

COMMON COUNCIL REPORT

M&C No.	2023-46
Report Date	February 22, 2023
Meeting Date	February 27, 2023
Service Area	Growth and Community Services

Her Worship Mayor Donna Noade Reardon and Members of Common Council

SUBJECT: 2023 Field, Arena Floor and Tennis Court Rates

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	Chief Administrative Officer
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RECOMMENDATION

Your Chief Administrative Officer recommends Common Council:

1. Approve a 3% rate increase for the 2023 Field, Arena Floor and Tennis Court rates as listed in table 1 of M&C Report 2023-46. This option will allow time for a complete review of the Recreation Subsidization Policy.

2. Approve the updated Outdoor Facility Allocation Policy, as attached to M&C Report 2019-332 (Attachment 'A').

EXECUTIVE SUMMARY

On February 6th, 2023 Council directed that staff reconsider the recommendations to freeze rates for the 2023 Field, Arena Floor and Tennis Floor rates. Council requested that staff consider revised rates which incorporate a modest increase to reflect the increasing costs of delivering sport and recreation services.

Staff are recommending Common Council raise the Field, Arena floor and Tennis courts by 3% for the 2023 season. Staff intend to investigate and develop a new governing policy for the calculation sport facility rates for the 2024 season.

Sport and Recreation programming is an important priority for the City of Saint John, which contributes to the City’s quality-of-life offerings and broader value-proposition. Common Council approved the Recreation Subsidization Policy (Attachment ‘B’) on December 16, 2019. An incremental approach for the implementation of the policy was then endorsed with full implementation scheduled for the 2022 season. Upon calculation of the proposed rates for 2022, staff identified that the youth rates were out of scope and recommended freezing for 2022, with next steps being to hire a consultant in 2023 to review.

Updates to the Outdoor Facility Allocation Policy are being recommended, as highlighted in the attachment to this report (Attachment 'A'). The proposed updates are primarily related to dates, contact information, and increased administrative fees which reflect the cost in materials.

PREVIOUS RESOLUTION

December 16, 2019: RESOLVED that as recommended by the City Manager in the submitted report M&C 2019-332: Recreation Subsidization Policies - Sustainability Item, Common Council endorse the Recreation Subsidization Policies as described in M&C 2019-332.

March 7th, 2022-: RESOLVED that the matter be referred to the City Manager to reconsider the youth rates on ballfields.

March 21, 2022-: RESOLVED that Common Council freeze the rates as they currently are based on staff's recommendation for 2022 and that crucial investments be made in recreation and our parks to provide the best possible service to residents and develop a new governing policy in 2023 that embodies these values

March 21, 2022-: RESOLVED that as recommended by the City Manager in the submitted report M&C 2022-074: Referral Response - 2022 Field, Arena Floor and Tennis Rates, Common Council:

1. Approve the updated Outdoor Facility Allocation Policy, as attached to M&C Report 2022-074 (Attachment 'H'); and
2. Direct the City Manager to develop recommendations for Finance Committee's consideration for the 2023 implementation for the Recreation Subsidization Policies, including, among others, the opportunity for additional P.R.O. Kids investment, additional affordability and competitiveness adjustments in the calculation of field rates, and further differentiation of field types in the assessment of rates.

February 6th, 2023-: RESOLVED that the submitted report entitled M&C 2023-028: Field, Arena Floor and Tennis Court Rates, be referred to staff to reconsider an increase in rates

REPORT

Each year recreation facility rates are brought to Council for approval. Prior to December 2019, the hourly recreation facility rates were set by implementing a basic 2%-3% increase. There was not a structured formula to advise on rates. When comparing arena rates to field rates the cost recovery, per hour, based on total operating costs was not consistent between user group categories (Youth,

Senior, and Adult) or recreation facilities. To bring standardization and sustainability to recreation facility rates the Recreation Subsidization Policy was introduced in December of 2019.

Common Council approved the Recreation Subsidization Policies on December 16, 2019, which brought a new vision for cost recovery in the usage of City-owned recreational facilities. The policies highlight the goal of achieving a new balance between individual user fees and taxpayer investment in the delivery of recreational services, while also reflecting appropriate cost-recovery percentages for various user categories. For example, Play SJ recommends that youth recreational participation should be prioritized; therefore, the Policies indicate only 60% of costs should be recovered for that category of users. While the immediate implications of the Policies result in an increase in fees for user groups, the longer-term objective is to offer reliable, consistent, and high-quality recreational facilities to citizens and user groups.

