

## Appendix C: Facility Revenue and Cost Recovery

Consistent with the Guiding Principles and Pricing Objectives previously adopted by Council in report *2008-2010 Leisure Services Fees & Charges: Guiding Principles & Pricing Objectives*, recommended fees and charges have been developed to enable as many residents as possible to participate in leisure activities of their choice, while responsibly balancing the subsidization of such services through tax revenues with the customer's obligation to pay for services that they directly benefit from. A benefits-based approach had been used to create this balance.

The benefits-based approach recognizes that the role of the municipality is to provide a base level of service that enables the majority of citizens to participate in a range of leisure services; however, those who benefit from a particular City service are expected to pay for that service according to the level of value or benefit received. Specifically, this approach suggests that when the community benefits from an individual's use of a program or services (i.e., services provided to children or youth), all citizens should pay for the program or service through higher levels of subsidization. When an individual benefits from the use of a program or service (i.e., advanced levels of instruction or programs and services that are targeted for adults), individuals should pay through user fees.

To reflect this approach, cost recovery levels for services that are less specialized and targeted mostly at children and youth – including outdoor pools, athletic fields, and neighbourhood centres – have lower cost recovery levels, with the community as a whole sharing a greater percentage of the cost through municipal taxes. Cost recovery levels for services that are more specialized – such as fitness and aquatic facilities, arenas and the Neil Balkwill Civic Arts Centre – are higher, with the community as a whole subsidizing a lesser percentage of the cost through municipal taxes.

TABLE 1: Revenue 2016-2021

Facility or Service Area	2017	2018	2019	2020	2021	2019/2016 % Change*
Indoor Fitness & Aquatics	\$3,662,755	\$3,621,279	\$3,736,834	\$1,752,905	\$2,008,955	+2.0%
Neil Balkwill	\$179,385	\$154,049	\$162,605	\$80,365	\$104,263	-10.3%
Athletic Fields	\$375,040	\$401,642	\$401,546	\$110,299	\$233,957	+6.6%
Outdoor Pools*	\$207,028	\$147,178	\$136,398**	\$(131.23)	\$105,218	-51.8%
Neighbourhood Centres	\$176,269	\$175,812	\$161,139	\$49,702	\$50,980	-9.4%
Indoor Arenas	\$1,560,268	\$1,557,336	\$1,618,030	\$977,154	\$1,063,753	+3.6%
Golf Courses	\$2,945,457	\$2,735,410	\$3,022,413	\$3,426,080	\$4,109,905	+2.5%
Total	\$9,106,202	\$8,792,706	\$9,238,965	\$6,396,374	\$7,677,031	+1.4%

\*% change numbers do not reflect 2020 and 2021 due to the large impact COVID – 19 had on facility revenues and expenses.

\*\*2019 Outdoor Pool season did not include Maple Leaf, which reopened in 2021, and was the last season to include Wascana, which was free. Cost recovery fluctuates year to year as the operation is weather dependant.

Revenues across City of Regina recreational facilities have declined over the past six years. While a large part of the decline is due to the COVID-19 pandemic, there was a pre-pandemic decline across several facilities, with the exception of indoor arenas and athletic fields, which saw a slight increase in revenue. Golf courses saw a large increase in revenue, due to the COVID-19 travel restrictions in place throughout 2020 and 2021 which increased usage. Over the past decade, Regina has seen a very significant increase in the number of competitors in the gym and arts programming market; fifteen years ago, there were very few fitness providers outside of the City of Regina, the University of Regina, and the YMCA, and almost no private art studios. While Administration has been responsive to this change by continuously refreshing programming, more competition has led to a decrease in gym and art facility usage.

TABLE 2: Cost Recovery Levels (corporate overhead included)

Facility or Service Area	2017	2018	2019
<b>Indoor Fitness &amp; Aquatics</b>	41.8%	40.1%	43.8%
<b>Neil Balkwill</b>	37.5%	32.6%	34.5%
<b>Athletic Fields</b>	16.3%	16.5%	16.1%
<b>Outdoor Pools</b>	15.9%	11.4%	11.4%
<b>Neighbourhood Centres</b>	15.0%	17.4%	14.5%
<b>Indoor Arenas</b>	58.0%	51.8%	55.2%
<b>Golf Courses</b>	100%	100%	100%

Cost recovery levels tend to fluctuate slightly year-to-year due to several factors. Outdoor facility cost recovery tends to fluctuate based on the weather; which impacts the length of season, available booking hours, and costs to operate and maintain. Additionally, cost recovery levels include facilities costs for maintenance; therefore, facilities will experience higher costs in some years when compared to others depending on the level of maintenance required.