

Subject: 2024 Schedule of Fees and Charges

Report to: Budget Review Committee of the Whole

Report date: Thursday, December 7, 2023

Recommendations

1. That the Draft 2024 Schedule of Fees and Charges, Appendix 1 to Report CSD 46-2023, **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 2024 schedule of fees and charges and associated by-law. The proposed effective date of the schedule is January 1, 2024.
- Appendix 1 to Report CSD 46-2023 contains the complete schedule of fees and charges. The schedule includes Niagara Transit Commission (NTC) fees and charges but does not include those related to the Niagara Regional Police Service (NRPS). The most updated fees and charges by-laws for NRPS are available on their website and approved by the Police Services Board.
- Fees and charges provide funding for the operation of some programs and services across the Region. In 2024, excluding NRPS, fees and charges are estimated to provide annual revenue to the proposed general levy budget of \$6.2 million (1.3% of the general levy) and \$24.7 million to the proposed non-general levy budget (9.5% of the non-general levy), for a total of \$30.9 million.
- The 2024 schedule of fees and charges includes new fees as well as modifications to existing user fees to reflect inflationary pressures of 3% 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

Niagara Region delivers a wide range of programs and services that in 2024 will rely on the proposed budgeted \$30.9 million (excluding NRPS) generated through user fees

and charges, rather than receive support via the various levies (General Levy, or the non-general levy as made up of the Special Levies for Waste Management and Niagara Transit Commission and the rate requisition for Water-Wastewater). The proposed fees and charges were developed in consultation with department leadership and supporting staff.

The Police Services Board approves NRPS fees and charges; the most updated associated by-laws for NRPS are available on their website. Because such fees are not included in the Region's schedule, related revenue has been excluded from these financial considerations.

Many individual fees are increasing to account for inflationary pressures (using a 3% rate, given the 5-year average increase in CPI is 3.48%) or to reflect increases in supplier and/or labour-related costs. Other fees are being held the same for various reasons such as the amounts are set by provincial legislation or licensing agreements, or where staff believe increasing the fees would be detrimental to the public user of the fee.

The total user fees and charges revenue (excluding NRPS) is estimated to reduce the burden to the taxpayer by offsetting the proposed general levy budget by \$6.2 million and the non-general levy budget by \$24.7 million, which is a decrease of \$0.4 million in general levy revenues and an increase of \$2.9 million in non-general levy revenues as compared to the 2023 budget.

The decrease in general levy fees and charges revenues is primarily attributed to a change in Community Services program fees, commensurate with provincially approved program changes. (There is no overall levy impact from the decrease as the budgeted program expenses have a corresponding decrease.) The increase in non-general levy fees and charges revenues is primarily driven by the increase in net fare revenue for Niagara Transit Commission.

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 directly benefit from the good/service pay for it and others should not be obligated to pay for it (a key element being 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 the way they are demanded by the public.

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

Analysis

The draft 2024 schedule of fees and charges is attached (Appendix 1) and identifies where HST is applicable. Appendix 1 also identifies if a fee has one of four statuses for 2024: new, delete, update (indicates a change over the prior year's schedule in the fee amount and/or description), or no change.

A summary of proposed user fee changes by department is provided below (referenced amounts include HST where applicable).

Community Services

- COM-1 and COM-2 Adult day programs: The Adult Day Program has transitioned to a full-day and a half-day program. To support optimal program flexibility moving forward, the fee has been split into a half-day rate \$16.20 (COM-1) and full-day rate \$36.05 (COM-2).
- COM-8 Housing Development Consultant: This fee is increasing from \$74.58 to \$85.88 per hour due to an increase in labour related costs.

Corporate Services

- Legal fees (CS-1 to CS-15) have not changed in several years (some in 2018, others in 2021) and are increasing in 2024 to account for inflationary pressures.
- Similarly, Finance fees CS-29 hourly rates and CS-36 administration fee for default of payment of development charges last changed in 2021 and are also increasing for inflation.
- Information Technology has identified a new GIS digital mapping fee CS-38 2023 Aerial Photography (10 cm pixel) at \$50.00. This amount aligns with other existing tile fees.
- CS-52 GIS Analyst hourly rate is increasing from \$77.00 to \$80.00 to account for an increase in labour related costs.
- Customer Service fees (CS-53 to CS-72) are increasing to account for inflationary pressures.

