



THE CORPORATION OF THE CITY OF VAUGHAN

CORPORATE POLICY

POLICY TITLE: RECREATION USER FEE & COST RECOVERY

POLICY NO.: 18.C.04

Section:	Recreation		
Effective Date:		Date of Last Review:	Click or tap to enter a date.
Approval Authority: Council		Policy Owner: DCM, Community Services	

POLICY STATEMENT

The Recreation Services department (the “Department”) of the City of Vaughan (the “City”) provides a variety of diverse and inclusive recreation programs and services that enhance the quality of life and leisure time of the City’s growing and diverse community. To meet the recreation needs of the community in a financially sustainable and equitable manner, the Department collects User Fees to recover 95% of Direct Costs for recreation programs and services.

PURPOSE

The purpose of the Recreation User Fee & Cost Recovery Policy (the “Policy”) is to provide a framework for establishing and managing recreation User Fees to ensure transparency, consistency, fairness, and public accountability in the process. The Policy directs the Department to recover 95% of the Direct Cost of programs and services for which User Fees are charged, while balancing accessibility and affordability. Regular reviews of User Fees will occur to ensure the purpose of this Policy is met.

Specifically, the purpose of the Policy is to outline:

1. Principles and guidelines for establishing and managing recreation User Fees;
2. Department’s Cost Recovery model;
3. Fee service categories (i.e., Basic Services, Value-Added Services, and Premium Services);
4. The individual fee rate change limitations and fee cycles; and
5. Review mechanism to evaluate and adjust the Policy as needed.

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SCOPE

The Policy applies to all recreation programs and services for which User Fees are charged.

LEGISLATIVE REQUIREMENTS

1. *Municipal Act, 2001, SO 2001, c 25*

DEFINITIONS

1. **Basic Services:** Programs and services that promote active living and well-being among the widest cross-section of the population, particularly for target groups such as Youth, Older Adults, and persons with disabilities. Includes programs that help develop skills essential for well-being, that are set at subsidized rates, such as group swim and skate lessons, as well as general and introductory programs.
2. **City:** The Corporation of the City of Vaughan.
3. **Community Service Organization (CSO):** A City approved Vaughan based, not for profit community organization run by an elected and volunteer board of directors whose prime purpose is to provide recreation, cultural, leisure or community services to the Residents of Vaughan.
4. **Cost Recovery:** The practice of establishing and collecting user fees to recover part or all of the Direct Costs incurred to deliver programs to minimize the burden on the taxpayer. The Department's Cost Recovery target is 95% of Direct Costs.
5. **Department:** The Recreation Services department.
6. **Direct Costs:** The equivalent of the total annual operating budget expenditures for Recreation Services by the Department (excluding expenditures associated with the City Playhouse Theatre, Vaughan Studios & Events Space, as well as the Events Division).
7. **Fee Typology:** To balance accessibility and affordability with financial sustainability, recreation programs and services are categorized as: Basic Services, Value-Added Services, and Premium Services.
8. **Non-Resident:** A customer that is not paying property taxes in the City of Vaughan.

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9. Older Adult: A customer that is aged 65 years or older.

10. Premium Services: Programs and services that are specialty or advanced in nature, which involve access to premium facilities, or which have more limited participation by target groups.

11. Price Elasticity of Demand: A measurement of the change in the demand for a product as a result of a change in its price.

12. RecAssist: The City's fee assistance program, which helps subsidize the cost of recreation programs for low-income individuals and families living in Vaughan.

13. Recreation Services: Encompasses a wide range of programs, services, events, activities, and facilities designed to promote active living, social engagement, and overall well-being for Residents of all ages and abilities. This includes fitness programs, sports leagues, cultural and arts initiatives, and access to recreation centres, pools, arenas, and other recreation amenities.

14. Resident: A customer that is paying property taxes in the City of Vaughan (proof of residency will be required at the time of purchase).

15. User Fee: The fee charged by the City to participate in recreation programs, activities, or services.

16. Value-Added Services: Programs and services that are part of a series of more progressively advanced activities/skills within a specific recreation activity that have higher Cost Recovery rates to help offset Basic Services. For example: soccer fields used by target groups, intermediate summer or holiday camps.

17. Youth: A customer that is aged 13 to 17 years.

POLICY

ROLES AND RESPONSIBILITIES

1) Deputy City Manager

- a) Ensure Policy compliance.
- b) Ensure the overall Cost Recovery target is met.

