

USER FEES & CHARGES

Date Issued: September 10, 2019 – R160-19 Mandated by: Council

Current Revision: September 10, 2019

Cross Reference:

- Operating and Capital Budgets Policy
FIN-024-C
- Public Engagement Policy GOV-006-C

Next Review: January 1, 2023

Responsibility: City Manager

1. PURPOSE

The City establishes and collects User Fees and Charges in exchange for goods and services offered to the community. User Fees and Charges allow the costs of goods and services to be equitably distributed among users and the general public, thereby reducing the City's reliance on property taxes as a primary funding source. The City recognizes that User Fees and Charges are an important source of revenue critical to achieving the City's objective of long-term financial sustainability.

2. POLICY

This Policy establishes a consistent and transparent approach to considering and establishing User Fees and Charges for relevant goods and services offered by the City. It provides an analytical framework and process to examine the applicability, including reasonableness, of User Fees and Charges for specific services and functions. Further, if User Fees and Charges are to be used for a particular service, the process for establishing the User Fees and Charges should be transparent and reasonable.

3. DEFINITIONS

3.1 *Amenity-Based Pricing* – means the practice of setting prices on the amenities contained within each facility rather than setting a uniform price for all facilities.

3.2 *Capital Cost* – means the cost of buildings, engineering structures, vehicles, machinery, and equipment, as well as the related financing costs, if applicable.

3.3 *City* – means the City of Fort Saskatchewan.

3.4 *City Manager* – means the Chief Administrative Officer of the City.

3.5 *Comparator* – means a municipality with one or more characteristics in common with the City such as size, population, demographics, economy, etc. that is used for drawing comparisons.

-
- 3.6 *Convenience Pricing* – means the practice of setting prices that takes into account the convenience of the customer’s payment for a particular good or service, such as rounding to the nearest dollar.
- 3.7 *Cost Recovery Ratio* – means the ratio of total revenues to total costs applicable to the provision of a good or service.
- 3.8 *Council* – means the Mayor and Councillors of the City, both together and individually.
- 3.9 *Customer Class* – means the categorization of customers based on an identifiable characteristic common to all customers in the class. Some examples include youth, adult, family, senior, student, non-profit, and low-income.
- 3.10 *Demand Analysis* – means an analysis of the market demand for a good or service that relates the impact of price changes to changes in total revenues and costs.
- 3.11 *Direct Costs* – means costs that can be assigned to individual activities in the production of specific goods and services.
- 3.12 *GST* – means the Goods and Services Tax as applicable in Canada.
- 3.13 *Indirect Costs* – means general costs that are required to operate the City but cannot be assigned to individual activities in the production of specific goods and services (e.g. overhead costs).
- 3.14 *Inflation Rate* – means the annualized percentage change in the general price level of goods and services as measured by a general price index, such as the consumer price index (CPI) prepared by Statistics Canada, or the municipal price index (MPI) prepared by the City of Edmonton.
- 3.15 *MGA* – means the *Alberta Municipal Government Act*.
- 3.16 *Peak-Load Pricing* – means the practice of setting a price higher during periods of high demand and lower during periods of low demand to regulate the demand for a good or service within a manageable level of what can be supplied.
- 3.17 *Pricing Methodology* – means the general process and criteria used in determining the price of a good or service.
- 3.18 *Relevant Service* – means a service that helps address the City’s priorities and advances the essential wants and needs for the community expressed in the City’s policies, strategic documents, and levels of service documentation.
- 3.19 *Societal Benefit* – means an external benefit to society at large that is derived from an individual’s consumption of a good or service, which may include economic, environmental, or social benefits.
- 3.20 *Tax Subsidy* – means the portion of the cost to produce a good or service that is recovered through property taxes rather than by the sale of the good or service, in order to keep the price of the good or service at a desired level.
- 3.21 *User Fees and Charges* – means a payment charged in exchange for a good or service provided by the City.

4. GUIDING PRINCIPLES

The following principles and guidelines shall be considered when determining the applicability and scope of setting User Fees and Charges, and for the examination and determination of User Fees and Charges for the full range of goods and services the City offers.

4.1 Benefits Received Principle

Those who receive benefits from a particular good or service provided by the City should contribute to the cost of providing that good or service according to the level, or value of the benefit received. Furthermore, those who do not receive benefits from a particular good or service should not contribute to the cost of supplying that good or service.

4.2 Cost Recovery Principle

The full cost of providing a good or service including operating expenses, administrative costs, and Capital Costs should be the starting point for calculating an appropriate User Fee and Charge. This principle does not imply that all incurred costs need to be recovered through User Fees and Charges. Rather, an understanding of the full costs of service delivery helps inform decisions such as determining the level of Tax Subsidy for a particular good or service.

4.3 Capital Assets: Full Life Cycle Costing Principle

Over time, the City's existing infrastructure and assets will decline and will require long-term repair, maintenance, and replacement. It is incumbent upon the City to properly manage these assets and to ensure that they are maintained in a state of good repair. Full life cycle costs should be considered when determining User Fees and Charges to ensure that adequate funds are available to meet the City's future asset repair, maintenance, and replacement needs.

4.4 General Tax Supported Principle

The cost of providing goods and services that benefit citizens as a whole should be recovered through property taxes. These types of goods and services include roads, parks, public safety, fire, and disaster recovery.

4.5 Targeted Subsidy Principle

The City may choose to subsidize goods and services provided to specific individuals and/or groups for purposes of achieving a desired result. Targeted subsidies are most often directed at individuals or groups sharing common attributes such as certain age categories (e.g. seniors and youth), non-profit, low-income, etc.

4.6 Service Efficiency / Allocation of Resources Principle

The City operates in an environment of limited resources and an ever-increasing public demand for municipal goods and services; therefore, User Fees and Charges should be priced to ensure optimal service delivery and an efficient allocation of resources.

5. FUNDING CATEGORIES

For the purpose of establishing User Fees and Charges, each good or service shall be classified into one of four alternate funding categories as follows:

5.1 Non-Tax Supported (Full User Fee)

City-provided goods and services that are fully funded by revenues from User Fees and Charges with no property tax support. These are goods and services where the full benefits received principle applies and include such services as water and wastewater distribution, and solid waste collection.

5.2 Fully Tax Supported (No User Fee)

City-provided goods and services for which the benefit from consumption cannot be easily ascribed to an individual, or a User Fee and Charge is not practical or desirable, should be fully funded from property taxes. A fully tax-supported good or service is one for which the full costs are recovered through property taxes, therefore no User Fees and Charges are charged. Services under this category include police, fire, roads, and parks.

5.3 Partially Tax Supported (Reduced User Fee)

Some City-provided goods and services are funded by a combination of revenues from User Fees and Charges and property taxes. Costs that are not fully covered by User Fees and Charges are subsidized through property taxes. A good or service potentially falls within this category, if the benefit from consumption is realized by an individual as well as society as a whole, and a User Fee and Charge can be charged. Services under this category include transit and recreation.

5.4 Licenses, Permits and Approvals

Licenses, permits, and approvals are used by the City to regulate the use of private property in a specified manner. These types of services are typically fully funded from application fees and charges and users can be fined for non-compliance. Some examples include building permits, development permits, business licenses, and pet licenses.

6. KEY FACTORS

The key factors to consider when establishing new User Fees and Charges, and for reviewing existing User Fees and Charges are as follows:

6.1 Assessment for Relevance

Review and assessment of relevance and role of City in delivery of specific service it should offer; when a Relevant Service should start, stop, or be adjusted to reflect changing needs and/or available resources.

6.2 Pricing Methodology

a) Each User Fee and Charge shall be supported by a Pricing Methodology, which forms the basis for calculating and setting the User Fee and Charge for each good or service. The pricing methodology

shall consider an estimate of the full cost of producing the good or delivering the service, which includes the following:

- i) all Direct and Indirect Costs;
 - ii) all Capital Costs including debt amortization, depreciation, and lifecycle costs; and
 - iii) administrative overhead costs, which can be reasonably attributed.
- b) The pricing and types of User Fees and Charges established shall conform to the MGA, and any other relevant legislation.

