

Council Policy

Policy Name: User Fees and Charges
Department Name: Financial Services
Policy No.: FIN-030
Effective Date: April 23, 2013

Review Date: April 23, 2017

STATEMENT:

The Regional Municipality of Wood Buffalo (the “municipality”) will impose user fees and charges to recover full costs or a percentage thereof where it is determined that a service, good or use of Municipal facilities provides direct benefits to identifiable individuals, groups of individuals or businesses, beyond those that accrue to the general public.

PURPOSE AND OBJECTIVE:

The purpose of this Policy is to:

1. Provide a decision-making framework regarding pricing of user fees and charges,
2. Lead to a consistent and transparent process of establishing, evaluating and approving imposition of user fees and charges,
3. Support community priorities.

PROCEDURES:

1. Definitions

- 1.1. Charge – A Direct cost to purchase a right to engage in a certain activity or ownership. This may also refer to discourage a certain activity.
- 1.2. Mixed Benefit – This is a benefit that accrues to the general public as well as specific individuals, group or businesses.
- 1.3. Private Benefit – This is a benefit that accrues to specific individuals, groups or businesses. It is possible to prevent someone from accessing this benefit.
- 1.4. Public Benefit – This is a benefit that accrues to the general public.
- 1.5. User Fee – A fee charged for the use or access to a municipal facility or service.

2. Responsibilities

- 2.1. Council to:
 - 2.1.1. Approve the policy.

2.2. Chief Administrative Officer (CAO) to:

2.2.1. Implement this policy.

3. Imposing User Fees and Charges

3.1. Full Cost Recovery:

Where it is determined that a service or good or access to a facility provided by the Regional Municipality of Wood Buffalo provides a direct benefit to individuals, group of individuals or businesses, a user fee or charge will be imposed to recover full cost of providing the service, good or access to facility.

3.2. Partial Cost Recovery:

Where it is determined that a service or good or access to a facility provided by the Regional Municipality of Wood Buffalo provides a direct benefit to individuals, groups of individuals or businesses but also results in benefits to the general public, such will be partially funded by means of a public subsidy from general property tax revenue.

4. Full Service, Good or Amenity Cost

The full cost of providing each service, good or facility will be determined as the starting point for setting the user fee or charge, regardless of whether the full cost will be recovered. This basis will be reviewed at least annually as part of the budget development process to confirm that it continues to be accurate.

5. Determination of Full Service, Good or Facility Cost

Full cost of a service, good or facility shall include the direct costs and indirect costs, including operations, maintenance and overhead, of providing the service or activity; and the applicable portion of capital cost to replace assets utilized to provide the service or activity.

6. Subsidies, Waivers and Exemptions

Where less than the full cost of providing a service, good or amenity is to be collected, the unfunded cost of providing the same shall be subsidized by general revenue. The reasons for the subsidy or waiver shall be provided as basis for seeking Council approval. The request will include conditions and criteria for awarding the subsidy or waiver or exemption.

7. Annual Inflationary Adjustment

Annual inflationary adjustments to user fees and charges will be adjusted as part of the budget development process. Authority is delegated to the CAO or designates to determine the annual inflationary adjustment to each user fee or charge based on the projected rate of inflation or applicable index for the upcoming year.

8. Approval of User Fee or Charge

All user fees and charges will be approved by Council through the use of resolutions and/or bylaws where applicable, as part of the annual budget development and approval process.

9. Benefit Pricing and Funding Philosophy

The following are desirable regarding benefit pricing and funding:

- 9.1. Mixed benefit: To be funded through a mix of user fees and charges and general revenue.
- 9.2. Private benefit: To be funded through user fees and charges.
- 9.3. Public benefit: To be funded through general revenue.

APPROVAL, MANAGEMENT AND REFERENCES:

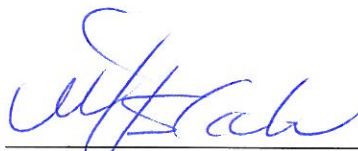
This policy shall be reviewed in (4) years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

Approving Authority: Council
Approval Date: November 5, 1985

Revision Approval Dates: November 5, 1985, June 22, 1993, April 23, 2013
Review Due: 2017

Policy Manager: Chief Financial Officer
Department Contact: Director of Finance


Legal References:
Cross References:



Melissa Blake, Mayor



Surekha Kanzig, Chief Legislative Officer



Date