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Date June 20, 2022 **Report No.** 2022-410

To Chair and Members
User Fee and Non-Resident Review Task Force

From Marlene Miranda, General Manager
Community Services and Social Development

1.0 Type of Report

Consent Item ☐
Item for Consideration ☒

2.0 Topic Aquatics and Fitness Rental Fees [Financial Impact: None]

3.0 Recommendation

- A. THAT report 2022- 410 Aquatics and Fitness Rental Fees BE RECEIVED; and
- B. THAT staff BE DIRECTED to investigate a minimum 50% cost recovery threshold for all Aquatics Rentals and a minimum cost recovery threshold of 100% for Fitness, Gym and Room Rentals (WGSC) and bring a report to the next User Fee and Non-Resident Review Task Force outlining impacts on revenue, affordability and user groups

4.0 Executive Summary

The uniqueness of the Wayne Gretzky Sports Centre (WGSC) and the differing approaches to fee-setting among municipalities, create challenges when making direct cost comparisons. Comparators are effective in providing an overview of market conditions, however in the case of aquatics and fitness rentals, comparators alone may not be the most effective decision-making tool to determine rental fees.

Further to the jurisdictional scan, Section 7.5 *Revenue and Cost Analysis* indicates that cost recovery for most aquatics rentals range between 30%-60%, while most fitness, gym and room rental recoveries range from 70%-110%. Note that these percentages relate only to rental fees, and different ranges may exist for aquatics and fitness programs, which also provide revenue to the City (ex. swim lessons).

As seen in Section 6.3 *Cost Driver Details*, this revenue and cost analysis is based on establishing per hour amounts for 1) administration costs 2) booking and customer service costs and 3) facility costs. Taken together, these amounts represent the cost of a rental, compared with the revenue generated by the user fee.

Staff are recommending that the City explore the establishment of cost-recovery guidelines as follows:

- 1) Aquatics Rentals fees to recover a minimum of 50% of cost
- 2) Fitness, Gym and Room Rental fees to recover a minimum of 100% of cost

Understanding that significant changes in user fees may have impacts for residents and user groups, staff are recommending that a report be prepared for the next User Fee and Non-Resident Review Task Force outlining the implications of these benchmarks on revenue and affordability, including the option to 'phase-in' these benchmarks over multiple years as appropriate.

Section 7.6 *User Groups: Associated Hours and Revenue* provides a summary of primary user groups, hours rented and revenue for 2020, 2021 and 2022 (partial year). Given the COVID-19 impacts on rental and facility availability, staff will monitor the post-COVID (2022) rental levels to best advise Council of revenue impacts within the forthcoming report.

If established, these benchmarks could be amended at the direction of Council, and would not preclude staff from adding annual inflationary increases to fees as appropriate.

Pending Council approval, these benchmarks will provide a clear and consistent methodology when establishing or reviewing aquatics and fitness rental fees, and provide clarity regarding which rentals types are subsidized, and which are intended to be self-sustaining.

5.0 Purpose and Overview

This report provides comparator data and a cost / recovery analysis for Aquatics and Fitness Rentals at the Wayne Gretzky Sports Centre. Staff recommend exploring cost

recovery benchmarks to support decision-making and greater clarity regarding user fees in these areas.

6.0 Background

In March 2022, City Council approved the following resolution as recommended by the User Fee and Non-Resident Review Task Force:

- A. THAT report 2022-021 Arena Ice Rental Rates BE RECEIVED; and
- B. THAT staff BE DIRECTED to consult with Arena User Groups and gather feedback of an increase to ice rental rates of 5% in addition to any inflationary increase to all arena fees and REPORT BACK to the next User Fee Task Force meeting on the feedback received including a final recommendation on ice rental rates; and
- C. THAT staff BE DIRECTED to review Aquatics and Fitness Rental Rates and report back to the next User Fee Task Force meeting.

This report responds to Clause C of the above Resolution.

7.0 Analysis

As seen in Section 7.5 *Revenue and Cost Analysis*, the City of Brantford offers a wide range of aquatics and fitness rental facilities, and a variety of rates and charges based on the needs of the patron or user group.

Given the uniqueness of the WGSC facility, and fee structure, direct municipal comparators are not always possible. Many City of Brantford fees are divided into 'prime-time' and 'non-prime time' rates, which is not a consistent practice within the comparator data. Where there is no specific designation, the comparator data is listed under 'non-prime time'.