6.3 Cost Recovery

- a) Full cost estimates shall be used as the basis for determining an appropriate Cost Recovery Ratio for each type of good or service produced.
- b) City departments shall review the performance of their User Fees and Charges relative to their Cost Recovery Ratios at least annually, and shall use that information to establish the prices of User Fees and Charges in the future.

6.4 Pricing Strategy

- a) Consideration shall be given to differential pricing strategies, which include the following:
 - i) Peak-Load Pricing;
 - ii) Amenity-Based Pricing;
 - iii) pricing based on Customer Class; and
 - iv) pricing based on location.
- b) Other considerations for the development of a pricing strategy include:
 - i) a Demand Analysis for the good or service;
 - ii) an estimation of the value of the good or service to consumers;
 - iii) an estimation of the Societal Benefit associated with the consumption of the good or service;
 - iv) an analysis of the existing market price, if applicable;
 - v) an analysis of the potential use of Convenience Pricing for the good or service;
 - vi) identification of whether GST is included or excluded in the published price. GST should normally be excluded from the published price unless there is a supported business reason for including GST; and
 - vii) standard business practices.

6.5 Comparators and Existing Market

Consideration shall be given to User Fees and Charges established and collected by Comparators, and/or other entities operating in the existing market, for the provision of similar goods and services in order to assess the applicability, scope, and reasonableness of existing User Fees and Charges, and for proposing new User Fees and Charges.

6.6 Inflation Rates

Consideration shall be given to Inflation Rates when estimating the full cost of producing a particular good or service, and for reviewing and setting the prices of User Fees and Charges.

6.7 Public Engagement

Public engagement promotes openness and transparency by allowing the City to clearly communicate the expectations, goals, and outcomes to the public, and ensures that stakeholders have been granted reasonable opportunity to express their concerns, needs, and priorities.

a) Wherever practical, the City shall endeavour to engage the public and provide them the opportunity to be part of the discussion for the introduction of new User Fees and Charges, or proposed changes to existing User Fees and Charges.

b) The City shall make a schedule of all User Fees and Charges available to the public.

7. AUTHORITY / RESPONSIBILITY TO IMPLEMENT

7.1 The City Manager is responsible for administrative compliance and monitoring of this Policy.

7.2 The City Manager may delegate responsibility to the Chief Financial Officer to establish and administer compliance with this Policy, and for compliance with City bylaws, the MGA, and other applicable legislation.



USER FEES & CHARGES

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Chief Financial Officer
-

1. PURPOSE

- 1.1** The City establishes and collects User Fees and Charges in exchange for goods and services offered to the community. User Fees and Charges allow the costs of goods and services to be equitably distributed among users and the general public, thereby reducing the City’s reliance on property taxes as a primary funding source. The City recognizes that User Fees and Charges are an important source of revenue critical to achieving the City’s objective of long-term financial sustainability.
- 1.2** These Procedures establish a formalized approach to considering and establishing User Fees and Charges for relevant goods and services offered by the City. They provide an analytical framework and process to examine the applicability, including reasonableness, of User Fees and Charges for specific services and functions. Further, if User Fees and Charges are to be used for a particular service, they help ensure the process for establishing the User Fees and Charges is transparent and reasonable.

2. DEFINITIONS

- 2.1** *Amenity-Based Pricing* – means the practice of setting prices on the amenities contained within each facility rather than setting a uniform price for all facilities.
- 2.2** *Capital Cost* – means the cost of buildings, engineering structures, vehicles, machinery, and equipment, as well as the related financing costs, if applicable.
- 2.3** *City* – means the City of Fort Saskatchewan.
- 2.4** *City Manager* – means the Chief Administrative Officer of the City.
- 2.5** *Comparator* – means a municipality with one or more characteristics in common with the City such as size, population, demographics, economy, etc. that is used for drawing comparisons.
- 2.6** *Convenience Pricing* – means the practice of setting prices that takes into account the convenience of the customer’s payment for a particular good or service, such as rounding to the nearest dollar.
- 2.7** *Cost Recovery Ratio* – means the ratio of total revenues to total costs applicable to the provision of a good or service.
- 2.8** *Council* – means the Mayor and Councillors of the City, both together and individually.

-
- 2.9** *Customer Class* – means the categorization of customers based on an identifiable characteristic common to all customers in the class. Some examples include youth, adult, family, senior, student, non-profit, and low-income.
- 2.10** *Demand Analysis* – means an analysis of the market demand for a good or service that relates the impact of price changes to changes in total revenues and costs.
- 2.11** *Direct Costs* – means costs that can be assigned to individual activities in the production of specific goods and services.
- 2.12** *GST* – means the Goods and Services Tax as applicable in Canada.
- 2.13** *Indirect Costs* – means general costs that are required to operate the City but cannot be assigned to individual activities in the production of specific goods and services (e.g. overhead costs).
- 2.14** *Inflation Rate* – means the annualized percentage change in the general price level of goods and services as measured by a general price index, such as the consumer price index (CPI) prepared by Statistics Canada, or the municipal price index (MPI) prepared by the City of Edmonton.
- 2.15** *MGA* – means the Alberta *Municipal Government Act*.
- 2.16** *Peak-Load Pricing* – means the practice of setting a price higher during periods of high demand and lower during periods of low demand to regulate the demand for a good or service within a manageable level of what can be supplied.
- 2.17** *Pricing Methodology* – means the general process and criteria used in determining the price of a good or service.
- 2.18** *Relevant Service* – means a service that helps address the City’s priorities and advances the essential wants and needs for the community expressed in the City’s policies, strategic documents, and levels of service documentation.
- 2.19** *Societal Benefit* – means an external benefit to society at large that is derived from an individual’s consumption of a good or service, which may include economic, environmental, or social benefits.
- 2.20** *Tax Subsidy* – means the portion of the cost to produce a good or service that is recovered through property taxes rather than by the sale of the good or service, in order to keep the price of the good or service at a desired level.
- 2.21** *User Fees and Charges* – means a payment charged in exchange for a good or service provided by the City.

3. PROCEDURES

3.1 Culture Services – Appendix 1

3.2 Economic Development – Appendix 2

3.3 Family and Community Support Services – Appendix 3

3.4 Fleet, Facilities and Engineering – Appendix 4



-
- 3.5 Fire Services – Appendix 5**
 - 3.6 Legislative Services – Appendix 6**
 - 3.7 Planning and Development Services – Appendix 7**
 - 3.8 Protective Services – Appendix 8**
 - 3.9 Public Works:**
 - 3.9.1 Cemetery – Appendix 9**
 - 3.9.2 Parks – Appendix 10**
 - 3.9.3 Roads – Appendix 11**
 - 3.9.4 Transit – Appendix 12**
 - 3.10 Recreation Services – Appendix 13**
 - 3.11 Utilities – Appendix 14**

ADMINISTRATIVE PROCEDURES

**FIN-009-A**

USER FEES & CHARGES – CULTURE SERVICES

Date Issued: October 30, 2019

Cross Reference:

Current Revision: October 30, 2019

- User Fees & Charges Policy FIN-009-C

Responsibility:

- Director, Culture Services
-

1. PURPOSE

- 1.1 Culture Services is responsible for the operation of the Fort Heritage Precinct (FHP) and the Shell Theatre, the coordination and hosting of special events for the community, permitting community hosted special events, promoting Fort Saskatchewan as a tourist destination, the celebration of local and regional visual art and the coordination of public art in the community.
- 1.2 Culture Services establishes and collects User Fees and Charges for the following services:
 - a) admissions for the (FHP);
 - b) rental rates for meeting spaces at the FHP and City Hall (CN Station, Village, NWMP Fort and Room 9);
 - c) rental rates for event spaces at Legacy Park and FHP (Rotary Amphitheatre, NWMP Fort Grounds, Village Grounds);
 - d) rates for History Centre and Who Was Here Before Us programs, outreach programs, photography and research at the FHP;
 - e) rental rates for the Shell Theatre and Shell Theatre amenities (Dressing Rooms, Lobby, Green Room);
 - f) fees for additional theatre staff (Front of House, Theatre Technicians);
 - g) fees for equipment use (PA System, Pianos, Confidence Monitors);
 - h) ticketing and facility fees;
 - i) royalty fees and commissions; and
 - j) permits (special event late fees).

