



REPORT FIN-2023-032

TO: Mayor and Members of Council

PREPARED BY: Mary Hasan, Director of Finance/Treasurer

PRESENTED BY: Mary Hasan, Director of Finance/Treasurer

MEETING DATE: November 29, 2023

SUBJECT: 2024 User Fees and Charges By-law
File No. F05 BUD

RECOMMENDATIONS

THAT Report FIN-2023-032 entitled 2024 User Fees and Charges By-law be received; and

That Council give 3 readings to By-law No. 2023-042 being a by-law to adopt the User Fees and Charges By-law; and

That Council direct staff to proceed with either Option 1 or Option 2 as outlined below:

Option 1:

THAT Council authorize a net 2024 base budget increase of approximately \$20,486 based on 2023 salary and benefit amounts in order to develop a rotational shift schedule and to develop a mandatory Township staffing presence during weekends at the Puslinch Community Centre to be funded as follows:

- **Increase from 2 full-time facility operators to 3 full-time facility operators resulting in annual approximate costs of \$74,577; and**
- **Reduce the part-time position hours from 3,544 annual hours to 1,500 annual hours resulting in annual approximate savings of \$48,717; and**
- **Increase non-resident fees at the Puslinch Community Centre resulting in an estimated increase in budgeted revenues of \$5,374.**

OR

Option 2:

That Council direct staff to maintain the status quo of 2 full-time facility operators and maintain part-time position hours of 3,544 annually with no mandatory Township staffing presence during weekends at the Puslinch Community Centre; and

Increase non-resident fees at the Puslinch Community Centre resulting in an estimated increase in budgeted revenues of \$5,374.

Purpose

The purpose of this report is to:

- 1.) Provide updates to the User Fees and Charges By-law based on Council’s direction at the October 18, 2023 Council Meeting.
- 2.) Provide updates to the User Fees and Charges By-law based on current information being available to staff.
- 3.) Seek approval from Council to enact the 2024 User Fees and Charges By-law.

Background

Council has received the following reports/presentation materials to date as part of User Fees and Charges deliberations:

Report	Council Meeting/Public Information Meeting
REPORT FIN-2023-025 - 2024 Proposed User Fees and Charges	August 16, 2023
2024 Proposed User Fees and Charges Public Meeting Presentation	September 27, 2023
REPORT FIN-2023-030 - 2024 User Fees and Charges By-law	October 18, 2023
REPORT FIN-2023-032 - 2024 User Fees and Charges By-law	November 8, 2023

Planning and Development

Due to the change in the recruitment strategy from a Senior Planner to a Junior Planner, it is recommended that the following fees be changed from what was previously presented to Council in Report FIN-2023-025 at the August 16, 2023 Council Meeting. These changes would result in the Township paying disbursements and third party consulting fees to third party consultants for their planning services related to the processing of Site Plan Applications and Zoning By-Law Amendment Applications (including Aggregate).The Township will separately invoice applicants for all third party consulting fees including planning services for these types

of planning applications. Therefore, the following administration fees in Schedule F of the proposed User Fees and Charges By-law have been adjusted to reflect this change in service delivery model:

Type of Revenue/User	Unit/Descr	2023 Rate (NO TAX)	2024 Rate (NO TAX) Report FIN-2023-025	2024 Rate (NO TAX) - Change to Junior Planner
Site Plan Application *	Administration fee	\$1,500.00	\$4,124.00	\$1,546.00
Zoning By-Law Amendment - Aggregate *	Administration fee	\$17,111.00	\$25,044.00	\$17,641.00
Zoning By-Law Amendment *	Administration fee	\$2,500.00	\$9,980.00	\$2,577.00

Puslinch Community Centre (PCC)

Council at its meeting held on November 8, 2023 received Report ADM-2023-062 entitled Service Level Review– Outstanding Items and directed staff to further analyze and report back to Council regarding the need for a third full time facility operator through:

- Compiling rental usage by hours and by capacity; and
- Identifying whether an increase to the facility rental fees is justified to recover the operating cost associated with a third operator;

Council at its meeting held on November 8, 2023 also passed the following Council Resolution pertaining to the capacity limits at the PCC:

- That the Puslinch Community Centre capacity limits of 150 for non-residents and 250 for residents be updated in the Township’s Facility Rental Agreements and the Alcohol Risk Management Policy effective immediately.

Township staff analyzed facility rentals at the PCC Hall for an one-year period from September 1, 2022 to August 31, 2023.

