



**SUBJECT: 2018 rates and fees**

**TO: Community and Corporate Services Committee**

**FROM: Finance Department**

Report Number: F-29-17

Wards Affected: All

File Numbers: 435-03

Date to Committee: September 25, 2017

Date to Council: October 10, 2017

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**Recommendation:**

Approve the 2018 Rates and Fees as outlined in finance department report F-29-17, effective January 1, 2018 unless otherwise indicated, and

Approve By-Law XX-2017 and repeal By-Law 25-2017.

**Purpose:**

Establish new or revised policy and/or service standards

An Engaging City

- Good Governance

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**Background and Discussion:**

The City of Burlington charges user fees for services provided to the community. Each year, the City reviews its fees and charges under the Municipal Act and makes adjustments where appropriate.

The 2018 City of Burlington Rates and Fees by-law (Appendix A) provides a listing of rates and fees for services provided by the City, as well as new proposed fees currently not being charged by the City.

City staff undertakes an annual review of rates and fees. The results of this review have been incorporated in the 2018 City of Burlington Rates and Fees. The majority of

the proposed rates and fees adjustments reflect inflationary increases and also to align with market analysis.

A summary of the analysis undertaken by each service is listed below:

### **Building Code Permits and Inspection**

The Building Code Act (BCA), 1992 provides municipalities with the authority to collect fees to fully recover the cost of administration and enforcement of the BCA and the Ontario Building Code (OBC). Regulations made under the BCA/OBC outline the details of what can be included as part of the cost including direct and indirect costs, and provisions for a reserve fund. The basic principle for providing building permit and inspection services is: "Fees for Service".

Rates and fees within the Section 6.11 of the City of Burlington Building Permit By-law 36-2016, are indexed to the Consumer Price Index (CPI) of Ontario as of December 31<sup>st</sup> and are adjusted annually on February 1<sup>st</sup>, subject to public consultation and holding of a public meeting.

It is important to note that the exact amount of prescribed index is to be derived from official figures published by Statistics Canada, a common practice and an industry standard. While the exact CPI amount is not available at the time this report is written, staff will provide this information to Committee as soon as published by Statistics Canada, on or before the Council meeting scheduled for January 22, 2018

### **Emergency Response**

The Burlington Fire Department (BFD) conducted a review of other local fire departments rates and fees for revenue generation and cost recovery. All rates that are showing an increase have been increased in line with other local fire departments, and to align costs to a service provided. Any rates and fees that are not showing any increase are currently billed at a rate that is greater than other comparators. All costs provided by the Ministry of Transportation (MTO) have been increased to reflect the new emergency response rate. All full cost recovery line items will be billed back to individuals and companies based on the total costs incurred at an incident, this will include personnel, supplies, and retention of any third-party services. The intent of all rates and fees billed by the BFD are to promote fire safety behavior within the community it serves and mitigate costs incurred due to non-compliance.

### **Fire Prevention**

All rates that are showing an increase have been increased in line with other local fire departments, and to align costs to a service provided.

New fees have been established to support our by-laws and substantial increase have been calculated to fees that encourage / support fire code compliance.

### **Animal Control**

The Animal Control By-law 60-2005 is being amended to reflect an increase in fees. These fees are being adjusted for inflationary increases to keep fees consistent with City administration and enforcement costs. Some fees have traditionally been adjusted annually for the inflation rate while other fees have been more comprehensively reviewed as to costs and market rates for equivalent service(s). This increase ensures that the fee structure is fair and reasonable, while reflecting the amount of effort in processing applications.

A market analysis has shown that the charges for dog and cat adoption fees are considerably below other municipalities. Even with the higher than normal proposed increases, the City of Burlington's fees will be comparable, while still remaining reasonable.

### **By-Law Enforcement**

The primary reason for inflationary increases is to keep fees consistent with City administration and enforcement costs. Some fees have traditionally been adjusted annually for inflation, other than when fees have been more comprehensively reviewed as to costs and market rates for equivalent service(s).

