



TOWN OF NANTUCKET
BOARD OF SELECTMEN

USER FEES & CHARGES POLICY

Effective date: 09/15/2011

Adopted: 09/14/2011

Applicability: Town, and Enterprise Departments

I. Purpose

The Town may recapture, through fees, up to the full cost of providing specific services. Regular and consistent review of all fees is necessary to ensure the costs associated with the delivery of specific services have been appropriately identified and that the Town & County is recapturing the full cost. Exceptions to full recovery costs include cases where the fee maximums are established by the General Laws of Massachusetts (MGL); or where a policy decision has been made otherwise.

The purpose of this policy is to:

1. Ensure the Town is recovering the full cost of providing specific services unless; the Town decides against full costs recovery where greater public benefit is demonstrated.
2. Ensure user fees are not in excess of full costs.

User fees and charges will be reviewed each year at the beginning of the budgetary process and revised accordingly, if necessary.

II. Process

In conjunction with the specific departments collecting the user fees and charges, the Finance Department will document a comparison between the revenue received from specific user fees and the cost associated with delivery of the service. A subsidy is shown when costs exceed revenues. A surplus is shown when revenues exceed costs.

At the beginning of each budgetary cycle, the Finance Department will forward recommendations to Town Administration pertaining to increases and/or decreases to the existing user fee and charges schedule. Within the report to Town Administration, the service detail will indicate if there is an associated subsidy, surplus, or break even point. Where appropriate, Town Administration will review and recommend whether there is a public benefit to providing a subsidy to support the service or if the user fee could be adjusted to achieve full cost recovery. Town Administration's recommendations are then forwarded to the Board of Selectmen for consideration as part of the overall budget

recommendations during the budget development process. In order to be incorporated into the financial forecast, the Board of Selectmen will need to adopt changes to the user fee and charges schedule no later than October 31st annually.