



## Administrative Policies & Procedures

### Policy # - Recreation User Fee and Pricing Policy

<b>Topic:</b>	Recreation User Fee and Pricing Policy	<b>Affects:</b>	Recreation and Finance Staff
<b>Section:</b>	Insert section based on numbering system	<b>Replaces:</b>	N/A
<b>Original Policy Date:</b>	October XX, 2020	<b>Revision Date:</b>	--
<b>Effective Date:</b>	January 1, 2021	<b>Proposed Revision Date:</b>	October 1, 2023
<b>Prepared By:</b>	Recreation Division	<b>Approval Authority:</b>	Council

## 1.0 Policy Statement

The Recreation User Fee and Pricing Policy (The Policy) is aligned with the Town of Aurora Strategic Plan's "Community" Pillar of Success and its goal of "Supporting an exceptional quality of life for all." The respective objectives and actions support the development of a Pricing and User Fee Policy that encourages participation for all residents.

### **Aurora Strategic Plan Pillars of Success: Community** **Objective 4: Encouraging an active and healthy lifestyle**

- Develop a long-term needs assessment for recreation programs, services and operations to match the evolving needs of the growing and changing population
- Support multi-generational programming in cultural and recreational activities to encourage every age cohort to interact and share experiences
- Continue to develop awareness programs that promote the benefits of recreation in supporting a healthy lifestyle
- Continue to develop programs and policies that nurture and contribute to the development of youth

The goal of the Town of Aurora Community Services Department is to engage as many residents in recreational pursuits as possible. There is a strong belief that an

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active community is a healthy community as measured socially, physically, emotionally, and through pride and cohesion.

The Policy seeks to demonstrate transparency in local government by setting fees for recreation services based on the costs to provide them and considering reasonable and achievable levels of cost recovery. *User Fees* are based on the benefits that the recreation service brings to the overall community, families, and individuals and considers the market of other not-for profit, private and municipal providers. The Policy seeks to support a range of recreational opportunities to be provided for all residents in a fair and equitable manner.

### 2.0 Purpose

The purpose of the Recreation User Fee and Pricing Policy is to provide a defensible and fair-minded fee structure while setting a standard methodology for costing and pricing recreation services.

*User Fees* allow the Town of Aurora to provide responsive programs and services, since *Direct Costs* are generally captured through the collection of *User Fees*. The Town will ensure that programs and services are sustainable in the future as all or a portion of the *Direct and Indirect Costs* to provide the program/service is recovered through *User Fees* or other revenue sources.

Specifically, the Recreation User Fee and Pricing Policy strives to ensure that:

- a) Participants contribute to the sustainability of recreation through contributing to the cost to provide the program or service.
- b) *User Fees* are not a barrier to participation in all recreation programs and services offered by the Town.
- c) There is a balance between no fee/low fee and fee-based programs and services so that residents have a range of choice.
- d) *User Fees* are developed in a fair, defensible, and equitable fashion.
- e) *User Fees* generally capture a prescribed amount of the *Direct Cost* to provide a recreation program or service.
- f) A contribution to equipment replacement through an *Equipment Reserve* may be levied as is feasible.

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- g) A contribution toward capital repair and replacement through a *Capital Reserve* will be considered in the future as the market allows.
- h) Program offerings that contribute to the public good and are accessible to all residents will be subsidized to a greater extent compared to program offerings that benefit an individual or a smaller group of residents at a more advanced level.
- i) The local market is considered to ensure that fees are comparable to providers of similar services within and surrounding Aurora.

### 3.0 Scope

The scope of the Recreation User Fee and Pricing Policy includes the costing and pricing of all programs and services that are within the jurisdiction of the Town of Aurora Community Services Department. The Policy applies to all residents, community groups, businesses, and non-residents participating in programs (registered and drop-in) and the rental of facilities.

