

City of Mississauga
Corporate Report



<p>Date: November 1, 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: November 18, 2024</p>

Subject

Free Older Adult Recreation Programming Cost Analysis

Recommendation

1. That the City offer free older adult recreation programming for individuals aged 65 and older as of April 1, 2025 as outlined in the Corporate Report from the Commissioner of Community Services, dated November 1, 2024, entitled "Free Older Adult Recreation Programming Cost analysis" and that the 2025 budget be adjusted.
2. That Schedule "E-3" (Recreation Program Fees and Charges) of the 2025 consolidated user fees and charges by-law, to be effective January 1, 2025, incorporate information about the new recreation membership type known as "65 & Older Fit Membership", as outlined in the Corporate Report from the Commissioner of Community Services, dated November 1, 2024, entitled "Free Older Adult Recreation Programming Cost Analysis".
3. That all necessary By-laws be enacted.

Executive Summary

- As per Council's direction during the October 2, 2024 Budget Committee meeting, staff completed a cost analysis to understand the impact of providing free recreation programming to older adult residents, ages 65+ and 70+.
- The 2024 Future Directions Recreation Plan identifies older adults as a priority demographic to increase service delivery.
- The City of Mississauga ("City") currently provides a range of initiatives and discounted programming and services across facilities for older adults. Consideration to provide free recreation programming will complement the City and partner providers' current recreation service delivery for older adult residents.

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- Budget Committee identified an option to provide free daytime programming (9am-3:30pm, Monday-Friday) to older adults 65+ or 70+ using their free Presto card. While this option was considered, key access challenges were identified.
- As an alternative to the Budget Committee proposal, staff recommend introducing free all-day recreation programming to Mississauga older adult residents 65+ as of April 1, 2025. This option is estimated to result in a \$933K increase to the operating budget on an annual basis.
- The annual user review outlined in the corporate report titled “2025 Recreation & Culture Program Fees and Rental Rates” identified that proposed fee recommendations would result in incremental annualized revenues totalling approximately \$1.1M. This incremental revenue could offset the net impact of providing free all-day recreation programming for older adults 65+.
- The City will need to consider a number of additional factors that will influence the impact over the long-term (e.g. aging population, increased other operating and capital expenses, programming risks, etc.). These factors will need to be monitored and reviewed annually by staff to adjust the operating and capital budgets as needed.
- Staff will continue to review opportunities for recreation delivery that encourages lifelong physical activity and well-being by reducing barriers to participation and balancing fiscal responsibility.

Background

As per Council’s direction received during the October 2, 2024 Budget Committee meeting, staff completed a cost analysis to understand the impact of the City providing free recreation programming to older adult residents, ages 65+ and 70+.

Mississauga older adult residents 55+ currently account for 31% of the city’s total population and as such, the 2024 Future Directions Recreation Plan identifies older adults as a priority demographic to increase service delivery. In 2019, the City developed the Older Adult Plan for Recreation to address needs around: i) service delivery; ii) older adult programming; iii) allocation of recreation indoor space; and iv) future older adult facility design and space needs.

The City currently provides a range of initiatives and discounted programming and services across facilities to accommodate older adult recreation demand. Key recreation-related initiatives include:

- 20% older adult (55+) discount across Aquatics, Fitness, Therapeutic and Community Programs memberships and drop-in programming user fees.

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- Free virtual programming for older adults with the opportunity to connect online in real time five days a week through Sauga Connections. Programs include Yarn Crafters, Hot Topics, Coffee Talk and Fit Break.
- Discounted dedicated programming through the Mississauga Seniors' Centre ("MSC"), including access to a variety of recreational activities for older adults.
- Active Assist Fee Assistance Program for residents, including older adults, to access recreation and culture programs through fee subsidies. If eligible for the program, each family member receives a credit of \$275 per year; and
- Local older adult providers & clubs offering a variety of free or low-cost activities for their members at local community centres. The City provides a number of benefits to these providers/clubs through the Community Group Registry Program including eligibility for no cost and discounted rental space for related activities, access to insurance, promotional opportunities and grant programs.

Consideration to provide free recreation programming will complement the City and partner providers' current targeted recreation service delivery support for older adult residents.

Comments

Council identified an option to provide free daytime programming (9am-3:30pm, Monday-Friday) to older adults 65+ or 70+ using their free Presto card. While this option was considered, key access challenges were identified, including:

- **Equity challenges:** Daytime access may not be attainable across all older adults for various reasons (e.g. higher prevalence of working past the age of 65¹, childcare provision during the day, etc.).
- **Access outside of daytime hours:** While daytime access may be provided at no cost, older adults will still require access to recreation programming outside of this period (e.g. weekday early mornings/evenings and weekends). To accommodate this demand, the average older adult would be required to hold two recreation memberships, which might create confusion for patrons and staff; and
- **Presto card alignment:** Presto card as a qualifier for free access will not be enough to validate eligibility, as a separate recreation membership pass will be required to validate residency and track participation. Additionally, since not all seniors have a Presto card, this will limit access across all Mississauga older adult residents.

