

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 19, 2016

Item 1, Report No. 10, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on October 19, 2016.

1 REVIEW AND UPDATE OF RECREATION SERVICES USER FEE POLICY

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager, Community Services and the Director of Recreation Services, dated October 11, 2016, be approved; and**
- 2) That Communication C2 presentation material entitled, “Recreation Services User Fee Study”, dated October 11, 2016, be received.**

Recommendation

The Deputy City Manager, Community Services and the Director of Recreation Services, in consultation with the Chief Financial Officer & City Treasurer, Director of Transportation Services Parks and Forestry Operations and the Manager of Facility Maintenance Services recommend:

1. That the report entitled “Recreation Services User Fees Study” dated September 6, 2016 and the presentation from Hemson Consulting Ltd. regarding the update of the Recreation Services User Fee Policy be received; and,
2. That the existing Recreation Services User Fee and Pricing Policy be amended to include the following in the “Guiding Principles” section:
 - The Department shall monitor public and private sector benchmark fees for key programs and services;
 - The Department shall strive to change, introduce and terminate fees to respond to changes in market conditions and participation on a regular basis;
 - The Department shall strive to encourage participation in key areas through promotions, loyalty, and rewards offerings and other marketing programs;
 - The Department shall avoid increasing a fee when participation in the program or service to which the fee relates has declined for two or more consecutive years;
 - It is the intention of the Department to undertake a comprehensive fee review every five years to ensure that its fees are achieving the principles of this policy; and,
3. That implementation of Model 1 (maintain cost recovery rate of 95% for direct Recreation Services operating expenses with a +/- 10% fee change flexibility phased over a 3-year period) be approved for implementation in 2017; and,
4. That the Fees and Charges By-Law, 015-2015, be amended to reflect the amendments to the Recreation User Fee and Pricing Policy; and,
5. That the inclusion of this matter on the Finance Administration and Audit Committee and Council agendas with respect to amending Recreation fees as identified in the User Fee Study is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002 as amended.

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Contribution to Sustainability

This report is consistent with the priorities previously set by Council in the Green Directions Vaughan, Community Sustainability Environmental Master Plan, Goal 4:

- To foster a city with strong social cohesion, an engaging arts scene, and a clear sense of its culture and heritage.

Economic Impact

Staff is recommending that Model 1 be approved for implementation in 2017. There is no economic impact associated with this model as the department's cost recovery rate remains unchanged at 95% of direct Recreation Services operating expenses. Direct operating expenses are costs associated with the direct provision of recreation services and programs, and only includes the cost associated with Recreation Services, including staffing, resources and the department's administration.

The following chart summarizes the potential impact attributed to the 3 models presented for Council's consideration:

	Model 1: 95% Direct⁴ Cost Recovery Target	Model 2: 100% Direct⁴ Cost Recovery Target	Model 3: 85% Direct⁴ Cost Recovery Target
Economic Impact ¹ (Over 3 years)	No impact – tax neutral	\$1.0 Million additional revenue possible	\$1.6 Million additional tax may be required
Impact to Tax Rate ²	0%	-0.57%	+0.91%
Impact to User Participation	Minimal	Reduction in participation levels likely	Increase in participation levels likely
Fee Flexibility ³	+/- 10%	+/- 15%	Based on municipal benchmark

¹ For models 2 & 3, figures are estimated to be totals achieved/required over the 3-year phase in period.

² Based on 2017 budget forecast.

³ Any fee change that exceeds +/- 5% will be phased in over 3 years.

⁴ Direct cost recovery refers to Recreation Services operating expenses only.

Communications Plan

Engagement with residents, major user groups, Community Service Organizations (CSO), City staff and members of Council was an essential component of the scope of work completed by Hemson Consulting Ltd. The purpose of this consultation was to gain insight into the existing fee structure, costing, facility usage and participation trends. Major user groups were consulted in person and through surveys. All age groups were represented, including several organizations representing older adults.

Surveys were also issued to local user groups, Community Services Organizations, as well as all individual users who participated in recreation programs in the previous year. The survey was posted to the City website and hard copies were available at community centres.

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Detailed interviews and meetings were conducted with approximately 50 staff across a number of departments and with a staff working group comprised of members from Facility Maintenance Services, Financial Planning & Development Finance, Parks and Forestry Operations, Recreation Services, etc. Interviews were also conducted with several members of Council.

