

Item No. 11.1.1
Halifax Regional Council
January 11, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Wayne Anstey, Acting Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: November 30, 2010

SUBJECT: User Fees for Access to HRM Sport Fields and Ball Diamonds

ORIGIN

Staff and the Savings Efficiencies Revenue (SER) finance process.

RECOMMENDATION

It is recommended that Halifax Regional Council approve an increase to the user fees charged for access to HRM sport fields and ball diamonds as per the attached 2011 proposed Revenue Calculations Table.

BACKGROUND

In 2003, Transportation & Public Works implemented a servicing plan for sport fields and ball diamonds. The plan focussed primarily on improving the condition of the field infrastructure as well as maintaining the facilities to specified service standards. In addition to this commitment, resources was realigned, staff was trained, grass cutting services were outsourced, specialized equipment purchased, turf rehabilitation programs were developed, and a new work order system was introduced.

As a result of these measures, there has been a marked improvement in the condition of HRM sport field facilities and an improvement in the delivery of service. Users have indicated their approval through their responses to customer feedback surveys and general feedback. Facility Scheduling does one survey every year alternating with internal and external clients.

HRM currently spends \$2.5 million on sport fields maintenance and in 2010 recovered \$196,365 in fee revenues. This represents a recovery rate of 7.8% and these fees have remained stagnant since 1999. Arena user fees have generally been increased by a flat rate of \$5.00 per hour every two years with an exception this year (2010) that saw a \$10.00 per hour increase. With respect to general recreation programs, most programs are increased annually by at least 2% - 4% per year with the exception of this year (2010) when some fees were increased by as much as 8%.

DISCUSSION

The current user fees associated with sport fields and ball diamonds have not increased since Council approved the implementation of user fees in 1999.

Several factors were considered in the user fee review:

- A comparable scan of user fees in other cities across Canada. HRM user fees are below the other cities surveyed. The range in hourly rates are from \$4.25/hr to \$23.40/hr for minor use; \$5.31/hr to \$61.00/hr for adult use.
- The inequity between fee increases for ice surface and gym users. User fees for ice surfaces and gymnasiums are increased on an annual basis.
- The inequity of user fees for artificial turf versus grass fields.
- HRM has demonstrated to the sport field users its commitment to maintain the current field standards. However, in order to continue to sustain this servicing level, HRM needs to increase user fees or decrease service standards.

All future sport fields and ball diamond user fee increases will be a part of the annual operating budget review process. This annual user fee review will recognize the importance of access and equity.

As noted above, the total revenue generated from sport fields and ball diamonds bookings in 2010 is \$196,364. This represents a very small percentage of the servicing costs to HRM's sport

field inventory based on current service standards and fee comparisons to other Canadian municipalities.

Based on the 2005 soccer community feedback, the fee increase should be accepted by the general sport community in order to continue to support the overall servicing plan for HRM sport fields. It is important to note that since these service improvements have already been instituted, the only remaining option to offset service is to increase fees.

This fee increase could be proposed separately as part of the SER process at a later date. However, staff is proposing the increases now in order to inform sport group and associations in a timely fashion so they may adjust their 2011 fees, if required. If Council chooses to increase the fees at a later date as part of the 2011/12 budget process, it will be too late to notify user groups and for them to incorporate the new costs into their registration fees for this year. The fee increase would therefore not take effect until 2012/13.

The proposed increase of \$5.00 per hour for youth and \$10.00 per hour for adults is recommended. The increase for minor play is fifty (50%) less than adult fees which is in keeping with HRM's commitment to youth access. Attached to this report is the proposed revenue calculations table indicating both minor and adult hours of use and total revenues based on the proposed increase for 2011. This proposed fee increase would result in an 18.7% recovery rate.

