

City of Mississauga  
**Corporate Report**



<p>Date: August 14, 2023</p>	<p>Originator's files:</p>
<p>To: Chair and Members of Budget Committee - Fees and Charges</p>	<p>Meeting date: October 4, 2023</p>
<p>From: Jodi Robillos, Commissioner of Community Services</p>	

## Subject

### 2024 Recreation & Culture Program Fees and Rental Rates

## Recommendation

1. That the Recreation rental rates incorporating new, revised and existing charges for Meeting Rooms, Food Services and Banquets, Garry W. Morden Training Centre, Pools, Central Library, sundries and minor centres, effective January 1, 2024 through to December 31, 2024 (as outlined in Appendix 1 attached to the Corporate Report dated August 14, 2023 from the Commissioner of Community Services entitled "2024 Recreation & Culture Programs Fees and Rental Rates") be approved.
2. That the Recreation rental rates incorporating new, revised and existing charges for Arenas, Gyms and Indoor Artificial Turf, effective May 1, 2024 through to April 30, 2025 (as outlined in Appendix 3 attached to the Corporate Report dated August 14, 2023 from the Commissioner of Community Services entitled "2024 Recreation & Culture Programs Fees and Rental Rates") be approved.
3. That the Recreation program fees incorporating new revised and existing charges for Recreation Programs, effective the start date of spring 2024 recreation program through to the end date of winter session 2025 (as outlined in Appendix 5 attached to the Corporate Report dated August 14, 2023 from the Commissioner of Community Services entitled "2024 Recreation & Culture Programs Fees and Rental Rates") be approved.
4. That the Culture program fees incorporating new, revised and existing charges for Culture programs, effective January 1, 2024 through to December 31, 2024, with the exception of general programs and camp fees, effective the start date of spring 2024 programs through to the end date of winter session 2025 (as outlined in Appendix 8 attached to the Corporate Report dated August 14, 2023 from the Commissioner of Community Services entitled "2024 Recreation & Culture Programs Fees and Rentals Rates") be approved.

5. That the Culture Education program fees incorporating new, revised and existing charges for Culture School Education programs, effective September 1, 2024 through to August 31, 2025 (as outlined in Appendix 10 attached to the Corporate Report dated August 14, 2023 from the Commissioner of Community Services entitled "2024 Recreation & Culture Programs Fees and Rental Rates") be approved.
6. That the Culture Rental Rates incorporating new, revised and existing charges for Culture Rental Rates and services, effective January 1, 2024 through to December 31, 2024 (as outlined in Appendix 12 attached to the Corporate Report dated August 14, 2023 from the Commissioner of Community Services entitled "2024 Recreation & Culture Programs Fees and Rental Rates") be approved.
7. That User Fees and Charges by-law 0244-2022, as amended, be repealed effective at the end of December 31, 2023.
8. That a new consolidated user fees and charges by-law, effective January 1, 2024, which will include the approved fees and charges of various City departments, be enacted to incorporate and establish the new, revised, and existing Recreation program fees and rental rates, as outlined in the Corporate Report dated August 14, 2023 from the Commissioner of Community Services entitled "2024 Recreation and Culture Programs fees and Rental Rates."
9. That the program fees and rental rates currently listed in Schedule "E-2" (Recreation Rental Rates – Arenas, Gyms and Indoor Artificial Turf); Schedule "E-3" (Recreation Program Fees and Charges); Schedule "F-2" (Culture Program Fees and Charges) of User Fees and Charges by-law 0244-2022, which are applicable to April 30, 2024 or the end date of the winter 2024 session, be incorporated to the new consolidated fees and charges by-law.
10. That the Culture education program fees currently listed in Schedule "F-3" of User Fees and Charges by-law 0244-2022, which are applicable until the end of August 31, 2024 be added to the new consolidated fees and charges by-law.
11. That the Culture rental rates and service fees currently listed under Resident Artist Fees in Schedule "F-1" of User fees and Charges by-law 0244-2022, as amended, be added to the new consolidated fees and charges by-law.

## Executive Summary

- Culture fees were amalgamated with the Recreation Division and the Parks, Forestry and Environment Division fees as a result of the structural reorganization of the Culture Division.

- Recreation and Culture program fees and rental rate increases are reviewed and analyzed annually in response to increased costs, current demand and market conditions.
- Price increases are recommended for those programs and lines of business that can absorb the increase without negatively affecting participation or revenue.
- Culture fees continue to be examined and aligned based on the new operating structure, which is line of business focused and no longer specific to venue.
- As a result of these recommendations, Recreation is expected to drive incremental revenues of \$931,800 and the Culture increase is \$151,730 for 2024.

## Background

On an annual basis the fees charged for Recreation and Culture offerings are reviewed and, in accordance with the Municipal Act, 2001, adjustments for program fees, rentals, and memberships are recommended to Council for approval. This report sets out the proposed fees and charges for 2024. The 2024 fees and charges, if approved through this report, will be incorporated into a new consolidated user fees and charges by-law.

