

TORONTO STAFF REPORT

April 21, 2005

To: Economic Development and Parks Committee

From: Brenda Librecz, General Manager, Parks, Forestry and Recreation Division

Subject: Harmonized Permit Rates—Additional Information
All Wards

Purpose:

The purpose of this report is to respond to the requests for further information arising from the March 10, 2005 meeting of the Economic Development and Parks Committee during the consideration of the Report on Harmonized Permit Rates.

Financial Implications and Impact Statement:

There are no financial implications on Parks, Forestry and Recreation's 2005 Operating Budget resulting from the adoption of this report.

Recommendations:

It is recommended that this report be received for information.

Background:

At its meeting of March 10, 2005, the Economic Development and Parks Committee considered a report titled "Harmonized Permit Rates". The Committee requested further information to be reported back and deferred the consideration of the report to their meeting of April 28, 2005.

This report provides information regarding the impact to reducing rates to \$0.00 under the Resident Community category for children and youth in gymnasiums rated B and C and for indoor dry pads rated B and C. Also requested by the Committee was a synopsis of current permit rates based and other information that would be helpful to all members of Council and the feasibility of free time for the use of dry pads for children and youth.

Comments:

Financial Impact of Reducing Rates for Children and Youth

The initial fee model was based on a permit fee framework that was approved by the Economic Development and Parks Committee and Council on the premise of being revenue neutral. If adopted by Council, the proposed fee structure, when implemented in 2006, would have no impact on the projected permit revenue for Parks, Forestry and Recreation, based on existing usage volume and patterns. Staff considered existing rates, demand for facilities, changes to TDSB and TCDSB rates, allocation changes, and legacy policies and practices for a variety of groups in the developing the new rate proposals.

The financial impact of eliminating fees for Resident Community children and youth in B and C rated gymnasiums and indoor dry pads is \$266,690.00 annually based on the current usage volumes. If the revenue neutral model is to be maintained, the fees for other age categories will need to be increased significantly to compensate for the loss of revenue in this category. Alternatively, the new fee structure will no longer be revenue neutral and there will be a negative financial impact of \$ 266,690.00 on Parks, Forestry and Recreation's operating budget. The negative financial impact may be adjusted upward if more children and youth groups use the free facilities. Since staff will be reporting back on changes to the usage pattern, revenue shifts and impact of school board permit fees on an annual basis, it is proposed that this reduction of rates for children and youth not proceed until a full impact of the permit allocation policy and permit rates can be assessed.

Legacy Rates

Attachment No. 1 provides an outline of the current permit rates that are being charged based on existing legacy arrangements. This information is provided based on facility categories in former municipalities.

Indoor Dry Pads—Free Usage

The Committee also requested that staff consider the feasibility of free time for the use of indoor dry pads for children and youth. Indoor dry pads are specific facilities, usually indoor arena floors, which are used for organized sports activities such as lacrosse, and ball hockey in the summer season. They are used primarily by organized youth and adult groups for these activities, and in general, are not suitable for drop-in or casual use by children and youth, due to limited amenities and the seasonal nature of these operations. Where possible, staff program these locations if there are no other suitable program locations available. Hence, it is not recommended that this kind of drop in and casual use be expanded at these locations.

Conclusions:

The original fee model proposed by the Division was based on a framework that was projected to maintain the current revenue streams. This was a very difficult and complex task to balance off the overall objectives of the "Our Common Grounds" Strategic Plan with an existing revenue

target, while minimizing impacts on organized groups across the entire City of Toronto. The result of this process is the fee structure that was recommended in the February 25, 2005 report to Committee. Any changes to individual components of the fee structure will have implications on overall revenue. Staff propose awaiting further information on the shifts in permit usage and volume with the introduction of the permit allocation policy and harmonized permit rates before making any adjustments in the rates proposed in the harmonized fee proposal.

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Attachments:

Attachment No. 1 Overview of Current Permit Rates