As a follow up to the study, City staff will meet with user groups to convey fee changes. The department will also work with Corporate Communications to effectively communicate fee adjustments and policy amendments to the general public.

Purpose

The purpose of this report is to present the amendments to the existing User Fee Policy and to seek Council approval to implement Model 1 (cost recovery rate remains unchanged at 95% of direct Recreation Services operating expenses) in 2017.

Background - Analysis and Models

In 2015, to better respond to the changing needs of its citizens and manage external pressures associated with the provision of recreation services, the City of Vaughan retained Hemson Consulting Ltd. to review and update the existing User Fee Policy.

Prior to the update, in 2005 the City of Vaughan retained consultants to undertake a costing and pricing study, and prepare a User Fee and Pricing Policy and Three Year Fee Schedule for the provision of recreation and cultural services.

The User Free and Pricing Policy was developed to provide a consistent approach to setting reasonable and equitable user fees and levels of subsidy, and to ensure residents have access to affordable recreation programs and services.

The policy classifies programs and services into the following three categories:

1. Basic Services;
2. Value-Added Services; and,
3. Premium Services

Basic Services: Programs and services which are provided by the City in pursuing its mandate of being a significant provider of recreation to the residents of Vaughan (e.g. group swimming lessons and youth and older adult programs).

Value-Added Services: Programs and services that are part of a series of more progressively advanced activities within a specific facility (e.g. lit soccer fields and general camps).

Premium Services: Programs and services which are specialty or advanced in nature or which involve access to premium facilities (e.g. artificial soccer fields, private swimming lessons and fitness memberships).

User fee increases were phased-in over a three-year period based on the following principles:

Highest increase in fees for Premium Services;

Lower increases in fees for Value-Added Services;

Lowest increases in fees for Basic Services; and,

Annual adjustments to the user fee schedule to account for inflation as necessary.

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The policy and corresponding fee schedule was initially approved by City of Vaughan Council as part of the 2006 budget deliberations. Based on the aforementioned principles, it should be noted that in many cases, fee increases significantly exceeded the rate of inflation in the first three years of the fee schedule. Since inception, an annual inflation rate has also been applied to the fee schedule determined by the increase in direct recreation costs for program delivery.

Following a council approved update of the User Fee Policy in 2009, a 95% cost recovery target of the department's direct expenses was set and maintained in the annual Recreation operating budget.

Since the approval and implementation of the User Fee and Pricing Policy in 2006 and subsequent update in 2009, there have been considerable changes in Vaughan, including but not limited to:

- substantial residential, commercial and industrial development,
- significant population growth,
- the development of new community centres in Vaughan, and currently in the planning stages for future facilities,
- changing demographics (ethnicity, socio-economics and aging) and trends,
- increase in private sector offerings,
- an ever-pressing need for “sustainable” plans/budgets/services and planning strategies and models,
- legislative changes,
- inflationary pressures, and
- barriers to participation negatively impacting participation in sport and physical activity, especially among low-income residents and under-represented populations.

1. Study Approach

The study consisted of a review of existing documents and materials, additional primary research, including a market analysis and municipal benchmarks. Also conducted was a comprehensive costing analysis, direct and indirect, of all recreation programs and services, as well as a review of the current policy. In addition, the study placed a strong emphasis on the importance of internal and external stakeholder engagement and consultation to ensure the development of sustainable recommendations and to better position the City to respond to the changing recreation needs of its citizens.

There were a number of publications, documents and statistics which were referenced in the review, including but not limited to:

- i. Active Together Master Plan – 2013 Update
- ii. Program Services Review - 2012
- iii. Current City of Vaughan Recreation and Culture User Fee & Pricing Policy and associated Council reports
- iv. Vaughan Vision 2020
- v. Departmental goals, strategic initiatives, policies, procedures and standards
- vi. Operating Budgets and Business Plans
- vii. Budget performance and cost centre analysis
- viii. Demographics analysis of participants by community centre
- ix. Statistics (program participation trends, revenue and expense analysis, and program mix by season and current user category, etc.)
- x. Recreation Guides
- xi. Citizen and User Group Concerns
- xii. User Satisfaction Surveys

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2. Public Consultation

Given the importance of understanding the factors affecting participation and the elasticity of demand for programs and services when setting fees, consultation with a range of stakeholders was a key element of the study. Major user groups were consulted in person and through surveys. All age groups were represented, including several organizations representing older adults.

