
Subject: 2020 Fees and Charges By-law

Report to: Budget Review Committee of the Whole

Report date: Thursday, December 5, 2019

Recommendations

1. That the 2020 Fees and Charges schedule, Appendix 1 of Report CSD 72-2019, **BE APPROVED**, with an effective date of January 1, 2020; and
2. That the necessary by-law, Appendix 2 of Report CSD 72-2019, **BE PREPARED** and **PRESENTED** to Council for Consideration.

Key Facts

- The purpose of this report is to seek Council's approval for the 2020 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 2019, fees and charges provide annual revenue to the general levy budget of \$12.7 million (3.5% of the general levy) and \$5.7 million to the rate operating budget (3.8% of the rate requisitions). User fee revenues are estimated to increase by \$0.9 million in the 2020 budget (including NRPS).
- The 2020 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.

Financial Considerations

The Niagara Region delivers a wide range of programs and services that in 2020 will rely on the budgeted \$19.3 million (including 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 after consultation with Regional departments and are estimated to increase revenues by \$0.9 million annually (net of a \$0.5 million reduction in NRPS revenue). The total net increase in user fee and charges revenue will reduce the burden to the general taxpayer by offsetting the levy budget by \$12.8 million and the rate budget by \$6.5 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 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.

The 2020 fees and charges schedule is attached (Appendix 1) and identifies where HST is applicable.

Analysis

A summary of proposed changes by division are as follows:

Community Services

- Deer Park Assisted Living fees are increasing by 1% to address inflationary costs, changing the range of monthly rates from \$1,929.66 - \$2,459.50 to \$1,948.96 - \$2,483.85.

Public Health

- The 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.
- There has been a change in offering and prices of oral contraception, changing the per package rate from a range of \$8.00 - \$22.00 to \$8.00 - \$18.00.
- The presentation of IUDs and IUSs in the schedule has been updated for clarity. Previously they were included as one combined fee with a range of \$45.00 - \$345.00. These are now listed as two separate fees: IUS at \$45.00 - \$55.00, and IUD at \$330.00 - \$345.00.
- The Region no longer offers fee for service vaccines and the section entitled Vaccine Preventable Diseases (VPD) has been deleted.

- Fees for food handler certification, exams, and manuals have been updated to reflect the appropriate HST treatment (the fees were previously listed as HST exempt when they should have been HST included). For 2020, the base fees are decreasing to keep the total fees (inclusive of HST) the same year over year. The HST implications from prior years will be adjusted by the Region on a future HST remittance to Canada Revenue Agency and cost recovery analysis of the fees will be reviewed for 2021.
- A new fee for a tick sign has been included at \$30.
- Fee for disinterment is increasing from \$113.00 to \$226.00 to better align with the cost of the service.

Corporate Services

- Business Licensing has undertaken a review of all fees after their first year of operations under the Region, after transferring from NRPS in 2019.
 - For transparency and ease of administration, 32 fees have been deleted from the 2020 schedule as they are no longer required after consolidation (for example, a variety of specific late fees and license replacement fees have been replaced with a universal late fee of \$50 and a universal license replacement fee of \$60).
 - A number of fees have been updated as follows:
 - Adult Entertainment Parlour fees are increasing to match the fees in place at the City of Niagara Falls which more accurately reflect the cost recovery for this type of license.
 - Owner increase from \$2,537 to \$3,750
 - Operator increase from \$126 to \$1,200
 - Entertainer increase from \$126 to \$250
 - Arm's length license transfer from \$2,537 to \$3,750
 - Fees that are raising on average 1%-2% to account for inflationary cost increases include:
 - Caleche Owner and Second Hand Store renewals from \$181 to \$185
 - Initial Application fees and Transfer fees from \$1,294 to \$1,300 for Paratransit Owner, Shuttle Owner, Sightseeing Owner, Specialty Owner, Taxi Owner, Tow Truck Owner
 - Paratransit Owner, Shuttle Owner, Sightseeing Owner, Specialty Owner, Taxi Owner, and Tow Truck Owner renewals from \$258 to \$260
 - Salvage Yard – Initial Application from \$362 to \$370
 - Second Hand Dealer – Renewal from \$155 to \$160
 - Spare Vehicle – Initial Application from \$621 to \$625
 - Transportation Network Company fees for up to 999 vehicles from a range of \$1,015 - \$15,225 to \$1,020 to \$15,300 (note:

the fee for 1000 or more vehicles remains the same for 2020 at \$50,750)

