

REPORT

Finance

To: Mayor Johnstone and Members of Council
Date: September 9, 2024

From: Shehzad Somji
CFO/Director of Finance
File:

Item #: 2024-504

Subject: Budget 2025: Fees and Rates Review

RECOMMENDATION

1. **THAT** Council approve in principle the proposed changes in fees and rates; and
 2. **THAT** Council direct staff to prepare and report back with the necessary amendment bylaws.
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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 2025. Detailed explanations supporting the changes are provided in Attachments 1 through 7.

EXISTING POLICY AND PRACTICE

User fees and 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 3.0% which is in line with the Bank of Canada CPI inflation target for 2025.

ANALYSIS

Engineering Services

Staff is recommending that most rates be increased by approximately 3.0% for 2025 and proposed some minor wording changes for clarity. Other recommended changes are summarized below. Further detail is provided in Attachment 1.

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

Staff is recommending that the 'Plaque Additions and Changes to Single Niche Plaque' fee is increased by 24% to cover the cost of manufacturing the replacement plaque. An amendment to language and location of some rates are also recommended to reduce confusion and accurately reflect space constraints.

- **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 6.0 Sewerage System User Fees and Rates**

Staff is recommending the ditch enclosure administration fee and design deposit be increased based on the estimated level of effort from staff and consultants.

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

Staff is recommending elimination of block party fees. The recent pilot of waiving block party fees has been manageable, with no significant change in the number of permits issued. Given that block party organizers are required to obtain event insurance, it is recommended that the City continue to waive permit fees to support these small community events.

For 2025, it is recommended that on-street paid parking rates remain unchanged due to recent increases above inflation, ensuring they stay competitive with nearby municipalities. However, short-term parkade rates are suggested to rise by 8-20% to address growing demand, with the exact increase varying based on the duration of parking. The rate changes align with operational needs.

Residential parking permit rates, which have previously increased above inflation, are also recommended to stay the same for 2025. Anticipating changes due to new provincial legislation removing minimum on-site parking requirements near transit, a comprehensive review of the residential permit program is planned for 2025, potentially leading to significant policy shifts in 2026 and beyond.

- **Part 9.0 Subdivision and Development Control Fees and Rates**

The inspection fee for pre, post, and other construction works has been revised to \$100.

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

Staff is recommending no changes to Q to Q Ferry fares to encourage usage. Fares are used to partially offset the operating cost to provide this transportation service between Downtown and Queensborough.

- **Part 14.0 Shared Micromobility Service Fees**

Staff is recommending no changes to the Micromobility Service Fees.

Planning and Development

Staff is recommending that most rates be increased by approximately 3.0% for 2025 and has proposed some minor wording changes for clarity. Other recommended changes are summarized below. Further detail is provided in Attachment 2.

- **Schedule A Building Fees**

Staff is recommending to consolidate Sections 2.1 and 2.2 to enhance clarity of the total Building Permit Processing Fee. A new term, 'Building Permit Issuance Fee,' has been introduced to represent the remaining portion of the Building Permit Fee not covered by the Building Plan Review Fee. Additionally, new fees for paper applications and phased permits are proposed to streamline the intake and issuance process. Finally, the "whichever is greater" clause has been removed to promote simplicity and transparency.

- **Schedule C Plumbing Permit Fees**

Staff is recommending a new fee structure for domestic water re-piping in single family dwellings.

Cultural Services

Staff is recommending an increase of approximately 3.0% for Anvil Centre Studio rates, Equipment Rental and Archival Reproduction fees. Further discussion is provided in Attachment 3.

Anvil Theatre

Staff is recommending an increase of approximately 3.0% for Anvil Theatre Rental Rates and a 3.0% increase in the staffing charge out rates. Further detail is provided in Attachment 4.

Fire & Rescue Services

Staff is recommending that most rates be increased by approximately 3.0% for 2025. The other recommended change is the new fee structure for Fire Safety Plan Review to align with that of our neighbouring jurisdictions including Richmond, Coquitlam and Burnaby

and more to accurately reflect the time commitment required for the Safety Plan Review that range in complexity. Further detail is provided in Attachment 5.

Electrical Utility

Staff is recommending a fee increase of approximately 3.0% for 2025 with the addition of new Advanced Metering Infrastructure - Radio off fees. Further detail provided in Attachment 6.

Finance

Staff is recommending no changes to the current fee schedule that the existing fees are consistent with those of other municipalities, but minor changes to the bylaw to correct formatting flaws and to provide clarification. Further detail provided in Attachment 7.

FINANCIAL IMPLICATIONS

In large part, user fees and rates will increase by an estimated rate of inflation of 3.0% on January 1, 2025 generating an additional revenue contribution of approximately \$0.45M which can be broken down as follows:

- \$0.22M Planning and Development
- \$0.20M Engineering Services
- \$0.01M Anvil Theatre & Cultural Services
- \$0.01M Fire & Rescue Services
- \$0.01M Electrical Utility

The additional revenue contribution will be incorporated into the 2025 budget projections.

OPTIONS

The following options are presented for Council's consideration:

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

Staff recommend Options 1 and 2

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 the related amendment bylaws for Council's consideration at the next regular meeting.

ATTACHMENTS

Attachment 1 - Engineering Services Fees and Rates Review Memo
Attachment 2 - 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 - Fire & Rescue Services Rates Review Memo
Attachment 6 - Electric Utility Fees and Rates Review Memo
Attachment 7 - Finance Fees and Rates Review Memo

INTERDEPARTMENTAL LIAISON

Select departments participated in the annual User Fees and Rates Review process. Senior Management Team (SMT) provided overall direction. The Finance Department provided overall financial oversight.

This report was prepared by:
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This report was approved by:
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