



## City of Hamilton

# Report for Information

**To:** Chair and Members  
General Issues Committee

**Date:** April 15, 2026

**Report No:** HSC26029

**Subject/Title:** User Fee Framework Project Update and Current State Analysis

**Ward(s) Affected:** City Wide

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## Recommendations

That Report HSC26029 respecting User Fee Framework Project Update and Current State Analysis **BE RECEIVED** for information.

## Key Facts

- Through a competitive procurement process, Blackline Consulting was the successful proponent selected to lead the development of a corporate User Fee Framework for the City of Hamilton, with a primary focus on Recreation and Transit services; a multi-departmental staff team has commenced work on this project with the consultant.
- The first phase of the project work with Blackline Consulting, which includes a Current State Analysis, has been completed (See Appendix “A”).

- Public engagement was completed to capture input on current user fees, community benefit, and barriers to accessing services for Recreation and Transit users; a total of 1,658 respondents participated in the Recreation survey, and a total of 748 respondents participated in the Transit survey.
- Updated timelines and deliverables for the remaining phases of the project are detailed within this report.

## **Financial Considerations**

There are no direct financial impacts as a result of this information report. The remaining phases of the user fee framework project include development of preliminary user fees for the Recreation and Transit divisions, which may differ from existing fee structures and practices. Pending approval of subsequent phase deliverables and receipt of the final report and implementation plan, the output of this project will have an impact on future user fees in the Recreation and Transit divisions.

## **Background**

User fees represent a significant non-tax revenue source for the City. Setting user fees at an optimal level that balances the community's need for access to important municipal services with the cost pressures faced by the City is a challenging task that requires a formal framework. In Report FCS24003, it was recommended that an external consultant be engaged to conduct a review of current user fees, with primary focus on Recreation and Transit services, and to establish a corporate user fee framework consistent with the City's organizational goals and priorities centred around community benefit, accessibility, equity and ability to pay. Project leadership was transitioned to the Healthy and Safe Communities department, with approval received for funding and project approach through Report HSC24049.

## **Analysis**

### *Project Initiation*

Through a competitive Request for Proposals procurement process in compliance with the City of Hamilton's Procurement Policy By-Law 20-205, Blackline Consulting was awarded the contract to complete this work with City staff. This phase of the project was completed later than planned due to delays in the competitive procurement process, with full onboarding and project kick-off with the consultant occurring in July 2025.

### *Current State Analysis*

Blackline Consulting has completed a comprehensive Current State Analysis on existing Recreation and Transit user fees, attached as Appendix "A" to Report HSC26029. It includes a thorough review of existing fees and policies, current cost recovery analysis, existing subsidies, utilization rates, and revenue generated from existing user fees. In addition to this internal review, benchmark municipalities were identified and engaged to capture their approach to user fees; comparators were selected based on geographic proximity and relative population and socio-economic conditions. The following Guiding Principles were established with input from leadership in the Recreation, Transit and Financial Planning, Administration and Policy divisions to establish the foundation for the forthcoming user fee framework: Community Benefit, Accessibility, Equity, Affordability.

Public engagement with residents on community benefit, current rates, and service access barriers was completed through an online survey on the Engage Hamilton platform over a three-week period from November 21 – December 5, 2025. The findings from the online survey, which included participation from 1,658 residents for the Recreation portion and 748 residents for the Transit portion, are summarized within the Current State Analysis.

The information gathered and presented in the Current State Analysis, along with the findings from public engagement, will be used to guide the remaining phases of the project.

## *Next Steps*

This project is currently scoped to be completed by September 2026, with four distinct phases of work remaining with Blackline Consulting.

### ***Framework Development (In Progress)***

Internal stakeholders will be engaged to develop the preliminary fee structure. Cost recovery targets will be assigned to each service to reflect desired tax subsidization. Target percentages will be applied to each service and sub-category to determine cost-driven user fees. Scenario modelling and price-sensitivity analysis will support recommendations to ensure potential impacts to participation and revenue are accounted for.

Deliverable: Preliminary Fees

### ***Equity and Accessibility Analysis (In Progress)***

Formal identification and documentation of barriers to access Recreation and Transit services will be completed. Blackline Consulting will develop strategies to mitigate these barriers. Affordability for low-income households and other vulnerable groups who may face disproportionate impacts will be a primary focus.

Deliverable: Equity and Accessibility Analysis Report

### ***Reporting and Monitoring (April 2026 – May 2026)***

Blackline Consulting will work with staff to develop a reporting structure to dashboard and report multiple key metrics, including total fee revenue, cost recovery percentage by service, and tax support required per service. Monitoring tools and governance structures to oversee the process will be established, with clear delineation of staff roles and responsibilities. Qualifying criteria for adjustment of fees will be established.

Deliverable: Monitoring Tools and Processes

***Final Report and Implementation (May 2026 – September 2026)***

All findings, analysis, and recommendations from each phase of the project will be compiled into a comprehensive final report and presentation to General Issues Committee. A detailed plan for implementing the new user fee framework, and expansion beyond the Recreation and Transit divisions, will be included.

Deliverable: User Fee Framework Final Report and Recommendations

## **Alternatives**

Not Applicable.

## **Relationship to Council Strategic Priorities**

### **1. Sustainable Economic & Ecological Development**

#### **1.1. Reduce the burden on residential taxpayers.**

One of the measures of success for this priority is exploration and introduction of new City revenue models and efficiencies. The final outcome of the corporate user fee framework project will present a new approach to managing user fees, directly impacting revenues and identifying areas for enhanced cost recovery.

### **2. Safe & Thriving Neighbourhoods**

#### **2.2. Make sure people can safely and efficiently move around by foot, bike, transit or car.**

One of the measures of success for this priority is increased transit ridership and accessibility. Transit user fees directly impact ridership and accessibility, and the final outcome of the corporate user fee framework project will propose a new approach to

monitoring and updating fees that will prioritize accessibility and directly incorporate transit ridership into the cost-setting process.

## 2. Safe & Thriving Neighbourhoods

2.3. Provide vibrant parks, recreation and public space.

One of the measures of success for this priority is increased access to recreational facilities and services. Recreation user fees directly impact access to services and facilities, and the final outcome of the corporate user fee framework project will propose a new approach to monitoring and updating fees that will prioritize accessibility and directly incorporate facility utilization into the cost-setting process.

## Previous Reports Submitted

- [HSC24049 – User Fee Framework – Project Overview](#)
- [FCS24003 – 2024 Tax Supported User Fees](#)

## Consultation

Business Support, Recreation, Healthy & Safe Communities

Transit Support Services, Transit, Public Works

Financial Planning Administration & Policy, Corporate Services

## Appendices and Schedules Attached

Appendix A: Blackline Consulting User Fee Review – Current State Report

### Prepared by:

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