
2013 BUDGET BRIEFING NOTE

Changes to Existing User Fees and New User Fees in the 2013 Staff Recommended Operating Budget

Issue/Background:

This briefing note details all recommended changes to existing user fees and new user fees that are incorporated in the 2013 Staff Recommended Operating Budget, and provides a summary of the incremental 2013 revenues that will be generated from these user fees.

With the exception of the Toronto Transit Commission and certain market based fees charged by Local Boards, City Council must authorize new fees and changes to existing user fees for services being provided to the general public by all City Programs and Local Boards. In accordance with Council's User Fee Policy, fees that have been approved by City Council for automatic annual inflationary adjustments are effective on January 1 each year. Authority is delegated to the Deputy City Manager and Chief Financial Officer to determine the annual inflation rate for user fees.

The inflationary adjustment applied to each user fee service is based on a blended rate of the specific inflation rate for each component cost represented in the basket of goods utilized to provide the service. This method which was approved with the User Fee Policy reflects more accurately the overall inflation for the services provided. Other fees are adjusted to reflect market prices and/or to recover an incremental amount of the full cost of providing the related user fee service. Table 1 shows the incremental revenues for inflationary and other adjustments for base fees, as well as new fee revenues included in the 2013 Staff Recommended Operating Budget.

In accordance with the City's User Fee Policy and commitment to transparency and accountability, it is required that the public be provided with five business days notice to enable constituents to provide input or to depute on changes to existing user fees and on introduction of new fees. Notice of the City's intention to change existing user fees and introduce new fees is posted on the City of Toronto's website. This briefing note supplements the Public Notice for all recommended user fee changes.

Key Points:

- Changes recommended to existing user fees as well as new fees included in the 2013 Staff Recommended Operating Budget are detailed in Appendices A and B, and summarized in

Table 1 below. These changes will generate total incremental revenues of \$12.367 million in 2013.

- Program-specific changes have also been appended to the Analyst Briefing Notes for each of the respective Programs.
- Appendix A lists changes to existing user fees included in the 2013 Staff Recommended Operating Budget. These fees will generate incremental revenues of \$6.527 million in 2013.
- Appendix B lists new user fee included in the 2013 Staff Recommended Operating Budget; these fees will generate incremental revenues of \$0.122 million in 2013.
- Also included in the 2013 Staff Recommended Operating Budget, and summarized in Table 1 below, are annualized incremental revenues of \$2.298 million for the Development Application Review Program (DARP) and \$3.420 million for Toronto Parking Authority machine/metered spaces.
- In addition, supplementary information for Parks Forestry and Recreation sports field and dry pad permit fees for children has been provided in a Staff Report as Agenda Item 36.1AC.

Table 1						
2013 RECOMMENDED USER FEE CHANGE AND NEW SUMMARY						
Program	No. of Fees	Inflationary Adjustments Base Fees	Other Adjustments Base Fees	New Fees		2013 Incremental Revenue Total \$
		2013 Incremental Revenue \$	2013 Incremental Revenue \$	No of Fees	2013 Incremental Revenue \$	
Arena Boards	31		197,343	1	600	197,943
Association of Community Centres	30	4,662	3,538			8,200
Children Services	6		83,000			83,000
City Clerks' Office	26	27,338		4	10,000	37,338
City Planning	60	416,300				416,300
Courts Services	1		72,000			72,000
Emergency Medical Services	27	20,955	5,645			26,600
Exhibition Place	3		812,400			812,400
Facilities Management & Real Estate	11	4,318	682			5,000
Fire Services				1	37,500	37,500
Legal Services	20	463,922				463,922
Municipal Licensing & Standards	243	317,000			-	317,000
Office of the Treasurer, Revenue Services	2	9,000		1	29,167	38,167
Parks Forestry & Recreation	1084	1,213,700				1,213,700
St. Lawrence Centre	2		35,175			35,175
Technical Services	3	468	1,019,000			1,019,468
Toronto Building	130	1,045,100	113,400			1,158,500
Toronto Public Health	19	9,610	68,545	1	4,500	82,655
Toronto Zoo	24		8,900			8,900
Transportation Services	104	574,900		10	40,000	614,900
Sub-Total	1826	4,107,273	2,419,628	18	121,767	6,648,668
Annualizations:						
DARP			2,298,300			2,298,300
Toronto Parking Authority			3,420,000			3,420,000
Total Incremental Revenues	1826	4,107,273	8,137,928		121,767	12,366,968

