

APPENDIX C
Community Services
Recreation & Culture Services
New or Amended Fees

The Recreation & Culture Division continues to strive for fiscal accountability while ensuring the delivery of quality services to all residents. These services contribute to the quality of life in our community and the overall health of our residents. Research has proven that recreation contributes to physical and mental health, acts as a protective factor for youth-at-risk and helps improve the circumstances for those living in poverty. As our role within the community evolves and services expand to meet growth and need, it is important to ensure that the fee schedule allows for the recovery of the costs associated with the delivery of services.

To develop the recommended fees for the wide variety of programs and services, staff undertook a market competitive analysis of user fees to determine the City's position against other municipalities as comparators in preparation for the 2020 budget. The mandate was to benchmark the City's fees against a minimum of two municipal comparators, City of Markham and the City of Vaughan and others where appropriate depending on service provided. Staff focused on rates that were significantly lower than our municipal comparators and assessed the impact of increasing rates on the users. The approach taken by staff was not to significantly impact users fees to the point that made the service unaffordable, to remain competitive with the municipal comparators, specifically Markham and Vaughan, and allowed for the greatest benefit to the community based on cost and accessibility.

Each municipality uses pricing for different outcomes and price different categories based on priorities and social outcomes. Some municipalities have approved pricing policies in place and others do not. This report will provide context for comparisons and make recommendations based on impact to participation. Where increases could be significant, staff recommend capping the increase at an affordable rate and phasing in fee increases over time.

PRICING POLICY DIRECTION

The Recreation & Culture User Fee Pricing Policy was approved in 2017 for the purpose of establishing a system for pricing services based on; the costs of delivery, the benefits received by the community and established principles and parameters for equitable levels of cost recovery for groups and individual users. (Staff Report SRCS.17.17) Overall fees were set so as not to discourage participation and the Policy provides that the annual fee setting process take into consideration the following;

- Maintain existing levels of revenue;
- Demand Considerations;
- Competitive pricing;
- City/Department priorities;
- Administration considerations;
- Phasing process for implementing new fees, and;
- Participant-related pricing factors.

The Policy was approved with specific direction for pricing. The key recommendations included;

- For recreation facility rental permits fees, based on market comparison rates;
 - The current (2017) subsidy level of 50% for all affiliated community groups be eliminated over a 5 year period based on the group's ability to pay. For 2020, in addition to the percentage increase recommended, this category of users will also have the fee subsidy dropped to reflect approximately 35% of the resident charge;

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- Affiliated seniors groups continue to receive a 50% subsidy on rental rates.
- Residents pay 100% of the facility rental charge. Commercial and non-resident groups pay 150% of facility rental charge;
- Affiliated groups that lease City property for their exclusive use pay 100% of the associated operating costs and phased in over a three to five year period based on the organizations ability to pay. 2022 marks the end of the 3 year phase in for the current groups;
- That residents 65 years of age and older receive a 30% discount on program registration fees;
- That recreation program delivery be priced according to category of service.
- **Category 1** –(most subsidized category) Programs, activities or facilities for which higher levels of direct subsidy should be provided in relation to other categories because these services;
 - Have broad participation i.e. (public swimming & skating);
 - Teach essential life and safety skills (i.e. swim lessons and CPR);
 - Provide basic introductory programming for children, youth and older adults to encourage active living (i.e. introductory art classes, dance or skating)
 - Allow for participation of persons or groups with special needs such as persons with disabilities
- **Category 2** – Less subsidized than Category 1 - City offered programs and services that provide non-basic recreation needs such as intermediate or advanced/specialized classes
- **Category 3** – No subsidy provided – These services include private events and activities such as weddings, private parties, private facility rentals, for profit activities.
- That the Division continue to strive for 86% expense recovery target on program and service delivery.

2020 OPERATING BUDGET DIRECTION

At the June 26, 2019 Budget Committee of the Whole Meeting, Council directed staff to present a 2020 operating budget of no more than 1% increase. To assist in achieving this goal, the City Manager provided direction to staff through the tariff of fee by-law process, to strive for a 5% fee increase where appropriate. To achieve this direction, staff undertook a comprehensive market rate comparison process and have made fee rate increase recommendations that, if approved, will assist in reaching the 1% tax rate increase target.

AFFORDABLE ACCESS POLICY

As Richmond Hill's population continues to grow, so has the rise of low income families found within the City. According to the 2015 Socio-Economic Study, the low income Cut Off (LICO) standard in Canada for determining whether a household is in poverty is a household income of \$35,000 or less. In Richmond Hill there are 26,645 individuals who live in a low income household.

The City has an approved Affordable Access Policy that provides financial assistance to Richmond Hill residents to participate in recreation and culture programs where affordability becomes an issue.

This policy will continue to be an important tool to ensure that all residents have an opportunity to benefit from accessing community based recreation and culture programs. In addition to this internal process and funding resource, staff continue to work proactively in the community with partners that provide additional assistance. The Region of York "PLAY" program and Canadian Tire Jump Start Program are examples of initiatives that assist to ensure equitable access for all who require it.

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In 2018 staff processed the following subsidies that allowed for residents of all ages to participate in recreation and culture programming;

Subsidy Program	Residents Accommodated
Affordable Access Fee Assistance	330
Canadian Tire Jump Start	156
Richmond Hill Country Club Day Camp	20
Region of York PLAY Program	656

OVERVIEW OF PRINCIPLES AND FEE CHANGES

All fees listed in the fee by-law chart are pre-tax.

