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2019 Recreation & Culture Fees & Charges Information Report

Report Number: 2018-32

Department(s): Community Services – Recreation & Culture, Corporate Services – Financial Services

Author(s): Director, Recreation & Culture; Director, Financial Services

Date: September 12, 2018

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Executive Summary

See below

Purpose

The purpose of this report is to update Council on the status of changes to Recreation & Culture fees and charges for 2019.

Background

The recommendations contained within Financial Services Report 2018-22, entitled Delegated Authority for Fees/Charges, adopted by Council on May 28, 2018 endorsed that limited authority be granted to the Treasurer to approve 2019 Recreation Fees and Charges. The limitation imposed was that any increase in fees not exceed the rate of inflation and comply with the Service Pricing Policy. The inflation rate applied to the proposed increase in fees is 2.8%, which is the annual increase in the Toronto Consumer Price Index as at March 31, 2018. The rate was set at this time to facilitate the development of budgets for 2019.

In preparing the Recreation & Culture budget, consideration is given to expected participation levels and pricing. Albeit currently under review, the Service Pricing Policy coupled with a review of the market comparators are also considerations in establishing annual program rates. Many municipalities are factoring the increased labor costs resulting from Bill 148 into their pricing considerations.

Discussion

No change is being proposed for rental revenues

No fee increases are being proposed for rentals – ice, hall, field, etc. In this area, we are near the top of the market and costs are not impacted much by Bill 148.

Some program fees are proposed to be increased more than 2.8%

Due to the dramatic impact Bill 148 has on the cost of operating programs it is felt that some fees should increase more than 2.8%. If this does not occur, it places even more of an impact of covering the full cost of programming on the tax base as a whole. By increasing some fees more than 2.8% there would be a more equitable balance between the tax base and user fees.

In addition, a small increase is not always practical. When the change is a small dollar amount, it makes more sense to wait for a number of years and then catch up. This can be seen in the case of drop-in fee or in some cases for a registered program where a fee remains the same for a number of years and then is increased. For instance, \$2.00 drop-in fee remaining at that level and then increases to \$2.25 or \$2.50 in a given year. The same could apply for some registered programs when for example a \$50 fee that remains static for couple of years might then go up to \$55 (10% increase) given where it now is on the program lifecycle and pricing continuum (price vs interest considerations).

It should be noted that while the range of increases would be between 0% and 10%, the average of 2.74% for programs has been used in the current stage of the draft 2019 operating budget which is within the target limit.

For those specific fees where any program increase would exceed the delegated authority, staff intend to bring these to Council as part of the overall budget deliberation process in December 2018 for consideration by the new Council.

Conclusion

The 2019 Recreation & Culture fees and charges proposed that would exceed a 2.8% increase will be presented for final approval on December 10, 2018. Any fee changes required to any rates posted in a Recreation and Culture Activity Guide can and will be updated in real time on the online publication and program registration system.

Business Plan and Strategic Plan Linkages

The adoption of the 2019 Fees and Charges by-law, implementing adjustments to Recreation and Culture fees, is in alignment with Council's strategic theme of Efficiency/Financial Management and is a component of a sustainable financial strategy.

Consultation

Notice will be given through advertisement on the Town's website and the Town Page of the local newspaper.

Human Resource Considerations

Staff has compiled the proposed fee schedules as part of the approved budget process.

Budget Impact

Operating Budget

The preliminary Recreation & Culture budget includes \$350,000 in increased revenues. \$85,000 of this is from increased rates. This represents an average rate increase of 2.74%.

If the increase is phased in, the 2019 budget would need to be adjusted to offset the revenue loss.

Capital Budget

Not applicable.

Attachments

n/a

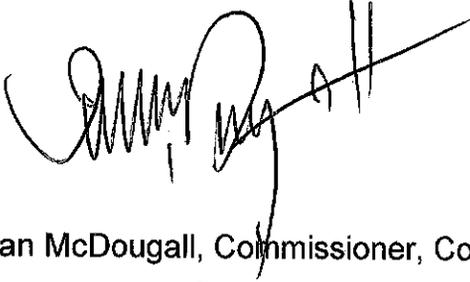
Contact

For more information on this report, please contact the Director of Recreation & Culture or the Director, Financial Services.

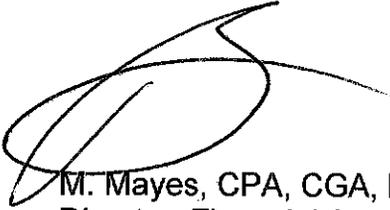
Approval



Colin Service, Director, Recreation and Culture



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