Surveys were also issued to local sports and user groups, Community Services Organizations, as well as all individual users who participated in recreation programs in the previous year. The survey was posted to the City website and hard copies were available at community centres.

Detailed interviews and meetings were conducted with approximately 50 staff across a number of departments and with a staff working group comprised of members from Facility Maintenance Services, Financial Planning & Development Finance, Parks and Forestry Operations, Recreation Services, etc. Interviews were also conducted with several members of Council.

Community engagement was an important element and the process and results are detailed in the consulting report provided by Hemson Consulting. Generally, user groups reported that they were satisfied with the recreation fees they pay in Vaughan and feel that they receive value for money. However, concerns were also raised about the long-term sustainability of facility rental fees, which comprise a substantial portion of the overall costs of many major user groups. Likewise, the surveys received from individual users suggest that the price of recreation programs is near its maximum.

3. Recreation Fee Analysis

The current user fee policy directs the Recreation Services department to strive towards a 95% recovery of its direct operating costs. Direct operating expenses are costs associated with the direct provision of recreation services and programs, and only includes the cost associated with Recreation Services, including staffing, resources and the department's administration. For 2015, total direct operating costs totaled \$20.2 million. As shown in the table below, the department has achieved its user fee direct cost recovery mandate, generally within a +/- 1% range:

	2011	2012	2013	2014	2015
% Direct Cost Recovery Ratio	94.2%	95.8%	93.6%	94.0%	95.6%

The indirect cost of providing recreation services includes the costs associated with the maintenance and operations of community centres and outdoor facilities (i.e. soccer fields, baseball diamonds, parks, etc.), as well as corporate administration (i.e. corporate departments' support of recreation activities). For 2015, indirect costs for facility maintenance (including parks maintenance) totaled \$17.3 million and indirect costs for corporate administration totaled an additional \$7.0 million. Total costs (direct + indirect) equaled \$44.4 million, of which direct costs (\$20.2 million) accounted for 45% of total expenses. Cost recovery of total direct and indirect expenses combined is 44%.

Comparing cost recovery rates across municipalities is difficult given that the calculation depends on what municipalities consider direct versus indirect costs. However, Hemson Consulting compiled Municipal Financial Information Returns (MFIR) for 2014, which provides the closest comparison of cost recovery rates across surveyed municipalities. As shown in the following table, Vaughan's cost recovery ratio for recreation programs is one of the highest. Users in Vaughan pay for recreation services to a greater degree than elsewhere in York Region whereas taxpayers bare a greater share of the cost burden in benchmarked municipalities.

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	Vaughan	Milton	Mississauga	Markham	Brampton	Richmond Hill ²
2014 MFIR ¹	58%	59%	50%	38%	30%	54%

¹ These figures do not account for facility and park rentals, museums, and cultural services expenditures and revenues.

² The 2014 return for Richmond Hill was not available; the equivalent 2013 return was used.

Although the department has achieved high direct cost recovery rates, it has done so through increased user fees. The following table illustrates user fees for selected programs and memberships over the 10-year period since the user fee policy was first adopted:

Activity Title	2005 Fees	2015 Fees	Fee Change	
			\$	%
BASIC				
Swimmer 1 (children & youth)	64.00	84.40	20.40	31.9%
Summer Adventure Camp (children)	236.00	334.50	98.50	41.7%
Tai Chi (older adult)	12.00	20.00	8.00	66.7%
Rec Swim (adult)	5.00	5.25	0.25	5.0%
Aquafitness (older adult)	4.50	4.00	-0.50	-11.1%
1 Year Older Adult Fitness Membership	348.00	317.96	-30.04	-8.6%
1 Month Student Fitness Membership	41.00	53.86	12.86	31.4%
VALUE-ADDED				
Fun in the Sun Camp (children)	249.00	339.25	90.25	36.2%
Funky Jazz (children)	75.00	102.75	27.75	37.0%
Artful Adventures (children)	90.00	129.75	39.75	44.2%
Kiddie Kampus (preschool)	88.00	116.75	28.75	32.7%
Kinderdance (preschool)	63.00	84.25	21.25	33.7%
Rhythmic Gymnastics (preschool)	94.00	128.50	34.50	36.7%
PREMIUM				
1 on 1 Swimming Lessons	238.00	324.37	86.37	36.3%
Adult 1 (swimming)	68.00	90.50	22.50	33.1%
Belly Dancing (adult)	100.00	156.00	56.00	56.0%
Camp Corral (children)	515.00	737.25	222.25	43.2%
1 Year Adult Fitness Membership	496.00	613.57	117.57	23.7%
1 Month Adult Fitness Membership	57.00	76.70	19.70	34.6%
Personal Training - 3 sessions	118.00	153.17	35.17	29.8%

Based on current comparators, some of the City's recreation fees are now higher than the municipal benchmark. The table below summarizes the municipal benchmarking analysis conducted by Hemson Consulting, highlighting service areas in red where the City fees are higher.