¹ Source: Statistics Canada, Employment by choice and necessity among Canadian-born and immigrant seniors, April 2024

As an alternative to the above option proposed by Council, staff recommend introducing free all-day recreation programming to Mississauga older adult residents 65+ as of April 1, 2025. This includes access to walking tracks, the MSC, drop-in swims, skates, fitness centres, squash courts and virtual classes at all City facilities² with no time limitations. Specialty drop-in programs will continue to be available at a 20% discounted cost for older adults, with a fee subsidy option available for qualifying older adults. The City will introduce a new membership option called the “65 & Older Fit Membership,” a free membership available to adults aged 65 and older, applicable to the existing Fit, MSC, and Swim memberships. For an existing older adult user aged 65+, this initiative will result in average annual cost savings of \$303³. A review of key membership offerings is included in Appendix 1.

This recommended option will allow more flexibility for Mississauga older adult residents to participate at convenient times, allow for more seamless integration for front desk administration and alignment with existing recreation membership types and ensure the discount is only provided to Mississauga residents. Additionally, this approach aligns with municipal comparators including the City of Brampton which will be widening eligibility for free recreation programs to older adult residents 65+ as of 2025⁴, as well as other business-related senior discounts that typically are provided to older adults 65+.

Financial Impact

The provision of free all-day recreation programming for older adults is assumed to increase demand for use of facilities, resulting in added capacity and operating/capital cost pressures (e.g. additional classes, staff supervision, capital replacement from increased wear and tear, etc.). The financial impact shown below is estimated using 2023 revenue and cost actuals. Lost revenue is calculated based on age distribution patterns of ActiveNet user profiles, and includes:

- Lost 65+ membership revenue in Swim, Fit and MSC memberships (-\$417K);
- Lost 65+ drop-in program revenue associated with related drop-in programs⁵ (-\$34K); and
- Assumed conservative loss of 25% reduction in all other older adult membership types (-\$159K).

Increased user demand is estimated at a conservative increase of 15%. Based on current capacity, Aquatics and Fitness would need to increase resourcing to account for this anticipated demand (e.g. current capacity constraints in swim/fitness classes, need for more staff, etc.),

² Including 12 indoor pools, 7 outdoor pools, 9 warm water therapeutic pools, 9 fitness centres and 13 arenas.

³ Based on 12-month membership fees (2025 proposed fees)

⁴ Currently valid for older adults 70+

⁵ older adult drop-in fitness classes, fun skate, fun swim, ice dance/cardio skate, lane swim and weightroom

while Skating could accommodate increased demand with existing resourcing. Increased labour cost is based on additional staff hours, and was set at a 60% cost recovery rate.

Table 1: Net Operating Budget Impact for Free Recreation Programming for Mississauga Older Adults 65+

	Full-Year Impact*	9-Month Impact
Revenue Budget Decrease	\$610,640	\$485,871
Expenditure Budget Increase	\$322,663	\$256,735
Net Operating Budget Increase	\$933,303	\$742,606

**Based on 2023 actuals*

The option to consider free all-day recreation programming for older adults 65+ will result in an estimated \$933K increase to the operating budget on an annual basis. Consistent with Council's request, the City also reviewed the impact of free recreation programming for older adults 70+ (detailed in Appendix 2), where the net operating budget increase is estimated to be \$527K on an annual basis. The annual user review outlined in the corporate report titled "2025 Recreation & Culture Program Fees and Rental Rates" identified that proposed fee recommendations would result in incremental annualized revenues totalling approximately \$1.1M. This incremental revenue could offset the net impact of providing free all-day recreation programming for older adults 65+. This impact will need to be reflected in the 2025-2028 Corporate Business Plan and 2025 Budget.

While this initial impact is estimated, the City will need to consider a number of additional factors that will influence the impact over the long-term, including:

- **Mississauga's aging population:** Population projections from 2021 to 2051 indicate that residents age 65+ will increase by 46%, with the most rapid period of growth estimated to be between 2021 and 2031 (annual growth rate of 2%)⁶. This anticipated growth in older adults will likely translate to increased demand for free recreation programming.
- **Other operating expenses:** Other operating variable costs outside of labour will likely increase to reflect increased facility utilization (e.g. utilities, occupancy costs, third party contractors, etc.).
- **Programming risks:** General hiring and retention challenges will likely heighten to meet increasing demand for programs that are currently at or near capacity. Additionally, the impact to other revenue sources (e.g. other fee-paying users) may be impacted due to increased utilization and limited space; and

⁶ City of Mississauga, Planning and Building population forecast data

- **Capital expenses:** Increasing user demand will impact the wear and tear of capital and equipment, and may increase capital funding requirements for maintenance, replacements and renovations.

These factors will need to be monitored and reviewed annually to adjust the operating and capital budgets as needed.

Conclusion

The City continues to prioritize service delivery for Mississauga Older Adults. The provision of free all-day recreation programming to Mississauga older adult residents 65+ will complement the range of discounted benefits currently provided to Mississauga older adults. The recommended approach will provide free all-day recreation programming access to Mississauga older adults 65+ through a new 65 & Older Fit Membership as of April 1, 2025, which includes base programming across fitness, aquatics, skate and the MSC, with specialty programming continued to be available at a 20% discount along with fee subsidy options for qualifying older adults.

The City will continue to review opportunities for recreation delivery that encourages lifelong physical activity and well-being by reducing barriers to participation and balancing fiscal responsibility.

Attachments

Appendix 1: Mississauga Recreation Membership Offerings

Appendix 2: Free All-Day Recreation Programming Net Budget Operating Impact (65+ and 70+)



Jodi Robillos, Commissioner of Community Services

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