



Corporate Services

Prepared for: Council-in-Budget Committee

Report: CBC-02-2025

Meeting Date: December 4, 2024

1. Title

2025 Fees and Charges

2. Recommendations

That: Council approves the fees and charges proposed in Appendix 1 to Report CBC-02-2025 and directs staff to prepare a by-law for Council approval.

3. Relation to Council's Corporate Strategic Plan

Priority: various

4. List of Stakeholders

Mayor and Council of the Town of Fort Erie

Town of Fort Erie Ratepayers

Users of the Town of Fort Erie services

5. Purpose of Report

The purpose of this report is to advise Council on the annual review of Town fees and charges and propose changes for consideration and approval. A regular review promotes fees that reflect the cost to provide the service with a fair balance of subsidization through levy and rates where broader community benefits exist. Changes are proposed to take effect upon passing of the related by-law.

6. Analysis

Municipal fees are a charge to the user of a specific municipal service, activity or product, or for the use of municipal property. Part XII of the *Municipal Act, 2001* (the "Act") provides authority to impose municipal fees and charges where all or part of the benefit is a specific individual or group of individuals and not just the public-at-large. The Act also requires that fees be approved by Council and enacted in a by-law. They include sources such as facility rentals, permits, and licences. Fees and charges generate a large portion of non-tax revenue and impacts of proposed changes will be reflected in the 2025 Operating Budget.

In establishing fees for municipal services or products, the Town recognizes the need to recover related operating costs. Fees can also provide funds to sustain infrastructure, maintain delivery of programs and services to users while assisting in keeping overall tax increases to a minimum.

Analysis of fees includes a provision for direct costs such as wages, equipment and supplies related to the service, as well as indirect overhead.

Fees generate revenues but pricing those services is also an important mechanism to manage demand for services. Determining fees and charges is carefully done to ensure a balanced framework that considers full cost recovery for service or program costs while being sensitive to the social benefits and impact that increases may have on identified users. Community needs must be balanced with responsible taxation and financial management when service provision can be attributed to specific users. Comparisons should also be made with other municipalities where applicable to provide further information in determining the effectiveness of fees or the need to introduce new fees.

Corporate Services staff has reviewed proposed changes or new fee requests submitted by departmental staff which are described below by type and detailed in Appendix 1. All amounts are shown exclusive of tax. The appendix also notes whether the fee is proposed to be subject to annual indexing. Fees are to be effective upon approval of the necessary by-law, unless otherwise noted. Maintaining a complete listing of all rates of fees and making it available to the public is not required by the *Municipal Act, 2001*. However, keeping a consolidated schedule promotes a high level of transparency, responsiveness and service to the public, and assists Town staff in accessing corporate-wide fees with greater ease and clarity. The review also provides consistent treatment of fees within departments and across departments.

Council authorized many fees to be indexed incrementally on a reasonable basis using the Ontario Consumer Price Index ("CPI") at the time the fees were established. For 2025, staff recommend a fee increase of 4% be applied to all fees that are indexed annually. This increase is consistent with the stated blended rate in the 2025 Budget Planning report. The fee increase will better align revenue increases with the increases in costs that the Town has experienced in recent years and will continue to increase in 2025. Many fees have also been increased or decreased nominally to make the total amount, including taxes, rounded where practical.

Historically, fee by-laws have only been amended where changes are made beyond indexing. This resulted in a significant number of by-laws and amendments over the years. In advance of the 2024 fiscal year, all fee-related by-laws were repealed, and a new by-law was brought forward that included all approved fees for the year. Staff have determined, this is the most efficient way of managing fees. Therefore, the by-law that is planned to be brought forward to Council on December 16th will include a comprehensive fee schedule, including fees that would normally be included in the Water and Wastewater Budget Rates by-law. All fees included will either be consistent with rates in 2024 or have annual indexing of 4% applied.

