Agenda - Executive Policy Committee – December 7, 2011

Report - Standing Policy Committee on Finance – December 1, 2011

Item No. 1 2012 Miscellaneous Fees and Charges Increases

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2011, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the fees and corresponding effective dates contained in the report of the Winnipeg Public Service, and outlined in Appendix A, B, and C, be approved.

2. That an amending By-law (Appendix D) be enacted, where implementing the new fees and increases to existing fees set out in the report of the Winnipeg Public Service requires a By-law amendment.

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

Agenda - Executive Policy Committee – December 7, 2011

Report - Standing Policy Committee on Finance – December 1, 2011

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2011, 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

Title: **2012 Miscellaneous Fees and Charges Increases**

Critical Path: **Standing Policy Committee on Finance - EPC - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
Georges Chartier	J. Ferrier, Acting CFO	J. Ferrier Acting CFO	D. Joshi COO

RECOMMENDATIONS

1. That the fees and corresponding effective dates contained in this report and outlined in Appendix A, B, and C of this report be approved.
2. That Council enact an amending By-Law (draft attached, Appendix D) where implementing the new fees and increases to existing fees set out in this Report requires a By-law amendment.
3. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

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.

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 2012.

Some fees proposed are small increases but have resulted in above inflation increases as a result of rounding, thus exceeding the CFO's authority to approve inflationary increases.

The recommendations in this report would result in revenue increases.

Proposed fees and charges have various effective dates for 2012. Some of the fees set out in Appendix A will also have multi-year increases, for 2013 and 2014 as well.

HISTORY

Water and Waste Department

In 2005 the Department began a review of the fees and charges imposed under the Sewer By-law, the Water Works By-law and the Lot Grading By-law, implementing graduated increases toward cost of service recovery. The fee increases proposed each year 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. Customer base, customer impact and length of time since last increase are considered in the fee recommendation.

All but two of these fees currently exist in the Fees and Charges Manual, Water By-Law 504/73, Bio-Medical Waste Sharps By-Law 6001/92, or Planning Development and Building Fees By-law 77/2009. They have been costed, based on full cost recovery, in some cases with the increases being phased in over several years. Inflationary increases are part of the costing and have been factored into the recommended rate.

Most of the fees in this report are existing fees that have not been costed for approximately five years. This is the second year that the Water and Waste Department is seeking multi-year (2012-2014) approval for phased in increases. We have not requested multi-year approval for all fees as some fees are at full cost and will require updated costings to support any future increase.

There are two new fees proposed. The full cost and prior year fee increases where applicable are listed in Appendix A. Where relevant the provision in the by-law that references the fee is also referenced.

NEW FEES

Well Water Discharge Fee: The City has some customers that obtain water for their cooling systems from wells, and then discharge the water into the City's land drainage system. Although this may avoid the direct costs associated with treatment of wastewater through our wastewater system, there are still real costs associated with utilizing the infrastructure and these customers should be paying for its use. As per Section 87 of the Sewer By-law 92/2010, this rate has been developed to recover the applicable portion of the infrastructure costs associated with maintaining and operating the land drainage system from these customers. The new rate begins in 2014 in order to provide customers with time if they choose to convert their cooling systems.

Recommended Fee:	Well Water Discharge Fee	2012	$0.00
		2013	$0.00
		2014	$0.30 per m^3

Bio-Medical Waste Sharps By-law 6001/92 - Annual Renewal Fee: In order to establish consistency for permits and licenses issued by the Environmental Standards Division, the Department is changing the bio-medical waste sharps carrier permit from a two year permit to a five year permit with annual renewal.

Recommended Fee:	Annual Renewal Fee	$40.00

EXISTING FEES

Water Sold at Standpipe - Water By-law 504/73, Schedule B: The majority of usage at the standpipes 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. Along with gradually increasing the rate towards full cost of service recovery, the unit of measure for billing this fee is being changed from "per 1,000 gallons" to "per m^3" to align with the unit of measure used in the Water and Waste billing system.

Recommended Fee:	Water sold at a standpipe	2012	\$3.25/ m^3
		2013	\$3.50/ m^3

Key Guard Deposit Fee - Water By-law 504/73, Schedule B: A refundable deposit fee for key access to standpipes (per key). The full cost of this service includes the costs borne by the Department to replace the lock if a key is not returned.

