

# 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

## Recreation Fee Review

What is the value of recreation to you?

## 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

<b>Spectrum of engagement</b>	<b>CONSULT</b>
<b>Purpose</b>	Listen and learn; test ideas and concepts and develop recommendations
<b>Town's responsibility</b>	<ul style="list-style-type: none"> <li>• Provide information</li> <li>• Provide opportunity for public to share views, values and priorities</li> <li>• Consider how recommendations could be incorporated</li> <li>• Share final decision</li> <li>• Report back on final decision</li> </ul>
<b>Public's responsibility</b>	Participate





# Recreation Fee Review

Demographics,  
Employment  
and  
Income levels

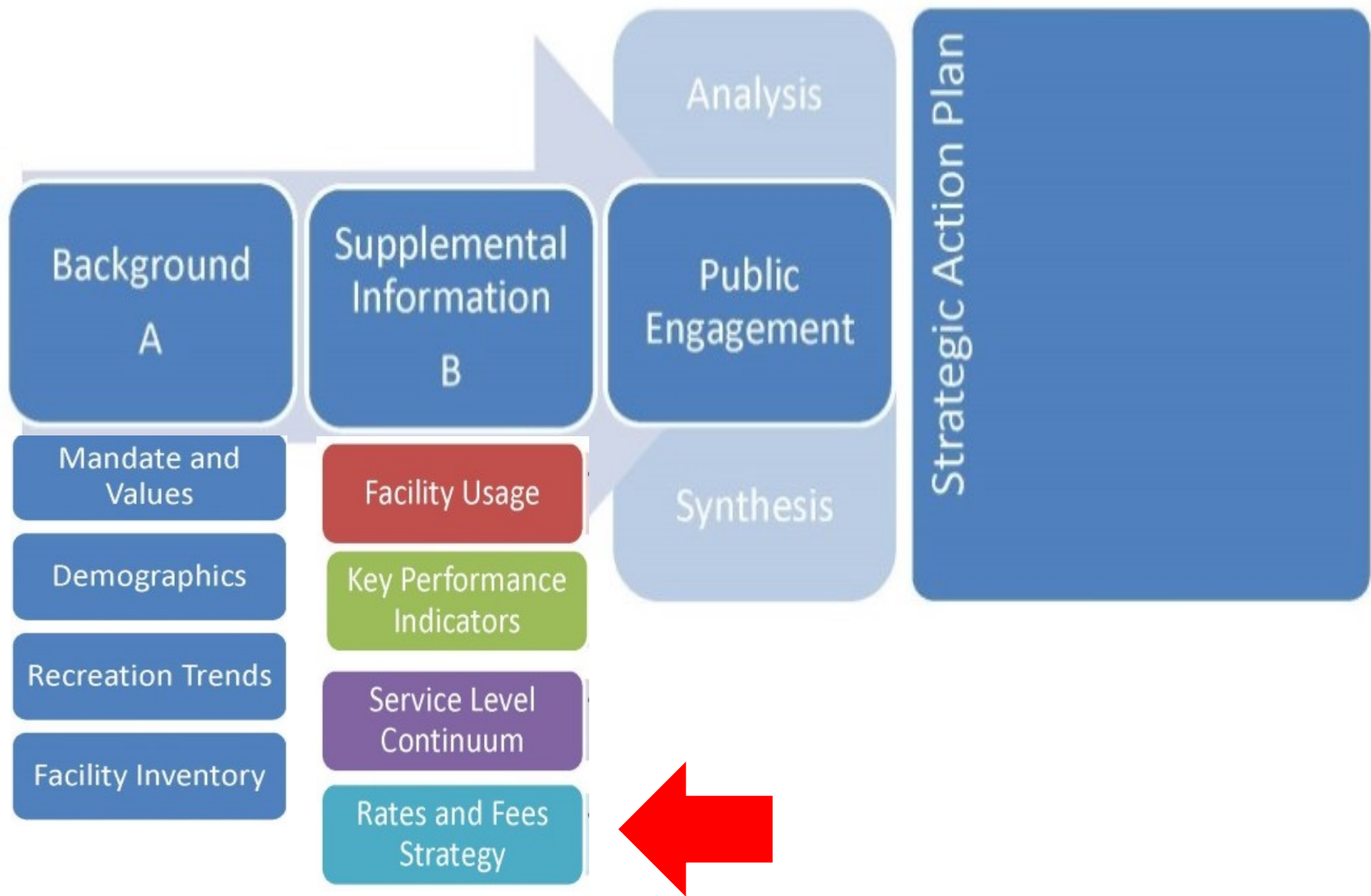
Comparative  
Fees

Existing  
subsidy levels

Policy  
Framework -  
Principles

Rate Model

Public Engagement





## Town of Halton Hills

Recreation & Parks Rates and  
Fees Strategy Results

# 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

## *Full Costs of Service*

Program Costs

Indirect Town  
Department  
Support Costs

Operating &  
Maintenance

Capital

Programs /  
Services

÷ by annual  
service  
hours /  
programs  
offered

Full Cost per  
Service  
Hour or  
Program

Fee Design  
(Services/  
Programs)

Facility Space

÷ by  
available  
service  
hours

Full Cost per  
Available  
Facility Hour

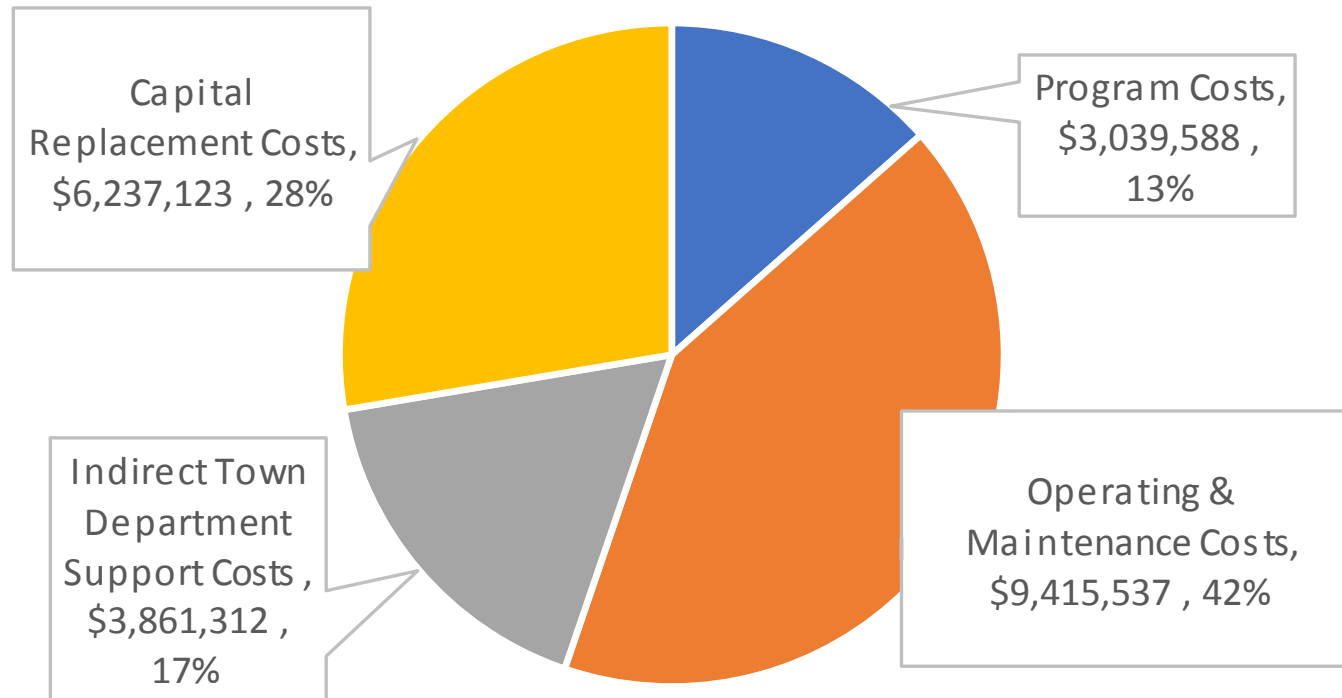
Fee Design  
(Facility  
Rentals)



