

**KING TOWNSHIP
CORPORATE POLICY
USER FEE & SUBSIDIZATION POLICY**



POLICY NO.:
COR-POL-155

Community Services Division	Issue Date: 2023-04-11
	Review Date: 2023-04-11
Authored By: Amanda Hicks	Issue No.: 1
Approved By: Chris Fasciano	Next Review: 2028-04-11

1 PURPOSE STATEMENT

- 1.1 The Township of King Community Services Department User Fee & Subsidization Policy is intended to allocate public funds and apply appropriate subsidization levels for recreational, art, cultural, heritage, social, environmental and/or sport programs and services offered by affiliated community groups.
- 1.2 Ensuring a cost recovery model is considered in the development of program and service user fees.

2 POLICY OBJECTIVE

- 2.1 An essential objective of the User Fee & Subsidization Policy is to provide a distinction between different types of recreation activities as related to the principles of funding and subsidization. The guiding principles outlined in this document are the foundation for establishing a fair and objective means to distinguish between activities and clients when setting user fees.
- 2.2 This policy is built on a three-level subsidization process aimed at recovering direct costs for each level of service and set reasonable targets for the recovery of indirect costs for specified services through its user fees.

3 APPLICATION/SCOPE

- 3.1 The User Fee & Subsidization Policy is applicable to all recreational, art, cultural, heritage, social, environmental and/or sport organizations offering programs and services in the Township of King.

4 DEFINITIONS

- 4.1 **User Fee:** A fee paid directly by a user to gain access to a specific service (e.g., program registration fee, admission, or membership fee, facility or equipment rental charges, special service charges).
- 4.2 **Direct Costs:** Costs directly attributable to a specific program or service (e.g., equipment or program supplies and wages of instructors).
- 4.3 **Indirect Costs:** Costs that are not directly attributable to one activity (e.g., facility operations and maintenance, administration, amortization).
- 4.4 **Cost Recovery:** The practice of establishing and collecting user fees for services, including regulatory activities.
- 4.5 **Subsidy:** The amount of direct and/or indirect costs not paid by the consumer of the program, service, or facility, but paid for by the Township, principally from the

**KING TOWNSHIP
CORPORATE POLICY
USER FEE & SUBSIDIZATION POLICY**



POLICY NO.:
COR-POL-155

Community Services Division	Issue Date: 2023-04-11
	Review Date: 2023-04-11
Authored By: Amanda Hicks	Issue No.: 1
Approved By: Chris Fasciano	Next Review: 2028-04-11

tax base.

5 GOVERNING PRINCIPLES

5.1 The User Fee & Subsidization Policy supports the goals outlined in the Recreation & Community Master Plan. Priority will be given to community groups that contribute to the goals outlined below:

- 5.1.1 Goal 1: Active Living - Foster active living through physical recreation.
- 5.1.2 Goal 2: Inclusion and Access - Increase inclusion and access to recreation for populations that face constraints to participation.
- 5.1.3 Goal 3: Connecting People & Nature
- 5.1.4 Goal 4: Supportive Environments - Ensure the provision of supportive physical and social environments that encourage participation in recreation and build strong, caring communities.
- 5.1.5 Goal 5: Recreation Capacity - Ensure the continued growth and sustainability of the recreation field.

6 CATEGORIZATION OF COMMUNITY SERVICES

6.1 The Township of King currently offers residents a wide range of services, including:

- Programs, Leagues & Lessons
- Admissions & Memberships
- Facility Rentals
- Equipment Rentals

6.2 The Township of King must prioritize the funding and subsidy of community services to provide the greatest number of people with quality services at an affordable price. The following criteria were used to determine which Township services should be given higher levels of subsidy and which services and user fees should cover a higher portion of actual costs:

- The goals of the Department pertaining to Active Living, Inclusion and Access, Connecting People & Nature, Supportive Environments and Recreation Capacity;
- The needs and priorities of Township residents;
- Varying benefits to the public of different recreation pursuits; and
- The total participant costs associated with various recreation activities and services and the relationship to the level of access provided and participation achieved.

**KING TOWNSHIP
CORPORATE POLICY
USER FEE & SUBSIDIZATION POLICY**



POLICY NO.:
COR-POL-155

Community Services Division	Issue Date: 2023-04-11
	Review Date: 2023-04-11
Authored By: Amanda Hicks	Issue No.: 1
Approved By: Chris Fasciano	Next Review: 2028-04-11

6.3 A brief description of the three service levels is provided below. The Community Services Department will classify all new and existing services as per the following:

Level 1 Service: The following programs, activities, or facilities for which should be considered for higher levels of subsidization (in relation to Level 2 and Level 3 services)

- Can be accessed by the widest cross section of the population (preschool to older adults aged 55+) and therefore have the potential for broad base participation accessible to all Township residents.
- Teach essential life and safety skills to persons of all ages.
- Introduce physical and non-physical activities to children, youth, and older adults (55+) and encourage active living for life.
- Allow for participation of persons or groups with special needs (e.g., persons with disabilities, new or emerging community groups).
- Offer programs and services to underserved populations.

Level 2 Service: The following programs or services should not be subsidized to the same degree as Level 1 services. These services should have a higher degree of cost recovery to be established on an individual basis and at the discretion of the Township.

- Are accessed by a smaller subset of the population.
- Offer specialized activities or special events to all ages.
- Educational, art or culturally based affiliated community groups.
- The use of Township owned facilities by affiliated adult sport leagues on a seasonal or multi-timeslot basis.

Level 3 Service: The following programs or services should be subsidized less than that applied in Level 1 or Level 2 services. These services should be subject to greater cost recovery than Level 2 or Level 1.

