



REPORT

REPORT TO: Mayor Bonnette and Members of Council

REPORT FROM: Aaron Matthews, Director of Facilities

DATE: December 1, 2020

REPORT NO.: RP-2020-0029

RE: Ice/Floor User Group Rate Relief

RECOMMENDATION:

THAT Report No. RP-2020-0029 dated December 1, 2020 regarding Ice and Floor User Group Rate Reduction be received;

AND FURTHER THAT staff be authorized to reduce all ice and floor rental rates by 50% for qualifying groups from November 16, 2020 to March 31 2021 or the end of the season per the rationale outlined in Report RP-2020-0029;

AND FURTHER THAT the Acting CAO, after consultation with the Commissioner of Recreation and Parks, be authorized to administer incidental facility rental rates through delegated authority.

BACKGROUND:

On Friday November 13, 2020 the Province of Ontario announced that Halton Region would be placed into the Red/Control Zone of the COVID-19 Response Framework. Requirements within the Red Zone impact the ice and floor user groups significantly in several ways including restricting all activity to skills and drills with no game play, eliminating access to dressing rooms, and reducing or eliminating spectators. Most critically, participant levels are drastically reduced to no more than 10 participants (including coaches) at any one time.

This reduction in participant levels has resulted in many groups reducing the activity levels for its members to ensure that as many can continue to play as possible. It has also resulted in cancellation of certain teams for some groups and modification of coaching and instruction for all. Consequently, groups are faced with decisions such as refunding dollars for participants that have had participation time reduced, collecting less registration dollars over the rest of the season or cancelling the season completely.

Staff have worked with groups on how to best navigate these restrictions and changes and have been advised that a reduction in hourly rental rates would make a restricted/contracted season financially viable.

In addition, 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 as well as rate relief for Aquatic User Groups through Council Resolution No. 2020-0180.

In response to the impacts on Minor groups, Council approved Rate relief for Registered Minor Ice and Floor sport groups through Council Resolution No. 2020-0270.

COMMENTS:

The purpose of this report is to seek further direction from Council on the financial impact of the potential reduction of facility contract rates for all qualifying ice and floor user groups for the 2020-2021 season since the November 16 move to the Red Zone.

In addition to the local Minor groups outlined in Report RP-2020-0028, all local groups are facing several challenges in order to continue training for the 2020-2021 season as a result of COVID-19 restrictions and most recently a move to the Red Zone, including limited capacity, staggered start times, new business processes and enhanced supervision. Clubs and groups have reduced the number of programs, levels and/or teams operating putting pressure on the remaining resources to fund costs.

Although these groups do not meet the criteria for local registered groups and do not qualify for the Minor ice/floor rates, they are experiencing the same challenges offering a return to play program during the pandemic. Reduced rates have been put into effect in Milton and Burlington, causing the Town rates to be higher than these market comparators.

Below is a summary of projected facility contract payments from the start of the Red Zone period (November 16) through to the end of the season, March 31, 2021 with a comparison to the Proposed Rate Relief. The groups noted in the summary currently rent ice. Additional qualifying groups may be considered for relief if they have a past relationship with the Town of Halton Hills through ice/floor rental and are able to provide a Return to Play document outlining safety and COVID protocols for the participants.

(NOTE: in a non-COVID year 6 pads of ice are available. As part of the phased reopening of facilities during this COVID season only 4 pads are currently in operation and, in addition, there have been buffers scheduled in between rentals for required disinfection. This has already impacted on the amount of ice available for groups to rent and, consequently, the revenue generated to date and projected to be generated in winter 2021.)

Projected and Potential Revenues from Adjusted Rates (4 pads/1 floor)

Group	Projected Revenues, Red Zone to year end (Nov 16 – Dec 31)	Financial Impact with 50% rate relief	Projected Revenues (Jan-March 31, 2021)	Financial Impact with 50% rate relief	Total Projected Revenues	Total Financial Impact with 50% rate relief
Hurricanes	\$7,500	\$3,750	\$18,750	\$9,375	\$26,250	\$13,125
38 Training	\$2,500	\$1,250	\$6,250	\$3,125	\$8,750	\$4,375
Affiliated Youth Coaches	\$2,500	\$1,250	\$6,250	\$3,125	\$8,750	\$4,375
Non Prime Rentals (all ice/floor user groups)	\$16,900	\$8,450	\$42,200	\$21,100	\$59,100	\$29,550
TOTAL	\$29,400	\$14,700	\$73,450	\$36,725	\$102,850	\$51,425

If rental rate relief is not provided for the remainder of this season it will result in lower participation rates, loss of volunteer experience for coaches, potential job layoffs for facility staff, and the strong likelihood that some groups will cease operations. There would be future concern that a child who gets limited or no experience this season will be less interested in participating next season.

Staff is recommending that along with area municipalities such as Milton (50%) Burlington (25% and further 25% projected by year end) and Oakville (25% projected by year end) the Town should support the local ice and floor groups who do not have the financial capacity to continue to operate due to the regulatory restrictions resulting from COVID-19 and the placement of Halton Region in the Red Zone.

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:

Projected Rental Revenues (Nov 13 – December 2020)	\$29,400
50% hourly rate reduction, total revenue loss 2020:	\$14,700

Revenue Loss 2021:

Projected Rental Revenue (January – March 31 2021)	\$73,450
50% hourly rate reduction, total revenue loss 2021:	\$36,725

Total Projected Revenue Loss over 2020-2021 season: \$51,425

As outlined in the 2020 Rates and Fees Review by Watson and Associates, ice and floor rentals recover 24% of the total cost of operation and represent approximately 46% per cent of the total Department's revenue. Using the community benefit model contained in Watson and Associates report, the use of ice and floor by registered groups represents a balance of both community and individual benefit.

CONSULTATION:

Staff consulted with the Town Treasurer/Director of Accounting during the preparation of this report.

PUBLIC ENGAGEMENT:

Staff has engaged with representatives of the impacted ice and floor 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 ice and floor 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 ice and floor user groups to financially support the hourly rates of Town facilities for their return to sport. Based on the ice and floor user groups capacity to respond and adhere to Provincial 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 ice and floor rental rate by 50% for the 2020-21 season. Assuming restrictions lighten over the next year, rental fees will return to full rate as per the Town's annual rate report.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "M. J. Leighton".

Moya Jane Leighton, Town Treasurer and Director of Accounting

A handwritten signature in black ink, appearing to read "Warren Harris".

Warren Harris, Commissioner of Recreation and Parks

A handwritten signature in black ink, appearing to read "C. Mills".

Chris Mills, Acting Chief Administrative Officer