

Report to Council



Date: June 27, 2022
To: Council
From: City Manager
Subject: Amendments to Active Living and Culture Fees and Charges Bylaw No. 9609
Department: Active Living and Culture Division

Recommendation:

THAT Council receives the report from the Active Living & Culture Division, regarding amendments to the Fees & Charges Bylaw No. 9609, as outlined in the report dated June 27, 2022;

AND THAT Bylaw No. 12409 being Amendment No. 7 to the Active Living and Culture Fees & Charges Bylaw No. 9609 be advanced for reading consideration;

AND FURTHER THAT the 2022 Financial Plan be amended to include the increased equipment fund as outlined in the report dated June 27, 2022.

Purpose:

To obtain Council's endorsement for amendments to the Active Living and Culture Fees and Charges Bylaw No. 9609.

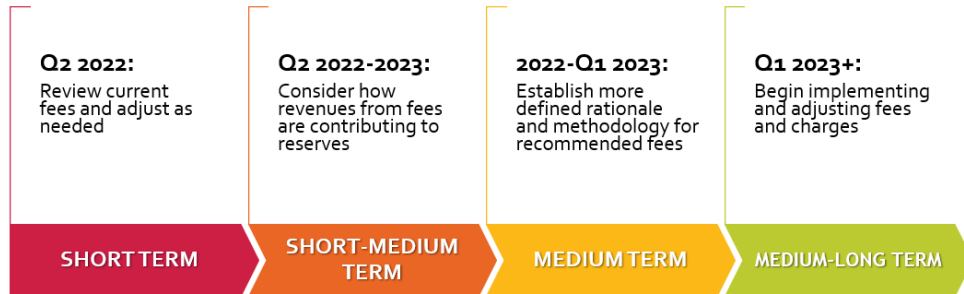
Background:

Participation and access to sport, recreation and cultural activities and programs is essential to the quality of life within a community. The latest [Citizen Survey in Kelowna \(Ipsos, 2022\)](#) highlights having good recreational facilities, opportunities and activities as one of the top three qualities that makes for an ideal city. Active Living & Culture (ALC) oversees the community use of recreation and cultural facilities that includes establishing fee structures, programming, and public use. Through these services, ALC charges user fees to support the division's operations through a variety of streams, many of which are outlined in the Active Living & Culture Fees and Charges Bylaw (No. 9609) and through other streams that fall outside the bylaw (e.g., general interest programs, stadium concessions).

At the May 2, 2022, AM Council meeting, Council was provided an overview of the work plan related to the fees and charges review within the Active Living & Culture Division which included background,

current approach to setting fees, future work plan related to setting fees and charges and an introduction to a new benefits-based approach to setting fees and charges. The approach and work plan were endorsed by Council.

The key components of the work plan include:



The current practice to setting fees and charges considers market comparisons, maintains awareness of community and sector trends and learnings through collaboration with facility-based user groups and advisory committees. This is a common approach within the sector, but it has some limitations related to recognizing community nuances, ensuring equity, and understanding and relating to operational expenses.

As we move forward, the benefits-based approach will expand on the current approach to setting fees and examine the investment in delivering services, its relationship to public benefit and corresponding investment recovery target for each activity.

This approach will provide guidance to ensuring services are sustainable and further operationalize the existing principles of [Council Policy 222 – Recreation and Cultural Services – Philosophy /Fees & Charges Policy](#), laying the groundwork for a more strategic process to setting fees for City operated facilities and programs.

The initial task (short term) within the work plan is to complete a review of current fees and charges and address any necessary immediate changes for operational purposes (using the City’s traditional approach).

Discussion:

This initial review focuses on a short-term adjustment of some fees that require amendment as a result of a market comparison with similar community facilities and sector trends, as well as to address operational changes. This review does not include changes to fee schedules that apply to facility-based user groups and advisory committees (e.g., arenas, sportsfields and pools) in order to prevent disruptions in service delivery and minimize the number of fee adjustments prior to the broader review, which will be part of the medium-term workplan schedule. Any immediate changes will be based on program and facility operating cycles and will help ensure that ALC is setup for a more significant change (if warranted) through the benefits-based approach model to come in 2023.

The [Active Living & Culture Fees & Charges Bylaw No. 9609](#) contains fee schedules for the various recreation and culture facilities' rental rates, Parkinson Recreation Centre (PRC) facility admission and other services through Active Living & Culture.

Key aspects of the existing bylaw include:

- Fee Schedules based on facility and/or program locations.
- Fee categories within each Schedule specific to how the facility is used and or programmed.
- Fee variations within Schedules that recognize different user groups.
- Fees increase annually by 2% or a multi-year rate table to address an approach to a desired end rate.