2. GUIDING PRINCIPLES

For purposes of establishing, reviewing and adjusting Culture Services User Fees and Charges, the following principles apply:

- a) Benefits Received;
- b) General Tax-Supported;
- c) Targeted Subsidy; and
- d) Service Efficiency/Allocation of Resources.

3. FUNDING CATEGORY

Programs and services offered through Culture Services are classified as non-tax supported and partially tax-supported. Some costs of service delivery are fully recovered, and some costs of service delivery are partially recovered through User Fees and Charges.

4. KEY FACTORS

The key factors to consider when establishing, reviewing, and adjusting Culture Services User Fees and Charges are as follows:

4.1. Cost Recovery

A number of Culture Services User Fees and Charges are listed at 100% of the cost incurred. These include items such as Event Insurance, Front of House and Theatre Technician time; third party services such as piano tuning, and the rental of additional equipment for a theatre performance.

4.2. Pricing Strategy

Culture Services uses three principles in pricing strategy to determine User Fees and Charges – Amenity-Based Pricing, Customer Class, and location-based pricing.

a) Amenity-Based Pricing

The Shell Theatre sets different prices for rentals depending on the services included. For example, the Shell Theatre sets a rate that is different for rehearsals than for performances. Fees are higher for a performance as more staff are required to host the rental event.

b) Customer Class Pricing

i. FHP

Age-The FHP's admission rates differ by age categories – Adult, Youth/Senior, and Child. Group-At the FHP, a Family rate (2 adults/caregivers and unlimited children under 18 years old) is discounted to encourage family visits to the site.

ii. Resident / Non-Profit and Non-Resident / Commercial

Rental rates have two categories at the FHP. The Resident/Non-Profit rate is specific to those who reside in Fort Saskatchewan and to organizations with their non-profit status. The Non-Resident/Commercial rate is specific to those who live outside of the Fort Saskatchewan community or to a commercial organization.

iii. Shell Theatre

Resident / Non-Profit and Non-Resident / Commercial

The Shell Theatre rental rates have two categories. The Resident/Non-Profit rate is specific to those who reside in Fort Saskatchewan and to organizations with their non-profit status. The Non-Resident/Commercial rate is specific to those who live outside of the Fort Saskatchewan community or to a commercial organization.



c) Location-Based Pricing

The CN Station is the only building to have a block booking rate. This location is used by a number of non-profit groups on a weekly or monthly basis, and the rental rate is discounted if an organization books 10 times per year or more.

In the pricing strategy for Culture Services, there are 5 additional considerations. These considerations are listed below:

- a) Demand Analysis for the good or service;
- b) Value of the good or service to consumers/clients;
- c) Societal Benefit associated with the consumption of the good or service;
- d) Analysis of the existing market price;
- e) Convenience Pricing for the good or service; and
- f) Standard business practices.

4.3. Comparators and Existing Markets

Shell Theatre:

- a) Camrose – Jeanne & Peter Lougheed Performing Arts Centre;
- b) Morinville – Morinville Community Cultural Centre;
- c) Leduc – MacLab Centre for the Performing Arts;
- d) Spruce Grove - Horizon Stage;
- e) St. Albert – Arden Theatre; and
- f) Strathcona County – Festival Place.

Fort Heritage Precinct (FHP) for admissions, school programming, weddings and photography:

- a) Alberta Railway Museum;
- b) Art Gallery of Alberta;
- c) Bennet Centre;
- d) Edmonton Valley Zoo;
- e) Fort Edmonton Park;
- f) John Janzen Nature Centre;
- g) John Walter Museum;
- h) Muttart Conservatory;
- i) St. Albert Heritage Sites;
- j) Stony Plain and Parkland Pioneer Museum;
- k) Royal Alberta Museum;
- l) Rutherford House Provincial Historic Site;
- m) Telus World of Science;
- n) Ukrainian Cultural Heritage Village;
- o) University of Alberta Botanical Gardens; and
- p) Victoria Settlement Provincial Historic Site.

4.4. Inflation Rates

- a) Inflation related to wages, equipment, materials, and contracted services are considered in calculations.



-
- b) In some cases, the Department may hold prices for more than 1 year and apply inflationary adjustments in larger increments.

4.5. Public Engagement

- a) Feedback received from clients, schools, surveys or other sources are considered in establishing, reviewing and adjusting rates and fees or the fee structure.

4.6. Other Factors

- a) All Culture Services User Fees and Charges are reviewed annually.
- b) Changes to User Fees & Charges are effective January 1st or September 1st. Many of the Culture Services programs are based on the school season or theatre season which runs September to August.

**ADMINISTRATIVE
PROCEDURES****FIN-009-A**

**USER FEES & CHARGES – ECONOMIC
DEVELOPMENT**

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Economic Development
-

1. PURPOSE

- 1.1 Economic Development collects and manages information and data about the local business community through the issuing of Business Licenses. This information assists the Department in providing services and support to business owners in the City. These services include business incentives, entrepreneurship and start-up support, customer and market development, business expansion, and advocacy.
- 1.2 The Department also issues Non-Resident, and Temporary Licenses to businesses that benefit from operating in the City but do not have a permanent physical location here, and thus do not contribute to the municipal tax base.
- 1.3 Economic Development establishes and collects Business License fees for the following services:
 - a) Resident business;
 - b) Non-resident business; and
 - c) Temporary.

2. GUIDING PRINCIPLES

For purposes of establishing and reviewing Business License fees, the following principles apply:

- a) Benefits Received ;
- b) Cost Recovery ; and
- c) Service Efficiency/Allocation of Resources.

3. FUNDING CATEGORY

The programs and services offered through Economic Development are classified as Licenses, Permits and Approvals.



4. KEY FACTORS

The key factors to consider when establishing new Business Licence fees, and for reviewing existing User Fees and Charges are as follows:

4.1 Pricing Methodology

- a) Review funds provided annually through Business Incentives.
- b) Review staff wages and administrative costs associated with the delivery of business support services.
- c) Review regional Comparators.

4.2 Cost Recovery

- a) Economic Development does not have a Cost Recovery Ratio.

4.3 Pricing Strategy

- a) Rates are determined based on the location of a business. Resident businesses (those with a physical location in the City) pay a lower rate than those businesses that benefit from operating in the City but do not maintain a permanent physical location here.

4.4 Comparators and Existing Market

- a) Edmonton;
- b) Spruce Grove;
- c) Calgary;
- d) Cochrane;
- e) Lethbridge;
- f) Okotoks;
- g) Brooks;
- h) Lloydminster;
- i) City of Leduc;
- j) Camrose;
- k) Chestermere;
- l) St. Albert;
- m) Grande Prairie;
- n) Airdrie;
- o) Beaumont;
- p) Medicine Hat;
- q) Cold Lake;
- r) Red Deer; and
- s) Wood Buffalo.

4.5 Inflation Rates

- a) Regional Comparators are reviewed annually along with The Consumer Price Index (CPI) to determine inflationary increases on Business Licence fees.



4.6 Public Engagement

- a) Discussions with the business community are held regularly to ensure they receive value for their licence and to receive feedback on the licence fees/process.

4.7 Other Factors

- a) The primary focus of the Business License is to gather information and data on the business community. The validity of the data is dependent on a high rate of compliance from local businesses. Compliance rates are impacted primarily by the cost of the license, as such, User Fees and Charges should be established that encourage voluntary compliance.
- b) Enforcement of non-compliant businesses is difficult and time-consuming.
- c) Users Fees and Charges are reviewed every year.
- d) All changes to User Fees and Charges are effective January 1st.

**ADMINISTRATIVE
PROCEDURES****FIN-009-A**

**USER FEES & CHARGES - FAMILY AND
COMMUNITY SUPPORT SERVICES**

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Family and Community Support Services
-

1. PURPOSE

- 1.1 Family and Community Support Services (FCSS) offers services such as counselling, home support, education, outreach, and community development to positively shape the lives of individuals and families in the community. FCSS encourages engagement and connectedness and nurtures the City's vulnerable populations – seniors, the chronically ill, at-risk youth, and others in need. Through collaboration with social agencies, FCSS plays an active role in the community providing access to proactive services that build resiliency and lead to a strong, healthy, and socially sustainable City.
- 1.2 FCSS establishes and collects User Fees and Charges for the following services:
 - a) Counselling;
 - b) Home support; and
 - c) Community garden.

