



CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Recreation Division

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	March 24, 2021
SUBJECT/REPORT NO:	2021 Recreation User Fee Update (HSC21004) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Romas Keliacius (905) 546-2424 Ext. 4722 Dawn Walton (905) 546-2424 Ext. 4755
SUBMITTED BY:	Chris Herstek Director, Recreation Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the 2021 Recreation user fees contained in Appendix “A” to Report HSC21004, “2021 New Recreation User Fees” be approved and implemented;
- (b) That the City Solicitor be authorized and directed to prepare all the necessary by-laws, for Council approval, for the purposes of establishing the user fees contained within in Appendix “A” attached to Report HSC21004; and,
- (c) That the subject matter respecting the “COVID-19 recreation financial assistance program”, be identified as complete and removed from the General Issues Committee Outstanding Business List.

EXECUTIVE SUMMARY

During the December 9, 2020, General Issues Committee meeting, the 2021 Tax Supported User Fees Report FCS20085 was amended in response to the financial pressures faced in the community due to the COVID-19 pandemic. Staff was directed to report back to the General Issues Committee with a COVID-19 Recreation financial assistance program aimed to offset the increase in the 2021 User Fees.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

On December 16, 2020, Council approved a motion to freeze all Recreational user fees at 2020 levels for 2021, with the loss in budgeted revenues in 2021, to be funded from the establishment of a COVID-19 Recreation User Fee Financial Relief Program to be fully funded through Federal/Provincial COVID-19 Safe Restart Funding. As a result of this motion, the General Issue Committee Outstanding Business List item pertaining to a COVID-19 Recreation financial assistance program is resolved.

Subsequently, the proposed Recreation user fees pertaining to new or modified programs and services submitted during the 2021 tax supported user fee budget process for consideration were excluded from the report and require Council direction for inclusion in the user fee by-law. Consideration should be given for the inclusion of identified user fees specific to Golf Rates and Admissions.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Revenue estimates for the 2021 operating budget are based on the fees contained within Report HSC21004.

Staffing: N/A

Legal: It is in order to pass a By-law to establish the user fees set out in Appendix “A” to Report HSC21004.

HISTORICAL BACKGROUND

Tax supported user fees are prepared and presented for consideration at the on-set of the budget process annually to establish a predictable revenue stream for programs and consistent communication to program users.

On December 9, 2020, at the General Issues Committee, it was recommended that the Recreation user fees for 2021 be frozen at the 2020 levels to help offset some of the financial pressures faced in the community as a result of the COVID-19 pandemic.

As a result of a December 16, 2020 approved motion of Council that all Recreational User fees be frozen at 2020 levels for 2021, proposed Recreation user fees pertaining to new or modified programs and services submitted during the 2021 tax supported user fee budget process for consideration were excluded from the user fee report and require council direction for inclusion in the user fee by-law.

The COVID-19 pandemic has had a substantial impact on the Recreation operations. Golf operations became extremely popular and traditional recreation programs became

more restricted. Several new fees are required to help the Division offer services in the coming years.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Sections 8, 9 and 10 of the Municipal Act, 2001, authorize the City of Hamilton to pass by-laws necessary or desirable for municipal purposes, and in particular paragraph 3 of subsection 10(2) authorizes by-laws respecting the financial management of the City of Hamilton.

Subsection 391(1) of the Municipal Act, 2001, states that sections 9 and 10 of that Act authorize the City of Hamilton to impose fees or charges on persons for services or activities provided or done by or on behalf of it; for costs payable by it for services or activities provided or done by or on behalf of any other municipality or local board; and for the use of its property including property under its control.

Pursuant to this authority, it is in order to pass a by-law is required once the user fees established in this report are approved.

RELEVANT CONSULTATION

- Recreation Division, Healthy and Safe Communities - Subject matter expertise and consultation relating to creation and application of Recreation user fees.
- Financial Planning Administration and Policy Division, Corporate Services Department - Assisted with creation and submission of 2021 user fees and was also consulted with respect to the overall process.
- Legal Services Division, Corporate Services Department - Review for content and by-law implications.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Appendix “A” to Report HSC21004 provides a listing of the new user fees required in the Recreation Division. These fees fall into two operational areas: Golf and Recreation Admissions.

Golf Rates

Over that last year, the COVID-19 pandemic has boosted the popularity of Golf. During the annual review of user fees several new fees were identified to be added to the Golf portfolio. These new fees add clarity and consistency to the golf rates and allow for flexibility in offerings on the golf courses and help maximize the overall utilization of these assets.

Admissions

Admission fees are applied to participants accessing Recreation Centres, Outdoor Pools, Arenas and Seniors' Facilities for non-registered drop-in programming (i.e. open swim, open gym, lengths swim). Purchase options include a single admit, multiple visit clip card or unlimited access annual pass.

The COVID-19 pandemic has led to complications surrounding sales volumes and the ability to honour annual passes due to the frequency of extended periods of program cancellation and closure. The resulting impact has been to suspend the sale of annual passes while providing purchased passes with extensions for service or refunds. Pass extensions of 6 months were applied to 19,867 passes over the summer of 2020, creating a financial liability of approximately \$58,000 and a subsequent loss of renewal purchases for this period. The process to manage extensions in the recreation software is onerous requiring significant staff resource when required.

The proposed monthly pass option for admissions presents benefits for staff as well as customers including the following;

- Affordable access at lower monthly fee;
- Flexibility to purchase pass based on actual usage (i.e. vacation, seasonal use);
- Reduce the deferred liability of annual passes;
- Ability to respond to the COVID -19 Framework for Re-Opening with minimal impact to participants for reissue/reimbursement during closures;
- Applicability is consistent with the benefits of an annual participation pass;
- Consistency in admission purchase options (i.e. Waterfit monthly pass); and
- Less staff time used to issue extensions.

The proposed rates for the monthly pass option are comparable to market rates and follow Guiding Principles for Recreation User Fees (Report CES15029) of Accountability, Community Benefit, Equitable, Fair, Affordable, Financial Responsibility.

If approved, monthly participation passes will be made available beginning April 1, 2021 and the sale of annual passes will continue to be suspended. Existing passes issued to participants will be accepted until date of expiry and will continue to be extended as required.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report HSC21004: 2021 New Recreation User Fees