2) Recreation Services Department

- a) Establish the Policy.

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- b) Establish a working group with the Financial Planning Department to review annual User Fee adjustments.
- c) Administer the Policy in a fair, equitable, transparent and consistent manner.
- d) Conduct regular reviews of the Policy.

3) Financial Planning Department

- a) Review annual User Fee adjustments.

1. General Statement

The Policy aligns with the City's Term of Council Service Excellence Strategic Plan:

- a) Active, Engaged and Inclusive Communities: the Department promotes and recognizes that recreational programs and services are integral to building active, engaged, and inclusive communities.
- b) Service Excellence and Accountability: the Department is committed to responsible financial management by balancing accessibility and affordability with financial sustainability.

2. Principles of Fee Setting

The Department considers five principles to varying degrees when establishing and managing User Fees:

- a. Cost Recovery – the Policy requires the Department to set User Fees to recover 95% of Direct Costs, which assists the City in reducing pressures on property tax revenues. Individual program Cost Recovery expectations vary based on the Fee Typology of the program/service. Fees for Basic Services are subsidized and offset by fees charged for Value-Added and Premium Services, where the Cost Recovery is higher.
- b. Competitiveness – the Policy requires the Department to ensure User Fees are competitive by reviewing market rates and comparing against fees charged by other municipalities and the private sector for similar recreation programs and services.
- c. Price Elasticity of Demand - the Policy requires the Department to set User Fees to account for the responsiveness, or “elasticity,” of the demand for a program to a change in price.
- d. Benefits Received Principle - the Policy requires the Department to set User Fees according to fee service categories (Basic, Value-Added, Premium) which outline whether the benefits of a service are tied to specific individuals or

groups of individuals. The Policy provides subsidized fees for specific user groups, such as Youth, Older Adults, persons with disability, and Community Service Organizations, subject to eligibility requirements, and aims to standardize the subsidy to ensure consistency. The Policy does not provide subsidies for Non-Residents, as well as adults aged 18 to 64, and for-profit organizations.

- e. Ability to Pay Principle - the Policy requires the Department to ensure that recreation services are accessible and affordable and that the User Fees do not reduce participation in programs. The needs of individual Residents unduly burdened by the implementation of the Policy should be addressed through the Department's fee assistance program, RecAssist, and other financial assistance programs.

3. Guidelines for Fee Setting

The Department follows these guidelines when establishing and managing User Fees:

3.1 Economic and Inflationary Considerations:

- a) Assess Consumer Price Index (CPI) at both national and provincial levels, as calculated annually by the Federal Government, using the month of January.
- b) Assess any mandated increases that may increase the cost of delivering recreation programs and services (e.g., staff salary and benefit increases, minimum wage).
- c) Assess inflationary increases from vendors and service providers, as well as legislative requirements that add costs to delivering recreation programs and services.

3.2 Competitiveness:

- a) Benchmark User Fees against municipal and private sector recreation providers to ensure competitive, industry-aligned pricing.
- b) Benchmark all User Fees at least once in a three-year cycle.

3.3 Participation/Demand:

- a) Assess participation and revenue trends over the previous three-year period to understand the Price Elasticity of Demand.
- b) Encourage participation among specific user groups, such as Youth, Older Adults, persons with disabilities and CSOs by subsidizing fees, according to Fee Typology, and subject to eligibility requirements.
- c) Avoid increasing User Fees when participation or demand is declining.
- d) Prioritize Residents by applying a 20% surcharge on User Fees for Non-Residents.

4. Application

To reduce the impact of User Fee adjustments on specific users and community groups, and particularly where increases might affect participation in the short-term, the Department will:

- a) Limit User Fee adjustments to +/-5% in any given year, or +/-15% over a three-year period.
- b) Phase in User Fee adjustments greater than 5% over a three-year period.
- c) Seek alternative funding sources through grants, sponsorships and partnerships.
- d) Promote and provide financial assistance (e.g., RecAssist).
- e) Implement cost-savings measures (e.g., wage subsidies) and seek efficiencies through operational reviews.
- f) Monitor and analyze the impact of User Fee adjustments and subsidies on affordability, accessibility and participation on a regular basis.

5. Governance

User Fee adjustments will be implemented annually by the Department, taking effect in either January or September of each year.

A working group consisting of staff from Recreation Services and Financial Planning will review the proposed annual User Fee adjustments, the assumptions behind them, and the extent to which the Policy is adhered to.

