



REPORT TO

CORPORATE AFFAIRS, STRATEGIC PLANNING AND PROPERTY COMMITTEE

B.R. 05 PERMIT POLICY - REVISED PERMIT RATES AND FEE STRUCTURE

"The rich and the poor have a common bond, the Lord is the maker of them all". Proverbs 22:2

Created, Draft	First Tabling	Review
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RECOMMENDATION REPORT		

Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity.



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A. EXECUTIVE SUMMARY

The Board encourages and promotes the use of Toronto Catholic District School Board (TCDSB) school facilities, and issues permits to organizations who require space for a variety of community activities and functions. The Board's current permit rates have not been revised since 2008, and the permitting of facilities is based on a per-use fee structure, which is inconsistent with how coterminous school boards charge for community use of schools.

While the number of permits issued continues to increase annually, the funding received from the Ministry of Education to subsidize the Community Use of Schools has remained unchanged. Furthermore, the costs associated with the permitting of TCDSB facilities, including labour, maintenance, renewal, and utilities, continue to rise.

In order to fully recover the costs associated with permitting TCDSB facilities, this report recommends that the Board approve amending Policy B.R.05 Permits by adopting the revised Permit Rates fee schedule as outlined in *Appendix 'A'*. The new rates have been calculated to account for the impact of permit activities on the operations and maintenance of Board assets.

The new permit structure is based on a per-hour fee, similar to other school boards in the Greater Toronto Area, and the proposed rates are currently lower than the fees charged by the Toronto District School Board (TDSB) for the community use of its facilities by an average of 12%. The proposed rate increases is the initial step of a three-year phasing to align the TCDSB rates with those of the TDSB.

B. BACKGROUND

1. On February 13, 2014, the Board considered the report regarding 'B.R.05 Permit Policy Revision, and approved the recommendation below:

"That the Board of Trustees approves the revised policy B.R.05 Permits in Appendix B and the Operational Procedures in Appendix C, and that Appendix E be brought back to Board at the appropriate time."

Appendix E refers to the Permit Rates component of the Policy.

2. At a Special Board meeting held on April 7, 2015, the Board of Trustees approved the following resolution:

“That staff proceed with drafting a new permit rate for external organizations seeking to use our school spaces with a projected increase in revenue of \$500,000.”

3. The TCDSB currently charges a per-use fee for the permitting of school facility space, which does not reflect the cost impacts of longer duration permits. This permit fee structure is inconsistent with the practices of coterminous schools boards in the Greater Toronto Area, including the TDSB, who charge hourly fees.
4. TCDSB permits for the Community Use of Schools are divided into three categories.
 - **Category A:** Permits are provided at no charge to Catholic religious services or instructions, celebrations of the Eucharist, and education activities approved by the Director of Education.
 - **Category B:** Permits are provided at a reduced rate to Not-for-Profit organizations funded by the Ministry of Education and other registered charitable organizations. Scouts, Guide, and Air Cadets receive a heavily subsidized rate.
 - **Category C:** All other user groups, including adult groups and organizations of commercial enterprise, are charged the full permit rates.
5. Between 2005 and 2009, the Ministry of Education introduced grants to allow not-for-profit organizations to use Board facilities at reduced rates. The annual Ministry funding grants which subsidize the Community Use of Schools are outlined below.

Ministry of Education Funding Grants

Program	Funding Allocation
CUS - Community Use of Schools	\$1,300,000
PSI - Priority Schools Initiative (23 schools)	\$782,000

Total per year:	\$2,082,000
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- **Community Use of Schools:** In 2005, the Ministry of Education introduced funding to decrease rates to make school spaces more affordable to the surrounding community, and increase access after-hours to both indoor and outdoor school facilities.
- **Priority Schools Initiative** – Introduced in 2009, this program provides free after-hours access to Board facilities for not-for-profit organizations in Priority Neighbourhoods.

This funding has helped to reduce the costs of permitting TCDSB facilities. The current rates do not cover the full costs of permits.

6. Since the implementation of the Ministry funding grants outlined above, average annual permit bookings have increased over 54%, with a 99% increase in total permitted hours. The table on the following page shows the increased number of permit occurrences, hours, and participants since the implementation of these Ministry initiatives.