User fees are one of two principle sources of funding for Recreation services; property taxes being the other. As a result, any cost not directly recovered through user fees is, by definition, subsidized through property taxes. This is true of all municipal programs and services and must be understood when setting user fees. If individual rates and user fees fail to keep pace with the costs associated with delivering a given program or service, then that cost must be recovered through increases in the property taxes of all residents.

The guiding principles and assumptions for Recreation's pricing was established in accordance with the Pricing Study, a comprehensive document that was approved in principle by the Budget Committee. This document dictates that fees should be established based on a combination of factors including: cost recovery; affordability of programs and services to generate the greatest societal benefit; fees ensure that desired services are sustainable; and that fees for services that are the same as those provided by the community will be guided by the market.

Culture program fees for registered programs and pay-as-you-go programs are managed in accordance with the Recreation fee cycle (spring to winter) to maintain marketing and billing alignment. School Education Programs are managed in accordance to the school year calendar (September to August). All other Culture fees are managed in accordance with a calendar year cycle (January to December) to align with the annual operating budget.

## Comments

Fee and rate changes are recommended after significant analysis is completed to determine demand and market benchmarking. Potential fee increases first focused on a base increase of 3% in order to recover a portion of increased labour and operational costs. Further increases were identified for offerings that are not aligned with external benchmarking and/or offerings where demand analysis demonstrates an opportunity to alter price to drive more utilization.

For Culture, fee increases are recommended for those programs and lines of business that can absorb the increase without negatively affecting participation or revenue.

As existing program fees and rental rates listed in Schedules "E-2", "E-3", "F-1", "F-2" and "F-3" of the User Fees and Charges by-law 0244-2022, as amended, extend into 2024, those program fees and rental rates will also be included in the new consolidated user fees and charges by-law to cover the period until the remaining 2024 program fees and rental rates are in effect.

Price increases have been identified for the majority of rentals, memberships and programs for the lines of business. The recommended pricing changes specific to each lines of business are outlined below.

### Aquatics

Analysis of pricing in the Aquatics Line of Business determined that increases in Aquatics programs, memberships, rentals and pay as you go fees can be sustained in 2024. The total estimated revenue increase for the Aquatics line of business is \$204,000 for 2024.

### Arenas

In order to accommodate rising labour and operating costs for arenas, it is proposed that ice rental rates increase by 3%. The fee changes for the Arena line of business is expected to generate an additional \$193,000 in budgeted revenue for 2024.

### Community Programs & Camps

Community Programs, including Learn to Skate and Camps, generate a significant volume of participation and support our mandate of delivering community-based affordable recreation opportunities for residents. Benchmarking and local market analysis has confirmed that the City's Community Programs and Camps can sustain a 3% increase. The recommended increases are projected to drive an additional \$227,000 in revenue for 2024.

### Fitness and Seniors' Centre

Fitness customers are extremely price sensitive due to the availability of a number of private fitness centres in the community. After analysis and benchmarking, staff is recommending an increase below 3% for select memberships to remain competitive. Overall, the fitness line of

business revenue increase is estimated at \$67,000 and the Seniors' Centre's estimated increase is \$3,200 for 2024.

### **Food Services**

To recover increased costs, a 3% increase was applied to banquet rentals rates to remain competitive. In 2021, the LOB introduced new block rates (5, 8 and 12 hour rates). Based on this recent change, the increases for the Food Services line of business are anticipated to generate an incremental \$1,300 in 2024.

### **Golf**

The golf industry has trended toward standardizing promotional pricing and discount packages in an attempt to gain market advantage. To compete with industry trends, BraeBen and Lakeview staff has conducted market research to recommend price points that align to benchmarking and position the courses to remain competitive. These price changes are expected to generate a revenue increase of \$124,000 in 2024.

### **Room Rentals**

The Room Rentals line of business can withstand a 3% rate increase based on historical trending and benchmarking. This increase is projected to generate additional revenue of \$18,300 in 2024.

### **Sports**

This line of business incorporates Indoor Artificial Turf, Gyms and Sport Leagues. To recover increased costs while remaining competitive, an average 3% rate increase was applied to the majority of indoor turf and gym rental fees. With a highly competitive landscape for Sport Leagues, an average rate increase of 2.4% was applied. All Sport line of business increases are expected to drive \$87,000 in additional revenue for 2024.

### **Therapeutic**

Therapeutic is still a developing line of business and it is important to continue to offer programs at price points which encourage increased participation in order to help grow the Therapeutic market. Therapeutic offerings are recommended to generate an incremental \$7,000 in 2024.

