

City of Mississauga
Corporate Report



<p>Date: September 10, 2024</p> <p>To: Chair and Members of Budget Committee</p>	<p>Originator's files:</p>
<p>From: Jodi Robillos, Commissioner of Community Services</p>	<p>Meeting date: October 2, 2024</p>

Subject

2025 Recreation & Culture Program Fees and Rental Rates

Recommendation

1. That the Recreation and Culture rental rates and notes incorporating new, revised and existing charges for Meeting Rooms, Food Services and Banquets, Garry W. Morden Training Centre, Pools, Culture Venues, Filming Locations, Box Office, other rentals and associated services and sundries, effective January 1, 2025 through to December 31, 2025 (as outlined in Appendices 1 and 2 attached to the Corporate Report dated September 10, 2024, from the Commissioner of Community Services entitled "2025 Recreation and Culture Programs Fees and Rental Rates") be approved.
2. That the Recreation rental rates and notes incorporating new, revised and existing charges for Arenas, Gyms and Indoor Artificial Turf, effective May 1, 2025 through to April 30, 2026 (as outlined in Appendices 3 and 4 attached to the Corporate Report dated September 10, 2024, from the Commissioner of Community Services entitled "2025 Recreation & Culture Programs Fees and Rental Rates") be approved.
3. That the program fees and rental rates currently listed in Schedule "E-2" (Recreation Rental Rates); Schedule "E-3" (Recreation Program fees and charges); Schedule "F-2" (Culture Program Fees and Charges) of Users Fees and charges by-law 0199-2023, effective the start of the spring session 2025 through to the end of the winter session 2026, be incorporated into the new consolidated fees and charges by-law.
4. That the Recreation and Culture program fees and notes incorporating new, revised and existing charges for Recreation and Culture Programs, effective the start date of spring 2025 recreation program through to the end date of winter session 2026 except for Museums of Mississauga Drop In Programs & Pay-As-You-Go (PAYG) fees and charges and Corporate Workshops and Birthday Parties fees and charges, which are effective January 1, 2025 through to December 31, 2025 (as outlined in Appendices 5 and 6 attached to the Corporate Report dated September 10, 2024, from the

Commissioner of Community Services entitled “2025 Recreation & Culture Programs Fees and Rental Rates”) be approved.

5. That the Culture Education program fees and notes incorporating new, revised and existing charges for Culture School Education programs, effective September 1, 2025 through to August 31, 2026 (as outlined in Appendices 8 and 9 attached to the Corporate Report dated September 10, 2024, from the Commissioner of Community Services entitled “2025 Recreation & Culture Programs Fees and Rental Rates”) be approved.
6. That the Culture Education program fees currently listed in Schedule “F-3” of User Fees and Charges by-law 0199-2023, which are applicable until August 31, 2025 be added to the new consolidated fees and charges by-law.
7. That User Fees and Charges by-law 0199-2023, as amended, be repealed effective at the end of December 31, 2024.
8. That a new consolidated user fees and charges by-law, effective January 1, 2025, which will include the approved fees and charges of various City departments, be enacted to incorporate and establish the new, revised, and existing Recreation and Culture program fees and rental rates, as outlined in the Corporate Report dated September 10, 2024, from the Commissioner of Community Services entitled “2025 Recreation and Culture Programs fees and Rental Rates.”

Executive Summary

- 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, considering customer impact.
- As a result of these recommendations, Recreation & Culture is expected to drive incremental revenues of \$1,085,200 for 2025.

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 2025. The 2025 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 were 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.

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 changes 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.

As existing program fees and rental rates listed in Schedules "E-2", "E-3", "F-2" and "F-3" of the User Fees and Charges by-law 0199-2023, as amended, extend into 2025, 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 2025 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. A list of all Recreation and Culture programs and their associated proposed program fee categories can be found in Appendix 7. The recommended pricing changes specific to each line 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 2025. The total estimated revenue increase for the Aquatics line of business is \$188,000 for 2025.

Arenas

In order to accommodate rising labour and operating costs for arenas, it is proposed that ice rental rates increase by an average of 3%. The fee changes for the Arena line of business is expected to generate an additional \$191,900 in budgeted revenue for 2025.

Community Programs and 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 \$142,800 in revenue for 2025.

Fitness and Seniors' Centre

Fitness customers are sensitive to price fluctuations due to the availability of a number of private fitness centres in the community. After analysis and benchmarking, staff is recommending an increase of 3%. Overall, the Fitness line of business revenue increase is estimated at \$90,100. The Seniors' Centre rates will be held for 2025.

