

REPORT

Finance

To: Mayor Cote and Members of Council **Date:** August 29, 2022

From: Harji Varn
CFO/Director of Finance **File:**

Item #: 2022-601

Subject: Budget 2023: Fees and Rates Review

RECOMMENDATION

That Council approves in principle the proposed changes in fees and rates; and

That Council direct staff to prepare the necessary amendment bylaws.

PURPOSE

To seek Council's approval in principle for the proposed changes to the fees and rates bylaws to accommodate the changes recommended by staff in their review of user fees and rates; and provide direction to staff on changes to the related bylaws.

BACKGROUND

This report is to provide Council with an overview of the City's annual fees and rates review. All departments have reviewed their user fees and rates. The following is a summary of the changes being proposed by each department for implementation January 1st 2023. Detailed explanations supporting the changes are provided in Attachments 1 through 5.

EXISTING POLICY AND PRACTICE

User rates assist the City in managing the demands of the annual operating budget by recovering costs associated with providing certain City services. As directed by Council, departments are required to review their user fees and rates on an annual basis.

Changes proposed by departments are based on comparative data with other municipalities or industry, analysis specific to the service provided or an estimated rate of inflation. The estimated rate of inflation used for this review is 2.4% based on the targeted inflation from the Bank of Canada Monetary Policy Report and is in-line with the Federal Government’s inflation targeting strategy.

ANALYSIS

Engineering Services

Review of fees and rates which are administered by the Engineering Services Department involved comparison with other municipalities in Metro Vancouver, industry standards and general demand on City resources. Staff is recommending that most rates be increased by 2.4% for 2023 and has proposed some minor wording changes for clarity. Other recommended changes are summarized below. Further discussion is provided in **Attachment 1**.

• **Part 2.0 Cemetery Services Fees and Rates**

Staff is recommending Cemetery Services Fees and Rates increase by 2.4% plus an additional 1.75% ‘convenience fee’ for all fees and rates to allow the cemetery to accept credit payment on site. There have also been some minor wording changes for clarity.

• **Part 3.0 Commercial Towing Fees and Rates**

Commercial Towing Fees and Rates reflect the current rates set by the Insurance Corporation of British Columbia.

• **Part 4.0 Solid Waste Fees and Rates**

Staff is recommending no changes to Additional Receptacle fees or Administration fees which are in line with rates for similar services offered by other Metro Vancouver municipalities.

• **Part 8.0 Street and Traffic Fees and Rates**

Street Occupancy Damage Deposits

Staff is recommending no changes to Street Occupancy Damage Deposits.

Residential Parking Permit Fees and Rates

Staff is recommending increases to parking permit fees in line with the “Five-Year Approach to On-Street Parking Fees & Rates endorsed by Council on October 28, 2019 and continue to include a 10% climate emergency fund surcharge.

Parking Meter and Pay Station Fees and Rates

Staff is recommending parking meter and pay station rates be adjusted in accordance with the “Five-Year Approach to On-Street Parking Fees & Rates” report that was

endorsed by Council on October 28, 2019. These rates are inclusive of the \$0.25 per hour Climate Emergency Fund Surcharge previously adopted by Council.

• **Part 13.0 Q to Q Ferry Fees and Rates**

Staff is recommending no changes to Q to Q Ferry fares due to continued ridership recovery after COVID-19 pandemic. Fares are used to partially offset the operating cost to provide this transportation service between Downtown and Queensborough.

Climate Action, Planning and Development

Staff is recommending that most rates be increased by 2.4% for 2023 and will be making some wording changes in the Bylaw to clarify the applicability of current fees and charges. Other recommended changes are summarized below. Further detail is provided in **Attachment 2**.

◆ **Building Fees**

Staff is proposing a new credit card convenience fees of 1.75% on the total cost of invoices that are paid online and clarified the wording to the fees and charges bylaw on Occupant Load, the Waste and Recycling deposit, Fees for Revisions to Permits and Fees for Special Inspections.

◆ **Business License Fees**

Staff is recommending that the Inter-Municipal Business License (IMBL) fee remain unchanged and Commercial Vehicle Fees for Taxi remain unchanged in alignment with IMBL Transportation Network Services Bylaw.

◆ **Planning Fees**

Staff is recommending no change to the Site Disclosure Statement Fee Administration, Development/Special Development permit landscape deposit for secured rental residential units, Development Permit landscape deposit for laneway/ carriage house and projects with fewer than six units, and water bag. Staff is also recommending an increase in the refundable deposit for Tree Protection Barrier Signs from \$25 to \$30.

The wording to the fees and charges bylaw regarding charges for staff attendance at development application open house and application time extension fees has been clarified.

◆ **Plumbing Permit Fees**

Staff is recommending changes in wording to the Fees for Revisions to Permits and Fees for Special Inspection.

◆ **Tree Protection and Regulation Fees**

Staff is recommending that the Tree protection and Regulations Fees be moved from the Tree Protection and Regulation Bylaw No. 7799, 2016 to the Climate Action, Planning & Development Fees and Rates Amendment Bylaw No. 8358, 2022 for consistency with other Climate Action, Planning and Development fees.

Cultural Services

Staff is recommending an increase of 2.4% for Anvil Centre Studio rates, Equipment Rental rates and photo and Reproduction fees. Programming fees will remain status quo through cost recovery. Additionally the fee for piano tuning will be set to be equal to the cost for the city to hire this service. Further discussion is provided in **Attachment 3**.

Anvil Theatre

Staff is recommending no changes to Anvil Theatre Rental Rates and a 2.4% increase in the staffing charge out rates. There have also been some minor wording changes for clarity. Further discussion is provided in **Attachment 4**.

Electric Utility

Staff is recommending that rates will increase by the rate of inflation with the exception of EV charging rates which are unchanged. Further detail is provided in **Attachment 5**.

FINANCIAL IMPLICATIONS

In large part, user rates and fees will increase by an estimated rate of inflation of 2.4% on January 1st, 2023 and the additional revenue contribution will be incorporated into the 2023 budget projections.

At the beginning of 2023, and as part of the budget process - departments may bring forward new user fees and charges for Council's consideration and direction.

OPTIONS

The following options are presented for Council's consideration:

- 1) That Council approves in principal the proposed changes in fees and rates, and;
- 2) That Council direct staff to prepare the necessary amendment bylaws.
- 3) That Council provide other direction.

CONCLUSION

City staff have reviewed and recommended changes to user fees and rates for their respective departments for the upcoming year. Provided that Council agrees in principle with the proposed changes in fees and rates, staff will bring forward, for Council's consideration at the next regular meeting of Council the related amendment bylaws.

ATTACHMENTS

Attachment #1 - Engineering Services Fees and Rates Review Memo

Attachment #2 - Climate Action, Planning and Development Fees and Rates Review Memo

Attachment #3 - Cultural Services Fees and Rates Review Memo

Attachment #4 - Anvil Theatre Fees and Rates Review Memo

Attachment #5 - Electric Utility Fees and Rates Review Memo

INTERDEPARTMENTAL LIAISON

All departments participate in the annual budget process. The Senior Management Team (SMT) provides overall direction. The Finance Department provides overall financial oversight.

This report was approved by:

Harji Varn
CFO/Director of Finance

Lisa Spitale
Chief Administrative Officer