



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

<b>TO:</b>	Chair and Members General Issues Committee
<b>COMMITTEE DATE:</b>	December 9, 2020
<b>SUBJECT/REPORT NO:</b>	2021 Tax Supported User Fees (FCS20085) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Kayla Petrovsky Fleming (905) 546-2424 Ext. 1335 Cyrus Patel (905) 546-2424 Ext. 7698
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That the 2021 User Fees contained in Appendix “A” to Report FCS20085, “2021 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 FCS20085;
- (c) That the Temporary Waiver and Deferral of User Fees and Charges Policy contained in Appendix “B” to Report FCS20085, “2021 Tax Supported User Fees”, be approved and implemented.

**EXECUTIVE SUMMARY**

Similar to prior years, the 2021 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 proposed user fees will be effective January 1, 2021. Some fees, however (e.g. Transit, Recreation rental fees, Macassa day program fee), are effective sometime later in 2021.

Appendix “A” to Report FCS20085 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 2020.
- 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 2020.

At the end of the budget process, all approved fees, whether through Report FCS20085 or separate reports, will be consolidated into one 2021 user fee by-law.

At the General Issues Committee (GIC) meeting of October 29, 2020, staff received the following direction:

- (a) That staff be directed to increase user fees towards full cost recovery where it is reasonable to expect that users can afford to pay; and,
- (b) That for all other user fees, the fee be increased by a rate of 2.0% and that any user fee increases below the guideline be forwarded for consideration with appropriate explanation.

Most user fees are generally increasing by the 2.0% 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; and,
- 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 that deviate from this guideline have a corresponding explanation under “Basis for Fee Increase” in Appendix “A” to Report FCS20085. Report FCS20085 also identifies any new fees that are being proposed. Details on these new fees are included in the “Analysis / Rationale for Recommendation(s)” section of Report FCS20085. An explanation on the fees moving towards full cost recovery or that are currently being fully recovered is included in the “Analysis / Rationale for Recommendation(s)” section as well.

Staff is also recommending to implement a policy for the temporary waiver and deferral of user fees and charges, contained in Appendix “B” to Report FCS20085, in order to have a consistent approach when the City considers that it is appropriate to defer or waive user fees or charges.

It is at the discretion of Council to provide a target increase for user fees. The recommended changes to user fees in Report FCS20085 are estimated to generate an additional \$2.8M in revenues in the preliminary tax supported operating budget.

### **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 2021 budget are based on the fees contained within Report FCS20085. This represents approximately \$2.8 M in additional revenues when compared to 2020.

**Staffing:** N/A

**Legal:** The Legal and Risk Services Division was consulted on the development of the by-law and the policy. The 2020 By-law included a section regarding the waiver and deferral of user fees, which led the development of the policy attached as Appendix “B” to Report FCS20085.

### **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 2021. The annual user fee by-law is then passed by Council at the completion of the budget process.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

As per the Municipal Act, a by-law is required once the User fees in this report and other reports are approved. Appendix B to this report is a new policy - Temporary Waiver and Deferral of User Fees and Charges as contemplated in Section 3(2) of the 2020 User Fee By-law (20-168).

### **RELEVANT CONSULTATION**

The user fees contained in Appendix “A” to Report FCS20085 were submitted by the program departments.

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

Appendix “A” to Report FCS20085 provides a listing of the majority of the City’s tax supported user fees. Due to the timing of Report FCS20085, 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 exceptions outlined below.

### **Planning and Economic Development**

(Pages 1 to 22 of Appendix “A” to Report FCS20085)

#### 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 12).
- Tourism Fees (page 14):
  - Tourism 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 4).

#### Market Based

- Animal Services (pages 1-3):
  - Live surrender fees of dogs are recommended to not increase as the fee needs to encourage humane surrender and not abandonment. This is also consistent with industry standards.
  - Microchip implant fees are recommended to not increase this year as the fee needs to be affordable to the public to encourage providing pets with identification.
  - Animal waste refill bag fee is set to remain consistent with last year as the fee achieves cost recovery while encouraging public to remove pet waste and also following industry standard.
- Dog License (page 13):
  - Dog License – Standard and senior rates for spay / neuter under six months of age are proposed to remain unchanged from the 2020 rate in order to encourage compliance with by-law by keeping valid licence and tag on dog to ensure it can be traced / returned home versus coming into shelter and increasing shelter costs - also due to COVID-19 financial hardship.
  - Replacement tag fee and late payment fee is proposed to remain unchanged in order to encourage compliance with by-law and to reduce financial hardship due to COVID-19 has not increased according to guideline.

