



City of Orillia

Service Delivery Modernization Review
Stream 2 – Recreation Fee Review Report



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1.0 Context

1.1 Context Setting

Context from Past Reviews

In 2020, The City of Orillia (the “City”) completed a Business Process Optimization (BPO) to review a selection of City business processes. This project also included the development of requirements for a new Enterprise Content Management (ECM).

- The report provided the City with a number of recommendations that collectively will support improved efficiency and effectiveness of staff processes. These recommendations also provide opportunities to enhance the experiences of customers in their interactions with the City.

The recommendations from the BPO and ECM Report provide the City with a great opportunity to undertake a transformation initiative for the City to ensure that *“the right service at the right time and the right cost”* is provided by the City in a modern and efficient manner. As part of this initiative, the City also identified the need to adjust recreation fees and develop a repeatable process that can be used to more efficiently set user fees within the City in a consistent manner.

Fee Review

This Fee Review provides insight into current Recreation division fees.

This Report has been developed using information gathered through discovery (interviews with the leadership team and data and document review), stakeholder engagement activities, and a review the relevant data and document provided.

2.0 Project Overview

2.1 Project Mission and Success

Optimus SBR has been engaged by the City of Orillia (the City) to support its broader digital modernization initiatives. The Optimus SBR team has been working to support the City through two streams of work. This report is focused on Stream 2 – a review of the City’s fees and fee setting methodology. The specific Mission for this stream of work has been agreed to as:

- To review fees and services from Corporate Services (Clerk’s Division; Financial Services Division; Recreation and Youth Services Division).

Project Success for this stream of work has been defined as:

- A successful project will deliver the following results at the close of the engagement:
 - Clear direction to move forward with fiscally responsible and sustainable User Fee Schedule for in-scope Corporate Services fees
 - Clarity around the future state Facility Allocation Policy and proposed a Recreation Subsidy Program for recreation program fees that take into consideration the recreational, social, cultural and physical needs of the community in a fiscally responsible and sustainable way
 - Development of a repeatable process for setting fees across the City, where applicable.

2.2 Project Approach and Methodology.

Since late spring-2022, the Optimus SBR and City teams have conducted detailed reviews of City documentation; engaged internal and external stakeholders; and facilitated working sessions with City staff/leadership. The focus of the review (and engagement/analysis activities) were summarized and validated with the City’s review team during the initial Discovery phase of the project in late spring-2022. Following that validation, the team moved into a detailed review of current fees and fee setting methodology – the results of which are outlined in this Report. Using the details contained in this report, the Optimus SBR and City teams will continue to develop final fee setting principles and policies for the City.

Figure 1: Project Approach and Timelines

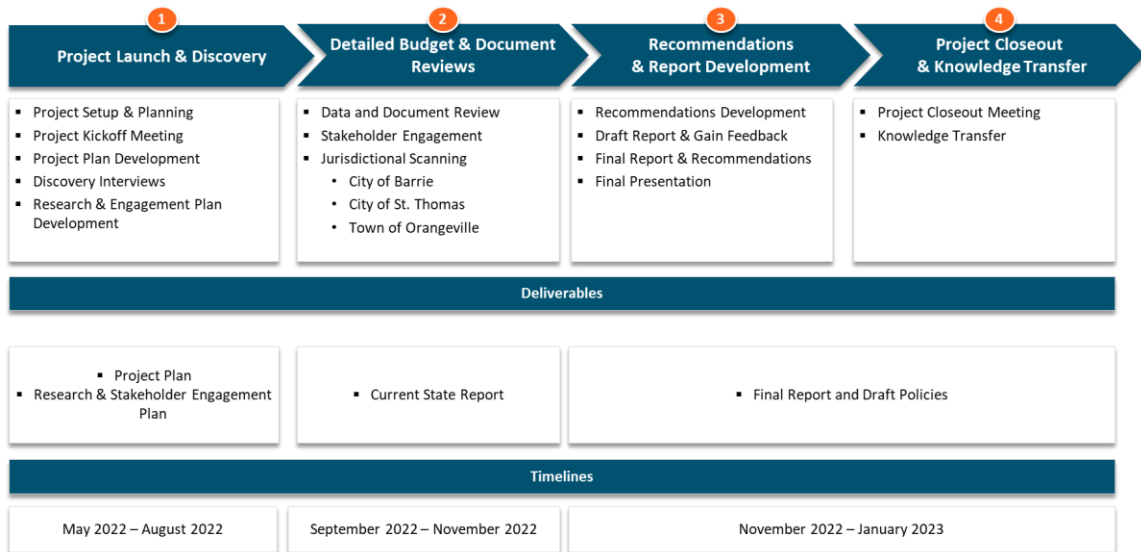


Table 1: Inputs to the Fee Review below outlines the specific inputs reviewed by the Optimus SBR team for this Stream of work. This work has focused on understanding the existing methodology, approach and fees for Corporate Services while also considering broader fee setting methodology that will be applicable to other areas of the City.

Table 1: Inputs to the Fee Review

Inputs to the Fee Review		
Data and Document Review	Stakeholder Engagement	Comparator Scan
<p>Reviewed key documents and data including:</p> <ul style="list-style-type: none"> ▪ City of Orillia 2021 Budget ▪ City of Orillia 2018 Parks and Recreation Budget ▪ City of Orillia 2019 Parks and Recreation Budget ▪ Municipal Accommodation Tax and Bi-Annual Update ▪ 2015 Customer Service Survey ▪ Organizational Charts ▪ 2020 Rental Rate Survey Results ▪ Stephen Leacock Museum Interim Rental Rates and Fees ▪ Master Ice Schedule (2022/23) ▪ 2018 Recreation Programs ▪ 2019 Recreation Programs 	<p>Conducted stakeholder engagement activities with the following groups:</p> <ul style="list-style-type: none"> ▪ City of Orillia Senior Leadership Team ▪ Recreation and Youth Services ▪ Financial Services ▪ Development Services and Engineering ▪ Environment and Infrastructure Services ▪ Clerks Division ▪ Four (4) focus groups with key recreation facility user groups 	<p>Conducted a comparator scan that was focused on examining rates, fee setting processes, and policies across the following jurisdictions:</p> <ul style="list-style-type: none"> ▪ City of Barrie ▪ Town of Orangeville ▪ City of St. Thomas <p>In addition to the comparator scan, a broad scan was also conducted to identify other leading practices used in setting user fees</p>