Analysis Based on Type of Renter - Community Groups, Residents, and Non-Residents

Based on the analysis completed, the following was noted regarding the estimated amount of rental fees collected, number of rentals and number of hours of rentals from Community Groups, Residents, and Non-Residents:

Type of Renter	Rental Fees Collected (Net of HST)	% of Rental Fees	No. of Rentals	% of Rentals	No. of Hours	% of Hours
Community Group	\$155	0.26%	3	3.49%	445	27.00%
Residents	\$4,546	7.67%	11	12.79%	116	7.04%
Non-Residents	\$54,561	92.07%	72	83.72%	1,087	65.96%
Total	\$59,262	100%	86	100%	1,648	100%

Analysis based on No. of Attendees - Community Groups, Residents, and Non-Residents

Based on the analysis completed, the following was noted regarding the estimated amount of rental fees collected, number of rentals and number of hours of rentals based on the number of attendees at the event:

No. of Attendees	Rental Fees Collected (Net of HST)	% of Rental Fees	No. of Rentals	% of Rentals	No. of Hours	% of Hours
Unknown	\$2,215	3.74%	4	4.65%	271	16.44%
1-100	\$32,433	54.73%	45	52.33%	810	49.15%
101 to 150	\$9,381	15.83%	15	17.44%	207	12.56%
151 to 200	\$9,038	15.25%	14	16.28%	218	13.23%
201 to 250	\$6,195	10.45%	8	9.30%	142	8.62%
Total	\$59,262	100%	86	100%	1,648	100%

The below is an excerpt from Report REC-2023-004 – Service Levels – Parks and Recreation that was presented to Council at its meeting held on September 27, 2023:

Proposed increases above the CPI inflation rate for 2024 User Fees and Charges based on a benchmarking analysis completed for the Township’s 10 high frequency user fees.

- *Staff compared the Township’s proposed user fees to both comparator and boundary municipalities.*
- *The impacts of the benchmarking analysis for Parks and Recreation user fees is a proposed increase to the following fees:*
 - *Ice – Prime hourly rate increase from \$184.18 (2023) to \$234.00 (2024) based on an average calculated fee of \$233.80 and a median calculated fee of \$237.00.*
 - *Hall-Prime-Non Resident Rental or Commercial Rental daily rate increase from \$711.01 (2023) to \$818.00 (2024) based on an average calculated fee of \$928.50 and a median calculated fee of \$818.32.*

A further benchmarking analysis was completed for the PCC non-resident fees based on Council’s direction at the November 8, 2023 Council Meeting. This analysis is attached as

Schedule A to this Report. Based on the analysis completed, it is recommended that the following PCC non-resident fees be increased further:

- Hall - Prime - Non Resident Rental or Commercial Rental increase from \$711.01 (2023) to \$986.16 (2024). This change is recommended taking into consideration the following:
 - average calculated fee of \$959.37 and a median calculated fee of \$818.32;
 - See **Note A** below.
- Use of Kitchen Facilities - Non Prime - Non Resident Rental or Commercial Rental increase from \$38.91 per hour (2023) to \$47.00 per hour (2024) based on an average calculated fee of \$46.40 and a median calculated fee of \$47.31.

Note A - It is recommended that the PCC be rented for a maximum time period of 12 hours when charging the full day rental fee. Currently, full day rentals of the PCC are from 10:00 a.m. to 2:00 a.m. (16 hours). This amounts to an hourly fee of \$44.44 (based on 2023 rental rates) and an hourly fee of \$82.18 (based on proposed 2024 rental rates) for non-residents during prime times. The Township has an established hourly rate of \$79.71 (based on 2023 rental rates) and \$82.18 (based on 2024 rental rates). It is recommended that the prime rate be increased to \$986.16 to reflect the current hourly rate at 12 hours of rental time. Renters will have the option to purchase additional hours beyond the 12 hour full day rental fee subject to availability. This proposed change (ie. full day rental of 12 hours) accomplishes the same outcomes of establishing a maintenance window as recommended in Report REC-2023-004 – Service Levels – Parks and Recreation without the potential of reducing demand/revenue. The implementation of a maximum time period of 12 hours for the full day rental fee permits staff sufficient time to fully clean and sanitize the facility and to inspect the facility for damages between rentals.

Revenue Analysis

It is projected that the above increases to PCC non-resident fees assuming similar 2023 demand will result in an estimated increase in budgeted revenues of \$5,374. It is recommended that the revenues associated with the PCC be monitored and reviewed as part of regular annual and quarterly financial reporting.

Outlined in the table below is a revenue analysis for the PCC. 2019 actual revenue is included in the analysis below as this time period was prior to COVID closures. The amounts noted in the 2023 projected revenues are based on revenues recorded in the financial system as of October 31, 2023:

Description	2019 Actual Revenues	2022 Actual Revenues	2023 Projected Revenues	2023 Budgeted Revenues	2023 Variance	2024 Proposed Budgeted Revenues
Hall - Commercial	\$1,547	\$0	\$0	\$1,547	-\$1,547	\$1,547
Hall – Non-Prime	\$19,969	\$14,975	\$22,972	\$19,969	\$3,003	\$23,684
Hall – Prime	\$29,365	\$15,587	\$24,835	\$29,365	-\$4,530	\$33,527
Kitchen – Non-Prime	\$3,143	\$686	\$2,549	\$3,143	-\$594	\$3,059
Licensed Events Using Patio	\$285	\$181	\$151	\$285	-\$134	\$156
Meeting Room	\$13,427	\$4,143	\$10,802	\$13,427	-\$2,625	\$11,137
Total	\$67,736	\$35,572	\$61,309	\$67,736	-\$6,427	\$73,110

Report REC-2023-004 - Service Levels – Parks and Recreation presented to Council at its meeting held on September 27, 2023 included several recommendations/analysis associated with the proposed facility operator position and other recommendations for the PCC. The addition of a third full-time facility operator would assist with achieving operational service levels in four different cost centres in the Township including the PCC, Parks, ORC, and Public Works during the winter.