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Service Area	Specific Programs	Vaughan Relative to Benchmark Range	Participation Trends
Aquatics	Aquatics Programs	15%-20% higher	Stable
	Pool Rentals	5% higher	
General & Indirect Programs	Older Adult Programs	200% lower	Stable/Declining
	Preschool Programs	40% higher	
	Children/Youth Programs	25% higher	
	Adult Programs	20% higher	
Camps	Camps/School Break	15-20% lower	Increasing
Fitness	Fitness	30% higher	Stable/Declining
Arena Hockey	Arena Hockey	15-20% higher	Stable/Declining
Room Rentals	Meeting Rooms	65% higher	Increasing
	Halls	50% higher	
Outdoor Facilities & Services In Kind	Baseball	20% lower	Increasing
	Soccer	10% lower	
	Artificial Turf	20% higher	
Other Areas	Other Areas	15-20% lower	Increasing

Although there are multiple factors that impact user participation, including time, accessibility and availability of programs, fees are one major factor. Increasing participation trends, highlighted in the chart above, are primarily evident in service areas where the fees are lower than the municipal benchmark and/or there is minimal private sector competition. Conversely, where fees are higher than the benchmark range, participation is generally stable or declining (participation rates may vary by community centre). In order to achieve cost recovery targets, ongoing program reviews are conducted to ensure staff leverage high performing programs, while mitigating costs associated with programs where participation is declining.

It is important to note that stable or even increasing participation trends do not necessary guarantee increased revenue, as it depends on the age demographic makeup of that level of participation. For example, a fitness member who transitions from adult to older adult will adversely impact revenues given that the older adult fitness membership is approximately half of the price of an adult membership. To ensure affordability and access for low income residents, financial assistance is made available. The Recreation Fee Assistance (REC Assist) program was approved in 2009 to provide subsidies annually. The department also administers approximately \$420,000 annually in subsidies provided by the York Region and Canadian Tire Jumpstart program. Furthermore, the department offers free/complimentary vouchers in the Recreation Guide, issued bi-annually, for recreational swim and skate programs, as well as fitness passes. The department also continues to partner with Vaughan Public Libraries, the Region, and other services partners to offer free programming for a variety of age groups. Wherever possible, grants are also utilized to help subsidize the costs of recreation programs and services.

4. Models for Consideration

The following three options for adjusting recreation fees in Vaughan are presented for Council's consideration. In all three options, it is assumed that all other factors (both internal and external) remain the same.

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Model 1 – 95% Direct Cost Recovery Target

Model 2 – 100% Direct Cost Recovery Target

Model 3 – Fees within Benchmark Range

MODEL 1: 95% Direct Cost Recovery Target

Pros	Cons
<ul style="list-style-type: none">a) No economic impact as the cost recovery rate remains unchanged.b) Leads with a higher cost recovery rate than most municipalities in Ontario.c) Ability to adjust fees +/-10% so that they align more closely with municipal benchmarks.d) Phasing in fee changes that exceed +/- 5% over 3 years to monitor impact to participation.e) Responds to concerns expressed by citizens.	<ul style="list-style-type: none">a) Some fees will still remain uncompetitive - too high or too low compared to the benchmark, even after adjusting by a maximum of 10%.b) Users still paying for recreation services at a much higher rate than other municipalities.

MODEL 2: 100% Direct Cost Recovery Target

Pros	Cons
<ul style="list-style-type: none">a) Additional revenues (approximately \$1.0 million over 3 years) could be generated from more significant fee increases, reducing the property tax funding requirements.b) Leads with the highest cost recovery rate than most municipalities in Ontario.c) Ability to adjust fees +/-15% so that they align more closely with municipal benchmarks.d) Phasing in fee changes that exceed +/- 5% over 3 years to monitor impact to participation.	<ul style="list-style-type: none">a) Could negatively impact participation, and negate potential increase in revenues.b) Greater degree of impact to fees in some service areas that are already higher than the municipal benchmarks.c) Some fees will still remain uncompetitive - too high or too low compared to the benchmark, even after adjusting by a maximum of 15%.d) Users paying more for recreation services at a much higher rate than other municipalities.

