

Appendix 3 - User Fee Audit Report Management Action Plan Status Update as of March 31, 2024

Please note that:

- Management Action Plans marked as completed in this report will be omitted from future reports.
- This table lists the comprehensive Management Action Plans and their current status, including elements of management action plans that are not yet due. The management action plans include responses from multiple divisions, each of which is an integral part of the overall management action plan. Presenting a comprehensive update helps depict the true picture of progress made up to date and what actions are yet to come.
- Dates under the Original Target Completion Date column were provided by the client.

Recommendation 1:

City Council requests the Chief Administrative Officer to ensure that staff implement a comprehensive user fee framework that requires a consistent approach for establishing user fees across City Programs and Local Boards, and such policy shall:

- a) be designed to improve consistency, transparency, efficiency, and accountability in establishing and managing user fees,
- b) promote recovery of the full cost of services for which user fees are charged, to the extent that there is no conflict with the City’s policy objectives and priorities, and
- c) require ongoing review of user fees to ensure that they are adjusted to reflect changes in the cost of delivering services, changes in service levels, as well as the continued relevance of policy objectives and actual outcomes.

Management Response:		
Comments/ Action Plan	Original Target Completion Date	Status as of Q1 2024
<p>The Chief Administrative Officer will develop a user fee framework, in consultation with Finance and user fee program areas.</p> <p>In addition, each program area will develop a program-specific user fee policy, as part of its comprehensive user fee study with the following proposed timeline:</p> <ol style="list-style-type: none"> 1. Recreation – Q4 2024 2. Planning – June 2024 3. Fire & Emergency Services – June 2024 4. Parks – Q4 2024 5. Development Services – Q2 2024 	<p>CAO’s Office – Q2 2023</p>	<p><u>CAO’s Office:</u> The CAO’s Office produced a draft strategy/framework which has yet to be approved by Council so that each business area can rely on this framework to develop its own specific user fee policies.</p>
	<p>Fire – Q2 2024</p>	<p><u>Fire:</u> A Standard Operating Guideline (SOG) has been drafted for the program-specific User Fee framework. On track to finalize for June 2024.</p>
	<p>Recreation - Q4 2024</p>	<p><u>Recreation:</u> Community Services has retained Blackline Consulting to conduct a user fee study, which is estimated to be completed in Q4 2024. The study will support 2025 user fee recommendations with cost recovery analysis.</p>

<p>The CAO will determine the feasibility and timeline of rolling out the user fee policy implementation to other City user fee areas such as Building, Finance, and City Clerk's.</p>	<p>Parks – Q4 2024</p>	<p><u>Parks:</u> Community Services has retained Blackline Consulting to conduct a User Fee review, which is estimated to be completed in Q4 2024 and will support 2025 user fee recommendations with cost recovery analysis.</p> <p>Currently doing an analysis, on track for June 2024. Reviewing each line item determining the cost of items and service hours (special events/crowd control). Costs: administration booking, parks' events, vendors and o/c foreperson.</p>
	<p>Development Services – Q2 2024</p>	<p><u>Development Services:</u> Staff have retained Watson & Associates to perform a Development Application Fee Review. An update was provided to Council in December 2023, and the final report will be presented to Council in July 2024. (See Recommendation #7 update for the complete work plan).</p>

Recommendation 2:

City Council requests the Chief Administrative Officer to ensure that staff determine the full- service costs for user fee programs as the starting point for setting user fees, and that in doing so, staff consider using Activity Based Costing principles to calculate full-service costs.

Management Response:		
Comments/ Action Plan	Original Target Completion Date	Status as of Q1 2024
<p><u>Response required from CAO's Office</u> The CAO agrees with the recommendation. User fee program areas will be determining the full costs in consultation with Finance, as outlined below:</p>		
<p><u>Parks and Forestry Division</u> Parks will review its user fees to determine a full cost, including benchmarking from other municipalities.</p>	Q4 2023	<p><u>Parks:</u> Consulting services have been retained for the Community Services User Fee Study and are in progress, estimated Q4 2024 completion and will support 2025 user fee recommendations with cost recovery analysis.</p>
<p><u>Recreation Division</u> Recreation will review its user fees to determine a full cost Including benchmarking from other municipalities.</p>	Q4 2023	<p><u>Recreation:</u> Consulting services have been retained for the Community Services User Fee Study and are in progress, estimated Q4 2024 completion and will support 2025 user fee recommendations with cost recovery analysis.</p>
<p><u>Development Services</u> Planning Building Growth Management will put together a roadmap to</p>	Q2 2023 (Comprehensive Fee Review)	<p><u>Development Services:</u> Staff have retained Watson & Associates to perform a Development Application Fee Review. An update</p>

<p>examine all user fees within the Department, with an initial start on Development Services user fees beginning in Q2 2023. Staff will report back to the CAO/Council on other elements of the roadmap.</p>		<p>was provided to Council in December 2023 and the final report will be presented to Council in July 2024. (See recommendation #7 update for the complete work plan).</p>
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Recommendation 3:

City Council requests the Chief Administrative Officer to ensure that staff document the rationale when user fees are not set based on the full-service costs.