Food Services

To recover increased costs, a 3% increase was applied to banquet rentals rates to remain competitive. The increases for the Food Services line of business are anticipated to generate an incremental \$2,300 in 2025.

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 have 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 \$162,400 in 2025.

Room Rentals

The Room Rentals line of business can withstand an average rate increase of 3% based on historical trending and benchmarking. This increase is projected to generate additional revenue of \$40,300 in 2025.

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 indoor turf, gym rental fees and sports leagues. All Sport line of business increases are expected to drive \$105,000 in additional revenue for 2025.

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 increase by an average of 3%. This increase will generate an incremental \$9,900 in 2025.

Culture Venue Rental Fees

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.

The reorganization provided an opportunity to improve the fee model to provide customers with an improved experience. This updated approach provides standard production and box office fees across all Culture venues provides for a more seamless and consistent customer-facing approach for those that utilize event facilities.

Additionally, Culture venue rental fees have been repackaged to provide further transparency for rental clients regarding the cost of venue rentals while also aligning with other comparable venues. For example, the base rental fee now includes minimum staffing requirements and administrative fees, and previous separate charges for these required associated fees have been removed. Including minimum required staffing levels and administrative fees in base rent is consistent with benchmarking and aligns Culture venue rental fees to the market. Recommended updates to Culture Venue Rental fees¹ are estimated to generate an incremental \$29,000 in 2025 with minimal impact to rental users.

Box Office Fees

Box Office fees are amalgamated and continue to move towards alignment to create consistency between Culture venues. Through the procurement of a new ticketing platform in 2024, box office fees have been streamlined to provide a unified ticketing fee structure across venues. Recommended updates to Box Office fees are estimated to generate an incremental \$4,500 in 2025.

Culture Production Fees

Technical and equipment fees are reviewed yearly to ensure alignment across all Culture facilities. These fees were reorganized to reflect technical equipment fees for all Culture venues. Technical production labour is a blend of third-party labour or in-house staffing chargebacks pending the venue. Fees were adjusted to align with other internal and external chargeback practices for staffing and third-party services. These changes may result in lower production costs for a number of clients.

The year-to-year impact of the cumulative changes to Culture venue rental, box office, Culture production and staffing fees for most event rental clients will result in an average 3% increase to fees or less. Recommended updates to Culture Production fees are estimated to generate an incremental \$8,500 in 2025.

¹ Inclusive of staffing fee changes.

Creative Industries

Majority of Creative Industries fees can withstand an average increase of 3%. This increase is projected to generate additional revenue of \$12,500 in 2025.

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. In addition, the Museums would like to introduce an annual Museum Membership. This membership would include free tours, discounts/passes to special events hosted by the Museums, as well as building relationships with neighbouring businesses to provide benefits to patrons of the Membership. Introducing a Membership increases opportunity for users to enjoy the Museums and exhibits and encourages increased exposure through multiple visits. Benchmarking has shown offering a membership to be a common practice amongst Municipal Partners, and the suggested fee is reflective of this benchmarking.

Culture Programs

Culture Programs includes fees for sessional and camp programming in digital, literary, performing and visual arts, the Resident Artist program, and school and corporate workshops at the Living Arts Centre. The majority of Culture Programs fees are increasing by 3%. Corporate workshops at the Living Arts Centre were reorganized in 2024 to reflect one streamlined fee structure based on cost recovery and market value. This approach reduces the number of fees and will simplify the administration of this program. Culture Programs are expected to generate a revenue increase of \$98,000 in 2025.

Financial Impact

As a result of Recreation & Culture'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 \$1,085,200. The 2025 Business Plan has been updated to reflect this increase in income.

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 equity deserving 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 and Culture
(Effective January 1, 2025)
- Appendix 2: E1 - Proposed Rental Fee Notes – Recreation and Culture
(Effective January 1, 2025)
- Appendix 3: E2 - Proposed Rental Fee Schedule - Recreation (Effective May 1, 2025)
- Appendix 4: E2 - Proposed Rental Fee Notes - Recreation (Effective May 1, 2025)
- Appendix 5: E3 - Proposed Program Fee Schedule – Recreation and Culture
(Spring 2025 - Winter 2026)
- Appendix 6: E3 - Proposed Program Fee Notes – Recreation and Culture
(Spring 2025 - Winter 2026)
- Appendix 7: E3 - Proposed Program Categories – Recreation and Culture
- Appendix 8: F1 – Proposed Education Program Fee Schedule – Culture
(Effective September 1, 2025)
- Appendix 9: F1 - Proposed Education Program Fee Notes – Culture
(Effective September 1, 2025)



Jodi Robillos, Commissioner of Community Services

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