



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning, Administration and Policy Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	December 4, 2019
<b>SUBJECT/REPORT NO:</b>	2020 Tax Supported User Fees (FCS19092) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Andreia Bevilacqua (905) 546-2424 Ext. 4190
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the 2020 User Fees contained in Appendix “A” to Report FCS19092, “2020 Tax Supported User Fees”, be approved and implemented;
- (b) That the City Solicitor be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the user fees contained within Report FCS19092.

**EXECUTIVE SUMMARY**

Similar to prior years, the 2020 Tax Supported 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). For the most part, the enclosed proposed user fees will be effective January 1, 2020. Some fees, however, (e.g., Transit, Recreation rental fees, Macassa day program fee), are effective sometime later in 2020.

Appendix “A” to Report FCS19092 identifies most 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 December 2019
- Planning and Growth Management Fees: already have approval through By-law 19-108 “Tariff of Fees” to increase annually by inflation;
- Hamilton Farmers’ Market Fees: to be approved by the Board in Q4 2019.

At the end of the budget process, all approved fees, whether through Report FCS19092 or separate reports, will be consolidated into one 2020 user fee by-law.

At the General Issues Committee (GIC) meeting of July 8, 2019 (Item 4(a) and (b) to Report 19-013), staff received the following direction:

- (a) That staff be directed to report back on a list of user fees that can be increased towards full cost recovery, or user fee waivers (including marginal cost facility leases) that can be reduced or eliminated over a one to three-year phase in period;
- (b) That for all other user fees, the fee be increased by a rate of 3.0% and that any user fee increases below the guideline be forwarded for consideration with appropriate explanation

As identified in Appendix “A” to Report FCS19092, most user fees are generally increasing by the 3.0% internal guideline or moving to full cost recovery. There are, however, some exceptions which include:

- 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.
- 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 FCS19092. Report FCS19092 also identifies any new fees which are being proposed. Details on these new fees are included in the “Analysis / Rationale for Recommendation” section of Report FCS19092.

With respect to Council’s direction to report back on a list of user fees that can be increased towards full cost recovery, staff will be identifying appropriate user fee options during the 2020 budget process. However, included within Report FCS19092 are a number of fees that have been identified as being fully recovered. Appendix “A” to Report FCS19092 identifies these fees in the comment section.

**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 2020 budget are based on the fees contained within Report FCS19092. This represents approximately \$3.3 M in additional revenues when compared to 2019.

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. Some fees, however, (e.g., Transit, Recreation rental fees, Macassa day program fee) are effective later in 2020. 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 FCS19092 were submitted by the program departments.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

As identified, Appendix “A” to Report FCS19092 provides a listing of the majority of the City’s tax supported user fees. Due to timing of Report FCS19092, some user fees go forward with a separate report to their respective committees. User fees within each department are increasing by Council’s approved guideline, with some deviation as a result of rounding and the below exceptions.

**Planning and Economic Development**

(Pages 1 - 32 of Appendix “A” to Report FCS19092)

Provincially Mandated

- Certain Parking Fees are either set by the Province or have been set as per registered agreements, including some which are proposed to remain unchanged (page 16).
- Tourism Fees (page 14):
  - 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 (page 26).

Market Based

- Animal Services (pages 27 - 32):
  - Several Animal Services fees are proposed to increase by 10% to bring fees up to market value: Impound fees for dangerous or potentially dangerous dogs (standard, senior and disabled rates) and livestock (small and large); Quarantine per day fees for dogs, dangerous or potentially dangerous dogs and cats; Hearing fee regarding dangerous or potentially dangerous dogs; Wildlife removal from private trap fees; and the Animal Assistance fee. The Admin fee is also proposed to increase by 5% to bring fee up to market value.
  - Impound fees (standard, senior and disabled rates) for other small domestic animals and snake or reptile are proposed to reduce to \$25 (from 2019 fees ranging from \$45 to \$56) due to lack of claiming of these types of animals. Only about 1% of small domestic animals are claimed due to cost to replace being cheaper than the claim. It also costs more for shelter to house these animals long term versus claiming at a reduced fee to owner.
  - Boarding fees for dangerous or potentially dangerous dogs including senior and disabled rates are proposed to increase by 76.5% (or \$26)
  - The voluntary cat registration fee has not increased in many years and is proposed to increase by 15.4% (or \$2).
  - Microchip implant fees are proposed to remain unchanged at a set fee of \$25.00 after HST and \$22.13 before HST. Fees need to align with those charged at the Rabies Vaccines Clinic charge to avoid confusing the public. Fees need to be set at a rate that is affordable to the general public and encourage providing pets with identification.
  - Trap rental, cat cardboard carrier and dog leash fees have been removed from the proposed fees due to no longer being offered to the public.

