



# Chapter 5

## Recreation & Parks Full Cost of Service and Current Cost - Revenue Impacts



## 5. Recreation & Parks Full Cost of Service and Current Cost-Revenue Impacts

Figure 5-1 documents the Town's annual costs of providing recreation and parks services by cost component. The annual costs reflect the organizational direct, indirect and capital costs associated with providing current service levels. The total costs of service are \$22.5 million. These costs include \$11.2 million in budgeted recreation and parks department costs which are net of \$472,000 funded through grants and transfers from reserves and \$790,000 considered outside the scope of this fee review (e.g. non-recreation and parks Civic Centre costs and Acton Library costs). Parks maintenance costs of \$1.3 million, indirect Town department support costs of \$3.9 million and capital replacement costs of \$6.2 million have also been included.

Figure 5-1  
Full Costs of Service (\$22.5 million)

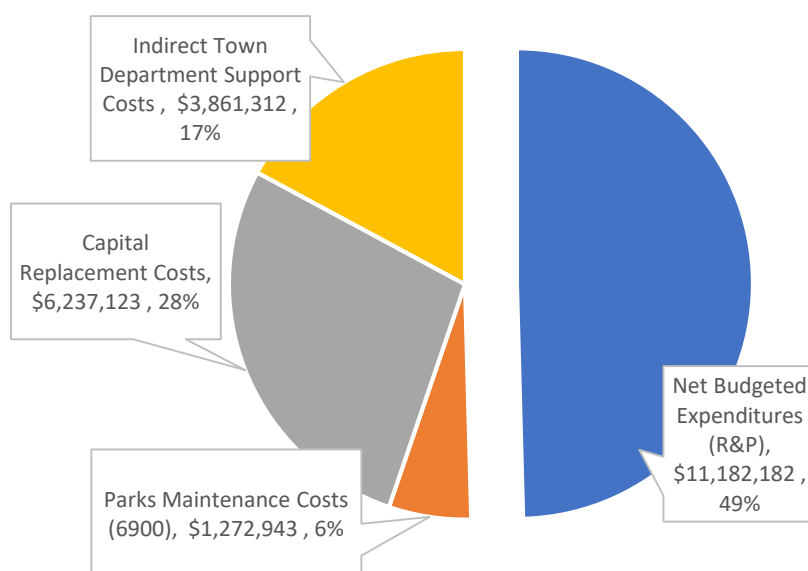


Table 5-1 presents the full cost of service by service category and cost component (i.e. program, operating & maintenance (O&M), capital, and long-term debt). Annual capital lifecycle replacement costs have been reduced to account for long-term debt payments already included in the Town's budget so that total capital costs (i.e. capital replacement costs and long-term debt payments) are equal to the annual capital lifecycle replacement costs of the recreation and parks assets.



Table 5-1  
Full Cost of Service (2019\$)

Description	Annual Costs				
	Program	O&M	Capital	Long-Term Debt	Total
Aquatic Instructions	881,535	842,684	220,725	-	1,944,944
Camp Programs	596,068	92,452	21,638	9,171	719,329
Fitness Classes	305,510	137,574	36,092	146	479,321
Health and Wellness Classes	182,559	12,179	1,016	-	195,755
Leadership and Certification Courses	270,176	84,267	26,472	69	380,985
Recreational Drop-In	260,900	952,889	244,185	90,484	1,548,459
Sports Instructions	338,629	197,861	54,138	529	591,157
Misc. Programs	1,566,486				1,566,486
Facilities and Sports Fields	-	9,594,667	4,512,310	1,020,146	15,127,123
<b>Subtotal</b>	<b>4,401,864</b>	<b>11,914,573</b>	<b>5,116,577</b>	<b>1,120,546</b>	<b>22,553,559</b>

