

## ***Background***

At the budget planning meeting held on June 20<sup>th</sup>, 2012 council reviewed the budget by service area in order to explore reductions, change in service levels, new revenue sources and further efficiencies. The committee worked in breakout sessions and brainstormed the following topics:

1. Service levels
2. Revenue Opportunities
3. Strategic use of Financial Resources

Staff received direction from council and based on that a review of services for efficiencies and effectiveness for Leisure Services; staff has completed a review of the following areas per the Finance and Admin report dated September 18, 2012:

- City run Summer camps (Camp Sudaca and Wassakwa) - “Why do we have 2”
- Cost of operating fitness centers – “Review Cost of Operating”
- City Owned Trailer Park Campgrounds – “Review, sell or breakeven”
- Off Season use Community Arenas – Rink floor – “Lacrosse and Roller blading”

## ***City-run Summer Camps***

### **Camp Wassakwa and Camp Sudaca**

Historically the City of Sudbury and the town of Walden both offered summer camp opportunities for children. This carried forward post amalgamation to City of Greater Sudbury.

Camp Wassakwa is located off Bass Lake on Municipal Road 4 in Walden, while camp Sudaca is located off East End of Lake Ramsey. They provide a day camp for children aged 5-14 years old, with activities that include fishing, canoeing, archery, sailing, crafts, kayaking, hiking, cooking and over night campouts as well as special events and includes transportation. As well a rookie and councilor-in-training program is also provided. Camp Sudaca is also rented out on weekends for special events, family gatherings, etc. by various community groups.

Camp Sudaca and Camp Wassakwa participants are provided the opportunity to enjoy the great Northern lifestyle in their own back yards. These two locations help children become aware and immersed in camping experiences at a young age and encourage them to be comfortable with our local environment in a fun and creative way. In a city with 330

lakes, children are exposed to almost every aquatic activity possible, further encouraging them to become comfortable and knowledgeable around local lakes and beaches.

Education regarding local wildlife, and recycling, as well as exposure to mountain biking and wall climbing are activities that cannot be found through any other local programs.

Many parents take advantage of more than one city summer program, often registering for Camp Sudaca and playground programs as well, in order to offer their children some variety.

Table 1: Comparison of Camp Sudaca and Wassakwa 2011-2012 –costs of program delivery only does not include maintenance or capital costs

	Sudaca		Wassakwa	
	2012	2011	2012	2011
# of weeks of operation annually	9	9	8	8
Weekly Fees	\$144	\$140	\$134	\$130
# of registrants	848	769	406	442
Revenue	\$132,639	\$106,381	\$54,818	\$56,624
Total Expenses	\$128,902	\$123,277	\$72,582	\$76,584
Impact to Levy surplus / (deficit)	\$3,737	-\$16,896	-\$17,764	-\$19,960
Program cost per registrant		\$21.97	\$43.75	\$45.16
Program Surplus per registrant	\$4.41			

As suggested in Table 1, there is a significant levy cost per participant for Camp Wassakwa program. In 2012, Camp Sudaca program generated a per participant surplus of \$4.41.

Of the total expenses noted above busing is a large cost for both programs, (Wassakwa - \$24,339, Sudaca - \$31,324). It should be noted though that the Camp Wassakwa busing cost is 77% of Camp Sudaca's; however, Wassakwa has approximately 50% fewer participants. This is due to the distance travelled to the camp location.

Both camps weekly fees of \$134-\$144, are either below or on par with the least expensive private sector alternative of local competitors (Bitobig, YMCA, Science North, licensed day care) whose fees ranged from \$145-\$200 per week. CGS was also at the low end of the scale with comparator municipalities that have fees of \$120-\$200 per week (Etobicoke, Thunder Bay, Kitchener-Waterloo, and Cambridge Mississauga).

In 2012 Camp Sudaca was in a surplus position of \$3737 with a trend of increasing enrollment, and camp Wassakwa generated a deficit of \$17,764 with a declining trend in enrollment.

## **Summer Neighborhood Playgrounds**

Other summer programs offered by the city include the summer neighborhood playground program which was also a past practices pre-amalgamation.

The youth summer playground program consists of the regular neighborhood playgrounds located at 25 various playground locations throughout the city, 4 of which are integrated playgrounds. This is augmented by 5 additional playgrounds offering French language programming. These programs operate from 8:30 am -4:30 pm for 8 weeks in the summer at a cost of \$200 for the summer with no restriction on the number of weeks they can be utilized for children aged 5-12 years old. These programs offer activities such as sports, crafts; games etc. in addition special events and field trips are scheduled during the week day. In 2011 the specialized program for children with special needs was contracted out to Child Care Resources (a nonprofit organization)

The neighborhood playground program was designed to be a local neighborhood drop-in program throughout the summer. It provides an opportunity for children to attend an organized activity, possibly close to their home, with their neighborhood friends. The program design and cost lend to a more affordable and less stringent attendance arrangement, where parents may choose to have the child attend everyday or only certain days of the week. This inclusive program also offers program in French at specific locations, as well as programs for children who may require integration due to specific special needs but with the ability to function in a mainstream program.

