

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 10, 2013

Item 8, Report No. 17, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on December 10, 2013.

8 USER FEE/SERVICE CHARGE REVIEW & BY-LAW UPDATES
(Referred)

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Acting Commissioner of Finance and City Treasurer, dated November 25, 2013:

The Finance and Administration Committee, at its meeting of November 25, 2013 recommended (Item 2, Finance and Administration Committee Report No.16):

- 1) That Communication C9, memorandum from the Acting Commissioner of Finance and City Treasurer, dated November 19, 2013, be received, and that consideration of this matter be deferred to the December 2, 2013, Finance and Administration Committee meeting to provide the public with an additional opportunity for public input.

Report of the Acting Commissioner of Finance/City Treasurer, dated November 25, 2013

Recommendation

The Acting Commissioner of Finance & City Treasurer, in consultation with City departments, recommend:

1. That the user fee/service charge schedule outlined in Attachment #2 be approved and effective January 1, 2014.

Contribution to Sustainability

Sustainability seeks to meet the needs and aspirations of the present without compromising the ability to meet those of the future. Therefore, to ensure services are adequately funded it is important to sustain or improve revenue/cost relationships. Otherwise, any reduction in a user fee or service charge cost recovery ratio will have a corresponding and direct impact on the City's levy and/or service level funding. As part of the City's Draft 2014 Budget and 2015-2017 Plan, departments were required to review user fees and service charges and make adjustments to sustain or improve revenue/cost relationships.

Economic Adjustment

The proposed economic adjustments are price related only and have been incorporated in the Draft 2014 Budget and 2015-2017 Operating Plan. The associated total budget adjustments are illustrated below:

	2014	2015	2016	2017
Price Adjustments	\$277,791	\$219,700	\$254,946	\$201,681
New Fees	\$ 13,734	\$ 13,860	\$ 13,990	\$ 14,124
Total Fee Adjustment	\$291,525	\$233,560	\$268,936	\$215,805

A price variance budget summary is provided as Attachment #1, which illustrates the overall budget change for each by-law and the corresponding department section. Proposed individual user fee and service charge changes are provided as Attachment #2 and include a listing of proposed new fees where applicable.

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Communications Plan

Vaughan residents are invited to attend this public meeting to provide comments with respect to this matter. The community has been notified of an opportunity for public input on user fee/service charge adjustments, consistent with the budget communications strategy and actions consisting of local media advertisements, City website, City Page Online, etc. The recommendations of the Finance and Administration Committee and associated by-law updates will be forwarded to the December 10th, 2013 Council meeting for final adoption.

Purpose

The purpose of this report is to provide the Finance and Administration Committee with information on proposed changes to user fees and service charges and associated by-laws for the period 2014 to 2017.

The by-laws affected by this report are listed below.

Fees and Charges By-Law	By-Law 396-2002 as amended by By-Law 182-2012
Planning Application Fees	By-Law 48-2011 as amended by By-Law 187-2012
Business Licenses and Fees	By-Law 315-2005 as amended by By-Law 183-2012
Special Events Permits	By-Law 370-2004 as amended by By-Law 185-2012
Filming Event	By-Law 371-2004 as amended by By-Law 186-2012
Newspaper Boxes	By-Law 372-2004 as amended by By-Law 184-2012

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On December 10th, 2012, Special Council approved User Fee By-Laws covering the period 2013-16. The majority of fees approved last year remain unchanged, with exception for the following proposed fee adjustments illustrated within the table below.