Customer Group	2005-06			2013-14			Percent Increase		
	Occurrences	Hours	Participants	Occurrences	Hours	Participants	Occurrences	Hours	Participants
School	15,048	61,244.5	807,969	15,846	68,786.5	954,095	5.303	12.3146	18.0856
CSAC	28	83.5	2,505	53	167.0	1,795	89.29	100	-28.3433
Parks & Recreation	211	1,832.5	11,346	2,586	11,329.0	117,468	1125.59	518.2265	935.3252
Not-For-Profit	16,778	71,403.0	766,117	20,115	97,026.5	963,829	19.8891	35.885	25.807
Commercial	18,503	153,091.0	333,382	39,365	397,160.5	668,738	112.7493	159.4277	100.5921
Total	50,568	287,655	1,921,319	77,965	574,470	2,705,925	54.18	99.71	40.84

Notes:

1. Table above does not include every Customer Group. The Customer Group omissions are as follows; Catholic Mass, Catechism Classes, Continuing Education, Parish Activities, Catholic Religious Act, Non Catholic Services, Service Organization, Community Groups, TCDSB-Other Departments, Scouts, Guides, Air Cadets, TCDSB-Staff Arts, Elections, Movie Shoots.
2. Number of permits includes approved and cancelled.

7. The combination of the increased number of permit bookings and the fixed Ministry funding amount has resulted in grants depleting sooner, reducing the amount of funding available to address increasing operational and maintenance costs.

8. The table below presents a preliminary revenues versus costs analysis for permits from the 2013-2014 fiscal year. With respect to costs, the direct labour refers to the overtime and benefits accrued by custodial staff as result of permitting activity. Both the overhead (charges to the maintenance and operations envelope), and renewal amounts represent a percentage of these costs which can be attributed to permits.

Revenue	
Ministry Grants	\$ 2,082,000.00
Permit Revenue	\$ 1,800,000.00
Total	\$ 3,882,000.00
Costs	
Direct Labour Costs	\$ 3,286,053.00
Administration	\$ 452,402.00
Overheads (Maintenance/Operations)	\$ 2,694,002.00
Renewal	\$ 450,000.00
Total	\$ 6,882,457.00
Net Operating Surplus/(Deficit)	\$ (3,000,457.00)

Notes:

Assumptions made with respect to overhead (3% of M & O costs) and renewal costs (3% of renewal revenue) as actual costs not reasonably available.

- During the 2013-2014 fiscal year, while the combined revenue generated from permits was approximately \$3.8 million, the costs associated with these activities was roughly \$6.8 million, resulting in a \$3 million deficit.
 - The most significant costs are the roughly \$3.2 million in overtime and benefits paid to caretakers as a result of permits, as well as approximately \$2.6 million associated with maintenance and operations, which includes utilities and consumables.
9. The significant deficit associated with permit activities has required the Board to allocate funding from other budget envelopes in order to subsidize the community use of schools. As such, it is imperative that the Board revise its permit fee schedule in order to directly recover the costs attributed to permitting school space.

C. EVIDENCE/RESEARCH/ANALYSIS

1. TCDSB has not revised its Permit rates since 2008, while coterminous school boards have all revised their rates during this time period. In addition, the City of Toronto Parks, Forestry, and Recreation department have adopted a method to automatically raise permit fees by 3% every year to account for inflation.
2. As part of the rate revisions, staff assessed the permit fees charged for facility use by coterminous school boards. Due to the geographical influence of City of Toronto supply and demand with respect to available space, permit rate revisions were compared to TDSB permit rates.
3. In order to fully recover the costs associated with permitting TCDSB school facilities and fields, staff are proposing changing the permit fee structure to a per-hour rate format, similar to the TDSB. The table below shows the difference between the current per-use structure and the proposed hourly fees, as well as a comparison to TDSB's current permit rates for **Category B (not-for-profit)**.

Space Type	Current TCDSB Per-Use Structure	Proposed TCDSB Per-Hour Rate Structure	Current TDSB Per-Hour Rate Structure ^{*5}	Difference (\$/HR)	% Difference	% Change
Classroom	\$2	\$5	\$5.26	\$0.26	5.07%	5.2%
Cafeteria	\$50	\$40	\$53.96*	\$13.96	29.71%	34.9%
Single Gym*	\$10	\$15	\$17.55	\$2.55	15.67%	17%
Double Gym*	\$20	\$30	\$35.10	\$5.10	15.67%	17%
Fields	\$12	\$12	\$14.92	\$2.92	21.69%	24.33%
Theatre/Auditorium	\$250	\$70	\$66.21	-\$3.79	-5.56%	-5.41%
Swimming Pools	\$50	\$90	\$93.80	\$3.80	4.13%	4.22%
				\$24.80	12.34%	13.89%

Notes:

1. All rates are hourly and subject to HST.
2. Calculations apply only to School Day Monday to Friday excluding holidays, 6pm-10pm for Category B TCDSB and Category (ii) for TDSB.
4. Single Gym counts as a Gym with 2,000 sqft and Double Gym counts as a Gym with 4,000 or more sqft.
5. TDSB rates reflect the fee category (ii) Partial subsidy outlined in the TDSB Facility Permit Fee
6. Percentage difference equals the absolute value of the change in value, divided by the average of the 2 numbers, then multiplied by 100.

While the proposed permit rates represent an increase over the current fees, they are consistent with TDSB's fee schedule, and remain lower than TDSB rates by an average of 12%.

