

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 to 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 life circumstances for those living in poverty.

The City's various user fees account for approximately 20% of the total Operating Budget. A balance between increasing fees to reflect higher service costs and being sensitive to residents and businesses who face similar financial constraints was taken into consideration when preparing the 2024 Tariff of Fees Update. The core principles for the City's user fees remain as follows:

- a) justifiable and reasonable for cost recovery;
- b) comparable with neighbouring municipalities; and
- c) affordable to citizens/users, yet competitive.

In 2024, we project that the Division will continue to recover to pre-pandemic service levels; however, it is doing so in an inflationary economic environment, in which the cost of consumer goods and staff wages have increased by varying estimates. The Conference Board of Canada Composite Bank Forecast places Toronto's 2024 Consumer Price Index (CPI) at 2.4% and the October 2023 minimum wage increase combined with cost of living increases for non-minimum wage staff will increase staffing costs by more than 6%.

Accordingly, Recreation & Culture staff conducted a comprehensive market analysis of user fees to assess the City's competitive standing among other municipalities, as part of the 2024 budget preparation process. We benchmarked the City's fees against our neighbouring York Region municipalities of similar size, the City of Markham and the City of Vaughan, to determine areas in which our fees could be increased above the published CPI while still remaining competitive within our marketplace. It should be noted that our comparator municipalities both approved consecutive annual increases in the neighbourhood of 5%, while Richmond Hill froze its Recreation & Culture user fees during one of those years.

Most 10% increases were applied to registered and drop-in program fees, as well as to indoor and outdoor facility rental fees including the RHCPA. Fees for some areas such as Adults 55+, inclusion and arenas were increased by 5% based on analysis of pricing within those business areas. Fees for indoor and outdoor artificial turf rentals as well as party packages were increased by 2.4% based on a similar analysis. Most 0% increases were recommended for services that generate lower revenue and have few customers. Any increases beyond those proposed would risk outpricing our comparator municipalities and losing customers as a result. All Canadians are experiencing budgetary pressures and we would like to ensure that Richmond Hill's services remain financially accessible to Richmond Hill residents.

## **OVERVIEW OF PRINCIPLES AND FEE CHANGES**

### **Registered Program Fees**

- A 10% increase is recommended for the majority of registered programs offered by the General Programs, Aquatics, Fitness, Skating, Culture, RHCPA, and Heritage program areas.
- A 5% increase is recommended for Adult 55+ registered programs based on their relationship to the Adult 55+ membership (i.e. members-only programming).
- A 5% increase is recommended for Inclusion programs based on affordability.
- No increase is recommended for National Lifeguard and Swim & Lifesaving Instructor program fees based on market comparison.

### **Drop-in Program Fees**

- A 10% increase is recommended for the majority of Aquatics, Skating and General drop-in program fees based on market comparison.
- A 26% increase is recommended for Adult 55+ drop-in program fees, noting that the current fee of 88 cents per program has not increased in many years, and the new fee of \$1.11 per program amounts to paying a quarter more per program for customers at the front desk.
- A new drop-in fee is recommended for Adult 55+ pickleball due to the additional costs associated with offering this program.
- No increase is recommended for Preschool drop-in fees.
- A 6.25% increase is recommended for Children and Teen drop-in program fees, noting that the current fee of \$4.00 per program and the new fee of \$4.25 per program amounts to paying a quarter more per program for customers at the front desk.

### **Membership Fees**

- A 10% increase is recommended for all Aquatics and Skating membership fees based on market comparison.
- A 5% increase is recommended for the yearly membership fees for Fitness Plus, Fitness Studio and Fitness Class Memberships to better align fees with neighbouring municipalities.
- A 11.2% decrease is recommended for the monthly membership fee for Fitness Plus Memberships to align the fees with neighbouring municipalities. This is part of the strategic pricing plan to make Richmond Hill's fitness membership fees more competitive to recover members who changed their exercise habits during the pandemic.
- A 16.1% decrease is recommended for the monthly membership fee for Fitness Class Memberships to align the fees with neighbouring municipalities. This is part of the strategic pricing plan to make Richmond Hill's fitness membership fees more competitive to recover members who changed their exercise habits during the pandemic.
- No increase is recommended for Indoor Track Memberships to better align fees with neighbouring municipalities.
- A 5% increase is recommended for Indoor Lawn Bowling memberships and game fees based on market comparison.