BUDGET IMPLICATIONS

The additional revenue of \$272,338.75 generated through increased user fees will help to reduce the future burden on the general tax rate required to fund service delivery to sport fields. The increased revenue will be allocated to the operating budgets for Transportation and Public Works W182-5102 - East Sport field fees, W185-5102 - Central Sport field fees and W186-5102 - West Sport field fees relative to the usage in each area.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

The Community Engagement process is consistent with the intent of the HRM Community Engagement Strategy.

As HRM's responsibility is to provide support, time and flexibility to facilitate dialogue between the public, HRM representatives and other partners, CRS will ensure that further Community Engagement transpires if and when additional fee increases are proposed beyond the 2011/12

budget year. All sport communities using HRM sport fields and ball diamonds will be included in that Community Engagement process.

Once the fee increase for this 2011/12 budget year have been approved by Council, staff will communicate the approved fee increased in writing directly to all current Sport field and Ball diamond clients no later than January 31, 2011 enabling leagues and organizations time to plan their own budgets and user fee structures. In addition, as many of the sport clients will be aware of HRM Council's decision around the fee increase via the news media and other sources of communications, Facility Scheduling will deal directly with all inquiries, questions, etc. as they are received.

ALTERNATIVES

1. Council could instruct staff to continue with the existing fee structure.

This is not the recommended alternative as maintaining the current fee structure jeopardizes the current service levels to sport fields and ball diamonds.

2. Council could instruct staff to further increase user fees.

The recommended fees are still low in comparison to other cities surveyed.

3. Council could defer this discussion/decision until the 2011/12 budget process.

This is not recommended because it will be too late to notify user groups to set their fees for the 2011 season, therefore no new money would be collected in 2011. Summer sport associations which rely upon sport fields will be establishing their registration fees and notifying members shortly. If Council defers a decision on user fees until the 2011/12 budget process, this will be too late for the sport associations to incorporate into their members registration fees for the coming year. A fee increase would therefore not be implemented until the 2012/13 budget year.

ATTACHMENT

Revenue Calculations Table

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Revenue Calculations Table

Includes all Sport Field and Ball Diamond Field Usage

****Fees have not changed since 1999****

2010 Actual Revenue and Usage			
Classification Level	Adult Hours of Use	Minor Hours of Use	Total Revenue
AA	\$10.00/hr x 1863 = \$18,630.00	\$5.00/hr x 222.5 = \$1,112.50	\$19,742.50
A	\$9.00/hr x 4258.75 = \$38,328.75	\$4.50/hr x 3008.75 = \$13,539.38	\$51,868.13
B	\$8.00/hr x 3941 = \$31,528.00	\$4.00/hr x 9827.75 = \$39,311.00	\$70,839.00
C	\$7.00/hr x 3970.5 = \$27,793.50	\$3.50/hr x 7463.25 = \$26,121.38	\$53,914.88
D	\$0.00/hr x 262.5 = \$0.00	\$0.00/hr x 5354 = \$0.00	\$0.00
Total Revenue (tax included)	\$116,280.25	\$80,084.26	\$196,364.51

2011 PROPOSED Revenue and Usage			
Classification Level	Adult Hours of Use	Minor Hours of Use	Total Revenue
AA	\$20.00/hr x 1863 = \$37,260.00	\$10.00/hr x 222.5 = \$2,225.00	\$39,485.00
A	\$19.00/hr x 4258.75 = \$80,916.25	\$9.50/hr x 3008.75 = \$28,583.13	\$109,499.38
B	\$18.00/hr x 3941 = \$70,938.00	\$9.00/hr x 9827.75 = \$88,449.75	\$159,387.75
C	\$17.00/hr x 3970.5 = \$67,498.50	\$8.50/hr x 7463.25 = \$63,437.63	\$130,936.13
D	\$10.00/hr x 262.5 = \$2,625.00	\$5.00/hr x 5354 = \$26,770.00	\$29,395.00
Total Revenue (tax included)	\$259,237.75	\$209,465.51	\$468,703.26

Proposed increase in Sport Field and Ball Diamond Revenue	272,338.75 (tax in)
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