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MODEL 3: Fees within Benchmark Range

Pros	Cons
<ul style="list-style-type: none">a) Recreation fees become more competitive.b) Participation is expected to increase, potentially offsetting lost revenues based on price.c) Phasing in fee changes that exceed +/- 5% over 3 years to monitor impact to participation.d) Users paying for recreation services at a comparable rate with other municipalities.e) Responds to concerns expressed by citizens.	<ul style="list-style-type: none">a) Greater degree of impact to fees is needed to make fees more in line with municipal benchmarks.b) An additional \$1.6 million in property tax funding may be required over a 3-year phase in period.

The table below presents the average % fee change for each revenue area for each of the three models. Individual fee changes within revenue areas will vary based on participation trends and municipal benchmarks, and any fee increase that exceeds +/-5% will be phased in over a 3-year period.

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Revenue Area	Model 1*	Model 2*	Model 3*
Aquatics - Instructional	0%	15%	-15%
Aquatics - Recreational			
<i>POS: Recreational Swimming POS:</i>	5%	15%	5%
<i>Aquafitness</i>	5%	15%	5%
<i>Memberships: (Pool Plan, Aquafit) Pool</i>	2%	15%	5%
<i>Rentals</i>	-3%	0%	-5%
General Program/Camps			
<i>Youth Preschool</i>	-2%	-2%	-25%
<i>Children Older</i>	-2%	-2%	-40%
<i>Adults Adults</i>	-2%	-2%	-25%
<i>Camps/School Break Special</i>	10%	10%	100%
<i>Need</i>	0%	10%	-20%
Indirect Programs	10%	15%	20%
<i>Preschool Youth</i>	0%	0%	0%
<i>Children Adults</i>			
<i>Camps/School Break Special</i>	-2%	-2%	-40%
<i>Need</i>	-2%	-2%	-25%
<i>C/Y</i>	-2%	-2%	-25%
Fitness Centre - Memberships	0%	0%	100%
<i>Fitness Memberships - Older Adult</i>	10%	15%	20%
<i>Fitness Memberships - All Other</i>	0%	0%	0%
<i>Fitness Point of Sale</i>	-2%	5%	-25%
Fitness Centre - Personal Training			
Permits - Arena Hockey/Figure Skating	10%	10%	100%
<i>Hockey and Figure Skating Rentals</i>	-7%	-2%	-30%
Permits - Arena Floors	-7%	-2%	-30%
<i>Arena Floors</i>	2%	5%	5%
Permits - Arena Rec Skating			
<i>POS: Recreational Skating</i>	-2%	7%	-15%
Permits - Room and MPR			
<i>Room Rentals</i>	0%	10%	0%
Outdoor Facilities			
<i>Parks</i>	2%	10%	0%
<i>Baseball Diamonds</i>			
<i>Soccer Fields Tennis</i>	-2%	10%	-50%
<i>Courts</i>			
<i>Community Services In-Kind</i>	-5%	10%	5%
	5%	15%	20%
	5%	15%	5%
	5%	15%	5%
	0%	10%	0%

*Please note that increases that exceed +/-5% will be phased in over a 3-year period.

5. Preferred Model and Recommendations

Although the department believes that Model 3 would allow it to achieve its accessibility and affordability goals for recreation users to a greater degree than Models 1 and 2, it also acknowledges the importance of fiscal responsibility to the taxpayer, and supports the

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commitment made by Council to Vaughan's citizens of increasing taxes by no more than 3%. As such, the department is recommending that Model 1 be approved; maintaining the current 95% cost recovery target of direct recreation costs with no expected economic impact.

For illustrative purposes only, the chart below shows the impact to select fees under Model 1. Please note that exact fee changes will depend on participation trends for the last two years, as well as changes in municipal benchmarks. The department will reassess program participation levels, as well as municipal benchmarks, prior to setting new fees for implementation in 2017.