The following summarizes proposed fee changes not related to indexing. All rates are approved exclusive of taxes and will be posted online.

PLANNING, BUILDING AND BY-LAW SERVICES

ROAD TRENCH CUT FINAL REINSTATEMENT – PER METRE

Staff recommend increases to Road Trench Cut Final Reinstatement Fees to cover increased costs of the service. Minor changes in fee descriptions are also recommended. Finally, staff

recommend removing the fees for Two Adjacent Lots, as there is no benefit in Town contracts for this situation. It is expected that \$7,500 in additional 2025 revenues will be generated.

BUILDING PERMIT

Municipalities are allowed to collect fees that represent the anticipated reasonable cost for the administration of the *Building Code Act, 1992* and Regulations. BMA Management Consulting Inc. completed a building permit fee study in 2023 and results were communicated through Report PDS-29-2023. The study was completed to ensure that fees reflect the cost of services being provided and ensure the efficiency of the building permit process in line with Ontario Building Code regulations. Fees recommended in the study were approved by Council in 2023 and recommended to be indexed annually. For 2025, staff recommend that fees be increased by 4% as detailed within Appendix 1. The 2025 fees were presented at a public meeting in accordance with the *Building Code Act* on Monday, December 2, 2024 and will be included in the consolidated Fees and Charges By-law for Council's consideration on December 16, 2024. The effective date of the new fees will be January 1, 2025.

DEVELOPMENT CHARGES ("DC")

Pursuant to section 5 of the Town's DC By-law 20-2024 as amended, By-law 21-2024 and By-law 22-2024, rates are indexed annually on January 1 using the most recently published Statistics Canada Quarterly Construction Price Statistics (Toronto series, non-residential building). The 2024 third quarter index increase is 3.3%. This is the same rate applied by the Region of Niagara. As per past practice the revised rates are distributed to the Chief Building Official, posted on the Town's website, and circulated to known local development associations to provide broad notice of the change.

PLANNING APPLICATION

The *Planning Act, 1990* allows municipalities to collect fees that represent the anticipated cost for the processing of planning applications and other services. The 2024 Budget approved a study to review and update planning application and service fees to ensure the cost recovery of services being provided and ensure the efficiency of processing planning applications and providing planning services in line with *Planning Act* regulations. The Town has retained [Watson & Associates Economists Ltd.](#) to complete the study and expect a report to be presented to Council in mid-2025, followed by amendments to the User Fee By-law. As a result, no fee changes are proposed within this report and no public meeting is required.

COMPREHENSIVE DEVELOPMENT PLAN ("CDP") FEE

The creation of a Comprehensive Development Plan is a requirement of Section 4.14 of the Town's Official Plan for any development within Site Specific Policy Area 1 - Urban Entertainment Area. The Official Plan does not provide guidance as to what a CDP is, but it is to be developed in consultation with neighbourhood residents, property owners and stakeholders, and requires studies to consider impacts on municipal services, roads and traffic, storm water management, environmental impacts, and archaeological resources. Since a CDP is not a defined type of Plan within Ontario, and the guidance provided under the Official Plan is what is typically addressed in a secondary plan or Block Plan/Outline Plan, the Niagara Region Official Plan refers to them as District Plans. Since a CDP is only required for 1 site specific policy area, staff anticipate only ever receiving one or two applications.

The fee of \$40,000 has been established based on the estimated staff time to provide the service. The only other municipality to have an approved fee of this nature in the Niagara

Region is West Lincoln and their fee is \$30,900 plus \$1,030 per hectare for total block that is above the base fee. There is no budget impact for revenues in 2025 since the volume of transactions is expected to be low and is uncertain.

