
REPORT TITLE: **2023 Fees and Charges**

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner
of Corporate Services

RECOMMENDATIONS

1. That the Region of Peel's Fees Bylaw 43-2002, as amended, be further amended to adopt the changes to the fees and charges as outlined in the Report of the Chief Financial Officer and Commissioner of Corporate Services, listed on the January 19, 2023, Regional Council Budget agenda, titled "2023 Fees and Charges"; and
2. That the necessary amending By-laws be presented for enactment.

REPORT HIGHLIGHTS

- The Region of Peel's fees and charges are reviewed annually to recover increased costs and respond to market conditions.
- This Report outlines the proposed changes to the Region's fees and charges for 2023.
- User Fee revenue funds less than 1 per cent (i.e., 0.9 per cent) of the proposed 2023 Regionally Controlled Operating Budget.
- There is no financial impact on the 2023 Budget resulting from any changes to the fees and charges.
- The by-law to amend the Region of Peel's Fees By-law will be brought forward to Council for enactment.

DISCUSSION

1. Proposed Amendments to Fees By-law 43-2002

Each year a review and update, guided by the financial principle "Users Pay Where Appropriate", as outlined in the Financial Management By-law, is conducted on the user fees. The review and update determine changes, additions and deletions to the user fee schedules.

The revised fees and charges are presented to Regional Council for approval as part of the budget process and the schedules attached to the Fees By-law are amended each year to reflect the newly enacted fees. User fee revenue funds 0.9 per cent of the Region's proposed 2023 total operating budget.

The updated Schedule A and Schedule B to the Fees By-law for 2023 will be attached to the appropriate amending by-law when presented to Council for enactment with the Budget. Schedules A and B include 408 user fees in total.

2023 Fees and Charges

Appendix 1 to this Report summarizes the proposed changes to the 2023 user fees contained in Schedule A of the Fees By-law. Appendix 2 to this Report outlines the proposed changes to the Water Consumption and Wastewater System Fees and Charges (Sewer Charge Rates) and incorporates a blended increase of 7.9 per cent for the water and wastewater rates.

In total, there are 263 proposed changes to the user fees; 257 changes are included in Appendix I and six changes are included in Appendix II.

Table one below provides a summary of the types of changes.

TABLE 1: 2023 User Fee Summary of Changes

TYPE OF CHANGE		Number of Changes
New	New service being provided	5
	Recover costs due to higher volumes	1
	Previously under one fee, now split into new fees related to specific services	1
	Reflect past and present business practices	2
	Subtotal New Fees	9
Increases	Due to Inflation	211
	Due to Labour Costs/Align with Review Effort	5
	Transition to full cost recovery	4
	Align with market value	26
	Subtotal Increases	246
Other	Change in Fee Structure	8
TOTAL CHANGES		263

The majority of the 263 changes in 2023 include inflationary increases or to align the user fees with market value. The remaining changes include 9 new fees, five (5) significant increases (>\$250). These have been detailed as follows:

a) 9 New Fees:

i) Heritage, Arts & Culture

New services being provided (4):

- **Virtual Workshops:** Virtual programming was introduced in 2021 in order for PAMA to meet the needs of our patrons. With this offering PAMA has been able to safely connect globally with partners and share our stories and learning opportunities. A minimum of six participants is required to recover operational costs. Fee is \$4.78 plus HST per adult/child.
- **Virtual Seniors Programs:** Virtual programming was introduced in 2021 in order for PAMA to meet the needs of our patrons. With this offering PAMA has been able to safely connect globally with partners and share our stories and learning opportunities. Fee is \$57.52 plus HST per adult.

2023 Fees and Charges

- **Security staff, overtime/weekends/holidays:** In efforts to expand the rental business and increase public accessibility, PAMA has introduced after hours bookings. These proposed fees for security and maintenance reflect rates outside of contracted hours with the third-party security and maintenance companies. The after-hours weekend rate is \$150 plus HST per hour, per person, for weekends/holidays/overtime.
- **Maintenance staff, overtime/weekends/holidays:** In efforts to expand the rental business and increase public accessibility, PAMA has introduced after hours bookings. These proposed fees for security and maintenance reflect rates outside of contracted hours with the third-party security and maintenance companies. Fee is \$150 plus HST per hour, per person, for weekends/holidays/overtime.

ii) Land Use Planning - Development Engineering Review

Reflecting past and present business practices (2):

