

REPORT

REPORT TO: Mayor Bonnette and Members of Council

REPORT FROM: Wendy O'Donnell, CPA, CGA
Deputy Treasurer and Manager of Revenue and Taxation

DATE: October 15, 2018

REPORT NO.: CORPSERV-2018-0042

RE: 2019 Rates and Fees

RECOMMENDATION:

THAT Report No. CORP-2018-0042 dated October 15, 2018, regarding 2019 Rates and Fees be received;

AND FURTHER THAT the 2019 Rates and Fees be approved by Council as outlined in Appendix A of the accompanying by-law;

AND FURTHER THAT a By-law to establish the 2019 Rates and Fees be approved, and that By-law 2017-0074 be repealed.

BACKGROUND:

As per the Municipal Act, S.O. 2001, c.25 as amended, municipalities are required to submit to Council for approval all rates and fees that will be imposed for the upcoming year. As part of this approval, Council must adopt a by-law annually listing all fees and rates to be levied by the Town of Halton Hills.

Departments look at many factors when they consider a new fees/rates or increases to existing fees/rates for the services they provide. Such consideration will include an in-depth analysis of the cost of service delivery including staff time and/or other resourcing such as equipment, utilities, supplies, postage, etc. Staff will also examine the rates and fees of comparable and/or neighbouring municipalities and take into account market factors such as the potential demand for a service.

COMMENTS:

For the 2019 rates and fees review, staff assessed their departmental fees and rates relative to the cost to provide their services in addition to conducting a review of the fees and rates charged by nearby municipalities, and/or municipalities of similar size. The proposed 2019 rates and fees are listed in Appendix A of the accompanying by-law.

Each department has provided a rationale for any changes in their respective rates and fees as follows:

Office of the CAO - Clerks

The majority of Clerks fees remain unchanged for 2019. Minimal changes were made to Ground Passenger Transportation License fees to bring these in line with similar fees in other categories. The change results in a 1% (from \$71.00 to \$72.00) within the category of Ground Passenger Transportation License.

Corporate Services

The department has added two new fees and increased one fee:

- Annual Financial Report – the Town published its first annual financial report in 2017. This extensive full colour document provides a detailed insight into the financial position of the Town and includes the audited financial statements. The new fee of \$100.00 is for a hard copy of the report. (Note: a copy can be found on the Town's website).
- Annual Operating and Capital Budget Report – provides a full colour, bound copy of the Town's Operating and Capital budgets, along with a detailed business plan for each department and supporting documentation. The new fee of \$250.00 is for a hard copy of the report. (Note: once approved by Council, the budget report can be found on the Town's website).
- Transfer fee – staff is recommending an increase in this fee from \$42 to \$45. The Region and the Provincial Offences offices can request the Town to collect unpaid water and Provincial Offences Act fines. This is done through additions to a property tax roll. This fee is utilized to recover staff time and costs associated with the collection of these outstanding invoices

All other fees will remain unchanged for 2019.

Fire Services

Fees will remain unchanged for 2019.

Planning & Sustainability

In 2017, the Town retained Watson & Associates to complete a review of the Planning & Sustainability fees with the primary objective of identifying a new fee structure that:

- better reflects the nature of review being undertaken by Town staff due to the increased number of complex development applications and a greater emphasis being placed on pre-consultation and community engagement;
- balances the Town's need to maximize cost recovery with stakeholder interests, affordability and competitiveness with comparator municipalities; and
- reflects industry best practices.

Watson concluded its review in early 2018, which resulted in the preparation of a new fee structure that supported the above objectives. Council approved the new Planning & Sustainability Fee structure in May 2018 (report PDS 2018-0044), which became effective as of July 1, 2018.

The 2019 Planning & Sustainability fees are not proposed to increase given that the new fee structure only became effective mid-way through 2018.

Transportation and Public Works

Building:

Staff is recommending an increase of 1.5% for the Building Permit Fees based on a full cost recovery approach. The proposed increase in fees does not exceed the increase rate recommended by the 2016 User Fees Update Report.

