Agenda - Executive Policy Committee - September 17, 2008

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Report - Standing Policy Committee on Protection and Community Services - September 15, 2008

Item No. 1 Increase in Fees for City of Winnipeg 'Learn to Skate' and 'Learn to Swim' Recreation Programs
File PR-2.10

STANDING COMMITTEE RECOMMENDATION:

On September 15, 2008, due to a tie vote, the Standing Policy Committee on Protection and Community Services submitted the matter to the Executive Policy Committee and Council without recommendation.

Agenda - Executive Policy Committee - September 17, 2008

Report - Standing Policy Committee on Protection and Community Services - September 15, 2008

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 15, 2008, due to a tie vote, the Standing Policy Committee on Protection and Community Services submitted the matter to the Executive Policy Committee and Council without recommendation.

RE: Increase in Fees for City of Winnipeg 'Learn to Skate' and 'Learn to Swim' Recreation Programs

FOR SUBMISSION TO: Standing Policy Committee on Protection and Community Services

ORIGINAL REPORT SIGNED BY: Clive Wightman, Director Community Services Department

REPORT DATE: August 29, 2008

RECOMMENDATION:

1. That Council approve a 5% fee increase for the Learn to Skate Program and the Learn to Swim Program effective January 1, 2009.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Report Summary

Key Issues:

- Per the 2007 Council adopted Community Services Department Fees and Charges Policy, Council approval is required for proposed fee increases greater than the rate of inflation for the following programs:
    - Learn to Swim (proposed increase 5%)
    - Learn to Skate (proposed increase 5%)

- A 5% fee increase translates to a $2.86 - $3.73 price increase for a 10 week Learn to Swim Program and a $2.36 - $3.18 price increase for a 10 week Learn to Skate Program. Revenue from the proposed price increases is anticipated to generate $175,000.

- Appendix one includes a local comparative analysis of both Learn to Skate and Learn to Swim programs in Winnipeg.

- There has been a multifold increase in the utility/maintenance costs associated with infrastructure that supports the programming in these particular amenities when compared to COLA increases, which has increased overall patron subsidization rates.

- In order to incorporate the proposed fee increases into the Winter Leisure Guide, Council approval to implement the new fees is required by September 25th, 2008.

- Additionally, based upon the delegated authority of the Director of the Community Services Department, as detailed in the following paragraph, the Department will also be implementing fee increases ranging from 5-10% effective January 2009 for non-core recreation and leisure programs (Leisure Guide) and the use of facilities and equipment (rentals – except arena ice rentals).

- The Director of the Community Services Department has the delegated authority to establish recreation and leisure fees and charges for the following programs, facilities and services provided, operated or administered by the department:
    - recreation and leisure programs
    - use of facilities and equipment
    - public admissions to facilities
    - sale of merchandise and supplies
    - administrative services

- All price increases proposed are expected to be inelastic, that is, an increase in price will not negatively impact participation.

- This revenue strategy, together with efficiencies achieved through an operational streamlining of course offerings that have low utilization rates and an appropriate marketing strategy, will allow the Department to focus on the continued delivery of relevant core service provision that meets community needs.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(x) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s): This report requests Council approval to increase fees by 5% for Learn to Swim and Learn to Skate recreation programs.

Policy Implications

( ) No

(x) Yes

Comment(s): Council must approve any new fee schedules or changes to present fee schedules in excess of CPI increase for the Learn to Skate Program and the Learn to Swim Program.

Regulatory Implications

(x) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(x) No

( ) Yes

Comment(s):

Human Resources Implications

( ) No

(x) Yes

Comment(s):

Financial Implications

( ) Within approved current and/or capital budget

(x) Current and/or capital budget adjustment required

Comment(s): It is estimated that approximately $175,000 in annual incremental revenue will be generated from the proposed 5% fee increase to Learn to Skate and Learn to Swim programs.

Report

REASON FOR THE REPORT:

Council must approve any fee increases in excess of the annual rate of inflation for the Learn to Skate Program and the Learn to Swim Program.

HISTORY:

In keeping with Council direction of January 22, 1992, the Community Services Department has followed the practice of increasing fees annually by the rate of inflation.

On April 16, 2003 Council adopted in accordance with the Council-approved 2003 budget, that the City of Winnipeg Parks and Recreation By-law No. 3219/82 be amended to reflect a 5% increase in all recreation, leisure and aquatic program and admission fees.

In 2004, a 4.5% fee increase was implemented to recreation programs and services fees to sustain the Department/Division Safety Management Program. This increase was not applied to ice rentals as there had been a significant fee increase in September 2003.

In January, 2007 Council approved 2007 fees for select recreation, leisure, aquatic leadership programs, and rental fees be increased by 2%, 4% and 6% as outlined in the report from the Acting Director of Community Services dated December 15, 2006. Arena rental fees were increased by 4% plus COLA. This included the following: a 6% fee increase for adult leisure, dance and sport specialty programs, 4% increase to adult active living specialty programs and arena rentals, and a 2% increase to room and pool rentals, adult fitness/sport programs, aquatic leadership programs, and pre-school/children/youth programs.

In October 2007, Council adopted the Community Services Department's Fees and Charges Policy which reflects the intent of the Final Report of the Mayor's Red Tape Commission in that it proposes common sense guidelines for better regulation, as well as enabling a streamlined approach to the setting and increasing of departmental recreation and leisure fees.

