

Grand River Conservation Authority

Report number: GM-11-24-111

Date: November 22, 2024

To: Members of the Grand River Conservation Authority

Subject: Fee Policy and Fee Schedule Amendments

Recommendation:

THAT the amended Grand River Conservation Authority Fee Policy as outlined in this report be approved and implemented effective January 1, 2025;

AND THAT the amended Fee Schedule 1 – Outdoor Environmental Education Fees be approved and implemented effective January 1, 2025;

AND THAT the amended the Schedule 3 – Planning and Regulations Fees be approved and implemented effective January 1, 2025 unless otherwise directed through a Minister's Direction.

Summary:

On October 25, 2024, amendments to the Fee Policy and Schedules 1, 2, and 4 were approved as outlined in GM report 10-24-94. It was noted that Fee Schedule 3 – Planning and Regulations would be finalized based on direction provided by the General Membership through GM report 10-23-93 and brought forward at the next General Membership meeting.

An amended Fee Schedule 3 has been developed and the proposed increases for 2025 are attached (Appendix E). A summary of the amendments is as follows:

- Varying increases for plan review and regulations fees to achieve a 100% user fee cost recovery target for certain services, phased in over 5 years
- Introduction of new permit and plan review fees
- Addition of a 3% adjustment for inflation
- Amended Fee Notes

Once approved, Fee Schedule 3 will take effect January 1, 2025, unless otherwise directed through a Minister's Direction e.g. planning and permitting fee freeze until December 31, 2024 is extended.

Further amendments to the Fee Policy and Schedule 1 for the Outdoor Environmental Education Program are also proposed, to include a new non-refundable deposit and cancellation fees. The amendments to the Fee Policy and Fee Schedule 1 will take effect on January 1, 2025.

Report:

Planning and Regulations

The Planning and Regulations 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. The Planning and Regulations program comprises all elements of planning and the permit process including proactive planning (i.e., plan input and policy advice), review of planning and other applications, the GRCA permit process, public inquiries, title clearances, compliance, and enforcement. The program is funded through self-generated revenue (user fees) and municipal apportionment.

Currently, as per a Minister's Direction, planning and permitting fees are frozen until December 31, 2024. At this time, it is unknown if this direction will be extended. If fees can be increased in 2025, two reports (GM-09-24-81 and GM-10-24-93) were prepared to seek direction from the

General Membership on user fee cost recovery targets, a timeline to implement fee increases, and potential new fees.

Based on direction received from the General Membership, an amended Fee Schedule 3 has been developed and the proposed increases for 2025 are attached (Appendix E).

The proposed 2025 Fee Schedule has been shared with the GRCA-Home Builders Liaison Committee (Committee) as required by the Fee Policy. In 2023, GRCA staff and Watson and Associates Economists Ltd. presented to the Committee on the Program Rates and User Fee Review (User Fee Review) completed by the consultant and proposed cost recovery targets. An update on potential changes was provided at the September 2024 Committee meeting. Feedback was provided and incorporated into the September and October Board reports, which included phased implementation of fee increases and the re-submission fee being applied at staff's discretion. No further feedback has been received from the Committee and no objections have been received from the Associations.

In summary, the Fee Schedule incorporates the following changes:

- Target of 100% cost recovery for plan review and permitting user fees
- Phase-in fee increases evenly over a 5-year period
- Add an annual adjustment for inflation, being 3% for 2025

The following amendments to the Fee Schedule are also proposed as outlined in GM-09-24-81 and GM-10-24-93:

New fees in Plan Review Schedule

- Niagara Escarpment Commission (NEC) circulations
- Environmental Assessments (EA)
- Drainage Act applications

The new plan review fees for NEC, EAs, and Drainage Act applications are based on the User Fee Review. An additional category was added for Individual EAs and a "minor" and "major" fee was proposed based on the anticipated level of involvement being equivalent to either a complex plan review application or the maximum fee for a plan of subdivision.

New fees in Permit Fee Schedule

- "Routine" permits
- "Other inquiry" fee

A new "routine" permit category is proposed for development that is very low risk and small in project scope. This will provide a fee category for applications that require limited staff involvement and do not warrant a "minor" fee. Examples of "routine" permits may include but are not limited to non-habitable small accessory structures such as sheds, unenclosed gazebos, and pools. With respect to inquiries, adding an "other inquiry" fee is proposed to maintain a lower fee for landowner inquiries to encourage early consultation with landowners so GRCA input is provided early in project planning before development proceeds and becomes a compliance issue.

Amended Fees/Fee Notes

- Added Minister's Zoning orders (MZO) as an example of a complex application.
- Revised fees for 4th and subsequent submissions of the same report/plan for both plan review and permitting from a flat fee of \$575 to a percentage of the applicable fee category. This fee would be implemented at the discretion of staff.
- Added a note that permit applications will be closed if additional information/plans/reports required by GRCA staff are not submitted within 1 year.

Appendices A and B show the proposed plan review and permit fees for 2025 and over the 5-year phase-in period, 2024 fees for comparison, and the corresponding percentage increase

between 2024 and the total phased-in fee. Appendix E shows the proposed 2025 Fee Schedule 3 of planning and regulations services.

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 the GRCA Transition Reserve to cover costs for 2025. The program includes fees for both school and non-school programs that have been determined based on the cost to deliver the program, the demand for the program, and the user's ability to pay.

Since January 2021, the GRCA's Outdoor Environmental Education Program has been limited to programs offered under agreements with school boards, or in a few cases, agreements with individual schools or community agencies. To facilitate additional program offerings for schools that are not included in the GRCA's negotiated agreements, GRCA staff have been developing an updated online booking system. While no increases to Outdoor Environmental Education Program fees are being proposed for 2025, included with the online booking system will be a process for receiving legal documents, and a non-refundable deposit to cover the cost of administration and cancellation fees. The Fee Policy and Fee Schedule 1 for the Outdoor Environmental Education Program have been amended to include these additional fees. The updated Fee Policy is attached as Appendix C and Schedule 1 is attached as Appendix D.

As per [O.Reg.400/22 Information Requirements](#), the approved amended Fee Policy and Fee Schedule 1 will be posted on the GRCA's website on the [Governance page](#) on January 1, 2025. Schedule 3 will also be posted on January 1, 2025 unless otherwise directed through a Minister's Direction.

Financial Implications:

The Planning and Regulations budgets have historically been conservative given the uncertainty of costs and revenue due to several factors, including legislative changes, staffing vacancies, economic conditions, and variability in the number and type of applications received. Forecast adjustments are incorporated into monthly financial reporting to the Board as applicable.

Based on 100% cost recovery targets, the potential revenue impact is an additional \$900,000. This estimate is based on information from the User Fee Review and the average number of applications from 2017-2021 and would be spread over the 5-year phase-in implementation period. The actual additional revenue is uncertain and a downward trend has been observed.

It is important to note that the cost recovery targets are only for regulations and planning services that are charged a user fee. The remainder of the services in the Regulations and Planning program are funded from municipal apportionment.

Other Department Considerations:

Not applicable.

Prepared by:

Beth Brown
Manager of Planning and
Regulations Services

Lisa Stocco
Manager of Strategic Communications and
Environmental Education

Approved by:

Samantha Lawson
Chief Administrative Officer