Recommended Fee:	Deposit fee for key access to Standpipes (per key)	2012	\$240.00
		2013	\$260.00

Appointment Fee – Field - Water By-law 504/73, Schedule B: When staff have attended to a premise for a field appointment (i.e. Turn-on water for a new install, etc.), and there is no one to meet them at the premise, they will be required to come back at another appointed time. Upon creation of the second appointment for staff to come out, this fee is charged to recover the added costs borne by the Department.

Recommended Fee:	Second and each additional appointment	2012	\$110.00
		2013	\$130.00

Appointment Fee – Inspection - Water By-law 504/73, Schedule B: When staff have attended to a premise for a meter inspection appointment, and there is no one to meet them at the premise, they will be required to come back at another appointed time. Upon creation of the second appointment for staff to come out, this fee is charged to recover the added costs borne by the Department.

Recommended Fee:	Second and each additional appointment	2012	\$35.00
		2013	\$50.00

Domestic Potable Water Back-flow device with Test Cocks - By-law 77/2009, Section 133: This fee is contained within the Planning, Development and Building Fees By-law, however the associated inspection of the backflow devices is performed by the Water and Waste Department. This fee recovers the cost of an initial and any required follow up inspections of the installed back-flow device.

Recommended Fee:	For one backflow prevention device with test cocks	2012	\$100.00
		2013	\$140.00
		2014	\$180.00

Sewer Adjustment Fee - Sewer By-Law 92/2010 Section 88(3): If a property owner or occupant operates a process that diverts water from the wastewater system, and they meet all the necessary requirements, the owner/occupant can pay an application fee and an annual renewal fee to have their sewer charges adjusted. If the property qualifies for an adjustment of sewer charges, the application fee and the annual renewal fee are to be applied to the credit of the property owner/occupant's account at the time the sewer charges are adjusted.

Recommended Fee:	Initial Application Fee (non-refundable)	2012	$300.00
		2013	$400.00
		2014	$440.00
	Annual renewal and inspection fee	2012	$170.00

Carrier Permit Fee - Bio-Medical Waste Sharps By-law 6001/92, Schedule B: This is a required permit to allow an applicant to provide transportation of biomedical waste sharps. Obtaining a permit requires an applicant to provide sufficient evidence of proper equipment, vehicles and personnel for this purpose. In order to establish consistency between permits and licenses issued by the Environmental Standards Division, the Department is changing the duration of the bio-medical waste sharps carrier permit from a two year permit to a five year permit with annual renewal.

Recommended Fee:	Carrier Permit Fee	2012	$105.00

Appeals non-refundable - Bio-Medical Waste Sharps By-law 6001/92, Schedule B: Other by-laws in the City that quote a specific appeal fee currently identify the fee as $250.00. The appeals fee quoted in Schedule B of By-Law 6001/92 is $50.00. To maintain consistency across City Departments and by-laws, we propose increasing the appeals fee.

Recommended Fee:	Appeals non refundable	2012	$250.00

MISCELLANEOUS CHANGES

Record Search Fee - Water By-law 504/73, Schedule B - Item 18(b)

The fee is charged when a search on an account history has been requested from a customer. Currently the fee is stated as being applicable "per account". In order to clarify the fee, and match the wording used in the Sewer by-law for the same fee, we are requesting a wording change from "per account" to "per property". There is no change to the amount of the fee being requested at this time.

COMMUNICATION STRATEGY

Where feasible, the Water and Waste Department will mail notices to inform customers affected by the rate increases. Signage is posted at the standpipe locations to reach walk up and casual user. The Department attempts to inform all impacted customers about the rate changes in a timely manner and utilizes the City internet site and the water bills as a means to communicate the changes to the customer as deemed appropriate.

Public Works Department

Service Application Fees

The Customer Services and Strategic Support Services division of the Public Works Department currently receives and processes service applications from builders and contractors to obtain approval for the installation of water and sewer services.

The current fee for a Service Application is $40.00. It is proposed that the Service Application fee be increased by $10.00 per application to a total of $50.00 (a 25% increase).

The proposed Service Application fee is calculated to reflect the full cost of administering the applications and will result in an increase in Department revenue of $30,000 per year for 2012 and beyond.