2. GUIDING PRINCIPLES

For purposes of establishing and reviewing FCSS User Fees and Charges, the following principles apply:

- a) Benefits Received;
- b) Targeted Subsidy; and
- c) Service Efficiency/Allocation of Resources.

3. FUNDING CATEGORY

The programs and services offered through FCSS are classified as partially tax-supported (reduced user fee), as the costs of service delivery are recovered through a combination of User Fees and Charges, property taxes, and provincial government funding.



4. KEY FACTORS

The key factors to consider when establishing new FCSS User Fees and Charges, and for reviewing existing FCSS User Fees and Charges are as follows:

4.1 Pricing Methodology

- a) Review Home Support staff wages and other costs associated, such as mileage and telephone.
- b) Review regional comparators based on income levels.
- c) Review counsellor's contracts to determine if an increase in service costs should be expected.
- d) Allocation of administrative costs based on time spent on tasks.

4.2 Cost Recovery

- a) FCSS has a cost recovery ratio for customers that access services with benefits

4.3 Pricing Strategy

- a) Rates are determined based on customer income levels. Each customer pays a rate based on their household income.
- b) The demand for Home Support services is expected to increase as the baby-boomer population ages. When there is an increase in demand, the costs will increase. Since our customers are price-sensitive, it is important to determine a balance between cost and pricing.
- c) Rates for services covered by insurance.

4.4 Comparators and Existing Market

- a) Leduc;
- b) Devon;
- c) Stony Plain; and
- d) Spruce Grove.

4.5 Inflation Rates

- a) Changes in The Consumer Price Index (CPI) impact the consumer demand for FCSS programs and services. Higher costs limit the amounts that low-income individuals and families can afford to pay and/or the frequency with which they access FCSS programs and services.
- b) An inflationary rate is applied to community gardens.

4.6 Public Engagement

- a) Discussions with Home Support customers by staff to discuss the impact of possible price changes.

4.7 Other Factors

- a) FCSS Users Fees and Charges are reviewed every 3 years. Due to the type of customers, we do not want to increase the price too often as their income is very static.
- b) All changes to FCSS User Fees and Charges are effective January 1st.

ADMINISTRATIVE PROCEDURES



FIN-009-A

USER FEES & CHARGES – FLEET, FACILITIES & ENGINEERING

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Fleet, Facilities & Engineering
-

1. PURPOSE

Fleet, Facilities and Engineering (FF&E) oversees the engineering and construction of critical new infrastructure, such as roads, trails, and civic amenities, and provides the ongoing maintenance and management of City facilities. FF&E is responsible for maintaining and managing the City's fleet and equipment ensuring the delivery of valued City services.

FF&E establishes and collects User Fees and Charges for the following services:

- a) Residential Lot Grading Program;
- b) Excavating Permit; and
- c) Development Agreement Engineering Review.

2. GUIDING PRINCIPLES

For purposes of establishing and reviewing FF&EE, the following principles apply:

- a) Benefit Received; and
- b) Cost Recovery.

3. FUNDING CATEGORY

The programs and services primarily offered by FF&E are classified as Licenses, Permits and Approvals (full user fee), as the costs of service delivery are recovered through User Fees and Charges.

4. KEY FACTORS

The key factors to consider when establishing new FF&E User Fees and Charges, and for reviewing existing User Fees and Charges are as follows:



4.1 Pricing Methodology

- a) Review the direct and indirect cost of providing services;
- b) Review regional comparators; and
- c) Allocation of administrative costs based on time spent;

4.2 Cost Recovery

- a) FF&E Cost Recovery Ratio is set at the salary of one Engineer Coordinator position. This is based on the fees for Lot Grading Permits and Excavation Permits at a quantity of 200 each per year.

4.3 Pricing Strategy

- a) Demand Analysis for the service and market Comparators; and
- b) an estimation of the Societal Benefits associated with the service.

4.4 Comparators and Existing Market

- a) Edmonton;
- b) Calgary;
- c) Leduc;
- d) Lethbridge;
- e) Spruce Grove;
- f) Red Deer;
- g) Strathcona County; and
- h) St. Albert.

4.5 Inflation Rates

- a) User Fees and Charges will be adjusted for inflation annually.

4.6 Public Engagement

- a) User Fees and Charges will be discussed with developers and made public annually through the budget deliberation process.

4.7 Other Factors

- a) User Fees and Charges are reviewed annually.
- b) All changes to User Fees and Charges are effective January 1st.



USER FEES & CHARGES – FIRE SERVICES

Date Issued: October 30, 2019

Cross Reference:

Current Revision: October 30, 2019

- User Fees & Charges Policy FIN-009-C

Responsibility:

- Fire Chief
-

1. PURPOSE

1.1 Fire Services provides emergency service support to those who live, work and play in Fort Saskatchewan. The majority of the department costs are funded through taxation with a very limited number of services/support where costs are recovered.

1.2 Fire Services establishes and collects User Fees and Charges for the following services:

- a) incident response;
- b) contracted services used to remedy or resolve an emergency incident;
- c) permits;
- d) Safety Code inspections;
- e) incident prevention; and
- f) community development.

2. GUIDING PRINCIPLES

For purposes of establishing, reviewing and adjusting Fire Services User Fees and Charges, the following principles apply:

- a) Cost Recovery
- b) Benefits Received;

3. FUNDING CATEGORY

Programs and services offered through Fire Services are classified as non-tax supported and partially tax-supported. Some costs of service delivery are fully recovered, and some costs of service delivery are partially recovered through User Fees and Charges.

4. KEY FACTORS

The key factors to consider when establishing, reviewing, and adjusting Fire Services User Fees and Charges are as follows:



4.1. Cost Recovery

A number of Fire Services User Fees and Charges are listed at 100% of the cost incurred. These include items such as third party contractors, example helicopters in wildfires, dangerous goods spill clean up companies, private fire investigators and heavy equipment operators.

4.2. Comparators and Existing Markets

Establishing rates for permits, inspection and other services should be compared to other municipalities. When using Comparators for municipal fire services' User Fees and Charges, the following municipalities within the Edmonton Capital Region should be used:

- a) City of Beaumont;
- b) City of Edmonton;
- c) City of Leduc;
- d) City of Spruce Grove;
- e) City of St. Albert;
- f) Leduc County;
- g) Parkland County;
- h) Strathcona County;
- i) Sturgeon County; and
- j) Town of Stony Plain.

4.3. Inflation

An annual inflationary rate based on The Consumer Price Index (CPI) is applied to all User Fees and Charges, except where User Fees and Charges are set by statute.

4.4. Public Engagement

Typically, a formal public engagement process is not used in setting Fire Services User Fees and Charges. However, feedback received from service requests, surveys or other sources may be considered in establishing, reviewing and adjusting User Fees and Charges or the fee structure.

**ADMINISTRATIVE
PROCEDURES****FIN-009-A
APPENDIX 6**

**USER FEES & CHARGES- LEGISLATIVE
SERVICES**

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Legislative Services
-

1. PURPOSE

1.1 The core function of Legislative Services is to guide open and transparent government that fosters trust and confidence in the decision-making process and allows for meaningful participation with an engaged public. Legislative Services supports City Council by facilitating all legislative matters and Council meetings. Additionally, the Department manages municipal elections, the Freedom of Information and Protection of Privacy program (FOIP), municipal census, insurance and risk management, review of policies, bylaws, contracts and agreements to protect the organization's legal rights, and ensures that the City's legal and legislative obligations are met.

1.2 Legislative Services establishes and collects User Fees and Charges for the following services:

- a) Subdivision & Development Appeal Board (SDAB) appeals;
- b) Assessment Review Board (ARB) appeals; and
- c) FOIP requests.

