
2021 OPERATING BUDGET BRIEFING NOTE

Eliminating the Increase in User Fees for Recreational Programming

Issue/Background:

- This briefing note responds to Budget Committee's motion, adopted on January 22, 2021 requesting the General Manager, Parks, Forestry and Recreation (PF&R) to provide a briefing note on the cost to cover or eliminate the increase in user fees for recreational programming.
- Recreation user fees cover the direct cost of delivering programs including the cost of instruction, supplies and equipment.
- Recreation user fees are increased by the rate of inflation every year in accordance with Council approved User Fee Policy in which the delegation of authority is granted to the Chief Financial Officer and Treasurer to annually determine the appropriate automatic annual inflationary adjustment for each user fee. PFR's 2021 Staff Recommended Operating Budget includes an inflationary increase of approximately 2.0% to recreation user fees with a net financial impact of \$0.38 million.
- The City of Toronto's Welcome Policy provides a fee subsidy to help individuals and families with low-income who live in Toronto access City-operated recreation programs. The annual credits provided for the Welcome Policy are aligned to the inflationary increase applied to user fees and is in accordance with Council direction. Should no inflationary increases be applied to user fees in 2021, there would be no inflationary increase to Welcome Policy. Based on PFR's 2021 Staff Recommended Operating Budget, the inflationary increase for Welcome Policy credits has an impact of \$0.06 million.

Key Points:

- Revenues generated from user fees will be used to pay for costs incurred to provide the associated user fee services. Eliminating the increase in user fees for recreation programming in 2021 would result in a net impact of \$0.38 million that would require an equivalent funding offset.
- Without an inflationary increase to recreation programming user fees, Welcome Policy credit values would remain at the 2020 rates of \$571 for children and youth and \$269 for adults and seniors.

- As no registered programs have started in 2021 due to the provincial lockdown, there is no impact to current registrants.

Questions & Answers:

1. Are increases to all recreation user fees included?

- Permit fees have been excluded as they are not considered recreational programming. The increase on permit revenues is \$0.25 million.

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