

**OPERATING BUDGET 2005 – RECREATION FEE INCREASES
(ITEM 2, BUDGET COMMITTEE MEETING OF JANUARY 11, 2005)**

Recommendation

The Budget Committee recommends:

- 1) That staff provide a further report to the Special Committee of the Whole (Budget) meeting of January 18, 2005 addressing Members of Council's comments, including cost comparables with other municipalities and the private sector and a list of programs impacted by the proposed fee increases; and
- 2) That the following report of the Commissioner of Community Services, dated January 11, 2005, be received.

Report of the Commissioner of Community Services, dated January 11, 2005

The Commissioner of Community Services, in consultation with the Director of Recreation and Culture recommends:

That this report be received for information.

Purpose

The purpose of this report is to provide the Budget Committee with information regarding recreation fee increases for the 2005 Operating Budget.

Background - Analysis and Options

At the Budget Committee meeting of December 14, 2004, staff were directed to review all revenue and expense opportunities to reduce the tax rate for 2005. As a result staff reviewed the draft 2005 operating budget and identified additional revenue increases of \$397,460.00 and cost savings of \$56,400 for a total of \$453,860.00.

With respect to the revenue increases of \$397,400, the following are the specific categories that were identified:

- \$220,460 is directly attributable to fee increases;
- \$138,000 relates to increased participation (fitness, personal training, permits, concessions) and;
- \$39,000 would result from allowing non-Vaughan fitness members back in the centre.

The budget submission presented to the Budget Committee on December 14, 2005 had already included fee increases in recreation programs and memberships. The aquatics and general programs divisions (camps, pre-school, children and youth, youth memberships and adult programs) included a 2% increase as of Spring 05, and fitness memberships an increase of 5% as of September 05. The budget submission also included rate increases for facility permits (sports fields, arenas etc), previously approved by Council as part of a Three Year Rental Rate Schedule that began in 2003 and ends on March 31st 2006.

In order to achieve greater revenues, the following additional fee increases are proposed:

- aquatic, group lessons 5% as of Spring 05

- aquatic, private lessons 24% as of Spring 05
- aquatic, semi private lessons 6% as of Spring 05
- recreational swims 25% (ie. Youth \$2 to \$2.50, Seniors \$3 to \$3.75, Adults \$4 to \$5, Groups \$7.50 to \$9.50)
- recreational skates 25% (ie. Youth \$2 to \$2.50, Seniors \$3 to \$3.75, Adults \$4 to \$5, Groups \$7.50 to \$9.50)
- pre-school and adult programs 4% as of Spring 05
- fitness, health and sports programs 25% as of Spring 05
- youth memberships 20% as of Spring 05 (ie. \$12. to \$15.00/yr.)
- fitness memberships 5% as of Spring 05.

Specific examples of the increases are as follows:

	<u>Current Rate</u>	<u>Original Budget Submission December 14, 2004</u>	<u>Further Revised For Budget Committee January 11, 2005</u>
<u>Aquatics</u>			
group, 10 lessons	69.00	70.00	74.00
private (1 on 1)	199.00	203.00	252.00
semi private lessons	141.00	144.00	150.00
<u>General Programs</u>			
pre-school, craft	82.00	84.00	86.00
adult, general interest	85.00	87.00	89.00
fitness, pilates	115.00	117.00	120.00
<u>Fitness memberships</u>			
adult, annual	463.00	486.00 as of Sept 05	486.00 as of Spring 05 & 510.00 as of Fall 05

Impact:

- The above are specific examples of increases and do not illustrate all the program categories and age groups (youth, seniors, family etc) that will be affected.
- Recreation's contribution to health and wellness is well recognized and any barrier to providing affordable programs, such as fee increases, may impact the community.
- Fee increases may cause a decrease on projected participation numbers.
- Public complaints particularly due to fee increases have increased in the last few years and it is anticipated that the above increases may result in a further increase of negative public feedback.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council. The necessary resources have not been allocated and approved.

Conclusion

Based on the direction from the Budget Committee, staff further reviewed revenue and expense opportunities to reduce the 2005 tax rate. The proposed recreation fee increases may create a hardship for some, generate complaints and could impact on the participation numbers.

Attachments

None

Report Prepared By

Mary Reali, Customer Service and Administration Manager, Ext 8234.