



SUBJECT: 2024 rates and fees

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

FROM: Finance Department

Report Number: F-36-23

Wards Affected: All

Date to Committee: October 30, 2023

Date to Council: November 14, 2023

Recommendation:

Approve the 2024 rates and fees as outlined in finance department report F-36-23, effective January 1, 2024 unless otherwise indicated; and

Enact By-Law XX-2023, substantially in the form attached as Appendix A to finance department report F-36-23, in a form satisfactory to the Executive Director of Legal Services and Corporation Counsel.

PURPOSE:

Vision to Focus Alignment:

- Deliver customer centric services with a focus on efficiency and technology transformation

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 adjusts where appropriate.

The 2024 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 2024 City of Burlington Rates and Fees by-law. As we

continue to see the impact of inflationary pressures, many services are proposing an average of a 3% increase in rates and fees where feasible. Additional increases are required for some service areas that haven't applied an increase in several years. For service areas that have undergone a fee review in 2023, many are choosing to hold 2024 rates flat. A few service areas are embarking on a comprehensive fee review that may result in proposed changes to their fee structures in 2024. Any changes as a result of the review will be brought to Council for approval.

Strategy/process/risk

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. For 2024, user fees and rates form 14% of the proposed revenues for the base budget. This is consistent with previous years. 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 Comprehensive Fee Review with Watson & Associates will be undertaken beginning in late 2023. In the meantime, an increase of 5% across the board is proposed to align with increasing human resource costs.

- **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 66-2019 as amended, 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 to be adjusted annually on February 1st. Flat fee rates shall be rounded to the nearest dollar amount (increments of half dollar shall be rounded up). All other fees shall be rounded to the nearest cent.

A City That Moves

- **Transit**

The Preschool (0-5 years) and Child Cash Fare (6-12 years) is now consolidated to the Child Single Ride (0-12 Years of Age) Fare. This is a Council approved free fare with tap of PRESTO Card OR when traveling with a Parent/Guardian.

In addition, in 2023 Council approved Youth Free Fare (After 6pm/Weekends) and free fare for Seniors (65 Years of Age and Older) at all times. All other fares remain the same.

To align further with Metrolinx fare concessions, Burlington Transit is continuing to use the loyalty program. Instead of selling monthly passes, riders will be charged for each ride up to 40 rides. If they go beyond 40 rides, there is no additional fares taken for the month. This approach ensures that riders are only charged for what they use. In August 2023, Metrolinx reduced the PRESTO Card Issuance fee from \$6.00 to \$4.00.

The Conventional and Specialized Charter rates were increased by 2% to \$141.42 per hour, with a 3-hour minimum, to account for increased fuel and maintenance costs.

- **Traffic Operations Management**

A proposed increase of 3% in 2023 has been applied to all fees to account for inflation. A general review of fees is planned for 2024 which may result in a change in how fees are assessed.

- **Parking**

No increase to the Neighbourhood On-Street Parking Program (NOSPP) and Private Property Agency Officer fees are proposed at this time. Parking Services intends to review costs with the planned implementation of the City-wide permit system.

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

Tender Fees have increased by 3% to align with inflation. The Trench Excavation and Driveway Modification Permits have increased by 3% to cover the increase in staff time required with the utility corporations and to account for the increase in volume of these services. The Curb Cut permits have increased by 3% to cover the anticipated increase to the curb cutting contract and administrative support.

Right-of-way occupancy for equipment and material and for hoisting are not being increased; however, right-of-way occupancy for site protection has increased by 3%. A new fee for Field Inspection will be implemented for 2024.

- **Roadway and Sidewalk Maintenance**

Council report RPF-16-23 was approved in September 2023 directing to change the cost of the Windrow Clearing program to \$125.00 for the 2023/2024 winter season. The maximum number of driveways included in this program is 1,000.

A Healthy and Greener City

- **Recreation, Community and Culture**

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, market trends and competition.

Rate owners performed a market analysis to determine Burlington's competitive position. Rates were evaluated and compared to other Municipalities such as Toronto, Oakville, Hamilton, Halton Hills, Guelph, and Milton to ensure reasonability.

For 2024, rates are being increased while remaining affordable to encourage participation for everyone.

Highlights:

- 3% overall average rate increase for all services
- 5% increase for recreational yearly and summer swim passes – The increase will continue to provide cost effective swimming opportunities while better reflecting value for service
- Arena Ice: Ice user agreement will end with the final debt payment in 2024
 - Proposed arena rate strategy to be presented at EICS Nov 2
 - Will include a new model for ice user fees
 - If approved, while the base rate will significantly change the overall net change to what the end user will pay will be minimal
 - Will provide additional revenue to the City
 - Will establish a capital reserve fund for arenas with the addition of a 5% surcharge
- Adult programs offer new timeframe options
- Arena board standard advertising will be done by a third party

New Rates:

- Aquafit 30-day pass
- Lap swim 30-day pass
- Shinny 20 & 40 pass
- Complete lifeguard course

Discontinued & Replaced with Existing Rates :

- Adult membership fitness yearly pass 19+ & 55+ (replaced with Aquafit 30-day pass 19+ & 55+)
- Combined lap & rec swim summer & monthly passes (replaced with lap swim 30-day pass)
- Drop in swim lessons (lessons will be registered learn to swim)
- Registered teen and adult 1 hour swim lessons (lessons will be registered 45 minutes learn to swim)
- Pool buddy (replaced with lifeguard rate)

Discontinued Rates

- Appleby office/first aid room (part of a facility license agreement)
- Twilight outdoor pool rate (have not offered this rate for many years and have also discontinued offering twilight swim times. Current focus now is on promoting outdoor pools as destination venues, encouraging visitors to stay and play all day)
- Combined swim & skate yearly pass (no uptake for the combination)
- Arena board advertising standard rates (program provider will remain)

• **Parks and Open Space Maintenance**

An increase of 3% in 2024 is proposed for the adopt-a-bed program and the downtown planters.