3.0 Overview of the Current State

3.1 Overall Key Findings

Through our review of City documentation and consultations with stakeholders, the following themes have been identified with respect to current fee setting and cost recovery:

1. Recreation Fees are Fundamentally Not Recovering Costs

Across all its programs and services, the City's recreation fees are well below the level of full cost recovery, and *only recovered approximately 56% of operating costs associated with delivering the services and programming*. When comparing the revenues generated from recreation user fees and the costs to deliver those services in 2022, this resulted in a community investment of approximately **\$2.867M** per year. Greatly contributing to the need for this community investment, is the fact that recreation fees have not been meaningfully adjusted since 2015, well prior to the opening of the Orillia Recreation Centre (ORC) and the current environment of high inflation.

Adjusting recreation fees to reflect the current cost of operation, using clear cost recovery targets, could therefore be used to improve the revenues that are generated and help to optimise the level of council investment in the community. The method for setting cost recovery targets could then be used to adjust fees for other user fees the City charges, further increasing revenue and improving cost recovery across services that contain a user fee.

Additionally, as a significant amount of recreation facility users are non-residents of Orillia (~25-30%), who do not contribute to the City's building and funding of these facilities through taxes, there is an opportunity to improve recreation cost recovery rates and generate additional revenue through increasing the non-resident fee above the current level of 25%.

2. Lack of Clear Principles and Approaches to Fee Setting

Currently, Orillia's fees are largely set through benchmarking of comparator or nearby municipalities, as opposed to a more modern approach that considers cost recovery targets that are set based on agreed-upon principles or priorities. Benchmarking, while helpful, does not consider the unique operating and capital needs of the organization and may present a skewed picture.

3. Numerous Fee Bylaws and Schedules

Currently, Orillia's fees are spread out across a myriad of various bylaws and fee schedules, largely as a result of organizational restructuring and ad-hoc updating of fees. It would be operationally expedient to see a consolidated set of bylaws or fee schedules across City departments, which would make it easier to update internally, as well as to understand/access externally.

4. Significant Variation in Cost Recovery Among Recreation Programs and Facility Rentals

As a result of having no clearly-defined principles or policies to govern rate setting and cost recovery targets at the City, there is a large amount of variation in the amount of costs that are recovered from various programs and facility types, including in cost recovery rates among similar facility types (e.g., ice).

5. Competing Pressures of Cost Recovery and Affordability

With the current high rate of inflation, as well as Ontario's Bill 23 (*More Homes Built Faster Act*), the City is in a precarious position where it needs to balance any rate increases for corporate services with existing financial pressures on residents; however, there is a need to recognize that lower rates of cost recovery naturally equate to either a drop in service levels or a need to increase tax levies on residents. Additionally, there has been increasing pressure from organizations and residents to provide a subsidy program or discounts for low-income residents and families.

6. Cost Recovery rates based on comparable municipalities (Including Capital Costs) for Most Services is Not Immediately Feasible

Taking into account that current fees do not include capital costs (which would require a substantial fee increase to recover), current competing pressures, and the lack of clear fee setting principles, full cost recovery that includes all capital costs is likely not immediately feasible for most services. This is consistent with most Ontario Municipalities, which do not include capital costs when determining their cost recovery targets. Stakeholders, would like to see multi-year budgeting or planning, where fee increases would be phased-in, and the City could eventually phase in capital costs for certain services and programs based on an appropriate allocation methodology.

3.2 Current Level of Cost Recovery for Recreation Programs and Services

Currently, the City includes the following operating costs in generating its costs to deliver each recreation service or program. These include:

- Salaries, wages, and benefits
- Administrative expenses
- Advertising and promotion expenses
- Travel expenses
- Internal rental fees (where the program or service is provided to a City program)
- General operating expenses for each recreation facility¹ (such as maintenance expenses, snow removal, staffing, hydro, etc.)

Conversely, the City does not include capital costs in generating its cost to deliver each recreation service or program. It is currently not feasible to incorporate these costs, but as asset management planning maturity continues to improve, in the future it may be more reasonable to include some amortized amount of capital costs in determining the total cost of delivering each program or service.

The above included costs are intended to be offset by the revenues generated for each recreation program or service, which include:

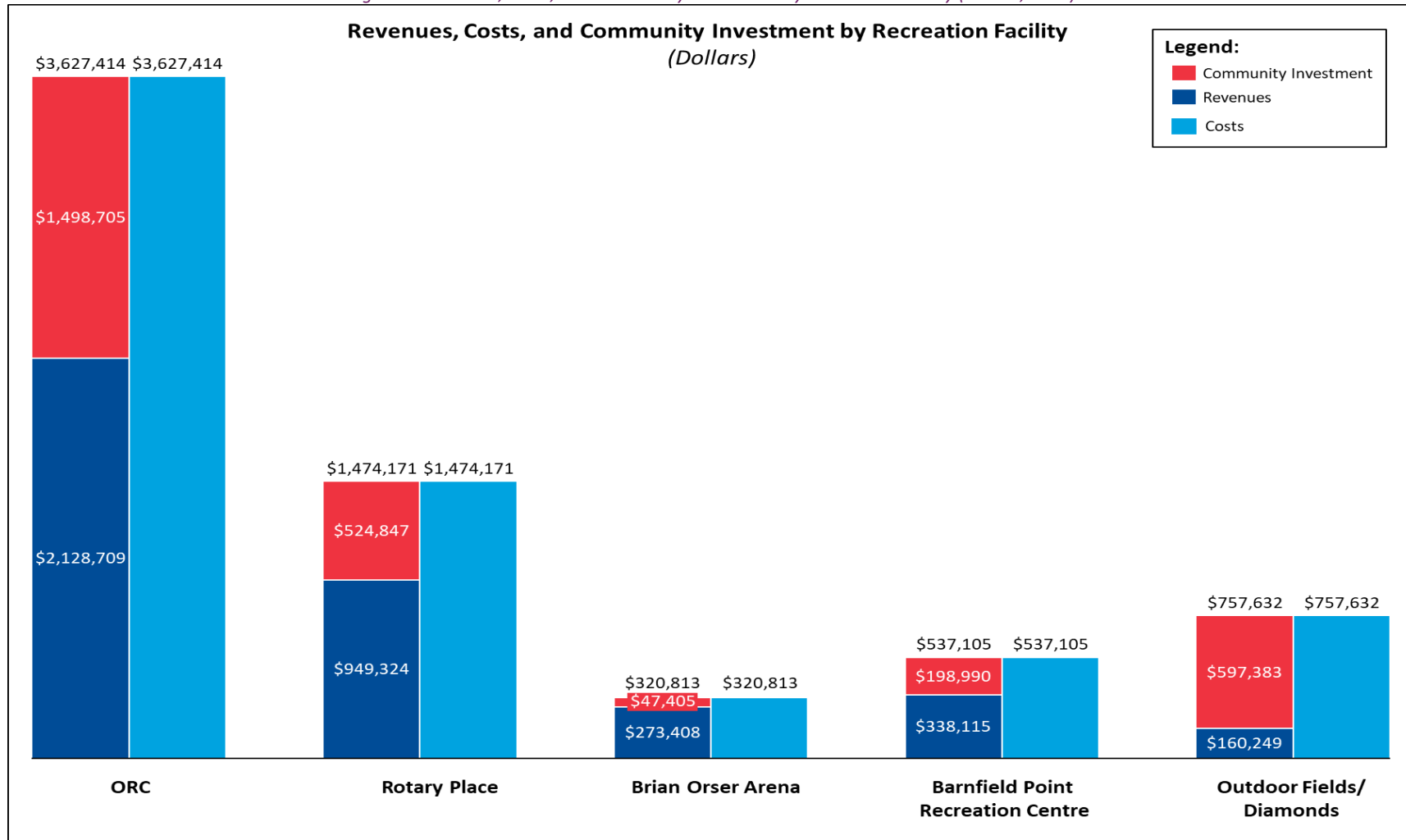
- User access fees
- Facility rental fees
- Registration fees
- Facility advertising and sponsorships
- Product sales

It is important to distinguish that cost recovery amounts not only indicate the amount of revenue that is being received to offset costs, but also, that the inverse of the recovery amount indicates the amount of community investment into a particular program, service, or facility. For example, a cost recovery rate of 57% not only indicates that the City is recovering 57 cents of every dollar it spends on a program or service, but also that the 43% not being recovered is a considerable investment from the City into the program or service.

¹ General operating expenses are not currently calculated for each program or service, but are rather calculated by facility.

Overall, all City of Orillia Recreation Facilities are operating with a significant investment by the community, as shown in the chart on the following page, which outlines the total revenues, costs, and community investment at each recreation facility:

Figure 2: Revenues, Costs, and Community Investment by Recreation Facility (Dollars, 2022)



*Outdoor Fields/Diamonds also includes the General Operating Costs to operate the whole park, as opposed to just the sport amenity, as costs are no longer tracked by specific areas within each park

Across all recreation facilities, the City only recovers ~57% of its costs, amounting to an annual community investment of approximately \$2.867M in 2022.

In particular, the ORC is operating a level that is significantly below cost recovery, and accounted for a community investment of ~\$1.5M in 2022. As fees have not been adjusted for this facility since they were set prior to the facility’s opening, there is a need to adjust the fees for this facility to match its current cost of operations. While general operating expenses account for a significant portion of the costs associated with the ORC (~42%), the direct costs for delivering services are not being recovered for many programs, including Aquatics and Camps. .

3.3 Current Facility Allocation Prioritization System

Currently, the City uses the below system to determine which user groups receive priority when seeking to rent a recreation facility, which is largely consistent with allocation policies used by other municipalities:



While consistent with other municipalities’ policies, the current system may pose equity concerns and disadvantage new or growing user groups through its use of ‘grandfathering’ historic timeslots. These concerns were echoed by some stakeholders during focus groups that were conducted.

Stakeholder feedback on the current prioritization schedule, as well as recreation user fees and rates, was obtained through the facilitation of four (4) focus groups with key facility user groups, which were organized by facility type. The following sub-sections summarize stakeholders’ feedback that were obtained through these focus groups.

3.3.1 User Group Feedback – Facility Allocation

The following themes and feedback on the City’s current Facility Allocation Prioritization Schedule were obtained from the engaged user groups:

Topic	User Group Feedback
Timing of Requests for Facility Bookings	<p>Allocation and cancellation requests don’t always align to specific sports’ timeframes, which can pose problems with regards to tournament attractiveness and scheduling.</p> <p>However, it should be noted that timing differs for each sport, which creates a significant challenge for staff to align deadlines to specific sports’ timeframes, and where a single facility may be used by multiple different sports, there simply may not be a way to accommodate all sports’ timeframes.</p>
‘Grandfathering’ of Timeslots	<p>While some registrants noted a positive in that grandfathering of historic timeslots provides year-over-year consistency, it was noted that this also limits the ability of other user groups to grow. This is a particular concern for ice facilities, as there is a lack of capacity/availability for prime-time ice.</p>
Equity	<p>While there is generally a positive relationship among user groups to share allocations, some stakeholders noted that the allocation policy may disadvantage certain groups that are experiencing more recent growth (e.g., girls/women’s sports).</p>
Timeslot Availability	<p>Ball diamond user groups and turf field user groups would prefer to have shorter timeslots that would allow them to be more efficient in their use and planning (this is consistent with other municipalities explored later in the Comparator Scan Findings section of this report).</p>
Facility Allocation Policy	<p>Most user groups were largely open to the idea of a consolidated Facility Allocation and Community Sport/Service Organization Policy, provided grandfathering would continue. Stakeholders noted that the current set of policies and processes are hard to keep track of.</p>

3.3.2 User Group Feedback – User Fees and Rates

The following themes and feedback on the City’s current user fees and rates were obtained from the engaged user groups:

Topic	User Group Feedback
Current User Fees	<p>Almost all user groups noted that their fees at Orillia are lower than in most surrounding and comparable municipalities (although some user groups noted that these more expensive municipalities often offer higher-quality facilities). Many user groups have been expecting fees to rise, and are preparing for this eventuality.</p>
Adult Rate Increases	<p>Most adult user groups were largely supportive of the current fees, and many expect and would be supportive of potential increases to their fees, particularly in lieu of raising youth/minor rates higher.</p>
Facility Cross-Subsidization and Equity	<p>There is a perception among some user groups that they are not being treated equitably and that they are subsidizing timeslots at other facilities which cost the same amount to rent, despite differences in quality and allocations among facilities</p> <p>As an example, Brian Orser Arena and Rotary Place cost the same amount to rent, despite the fact that most user groups would prefer to have the majority of their timeslots at Rotary Place and feel that it is a higher-quality facility. However, it should be noted that the main cost driver of the City’s ice facilities are staffing and utilities, both of which are agnostic to the quality of the facility.</p>

4.0 Comparator Scan Findings

4.1 Key Themes from the Comparator Scan

Outlined below are four common key themes that were identified across jurisdictions reviewed as part of the Comparator Scan, which are supplemented by profiles contained within the Appendix of this report.

- 1. Municipalities are moving towards the development of formal User Fee Policies and Frameworks**
 - These policies are generally intended to identify cost recovery targets for specific services, which are fundamentally tied to developed Guiding Principles or who the main beneficiary of a service or program is. This helps to ensure that the municipality's cost recovery targets and fees are aligned to the community's needs, as well as the priorities and goals of the municipality.
 - Most municipalities do not include capital costs in their calculation of the total cost to be recovered from user fees (with notable exceptions for items such as waste/wastewater), particularly for recreation fees. However, the amount to be recovered typically consists of direct operating costs, annual facility maintenance costs, and administrative costs such as overhead allocations and supervisors.
- 2. Municipalities are increasingly recognizing the need to provide more affordable recreation programming or subsidy programs for low-income residents**
 - Municipalities have identified the need to provide more affordable recreation programming/subsidy programs. However, municipalities also tend to be at different levels of maturity in terms of how this programming is offered (i.e., some provide formalized recreation subsidy programs, while others have simply recognized the need but are yet to implement a formal program or policy).
- 3. Facility allocation prioritization systems at comparator municipalities are largely similar to Orillia's**
 - While there is similarity between Orillia's facility allocation policy and those used by comparators, incorporating a set of Guiding Principles or more flexible language into its allocation system may allow Orillia to adjust grandfathered timeslots and create more equity among user groups, as well as justify any changes that might be made going forward.
- 4. Basing recreation fees on benchmarks to other municipalities is no longer appropriate for most recreation services**
 - Differences in booking lengths, field quality and maintenance costs, as well as user groups, leads to a significant variability and incompatibility of rates across municipalities. As such, most municipalities are moving away from using benchmarking to set their recreation fees and other user fees.

5.0 Recommended Path Forward

5.1 Recommended Approach

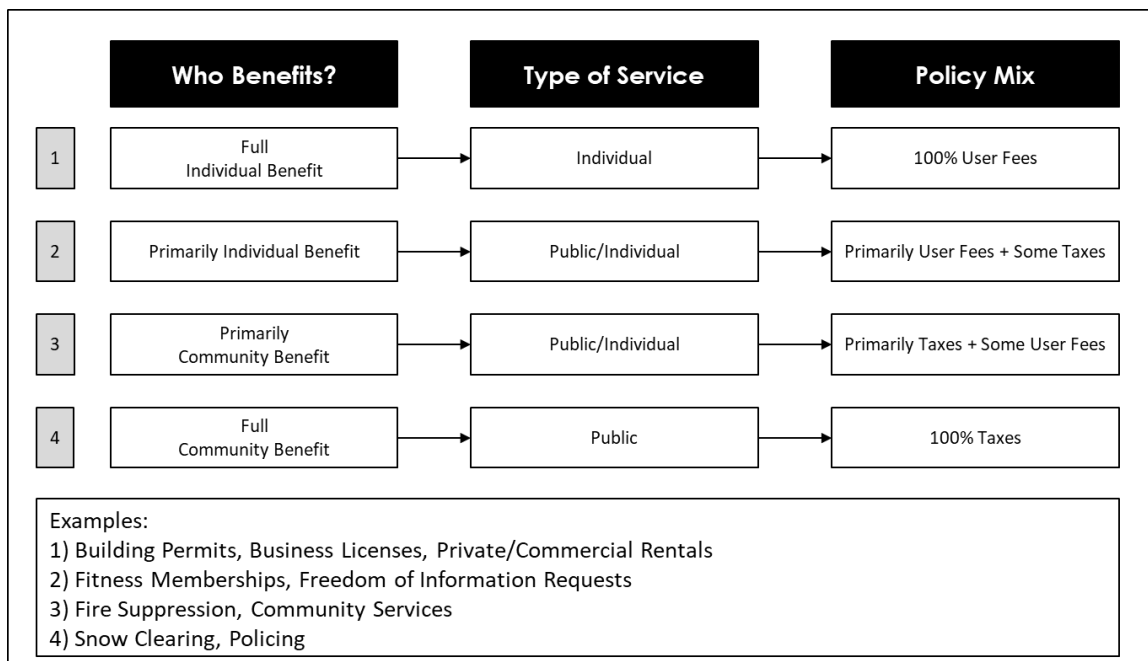
Based on the key findings from the Current State Assessment, and supplemented by the findings from the Comparator Scan, the following outlines the preliminary direction/recommendations for the setting of user fees:

5.1.1 Development of a User Fee Setting Policy Containing Guiding Principles

The User Fee Setting Policy will identify the Guiding Principles for fee setting across the City (for applicable services), which is being developed at a Guiding Principles workshop with key internal stakeholders at the City. The development of Guiding Principles will help to ensure the User Fee Policy is aligned to the City’s overarching vision and priorities. The development of this User Fee Setting Policy will use the Pyramid Methodology for Cost Recovery and Subsidy Allocation.