- Other fees that are increasing to more closely match the processing costs are:
 - Auto Wrecking Yard and Salvage Yard renewals from \$207 to \$220
 - Caleche Driver, Shuttle Driver, Sightseeing Driver, Specialty Driver, Taxi Driver, and Tow Truck Driver initial applications from \$53 to \$60
 - Second Hand Dealer – Initial Application from \$233 to \$260
 - Second Hand Store – Initial Application from \$233 to \$300
 - Shuttle Driver, Sightseeing Driver, Specialty Driver, Taxi Driver, and Tow Truck Driver renewals from \$28 to \$40
 - Spare Vehicle – Renewal from \$258 to \$300
 - Transportation Network Company Per Trip Charge from \$0.11 to \$0.13
- Transportation Network Company Driver initial application fee and fee for second and subsequent short-term licenses are decreasing from \$15.25 per quarter (each) to \$40 annually and \$25 annually, respectively. An annual fee is easier administratively for the drivers, as well as simpler for the Business Licensing team to enforce, and the reduction in fees brings them in line with the department's other renewal fees.
- NSF Cheque fee will be reduced from \$51 to \$35 to better reflect the associated cost and align with similar fees charged by other Region departments.
- In addition, a number of new fees have been added to the schedule:
 - The non-refundable administration fee related to Adult Entertainment Parlours was previously \$25 across the board, and there is now one each for Owners, Operators, and Entertainers to proportionately match the updated license fees (\$150, \$50, and \$25, respectively).
 - The review conducted by Business Licensing identified the following net new fees applicable to operating within the Region:
 - Caleche Horse \$30
 - Caleche Business \$150
 - Paratransit Driver – Initial Application \$60
 - Paratransit Driver – Renewal \$40
 - Paratransit Business \$150
 - Shuttle Business \$150
 - Sightseeing Business \$150
 - Specialty Business \$150
 - Tow Truck Yard \$100

- Tow Truck Business \$150
 - Replacement Vehicle \$100
- With the imminent completion of the International Plaza, Customer Service has identified a number of new fees related to the rental of that space. At this time, these rental fees are not yet at full cost recovery. Staff have completed a scan of similar rental fees in the surrounding area and set the Region's fees to be market driven for the first year. As the initial estimated budgeted expenses for operation of the space are tested in 2020, these fees will be reviewed with the intent that they are increased to full cost recovery in the following year (or phased in, if determined to be more appropriate). Customer Service has also taken the opportunity to formalize rates for Niagara Region Headquarters meeting rooms rented to external groups. To align with local municipality practices, the rental rates for both the International Plaza and meeting rooms have been discounted for non-profits and charitable organizations. The list of new fees can be found under "Customer Service" in the Corporate Services section of Appendix 1.

Corporate Administration

- Clerks Office has added three new fees at cost recovery to address customer requests related to requests for records and information. A CD/USB will now cost \$10. For PHIPA requests only, the search, file redaction, and shipping of the first 20 pages of a request will now be charged at cost up to \$30, with \$0.20 per page for photocopying after the first 20 pages. In addition, Clerks has deleted two fees: the \$5 fee for certifications is no longer required, and the \$65 fee for a Niagara Region flag has been removed as they are no longer being sold.

