

Town of Markham

E3 Revenue Enhancement Initiatives

**January 12, 2009
General Committee**

Overview

- Today's presentation will provide an overview of the following E3 Revenue initiatives that were previously endorsed by the E3 Council Steering Committee and/or the Budget Sub-Committee:
 1. Library overdue fine increase from \$0.25/item/day to \$0.30/item/day
 2. Increase average parking fines from \$35/ticket to \$40/ticket
 3. Recreation user fee update
 4. Fitness initiation fees
 5. New tax account fee increase from \$50/account to \$60/account and expedited tax certificate fee of \$65
 6. Earlier tax installment dates
 7. Telecommunication facilities on Town owned property
 8. Update of the user fee by-law
- Further details on each of these initiatives will be discussed through separate reports on today's agenda

E3 Revenue Initiatives

Library overdue fine increase from \$0.25/item/day to \$0.30/item/day

- On November 24th, 2008, the Budget Sub-Committee approved the initiative of increasing the Library overdue fines from \$0.25/item/day to \$0.30/item/day
- On December 15th, the Library Board passed a motion supporting the increase in fines to \$0.30 per item per day for books, magazines, talking books, music CDs, CD ROMs, children's kits, Express Bestsellers and Watt Readers
- Staff anticipates that the \$0.30 overdue fine will be effective March 2nd, 2009
- The increase in overdue fines will provide additional revenues of \$30,000

E3 Revenue Initiatives

Increase average Parking Fine from \$35/ticket to \$40/ticket

- On November 24th, 2008, the Budget Sub-Committee approved the initiative of increasing the average parking fine from \$35/ticket to \$40/ticket
- The increase in parking fines is anticipated to be implemented by April 2009
- The increase in revenues in 2009 is projected to be approximately \$90,000 and the annualized impact will be approximately \$125,000 beginning in 2010

E3 Revenue Initiatives

Recreation User Fees Update

- This initiative is to increase the recreation user fees such that all fees for services within the Town rest within at least the 50th to 60th percentile of municipalities within the GTA
- Services that are currently higher than the 60th percentile will only be increased by the consumer price index for 2009
- Programs affecting children exclusively are not being considered at this time
- The fee increases to the above proposed programs will provide a projected increase of revenues by approximately \$89,000 in 2009

E3 Revenue Initiatives

Fitness Initiation Fee

- This initiative proposes to increase the adult resident and the adult non-resident one-time fitness initiation fees from \$62.50 to \$90 and from \$26.00 to \$120.00 respectively effective March 1st, 2009
- The increased fees are well within industry standards
- The fee increases will only apply to new members joining in 2009 and forward; therefore, all existing members are unaffected by this change
- In addition, the fee increases will not apply to seniors and students
- This initiative will generate additional revenues of approximately \$25,500

E3 Revenue Initiatives

Increase Tax Related User Fees

- Staff proposes to increase the administrative fee for new tax accounts from \$50/account to \$60/account
- This initiative will generate additional revenues of approximately \$24,000
- In addition, Staff recommends effective March 1st, 2009, the implementation of an expedited tax certificate fee in the amount of \$65 which will provide additional revenues of approximately \$2,000

E3 Revenue Initiatives

Property Tax Installments

- E3 Council Committee endorsed that the due date for each of the three final tax installments be changed from the third week to the 5th day of each respective month effective for the final tax billing for the 2009 tax year
- Effective 2010, all 6 tax installments will be due on the 5th day of each respective month
- The move of the due date up by two weeks will improve cash flow and enhance investment income
- Based on current rates, an additional \$300,000 in investment revenues will be achieved in 2009 by changing the 3 final due dates
- For a full year with 6 installment dates change, the increased investment income is projected to be \$600,000
- Staff will ensure a plan to communicate this change to Markham residents occurs prior to the mailing of the final tax bills which will include a notice in the 2009 interim tax bills as well as on the Town's website and in the Town page of the Markham local newspapers

E3 Revenue Initiatives

Telecommunication Facilities on Town Owned Land

- Consumer demand for cellular phones, paging devices, and other wireless telecommunication services has increased significantly in recent years
- The Town receives inquiries from telecommunication providers to have these facilities located on Town owned lands mainly on parks or woodlots (3 inquiries to date in 2008)
- The Town will take advantage of this opportunity and it is expected that each facility can provide a revenue ranging from \$10K to \$15K annually. It is forecasted that between 4 to 8 facilities may be secured each year.
- This initiative is projected to provide revenues of \$70K in 2009

E3 Revenue Initiatives

User Fee By-Law

- This initiative is to increase the user fees & service charges and license fees within the user fee by-law and the licensing by-law by CPI on an annual basis
- Based on the CPI increase of 3.7% (Toronto All Items Sept 2007-2008), additional revenues of \$87,500 will be generated in 2009 (\$105,000 – annualized)
- The additional revenues excluded CPI increase on the following areas as they have previously obtained Council authority to increase the user fees annually according to CPI:
 - Recreation
 - Fire Services
 - Museum, Arts Centre & Theatre
 - Development Services
 - Waterworks
- For other fee increases in aligning to match the market rates, Staff will bring forward separate reports to seek authorization from Council