



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Recreation & Culture – Rates & Fees, 2020 Staff Report to Council

Report Number: 2019-121

Department(s): Recreation & Culture, Finance

Author(s): Colin Service, Director, Recreation & Culture

Meeting Date: November 25, 2019

Recommendations

1. That the report entitled Recreation & Culture – Rates & Fees, 2020 dated Nov 25, 2019 be received; and,
2. That the Schedules “A(1) to A(16)” marked as the Town of Newmarket Recreation & Culture Services Fees and Charges Schedules be approved by Bylaw; and,
3. That the Recommending A Strategy (RAS) surcharge that is currently applied as an additional charge to all facility permits and program registrations be amended as set forth in Schedules “A(1) to A(16); and,
4. That the fee adjustments for 2020 come into full force and affect as of January 1, 2020, save and except for program fees where the program began prior to March 1st, 2020; and,
5. That fee increases for above noted program take affect as of March 1st, 2020; and
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to advise Council of proposed changes to the Recreation & Culture Rates & Fees structure and seek approval to implement the proposed schedules, effective January 1, 2020.

Background

The Recreation & Culture Department offers thousands of programs, events, facility permits, admissions and memberships annually – generating close to \$8 Million in revenue annually.

The rates and fees associated with such large service delivery are complex and vary significantly depending upon the type of service being offered. In order to provide some level of clarity to this complexity, the schedule of fees attached are broadly classified into the following four categories: Administration fees; Rentals; Program Registration; Admissions, Memberships & Passes.

In the establishment of the attached fees, an extensive review has occurred that included consideration of the following:

- Registration history of a program/service and potential impact, if any, of a fee increase or decrease on future participation
- Program life cycle (ie: new programs vs well established programs)
- Marketplace considerations
- Price sensitivity for specific services
- Demographic considerations and trends
- Linkage with recommendations contained within the Recreation Playbook

Discussion

For ease of review, a number of rates and fees are increasing only very marginally or not at all. Any fees that are changed by 3 % or greater are highlighted. Please note that because of the low cost of many fees some fee increase may seem a large percentage increase but are in fact very modest (ie. a \$2.00 admission being raised to \$2.25 would represent a 12.5% increase).

Significant changes to rates and fees outside of rounding or modest increases will be highlighted within the context of the report.

Ice Rental Fees

Each year, the Recreation & Culture Department generates over \$1.5 Million in revenue annually in ice rental revenue. This number has shown a steady decline over the last 10 years. This decline in revenue is attributed to a variety of factors – the major user groups have experienced some decline in participation over the last 10 years. Additionally, the implementation of the service pricing policy in 2007 saw a significant increase in rates and fees for adult users. Over the last five years, there has been a strategic decision made to not increase rental fees while neighbouring municipalities and private providers fees became more aligned with the Town of Newmarket rates and fees. Given the decline in ice usage, Council approved the closure of Hollingsworth Arena at the conclusion of the 2019-2020 season.

With the closure of Hollingsworth Arena, staff felt it was important to reconsider the pricing strategy around ice rentals. The following summarize the key strategic decisions that shape the fee structure as proposed:

- Youth primetime fees (which represents a significant majority of total revenue) be increased slightly. After over 10 years of no fee increases the proposed fee is competitive within the marketplace and will position Newmarket well within municipal comparitors.
- Adult primetime fees be reduced significantly to better position Newmarket within the marketplace, recognizing the adult groups are the most impacted by the closure of Hollingsworth Arena.
- Commercial/Nonresident primetime rentals costs increased recognizing that primetime hours should be allocated to youth and Newmarket residents first.
- Reduction of the RAS Surcharge for adults of \$10.00 per hour so that there would be no total payment increase for nonprime hours for adult groups, again recognizing that adult groups were the most impacted by the closure of Hollingsworth Arena.

Hall Rental Fees

The Town operates numerous meeting rooms and halls available for rent. There has been significant confusion around the fee structure with considerable frustration expressed by the community. Frustrations were primarily related to confusion about the fees, inconsistent application of the fees, fees that required minimum numbers of hours of booking, how presence of alcohol is handled within the fee structure. With that in mind, there are a number of strategic changes made to the way halls and meeting rooms are priced with the following objectives:

- Creation of hourly rates for bookings that are less than three hours
- Creation of a separate alcohol rate – room rental rates remain consistent with a surcharge added anytime alcohol is required
- Reclassification of types of rentals to streamline the categories of rentals

Conclusion

The attached schedules represent a streamlined approach to rates and fees for the Recreation & Culture Department. Efforts have been made to price within the context of market analysis ensuring that rates and fees are affordable and appropriate.

Business Plan and Strategic Plan Linkages

Living Well

- Emphasis on active lifestyles and recreational opportunities

Well Balanced

- Recreational facilities and services

Well Equipped and Managed

- Fiscal responsibility
- Service excellence
- Linkages to the Recreation Playbook

Consultation

Public notice has been placed in the Town Page and on the website, in compliance with applicable legislation and our bylaws that require a three-week notice period in the summer prior to the passing of the by-law. The proposed bylaw, outlining the fee changes, will be effective January 1, 2020.

Human Resource Considerations

There are no Human Resource impacts expected.

Budget Impact

The proposed rates and fees are expected to facilitate meeting all targets established in the 2020 Operating Budget.

Attachments

Schedules A (1) to A (16)

Approval

Colin Service, Director, Recreation & Culture

Mike Mayes, Director, Financial Services

Ian McDougall, Commissioner, Community Services

Esther Armchuk

Commissioner, Corporate Services

Contact

For more information on this report, please contact Colin Service.