

Date: July 29, 2021  To: Chair and Members of Budget Committee  From: Jodi Robillos, Acting Commissioner of Community Services	Originator's files:
	Meeting date: October 6, 2021

## **Subject**

**2022 Parks, Forestry & Environment Fees and Charges**

## **Recommendation**

1. That the Parks, Forestry & Environment fees and charges, as outlined in Appendix 1, Appendix 2, and Appendix 3 attached to the Corporate Report dated July 29, 2021 from the Acting Commissioner of Community Services entitled "2022 Parks, Forestry and Environment Fees and Charges" be approved.
2. That User Fees and Charges By-law 0251-2020, as amended, be repealed effective at the end of December 31, 2021.
3. That a new consolidated user fees and charges by-law, effective January 1, 2022, which will include the approved fees and charges of various City departments, be enacted to incorporate and establish the new, revised, and existing fees and charges for the Parks, Forestry and Environment division as outlined in Appendix 1, Appendix 2 and Appendix 3 attached to the Corporate Report dated July 29, 2021 from the Acting Commissioner of Community Services entitled, "2022 Parks, Forestry and Environment Fees and Charges".

## **Executive Summary**

- Fees for Parks, Forestry and Environment services include rates for park permits, requested tree maintenance, sports fields, cemeteries, marinas and associated services provided for specific residents, individuals and organizations.
- Parks, Forestry and Environment fees and charges are reviewed annually to recover increased costs and respond to market conditions.
- Incremental revenues of \$162,000 are forecasted as a result of the proposed fee changes.

## Background

On an annual basis in accordance with the *Municipal Act 2001, SO 2001, c.25*, Parks, Forestry and Environment reviews the rental rates for City-owned and operated facilities including parks, sports fields, cemeteries and marinas, along with additional fees for Parks, Forestry and Environment services provided to specific residents, individuals and organizations.

Ensuring that fees and charges maintain cost recovery reduces the burden on the City's tax requirements. If fees do not increase to cover increased costs, tax support for rentals and services must increase and the costs to administer are left to all taxpayers instead of those who directly benefit from the service. The 2022 fees and charges, if approved through this report, will be added into a new consolidated user fees and charges by-law.

## Comments

As part of the draft 2022-2025 Corporate Business Plan Update and 2021 Budget development process, staff have reviewed the fees and charges for Parks, Forestry and Environment services with the objective of ensuring that recommended price increases maintain cost recovery without affecting demand. Staff reviews current market rates, utilization and demand for rentals and services, user and staff feedback, and prior increases to determine specific pricing changes. The recommended pricing changes to Parks, Forestry and Environment services are outlined below.

### Parks

Fees for the rental of park facilities and associated services help offset the costs to maintain 3,178 hectares (7,853 acres) of City-owned parkland and open space, and for services to individual park users. In order to maintain cost recovery, rate increases are required to offset increased operating costs for materials, vehicles, equipment and labour. Fee increases of 3% are recommended for parks rental rates, vendor permits and associated services to offset inflationary costs. Historical increases for parks rental fees and associated services have not detrimentally impacted demand for facility use. Fee increases are recommended in Appendix 1.

### Marinas

The majority of the fees for marina rentals and services are recommended for 3% increase to recover the inflationary costs to deliver services. Further reviews and benchmarking has resulted in a recommended increase to daily slip rentals over a two year period (2022-2023) at between 4.5 to 9.5% annually. It is recommended to increase daily slip rentals for both Lakefront Promenade Marina and Credit Village Marina to align with benchmarking of other similar marinas.

Through the 2021 Fees and Charges a 7% increase was applied to charter fees at Credit Village Marina as they are currently lower than recreational user fees at the same location.

This was planned as 7% per year over two years to apply a phased approach to increasing the fees. The second year of this phased approach has been applied to 2022 fees.

With the increases proposed, fees at the marina will remain competitive. Revenues for Marina rentals and services are expected to remain on target in 2022 as previous increases have not impact demand for these services. Fee increases are recommended in Appendix 1.

### **Park Planning and Development**

The majority of fees related to Park Planning and Development are recommended to remain unchanged, as greenbelt and park processing fees are charged as a percentage of works completed. Additional fees are recommended to have a 3% increase to offset inflationary costs. Fee increases are recommended in Appendix 1.