Cut Permits – Administration Fee for Additions (New)

A Cut Permit is required for anyone to excavate in the public right-of-way. Most of the cost of a Cut Permit is based on an estimation of how much area will need to be restored once the work is complete (i.e. how many square meters of pavement and/or boulevard were disturbed and require restoration). Once the work is completed, the area is inspected and re-measured and, in the vast majority of instances, the area requiring restoration is larger than initially estimated. When the area is larger than initially estimated, an "Add-to" permit, which reflects the additional area to be restored, is created by the Customer Services and Strategic Support Services division. Currently, there is no additional fee for Add-to permits.

It is proposed that an Administration fee of $25.00 be applied to each Add-to permit, effective January 1, 2012. The proposed Administration fee for Add-to permits is calculated to reflect the full cost of administering the permits and will result in an increase in Department revenue of $50,000 per year for 2012 and beyond. This permit fee will not apply to the Water and Waste Department as they administer their own cut permits.

Move Permits – Long Combination Vehicles (LCV)

The Public Works Department has conducted a review of the current fee structure for LCVs and, based on this analysis, recommends that the fee structure change. There are two permits issued for LCVs, a Rocky Mountain Double/Triple Bottom Trailer Combinations Permit and a Rocky Mountain Double/Triple Bottom Trailer/Turnpike Double Combinations Permit. These two permits are listed in the amendment to Schedule 11 of the Traffic By-law 1573/77 provided in Appendix E of the report. The Move permit fee for both LCV permits would be reduced to $260.00 per fleet/per year (administration fees and taxes are extra). Previously, the permit fees were $298.00 per license plate/per year with administration fees and taxes extra.

The change in fee structure from a "per license plate" basis to "per fleet" will significantly reduce the amount of revenue realized annually by the Public Works Department for 2012 and beyond by $100,000 per year.

The proposed fee structure is more consistent with other jurisdictions such as Alberta and Saskatchewan. The Manitoba Trucking Association is aware of the differences in Move permit fees across Canada and is anticipating the proposed fee reduction for LCV permits. The City and the Province are working together to streamline the process. It is proposed that the Province will act as an agent on behalf of the City and issue /collect the move permit and remit the $260 to the City.

This change is consistent with the spirit of the Red Tape Commission recommendations and supports CentrePort, the trucking industry and Winnipeg's overall economy.

Street Cut Restoration Fee

The Public Works Department currently approves and issues cut restoration permits to utilities, the Water and Waste Department and private contractors that make excavations in the right-of-way. The permit applicant is required to pay cut permit repair fees for the restoration of the excavated site. The Public Works Department or its agent utilizes these restoration fees to undertake the repairs on behalf of the permit applicant. The restoration fees are calculated to reflect the full cost of undertaking these repairs. These additional revenues are outside of the tax supported budget. The goal is to keep the "general revenue enterprise fund" (street cuts) balanced and the additional revenue of approximately $145,000 would do so. Note: no impact on tax supported budget.

The City has for the past three years experienced inflation of concrete repairs above the annual rate of inflation. Permit fee increases of 8.6% to 29.8% on some cut types are required to achieve full cost recovery. Public Works is continuing to explore new delivery methods and internal process improvements to reduce repair costs.

Fee name	2012 Proposed Fee	% Change from 2011
Curb Cut Restoration	$78	4.0%
Graded Roads Cut Restoration	$61	29.8%
Pavement Cut Restoration	$290	8.6%
Sidewalk Cut Restoration	$185	8.8%

For 2013 and 2014 the rates are anticipated to increase by inflation.
See Appendix B for a listing of the fees.

Winnipeg Fire Paramedic Service

Applicant Administrative Fee (formalizing existing fee)

An administrative fee is being charged to offset processing costs associated with new recruits including; Firefighters, Firefighter/Primary Care Paramedics, Primary Care Paramedics and Communications Operators. WFPS would charge $100 per application.

Other cities' Fire Departments and educational institutions charge similar fees. Revenue estimates are net $15,400 per year

See Appendix C for a listing of the fees.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 15, 2011

Project Name: **First Year of Program** **2012**

Fees and Charges Increases

	2012	2013	2014	2015	2016
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	$ -	$ -	$ -	$ -	$ -
Incremental Revenue/Recovery	(4,600)	(4,600)	(4,600)	-	-
Net Cost/(Benefit)	$ 4,600	$ 4,600	$ 4,600	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 4,600	$ 4,600	$ 4,600	$ -	$ -

Additional Comments:

The amounts shown above (and detailed by department below) are revenues over and above inflationary increases. These additional revenues are necessary to achieve full recovery of costs.