Optimist Recreation Centre (ORC)

The Township currently has the following security deposits for rentals of the PCC:

- Facility Rental Security Deposit - Hall Rental Only or Hall and Meeting Room Rental - \$1,500
- Facility Rental Security Deposit - Meeting Room/Kitchen Facility Only - \$365

Facilities staff inspect each Township facility after each rental. If damages occur, facilities staff notify the Facility Operator. Services staff follow up with a warning letter to the renter. There have also been instances where renters have lost their rental privileges due to the severity of the issues and/or the number of warning letters that had been issued to the renter in the past. At the PCC, the Township is able to retain a portion or all of the renter's security deposit if issues occur which is collected by charging the credit/debit card prior to the rental. The Township does not retain any personal credit/debit card information on file for security reasons.

There was recent damage on the gym floor at the ORC. Facilities staff were able to adequately fix the damage. As a result of that damage, a Member of Council inquired whether the ORC has a security deposit structure in place similar to the PCC.

The ORC currently does not have a security deposit for the following reasons:

- There have been limited/infrequent issues at the ORC due to the staffing presence at this facility. If damage does occur, services staff send a warning letter to the renter to advise of the damages and the possibility of revoking future rental privileges depending on the severity of the issues and/or the number of warning letters issued to the renter in the past. If a damage at the ORC does have a significant cost associated with it, the renter would be invoiced for the cost.
- Implementing a security deposit at the ORC may deter rental requests resulting in a reduction in rentals as ORC rentals are typically for a lower duration of time and a lower cost when compared to PCC rentals.
- A security deposit at the ORC would also be very cumbersome for staff to implement due to the significant number of rentals at the ORC. The ORC also receives a significant number of last minute rental requests which would be difficult to accept if a security deposit structure was in place at the ORC.

Financial Implications

The fees approved as part of the User Fees and Charges By-law will be incorporated in the 2024 Operating Budget.

Applicable Legislation and Requirements

Section 391(1) of the Municipal Act

Section 7(1) of the Building Code Act

Section 69 of the Planning Act

Engagement Opportunities

The Township has incorporated a number of engagement opportunities associated with the 2024 Proposed User Fees and Charges process as outlined below:

- Recreation Advisory Committee Input
- Social Media Posts and/or Advertisements at [Facebook.ca/TownshipofPuslinch](https://www.facebook.com/TownshipofPuslinch) and [Twitter.com/TwpPuslinchON](https://twitter.com/TwpPuslinchON)
- Community Engagement Survey at [EngagePuslinch.ca](https://engagepuslinch.ca) from August 21, 2023 to October 6, 2023 at 12:00 p.m.
- Township Website Banner and Budget Page at puslinch.ca/government/budget/
- Wellington Advertiser Advertisement
- Public Information Meeting
- Media releases related to [EngagePuslinch.ca](https://engagepuslinch.ca) survey.

Attachments

Schedule A – PCC Non-Resident Rental Fees Benchmarking Analysis

Respectfully submitted:

Mary Hasan
Director of Finance/Treasurer

TYPE OF REVENUE/USER	Unit/Descr	Puslinch		2023 RATE (NO TAX)											Average	Median
		2023 RATE (NO TAX)	2024 RATE (NO TAX)	Cambridge	Centre Wellington	Erin	Guelph	Guelph Eramosa	Hamilton	Mapleton	Milton	Minto	Wellington North			
Hall - Prime - Non Resident Rental or Commercial Rental	Full Day Rental	\$711.01	\$986.16	\$804.38	\$862.00	\$832.25	\$2,450.00	\$ 681.00	\$1,289.28	\$675.00	\$495.34	\$619.47	\$ 885.00	\$ 959.37	\$818.32	
Meeting Room - Non Resident Rental or Commercial Rental	Per Hour	\$37.12	\$38.28	\$31.51	\$36.24	23.19	\$36.96	\$50.22	\$51.50	N/A	\$53.03	\$22.13	\$37.00	\$ 37.98	\$36.96	
Hall - Non-Prime - Non Resident Rental or Commercial Rental	Per Hour	\$79.71	\$82.18	\$47.07	\$36.08	\$60.76	\$52.02	N/A	N/A	\$110.00	\$102.01	N/A	\$63.00	\$ 67.28	\$60.76	
Hall - Non-Prime - Non Resident Rental or Commercial Rental	Full Day Rental	\$542.08	\$558.88	\$392.69	\$478.86	\$455.89	\$260.10	N/A	N/A	\$365.00	N/A	\$398.23	\$385.00	\$ 390.82	\$392.69	
Use of Kitchen Facilities - Non Prime - Non Resident Rental or Commercial Rental	Per Hour	\$38.91	\$47.00	N/A	\$16.93	N/A	16.39	N/A	N/A	\$85.00	47.31	\$66.37	N/A	\$ 46.40	\$ 47.31	

N/A - no facility or no specific fee comparable to the Township