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- Dog License (page 15):
  - Dog License – Standard rates for spay / neuter under six months of age are proposed to remain unchanged from the 2019 rate. This fee has increased a dollar every year since 2011 and the seniors’ rate has not increased in the last four to five years. There have been many customer complaints in regard to an increase each year for regular rate and not the seniors.
  - Dog License – Senior rates for spay / neuter under six months of age are proposed to increase above the guideline (6.7% or \$1.00) as this rate has remained the same for past four to five years, therefore, raising to lower discrepancy between senior / regular rates.
  - Replacement Tag Fee has not increased according to guideline. It is proposed the fee remain at \$5 including HST. This would encourage more people to purchase replacements when animal tags are lost. Currently, many residents complain about the replacement cost. Thus, if the fee is not increased, animal owners would be more inclined to comply with obtaining replacement tags, allowing animals to be returned to homes as opposed to bringing them to shelters and increasing shelter costs.
  - Late payment fee is proposed to remain unchanged since it is currently the highest by industry standards.
  
- Administrative Penalty System (APS) – Hamilton Municipal Parking System (HMPS) (pages 16 - 17):
  - Fail to Attend Hearing fee is proposed to double (or \$50) to align with fee for fail to attend with APS process under Licensing and By-law Services (LBS) and Parking.
  - The On-Street Patio Application Fee was approved in 2017 (Report PED16119) but omitted in the user fees by-law. It is now reflected in this year’s proposed user fees with an increase of 62.5% (or \$250) to reflect current market value.
  
- Tourism Fees (page 14):
  - Various rates for Special Events, Workshops, Seminars, Hands-on programs, Special Exhibits, etc. have been set at fair market value and to match similar fee for Museum Special Events.
  
- Culture Fees (pages 7 - 13):
  - Several Culture Fees are proposed to be raised above or below the guideline to match market rates.
  - Museum General Admission and Group Rates are proposed to increase above 3% to reflect the impact of free admission for Hamilton Library card holders and to match market rates. Those paying this fee now are increasingly tourists and not residents.
  - Museum Rental Rate for Evening Grounds Use After 5:00 pm (all sites) is proposed to remain unchanged due to fee being already at market rate. Increasing fee would lead to reduced programming and net loss of revenue.

- Building Services – General Fees (page 3):
  - Swimming Pool Enclosure Fee is proposed to increase by 48.8% (or \$82) in order to keep in line with building permit.

#### New Fees Proposed

- Animal Services (page 28) added to the Live Surrender fees with rabbit as own category due to the increase in surrenders received for 2019 year (double from previous year).
- Culture Fees (pages 7 – 13):
  - Reinstating previously removed Dundurn Castle and Hamilton Military Museum youth and child rates.
  - Other new fees: Fieldcote Memorial Park and Museum - ½-day rate, Retaining set-up on non-filming days fee and Surcharge on City services and / or location fee.
- Hamilton Municipal Parking System Fees (pages 16 – 17):
  - Administrative Penalty System is proposing a new fee in preparation for mail issuance of Parking Penalty Notices for future need/process.
  - New Occupation of Public / Metered Parking Spaces (pre-payment required) fees
- Building Services is proposing two new Security Deposit fees to recoup grading costs for a Single Lot (Infill) and a Semi-Detached Dwelling (Infill) (page 2).

#### **Healthy and Safe Communities**

(Pages 33 - 54 of Appendix “A” to Report FCS19092)

#### Provincially Mandated

- Hamilton Fire Department inspections of group homes with a capacity of more than four have been removed from the proposed fees due to legislated requirement for mandatory inspections of vulnerable occupancies.

