



## **REPORT**

**REPORT TO:** Mayor Bonnette and Members of Council

**REPORT FROM:** Samantha Howard, Director of Recreation Services

**DATE:** September 1, 2020

**REPORT NO.:** RP-2020-0019

**RE:** Aquatic User Group Rate Reduction

### **RECOMMENDATION:**

THAT Report No. RP-2020-0019 dated September 1, 2020 regarding Aquatic User Group Rate Reduction be received;

AND FURTHER THAT staff be authorized to reduce hourly facility rental rate of pools by 50% for qualifying aquatic user groups from September 2020 to June 2021 per the rationale outlined in Report RP-2020-0019.

### **BACKGROUND:**

On Friday June 19, 2020 the Province of Ontario announced the re-opening of indoor aquatic facilities as part of Stage 2. Staff has reviewed and evaluated guidelines produced by Halton Region Public Health, the Lifesaving Society of Ontario and Swimming Canada and have worked with aquatic user groups to develop a return to service plan that aligns with these guidelines while remaining in compliance with Ontario Regulation 565 – Public Pools. The updated guidelines across multiple governing bodies poses significant challenges for the restart of local aquatic user groups like Blue Fins, Acton Ducks, Special Olympics and HH Synchro Club. During the development of return to service plans, the clubs have collectively requested for a reduction in hourly rental rates in order to make the restart season financially viable.

In response to challenges faced by community organizations as a result of COVID-19, the Town has supported local organizations and businesses earlier this year with loan deferrals and waivers of lease payments through Council Resolution No. 2020-0129 from July 2020.

## COMMENTS:

The purpose of this report is to provide Council with the financial impact on requested reduction of facility contract rates for aquatic user groups for the 2020-2021 season (September 2020 – June 2021).

Participation rates for local aquatic groups have historically been high. To illustrate this point, the Georgetown District High School (GDHS) swim program has won 49 OFSAA titles starting in 1981. GDHS are the current OFSAA champions (2020) and have won the last twelve overall titles, setting the record for most consecutive OFSAA wins in history, in any sport. This culture of excellence in competitive swimming creates a foundation of participation and support which allows the aquatics unit to provide a wider variety of aquatic opportunities for the entire community.

There are four local aquatic groups that are facing a number of challenges in order to resume training for the 2020-2021 season due to COVID-19, including:

- Increased demand on coaches and staffing resources to support **enhanced supervision** and implement new procedures related to COVID-19 risk management
- New business processes for registration, many of which must be designed to occur 'virtually'
- **Limited capacity** in the pool as determined by Swimming Canada – approximately 50% of previous capacity for training sessions. In order to satisfy this requirement, clubs must operate with fewer members than in a typical season
- Limited capacity in the changerooms as per indoor gathering limits in order to maintain physical distancing. This creates the need for staggered start times therefore increasing the amount of rental time required for fewer athletes.
- Clubs are **not permitted to accept new members**, only returning members. Clubs are also not allowed to run 'beginner' programs as they cannot operate safely while maintaining physical distancing. 'Beginner' programs yield a significant percentage of club's revenues. Clubs typically use revenue from 'beginner' programs to subsidize training for senior athletes, who consume more resources
- Clubs were forced to cancel swim meets, and in-person **fundraising events** which have historically contribute significantly to their operating budgets
- In discussion with Town staff, clubs have indicated that even if the Town can reduce rental fees, they will **operate at a loss this year**, but feel it is worth doing so in order to ensure the health of their club moving forward, and to support the wellbeing of their members and the wider community during the pandemic. All clubs have indicated that they anticipate registration to be down 50 – 65% this season. They have limited reserves available but will draw on them to bridge the gap between revenue and expenses next season. They are willing to draw on their reserves but it will not be enough to get them through the season at existing rental rates.

As Provincial directives and sporting governing bodies allow, aquatic user groups are hopeful that in 2021 the capacity of athletes per hour will increase and they are able to return to budgeted revenues at which time the Town would return facility permit rates for pools to full rates.

