



MEMORANDUM

To: Mayor and Members of Council

CC: Andy Taylor, CAO
Morgan Jones, Commissioner Community Services
Arvin Prasad, Commissioner Development Services
Trinela Cane, Commissioner Corporate Services

From: Mary Creighton, Director Recreation
Chris Rickett, Director of Economic Growth, Culture & Entrepreneurship
Alice Lam, Director Operations

Date: Tuesday, May 17, 2023

Re: **Amendment to Annual User Fees & Service Charges – Recreation, Culture and Operations**

RECOMMENDATION:

[Insert staff recommendation here - Paragraphs under recommendation should be numbered]

1. That the memorandum entitled Amendment to Annual User Fees & Service Charges – Recreation, Culture and Operations be received.

BACKGROUND:

The purpose of this memorandum is to provide Council background to the City of Markham's annual user fee increase.

The Recreation and Culture departments utilize user fees to deliver quality programs and services to our residents. User fees are increased within each department to offset increasing operating cost. Annually, decisions on user fees are reflected through the *General Fees By-law 2002*. The annual user fees bylaw, pending approval, takes into effect on September 1st of each year.

To determine the annual user fee increase, Recreation and Culture conducts an environmental scan to determine if user fee adjustments are necessary and increase them to reflect on current market conditions.

The following components influence user fees changes and are reviewed annually:

- Minimum Wage changes legislated by the Provincial government
 - Effective October 1, 2023 Minimum Wage Increase from \$15.50 to \$16.55
- Impact of CUPE/COLA settlements and/or CPI increase whichever is greater.
- Utility Charges – adjustments to reflect rate changes in electricity, natural gas and water.
- Credit Card Surcharge – Markham currently pays 2% for every credit card transaction.
- Other Department Adjustments based on increase to products and services.

The 2023-2024 user fees bylaw, which take effect on September 1, 2023, are included in the May 17 agenda for approval.

Staff completed its annual environmental scan and market condition analysis and recommends the following user fee increase for the 2023-2024 year:

Recreation - will require a 4.99% increase to user fees. This increase is to offset wage increases and other Recreation expenses (Assuming a \$24.6M worth of Budget based on eligible revenue).

Culture - will require an 8.08% increase in user fees. This is to offset wage increases and other Culture expenses. (Assuming a \$2.85M worth of Budget based on eligible revenue).

Impact to Users

The following are examples of how the 2023-2024 user fee impact the current cost of programs:

Activity	Current Rate (A)	Proposed 2023 Rate (B)	Increase (B) – (A)
Learn to Swim (Recreation)	\$130.97 for 12 weeks Or \$10.91 per class	\$137.50 for 12 weeks Or \$11.45 per class	\$6.53 for 12 weeks Or \$0.54 per class
Badminton Camp (Recreation)	\$210.05 per 5 days Or \$42.01 per day	\$220.53 per 5 days Or \$44.10 per day	\$10.48 per 5 days Or \$2.09 per day
Drop In Skate – Child (Recreation)	\$2.90 per drop-in	\$3.12 per drop-in	\$0.22 per drop-in
Draw and Design – Art Gallery (Recreation)	\$308 for 10 weeks of 2 hours class Or \$30.80 per 2 hours class	\$332.89 for 10 weeks of 2 hours class Or \$33.29 per 2 hours class	\$24.89 for 10 weeks of 2 hours class Or \$2.49 per 2 hours class
Intro to Acrylics (Varley Art Gallery)	\$336.00 for 8 weeks Or \$42.00 per class	\$363.00 for 8 weeks Or \$45.38 per class	\$27.00 for 8 weeks Or \$3.38 per class
Mini Machines Camp (Markham Museum)	\$376.00 per 5 days Or \$75.20 per day	\$406.00 per 5 days Or \$81.20 per day	\$30.00 per 5 days Or \$6 per day

Kinder Theatre Camp (Flato Markham Theatre)	\$319.00 per 5 days Or \$63.80 per day	\$345.00 per 5 days Or \$69.00 per day	\$26.00 per 5 days Or \$5.20 per day
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Operations – will require a 148% increase to fees related to supply and delivery of picnic tables for City events. This increase is to address current fees which have only increased 8% in the last 7 years and do not address cost recovery for resources required to perform this work. The following are the impacts to the cost of this service.

Picnic Table Delivery	Current Rate- Resident	Proposed 2023 Rate	Increase
Load of 8 tables with waste receptacles	\$78.11	\$191.62	\$113.51/load
Picnic Table Delivery	Current Rate-Non Resident	Proposed 2023 Rate	Increase
Load of 8 tables with waste receptacles	\$156.23	\$383.24	\$227.01