



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	November 16, 2016
SUBJECT/REPORT NO:	2017 Tax Supported User Fees (FCS16085) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Kayla Petrovsky (905) 546-2424 Ext. 1335
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration, and Policy Corporate Services
SIGNATURE:	

RECOMMENDATION

- (a) That the 2017 User Fees contained in Appendix “A” to Report FCS16085 “2017 Tax Supported User Fees” be approved and implemented; and
- (b) That the City Solicitor & Corporate Counsel be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the user fees contained within this report.

EXECUTIVE SUMMARY

Similar to prior years, the 2017 User Fees are being considered in advance of the main budget deliberations. This allows for a more predictable revenue flow for programs and better communications to program users (customers). Based on fees that were determined over multi year periods, golf fees and certain transit fees are included in this report. User group ice fees are also included. The majority of transit fees were already approved as part of a Ten Year Transit Strategy (PW14015(a)). For the most part, the enclosed proposed user fees will be effective January 1, 2017. Some fees however, (e.g., Transit, Recreation program fees, User Group Ice Rates, Macassa day program fee), are effective sometime later in 2017.

Appendix “A” to Report FCS16085 identifies virtually all of the City’s tax supported user fees (including proposed new fees) with the following exceptions:

- ◆ Building Permit Fees: going forward with a separate report to the Planning Committee meeting in February 2017;
- ◆ Planning and Growth Management fees: already have approval through By-law 12-282 “Tariff of Fees” to increase annually by inflation;

- ◆ Licensing Fees: going forward with a separate report to Council in Q4 2016.

At the end of the budget process, all approved fees, whether through this report or separate reports, will be consolidated into one 2017 user fee by-law.

In September, 2016, Council approved Report FCS16070 “2017 Budget Guidelines, Preliminary Outlook & Process” with a guideline for user fee increases of 2.0%. As identified in Appendix “A” to Report FCS16085, most user fees are generally increasing by the guideline of 2.0% but there are however, some exceptions as follows:

- ◆ Provincially mandated fees.
- ◆ Certain user fees are being recommended to remain unchanged, due to a pending review or market/cost analysis indicating that the current fee is appropriate and an increase is not warranted.
- ◆ Conversely, some requested fee increases may exceed the guideline if costs to provide the service are increasing in excess of the guideline, or to ensure full cost recovery.
- ◆ In some circumstances, it is desirable to round the total fee (including tax) to provide for added customer convenience and more efficient cash handling procedures. In these circumstances, depending on the rounding, increases to some user fees may be slightly higher or lower than the Council approved guideline.

User Fee increases which deviate from this guideline have a corresponding explanation under “Basis for Fee Increase” in Appendix “A” to Report FCS16085. This report also identifies any new fees which are being proposed, as well as fees which are being deleted, as they are no longer required for 2017. Details on these new/deleted fees are included in the “Analysis/Rationale for Recommendation” section of this report.

Alternatives for Consideration –Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Approval of the user fees is an integral part of the annual budget process. Revenue estimates for the 2017 budget are based on the fees contained within this report. As identified in Report FCS16070 “2017 Budget Guidelines, Preliminary Outlook & Process”, this represents approximately \$2.8 million in additional revenues when compared to 2016.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

Each year, the City sets its user fees at the start of the budget process. For the most part, these user fees have been effective January 1. The annual user fee by-law is then passed by Council at the completion of the budget process.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

The user fees contained in Appendix “A” to Report FCS16085 were submitted by the program departments.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

As identified, Appendix “A” to Report FCS16085 provides a listing of virtually all of the City’s tax supported user fees. For the most part, user fees within each department are increasing by the Council approved guideline, with some deviation as a result of rounding. The following pages provide exceptions from the guideline and comments by department.

Planning & Economic Development (pages 1 - 28 of Appendix “A” to Report FCS16085):

Provincially Mandated

- Parking fees which are either set by the Province or have been set as per registered agreements are proposed to remain unchanged.
- Tourism fees (page 22)
 - Oriented Directional Signs (TODS) and signs under the LOGO sign program are proposed to remain unchanged, as these fees are provincially mandated.
- Lottery License Fees (with the exception of the application fee) are proposed to remain unchanged, either because they are set by the Province or the current fee is at the maximum allowable as per Provincial guidelines. Lottery Licence Fee – Raffles/Others has now been split into Lottery Licence Fee – Raffles and Lottery Licence Fee – Others.

Market Based

- Culture fees (pages 23 - 28)
 - Most Culture fees are proposed to remain unchanged for 2017 due to a market / environmental survey conducted in 2015 showing that these rates are currently being charged at the upper limit of the market. The division

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will revisit going forward and increase in accordance with market rates and municipal comparisons.

- Several other fees for non-core programs (e.g. birthday parties, social and corporate receptions and film rates) have been raised above the guideline to either match City of Hamilton facilities or the surrounding region market rates.

Policy Related

- In Urban Renewal, although the initial application fees for the incentive programs are proposed to increase by the Council approved guideline (rounded to the nearest \$5), the “per unit” fees are proposed to remain unchanged so as to not act as a disincentive.

