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2025 OPERATING BUDGET BRIEFING NOTE

Community Centre Operational Cost and Welcome Policy

Issue/Background:

- This briefing note responds to a request from Budget Committee, at its January 15, 2025, meeting, that the General Manager, Parks and Recreation (P&R) to provide a briefing note on the following:
 - a. The number of community centres offering exclusively free programming;
 - b. The difference in operational costs of free community centres in comparison to fee-based community centres;
 - c. The number of clients approved for the Welcome Policy; and
 - d. The number of approved households that used their Welcome Policy allocation.

Key Points:

- The City Staff Prepared 2025 Operating Budget for Community Recreation service is \$289.7 million gross, \$193.0 million net.
- Parks and Recreation operates 126 community centres of which 39 are Free Centres.
- Free Centres are community centres in neighbourhoods with a high proportion of low-income residents. Toronto residents do not pay user fees for programs at these centres, nor do local non-profit groups pay for permitting space such as rooms, gyms, and kitchens. The objectives of Free Centres are to:
 - Reduce barriers to recreation in communities with high levels of poverty by eliminating fees and reducing administrative hurdles;
 - Enhance community development through outreach and the mixing of community residents with different needs, cultures and incomes; and
 - Provide opportunities to increase participation from the local community in recreation.
- In all community centres, outdoor arenas and outdoor pools across the city, children and youth drop-in programs, indoor family swim, outdoor drop-in public and shinny skating (all ages), and outdoor drop-in pool access (all ages) are free to all residents.

- Gross operating costs varies from location to location based on the types of amenities (arenas, indoor pools, gymnasiums, multi-use rooms, etc) and programming offerings that can be offered based on available amenities.
- There are no gross operating cost differences between free versus paid centres when comparing community centres with identical amenities and similar age.
- It is estimated that there is approximately \$13.3 million in total foregone revenues at the 39 Free Centres and the average Free Centres net operating cost are therefore approximately \$0.3 million higher than paid centres.
 - Were fees to be re-instated at Free Centres, the expected net savings would be significantly less than \$13.3 million, as it would require:
 - Increased pressure on Welcome Policy budget to address increased demand for financial fee subsidy;
 - Increased administrative costs to process increased Welcome Policy applications; and
 - Participation Attrition.
 - Following the introduction of registration fees for adult programs at Free Centres ([2011.IA14.3](#)), Staff reported that adult registration at Free Centres decreased 61% from Fall 2010 to Fall 2011 (1,764 fewer registrations). This direction was subsequently reversed by Council and fees for adult programs at Free Centres were removed.
- Welcome Policy supports registrations through a fee subsidy that helps individuals and families with low income who live in Toronto to access City-operated recreation programs.
 - In 2024 there were 78,878 approved clients for Welcome Policy with 18,913 unique clients that utilized the subsidy with a total expenditure of \$5.4 million.

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