Since this fee will be collected up front, staff recommend a mechanism for allowing refunds should cancellation occur at an early stage of the process. Staff recommend the following refund structure, should it be required:

- After file is opened but before circulated and/or public engagement: 80%
- After file is circulated to internal or external agencies/stakeholder: 60%
- After comments are compiled and sent to applicant: 40%
- After file is presented to Council: 0%

ENVIRONMENTAL PLANNING FEES

As per the Ministry of Municipal Affairs and Housing, effective March 31, 2025, the Niagara Region will no longer have responsibilities for land use planning. Since the Region will no longer be reviewing Environmental Impact Assessments/Studies, staff are recommending five new fees be created to recover the costs incurred to provide the review services. The fees have been calculated based on the cost, are expected to be indexed annually, and are listed as follows:

- Terms of Reference - \$200
- Environmental Impact Study Fee (Minor - 1 Feature) - \$1,200
- Environmental Impact Study Fee (Major - 2 Features or More) \$2,000
- Sub-Watershed Study - \$2,700
- Tree Protection Plan Review - \$500

The Terms of Reference and Tree Protection Plan review fees would apply to all Planning Act Applications. Based on the expected number of transactions in 2025, these fees are expected to generate \$30,000 to \$40,000 in the 2025 budget. The additional revenues were envisioned when the new Environmental Planner position was created and approved through Supplementary Item 2023 3.4, so the revenues for 2025 were already included in the forecast.

PLANNING DEPOSITS

Engineering review expenses related to sanitary sewer peer review and services are billed to customers at the actual cost of the third-party charges paid by the Town. A new fee is recommended by staff to formalize the fee. A deposit is proposed, for which any unused portion is refundable.

ANIMAL CONTROL

In 2023, staff received a request from the Greater Niagara Humane Society (“GNHS”) to increase fees for animal licensing and impound services. The fees had not been increased since 2017 and costs had risen significantly during this time based on information supplied by GNHS. The Town entered a contract with Lincoln Country Humane Society (name recently changed to GNHS) in 2022 for an initial term of 3 years. The Town subsidy associated with this contract increases by 2% per year over the initial term and therefore, staff support a 2% increase in the fees retained by GNHS through this contract for 2025 consistent with the increase applied in 2024. Staff recommend that any further increase be submitted for consideration in winter 2025

with the intention of having them set for the duration of any extension terms of the agreement and considered with the Town subsidy when negotiating pricing for the extension terms.

LEGAL AND LEGISLATIVE SERVICES

ROUTINE DISCLOSURE AND ACTIVE DISSEMINATION

Earlier in 2024, the Town adopted a new Routine Disclosure and Active Dissemination Policy to provide an efficient alternative process to Freedom of Information. Routine Disclosure is the automatic release of the Town's administrative, operational information, or records belonging solely to the person or organization. To recover the time to search and compile records, staff recommend two new fees in line with the MFIPPA hourly fee. This rate is legislated by the MFIPPA legislation, specifically R.R.O. 1990, Reg. 823, which specifies a fee of \$7.50 for each 15 minutes spent by any person searching and compiling records. As most requests take 30 minutes of staff time, expected increased 2025 revenues will be less than \$1,000.

COMMUNITY SERVICES

PROPERTY INFORMATION STATUS REPORTS

Property information status reports are available in various formats. The reports are requested when a sale of a home or property takes place. A tax and water package includes a tax certificate and water certificate and the fee is currently set at \$60. A partial package includes a tax certificate and comments regarding Property Standards By-Law and Building Code with a fee of \$80. A full package includes these documents in addition to zoning information and other information, such as Fire Services, and is set at \$180. These three fees were last increased for 2019. Staff recommend increasing the Tax and Water Certificate fee to \$80 and the Partial Package fee to \$100 to better reflect the cost. There is no change recommended for the complete package. The recommended fees are below the local municipal average, which is close to \$100 for the Tax and Water Certificate. Revenues associated with these fees are expected to increase by approximately \$20,000 in the 2025 budget.

FIRE AND EMERGENCY SERVICES

During annual review, staff identified fees that require increases beyond annual indexing to ensure that costs to provide the services are recovered from users.