The Policy addresses the cost of provision and the respective fees associated with all recreation programs and services, including:

- a) Fees for directly offered programs and services including aquatics, general interest programs, fitness classes and memberships, camps, sports programs, March Break and Holiday Break programs, drop-in opportunities and any other services offered and organized through the Community Services Department.
- b) Fees for municipal services offered through the Community Services Department including hourly costs for ice, pools, gymnasiums, community centre halls, meeting rooms, sports fields, and exclusive use of municipally owned spaces and facilities for special events; and
- c) The use of Town of Aurora recreation facilities and public spaces for commercial and private functions.

## 4.0 Definitions

Common terms and definitions that apply to The Policy are outlined in Table 1.

**Table 1: Policy Definitions**

<b>Term</b>	<b>Definition</b>
<i>User Fee</i>	A payment required to gain access to a recreation program, facility, or service.
<i>Direct Costs</i>	The cost to provide a program or service that includes incremental wages, mandatory employment-related costs, and any equipment and supplies associated with the service including a cost to maintain the facility.
<i>Indirect Costs (Departmental)</i>	The support costs to provide a program or service including supervision, registration, promotions, communications, asset management, and other Departmental administrative costs as well as a contribution to equipment and contribution to a Capital Reserve may be applied as feasible.
<i>Overhead Costs (Corporate)</i>	A percentage of the corporate support costs associated with offering a program or service (e.g., Human Resources, Finance, Clerks Office etc.).
<i>True Cost of Service Delivery</i>	The full costs to provide a program or service including direct, indirect and corporate overhead costs.
<i>Subsidy</i>	<p>A waiving of a portion or all of the user fees of a program or service. Subsidies may be associated with the ability to pay, age or ability of participants, etc.</p> <p>The Town of Aurora may choose to subsidize certain age groups or types of programs through the tax base.</p>
<i>Equipment Reserve</i>	An allocation of a percentage of the annual Departmental revenues to an Equipment Reserve Fund. These funds are to be utilized to fund equipment replacements.
<i>Capital Reserve</i>	An annual allocation of a percentage of the value of the capital asset(s) to a Capital Reserve Fund. The Capital Reserve Fund is utilized to contribute to capital repairs and replacement of facilities and amenities

## 5.0 Responsibilities

The Director of Community Services, in concert with the Finance Department, will identify the costs to provide recreation programs and services. A Rate and Fee Schedule will be identified based on the *Direct Costs* and a portion of the *Indirect Costs* of Service Delivery, a determination of the type of service, a pre-determination of cost recovery rates and other relevant considerations (e.g., market conditions, predominance of lower income residents, sponsorship opportunities, etc.).

The Director of Community Services will provide an annual Rate and Fee Schedule to Council for approval and will have the responsibility to approve any fees based on the introduction of new programs and services in the interim.

Upon Council approval, a three-year Fee Schedule (adjusted for inflation) will be posted as per provincial legislation and communicated to Town of Aurora residents and community organizations. This will allow community organizations to plan for a continued budget cycle.

Recreation programs and services will be costed every three years and an inflationary rate will be added to the fee structure on an annual basis, as feasible.

## 6.0 Policy Statements and Procedure

### Policy Statements

The Town of Aurora will strive to:

- a) Offer reduced rates during non-prime hours as appropriate to encourage the full utilization of recreation facilities.
- b) Minimize any *Subsidy* for commercial and for-profit rentals when utilizing public recreation facilities and amenities.
- c) Apply discounts for a family registering three or more members of their immediate family in a session.
- d) Waive or reduce fees for No Fee / Low Fee programs and services as well as for promotional and/or sponsored opportunities.
- e) Ensure that fees and rates are competitive with other providers of similar services within and surrounding the Town of Aurora.

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- f) Reduce the costs to provide services through efficiencies and alternate revenue streams (e.g., sponsorships, partnerships, etc.) where possible.
- g) Introduce a contribution to an *Equipment Reserve* for the replacement and repair of program and service-related equipment.
- h) Consider annual contributions to a *Capital Reserve* to help prepare for anticipated capital refurbishment and replacement costs.
- i) Identify the main intentions and special considerations of The Policy in the Town of Aurora Recreation Activity Guide.
- j) Administer and promote the Town of Aurora Recreation Access Policy (proposed) to provide a seamless mechanism for residents experiencing low income to access recreation as any resident would.

