Agenda – Executive Policy Committee – December 9, 2009

Report – Standing Policy Committee on Finance – December 3, 2009

Item No. 1 2010 Fees and Charges Increases
eFile GL-5.8.1

STANDING COMMITTEE RECOMMENDATION:

On December 3, 2009, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the 2010 fees and charges outlined in Appendices A, B, and C to the report of the Winnipeg Public Service dated November 13, 2009, be approved.

2. That the Water Works By-law No. 504/73 and Sewer By-law No. 7070/97 be amended to reflect these fee changes as per the draft amending by-law shown as Appendix D to the report of the Winnipeg Public Service dated November 13, 2009.

3. That the Proper Officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – December 9, 2009

Report – Standing Policy Committee on Finance – December 3, 2009

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 3, 2009, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

ISSUE: 2010 Fees and Charges Increases

Critical Path: SPC on Finance – EPC – Council.

AUTHORIZATION

Author	Department Head /Deputy CAO	CFO	CAO
G. Chartier	M. Ruta	M. Ruta	G. Laubenstein

RECOMMENDATIONS

1. That the 2010 fees and charges outlined in Appendices A, B, and C of this report be approved.

2. That the Water Works By-law and Sewer By-law be amended to reflect these fee changes (draft amending By-law attached as Appendix D).

3. That the proper officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

IMPLICATIONS OF THE RECOMMENDATIONS

Most fees proposed in this report are based on the principle of being at or moving towards full cost recovery for the services provided resulting in above inflationary increases for 2010.

The recommendations in this report would result in revenue increases.

All proposed fees and charges have a proposed effective date of January 1st, 2010.

HISTORY

By-law 196-2008 outlines the authority the Chief Financial Officer has to approve inflationary increases to fees and charges. For new and above inflationary increases, Council must approve the fee creation and/or the above inflation increases.

Fire Paramedics

1) Turnout gear inspection fee (new) – Offer turnout gear inspection services to fire services outside of City limits. With the new leased turnout gear WFPS staff will be trained to inspect and service turnout gear. These inspection services are marketable to other fire jurisdictions. WFPS estimates there are 1000 sets of turnout gear within an hours travel distance of Winnipeg that could be a potential market. Neighboring fire jurisdictions would bring in to the City their turnout gear for inspection by WFPS. WFPS would charge $55 per gear inspected. See fee table in Appendix A.

2) Electronic patient care reporting system fee (new) – Offer use of the City's electronic patient care reporting system (ePCR) infrastructure to other ambulance services in the Province. It is assumed that costs of toughbook computers and software licensing will be paid direct by the other jurisdictions. WFPS would charge $1.50 per transaction for data warehousing, storage and support. There is a potential of 40,000 additional transactions if all other ambulance services use the ePCR. See fee table in Appendix A.

Police

1) Special duty officers – Customers who request Special Duty officers and Police Escorts are invoiced by the hour based on full recovery of salary and benefit costs. The recommended fee increase of CPI at 1.1% does not cover the costs of providing the services in 2010. In January 2010, the hourly salary which fees are based on will increase 3.5%. These officers are off duty and voluntarily commit to the overtime hours required to perform the service. See fee table in Appendix A.

Parks

1) Adult athletic field fee increase from $23 to $33 per 4 hour block. This increase is to partially recover the cost of maintenance activities on city owned athletic fields. See fee table in Appendix A.

2) Introduce a new 2 hour time slots for business park rentals (new). The Parks By-Law requires that anyone who uses a park as a place of business or who carries on commercial activities in a park is required to obtain permission by applying for a park rental permit. Fees for businesses in parks were approved in 2009 (see attachment for approved and new fees). Feedback from fitness business owners, who run "boot camps" in city parks, indicated they

would be more receptive to the new fee if a 2 hour time slot was available as an option. New fees were calculated for a 2 hour time slot (i.e. ½ the rate of the approved fee which is for a 4 hour time slot). This fee option would not be available to non-profit organizations. See fee table in Appendix B.

Water and Waste

The Sewer By-law 7070/97 and the Water Works By-law 504/73 and Lot Grading By-Law 7294/98 contain a number of fees and charges which had not been reviewed for several years. In 2005 the Department began a review of these fees and charges, implementing graduated increases toward cost of service recovery. The proposed increases are part of a longer term plan to have full cost of service recovery for all miscellaneous services provided by the Water and Sewer utilities.