- On Site Inspections for Commercial and Industrial fees are currently \$281.76 for the first 10,000 square feet and \$55.70 for each additional 5,000 square foot. Staff recommend increasing to \$476.00 and \$70.00 respectively.
- Assist with Fire Safety Plan Development is currently \$115.42 and the Second and each Additional Fire Safety Plan Revision is \$115.15. Staff recommend increasing to \$175.00 and \$150.00 respectively.
- Supply and Installation of Smoke / Carbon Monoxide Alarm is currently \$50. Staff recommend increasing to \$90.
- Boat service - per hour (plus 1 hour daily for servicing) is \$112.62. Staff recommend increasing to \$559.86 to align with the Ministry of Transportation ("MTO") hourly rate for fire department response on Provincial Highways.
- False fire alarm – currently there is no charge for the first, second, or third occurrence within twelve months. Staff recommend that fees for the fourth false alarm be based on the MTO hourly response base rate of \$559.86, which is an increase from the current rate

of \$375.00. Staff also recommend increasing each additional false alarm fee by \$100.00 until the tenth occurrence and beyond which are recommended to be \$1,859.86.

Revenues are expected to increase as a result of the increases in fees, however, the impact on the budget is expected to be nominal as volumes are generally low for these fee types.

WATER AND WASTEWATER

Water and wastewater rates are approved through the Water and Wastewater Budget by-law and historically fees were included within the by-law as well. New for 2025, water and wastewater-related fees will be included within the user fee by-law. There are no proposed changes to related fees beyond the standard annual increase of 4%.

INFRASTRUCTURE SERVICES

CEMETERY

Council approved the adoption of the 2014 Cemeteries Master Plan in July 2015, which identified that Town fees at the time were 28% below the regional average. The Cemetery Advisory Committee recommended a phased-in 28% increase at the October 23, 2014 meeting, with 5% increases for 5 years, in addition to regular fee indexing. The phase-in was completed in 2019 and fees have been increased by CPI annually from 2020 onwards.

Staff recommend another master plan be completed in 2027 and include operating and capital cost analysis, and an examination of levels of services. A strategic financial plan will be prepared that includes rate justifications for all cemetery fees and a strategy for the Cemetery Trust. Staff will request a policy document be developed to provide guidance to manage the Trust. Currently, only interest earned by the Trust in excess of inflation is funding care and maintenance costs associated with cemeteries, as per recommendations in the last master plan.

With the master plan planned for 2027, staff recommend reasonable increases over a five-year timeframe to begin to bring fees in line with other local municipal cemeteries in Niagara. Although offerings and operations are not directly comparable in all cases, Fort Erie fees are less than municipal counterparts in almost all instances. Fees are more than 35 percent lower than the local benchmark for all residential fees. Since non-residential fees make-up a small portion of sales, staff are once again recommending 5% annual increases in addition to annual indexing (e.g., total increase of 9% for 2025). Since taxpayers subsidize a portion of cemetery services (i.e., rates are set below cost), the additional 5% increase is expected to reduce the 2025 General Levy subsidy by \$10,000. The 2024 budgeted General Levy subsidy is \$462,000 for combined services at Active and Inactive Cemeteries.

CEMETERY LICENCE FEES

The Bereavement Authority of Ontario charges a licence renewal fee of \$30 per death to provide services of information on options in bereavement services and to regulate the bereavement section profession making sure the law is consistently followed. The fee is charged per interment, scattering, cremation, or hydrolysis. The Provincial license fee increased from \$13.63 to \$30.00 per activity in 2023. Currently, the Town remits the licence fee from fees collected for interments. Effective in 2023, cemetery operators are now able to display the licence fee separately on contracts and price lists. Given the significant increase in fees in 2023 that are not within the control of the Town, the fact that it is allowable to separately disclose the fee, and that the fee is not subject to HST as are other interment fees, staff recommend separately charging a licence fee for all interment activities. That way, fees will increase by standard indexing and the Town will be made whole for Provincial disbursements. The fee is set at \$30 per interment for 2025. However, staff recommend the new separately disclosed fee be created in 2025 and then

set to align with the Province rate on an annual basis. Based on the number of 2024 interments, separately charging this fee is expected to increase 2025 cemetery revenues by \$3,000.