# Full Cost of Service

## Modelled Recreation & Parks Annual Costs

Figure 2 - Annual Costs, Activity Based  
Structure, (\$22.5 million)

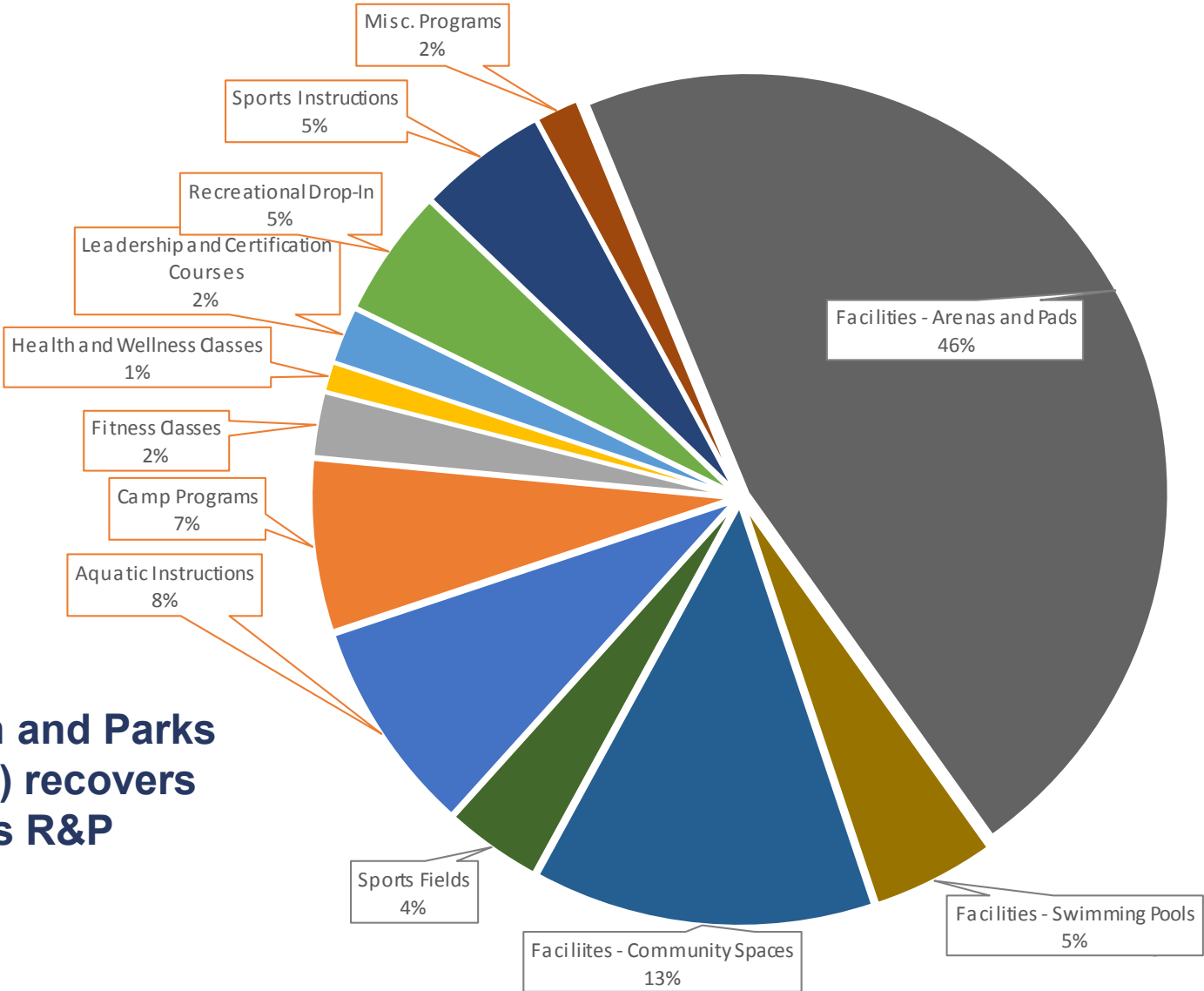


**Full cost of service is \$22.5 million, net revenue is \$5.3 million**

**Current fees recover 24% of the full cost of service**