Most of the fees in this report are existing fees that had been costed in prior years with increases being phased in over several years. There is one new fee proposed and one that has been restructured into two parts. The full cost and prior year fee increases are listed in Appendix C.

1) Cross-connections and backflow prevention record search (new) – *Sewer by-law 7070/97, Section 8 and Water Works By-law 504/73, Section 65.* Environmental Standards Branch receives approximately 150 requests year from law firms when a property is being purchased or sold, with respect to cross-connections and backflow compliance with Section 38 of the Waterworks By-law 504/73. Buildings that are not compliant have the potential to contaminate their internal water systems as well as the City's supply system. The search process involves searching records, files and databases by specific address; reviewing inspection reports, annual testing records and outstanding work orders. A letter to the lawyer is then issued, indicating whether or not the building is in compliance with the by-law based on our records.
Recommended Fee: $110

2) Cross-connection and backflow prevention tester licenses – Section 38 of By-Law 504/73 states
"*Cross connection control devices shall be tested at the expense of the customer, upon installation, and thereafter annually, or more often if required*. Inspection for cross connections must be done by personnel licensed by the Department. A cost benefit analysis has determined that there is no valued added in issuing a complete new license each year as is being done now. The Department would like to simplify the annual renewal process and implement a renewal fee for each license which would cost less than the initial issue.
Recommended Fee: Initial year of part of: $100; Annual renewal: $50

3) Water sold at standpipe – By-law 504/73, Majority of usage is in the summer months. Commercial/industrial customers include landscape, water supply, and construction companies as well as farmers. Residential uses are for such things as filling cisterns.
Recommended Fee: $9.90 per 1,000 gallons.

4) Service permit fee – Section 25 of By-law 504/73 states *"Where a water service is installed by a licensed contractor, the Designated Officer must be notified in advance of backfilling the service at the watermain and at the street line so that an inspection may be made of such installation."*
Recommended Fee: new/renewed/repaired water services: $70

5) Application for new or re-use of a water service connection fees – Section 18 of By-law 504/73 states "*At the time of making application for a water service connection or disconnection when a service is no longer required, the applicant shall pay a permit fee for each application in the amount authorized".*
Recommended Fee: Per application: Other than single family residential: $175

6) Rental of meters – By-law 504/73, Meters are mostly rented by the users of hydrants. These sizes of meters are mainly used by residential customers and rented infrequently.
Recommended Fee: Size 5/8 – ¾ Inches: $70

7) Water tank rental – By-law 504/73, Rented to provide water at construction sites, festivals and sporting events. Service is only available when tanks are not in use by Water Services to provide temporary water supply. Recommended Fee: Delivery and first day rental: $200
Additional tank refills (includes pick up and drop off): $200

8) Environmental record search fee – Sections 8 & 65 of By-Laws 7070/97 & 504/73. *"The Utility will conduct a records search and provide advice in respect of specific properties regarding recorded By-Law infractions, spills, outstanding inspections, and other details, as may be allowed by City by-Law."* This search is often requested by customers before purchasing a property.
Recommended Fee: $100

9) Record search fee – By-Laws 7070/97 & 504/73, Charged when searching account histories 7 years and older, requires accessing archived information. Requests are infrequent.
Recommended Fee: $80

10) Land Drainage Discharge License – Section 63 of By-law 7070/97 *"No person, directly or indirectly, shall discharge or drain, or cause to discharge or drain any land drainage into any body of water or upon the frozen surface of any body of water or into any wastewater sewer or*

private land drainage outfall within the City without a Land Drainage Discharge Licence from the Sewer Utility."
Recommended Fee: License: $175; Annual renewal: $105

11) Inspection Permit Sewer Connection or Abandonment of Connection – Section 14 of By-law 7070/97 "*No connection, abandonment, repair, alteration, or re-connection shall be made to the underground portion of a sewer connection either under the City streets or on private property without first applying for and obtaining an Inspection Permit for a sewer connection or abandonment of a sewer connection*." Recommended Fee: Single family residential : $70

12) Application for new or re-use of existing sewer connection – Section 13 of By-law 7070/97 *"No new sewer connection or special sewer connection shall be constructed either under the City streets or under private property without first obtaining a Services Permit from the Sewer Utility."*
Recommended Fee: other than single family residential: $175

Communication – The Water and Waste Department will use notices to inform customers affected by the rate increases outlined in Appendix C.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 5, 2009

