Agenda – Executive Policy Committee – September 21, 2023

Report – Standing Policy Committee on Community Services – September 12, 2023

Item No. 1 Recreation Program Registration Fees for Non-Residents

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2023, the Standing Policy Committee on Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That this report be received as information.

Agenda – Executive Policy Committee – September 21, 2023

Report – Standing Policy Committee on Community Services – September 12, 2023

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2023, the Standing Policy Committee on Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That this report be received as information.

COUNCIL DECISION:

On April 27, 2023, Council concurred in the recommendation of the Standing Policy Committee on Community Services and adopted the following:

1. That the updated Community Services Department Recreation, Leisure and Library Fees and Charges Policy, attached as Appendix A, be approved.

2. That the Winnipeg Public Service be directed to report back in 120 days on the following:

    A. The feasibility of amending Section 5.5 of the Community Services Department Recreation, Leisure and Library Fees and Charges Policy to charge a 100% surcharge to non-residents.

    B. The feasibility of amending the Community Services Department Recreation, Leisure and Library Fees and Charges Policy to include a financial penalty for non-residents who provide false residency information when registering for recreation programming.

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

ADMINISTRATIVE REPORT

Title: Recreation Program Registration Fees for Non-Residents

Critical Path: Standing Policy Committee on Community Services – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Larsen J. Sarna	C. Fernandes	N/A	M. Jack

EXECUTIVE SUMMARY

There is demand for City of Winnipeg Leisure Guide activities (LG) from non-residents. The historic average of LG registrations attributed to self-identified non-residents is at 2 percent. In 2022, this amounted to 832 non-resident enrolments in City of Winnipeg LG activities, primarily in Aquatics – Swimming Lessons and Cartown. Currently, non-resident registration for each LG session begins two days later than resident registration.

In accordance with the Community Services Department Recreation, Leisure and Library Fees and Charges Policy No. LW-009, non-residents are subject to a surcharge of an additional 20 percent of the program fee for departmental registered recreation and leisure programs, referred to as Leisure Guide (LG) programs. Non-resident means an individual who resides outside of the City of Winnipeg limits and does not own real property within the City.

Under our current practice of using a 20 percent surcharge from Resident rates, the City earned $59,162 in Non-Resident revenue for the 2022 activity seasons. If the non-resident surcharge was 100 percent, the revenue for the same period would have been $98,864 (a $39,702 increase). Increasing the current surcharge from 20 percent to 100 percent is administratively feasible, subject to Council approval, but may consequently encourage Non-Residents to circumvent the registration system.

However, introducing a financial penalty for non-residents who provide false residency information when registering for recreation programming currently is not feasible. LG registration is through LeisureONLINE (ACTIVE Net) and there are approximately 493,000 customer names/accounts in the recreation management system. Over 95 percent of LG customers register for programs online. Customers have access to self-create and self-edit their account. The resident status indicator that determines the application of a non-resident surcharge to the enrollment fee is an account management field that customers self-select. Proof of address is not required at the time an account is created or at the time of LG registration. In order for the Public Service to control the resident status indicator, the self-service customer service would have to be eliminated primarily because the supporting documentation for proof of address cannot be collected through the recreation management system. It requires administrative support to authenticate and may not be readily available by all LG users. Implementing controls

to support address verification beyond the current audit process undertaken for review of customer accounts to ensure non-residents are properly registering, and to administer penalties on a consistent basis, would require additional resources, would increase red tape and barriers to program registration, and would be inefficient.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On April 27, 2023, Council concurred in the recommendation of the Standing Policy Committee on Community Services and directed to report back in 120 days on the following:

A. The feasibility of amending Section 5.5 of the Community Services Department Recreation, Leisure and Library Fees and Charges Policy to charge a 100 percent surcharge to non-residents.

B. The feasibility of amending the Community Services Department Recreation, Leisure and Library Fees and Charges Policy to include a financial penalty for non-residents who provide false residency information when registering for recreation programming.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications arising from receiving this report as information.

HISTORY/DISCUSSION

On October 24, 2007, Council approved the establishment of a Community Services Department Fees and Charges Policy (the Policy) to provide the framework and principles for the setting and administration of fees and charges for applicable recreation, leisure and library services. The Policy included a surcharge of an additional 20 percent of the program fee for departmental registered recreation and leisure programs for non-residents, where non-resident means an individual who resides outside of the City of Winnipeg limits and does not own real property within the City.

On April 27, 2023, Council approved an update to the 2007 Policy: The Community Services Department Recreation, Leisure and Library Fees and Charges Policy No. LW-009. The 20 percent surcharge and non-resident definition remained unchanged. Council approval is required to amend the Policy with respect to the non-resident surcharge.

