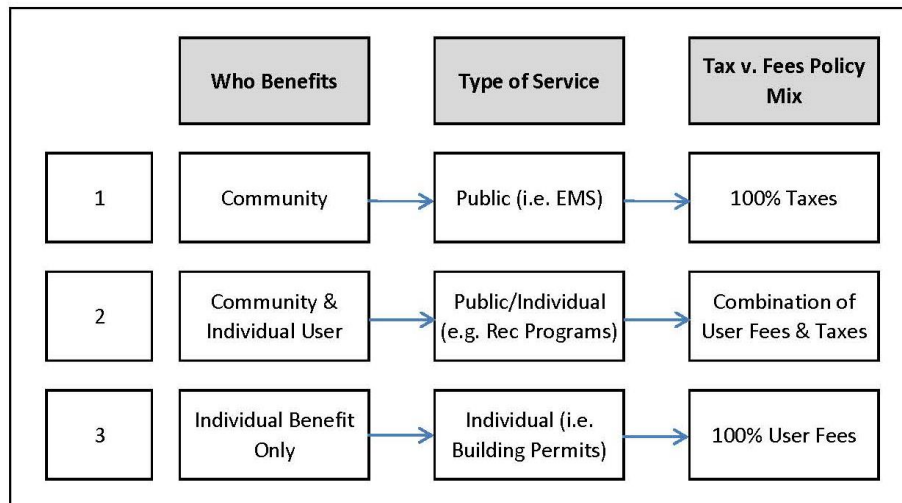


## User Fees and Service Charges Policy

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.

## User Fees and Service Charges Policy

### 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:

Program/Service	Current Approved Subsidy Level
Arenas/Community Halls	40%
Pool Programs	45%
Active Park Programs	35%
Recreation Programs	35%
Cemetery Operational Fees*	30%

*\*Currently under review through the Cemetery Study*

### 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 in future years to moderate the annual impacts on fee changes year over year. Until sufficient historical data is obtained, the annual inflationary increase is to be based on an analysis of the underlying cost increases from the prior two years. 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.

### 7. User Fee Review

Once initial fees are established, they will be reviewed annually to incorporate the inflationary adjustment mentioned previously, where applicable. A complete review of these fees should be considered every five years. See **Attachment 2** for the current schedule. 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 changed, 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.