The following By-laws are being amended to allow for all of the rates to reflect a 2% increase in fees:

- Swimming Pool By-Law 74-2005
- Animal Control By-Law 60-2005
- Sign By-Law 34-2007
- Lottery License By-Law 2007
- Property Information Request Fees

This will allow the License office to generate and mail out renewal notices in February and will provide advance notice to prospective applicants in the development and building industry of forthcoming increases.

Should council recommend fee increases, it is intended that the amended by-laws would bring the new fees into effect on February 2, 2018.

In accordance with normal practice, development and building industry groups will be notified of the proposed inflationary fee increases. Notices of the proposed increases will be posted at the Planning and Building customer service counters where prospective applicants, many of whom are frequent customers, attend to obtain the identified services.

### **Parks and Open Space Maintenance**

An increase of 2% in 2018 is proposed for the adopt-a-bed program due to increased material and labour costs.

### **Tree Management**

An increase of 2.0% is proposed for 2018 to cover the cost of staff time to review and process each permit.

### **Sign Production Service**

An increase of 2% is proposed for sign sales in 2018 due to increased material and labour costs.

### **Cemetery**

For 2018, cemetery service fees have been increased by 2.5% with the exception of in ground lot fees. The in ground lot fees will be increased by 5% to better align with industry and market rates. It should be noted that care and maintenance fees for marker installations are prescribed by the Ministry of Government and Consumer Services, therefore do not see annual increases. Overall, these rate adjustments are reflective of increased operating costs for labor, materials and contracted services.

### **Transit**

Transit is not making any significant changes to service in 2018; therefore there are no proposed changes to the current fare structure.

A comprehensive service review is being undertaken which will be completed in 2018. After this network review is complete, fares will be reviewed and adjusted where appropriate.

### **Traffic Operations Management**

A 2.5% increase in rates and fees is proposed to more accurately reflect the costs associated with collecting, summarizing and distributing traffic related data and information

### **Transportation Network Planning**

This service has one fee, Parking Demand Survey Data, which will remain unchanged for 2018.

### **Parking**

Parking rates remain unchanged for 2018.

Monthly parking permits for Lot 1 (Pearl Street) and Lot 5 (Brant Street) are no longer available as these lots are now designated daily parking lots only. There is an increase in fine rates for 3 offences, in order to bring them in line with other similar offences.

### **Roads and Structures – Design and Construction**

Fees have generally increased by 2% to be more in line with neighbouring municipalities while still remaining competitive with the exception of Trench Excavation Permits which have increased by 3% in order to cover the increase in staff time required with the utility corporation.

### **Recreation**

A market analysis is performed each year to determine whether the City of Burlington's recreation fees are comparable. This year the department reviewed its fees against other municipalities, as well as private organizations like the YMCA.

There are a total of 295 rates for programs and memberships for Adult, Aquatic, Youth, Skate, facility rentals and Tyandaga gold course advertising, most of which have been assigned an overall rate increase of 1% or 2%. Through clean-up and realignment, some adult programming, youth, aquatics registered programs and leadership courses, have been discontinued and some new courses have been added.

### **Organized Sport Support**

There are a total of 60 rates for indoor and outdoor space rentals with an overall average rate increase of 2%. Indoor space rentals (arenas and school board amenities) have a 2% average rate increase while outdoor space rentals (artificial turf, grass fields and civic square) have a 1% increase. Reclassification and consolidation of rates was also done for Marketing/Advertising resulting in 11 new rates and 11 discontinued rates.

Rates pertaining to facility amenities that include rentals for sound systems and projectors as well sport equipment (hockey sticks and mats) have been discontinued

Sport fields saw a slight decrease in the Standard (adult) rate as the City was higher than surrounding municipalities, but with the consistent 5% surcharge for all fields, the fees were brought back up to a higher rate than previous years.

Overall, rates were maintained or slightly increased with the average rate increase between 1% and 2% to ensure customer participation and satisfaction. Revenues related to rates and fees are increasing by \$70,000 in 2018. There are two dates for rate changes. Spring (April 2<sup>nd</sup>) for outdoor rates and fall (Sept 4<sup>th</sup> for indoor rates). The annual rate changes are aligned with the program planning cycles and start dates as well as the marketing of our services.

