
Subject: 2019 Fees and Charges By-law

Report to: Budget Review Committee of the Whole

Report date: Thursday, February 14, 2019

Recommendations

1. That the 2019 fees and charges schedule, effective April 1, 2019, and attached in this report as Appendix A, **BE APPROVED**; and,
2. That the necessary by-law **BE PREPARED** and **PRESENTED** to Council for Consideration.

Key Facts

- The Purpose of this report is to seek Council's approval for the 2019 Fees and Charges By-law.
- Fees and charges provide funding for the operation of some programs and services across the Region's departments, Boards and Agencies. Fees and charges provide annual revenue to the general levy budget of \$16 million (4.6% of the general levy) and \$5.1 million to the rate operating budget (3.5% of the rate requisitions). User fee revenues are estimated to increase by \$1.1 million in the 2019 budget (excluding NRPS).
- The 2019 fees and charges schedule includes new fees as well as modifications to 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.
- See Appendix A for 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.

Financial Considerations

The Niagara Region delivers a wide range of programs and services that rely on the \$21.1 million generated through user fees and charges rather than being supported by the general levy or the rate requisition. The proposed fees and charges were developed after consultation with Regional departments and are estimated to increase revenues by \$0.27 million annually plus an additional \$0.16 million resulting from increased demand. The revenue associated with the delivery of new services is estimated at \$0.7M and will offset \$0.65 in operating expenses. The total net increase

in user fee and charges revenue is estimated at \$0.5M and will reduce the burden to the general taxpayer by offsetting the levy budget by \$0.25 million and the rate budget by \$0.25 million.

The fundamental principle behind user fees and cost recovery price setting 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 which 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. During the 2018 review further analysis was conducted to address Council's initiative regarding revenue generation at the Niagara Region.

Historically the majority of the fees and charges had remained constant since 2012 or were adjusted in alignment with community partners. In 2018 many of the fees and charges which had remained constant since 2012 were adjusted for the prior 6 year approved budget increases of 9.78%, this adjustment was below annual inflation of 11% over the same time period. User fees for NRT have not changed since inception in 2011; however there are no proposed fee changes in 2019 due to broader governance discussions happening on inter-municipal transit that could lead to fee changes in future. The 2019 fees and charges schedule is attached (Appendix A) and identifies the fees and charges where HST is applicable.

Analysis

Proposed changes are as follows:

Community Services

- Increase of 1% in Deer Park Assisted Living changing the monthly rate from \$1,910.55 – 2,435.15 to \$1,929.66 – 2,459.50.

Enterprise Resource Management Services

- Inclusion of a new \$225.00 hourly rate, to be applied where applicable, to the administration and preparation of agreements (agreements such as development charge, servicing site plan, engineering or other development control, waterline, easement, encroachment and other miscellaneous agreements).

Corporate Services

- Transferred from NRPS, the 2018 business licensing fee schedule removed the portion of the fee associated with the criminal reference check and then increased remaining fee by 1.5% - 2.0% to align with guidance.
 - Auto wrecking ranging from \$204 - \$357 increased to \$207 - \$362
 - Caleche Driver and Owners ranging from \$20 - \$357 increased to \$20 - \$362
 - Para Transit Owners ranging from \$66 - \$1,275 increased to \$66 - \$1,294
 - Salvage Yard ranging from \$204 - \$357 increased to \$207 - \$362
 - Second Hand Store ranging from \$153 - \$230 increased to \$155 - \$233
 - Shuttle Divers and Owners ranging from \$20- increased to \$20 to \$1,294
 - Sightseeing Drivers and Owners ranging from \$20 - \$1,275 increased to \$20 - \$1,294
 - Speciality Drivers and Owners ranging from \$20 - \$1,275 increased to \$20 - \$1,294
 - Taxi Drivers and Owners ranging from \$20 - \$1,377 increased to \$20 - \$1,397
 - Tow Truck Drivers and Owners ranging from \$20 - \$1,275 increased to \$20 - \$1,294
 - TNC Drivers and Owners ranging from \$15.00 - \$50,000 increased to \$15.25 - \$50,750
 - Adult Entertainment Drivers and Owners ranging from \$25 - \$2,500 increased to \$25 - \$2,537

Public Health

- Majority of services under Public Health are regulated by the Province of Ontario and fees are set in accordance with the Ministry of Health regulations. Where services are under Regional policy, cost of service adjustments were based on full cost recovery.
 - New Hepatitis B (adult) vaccine of \$30.00.
 - New Hepatitis A (children) vaccine of \$30.00.
 - Increased food handler exam and manual fees from \$10.00 - \$20.00 to \$20.00-\$25.00
 - Increased real estate file search for fixed premises from \$141.25 to \$150.00

Public Works

- Inclusion of a new \$225.00 hourly rate, to be applied where applicable, to the administration and preparation of agreements (agreements such as development charge, servicing site plan, engineering or other development control, waterline, easement, encroachment and other miscellaneous agreements).
- Increased Residential and Commercial tipping fee rate for tonnage > 60 kg and disposal of contaminated organics or recycling material from \$100.00 to \$115.00 per tonne.
- Adjustment to permit for Tourism Bus Operators requiring annual road permits pertaining to over-height dimension only. The vehicle permit issuance fee of \$50 per vehicle is an annual fee based on the cost of issuance therefore that will not be prorated for any reason unless terminated by the Region.
- Construction Encroachment applications were reduced from three fee categories (no roadway cut, </>20m roadway cut) down to two fee categories (no pavement cut fee \$275.00 and with pavement cut fee \$550.00). Fees are payable prior to construction.
 - Inclusion of Construction Encroachment application obtained after construction begins ranging from \$550.00 to \$2,100.00
- Inclusion of Construction Encroachment (within Development Planning Agreements)
 - If pavement is less than 5 years old 100% of estimated cost of repair. Fee is refundable only if pavement reinstatement is done to Region's standards and passes inspection.
 - If pavement is more than 5 years old 15% of estimated value of project. Fee is refundable only if pavement reinstatement is done to Region's standards and passes inspection.
- Inclusion of Lane Occupancy permits where lane occupancy is required without construction being done on the roadway. The fee is set at \$250.00 per lane per day.
- Community events fee ranging from \$11.00 to \$55.00 plus applicable operations costs payable by the event organizer.

Planning & Development

- Inclusion of a new \$225.00 hourly rate, to be applied where applicable, to the administration and preparation of agreements (agreements such as development charge, servicing site plan, engineering or other development control, waterline, easement, encroachment and other miscellaneous agreements).
- 2018 Planning and Development fees, with the exception of private sewage system reviews, were adjusted by 1.5%-2.0% to align with guidance.
- The inclusion of new fees in 2019 are as follows:
 - Development applications requiring minor urban design, hydrogeology or EIS reviews ranging from \$250 - \$2,200

- Sewer System application fees with hydrogeology review ranging from \$1,035.00 - \$1,785
- MOE, Ontario Water Resource Act service review with stormwater management at \$2,000

Alternatives Reviewed

An alternative to the proposed fee and charges schedule would be to not increase the fees and charges and 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 proposal aligns with the previous Council's strategic priority of achieving results under Doing Business Differently and in particular new revenue generation targeting \$1 million in additional revenues (2016), as well as improving customer service under Advancing Organization Excellence.

Other Pertinent Reports

N/A

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Appendices

Appendix 1 2019 Fees and Charges Schedule