Management Response:		
Comments/ Action Plan	Original Target Completion Date	Status as of Q1 2024
<p><u>Response required from CAO's Office</u></p> <p>The CAO will direct the program areas to initiate a full-service cost review to determine the rationale behind and the magnitude of subsidies.</p>		
<p><u>Fire and Emergency Services Division</u></p> <p>FMT will document through the budget process the rationale when user fees are not set based on full service cost.</p>	Q4 2023 for the 2024 Budget submission	<p><u>Fire:</u></p> <p>Comments on the rationale when user fees are not set based on full-service cost have been included in the 2024 User Fees Report.</p>
<p><u>Parks and Forestry Division</u></p> <p>Parks will complete a comprehensive fee review and full cost analysis. When user fees are not set to recover full costs, Parks will supply a document with justifications and rationale.</p>	Q4 2024	<p><u>Parks:</u></p> <p>Consulting services have been retained for the Community Services User Fee Study and are in progress, estimated Q4 2024 completion and will support 2025 user fee recommendations with cost recovery analysis.</p>
<p><u>Recreation Division</u></p> <p>Recreation will complete a review of subsidies by fee category.</p>	Q4 2024	<p><u>Recreation:</u></p> <p>Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q4 2024 completion and will support 2025 user fee recommendations with cost recovery analysis. Recreation is on track for 2024. Expected to continue providing higher subsidies for youths,</p>

		seniors, and designated community sports groups for youths. On track to launch the 70+ Free Recreation memberships starting June 2024 as per Council direction; i) 2024: Ages 70 and above; ii) 2025: Ages 65 and above.
<p><u>Development Services Division</u></p> <p>Each division that charges user fees will provide justification and rationale when user fees are not based on full-service cost.</p>	<p>Q4-2025</p> <p>Upon completion of each applicable Divisional User Fee Review as noted above.</p>	<p><u>Development Services:</u> An update was provided to the Council in December 2023, and the final report will be presented to the Council in July 2024. It will include justification for the fee recommendations and financial implications. (See recommendation #7 update for the complete work plan.)</p>
	<p>All work to be completed by Q4 2025</p>	

Recommendation 4:

City Council requests the Chief Administrative Officer to ensure that staff conduct and present to City Council a comprehensive user fee study once every four years, and such study should:

- a) identify all existing user fees,
- b) determine current basis of the fee price,
- c) determine those fees that should be fully cost-recovered, and the extent to which the full cost is recovered,
- d) determine those fees that should be exempt from full cost recovery,
- e) identify additional opportunities for collecting user fees, and
- f) assess whether user fee services are delivered economically and efficiently.

Management Response:		
Comments/ Action Plan	Original Target Completion Date	Status as of Q1 2024
<p><u>Response required from CAO's Office</u> For comprehensive user fee study and its timelines for user fee program areas, please refer to CAO's response for Recommendation #1</p>	Q4 2024	<p><u>Office of CAO:</u> Staff have retained Watson & Associates to perform a Development Application Fee Review. An update will be provided to Council in Q4 2023, and the final report will be presented to Council in spring of 2024 and will include justification for the fee recommendations & financial implications. (See recommendation #7 update for complete work plan).</p>
<p><u>Fire and Emergency Services Division</u> The last user fee review was conducted November 29, 2019 by Ernst & Young. Brampton Fire and Emergency Services will conduct a user fee review in 2024.</p>	Q4 2024	<p><u>Fire:</u> Have engaged purchasing on doing an RFP to have a vendor conduct a review. RFP to be released by the end of June. Still on track for Q4 2024.</p>