### **Forestry**

Fees charged for Forestry services include on-demand tree works, tree permits and tree replacement costs as well as streetscape processing fees. To offset increased costs for contractor services, vehicles, equipment, materials and labour for requested services, an increase of 3% is recommended for most fees. A 12% increase is recommended for each additional tree request as part of a Tree Removal Permit and/or Permission to ensure operational costs are fully recovered for each additional tree requiring application review and multiple site inspections. Historically, increases to fees for Forestry Services have not detrimentally impacted revenues. Fee increases are recommended in Appendix 1.

### **Cemeteries**

Under the Funeral, Burial and Cremation Services Act, 2002 S.O 2002, c.33 the City is required to maintain abandoned and municipally owned Cemeteries in a state of good repair. Lot sales, interment fees and other service charges are used towards offsetting annual operating costs for the ongoing care of 11 municipally owned or maintained cemeteries. A portion of the total fees charged for burial rights is placed in a reserve fund, where interest collected is used towards the perpetual care and maintenance of cemeteries owned and maintained by the City.

For most fees, staff is proposing rate increases of 3% to recover increased costs and to ensure that fees are consistent with market rates across the GTA, with the exception of any veteran fees which remain unchanged.

Historically, increases to fees for Cemetery Services have not detrimentally impacted revenues. Fee increases are recommended in Appendix 2.

### **Sports Fields**

Parks Operations maintains 373 sports fields across the City to support permitting for major and minor baseball, cricket, soccer, football, rugby, volleyball and artificial fields. Pricing for sports fields is founded on the principle that in order to maintain service sustainability, sports fields should endeavour to maintain or incrementally increase their cost recovery rate year over year.

Over the last several years, staff have consulted with most outdoor sports field users both individually and through the Outdoor Sports Field User Network on user fees to receive feedback and support for rental fees prior to Budget Committee's consideration.

A rate increase of 3% is proposed to recover increased costs for 2020 and anticipated for 2021. Proposed changes have been reviewed and supported by the Outdoor Sports Field User Network as reasonable and would not have detrimental impacts to participation rates or demand for City facilities. Fee increases are recommended in Appendix 3.

Looking to 2023 Fees and Charges, sports fields rates are currently under a comprehensive review with a revised cost recovery and benchmarking model being developed. City staff will work with the Outdoor Sports Field User Network throughout late 2021 and 2022 to receive feedback and develop a strategy for rolling out a schedule for introducing revised fees in 2023. Previous changes made through 2021 Fees and Charges in preparation for this review include the redefining of minor and major fields and the addition of a category of major fields for Cricket users to align with other sports.

### **New Fees**

#### **Marina Slip Fees- Non Resident**

New fees are being recommended for marina slips to introduce non-resident fees using the traditional resident/non-resident ratio used for other non-resident fees across the division (10% surcharge). Introducing non-resident fees supports recovering operational costs from users outside of the existing City tax payers. The financial impact of this change would be up to a \$20,000 increase in slip revenues.

Currently, 45% of seasonal slip holders are non-residents and would be impacted by this change. Given some of the longstanding relationships between the City and these users, Parks, Forestry and Environment is proposing a one-year grace period for current non-resident slip holders to advise them and prepare them for the change. Any new non-resident slips holders as of 2022 would have the non-resident fee applied immediately.

The introduction of non-resident slip fees is not expected to detrimentally impact revenues based on demand for marina slips and existing competitive pricing.

This fee can be found in Appendix 1.

### **Financial Impact**

As a result of the projected increases, a \$162,000 revenue budget increase is proposed in the 2022-2025 Budget and Business Plan.

## Conclusion

Fee increases assist Parks, Forestry and Environment in offsetting increased annual operating costs including labour, equipment, materials and supplies for the ongoing care and maintenance of City owned open space assets. The proposed fees for Parks, Forestry and Environment have been adjusted to assist in maintaining user demand for rentals, along with maintaining cost recovery for on-demand services to reduce the pressure on the tax levy.

## Attachments

Appendix 1: Parks, Marinas and Forestry Fees and Charges

Appendix 2: Cemetery Fees and Charges

Appendix 3: Sports Field Fees and Charges



Jodi Robillos, Acting Commissioner of Community Services

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