2. GUIDING PRINCIPLES

For purposes of establishing and reviewing Legislative Services User Fees and Charges, the following principles apply:

- a) Benefits Received Principle

3. FUNDING CATEGORY

The services offered by Legislative Services are established through Provincial legislation, including the *Municipal Government Act* (MGA) for ARB complaints and SDAB appeals, and the *Freedom of*



Information and Protection of Privacy Act for FOIP requests. Legislative Services is committed to ensuring citizens have the ability to access the legislated quasi-judicial processes without being cost-prohibitive.

4. KEY FACTORS

The key factors to consider when establishing new Legislative Services User Fees and Charges, and for reviewing existing Legislative Services User Fees and Charges are as follows:

4.1 Pricing Methodology

- a) The fee structures for the ARB and FOIP are based on Provincial legislative direction.
- b) Fees associated with the SDAB are reviewed to ensure current rates are within the mid-range of the Capital Region municipalities.

4.2 Cost Recovery

- a) Given their nature, Legislative Services does not have a cost recovery ratio for ARB, FOIP, and SDAB fees.

4.3 Pricing Strategy

- a) Rates are determined based on legislation, the Province of Alberta fee structure, and comparators in the Capital Region.

4.4 Comparators and Existing Market

- a) Leduc;
- b) Stony Plain;
- c) Spruce Grove;
- d) Strathcona County; and
- e) St. Albert.

4.5 Inflation Rates

- a) Inflation rates can only be applied to SDAB fees. However, it is important to ensure the process for appeal is not cost-prohibitive.

4.6 Public Engagement

- a) Any changes in fees are discussed internally and made public annually through the budget deliberation process.

4.7 Other Factors

- a) Legislative Services User Fees and Charges are reviewed annually, at a minimum to ensure alignment with legislation.

**USER FEES & CHARGES –
LEGISLATIVE SERVICES
ADMINISTRATIVE PROCEDURES**



FIN-009-A

-
- b) Municipal Comparator fees are reviewed annually or as required when changes are deemed appropriate.
 - c) All changes to Legislative Services User Fees and Charges are effective January 1st, or as required to be in alignment with legislative changes.

ADMINISTRATIVE PROCEDURE



FIN-009-A

USER FEES & CHARGES- PLANNING AND DEVELOPMENT SERVICES

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Planning and Development
-

1. PURPOSE

- 1.1 Planning and Development is responsible for guiding development in a manner that reflects the public interest, the City's strategic vision, and ensuring the wellbeing and safety of our residents. This is done through the creation and implementation of statutory and regulatory planning documents and making decisions on a range of planning, development, and building applications.
- 1.2 Planning and Development establish and collect User Fees and Charges for the following services:
- a) Development Permit applications;
 - b) Compliance Certificate applications;
 - c) Land Use Bylaw amendments;
 - d) letters of concurrence/non-concurrence for telecommunication towers¹;
 - e) statutory plan and Outline Plan amendments;
 - f) Subdivision Applications;
 - g) Development Agreements;
 - h) Encroachment Agreements;
 - i) file searches;
 - j) fines for land use contraventions;
 - k) Building and Safety Codes; and
 - l) Safety Codes compliance.

2. GUIDING PRINCIPLES

For the purposes of establishing and reviewing Planning and Development User Fees and Charges, the following principles apply:

- a) Benefits Received;
- b) Cost Recovery; and
- c) Service Efficiency/Allocation of Resources.

¹ Subject to amendments to Land Use Bylaw C10-13



3. FUNDING CATEGORIES

Programs and services offered through Planning and Development are classified as non-tax supported and in some cases categorized as partial tax supported.

4. KEY FACTORS

The key factors to consider when establishing new fees, and for reviewing existing User Fees and Charges are as follows:

4.1 Pricing Methodology

- a) Review regional comparators.
- b) Review costs associated with providing the services including, but not limited to, staff costs, the objective of service, and any ancillary costs.
- c) Practical aspects of introducing new fees or significant increases to existing fees should be considered – for example, what is the impact of the change.

4.2 Cost Recovery

- a) Services are reviewed annually to determine the cost recovery ratio. Where the applicant receives the full benefit of the service, the objective should be to achieve full cost recovery. Where the service provides a public good, the department shall establish the amount of public good concerning the direct benefit to the applicant.

4.3 Pricing Strategy

- a) Cost reflective pricing: fees and charges should reflect the cost of providing the service;
- b) Applicants and the public should pay according to the benefits accrued to them;
- c) Convenience Pricing: where a service has an option for a higher level of service, such as a guaranteed service expectation, fees can be set at a higher rate than the standard service. This includes, but is not limited to, expedited/rush service, issuance of letters of concurrence/non-concurrence for telecommunication tower applications, or large scale stripping and grading applications.
- d) Demand analysis for the service and market comparators;

4.4 Comparators and Existing Market

- a) City of Beaumont;
- b) Town of Devon;
- c) City of Edmonton;
- d) City of Leduc;
- e) Leduc County;
- f) Town of Morinville;

**PROCEDURE NAME –
PLANNING & DEVELOPMENT
ADMINISTRATIVE PROCEDURE**



FIN-009-A

- g) Parkland County;
- h) City of Spruce Grove;
- i) City of St. Albert;
- j) Town of Stony Plain; and
- k) Sturgeon County.

4.5 Inflation Rates

An annual inflationary rate based on Consumer Price Index (CPI) is applied to all User Fees and Charges, except where User Fees and Charges are set by statute.

4.6 Public Engagement

The Department provides the public and stakeholders with the opportunity to provide input regarding the introduction of any new fees or significant changes to existing User Fees and Charges.

4.7 Other Factors

- a) User Fees and Charges are reviewed annually.
- b) All changes to User Fees and Charges are effective January 1st.

ADMINISTRATIVE PROCEDURES



FIN-009-A

USER FEES & CHARGES – PROTECTIVE SERVICES

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Protective Services

1. PURPOSE

- 1.1** Protective Services provides a range of services to the public including police information checks for individuals who require screening for paid or volunteer positions in the community or as part of an adoption, immigration, foreign travel, or legal name change process. Additionally, the Department provides motor vehicle collision reports and statements to lawyers or insurance companies, as well as administering the Animal Control Bylaw and its licensing and kenneling services.
- 1.2** Protective Services collects User Fees and Charges for the following services:
- a) criminal record checks;
 - b) fingerprinting services;
 - c) motor vehicle collision reports, statements for insurance companies or lawyers;
 - d) animal licensing; and,
 - e) kenneling of seized animals.

2. GUIDING PRINCIPLES

For purposes of establishing and reviewing Protective Services User Fees and Charges, the following principles apply:

- a) Benefits Received;;
- b) Cost Recovery;
- c) Capital Assets: Full Life Cycle Costing; and
- d) Targeted Subsidy.

3. FUNDING CATEGORY

The services offered by Protective Services are partially tax-supported (reduced user fee) as they are funded through a combination of User Fees and Charges, government grants and property taxes.



4. KEY FACTORS

Protective Services considers a number of key factors when reviewing or recommending new User Fees and Charges such as:

4.1 Pricing Methodology

- a) Tracking and estimating the direct and indirect costs of providing the service;
- b) Estimating related vehicle and facility capital costs;
- c) Estimating staff wages and vehicle operating expenses (i.e., mileage and maintenance);
- d) Reviewing relevant regional comparators; and
- e) Allocating administrative and material costs based on estimated or actual consumed time.

4.2 Cost Recovery

Protective Services does not use a Cost Recovery Ratio. Where applicable, services that benefit the user more so than the community are charged a user fee to fully or partially offset the expense of providing that service.

4.3 Pricing Strategy

- a) Demand analysis for the service and market comparators;
- b) An estimation of the Societal Benefit associated with the service;
- c) Standard business practices; and,
- d) RCMP fees and charges guidelines for provincial/federal services.

4.4 Comparators and Existing Market

- a) Leduc;
- b) Edmonton;
- c) Parkland (Stony Plain & Spruce Grove);
- d) Strathcona County;
- e) St. Albert; and
- f) Canadian Police Information Centre (CPIC) fees and charges guidelines.

4.5 Inflation Rates

An annual inflationary rate based on the Consumer Price Index (CPI) is applied to all User Fees and Charges, except where User Fees and Charges are set by statute.

