	Rates and Fees	
	Policy Type:	Governance Process
	Number:	GP-F-2.9
	To be Reviewed:	Once per term
	Approval Date:	
	Motion Number:	
	Revised Date(s):	

Policy Statement

Municipal services are important contributors to the quality of life of residents and visitors to the Town of Okotoks (Town). The Rates and Fees Policy provides the philosophy behind the level of tax support versus user pay through rates and fees in the offering of a large array of direct services and aligns with Council's five Purpose Statements:

- Integrated and Accessible Transportation;
- Sustainable Okotoks;
- Community Life;
- Strong Local Economy; and
- Utility Policy.

The costs to provide municipal services are funded through either tax support, user fees, or a combination of both. Various levels of government may provide grant funds for some operating or capital expenses.

User fees allow the Town to provide programs and services as required or desired by the community. The Town must plan to ensure that programs and services are sustainable in the future whereby all or a portion of the cost to provide the program/service is recovered through fees or other revenue sources.


Scope

The Rates and Fees Policy addresses the cost of provision and the respective rates, fees, and charges associated with all offered programs and services provided by the Town, including the provision of fee assistance programs, but excluding franchise fees and utility rates and fees.

Principles

The following principles support the establishment of the Rates and Fees Policy:

- A transparent and defensible process is utilized to establish rates and fees; and
- The Town is a healthy, safe, inclusive community where all people have access to municipal programs and services.

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1. Outcomes

- 1.1 Outcomes of the Rates and Fees Policy is to ensure that:
- 1.1.1 Municipal programs and services are accessible and welcoming: connecting and including individuals and families and attracting and retaining residents;
 - 1.1.2 Municipal programs, services, indoor and outdoor facilities and spaces are financially and environmentally sustainable, well maintained, reinvested in at appropriate levels, and operated in a focused and responsible manner;
 - 1.1.3 User fees are not a barrier to participation in municipal programs and services;
 - 1.1.4 There is a balance between no fee/low fee and fee-based programs and services; and
 - 1.1.5 Multi-year rates and fee increases align with multi-year budgeted revenues and strive to reach tax support targets.

2. Guidelines for Cost Recovery

- 2.1 The rates and fees strategy and level of subsidization aligns with Council's Purpose Statements as follows:

Purpose Statement	Rates & Fees Strategy
Integrated and Accessible Transportation	High level of tax support
Sustainable Okotoks	A variety of strategies is employed
Community Life	Subsidization along a benefits continuum
Strong Local Economy	Market driven


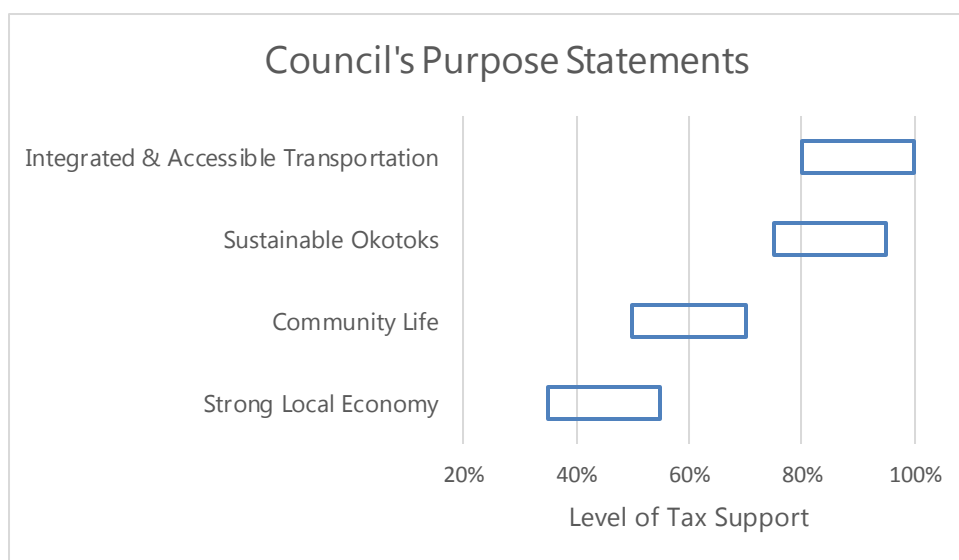

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Figure 1. A visual overview of the level of tax support provided for in Council’s Purpose Statements:



- 2.2 Integrated and Accessible Transportation - The service levels are funded entirely or almost entirely by tax revenue meaning that the service levels rely solely on taxes collected from individuals or businesses to operate, rather than generating revenue from out sources such as fees or sales.
- 2.3 Sustainable Okotoks - As Sustainable Okotoks principles are woven throughout municipal services and utilities, a variety of rates and fees strategies are employed here.
- 2.4 Community Life - As appropriate, the Town will provide a variety of programs and services for no cost / low cost / and full cost in alignment with a benefits continuum where those who benefit from a good or service pay in proportion to the benefit they receive. Rates and fees may be established through a combination of rate reviews and cost recovery targets. Where the programs and services cost recovery target is not set, the rates and fees determination is aimed to be “mid-market”. Where the true costs of providing programs and services has been determined and a cost recovery target is set, the cost recovery strategy shall take precedence over market comparators. Existing financial support programs are sustained and enhanced; and rates and fees strategies help to further maximize utilization of existing programs and services.

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- 2.5 Strong Local Economy - Rates and fees for municipal services provided to support the Strong Local Economy purpose statement are market driven and may fluctuate from year to year pending market conditions and demand.

Table 1. Tax support targets, by Purpose Statement, utilized to establish rates and fees.

Community Life		Integrated & Accessible Transportation	
Safety Permits & Inspections	0%	Transit	75%
FCSS	25%	Snow & Ice Control	100%
Cemetery	25%	Streets, Roads, Fleet	100%
OFRC	50%	Pathways	100%
Recreation & Programs	65%	Sustainable Okotoks	
Municipal Enforcement	65%	Environment & Sustainability	65%
Customer Experience	70%	Natural Areas	75%
Events	75%	Urban Forest	100%
Fire Services	70%	Strong Local Economy	
Policing	75%	Economic Development	0%
Culture & Heritage	75%	Community Development	25%
Parks	90%	Planning	50%
Affordable Housing	50%	Assessment	75%
Library	90%		

3. Responsibility and Accountability

- 3.1 Administration will develop a Fees, Rates, and Charges Bylaw based on the principles and guidelines within this Policy. The Fees, Rates, and Charges Bylaw will be provided to Council for approval to align with the four-year budget cycle and then as needed to approve any fees based on the need to modify programs and services in the interim.
- 3.2 The Town will report to Council regarding the general program utilization and the uptake of fee assistance programs on an annual basis to ensure that rates and fees are not a barrier to participation for all Town residents.

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4. Policy Implementation Process

4.1 A market driven fee comparison will be completed at least every four years.

The current annual rate of inflation (CPI for Alberta or Calgary, all Items, not seasonally adjusted per Statistics Canada) will be considered in establishing the Fees, Rates, and Charges Bylaw.

4.2 The impact of fee increases on participation in the respective program or service will be considered and may be phased in over multiple years where there is a large variance from mid-market.

4.3 The impact of growth in population will be considered in establishing the Fees, Rates, and Charges Bylaw.

4.4 Full utilization of programs and facilities will be encouraged using a variety of rates and fees strategies.

4.5 Alternate revenue streams will be used to reduce the costs to provide services (e.g. grants, sponsorships, partnerships, etc.) where possible.