

Council Report

Original signed by: City Manager Johnson

Report Date: Nov 21, 2018

Meeting Date: Nov 27, 2018

To: City Manager

From: Director of Corporate Financial Services

Subject: Comprehensive Fees Bylaw Update

Purpose

The purpose of this report is to review the proposed changes to the master fee bylaw for rates effective January 1st, 2019. The Financial Sustainability and Audit Committee has reviewed the rates at their Nov 13th and Nov 20th committee meetings and recommends the attached rates to Council.

Summary

This update includes fee increases that will be effective January 1st, 2019.

Recommendation

THAT Council proceed with first three readings of the City of Quesnel Comprehensive Fees and Charges Amendment Bylaw No. 1860 of 2018 in the Bylaw Section of the Agenda.

Statutory Requirements

Section 194 of the Community Charter enables council to impose fees by bylaw for all or part of a service of the municipality.

Council Policy

As per the City's Five Year Financial Plan, one of the City's policies is to move towards user fund based funding, where appropriate to lower the pressure on taxation.

Financial Implications

A-1 Development and Subdivision

Updates to clarify language around development permits

Addition of Cannabis Licencing Fees

A-2 Development Cost Charges – No change at this point.

A-3 Building

Addition of minimum plumbing permit fee/minimum sprinkler permit fee

Deletion of surcharges on all building permits – the Building Inspector has indicated the time spent on this process is more costly than the funds retained by the city and has not proven to be a significant incentive to ensure building permit completion.

Addition of surcharge for constructing with out permits – the Building Inspector has indicated that when permits are initiated after work has begun there is considerable



more administration required to the building inspection department to ensure that the works have been completed to code.

Addition of damage deposit

Addition of Alternative Solution Submission with Permit Package

A-4 Misc Permits & Fees

Annual fees for outdoor café and outside food vendors removed to simplify process.

A-5 Business Licence Fees

Addition of category for establishments serving liquor - \$125

Addition of category for cannabis retail \$1,500 and production \$5,000

Increase to Banks/Financial Institutions Business Licence fee to \$1,000 to help offset bylaw costs of dealing with panhandling.

Next year the Financial and Audit Committee will look at if the large commercial retail licence fees should have more refinement for varying sizes of commercial buildings, if any refinement should be made on the Establishment serving liquor licences and whether or not the base business licence fee for all business should be increased.

B-1 Water Utility Fees

Increases are required for the water utility to ensure funds are available for capital replacement projects. As part of the Budget 2019 process a request will be made to undertake a complete review of the City's utility fees to ensure they are fair (right amount being charged to the various types of businesses since the City does not have meters) and at a sufficient level to maintain the service including future capital replacement requirements.

- 5% increase to utility fees
- 2% increase to bulk water
- 2% increase to connection fees

B-2 Sewer Utility Fees

The Sewer fund is projected to be at a sustainable level. At this point increases are to cover inflationary pressures. As part of the Budget 2019 process a request will be made to undertake a complete review of the City's utility fees to ensure they are fair (right amount being charged to the various types of businesses) and at a sufficient level to maintain the service including future capital replacement requirements.

- 2% increase to utility fees
- 2% connection fees

C-1 Garbage Fees

- No change for residential rates – currently residential revenues are covering the cost of residential collection.
- 15% increase proposed for trade waste collection and container rates. The fees collected from trade waste containers do not cover the costs of our commercial collection service. A 15% increase is required to break even on this function. In 2017



the rates for trade containers were increased by 10-25% depending on how often the service was received. These rates are still far below commercial rates. It should be noted that South Quesnel does not receive Commercial City garbage pickup and pays commercial rates for the service.

C-2 Landfill Fees

The City is currently undertaking a Strategic Landfill and Recycling Review. This process will help to determine the future costs required for the landfill to ensure it is compliant with landfill criteria and to expand the landfill to extend its lifespan. It is anticipated that this project will result in requirements for significant capital projects at the landfill. It should also be noted that at this point the City is not putting aside each year enough funds to cover the future costs of closing the landfill. The landfill closure liability will also be reviewed as part of the Strategic Landfill and Recycling Review. Landfill costs are covered both by taxation and user fees. The Cariboo Regional District contributes 34% of the net cost of the landfill from taxation of their residents.

In 2018 the CRD reduced the amount allowed into their Central Cariboo landfill for free to 200 kgs and on Jan 1, 2019 will reduce it to 100 kgs. The CRD's rates for most landfill categories will be \$80/tonne versus the \$70/tonne proposed for the City of Quesnel. In Prince George the rate is \$85/tonne.

- Increase to \$70 per tonne for most categories
- Reduction of amount allowed for free from 350 kg's to 200 kg's

The Financial Sustainability and Audit Committee indicated the desire to continue in future years to bring the landfill fees to the same rate levels as the Central Cariboo, which is currently at \$80/tonne for most categories.

D-1 Museum Fees – No change at this point

D-2 Corporate Services

- Municipal Flags changed to actual cost due to the fluctuating costs depending on the amount ordered.
- Clarification that the reprint notice cost applies to both Property Tax and Utility Invoices

D-3 RCMP Services – No change at this point.

D-4 Cemetery Rates

- Increase of 2% to burial rates – no change to plot rates

D-5 Airport Fees

- 2% increase to all rates

D-6 Dog Licence Fees

Increase of \$5 to dog licence fees.

The dog licence fees help offset the costs of doggie bags on the riverwalk, maintenance of the dog park and the yearly contribution the City makes to the SPCA.

D-7 Fire Cost Recovery – No change at this point

D-8 Street & Traffic – No change at this point



Attachments

1. City of Quesnel Comprehensive Fees and Charges Amendment Bylaw No. 1860 of 2018