

*City of Hamilton
Planning and Growth
Management
Application Fee Review*

January 18, 2019

Presented by BMA Management Consulting Inc.

Goals

Compliance with Legislation

Fair and Equitable

Proportional to the Actual Cost of Service

Introduction

- Last review was undertaken in 2012
- Since last review:
 - Increased public expectations requiring more information
 - More complex applications requiring specialized studies and specific reviews – cost for which are now being captured
 - Multi-divisional costing including Building, Planning, Growth Management, Transportation and Parking, Public Works, Hamilton Water, Legal, Clerks
 - Number of submissions and re-submissions has increased
 - Quality of the submissions, in some cases, has declined resulting in additional work
 - Additional staff attendance at open house meetings and subsequent follow up with public and applicants

Planning and Growth Management Fee Review Process

Review Process

- Identify full cost of service
- Process mapping of tasks within the permit processes
- Identify staff positions involved
- Staff estimated times based on average application types.
- Average “productive time” per staff person was determined (i.e. deducted vacation time, training time, etc.)
- Developed activity based costing model
- Validate Findings – revenue recovery projections, hours
- Underwent iteration reviews and revisions until City staff and BMA were confident of the results
- Compare fees to other municipalities

Full Cost Accounting

Identification of Full Cost of Programs and Services

Direct Departmental
Costs

Indirect
Departmental

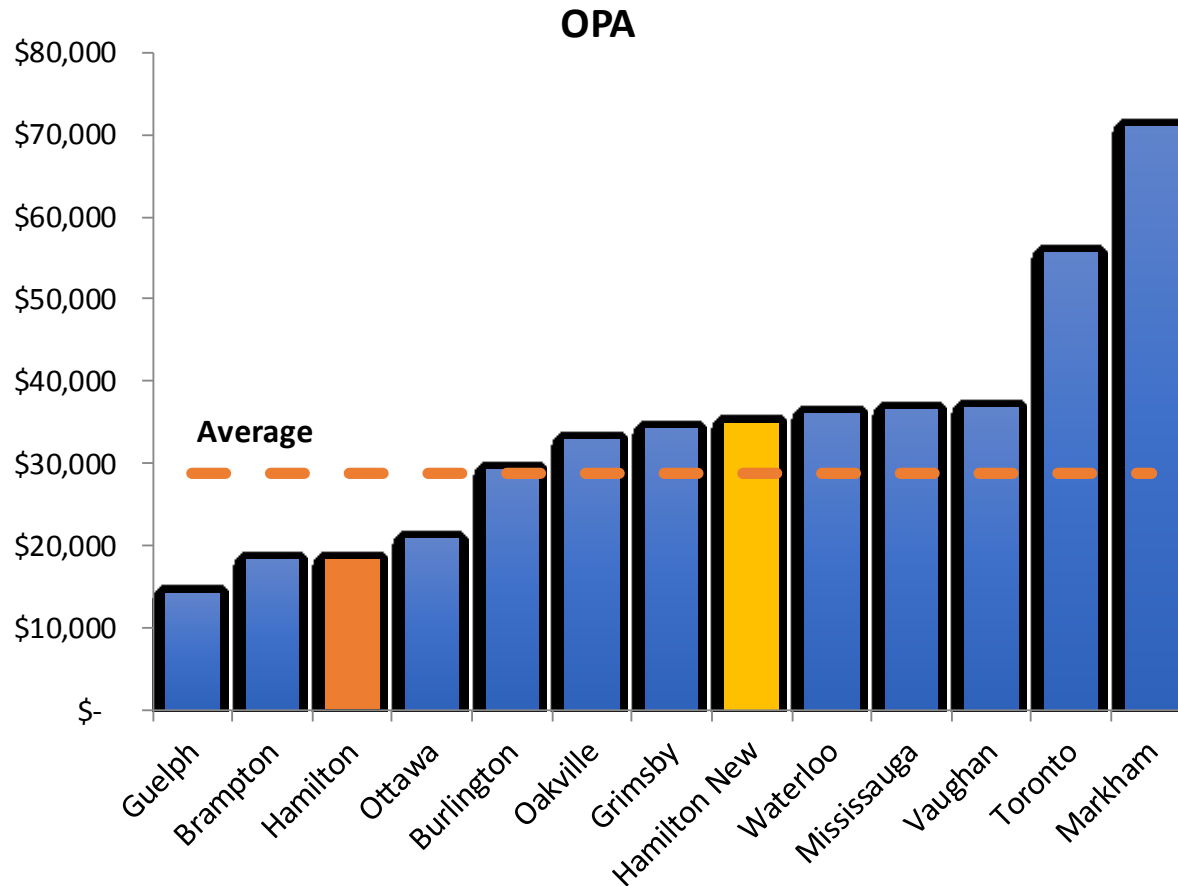
Corporate Cost
Allocations

Peer Municipal Comparisons

Peer Comparison

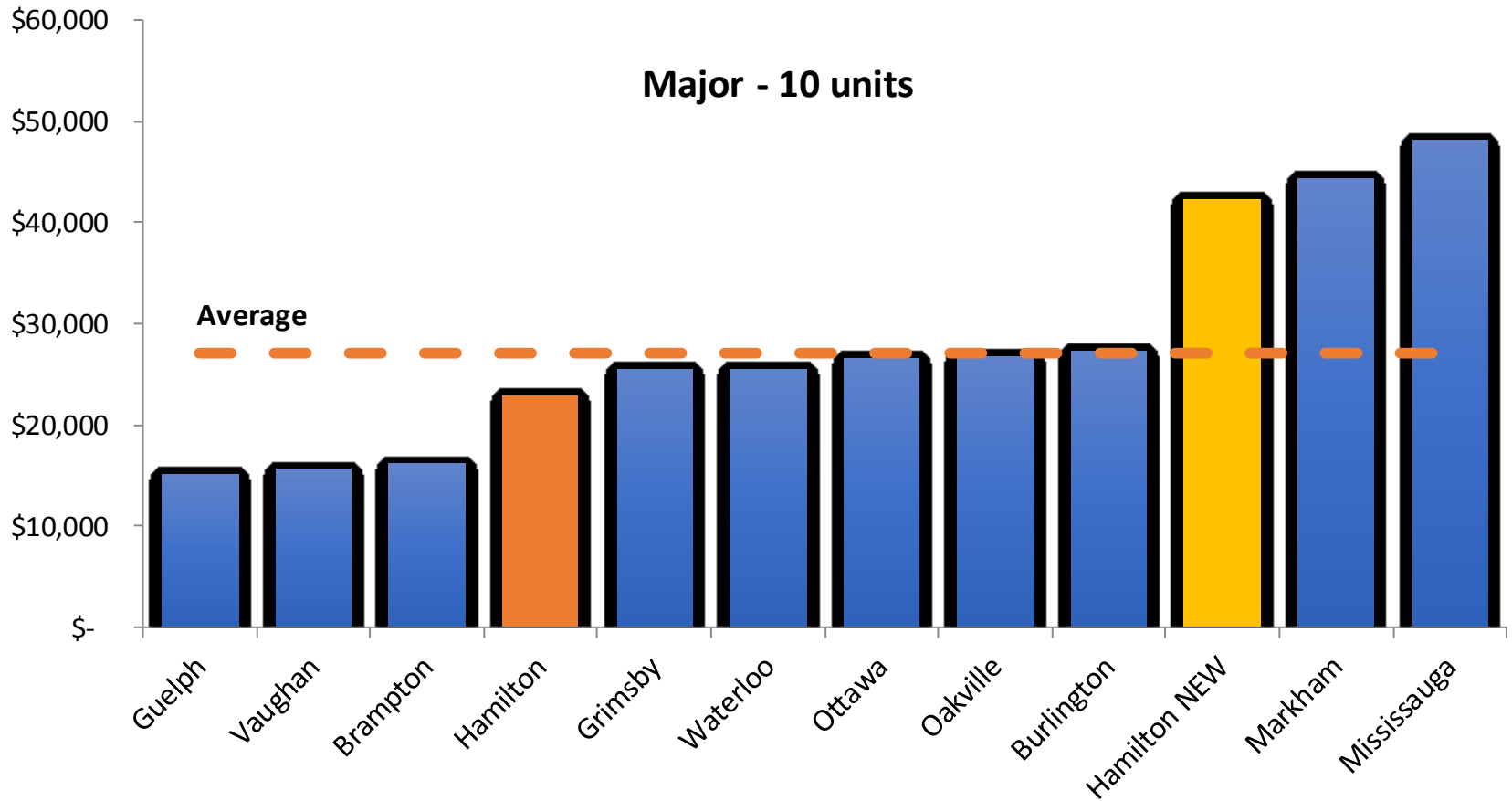
- The purpose of a comparison is to provide a sense of where Hamilton's fees fall in relation to other municipalities and is used for information purposes only
- There are many factors that impact the fees in each jurisdiction including but not limited to:
 - Governance structure (single versus two tier municipalities)
 - Processes – review processes, commenting agencies etc.
 - Cost recovery goals/objectives
 - Performance standards – turnaround times
 - Resources utilized
 - Complexity and definitions/classifications of fees
- Comparative fee surveys do not provide information about the cost recovery policies or procedures inherent in each municipality
- Overall, Hamilton's fees tend to be in the middle range for most fees and municipalities surveyed

