

Grand River Conservation Authority

Report number: GM-12-23-101

Date: December 15, 2023

To: Members of the Grand River Conservation Authority

Subject: Fee Policy, Fee Schedules, and Proposed 2024 Fee Increases

Recommendation:

THAT the Grand River Conservation Authority Fee Policy be approved and implemented effective December 15, 2023;

AND THAT Fee Schedule 1 – Outdoor Environmental Education Fees be approved and implemented effective January 1, 2024;

AND THAT Fee Schedule 2 – Conservation Areas Fees be approved and implemented effective January 1, 2024;

AND THAT Fee Schedule 3 – Planning and Regulations Fees be approved and implemented effective January 1, 2024 unless otherwise directed through a Minister's Direction;

AND THAT Fee Schedule 4 – Tree Nursery Fees be approved and implemented effective January 1, 2024.

Summary:

Conservation Authorities are required to have a written fee policy, as per the [Conservation Authorities Act \(s.21.2\)](#). A comprehensive fee policy for the Grand River Conservation Authority (GRCA) was developed and approved at the General Membership Meeting on December 16, 2022. The attached Fee Policy has been updated to reflect minor changes

The Fee Schedules list the programs and services for which the GRCA charges fees, and the corresponding fee amount for each program and service. A summary of the various Fee Schedules and the proposed increases for 2024, as applicable, is as follows:

- Fee Schedule 1 - Outdoor Environmental Education
 - No fee increases are proposed at this time
- Fee Schedule 2 – Conservation Areas
 - Fees throughout Conservation Areas are proposed to increase by varying amounts, depending on the specific program or service.
- Fee Schedule 3 – Planning and Regulations
 - A 3% increase (rounded to the nearest \$5.00) is proposed for permits and inquiries, and varying increases are proposed for plan review applications
- Fee Schedule 4 – Tree Nursery
 - No fee increases are proposed at this time; however, the fee schedule has been modified to include some additional fees not previously captured.

As per [O.Reg.400/22 Information Requirements](#), once approved, the updated Fee Policy will be posted on the GRCA's website on the [Governance page](#).

Report:

Fee Policy

Conservation Authorities were required to adopt a written fee policy by January 1, 2023, as per the *Conservation Authorities Act (s.21.2)*. A comprehensive fee policy for the Grand River Conservation Authority (GRCA) was developed and approved at the General Membership Meeting on December 16, 2022. The attached Fee Policy (Appendix C) has been updated to reflect minor changes.

Fee Study

Staff worked with the consulting firm Watson and Associates Economists Ltd. (Watson) to analyze and evaluate user fees within the Planning and Regulation and Conservation Areas departments. The Program Rates and User Fee Review (User Fee Review) included identifying internal factors that have an impact on user fees and comparing fees at other Conservation Authorities and other similar comparators. The consultant's recommendations were considered in developing Schedules 2 and 3.

Fee Schedules and Proposed 2024 Fee Increases

As required by the *CA Act*, Fee Schedules have also been developed that include a listing of the programs and services for which the GRCA charges fees, and the corresponding fee amount for each program and service. These are attached as Appendices D-G. Additional information on each program and/or service, and the proposed fee increases, as applicable, is included below.

Schedule 1 – Outdoor Environmental Education

GRCA outdoor education programs are funded by various sources including agreements with school boards, fees charged directly to school classes or other groups participating, and donations from the GRCF. This revenue has been augmented by GRCA levy funds to cover costs although, in 2024, it is proposed that the deficit be funded using the Transition Reserve. The program includes fees for both school and non-school programs. Fees have been determined based on the cost to deliver the program, the demand for the program, and the user's ability to pay. No fee increases are proposed at this time.