This program has been successful for many years, and meets the needs of many parents and children who are seeking a less onerous recreation opportunity.

Both the neighborhood playground program and the summer camp programs have been able to offer an opportunity for local youth for summer jobs, with federal and provincial grants available to help offset a portion of the staffing costs, approximately 15%-20% per year.

Table 2 provides a list of summer playground program locations.

**Table 2: Summer Playground Program Locations-2012**

<b>Regular Programming</b>	<b>French Language Programs</b>	<b>Special Needs Integrated Programs</b>
Adamsdale	Corpus-Christi	Ridgecrest
Algonquin	Cote Park	Delki Dozzi
Black Lake	Cyril Varney	Adamsdale
Capreol Millennium Centre	Elmview	Lo-Ellen
Carmichael C.C.	Ridgecrest	
Carol Richard Park		
Cote Park		
Delki Dozzi		
Diorite		
East End		
Falconbridge C.C.		
Garson C.C.		
Kinsmen Sports Complex		
Lively Library C.C.		
Lockerby High School		
Toe Blake Arena		
Twin Forks		
Westmount		
Whitewater Lake		
Wahnapiatae C.C.		

As part of the summer neighborhood playground review, the following provides committee with background information on registration fees, numbers of program participants, along with the operational costs to deliver the services.

	Year		2010-2012	
	2010	2011	2012 % of change	
Number or participants	944	946	934	-1.06%
Fee for 8 weeks	105	130	200	90.48%
Lunch	46	46	incl	32.45% if lunch included as part of basic fee
Revenue	\$143,778	\$162,873	\$209,389	45.63%
Expenses	\$369,427	\$384,856	\$415,312	12.42%
Provincial and federal grants	\$70,000	\$91,134	\$55,150	-21.21%
Net Cost of program	-\$155,649	-\$130,849	-\$150,773	-3.13%
Cost of program per registrant	-\$164.88	-\$138.32	-\$161.43	-2.10%

In summary, the revenues and expenses are as follows:

- Revenues have increased 45% to \$209,000 from 2010 to 2012
- Expenses have increased 12% to \$415,000 from 2010 to 2012
- Governments grants (federal and provincial which are for summer student hiring programs) have fluctuated from a high of \$92,000 in 2011 to a low of \$55,000 in 2012
- Overall impact to levy has remained relatively constant at \$150,000 to \$155,000 with a slight decrease in 2011 due to higher grants.
- Currently the city subsidy per participant averages approximately \$161 per participant

An alternative for parents to a playground type program would be daycare programs which cost an average \$160 per week or \$1280 for weeks compared to the playground program.

Other municipalities programs have a wide range of pricing and program offerings from free drop in programs with limited staff and limited hours to more structured programs. Weekly program rates and fees range from \$50 per week to \$125 per week for programs similar to those offered in Greater Sudbury whose fee works out to \$25 per week on average. Additionally, Etobicoke offers extended morning and afternoon hours for an additional fee.

Most municipalities that charge a fee are substantially higher than Sudbury and have some sort of assistance plan for disadvantaged families to enable participation. In 2012 CGS offered this through children's services at Camp Wassakwa and Sudaca. In 2012 40 children were subsidized for a total of 120 weeks' worth of camp experience, at an affordable rate for those families.

Over the past 3 years the rates for the playground program (including lunch time) has increased by 33% and enrollment is only down 1% and the impact to the levy is \$150,000 in 2012.

### ***Fitness Centres – "Cost of Operating"***

The leisure services department directly operates 5 fitness facilities located at:

1. Howard Armstrong Recreation Centre
2. Rayside Balfour Workout Centre
3. Dowling Leisure Centre
4. Falconbridge recreation Centre
5. Capreol Millenium Centre

Other than the Rayside Balfour facility, all of the centers are incorporated into a larger facility and are not just fitness centers. There are therefore costs associated with the cost centres which are not solely for the operation of the fitness centres. In an effort to identify the “*fitness centre only costs*”, estimates provided by staff as to percentage of costs related to “*fitness centre only activities*” were used.

As none of the centres specifically track just fitness centre use, but do track the sales of memberships, based on staff input, some estimates and assumptions were made in calculating the usage of the facility. For the purposes of the analysis it was assumed that members visited 10 times per month and, for the HARC general memberships which include use of the pool, it was assumed that 50% of members utilized the fitness centre. Overall the usage statistics are fairly stable with some degree of variation between the different centers. It was also noted that City facilities offer a number of membership options, including: day passes, 10 visit pass cards, 16 visit pass cards, monthly, 3 month 6 month 9 month and 12 month memberships.