Official Plan Amendment

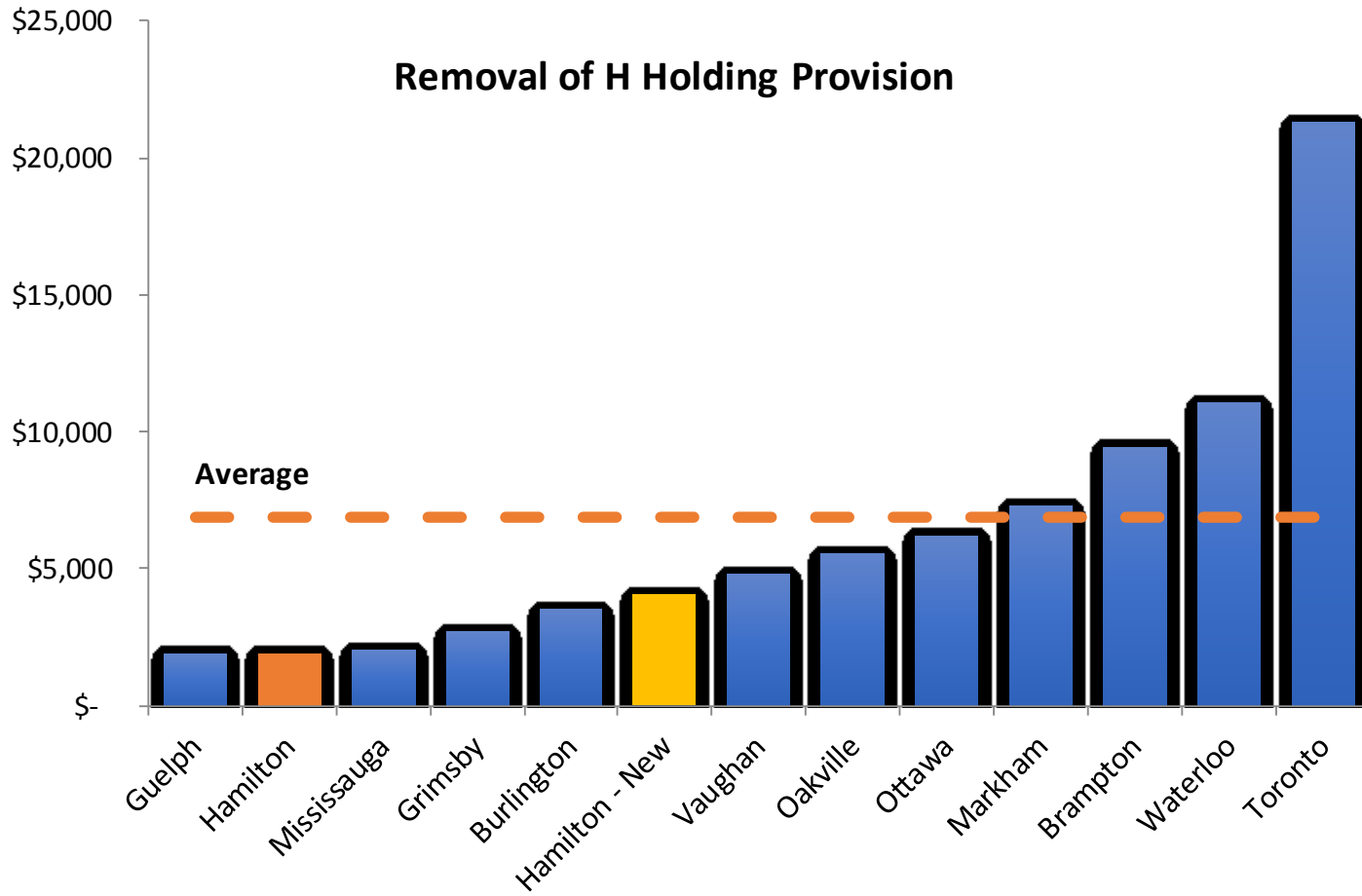


- Calculated fee takes into consideration duplication of effort in processing a zoning application