CRYSTAL BEACH BOAT RAMP

The Crystal Beach Waterfront Park Boat Ramp Municipal Parking Lot operates a fee-for-parking basis for vehicles with a vessel trailer in tow. Daily launch fee parking passes can be purchased onsite for \$15 and passes are available for \$125 for the entire boating season. Staff recommend maintaining the current fee, however, extending the season pass to be valid from April 1 to October 31 to better align with the boating season. The current season pass is valid from May 1 to September 30. Revenues are expected to increase nominally because of the extension in dates, as these are the slower months of the season.

ARENA RENTAL - ICE TIME

The general idea of publicly funded arenas is that rates should be set to optimize usage (roughly 85% occupancy). Public arenas have historically lost/cost money (like parks, libraries and museums), so the goal has been to optimize usage as a community asset. A focus solely on financial wouldn't balance revenues with the public desire for affordable recreational opportunities.

2024 ice rental bookings are higher than anticipated, which has prompted a review of local area municipal comparators. Bookings were down significantly from 2020 to 2022. When 2023 rates were set (in fall of 2022), inflation was high. To avoid negatively impacting bookings and prioritize the Strategic Pillar of Optimizing Healthy lifestyles, healthy living infrastructure, and business offerings, ice rentals rates were increased 2% as opposed to the 6.7% increase that was applied to all other fees. Since bookings have returned to normal levels and Fort Erie rates are well below local benchmarks, staff recommend a 6.5% increase to ice rentals for all rates except the non-residential rate, which is recommended to increase by 4.5% (this fee was the ice rental exception that did increase by 6.7% in 2023). The 6.5% recommended increase is made up of the standard 4% blended rate increase + 0.5% increase in the Ice Resurfacing Machine Replacement Surcharge (discussed below) + 2.0% to make whole for a portion of the 2023 fee reduction. Staff will consider making up the remaining 2.7% in future years, as the Town is still below the Regional average for fees. An increase beyond 6.5% in one year has been avoided, as staff want to avoid causing a great burden to the users or impact demand for usage. The additional 2% is expected to generate \$15,000 in revenue in the 2025 budget.

ICE RESURFACING MACHINE REPLACEMENT SURCHARGE

Currently, all ice rental hourly rates include a 3% Ice Resurfacing Machine Replacement Surcharge that is transferred to the Ice Resurfacers Replacement Reserve. Forecasted reserve contributions are approximately \$21,000 per year from 2025 onwards. Based on ice resurfacers replacement forecasts, the reserve is expected to be near \$0 in 2035, when a replacement is expected to occur. Increasing the surcharge from 3.0% to 3.5% is expected to increase annual contributions by \$3,500 and result in a reserve ending balance of approximately \$46,000 in 2035. Note that there is no impact to operating revenues, since the increase in the reserve transfer is in addition to the 4% indexing applied to ice rental fees.

SPORTS FIELD FEES

Sports field fees have not been increased beyond annual indexing in a great number of years. The Town charges low seasonal rates for usage, amounting to annual revenues of \$10,000 to \$15,000. The revenues do not cover operating costs nor contribute to capital replacements, as

over the years the priority has been placed on optimizing healthy lifestyles, healthy living infrastructure, equity and inclusion, and generally the greater community benefits.

