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2012 BUDGET BRIEFING NOTE

Changes to Existing User Fees/Charges and New User Fees/Charges in the 2012 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 2012 Staff Recommended Operating Budget, and provides a summary of the incremental 2012 revenues that will be generated from these user fees.

The City of Toronto Act, 2006 enables the City and its Local Boards to charge user fees to recover the cost of services. At its special meeting of September 26 and 27, 2011, Council approved a User Fee Policy, which provides a framework for establishing and managing user fees. This policy applies to all City Programs and Local Boards (excluding the Toronto Transit Commission). User fees that are subject to non-inflationary adjustments and new user fees require Council approval before implementation.

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 (other than inflationary adjustments) 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, including fees adjusted automatically by the rate of inflation.

Key Points:

- Excluding the Toronto Transit Commission, Toronto Water and Solid Waste Management Services, existing user fees for which changes are recommended as well as new fees included in the 2012 Staff Recommended Operating Budget are detailed in Appendices A, B and C, and summarized in Table 1 below. These changes will generate a total incremental revenue of \$14.592 million for 2012.
- Appendix A lists inflationary changes to existing user fees included in the 2012 Staff Recommended Operating Budget in accordance with the Council-approved User Fee Policy. These fees will generate incremental revenues of \$3.742 million in 2012.

- Appendix B lists above- inflationary changes to existing user fees based on a review of current fees against the principles in the User Fee Policy approved by Council. As shown in Table 1, these changes will generate incremental revenues of \$8.181 million, and is included in the 2012 Staff Recommended Operating Budget.
- Appendix C lists new user fee opportunities included in the 2012 Staff Recommended Operating Budget; these fees will generate incremental revenues estimated at \$2.668 million in 2012.

Program	Inflationary Changes to Base Fees	Above-Inflationary Changes to Base Fees		New Fees		2012 Incremental Revenue Total \$
	2012 Incremental Revenues \$	No of Fees	2012 Incremental Revenue \$	No of Fees	2012 Incremental Revenue \$	
Courts Services			-	1	100	100
City Planning	443,800	36	6,306,200		-	6,750,000
City Clerk's Office	2,344	1	3,981			6,325
Economic Development & Culture		28	20,474			20,474
Emergency Medical Services	4,365	2	390		-	4,755
Facilities Management & Real Estate		13	28,762			28,762
Municipal Licensing & Standards	411,300					411,300
Parks Forestry & Recreation	1,445,743	705	725,000	23	1,503,500	3,674,243
Office of the Treasurer, Revenue Services				1	1,145,800	1,145,800
Technical Services	1,690					1,690
Information & Technology	3,000					3,000
Toronto Building	1,133,323	114	39,177			1,172,500
Toronto Public Health	2,130					2,130
Toronto Public Library		3	217,000	1	19,000	236,000
Toronto Zoo		22	742,200			742,200
Transportation Services	295,086	6	97,958			393,044
Total Revenue Impact	3,742,781	930	8,181,142	26	2,668,400	14,592,323

Highlights of Changes to Existing User Fees by Program:

City Planning – The Development Application Review Process (DARP) provides direct benefits to identifiable beneficiaries and therefore, in accordance with the City's User Fee Policy should be fully cost recovered. Subject to Council approval, the fees identified in Appendix A for non-inflationary increases will come into effect on April 1, 2012 and will recover full cost of the DARP. The proposed changes are the subject of a Report from City Planning on the Budget Committee agenda, Item Bu 18.1e. Incremental revenues of \$6.306 million will be generated in 2012.

Parks, Forestry & Recreation (PF&R) User fees recommended for increase will generate incremental revenues of \$1.446 million for inflationary changes and \$0.725 million for above-inflationary changes. The user fee changes will result in only a modest increase in the recovery rate of the related user fee services in 2012. These fees are currently below full cost recovery.

Facilities Management & Real Estate – User fees for the rental of meeting rooms and film shoot events are recommended for increase and will generate incremental revenue of \$0.029 million in 2012. The increase in these fees will align the rates with similar venues so that they are comparable to existing market rates.

Legal Services – Fee increases for this Program are indicated in Appendix A; however the incremental revenue associated with the 2.1% inflationary will result in a net zero revenue impact on the Program's budget due to other volume changes.

Information & Technology Services – User fee increases will generate incremental revenues of \$3,000 in 2012.

Toronto Public Library – Rental rates for meeting rooms will be increased to maintain market competitiveness and will generate incremental revenues of \$0.217 million.

Toronto Building – The Program's user fees have been increased by 0.1% to recover an incremental amount of the full cost of providing the user fee service.

Toronto Zoo – User fees are increased for Education Outreach and Visitor Services to maintain market competitiveness with similar services provided by other organizations. The estimated incremental revenue for 2012 is \$0.742 million.

Highlights of New User Fees by Program:

Office of the Treasurer - Revenue Services – A new fee is being recommended for ownership changes to a tax account and will generate revenues of \$1.146 million in 2012. This service is currently performed at no charge to the home-owner.

Parks Forestry & Recreation (PF&R) – The new fee opportunities for PF&R include 23 permit fees for sportsfield bookings, room rentals, and use of outdoor ovens. The introduction of sportsfield booking and room rental opportunities will harmonize the City's fees with those charged by surrounding Greater Toronto Area (GTA) municipalities, reduce overbooking of space, and allow for greater recovery of service costs. The two new permit fees for outdoor ovens, one for commercial / private / non-resident usage and the other for not-for-profit / resident usage, are added to recover partial costs of the program. The total incremental revenue from PF&R new fee opportunities is \$1.504 million in 2012.

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 2012 budget process was posted on the City of Toronto website on November 30, 2011. The Budget Committee will hear deputations on December 7, 2011 from stakeholders groups and the general public.

Attachment:

Appendix A – 2012 Recommended Inflationary-Adjusted User Fees

Appendix B – 2012 Recommended Change to Existing User Fees

Appendix C – 2012 Recommended New User Fees

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