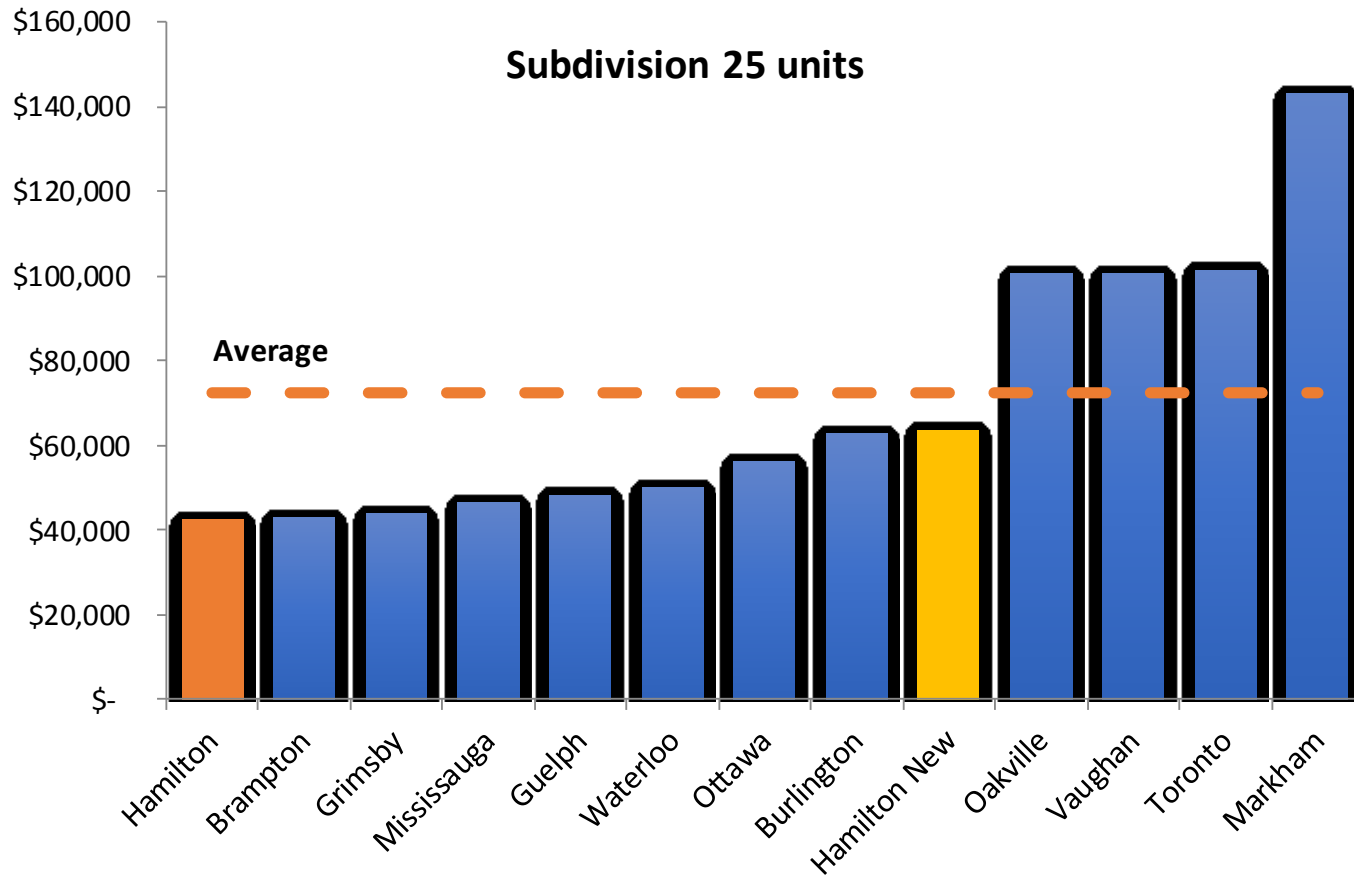
Major Zoning Amendment



Removal of H Holding Provision