Other variables with the comparator data included rental 'add ons' (ex. use of slide), lifeguarding fees, room size or number of swimmers. In these scenarios, staff included the cost of the amenities, lifeguard fees and the upset limit of swimmers for comparison purposes.

In addition, given that most comparators do not rent 'sections' of the pool, the data comparison tables for aquatics have been limited to the rental of an entire pool or single pool lane, per hour. Where available, staff have also included the size of the compactor pool.

As outlined in Sections 7.1, 7.2 and 7.3 below, staff have compiled costs from a range of municipalities, the Laurier Brantford YMCA, and Western University.

7.1 Pool Rental Rates with Comparator Data

Municipality	65m	25m	Lanes
Brantford	\$211.77	\$105.84	\$36.33
Township of Wellington North	\$150.00 (50m Outdoor)	N/A	N/A
Western University	\$190.00 (50m)	N/A	\$23.75
Cambridge	\$114.45 (50m)	N/A	\$13.58
Hamilton	\$242.08 (65m) \$151.30 (50m)	\$82.77	N/A
County of Brant (Paris)	\$108.00 (Outdoor)	N/A	N/A
Township of Centre Wellington	N/A	\$153.50	\$14.27
Ingersoll	N/A	\$77.68	\$16.60
Township of Wilmot	\$243.42	\$168.27	\$21.03
Waterloo	\$135.10	\$83.30	\$39.40
London	\$220.00 (50m)	\$144.00	N/A
Peterborough	N/A	\$85.00	N/A
Barrie	N/A	\$199.00	N/A
St. Catharine's	N/A	N/A	\$13.45
Norfolk County	\$163.00	N/A	N/A

7.2 Fitness and Training Facilities and Gyms with Comparator Data

Municipality	Fitness Room	Single Gym	Double Gym	Triple Gym
Brantford	\$27.43-\$36.11	\$56.00	\$85.00	\$115.00
Township of Centre Wellington	N/A	\$60.00	N/A	N/A
Township of Wellington North	\$35.00	\$50.00	\$80.00	\$110.00
Western University	N/A	N/A	Hourly rate not available	\$84.37
Cambridge	N/A	\$44.00	\$47.00	N/A
St. Catharines	N/A	\$53.45	N/A	N/A
London	\$56.00	N/A	\$80.00	N/A
Hamilton	N/A	\$55.00	N/A	N/A
Waterloo	N/A	\$64.00	\$125.00	\$247.00
Peterborough	\$50.00	\$70.00	\$75.00-\$95.00	\$100.00-\$135.00
Barrie	N/A	\$30.00	\$58.00	N/A
Woodstock	N/A	N/A	N/A	\$62.50
Ingersoll	N/A	\$50.00	N/A	N/A
Township of Wilmot	N/A	\$49.00	N/A	N/A

7.3 Meeting Rooms and Comparator Data

Municipality	Small Room	Medium Room	Large Room
Brantford	\$30.00	\$40.00	\$57.00
Township of Centre Wellington	\$28.00	\$55.00	N/A
Township of Wellington North	\$25.00	\$35.00	\$40.00
Western University	\$25.00	N/A	N/A
Cambridge	\$30.00	\$44.00	N/A
St. Catharines	\$23.50	N/A	N/A
London	\$25.00	N/A	N/A
Hamilton	\$25.00	\$43.00	N/A
Waterloo	\$42.00	\$51.00	N/A
Peterborough	\$40.00	\$70.00	\$90.00
Barrie	\$30.00	\$58.00	\$66.00
Woodstock	\$35.00	\$40.00	N/A
Ingersoll	N/A	\$30.00	N/A
Township of Wilmot	\$13.00	N/A	\$28.00

7.4 Cost Driver Details

As outlined in Section 7.5 '*Revenue / Cost Analysis*, staff have analyzed administration, booking, and facility costs to determine an hourly cost associated with each rental. This section provides a high-level summary of the rationale and formulas used to determine these costs.

Cost of Administration

This hourly cost represents a proportional cost of the Manager, Director and other support staff with the Community Programs and Social Development Department divided by the total number of potential program/rental hours. These staff are not directly involved in program delivery; however represent a portion of the cost incurred to deliver the service.