# Recreation & Parks Budgeted Revenue

Figure 3 - Budgeted Recreation and Parks Revenue (\$5.3 million)



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

# Current Recreation & Parks Cost Recovery

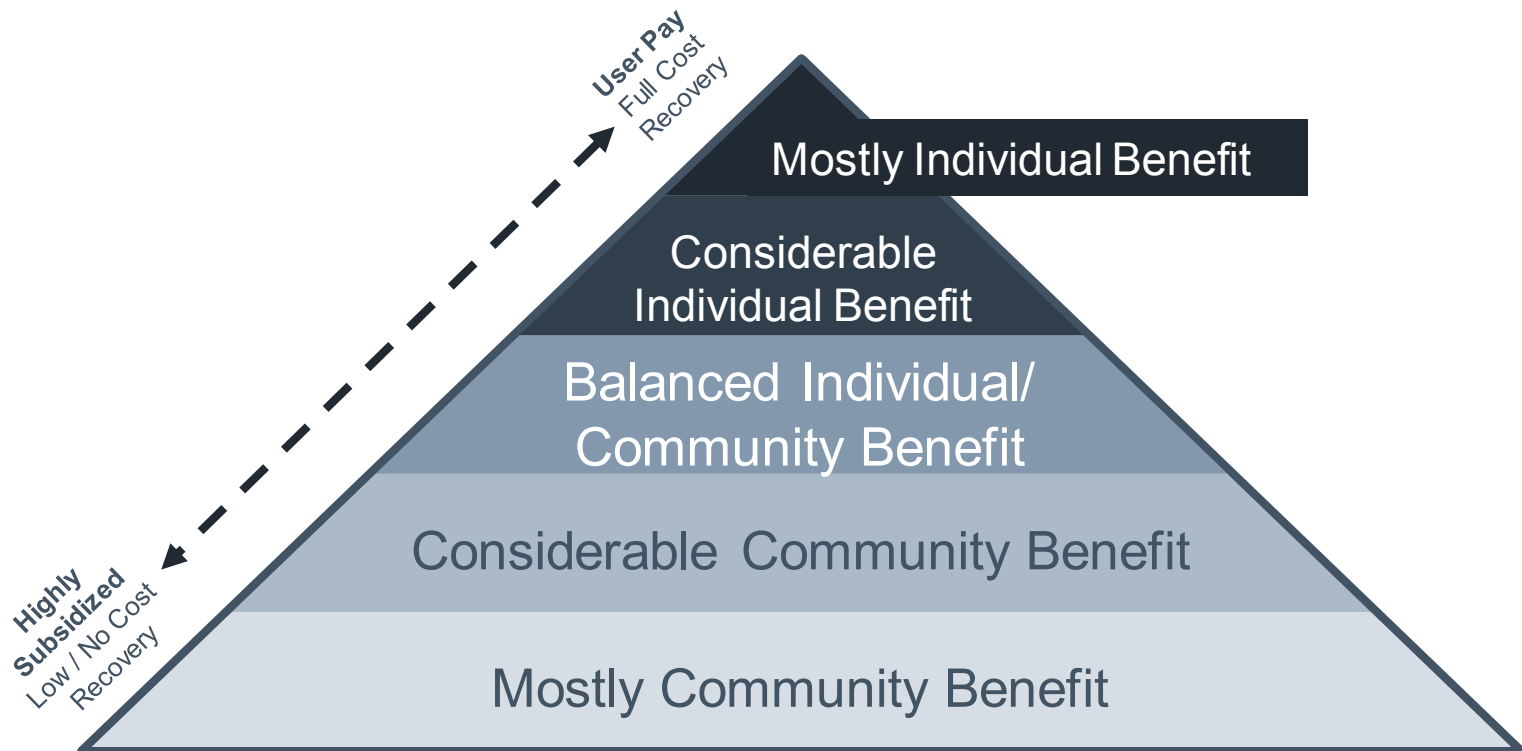
- Net budgeted revenue recovers 24% of modelled full cost of service