### Procedure

The categorization of programs and services assists staff in providing a broad range of choice to meet community interests and needs. Table 2 defines four categories of recreation programs and services and provides selected examples of programs and services currently provided by the Town of Aurora. The setting of rates and fees will capture a percentage of *Direct Costs* (staff equipment/program supplies and a facility cost allocation), while including a contribution to an *Equipment Reserve* and consideration for a contribution to a *Capital Reserve* intended to sustain the Town's recreation infrastructure over time.

**Table 2: Recreation Program & Service Categories and Cost Recovery Rates**

<b>Programs and Service Categories</b>	<b>Definition of Service Categories</b>	<b>Examples within Current Programs and Services</b>	<b>Targeted Level of Cost Recovery (minimum)</b>
<b>No Fee/Low Fee</b>	No Fee / Low Fee Programs and Services set out to include the widest range of residents participating in recreation. Participation is universal and all residents are welcomed to enjoy these opportunities. <i>User Fees</i> are generally minimal or not applied.	Public skating, public swimming, shinny hockey, special events, use of skate parks, wading pools, public tennis courts, sports courts, drop-in use of gymnasiums, Youth and Older Adult club memberships, etc.	0 to 25%
<b>Introductory</b>	Introductory Programs and Services include an introduction to a recreational opportunity, a learning or developmental continuum in either of active, creative, STEM or general interest programs and services. These opportunities are generally geared toward children, youth, and older adults/seniors.	Learn-to-swim programs, active living and fitness courses, aquatic fitness classes, camps, March and Holiday Break programs, etc.	25 to 50%
<b>Value Added</b>	Value Added Programs and Services offer a continuum of learning and more advanced instruction.	Aquatic leadership training, fitness memberships, fitness classes, etc.	50% to 75%
<b>Premium and Commercial</b>	Premium and Commercial Programs and Services are specialized or are advanced in nature, requiring specialized instruction and/or access to specialized facilities or equipment. Generally, these programs serve a smaller number of participants with specific higher-level skills. These are sometimes offered by the commercial or private sector on a for-profit basis.	Semi-private or private swim lessons, specialized camps and break programs, exclusive use of facilities, exclusive use of facilities with higher level amenities, use of facilities or amenities for commercial purposes.	75 to 100%+

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In setting fees for consideration for Council, Town staff will undertake the following.

- a) Identify the *Direct* and *Indirect Costs* to provide recreation programs and services every three years, and adjusting Targeted Level of Cost Recovery by Category (Table 2) as necessary.
- b) Apply an annual rate of inflation (CPI for Canada, All Items, Not Seasonally Adjusted per Stats Canada) to the existing fee each subsequent year.
- c) Consider the impact of a fee increases on participation in the respective program or service.
- d) Compare the draft revised rate to the average of the surrounding communities and service providers within the local and regional market.
- e) Consider the impact of a proposed fee increases or decreases to the prescribed cost recovery targets and address any inconsistencies.
- f) Arrive at a fair-minded fee that will not impede participation and will assist the Town in achieving its targeted levels of cost recovery.
- g) Determine the overall impact of costs to provide services and increased revenues (as per the proposed revenues of the new fee structure) to arrive at an appropriate cost recovery level of *Direct* and *Indirect Costs* and a contribution to the *Equipment Reserve*.
- h) Phase in over multiple years any fees that are increased significantly (over 20%) due to the refined costing formula, so as not to unduly impede participation.
- i) Develop a summary Recreation Rate and Fee Schedule for Council's consideration.
- j) Request that Council review and approve a fee schedule to accommodate inflationary increase in annual costs along with a potential phased-in implementation of the related fees to provide the programs and services.
- k) Communicate results to Council using an annual reporting mechanism that provides the results of The Policy's implementation, utilization and participation rates, the use of the Access to Recreation Policy, and implications on and input from the community and community organizations.



## **7.0 Regulatory/References/Codes/Standards**

The Policy complies with the legislative requirement of the Ontario Municipal Act – Ontario Regulation 584/06 Part XII – Fees and Charges.

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