

Report to Council



Date: April 7, 2025
To: Council
From: City Manager
Subject: Fees and Charges Council Policy
Department: Financial Services

Recommendation:

THAT Council receives for information, the report from Financial Services dated April 7, 2025 with respect to a fees and charges policy;

AND THAT Council directs staff to report back to Council with a Fees and Charges Council Policy, as outlined in the report from Financial Services dated April 7, 2025.

Purpose:

To receive information regarding and direct staff to prepare a Council policy to guide fees and charges development City-wide.

Background:

Currently there is no Council policy that establishes principles and directives for staff to recommend uniform and consistent fees and charges for City goods and services.

Discussion:

A fees and charges policy establishes a framework for the process, rationale, and information necessary to establish an appropriate fee or charge. The following principles underlie the policy:

1. **Charge categories:** Those who receive benefits from a particular municipally-provided good or service should pay for that good or service according to the level or value of the benefit received, and those who do not benefit from the good should not pay for it. User fees will be based on a benefits-based approach:
 - a) **100% user fees:** The benefit of the goods or service can be fully contributed to the user and the costs are fully funded by revenue from user fees.

- b) **Discounted user fees:** Goods or services with some community benefits are funded by a combination of revenues from user fees and taxation. Programs and services promoting health, wellness, cultural engagement and accessibility reflect such community benefits.
 - c) **100% taxation funded:** The benefits of the goods or services cannot easily be ascribed to an individual user or a user fee is not desirable due to the overall community benefit.
 - d) **Net revenue generating:** A good or service provided outside the core services may be evaluated for an opportunity to generate revenues exceeding its cost. The excess is to be used to support other services offered by the City and reduce taxation.
 - d) **Other fees and charges:** Cost incurred by the City due to user actions, including but not limited to non-compliance, damage to City property, extraordinary or non-core emergency response will be 100% user paid.
- 2. **Charge recovery:** The full cost of delivering a service or good includes direct, indirect and capital costs. Fees and charges will aim to recover the full cost of providing the good or service, where appropriate, to reduce the burden on general taxation.
 - 3. **Resident priority:** The City follows a residents first policy for any discounted user fees. As residents pay taxes and contribute to general funding, granting preferential access and discounts ensures that the primary stakeholders derive the maximum benefit from the services provided. The following approach will be taken when considering a resident/non resident fee structure:
 - a) Evaluate demand from residents and non-residents and determine if preferred access for residents is beneficial.
 - b) Discounted user fees are primarily for residents. Non-residents will pay a 100% of the user fee. Higher revenues through the non-resident rate need to offset the cost to administer. Additionally, qualitative factors such as community impact may be considered to determine the appropriateness of the fee.
 - 4. **Administrative efficiency:** The implementation and collection of fees and charges will be administered efficiently and cost-effective. The revenues generated through user fees need to be greater than the administrative costs of implementing and administering a user fee. Surge premium or discount structures can be applied to realize the best financial position for the City by considering the demand for a service.
 - 5. **Ongoing Review:** Fees and charges will be adjusted annually for inflation and a regular review will be conducted to ensure they remain in line with market pricing, fair, equitable, and aligned with the cost of service delivery. Adjustments will be made as necessary to reflect changes in costs, market conditions, and strategic priorities.

Conclusion:

A fees and charges policy will help the City in achieving its corporate goal of active financial management. Charging appropriate fees and charges for goods and services reduces the reliance on taxation.

Considerations applicable to this report:

Legal/Statutory Authority: [Community Charter section 194](#)

Legal/Statutory Procedural Requirements: Fees and Charges must be established in a Bylaw.

Existing Policy: [Council Policy No. 222 Recreation and Cultural Services – Philosophy/Fees & Charges Policy](#)

Considerations not applicable to this report:

Financial/Budgetary Considerations
Consultation and Engagement
Communications Comments

Submitted by: M. Warrender, Deputy Chief Financial Officer

Approved for inclusion: J. Sass, General Manager Corporate Services

Attachments:

Council Policy – fees and charges draft