



SUBJECT: 2019 rates and fees

TO: Committee of the Whole

FROM: Finance Department

Report Number: F-22-18

Wards Affected: All

File Numbers: 435-03

Date to Committee: July 9, 2018

Date to Council: July 16, 2018

Recommendation:

Approve the 2019 rates and fees as outlined in finance report F-22-18, effective January 1st, 2019 unless otherwise indicated; and

Approve By-Law X-2018 and repeal By-Law 48-2017.

Purpose:

Establish new or revised policy and/or service standards

An Engaging City

- Good Governance

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 2019 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 2019 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:

Fire Emergency Response and Prevention

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 are comparable with other local fire departments and adjusted 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. Emergency response costs provided by the Ministry of Transportation (MTO) are current to the last rate provided by the MTO, this rate may change in-year based on updated information provided by the MTO. All full cost recovery line items will be billed back to individuals and companies based on the total costs incurred; this will include personnel, supplies, and retention of any third-party services. The new fees identified are for additional services that may be required due to legislative changes and best practices supporting a fire safe community. The intent of all rates and fees billed by the BFD is to promote fire safety behavior, mitigate cost incurred due to fire code non-compliance and for any services or activities provided or done by or on behalf of any other municipality (Municipal Act, 2001).

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 inflation 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 below other municipalities. The proposed increase of 2% will make the city's adoption fees 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 Fencing By-Law 74-2005
- Animal Control By-Law 60-2005
- Sign By-Law 34-2007
- Lottery License By-Law 117-2007
- Adult Entertainment By-Law 1-2008
- Business Licensing By-Law 42-2008
- Noise & Nuisance By-Law 19-2003
- Property Standards By-Law 28-2009
- Public Vehicles By-Law 20-2009

It is intended that the amended by-laws would bring the new fees into effect on February 1, 2019. Furthermore, there has been re-alignment of some fees from individual and separate bylaw schedules into the Rates and Fees By-law, which will provide better transparency and be consistent with all other fees for the service.

This will also 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.

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.

Roadway and Sidewalk Maintenance

An increase of 2% in 2019 is proposed for the windrow program due to increased labour costs.

Parks and Open Space Maintenance

An increase of 2% in 2019 is proposed for the adopt-a-bed program due to increased material and labour costs.

Sign Production Service

Increases of 2% are proposed for sign sales in 2019 due to increased material and labour costs.

Tree Management

An increase of 2.0% is proposed for 2019 to cover the cost of staff time to review and process each permit.

Cemetery

For 2019, cemetery service fees have been increased by 2.5% 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

The short-term focus in transit continues to be system stability and building a foundation for future service changes and growth. A comprehensive five-year business plan is under development due for completion in early 2019. This work will include a review of our current fare structure.

As a result, 2019 proposed transit fares remain largely unchanged:

- cash fares remain unchanged at \$3.50.
- Presto single ride inflationary increase of \$0.05 for all fare categories.
- monthly period passes are offered through Presto and have been increased to better reflect the cost to deliver the program. The price for the existing loyalty program was not increased and will be marketed as an alternative with greater flexibility and value to customers.
- the child concession category has been merged with the youth concession which now encompasses all ages 6-19. Those 12 and under currently make up a small proportion of overall ridership.
- continue to offer a child monthly pass offered for those 12 and under with a price reduction of \$10 to \$40. This will primarily benefit low income families and those on the SPLIT program.
- post secondary U-pass was introduced last year and has been very successful. An increase of \$5 will still offer good value to post secondary students and is not expected to negatively affect demand.
- the charter rate has been increased to \$130 (from \$125/hour) to reflect increased fuel costs.

Traffic Operations Management

No changes to the rates and fees are proposed in 2019.

Transportation Network Planning

This service has one fee, parking demand survey data, which will remain unchanged for 2019.

Parking

Parking rates remain unchanged for 2019, as rates remain competitive.

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.

Arts & Culture Service

With a focus on increasing participation and fostering a sense of belonging for all residents, rates and fees are determined by community needs, customer feedback, participation rates, and market trends. A market analysis is performed each year to determine Burlington's competitive position.

There are a total of 42 rates for music, Teen Tour Band and festivals & events.

Rate increases are as follows:

- 2% increase for Teen Tour Band memberships
- 2% increase for Junior Redcoats Band memberships
- 2% increase for uniform fees
- 5% increase for festivals and events commercial events for marketplace vendors, activity providers and food vendor

Overall, rates were maintained or slightly increased with the average rate increase between 2% and 3% to ensure customer participation and satisfaction.

Organized Sport Service

With a focus on increasing participation and fostering a sense of belonging for all residents, rates and fees are determined by community needs, customer feedback, participation rates, and market trends. A market analysis is performed each year to determine Burlington's competitive position.

There are a total of 64 rates for sport indoor and outdoor space rentals.