The following summarizes proposed changes within the bylaw:

- Amendments to the General section that provides additional clarity and reflects current practice.
- Introduction of one facility access category for PRC admission fees.
- Fee adjustments for some amenities to align with market rate comparisons (e.g., room rental bookings).
- Introduction of new fee categories that are currently not covered in the bylaw.
- Adjustment to reflect operational changes at the Kelowna Community Theatre and introduction of the Front of House services (Box Office, Concession, Marketing).
- Unless otherwise stated, fees updated to 2022 current rates and rounded up to the nearest whole dollar.

Each fee schedule with the exception of Schedule H – Kelowna Community Theatre, has a standard effective increase date of April 1 each year. However, for 2022 only, given the timing of this report, the effective date of all new fee changes will be October 1, 2022, except for the Kelowna Community Theatre which will be effective August 1, 2022.

General

This section includes direction on the administrative requirements for ALC Fees and Charges. Examples include use of deposits, administration fees and annual 2% fee increases. Changes to this section include:

- Administration updates to reflect current practices.
- The addition of a provision for the Director of Active Living & Culture or designate to periodically amend rates on a short-term basis for the purpose of facility use maximization or community development.
- A complete list of updates can be found in attachment 1. General Section - Text Amendments.

Schedule A - Parkinson Recreation Centre – Facility Administration Fees & Charges

This schedule includes admission fees for Parkinson Recreation Centre swimming pool and fitness centre. Changes to this schedule include:

- A consolidation of the pool rates for drop-in, entry cards and passes into the current facility access rate to better reflect an all-access recreation model, address access control challenges and simplify the administration of user fees. This consolidation will lead to a more holistic approach to wellness and increase the value to members. Existing members with pool options will have the opportunity to extend their passes up to September 30, 2023, at the existing rate if they choose to do so by September 30, 2022.

- Entry cards (Visit pass or punch card) are to now be valid for 2 years.
- Update Facility Promo Pass for first-time members from \$25 to 50 percent of the applicable monthly facility pass. This is a one-time, one-month pass to the fitness centre and pool at Parkinson Recreation Centre at a reduced rate to try the facility.
- A complete list of rate changes can be found in attachment 2. Schedule A – PRC – Facility Administration Fees & Charges.

Schedule B – Facility Rental Fees & Charges

This schedule includes rental fees for the gymnasium and various rentable rooms at Parkinson Recreation Centre. Changes to this section include:

- Increase hourly base rental rates to align with market rates.
- Addition of changerooms/showers rental rates for tournaments and event bookings.
- A complete list of room rental rate changes can be found in attachment 3 Schedule B – PRC – Facility Rental Fees & Charges.

Schedule B₁ – Aquatics Rentals

The fees in this schedule include club training and competition rentals at H2O Adventure & Fitness Centre, and Parkinson Recreation Centre as well as commercial and non-profit rentals at Parkinson Recreation Centre.

- No significant change to fees in this schedule.

Schedule C – Apple Bowl

This schedule includes rental rates for stadium and track & field use at the Apple Bowl. Changes to this schedule include:

- Addition of an hourly full facility rate for Adult organizations (non-profit) set at \$85.00 per hour.
- Addition of hourly stadium-amenity rates for:
 - Track and field practice – Adult organizations (non-profit) set at \$38.00 per hour.
 - Changerooms/showers set at \$50.00 per day.

Schedule D – Sportsfields

This schedule includes regular-play and tournament rates for sportsfields as well as the artificial turf field.

- No significant change to fees in this schedule.

Schedule E – Arenas

This schedule includes arena rental rates and public skating rates at the Memorial, Rutland, Prospera & Capital New Centre arenas.

- No significant change to fees in this schedule.

Schedule F – Multi-Purpose Facilities

This schedule includes rental rates for various facilities and bookable spaces in recreation facilities throughout Kelowna. Changes to this schedule include:

- Increase hourly base rental fees to align with market rates.
- Addition of a kitchen rental rate at the Rutland Activity Centre.
- A complete list of room rental rate changes can be found in attachment 4. Schedule F – Multi-Purpose Facilities – Rental Fees & Charges.

Schedule G – Other Facilities/Parks

This schedule includes fees for Outdoor Events, services & equipment, and other rentable facilities such as tennis courts, pickleball courts, basketball courts and beach volleyball courts. Changes to this schedule include:

- Increase of sound system rental rate from \$50.00 to \$100.00 per day.
- Addition of Road/Street Closure rate set at \$100.00 per day up to a maximum of 3 blocks – additional blocks charged at \$30.00 per day to a maximum of \$300.00 per day.
- Addition of Parking Lot Closure rates set at \$60.00 per day per parking bay up to a maximum of 80 stalls per bay.