DISCUSSION:

The Community Services Department Fees and Charges Policy as approved by Council in October 2007 outlines that the Director of Community Services' authority to establish departmental fees and charges be limited to increases up to the annual rate of inflation

or a cumulative inflationary increase to a maximum of 4 years for the following programs and facility admissions:

- Assiniboine Park Zoo
- Public Swimming
- Public Skating
- Learn to Swim
- Learn to Skate
- Casual use of recreation and leisure facilities excluding programs
- Adaptive programming for persons with disabilities.

This report is seeking Council approval in order to apply a 5% fee increase to Learn to Skate and Learn to Swim Programs effective January 1, 2009. A 5% fee increase translates to a $2.86 - $3.73 price increase for a 10 week Learn to Swim Program and a $2.36 - $3.18 price increase for a 10 week Learn to Skate Program. Revenue from the proposed price increases is anticipated to generate $175,000.

Appendix one includes a local comparative analysis of both Learn to Skate and Learn to Swim programs in Winnipeg.

There has been a multifold increase in the utility/maintenance costs associated with the infrastructure that supports the programming in these amenities when compared to COLA increases, which has resulted in increased patron subsidization rates.

Additionally the Community Services Department has conducted a comprehensive review and analysis of current fees for all recreation programs and services. The review includes a comparative of local service providers, a costing analysis as well as an analysis of demand (i.e., participation, price elasticity of demand, % capacity, ability to pay, the nature of the service, the macroeconomic environment). The intent of this review is to prioritize for the provision of core recreation programs and services and only engage in the provision of non-core programs and services that have high participation rates (relative to class size).

The Director of Community Services has the delegated authority to set in accordance with market conditions, the recreation and leisure fees for:

- Recreation and leisure programs (Leisure Guide Programs)
- Use of facilities and equipment (rentals)
- Public admissions to recreation and leisure facilities
- Sale of recreation and leisure merchandise and supplies
- Administrative services

As a result of the aforementioned, and in accordance with the Council approved Community Services Department's Fees and Charges Policy, the Department will also be implementing fee increases ranging from 5- 10% effective January 2009 for non-core

recreation and leisure programs (Leisure Guide) and the use of facilities and equipment (rentals – excepting arena ice rentals).

A marketing strategy will be on-going to assist in the promotion of programs and services which in turn will increase participation and revenue. Funding for the ongoing enhanced promotions will be obtained through the realignment of current operating budget funds.

This revenue strategy, together with efficiencies achieved through an operational streamlining of course offerings that have low utilization rates and an appropriate marketing strategy, will allow the Department to focus on the continued delivery of relevant core service provision that meets community need.

Financial Impact Statement — Date: August 29, 2008

Project Name: — **First Year of Program 2009**

Increase in Fees for City of Winnipeg 'Learn to Skate' and 'Learn to Swim' Recreation Programs

	2009	2010	2011	2012	2013
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	175,000	175,000	175,000	175,000	175,000
Net Cost/(Benefit)	$ (175,000)	$ (175,000)	$ (175,000)	$ (175,000)	$ (175,000)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (175,000)	$ (175,000)	$ (175,000)	$ (175,000)	$ (175,000)

Additional Comments: It is estimated that approximately $175,000 in annual incremental revenue will be generated from the proposed 5% fee increase to Learn to Skate and Learn to Swim programs.

original signed by

Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

External Consultation With:

THIS REPORT SUBMITTED BY:

Department Community Services
Division Community Development and Recreation Services
Strategic & Information Systems Services
Prepared by: Karen Beck, Administrative Services Coordinator, CDRS
Kathy Knudsen, Manager, SISS

File No.

Appendix 1 – Learn to Skate and Learn to Swim Local Market Fee Analysis

Learn to Skate - Comparable Service Providers (Price/Hr)

	City of Winnipeg	Local Market Average	% Above/Below Local Market
Preschool	$9.45	$14.75	-35.93%
Basic Children's Skating	$9.45	$14.80	-36.14%
Adult Skate	$9.45	$14.91	-36.62%

Learn to Swim - Comparable Service Providers (Price/Hr)

	City of Winnipeg		Local Market Average		% Above/Below Local Market
	Price	Price/Hr	Price	Price/Hr	Price/Hr
Starfish & Duck	$37.79	$7.56	$61.50	$12.30	-38.55%
Sea Turtle	$63.51	$12.70	$61.50	$12.30	3.27%
Salamander	$63.51	$12.70	$61.50	$12.30	3.27%
Sunfish	$63.51	$12.70	$61.50	$12.30	3.27%
Crocodile	$63.51	$12.70	$61.50	$12.30	3.27%
Whale	$63.51	$12.70	$61.50	$12.30	3.27%
Level 1	$51.87	$10.37	$68.00	$11.23	-7.65%
Level 2	$51.87	$10.37	$68.00	$11.23	-7.65%
Level 3	$51.87	$10.37	$68.00	$11.23	-7.65%
Level 4	$51.87	$10.37	$68.00	$11.23	-7.65%
Level 5	$74.66	$9.95	$68.00	$11.23	-11.38%
Level 6	$74.66	$9.95	$70.50	$9.40	5.90%
Level 7	$74.66	$9.95	$70.50	$9.40	5.90%
Level 8	$74.66	$9.95	$70.50	$9.40	5.90%
Level 9	$74.66	$9.95	$70.50	$9.40	5.90%
Level 10	$74.66	$9.95	$70.50	$9.40	5.90%
Aqua Teen (Level 1-3)	$57.33	$11.47	$68.00	$11.23	2.07%
Aqua Adult (Level 1-3)	$73.57	$14.71	$65.00	$13.00	13.18%