The Department will conduct comprehensive User Fee reviews every five years to ensure that its User Fees are achieving the principles of this Policy.

6. Authority of the Department

The Department has the authority to establish and manage User Fees each year in compliance with the principles and guidelines set in this Policy. This authority enables the Department to approve a fee, waive a fee, offer promotional pricing and apply fee subsidies for any programs and services, in accordance with the established principles and guidelines set in this Policy.

7. Public Notification

Recreation User Fees are available on the Department's online registration system, the Recreation Services website, and in seasonal e-guides. The Policy is also referenced in Schedule H of the City's Fees and Charges By-law.

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ADMINISTRATION

Administered by the Office of the City Clerk.

Review Schedule:	5 Years If other, specify here	Next Review Date:	Click or tap to enter a date.
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Related Policy(ies):	
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Related By-Law(s):	251-2024
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Procedural Document:	
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Revision History

Date:	Description:
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Click or tap to enter a date.	
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Investing in Recreation:

The Recreation User Fee & Cost Recovery Policy

April 7, 2025





Agenda

1. Purpose of the policy
2. Principles of fee setting
3. Cost recovery model
4. Main policy elements
5. Mitigation plan
6. Review protocol

Purpose of the Policy



Framework for transparency, consistency & accountability



Fiscal sustainability to secure long-term financial health



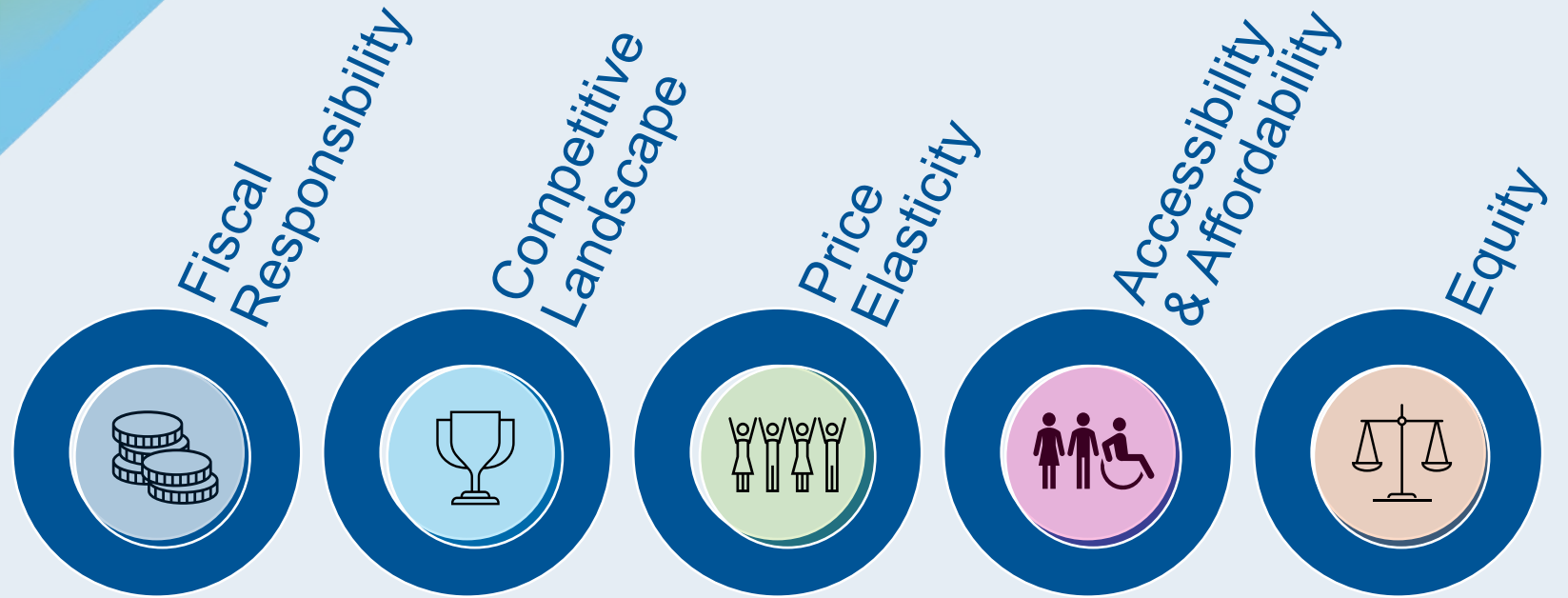
Balance affordability, inclusivity & accessibility



