

## Council to keep user fee hikes to a minimum

### By Mark Pavilons

User fees in King will rise again in 2017, but they'll be in line with the rate of inflation.

In a call by Mayor Steve Pellegrini, Township staff will revisit their user fee recommendations, keeping the hikes within a reasonable 2.5%

Skyrocketing electricity costs continue to wreak havoc on the Township's operating costs, and staff had initially pegged 2017 increases at the 7% level, still lower than the actual impacts of between 8% and 12%.

But Mayor Pellegrini said he simply couldn't go back to user groups -- sports organizations and non-profit groups -- with another substantial increase.

The Township, he pointed out, encourages a healthy, active lifestyle, and continued increases in user fees are counterproductive. He noted the Township doesn't make money on recreational services, so there's no need to place the entire burden on local groups.

Councillor Bill Cober called this "sober sticker shock," referring to the hydro rates. He said they have to get a better handle on user fees.

Director of finance Allan Evelyn pointed out that if they stick to a modest (2.5%) increase, they will have to absorb the actual energy costs, which are rising more than 10%, and balance the costs on the overall tax rate.

In his report, Chris Fasciano, director of parks, recreation and culture, said the main driving force is the cost of hydro (electricity).

This, and other increases in wages and operating expenses, all contribute to rising user fees for Township facilities.

Staff will revamp their recommendations with council's direction in mind and report back to council for approval.

"Ice rental and field lighting rental fees were the primary areas affected by the increase to utility costs," Fasciano said in his report.

"Other user group fees, such as field and diamond rentals, event rentals, etc. will be increased in line with the standard annual increases ..."

There are some new fees planned for 2017 as well. These are for some new services being offered, driven by customer demand.

User fees, like taxes, are a revenue mainstay for the municipality and tend to increase annually.

"Increased fees are fundamental to offering services while mitigating the impact to the tax fee," Fasciano pointed out in his report.

The Township has been playing a catch-up in regards to its user fees and related policies. In 2012, staff reviewed how the user fees had been created historically, noting there was no consistent model or method used to evaluate the costs associated with the various fees.

Through the development of a costing model and consultation with user groups over the past few years, staff came up with a process to set the fees, and present them well ahead of time, so groups and residents had time to digest and comment on the increases.

"The process of standardizing our development of user fees is extremely important to the department as it allows staff to directly correlate the cost of operations, administration and in the case of facility rentals, a capital component into the fees and charges.

"Through this exercise, staff is able to gain a better understanding of the costs associated with our services, in addition to increasing our revenue streams and thus contributing to our overall financial sustainability," Fasciano pointed out.