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Town of Aurora
Memorandum
Community Services

Re: Community Services Pricing Policy & Ability to Pay - FAC Update
To: Finance Advisory Committee
From: Lisa Warth, Manager, Recreation
Date: November 10, 2020

Recommendation

- 1. That the memorandum regarding Community Services Pricing Policy & Ability to Pay - FAC Update be received; and**
- 2. That the Finance Advisory Committee comments regarding the Community Services Pricing Policy & Ability to Pay project be received and referred to staff for consideration and further action as appropriate.**

Background

In 2017, under the Town's and the Region of York's Memorandum of Understanding (MOU) for delivery of internal audit services, the Region evaluated the Town's Recreation programming processes. As part of this, the pricing policy for Community Services was reviewed. The pricing policy was last updated in 2009 and looks at the levels of total operating costs that should be recovered by user fees based on the type of program or service being offered. Currently, there are four levels in place ranging from 0-100% cost recovery. The regional auditors recommended that the current policy be updated and that processes are implemented to assist staff in adhering to the new policy. An updated policy will help effectively allocate funds for recreation services and assist staff in achieving appropriate cost recovery targets.

This project also includes the development of an Ability to Pay or Access policy, which outlines the policy and procedures related to ensuring that all residents can participate in recreation and community services and that income is not a barrier to paying fees for participation.

Typically, the funding of Recreation Services strives to provide the greatest number of residents through broad based participation with affordable recreation opportunities.

The project was awarded to Monteith Brown Consulting Group, who have extensive experience in developing similar policies.

Significant progress has been achieved with this project and includes:

- The recruitment of a Reference Committee to evaluate draft policies and concepts. The reference committee is made up of community members who sit on other advisory committees.
- Review of local policies and procedures
- Benchmark review of other municipalities & like providers with respect to this subject matter.
- A focus group was held with low income individuals, social services and low income support organizations.
- Background summary report has been completed (attached)
- The development of 2 draft policies – Pricing Policy and Recreation Access Policy

A comprehensive Background document was one of the first steps completed and contains key project information that sets the rationale for the policies, Contents include:

- Project Purpose and context
- The Town's role in delivering Recreation Services
- Rationale for Pricing policies
- Rationale for Ability to Pay/Fee Assistance policies
- Review of local policies & practices
- Review of demographic and social economic trends
- Rates and fees benchmarking

The development of a draft Pricing Policy (attached), has been completed and key concepts include:

- The policy aims to demonstrate transparency in local government by setting fees for services based on the cost to provide them and a reasonable and achievable level of cost recovery
- The policy supports a defensible and fair market fee structure while setting a standard methodology by costing and pricing recreation and community services
- Defining indirect and direct cost and other terms
- Categorizing program and service types
- Cost recovery rates

The development of a draft Recreation Access Policy (attached) has also been completed and key concepts include:

- Determining an amount equal to the cost of the average number of programs and services that the average resident would participate in annually, I.e.: a child may participate in one swim lesson and a week of summer camp costing \$200 annually.
- Set measures and targets for participation among all age groups experiencing low income.
- Work with other funding agencies to coordinate funding of certain programs and services
- Promote existing and offer a range of no fee/low fee programs and services
- Provide universal programs (through partnerships and sponsorships) that are free to children and youth, including offering them in lower income neighbourhoods if appropriate
- Dedicate funds within the annual operating budget to subsidize recreation and active pursuits for residents experiencing low income.

The development of a draft pricing policy costing calculation guide has also been completed and will serve as a tool for staff when developing and pricing new programs and services. The tool helps staff calculate the true cost of offering a program and subsequently will assist staff in pricing new programs and services fairly and transparently.

Next Steps & Implementation

Next steps include presenting the findings and recommendations of this project to Council in early 2021.

There will be budget impacts beginning with the 2022 budget as amounts are allocated to support the Access Policy and the Pricing Policy is applied to both existing and new programs. There may also be adjustments required to the Fees and Charges bylaw and the new costing process is implemented.

Attachments

1. Draft – Aurora Recreation Access Policy
2. Draft – Aurora Pricing Policy
3. Background Summary Report