Engineering:

The requirement for an Engineering Review fee for a Planning Application after Fourth Submission (\$1000 per submission) is identified in the Engineering's Subdivision Manual (1999), but is not currently included in the Approved Fee Schedule. Due to the significant volume of re-submissions (including multiple re-submissions), the application of this new fee has become critical in order to deter incomplete or inaccurate submissions and provide a modest level of cost recovery for the additional staff effort required.

Staff is recommending adding a \$125.00 fee for a new Road Cut Permit Extension to allow applicants to extend road cut permits by one month. Currently these permits expire after 4-months (12-months for a long duration permit) and several applicants have expressed the need to for a few more days/weeks to complete work. Therefore this new fee accommodates these applicants without charging the full costs of a new permit.

Staff is recommending an increase to the Municipal Consent Application Review fee to a total of \$250.00. This will assist in recovering the staff cost to review, process and respond to issues associated with this permit. The size and nature of these permits are expanding to include larger retrofit projects. Furthermore, this increase puts this fee in the mid-range for fees in comparison to other municipalities such as Milton (\$449.00) and Oakville (\$286.00 per application). Halton Region has no fee.

Staff is recommending a 40% increase to the Major Landscaping Relative to Residential Dwelling including Backfill and/or Decommission of Pools fee to assist in recovering the staff cost to review, process and respond to issues associated with this permit (Site Alteration By-law). This permit covers the installation of pools which are becoming more time-consuming due to the size of back-yard projects which encompass the entire rear yard area. The recommended fee is \$200.00 (including tax) putting it in the mid-range with other municipalities such as Oakville (\$350.00) and Burlington (base charge of \$300.00) and Brampton (\$50.00).

Recreation and Parks

Where possible, staff performs Regional rate comparisons for fees that yield high volumes, in order to inform the proposed rates for 2019. The following are noted exceptions to a zero % increase:

- Cemeteries – A number of rates which were significantly below comparable market rates (10% to 87%) were increased by 5% as recommended by the Cemetery Business Plan, approved by Council in 2016. This will be the third of a phased approach to achieve rates that are competitive with the market. Interment charges are 0%, in line with the comparators or as prescribed by the Cemeteries Act. The rates for tree donations were increased by 5% to accommodate market rates and perpetual care for the life of the trees. Two updates for additional cemetery charges were increased for replacement deeds and the transfer of ownership, setting the fee to \$125 and \$200 respectively.
- Park rentals – Rates maintained for most park rental rates to remain on par with local market conditions except non-local/unregistered rates. These rates increased by 2-5% to demonstrate the benefit of being a local and registered group per the Registered Community Group Policy.
- Lights – Springfield lighting has been maintained at 0% due to area market conditions and stable operating costs.
- Event Support - Loan of equipment, event clean up, mobile vendors permit, garbage bags, portable bleacher rental and snow fence supply have had an increase of 3% due to area market conditions or increased materials costs consistent with other Public Works charges.
- Sportsfields – Rates have been increased by 3-5% across the board to bring rates closer to market comparable rates.
- Portable washrooms and hand wash stations rates are set based on the service provider rates secured through a competitive bid, with a 3% rates increase.
- Individual admissions to recreational skate and swimming have been maintained to continue to promote participation and maintain affordable access to recreation. In order to continue to generate increased interest and participation in swimming and skating, passes will continue to include both skating and swimming within all monthly, 90-day and annual passes across all swimming and skating facilities. Due to the seasonal nature of ice, skate-only passes will still be available. Adjustments have been made to the youth swim and skate pass fees to better reflect attendance opportunities and value for fee for each pass.
- Advertising rates have been maintained to remain on par with local market conditions and to continue to attract business. The only adjustment is the marquee advertising with a 3% increase to be in line with the market comparators. In 2017,

the marquee rates received an additional rate and procedure for the new digital marquee at the MMSP. Rates were established in line with the read-o-graph rates at Gellert Community Centre, Acton Arena and Community Centre, and with area market rates. The digital marquee generates more promotion exposure for Town initiatives and more revenue from advertisers because of the ability to display more messages.

