

**Subject: Orangeville Minor Ice User Groups Fees Review**

**Department: Community Services**

**Division: Recreation and Events**

**Report #: CMS-2021-002**

**Meeting Date: 2021-02-08**

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### **Recommendations**

That report CMS-2021-002, Orangeville Minor Ice User Groups Fees Review, be received;

And that, Council approve one of the following options:

**Option 1 – Council approve rental scenario 4 based on a non-prime ice user fee rate of \$116.73 per hour (as approved in the Rates & Fees By-Law) retro-active to December 14, 2020 for the remainder of the 2020/2021 season as requested by the Orangeville Minor Hockey Association, Orangeville Girls Hockey Association and Skate Canada Orangeville,**

**Option 2 – Council approve rental scenario 1 based on a 50% reduction in ice user permit fees from \$186.76 (the Registered Minor Group rate as approved in the Rates & Fees By-Law) per hour to \$93.38 per hour, retro-active to December 14, 2020 (for applicable groups) for the remainder of the 2020/2021 season as requested by Orangeville Minor Hockey Association, Orangeville Girls Hockey Association and Skate Canada Orangeville.**

**Option 3 – Council not approve any reduction in fees or credits and maintain the status quo for all ice rentals.**

**And that Council provide direction to staff to administer any approved fee reduction in the form of a one time only “Rental Assistance Credit” for the confirmed rental hours to a maximum time within a ten (10) week period or until the end of May 2021. The total committed hours would only be cancelled based on a directive by the Province or WDGPH to change participant capacities which would result in groups having to decrease hours of use. All user groups must commit to their scheduled bookings within the approved option to qualify for the credit.**

## **Background and Analysis**

The 2020/2021 recreation ice season has been challenging for Town staff planning facility permits and maintenance and for user groups to plan programs due to the COVID-19 pandemic. Town of Orangeville facilities and recreation staff have met on a regular basis with ice user groups since July 2020 to ensure plans and protocols were in place to have programs and facility permits operating in accordance with provincial and local public health directives and legislation.

With the second provincewide shutdown beginning December 26, 2021 and recently extended to February 11<sup>th</sup>, this has had a huge impact on facility operations, permits and community user groups. The underpinning results of all Public Health protocols based on colour zones is a directive based on participant capacities wherein we must ensure strict physical distancing of 2 metres in all indoor and outdoor sports and recreation. These protocols limit the number of participants per hour in ice team sports to a maximum of 10 with no contact, resulting in less game/skill sessions per participant. The Skate Canada program (individual based activity) is limited to 10 per session on a national standard ice pad.

The COVID 19 pandemic impacts all sport and recreation programs and services by limiting participation, resulting in unprecedented physical, financial and social barriers. Council should be aware while considering this report, that while the report is responding to the request to consider minor ice user rates that it may receive further request for financial support through rate discounts, credits etc. due to the continued COVID realities. All sport organizations are challenged to deliver programs on a sustainable basis due to lower participant registration and lower numbers permitted at all indoor and outdoor recreation facilities.

Orangeville Minor Hockey Association (OMHA), Orangeville Girls Hockey Association (OGHA) and Skate Canada Orangeville delegated to Orangeville Town Council on January 11, 2021 requesting a 50% reduction in ice permit fees from December 14, 2020 to the end of the 2020/2021 ice season. At that meeting, Council requested that staff prepare a report reviewing permit fees and reductions.

Each of the ice user groups have requested 10 weeks of ice time, which would allow them to complete their 2020/2021 seasons, to begin when provincial direction to re-open recreation facilities is given. The Ontario Hockey Federation (OHF) has granted minor hockey organizations approval to continue the hockey season until May 31, 2021 if ice time is available to clubs in their local community. If the Town continues to keep ice in the arenas, the remaining 10 weeks of ice time can be accommodated up to May 31<sup>st</sup>, and will allow a flexible return to play, based on the province's re-opening date,

which at the time of this report was written, is still unknown. This uncertainty of a relaunch date makes projection of the ice season difficult and everyday we're in shutdown is costly, i.e. in ongoing expense to maintain ice and the ongoing loss of revenue.