Council recently approved a capital project for renovations to be completed at Oakes Park. The scope of the 2023 approved capital job includes improvements to the dug out and backstop, replacement for the Senior diamond, improvements and regrading to outfield, safety net installation, pitchers mount rebuilding, and parking lot/driveway improvements. In 2022 and 2023, the diamond lights were replaced. Additional budgeted items include removal and replacement of the washroom facility. The level of current capital investment at sports fields, and the expected desire for further investment following the approval of the upcoming Parks and Open Space Masterplan, has prompted a review of sports field user fees.

Fort Erie is well below market comparators based on a review of other local area municipalities. Currently, the Town has two fees for Playing Field User Groups - \$204.26 per adult team for the season and \$5.18 per youth person for the season (based on 2024 rates). In the Niagara region, one other municipality charges comparable fees and they are set at \$818.58 and \$9.96-16.81 respectively. A direct comparison is not possible in many cases, however, as the rate structure varies. For example, many municipalities charge rates on an hourly or per game basis and charge various fees that the Town does not apply. For 2025, staff recommend the Playing Field - User Group Fees increase to \$350 per team and \$8.85 per youth before tax. Recommended increases acknowledge that there is an opportunity to increase recovery of costs from the users that directly benefit from the use of the fields, while avoiding a one-time increase so large that it causes a great burden to the users or impacts demand for usage.

The recommended increases are expected to result in increased revenue of approximately \$7,000 in the 2025 budget. Staff are considering ways to phase-in annual rate increases to the existing fees or potentially restructure existing fees altogether. Staff also plan to introduce new fees, such as a fee to recover costs associated with tournaments. Consideration will be given to create more options for how fees are assigned, such as site specific or activity specific fees. Staff will collaborate cross-departmentally to review and develop a strategy for these in 2025.

MUNICIPAL PROPERTY OCCUPANCY POLICY (“MPOP”)

At the time of writing this report, staff were scheduled to bring a report to Council on December 2, 2024 regarding the proposed MPOP. Within the report, staff are proposing a set application fee of one thousand dollars (\$1,000) per construction project (per application intake) for overweight vehicles using Town-owned roads. Fees for all current permit classifications, that don't involve overweight vehicles, will stay the same. Refer to Report IS-12-2024 for further information.

7. Financial, Staffing and Accessibility (AODA) Implications

The intent of changes is to maintain services and ensure that fees are as income neutral as possible. The fees changes recommended are not expected to have a significant impact on 2025 revenues unless disclosed above.

8. Policies Affecting Proposal

By-law 136-2023 adopted Council's 2023-2026 Corporate Strategic Plan.

By-law 40-2009, as amended introduced comprehensive measures in 2009 to centralize all corporate fees. This was previously amended with By-law 007-2022.

Building Code Act, 1992, S.O. 1992, C.23 and Planning Act, R.S.O. 1990, c. P.13.0

9. Comments from Departments, Community and Corporate Partners

The review of fees and charges and proposed changes were carried out collaboratively with all departments and considered relevant direct and indirect factors.

10. Alternatives

Council may choose to revise or reject any proposed fee changes and new fees, exclusive of the annual indexing changes, as these are established in current by-laws. This could increase reliance on funding from the General Levy.

As noted in the Analysis section above, a 4% increase is recommended for fees that are indexed annually. The increase is consistent with the rate noted in the 2025 Budget Planning report and will better align revenue with the increases in costs the Town has experienced in recent years and anticipates in 2025. Council may choose instead to apply Ontario CPI which was 1.9% for the 12 months ending September 30, 2024.

11. Communicating Results

Public meeting dates will be advertised in the local newspaper and on the Town's website. The Consolidated Fee Schedule is also posted on the Town's website. Note that all other indexing and rounding changes are effective January 1, 2025.

12. Conclusion

The proposed fee changes in Appendix 1 attempt to recover the cost to provide the service with a balance of tax levy subsidization and consideration of comparable fees.

13. Report Approval

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Approved by:
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14. Attachments

Appendix 1 – Proposed 2025 Fees and Charges (excludes indexing and rounding)