Growth Strategy and Economic Development

- This section of the schedule was previously named Planning and Economic Development with fee numbers beginning PDS. The fee numbers now begin with GSE to reflect the organizational structure re-alignment approved at Regional Council on March 23, 2023.
- The Region retained Watson and Associates Economist Ltd (Watson) to undertake a development application user fee review in response to the changes to the Planning Act made through Bill 23.
- Many of the fees are increasing either to account for inflationary pressures or to reflect recommendations by Watson's review. Additional changes of note:
 - GSE-40 Infrastructure improvement with agreement for development (FSR/TIA requiring modified or new regional infrastructure (sewage pumping station/traffic signal, etc.)): This is a new fee identified for 2024 through the Watson review at \$5,050.00 and reflects the administrative and labour related costs associated with processing such agreements.
 - GSE-48 EIS Second Submission and greater (addendum) review: In prior years, an EIS second submission was at no charge, and a third submission was \$1,285.00. For 2024, the third submission fee is being deleted and consolidated at a rate of "half of original fee" for second and subsequent submissions.
 - GSE-51 Review of tree preservation plan: This fee is decreasing from \$450.00 to \$380.00 to align with the staff time it takes to review this type of plan.
 - GSE-53 Traffic study review fee – minor (entrance/safety/sight lines): This is a new fee identified for 2024 through the Watson review at \$450.00. This fee reflects labour related and administrative costs where a minor review is appropriate, as opposed to the existing full fee traffic study review (GSE-42).
- The province has not yet proclaimed the regulations related to Bill 23 and the date is currently unknown. As such, Council should expect that a fees and charges by-law amendment with further changes to fees in this section will be brought forward once a proclamation date is announced.

Office of the Deputy CAO

- This is a new section created due to the organizational structure re-alignment approved at Regional Council on March 23, 2023. Business Licensing fees moved to this section from Corporate Services, and Clerks fees moved from Corporate Administration. These changes are reflected in the updated fee numbers for the associated items.

- Most Business Licensing fees (ODC-1 to ODC-94) are increasing to account for inflation with the following notable exceptions:
 - Fees related to adult entertainment parlours (ODC-1 to ODC-6) are not changing as these fees are set in line with those of City of Niagara Falls.
 - Tow truck related fees (formerly CS-101 to CS-110) are being deleted. As of January 1, 2024, municipalities are no longer required to license the tow industry since the responsibility is moving to the province.

Public Health

- PH-5 Food handler manual only – Korean: This fee is being added at \$10.00 to reflect the cost of the item.
- PH-10 Thermometer Type 1 (storage) \$101.70 and PH-11 Thermometer Type 2 (transport) range of \$47.46 - \$62.15: Staff identified that when Public Health stopped offering fee for service vaccines and the Vaccine Preventable Diseases section was deleted on the 2020 by-law, these items were in that section and therefore deleted in error. As the sole distributor of all publicly funded vaccines in the Region to all health care providers, we are required to ensure compliance with vaccine storage and handling guidelines per the Ministry of Health and Long-Term Care. The providers are required to monitor storage and transport temperatures using specialized thermometers, which the Region purchases and sells to them. As such, the thermometers have been added back for 2024 at cost recovery.
- The following fees are receiving inflationary increases:
 - PH-7 Fixed premises real estate inspection – file search only from \$160.00 to \$164.80;
 - PH-8 Re-opening pool or restaurant after-hours from \$282.50 to \$291.00;
 - PH-21 Disinterment initial fee from \$240.00 to \$247.20; and
 - PH-22 Disinterment each additional hour or part thereof from \$120.00 to \$123.60.
- Valcyclovir: This fee is being deleted as it is no longer sold to clients; instead, they are given a prescription for the item.
- PH-18 Intrauterine System (IUS): This fee range is increasing from \$330.00 - \$345.00 to \$336.00 - \$360.00 due to an increase in cost from the supplying pharmaceutical company.
- Emergency Medical Services (EMS) is updating their fees as follows:
 - Summary report/dispatch record is being deleted. A review determined this fee falls under PHIPA legislation. Any future requests for such reports

will be charged under the relevant Clerks PHIPA fees as related to requests for records and information.

- The remaining EMS fees (PH-23 to PH-26) are increasing to account for inflationary pressures.

Public Works

- PW-1 Hourly rates (where applicable) last changed in 2021 and is increasing from \$230.00 to \$240.00 due to inflation.
- Waste Management
 - In prior years, blue and grey boxes fees have been set at less than cost to encourage residential recycling. With the shift to producer responsibility in 2024, the following fees are moving towards cost recovery from non-eligible sources who will continue to receive collection services from Niagara Region:
 - PW-2 Blue recycling bins from \$7.00 to \$13.00;
 - PW-3 Grey recycling bins from \$7.00 to \$13.00;
 - PW-7 Blue recycling carts from \$87.00 to \$100.00; and
 - PW-8 Grey recycling carts from \$87.00 to \$100.00.
 - The following fees are increasing due to increased supplier costs:
 - PW-5 Green organics bin from \$17.00 to \$19.00;
 - PW-6 Backyard composters from \$41.00 to \$47.00; and
 - PW-9 32 gallon organic cart from \$55.00 to \$60.00.
 - Certain residential and commercial tipping fees are increasing to adjust for current market pressures related to the indicated materials, and to move closer to cost recovery:
 - PW-12 0 – 50 kg from \$7.00 to \$8.00 flat charge;
 - PW-13 Above 50 kg from \$122.50 to \$125.00 per tonne;
 - PW-14 Shingles from \$80.00 to \$85.00 per tonne;
 - PW-16 Residential concrete and asphalt from \$25.00 to \$30.00 per tonne;
 - PW-21 Commercial leaf and yard waste from \$70.00 to \$75.00 per tonne;
 - PW-22 Commercial clean soil – open landfill sites from \$39.00 per load to \$10.00 per tonne;
 - PW-26 Commercial concrete and asphalt from \$25.00 to \$30.00 per tonne; and
 - PW-27 Appliances containing CFC's from \$20.00 to \$22.00 per unit.

