

City of Mississauga Pricing Study for Recreation and Parks

Public Engagement Sessions

Presentation by: City of Mississauga – Planning, Development & Business Services

January 17th, 18th, 19th 2012

ITEM	TIME
Registration	6:30 p.m. - 7:00 p.m.
Introduction	7:00 p.m. - 7:05 p.m.
Opening Remarks	7:05 p.m. - 7:10 p.m.
Recreation and Parks: Pricing Study Video	7:10 p.m. - 7:15 p.m.
Presentation	7:15 p.m. - 7:45 p.m.
Break-out sessions	7:45 p.m. - 8:05 p.m.
Q&A period	8:05 p.m. - 8:30 p.m.
Closing Remarks	8:30 p.m. - 8:35 p.m.

- To review study purpose, methodology and preliminary directions with stakeholder groups.

SESSION	DATE	TIME	LOCATION
Meeting Rooms <i>(High Volume Users)</i>	16-Jan	7:00 p.m. – 9:00 p.m.	Living Arts Centre: <i>Staging Room(2nd floor)</i> 4141 Living Arts Drive
Sports Fields #1 <i>Northwest</i>	17-Jan	7:00 p.m. – 9:00 p.m.	Meadowvale Community Centre: Timothy Street Rm 6655 Glen Erin Drive
Sports Fields #2 <i>North East/Central</i>	18-Jan	7:00 p.m. – 9:00 p.m.	Living Arts Centre: <i>Staging Room(2nd floor)</i> 4141 Living Arts Drive
Sports Fields #3 <i>South</i>	19-Jan	7:00 p.m. – 9:00 p.m.	Mississauga Seniors' Centre: Olga Tyne Room 1389 Cawthra Road

- To receive feedback and answer questions.
- To document this feedback for the final report.

PRELIMINARY REPORT PRESENTED
TO GENERAL COMMITTEE OF COUNCIL

JUNE 1, 2011

DRAFT FINAL REPORT PRESENTED
TO GENERAL COMMITTEE OF COUNCIL

OCTOBER 19, 2011

PUBLIC ENGAGEMENT SESSIONS FOR
PROGRAM DROP-IN AND MEMBERSHIP FEES

NOVEMBER 7 – 9, 2011

PRICING STUDY REPORT AND RATES
APPROVED AT BUDGET COMMITTEE*

NOVEMBER 21, 2011

MEETING ROOM INFORMATION SESSION

JANUARY 16, 2012

SPORTS FIELD INFORMATION SESSIONS

JANUARY 17-19, 2012

**ROOM AND FIELD RENTAL RATES SUBMITTED
FOR APPROVAL TO BUDGET COMMITTEE***

MARCH /APRIL 2012

**Includes feedback from Public Engagement Sessions*

- Project is a joint effort of staff and the consultant.
- Staff prepared extensive financial assessments of selected lines of business in the Department.
- The consultant identified several pricing models of other communities for comparison purposes, documented service trends, and drafted principles and assumptions to guide the new pricing directions.
- Recommendations for price point consolidation prepared by staff.
- Recommendations will be reviewed with stakeholders.

- To **document the current state of pricing** for recreation and park services in Mississauga.
- To **identify discrepancies between current pricing and true cost of program** and service delivery.
- To **simplify and streamline** existing fees and charges for recreation and parks services.
- To create the foundation for an efficient pricing process and a future fee structure that will **ensure financially sustainable services** in the future.