4.6 Public Engagement

Typically, a formal public engagement process is not used in setting Protective Services fees. However, feedback received from service requests, surveys or other sources may be considered in establishing, reviewing and adjusting the fee structure.



4.7 Other Factors

- a) Protective Services Users Fees and Charges are reviewed annually.
- b) User Fees and Charges will be rounded up to the nearest dollar increment.
- c) All changes to Protective Services User Fees and Charges are effective January 1st.

ADMINISTRATIVE PROCEDURES



FIN-009-A

USER FEES & CHARGES - CEMETERY

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Public Works
-

1 PURPOSE

- 1.1 Parks Services, a division of Public Works, manages the operations and maintenance of the Fort Saskatchewan Public Cemetery on a cost recovery principle. User Fees and Charges are charged, based on the services requested. The full purchase price for plots and columbarium niches is contributed to the Perpetual Care Reserve, for future maintenance and expansion requirements.
- 1.2 Parks Services establishes and collects User Fees and Charges for the following services:
- a) Plot purchases;
 - b) Full interment/disinterment;
 - c) Columbarium niche;
 - d) Monument foundations and permits;
 - e) Overtime surcharges; and
 - f) Other administration fees, i.e. registering a transfer of deed.

2 GUIDING PRINCIPLES

For the purpose of establishing and reviewing Parks Services User Fees and Charges, the following principles apply:

- a) Benefits received;
- b) Cost recovery; and
- c) Capital assets: full life cycle costing.

3 FUNDING CATEGORY

The work performed by Parks Services for the cemetery is classified as non-tax supported, as the full costs of service delivery are recovered through User Fees and Charges.



4 KEY FACTORS

The key factors to consider when establishing new Parks Services User Fees and Charges and for reviewing existing Parks Services User Fees and Charges are as follows:

4.1 Pricing Methodology

- a) Review of financial and statistical information from the previous 3 years.
- b) Review regional comparators.
- c) Review of operation and services fees from the previous year.
- d) Allocation of administrative costs, based on time spent on tasks.
- e) Contribution to Perpetual Care Reserve.

4.2 Cost Recovery

- a) Parks Services uses the previous 3-year rate to predict interment demand for the cemetery in the upcoming year. This ratio is then applied to known operational costs to ensure full cost recovery. The difference equates to the increase or decrease of the User Fees and Charges.

4.3 Pricing Strategy

- a) Rates are determined, based on Comparator's rates for services and full cost recovery.
- b) Plot and niche sales, permitting and services provided by the City qualify for GST.

4.4 Comparators and Existing Market

- a) City of Leduc
- b) City of St. Albert
- c) City of Spruce Grove
- d) City of Camrose

4.5 Inflation Rates

- a) Changes in CPI impact the operational costs of providing goods and services.
- b) An inflation rate is applied to the operational costs to ensure full cost recovery.

4.6 Public Engagement

- a) Typically, a formal public engagement process is not used in setting cemetery fees. However, feedback received from service requests, or other sources may be considered in establishing, reviewing and adjusting the fee structure.

4.7 Other Factors

- a) Parks Services User Fees and Charges are reviewed every year.
- b) All changes to Parks Services User Fees and Charges are effective January 1st.

ADMINISTRATIVE PROCEDURES



FIN-009-A

USER FEES & CHARGES – PARKS SERVICES

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Public Works
-

1. PURPOSE

- 1.1 Parks Services, a division of Public Works, manages the operations and maintenance of the parks, trails, green spaces and outdoor ice surfaces in Fort Saskatchewan for general public use and enjoyment. The access to these amenities are free of charge and encourages public use. Parks also supports City special events and festivals.
- 1.2 Parks Services establishes and collects User Fees and Charges for the following services:
- a) Picnic shelter rentals;
 - b) Picnic table and park bench rentals;
 - c) Delivery charges for a picnic table and park bench rentals; and
 - d) Damage deposits are collected for:
 - i. Picnic tables and benches (refundable upon undamaged return); and
 - ii. Parks gate keys (refundable upon return of key).

2. GUIDING PRINCIPLES

For purposes of establishing and reviewing Parks Services User Fees and Charges, the following principles apply:

- a) Benefits received;
- b) General tax-supported; and
- c) Targeted subsidy principle.

3. FUNDING CATEGORY

With the exception of the cemetery, programs and services provided by Parks Services are classified as fully tax-supported, as the costs of service delivery are recovered through property taxes. Current revenue collected through User Fees and Charges is minimal. These User Fees and Charges are for specific, individual user requests.



4. KEY FACTORS

The key factors to consider when establishing new and for reviewing existing Parks Services User Fees and Charges are as follows:

4.1 Pricing Methodology

- a) Fees are set, based on an affordable rate for renting the goods for events. Services to local non-profit groups are free of charge.
- b) Review regional comparators.
- c) Allocation of administrative costs based on time spent on tasks.
- d) User Fees and Charges exclude the life-cycle replacement and maintenance costs of equipment and infrastructure.

4.2 Cost Recovery

- a) Park Services applies costs recovery on expenditures such as maintenance and repair costs and delivery for special services covered under User Fees and Charges.

4.3 Pricing Strategy

- a) Rates are partly determined by Comparator's rates for services.
- b) Services to a local non-profit group are free of charge.
- c) Convenience pricing is charged to the user, based on an expected reasonable rate for the good or service.
- d) Products and services provided by the City qualify for GST.

4.4 Comparators and Existing Market

The regional Comparators below are taken into consideration, however the prices are primarily based on our communities affordability to encourage the use of our amenities.

- a) City of Leduc;
- b) City of St. Albert;
- c) City of Spruce Grove; and
- d) City of Camrose.

4.5 Inflation Rates

- a) Changes in The Consumer Prince Index (CPI) impact the operational and maintenance costs for goods and services.

4.6 Public Engagement

- a) Typically, a formal public engagement process is not used in setting Parks Services User Fees and Charges. However, feedback received from service requests, surveys or other sources may be considered in establishing, reviewing and adjusting the fee structure.



4.7 Other Factors

- a) Parks Services User Fees and Charges are reviewed every year.
- b) All changes to Parks Services User Fees and Charges are effective January 1st.

ADMINISTRATIVE PROCEDURES

**FIN-009-A**

USER FEES & CHARGES – ROADS SERVICES

Date Issued: October 30, 2019

Cross Reference:

Current Revision: October 30, 2019

- User Fees & Charges Policy FIN-009-C

Responsibility:

- Director, Public Works
-

1. PURPOSE

- 1.1** Roads Services is a division of Public Works, responsible for maintenance of the City's road networks and highways within City boundaries. This includes snow removal, street sweeping, and bridge and culvert maintenance and traffic control. Roads Services also maintain the City's drainagesystems and support City events and festivals.
- 1.2** Roads Services establishes and collects User Fees and Charges for the following services:
- a) Road permits (e.g., alteration of public land);
 - b) High-load traffic signal turning service such as light-turning requests;
 - c) Delivery of materials for festivals and events;
 - d) Impound fees for illegal signs; and
 - e) Supply and delivery of asphalt millings material.

2. GUIDING PRINCIPLES

For purposes of establishing, reviewing, and adjusting Roads Services User Fees and Charges, the following principles apply:

- a) Benefits Received;
- b) Cost Recovery;
- c) Targeted Subsidy; and
- d) Service Efficiency/Allocation of Resources.

3. FUNDING CATEGORY

- 3.1** The main programs and services performed by Roads Services are fully tax-supported (e.g. general road and bridge maintenance, snow removal and ice control, service to City events).
- 3.2** Roads also coordinate non-tax supported activity as well as license, permits and approvals (e.g., light- turning requests, sale of asphalt millings and alteration of public land permit).



4. KEY FACTORS

The key factors to consider when establishing, reviewing and adjusting Roads Services User Fees and Charges are as follows:

4.1. Pricing Methodology

- a) Direct labour, equipment, material and vendor costs to provide the service.
- b) Include an allocation for administrative and indirect costs as a percentage mark-up.
- c) Payable by each customer for each use of the service.
- d) User fees exclude the life-cycle replacement and maintenance costs of equipment and infrastructure.