Additional revenue from individual fees:	2012	2013	2014
Water & Waste (see **Note 1**)	$0	$0	$0
Public Works (see **Note 2**)	-$20,000	-$20,000	-$20,000
Public Works - Street Cut Rest. (see **Note 3**)	$0	$0	$0
Winnipeg Fire Paramedic Service	$15,400	$15,400	$15,400
Total	**-$4,600**	**-$4,600**	**-$4,600**

1. Water & Waste **-** 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.

2. Public Works - The decrease in revenue is the net of an increase Service Application Fee, increase in Cut Permits, and a decrease in Move Permits.

3. Public Works **-** The Street Cut Restoration fee increase is expected to generate $145,000 in additional revenue. This fee increase is related to the General Revenue Enterprise Fund 002 and are offset by a corresponding increase in expenses, neither of which are budgeted; and are not included in the above.

original signed by R.Abeysekera
Radhika Abeysekera
Manager of Finance - Campus Departments
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

- **Water and Waste**
- **Public Works**
- **Winnipeg Fire Paramedic Services**
- **Legal Services (as to legal form)**
- **Corporate Finance**

SUBMITTED BY

Department: Corporate Finance
Division: Infrastructure Planning
Prepared by: Georges Chartier

Date: November 25, 2011
File No.

APPENDICES:

The following appendices are attached as additional information:

Appendix A: Schedule for Water and Waste

Appendix B: Schedule for Public Works

Appendix C: Schedule for WFPS

Appendix D: By-Law Amendments

Water and Waste Department

Appendix A

Fee Name and Description	2011	Effective Dates: Proposed January 1 2012	Proposed January 1 2013	Proposed January 1 2014	Units	% change from 2011
Waterworks Systems						
Water sold at a standpipe (english)	$12.00				per 1,000 gal	
Water sold at a standpipe (metric)	$2.64	$3.25	$3.50	$3.50	per m^3	23%
Key guard Deposit Fee	$215.00	$240.00	$260.00	$260.00	per key	12%
Appointment Fee:						
- second and each additional appointment (Field)	$90.00	$110.00	$130.00	$130.00	each	22%
- second and each additional appointment (Meter Inspection)	$20.00	$35.00	$50.00	$50.00	each	75%
Domestic potable water back-flow device with test cocks						
- For one backflow prevention device with test cocks	$70.00	$100.00	$140.00	$180.00	each	43%
Sewer Disposal System						
Sewer Adjustment Fee						
- Initial Application Fee (non-refundable)	$200.00	$300.00	$400.00	$440.00	per application	50%
- Annual renewal and inspection fee	$145.00	$170.00	$170.00	$170.00	per application	17%
Well Water Discharge Fee	---	---	---	$0.30	per m^3	new fee
Bio-Medical Waste Sharps						
Carrier Permit						
- Appeals (non-refundable)	$50.00	$250.00	$250.00	$250.00	each	400%
- Permit Fee for handling and disposal of bio-medical waste sharps (every 5 years)	$50.00	$105.00	$105.00	$105.00	each	110%
- Annual Renewal fee	---	$40.00	$40.00	$40.00	each	new fee

Public Works Department

Appendix B

Fee Name and Description	2011	Proposed 2012	Units	% change from 2011	2012 Effective Date
Service Application	$40.00	$50.00	each	25%	Jan 1/12
Add-to permit (new)	---	$25.00	each	new fee	Jan 1/12
Rocky Mountain Double/Triple Bottom Trailer Combinations (annual fleet)	$298.00 per plate	$260.00	per fleet	-12.8%	Jan 1/12
Rocky Mountain Double/Triple Bottom Trailer/Turnpike Double Combinations (annual fleet)	$298.00 per plate	$260.00	per fleet	-12.8%	Jan 1/12
Curb Cut Restoration	$75.00	$78.00	per lin m	4%	Jan 1/12
Graded Roads (Cut Restoration)	$47.00	$61.00	per sq m	29.8%	Jan 1/12
Pavement Cut Restoration	$267.00	$290.00	per sq m	8.6%	Jan 1/12
Sidewalk Cut Restoration	$170.00	$185.00	per sq m	8.8%	Jan 1/12

Winnipeg Fire Paramedic Service

Appendix C

Fee Name and Description	2011	Proposed 2012	Units	% change from 2011	2012 Effective Date
Applicant Administration Fee	$100.00	$100.00	per application	formalizing existing fee	Once Council Approves Report

Appendix D

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of THE CITY OF WINNIPEG to amend several by-laws to accommodate new or increased fees.

