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2012 BUDGET BRIEFING NOTE

Request to Offset Thistletown Closure with Waterfront Secretariat Funding or Additional Ice Permit Fee Increases

Background:

It was requested that the City Manager report to the Budget Committee on December 13, 2011 on the feasibility of offsetting the net cost of removing Thistletown Community Centre from the list of TDSB shared use sites against the Waterfront Secretariat's Operating Budget or a corresponding increase in ice permit fees equal to the net cost of removing Thistletown Community Centre from the list of TDSB sites.

The reinstatement of the Thistletown Community Centre closure would require an offset of \$289.6 thousand in 2012 and \$268.8 thousand in 2013 for a total offset of \$558.4 thousand.

Waterfront Secretariat

The 2012 Recommended Operating Budget for Waterfront Renewal has been consolidated with the 2012 Recommended Operating Budget for City Planning, beginning in 2012.

The Waterfront Secretariat provides oversight of the City's funding to the Waterfront Revitalization Initiative and provides co-ordination/delivery of City priority projects. Key deliverables for 2012 include; the Pan Am Village, the Port Lands Acceleration Initiative and Queens Quay Revitalization (including Council's direction to report on providing funding options for transportation in East Bayfront).

The Waterfront Secretariat currently has a gross Operating Budget of \$1.438 million of which \$1.330 million or 92.5% is for staffing, funding eleven positions. Four of the eleven positions are recovered from the Capital Budget which is funded from the \$500 million Waterfront Revitalization Initiative as per the tri-government Waterfront Renewal Agreement.

The 2012 Recommended Waterfront Secretariat Operating Budget has achieved its 10% reduction target. If an additional \$290 thousand is removed from the operating budget, it would equate to a 41% reduction. An Operating Budget decrease of this amount per annum would significantly impact the City's oversight of this project and the achievement of key deliverables.

Ice Permit Fee Increase Feasibility

Parks, Forestry & Recreation's 2012 Operating Budget already contains a \$400 thousand revenue impact from increasing Community Youth, Competitive and Junior groups ice permit fees by 5%, 10% and 15% respectively. This increase is in addition to the 3% inflationary increase automatically applied to the base fees.

The increase in ice permit fees was based on comparisons to competitor's rates in the GTA by category. Additional fee changes will be recommended after a thorough review of the Parks, Forestry & Recreation's cost recovery rates. It is recommended that any additional fee increases be deferred until the 2013 Operating Budget process when more information is available with respect to PF&R user fee policy and cost recovery.

It should also be noted that this recommendation requires an increase to citywide fees to offset a service impact for a particular location and ward.

To achieve the targeted budget impact, Community Youth and Competitive rates would be increased by 14% instead of the recommended increases in the 2012 Operating Budget of 5% and 10%.

Community Youth Ice Permit Fees were increased by 3% inflation and a 5% market rate adjustment which moved our rates from an average of the 14th percentile to the 42nd percentile. An increase of 14% would move the fees to an average of the 45th percentile (79th percentile for prime and 10% for non-prime).

Competitive Ice Permit Fees were increased by 3% inflation and a 10% market rate adjustment which moved our rates from an average of the 20th percentile to the 50th percentile. An increase of 14% would move the fees to an average of the 63rd percentile (90th percentile for prime and 35th for non-prime). The Competitive Ice Permit fee increase of 14% would also bring the city's rate to be higher than rates set by Arena Boards of Management.

It should be noted that the City has low utilization of arenas during non-prime time and any increase to the non-prime rates may lead to further decreases in off-peak utilization.

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Date: December 12, 2011