- **Non-potable Groundwater Taking Review:** This is a new fee that includes the technical and administrative costs for the Region to review applications to use non-potable ground water criteria for site development. Fee is \$375 per application.
- **Cost for Updating as Constructed Information – Tie-backs:** This is a new fee that includes the technical and administrative costs to consolidate and input multiple as-constructed drawings associated with tie backs within local and Regional Right of Way into Regional digital records. Fee is \$150 per application.

iii) Seniors Services

New service being provided (1):

- **Christmas Holiday Meal:** This fee will only be charged during Christmas holidays. Fee is \$12 per meal.

iv) Water & Wastewater

New fee related to specific service (1):

- **Landlord/Tenant Change:** Due to a change in the Landlord/Tenant process, the "Change of Occupancy" fee is now being separated into two fees; Change of Occupancy Charge and Landlord/Tenant Change. Fee is \$42.50 per account.

Recovering costs due to higher volumes (1):

- **Processing of Engineering Design submissions beyond third (3rd) submission for all Subdivision and Miscellaneous External Works:** This

2023 Fees and Charges

is a new fee for each Engineering drawing submitted beyond the third (3rd) Submission. Fee is \$250.00 (non-refundable).

b) 5 significant increases (>\$250):

i) Business Services

Increasing to align with input costs and market value (1):

- **Review Development Charge Deferral Payments:** Peel's deferral agreement administration fees remain on the lower end of those charged by comparable municipalities. This increase will bring fees charged closer in line with estimated input costs required to process deferral agreements. Fee has increased from \$1,000 to \$1,500 per request.

ii) Heritage, Arts & Culture

Increasing to align with market value (2):

- **Social Booking, half day, 6 - 11 pm, Saturday and Sunday:** During the pandemic, PAMA remained closed, and fees did not increase for two years. PAMA has reopened and is increasing rental rates to match industry standards. This will offset increased costs for delivering the service, including coordination, set up, cleaning, and security. Fee has increased from \$1,200 to \$1,500 per half-day.
- **Social Booking, half day, 6 - 11 pm; Member or Not for Profit, Saturday and Sunday Rates:** During the pandemic, PAMA remained closed, and fees did not increase for two years. PAMA has reopened and is increasing rental rates to match industry standards. This will offset increased costs for delivering the service, including coordination, set up, cleaning, and security. Fee has increased from \$1,020 to \$1,275 per half-day.

iii) Land Use Planning - Development Engineering Review

Increased labour costs /Align with Review Effort (2):

- **Functional Servicing Report/Demand Table Review:** Additional time and effort is required for Regional technical staff to evaluate development applications and their impact on water and sanitary sewer system capacity. Fee has increased from \$515 to \$1,000 per submission.
- **Storm Water Management Report Review:** Additional time and effort is required by Regional technical staff to review all development applications adjacent to Regional roads to assess impacts of the proposed development to the Regional roads' infrastructure when there is potential for adverse effects to the roadway and its existing storm system or when a new connection to the Region's storm system is sought. Fee has increased from \$515 to \$1,500 per report.

2023 Fees and Charges

2. Public Notice

The Region of Peel's Public Notice Policy G00-16 requires public notice to be published in newspapers and posted on the Region's website at least 10 days prior to the enactment of a by-law fixing fees and charges and any amendments thereto

The By-law to amend the Region's Fees By-law 43-2002 will be presented to Council as part of the 2023 Operating and Capital Budget submission on January 19, 2023. This includes fees or charges for the use of Peel water, wastewater, sewer, and waste management systems, and any increases, additions, deletions, or changes to the Fees By-law. In accordance with the policy, notice of these By-law changes was published on January 5, 2023, as a minimum of 10 days before the enactment of the amending by-laws.

Proposed Direction

The changes outlined in this Report be adopted by Council and the by-laws be amended accordingly to reflect the changes.

RISK CONSIDERATIONS

As the relevant By-law is being adjusted to reflect the Council approved 2023 Budget, there will be no risks, financial or otherwise.

FINANCIAL IMPLICATIONS

The Fees By-law is being amended to align with the 2023 Budget increase.

The recommended 2023 Fees and Charges have no financial impact on the 2023 budget. The revenues generated from the proposed changes to the Fees and Charges have been included in the 2023 Budget. User fee revenue funds 0.9 per cent of the Region's proposed 2023 Regionally Controlled Operating Budget.

CONCLUSION

Fees and charges have resulted in a number of recommended fee adjustments to address service costs and service levels. The changes to the fees and charges are being proposed to address service costs and service levels.

2023 Fees and Charges

APPENDICES

Appendix I – Summary of Changes to User Fees

Appendix II – Summary of Changes to Water Consumption and Wastewater System Fees and Charges (Sewer Charge Rates)

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