Highlights of Changes to Existing User Fees by Program:

Parks, Forestry & Recreation - User fees recommended for increase will generate incremental revenues of \$1.213 million for 2013. The user fee changes will result in only a

modest increase in the recovery rate of the related user fee services in 2013. These fees are currently below full cost recovery.

Technical Services will generate incremental revenues of \$1.019 million in 2013 attributed mainly to the full cost recovery fee for engineering design and contract administration services.

Development Application Review Program (DARP) – On November 25, 2011, the Deputy City Manager of Cluster B provided a report summarizing the results of the detailed review of development application cost, with a recommended strategy and fee schedule to recover the City's full costs associated with reviewing development applications. City Council adopted the Fee Schedule in the report effective April 1, 2012 and the Municipal Code Chapter 441-4 was amended accordingly.

In September 2012, City Planning, Financial Planning, and Accounting Services jointly developed a Development Application Review Program (DARP) implementation process, to re-direct development application fee revenues to the various contributing programs. As a result, the annualized impact of the additional development application fee revenues of \$2.298 million is included in the 2013 Staff Recommended operating Budget.

Toronto Parking Authority (TPA) – Chapter 179-7D of the City of Toronto Municipal Code provides the Toronto Parking Authority with a delegated authority to adjust rates at machine/metered spaces without reporting through the Standing Committees of Toronto City Council, subject to the consent of the Ward Councillor in the ward in which changes are being undertaken, with a limit set at the highest hourly rate. In accordance with the delegated authority, during 2012 TPA increased the maximum hourly rate for machine/metered parking spaces from \$3.10 (\$3.50 inclusive of HST) to \$3.54 (\$4.00 inclusive of HST). This will generate incremental revenues of \$4.560 million in 2013, of which 75% or \$3.420 million is allocated to the City.

Highlights of New User Fees by Program:

City Clerk's Office – City Clerk's Office is implementing a user fee program for study tours organized by private tour operators. These fees will be charged to tour operators only and will not affect stud tours organized by other levels of government or public sector organizations. Revenues from these tours will generate \$0.010 million in 2013.

Fire Services – Freedom of information (FOI) requests for Fire Reports were previously processed through Corporate Access and Privacy in the City clerk's Office with assistance from Fire Services. In early 2012 Fire Services was given full responsibility for processing FOI requests for Fire Reports. The fee will generate revenues of \$0.038 million in 2013

Office of the Treasurer - Revenue Services – The recommended fee is to recover the cost of providing information to professional representative, such as a tax consultant, agent, lawyer or

paralegal, acting on behalf of the taxpayer requesting a refund-transfer credit balance status. The fee of \$35.00 per request will generate revenues of \$0.029 million in 2013.

Toronto Public Health – TPH provides safety training and accreditation review to food handler training operators. The new fee of \$750.00 per application will recover the cost associated with the resubmission and review of applications. The estimated incremental revenue is \$0.005 million in 2013.

Transportation Services –New permit fees for Commercial Boulevard Parking (Scarborough District) based on the new Streets Bylaw will enable Commercial Boulevard parking agreements across the City. This activity already exists in Toronto & East York District and North York District. These fees will generate revenues of \$0.040 million in 2013.

Notice of Change to Existing and New User Fees

Notice of intention to change these user fees and add new fees as part of the 2013 budget process was posted on the City of Toronto website. The Budget Committee will hear deputations on December 10, 2012 from stakeholders groups and the general public.

Attachment:

Appendix A – 2013 Recommended User Fee Rate Changes

Appendix B – 2013 Recommended New User Fees

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