**Facility Rental Permits – Arenas, Pools, Gymnasiums, Meeting Rooms, Sport Fields, Park Permits, Richmond Green Sport Centre & Dome, Art Exhibition Space**

- A 10% increase is recommended for the majority of indoor and outdoor rental fees based on market comparison.
- A 5% increase is recommended for the arena rental rates based on market comparison.
- A 15.5% increase is recommended for Pool Rental fees for Affiliated Community Groups to align the fee with Richmond Hill's pricing policy for Affiliated Community Groups.
- A 5% increase to Outdoor Artificial Turf is recommended based on market comparison.
- A 5% increase to Hydro Recovery is recommended based on cost analysis provided by PWO.
- A 5% increase to Pickleball/Tennis court fees is recommended based on market comparison.
- A 2.4% increase to Sport Centre & Sport Dome rental fees is recommended based on market comparison.

**Advertising and Administration fees**

- A 41.95% increase will be applied to Entandem Fees based on the inclusion of RESound fees required by federal Tariffs. This continues to meet the direct cost recovery of the City's required collection of SOCAN and RESound fees on behalf of the federal government.
- A 32.7% increase to the Non-Resident Fee is recommended, bringing it to \$15 which is aligned with neighbouring municipalities.

**Birthday Party Packages**

- A 2.4% increase to Party Package fees is recommended, based on an assessment of the combined costs of the party package features when purchased individually (e.g. Room Rental plus Swim Admission).
- A 10% increase to Victorian Parlour and Victorian Tea Party fees is recommended, due to the cost of supplies and materials.

**David Dunlap Observatory**

- 5% to 10% increases are recommended for the majority of program fees based on market comparison.
- A 5% increase is recommended for the Commercial Filming fee to ensure that the rate remains competitive within the market.

**Richmond Hill Centre for the Performing Arts**

- A 10% increase is recommended for the majority of rental and program fees based on market comparison.
- A 5% increase is recommended for staffing fees as a result of the minimum wage increase and COLA.
- No increase is recommended to the ticket printing fee to maintain competitiveness within the industry, and to attract more usage of such service.

**New Programs and Services**

The provision of programs and services is subject to variation each year to align with the evolving demands of the community. To accommodate these changes, the fee by-law encompasses both newly introduced programs and services implemented in 2023, as well as those scheduled for introduction in 2024.



## FINANCIAL IMPACT

The 2024 proposed operating budget will include the following revenue impacts as a result of the fee recommendations in this report.

Recreation Program	Estimated Revenues
<b>Aquatics</b>	\$ 313,400
<b>Fitness</b>	\$ 24,900
<b>Skating Programs</b>	\$ 56,300
<b>General Programs</b>	\$ 260,360
<b>Sports Fields and Parks</b>	\$ 38,600
<b>Indoor Facilities, film and road closure permits</b>	\$ 72,700
<b>Sports Dome</b>	\$ 18,000
<b>Ice Rentals</b>	\$ 127,000
<b>Advertising</b>	\$ 3,000
<b>Cultural Services Programming</b>	\$ 15,800
<b>RHCPA</b>	\$ 90,760
<b>Total</b>	<b>\$1,020,820</b>

## COMMUNICATION

The City of Richmond Hill is committed to ensuring transparency and accessibility regarding the User Fees and Charges By-Law across all departments. To achieve this, the by-law will be prominently posted on the official City website. Furthermore, any adjustments in rates pertaining to recreation and program service delivery will be effectively communicated through the City's marketing and promotional material, enabling residents to stay informed about these changes.