Description	Full Cost of Service	Less Unfunded Capital Costs (\$5.1 million)	Less Unfunded Capital Costs & Indirect Costs (\$9.0 million)
Annual Costs	\$22,553,559	\$17,436,982	\$13,575,671
Budgeted Revenue - Current Fees	\$5,315,937	\$5,315,937	\$5,315,937
Cost Recovery %	24%	30%	39%

# 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
- Maintain current assistance programs for low-income families and seniors

<b>MOSTLY INDIVIDUAL BENEFIT</b>
Fitness Classes
Sports Instruction
<b>CONSIDERABLE INDIVIDUAL BENEFIT</b>
Health and Wellness
<b>BALANCED INDIVIDUAL/COMMUNITY BENEFIT</b>
Leadership and Certification Programs
Facility Rentals (Including Sportsfields)
Seniors
<b>CONSIDERABLE COMMUNITY BENEFIT</b>
Camp Programs
Children and Youth
Aquatic Programs
<b>MOSTLY COMMUNITY BENEFIT</b>
Drop-In Programs

# Policy Considerations

- **Seniors Fees**

- Reduced fees compared to adult fees not recommended; decreased rates available regardless of age
- Hillsvue 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

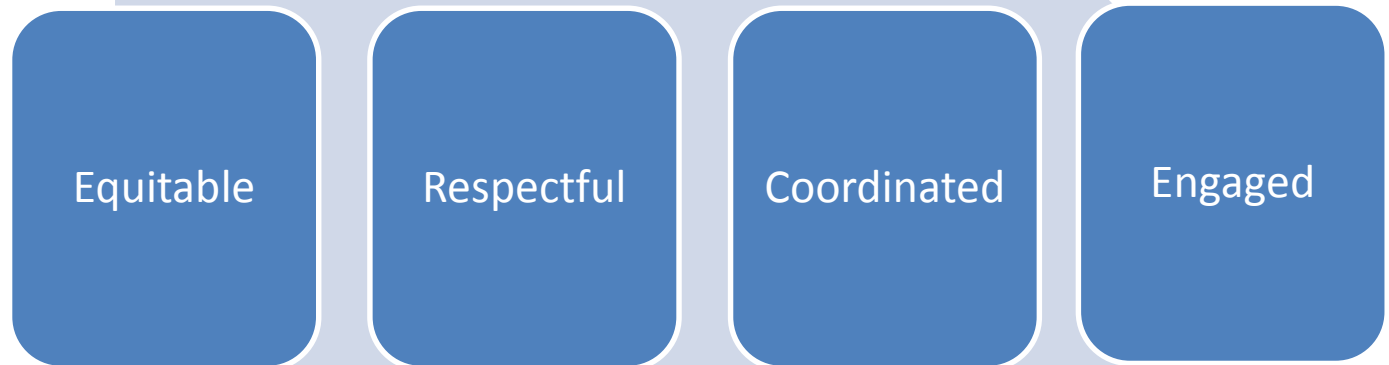


# Policy Considerations

## 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?**



# 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)

# Primary Revisions page 9

- **Addition of a range of passes and memberships (monthly/annual)** to provide better value and flexibility for individuals and groups; inclusion of Hillview 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

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

## 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

## Recreation Fee Review

**What is the value of recreation to you?**

# Recreation Fee Review



**What is the value of recreation to you?**

## Thank You

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