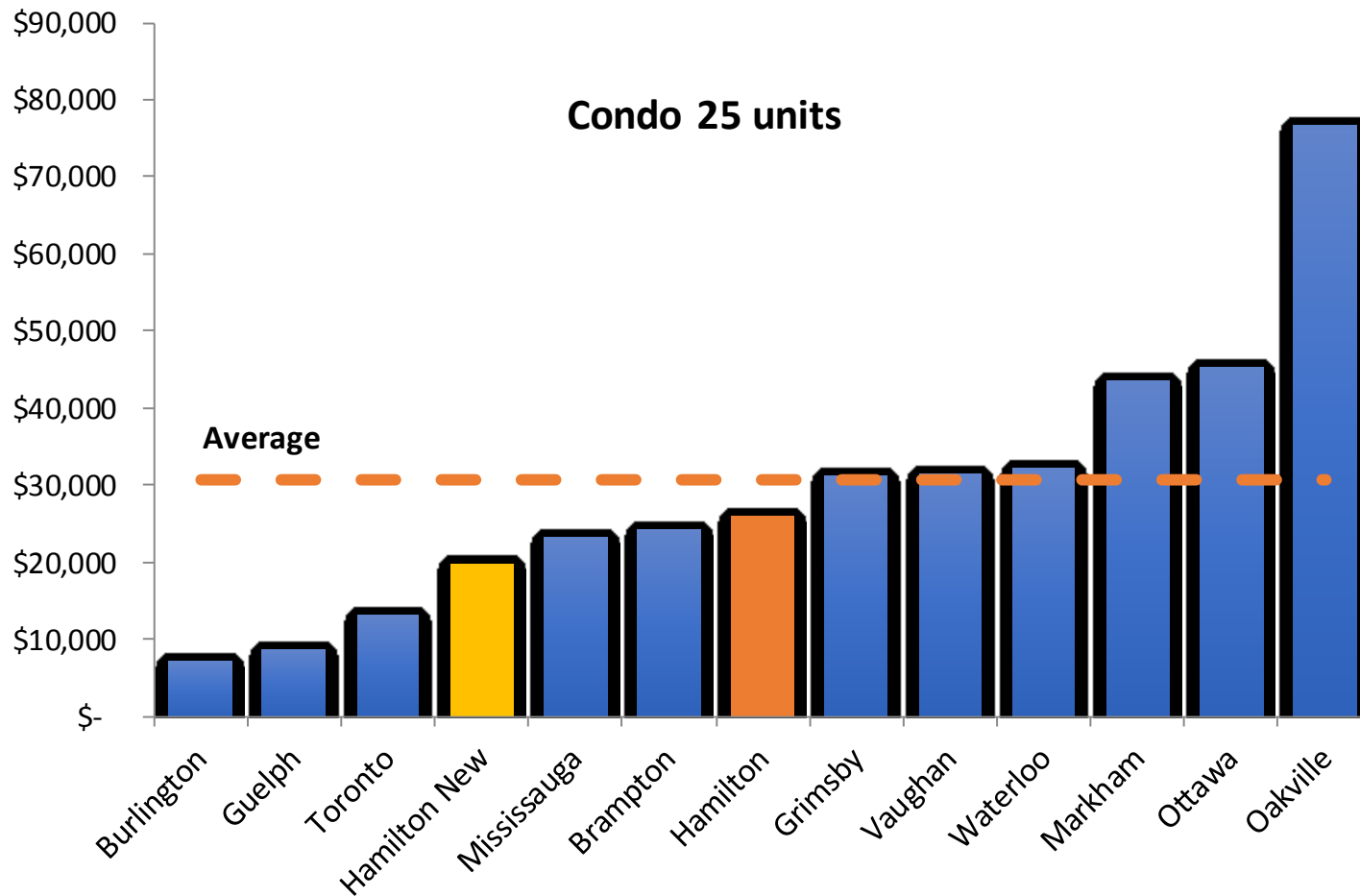


Subdivision



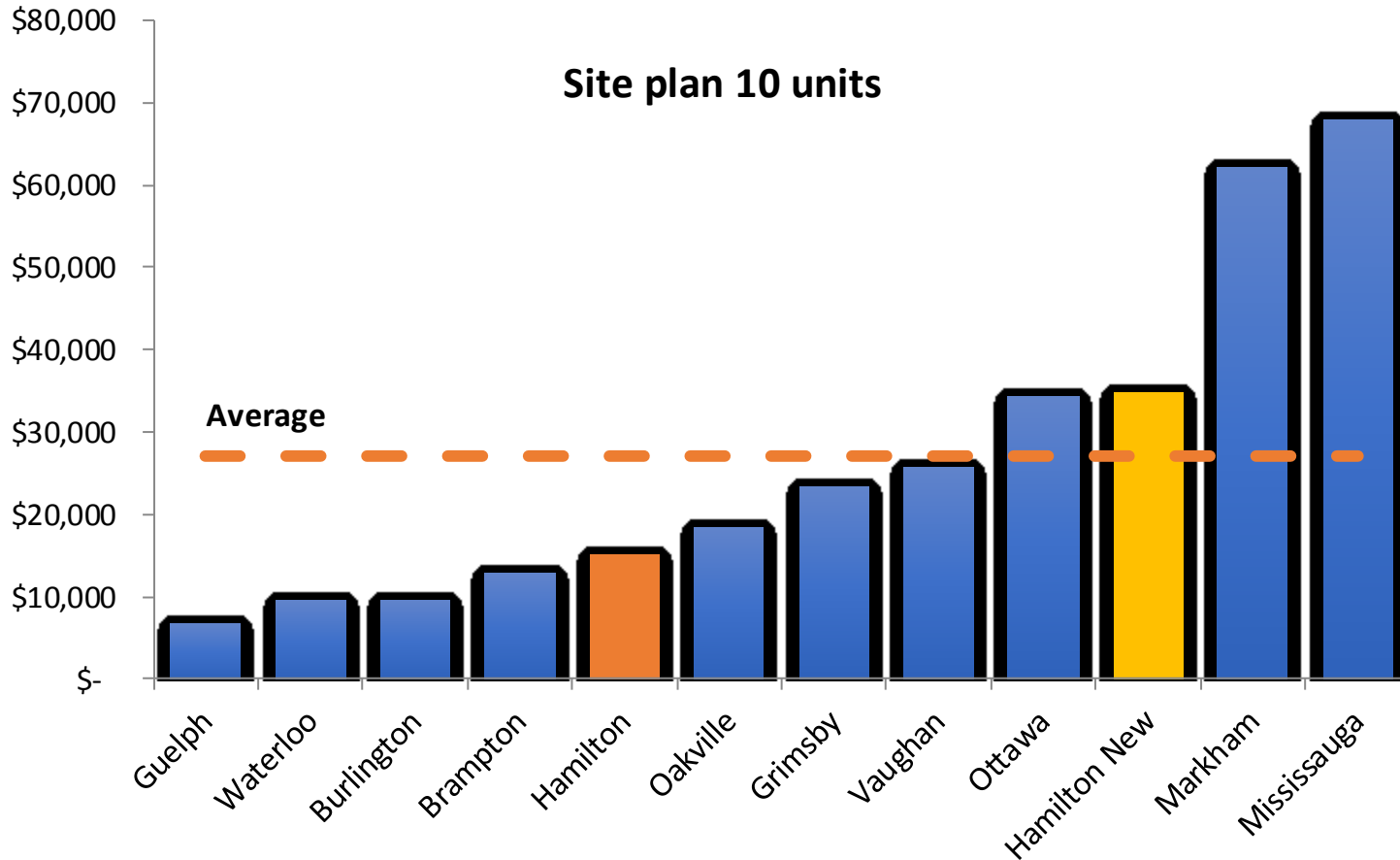
- Recommended fee introduces a tiered step-down rate to recognize economies of scale for large projects

