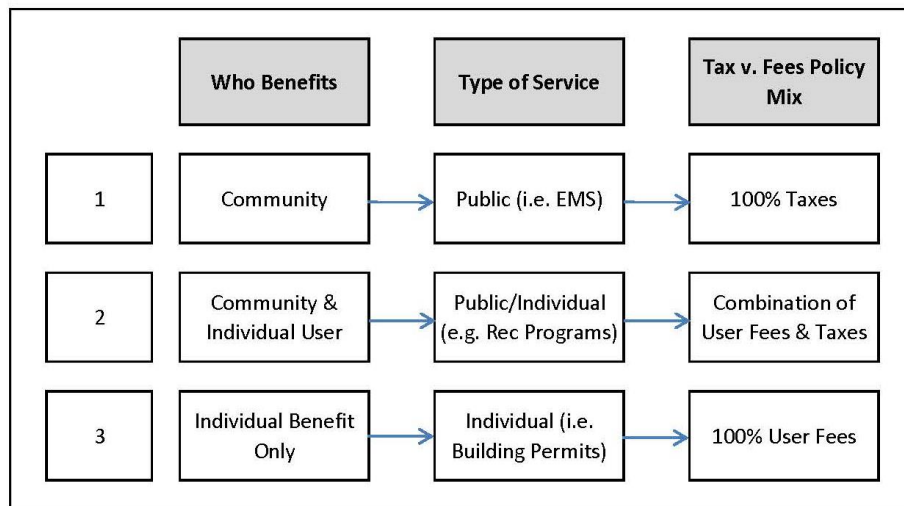


## **User Fees and Service Charges Policy**

There are very few limitations/restrictions on fees and charges under the Act or related Regulations. There is also no requirement to consult the public prior to imposing such fees (with exception of Building Permit Fees which requires a public meeting). The County's Public Notice Policy provides specific notice to the public, at least once in a local weekly newspaper as well as on the County website, prior to passing a by-law imposing fees and charges (although there is no legislative requirement to do so). There is no other outside approval required with the exception of cemetery fees that must be submitted to the Cemetery Registrant for review. As a result, the legislative authority is very broad with respect to Council's authority to establish fees and charges.

County fees fall into three broad categories:



## **Principles:**

The following principles are used to govern the County's user fees:

### **1. When to Charge User Fees:**

When it is determined that a service or activity provided by the County or Local Board confers a direct benefit on individuals, identifiable groups or business, a user fee will be set to recover the cost of providing the service.

If the charge is of a direct benefit to an individual only, the fee determined will cover the full cost of the service. When the service provided provides a benefit to both the individual user and to the community as a whole, then the fee will be subsidized by other revenue sources (e.g. taxation). When a service benefits the community as a whole, it will be funded by direct taxation revenues.

### **2. Full Service Costs:**

The full cost of providing each User Fee Service will be determined as a starting point for setting each user fee, regardless of whether the full cost will be recovered.

### 3. Calculation of Full Cost

The full cost of each User Fee shall include the direct costs and indirect cost as outlined in the County's **Schedule R Template**. This template is updated annually once the budget is approved. It can be located in Excel, under the Finance tab under "My Templates". Divisional staff are encouraged to contact their Financial Analyst for assistance in calculating any user fees to ensure that all applicable costs captured appropriately.

### 4. Subsidy

Where less than the full cost of providing a user fee service is to be collected, the cost of providing the service is to be subsidized by other revenues. Current areas where subsidies form a part of the user fee structure include the following:

<b>Program/Service</b>	<b>Current Approved Subsidy Level</b>
Arenas	61%
Registered Pool Programs	34%
Recreation Programs	41%
Parks	86%
Cemetery Operational Fees *	30%

*\* Currently under review*

Subsidy levels for Arenas, Registered Pool Programs, Recreation Programs, and Parks are based the following principles:

#### **Basic Principles for Recreation Fees**

- a) Foster active healthy living through physical activity and increase participation.
- b) Increase inclusion and access to recreation for all residents.
- c) Providing opportunities for choice of activity and that encourage participation in recreation and build strong, caring communities.
- d) Assumption that the investment and ongoing investments in capital facilities generate the expectation of access and use.
- e) The charging of fees should be consistent in terms of whether the service is a registered program or open access and supports healthy lifestyles. Following the Facility Booking Allocation Policy, fees should be structured so the County is competitive to those charged within the wider marketplace in nearby rural communities such that the use of the service is promoted – i.e. the fees should not be an incentive to look elsewhere.
- f) The fees charged for a service should be consistent across the County irrespective of the location by which they are offered.

### 5. Grants, Waivers and Exemptions

Grants, waivers and exemptions to the User Fee Policy may only be awarded if approved by Council, unless authority has been delegated elsewhere.

6. Annual Inflationary Adjustment

Prior to the beginning of the upcoming fiscal year, Finance staff will coordinate and prepare an annual update to the current approved user fees, to be effective January 1<sup>st</sup> unless otherwise noted in the User Fee Schedules. It is the intent to use an average of historical increases (budget, actuals, and average residential tax increase) to moderate the annual impacts on fee changes year over year. By using the County's actual historical year over year increases as the basis for the inflationary adjustment, the user fee changes will better reflect the true costs of the services provided than if a more non-specific increase were to be used (e.g. CPI). There may be instances, however, where the regular inflationary increase is not reasonable. For example, small fees that are rounded for cash handling purposes will need to be reviewed on a case by case basis, as they are often subject to higher increases than the inflationary adjustment due to rounding. In these circumstances, it is suggested that these fees be increased on a bi-annual basis.

As the user fees related to water and wastewater are reviewed along with the budget, the related economic adjustment is to be determined based on the year over year budget increase on the costs drivers. For example, the 2017 economic adjustment would be based on the budgeted increase in drivers over what was budgeted in 2016.

7. User Fee Review

Once initial fees are established, they will be reviewed annually to incorporate the inflationary adjustment mentioned previously, where applicable. A fulsome review for these fees should be considered every five years. If a user division initiates a review outside of the proposed schedule, then the schedule will be adjusted to reflect this change in timing.

8. Public Notice

When user fees are recommended to be introduced or changes, the public will be notified. Public consultation should be included in the process as required (i.e. Building Permits).

9. All Fees Approved by Council

User fees for all programs and services will be approved by Council before implementation. User fees charged by Local Boards will also require approval by Council.

10. Policy Review

This policy should be reviewed annual in conjunction with the user fee update, or at any time there is any significant change in the application of the underlying principles contained herein.