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2020 User Fees and Charges – Licensing Fees Staff Report to Council

Report Number: 2019-80

Department(s): Financial Services

Author(s): Mike Mayes, Director, Financial Services/Treasurer

Meeting Date: August 26, 2019

Recommendations

1. That the report entitled 2020 User Fees and Charges - Licensing dated August 26, 2019 be received; and,
2. That Schedule A to By-law 2019-XX be approved; and that the fee adjustments come into full force and effect as of January 1, 2020;
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Executive Summary

Fees and charges are being targeted to increase by 2.5% on average, resulting from general service cost increases.

Purpose

The purpose of this report is to recommend increases to the majority of Licensing Fees for 2020, which are within the targeted range.

Background

On May 10, 2019, Council approved a schedule for the 2020 budget process which included early approval of fees and charges in June. Licensing and Recreation and Culture fees are submitted for early approval to:

1. Provide sufficient notice to users and user groups as increases may have a significant impact on users;
2. Facilitate proper budgeting as these fees are quite significant to their relevant departments. Clarifying revenue expectations is required for proper planning.

Recreation and Culture is undertaking a re-evaluation that will delay the introduction of its rates until the fall.

All user fees and charges are reviewed annually and adjusted in accordance with the Annual Budget Review Process and application of the Service Pricing Policy.

Based on the Service Pricing Policy, Licensing fees fall into either the Community Supported Good or Consumer Good category, placing them at a 60-100% cost recovery.

Discussion

None of the proposed fees exceed a 2.5% increase. The suggested fees are within the range of 1.7% to 2.5% or have no increase.

Two new fees are being introduced in 2020 under Driving School Instructor category for Replacement Plate and Vehicle transfer, the fees are \$85 and \$182, respectively.

Staff have worked within the limit and the proposed fee increases have been rounded down to the nearest dollar.

Conclusion

Licensing Fees and Charges are being targeted to increase by no more than 2.5% and will come into effect on January 1, 2020.

Business Plan and Strategic Plan Linkages

The adoption of the 2020 Fees and Charges By-law, implementing adjustments to Licensing fees is in alignment with Section iii) of the Long-term Financial Sustainability Strategic Priority by ensuring ongoing continuous improvement and a service level analysis for consideration.

Consultation

Legislative Services has developed these rates based upon cost recovery targets and their knowledge of the market.

Human Resource Considerations

Not applicable.

Budget Impact

Operating Budget

The additional revenue anticipated as a result of the increase in Licensing Fees is difficult to estimate as the number of licenses that will be issued in 2020 is unknown.

Capital Budget

Not applicable.

Attachments

Legislative Services – Licensing Fees – Schedule A (4 pages)

Approval

Mike Mayes, Director of Financial Services/Treasurer

Esther Armchuk, Commissioner of Corporate Services

Contact

For more information on this report, contact Mike Mayes, Director of Financial Services/Treasurer at 905-953-5300 extension 2102 or mmayes@newmarket.ca