

To: Chief Administrative Officer
From: Allison Anderson, Revenue Supervisor
Subject: **2023 Fees and Charges Review**

Date: November 15, 2022

Recommendation(s)

That the proposed 2023 fee increases, changes to existing fees and charges, and the introduction of new fees, detailed in Attachment A to the report dated November 15, 2022 from the Revenue Supervisor, be approved.

Purpose

The purpose of this report is to present Council with the proposed 2023 fee increases, changes to existing fees and charges, and to introduce new fees for Council's consideration. If approved, the 2023 Fee Revision Bylaw will be brought forward for three readings at the December 5, 2022 Regular Council meeting and adoption at the December 19, 2022 Regular Council meeting in order for the fees to be in place by January 1, 2023.

Background

Each year, staff review the current fees and charges; new fees are assessed and introduced, where applicable, and old fees that are no longer applicable are removed. The goal has been to offset the increased cost of doing business using a user-pay philosophy to minimize property tax increases.

Over the last several years, staff have been asked to review their fees and charges and many have been adjusted to take into consideration the cost to provide the service, how these fees and charges will impact the service levels, (i.e. recreation participation), and how the City's fees and charges compare to neighbouring communities. By keeping up with annual reviews, most fees have a minimal or no increase year over year.

The City has a number of fees where the cost to provide the service, depending on the work involved, could be different for each project, so in order to make the charges equitable, staff have these fees listed as "time and materials".

Discussion and Analysis

Departments have reviewed their fees and charges over the summer and have proposed changes to many of them. The changes to the bylaws that staff will be recommending are shown below, sorted into the following groupings:

- Proposed new fees for 2023 (*Table 2*);
- Proposed changes to existing bylaw fees for 2023 (*Attachment A*);
- Housekeeping items (*Table 3*); and
- Proposed fees to be deleted (*Table 4*).

All anticipated new revenue generated by the proposed fees and charges in this report have been considered when drafting the 2023 provisional budget. The exception is new revenue generated for Water, Sewer and Drainage Utilities. The reports for these utilities were completed before their respected budget impacts from fee increases were completed. Many fees and charges changes will have minor impacts to the operating budget for these utilities.

Proposed New Fees for 2023

Table 2 proposes new fees by department to be added to: Schedule 2 of the User Fees & Charges Administrative Bylaw; Land Use Application Procedures and Fees Bylaw; Solid Waste Management Bylaw; Water Bylaw; & Sewer Bylaw. These fees will assist with partially recovering costs associated with performing a service.

Table 2 – Proposed New Fees for 2023

Bylaw and Name of New Fee	Proposed 2023 Rate	Explanation
User Fees & Charges Administrative Bylaw #4029-2007 – Schedule 2		
Parks & Recreation		
Fraser River Heritage Park Rentals Park Open Space		This fee was added for renters who may wish to rent the open spaces of the park without the gazebo, plaza or covered area.
Resident Non-Profit (free admission)	No Charge	
Community	\$27.44	
Commercial Events Non-Resident	N/A	
Land Use Application Procedures & Fees Bylaw #3612-2003		
Subdivision		
Conventional and Bare Land Strata		
Engineering Subdivision PLA 12-Month Extension	\$1,500.00	New fee to differentiate between engineering services and planning services for 12-month extensions.
Solid Waste Management Bylaw #5526-2015		
Replacement Resident Provision of Blue Bin (121L bin for recycling)	\$35.00	Fee added to help recover costs associated with providing replacement blue bins to existing residents
Provision of Blue Bin (121L bin for recycling) – New Resident	\$0	No fee for New Residents
Water Bylaw #2196-1990		
Schedule A		
Surface Restoration Fee (per linear meter)	\$1,300.00	For the added cost of completing finalized paving after a project.