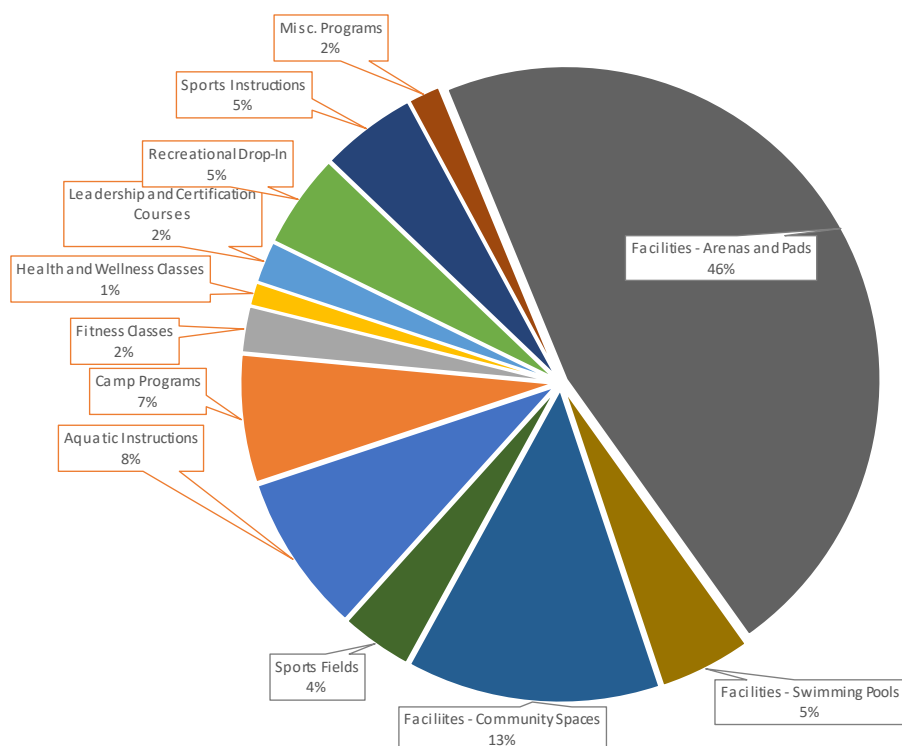
As shown in Table 5-1, the greatest share of annual costs is related to providing facilities and sports fields at \$15.1 million (67% of total costs). These facility and sports fields costs exclude \$3.0 that has been allocated to the costs of programs that are provided through those facilities.

## 5.1 Current Recreation and Parks Revenues

The Town's current budgeted revenue, net of grants and recoveries and including budgeted parks and sports fields revenue (\$184,000) is \$5.3 million. As shown in Figure 5-2, 68% of this revenue is related to facility, parks, and sports fields rentals, while 32% is from program revenue.



Figure 5-2  
Budgeted Recreation & Parks Revenue (\$5.3 million)



## 5.2 Current Cost-Revenue Impacts

Summarized in Table 5-2 and included in Table 5-3 in further detail is the current cost recovery based on the current budgeted revenue as presented in Figure 5-2 and the full costs assessment.

- Current fees are recovering 24% of the full cost of service, indicating that 76% or \$17.2 million is being funded from other sources (e.g. property taxes)
- The full cost of service includes \$5.1 million in capital replacement costs that are not currently included in the Town's annual budget. Assessing the level of cost recovery, excluding these unfunded capital costs, improves the level of annual cost recovery to 30%.



- Considering only the budgeted costs of service included in the Town's recreation and parks budget (\$11.2 million) and parks maintenance costs of \$1.3 million, would further improve the calculated cost recovery to 39%.

Table 5-2  
Budgeted Cost Recovery

Description	Full Cost of Service	Less Unfunded Capital Costs (\$5.1 million)	Less Unfunded Capital Costs & Indirect Costs (\$9.0 million)
Annual Costs	\$22,553,559	\$17,436,982	\$13,575,671
Budgeted Revenue - Current Fees	\$5,315,937	\$5,315,937	\$5,315,937
Cost Recovery %	24%	30%	39%



Table 5-3  
Detailed Cost-Revenue Impacts

Description	Annual Costs					Budgeted Revenue			Budgeted Revenue Cost Recovery
	Program	O&M	Capital	Long-Term Debt	Total	Program/ Service	Misc. R&P Revenue	Total Revenue	
Aquatic Instructions	881,535	842,684	220,725	-	1,944,944	407,524	29,062	436,586	22%
Camp Programs	596,068	92,452	21,638	9,171	719,329	327,900	23,384	351,284	49%
Fitness Classes	305,510	137,574	36,092	146	479,321	118,637	8,460	127,097	27%
Health and Wellness Classes	182,559	12,179	1,016	-	195,755	60,523	4,316	64,839	33%
Leadership and Certification Courses	270,176	84,267	26,472	69	380,985	107,121	7,639	114,760	30%
Recreational Drop-In	260,900	952,889	244,185	90,484	1,548,459	243,400	17,358	260,758	17%
Sports Instructions	338,629	197,861	54,138	529	591,157	246,796	17,600	264,396	45%
Misc. Programs	1,566,486				1,566,486	82,500	5,883	88,383	6%
Facilities and Sports Fields	-	9,594,667	4,512,310	1,020,146	15,127,123	3,367,672	240,162	3,607,834	24%
<b>Subtotal</b>	<b>4,401,864</b>	<b>11,914,573</b>	<b>5,116,577</b>	<b>1,120,546</b>	<b>22,553,559</b>	<b>4,962,072</b>	<b>353,865</b>	<b>5,315,937</b>	<b>24%</b>