New fees proposed

- Paid duty municipal law enforcement as requested by the public. Special by-law officer patrol fee set at 100% cost recovery. This service is occasionally used by establishments such as McMaster University for certain events requiring by-law enforcement.
- New licensing fees include failure to fulfil conditions imposed by the issuer of licenses or the licensing tribunal and special occasions permit – administration fee. Fees are set to ensure cost recovery. Also, a licensing fee relating to pay day loan businesses was added to the by law in 2016 and will be increased by the 2% guideline for 2017.

Public Health Services (pages 29 - 30 of Appendix “A” to Report FCS16085):

No exceptions or new fees noted, aside from rounding.

Community & Emergency Services (pages 31 - 48 of Appendix “A” to Report FCS16085):

Market Based

- Recreation fees (pages 36-47)
 - User Group Ice Rates (page 48) are increasing, for the most part, by 3.0% to reflect market rates and potential to re-sell ice. Exceptions to this are the Mohawk 4-pad fees which are set by Nustadia Recreation. Also, the Summer Ice Non Subsidized fee is proposed to increase 3.0% which is equivalent to the 3 year average increase, as charging the true operating cost of City owned areas has become too expensive for the market. The costing formula is completed by Recreation on an annual basis and then reviewed with the affiliated user groups. The proposed 2017 user fees for the user group ice rates will be effective September 1, 2017.

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Policy Related

- Helping Hands Program annual administration fee is proposed to remain unchanged, due to the potential negative impact on the client group, which are low income seniors and disabled individuals.

Cost Recovery

- The Fire Department's fees for Motor Vehicle Response are set by the Ministry of Transportation and Open Air Burning Permit fees remain unchanged based on historical issues. Non-emergency stand-by for events is proposed to increase by 9.2% to bring these fees more in line with actual costs.

New fees proposed

- Numerous new fees added in Recreation due to the addition of new courses or services being offered and consolidation and harmonization of "all facilities" fees. All general child programs were consolidated in the proposed fee structure.

Public Works (pages 49 - 71 of Appendix "A" to Report FCS16085):

Market Based

- The Road Occupancy Permit Fee (14 days) and Temporary Road Closure are proposed to remain unchanged. As these fees are new, a recent review was performed and it was determined that the current fees are still sufficient.
- The fee for Temporary Parks/Road Access Permit Applications, Encroachments - Outdoor Blvd. Cafes - Application Fee, and Security Deposits are proposed to remain unchanged, as they are currently in line with the market.
- Golf fees are omitted from the guideline increase as PW15053(a) approved adoption of the 2017 fee structure. No change is proposed in the fees for 2017 due to market conditions/trends and to stay within the market value throughout the golf industry.
- Some sporting events and corporate gathering fees at Tim Hortons Field are proposed to remain unchanged to remain competitive in the market with similar facilities / stadiums.

Policy Related

- Mum Show Admissions are proposed to remain unchanged. Increase took place in 2016. No change for 2017 is required as these fees are revisited every two years.
- Report PW15075 imposed a three year phase in of an increased fee structure for cemetery plots, niches and related services. This resulted in several increases to fee beyond the guideline.
- Cemetery license fees and fees for Care & Maintenance are remaining unchanged, as they are prescribed by the Province under the Cemeteries Act.

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Also the Non-Resident Surcharge, applied to every Land Sale, is proposed to remain unchanged at 25% of the sale on non-resident land purchases.

- Similar to 2016, the Tipping Fee per 100 kilograms and the Minimum Vehicle Fee are proposed to remain unchanged in adherence to the Solid Waste Management Master Plan.
- Deposit fees at the transfer stations are proposed to remain unchanged, as no increase is required to these refundable deposits.
- The Publication Box Permit Initial and Annual fees are proposed to remain unchanged and will be re-evaluated in 2018.
- The Food Service Vehicles – Daily Permit fee is proposed to remain unchanged as this is a pilot program and fees will be reassessed once the program is more established.

Cost Recovery

- Fees for commemorative trees are proposed to remain unchanged, as the current fees achieve full cost recovery.
- The Gage Park Electronic Sign (Programming) is proposed to remain unchanged as the existing fee achieves full cost recovery.
- Transit fees (page 71)
 - Numerous fees have deviated from the 2% guideline as a result of report PW14015(a) with an effective date of September 1, 2017.
 - HSR photo ID, Transcab, and School Plus Pass charges are proposed to remain unchanged as the current fees are sufficient to cover costs. McMaster University, Mohawk College, and Columbia College rates are to be negotiated in the Spring of 2017.
 - All other rates were approved previously (PW14015(a)).

New fees proposed

- Kitchen "Mini-bin" Organics Container. Fee set at 100% cost recovery.
- South Plaza, Coors Banquet Patio, Caretakers Club, and Wedding Photography fees have been established in Tim Hortons Field. Community Room Rentals on Level One have also been redefined.

Corporate Services (pages 72 - 75 of Appendix "A" to Report FCS16085):

- Taxation is proposing an increase in the Ownership Change fee greater than the 2% guideline in an effort to bring this fee more in line with actual costs.
- The Hamilton Farmer's Market program fees are remaining unchanged to ensure the proposed fees maintain competitive commercial rates within downtown proximity of the Market.

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City Manager's Office (page 76 - 78 of Appendix "A" to Report FCS16085):

- The Commissioner of Oaths fee deviated from the 2% guideline in order to be more competitive with neighbouring Municipalities.

ALTERNATIVES FOR CONSIDERATION

Council may direct staff to change any of the user fees.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS16085 – 2017 Proposed User Fees and Charges

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