In reviewing this request, the chart below outlines each of the user groups permit hours comparing the 2018/2019 and the 2019/2020 season to the 2020/2021 season. The 2019/2020 season (and prior) had all four ice pads operating and showing three ice pads operating for the 2020/2021 season based on user demand. **Figure 1** breaks down the first half of the 2020/2021 season with actuals from September to December 2020 and minor group requested hours for the remainder of the season.

**Figure 1**

Ice Revenue and Hours								
	4 ice pads		4 ice pads		3 ice pads		3 ice pads	
	Sept. 1, 2018 to Mar.31, 2019		Sept. 1, 2019 to Mar.12, 2020		Sept. 4, 2020 to Dec. 23, 2020		Tentative Hours Requested for 2021	
Organization	Hours Used	2018/2019 Rev.	Hours used	2019/2020 Rev.	Hours used	Rev.	Hours	Rev.
OMHA	2,637	\$ 472,422.80	2,683	\$ 490,938.45	915	\$ 171,010.48	942	\$ 175,927.92
OGHA	1,095	\$ 196,310.41	1,119	\$ 204,744.89	489	\$ 91,411.83	396	\$ 73,956.96
Skate Canada	235	\$ 42,125.22	227	\$ 41,683.23	129	\$ 24,216.96	97	\$ 18,115.72
<b>Totals</b>	<b>3,967</b>	<b>\$ 710,858.43</b>	<b>4,029</b>	<b>\$ 737,366.57</b>	<b>1,533</b>	<b>\$ 286,639.27</b>	<b>1,435</b>	<b>\$ 268,000.60</b>
Ice Permit Fee of \$179.16 per hour for the 2018/2019 season								
Ice Permit Fee of \$182.92 per hour for the 2019/2020 season								
Ice Permit Fee of \$186.76 per hour for the 2019/2020 season								

Due to the COVID-19 pandemic, recreation centres and facility permit revenue has resulted in significant losses. While the 2019/2020 season was cut short due to the first provincewide shutdown, overall ice rental hours were slightly higher in 2019/2020 with a 1.5% increase in rental hours and a 3.5% increase in revenue over the previous season.

In comparing the 2020/2021 season to the 2019/2020 season, only three ice pads are in operation (at the time of this report). To date, a total of 1,533 hours has been used, totalling \$286,639 in revenue. There is no guarantee that the remainder of the 2020/2021 will be completed. Using the requested hours for the remainder of the season provides some comparison to last season. If the remainder of the season is completed, total ice usage hours will be 2,968 with \$554,639 (based on current rates) collected in revenue. This is a decrease/loss in revenue of \$182,726 from last year's season (2019/2020). It should be noted that our regular/typical ice season concludes in March for Alder Red, TR 'A' and TR 'B' with Green rink remains in service until the first week in May.

If we add the ice revenue losses from all other rentals (adult rec etc) compared to previous year averages we would show an overall total revenue loss of \$357,726, i.e. \$182,726 for minor and \$175,000 for adult leagues and other rentals. Any further discounts or credits would be added to these revenue losses to date.

The following minor group rental scenario's are provided for Council's review and consideration:

### Rental Scenario 1 – Three Ice Pads at 50% Permit Fee Reduction

The current ice rental rate for minor sports groups is \$186.76 per hour. A 50% reduction in the ice rental rates as requested by OMHA, OGHA and Skate Canada Orangeville would be \$93.38 per hour.

**Figure 2** outlines the requested ice hours for the remainder of the 2020/2021 season per group if the Town continues to operate three ice pads with a revenue decrease of 50% or \$134,000.00.

