

MINUTES OF THE COMMITTEE OF THE WHOLE MEETING
HELD MARCH 12, 2013

Present: Mayor D. Richards, Councillors D. Bachman, A. Campbell, M. Fischer, P. Simons, & L. Thorogood

CAO R. Stoutenberg
Assistant CAO G. Switenky
Director of Parks & Leisure Services L. Penner

Absent: Councillor S. Wildeboer

Call to Order: Mayor D. Richards called the meeting to order at approximately 4:30 p.m.

1. Agenda Additions/Deletions

None

2. Agenda Approval

Moved by Councillor Bachman that the agenda be approved as presented.

MOTION CARRIED
Unanimous

3. Delegation - 4:30 P.M. – Director of Parks & Leisure Services, Lee Penner re: Stettler Recreation Centre Rental Rates/Policies

Director of Parks & Leisure Services L. Penner entered the meeting at 4:30 p.m.

Mayor D. Richards welcomed L. Penner to the meeting.

Director of Parks & Leisure Services L. Penner identified that it is time for Committee/Council to review Policies associated with setting recreation user rates for various facilities.

CAO R. Stoutenberg highlighted that today's presentation is designed to educate Committee/Council on the administrative assumptions used in interpreting Council's recreation Policies. He stated that based on mutual feedback and input, these relevant rate setting Policies will be amended and brought back to Council at a later date.

Assistant CAO G. Switenky explained that Policy X-1(d) together with the incorporated rate Schedules is the guide that Administration uses in the setting of the fees being charged to users at the SRC. The Policy contains a Philosophy of Facilities statement as follows:

The Town of Stettler will subsidize the use of facilities by minors. Adult users will pay for 100% of facility and program costs. This user pay system has provided excellent facilities available to Stettler Town and County users at reasonable rates.

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Earlier in 2012 Council reviewed minor youth funding principles and determined to maintain the subsidy for these groups at 50% of the adult rate, where applicable.

He stated that as we know the SRC is a jewel in our community and continues to welcome and support more "Everyday type" patrons each year. In addition to ice users and swimmers, there are many other regular users supporting other pursuits within the facility like: fitness, meeting rooms, Library, the shared centre mall with concession/washrooms, non-ice seasonal sports like lacrosse, Roller Derby, soccer and soon groups of seniors will have a greater presence.

The Memorandum highlights that the real challenge is in allocating an appropriate and fair amount of the combined facility costs to each user group, and accepting a level of costs that should be the responsibility of general taxation.

Generally the ice is installed for approximately 6 months of the year, with the remaining 6 months becoming increasingly busy in the facility as well. Based on the variety of multiple uses, the facility has two types of user rates: cost recovery (ice) and market competitive (pool, meeting rooms, fitness, library etc).

Other recreation fees associated with sports fields for the ball (Policy X-1(e)(vii)) & soccer (Policy X-1(g)) associations have similar cost sharing (recovery verses market) challenges; as these fields are available to more than just the current users being charged. As an example: it is not Minor Soccer's fault that there is no adult league in Stettler to help support annual field costs.

The Town receives \$128,000 per year (2010 – 2019) from the County of Stettler for recreation funding and has the discretion to determine where and how these funds are to be allocated for rate setting purposes. The following is a formula that Administration accepts as reasonable:

	2013 Budgeted Core Expenses	% of Total	Revised Allocation of County funding	Prior Allocation
Recreation Centre	\$664,520	55.7%	\$71,320	\$73,000
Pool	\$461,630	38.7%	\$49,550	\$55,000
Ball Diamonds	\$25,060	2.1%	\$2,690	0
Soccer Fields	\$30,760	2.6%	\$3,300	0
Park Events	\$10,610	0.9%	\$1,140	0
Total	\$1,192,580	100%	\$128,000	

It was questioned whether the County had a say in how their contribution was to be allocated. CAO R. Stoutenberg answered that the IDP MOU states that the County will simply provide \$128,000 for recreation cost sharing. The County provides other basic recreation funding contributions for halls, ball diamonds and rinks (ice & curling) throughout the area, and does not appear to tie any funding specifically to youth.

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Director of Parks & Leisure Services L. Penner proceeded with reviewing various proposed increases in the "Market Competitive" based rate schedules as follows:

- Schedules "A & B" relating to pool uses.
- Schedule "C" relating to meeting rooms
- Schedule "E" relating to advertising opportunities
- Schedule "F" relating to storage rentals
- Schedule "G" relating to fitness

Discussion ensued regarding various minor rate increases, within the context of being locally competitive for the premium facilities the Town provides.

Director of Parks & Leisure Services L. Penner explained that in the case of the aquatic facility/pools, we have no nearby competition but must always be mindful of setting pass rates too high; thereby running the risk of losing customers to other forms of lower cost recreation. In the case of the fitness centre we are a little higher priced because our rates include the dual benefit of using both the gym & the pools.

It was noted that given the competition in the local fitness market, it was better to be a little higher priced, allowing local fitness providers a price advantage on fitness/gym services alone.

Discussion continued regarding the rationale and fairness involved in the determination of storage rates, advertising opportunities and meeting room rentals.

Assistant CAO G. Switenky continued with reviewing various proposed increases to the "Cost Recovery" based rate schedules as follows:

- Schedule "D" relating to arenas for ice uses
- Schedule "D" relating to arenas for non-ice uses
- Schedule "A" relating to ball diamonds
- Schedule "A" relating to soccer fields

He explained that the rate setting (cost recovery) philosophy/intention is sound in the Policies. However there are a substantial amount of facility costs that are not included in the current (user group) cost recovery calculations; given that the general tax base is (and should be) responsible for some. The amount or percentage of the costs that are borne by the general tax base thereby reduces the overall amount that user groups are responsible for within the recovery calculation.