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- Licensing (page 10):
  - Personal Transportation Provided – Both annual licence fees and per trip fees are recommended to not increase as per Fee Review of Personal Transportation Providers (Schedule 24 of the Business Licensing By-law 07-170) (PED20104).
- Culture Fees (pages 15 - 18):
  - Museum General Admission, Group Rates, Memberships and Special Events are proposed to remain unchanged. An in-depth fee review was performed in 2020 and the fees were increased by more than 20% last year to align with market values.
  - Museum Student and Youth Group Rates are proposed to remain unchanged as the program delivery is under review due to COVID-19.
  - Museum child birthday parties, commercial photography (use of grounds) and most rental rates are proposed to increase by well above guideline in order to align with fair market value.
- Economic Development – Urban Renewal (page 20)
  - LEED Grant Program and ERASE Redevelopment Grant proposed to increase above guideline in order to be consistent with fee on other Tax Grants.

#### Cost Recovery

- Animal Services
  - Adoption fees (page 3) for dog / puppy and cat / kitten are recommended to increase above guideline to achieve cost recovery related to medical expenses (vaccinations, etc.).

#### New Fees Proposed

- Animal Services (page 1) added to the Licensed and Unlicensed Dog Subsequent Offence fees for first five occurrences for both standard and senior rates.
- Licensing and By-law Services (page 7)
  - New fees added with regard to permit application to injure or destroy trees (Urban Woodland Tree By-law No. 14-212)
- Economic Development – Urban Renewal (page 20):
  - LEED Grant Program Administration Fees (Fee Per Unit)
- Hamilton Municipal Parking System Fees (page 12):
  - New Free Floating Car Share Permits Fee
  - Administration Fee on Temporary Parking Permits – proposing harmonized fee for 2021 of 15% of the permit fee.
- Building Services is proposing two new Routine Disclosure of Building Division Records Fees (Page 21).

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## **Healthy and Safe Communities**

(Pages 23 to 39 of Appendix “A” to Report FCS20085)

### Market Based

- The hourly rate for Recreation Fee:
  - Sports Field Rentals (Field / Diamond-C and Field MINI) is proposed to increase by 5%, plus rounding, to bring the fee closer to market rate (page 24).
  - Pool Rental Fees for Private Lessons, Lifesaving Society Fees and National Lifeguard Course (page 26) are proposed to increase to bring closer to market rate.
  - Preschool - Parented Program and Child Program (both one-hour class) are proposed to increase to bring the fee closer to market rate (page 27).
  - Ice fees (page 30) - Actual operating cost of City-owned arenas would be too prohibitive for the market, thus arena ice rates have been increased by 3%. Cost model is re-evaluated annually.
  - Some user fees within Recreation Division are being increased above guideline in order to standardize discounts. Through fee review, it was discovered that the family pass was priced in a way that made it more enticing for two adults to purchase the family pass instead of two adult fares. Family pass rates were increased as a result (pages 28 – 29).
  - Some golf course fees are recommended to increase above guideline to adhere to the after-tax rounded rates that both King’s Forest and Chedoke were already charging last year (pages 31 – 35).

### New Fees Proposed

- Hamilton Fire Department has added a fee for Fire Safety Plan Review - third or subsequent review (page 38)
- Recreation:
  - Golf Courses – New league fees and tournament fees have been added to both King’s Forest (page 31) and Chedoke (page 33).
  - Gym Rental (page 24) fees have been added across several recreation facilities for different size gyms.
  - Hourly parks rental fee added (page 24).
  - Coach Leadership Programs (Effective April 1, 2021) (page 27) have been added to the Recreation portfolio.

### Cost Recovery

- Hamilton Fire Department is proposing to increase the triggering alarm not including testing alarm and responses for motor vehicles to full cost recovery (page 37).