**Figure 2**

Ice Revenue at 50% Permit Fee Reduction		
3 ice pads		Revenue decrease from requested hours
Tentative Hours Requested for 2021		
Hours	Rev.	
942	\$ 87,963.96	\$ (87,963.96)
396	\$ 36,978.48	\$ (36,978.48)
97	\$ 9,057.86	\$ (9,057.86)
1,435	\$ 134,000.30	\$ (134,000.30)
Requested 50% reduction of Ice Permit Fee @ \$93.38 per hour		

If a 50% reduction in user fees is approved the total revenue collected for the 2020/2021 season will be \$420,693 a decrease of 24% over the anticipated revenue of \$554,639 and a decrease of 45.95% over the 2019/2020 season.

### Rental Scenario 2 – Three Ice Pads at Non-Prime Rate for Permit Fee Reduction

The Recreation, Facilities and Parks User Rates and Fees policy/by-law currently does not have a rate of \$93.38 per hour. The non-prime rate of \$116.73 per hour is an approved rate under the bylaw. **Figure 3** provides an overview of user fees per group using a non-prime rate option. The revenue decrease/loss would be \$100,493.00 as compared to \$134,000.00 at the 50% reduction.

**Figure 3**

Ice Revenue at Non-Prime Permit Fee Rate		
3 ice pads		Revenue decrease from requested hours
Tentative Hours Requested for 2021		
Hours	Rev.	
942	\$ 109,959.66	\$ (65,968.26)
396	\$ 46,225.08	\$ (27,731.88)
97	\$ 11,322.81	\$ (6,792.91)
1,435	\$ 167,507.55	\$ (100,493.05)
Non-Prime Permit Fee @ \$116.73 per hour		

If the non-prime rate is approved the total revenue collected for the 2020/2021 season will be \$454,146 a decrease of 18% over the anticipated revenue of \$554,639 and a decrease of 38% over the 2019/2020 season.

### Rental Scenario 3 – Two Ice Pads at 50% Permit Fee Reduction

The proposed scenario 3 is based on considering ways to decrease operational expenses associated with maintaining ice vs dry floors and creating an opportunity to allow spring and summer groups to access dry floors while the ice season is extended into late May month.

If the Town decreases the number of available ice pads from three to two pads, a 30% reduction of ice time for each organization will be required. **Figure 4** outlines the hours and revenue for two ice pads at the 50% reduced hourly rate of \$93.38 per hour with an overall revenue decrease/loss of \$174,200.

**Figure 4**

Reduction from 3 Ice Pads to 2 Ice Pads			
30% Reduction in User Hours @\$93.38/hour @ 50% Reduced Permit Rate			
2 ice pads		Revenue decrease from requested hours	
Tentative Hours Requested for 2021			
Hours	Rev.		
659.4	\$ 61,574.77	\$ (114,353.15)	
277.2	\$ 25,884.94	\$ (48,072.02)	
67.9	\$ 6,340.50	\$ (11,775.22)	
1,005	\$ 93,800.21	\$ (174,200.39)	
Requested 50% reduction of Ice Permit Fee @ \$93.38 per hour			

If a 50% reduction in user fees is approved, and only two ice pads are in use, the total revenue collected for the 2020/2021 season will be \$380,439 a decrease of 31% over

the anticipated revenue of \$554,639 and a decrease of 48% over the 2019/2020 season.

#### Rental Scenario 4 – Two Ice Pads at Non-Prime Rate for Permit Fee Reduction

If ice time is offered at the non-prime rate of \$116.73 per hour there will be a decrease/loss of \$150,745.00 in revenue. See Figure 5 for overview.

**Figure 5**

Reduction from 3 Pads to 2 Pads			
30% Reduction in User Hours @\$116.73/hour @ Non-Prime Rate			
2 ice pads		Revenue decrease from requested hours	
Tentative Hours Requested for 2021			
Hours	Rev.		
659.4	\$ 76,971.76	\$ (98,956.16)	
277.2	\$ 32,357.56	\$ (41,599.40)	
67.9	\$ 7,925.97	\$ (10,189.75)	
1,005	\$ 117,255.29	\$ (150,745.31)	
Non-Prime Permit Fee @ \$116.73 per hour			

If the non-prime rate is approved, and only two ice pads are in use, the total revenue collected for the 2020/2021 season will be \$403,894 a decrease of 27% over the anticipated revenue of \$554,639 and a decrease of 45% over the 2019/2020 season.