The Pyramid Methodology has been used successfully by many other municipalities (including in Ontario). The methodology is centred on classifying various services and programs into categories that are based on who the primary beneficiary of a service is, for which cost recovery targets/amounts can then be set. Optimus SBR facilitated multiple workshops with key City of Orillia stakeholders to develop the following draft methodology, based on the Pyramid Methodology:

Figure 3: Draft Pyramid Methodology Classifications and Examples



It should be noted that even in situations where 100% of costs should be recovered through user fees, there may still be some subsidization by the tax base that is required to ensure that fees are comparable with other municipalities and private sector competitors. Additionally, it should be

noted that although some programs and services may be defined as Full Individual Benefit (100% User Fees), there may still be a substantial community contribution through other programs and services operating out of the same facility.

The use of this methodology seeks to balance the following factors to set clear cost recovery targets for each service or program that contains a user fee, through answering the set of questions contained under each:

1. Community Benefit and Affordability
 - Does the particular program or service primarily for the benefit of an individual, or does it provide a broader benefit to the community?
 - Is ensuring our residents have affordable access to this program or service aligned with the City's overall vision and priorities?
2. Cost Recovery Pressures
 - Should the City be subsidizing this program or service, or should the cost of delivery be borne by those who primarily benefit or use the service?
 - Are the capital costs associated with this program or service a general investment in the community, or should the City also seek to recover those costs in addition to the cost of operations?
 - Is this program or service being utilized by non-residents who don't contribute to the City's tax base, and should there be an additional fee to compensate for this?

The output of this process will be User Fee Policy that contains a set of general Guiding Principles that can be applied to categorize programs and services according to the Pyramid Methodology, each of which would have an associated cost recovery target.

5.1.2 Categorize and Set Fees for Recreation Using the User Fee Policy and Guiding Principles

As the vast majority of the City's user fees are centred on recreation, it is recommended that the User Fee Setting Policy be implemented in a phased fashion, whereby recreation services and programs are categorized according to the Guiding Principles/methodology used for fee setting, with new fees set and implemented. Once successfully rolled out, the City can choose whether to apply these principles to other types of user fees.

The categorization of recreation services and programs will occur at a workshop with key stakeholders from these groups and will also include representatives from the City's Culture department. The outputs of this process will be a recreation-specific appendix to the User Fee Policy, which would outline how each program or service has been categorized and what its stated cost recovery target is. Additionally, this appendix will be used to inform the development of a fee schedule for recreation programs and services that will be brought forward to Council for approval and implementation.

5.1.3 Design a Recreation Fee Subsidy Program

The design of a Recreation Fee Subsidy Program that leverages StatsCan's Low Income Cut-Off (LICO) threshold will be pursued, and recommendations for implementing this would be

developed. However, the exact value of the subsidy program would need to be set in accordance with the User Fee Setting Policy and cost recovery targets, as well as alignment to Council's vision/priorities.

The recommended Recreation Fee Subsidy Program would have the following characteristics:

- Intended to subsidize access only to recreation programs and services, for individuals and/or families who are Orillia residents and who meet the LICO threshold (i.e., not user groups)
- Provide a credit or voucher with a set dollar amount that can be used to pay for eligible services, which may include FUN Passes, fitness centre memberships, drop-in aquatics programming, etc.

At the workshop to categorize recreation services and programs, the exact parameters for the Recreation Fee Subsidy Program will be further developed, which include:

- Identifying the target number of subsidies provided or a limit on the number of individuals or families that can access the program
- Identifying the overall value of the subsidy that is provided (the opportunity costs to the City in terms of foregone revenue would need to be considered when setting the cost recovery targets for recreation programs and services that are eligible for the subsidy)
- Identifying which programs and services the subsidy could be applied to (e.g., FUN Pass, sports leagues, camps, other programs or services that might advance or support the City's overall priorities and vision, etc.)

The details for the Recreation Fee Subsidy Program would also be included in the recreation-specific appendix to the User Fee Policy.

5.1.4 Increase Non-Resident Fees

A significant amount of recreation facility users are non-residents of Orillia (~25-30%), who do not contribute to the City's building and funding of these facilities through taxes. As such, there is an opportunity to improve recreation cost recovery rates and generate additional revenue through increasing the non-resident fee above the current level of 25% working towards a full cost recovery approach for non-residents.

5.1.5 Update the Facility Allocation Policy to Allow for Greater Flexibility to Accommodate Equity Concerns, and develop a Community Service Organization Policy

By incorporating Guiding Principles into the Facility Allocation Policy, the City can provide specific rationale for the specific tradeoffs and decisions it makes in choosing to adjust existing or historic timeslots, and address equity concerns among user groups who may be disadvantaged under the current policy and system of grandfathering historic timeslots.

Additionally, the development of a Community Service Organization Policy would allow the City to have a structured approach to approving sport and general community service organizations for discounted rates and facility allocation prioritization.

5.2 Completed Activities

Optimus SBR and the City have already completed multiple workshops (outlined below) to begin actioning the above recommendations:

1. Conducted a Guiding Principles Workshop
 - To develop Guiding Principles for setting user fees across applicable City departments (Recreation and Youth Services is expected to be used as the primary example during the session)
 - To develop the methodology that would be selected for categorizing programs/services for setting cost recovery targets and subsidy levels
 - The results of this workshop were the development of the draft Pyramid Methodology and Guiding Principles for the User Fee Policy
2. Conducted a Categorization Workshop with Recreation and Culture
 - This workshop resulted in the categorization of existing Recreation and Culture programs and services into specific categories that have approximate cost recovery targets

5.3 Immediate Next Steps

To action the above recommendations and develop a User Fee Setting Policy, the following are the key next steps that are being undertaken over the next month:

1. Development and Submission of the Final User Fee Policy, Recreation Fee Schedule, and Facility Allocation Policy
 - Submission of a Final Report that includes the new User Fee Setting Policy
 - Development and submission of a rate schedule for updated Recreation and Culture fees
 - Development and submission of Facility Allocation Policy and Community Service Organization Policy that contains details related to a potential recreation subsidy program

6.0 Appendix

6.1 Comparator Profile: City of Barrie

6.1.1 Context and Key Findings

In 2021, Barrie undertook the development of a Financial Policies Framework that included a User Fees and Service Charges Policy