	Aquatics	Fitness
General Administration	\$382,504	\$159,575
Total Program/Rental Hours	9,010	11,755
Total Cost per Hour	\$42.45	\$13.58

Booking and Administrative Support

All booking, administration and customer service functions for the Aquatics and Fitness Rentals are managed through the Parks and Facilities Department (PFS). In consultation with PFS, staff had determined the proportion of cost to be assigned per hour to the Aquatics and Fitness Rentals

	Aquatics	Fitness
Booking/Cashiering/Reception	\$255,500	\$63,875
Total Program/Rental Hours	9,010	11,755
Total Cost per Hour	\$28.36	\$5.43

Facility Cost

Aquatics and Fitness occupies 35% of the Wayne Gretzky Sports Centre. Staff have assigned an hourly cost for Aquatics and Fitness based on the % of the total facility cost, divided by hours of available program/rentals.

	Aquatics	Fitness
Facility costs	\$756,012	\$189,003
Total Program/Rental Hours	9,010	11,755
Total Cost per Hour	\$83.91	\$16.08

7.5 Revenue and Cost Analysis

The Table below summarizes the revenue and cost of providing each type of aquatics and fitness rental, including the percentage of the cost that is recovered through the user fee.

Rental Rate per hour	Revenue	Admin. Costs	Booking	Facility Cost	Total Cost	% Recovered
Prime Time Pool Rental Rates - 65m Shallow	\$77.35	\$42.45	\$28.36	\$83.91	\$154.72	50%
Non-Prime Time Pool Rental Rates - 65m Shallow	\$45.66	\$42.45	\$28.36	\$83.91	\$154.72	30%
Prime Time Pool Rental Rates - 65m Mid or deep	\$101.68	\$42.45	\$28.36	\$83.91	\$154.72	66%
Non-Prime time Pool Rental Rates - 65m Mid or 25m pool	\$60.31	\$42.45	\$28.36	\$83.91	\$154.72	39%
Prime Time Pool Rental Rates - 65m whole pool	\$211.77	\$42.45	\$28.36	\$83.91	\$154.72	137%

<u>Rental Rate per hour</u>	Revenue	Admin. Costs	Booking	Facility Cost	Total Cost	% Recovered
Non-Prime Time Pool Rental Rates - 65m whole pool	\$124.96	\$42.45	\$28.36	\$83.91	\$154.72	81%
Prime time Pool Rental Rates - Any lane - any pool	\$36.33	\$42.45	\$28.36	\$83.91	\$154.72	23%
Non-Prime time Pool Rental Rates - Any lane - any pool	\$30.66	\$42.45	\$28.36	\$83.91	\$154.72	20%
Prime Time Pool Rental Rates - 25m whole pool	\$105.84	\$42.45	\$28.36	\$83.91	\$154.72	68%
Non-Prime Time Pool Rental Rates - 25m whole pool	\$71.83	\$42.45	\$28.36	\$83.91	\$154.72	46%
Rental Space-Fitness Studio (second floor)	\$36.11	\$13.58	\$5.43	\$16.08	\$35.09	103%
Rental Space-Activity Room (second floor)	\$31.59	\$13.58	\$5.43	\$16.08	\$35.09	90%
Rental Space- Spin Studio Room (main floor)	\$29.20	\$13.58	\$5.43	\$16.08	\$35.09	83%
Rental Space- Pool Meeting Room	\$24.78	\$13.58	\$5.43	\$16.08	\$35.09	71%
Rental Space- On	\$24.78	\$13.58	\$5.43	\$16.08	\$35.09	71%

Rental Rate per hour	Revenue	Admin. Costs	Booking	Facility Cost	Total Cost	% Recovered
Deck Meeting Room						
Rental Space- Weight Room for Clubs	\$35.40	\$13.58	\$5.43	\$16.08	\$35.09	101%
Rental Space- Dry- land Training Room	\$29.20	\$13.58	\$5.43	\$16.08	\$35.09	83%
Rental Space- Walking Track - Track & Field Club	\$29.20	\$13.58	\$5.43	\$16.08	\$35.09	83%
Rental Space- Gymnasium - Non-Prime time Mon-Fri 5:30 am -4:00 pm	\$28.32	\$13.58	\$5.43	\$16.08	\$35.09	81%
Rental Space- Gymnasium (Prime time - Evenings after 5:30 and Weekends)	\$50.44	\$13.58	\$5.43	\$16.08	\$35.09	144%
Prime Time Pool Rental Rates - 65m whole pool	\$2,103.80	\$594.35	\$397.00	\$1,174.71	\$2,166.06	97%
Prime Time Pool Rental Rates - 25m whole pool	\$1,043.14	\$594.35	\$397.00	\$1,174.71	\$2,166.06	48%

7.6 User Groups: Associated Hours and Revenue

For the reference of the Task Force, the table below summarizes the hours rented and revenue associated with the primary user groups with the aquatics and fitness portfolio.