Schedule 2 – Conservation Areas

Conservation Areas provide various active recreational programs and services that are offered to the public at 11 Conservation Areas. In 2023, Conservation Areas continue to experience growth in the demand for use of programs and services within each park, with a year-over-year revenue increase of roughly 6%. With increased demand comes increased operating and maintenance costs, as well as increased wear and tear that impacts the long-term useful life of the assets in each Conservation Area. These factors, combined with the overall economic impact of increased inflation and staying current with market trends, have been factored into the proposed user fees for 2024. Staff focused on keeping proposed 2024 fee increases within a typical average range from 3% to 5%, however, in some cases proposed fee increases are higher than this average.

The Watson User Fee study included an analysis of fees and the anticipated cost recovery of the various programs and services for Conservation Areas. The recommendations included an increase to both day-use fees and seasonal camping fees to operate on a break-even basis, which amounted to 15%, in addition to the annual increase to the cost of operations of 3%. Staff have proposed implementing incremental increases to both day use and seasonal camping fees over a longer period. This phased approach will be transitioned over 5 years.

The information below highlights some examples of programs and services where a higher-than-average fee increase has been proposed:

- Day use increase of 6% - Increases reflect demand for day-use and associated operating expenses.
- Luther daily hunt pass increase of 6% - Increased to reflect the same increase as the day use pass.
- Seasonal campsite increase of 7% - Increase reflects the increases in the associated operating expenses. The seasonal campsites at Conestogo Lake Conservation Area have slightly higher increase at 10% to work towards full alignment with similar offerings at other conservation areas.
- Seasonal camper additional vehicle pass increase of 20% to \$115. An additional overnight vehicle in the conservation area is \$17.00. Seasonal campers can purchase up to two more additional passes per site for extra vehicles.
- Elora Gorge CA Kay Marsden Pavilion hasn't been available for rent since 2019. The pavilion is a desirable location with a very large picnic area and attached washrooms. To entice more rentals, the space will be divided into 2 areas; each half will be available for reservation for a fee of \$250, alternatively the full space can be rented for \$500

A chart showing the proposed Conservation Area fees for 2024, with 2023 fees for comparison and corresponding percentages is attached as Appendix A.

Schedule 3 – Planning and Regulation Services

The planning and regulation program is a mandatory service that provides a watershed benefit by regulating development and undertaking review of applications/proposals in and near natural hazards to reduce the risk of loss of life and minimize property damage. GRCA planning and regulation budget includes all elements of planning, including the permit process. This includes proactive planning (plan input and policy advice, environmental assessments etc.), review of planning and other applications, as well as the GRCA permit process, public inquiries, title clearances and compliance.

Currently, as per a Minister's Direction, planning and permitting fees are frozen until December 31, 2023. At this time, it is unknown if this direction will be extended. In the event fees can be increased in 2024, the User Fee Review was completed. For planning and permitting fees, the consultant assessed the full cost for plan review and permitting activities and provided recommendations considering cost recovery, affordability of fees, and comparison with municipal and fee schedules of other Conservation Authorities.

As per the 'Policy: Minister's list of classes of programs and services in respect of which conservation authorities (CAs) may charge a fee', fees for planning and permitting services should be developed to recover but not exceed the costs associated with administering and delivering the services on a program basis. Each authority can decide the proportion of costs recovered by a user fee versus other sources such as municipal apportionment (general levy).

Based on the analysis undertaken by Watson, across all activities of the review, current fees recover 61% of the total annual cost of processing. For planning applications, cost recovery is currently 56% of costs, while for permits it is 66%. The balance of program costs are currently funded through apportionment (general levy).

General recommendations proposed to be implemented are:

- Increase fees annually consistent with cost-of-living increases incorporated into GRCA's annual budget.
- Where plan review applications are received concurrently, only the higher of the individual application fees would apply to recognize the economies of scale in processing combined applications. This is a current GRCA practice that will continue.

Permit and Inquiry Fees

The fee structure is graduated, with minor applications, inquiries and title clearances that require less technical review having a lower fee and more complex applications that require technical plans and reports assigned a higher fee. Permit processing and compliance related to the GRCA regulation requires a large amount of time by planning and regulations staff as well as technical staff.