In order to compare 2012 to 2011 a projection of expenses and revenues based on current year trends and past 3 year averages was used to project until the end of 2012. Overall the cost to the levy has seen a minor increase of 4.7% to \$376,342 in 2012. With the average cost per visit at \$2.39

**Table 3: Fitness Centre Comparisons 2011-2012**

% of total allocated	HARC		Falconbridge		Capreol		Dowling		Rayside	
	40%		75%		30%		65%		100%	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Expenses	\$432,729	\$417,984	\$159,703	\$152,552	\$57,012	\$54,288	\$144,320	\$140,875	\$179,252	\$173,618
Revenue	\$455,127	\$399,967	\$33,834	\$30,744	\$11,765	\$12,127	\$37,451	\$40,913	\$75,383	\$79,224
Impact to Levy Surplus (deficit)	\$22,398	-\$18,017	-\$125,869	-\$121,808	-\$45,247	-\$42,161	-\$106,869	-\$99,962	-\$103,869	-\$94,394

estimated days of use	116376	104961	10704	10704	4708	4329	7820	7591	22681	29879
per visit impact	\$0.19	-\$0.17	-\$11.76	-\$11.38	-\$9.61	-\$9.74	-\$13.67	-\$13.17	-\$4.58	-\$3.16

	2011	2012
Total Levy Impact	\$359,456	\$376,343
Estimated Days of Use	162,289	157,465
Levy impact per visit	\$2.21	\$2.39
Revenue as % of expenses	63%	60%

Fitness centers which are not located universally through out the city are currently impacting the levy by over \$375,000 per year and other than the HARC overall usage of the facility appear to be less than optimized.

City of Greater Sudbury does lease out space to 6<sup>th</sup> fitness centre at a subsidized cost, McClelland community hall. The lease is \$300 per month including HST and the city of Greater Sudbury covers the utility costs.

### ***Trailer Parks***

The City of Greater Sudbury provides, through operating agreements, three seasonal trailer parks (campgrounds): Ella Lake Park in Capreol, Whitewater Lake Park in Azilda and Centennial Park in Whitefish. The responsibility for the parks was assumed by CGS at amalgamation from the former area municipalities

### **Changes to Operating Season**

In the spring of 2012, a review of the operating season for city owned seasonal trailer parks occurred to allow entry to the park prior to the official opening of the season.

To meet the requests of the park users, the “shoulder seasons” of the municipally owned trailer parks were extended. The extension allows for access to the park starting the second weekend in May (weekends only) and daily, commencing Victoria Day weekend. At the end of the season, the parks would remain open for an additional week (7 days), closing on the third Sunday of September of each year. This would provide for approximately 18 extra days of access in each camping season.

Trailer parks which require a subsidy

Whitewater	2012 Estimated actual	2011 actuals
Expenses	\$ 72,758	\$ 71,068
Revenue	\$ 33,554	\$ 23,268
impact to levy	-\$ 39,204	-\$ 47,800

Ella lake

Expenses	\$ 24,323	\$ 23,849
Revenue	\$ 18,407	\$ 14,254
impact to levy	-\$ 5,916	-\$ 9,595

Trailer park which generates a surplus

## Centennial

Expenses	\$ 33,612	\$ 44,061
Revenue	\$ 70,980	\$ 49,242
impact to levy	\$ 37,368	\$ 5,181

Total budget impact	-\$	7,752	-\$	52,215
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## Rates

Based on the council direction, May 28, 2012, the changes to the rates now being charged for seasonal trailer parks were increased to be more in line with the provincially operated parks and the private sector. With the increase in fees as well as more operating days have improved the overall operations of the trailer parks from a deficit of \$52,000 to a projected deficit of \$7,700 in 2012. This improvement would have been even greater except for a large expenditure at Whitewater beach due to erosion which had created a significant hazard to citizens that was required to be repaired for safety purposes.

## Additional Considerations

Currently all 3 trailer park sites are managed by contractors, the cost of which is included as part of the total expenses. They are responsible to manage / maintain the day to day operations of the trailer parks and in addition the contractor is responsible to maintain the entire parks facility such as beaches, buildings, boat launching site, parking, etc. and that no revenue is generated by the day users of the park.

There are costs that are associated with maintaining the parks regular day use for citizens. A calculation was done based on known expenses and estimates of work that would remain to determine the total cost of operating the parks, net of the trailer park operations. It was



estimated that 65% of expenses for Whitewater Park would remain and Ella Lake and Centennial Parks would retain 30% of overall expenses. In applying these percentages, it is estimated that the sites now operating as trailer parks, would incur expenses of approximately \$65,000 to \$70,000 per year in total , with no offsetting revenue to help pay for maintenance. Therefore the city's cost to operate these 3 parks as trailer parks is below the cost to operate them as day parks.

### ***Off Season use of Community Arenas – “Lacrosse and Roller Blading”***

The City has endeavored to increase the off season use of the facilities with the summer staff already employed. Lacrosse, roller derby , special events such as the annual dog show at the Toe Blake Arena, mineral show at Carmichael arena are some of the events as well as some filming of movies which are utilizing the facilities. In the past 3 years the off season revenue from the arenas has generated a consistent amount of \$56,000. However the use by the lacrosse association has decreased by 19.5% in hours and 14.3% in fees.

All arenas are available to be used in the summer months, except for Countryside and Ray Plourde whose ice goes in early to facilitate hockey schools and is part of the ice rentals.

Currently some arena personnel move to the Parks department after the ice season and many of the staff are not available during the spring/summer as they use their Vacation/Lieu times.