Project Name: Fees and Charges Increases **First Year of Program** **2010**

	2010	2011	2012	2013	2014
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - (Enter Description Here)	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	31,500	50,000	76,000	76,000	76,000
Net Cost/(Benefit)	$ (31,500)	$ (50,000)	$ (76,000)	$ (76,000)	$ (76,000)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (31,500)	$ (50,000)	$ (76,000)	$ (76,000)	$ (76,000)

Additional Comments: Additional revenue from individual fees

	2010	2011	2012
Fire - Turnout Gear Inspection	$11,000	$22,000	$33,000
Paramedics -	$7,500	$15,000	$30,000
Police - special duty	unknown		
Parks - Adult athletic field fee	$13,000	$13,000	$13,000
Water & Waste	see note below		
Total	$31,500	$50,000	$76,000

There is no financial impact associated with the Water and Waste changes discussed in this report. Operating costs and total revenue will not be impacted. The source from which costs are recovered will change, but total cost recovery will not increase. The proposed rate increase is part of a longer term plan to have full cost of service recovery for all miscellaneous services provided by the Water and Sewer utilities, eliminating the need for residential rates to fund any portion of these services.

original signed by Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this Report there was consultation with:

- Fire-Paramedics
- Police
- Public Works
- Water and Waste
- Legal Services

SUBMITTED BY

Department: Office of the CFO
Division
Prepared by: Georges Chartier, City Economist
Date: November 13, 2009
File No.

Appendix A

Fire Paramedics, Police and Parks Fees

Service	Unit(s)	2009	2010
Fire-Paramedics – Effective January 1st, 2010			
Turnout gear inspection fee (new)	per gear inspected	n/a	$55.00
Electronic patient care reporting system fee (new)	per transaction	n/a	$1.50
Police -- Effective January 1st, 2010			
Special duty officers			
- Constable	per hour	$78.70	$80.85
- Patrol/detective sergeant	per hour	$83.40	$85.75
- Sergeant	per hour	$87.60	$90.00
- Staff sergeant	per hour	$92.85	$95.50
Police escort of oversized vehicles	each	$571.42	$595.24
Public Works (Parks) -- Effective January 1st, 2010			
Adult athletic field fee	per 4 hour slot	$23.00	$33.00

Appendix B

Public Works – Parks Fees, Effective January 1st, 2010

Fee Name and Description	2009	2010	
Park space booking & parking lot rental (per 4 hour block) - profit organization	$102	$103	inflation
Park space booking & parking lot rental (per 4 hour block) - non-profit organization	$51	$52	inflation
Park space rental - Daily (24 hours) Non - profit	$100	$101	inflation
Park space rental - Daily (24 hours) - Profit	$200	$202	inflation
Park space rental - Daily (2 hrs daily - only available to business in park) - Profit only	**n/a**	**$51**	**new**
Park space rental - Weekly (any consecutive 7 - 24 hour days) - Non - profit	$350	$354	inflation
Park space rental - Weekly (any consecutive 7 - 24 hour days) - Profit	$700	$710	inflation
Park space rental - Weekly (any consecutive 7 - 2 hour days) - Profit only	**n/a**	**$354**	**new**
Park space rental - Monthly (example: march 21 - April 21 - not to exceed 4 hours daily) Non- profit	$700	$710	inflation
Park space rental - Monthly (example: march 21 - April 21 - not to exceed 4 hours daily) Profit	$1,400	$1,415	inflation
Park space rental - Monthly (ex: March 21 - April 21 - not to exceed 2 hours daily- only available to business in park) - Profit only	**n/a**	**$710**	**new**
Park space rental - Seasonal (May long weekend to October long weekend - not to exceed 4 hours daily) - Non-profit	$1,750	$1,770	inflation
Park space rental - Seasonal (May long weekend to October long weekend - not to exceed 4 hours daily) - Profit	$3,500	$3,540	inflation
Park space rental - Seasonal (May long weekend to October long weekend - not to exceed 2 hours daily - only available to business in park) - Profit only	**n/a**	**$1,770**	**new**