Things we learned from pricing policies of other Communities

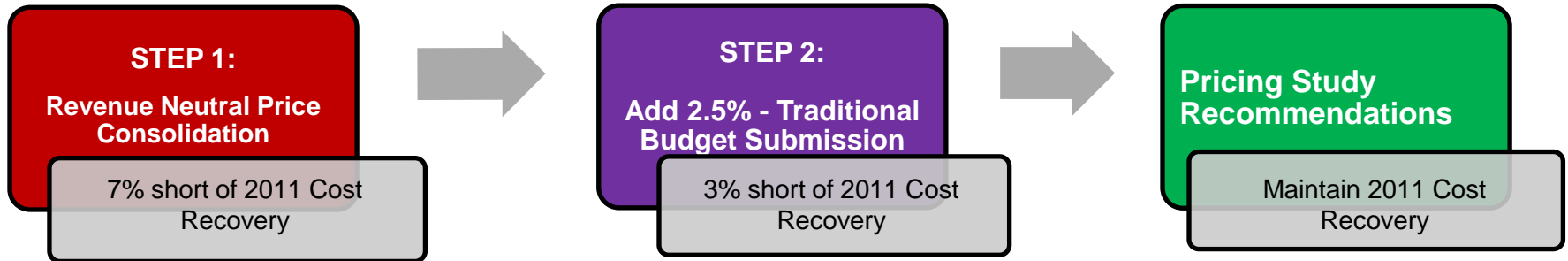
- Some segments of society or some individuals will need more financial support than others and this support should be provided.
- Those activities that clearly have a benefit to the broader society should receive greater tax support. Conversely those activities that do not should pay more of the costs themselves.
- All costs – direct and indirect, and infrastructure replacement costs should be known and should be the starting point for determining fees and how much if any these fees should be subsidized.
- Fees can legitimately be used to even out allocation of finite resources.

1. Fees will be transparent and defensible.
2. Cost recovery targets and performance will be monitored & adjusted regularly.
3. Starting point for establishing fees is assessment of true costs of services.
4. City rates and fees do not govern fees of organizations into which it may enter into an operating agreement.

1. Programs and services with the greatest social benefit should be the most affordable.
2. In setting user fees the Municipality must ensure long-term financial sustainability to ensure future access to an appropriate level of services.
3. Fees ensure desired services are sustainable and reduce reliance on property taxes.
4. Public Infrastructure assets have a material value, which the Municipality has a responsibility to protect and manage.
5. Fees for services that are the same as those provided by other providers in the same community will be guided by the market price for those services.

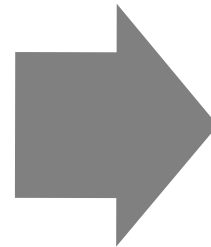
Aquatics	2006	2007	2008	2009	2010
Revenue	\$5,846,000	\$6,295,000	\$6,521,000	\$6,600,000	\$7,217,000
Expenses	\$8,695,000	\$9,296,000	\$9,499,000	\$9,575,000	\$9,900,000
Recoverable %	67%	68%	69%	69%	73%
Annualized Capital Costs	\$2,707,000	\$2,791,000	\$2,877,000	\$2,966,000	\$3,055,000
Recoverable % Incl. Capital	51%	52%	53%	53%	56%
Arenas	2006	2007	2008	2009	2010
Revenue	\$7,680,000	\$7,817,000	\$8,156,000	\$8,280,000	\$8,354,000
Expenses	\$8,808,000	\$9,155,000	\$9,240,000	\$9,604,000	\$9,297,000
Recoverable %	87%	85%	88%	86%	90%
Annualized Capital Costs	\$5,450,000	\$5,619,000	\$5,793,000	\$5,972,000	\$6,151,000
Recoverable % Incl. Capital	54%	53%	54%	53%	54%
Community Programs	2006	2007	2008	2009	2010
Revenue	\$1,355,000	\$1,533,000	\$1,715,000	\$1,844,000	\$2,336,000
Expenses	\$1,999,000	\$2,229,000	\$2,230,000	\$2,305,000	\$2,617,000
Recoverable %	68%	69%	77%	80%	89%
Annualized Capital Costs	\$611,000	\$630,000	\$650,000	\$670,000	\$690,000
Recoverable % Incl. Capital	52%	54%	60%	62%	71%
Fitness & Active Living	2006	2007	2008	2009	2010
Revenue	\$3,861,000	\$3,911,000	\$4,093,000	\$4,023,000	\$4,053,000
Expenses	\$4,283,000	\$4,487,000	\$4,549,000	\$4,530,000	\$4,625,000
Recoverable %	90%	87%	90%	89%	88%
Annualized Capital Costs	\$481,000	\$496,000	\$511,000	\$527,000	\$543,000
Recoverable % Incl. Capital	81%	78%	81%	80%	78%