Bylaw and Name of New Fee	Proposed 2023 Rate	Explanation
Sewer Bylaw #5033-2009		
Schedule C		
Surface Restoration Fee (per linear meter)	\$1,300.00	For the added cost of completing finalized paving after a project.
Schedule D - Sanitary Sewer User Rates		
Residential Users and Multiple Use with Residential Users: Per cubic meter (Located after "Non-Residential Users")	\$0.86	Sanitary sewer user rate for residential users. This fee was omitted from the bylaw update for 2022, re-introducing for 2023.

Proposed Changes to Existing Bylaws for 2023

Staff are proposing to increase various fees to assist with the recovering of costs and to account for inflationary impacts on goods and services. The fees have been rounded to facilitate cash transactions and there are a few adjustments made in order to separate the actual cost of the fee from the appropriate tax amounts to facilitate easier processing.

Attachment A shows those fees that are increasing or changing in the following bylaws:

- Building Bylaw #3590-2003
- Cemetery and Crematorium Bylaw #5664-2017
- Cost Recovery Bylaw #5479-2015
- Highway Access Bylaw #1705-1987
- Holding Tank Sewage Discharge Bylaw #3823-2005
- Land Use Application Procedures & Fees Bylaw #3612-2003
- Sewer Bylaw #5033-2009
- Soil Deposit Bylaw #5506-2015
- Soil Removal Bylaw #3088-1997
- Solid Waste Management Bylaw #5226-2015
- User Fees and Charges Bylaw #4029-2007 (Schedule 1 and Schedule 2)
- Water Bylaw #2196-1990

There are some fees of note with larger increases, over 15%. Details of these fees are:

Building Bylaw #3590-2003

Temporary Building – Building Permit fee – this fee is doubling from \$200 to \$400 as this fee hasn't increased since 2015, plus a substantial amount of staff time is required to issue a permit between preparation and follow-up with customers.

Sewer Bylaw #5033-2009

The sewer and storm connection fees are increasing by 30% to account for inflationary pressures and rising staff costs. This fee increase is intended to ensure the amount paid by the property owner will offset the cost to connect the property to the City's storm and sewer systems. Any unrecovered cost is covered by the existing system users.

Soil Deposit Bylaw #5506-2015

The volumetric soil deposit fee has increased by 15% to align with the City of Abbotsford's rates (both per cubic meter of soil & per metric tonne). All additional revenue is transferred to reserves.

Soil Removal Bylaw #3088-1997

The volumetric soil removal fee has increased by 15% to align with the City of Abbotsford's rates (both per cubic meter of soil & per metric tonne). All additional revenue is transferred to reserves.

Solid Waste Management Bylaw #5226-2015

The rates per tonne for the various types of garbage disposal are increasing by approximately 15%. As well, the minimum charge per load is increasing from \$5 to \$10 for sources within the city and from \$10 to \$15 for sources outside the city. These increases reflect the rise in costs borne by the City for the disposal of the different types of waste, including the inflationary impacts on goods and services.

User Fees and Charges Administrative Bylaw #4029-2007 (Schedule 1)

Forestry

The Conifers (Fir, Hemlock, Cedar – less than 10%) under 15 feet, per regular pick-up truck load fee is increasing from \$250 to \$300. The last fee increase was in 2018 and this material is getting harder to source, taking additional staff time to secure locations and provide supervision of removal of products.

Engineering:

The Water Modelling fee has increased from \$100 to \$200 to bring it in line with the fee charged for Sanitary or Drainage Modelling (equivalent fee for these utilities).

Street Use Permit & Extraordinary Traffic Permit fees have increased by 17% due to the increasing complexity of the work as well as increased labour costs.

Water Bylaw #2196-1990

The water connection fees are increasing by 30% to account for inflationary pressures and increased staffing costs. This fee increase is intended to ensure the amount paid by the property owner will offset the cost to connect the property to the City's storm and sewer systems. Any unrecovered cost is covered by the existing system users.

Housekeeping Items

During the review of the fees and charges, Departments noticed a few housekeeping items required to reflect changes in processes, correct errors, or implement efficiencies. The following table outlines the changes recommended and the explanations for the change.

