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**Subject:** 2021 Fees and Charges By-law

**Report to:** Budget Review Committee of the Whole

**Report date:** Thursday, January 14, 2021

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## **Recommendations**

1. That the 2021 Fees and Charges schedule, Appendix 1 of Report CSD 7-2021, **BE APPROVED**, with an effective date of February 1, 2021; and,
2. That the necessary by-law, Appendix 2 of Report CSD 7-2021, **BE PREPARED** and **PRESENTED** to Council for consideration.

## **Key Facts**

- The purpose of this report is to seek Council's approval for the 2021 Fees and Charges by-law.
- Appendix 1 contains the complete schedule of fees and charges. The schedule does not include fees and charges related to the Niagara Regional Police Services (NRPS). The most updated fees and charges by-law for NRPS is 371-2017.
- Fees and charges provide funding for the operation of some programs and services across the Region's departments, Boards, and Agencies. In 2020, excluding NRPS, fees and charges provided annual revenue to the general levy budget of \$6.0 million (1.5% of the general levy) and \$6.5 million to the rate operating budget (4.0% of the rate requisitions), for a total of \$12.5 million. User fee revenues are estimated to increase by \$0.5 million in the 2021 budget (excluding NRPS) to \$13.0 million.
- The 2021 fees and charges schedule includes new fees as well as modifications to the existing user fees to reflect historic inflationary pressures and enhanced services. User fees should be set to recover the full cost of the service to the extent that there is no conflict with other policy objectives and the service benefits the user directly, rather than the community as a whole.

## **Financial Considerations**

The Niagara Region delivers a wide range of programs and services that in 2021 will rely on the budgeted \$13.0 million (excluding NRPS) generated through user fees and charges rather than receive support via the general levy or the rate requisition. The proposed fees and charges were developed in consultation with Regional departments

and are estimated to increase levy revenues by \$0.1 million annually (excluding NRPS) and increase rate revenues by \$0.4 million. The total net increase in user fee and charges revenue will reduce the burden to the general taxpayer by offsetting the levy budget by \$6.1 million and the rate budget by \$6.9 million.

Section 391 of the Municipal Act and section 69 of the Planning Act provide the authority for a municipality to establish fees and charges. The fundamental principle behind user fees and price setting via cost recovery is that those who actually consume and benefit from the good/service pay for it and those who do not use the good/service or receive any benefit from it should not be obligated to pay for it. A key element is that the benefit of the service is to the individual, not the general taxpayer. The main economic reason why user charges should be levied on the direct recipient of benefits is that this improves the efficiency of the government in allocating resources in a way that creates the largest bundle of possible services demanded by the public.

The Region's fees and charges are monitored on a regular basis to assess potential changes as a result of known and anticipated service changes, program or service cost changes, and legislative changes. Financial review related to volume, revenue and cost of service are conducted annually to ensure that services which can be fully recoverable by the user do not unnecessarily burden the general tax payer.

The 2021 fees and charges schedule is attached (Appendix 1) and identifies where HST is applicable.

## **Analysis**

New for 2021 is the addition of a fee number to the schedule. In past years, fees were referred to only by their fee/charge description. Due to the similar nature of descriptions but differences in use of the fee type by divisions, staff added a fee number this year to more easily refer residents to the appropriate fee on the schedule.

A summary of proposed changes by division are as follows:

### Community Services

- The range of fees for COM-1 Adult day programs (geared-to-income) is changing from \$15.86 - \$36.05 to \$10.00 - \$36.05. The bottom end of the range has decreased to reflect a lower fee applicable to new shorter, virtual programs with no associated meal costs.

- The range of fees for COM-5 Child care (geared-to-income) is changing from \$10.11 - \$52.93 to \$10.11 - \$53.91 to reflect the current average across the licensed childcare sector.

### Public Health

- The Province of Ontario regulates the majority of services under Public Health and fees are set in accordance with Ministry of Health regulations. Where services are under Regional policy, cost of service adjustments are based on full cost recovery.
- In 2020, the fee for PH-1 Food handler certification was updated to reflect the appropriate HST treatment (the fee charged in the past was \$50.00 tax-exempt and corrected last year to be \$50.00 inclusive of HST) with a plan to review cost recovery for this fee in 2021. Upon completion of that review, this fee has been adjusted for 2021 to be \$56.50 (inclusive of HST), reflecting a return to a base fee of \$50.00.
- Fees PH-14 Plan B and PH-15 Depo-Provera have increased from \$10.00 to \$17.00 and \$18.00 to \$30.00, respectively, based on new pricing from the supplying pharmaceutical company.

