Recreation Fee Review

What is the value of recreation to you?

February 10 Council Report RP-2020-0004
Presentation Outline

• Scope of Project – goal and objectives
• Public Engagement
• Key Findings:
  Watson & Associates Economists Ltd
  Sean-Michael Stephen
• Next Steps
Project Goal

Review existing recreation fees and provide a **new framework** to rationalize rates, subsidy/cost recovery levels, and future trends based on projected demographics.
Guiding Principles

• Ensure **affordable** access
• Be **specific** to the needs of our residents
• Strike a **balance** between reliance on tax base funds, other funding sources, and user fees
• Access to basic services in order to enjoy a better **quality of life**
Project Objectives

• Respond to changing demographics, employment forecasts and income levels;

• Define a fair and transparent recovery rate for the various programs and services provided in Recreation and Parks;
Project Objectives

• Ensure that required service delivery is sustainable without significant burden on the tax base;

• Define a rate structure that aligns with those services that most benefit the community and the public’s ability to pay (public : private services and benefits);
Project Objectives

• Engage the public in key aspects of the rate review per the Town’s public engagement process.
# PUBLIC ENGAGEMENT MATRIX

<table>
<thead>
<tr>
<th>Spectrum of engagement</th>
<th>CONSULT</th>
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<tbody>
<tr>
<td><strong>Purpose</strong></td>
<td>Listen and learn; test ideas and concepts and develop recommendations</td>
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| **Town’s responsibility** | • Provide information  
  • Provide opportunity for public to share views, values and priorities  
  • Consider how recommendations could be incorporated  
  • Share final decision  
  • Report back on final decision |
| **Public’s responsibility** | Participate |
Recreation Fee Review

- Demographics, Employment and Income levels
- Comparative Fees
- Existing subsidy levels
- Policy Framework - Principles
- Rate Model

Public Engagement
Strategic Action Plan Context
Town of Halton Hills

Recreation & Parks Rates and Fees Strategy Results

February 10, 2020
Study Process

• Project Initiation
• Fee Categorization and Model Development
• Focus Group Meeting
• Public Open House
• Community Survey
• Review Preliminary Costs
• Review Draft Policy Framework
• Preliminary Findings and Recommendations
• Public Open House
• Presentation to Senior Management Team (SMT)
• **Presentation to Council – February 10, 2020**
Demographic and Socio-Economic Trends

- Higher population rates in the 65+ age group over next decade
- Average household income significantly higher than provincial average; 8% earn less than $30,000 per year
- Local employment base is increasing at a faster rate than population base
- Trends do not indicate there is an economic environment in the Town that would not support fees within the range of those being provided by the Town and neighboring municipalities
Comparative Rate Review

- Municipal policy research undertaken to understand user fee and cost recovery policies, including methodology for determining the allocation of tax subsidies

Municipal-Wide Policies
- Milton
- Mississauga
- Toronto
- Erin

Recreation-Service Policies
- Burlington
- Caledon
- Oakville
- Brampton

The following summarizes the major themes of the municipal policy survey (detail provided in draft report)
Comparative Rate Review

- **Community Engagement** - More comprehensive policies state that the public must be consulted on new fees (method of consultation not defined)

- **Market Fee Assessment** - Market fee assessments used in combination with other cost recovery policies (e.g. benefits analysis)

- **Full Cost Definition** - Full cost of service (including capital costs) recommended as the starting point in fee reviews

- **Cost Recovery Policies & Benefits Analysis** - Goal should be to balance cost recovery with affordability while having consideration for transparency, fairness, equity and benefits of service provided

- **Assistance Programs** - Most municipalities offer assistance programs to mitigate impact of fees on access to service
Levels of Subsidy: Full Cost Assessment Methodology

- **Program Costs**
- **Indirect Town Department Support Costs**
- **Operating & Maintenance**
- **Capital**

**Full Costs of Service**

- **Programs / Services**
  - Full Cost per Service Hour or Program
    - + by annual service hours / programs offered

- **Facility Space**
  - Full Cost per Available Facility Hour
    - + by available service hours

**Fee Design (Services/Programs)**

**Fee Design (Facility Rentals)**
Full cost of service is $22.5 million, net revenue is $5.3 million
Current fees recover 24% of the full cost of service
Recreation & Parks Budgeted Revenue

Budgeted Recreation and Parks revenue ($5.3 million) recovers close to 39% of gross R&P expenditures.

Figure 3 - Budgeted Recreation and Parks Revenue ($5.3 million)
Current Recreation & Parks Cost Recovery

- Net budgeted revenue recovers 24% of modelled full cost of service

<table>
<thead>
<tr>
<th>Description</th>
<th>Full Cost of Service</th>
<th>Less Unfunded Capital Costs ($5.1 million)</th>
<th>Less Unfunded Capital Costs &amp; Indirect Costs ($9.0 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Costs</td>
<td>$22,553,559</td>
<td>$17,436,982</td>
<td>$13,575,671</td>
</tr>
<tr>
<td>Budgeted Revenue - Current Fees</td>
<td>$5,315,937</td>
<td>$5,315,937</td>
<td>$5,315,937</td>
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<tr>
<td>Cost Recovery %</td>
<td>24%</td>
<td>30%</td>
<td>39%</td>
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Policy Framework: Pyramid Methodology

• All aspects of study, including policy review, public engagement and fee recommendations have been undertaken with regard for the **Pyramid Methodology**

  • Levels of community benefit associated with programs and services
Recreation & Parks User Fee Policy Framework

