

# CITY OF SASKATOON COUNCIL POLICY

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| <b>NUMBER</b> |
| C03-030       |

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| <b>POLICY TITLE</b><br><i>Recreation Facilities – Rental Fees</i>  | <b>ADOPTED BY:</b><br><i>City Council</i> | <b>EFFECTIVE DATE</b><br><i>December 3, 1990</i> |
|  |   | <b>UPDATED TO</b><br><i>May 28, 2012</i>         |
| <b>ORIGIN/AUTHORITY</b><br><i>Planning and Development Committee Reports No. 44-1990, 47-1990, 12-1993 and 11-1995; Planning and Operations Committee Reports No. 10-1995 and 4-1996; Administration and Finance Committee Reports No. 17-2001 and 4-2003; Audit Committee Report No. 7-2004; Executive Committee Report No. 5-2006; and Planning and Operations Committee Report No. 9-2012</i> | <b>CITY FILE NO.</b><br><i>CK. 1720-3</i> | <b>PAGE NUMBER</b><br><i>1 of 8</i>              |

## 1. PURPOSE

To establish an equitable method of recovering costs associated with the provision of the City's leisure facilities under the jurisdiction of the Community Services Department from users of those facilities. The objectives of this policy are:

- a) to ensure that those who benefit from using leisure facilities pay a fair and equitable share of the cost of such service;
- b) to ensure consistency in the rental fees charged at all leisure facilities that provide the same or similar service to customers;
- c) to encourage customers to utilize leisure facilities; and
- d) to ensure that the City's rental fees do not discourage the provision of leisure facilities by outside organizations.

## 2. DEFINITIONS

- 2.1 Activity Area - is a definable space, which customers can rent to carry out a specific activity. An activity area may facilitate a variety of activities (e.g. a meeting room which can be used for meetings, socials, classes, etc.) or may be limited to only one type of activity (e.g. ball fields).
- 2.2 Additional Rental Cost – all out-of-pocket costs associated with a rental. Examples of such costs include staff costs outside of regular work hours, security costs, extra tables and chairs, extra garbage pick-up, etc.

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- 2.3 Capital Costs – shall mean capital costs that are not financed through municipal taxation or grants from senior governments and external agencies (e.g. productivity improvement loans).
- 2.4 Charge Sportsfields – Sportsfields (soccer/football pitches, ball diamonds, field hockey/lacrosse fields) located in district, multi-district, and special use parks designed to accommodate local, provincial, national, and international programs and events.
- 2.5 Customer – shall mean an individual, a user group, an outside organization/association, or the Community Services Department.
- 2.6 Fair Market Value – the commercial value of comparable leasable space within Saskatoon.
- 2.7 Grouped Activity Spaces – when a customer rents the following definable grouped spaces at the Harry Bailey Aquatic Centre, Saskatoon Field House or Shaw Centre:
- a) Harry Bailey Aquatic Centre
    - Group A - Competitive Pool and Meeting Room
    - Group B - Full Building (Group A plus Leisure Pool)
  - b) Saskatoon Field House
    - Group A - Main Field Area (track, infield, warm-up areas)
    - Group B - Full Building (Group A plus Meeting Rooms & Fitness-dance area)
  - c) Shaw Centre
    - Group A - Competitive Pool and Meeting Room
    - Group B - Competitive Pool, Warm Up Pool, and Meeting Room
    - Group C - Competitive Pool, Warm Up Pool, Meeting Room, and Multi-Purpose Room.

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- 2.8 Maximum Per Diem Rental Rate – shall be based on the average rental revenue per day for grouped activity spaces at Harry Bailey Aquatic Centre, Saskatoon Field House and Shaw Centre as calculated annually by the General Manager, Community Services Department.
- 2.9 Recoverable Costs – shall include all common costs associated with operation of a facility. Common operating costs are as follows:
- a) Indoor Leisure Centres
    - i) Staffing and payroll costs (customer service, supervisors, recreation workers, building supervisors, preventative maintenance staff, building operators, and janitors);
    - ii) Administration (uniforms, car allowance, courier, training, telephone, insurance, security, office supply and photocopy, banking costs);
    - iii) Preventative Maintenance Program, all direct and indirect Facilities Branch, Infrastructure Services Department costs for operations, maintenance and project services;
    - iv) Utilities (water, sewer, gas, electrical);
    - v) Grounds maintenance for Saskatoon Field House;
    - vi) Equipment repairs and purchase, contribution to the Leisure Services reserve for major equipment replacement; and
    - vii) Financing costs (interest and principle on loans for major capital equipment purchases, major renovations).
  - b) Indoor Arenas Rental Program (excluding costs associated with public skating program)
    - i) Staffing and payroll costs (rink attendants, supervisors, booking staff, preventative maintenance staff);
    - ii) Administration costs (payroll costs, uniforms, travel, telephone, insurance, training, office supplies);
    - iii) Preventative Maintenance Program and Building Reserve;
    - iv) Utilities (water, sewer, gas, electrical);
    - v) General maintenance (cleaning supplies, garbage collection, and goal netting) and contribution to reserve for major equipment replacement reserve;