Condominium



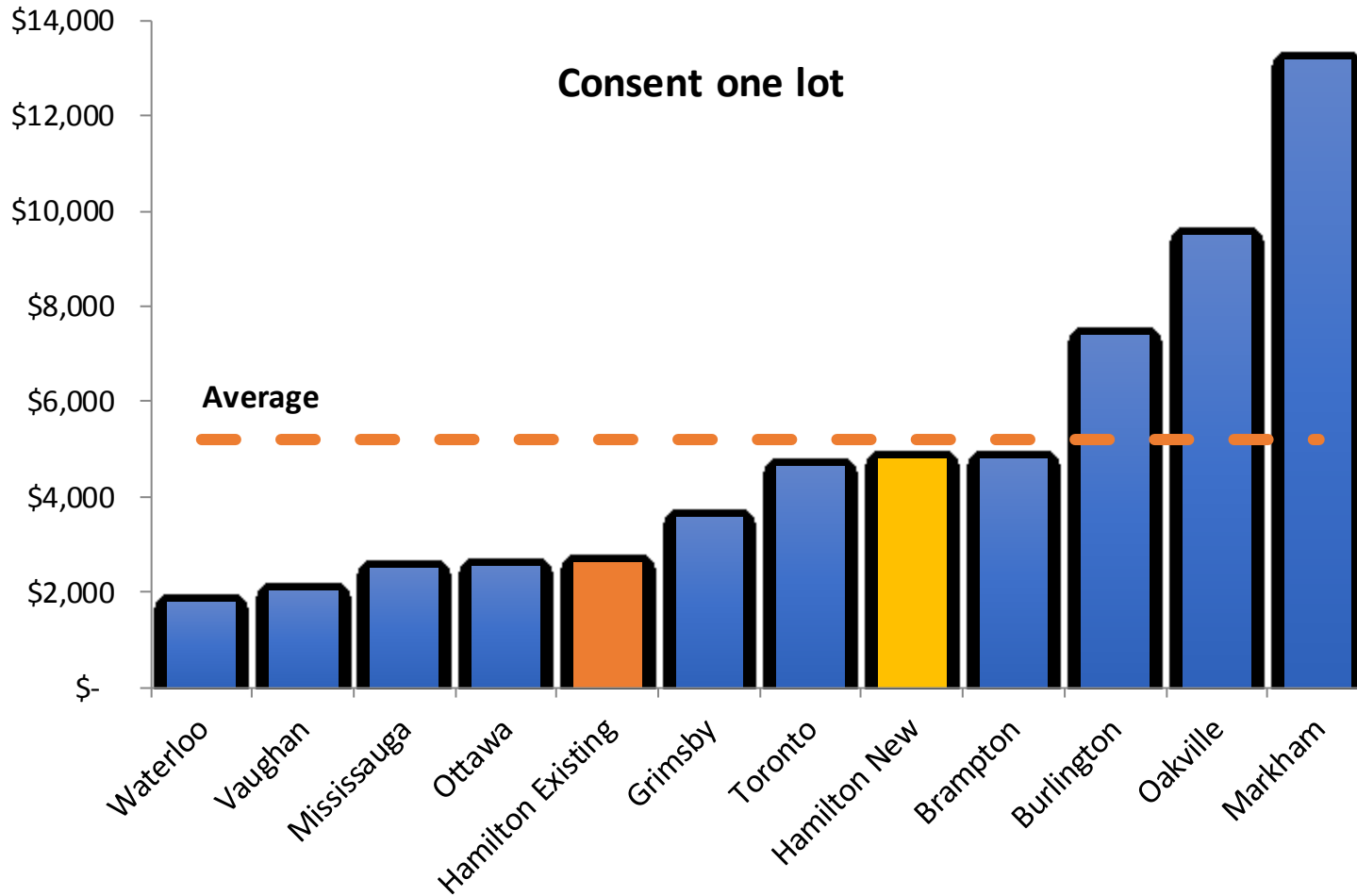
- Efficiencies have been achieved resulting in a reduction of proposed fee