Activity Title	2015 Fees	Proposed Fee - Model 1	Fee Change	
			\$	%
BASIC				
Swimmer 1	84.40	84.40	0.00	0%
Summer Adventure Camp	334.50	367.95	33.45	10% ¹
Tai Chi (older adult)	20.00	22.00	2.00	10% ¹
Rec Swim	5.25	5.50	0.25	5%
Aquafitness	4.00	4.20	0.20	5%
1 Year Older Adult Fitness Membership	317.96	350.00	32.04	10% ¹
1 Month Student Fitness Membership	53.86	50.00	-3.86	-7% ¹
VALUE-ADDED				
Fun in the Sun (children)	339.25	373.18	33.93	10% ¹
Funky Jazz (children)	102.75	100.70	-2.06	-2%
Artful Adventures (children)	129.75	127.16	-2.60	-2%
Kiddie Kampus (preschool)	116.75	114.42	-2.34	-2%
Kinderdance (preschool)	84.25	82.57	-1.69	-2%
Rhythmic Gymnastics (preschool)	128.50	125.93	-2.57	-2%
PREMIUM				
1 on 1 Swimming Lessons	324.37	324.37	0.00	0%
Adult 1 (swimming)	90.50	90.50	0.00	0%
Belly Dancing (adult)	156.00	156.00	0.00	0%
Kripau Dance (adult)	178.00	178.00	0.00	0%
Camp Corral Camp	737.25	810.98	73.73	10% ¹
1 Year Adult Fitness Membership	613.57	571.00	-42.57	-7% ¹
1 Month Adult Fitness Membership	76.70	71.00	-5.70	-7% ¹
Personal Training - 3 sessions	153.17	156.00	2.83	2%

¹ Any fee change that exceeds +/- 5% will be phased in over a 3-year period.

In an effort to better manage its fees, the department is also recommending that recreation fees be collapsed, where possible, by rounding to the nearest +/- 25 cents. This consolidation of fees would not impact revenues or participation levels, but allow the department to simplify and gain greater efficiency with the administration of the user fee schedule.

In addition, the department is recommending that the following sub-section be added to the "Guiding Principles" section of the User Fee and Pricing Policy (as outlined in the attached consultant's report):

- The Department shall monitor public and private sector benchmark fees for key programs and services.
- The Department shall strive to change, introduce and terminate fees to respond to changes in market conditions and participation on a regular basis.

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- The Department shall strive to encourage participation in key areas through promotions, loyalty, and rewards offerings and other marketing programs.
- The Department shall avoid increasing a fee when participation in the program or service to which the fee relates has declined for two or more consecutive years.
- It is the intention of the Department to undertake a comprehensive fee review every five years to ensure that its fees are achieving the principles of this policy.

6. Application and Governance

To reduce the impact of fee increases on specific users and community groups, and particularly where increases might affect participation in the short-term, the department will continue to seek alternative funding sources through the application of grants, sponsorship and third party program partnerships. The department will continue to make fee subsidies available, as well as offer free/complimentary passes for swim, skate and fitness. As part of the department's commitment to operational performance, it will continue to implement cost-savings initiatives (i.e. wage subsidies, program ratios, staff scheduling) and seek operational efficiencies (from conducting operational reviews) to minimize increases to direct costs.

Participation levels will continue to be monitored and analyzed on a regular basis. Any fee adjustments will be implemented annually by a working group comprised of staff from Recreation Services and Finance. Staff will monitor the impact of fee adjustments and phase in any fee changes that exceed +/-5% over a 3-year period.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

The initiative to review and update the User Fee Policy is consistent with the Service Excellence Strategic Initiative: Operational Performance.

- STRATEGIC GOAL: Financial Sustainability
 - Demonstrate Value for Money: Continue to refine our performance measures and benchmark for service delivery.

Regional Implications

None.

Conclusion

Staff is recommending that Model 1 be approved for implementation in 2017. There is no economic impact associated with this model and the department's cost recovery rate remains unchanged at 95% of direct recreation operating costs. The proposed changes under Model 1 to the current user fee policy will allow the department to proactively set fees based on key principles, including cost recovery, competition, benefits received and the ability to pay. Model 1 supports the department's commitment to deliver accessible and affordable recreation programs and services to the community, achieve the priorities set out in the Term of Council Service Excellence Strategy map, and achieve long-term financial sustainability.

Attachments

1. 2016 Recreation Services User Fees Study
2. Excerpt of the 2005 IBI user fee policy report

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Report prepared by:

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Paola D'Amato, Acting Manager, Business Services, ext. 8806

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)