#### Market Based

- The hourly rate for Recreation Fee (page 51) for pool rental of Category C - Specialty Pools (With 2 Lifeguards) (Stoney Creek, Westmount, Valley Park) is proposed to remain unchanged due to fee already being close to market maximum.

### New Fees Proposed

- Hamilton Fire Department has added the following new fees (pages 33 and 35) due to increase in requests for these services:
  - Events fees for Approvals for pyrotechnic and firework displays and film shoot pyrotechnics
  - Capacity cards upon request
  - Alternative Solutions Review for Ontario Fire Code
- Recreation:
  - Program fee for Youth - Leadership (12 Hours) has been replaced with Youth - Leadership (8 Hours) (page 49)
  - Under the Arena Floor Rentals section (page 51) the Arena Special Events fee was renamed from “(Per Booking)” to “Standard (Hourly)” and converted to hourly as well as an addition of a commercial rental fee that has been aligned with market rates.

### Cost Recovery

- Hamilton Fire Department is proposing to increase the Open air burning permit fee (page 35) to full cost recovery reflecting a proposed increase of 150% (or \$15).

### Public Works

(Pages 55 to 70 of Appendix “A” to Report FCS19092)

### Provincially Mandated

- Environmental – Cemeteries (page 60) Lot Sale - Child: Stillborn - Case up to 24" C&M Portion fee and all Care and Maintenance fees are prescribed by Ministry legislation and are remaining unchanged.

### Market Based

- Several Environmental Services fees (pages 57 – 63) are being proposed to deviate above the 3% guideline to reflect market rates and to be comparable to industry standards.
- The Street Lighting Subdivision Review and Evaluation Fee was approved by GIC on March 22, 2019 under Report PED 19015(a) to increase in year 2020 by 50% (or \$2,141) (page 64).
- Some sporting events, film shoots, concerts and corporate gathering fees at Tim Hortons Field (page 66) are proposed to remain unchanged. Fees are market driven and comparable to industry standard.
- Engineering Encroachments Annual Fee – Areaways - % of Market Value (page 55) is proposed to remain unchanged as the fee is appropriate based on market value at the time.

- Several Transit fees (page 70) have been increased effective September 1, 2020 based on previously approved Report PW14015(a) whereas others have remained unchanged due to current fee being sufficient and likely to be renewed in the spring of 2020 with a separate report.

#### Policy Related

- Fees for Removal and Replacement of public trees for a private individual or entity (page 57) remain unchanged with cost plus additional 7% admin fee as per By-law 15-125 and City of Hamilton Tree Preservation and Sustainability Policy.

#### Cost Recovery

- Environmental – Cemeteries (page 61) Markers and Foundation Fees are being proposed to increase to full cost recovery, all increasing by \$30 (except Concrete Foundation Pouring which is already fully recovered) - increases between 13.6% to 20%.
- Environmental Services (pages 57 - 58) is proposing increasing the following two fees to full cost recovery: Work done for others Parks Maintenance - Priced per Job and Banner Installations - King Street West (Dundas)

#### New Fees Proposed

- Environmental Services:
  - Several new fees added with regard to Cemeteries (interment, lot sale, niche sale, merchandise / miscellaneous Services, garden stones, shrub removal and private columbarium unit) (pages 59 - 62).
  - Other additional fee added: Mum Show School Tour - Full Class and Fence Cost Share Program - Application Fee



**Corporate Services**

(Pages 71 - 76 of Appendix “A” to Report FCS19092)

New Fees Proposed

- Clerks (page 72): Fee added for Proof of Residence letters which are currently free. It is the intention to bring them in line with the Certified True Copies fee in three years.
- Taxation (page 73): New Admin Fee for 3 Years Arrears Letter (Pending Lien Registration) to recover cost of annual three years arrears letter warning of potential lien registration
- *Provincial Offences Act* (page 76): New Administrative review cost recovery fee and Collection cost recovery fee as pass through of collection fees to the defendant.

**City Manager’s Office**

(Page 71 of Appendix “A” to Report FCS19092)

- No exceptions or new fees noted, aside from rounding.

**ALTERNATIVES FOR CONSIDERATION**

N/A

**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 FCS19092 – 2020 Proposed User Fees and Charges

AB/dt