



Community Services - Pricing Policy & Ability to Pay Update

Finance Advisory Committee - Nov. 10, 2020

Background

- ▶ The last pricing policy and ability to pay review was done in 2009 and has become outdated.
- ▶ The updated policy and procedure will effectively allocate funds for community services and assist staff in pricing programs and services for the next 7-10 years.
- ▶ The project also includes the development of an Ability to Pay or Access policy which outlines the policy and procedures to ensure all residents can participate in Town programs and services and that cost is not a barrier.
- ▶ These types of procedures and policies aim to capture the greatest number of residents as possible and consider the public good (i.e., benefits to society).



Progress to Date

- ▶ Progress to Date includes:
 - ▶ The recruitment of a Reference Committee to evaluate draft policies and concepts
 - ▶ Review of policies and procedures in surrounding municipalities
 - ▶ Focus groups
 - ▶ The development of 2 draft policies, background documents and a calculation worksheet
 - ▶ A community survey is currently ongoing

Background Document

- ▶ The Background Document includes:
 - ▶ Project purpose and content
 - ▶ Town's role in delivering Recreation/Community Services
 - ▶ Rationale
 - ▶ Review of local policies and practices
 - ▶ Review of demographic and social economic trends
 - ▶ Rates and fees benchmarking



Draft Pricing Policy

- ▶ A draft Pricing Policy has been developed and includes key concepts such as:
 - ▶ Transparency in local government by having a methodology to setting fees based on the cost to provide them and reasonable levels of cost recovery
 - ▶ Defining indirect and direct costs
 - ▶ Categorizing program and service types
 - ▶ Cost recovery categories and samples of programs and services for each

Draft Recreation Access Policy

- ▶ A draft Recreation Access Policy has been developed and includes key concepts such as:
 - ▶ Determining an amount equal to the cost of the average number of programs and services the average resident would participate in annually
 - ▶ Allocate funds in the operating budget to subsidize participation in recreation programs and services
 - ▶ Measures and targets for participation among all age groups experiencing low income
 - ▶ Working with other funding agencies
 - ▶ Promote and offer a range of no-fee/low-fee programs and services

Costing calculation guide

- ▶ A calculation guide has been developed to assist staff in pricing programs and services
 - ▶ The guide helps staff calculate the true cost of offering a program.
 - ▶ Knowing the true cost will assist in setting the cost of a program based on the subsidy levels outlined in the policy.
 - ▶ The consultants have determined the cost of running various facilities and support costs related to offering programs and services.
 - ▶ As an example - the true cost of running a ½ hour, 10-week, Starfish level Learn to Swim program is \$1,780.00. This cost then gets divided between a minimum number of participants (6 in this case) and it's determined that the cost per each of the 6 persons in this class is \$296.00. Swim lessons are typically highly subsidized as learning to swim is accepted as a life skill. Therefore, these lessons are subsidized at 75%, leaving 25% as the cost the participant will pay (approx. \$75.00 in this example).

Next Steps

- ▶ Findings and recommendations of this project will be presented to a General Committee meeting early in the new year.
- ▶ There will be budget impacts to the 2022 operating budget to support the access policy.
- ▶ There will likely be adjustments needed to the 2022 Fees and Charges by-law as the new costing is implemented.
- ▶ Any large changes (increases) to the cost of a program or service will be implemented over time.