### **Fees Affected by Culture Division Structural Reorganization**

In response to the July 1, 2023 structural reorganization of the Culture Division, fees were amalgamated with the Recreation Division and the Parks, Forestry and Environment Division. Museums outdoor permit fees will now be included as fees in the Parks, Forestry and Environment Division. All other fees related to programs and events are included as part of the Recreation and Culture Division fees.

The reorganization also resulted in the amalgamation and alignment of fees across Culture venues, which are now operating under a new structure, organized by program/service delivery rather than venue specific. For example, fee titles were updated based on shared positions across venues, including ushers and event support staff.

### **Box Office Fees**

Box office fees are amalgamated and continue to move towards alignment to create consistency between the three facilities of Living Arts Centre, Paramount Fine Foods Centre and Meadowvale Theatre. Further alignment will occur once the procurement process for a unified ticketing software is completed in 2024, where all venues will be on the same ticketing software.

### **Small Arms Inspection Building**

Small Arms Inspection Building has aligned its structure similar to the structure used across other Culture venues. Despite Covid, rental bookings at the SAIB increased by 43% between 2019 and 2022. A strategic approach is taken to ensure space usage is balanced between arts, culture and heritage activities with private rentals and festivals that are open to the public. The current competition for space necessitated a review of fees to ensure appropriate service levels could be maintained. A non-resident fee for rentals was implemented in alignment with other venues.

### **Culture Technical and Equipment Fees**

Technical and equipment fees are reviewed yearly to ensure alignment across all Culture facilities. These fees were reorganized together under the Culture Production Fees subsection. New technical labour fees are being introduced as a result of new 3<sup>rd</sup> Party Labour contract.

### **Museums of Mississauga Programs**

Museum program and education program fees have, for the most part, increased above 3% in order to cover the cost of program delivery. Historical program success, along with the number of participants, illustrate the ability to pay. Fees were benchmarked with museums across southern Ontario and the proposed increases align with sector increases.

### **Culture Programs**

The Resident Artist Program underwent a Lean review to determine program benefits, costs, objectives and deliverables. A new simplified fee structure has been introduced to ensure compliance with the removal of time-based fees and transparency for artists and staff regarding the fees being charged. The new fee structure was initiated through interim fees for contracts starting in fall 2023.

School programs at the Living Arts Centre officially launched under City operations in the 2022-2023 school year. School program fees have risen above 3% in order to increase the financial success of these very popular programs and to align with industry benchmarking.

Corporate program fees increased by 10% to support increases in material costs and staffing. This program will be launching under City operations to external clients in late fall of 2023.

Birthday party fees were restructured to a per participant model (as opposed to a flat group fee with an additional participant add on fee that previously existed). This approach reduces the number of fees and will simplify the administration of this program.

## Financial Impact

As a result of Recreation's comprehensive annual user fee review including inflation, market price comparisons, benchmarking and an examination of the impact of historic price changes on volume, the fee recommendations in this report are expected to drive incremental annualized revenues totalling approximately \$931,800.

Most changes to Culture's fees are the result of housekeeping recommendations and include inflationary increases based on cost recovery. As a result of the proposed increases, a \$151,730 revenue budget increase is forecast in the 2024 budget.

## Conclusion

Recreation and Culture programs and activities help to build strong communities, celebrate our heritage, contribute to the vibrancy of life in Mississauga, and assist residents in living healthy and active lives. Program fees must be balanced to ensure affordability, particularly for core services and at risk populations, while limiting reliance on the general tax base. The recommended rates and fees respond to market demand and attempt to drive increased participation while generating incremental revenue.

## Attachments

- Appendix 1: E1 - Proposed Rental Fee Schedule - Recreation (Effective January 1, 2024)
- Appendix 2: E1 - Proposed Rental Fee Notes - Recreation (Effective January 1, 2024)
- Appendix 3: E2 - Proposed Rental Fee Schedule - Recreation (Effective May 1, 2024)
- Appendix 4: E2 - Proposed Rental Fee Notes - Recreation (Effective May 1, 2024)
- Appendix 5: E3 - Proposed Program Fee Schedule - Recreation (Spring 2024 - Winter 2025)
- Appendix 6: E3 - Proposed Program Fee Notes - Recreation (Spring 2024 - Winter 2025)
- Appendix 7: E3 - Proposed Program Categories - Recreation
- Appendix 8: E4 - Proposed Program Fee Schedule - Culture
- Appendix 9: E4 - Proposed Program Fee Notes - Culture
- Appendix 10: E5 - Proposed Education Program Fee Schedule - Culture  
(Effective September 1, 2024)
- Appendix 11: E5 - Proposed Education Program Fee Notes - Culture  
(Effective September 1, 2024)

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Appendix 12: E6 - Proposed Rental Fee Schedule - Culture (Effective January 1, 2024)

Appendix 13: E6 - Proposed Rental Fee Notes - Culture (Effective January 1, 2024)

Appendix 14: E7 - Proposed Program Categories - Culture



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Jodi Robillos, Commissioner of Community Services

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