



Town of Newmarket
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2025 Fees and Charges Staff Report to Council

Report Number: 2024-67

Department(s): Financial Services

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Meeting Date: November 11, 2024

Recommendations

1. That the report entitled 2025 Fees and Charges dated November 11, 2024, be received; and,
2. That the attached Fees and Charges Schedules “A”, “B”, “C”, “D”, “E”, “F”, “G”, “H”, “I”, “J”, “K”, “M” marked as Recreation Culture Services, Corporate Services, Public Works and Parks, Engineering Services, Legislative Services – General Fees and Licensing, Fire Services, Planning Services, Other General, Building Permit, Planning Act Processing Fees, and Stormwater Rates be approved and adopted by by-law; and,
3. That the attached fees and charges are increasing within the delegated authority and therefore Schedules “L” marked as Water and Wastewater Rates and be received for information purposes; and,
4. That the fee adjustments come into full force and effect as of January 1, 2025; and,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to provide an overview of the 2025 Fees and Charges. Per [Report 2022-61](#), the Treasurer has the Delegated Authority to approve the increase to fees and charges on revenue sources up to the lesser of the rate of inflation or 2.5%. The 2025 User Fees and Charges are proposed to be increased on an average by 3.1% as per the “2025 Preliminary Draft Tax-Supported Operating Budget” (Report 2024-64).

Background

Fees and Charges fall under three categories: Ancillary Revenue, Rate Revenue, and Major Revenue.

Ancillary Revenues are the fees and charges in the tax-supported budget. These revenues cover disbursements as well as staff time for specific services in Corporate Services, Public Works and Parks, Engineering, Legislative Services-General fees, Fire Services, and all other General Fees.

Rate Revenues are increases in the rate-supported budgets, which are projected through multi-year plans. This category includes Water, Wastewater, Stormwater, Building Permit, Planning, Development, and Engineering fees. These services have a cost recovery target level of 100% to recover the full cost of providing the services by the Town.

Major Revenues are the fees and charges that recover costs in the tax-supported budget and have a significant impact on residents but exclude property taxes. This affects mainly Licensing, and Recreation & Culture.

Delegated Authority is the prescribed rate of inflation, defined to be the lessor of 2.5% and the target rate established by Council as part of their budget direction. The target rate will be the annual increase in the Consumer Price Index (CPI) for Toronto at the beginning of the budget process but will be subject to Council review and approval. There is one exception to this restriction; for low dollar fees that for practical reasons are best subject to increases every few years and not annually. For such items, the increase would be limited not by the prescribed rate of inflation, but by the accumulated inflation since the last rate adjustment.

Discussion

The 2025 Budget increase for Fees and Charges is set at 3.1%. Typically, the increase represents the Toronto Consumer Price Index (CPI) at the beginning of the budget process. The current forecasted CPI for 2025 is 2.1%. The proposed increase for 2025 is above the Treasurer's delegated authority and above the forecasted CPI rate since user fees and charges were waived by Council in 2020 and 2021 during the pandemic years. This is a way to catch up with recent years' inflationary increases and move towards bringing the full cost of a service in a better balance between the tax base and the service users.

Per [Report 2022-30](#), Delegated Authority was granted to increase Water, Wastewater as identified in the financial plans. The rate schedules are attached to this report as Schedule "L" - 2025 Water and Wastewater Rates.

The 2025 Stormwater rate is proposed to be increased by 3.8% as per the report "2025 Preliminary Draft Capital and Rate-Supported Operating Budgets" ([Report 2024-61](#)).

The rate schedules are attached to this report as Schedule “M” - 2025 Stormwater Rates.

The following is a summary of the recommended fees and charges increases for 2025 by revenue category. The changes outside the suggested increase of 3.1% are highlighted on the attached schedules.

Ancillary Revenue

- **Corporate Services – Financial Services, Information Technology, Procurement, and Legal (Schedule B)** – Most fees are proposed to increase by 3.1%. Financial Services has identified some increases above the suggested rate of inflation to be able to recover higher printing, and administrative cost. A few new fees proposed are due to alignment with other municipalities.
- **Public Works and Parks Fees (Schedule C)** - Most fees are suggested to increase by the target rate of 3.1%, however, there are a few increases outside the suggested threshold which are due to higher costs for the celebration bench and increase in Water, Wastewater, and Stormwater Rates as per “2025 Preliminary Draft Capital and Rate-Supported Operating Budgets” ([Report 2024-61](#)).
- **Engineering Fees (Schedule D)** - All fees are proposed to increase by 3.1%.
- **Legislative Services – General Fees (Schedule E)** – The majority of the fees are proposed to increase by 3.1%. The changes outside the suggested increase, were the filming fees. This category was revamped based on the new film Bylaw [2023-19](#)
- **Fire Services (Schedule F)** – Most fees are proposed to increase by 3.1%. An additional fee was added to the cost recovery program through the use of Fire Marque to recover firefighting costs from insurance companies for CYFS’ attendance at incidents pertaining to property damage on a percentage basis. This was approved by JCC on October 1, 2024