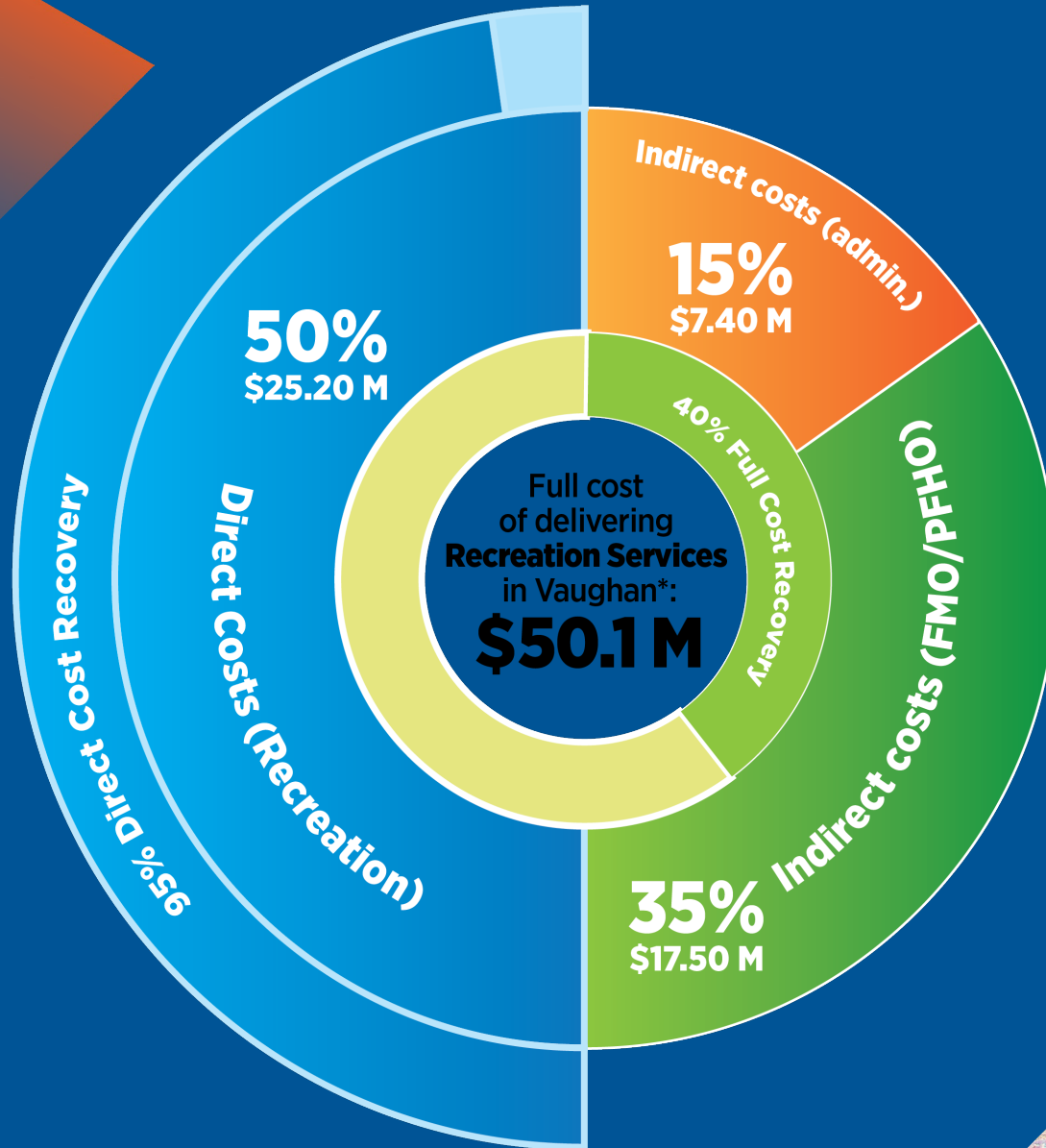
Regular reviews to ensure relevancy



Principles of Fee Setting

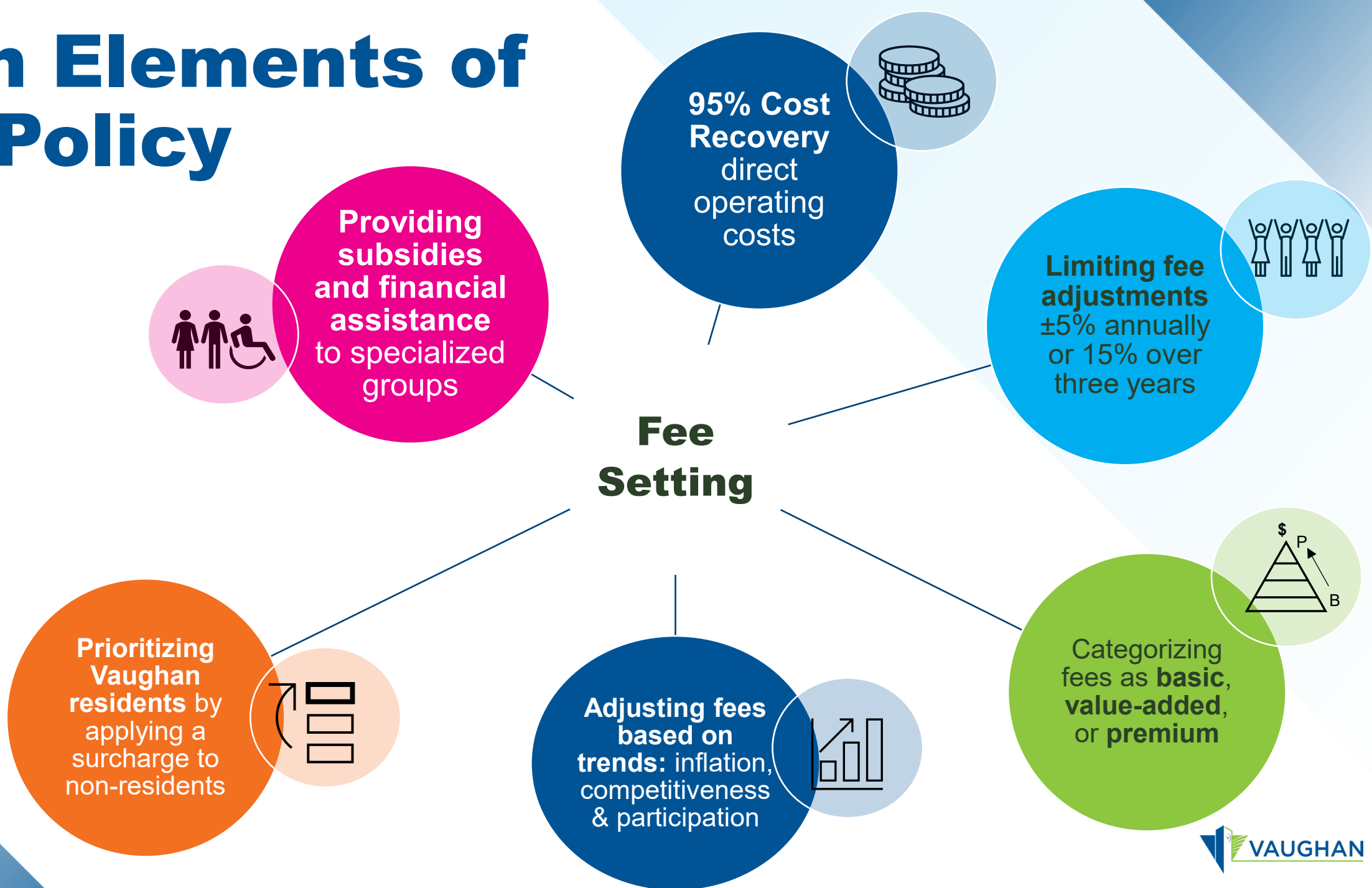


Cost Recovery: Peeling back the layers



*Source: 2024 Operating Budget Figures

Main Elements of the Policy



Fee Impact Mitigation Plan

Limiting fee
adjustment
 $\pm 5\%$
annually or
15% over
three years

Promote
and provide
financial
assistance

Seek
alternative
funding

Implement
cost-saving
measures

Monitor the
impact





Policy Administration and Review Protocol



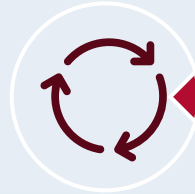
Departmental authority to establish & administer fees



Review with the Finance department



Public communication & awareness



Conduct fee studies every five years

Thank You

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