4.2. Cost Recovery

- a) Roads do not have a Cost Recovery Ratio.
- b) Where a service-specific fee is charged, the fee is based on 100% cost recovery unless other factors influence the pricing strategy.
- c) Event service to local non-profit groups is free of charge.

4.3. Pricing Strategy

- a) Fees are based primarily on the cost recovery principle.
- b) Services considered a public benefit, such as support for events, may be fully or partially tax-supported, and the fee is set based on market comparisons.
- c) For sale of materials (e.g. millings), market comparisons and demand are also considered. These are priced at cost.
- d) The allocation of resources principle may be used in cases where using the fee as a deterrent is desirable or where additional costs such as overtime must be considered (e.g. impound fees).

4.4. Comparators and Existing Market

- a) Leduc
- b) Spruce Grove
- c) St. Albert
- d) Strathcona County
- e) Commercial suppliers (e.g., asphalt millings)

4.5. Inflation Rates

- a) Inflation related to wages, equipment, materials and contracted services is considered in cost recovery calculations.
- b) A general inflation rate should only be applied to those User Fees and Charges where the pricing strategy is influenced by factors other than cost recovery. In some cases, holding a price steady for a number of years and applying inflationary adjustments in larger increments is preferable.

**USER FEES & CHARGES –
ROADS SERVICES
ADMINISTRATIVE PROCEDURES**



FIN-009-A

4.6. Public Engagement

- a) Other City departments may influence Roads Services User Fees and Charges (e.g., events support, impound fees, etc.).

4.7. Other Factors

- a) Roads Services User Fees and Charges are reviewed annually.
- b) Changes to Roads User Fees and Charges are effective January 1st.

ADMINISTRATIVE PROCEDURES

**FIN-009-A**

USER FEES & CHARGES – TRANSIT SERVICES

Date Issued: October 30, 2019

Cross Reference:

Current Revision: October 30, 2019

- User Fees & Charges Policy FIN-009-C

Responsibility:

- Director, Public Works
-

1. PURPOSE

- 1.1 Transit Services, a division of Public Works, is responsible for managing the delivery of local and commuter transit services and the construction and maintenance of necessary transit equipment and infrastructure. Ongoing operating costs are funded by a combination of taxes, User Fees and Charges and other revenues. Capital costs are primarily funded by taxes, reserve funds or by grant funding, when available. Transit fees are also referred to as fares.
- 1.2 Transit Services establishes and collects User Fees and Charges for the following services:
 - a) Cash fares;
 - b) Monthly passes;
 - c) Ticket books; and
 - d) Sales of advertising space.

2. GUIDING PRINCIPLES

For purposes of establishing, reviewing and adjusting Transit Services User Fees and Charges, the following principles apply:

- a) Benefits Received;
- b) Cost Recovery;
- c) General Tax Support; and
- d) Targeted Subsidy.

3. FUNDING CATEGORY

The programs and services offered through Transit Services are partially tax-supported. Costs of service delivery are recovered through a combination of User Fees and Charges, property taxes and other revenue sources such as advertising and the U-Pass program (administered by postsecondary institutions).

4. KEY FACTORS

The key factors to consider when establishing, reviewing and adjusting Transit Services User Fees and Charges are as follows:

**4.1. Pricing Methodology**

- a) ridership level projections;
- b) users ability to pay;
- c) distance the service travels;
- d) cost to provide the service;
- e) service level increases;
- f) Convenience Pricing for cash fares;
- g) regional transit agency benchmarking;
- h) annual inflation; and
- i) commuter service pass also includes Edmonton Transit Fare option.

Notes: Life-cycle replacement and maintenance costs of equipment and infrastructure are excluded from User Fees and Charges.

4.2. Cost Recovery

- a) A cost recovery target of 18% was established through the 2015 Fort Saskatchewan Transit Pilot Review report based on the proposed service delivery model and expected system growth. This is the initial target established and the City will endeavour to improve cost recovery targets as ridership grows and other efficiencies are implemented.

4.3. Pricing Strategy

- a) Fees must consider user's ability to pay.
- b) Additional discounts should be needs-based and directed at financially vulnerable users through the Everybody Rides program. This discount is 50% off monthly passes.
- c) Regional Smart Fare pricing should be a consideration when adjusting existing or creating new User Fees and Charges.
- d) Based on fare elasticity models, a fare increase can result in a ridership decline and subsequent reductions in sales and revenues. Therefore, if ridership is projected to decline, a fare increase would not be recommended.
- e) The rate for a 10-pack of tickets can equate to 10 trips for the price of 9 regular cash fares.
- f) The rate for a monthly pass should be close to 60% of the total cost for a user to take two trips on each service day offered (e.g. Monday to Friday service equals 40 trips in one month). A trip multiplier of 17 can also be used in conjunction with the current cash fare (e.g. \$5.00 cash per ride times 17 equals \$85/month).
- g) Cash fares are rounded to the nearest \$0.25 for convenience to the user. As a result, User Fees and Charges may not increase at the same rate as inflation.
- h) Commuter service pass also includes Edmonton Transit Fare option.

4.4. Comparators and Existing Market

- a) Airdrie;
- b) Beaumont;
- c) Calgary;
- d) Edmonton;
- e) Grande Prairie;
- f) Leduc;
- g) Strathcona County; and
- h) Spruce Grove.



4.5. Inflation Rates

- a) Inflation related to wages, equipment, materials and contracted services is considered in setting fares.
- b) A general inflation rate is not applied to User Fees and Charges as the direct costs of the service is factored, and fees are subject to anticipated price elasticity, convenience pricing and user tolerance to fee increases.

4.6. Public Engagement

- a) Public engagement (e.g. surveys and in-person consultation) are the primary methods used to determine the impact of potential fare changes.

4.7. Other Factors

- a) All changes to Transit Services User Fees and Charges are effective January 1st.
- b) Fee adjustments can also align with contractor fee changes, only when that contractor is another local government body.
- c) Transit User Fees and Charges are reviewed annually.
- d) Advertising fees are not part of User Fees and Charges to allow room for negotiation.
- e) Transit passes are sold locally at City Hall, Dow Centennial Centre, Safeway, Co-Op and the Westpark Shoppers Drug Mart.
- f) Commuter transit fares include an integrated option for accessing Transit Services in Edmonton.

**ADMINISTRATIVE
PROCEDURES****FIN-009-A**

**USER FEES & CHARGES –RECREATION
SERVICES**

Date Issued: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Current Revision: October 30, 2019

Responsibility:

- Director, Recreation Services
-

1. PURPOSE

- 1.1 The Recreation Services oversees facilities that offer a variety of services and rental opportunities for its citizens. In collaboration with both the Culture Services and Fleet, Facilities & Engineering Departments for consistency, User Fees and Charges are determined based on specific criteria as mentioned below.
- 1.2 The following locations' fees fall under Recreation Services:
 - a) Dow Centennial Centre (except the Shell Theatre);
 - b) Harbour Pool;
 - c) Sportsplex Arena;
 - d) Jubilee Recreation Centre;
 - e) West River's Edge;
 - f) Normandy/Ortona Room at Fort Saskatchewan Community Hall; and
 - g) Fort Saskatchewan Curling Club.
- 1.3 User Fees and Charges are collected for the following services:
 - a. Single Admissions and Memberships;
 - b. Specialized Fitness Services;
 - c. Childminding;
 - d. Learn to Swim and Leadership Programs;
 - e. Children's Summer Camp Programs;
 - f. Meeting Room rentals;
 - g. Indoor Soccer Field, Arenas, Taurus Field rentals;
 - h. Gymnasium rentals;
 - i. Flex Hall rentals; and
 - j. Pool Rentals.



1. GUIDING PRINCIPLES

For purposes of establishing and reviewing Recreation Services' User Fees and Charges, the following principles are applied:

- a) Benefit Received;
- b) Cost Recovery ; and
- c) Service Efficiency/Allocation of Resources.

2. FUNDING CATEGORY

The programs and services offered through Recreation Services are classified as partially tax supported (reduced user fee), as the full costs of delivery are not recovered by User Fees and Charges but are subsidized through property taxes.