General recreation and culture registered and drop-in programs, events and advertising fees

Staff verified that Richmond Hill's user fees are either within the same range of Markham and Vaughan or are high in certain areas such as summer camp and a number of preschool, children and youth programs.

- 1) Registered program fee increase is calculated at 5%
- 2) Staff do not recommend fee increases for the majority of drop-in programs. These programs allow for the greatest benefit to the community based on cost and accessibility, which aligns with Recreation and Culture's priority to provide opportunities for accessible and affordable services for residents without barriers to participation. Drop in opportunities include scheduled times in community centres where an activity is open for public use for a variety of age groups such as drop in sport programs. Where fee increases have been recommended, it put's Richmond Hill on par with Markham and Vaughan.
- 3) The programs delivered by organizations in partnership with the City have a higher percentage increase in some areas. Partnership program fees are set by the partner delivering the program. Fee increases range from 0 to 30% depending on costs increases born by the partner organization. All partnership programs deliver specialized interest programs where subsidy is not provided.
- 4) Where staff believe the 5% increase places Richmond Hill as highest in the market, such as summer camp, staff will monitor participation levels and make adjustments where necessary.

Facility Rental Permits – gyms, meeting rooms, sports fields, park permits, Richmond Green Sports Centre and Dome

The fee review did identify pricing opportunities that exist within facility permits. The chart below demonstrates the areas where there is significant user fee differences however there is concern that affiliated community groups will not have the financial viability to absorb the full extent of the increases. As an example if we were to implement the full user fee gap for a single gym for a sports group rental, that would represent a 186% increase. Staff recommends the fee increase be capped at 5% to allow the affiliated community groups and resident rentals an opportunity to absorb the increase in their 2020 operating budgets.

Permit Category	Markham	Vaughan (sports)	Vaughan (General)	Richmond Hill 2019 fees
Single Gym	\$53.38	\$94.33	\$114.35	\$32.97
Double Gym	\$99.21	\$188.66	\$228.70	\$62.06

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Permit Category	Markham	Vaughan	Richmond Hill 2019 Fees
Large Meeting Room	\$69.56	\$41.01	\$32.97
Medium Meeting Room	\$31.81	\$41.01	\$21.68
Small Meeting Room	\$27.50	\$41.01	\$18.42

Permit Category	Markham	Vaughan (sports)	Richmond Hill 2019 Fees
Ball Unlit Fields	\$13.96	\$26.12	\$7.11
Soccer Unlit Fields	13.96	28.64	9.05
Wedding photo permit fee	\$130.50	N/A	\$31.87

Permit Category	Aurora	Milton	Richmond Hill 2019 Fees
Indoor Sports Dome	\$195	\$214.45	\$160

- 1) A fee increase of 5% is recommended for all facility permits listed in the chart above
- 2) Per the approved Pricing Policy, the affiliated community group subsidy for 2020 should reflect 30%. In order to achieve that level of subsidy a 12% user fee increase would need to be adopted. A 12% increase would have significant impact on the groups and may jeopardize their ability to continue to book space with the City at the same level. Staff recommend that the user fee increase be capped at 5% which would result in a subsidy of approximately 35%.
- 3) Staff will continue to work with the affiliated community groups to meet the approved 0% subsidy level by 2022.

Richmond Hill Centre for the Performing Arts

Staff conducted an analysis of current fees compared to similar sized venues including Markham, Oakville, Milton and Kingston. Each Theatre operation prices their services differently, some including base line costs in the building per day rental charge and others pricing out services separately,

Staff verified that Richmond Hill's user fees are either within the same range or are high in certain areas and have made recommendations on fee increase to remain competitive in the industry for the 631 seat venue.

- 1) 5% fee increase is recommended for building per day rental charge
- 2) 10% for second day performances and no intermission/box office use rentals plus 10% on labour related charges
- 3) The remainder of the fees have been increased between 0 and 5% where appropriate

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New Programs and Services

The programs and services delivered each year fluctuate based on community demand. The fee by-law captures new programs that were either added in 2019 or are planned to be added in 2020. As an example, section P states all of the user fees associated with the implementation of programs at the DDO.

FINANCIAL IMPACT

The 2020 proposed operating budget will include revenue impacts as a result of the fee recommendations in this report.

Event Services	\$4,000
Aquatics	\$165,400
Fitness	\$26,000
Skating Programs	\$17,200
General Programs	\$60,000
Sports Fields and Parks	\$22,700
Indoor Facilities, film and road closure permits	\$47,600
Sports Dome	\$28,300
Arena Ice Rental	\$91,300
Advertising	\$7,500
Cultural Services Programming	\$5,200
RHCPA	\$69,600
Ed Sackfield New Ice Pad & Fitness centre (5 months revenue)	\$192,500
Total	\$737,300

The revenue projected above is dependent on no change to the participation and rental levels currently being achieved in 2019 and based on the new ice pad and fitness facility commencing programming on January 2, 2020. Staff will monitor participation rates and should any issues arise as it pertains to a decline in volume of participation and/or ability to pay, senior management staff will be notified and adjustments will be made as required.

COMMUNICATION

The City of Richmond Hill User Fees and Charges By-Law for all departments will be posted on the City website. The rate adjustments in recreation and program service delivery is communicated through the Community Recreation Guide. All groups affected by the increases in Facility and RHCPA permits will be notified directly outlining the financial impact of their respective permits.