



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: July 14, 2025

Report No: ES-036-25

Subject: 2025 User Fee By-law Update

Recommendation: THAT the changes to user fees, as outlined through this staff report be received;

THAT the proposed User Fee By-law 071-2025 be considered for approval.

EXECUTIVE SUMMARY

- User fees and charges (excluding Building Permit Fees which are covered under a separate By-law and certain fees which are transferred to reserve as received) account for \$30.8 million of the 2025 approved budget and serve as an important tool to recover costs directly from those benefiting from Town services and mitigate pressure on the property taxes.
- Many of the Town's fees are proposed to be inflated by the Municipal Price Index (MPI) for expenditures estimated at 2.72%, beginning in the year 2026. This is expected to result in additional revenue that will offset approximately 0.72% increase in property taxes.
- Where notable changes other than MPI are being proposed, a brief summary is provided in this report with a full list of changes included as Appendix B.

REPORT

Background

The Town currently maintains two user fee bylaws. Building permit fees are identified separately from other Town fees through Building User Fee By-law No. 081-2022 in order to facilitate meeting requirements specific to the Building Code Act. This report is addressing all other Town user fees which are currently identified in User Fee By-law No. 062-2024.

User fees, excluding building permit fees, are governed by multiple statutes. For municipal services where no specific statutory authority is provided, such as community services,

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licensing, etc., municipalities have the ability to impose fees and charges under Part XII (s. 391) of the Municipal Act. The Town's statutory authority for imposing planning application fees is provided under Section 69 of the Planning Act.

User fees and service charges are an important source of revenue for the Town, representing \$30.8 million of revenue in the 2025 budget. User fees are an effective method of ensuring that the users of a service assist in cost recovery, thereby mitigating a portion of the pressure on property tax rates. The Town is proactive in its approach to cost recovery through user fees by annually reviewing all rates and adjusting for inflation, changing legislation and market conditions where possible.

Periodically, a comprehensive full costing of services and review of fees is also performed, including an activity-based costing exercise and benchmarking. The most recent Comprehensive User Fee Study was completed in 2022 in association with Watson and Associates Economist Ltd. where all Town rates and fees, excluding Recreation, Facility and Transit fees, were reviewed and updated fees were approved by Council through CORS-058-22. Internal reviews of Recreation and Facility fees were completed in both 2017 (CORS-046-17) and 2018 (CORS-046-18), with further evaluation through the annual Budget process. Transit fees were reviewed in 2024 as part of the Transit 5-Year Service Plan and Master Plan Update project which provides long term recommendations on fee structures for Transit service.

Since 2008, the Town has used a customized Municipal Price Index (MPI), to better account for how inflation pressures can impact the Town's spending. The MPI is an inflationary index based specifically on the mix of goods and services purchased by the Town calculated as a weighted average of price increases for each component in the Town's budget. The MPI methodology has been developed in accordance with Government Finance Officers Association (GFOA) best practices. The 2026 MPI for expenditures has been calculated at 2.72% (see Appendix A).

Discussion

A primary principle followed by the Town in setting user fees is that those who benefit from a service should contribute to the cost of that service. In many cases the Town's user fees are set to recover the estimated full cost of providing the applicable services. However, when setting fees, consideration is given to whether the service provides a community-wide versus individual benefit, the capacity of the user to pay, competitive market conditions, demand for services and limits set by Town policy objectives or other legislative requirements on pricing. Recreation fees in particular are based on a set of influencing factors intended to support the strategic goals of the Town and are set in order to provide a range from low cost (affordable)

Discussion

programs and services to those that will recover the full costs associated with their offering. The Town also offers a recreation fee assistance program to provide additional access to recreation through financial assistance to those in need.

Proposed Changes to User Fees

Staff recommend applying an inflationary increase to user fees at the MPI rate, projected at 2.72% for 2026, to many fees. The annual application of MPI to the user fees ensures that cost recovery ratios are maintained until the time that a comprehensive review is undertaken whereby fees may be re-aligned to changes in costing or market conditions.

The following sections identify notable proposed changes to the user fee by-law that differ from an MPI-based increase. A comprehensive list of all proposed changes to the by-law including commentary for fees that have not been adjusted for inflation is summarized in Appendix B. In some cases, various fees were rounded to the nearest nickel, quarter, dollar, etc. to facilitate cash handling.

Recreation Programs

New fees are proposed for adult and youth swimming lessons in a ratio of 1 instructor to 2 participants at a rate of \$78.30 per hour for adults and \$68.92 for youth effective September 1, 2025. The intention is to offer more flexibility regarding programming and comfort level of participants. The fee is based on a pro-rated amount of the fee currently offered swimming lessons at a ratio of 1 instructor to 3 participants.

Staff also recommend a new School Tech Visit fee per student per day at a rate of \$5.00, effective September 1, 2025, in order to support and accommodate basic Technical Arts student training in the Performing Arts Technician field. The fee has been set to recover direct costs associate with staff time required.

Facilities and Parks

Staff recommend the introduction of new fees to provide for additional booking options for the Holcim Gallery. New fees were also introduced to recover the cost of Inclusion Support Workers and Sports Instructors required for programming.

Development

A reduction to the Per Unit Processing fee from \$505 to \$400 is recommended based on the most current forecasting of expected building unit applications relative to the cost of the non-planning staff time in administering those applications and projections of the Per Unit Processing Reserve Fund balance over the next six years.

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Transit

Transit fares and associated fare policies play a key role in maintaining and enhancing service effectiveness, sustainability and quality. Transit fares are collected to:

- Manage costs of operations, fuel and maintenance;
- Balance the proportion of municipal subsidy and passenger contribution; and
- Enhance service quality and value propositions

Fare adjustments are considered annually as part of the User Fee Bylaw update and are guided by the following Fare Policy objectives:

- Offer a simple fare structure that is fair, equitable, easy to understand/use, convenient to access
- Align fare product pricing to service quality and improvements to maintain customer loyalty and attract new riders
- Set rates to reduce direct operating cost of services and review fare pricing annually to maintain financial sustainability and customer affordability
- Integrate fares to encourage seamless travel across the GTHA
- Adopt fare collection technology to enhance customer convenience, payment options and minimize fare revenue processing and handling costs.

Staff have conducted an environmental scan of GTHA system fares to compare pricing, concession discounts and associated fare programs. Additionally, short-term fare policy and fare structure policy recommendations from the Council-endorsed Milton Transit Five-Year Service Plan and Master Plan Update (CORS-021-24) have been reflected in this User-Fee By-law update.

Given the above policy objectives and proposed Five-Year Service Plan considerations, staff are recommending a 3% average price increase across all concession fare categories (excluding cash fares), effective January 1, 2026 (Schedule L). The fare increase is in line with the projected 2026 Municipal Price Index (MPI) and will apply to conventional, specialized and OnDemand services as per fare parity compliance with the Integrated Accessibility Standards Regulation (IASR 191-11).



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Financial Impact

The revised fees will be incorporated into the 2026 budget. Increases in fees will assist in mitigating pressure on the property tax rate and are expected to generate revenues in an amount that will offset an approximate 0.72% increase in property taxes for 2026.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Jennifer Kloet, CPA, CA

Phone: 905-878-
7252 Ext. 2216.

Attachments

Appendix A - Municipal Price Index

Appendix B - Summary of Proposed Changes (excluding MPI) to User Fee By-law 071-2025

Appendix C - Draft User Fee By-law 071-2025

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.