PROPOSED PRICE CHANGES TO <i>EXISTING</i> USER FEES & SERVICE CHARGES										
FEE SCHED.	DOCUMENTS & INFORMATION	2014 APPROVED FEE/CHARGE	2014 PROPOSED FEE/CHARGE	2014 BUDGET IMPACT	2015 APPROVED FEE/CHARGE	2015 PROPOSED FEE/CHARGE	2015 BUDGET IMPACT	2016 APPROVED FEE/CHARGE	2016 PROPOSED FEE/CHARGE	2016 BUDGET IMPACT
J	Pallbearer Fee	\$57.00	\$58.00	\$0	\$59.00	\$60.00	\$0	\$61.00	\$62.00	\$0
J	PROVINCIALY REGULATED - Flat Marker Installation	\$53.00	\$50.00	(\$12)	\$53.00	\$50.00	(\$12)	\$53.00	\$50.00	(\$12)
J	PROVINCIALY REGULATED - Upright marker installation - FOR MARKERS UNDER 4 FEET	\$106.00	\$100.00	(\$48)	\$106.00	\$100.00	(\$48)	\$106.00	\$100.00	(\$48)
J	PROVINCIALY REGULATED - Upright marker installation - FOR MARKERS OVER 4 FEET	\$212.00	\$200.00	\$0	\$212.00	\$200.00	\$0	\$212.00	\$200.00	\$0
K	Lot Grading New Plans & Subdivisions	\$106.00	\$150.00	\$52,668	\$108.00	\$153.00	\$53,865	\$110.00	\$156.00	\$55,062
K	Studies	\$6-\$52	\$6-\$55	\$9	\$6-\$53	\$6-\$55	\$6	\$6-\$54	\$6-\$55	\$3
K	Additional Grading Inspection	\$100.00	\$222.00	\$6,100	\$102.00	\$227.00	\$6,250	\$104.00	\$232.00	\$6,400
I	Real Estate -Application Fee for purchase of City Land*	\$500-\$1500	\$1,000.00	(\$8,500)	\$500-\$1500	\$1,000.00	(\$9,000)	\$500-\$1500	\$1,000.00	(\$9,500)
I	Appraisal Fee (when performed by the Senior Manager of Real Estate)*	\$250-\$500	\$1,000.00	\$2,000	\$250-\$500	\$1,000.00	\$2,000	\$250-\$500	\$1,000.00	\$2,000
SCHEDULE SUBTOTAL				\$52,217			\$53,061			\$53,905

In addition to the above and to be consistent with the Draft Budget and Plan term, user fees and service charges are extended to include 2017, the fourth year of the annual budget and plan.

Background Analysis and Options

Inherent in the 2014-2017 Operating Budget Guidelines is a continued emphasis on maximizing the cost recovered on services provided. In addition to adjusting revenues for anticipated changes in activity volume, departments were requested to:

- ❖ Increase fees and charges in relation to annual cost increases, at minimum by the rate of inflation, in scheduled increments, unless otherwise specified.
- ❖ Incorporate a net full cost benefit in fees set for external inter-municipal services
- ❖ Submit new user fee and service charge opportunities

User Fee/Service Charge Review Results

The budget adjustments associated with department submitted user fee and service charge price increases discussed above are as follows:

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By-Law	Dept/Desc	2013	2014		2015		2016		2017	
		Budget	Price Var.		Price Var.		Price Var.		Price Var.	
			\$	%	\$	%	\$	%	\$	%
By-Law 13-2012	General Fees - Multiple Dept.	2,722,182	117,488	4.3%	75,312	2.7%	65,949	2.3%	56,030	1.9%
By-Law 48-2011	Development Planning	3,400,145	138,626	4.1%	122,000	3.4%	165,506	4.5%	129,129	3.4%
By-Law 177-2011	Clerks/Licensing	981,868	21,112	2.2%	21,908	2.2%	23,005	2.2%	16,171	1.5%
By-Law 370-2004	Clerks/Perm. Spec. Events	15,715	340	2.2%	209	1.3%	215	1.3%	146	0.9%
By-Law 371-2004	Clerks/Perm. Filming Events	5,120	120	2.3%	198	3.8%	198	3.6%	132	2.3%
By-Law 372-2004	Clerks/Perm. Newspaper boxes	5,335	105	2.0%	73	1.3%	73	1.3%	73	1.3%
TOTAL		7,130,365	277,791	3.9%	219,700	3.0%	254,946	3.3%	201,681	2.6%

The above adjustments are included in the Draft 2014 Budget and 2015-2017 Plan. It should be noted, that the above only reflects budget adjustments related to price adjustments and does not incorporate any volume changes.