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**Public Works**

(Pages 40 to 57 of Appendix “A” to Report FCS20085)

Provincially Mandated

- Environmental – Cemeteries (page 50) 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 - Cemeteries fees (pages 50 – 56) are being proposed to deviate above the 3% guideline to reflect market rates and to be comparable to industry standards.
- Some sporting events, film shoots, concerts and corporate gathering fees at Tim Hortons Field (page 43) are proposed to remain unchanged. Fees are market driven and comparable to industry standard.

Policy Related

- The transit fees that are proposed for September 1, 2021 are the same rates that were proposed last year for a start date of September 1, 2020. Due to COVID-19, the increase was deferred until September 2021. Fees are consistent with Report PW14015(a) and PW14015(c).
- Tipping fees in Waste Management are renewed every two years. The last update occurred in 2020 (page 48).
- Removal and Replacement of public trees for a private individual or entity (page 55) 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 – Waste:
  - Waste Management Per Event Fee for Non-Funded Festivals and Events Fees (page 48) are being proposed to increase to full cost recovery.
  - Minimum Vehicle Fee (page 48) – no change required as the rate was increased by over 17% from 2019 to 2020 to reach cost recovery.
- Environmental – Cemeteries (pages 50 - 56): several fees are being increased above guideline to achieve cost recovery.

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### New Fees Proposed

- Environmental Services:
  - Several new fees added with regard to Waste Management (Pages 48 - 49):
    - Waste Site Searches.
    - Special Event Waste Containers - replacement of damaged containers.
    - Fees charged for inspections carried out by the City resulting from non-compliance with the City's Solid Waste Management By-law and the City's Parks By-law - Initial inspection and Subsequent inspection.
    - Fee for Commercial Vehicles possessing a signed affidavit transporting Waste for personal use.
    - Two fees are not new but have been removed from the existing Waste Management By-law 09-067 and are being added to the User Fees By-law (page 49).
  - Several new fees added to Cemeteries (page 54) with regard to lot sale, shrub removal and interment Sunday burials
  - Engineering (page 57): Digital Processing Fees have been added.

### Corporate Services

(Pages 59 to 63 of Appendix "A" to Report FCS20085)

### Cost Recovery

- City Clerk's (page 61) Commissioner of Oaths - Pension Forms are being proposed to increase as staff plans to phase in the cost as per Council direction. It is the intention to bring pension form fees in line with existing commissioning fees within three years.

### Market Based

- Financial Services and Taxation (Page 61) - Full Tax Deferral Program - application fee and annual renewal fee: staff recommending no increase, at this time, due to the financial position of low-income senior/persons with disability (subject to program continuing).

### New Fees Proposed

- Taxation (page 61): New fee to recover costs to return incorrect payment back to financial institutions.
- City Clerk's (page 61): New photocopy fee for large scale drawings.
- Encrypted USB charge and Routine Disclosure Admin Fee charge (page 59).

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**City Manager’s Office**

(Page 64 of Appendix “A” to Report FCS20085)

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

**Temporary Waiver and Deferral of User Fees and Charges Policy**

Staff is also recommending the implementation of a policy in order to have a consistent and transparent approach across the City to the temporary waiver and deferral of user fees and charges.

User fees and charges are utilized to finance those services offered by the City that provide a direct benefit to the specific person or groups using those services. On occasion, however, user fees and charges are waived or deferred in recognition that, through unforeseen circumstances, groups of identifiable individuals are likely to experience undue financial hardship that the temporary waiver or deferral of user fees or charges can mitigate, or because the temporary waiver or deferral of user fees would result in a direct economic, public health or social benefit to the community.

This Policy applies to all user fees and charges included in the User Fee and Charges By-Law and that are regulated by the Municipal Act. Permanent support programs such as the Recreation Assistance Program and the Affordable Transit Pass Program, are not covered under this policy.

Details of the policy are contained in Appendix “B” to report FCS20085.

**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 FCS20085 – 2021 Proposed User Fees and Charges

Appendix “B” to Report FCS20085 – Operating Budget Policies Temporary Waiver and Deferral of User Fees and Charges

KP/CP/dt