User Groups	2020 Hours Rented	2020 Revenue	2021 Hours Rented	2021 Revenue	2022 Hours Rented	2022 Revenue (Jan 1 to June 10)
Ancaster Water Polo Club	26.00	\$3,324.79	98.50	\$13,468.21	153.00	\$15,848.71
Brant Aquatic Club	1,768.50	\$96,865.41	1,923.00	\$81,309.46	2,580.25	\$84,965.17
Brant Artistic Swimming Club	341.00	\$16,137.55	330.75	\$18,674.53	508.75	\$14,470.81
Brant Youth Volleyball	60.50	\$3,121.80	42.50	\$2,143.76	15.25	\$747.15
Brantford Sport & Social Group	131.25	\$6,504.29	78.00	\$3,934.58	96.00	\$4,842.56
Brantford Track & Field Club	22.00	\$623.00	8.00	\$234.00	28.00	\$818.00
Cambridge Aqua Jets Swim Club	20.00	\$2,156.40	0.00	\$0.00	10.50	\$763.30
Float n' Flag	53.00	\$3,016.42	42.75	\$2,811.99	60.25	\$5,511.67
Hamilton Aquatic Water Polo	29.50	\$1,406.68	6.00	\$521.02	102.25	\$9,750.24
Kitchener-Waterloo Diving	86.00	\$5,621.05	126.50	\$6,049.97	111.50	\$6,996.38
Mountain Athletic Volleyball Club	171.50	\$8,498.84	140.25	\$7,074.62	68.25	\$3,442.79
Norfolk Hammerheads Aquatic Club	106.75	\$10,679.39	3.50	\$498.57	5.00	\$508.41
ROLE Basketball	61.25	\$4,251.39	204.75	\$8,474.78	50.50	\$3,583.08
Silver Otters Swim Club	181.00	\$12,597.95	84.50	\$6,267.17	0.00	\$0.00
Special Olympics	10.00	\$931.75	33.25	\$2,214.52	59.50	\$2,326.08
Under Water Rugby	7.00	\$394.00	0.00	\$0.00	17.00	\$1,622.75

7.7 Summary, Recommended Benchmarks and Next Steps

The uniqueness of the WGSC amenities and the differing approaches to fee-setting among comparators create challenges for clear decision-making guidelines.

Further to the jurisdictional scan, Section 7.5 *Revenue and Cost Analysis* indicates that cost recovery for most aquatics rentals ranges between 30%-60%, while most fitness, gym and room rental recoveries range from 70%-110%.

Given this information, staff are recommending that the City explore the establishment of cost-recovery guidelines as follows:

- 1) Aquatics Rentals fees to recover a minimum of 50% of cost
- 2) Fitness, Gym and Space Rental fees to recover a minimum of 100% of cost

Understanding that significant changes in user fees have impacts for residents and user groups, staff are recommending that a report be prepared for the next User Fee and Non-Resident Review Task Force outlining the implications of these benchmarks on revenue and affordability, including the option to 'phase-in' these benchmarks over multiple years if preferred. These benchmarks would not preclude staff from adding annual inflationary increases to fees as appropriate.

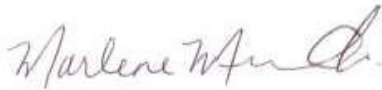
Pending Council approval, these benchmarks will provide a consistent methodology when establishing or reviewing user fees, and provide clarity to the public regarding which rentals types are subsidized, and which are intended to be self-sustaining.

8.0 Financial Implications

This report has no direct financial impacts.

9.0 Conclusion

Staff have conducted a jurisdictional scan and revenue / cost analysis for the Aquatics and Fitness Rentals User Fees. Based on this analysis, staff are recommending that the City explore setting cost-recovery benchmarks for the rental types (Aquatics: 50%, Fitness, Gym, Rooms: 100%) and bring a report back to the User Fee and Non-Resident Review Task Force outlining impacts on revenue and affordability.



Marlene Miranda, General Manager
Community and Social Development

Prepared By:

Aaron Wallace, Director, Community Programs and Social Development

Attachments (if applicable)

N/A

Copy to:

N/A

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required ☐ yes ☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☐ yes ☒ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no