Public Works

- Waste Management is making changes as follows:
 - Garbage tags for each container (bag/can) above the low-density residential (properties with one (1) to six (6) units) garbage limit is increasing from \$2.00 to \$2.50. The fee includes the following associated costs: low-density residential waste collection and disposal costs, including program support costs and planning and administration allocation; cost to produce the tag; and retail commission. The change reflects the increasing costs related to the new waste collection contract.
 - Recycling carts – Multi-residential were previously subsidized by approximately 50% of the Commercial fee (\$35 compared to \$69). In addition, 32 gallon organic carts – Multi-residential were previously subsidized by 100% of the Commercial fee (\$0 compared to \$40). The majority of multi-residential properties purchased their carts when the recycling program was implemented in 2011. The subsidy was intended to be a short-term offer to entice multi-residential properties to participate,

and only to be available while the Region was receiving Continuous Improvement Fund (CIF) funding. As the funding has ended, these subsidies for multi-residential have been eliminated. There is now one fee for Recycling carts – Commercial and Multi-Residential at \$69, and one fee for 32 gallon organic carts – Commercial and Multi-Residential at \$40.

- All other fees remain unchanged at this time; however, staff expect that an amendment to this section of the schedule will be brought forward in 2020, pending the October 2020 start of the new waste collection contract.

- Environmental Enforcement in Water-Wastewater are increasing most fees:
 - Hauled sewage – domestic/non-domestic is increasing per 1,000 gallons from \$42 to \$44 as a result of increased processing costs.
 - Batch discharge permit (from \$104 to \$150), Surcharge agreement – application fee (from \$130.50 to \$150), and Restrictive discharge agreement – application fee (from \$130.50 to \$150) are all increasing to better reflect the processing time required by staff.
 - Environmental record search changing from \$78.50 per hour to \$169.50 per request. Most requests take approximately two hours to complete, and the increase is to better reflect the actual cost of processing time required.
 - The remainder of the increases for sewer surcharge fees, environmental audit information requests, etc. are inflationary at 2%.
- Transportation Services has completed a review of all related fees and charges:
 - Six fees related to Traffic Data have been deleted as they are no longer required in 2020 (fees for average annual daily traffic map, AADT volume hard copy book, spot speed study, 24 hour speed study, 24 hour classification count, and motor vehicle collision general inquiry report). Three new fees were added in this area:
 - 24 hour automatic traffic recorder – Speed/Classification and Volume \$265
 - 24 hour automatic traffic recorder – Volume \$85
 - Motor vehicle collision general inquiry report \$157
 - For cost recovery purposes and to bring the fees in line with those in comparable jurisdictions, a number of Road Permit fees have been updated or new fees identified:
 - Detour fee \$230
 - Daily permit fees ranging from \$100 - \$450
 - Project permit fees ranging from \$600 - \$950
 - Special event fees ranging from \$50 - \$660
 - There are no proposed changes for 2020 related to Inter-Municipal Transit and Niagara Specialized Transit fares.

Planning and Development Services

- Planning has added a new fee of \$36,000 for privately initiated Regional Official Plan amendment applications – Urban Boundary Expansion. Staff has calculated that the cost of such an application is approximately twice as much as the existing Regional Official Plan Amendment Review fee of \$18,125 and set the new fee accordingly. Other planning fees are increasing by 2% for inflation.
- Development fees were reviewed and many fees were deleted, consolidated, or had the description language updated to simplify and condense the schedule. With the exception of sewage system fees which have no change, most remaining development fees are increasing by 2% for inflation. New development fees for 2020 are as follows:
 - Environmental Impact Study (EIS) Terms of Reference (TOR) Review (to be deducted from EIS fee when EIS submitted) \$400
 - EIS Draft Review (to be deducted from EIS fee when EIS submitted) \$400
 - EIS Second Submission (Addendum) Review – no charge
 - EIS Third Submission (Addendum) Review \$1200
 - Environmental site assessments, response to request – update letter \$100

Niagara Regional Police Service (NRPS)

- NRPS fees and charges are set by the Police Services Board. The most updated fees and charges by-law for NRPS is 371-2017.

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

N/A

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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	2020 Fees and Charges Schedule
Appendix 2	Draft By-law to establish fees and charges