Historically, the cost recovery target for permits has been 50%. It is recommended that a permit (including inquiries) cost recovery of approximately 65% is appropriate, and a cost-of-living increase of 3% increase (rounded to the nearest \$5.00) is proposed for 2024 except in limited cases. Exceptions are proposed for major development, 'all other' major alterations or interference with wetlands, shorelines, and watercourse applications as well as large fill as the 2023 fees are in line with the consultant recommendations so no changes in 2024 are proposed.

Plan Review

Historically, cost recovery targets were 100% for plan review, however from the User Fee Review this objective is not being achieved. It is proposed that the fee increases for Planning Act applications recommended by the consultant be phased in over a 3-year period. This will also allow for an annual review of the increase. Staff also propose introducing a new fee category recommended by the consultant for review of applications within the Niagara Escarpment Plan boundary circulated by the Niagara Escarpment Commission. A small portion of the Niagara Escarpment boundary is within the Grand River watershed and few applications are received, however currently there is no fee category for this type of review.

A chart showing the proposed planning and permit fees for 2024, draft 3-year phasing where applicable, 2023 fees for comparison, and corresponding percentage increase between 2023-2024 or the total phased-in fee is attached as Appendix B. The proposed fees maintain current service levels and do not consider potential changes to review and regulation processes.

Implementation of the proposed 2024 fees would fund the planning and permitting program through user fees along with the allocation of municipal apportionment (general levy). Continued partial funding enables staff to provide input to initiatives of municipalities in the watershed without charging a fee per project/circulation. These initiatives may include Environmental Assessments, Drainage Act applications, municipal plans and policies such as Official Plan and Comprehensive Zoning By-law documents, Secondary and Community Plans, review of planning amendments initiated by municipalities, as well as policy and technical support at appeal hearings.

Furthermore, support would continue to be provided for review of provincial policy and technical initiatives related to natural hazards, enforcement and compliance responsibilities as well as responding to most general inquiries from watershed residents related to permit regulations, planning processes and approval requirements. The apportionment funding support for permit fees also facilitates a fee structure which may otherwise be a deterrent to seek permission if full cost recovery was the objective and the fees were higher.

Municipal apportionment also provides a stable funding source, given the variation of applications in any given year and the uncertainty of future legislative and regulatory changes. Potential legislative changes are anticipated to reduce areas that are regulated by conservation authorities, which in turn will reduce the number of permits submitted. Amendments to the CA Act were also made but not proclaimed that may exempt the requirement for a permit if the activity is authorized under the *Planning Act*. A new regulation would prescribe the activities, areas of municipalities or type of authorizations under the *Planning Act* to enable this exemption, which has the potential to reduce the number of permits received if this exemption is enabled within the Grand River watershed.

The proposed fee changes were shared with the Home Builders/GRCA Liaison Committee and no objections were received.

Schedule 4 – Tree Nursery

The GRCA's nursery and tree planting programs seek to operate on a cost-recovery basis. Currently, the program is augmented by GRCA levy funds to cover costs, however, in 2024, it is proposed that surplus funds from other Category 3 programs and services will be used to address any deficit in the operating budget for this program.

Fees are charged for plant material and planting services and are determined through analysis of operating costs, market comparators, and inflation. Fees are analyzed and established in the late summer or early fall of any given year in order to be prepared for the planting season in the following year. Tree Nursery fees for 2024 were established and approved at the General Membership Meeting on August 25, 2023 however, a few additional fees have been captured as part of this updated version.

As per [O.Reg.400/22 Information Requirements](#), once approved, the Fee Policy will be posted on the GRCA's website on the [Governance page](#). Fees will be updated on other webpages as applicable to each program and service, and in other printed materials, as applicable.

Financial Implications:

The fees outlined in the schedules are proposed to be implemented on January 1, 2024. The budget for 2024 will incorporate these fees as applicable. If any fee adjustments arise during 2024, they would be brought to the General Membership for approval and their impact would be reflected in monthly forecast adjustments that are reported to the General Membership.

Other Department Considerations:

Various departments participated in the preparation of the policy and the proposed fee increases.

Prepared by:

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