Table 3 – Housekeeping Items

Bylaw and Wording for Existing Fee	Housekeeping Change	Explanation
User Fees and Charges Bylaw #4029-2007 – Schedule 2		
Room Rentals (fees currently listed capacity and by room names & location)	Remove all reference by room names, i.e. Leisure Centre, leaving only the capacity reference.	Provides clarity as rooms are now listed by capacity rather than room name and capacity.
	Move room rentals for the “HP Centre Community Gym Multi-Purpose Room” from this section to the “Clark Theatre/Heritage Park” section of the bylaw.	All Heritage Park Centre activities are located in this section.
User Fees and Charges Bylaw #4029-2007 – Schedule 1		
Engineering / Public Works Services		
3(c) Fire Hydrant Use Deposit (refundable)	\$500.00	Fixing a clerical error that had the deposit as \$5,000 instead of \$500.
Financial Services		
Administration Fee for Processing a Transfer between Tax or Utility accounts with different roll numbers (per property).	Remove reference to “with different roll numbers”, add “After processing the first transfer, and once every 3 years there after”	Some property owners routinely make payments to incorrect account numbers. Amending language to capture a portion of the internal costs associated with these transfers.
Tax Statement Fees (Tax Certificates) for non-owners, "per property" basis.		
Manual hard copy maximum two business day turnaround time	Remove listed rate and added reference to “Rate as per Land Title Office +\$20”	Fees are set by the Land Title Office and we do not have the ability to change them. Updated wording to provide flexibility for changes that may be made by the Land Title Office. Surcharge added to encourage use of the Land Title Office for these types of documents.
Manual hard copy maximum two-hour turnaround time	Remove listed rate and added reference to “Rate as per Land Title Office +\$50”	
LAND USE APPLICATION PROCEDURES & FEES BYLAW #3612-2003		
Official Community Plan Amendment		
Agricultural Land Commission (ALC) Application (individual fees currently listed)	Remove listed rates and added the reference “Rates as per Agricultural Land Commission”	Fees are set by the ACL and we do not have the ability to change them. Updated wording to provide flexibility for changes that may be made by the ALC.

Bylaw and Wording for Existing Fee	Housekeeping Change	Explanation
Permits		
Development Permit - (Area H - fire interface) Includes the Site Information Form Fee	Remove "the site information form fee", replace with "the site disclosure statement" at the end of the section	Provides more clarity as to what the fee is for.
Miscellaneous Fees		
Strata Conversion/Phase Strata Development		
Plus per unit (estimated 16 unit average)	Remove "estimated 16-unit average"	Estimate not necessary in description of fee.
Subdivision		
Conventional and Bare Land Strata		
"Up to and including 5 lots for each phase of subdivision (if applicable)"	Change from "Up to and including 5 lots for each phase of subdivision (if applicable)" to "Base fee for subdivision, including bare land strata, phased subdivision, consolidation, and air space parcel"	Descriptions on these fees have been updated to better reflect what the fee is being charged for. No longer a separate line for "Greater than 5 lots"
plus per lot (estimated 3 lot average)	Remove "estimated 3 lot average", replace with "on a proposed draft plan"	
Subdivision 12-month Extension	Move from section "Engineering Administration Fee" to "Conventional and Bare Land Strata." Rename as "Planning Subdivision PLA 12-month extension"	This fee was renamed to include reference to PLA. The fee is being moved to a different section of the bylaw and renamed for improved clarity on what the fee is being charged for.
Cost Recovery Bylaw #5479-2015		
4) City Staff (whole section provides individual rates)	Remove individual listed rates, and replace with "Time and materials"	Removing the individual rates allows for more accurate cost recovery and allows fees to stay in line with a rate that may change during the calendar year.
5) City Vehicles (whole section provides specific vehicles and individual rates)	Remove individual listed rates, and replace with "Time and materials based on current fleet rates"	Removing the individual rates allows for more accurate cost recovery and allows fees to stay in line with a rate that may change during the calendar year

Fees Requested to be Deleted

During the review of fees and charges, Departments noticed fees that were no longer required. The following table list the fees that are recommended to be removed and the explanations for the deletion.