Schedule H – Kelowna Community Theatre

This schedule includes fees and charges related to the operations of Kelowna Community Theatre. Changes to this schedule include:

- Updates to terminology that aligns Kelowna Community Theatre with the rental categories of the remainder of ALC
- Adds in and/or updates existing fee structures for the following:
 - Lobby – Reception or Meeting: New Section and Fees.
 - Main Stage/Black Box – Performance & Rehearsal sections:
 - Adjustment of fee structure including increases.
 - New rental category for City of Kelowna (30% of commercial rate).
 - Additional Fees section:
 - Clarification of services that are considered part of the base booking.
 - Technician rate increased and hours for support clarified.
 - Capital Improvement Fee increase from \$1.75 to \$2.00 per admission.
 - Front of House Services (Box Office, Concession, Marketing) – New Section and Fees.
- Main Stage – Temporary Performance Rental section – Removal of this section as implemented temporarily during COVID restrictions.
- Rates are effective August 1, 2022.
- A summary of additions can be found in attachment 5. Schedule H – Kelowna Community Theatre – Fees & Charges.

Equipment Fund

As part of this initial fee adjustment, staff considered the development of an Equipment Fund. Critical to the success of our services and programs is having the appropriate equipment to support the activities. Given the volume of use, and diversity of program opportunities - the creation of an additional fee to support equipment purchases creates a more sustainable model that will serve to enhance and broaden participants' experiences and ensure expectations are met.

This fund would be used to replace equipment and to acquire new equipment to expand program opportunities. Some examples of program equipment include fitness equipment (spin bikes, adult trampoline for bounce classes), tables and chairs in bookable and program spaces, sport equipment for programs, inflatables, and portable play structures.

The initial application of an additional equipment fee is proposed through City-offered registered community programs (e.g., adult sport leagues, fitness classes, swim lessons, and summer camps) where a 5% increase will be added to the base registration fee. Based on a pre-COVID year this fee is anticipated to generate \$65-75k and would be retained to directly support program equipment

purchases within the division. This would enhance the existing base budget of \$20k for program equipment. Community program fees are not included in the bylaw as the formula for setting fees varies season to season and among different types of programs. It is anticipated these fees will be included in the broader fees and charges review.

As the broader review continues, additional fee categories to support this fund will be considered. Also, as outlined in the work plan, a more strategic capital improvement program will be developed that will build upon existing programs that contribute to facility reserve funds.

Conclusion:

A key objective in the work of the Active Living & Culture division is to develop, support and facilitate programs and services that encourage active healthy lifestyles with a particular focus on building strong neighbourhoods and reducing barriers to participation.

Charging user fees is an important aspect of supporting business operations that must be balanced against fees becoming a barrier to participation. How these two principles continue to work together, including additional strategies to address financial barriers, will be carefully considered through the overall review process.

The updates proposed address some immediate changes that ensure we remain consistent in the market, address operational changes, and position the division for work ahead related to the benefits-based approach. While this initial update is not comprehensive of all fees within ALC, the future work plan includes a broader update incorporating the benefits-based approach and begins to consider all areas of the bylaw.

Over the coming months, staff will continue to work through the work plan with additional updates and information provided to Council.

Internal Circulation:

Active Living & Culture
Office of the City Clerk
Finance
Communications

Considerations applicable to this report:

Existing Policy:

Council Policy 222 - Recreation and Cultural Facilities Services – Philosophy/Fees & Charges Policy and Active Living & Culture Fees & Charges Bylaw No. 9609.

Financial/Budgetary Considerations:

The consolidation of one facility access rate, increase to rental rates for bookable spaces and rounding to the nearest whole dollar is anticipated to generate an additional \$50-60k in a full pre-COVID year. As the division continues to recover from COVID, revenue changes as the result of the bylaw will be monitored and reflected in future budgets.

The equipment fund is anticipated to generate \$65-75k annually in a full pre-COVID year and will be contributed to reserve and appropriated to directly support Active Living & Culture program equipment purchases. The anticipated revenue in 2022 will be \$15k and will be contributed to reserve.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

External Agency/Public Comments:

Communications Comments:

Submitted by: J. Jean, Administration & Business Services Manager

Approved for inclusion: J. Gabriel, Director, Active Living & Culture

cc: Divisional Director, Financial Services
Divisional Director, Communications

Attachments:

1. General Sections – Text Amendments
2. Schedule A – PRC – Facility Admission Fees & Charges
3. Schedule B – PRC - Facility Rental Fees & Charges
4. Schedule F – Multi-Purpose Facilities Rental Fees & Charges
5. Schedule H – Kelowna Community Theatre – Fees & Charges
6. Amendments to ALC Fees and Charges Bylaw No.9609 Council Presentation