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- vi) Equipment maintenance (scoreboard, ice-resurfacers, public address system); and
  - vii) Financing costs (interest and principle on loans for major capital equipment purchases, major renovations, energy efficiency capital projects).
- c) Sportsfields (only to include costs for services above the basic service level provided to all City of Saskatoon sportsfields and parks)
- i) Staffing and payroll costs (booking staff);
  - ii) Additional Turf Maintenance (irrigation and fertilizing, cutting and aeration of turf, and top dressing);
  - iii) Additional Field Maintenance (dragging of infields, painting of lines); and
  - iv) Additional General Maintenance (pest and litter control).
- 2.10 Rental Category – refers to a grouping of activity areas that provides the same or similar service. Such activity areas may be found in more than one facility.
- 2.11 Rental Rate – is the rental charge established for each rental category expressed in terms of a definitive unit (i.e. per hour, per game, or per day).

### 3. POLICY

#### 3.1 Scope

This policy applies to the following facilities under the jurisdiction of the Community Services Department:

Harry Bailey Aquatic Centre  
Lakewood Civic Centre  
Cosmo Civic Centre  
Saskatoon Field House

Shaw Centre  
Lawson Civic Centre  
Charge Sportsfields  
Indoor Rink Rental Program

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## 3.2 Cost Recovery Objectives

Rental rates are set to recover the cost-recovery objectives established by City Council, as follows:

- a) The combined cost-recovery objective for the City's six indoor leisure centers is 70 percent of the recoverable costs (with the recoverable costs assigned to the Harry Bailey Aquatic Centre adjusted to 70 percent of total recoverable costs). Consideration will be given to fair market value and the impact such fees would have on comparable private sector services.
- b) Indoor Rink Rental Program rates are set to recover 100 percent of recoverable costs.
- c) Charge Sportsfields rates are set to recover 100 percent of recoverable costs above the basic service level (i.e. those costs to provide incremental services associated with maintaining and servicing charge-for-use sportsfields in district, multi-district and special use parks).

## 3.3 Rental Rates

- a) Rental rates will be adjusted periodically to reasonably reflect a fair market value.
  - i) When experience shows that rate adjustments are required to achieve parity with the market and to reflect a level playing field, rates will be set to maximize revenue.
- b) Rental rates will be established for each rental category at all facilities and will be applied uniformly to facilities covered by this policy.
- c) Off-season hourly rental rates for indoor arenas will be increased to achieve 100 percent cost recovery. A maximum per diem rental rate will be achieved based on restricting the rental rate when a value equal to the average daily rental revenue per day is achieved.

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## 3.4 Application of Rental Rates

- a) Rental rates will be charged to all customers utilizing facilities covered by this policy.
- b) Rental rates will not be waived under any circumstances. Assistance to any customer will be referred to City Council for approval and funding through an appropriate subsidy program (e.g. Youth Sports Subsidy Program).
- c) All additional rental costs associated with a rental will be recovered from the customer.
- d) Rental rates for each rental category will be charged on an hourly or per-game basis, except in the following specific circumstances:
  - i) Customers that rent the Harry Bailey Aquatic Centre, Saskatoon Field House or Shaw Centre for events will be charged a maximum per diem rental rate for grouped activity spaces when customers rent the grouped activity spaces for more than nine (9) consecutive hours in a day.
  - ii) Activity area leases negotiated by the Community Services Department must be approved by City Council.
  - iii) Customers that rent charge sportsfields will be charged as follows:
    - For tournament play, customers will be charged a per diem rate equal to four (4) times the game rate established for the field.
    - For league play, to compensate customers for game cancellations due to rainouts, every 12<sup>th</sup> game is booked at no charge.
  - iv) Consideration is given to a reduced rental rate if opportunities exist to increase rental revenue during low demand times as approved by the Community Services Department General Manager.

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- v) When current or prospective customers request special considerations be included as part of their rental contract, the Community Services Department may negotiate, with the customer, the terms, conditions, and rental rates for the requested activity space providing:
- There is no adverse effect to the net financial position of the rental operation approved by City Council in the most recent Operating Estimates.
  - Consideration is given to fair and equitable treatment of all users in similar situations.
  - Terms and Conditions must be approved by the General Manager of the Community Services Department.

## 4. RESPONSIBILITIES

### 4.1 Community Services Department

- a) Prepare an annual report to review achievement of cost-recovery objectives and proposed changes to rental rates.
- b) Negotiate lease agreements and recommend to City Council, through the Planning and Operations Committee, the terms and conditions of lease agreements for approval.
- c) Administer the provisions of this policy and propose recommendations for change.

### 4.2 Planning and Operations Committee

- a) Review rental rate changes and cost recovery objectives, and make appropriate recommendations to City Council.
- b) Review terms and conditions of lease agreements and make recommendations to City Council.

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#### 4.3 City Council

- a) Approve changes to rental rates and cost-recovery objectives.
- b) Review terms and conditions of lease agreements provided for under this policy.
- c) Approve any amendments to this policy, where appropriate.