This scenario from a staff perspective is considered optimal under the current realities in the sense that it provides a compromise on lowering fees to minor while staying within the current Rates and Fees policy by simply recognizing all ice hours to be non-prime time, due to the impact of COVID (lower ice participant capacity directives). Given that our regular season for ice ends on three pads in March and dry use is triggered in March and April (lacrosse season), an extension of two ice pads in Alder still allows us to bring dry surfaces on two pads in TR to allow a compromise for lacrosse and potentially other dry uses such as Farmers Market, indoor soccer and ball-hockey which results in the creation of more revenue generators from both our ice and dry sides while we accommodate the needs of ice users.

On average the making of an artificial ice surface (85x200) cost in the range of \$25,000 per month (refrigeration system cost) this does not include indirect overhead cost such as staff, janitorial cost etc. The extension of two surfaces at Alder for two months will have a direct additional cost estimated at \$100,000.

#### Balancing Fiscal Realities with Social Need

The fiscal responsibility of the Community Services Department is to deliver programs and services while understanding the capital and operational costs associated with individual facilities and services. In what is considered a normal business year we would ensure that facilities, services, and related fees are provided in a manner that is sustainable and are provided in an effective and efficient manner. The fiscal realities of the COVID 19 pandemic are clearly unprecedented (not normal) and continues to challenge all levels of government, business and the not for profit sector, including sport organizations.

The social need that is currently being driven by COVID 19 challenges all communities to balance cost recovery philosophical principles around accessibility, inclusivity and affordability with its fiscal responsibilities. The Town promotes and encourages community health and wellness, the reduction of barriers to participation and access to public recreation facilities and services. The Town also ensures that fees for facilities and services are fair and competitive to encourage maximum participation of all.

The recommendations of this report is based on an attempt to balance fiscal responsibility with social need while identifying a potential for compromise in a environment that is clearly without precedent.

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## **Strategic Alignment**

### **Orangeville Forward – Strategic Plan**

**Priority Area:** Municipal Services  
Strong Governance  
Community Stewardship

**Objective:** Respectful of cost and impact to the community  
Transparent and fair decision-making processes  
Active and healthy

### **Sustainable Neighbourhood Action Plan**

**Theme:** Social Well-being

**Strategy:** Providing accessible social and community program options that support health, wellness and learning.

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## **Notice Provisions**

N/A.

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## **Financial Impact**

### **Scenario 1 – Three Ice Pads at 50% Permit Fee Reduction**

If a 50% reduction in user fees is approved the total revenue collected for the 2020/2021 season will be **\$420,693** a decrease of 24% over the anticipated revenue of \$554,639 and a decrease of 45.95% over the 2019/2020 season.

### **Scenario 2 – Three Ice Pads at Non-Prime Rate for Permit Fee Reduction**

If the non-prime rate is approved the total revenue collected for the 2020/2021 season will be **\$454,146** a decrease of 18% over the anticipated revenue of \$554,639 and a decrease of 38% over the 2019/2020 season.

### **Scenario 3 – Two Ice Pads at 50% Permit Fee Reduction**

If a 50% reduction in user fees is approved, and only two ice pads are in use, the total revenue collected for the 2020/2021 season will be **\$380,439** a decrease of 31% over the anticipated revenue of \$554,639 and a decrease of 48% over the 2019/2020 season.

### **Scenario 4 – Two Ice Pads at Non-Prime Rate for Permit Fee Reduction**

If the non-prime rate is approved, and only two ice pads are in use, the total revenue collected for the 2020/2021 season will be **\$403,894** a decrease of 27% over the anticipated revenue of \$554,639 and a decrease of 45% over the 2019/2020 season.

Respectfully submitted

Raymond Osmond  
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**Attachment(s):** Not Applicable