The User Fees and Service Charges Policy outlines that fees and service charges should be at or approaching full cost recovery

The Policy also contains a set of Guiding Principles that the City will use to determine cost recovery percentage targets that reflect Council's decisions about who the ultimate beneficiary of a service is:

- Cost recovery targets are set to recover the amount of costs that reflect Council's decisions on whether the service is a community or common good, frequently supplied to non-residents, or for private or commercial benefit.
- User fees should aim for full cost recovery for services that are provided for the benefit of individuals as opposed to the community or where the use of the service is discretionary for the user
- Recovery rates should consider operating and capital costs (including corporate overhead), incorporate asset renewal/replacement charges, use of service by non-residents, the extent of private/commercial/community benefit, rates for commercially available services, and the impact of changing fees on demand
- Programs to mitigate the impact of fees on specific users should be adjusted
- Changes in user fees should be transparent

Prior to the Covid-19 pandemic, Barrie's Recreation Services operating cost recovery rate was 51.3% for 2019, while Legislative and Court Services/Clerk's Office Cost recovery targets were 70%.

6.1.2 Recreation Subsidies

Barrie offers a recreation fee assistance program targeted to support low-income families, youth, and individuals through its RecACCESS Program:

- For eligible youth, the RecACCESS Program provides a free RecPASS Membership and either \$150 or \$75 credits for registered programs depending on whether the person is fully or partially qualified (~70% of RecACCESS users are youth)
- For eligible adults, the RecACCESS Program provides a free RecPASS Membership
- The City's annual target for the program is 1,550 individuals

To be eligible for the RecACCESS program, applicants must:

- Be full-time residents of Barrie; and,

- Have a total net household income under the StatsCan's 2014 Low Income Cut-Offs (LICO Thresholds) for their household sizes.

6.1.3 Facility Allocation Policies

Barrie currently has two distinct Facility Allocation Policies: an Ice Allocation Policy and a Sports Fields Allocation Policy that governs both soccer fields and baseball diamonds. Each Allocation Policy is based on set of Guiding Principles that are considered when implementing or applying the Policy.

- Sports Field Allocation User Priority Ranking:
 1. City of Barrie
 2. Youth Partner Groups
 3. Tournaments & Special Events
 4. Seasonal Clients
 5. Boards of Education
 6. Occasional and Commercial Users
- Ice Allocation User Priority Ranking:
 1. City of Barrie
 2. Youth Partner Groups
 3. Tournaments & Special Events
 4. Seasonal Clients
 5. Boards of Education
 6. Occasional and Commercial Users

6.1.4 Comparison of Recreation Fees

In general, the City of Barrie's recreation fees are higher than Orillia's for most services, and are more stratified by user type, facility type, and length of bookings.

6.1.4.1 Ball Diamonds

The City of Barrie charges fees specific to the 1.5 hour timeslots booked for each of its baseball diamonds, which are different for most individual timeslots

- In contrast, the City of Orillia's fees are dependent solely on if it is a minor or adult diamond, and rates are not dependent on the timeslot rented
- This allows the City of Barrie the ability to identify separate prime time rates for its various user groups (i.e., adult prime time slots run later into the evening than youth)

The City of Barrie also charges a specific lighting fee for its diamonds, which is slightly lower for youth rentals, whereas Orillia does not charge a similar fee

6.1.4.2 Turf Fields

Similar to Ball Diamonds, the City of Barrie charges fees specific to the 1.5 hour timeslots booked for each of its turf fields, which are different for most individual timeslots.

- In general, on a per-hour basis, the City of Barrie charges slightly less for access to its sports complex fields and artificial turf fields than Orillia does; however, Barrie does charge additional fees that may make the fees more comparable to Orillia's when included

At certain fields, the City of Barrie charges a specific lighting fee ranging from ~\$16-\$20/hr at its Eastview Field, and from ~\$22-\$38/hr at the Barrie Community Sports Complex.

- While Orillia does not charge a per hour fee directly for lighting at its fields, there is a difference in the overall fee depending on if lighting is required; however, the difference caused by the lighting fees are significantly less/nominal ranging from \$0.34-\$1.30/hr

6.1.4.3 Ice

The City of Barrie does not charge a markup for its summer ice rental fees in comparison to its winter fees, largely because of demand from figure skating and hockey clubs in the summer months.

- The City of Barrie's winter prime time ice rental fees are significantly higher than Orillia's for both minor and youth (rate is ~38% higher than Orillia's rate for adults, and ~33% higher than Orillia's rate for youth)
- The City of Barrie only charges one rate for non-prime time ice, for both adults and youth (rate is ~65% higher than Orillia's non-prime time youth rental rate, and ~26% higher than Orillia's non-prime time adult rate)

The City of Barrie also separates summer ice rental fees by prime time and non-prime time; both of which are significantly higher than Orillia's sole summer ice rental rate.

6.1.4.4 Aquatic Facilities

The City of Barrie's hourly rates for both lap/lane rentals and exclusive use of the facilities is significantly lower than the City of Orillia's.

- The City does not offer bulk pricing for lap/lane rentals like Orillia does for a rental of 8 lanes; each lap/lane costs ~19% less than at Orillia
- However, when comparing the bulk pricing Orillia offers to the individual lap/lane rate Barrie charges, Orillia is ~33% lower than Barrie's rate
- The City of Barrie does not offer a flat rate or any rate for swim meets

6.1.4.5 Gymnasiums

The City of Barrie does not provide double gyms, while its single gym hourly rates are slightly higher than Orillia's for both adults (~16% higher) and youths (~15% higher). The City of Barrie also offers half gym hourly rentals for both adults and y+

outh which are equal to Orillia's half gym hourly rates. While the City of Barrie also provides daily gym rentals with different rates for youth and adults, the City of Orillia only charges one daily rate of \$400 for 1 gym. As a result, the City of Barrie's rate is ~29% lower for adults than Orillia's single rate, and 43% lower for youth than Orillia's single rate.

6.2 Comparator Profile: City of St. Thomas

6.2.1 Context and Key Findings

The City of St. Thomas is at a similar stage of maturity to Orillia in terms of its fee setting and cost recovery policies, with recognized needs to provide affordable recreation programming and develop clear cost recovery targets.