The main principles of the policy are to:

- Subsidize all City taxpayers to a degree because each already pay taxes toward the use of Parks & Recreation facilities,
- Ensure consistency in cost recovery between the various facilities,
- Employ a commonly used practice of having differential cost recovery targets relative to adults, youth, and seniors, given relative community benefits received, and
- Consider taxpayer affordability, particularly in relation to contributing to Sustainability for the years 2021 and 2022.
- The modified cost recovery value for ball fields and floor use of arenas shall be 50% of full cost recovery.
- City of Saint John Adults are to be subsidized at 10%, Seniors at 30% and Youth 40%.

Currently, rates are calculated by taking the overall operational cost, incorporating usage data, and setting the hourly rates using the stated cost recovery percentages within the policy. Arenas and tennis court facility rates are calculated using the total operation cost and field and arena floor rates are calculated by using 50% of the total operation costs.

The implementation of the policy was incremental and planned to reach full implementation in 2022. While the arena rates at full implementation are comparable with other local facilities, the youth rates for fields are out of scope for the environment. Due to the categorisation of fields, (A level and B Level), and the consideration that youth sport use predominantly B level fields, which are scaled to be at lower cost, the hourly rate that would need to be charged on the B Level fields for youth are not comparable in nature to other local facilities and are unrealistically high for not-for-profit groups to absorb.

A review of the Recreation Subsidization Policy is required to make an informed adjustment to the formula to determine how recreation facility rates are calculated. Funds have been allotted in the 2023 operation budget to hire a consulting firm to complete the review. Development of an updated sustainable Recreation Subsidization Policy should consider.

- Operational Cost recovery targets
- Affordability for user groups (youth, adult, senior and for profit)
- Focus on Youth affordability for facility usage
- Best practices in local environment
- Recommendations on budget allocation to sport facility maintenance
- Recommendations on budget allocation to off set user fees

Outdoor Facility Allocation Policy Updates

The recommended updates to the Outdoor Facility Allocation Policy are highlighted in an attachment to this report. The proposed changes are primarily related to the annual updating of dates, as well as changes to contact information based on the City's organizational restructuring.

Also updated is the administrative fee in relation to baseball field mounds and storage. When requested of a user a mound can be constructed on field. These requests may happen twice yearly. There is a considerable amount of material required. Based on the increase in material cost, the mound fee is proposed to go from \$500 to \$1000. This fee will only cover the material cost, the user is not being charged for the labor. For reference to build a mound it requires two staff for a half day and then two staff, for 2 hours to remove the mound. Recommended is also a slight incase to the field clean up fees.

STRATEGIC ALIGNMENT

This report aligns with Council's Priorities of BELONG by enhancing the quality of life and social well-being by offering recreation, arts, and cultural opportunities to align with PlaySJ and PERFORM by establishing a sustainability Recreation Subsidization Policy.

SERVICE AND FINANCIAL OUTCOMES

When determining the method to increase rates and considering the Recreation Subsidization Policy is not an accurate option for 2023, staff recommend considering the operational increases for sport fields for the 2023 season. Raising rates by 3% will offset some of the operational increases attributed to these sport facilities. Proposed rates are listed in table 1 of the report. With the proposed rate increase, \$7000.00 in additional revenue is projected for 2023. During the 2023 budgeting process for \$200,000.00 was first estimated.

Table 1: Proposed Field, Arena Floor and Tennis Court rental rates.

Facility Type	Category	2023 Rate (plus tax)	Increase from 2022
Field	Class A Adult	\$57.68	\$1.68
Field	Class A Youth	\$24.72	\$0.72
Field	Class B Adult	\$39.14	\$1.14
Field	Class B Youth	\$9.27	\$0.27
Field	Shamrock Artificial - Adult	\$99.91	\$2.91
Field	Shamrock Artificial- Youth	\$60.77	\$1.77
Arena Floor	Adult	\$62.83	\$.1.83
Arena Floor	Youth	\$41.89	\$1.22
Shamrock Tennis	Courts 1-5- Adult	\$15.28	\$0.44
Shamrock Tennis	Courts 1-5 - Youth	\$10.19	\$0.29
Shamrock Tennis	Courts 6-8- Adult	\$9.17	\$0.26
Shamrock Tennis	Courts 6-8- Youth	\$6.11	\$0.17

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Staff from Parks & Recreation Facilities and Finance have reviewed this report.

ATTACHMENTS

Attachment 'A' - 2023 Outdoor Facility Allocation Policy

Attachment 'B' - Recreation Subsidization Policies