Committee Members mutually supported and agreed that given the "Mall Like" nature and the seasonality differences in uses of the SRC, the general tax base should be responsible for an appropriate share of overall facility's annual operating costs. Alternative percentages of tax base support were identified with an approximate 65%/35% split range being considered appropriate for the 2013/14 season under current circumstances. It was noted that at this percentage the ice rate for the fall of 2013 will be: adult uses up \$5 to \$125 per hour, and youth up \$2.50 to \$62.50 per hour.

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Councillor Simons informed Committee that he has an important School Board commitment and therefore departed the meeting at approximately 5:30 pm. Of note regarding the next item on the agenda, he stated, prior to his departure that he supported some degree of moratorium for increases to hall rates respecting renters that have already booked.

Discussion continued regarding Ball Diamond and Soccer Field cost recovery rates. It was accepted that a 60%/40% cost split was appropriate respecting support from the tax base; representing general public availability and use. It was further agreed that from the remaining 60% of the annual costs that are to be borne by the user groups, 60% will be considered in the youth rate calculation and 40% in the adult rate calculations.

Mayor Richards concluded that Committee Members mutually support and agree that the Town's recreation policies remain philosophically sound and that minor youth organizations continue to receive 50% subsidization from adult rates.

It was noted that the Parks & Leisure Services Department believes cost recovery rates for adult ice rentals are currently at or near what the market will accept without losing teams/revenue.

CAO R. Stoutenberg advised that Administration will revise recreation rate policy schedules accordingly based on the input and direction from Committee. These policies will be brought back to Council at a later date for further consideration and approval.

4. Discussion re: Policy X-1(e)(vi) – Community Hall Rental Rates

Director of Parks & Leisure Services L. Penner advised that the Mayor, Councillors, CAO and his department have received numerous calls from negatively impacted renters who had already made bookings prior to the rates being amended. At this time Administration has not considered it administratively acceptable to "Grandfather" any former rates for future bookings.

It was noted that upon approval of the new rates (Policy) at the February 19th Council Meeting, it had been clarified that the new rates would take effect immediately provided reasonable notice, and that all future bookings would be notified of the increases. It was also noted that before the new rates were implemented the projected 2013 Community Hall operating deficit was approximately \$54,000 per year (2012: \$51,000).

Discussion ensued regarding the financial impact upon a typical renter/event. Based on recent feedback received, it was noted by Committee Members that most renters do not disagree that the rate increases are justified. Rather they are upset that given the timing of their event, they have no alternative to cancel and rebook somewhere else.

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Discussion continued regarding both the contractual and implied nature of our "Booking" documentation. Administration identified that there are roughly 50 or 60 events booked over the following 3 years; a breakdown by year was not available.

Discussion further continued regarding whether events that had been booked prior to the Policy being amended should be "Grandfathered" at the former rates. It was suggested that at a minimum the former rates should be held for those events already booked for 2013. For fairness and consistency purposes Administration advised that the revenues gained or lost from all events booked prior to the amended Policy, regardless of year, are relatively acceptable under the circumstances.

Mayor Richards with the mutual consent of Committee Members present clarified that the Community Hall Rental Rates Policy X-1(e)(vi) be interpreted by Administration to "Grandfather at former rates" all bookings at the Community Hall that have been initiated (both in writing or verbally as the case may be) prior to the Policy being amended on February 19th, 2013. It was also clarified and agreed that the new rates would apply to all "New" bookings occurring after the date of the Policy amendment.

Discussion continued regarding the newly approved hall rental fees. The Policy as amended identifies a special 3 day rate for Weddings. It was firstly questioned whether this rate should be expanded to include any type of rental event requiring 3 or more days. It was acknowledged that there is greater facility wear and tear on a full 3 day rental event than there is on a 3 day wedding (where only one night is intensely utilized). Secondly it was questioned whether there should be a 2 day special rental rate as well. Administration did not support a 2 day rate based on traditional usage patterns.

It was concluded that Administration will review the administrative intention and broad interpretation of the wedding specific rates in the policy, and will bring forward further clarification amendments if considered necessary.

Mayor Richards thanked L. Penner for attending the meeting and providing valuable input into the discussions.

L. Penner departed the meeting at approximately 6:10 p.m.

5. Memo re: Council Compensation

CAO R. Stoutenberg advised that Council previously directed that an internal compensation comparison review be done for Elected Officials prior to the fall elections.

To assist Council with the review, documents have been gathered from the survey jointly completed by the AAMD&C and AUMA. We have noted comparable Stettler numbers on both reports. The first review presented compares 10 similar rural municipalities and the second review compares all 69 municipalities in the 2,500 - 10,000 population range.

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Another factor to consider is that the next Council term will be for four years. Other municipalities have decided to undertake a review on a more frequent basis or to tie an annual Council remuneration increases to a commonly used bench mark such as CPI, the increase in Average Weekly Earnings, or the rate given to CUPE/Administration.

Roundtable discussion ensued on various comparative statistics.

This item was presented for information purposes at this time. It will be brought back to Council for a decision at a later date; prior to the 2013 Nomination Day.

6. Correspondence

None

7. Additions

None

8. Adjournment

Moved by Councillor Campbell that the Committee of Whole Meeting be adjourned.

MOTION CARRIED
Unanimous at 6:35 p.m.

Mayor

Assistant CAO