- The pool rental rates will increase by 2% which aligns with market comparators and provides opportunities for continued implementation of the recommendations as per the Aquatic User Groups – Rates and Fees Cost Mitigation Strategies outlined in Report R-2012-0029.
- Learn to swim rates will increase by 2% for 2019 and still remain consistent with market comparators. Note: Within the registration software, fees are set up and entered per class and no longer per session. Therefore fees will have slight variances in the learn to swim rate by one or two cents due to system rounding when distributing the rate evenly per class
- A review of municipal comparators indicates that the Town ice rates are currently higher than most comparators. To maintain balance with anticipated operation costs, an increase of 1.5% is proposed for 2019. Floor rental rates will remain at a 0% increase. The surcharge started in 2012 as part of the fundraising campaign for the arena capital expansion program results in a further increase in rental rates.
- Rink board and score-clock advertising rates will increase 3%. These are advertising mediums that the Town has exclusively marketed in the past. Current rates are within the rates of market comparators. The marquee rates will also increase 3% for registered and local groups. Digital marquee rates for commercial applicants will increase 10% to meet current market conditions. The arenas and Gellert Community Centre have a third party marketing video displays within the facilities. They establish their rates and products. The inclusion of a third party marketing group has not adversely impacted the response to the Town-owned advertising products.
- Hall and meeting room space rental rates have been reviewed. Staff recommends holding some facility rental rates for 2019 to continue to promote interest and optimize use of these spaces. Rental rates for licensed events in Halls have been increased by 3% to maintain pace with related operational cost increases for these types of events and rental requirements.
- Theatre rental rates to increase by 3% to maintain a budget balance in facilities with increased operations expenses from maintenance and utilities and to reflect similar increases in comparator facilities/markets. Substantial rental of the facility is through third party “for profit businesses”.

- Fees for Board of Education facilities available for rent under the Reciprocal Agreement have been extracted from each facility category, and consolidated under one listing – Board of Education Rates. These rates are set by the Boards of Education and are included for information purposes only. Note the Public Board and Catholic Board have a 0% increase for September 2019 with the exception of custodial rates.
- As part of the update to the 2007 Recreation and Parks Strategic Action Plan, staff will be undertaking a Pricing Study to confirm the cost recovery model for primary programs and services in late 2018. This will include a review of rates for services like ice rentals, aquatic programs and recreational services and address the true cost of delivery, affordability and a rationale for more of a reliance on the tax base for some services. A cost recovery model will be reflected in the 2020 rate review process.

RELATIONSHIP TO STRATEGIC PLAN:

This report supports Council priorities related to the effective, efficient and economical delivery of the Town's existing services, and establishing sustainable financing, asset management and master plans to acquire, operate, maintain, renew and replace infrastructure.

FINANCIAL IMPACT:

The revenue collected from these rates and fees offset the impact on the Town's tax levy.

CONSULTATION:

Each department is responsible for reviewing and recommending any changes to their respective rates and fees.

PUBLIC ENGAGEMENT:

Each department works with their user groups and follows any legislative requirements.

SUSTAINABILITY IMPLICATIONS:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report is not applicable to the Strategy's implementation.

COMMUNICATIONS:

Notification to the residents is made via the local news media, the Council agenda and the Town's website. Special interest groups are notified by each department.

CONCLUSION:

The proposed rates and fees for 2019 as set out in this report represent an important source of revenue for the Town of Halton Hills. These fees assist in offsetting an increase in the Town's general tax levy.

Reviewed and Approved by,

A handwritten signature in black ink that reads "Jane Diamanti". The signature is written in a cursive, flowing style.

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink that reads "Brent Marshall". The signature is written in a cursive, flowing style.

Brent Marshall, CAO