A summary of facility contract payments for 2021-2021 season is summarized below:

Group	Location	Budgeted Revenues (Sept – Dec 2020)	Financial Impact with 50% rate reduction (Sept-Dec 2020.)	Projected Budgeted Revenues (Jan-June 2021)	Potential Financial Impact with 50% rate reduction (Jan – June 2021)
HH Blue Fins	Georgetown Indoor Pool	\$42 442	\$21 221	\$65 531	\$32 766
Acton Aqua Ducks	Acton Indoor Pool	\$15 867	\$7 934	\$21,127	\$10 563
HH Synchro Club	Georgetown Indoor Pool	\$7 694	\$3 847	\$8 378	\$4 189
HH Special Olympics	Georgetown Indoor Pool	\$1 427	\$714	\$1 929	\$965
<b>TOTAL</b>		<b>\$67 430</b>	<b>\$33 716</b>	<b>\$96 965</b>	<b>\$48 483</b>

If the swim clubs do not resume swimming this year due to financial challenges, it will result in lower participation rates, job losses for aquatic staff and club coaching staff, and a strong potential for the clubs to cease operation. Staff notes that if local swim clubs cannot operate successfully beyond the pandemic, it is a significant long-term impact to revenue at Acton and Georgetown Indoor Pools. The department must continue to invest maintenance resources to keep pools in good repair for future use, so there is limited opportunity to cut costs if the facilities are not operating.

Staff is recommending that along with area municipalities such as Caledon (50%) and Burlington (25%) the Town should support the four local aquatic groups who do not have the financial capacity to continue operation due to the regulatory restrictions resulting from COVID-19.

## RELATIONSHIP TO STRATEGIC PLAN:

This report aligns with the following values in Council's 2020 strategic plan:

### Provide Responsive, Effective Municipal Government

To provide strong leadership in the effective and efficient delivery of municipal services

This report aligns with the following priority focus areas in Council's 2020 strategic plan:

- The municipality maintains services and service levels that support the quality of life of its residents and a hospitable environment for businesses.

The youth and senior population of Halton Hills is supported by a variety of services and facilities tailored to their needs.

## FINANCIAL IMPACT:

### Revenue Loss 2020:

Budgeted Rental Revenues (Sept – December 2020)	\$67 430
*all swim clubs and board of education	
Subtract Board of Education	(\$14 618)
Projection September – December 2020	\$52 812
50% hourly rate reduction, total revenue loss 2020:	<b>\$26 406</b>

### Revenue Loss 2021:

Projected Rental Revenue (January – June 2021)	\$96 965
*all swim clubs and board of education	
Subtract Board of Education	(\$11,861)
Projection January – June 2020	\$85 104
50% hourly rate reduction, total revenue loss 2021:	<b>\$42 552</b>

**Total Revenue Loss over 2020-2021 season: \$68 958**

As outlined in the 2020 Rates and Fees Review by Watson and Associates, aquatic pool rentals recover 24% of the total cost of operation and represent approximately five per cent of the total Department's revenue. Facility pool rental rates were found to be at the high end of the area comparators and were not recommended for further increases in 2021. Using the community benefit model contained in Watson and Associates report, the use of pools by registered groups represents a balanced of both community and individual benefit.

If the local clubs were to cease operation, there would be longer term programming and operational costs for the Town to assume the same level of aquatic program options, including those with disabilities.

**CONSULTATION:**

Recreation and Parks financial partner assisted with the information contained in the report.

**PUBLIC ENGAGEMENT:**

Staff has engaged with representatives on the executive of each of the aquatic user groups referred to in this report.

**SUSTAINABILITY IMPLICATIONS:**

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The report's recommendations are not applicable to the Strategy's implementation.

This report supports the pillars of Sustainability:  
Economic Prosperity and Social Well-being

**COMMUNICATIONS:**

All aquatics user groups will be informed of Council's decision regarding the disposition of this report.

**CONCLUSION:**

The impact of COVID 19 has affected the ability of aquatic user groups to financially support the hourly rate of Town facilities for their return to sport. Based on the aquatic users groups capacity to respond and adhere to return to swimming guidelines and the Town's desire to support the continued viability of sports groups through community rebuilding efforts, staff recommends that the Town reduce the registered pool rental rate by 50% for the 2020-21 competitive swimming season (September 2020 – June 2021). Assuming restrictions lighten over the next year and the clubs can intake more athletes, the rental fees will return to full rate as per the Town annual rate report.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read 'S. Howard', written in a cursive style.

Samantha Howard, Director of Recreation Services

A handwritten signature in black ink, appearing to read 'Warren Harris', written in a cursive style.

Warren Harris, Commissioner of Recreation and Parks

A handwritten signature in black ink, appearing to read 'C. Mills', written in a cursive style.

Chris Mills, Acting Chief Administrative Officer