5. When TCDSB facilities are not utilized by not-for-profit organizations, commercial organizations and entities such as film production companies, dance schools, as well as private summer camps, and sports clubs use school space at the full permit rate. In the 2013-14 fiscal year, approximately \$1,163,402 was received from commercial organization (Category C) permit holders. These commercial entity permits account for the majority of the revenue generated from Community Use of Schools permits.
6. The scenario table below provides the estimated cost recovery of a per-hour rate structure charged to Category B and C permits when compared to the current per-use rate structure. Current and proposed revenues were calculated using total hours and total occurrences for the 2013-14 fiscal year in the Elyxir TCDSB Permit Software reports summary.

Space Type	Category B Permits			Category C Permits		
	Current Per-Use	Proposed Per-Hour	Estimated Increase	Current Per-Use	Proposed Per-Hour	Estimated Increase
Classroom	\$112,720	\$1,587,815	\$1,475,095	\$170,960	\$860,347.50	\$689,387.50
Cafeteria	\$85,100	\$367,080	\$281,980	\$69,100	\$366,160	\$297,060
Single Gym* ²	\$24,650	\$156,637.50	\$131,987.50	\$36,750	\$170,580	\$133,830
Double Gym* ²	\$45,640	\$295,605	\$249,965	\$73,050	\$339,090	\$266,040
Fields* ²	\$35,676	\$138,294	\$102,618	\$23,765	\$108,832.50	\$85,067.50
Theatre/Auditorium	\$194,750	\$314,090	\$119,340	\$40,500	\$105,250	\$64,750
Swimming Pools	\$4,600	\$32,625	\$28,025	\$15,000	\$49,050	\$34,050

Notes:

1. Comparison applies only to Not-for-Profit (Category B) and commercial/private organizations (Category C) Permits. Scouts, Guides, and Air Cadet Category B1 per-hour fees were omitted from the analysis.
2. Elyxir report summaries cannot split Space types by size of room therefore estimated increase for Single and Double Gyms count the same amount of total permit hours and total occurrences.
3. Number of permits includes approved and cancelled.

7. The estimated increase in permit receipts of \$3,959,196 associated with the new proposed hourly fees outlined in *Appendix 'A'* is the initial step in ensuring that the Board can recover the full costs of permitting school facilities. Over the next two years, additional rates increases will be phased in with the purpose of ensuring that TCDSB permit rates are at par with the TDSB. The three-year timeline is consistent with the Board's Multi-Year Recovery Plan strategy.
8. Moreover, the new permit fees also include a charge for parking to defray the expenditure associated with the upkeep of Board parking facilities. The parking surcharge will be applied at the time the permit is issued, with the charge based on a flat fee per person per permit occurrence.
9. In order to ensure that permit rates continue to recover the expenses associated with the community use of facilities, staff are also proposing a further provision for an administrative review of permit fees to alter the rates in order to account for increasing costs related to increases in utility rates and inflationary pressures.
10. It is important to note that the amount of funding subsidies associated with the use of school space by not-for-profit organizations (Category B) is dependent on Ministry funding grants. As such, staff are in the process of analysing the overall impact of the revised fee schedule on the subsidies provided to space permitted by these groups, and will bring back a further report on this matter.
11. Furthermore, the Community Use of Schools department does not charge permit fees for the following activities:
 - All school activities (ie CSAC meetings and plays)
 - Meetings/functions held by other TCDSB departments
 - Catholic Masses
 - Catechism Classes
 - City of Toronto programs (part of Exchange of Services Agreement)
 - City of Toronto Community meetings
 - Continuing Education, International Language, and Adult ESL classes
 - Staff Arts

As outlined in *Appendix 'B'*, in 2013-2014, approximately \$600,000 in permit fees were not recovered from these activities.

12. The proposed permit rates represent a substantial increase from the current fee structure, which is necessary to ensure that the TCDSB is able to recover the significant labour, maintenance, and operation costs created by the community use of schools.

D. IMPLEMENTATION, STRATEGIC COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT PLAN

1. The Community Use of Schools (CUS) department recommends that new hourly fees take effect prior to the summer of 2016, and be applied to all permits issued at that point.
2. Upon approval of the new fee schedule and an upgrade of the e-permits application at a one-time cost of \$5,000 plus HST, the Communications department and the CUS department will post the permit fee schedule on the TCDSB website and Portal prior to implementation. Principals, Program Coordinators and current Permit holders will also be notified via email of the new permit fee schedule.
3. All major permit holders with summer permits have been notified about the proposed increase to permit rates. Further meetings and presentations can be held to advise applicants of the new rate structure.

E. STAFF RECOMMENDATION

That the Board amend Policy B.R.05 Permits by approving the revised Permit Rates outlined in *Appendix 'A'* of this report.