<p><u>Parks and Forestry Division</u> Parks will endeavor to complete the analysis for the 2024 user fee cycle, noting that recommendations and changes may need to be phased in over 2024-2026.</p>	<p>Q4 2024</p>	<p><u>Parks:</u> Consulting services have been retained for the Community Services User Fee Study and are in progress, estimated Q4 2024 completion and will support 2025 user fee recommendations with cost recovery analysis.</p>
<p><u>Recreation Division</u> Recreation will endeavor to complete the analysis for the 2024 user fee cycle, noting that recommendations and changes may need to be phased in over 2024-2026.</p>	<p>Q4 2024</p>	<p><u>Recreation:</u> Consulting services have been retained for the Community Services User Fee Study and are in progress, estimated Q4 2024 completion and will support 2025 user fee recommendations with cost recovery analysis.</p>
<p><u>Development Services Division</u> Staff support this recommendation. Scheduled comprehensive fee reviews will ensure PGBM’s fee structure is transparent and justifiable to industry, and that operational costs to the tax base are minimized.</p>	<p>Q4-2025 Upon completion of each applicable Divisional User Fee Review as noted above.</p>	<p><u>Development Services:</u> Staff have retained Watson & Associates to perform a Development Application Fee Review. An update was provided to Council in December 2023, and the final report will be presented to Council in July 2024. It will include justification for the fee recommendations and financial implications. (See recommendation #7 update for the complete work plan.)</p>
	<p>All work to be completed by Q4 2025</p>	

Recommendation 5:

City Council requests the Chief Administrative Officer to ensure that staff conduct and present to City Council an annual update on user fee, and such updates should include the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates, and identify additional opportunities to collect new user fees.

Management Response:		
Comments/ Action Plan	Original Target Completion Date	Status as of Q1 2024
<p><u>Response required from CAO's Office</u></p> <p>The CAO will ensure that the periodic review timeline is included in the user fee framework.</p> <p>A comprehensive consolidated report from Finance incorporating all program areas will be presented to City Council, at the end of each year, prior to budget cycle, addressing the following user fee areas:</p> <ul style="list-style-type: none">• the impact of inflation• other cost increases• adequacy of cost recovery• use of services• the competitiveness of current rates• additional opportunities to collect new user fees.	<p>Q2 2023</p> <p>Annually as part of the budget cycle (Q4)</p>	<p><u>CAO:</u></p> <p>To be determined - following completion of the Development Fee Review project (Spring 2024).</p>
<p><u>Fire and Emergency Services Division</u></p> <p>FMT through the budget process will provide an annual update on user fees which would include the impact of inflation, adequacy of cost recovery, competitiveness of current rates and opportunities to</p>	<p>Q4 2023 for the 2024 Budget submission</p>	<p><u>Fire:</u></p> <p>Provided annual update in the 2024 User Fees Report, which included the impact of inflation, competitiveness of current rates and introduced new user fee (response to unauthorized open-air</p>

collect new user fees.		burns).
<p><u>Parks and Forestry Division</u></p> <p>In consultation with Finance, Recreation will present this information for the 2024 user fees.</p>	Q4 2023	<p><u>Parks:</u></p> <p>To be determined - following completion of the Development Fee Review project (Spring 2024).</p> <p>- User Fee Study by Consultants in progress, estimated Q4 2024 completion and will support 2025 user fee recommendations with cost recovery analysis.</p> <p>Parks on track. Discussions between Parks and Finance took place regarding support. Support to be determined.</p>
<p><u>Recreation Division</u></p> <p>In consultation with Finance, Recreation will present this information for the 2024 user fees.</p>	Q4 2023	<p><u>Recreation:</u></p> <p>On track. Update will include the impact of the 70+ Free Recreation memberships and the User Fee Study by Consultants.</p>
<p><u>Development Services Division</u></p> <p>Staff support this recommendation. The Department could grow its current annual activity reporting to include additional analysis with respect to fees to provide a comprehensive overview on the state of the Department's operations.</p>	<p>Q4-2025</p> <p>Upon completion of each Applicable Divisional User Fee Review as noted above.</p>	<p><u>Development Services:</u></p> <p>To be determined - following completion of the Development Fee Review project (July 2024).</p>
	All work to be completed by Q4 2025	

Recommendation 6:

City Council requests the Chief Administrative Officer to ensure that staff record user fees in specific fee accounts and, where possible, identify the revenue sources and distribute the revenues from the general accounts to specific user fee accounts, to facilitate comprehensive and periodic fee analysis.

Management Response:		
Comments/ Action Plan	Original Target Completion Date	Status as of Q1 2024
<p><u>Response required from CAO's Office</u></p> <p>The CAO agrees with the recommendation. Please see Accounting Services' response below:</p>		
<p><u>Accounting Services</u></p> <p>Accounting Services agrees with the recommendation.</p> <p>Staff will conduct in depth analysis of the general recoveries General Ledger accounts and set up new accounts for user fees based on volume and \$ value materiality.</p> <p>Based on preliminary analysis we would recommend setting up new accounts for following user fee transactions:</p> <ul style="list-style-type: none"> • Tax Adjustments and Fees (system – TXM) • Roads Operations Permit Fees (system – A2G) • Building and Cemetery Letters of Compliance (system – A2G) • Fire Non-Emergency Charges (system – Corporate AR) <p>These categories alone</p>	<p>Q2 2023</p>	<p><u>Accounting:</u></p> <p>Staff have completed an in-depth analysis of the general revenue accounts and have set up 5 new distinct accounts for specific revenues. The next step is to configure these new accounts into respective sub-systems (TXM, A2G, etc.).</p> <p>Effective January 1, the following new accounts are being used for tracking distinct revenues:</p> <ul style="list-style-type: none"> • HST Recovery • Sale of Equipment • Tax Admin Charges • Various Fire revenue accounts (False Alarm, HAZMAT Response, MVC Responses, Natural Gas Incidents) • Traffic Permit Fees