• **Urban Forestry**

For 2024, a 2% increase to public and private tree permits is proposed to align with inflation, while respecting the sensitivity of the program. Fees for private and public tree replacement compensation and replacement tree security deposit remain unchanged.

• **Cemetery**

An increase of 3% is proposed for most cemetery services to align with the increase in inflation.

Columbarium Niche Marker, Columbarium Niche Marker McMillan Block, and Columbarium Niche Marker McMillan Block with portraits are increasing by 10%, 25%, and 10% respectively. This proposed increase is to offset commodity price increases related to the cost of the bronze plaques used for monuments and columbarium's to display the deceased's description.

- **Surface Water Drainage**

For 2024, a 5% increase across the board to align with increasing human resource costs is proposed.

A Safe City

- **Fire Emergency Response, Prevention, and Training**

The objective of the rates and fees billed by Fire Protection and Prevention Service is to promote and support fire safety in the community, encourage Fire Code (O.Reg. 213/07) compliance, decrease emergency incidents, mitigate costs incurred due to non-compliance, additional costs incurred at an incident, and for any services or activities provided or done by or on behalf of another municipality (Municipal Act, 2001).

Fire Prevention is proposing a new fee for Site Secure Contractor. Fire is incurring costs for scene security after an incident and need the ability to bill back costs to the insurance provider. An increase of 2% or 3% is proposed for most of the other fees.

Rates for Fire Emergency Response in 2024 are either set at 100% cost recovery or as per the current MTO (Ministry of Transportation) rate. Two new fees are proposed in 2024 for scene protection and site security. These rates are set at 100% cost recovery.

In addition, Fire proposes a new set of rates related to Training Services. Fire is providing access to the burn tower, grounds, and classroom and is looking for the ability to recoup costs. Fire analyzed municipal comparators when determining the applicable rates for this new category.

- **Animal Services**

Animal Services fees are increasing by 3%. A review of the Animal Services by-law is expected to be completed in 2024, at which time fees will be reviewed in their entirety.

- **Municipal By-Law Enforcement**

By-Law fees are increasing by 3% except for the Noise Exemption Permit which was increased significantly in 2022 and therefore does not warrant an increase at this time. As there are very few of these permits (less than 6 per year), there is no major impact to the budget. As part of the Noise By-Law Review, it is anticipated this process will change by 2025.

- **Licensing**

No increases are proposed for Licensing. A review of the licensing by-law will be undertaken in 2024. This will include an analysis of the types of licenses required going forward and appropriate fees for these licenses.

Good Governance

- **Corporate Legal**

Many of the rates in Corporate Legal have not been increased since 2018 so are now receiving significant increases. The adjustment reflects increases to both the cost of staff time and the amount of time it takes to prepare the document. A new fee is being introduced in 2024 for Discharge of an Order to Comply/Order to Remedy (incl. registration and discharge).

Enabling Services

- **Financial Management**

Finance staff have reviewed fees to ensure that the City's rates are reasonable, appropriate, and comparable to other municipalities. As a result, the Financial Management Service rates have remained unchanged for 2024, except for two fees, specifically; Administration Charge for Additions to the Roll has been increased 4.00%, from \$50.00 to \$52.00 and Tax Certificates are increasing from \$56.50 to \$58.00. In addition, Tax Certificates will now be processed through a third-party provider who will assess their own fee on top of the City's \$58.00 fee.

- **Service Burlington**

Clerks will be conducting a complete governance review. As a result, no increases are proposed for 2024 rates related to Corporate Customer Experience. The rate related to the Appeal Fee (Trespass By-law and the City of Burlington Public Conduct Policy) are also not changing as this fee was just introduced in 2023. Freedom of Information fees are legislated and not changing.

- **Geographic Information and Mapping**

Existing fee are proposed to increase by 2%.

- **Sign Production Service**

For Sign Production, the Authorized Parking, Fire Access Route, No Parking and Rules, and Accessible Parking fees are all increasing by 15%. The Property/House Number (Rural only) fee is increasing by 25%. This increase is due to the significant rise in the price of aluminum which is required to make these signs. In addition, there has been a change in reflective standards on the signs which requires an enhanced product at a greater cost. All other fees are increasing by 3%.

- **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 2024.

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 2024 proposed operating budget.

Climate Implications:

Not applicable.

Engagement Matters:

The proposed fee increases affect several 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, 2024, to provide enough notice to the public. Fee increases will be posted on the City of Burlington website in advance of the January 1st increases.

This year Finance collaborated with Burlington Digital Services to transform the Rates and Fees Schedule into a format that is AODA compliant. The work involved required

transforming the data presented into a database that will power a new website presentation of the schedule. Finance developed new templates required for the transformation and worked with the Service Leads on navigating the changes.

Conclusion:

The amendments to user rates and 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 2024, several fees are increasing by an average of 3% to mitigate the impact of inflation while a few areas are seeing a more significant increase due to either having undertaken a comprehensive fee review or experiencing cost pressures from resources required to provide services.

Respectfully submitted,

Tolu Ajise

Supervisor, Accounting Services

905-335-7600 x7499

Appendices:

A. By-Law XX-2023 – Rates and Fees

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.