The City of St. Thomas' current method of adjusting user fees is to increase by ~3% each year, and compare to nearby municipalities:

- Comparator municipalities include Guelph, Caledon, and Centre Wellington
- The last round of fee changes generally had St. Thomas' rates as being generally either in line with, or the lowest cost among comparators
- St. Thomas opted to avoid charging a non-resident fee, instead choosing to work with surrounding municipalities to discuss a reciprocal arrangement whereby financial contributions from nearby municipalities could help to offset the net expenditure for parks and recreation in St. Thomas

The 2020 Parks and Recreation Master Plan, released in January 2020 (prior to the widespread outbreak of Covid-19), it was recommended that a user fee policy be developed that:

- Is based on the true cost to deliver parks, recreation, and cultural services and programs
- Sets realistic recovery rates when considering revenue generating opportunities (consideration should be given to utilizing external services to assist with this work)
- Is reviewed on a set cycle to ensure the policy is up to date and reflects current trends, costs, demographics, and socio-economic conditions in the municipality
- However, as of 2022, this work has not yet been completed

6.2.2 Recreation Subsidies

The City of St. Thomas does not provide any recreation fee subsidies or programs, or an access to affordable recreation policy; however, financial assistance programs are available to residents through third-party providers such as Canadian Tire Jump Start, the YMCA, Ontario Works, and club/organization sponsorships.

- The City currently has an informal policy that discounts are not to be given out
- Southwestern Public Health issued an Access to Affordable Recreation Report, which provided 20 recommendations to ensure all residents have equitable access to recreation services and suggested that the City investigate potential partnerships with other organizations and in public housing complexes

The 2020 Parks and Recreation Master Plan recommended that the City develop an 'Access to Affordable Recreation Policy', which has yet to be developed.

6.2.3 Facility Allocation Policies

The current allocation policies are not currently reviewed on a regular basis, and the 2020 Parks and Recreation Master Plan recommended that the policies be reviewed and updated, as well as reviewed on a three year or as required basis.

Subject to a review of all registrations, facilities are largely allocated on a historic/grandfathered basis. The only distinction of 'prime and non-prime times' for facilities are for ice rentals, of which non-prime time is from 8am to 5pm and from 11pm – 12am on weekdays only.

6.2.4 Comparison of Recreation Fees

While its current fee setting process is similar to Orillia's in terms of its maturity, there are significant differences in how these rates are charged to users due to the facility types and primary user groups of St. Thomas's facilities.

6.2.4.1 Ball Diamonds

Unlike the City of Orillia, St. Thomas opts to rent baseball diamonds on a per-game and per-season basis.

- Different diamonds are assigned a tier, with the most expensive tier (A Level) charging \$152.36/game, and the cheapest (E Level) costing only \$6.06/game
- Different game types (recreational adult, youth game, and intercounty) are charged different amounts, and adult season rates are based on the total number of games

St. Thomas provides a wide range of rates and options for baseball tournaments, where it charges different rates according to the diamond tier; Orillia instead opts to provide a discount on tournament bookings of various types (e.g., national or provincial championships)

St. Thomas does not charge any additional fees for lighting at its facilities

6.2.4.2 Turf Fields

In St. Thomas, the St. Thomas Soccer Club pays a flat season fee per field, ranging from \$1092.72 to \$10,000 per season (depending on the field type).

Rates for each field are different, with some only providing a per game rate (2 hours), a per day rate, and some also charging different fees to adult and youths (for artificial fields).

Similar to Ball Diamonds, St. Thomas opts to charge different rates for tournaments according to the field type (e.g., youth, adult, 3v3, 7v7, etc.).

St. Thomas does not charge any additional fees for lighting at its soccer facilities.

6.2.4.3 Ice

St. Thomas does not charge separate rates for prime and non-prime time ice to minor sporting organizations or schools; only commercial entities, casual renters, and Junior organizations.

- St. Thomas's prime time rate is ~5% lower than Orillia's
- St. Thomas' minor sporting organization/school rate is marginally lower than Orillia's prime-time minor/youth rate (~\$1.48 lower); however, Orillia's non-prime time rate for minors/youth is significantly lower than St. Thomas' (~42% lower)

St. Thomas' public skating fees are more expensive than Orillia's for youth, adults, and families (Orillia is \$0.50 lower per youth, \$1.50 lower per adult, and \$3 lower per family).

St. Thomas' does not offer summer ice rentals.

6.2.4.4 Aquatic Facilities

Pool rentals are only available at St. Thomas' outdoor facility (Jaycees Pool), and cost \$58.76/hr (up to 30 swimmers), with an additional \$21.56 charge per additional 10 swimmers.

As a result of the discrepancy between the quality of the facilities between St Thomas and Orillia, St. Thomas' public swim rates:

- Are lower than Orillia's for youth (\$3/visit compared to \$3.57/visit)
- Are lower than Orillia's for adults (\$3.50/visit compared to \$5.10/visit)
- Do not provide a discount for seniors, whereas Orillia does for those over 60 years of age

6.2.4.5 Floor Rentals (Non-Ice)

Like Orillia, St. Thomas offers both full day and hourly rates for non-ice floor rentals:

- However, St. Thomas does not provide differing rates for non-profit and commercial entities (St. Thomas' full day rate for arena floor rentals is ~2% higher than Orillia's rate for private/commercial entities).
- St. Thomas' hourly event rate is ~9% lower than Orillia's rate for non-profit sponsors.

6.2.4.6 Other

Tennis and Pickleball Courts are only available to be rented by non-resident clubs for half-day or full-day tournaments.

Sports, Dance, Arts and Crafts, Skating, Adult Programs, and General Interest Programs are charged by the session (ranging from \$31.25 to \$83.25 per session).

6.3 Comparator Profile: Town of Orangeville

6.3.1 Context and Key Findings

As with the City of St. Thomas, the Town of Orangeville is at a similar stage of maturity to Orillia in terms of its fee setting and cost recovery processes, and has also indicated that it will be moving towards developing a more formal user fee policy.