### **Arts & Culture**

There are a total of 57 rates for Music, Teen Tour Band and Festivals & Event. The 2018 Rates and Fees remained the same as 2017, except for Student Theatre camp which increased by 2% and Food vendors, at a commercial events, which increased by 10%.

Increases for food vendors at commercial events, increased with the goal of eliminating the food vendor category and consolidating it with the marketplace vendor category.

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### **Community Design and Development Review**

A proposed 2% indexation of Planning DAAP fees taking effect January 1<sup>st</sup>, 2018 will offset the impact of inflation, while ensuring that the fee structure remains fair and reasonable to the development industry.

In addition, Engineering user fees are charged under the authority in the Municipal Act and reviewed annually to ensure the fee remains in line with the cost to deliver the service.

An increase of 2% is recommended for Site Plan Inspection Fees, Subdivision Agreement Preparation Fee and Tree Permits, Trench Excavation Permits for private sewer contractors, which aligns the City's fees with the industry and covers the costs associated with the service.

### **Service Burlington**

Annually Clerks reviews fees across area municipalities to ensure fees are in line with other municipalities

Commissioning Services: Since commissioning service fees have been unchanged since 2012, Clerks is proposing an increase of 2% for 2018. These fees will still be in line with other municipalities.

No increase: The majority of fees at the city was found to be at the top of the fee schedule compared to surrounding and comparable municipalities and was not recommended to be increased.

### **Financial Management**

Finance staff has surveyed other municipalities to ensure that the City's fees are reasonable in comparison and as a result, there are no increases to the fees for 2018.

### **Corporate Legal**

Following a comparative review update with our municipal counterparts of the Corporate Legal's Rates and Fees last year, increases continue to be made in order to keep Burlington's rates and fees comparable. The following is a summary of changes proposed for the 2018 budget year:

- Park Lot Control & By-Law Preparation are proposed to increase from \$600 to \$700 (inclusive of disbursements & taxes)

- Site Plan Agreements are proposed to increase from \$900.20 to \$1000 in order to streamline the site plan approval process, this fee and related disbursements and taxes will be collected by Planning & Building.
- Development Agreements (incl. Subdivision, Section 27, agreements/registrations related to Committee of Adjustment Approvals, Development Charge Deferral & Rezoning) are proposed to increase from \$900.20 to \$1000.
- Amending Agreements are proposed to increase from \$300 to \$350.
- Release of Restrictive Covenants are proposed to increase from \$500 to \$600 (inclusive of disbursements & taxes)
- Cemetery Use Verifications are proposed to increase from \$83.60 to \$85.00

Although increases are being made, the revenue impact will be minimal as no significant change in either the volume or number of requests is anticipated.

### **Geographic Information and Mapping**

All fees are proposed to increase by 2% for inflationary reasons.

### **Strategy/process**

The rationale for charging user fees is that those who clearly benefit from a service should be the ones to pay for it. User fees form one of the most significant portions of revenue earned by the City after property tax revenues. In order to mitigate property tax increases, the City of Burlington has been proactive in ensuring that the services provided by the City reflect a high level of cost recovery to the greatest extent possible, while balancing affordability and providing access to services.

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### **Financial Matters:**

Rates and fees are reviewed annually by City staff and amended in accordance with inflation, while ensuring that market conditions are appropriate for the adjustments.

### **Total Financial Impact**

The additional revenues from increased and new fees will be reflected in the 2018 proposed operating budget.

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## **Public Engagement Matters:**

The proposed fees increases have a financial impact on a number of stakeholders.

City staff will be notifying impacted stakeholders of amended fees as per their established process. Unless otherwise indicated, fees will be adjusted January 1, 2018, to provide sufficient notice to the public.

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## **Conclusion:**

The proposed amendments to the user fees are designed to mitigate inflationary pressures on the programs and services the City provides, as well as allowing the delivery of quality programs and services for the residents of Burlington.

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Respectfully submitted,

Sarah Christopher  
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## **Appendices:**

- A. By-Law XX-2017 – Rates & Fees, Schedule A is available at [www.burlington.ca/calendar](http://www.burlington.ca/calendar)

## **Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.