### Corporate Services

- Legal services has updated the following:
  - CS-8 Compliance letters has increased from \$110.00 to \$120.00 to align with a similar fee from surrounding municipalities and more accurately reflect cost recovery.
  - CS-9 Respond to the request for the Release of Easements, Agreements, or other rights has increased from \$110.00 to \$140.00 as part of the same review.
- The following have been increased for the first time since 2018 to account for inflationary adjustments:
  - CS-11 Director of Legal and Court Services / Senior Counsel hourly rates from \$225.00 to \$230.00;
  - CS-13 Law Clerks hourly rates from \$66.00 to \$70.00;
  - CS-28 Finance hourly rates from \$225.00 to \$230.00.
- Finance has added a new fee CS-35 Administration fee for default of payment of development charges per sections 26.1 and 26.2 of the *Development Charges Act* at \$550.00. This fee was discussed and approved at the December 9, 2020 Corporate Services Committee in CSD 49-2020 and is related to recent

amendments to the *Development Charges Act*. The fee is intended to offset the staff time required in the event of default of payment and is consistent with the existing fee (CS-1) for development charge agreements.

- Information Technology has identified a new GIS digital mapping tile fee CS-37 2020 Aerial Photography (16 cm pixel) at \$50.00. This amount aligns with other existing tile fees.
- Business Licensing continues to refine their schedule of fees in their second year of operations under the Region, after transferring from NRPS in 2019.
  - The non-refundable administration fees for Adult Entertainment Parlour Owners (CS-53) and Operators (CS-54) have increased from \$150.00 to \$375.00 and \$50.00 to \$120.00, respectively. These fees are now 10% of the license renewal fee, similar to the structure for Adult Entertainment Parlour Entertainer fees, to better reflect the cost of administration.
  - CS-58 Auto Wrecking Yard – Initial Application has increased from \$360.00 to \$370.00 to align with fee CS-73 Salvage Yard – Initial Application.
  - A new license type for Salvage Shops has been identified. As such, two new fees have been added: CS-75 Salvage Shop – Initial Application for \$270.00 and CS-76 Salvage Shop – Renewal for \$120.00. The costing of these fees is based on the staff time and direct costs required to issue and enforce the license.
  - The fee/charge descriptions for fees CS-116 to CS-120 related to Transportation Network Company fees have been updated to include “Fleet Size”, for clarity.
  - CS-125 Replacement Plate fee for \$10.00 has been added based on the cost of issuing a replacement plate.
  - CS-127 Hearing fee for \$75.00 has been added as a new fee. It will partially offset the cost of a hearing by the Licensing Appeals Committee under the Business Licensing by-laws.

#### Corporate Administration

- Human Resources (HR) has changed the unit of measure from “each” to “per 15 minutes” for CA-2 Document Archive Request (Record Search). This aligns the HR fee with similar record search fees in Clerks.

## Public Works

- Similar to the updates made in Corporate Services, PW-1 Hourly Rates has increased from \$225.00 to \$230.00. This is the first increase since 2018 and was made to account for inflationary adjustments.
- Waste Management is making changes as follows:
  - Blue/Grey recycling bins has been split out into two separate fees PW-2 Blue recycling bins and PW-3 Grey recycling bins. This change was made to accommodate administration of the online payment page developed during COVID-19 to facilitate curbside pickup of containers.
  - PW-8 32 gallon organic cart – commercial and multi-residential has increased from \$40.00 to \$50.00 due to a cost increase by the supplier.
  - A fee for refrigerant removal stickers has been deleted as this service ceased with the new waste collection agreement in October 2020.
  - The fee/charge description for residential and commercial tipping fees PW-11 changed from 0 – 60 kg to 0 – 50 kg and PW-12 changed from above 60kg to above 50kg. In addition, the fee for PW-12 increased from \$115.00 to \$117.00. These updates have been made to bring the tipping fees closer to cost recovery.
  - The tipping fee PW-14 Asbestos has increased from \$300.00 to \$385.00 to adjust for current market pressures related to this material.
  - PW-42 Replacement of damaged or missing 32 gal organics cart is increasing from \$61.00 to \$62.00 and PW-45 Replacement of damaged or missing locks is increasing from \$8.00 to \$9.00, both due to a cost increase.
- Environmental enforcement in Water-Wastewater has deleted a fee for wastewater sampler rental, as it is no longer used. In addition, several fees in this area are increasing to account for inflationary pressures:
  - PW-47 Hauled sewage – domestic/non-domestic from \$44.00 to \$45.00 per 1,000 gallons;
  - PW-48 Hauled sewage – hauler application fee from \$106.00 to \$108.00;
  - PW-51 Batch discharge permit from \$150.00 to \$153.00;
  - PW-52 Administrative fee – failure to leave hauled sewage record after disposal from \$31.00 to \$32.00;
  - PW-53 Environmental audits information requests – industrial from \$406.80 to \$414.71;
  - PW-54 Environmental audits information requests – commercial from \$406.80 to \$414.71;