The Town of Orangeville currently recovers ~36.75% of its costs for recreation facilities and parks from user fees, collecting \$1.42M in user fees against an operating budget of \$3.86M (does not include capital costs). By comparison, the City of Orillia recovers ~57% of its cost for recreation facilities and parks.

- Orangeville communicates this deficit to the taxpayer in terms of a Total Facilities Levy

The Town of Orangeville currently charges a 20% non-resident fee for most programs, facility/activity passes, and all facility rentals.

- However, the City's most recent Recreation & Parks Master Plan noted that the Town will soon have an increasingly limited capacity to accommodate non-residents and regional population growth

The Town is making a more concerted effort to prioritize generating revenue through cost recovery strategies for its recreation and events, which was noted as an operating budget strategic priority in its most recent 2022 budget.

The Town's Recreation & Parks Master Plan, developed in 2020, included a recommendation that a user fee policy should be developed in consultation with the community, bearing the following principles in mind:

- A clear rationale for the policy, and cost recovery objectives should be stated
- Costs to be covered should be consistent across all types of facilities, keeping in mind that municipal costs are directly related to level of service provided to users, and service levels can be altered to reduce costs
- Fees should recover some specified portion of municipal costs, without unduly restricting community access to services
- Determining the potential for different fees for prime and non-prime times at all facilities
- Working with community partners to align program fees for comparable services

6.3.2 Recreation Subsidies

The Town of Orangeville does not directly provide recreation fee subsidies or support for low-income residents. However, it does:

- Offer a Registered Minor Sport Groups Fee Reduction Policy, which provides a 20% reduction in base prime-time facility rental fees, in addition to other services-in-kind and benefits
- However, the Town does not provide separate rates for youth and adults for most recreation facility bookings

6.3.3 Facility Allocation Policies

The Town of Orangeville's Facility and Venue Allocation Policy outlines how recreation facilities and venues are allocated among various user groups, which balances and prioritizes user profiles, functions, past performance, and economic benefit to fairly and equitably allocate resources to all sports organizations:

- User Profile Priorities:
 1. Town of Orangeville sponsored programs, services, and events
 2. Child/Youth Community Groups (regular in-season users)
 3. Adult/Senior Community Groups (regular in-season users)
 4. Child/Youth community Groups (casual in-season users)
 5. Community Groups (regular out-of-season users)
 6. Private groups
 7. Commercial Groups
- Recreation Facility Function Priorities:
 1. Town of Orangeville sponsored programs, services, and events
 2. Games/practices
 3. National tournaments and special events
 4. Provincial tournaments and special events)
- Multi-Purpose Room Function Priorities:
 1. Town of Orangeville sponsored events, programs, services, and existing legal agreements
 2. Community-based special events
 3. Community services or leisure program opportunity
 4. General meetings

6.3.4 Comparison of Recreation Fees

In general, the Town of Orangeville's recreation fees tend to be higher than Orillia's, the Town's rates for commercial entities and exclusive/private use tends to be significantly higher, while fees related to services that may have a greater community benefit (such as youth/minor groups and non-profits) tend to be similar to Orillia.

6.3.4.1 Ball Diamonds

The Town of Orangeville offers diamond rentals based on an hourly rate that is ~7% higher than Orillia's for adults renting a large field, and ~12% lower than Orillia's for a minor group renting a small field.

- Similar to Orillia, the Town doesn't separate diamond fees by timeslots or by prime/non-prime times.

The Town charges a specific hourly lighting fee (\$10.81 - \$21.62/hr) for its diamonds on top of the base rate for its diamond rental, where the lower end of the range is for youth rentals or smaller fields and the higher end of the range is for large fields; whereas Orillia does not charge a similar fee.

The Town provides a wide range of rates and options for baseball tournaments, where it also charges non-profit fundraisers less than other facility renters; Orillia instead opts to provide a discount on tournament bookings of various types (e.g., national or provincial championships).

6.3.4.2 Turf Fields

The Town's rental rates for its outdoor fields are generally slightly lower than Orillia's on a per-hour basis (varies depending on field type and quality), however, the Town also charges hourly lighting fees that are significantly higher than Orillia's indirect fees associated with lighting at the facilities (\$23.66/hr at some facilities in Orangeville).

6.3.4.3 Ice

The Town of Orangeville charges separate rates for non-prime time, prime time, commercial recreational, and commercial business ice bookings.

- Generally, the Town of Orangeville's prime time and non-prime time ice rental fees are both significantly higher than Orillia's (prime time rentals are ~44% more expensive than Orillia's prime time rates for youth, and 20% more expensive than adults, while non-prime time rental fees are ~26% higher than Orillia's non-prime time rates for youth, and ~3% lower for adults)
- The Town's commercial recreational and commercial business rates are significantly higher than even Orillia's most expensive ice rental (~32% and ~44% higher, respectively)

The Town of Orangeville does not offer ice rentals in the summer months.

6.3.4.4 Aquatic Facilities

The Town's Alder Recreation Centre Pool's:

- Base rate for renting all 8 lanes in the lap pool is ~28% lower than the City of Orillia's rate
- Base rate for renting the leisure pool is ~8% more expensive than Orillia's
- Near exclusive use of the Town's facility is significantly more expensive than the Orillia's ORC rate (~38% more expensive)
- The Town does not offer individual lap pool lane rentals, and does not offer a flat rate or any rate for swim meets
- Rates for renting all 8 lanes in the lap pool at the Alder Recreation Centre Pool are equal to the rates charged at the Tony Rose Memorial Sports Centre Pool

- Rates for an extra lifeguard at the facilities are also ~30% greater than in Orillia

6.3.4.5 Floor Rentals (Special Events)

Similar to Orillia, the Town offers both hourly and daily rates floor rental events, with separate rates applying to registered non-profits and commercial entities for daily bookings.

- The Town's non-profit daily rate for commercial entities is ~22% greater than Orillia's, and 10% greater for non-profits
- Unlike Orillia, the Town does not provide separate rates for commercial and non-profit entities for hourly bookings (however, the hourly rate is ~26% lower than Orillia's hourly rate for non-profit entities)
- The Town also charges a premium markup of 33% for bookings on statutory holidays