- PW-28 Mattress disposal: this new fee at \$10.00 each is being implemented to support the handling of disposed mattresses. As this is the first year of the fee, it will be reviewed as the program progresses.
- The following tipping fees at residential waste drop-off locations when weigh scales are not operating are being updated to better reflect actual costs:
 - PW-30 Cars or mini-vans from \$5.00 to \$7.00 per load;
 - PW-31 Cars or mini-vans with trailer from \$15.00 to \$20.00 per load;
 - PW-32 Cube van from \$35.00 to \$40.00 per load;
 - PW-33 Cube van with trailer from \$40.00 to \$60.00 per load;
 - PW-35 Pick-up truck with trailer from \$25.00 to \$30.00 per load; and
 - Fees for Van or SUV and Van or SUV with trailer are being deleted as they are no longer in use.
- Special events recycling (SER) fees are updating to more accurately reflect the cost for the services performed:
 - Return of contaminated organics or recycling material at \$59 per event is being split into two fees: PW-37 for less than 15 carts at \$100.00 and PW-38 for more than 15 carts and/or 40 yrd roll off at \$300.00.
 - Return of all organics carts or recycling containers empty or unused at \$59.00 per event is being split into two fees: PW-39 for less than 15 carts at \$100.00 and PW-40 for more than 15 carts and/or 40 yrd roll off at \$300.00.
 - PW-41 Disposal of contaminated organics or recycling material to landfill is increasing from \$120.00 to \$125.00 per tonne.
 - PW-42 SER materials not ready for pick up at prearranged time is increasing from \$170.00 to \$250.00 per return trip.
 - PW-44 Replacement of damaged or missing 32 gal organics cart is increasing from \$65.00 to \$75.00.
 - Replacement of damaged or missing portable folding recycling container is being deleted as this type of container is no longer in use.
 - PW-47 Request to move roll-off container after placement is increasing from \$170.00 to \$250.00 per move.
- Water-Wastewater
 - Most Environmental Enforcement fees (in the range of PW-48 to PW-61) are increasing to account for inflationary pressures.

- Transportation Services
 - Most Transportation fees (PW-62 to PW-119) noted as “update” are increasing to account for inflation. In addition, the fee descriptions for PW-87 Special events full closure, PW-88 Special events partial closure, and PW-89 Special events rolling closure have been updated to reflect that police are no longer providing special event traffic control.
 - The following fees are being deleted as they are either no longer in use or have been determined to be captured under other fees:
 - Special events filming (not more than 5 business days);
 - Info bars;
 - Canadian Tourism-Oriented Directional Signing (TODS);
 - Regional directional signing; and
 - Community events (fee plus applicable operational costs are payable by the event organizer).
 - An extensive benchmarking review of Transportation fees is planned in 2024. Any further opportunities identified will be brought forward with the 2025 fees and charges by-law.

Niagara Transit Commission

- There are no proposed changes to the fare structure that is currently in place.
- New fees NTC-25 Charter Service – rental rate at \$162.72 per bus and NTC-26 Charter Service – hourly rate at \$162.72 per hour are being added to accommodate community or municipal groups looking to charter a bus for an event. An application for waiver of the charter fee may be considered by the NTC board, pursuant to the fee waiver approval process outlined in the charter request form. 002-NTC-Niagara Transit Commission Charter Policy was approved by the NTC board on October 24, 2023.

Alternatives Reviewed

An alternative to the proposed fees and charges schedule would be to not increase the fees and charges and to further subsidize the cost of service through the general levy tax base. This alternative is not recommended since 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 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 Effective Region, in particular the objective to deliver fiscally responsible and sustainable services.

Other Pertinent Reports

[NTC 13-2023](https://pub-ntc.escribemeetings.com/filestream.ashx?DocumentId=88) Niagara Transit Commission Charter Policy
<https://pub-ntc.escribemeetings.com/filestream.ashx?DocumentId=88>

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Appendices

Appendix 1 Draft 2024 Schedule of Fees and Charges