<p>represent approximately 30% of the overall amount in the main General</p> <p>Recoveries account. These revenues come from various sub- systems and minor configuration changes will be required.</p>		<ul style="list-style-type: none"> • Works ROP Rental Income
<p><u>Fire and Emergency Services Division</u></p> <p>FMT will work with Corporate Finance to set-up new General Ledger accounts whereby Brampton Fire and Emergency Services can begin to post user fees in specific accounts versus general accounts to facilitate identification and analysis of user fees simpler to do.</p>	<p>Q4 2023 for the 2024 Budget submission</p>	<p><u>Fire:</u></p> <p>Accounting has set up false alarm, hazmat resp, MVC response, MVC Response Half, Nat Gas Half, Nat Gas Incident and Non-Emerg Elevator GL accounts to be used in 2024.</p>
<p><u>Parks and Forestry Division</u></p> <p>Parks will work with finance and accounting services to set up new user fee General Ledger accounts based on dollar value and materiality of revenues recorded under General Recoveries account.</p>	<p>Q4 2023</p>	<p><u>Parks:</u></p> <p>Parks on track. Discussions between Parks and Finance took place regarding support. Support to be determined.</p>
<p><u>Recreation Division</u></p> <p>Recreation has improved its revenue reporting over the past 3 years but will continue to collaborate with Finance for further improvements.</p>	<p>Q4 2023</p>	<p><u>Recreation:</u></p> <p>Recreation on track. During annual budget process will continue to identify areas for improvement. 2024 improvements planned include budget tracking for Aquatic Leadership, Chinguacousy Park, Sport Leagues, and Community Engagement initiatives.</p>

Recommendation 7:

City Council requests the Commissioner of the Planning, Building and Growth Management Department to evaluate the feasibility of raising the development services user fees so that the rates charged by the City are comparable with neighbouring municipalities to improve the cost recovery ratio and reduce the burden on Brampton property taxpayers.

Management Response:		
Comments/ Action Plan	Original Target Completion Date	Status as of Q1 2024
<p><u>Development Services Division</u></p> <p>The feasibility of raising fees to rates charged by comparable municipalities will need to be examined within the context of a comprehensive fee review. Fee structures and fee calculation methodologies vary significantly between each municipality as do development activity volumes, staffing size and organizational structure.</p> <p>Setting fees for Brampton’s development application review needs to be attuned to the City’s specific development context, city building vision, and direction of Council, in consultation with industry.</p>	<p>To be aligned with Comprehensive Fee Review dates as noted above (Rec# 2)</p> <p>For Development Services, work to start in Q2, 2023</p>	<p><u>Development Services:</u> Staff has retained Watson & Associates to perform a Development Application Fee Review. Work is currently underway and continues to be on track according to the following schedule:</p> <p>Deliverable 1: Preliminary Report (October 2023)</p> <ul style="list-style-type: none"> - Part 1 – Background and Principles: Overview of the regulatory context and existing policies and practices for development application fees in the City. - Part 2 – Review of Current Fees: Comprehensive review of all fees collected for development applications in 2022, revenue generated, costs incurred by various divisions and impact on tax base. - Part 3 – Leading Practices and Benchmarking: Robust benchmarking exercise to provide context of the City’s current and proposed development application fees

		<p>(including per unit fees, GFA fees and cap fees) compared to other GTA municipalities.</p> <p>Part 4 – Recommendation for Cap Fees: recommendation on Cap Fees for Official Plan Amendments and Zoning Bylaw Applications and present to the project team and Council.</p> <p>Deliverable 2: Final Report (February 2024)</p> <p>- Part 5 - Fee Recommendations & Financial Implications</p> <p>Deliverable 3 - Presentation to Council (July 2024)</p> <p>Deliverable 4 - Implementation of New Fee Structure (July 2024)</p> <p>Staff provided an update on the review and an information report to the Planning and Development Committee in December 2023 to communicate options for capping per unit fees.</p>
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