



SUBJECT: 2021 rates and fees

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Finance Department

Report Number: F-41-20

Wards Affected: All

File Numbers: 435-03

Date to Committee: November 12, 2020

Date to Council: November 23, 2020

Recommendation:

Approve the 2021 rates and fees outlined in finance department report F-41-20, effective January 1, 2021 unless otherwise indicated; and

Approve By-Law X-2020, attached as Appendix A to finance department report F-41-20 and repeal By-Law 52-2019, effective January 1, 2021; and

Enact the amending by-law to the City of Burlington Site Alternation By-law No. 64-2014, attached as Appendix B to finance department report F-41-20, in a form satisfactory to the Executive Director of Legal Services & Corporation Counsel.

PURPOSE:

Vision to Focus Alignment:

Establish new or revised policy and/or service standards

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 2021 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 2021 City of Burlington Rates and Fees. The majority of the proposed City rates and fees reflect a 0% increase over the 2020 base rate. This flatlining of fees is intended to provide financial relief to residents and user groups in response to the on-going COVID-19 pandemic.

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.

A summary of the proposed fee changes for each service is listed below:

A City That Grows

- **Community Design and Development Review**

A proposed 1.5% indexation of Planning and Engineering fees taking effect January 1st will offset the impact of inflation, while ensuring that the fee structure remains fair and reasonable to the development industry. One exception of increased fees is that of the cost-neutral Pre-consultation Fees which have not been adjusted, as inflation is accounted for in the formal application fee.

All fees have been adjusted in such a way that they are rounded to the nearest \$5.00.

It is anticipated that fees will be further adjusted throughout 2021, following the completion of a Comprehensive fee review. This review is currently underway.

- **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 Building Permit By-law 66-2019, are indexed to the overall % increase for the total Human Resource expenditures as approved in the annual budget in relation to the Building section and are adjusted annually on February 1st.

Routine Disclosure allows the public the right of access to information through an informal request rather than a formal request under the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). This process and related fees were implemented in January 2019. It is recommended that these are not increased for 2021 as well as other fees imposed under the Municipal Act by Building Code and Inspection services.

City That Moves

- **Transit**

As part of the 2020 budget, Burlington City Council approved the business case to allow children, 12 and under, to ride transit for free. This was in alignment to Council's transit priority goals as well as to align with Metrolinx offering free transit for children on GO Trains. This fare was removed from the rates and fees for 2021.

Cash fare will remain the same for 2021 at \$3.50 for all age groups. Riders can take advantage of age-based concessions using a PRESTO card, which is the preferred fare payment method.

In order to align further with Metrolinx fare concessions, Burlington Transit will be refining our loyalty program. For consistency, the trip/ride threshold has been adjusted to 37 for both Youth and Adult. If they go beyond 37 rides, there is no additional fares taken for the month. This is a decrease of 2 rides and increase of one ride respectively from 2020. The ride threshold for Seniors remains the same at 32. Furthermore, monthly passes will be discontinued. Riders will be charged for each ride up to 37 (or 32) rides, which is approximately the cost of a monthly pass anyways. This was also identified as an enhancement to the fare payment program due to COVID-19, where by passengers who had purchased March monthly passes may have only used their pass up until March 13, 2020. This approach also ensures that riders are only charged for what they use.

The goal by 2024 is to align fully with Metrolinx's loyalty program, by which the number of rides required for loyalty will be 40 rides. Each year, an additional ride will be added to our Loyalty ride threshold in order to meet this.

The Free Seniors pilot was approved in 2019, as part of the city's operating budget. The pilot was to go from June 2019 to December 31, 2020 and has been extended given that no transit fares were collected in the city during the months of April through to September 2020. Extending the program on a permanent basis will be brought forward in a business case as part of 2021 budget process.

- **Traffic Operations Management**

It is recommended that all Traffic fees remain unchanged for 2021.

- **Parking**

It is recommended that all Parking fees remain unchanged for 2021 to provide financial relief to residents and businesses during the COVID-19 pandemic. This approach is consistent with many other municipalities. Parking Services intends to conduct a comprehensive fee review in 2021.

- **Roads and Structures – Design and Construction**

Tender Fees have increased by 2.5% to be more in line with neighbouring municipalities while remaining competitive. The Trench Excavation Permits and curb cuts have increased by 2% to cover the increase in staff time required with the utility corporations and anticipated increase to the curb cutting contract. The driveway modification permit fees remain unchanged for 2021.

- **Roadway and Sidewalk Maintenance**

Fees remain unchanged in 2021 to provide financial relief due to the COVID-19 pandemic

A Healthy and Green City

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.