- By comparison to Level 2 services, are likely to be accessed by the smallest subset of the population.
- Offer advanced or specialized instruction to adults.
- Are offered on a private basis (e.g., 1 on 1 swimming lessons).
- Involve the use of Township owned facilities for private use.
- Involve the use of Township facilities or services for profit-events or private businesses.

**KING TOWNSHIP
CORPORATE POLICY
USER FEE & SUBSIDIZATION POLICY**



POLICY NO.:
COR-POL-155

Community Services Division	Issue Date: 2023-04-11
	Review Date: 2023-04-11
Authored By: Amanda Hicks	Issue No.: 1
Approved By: Chris Fasciano	Next Review: 2028-04-11

6.4 *Level of Subsidy Chart (Figure 1)*



Most Subsidized		Least Subsidized
Level 1 30% Subsidy	Level 2 Up to 20% Subsidy	Level 3 0% to 5% Subsidy
Programs accessed by the widest cross section of the population (at least reaches 60% residency rate)	Programs accessed by a smaller subset of the population (reaches up to 59% residency rate)	Programs accessed by the smallest subset of the population (registration is not open to the public)
Children, Youth or Older Adult (55+) aged programs that encourage active living for life (e.g., children and youth sport leagues, skating clubs)	Adult (18+) aged programs or workshops in the fields of Recreation, Arts, Culture, Heritage, or Social Clubs offered by Affiliated Community Groups	Involve the use of Township facilities or services for profit-events or private/commercial businesses.
Diversifies Township programming opportunities and services available to the community (not a duplicated program or service that already caters to the population)	Adult sport leagues offered by Affiliated Community Groups	Non-resident groups or non-affiliated Community Groups
Inclusion Programming Under serviced populations (Indigenous groups, women, and girls, and low-income)		Groups that do not have charitable or not-for-profit status
Children, Youth, or Older Adult (55+) aged programs or workshops in the fields of Arts, Heritage & Culture.		Program or service is already established in the community by an affiliated community group (duplicated program or service)

6.5 A 0% - 100% subsidy is evaluated on a case-by-case basis (e.g., 100% of proceeds are put back into the community/municipality, volunteer, community group or executive planning meetings). The Township reserves the right to negotiate subsidy levels with individual groups based on guiding principals and community need.

6.6 Community groups cannot combine multiple subsidy opportunities (e.g., requesting the seasonal rental discount rate in addition to their User Fee & Subsidization Policy subsidy).

**KING TOWNSHIP
CORPORATE POLICY
USER FEE & SUBSIDIZATION POLICY**



POLICY NO.:
COR-POL-155

Community Services Division	Issue Date: 2023-04-11
	Review Date: 2023-04-11
Authored By: Amanda Hicks	Issue No.: 1
Approved By: Chris Fasciano	Next Review: 2028-04-11

7 POLICY GUIDELINES

7.1 It is the policy of the Township of King that all user fees for recreation programs, services and facilities be set in accordance with the principles and fee categories described above, and under the following guidelines:

- The Community Services Department will aim to recover all its direct operating costs for Level 1, 2, and 3 services through the collection of user fees, except for those activities that the Senior Staff Team deem appropriate to be subsidized at a greater level.
- The Community Services Department will set reasonable targets for the recovery of a portion of the indirect costs for Level 2 and 3 services through the collection of user fees. These targets will be reviewed annually with consideration to the operating budget impact.
 - The pricing for all recreation programs, services and facilities will be reviewed annually and adjusted to accommodate the changes in operating and maintenance costs and marketplace evaluations.
 - It is intended that a range of recreation services be available to all citizens and that no Township resident shall be excluded from participating in recreational activities because of an inability to pay. Community Services Department Senior Staff will refer to the Community Assistance Program guidelines specifically regarding access to recreation programs and services on a case-by-case basis.
 - The Township of King reserves the right to impose a surcharge on persons who do not pay property taxes to the Township of King (non-residents). The non-resident fee will be published by the Community Services Department.
 - It is the intent of the Community Services Department to eliminate subsidization of activities such as for-profit tournaments and special events.
 - Facility and equipment rental rates may be offered at a reduced rate in low priority times (e.g., non-prime time) to encourage greater participation rates and make use of existing facilities.
 - It is the intent of the Community Services Department to ensure that fees remain competitive with other recreation and culture service providers in the Region.
 - The Community Services Department will continue to investigate potential new sources of revenue (e.g., grants, partnerships, and new programs) and support appropriate funding efforts of groups and organizations to help offset costs to the municipality in providing

**KING TOWNSHIP
CORPORATE POLICY
USER FEE & SUBSIDIZATION POLICY**



POLICY NO.:
COR-POL-155

Community Services Division	Issue Date: 2023-04-11
	Review Date: 2023-04-11
Authored By: Amanda Hicks	Issue No.: 1
Approved By: Chris Fasciano	Next Review: 2028-04-11

services and operating facilities.

- Community groups will be required to register their organization and meet the requirements of the Community Services Department’s Community Group Affiliation Policy.

8 RESPONSIBILITY

8.1 The User Fee & Subsidization Policy for the Township of King will be subject to review at a minimum of every five (5) years, based on the operational mandate of the Community Services Department, the broader fiscal environment of the Township, and otherwise at the discretion of the Township. It is the intent of the Community Services Department to review this policy for better resource planning for the Township and users of its community services. The department will maintain an annual fee schedule for all its programs, services, and facilities.

9 RELATED DOCUMENTATION

- 9.1 Community Group Affiliation Policy
- 9.2 Fees & Charges

10 APPROVAL AUTHORITY

<u>Council</u> Authority	<u>2023-043</u> By-law	 Township Clerk	<u>4/11/2023</u> Date
------------------------------------	----------------------------------	---	---------------------------------