



Staff Report

Corporate & Financial Services – Finance

Report To: Special Committee of the Whole
Meeting Date: October 14, 2025
Report Number: CFS.25.053
Title: 2026 Staff Proposed Draft Fees and Charges
Prepared by: Michael Switzer, Deputy Treasurer/Manager of Budgets and Accounting

A. Recommendations

THAT Council receive Staff Report CFS.25.053, entitled “2026 Staff Proposed Draft Fees and Charges”;

AND THAT Council receive the 2026 Proposed Draft Fees and Charges as attached.

B. Overview

The Town’s Fees and Charges are reviewed annually as part of the annual Operating Budget. When reviewing and preparing the 2026 Fees and Charges, staff considered end user affordability, user flexibility, maximizing facility use, neighbouring municipality comparisons and community benefit.

C. Background

Sections 390 to 400 of the *Municipal Act, 2001* are the sections which govern the municipal authority to impose fees and service charges or activities it provides. The Act requires all fees and charges and any additions or amendments to fees and charges be set by by-law.

Annually, as part of the operating budget process, staff review the current fees and charges and provide Finance and Corporate Services staff with requested changes, additions, or deletions to their fees. The new fees and charges take effect on January 1st of the following year.

D. Analysis

Fees are predominantly calculated on a cost recovery basis up to an amount determined by the department’s goals or guidelines, which in many cases aims to be a full recovery. The costs considered for recovery are those associated with the delivery of services, and for the ongoing maintenance of the facilities, equipment and other infrastructure that the municipality operates. As in past years, the Town will experience cost increases in 2026 for several reasons including, but not limited to, inflationary increases, increased costs for utilities, generally higher costs for equipment purchases and maintenance and higher wages.

While Staff also compare user fees to other local municipalities, it may not be accurate comparison since neighbouring municipalities have differing cost structures, recovery objectives or user fee policies. Where staff have used a benchmark based on surrounding municipalities, it has been determined that the cost structures and policies are also comparable and therefore these comparators are valid bases for determining a pricing structure.

As part of the operating budget process and similar to the procedures followed in prior years, Department Heads have reviewed their respective fees and charges and have provided recommended changes to recover costs associated with providing these services.

The majority of changes are based on the annual Consumer Price Index (CPI) that is applied to non-unionized Staff salaries and benefits (1.7%). Department Heads were provided with the inflated fee from 2025 and, based on feasibility, left the increased fee as proposed (rounded to whole numbers), increased the fee further, requested the fee remain at the 2025 level, and/or updated the fee based on appropriate municipal benchmarking.

The 2026 Proposed Fees and Charges are shown in Attachment 1 with comparatives from 2025 as well as notes for any significant changes.

Significant Changes for 2026

1. Charging \$4 for every Garbage Bag (Residential Collection)

In 2025 and years prior, the garbage bag tag system within the Town allowed for the first bag to be free and subsequent bags to be tagged up to a maximum of three bags. In 2025, the first bag was free, the second bag required one tag at \$5.00 a tag and the third bag required two tags. Staff are recommending changing this to align with neighbouring municipalities. The bag tag price will drop to \$4 per tag (aligning with neighbouring municipalities) and each bag must be tagged, up to a maximum of three bags per week for collection. Implementing a flat fee of \$4 per garbage bag is projected to generate an additional \$750,000 in revenue in 2026. This revenue will offset the tax rate levy increase by 3.25%.

2. Planning, Building and Development Engineering Division Fees

The Building Division has implemented new fees after a comprehensive external review was completed. It is important to note that these fees have not been increased since 2014. While the fees have already been implemented in 2025, Staff are not recommending increasing them for 2026 since they were only just implemented.

Planning and Development Engineering Fees and Charges have also been reviewed professionally and will be presented to Council separately. Once approved, they will be added to the Fees and Charges By-Law.

3. Fire Services Fees

Several fees under the Fire Services division are being increased higher than the CPI inflated fee. This further increase was decided by Department Heads to bring the fees closer to a full cost recovery model(See Attachment 1). As well, a new fee, Fire Burn Permit, is being proposed. The Town is proposing burn permits to manage fire safety, protect public health and ensure compliance with environmental regulations. These permits help prevent uncontrolled fires, limit harmful emissions and provide oversight, ultimately enhancing community safety and resource management. Staff are recommending introducing this new fee at \$40.00 per permit which is aligned with neighbouring municipalities. This is anticipated to generate approximately \$25,000 in new additional revenue in 2026 which will offset the tax rate levy increase by 0.11%.

4. Tomahawk Golf Course

New fees are being recommended for the Tomahawk Golf Course. These fees are for youth green fees, youth memberships and commercial youth camps. Historically, youth have not been charged green fees (100% subsidy) and thus memberships were not available (redundant with 100% subsidy). With the new Subsidy Policy in place, Staff are now recommending adding these to the Fees and Charges By-Law. Staff are anticipating this will generate approximately \$26,000 in additional revenue which will offset the tax rate levy increase.

5. Licensing Fees

Several fees within the By-Law and Licensing fees and charges (See Attachment 1) are recommended to remain unchanged from the 2025 rate. Staff plan to review and research these fees in 2026 to ensure they align with rates in neighbouring or comparable municipalities. Additionally, staff will investigate the true cost of service recovery now that a new software has been introduced to assist Licensing staff with this program.

Staff have added pet licensing fees to the By-Law. These fees were previously covered under the Animal Control By-Law, but this By-Law is being reviewed and it is being recommended that the fees be added to the Fees and Charges By-Law.

6. Solid Waste Fees

Staff have identified an opportunity to begin charging for residential brush and commercial chipped brush at the Landfill. Historically, these materials were free of charge, but both have been identified as materials the landfill sees significant amounts of that it is difficult and costly to manage. Staff are recommending charging \$75.00 per tonne for residential brush and \$113 per tonne for commercial chipped brush. The anticipated new revenue generated by these is anticipated to be approximately \$29,000 which will help offset the tax rate levy increase.

7. Water and Wastewater Fees

The Town's Water and Wastewater Rate Study is underway and on schedule; results will be incorporated into the next draft of the 2026 Budget for Council's review.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

N/A

G. Financial Impacts

Overall, the net changes in fees is expected to better cover service costs and limit tax increases by ensuring those that directly benefit from service contribute to its cost. The proposed fees have been reflected in the 2026 Draft Budget.

H. In Consultation With

Monica Quinlan, Director of Corporate and Financial Services
Heather McFarlane, Budget Analyst

I. Public Engagement

The topic of this Staff Report will be the subject of a Public Meeting in accordance with the following schedule:

- (October 14, 2025) Special Committee of the Whole – Initial staff report (CFS.25.053) for Council to consider proposed fees and charges
- (October 20, 2025) Council – recommendations from Special Committee of the Whole Meetings considered by Council and direction received to proceed to Public Meeting
- (October 21, 2025) Public Meeting Notice posted [usually the day after Council confirms direction];
- (November 10, 2025) Public Meeting
- (November 17, 2025) Committee of the Whole – Follow up report to the Public Meeting, attaching comments received in response to the Public Meeting;

- (December 1, 2025) Council – recommendation from Committee of the Whole considered by Council, and related By-law, if any

Any comments regarding this report should be submitted to Michael Switzer, Deputy Treasurer/Manager of Budgets and Accounting budgetteam@thebluemountains.ca

J. Attached

1. 2026 Staff Proposed Draft Fees and Charges

Respectfully submitted,

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For more information, please contact:
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