Appendix C – Water & Waste, Effective January 1st, 2010

Description	Proposed January 1, 2010	2009 Fee	2008 Fee	Last Increase	Cost of Service	Units	By-Law Authority
WATERWORKS SYSTEM							
Cross Connection and Backflow Prevention Testers License							
- Initial year of part of	***$100.00***	$0.00	$0.00	**Restructured**	128.29	first year	504/73
- Annual renewal	***$50.00***	$20.00	$20.00	**1992**	92.92	per year	504/73
Water Sold at Standpipe - per 1,000 gallons	**$9.90**	$9.75	$9.00	**2009**	$9.89		504/73
Service Permit Fee - new/renewed/repaired water services	***$70.00***	*$60.00*	*$50.00*	**2009**	$108.00	per inspection	504/73
Application for New Water Service Connection or Re-use of Existing Connection							
- other then single family residential	***$175.00***	*$150.00*	$125.00	**2009**	$175.10	per application	504/73
Rental of Meters: Size (Inches) - 5/8 - 3/4	***$70.00***	*$60.00*	*$50.00*	**2009**	$95.00	per month	504/73
Water Tank Rental - includes cost of water							
- delivery and first day rental	***$200.00***	*$175.00*	$150.00	**2009**	$264.19		504/73
- additional tank refills (includes pick up and drop off)	***$200.00***	*$175.00*	$150.00	**2009**	$219.45		504/73
SEWAGE DISPOSAL SYSTEM							
Record Search Fee							
- cross-connections and backflow prevention record search	***$110.00***	*$0.00*	*$0.00*	**New**	$109.34	per address	504/73 & 7070/96
- environmental record search, not including account history	***$100.00***	*$80.00*	*$80.00*	**2008**	$99.14	per address	504/73 & 7070/96
- record search account history each additional year	***$80.00***	*$70.00*	*$60.00*	**2009**	$169.00	per account	504/73 & 7070/97
Land drainage discharge licence	***$175.00***	*$150.00*	*$125.00*	**2009**	$225.00	per application	7070/97
Land drainage discharge licence - annual renewal	***$105.00***	*$90.00*	*$75.00*	**2009**	$115.00	per application	7070/97
Inspection Permit Sewer Connection or Abandonment of Connection							
- single family residential	**$70.00**	$60.00	$50.00	**2009**	$108.00	per inspection	7070/97
Application for New Sewer Connection or Re-use of Existing Sewer Connection							
- other than single family residential	**$175.00**	$150.00	$125.00	**2009**	$175.10	per application	7070/97

Appendix D

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of THE CITY OF WINNIPEG to amend certain fees in the Water Works By-law and the Sewer By-law.

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

Water Works By-law amended

1 Schedule B of the Water Works By-law No 504/73 is amended as follows:

(a) Section 1 is amended by striking out "$60.00" *and substituting* "$70.00"*;*

(b) Section 7 is amended by striking out "$60.00 + GST" *in the chart and substituting* "$70.00 + GST"*;*

(c) Section 10 is repealed and the following is substituted:

10.	Cross Connection and Backflow Prevention Testers Licence	
	- fee for initial licence (valid until renewal date established by Director)	$100.00
	- annual licence renewal fee	$50.00

(d) Section 11 is amended by striking out "$9.75/1000 gallons" *and substituting* "$9.90/1000 gallons"*;*

(e) Section 18 is amended by

(i) striking out "$80.00 + GST" *and substituting* "$100.00 + GST"*;*

(ii) striking out "$70.00 + GST" *and substituting* "$80.00 + GST"*; and*

(iii) adding the following after clause (c):

(iv)	Cross-connections and backflow prevention record search	$110.00 + GST

(f) Section 19 is amended by striking out "$150.00" *and substituting* "$175.00"*; and*

(g) Section 21 is amended by striking out "$175.00" *in the two places it appears and substituting* "$200.00"*;*

Sewer By-law amended

2 The Sewer By-law No. 7070/97 is amended as follows:

(a) Section 1 is amended by:

(i) striking out "$80.00 + GST" *and substituting* "$100.00 + GST"*;*

(ii) striking out "$70.00 + GST" *and substituting* "$80.00 + GST"*; and*

(iii) adding the following after subclause (iii):

(iv) Cross-connections and backflow prevention record search $ 110.00 + GST

(b) Section 2 is amended by striking out "$150.00" *and substituting* "$175.00"*;*

(c) Section 3 is amended by striking out "$60.00" *and substituting* "$70.00";

(d) Section 7 is amended by:

(i) striking out "$150.00" *and substituting* "$175.00"*; and*

(ii) striking out "$90.00" *and substituting* "$105.00".

DONE AND PASSED, this day of , 2009.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Chief Financial Officer

Approved as to form:

_____
For City Solicitor/Manager of
Legal Services