In general, departments followed the budget guidelines and increased fees accordingly. As illustrated above, the revenue budgets increased on average by 3.2% over the 4 year term and total increases per by-law ranged from 0.9% to 4.5%. There are a few fees, which are based on activity cost recovery and these items will not illustrate price increases. Most 0% increases are a result of regulations, demand restrictions, or periodic increases every number of years. The most significant budget increase is related to the Development Planning Department, which is gradually increasing fees in an effort to achieve full cost recovery. The second largest budget increase is related to the General Fees by-law 13-2012, which includes fees for services offered by several departments.

Enclosed in Attachment #2 are the department proposed user fees and service charges for Finance and Administration Committee's consideration.

New User Fees & Service Charges

As a result of the process, a few new user fees related to the General Fee By-law are proposed and detailed below:

- By-Law & Compliance added two new fees for loft inspections and pigeon licenses. These new fees are expected to generate approximately \$3,140 per year.
- The City Clerk's Office (CCO) added several new fees for research requests, marriage ceremonies, tow truck authorization books, taxi 911 sticker replacements, taxi meter seals, taxi tariff card replacement and licensing appeals. These new fees are expected to generate approximately \$11k per year.
- Parks Cemeteries Division added a fee for extra boards. This new fee is expected to generate approximately \$82 for 2014.

A table of proposed new user fees/service charges and associated budget adjustments for each year from 2014 to 2017 are provided below. Fees and charges remain constant over the period and will be adjusted through future budgets as more experience is obtained with these fees/charges.

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Dept	Description	Fee (\$)	New User Fee Budget Impact (\$)			
		2014	2014	2015	2016	2017
By-Law & Compliance	Loft Inspection Fee	107.00	2,140	2,140	2,140	2,140
By-Law & Compliance	Pigeon Licence Fee	50.00	1,000	1,000	1,000	1,000
City Clerk's Office	Research Requests	60.00	120	244	372	504
City Clerk's Office	Marriage Ceremonies (City Officiant)	300.00	7,500	7,500	7,500	7,500
City Clerk's Office	Tow Truck Authorization Book- Replacement	14.35	1,435	1,435	1,435	1,435
City Clerk's Office	Taxi 911 Sticker- Replacement	2.60	39	39	39	39
City Clerk's Office	Taxi Meter Seals	25.00	375	375	375	375
City Clerk's Office	Taxi Tarriff Cards- Replacement	2.85	43	43	43	43
City Clerk's Office	Licensing Appeals	250.00	1,000	1,000	1,000	1,000
Parks - Cemeteries	Extra Boards (Muslim Burials only)	41.00	82	84	86	88
TOTAL			\$ 13,734	\$ 13,860	\$ 13,990	\$ 14,124

Relationship to Vaughan Vision 2020

This report is consistent with the budget guidelines and priorities previously set by Council.

Regional Implications

There are no Regional implications associated with this report

Conclusion

In line with the 2014-2017 Operating Budget Guidelines there is a continued emphasis on maximizing the cost recovered on services through user fees. With the approval of four year fee by-laws as part of last year's budget process, there were only minor changes to approved fees for 2014-16 in this year's budget for a total impact of \$52k in 2014. Fees for 2017 were developed with the departments as per 2014-17 Budget Guidelines. Included with the results, are new fees proposed by the City Clerk's Office, Parks and Forestry Operations, and By-Law and Compliance departments. The budget impact of the new fees is \$14k in 2014. Illustrated below is a brief summary of the total budget adjustment resulting from this process. These figures have been incorporated in the Draft 2014 Budget and 2015-2017 Operating Plan.

	2014	2015	2016	2017
Price Adjustments	\$277,791	\$219,700	\$254,946	\$201,681
New Fees	\$ 13,734	\$ 13,860	\$ 13,990	\$ 14,124
Total Fee Adjustment	\$291,525	\$233,560	\$268,936	\$215,805

The community has been notified of an opportunity for public input on user fee/service charge adjustments, consistent with the Budget Communication Strategy. The recommendation of Finance and Administration Committee to adopt the fee changes and change necessary by-laws will forward to a scheduled Council meeting on December 10th, 2013.

Attachments

Attachment 1 – User Fee/Service Charge - Price Variance Budget Summary

Attachment 2 – Proposed User Fee/Service Charge Amendments

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)