- PW-55 Environmental audits information requests – residential from \$135.60 to \$137.86;
  - PW-56 Sewer over-strength surcharge from \$1.55 to \$1.58 per kg;
  - PW-57 Surcharge agreement – application fee from \$150.00 to \$153.00;
  - PW-58 Restrictive discharge agreement – application fee from \$150.00 to \$153.00; and
  - PW-59 Environmental record search from \$169.50 to \$172.89.
- Transportation Services is making changes as follows to road permit fees:
  - The annual permit fee (tourism bus operators over-height only) has been deleted as it is no longer required.
  - The sign permit has been split into two fees to distinguish permanent and mobile signs from billboard signs. The new fees are PW-75 Sign permit – permanent or mobile sign for \$82.00 and PW-76 Sign permit – billboard sign for \$620.00.
  - A new special events category has been identified and a fee added accordingly: PW-90 Special event – filming (not more than 5 business days) for \$120.00.
  - While there is already a process and annual fee for underground structure encroachment (fee PW-104), staff identified a new fee to accommodate a new scenario for underground tieback encroachments as PW-105 One-time underground structure encroachment for \$4,500.00.
  - Finally, staff also identified PW-117 Tree replacement from Regional Boulevard for \$500.00 to be paid by a local area municipality for a tree that is removed from a Regional boulevard to be installed in a different area.
- Transit has made the following administrative changes:
  - They have updated the fee/charge descriptions for Inter-Municipal Transit, Intra-Municipal Transit, and Niagara Specialized Transit fares for clarity. Previously, the descriptions began with the rider category (adults, seniors, etc.) followed by the fare type (cash fare, 10-ride card, etc.). These have been reversed so the fees are now grouped by fare type.
  - A no charge cash fare for children has also been added to the Inter-Municipal Transit (PW-119) and Niagara Specialized Transit (PW-145) sections to align with the format of the Intra-Municipal Transit (PW-135) section that was added in 2020.
    - New for 2021: the Child (0-5) rider category has been updated to Child (0-12) so that children aged 12 and under will now ride free, to align with initiatives undertaken by other transit providers such as

GO Transit and TTC. Accordingly, the Elementary (6+) / High School Students rider category will now be Youth (13-17) / High School Students.

- There are no proposed changes for 2021 related to transit fee amounts.

#### Planning and Development Services

- Similar to the updates made in Corporate Services and Public Works, PDS-1 Hourly Rates has increased from \$225.00 to \$230.00. This is the first increase since 2018 and was made to account for inflationary adjustments.
- Planning is making the following updates:
  - Planning has identified a new fee PDS-2 File management fee for \$112,000.00. This fee will apply to large, complex planning applications that require a dedicated resource to support and expedite the approval process and will apply at the discretion of the Commissioner, Planning & Development Services. The fee has been set at the annual rate of pay of a Senior Planner.
  - A new fee PDS-9 Technical Official Plan amendment review (limited scope of Provincial/Regional interests affected) for \$535.00 has been identified to accommodate simple reviews. This has been set at the same rate as PDS-31 for minor site plan reviews.
  - All other planning fees are increasing at approximately 1% for inflationary pressures.
- Development fees were reviewed in depth in 2020. For 2021, there are only two updates:
  - Most fees (except for sewage, MOE, and water and sewer connections related fees) are increasing by approximately 1% for inflation.
  - A new fee PDS-61 Permit review and issuance (then cancelled within 1 year) has been added to sewage system applications for \$400.00. This fee will recoup administrative costs associated with cancellations.

#### Niagara Regional Police Services (NRPS)

- The Police Services Board sets NRPS fees and charges. The most updated fees and charges by-law for NRPS is 371-2017 and is available on their [website](https://www.niagarapolice.ca/en/who-we-are/policiesandbylaws.aspx) (<https://www.niagarapolice.ca/en/who-we-are/policiesandbylaws.aspx>).

## **Alternatives Reviewed**

An alternative to the proposed fees and charges schedules would be to not increase the fees and charges and to subsidize the cost of service through the general levy tax base. This alternative is not recommended since many of these services directly benefit the user and provide little or no direct benefits to the community as a whole.

Alternatively, larger increases to the fees and charges schedule could have been applied to ensure full cost recovery and no subsidization from the general tax levy. This alternative is also not recommended since larger increases may have negative impacts on lower income customers and small businesses.

## **Relationship to Council Strategic Priorities**

This report ties to the Council Strategic Priority of Sustainable and Engaging Government, in particular the objective to be Fiscally Sustainable by exploring opportunities for driving new revenues.

## **Other Pertinent Reports**

- [CSD 49-2020](#) Policy for Timing of Development Charge Calculation, Installment and Interest for the Purpose of section 26.1 and 26.2 of the Development Charges Act

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*This report was prepared in consultation with the Region's Departments and Program Financial Specialists, and reviewed by Helen Chamberlain, Director, Financial Management and Planning, Deputy Treasurer.*

## **Appendices**

Appendix 1	2021 Fees and Charges Schedule
Appendix 2	Draft 2021 Fees and Charges By-law