The start of non-resident registration for each Leisure Guide (LG) session is currently two days later than resident registration. There are approximately 493,000 customer names in the recreation management system. A family account may have up to five associated customer names with the same address. On average, online self-service accounts for approximately 95 percent of all LG enrolments.

Non-resident LG enrolments 2017 – 2022 (excluding years impacted by pandemic) were:

	Non-Resident Registrations	Total Registrations	% Non-Resident
2017	1,320	62,310	**2.1%**
2018	1,080	63,721	**1.7%**
2019	1,126	71,240	**1.6%**
2022	832	53,073	**1.6%**

2022 Non-Resident Registration Breakdown

Activity Category	Registrations	%
Active Living	59	7.1%
Adult Leisure	18	2.2%
Aquatics - Swimming Lessons	402	48.3%
Cartown	152	18.3%
Children's - 6 to 12 years	79	9.5%
Inline Skating	1	0.1%
Learn to Skate	48	5.8%
Older Active Adults	20	2.4%
Persons with a Disability	15	1.8%
Preschool - Birth to 5 years	31	3.7%
Services de loisirs en francais	4	0.5%
Youth - 12 to 17 years	3	0.4%
	832	100

Under our current practice of using a 20 percent surcharge from Resident rates, the City earned $59,162 in Non-Resident revenue for the 2022 activity seasons. If the City were to have a non-resident surcharge of 100 percent, the Revenue for the same period would have increased to $98,864 which is a $39,702 increase. Increasing the Non-Resident rate to 100 percent, in

addition to the two-day delay to register, may result in some Non-Residents circumventing the registration system.

LeisureONLINE (ACTIVE Net) is the recreation management system used by the Community Services Department Recreation Services Division for LG activity registration, memberships, point of sales admission and sales transactions, facility and equipment rentals. Customers have access to creating and editing their account. The resident status indicator that determines the application of a non-resident surcharge to the enrolment fee is an account management field that customers self-select.

The Recreation Service Division audits the recreation management system on a monthly basis for duplicate customer accounts. During this process, and during regular operational customer follow ups, irregularities in address/resident status may be identified and corrections sought. If false resident information is determined, the customer is advised and the account is corrected. No retroactive fees are collected. Recovering the fees would require a detailed review of the customer's registration history and a more in-depth audit on their resident status to confirm it had not changed previously. This would create additional administrative work, and is difficult to confirm within Community Services Department alone. An annual reminder of the responsibility to own property in Winnipeg to be considered a resident will be added to the recreation management system account management module.

To implement a financial penalty to Non-Residents who provide false residency information when registering for recreation programming would require proof of address at time of registration and supporting administration. Proof of address would require supporting documentation indicating the customer's full name and mailing address, such as government issued documents, etc. be provided by all customers. Requesting proof of address is also not in alignment with the Poverty Reduction Strategy, as it would introduce a new barrier to participation.

Collecting proof of address is only feasible if registration is completed in person as the recreation management system does not provide for proof of address to be submitted online or through 311 phone registration. This would require additional clerical support, estimated to be greater than one additional FTE and negatively impact the success of self-registration where over 95 percent of enrolments occur, including Fee Subsidy registrations.

Other options were considered such as tax assessments, water bills and by postal codes. For example, by postal code control, selection of resident status is checked against postal code in the customer address field. However, proof of address would still be required to verify the customer address on the account. Furthermore, implementation of a postal code control system would require financial resources not available in the present budget. Additionally, not every resident of Winnipeg is a property holder or has a utility bill in their name.

An introduction of a new administrative (penalty) fee is not feasible at this time due to resource implications and budget constraints.

FINANCIAL IMPACT

Financial Impact Statement Date: August 23, 2023

Project Name:

Recreation Program Registration Fees for Non-Residents

COMMENTS:

There are no financial implications associated with the recommendations of this report. The report is to be received as information.

Ozzy Garrett - August 23, 2023
Ozzy Garrett CPA, CGA
Manager of Finance
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

Goal: Economic Prosperity
Policy 3.16 - Optimize Facility Access: Maximize the use of existing municipal assets to promote recreation, community development, and social interaction, while optimizing equitable access, infrastructure reinvestments, service delivery methods and resource management.

Goal: Good Health and Well-Being
Policy 4.11 Equitable Service Access: Prioritize equitable access to recreation and parks systems, services, and infrastructure, in order to: enable active living; connect people and nature; create supportive environments; build community capacity; and achieve desired health outcomes, with a focus on children and youth.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

GOAL 6: All City Services are Equitable, Inclusive and Accessible

SUBMITTED BY

Department: Community Services
Division: Recreation Services
Prepared by: J. Larsen & J. Sarna
Date: August 23, 2023
File No: CMS-2023-20