3. KEY FACTORS

Recreation Services considers a number of key factors when reviewing and/or recommending new User Fees and Charges such as:

4.1 Pricing Methodology

- a) Tracking and forecasting both the direct and indirect cost of facility rentals;
- b) Reviewing relevant regional comparators; and
- c) Reviewing costs for providing swimming lessons, fitness and wellness programs, childminding, and children's summer camps, such as instructor fees, certification fees, and supplies.

4.2 Cost Recovery

- a) Services are reviewed annually to determine the Cost Recovery Ratio and adjusted as required based on strategic outcomes of Council directive and community needs.

4.3 Pricing Strategies

- a) Fees vary based on customer attributes such as resident, non-resident, non-profit, commercial, child, youth, student, adult, and senior;
- b) Daily facility admission fees are set based on comparator's fees.
 - i. Monthly admission fees are targeted to be 5 times the daily fee.
 - ii. Annual admissions are set at 10 times the monthly fee at Harbour Pool and 11 times the monthly fee at the Dow Centennial Centre.
 - iii. Flex memberships are targeted at 85% of the corresponding full price fee;
- c) The fee for a 10 visit pass is set at 9 times the daily admission fee for the corresponding facility;
- d) Admission fees are rounded to the nearest quarter dollar or full dollar for convenience. These fees may not increase at the same rate as inflation;
- e) High demand services have higher fees than low demand services, while taking into account comparator's rates, and the customers' willingness and ability to pay for said service.
- f) User Fees and Services may increase due to increased costs of utilities, supplies and staffing requirements; and
- g) Facilities with similar amenities will have similar rental fees.



4.4 Comparators and Existing Market

- a) Leduc;
- b) Beaumont;
- c) Strathcona County;
- d) St Albert;
- e) Redwater;
- f) Lamont;
- g) Bruderheim;
- h) Edmonton (North); and
- i) Spruce Grove.

4.5 Inflation Rates

- a) Regional Comparators are reviewed annually along with The Consumer Price Index (CPI) to determine potential inflationary increases.

4.6 Public Engagement

- a) Recreation Services surveys customers who take programs to determine if the offerings are relevant to community needs.

4.7 Other Factors

- a) All changes to User Fees and Charges that do not take effect on January 1st of each year will take effect on specific dates, no later than September 1st. This is done to accommodate the Sports User Group's playing seasons that align with the school calendar.
- b) Users Fees and Charges are reviewed every year.

ADMINISTRATIVE PROCEDURES

**FIN-009-A**

USER FEES & CHARGES – UTILITY SERVICES

Date Issued: October 30, 2019

Current Revision: October 30, 2019

Cross Reference:

- User Fees & Charges Policy FIN-009-C

Responsibility:

- Director, Public Works
-

1. PURPOSE

- 1.1 Utility Services, a division of Public Works, is responsible for the distribution and supply of potable water, collection of sewage for treatment and collection of solid waste for disposal or recycling. These services enhance the quality of life for residents while striving to protect both our urban and natural environments. Supporting activities such as accounting and billing, lateral sewer maintenance, bulk water sales and waste depot operations are included under Utility Services. Costs are fully funded by utility rates and user fees, independent of tax support.
- 1.2 Utility Services establishes and collects User Fees and Charges for the following services:
- a) Fixed and variable rates for water supply and sewage and solid waste collection;
 - b) Customer account set-up and related account maintenance activities;
 - c) Preventative maintenance for sewer laterals (sewer root program);
 - d) Bulk water supply;
 - e) Waste and recycle depot drop-off;
 - f) Supply and delivery of material produced at the recycle depot (e.g. screened organic topsoil and woodchips); and
 - g) Permits (e.g. water/sewer connection).

2. GUIDING PRINCIPLES

For purposes of establishing, reviewing and adjusting utility services User Fees and Charges, the following principles apply:

- a) Benefits Received;
- b) Cost Recovery;
- c) Capital Assets: full life cycle costing; and
- d) Service Efficiency/Allocation of Resources.

3. FUNDING CATEGORY

Programs and services, such as licenses, permits and approvals offered through Utility Services are classified as non-tax supported. The costs of service delivery are fully recovered through User Fees and Charges.

**USER FEES & CHARGES –
UTILITY SERVICES
ADMINISTRATIVE PROCEDURES**



FIN-009-A

Within Utility Services, the base utility rates (fixed and variable water, sewer and waste charges) can be considered in principle as analogous to taxes. Services can be considered partially or fully funded by a combination of the base rates and User Fees and Charges for specific services.

4. KEY FACTORS

The key factors to consider when establishing, reviewing, and adjusting Utility Services User Fees and Charges are as follows:

4.1. Pricing Methodology

4.1.1. Fixed Rates

- a) Cover a portion of capital life-cycle programs funding.
- b) Reserve transfers, debenture payments, and other capital transfers are calculated annually following policies and procedures for amortization, depreciation and forecasting.
- c) Payable by each customer monthly regardless of utility usage.

4.1.2. Variable Rates

- a) Cover the following:
 - i. Wholesale water supply, sewage treatment and waste collection/processing purchases;
 - ii. All operational and administrative costs (labour, equipment, materials, contracted services and other general expenses.); and
 - iii. Any portion of capital funding, not covered by fixed rates.
- b) Offset by other revenue sources (e.g., service-specific fees, leases, etc.).
- c) Payable by each customer monthly, depending on utility consumption) or capacity provided

4.1.3. Service Specific Fees and Permit and Inspection Charges

- a) Cover the direct labour, equipment, material and vendor costs to provide the service.
- b) Include an allocation for administrative and indirect costs as a percentage mark-up.

4.2. Cost Recovery

- a) As a whole, Utility Services operates on a full cost recovery model.
- b) Fixed rates are set to recover a percentage of the total value of the annual capital program. Each year, the percentage is increased over the years to gradually bring the fixed rate up to 100% of the capital program value.
- c) The recovery ratio for service-specific fees may vary.
- d) Permit and inspection charges are full cost recovery.
- e) Variable charges are calculated last and are set to recover all costs less all other revenue.

4.3. Pricing Strategy

- a) Fixed rates for water are set, based on customer class (e.g., water meter size).
- b) For curbside solid waste, because 'variable' rates are set based on a fixed capacity and do not change monthly, the 'variable' and 'fixed' components are combined in a single rate.
- c) Service-specific fees are generally set based primarily on cost recovery.
- d) For sale of materials (e.g., soil), market comparisons and demand are considered in setting User Fees and Charges.



- e) Bulk water rates are set based on cost recovery; customer classes may pay a surcharge or a discount based on market considerations and the allocation of resources principle.
- f) For Transfer Station fees, market comparisons and other impacts (such as illegal dumping) are considered. Some disposal (e.g., hazardous materials) is fully 'subsidized' by base solid waste rates to encourage appropriate disposal. Materials under special programs (e.g., where an 'enviro' charge is included at purchase) are excluded from User Fees and Charges.
- g) Transfer Station fees are often paid in cash (approximately 50%), and so Convenience Pricing (rounded to \$0.25 or higher) is used to reduce the indirect costs related to managing float.
- h) The allocation of resources principle may be used where considerations such as lost productivity may apply.

4.4. Comparators and Existing Market

- a) Leduc;
- b) Spruce Grove;
- c) St. Albert;
- d) Strathcona County; and
- e) Commercial suppliers (e.g., screened organic topsoil sales, 'sewer root program').

4.5. Inflation Rates

- a) Inflation related to wages, equipment, materials, government services and contracted services is considered in cost recovery calculations.
- b) A general inflation rate should only be applied to those User Fees and Charges where the pricing strategy is influenced by factors other than cost recovery. Rounding for Convenience Pricing must be considered. In some cases, holding a price steady for a number of years and applying inflationary adjustments in larger increments is preferable.

4.6. Public Engagement

- a) Typically, a formal public engagement process is not used in setting utility rates and fees. However, feedback received from service requests, surveys or other sources may be considered in establishing, reviewing and adjusting rates and fees or the fee structure.

4.7. Other Factors

- a) All Utility Services rates and fees are reviewed annually.
- b) All changes to Utility Services User Fees and Charges are effective January 1st.