Site Plan

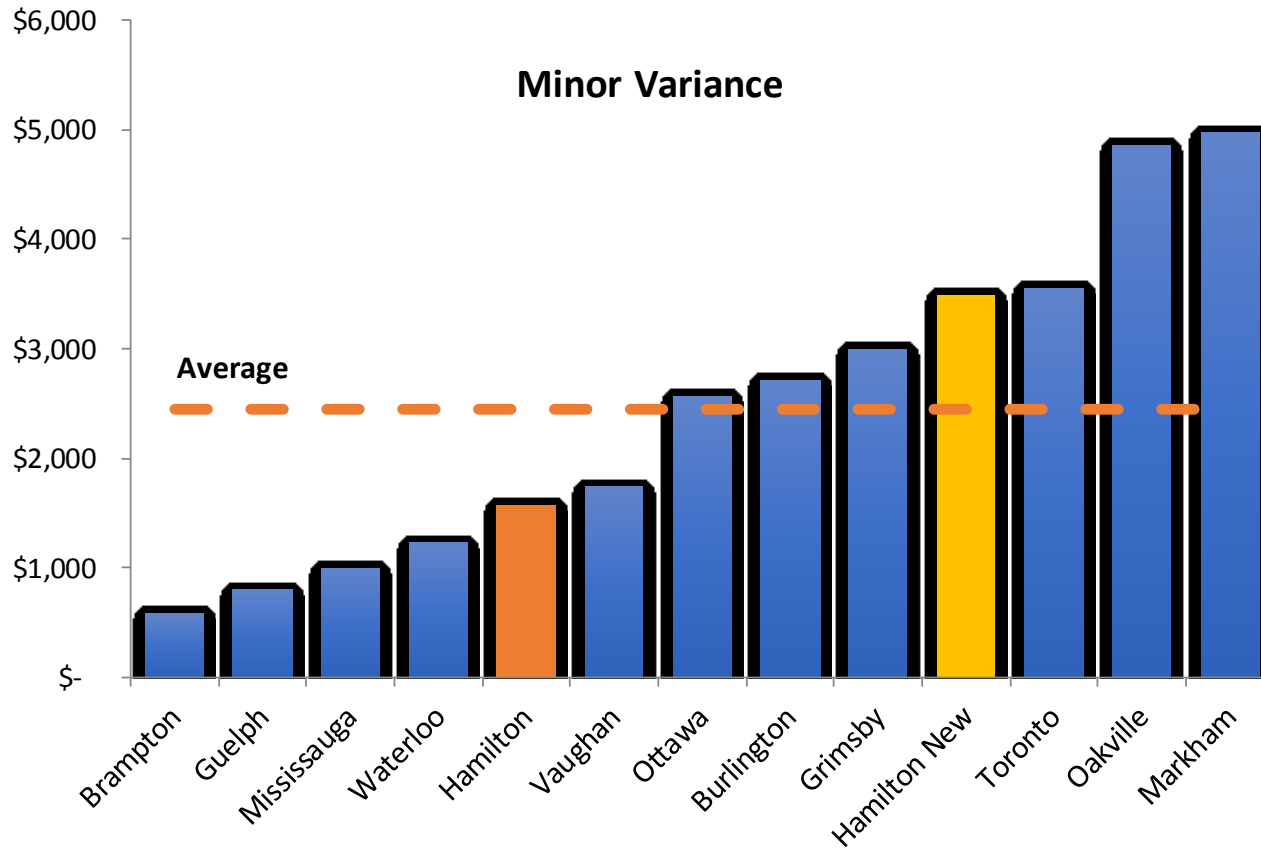


- Recommended fee caps vertical development at \$35,000. Application fee takes into consideration size of the development by including a base fee and a per unit fee

Consent One Lot



Minor Variance



- Minor variance can vary in complexity – the above reflects a minor variance. There is also a lower fee for routine minor variance

Conclusions

- User fees help ensure optimal and efficient use of scarce resources and reduce pressure on property taxes
- Existing fees generally low in comparison to peer municipalities
- Existing fees not recovering the full cost of service

Questions & Answers

Questions & Answers
Answers