Community Benefits – Focus Group

- Enhances social wellbeing, especially for youth and seniors
- Develops healthy youth lifestyles and positive choices
- Builds and maintains strong families and communities
- Helps people connect with nature

- Provides economic benefits
- Develops life skills and leadership
- Builds and maintains healthy lifestyles
- Provides equal access to services
Recreation & Parks User Fee Policy Framework
Community Benefits Assessment – Pyramid Methodology

- Based on outcomes from public engagement strategy

<table>
<thead>
<tr>
<th>MOSTLY INDIVIDUAL BENEFIT</th>
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<tr>
<td>Fitness Classes</td>
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<tr>
<td>Sports Instruction</td>
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<tr>
<th>CONSIDERABLE INDIVIDUAL BENEFIT</th>
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<tr>
<td>Health and Wellness</td>
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<tr>
<th>BALANCED INDIVIDUAL/COMMUNITY BENEFIT</th>
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<tr>
<td>Leadership and Certification Programs</td>
</tr>
<tr>
<td>Facility Rentals (Including Sportsfields)</td>
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<tr>
<td>Seniors</td>
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<tr>
<th>CONSIDERABLE COMMUNITY BENEFIT</th>
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<tbody>
<tr>
<td>Camp Programs</td>
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<tr>
<td>Children and Youth</td>
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<tr>
<td>Aquatic Programs</td>
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<table>
<thead>
<tr>
<th>MOSTLY COMMUNITY BENEFIT</th>
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<tr>
<td>Drop-In Programs</td>
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Policy Considerations

- **Seniors Fees**
  - Reduced fees compared to adult fees not recommended; decreased rates available regardless of age
  - Hillsview Membership model
  - New range of passes for discounts on broader range of services

- **Non-Resident Fees**
  - Community engagement indicates strong support for higher non-resident fees
  - Staff recommend imposing non-resident surcharge for all registered programs (currently 20% surcharge for facility rentals)
Policy Considerations
Continued

• **Registered Groups**
  • Maintain policy of providing 20% discount for registered groups

• **Family/Group Rates**
  • Maintain current policy of providing discounts
  • Facilitates and incentivizes the increased usage of services by children/youth (considerable community benefit)

• **Bulk Purchase Fees (memberships/passes)**
  • New range of passes and memberships; economies of scale for frequent users, reduced per visit rates, level of revenue certainty for the Town
Policy Considerations
Continued

Affordability Policy Framework (2010)

Is the individual or family currently receiving social assistance?
What is the family’s or individual’s Low Income Cut Off status?
What is their Story?

https://www.haltonhills.ca/RecreationFinancialAssistance
Primary Revisions page 9

- **Simplification and consolidation** of similar rate types (E.g. meeting room rate by seating capacity not location) and deletion of unused rates (E.g. studies)

- **Inclusion of all program, service and facility rates** in compliance with the Municipal Act (E.g. camps and recreation programs now included)

- Alignment with **community benefit type** as identified by Watson & Associates Economists Ltd. strategy

- **Parity of programs and services** offered in facilities in Georgetown and Acton (E.g. aquatic programs at Acton Indoor Pool adjusted ten percent higher, Gellert Community Centre hall lowered by just over sixteen percent)
• **Addition of a range of passes and memberships (monthly/annual)** to provide better value and flexibility for individuals and groups; inclusion of Hillsview Active Living Centre membership program rates (See Appendix A for details)

• **Consolidation of administrative fees** into one area; no substantive changes to administration or advertising rates

• **Deletion of the area surcharge** per Council direction BU-2019-0007, 2020 budget directions report
## Primary Revisions page 8

<table>
<thead>
<tr>
<th>Program or Rental Fee</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tbody>
<tr>
<td><strong>Aquatics at AIP</strong></td>
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<tr>
<td>Learn to Swim +10%, Semi-private +14%, Aquafit +13%</td>
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<td><strong>Ice Rental</strong></td>
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<td>Prime (-7.6%), Minor (-13.4%), Non-Prime (-39.5%)</td>
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<tr>
<td><strong>Floor Rental</strong></td>
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<td>Minor (-6.1%)</td>
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<td><strong>Gellert CC Hall</strong></td>
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<tr>
<td>(-16.4%)</td>
<td>(-10%)</td>
<td>(-5%)</td>
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<td><strong>Park Rentals</strong></td>
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<td>+3%</td>
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<td><strong>Sportsfields</strong></td>
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<td></td>
<td>+10%</td>
<td>5%</td>
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<tr>
<td><strong>Theatre Camp</strong></td>
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<td>+4%</td>
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<td>+5%</td>
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<td><strong>Fitness (Dryland and Aqua)</strong></td>
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<td>+5%</td>
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<tr>
<td><strong>Specialty Fitness (Health and Wellness)</strong></td>
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<tr>
<td>+5%</td>
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<tr>
<td><strong>Drop In Programming (recreational swim and skates) at AIP, ACC, MMSP</strong></td>
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<tr>
<td>Child +25%, Adult +35%, Group +19%</td>
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<tr>
<td><strong>Recreational Sports</strong></td>
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<td>+9%</td>
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<tr>
<td><strong>Dance</strong></td>
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<td>+36%</td>
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Next Steps

• Approval in principle
• Update Corporate Rates approved through By-law 2019-0065
• Fund 2020 Budget Impact of $250,700 from Tax Rate Stabilization Reserve
• Align phasing with 2021 Operating Budget
Thank You

See [www.haltonhills.ca/recplan](http://www.haltonhills.ca/recplan) for more information