Note: Fee increases for all vehicle-accident or fire-related fire department services that occur on provincial highways are regulated and communicated by the Ministry of Transportation. New rate increases will be communicated at the end of November 2024 and the schedule will be updated accordingly.

- **All Department – Other General Fees (Schedule H)** – All fees are proposed to increase by 3.1%.

Rate Revenue

- **Building Permit Fees and Charges (Schedule J)** – Some of the Building Division fees are attributable to values calculated per square metre of a building and are

suggested to increase by 3.1%. The fees that have a flat fee, there is no increase proposed.

- **Planning Act Fees (Schedule G and Schedule K)** – All fees are proposed to increase by 3.1%.

Major Revenue

- **Recreation & Culture Fees (Schedule A)** - The Recreation & Culture rates and fees encompass a large variety of services including admissions for drop-in programs, programs that require registration, tickets, facility permits and rentals, memberships, and various service fees. Given the wide variety of services offered and the various methods of charging for those services, there is a vast difference in total and type of pricing for hundreds of programs and services offered.

All rates and fees are carefully considered and have been tested against municipal and private competitors. Further, strategically, the rates and fees have been considered from a pricing elasticity perspective – rates and fees are being optimized to the point where volumes of use are not impacted by price. If prices are increased without consideration for what people can afford to pay, volumes of participation will decrease and will negate revenue gains obtained by increases to the rates and fees.

There are some new fees added this year, which are mainly because we are offering new programs to the community. Many of the fees are proposed to increase by the 3.1%. Although, there are some fees that are increasing beyond the suggested rate of 3.1%. This is largely due a regional and program market review to ensure we are in line with other municipalities as well as the increase in cost of supplies to run the programs.

For Non-resident Recreation & Culture Fees, the Town of Newmarket Recreation & Culture services continue to be in high demand. Many programs are offered to non-residents at a delayed registration period, and/or with additional non-resident surcharges. Given the high demand for services, this is an excellent opportunity to further review approaches and pricing methodology for non-resident service delivery. Staff will be conducting a thorough review, including municipal benchmarking and will report back in the first quarter of 2025. Depending upon the results of that review, there may be additional recommendations around adjustments in fees for non-residents.

Overall, the combination of rates and fees presented for Recreation and Culture represents an average increase at the inflationary point of 3.1%.

- **Legislative Services - Licensing Fees (Schedule I)** - All fees are proposed to increase by 3.1%.

Conclusion

Unless otherwise stated, all changes will be effective January 1, 2025.

Business Plan and Strategic Plan Linkages

The adoption of the 2025 Fees and Charges is in alignment with Council's core values for financial sustainability.

Consultation

An Advertisement on the Town of Newmarket's website will be provided in accordance with the Town's Procedure By-law and distribution of the Committee of the Whole agenda.

Human Resource Considerations

Not applicable to this report.

Budget Impact

Fees and charges have been factored into the upcoming 2025 budget proposals. Further information on this will be available as part of the budget process.

The individual reports will recommend fees and charges that should allow them to achieve their cost recovery targets.

Attachments

2025 Schedule A - Recreation and Culture Services Fees and Charges

2025 Schedule B – Corporate Services Fees and Charges

2025 Schedule C – Public Works and Parks Fees and Charges

2025 Schedule D – Engineering Services Fees and Charges

2025 Schedule E – Legislative Services General Fees and Charges

2025 Schedule F – Fire Services User Fees

2025 Schedule G – Planning Act Fees and Charges

2025 Schedule H – Other General Fees and Charges

2025 Schedule I - Legislative Services - Licensing Fees

2025 Schedule J - Building Permit Fees and Charges

2025 Schedule K - Planning Processing Fees and Charges

2025 Schedule L – Water and Wastewater Rates

2025 Schedule M – Stormwater Rates

Approval

Andrea Tang, CPA, CGA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner of Corporate Services

Contact

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If you require this document in an alternative format, please contact the Town of Newmarket at 905-895-5193