Table 4: Proposed Fees to be Deleted

Bylaw and Fee Description		Explanation
User Fees and Charges Bylaw #4029-2007 – Schedule 1		
Forestry		
Conifers (Cedars majority) under 15 per regular pick-up truck load	Cedar is a high value species and we no longer want to provide the opportunity to cut loads of this material as a majority of a supply.	
User Fees and Charges Bylaw #4029-2007 - Schedule 2		
P & R Room Rentals		
Hurd Street – Multi-Purpose Room (Capacity 26-50) Youth/Minor Group Adult Group Commercial/Non-Resident Private/Non-Profit	This facility is no longer available for rentals.	
Land Use Application Procedures & Fees Bylaw #3612-2003		
Subdivision		
Conventional and Bare Land Strata		
Greater than 5 lots for each phase of subdivision (if applicable)	Remove fees, no longer a differentiation between greater than/less than five lots, all encompassed in one fee	
plus per lot		
Engineering Administration fee		
Engineering Administration Fee	Remove fee section, this type of charges now to be billed out as “Engineering Subdivision PLA 12- Month Extension”	
5% of the total cost of the works, but not less than the minimum fee charged + GST		
- Minimum fee for subdivision of 4 lots or less -Minimum fee for subdivision of over 4 lots		
Solid Waste Management Bylaw #5526-2015		
Schedule A – Refuse Reserve Fund		
Commercial Recyclables received at the Recyclables Processing Facility with loads greater than 50% corrugated cardboard	This type of refuse is no longer accepted at our waste management facilities	
Commercial Recyclables received at the Recyclables processing Facility with loads less than 50% corrugated cardboard	This type of refuse is no longer accepted at our waste management facilities	

Some departments may be bringing separate reports, with recommendations for Council's consideration, after completing the comprehensive bylaw reviews.

Council Goals/Objectives

This report addresses goals under Council's strategic focus areas of: Secure Finances, Assets and Infrastructure, and Organizational Excellence, and supports the Objective and Policy reported in Section 1 of the 2022 to 2026 Financial Plan Bylaw adopted December 20, 2021 by Council.

Financial Implications

Any increased revenue projections generated from the proposed new fees and increases to the existing fees are reflected in the proposed 2023 – 2027 Financial Plan.

In general, fees are being increased to ensure cost recovery; therefore, the fees are not expected to generate excess revenue for the City.

Communication

Signage informing the public of the fees and charges increases will be posted in various City facilities. As well, the City's website and other City publications will include information that fees are increasing effective January 1, 2023.

Summary and Conclusion

The changes to the bylaws that staff will be recommending are shown in the body of the report, sorted into the following groupings:

- Proposed new fees for 2023 (*Table 2*);
- Proposed changes to existing bylaw fees for 2023 (*Attachment A*);
- Housekeeping items (*Table 3*); and
- Proposed fees to be deleted (*Table 4*).

The increases and/or changes to the City's fees only include those that were discussed with departments for the sole purpose of preparing this report and creating the Fee Revision Bylaw.

Some Departments are completing comprehensive fees and charges reviews. Separate reports with recommendations will be brought forward for Council's consideration at a later date, consequently, these fees and charges are not included in this report and amending bylaws. The 2023 Fee Revision Bylaw will be brought forward for three readings at the December 5, 2022 Regular Council meeting with adoption at the December 19, 2022 Regular Council meeting in order for the fees to be in place by January 1, 2023.

Report Prepared by: Allison Anderson, Revenue Supervisor
Reviewed by: Kerri Onken, Deputy Treasurer/Collector
Reviewed by: Doug Stewart, Director of Finance
Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: Proposed Fee Increases for 2023