Planning & Regulatory Services
  - Zoning By-Law Amendment Application & Processing Fee (Secondary Suite)
  - Zoning By-Law Amendment Application & Processing Fee (Exemption of 2 year moratorium on by-law changes)

# Budget Direction

That staff develop and present an Operating Budget that does not exceed a 1% tax rate increase, and include a list of options to achieve this goal for BCW consideration

# No New Staff Additions

- direction includes City, Library and Fire Master Plan
- previous Outlooks identified 2020 needs in Fire, I.T, Communications, HR, Parks, Roads, Design & Construction, and Planning
- staff are reviewing ways to manage needs through reorganizations and efficiencies from technology updates

# Savings/Efficiencies – Non-Personnel

- Staff were directed to try and find savings and efficiencies in non-personnel costs, with a goal of 2% overall corporate savings from this area (approx. \$1.26 million)
- Provincial Audit & Accountability initiative underway to identify up to 4% savings in non-personnel costs (consultants from Deloitte are engaged for this exercise)
  - reporting to November 26<sup>th</sup> BCW

# Tariff of Fees – Recommendations

- That draft By-law No. 108-19 (Appendix “D”) be presented to the November 20, 2019 Council meeting for adoption