Golf	2006	2007	2008	2009	2010
Revenue	\$4,975,000	\$5,369,000	\$5,204,000	\$5,352,000	\$5,452,000
Expenses	\$3,791,000	\$4,106,000	\$4,320,000	\$4,397,000	\$4,526,000
Recoverable %	131%	131%	120%	122%	120%
Annualized Capital Costs	\$993,000	\$1,024,000	\$1,055,000	\$1,088,000	\$1,121,000
Recoverable % Incl. Capital	104%	105%	97%	98%	97%
Meeting Rooms	2006	2007	2008	2009	2010
Revenue	\$2,211,000	\$2,213,000	\$1,995,000	\$1,819,000	\$1,752,000
Expenses	\$2,269,000	\$2,428,000	\$2,558,000	\$2,583,000	\$2,681,000
Recoverable %	97%	91%	78%	70%	65%
Annualized Capital Costs	\$702,000	\$724,000	\$746,000	\$769,000	\$792,000
Recoverable % Incl. Capital	74%	70%	60%	54%	50%
Sports Fields (Artificial Turf)	2006	2007	2008	2009	2010
Revenue	\$255,000	\$394,000	\$440,000	\$509,000	\$585,000
Expenses	\$31,000	\$37,000	\$38,000	\$41,000	\$41,000
Recoverable %	823%	1065%	1158%	1241%	1427%
Annualized Capital Costs	\$791,000	\$895,000	\$922,000	\$951,000	\$980,000
Recoverable % Incl. Capital	31%	42%	46%	51%	57%
Sports Fields (Natural Grass)	2006	2007	2008	2009	2010
Revenue	\$502,000	\$474,000	\$540,000	\$651,000	\$686,000
Expenses	\$1,613,000	\$1,583,000	\$1,762,000	\$1,699,000	\$1,829,000
Recoverable %	31%	30%	31%	38%	38%
Annualized Capital Costs	\$2,901,000	\$2,991,000	\$3,084,000	\$3,179,000	\$3,274,000
Recoverable % Incl. Capital	11%	10%	11%	13%	13%



Consolidation was undertaken to provide a **revenue neutral** way to:

- Move all prices to an hourly rate
- Simplify rate approval
- Promote online connectivity
- Facilitate targeted marketing
- Ensure that like offerings are priced equally



Average rate increase of 3.7%

Limits tax pressure on residents

Ensures service sustainability

Impact of Process on Recreation Programs

- 865 programs in total, the average price increase is \$0.41 an hour or a 5% overall price increase.
- 28% of programs experience price decreases (244 programs).
- 4% of programs experience price increases of 25% or more (32 programs).
- 46% of programs have price increases that fall between 0-10% (398 programs).
- Consolidating programs gives us an improved ability to monitor trends and react with targeted strategies.

Recommendations for Older Adult Pricing

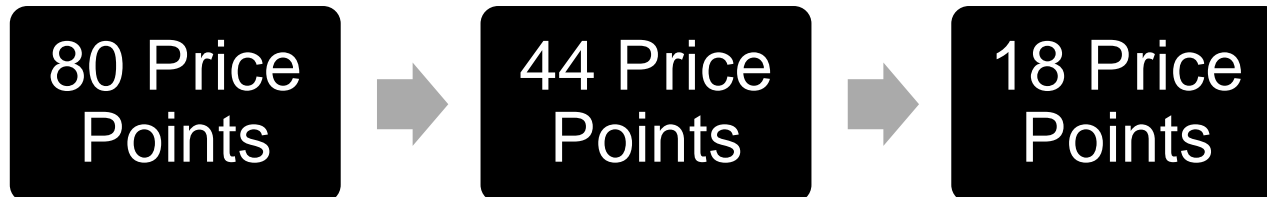
CURRENT STATE

- Due to the significant increase in numbers of older adults in the future the City cannot afford to heavily subsidize this demographic.

RECOMMENDATIONS

1. Age eligibility raised to 65 years old for Older Adult Discount. – to mitigate the impact of this increasingly large number of individuals.
2. Discount percentage for Older Adults lowered to 20% (from 25-45%) on memberships and drop in rates – to align with discounts offered other groups
3. Discount expanded to apply to programming for individuals who possess a valid membership in that line of business – older adults will access more programs at reduced rate
4. Eliminate aquatics 50 swims for \$50.00.
5. Older Adult Affiliated Group Rentals will be aligned with individual discount and reduced from 50% to 20% for prime time meeting room rates, non-prime time will be free of charge to affiliated older adult groups.

- STEP 1:** Meeting Rooms of similar size grouped together to reduce number of price points.
- STEP 2:** Room function as basis for rental eliminated to further reduce and simplify price points.
- STEP 3:** Price points analyzed to ensure priced competitively in market, to drive utilization, and nullify price as determinant of Community Centre room rentals.