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

(a) by replacing section 11 with the following:

11.	*Water sold at standpipe*	*$3.25/m^3*	*(2012)*
		$3.50/m^3	*(2013 and following)*

(b) by replacing section 13 with the following:

13.	*Key Guard Deposit Fee*		
	Deposit fee for key access to Standpipes (per key)	*$240.00*	*(2012)*
		$260.00	*(2013 and following)*

(c) by replacing section 15 with the following:

15	*Appointment Fee*			
	Field:	*First appointment*		*No charge*
		Each subsequent appointment		*$110.00 (2012)*
				$130.00 (2013 and following)
	Inspection:	*First appointment*		*No charge*
		Each subsequent appointment		*$35.00 (2012)*
				$50.00 (2013 and following)

(d) by replacing "*(per account)*" in clause 18(b) with "*(per property*").

Streets By-law amended

2 The Streets By-law No. 1481/77 is amended by adding the following at the end of clause 4.12.01(5): "*If the size of the area requiring restoration following the work is larger than the size estimated by a designated employee when the street cut permit was issued, an additional permit must be obtained by the permit holder, who must pay any fees established by Council with respect to the additional permit.*"

Traffic By-law amended

3 Schedule 11 of the Traffic By-law No. 1573/77 is amended by replacing

Rocky Mountain Double/Triple Bottom Trailer (annual)	*$298.00 each*

with the following:

Rocky Mountain Double/Triple Bottom Trailer Combinations (per fleet/annual)	*$260.00 each*
Rocky Mountain Double/Triple Bottom Trailer/Turnpike Double Combinations (per fleet/annual)	*$260.00 each*

Bio-Medical Waste Sharps By-law amended

4 The Bio-Medical Waste Sharps By-law No. 6001/92 is amended:

(a) in subsection 4.6, by replacing "*prescribed in Schedule B"* with "*established by Council*";

(b) by replacing subsection 4.7 with the following:

4.7 Duration of Carrier Permit

The Director is authorized to establish the duration of a carrier permit and the terms and conditions of its renewal.

(c) in subsection 6.3, by replacing "*An appeal*" with "*Subject to payment of an appeal fee established by Council, an appeal*"; and

(d) by repealing Schedule B.

Planning, Development and Building Fees By-law amended

5 Clause 133(a) of the Planning, Development and Building Fees By-law No. 77/2009 is replaced with the following:

(a) For one backflow prevention device with test cocks $100.00 (2012)
$140.00 (2013)
$180.00 (2014)

Sewer By-law amended

6 The Sewer By-law No. 92/2010 is amended by

(a) adding the following definition in alphabetical order in subsection 2(1):

"well water discharge rate" *means the price per cubic metre established by City Council, if any, that is used to calculate the sewer charge.*

(b) adding "*or well water discharge rate"* immediately after *"sewer rate"* in subsection 87(2); and

(c) replacing clause 87(3)(a) with the following:

(a) either or both of the following:

(i) the sewer rate multiplied by the amount of wastewater being discharged to the wastewater system from the property;

(ii) the well water discharge rate multiplied by the amount of well water used for cooling being discharged to the land drainage system from the property;

plus

(d) adding the following subsection immediately after subsection 87(3):

87(3.1) For the purposes of clause 87(3)(a), where a private meter has been installed pursuant to section 91, the amount of wastewater or well water being discharged to the wastewater system or the land drainage system shall be measured by the private meter. If a private meter has not been installed pursuant to section 91, the amount of wastewater or well water being discharged is deemed to be the amount of water supplied to the property from a well or another source, as measured by a meter installed by the City under section 90.

Effective date

7 This By-law takes effect on January 1, 2012.

DONE AND PASSED, this day of , 2011.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Chief Financial Officer

Approved as to form:

_____
For Director of Legal Services/City Solicitor