Rates increases or changes are as follows:

- 2% average increase in arena ice for youth (3% prime & 2% non prime time)
- 3% average increase for school board use of city facilities
- 3% increase for school board amenities including libraries and auditoriums
- 2% increase for school board gymnasiums

- 3% increase for artificial turf
- New rates for hardball diamonds (tied to enhanced sportfield maintenance practices)
- New rates for rectangular fields and diamonds (3 classes A, B & C) (tied to enhanced sportfield maintenance practices)

Overall, rates were maintained or slightly increased with the average rate increase between 2% and 3% to ensure customer participation and satisfaction.

Recreation Service

With a focus on increasing participation and fostering a sense of belonging for all residents, rates and fees are determined by community needs, customer feedback, participation rates, and market trends. A market analysis is performed each year to determine Burlington's competitive position.

There are a total of 286 rates for programs and memberships for recreation services.

Rate increases or changes are as follows:

- 2% increase for adults 55+ drop in programs
- 2% average increase for aquatics recreational programs
- 2% increase for both indoor and outdoor pool rates
- 4% increase for shinny hockey
- 2% increase for youth, teen, preschool and child programs
- 5% increase for SNAP
- New SNAP and splash program offering combines camp with swimming lessons
- 3% increase for Tyandaga memberships
- Indoor space rentals average increase is 1% which includes gyms, auditoriums and meeting rooms
- New administration fees for liability insurance
- Re-naming of a number of parks and recreation memberships

Overall, rates were maintained or slightly increased with the average rate increase between 2% and 3% to ensure customer participation and satisfaction.

Community Design and Development Review

A proposed 2% indexation of planning fees taking effect January 1st, 2019 will offset the impact of inflation, while ensuring that the fee structure remains fair and reasonable to the development industry. Some exceptions include:

- the application fee for revisions to approved minor variance plans have been adjusted to better reflect the additional review necessary to ensure compliance with the Committee of Adjustment approval requirements. This resulted in a 25% increase.
- due to a 30+% increase in applications in the 2017 and 2018 years, fast track services are no longer being offered in most areas.

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 and subdivision agreement preparation fee which aligns the city's fees with the industry and covers the costs associated with the service.

Building Code Permits and Inspections

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 13-2018, are indexed to the Consumer Price Index (CPI) of Ontario as of December 31st and are adjusted annually on February 1st.

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 2019.

Building Services is committed to providing the public the right of access to information without the necessity of submitting a formal request under the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). The proposed new fees reflect the associated cost in providing a new and improved process, routine disclosure, which allows individuals the right of access to records through an informal request rather than a formal request under MFIPPA. This new process supports openness and

transparency, providing the public easier access to records and improving overall customer service.

Service Burlington

Clerks annually reviews fees across area municipalities to ensure fees are in line with other municipalities. As a result:

- commissioning services and burial permits: clerks is proposing a rate increase of 2.5% for these services. These fees are in line with area municipalities.
- marriage license application: clerks is proposing a 5% increase to marriage license application services. This will place Burlington in the middle of the price range for this service.
- group home fees have not been increased since 2012 and the city is significantly below area municipalities. Clerks is proposing a 25% increase, which results in a fee increase of \$10 for renewal and \$50 for new registrations.
- routine disclosure: these fees are in line with fees charged through Municipal Freedom of Information and Protection of Privacy Act. Clerks is not proposing any fee increases for these services.

Financial Management

Finance staff has reviewed fees to ensure that the city's rates are reasonable, appropriate and comparable to other municipalities. As a result, the fees for the financial management services have remained unchanged for 2019 with the exception of the mortgage company admin fee, which has been increased by 9%, from \$11 to \$12.

Corporate Legal

Corporate legal has been raising its rates and fees over the past two years to bring them in-line with our municipal comparators and at this point, staff determined that this has been accomplished and accordingly, below is the only change proposed for the 2019 budget year:

- compliance & property information request is proposed to increase from \$100.30 to \$110.00 (approximately 9.5% increase)

The revenue impact of such increase will be minimal, as no notable change in the number of requests is anticipated for 2019.

Geographic Information and Mapping

Printed materials (maps and plans) have been consolidated based on format size and for ease of managing inventory and processing payment. There is no projected impact to revenue on the sale of these materials.

Where applicable, existing 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.

Financial Matters:

Rates and fees are reviewed annually by city staff and adjusted where appropriate to reflect cost increases while ensuring that market conditions are suitable for the adjustments.

Total Financial Impact

Any additional revenues from increased/new fees or volume adjustments will be reflected in the 2019 proposed operating budget.

As part of the 2019 budget framework report (F-21-18) on the same agenda, an estimate of approximately \$500,000 has been included for increased revenues.

Public Engagement Matters:

The proposed fee 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, 2019 to provide sufficient notice to the public.

Conclusion:

The amendments to user fees are intended to mitigate cost pressures on the programs and services the city provides, while continuing the delivery of quality programs and services for the residents of Burlington.

Respectfully submitted,

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Appendices:

A. By-Law X-2018 - Rates and Fees

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.