2013

PROPOSED PRICE STRUCTURE				
Room Category	Affiliated	Community Groups	Resident	Commercial
A	\$14.00	\$16.00	\$22.50	\$30.00
B	\$20.00	\$27.00	\$32.00	\$40.00
C	\$39.50	\$45.00	\$60.00	\$73.00
D	\$45.00	\$52.00	\$60.00	\$84.50
L	\$4.00	\$4.00	\$4.00	\$25.00

A: Arts & Craft Room; Meeting Room; Social Activity; Youth/Senior

B: Auditorium - Premium Small; Auditorium - Small

C: Auditorium - Large; Auditorium - Premium Large

D: Gymnasium

L: Lobby

Impact of Process on Sport Fields

- City of Mississauga sports field rates amongst the lowest in the GTA, resulting in extremely low cost recovery in sports field line of business.
- Sports field seasonal contracts result in various rates being charged to users groups within the same category.
- Municipal scan indicate that conversion to hourly rate is best practice, as it allows for better monitoring of utilization, and increased transparency in pricing.
- Key recommendations are:
 - Establish new hourly lit and unlit rates for all sports fields.
 - Eliminate prime and non-prime price designations.
 - Establish a new tournament rate (1/2 day and full day).

2013

PROPOSED PRICE STRUCTURE					
		25%	50%	100%	
	Affiliated	Adult Affiliated/Community Groups	Resident	Commercial	School Board
Artificial Fields	\$55.00	\$90.00	\$100.00	\$150.00	\$55.00
Lit Soccer Fields	\$6.00	\$7.50	\$9.00	\$12.00	\$6.00
Lit Ball Parks	\$6.00	\$7.50	\$9.00	\$12.00	\$6.00
Lit Football	\$6.00	\$7.50	\$9.00	\$12.00	\$6.00
Unlit Soccer Fields	\$3.00	\$3.75	\$4.50	\$6.00	\$3.00
Unlit Ball Parks	\$3.00	\$3.75	\$4.50	\$6.00	\$3.00
Unlit Football	\$3.00	\$3.75	\$4.50	\$6.00	\$3.00
Cricket	\$3.00	\$3.75	\$4.50	\$6.00	\$3.00

- Existing allocation policy remains in effect.

Sports Fields Benchmarking

Sport Fields - Baseball (Affiliated/Youth)	Mississauga (Current)	Mississauga (Proposed)	Oakville	Brampton	Milton	Burlington	Toronto
Lit (hourly rate)	\$4.54	\$6.00	\$12.00	\$9.98	\$13.57	\$11.25	\$0.00
Unlit (hourly rate)	\$1.96	\$3.00	\$8.50	\$0.00	\$3.94	\$5.00	\$0.00
Sport Fields - Soccer (Affiliated/Youth)	Mississauga (Current)	Mississauga (Proposed)	Oakville	Brampton	Milton	Burlington	Toronto
Artificial (hourly rate)	\$54.16	\$55.00	\$72.00	----	----	----	----
Lit (hourly rate)	\$9.86	\$6.00	\$12.00	\$9.98	\$14.59	\$11.25	\$0.00
Unlit (hourly rate)	\$4.20	\$3.00	\$8.50	\$0.00	\$3.92	\$7.38	\$0.00

- Proposed rates will not take effect until 2013.
- 76% of current meeting room users would experience a rate decrease with proposed recommendations, while still maintaining cost recovery.
- 66% of current sports field users would experience a rate decrease with proposed recommendations, while still maintaining cost recovery.
- Work with sports groups to develop a plan to continue to increase cost recovery rate , and if necessary any implementation options. Consultation with sports groups will occur in January/February of 2012.

Affiliated Groups

	2013	2014	2015	2016	2017
Lit Fields	\$6.00	\$7.00	\$8.00	\$10.00	\$12.00
Unlit Fields	\$3.00	\$3.50	\$4.00	\$5.00	\$6.00

- 25% , 50%, and 100% surcharge will apply to Affiliated Adult/Community Groups, Resident, and Commercial users.

- Projected to maintain cost recovery in 2012 and future years.
- Program Prices in effect April 1, 2012.
- Maintains appropriate balance between user fees and property taxes.