- **Recreation Service**

In a typical year, a market analysis is performed to determine Burlington's competitive position. However, for 2021, the focus has shifted to keeping rates affordable to encourage participation. For that reason, Recreation Services service will not be increasing any rates for 2021. The only changes are noted below.

New rates for play equipment rentals have been added and include fees for no show, a late fee, and a deposit for damage and for the safe return of the equipment.

The Live and Play Guide will be discontinued in 2021, removing 12 advertising rates.

There is a total of 249 rates for programs and memberships for Recreation Services.

- **Organized Sport Service**

- School board gyms and amenities are increasing by 2% to align with the increase in costs from the schools.
- One new rate related to Arena Debt Repayment Hourly for Commercial/Non-Resident which is based on a % of the adult rate.

There is a total of 71 rates for Sport indoor and outdoor space rentals.

- **Parks and Open Space Maintenance**

It is recommended that the adopt-a-bed program fees remain unchanged for 2021 due to the program not being run in 2020 as a result of COVID-19.

- **Tree Management**

For the purpose of this report, rates remain unchanged and are temporary. It is expected that Forestry will be submitting a report to Committee in December 2020, which will have a replacement fee schedule.

- **Cemetery**

For 2021, Cemetery Service lot fees have been increased by 5.0% to better align with industry and market rates. For all other Cemetery Service fees, no increase is being made for 2021 in an effort to provide financial relief due to COVID-19.

- **Environment and Energy**

It is recommended that the Community Garden permit fee for the 2021 garden season remain unchanged. Based on an assessment of other municipalities, Burlington's fees are on par with other communities. Furthermore, the city can continue to support local food production particularly given that many households have been negatively impacted by the pandemic.

- **Surface Water Drainage**

Fees collected under this service are those imposed under the city's Site Alteration By-law (64-2014). To ensure corporate consistency it is recommended that the existing By-law be amended to remove the existing fee schedule. Going forward, fees charged under the Site Alteration By-law will be included in the City's Rates and Fees Schedule. For 2021 it is recommended that these fees be increased by 3% which is the first increase in these fees since the Site Alteration By-law was approved in 2014. An amending By-law to the Site Alteration by-law reflecting these changes has been included as Appendix B to this report.

An Engaging City

- **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.

In a typical year, a market analysis is performed to determine Burlington's competitive position. However, for 2021, the focus has shifted to keeping rates affordable to encourage participation. For that reason, the Arts and Culture service will not be increasing any rates for 2021.

There is a total of 48 rates for Music, Teen Tour Band, Student Theater and Festivals & Events.

A Safe City

- **Fire Emergency Response and Prevention**

The Burlington Fire Department 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 the service provided. 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. All fire department rates and fees are to promote fire safety behavior, mitigate costs incurred due to fire code non-compliance and for any services or activities provided outside the primary areas of responsibility and/or done by on behalf of any other municipality (Municipal Act, 2001).

- **Animal Control and Licensing**

With the Covid-19 Pandemic, people's behaviors have changed which has had significant impacts on city operations.

Rates have increased in Animal Services and Licensing to align with increased operational expenses.

New operational guidelines and working in a much different way, have also played a role in rate increases in order to deliver our continued service in Animal Services and Licensing and to ease the impact on our customers and their expectations of our business deliveries to the public.

- **Municipal 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 while other fees have been more comprehensively reviewed against costs and market rates for equivalent service(s).

Fee increases vary by each service type and reflects up to a 2% increase in fees, with some fees being rounded to the nearest dollar.

Good Governance

- **Corporate Legal**

Rates remain unchanged for 2021. However, the fee for Community Benefit Charge Agreements has been moved. It will now fall under Development Related Agreements at the rate of \$1,000 plus any disbursements and HST (no tax is applicable on the fee).

Enabling Services

- **Financial Management, Service Burlington and Sign Production Service**

Fees remain unchanged in 2021 in an effort to provide financial relief due to the COVID-19 pandemic.

- **Geographic Information and Mapping**

Existing fees are proposed to increase by 2% to reflect inflation.

- **Corporate - City Wide Charges**

Corporate fees reflect items charged across city services. Fees are centralized to ensure consistency in charging across the organization. There are no proposed fee increases to corporate fees for 2021.

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 2021 proposed operating budget.

Engagement Matters:

The proposed fee increases affect 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, 2021 to provide sufficient notice to the public. Fee increases will be posted on the City of Burlington website in advance of the January 1st increases.

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. For 2021, many user fees are remaining the same as in 2020 to provide financial relief to the community.

Respectfully submitted,

Lori Jivan

Coordinator of Budgets and Policy

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Appendices:

- A. By-Law X-2020 - Rates and Fees
- B. Amendment to the Site Alteration By-law 64-2014

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.