



Staff Report

Community Services – Recreation Facilities Services

Report To: COW- Admin, Corp and Finance, SI, Comm. Services
Meeting Date: November 17, 2025
Report Number: CS.25.039
Title: Follow-up Subsidy Policy
Prepared by: Aaron McMullen,
Manager of Recreation Facilities and Building Maintenance

A. Recommendations

THAT Council receive Staff Report CS.25.039, entitled “Follow-up Subsidy Policy”;

AND THAT Council approve Option 2 – Removal of the subsidy percentage and implementation of a fixed baseline hourly rate for youth sport activities as the preferred approach to improve operational efficiency, ensure consistency across municipal facilities, and provide clearer, more transparent pricing for all users.

AND THAT Council direct staff to include the following within the draft subsidy policy under the Rate Setting section “Rate setting for youth sport will be based on a fixed baseline hourly rate with an annual review through the fees and charges bylaw of the annual Municipal budget process.”

AND THAT Council approves the attached subsidy policy with the inclusion of Option 2 from the analysis.

B. Overview

During the 2025 budget process, particularly during the Fees and Charges presentation to Council, discussions regarding user group subsidies arose. Consequently, Council directed staff to formalize the subsidy process by developing a corporate subsidy policy.

At the Committee of the Whole meeting on June 9th, 2025. Staff provided council with Staff Report [CS.25.031](#) entitled “Draft Subsidy Policy Report” for the purpose of Council direction regarding a definition for the age of youth, criteria for delegated authority and exclusion list. During discussion within the presentation, Council directed staff to report back with a draft policy including the following resolution:

“THAT Council receive Staff Report CS.25.031, entitled “Draft Subsidy Policy Report”;

AND THAT Council confirms the age of youth as aged 19 or under;

AND THAT Council direct staff to provide more description regarding the following sections and any associated lists currently included under: Grant vs Subsidy, Delegated Authority, Annual review of, Communication & Outreach, and Exclusions to ensure that there are no duplication or potential for misunderstanding to provide accountability and transparency to those seeking subsidies under the Municipal Subsidy Policy;

AND THAT Council direct staff to utilize the application process currently used the Grants and Donation Committee;

AND THAT Council confirms the exclusions list as referenced in the report, and with "Adults being aged 20 and over";

AND THAT Council direct staff to review the draft policy with impacted groups;

AND THAT Council direct staff to consult with the public by providing an engagement opportunity;

AND THAT that Council direct staff to bring a review of the Fees and Charges for Youth at Tomahawk to the Budget Working Group, for inclusion in the 2026 Budget process, for consideration”

C. Background

The Town of The Blue Mountains serves as a recreational hub for both community members and visitors of all ages. Historically, consistent with industry standards in recreation, youth have traditionally been the primary beneficiaries of Council-approved subsidies.

In 2014, after the Alcohol and Gaming Commission of Ontario adjusted its rules and regulations, the Beaver Valley Community Centre saw a decline in its appeal for hosting alcohol-related events. This downturn in facility rentals motivated staff to devise innovative strategies for increasing rental revenue, rebranding the facility as a multi-purpose venue emphasizing healthy and active living while still offering space for special events. To attract groups and programs, the Centre introduced a 1-year, 30% program subsidy intended to help programs establish themselves. However, the subsidy persisted during budget deliberations, diverging from its original intent as a temporary measure.

Given the numerous subsidies available for both youth and adults, accompanied by yearly requests to Council for fee relief or additional subsidies, Council instructed staff to formulate a corporate subsidy policy to ensure consistency and accountability to the community's taxpayers.

During the process of compiling information and feedback from Council, staff looked at the following areas with assistance through the Southwestern Ontario Recreation Facilities Association and our neighboring communities:

- Defining youth
- Adult subsidization and avenues for support

- Delegated authority defining historical precedent
- Include a Facility Subsidy Request Application Form (also included a decision-making matrix)
- Provide an annual summary of all approved subsidies including number of groups, total value, and financial impact on facility revenues
- Policy Review Cycle
- And exclusions

Staff found that most municipalities do not provide subsidies directly to adults and adult programs and provide subsidies to only youth sports organizations and associations within their municipality. This is inclusive of our neighbouring communities. Below is a chart that shows the neighbouring communities and provided subsidies:

Municipality	Youth Subsidy Offered	Adult Subsidy
Town of Collingwood	Reduced Rate - No subsidy	Not Offered
Municipality of Meaford	Yes - 45% off prime rates	Not offered
Municipality of Grey Highlands	Yes - 25% off prime rates	Not Offered
Municipality of West Grey	Yes - 25% off prime rates	Not Offered

D. Analysis

The following section outlines two potential approaches for managing youth sport subsidy rates at municipal facilities. Each option has been evaluated based on its financial implications, operational efficiency, and alignment with the Town’s goals of maintaining affordability and ensuring transparent, consistent fee structures.

Option #1 – Maintain Status Quo with Existing Youth Subsidy Percentages

The current youth and municipally operated subsidy percentages would remain unchanged, as outlined below:

Facility	User Group	Subsidy Percentage
Beaver Valley Community Centre	Youth Sport	45%
Beaver Valley Community Centre	Municipal Programs (Parent and Tot and Gamble Walking Group)	100%
Tomahawk Golf	Youth 19 and Under	100%
Moreau Park - Baseball	Youth Sport	30%
Tomahawk Soccer	Youth Sport	30%

Note: The subsidized rates are reflected in the 2026 Municipal Budget Fees and Charges

The following table provides an example of how maintaining the status quo would impact rates over time, assuming an annual 1.7% increase (consistent with the 2026 CPI). The example below uses youth hockey:

Year	Principal Rate	Subsidy Percentage	Subsidy Value	New Youth Hourly Rate
2026	\$165.00	45%	\$ 74.25	\$ 90.72
2027	167.81	45%	\$ 75.51	\$ 92.30
2028	170.66	45%	\$ 76.79	\$ 93.87
2029	173.56	45%	\$ 78.10	\$ 95.46

Under this option, the subsidy percentage for youth hockey and skating remains unchanged.

Option #2 – Remove the Subsidy Percentage and Establish a Fixed Baseline Hourly Rate

Under this approach, the existing subsidy percentage would be removed, and the hourly rate for youth sports would be baselined to the current hourly rate (calculated as: hourly prime rate × subsidy percentage – subsidy = current hourly rate).

Staff recommend Option 2 as a more effective operational approach for the following reasons:

Improved accuracy and reporting:

By removing the variable subsidy percentage, staff can set and manage fixed hourly rates directly within the new booking software. This simplifies the fee structure, eliminates the need for manual subsidy calculations, and allows for accurate and timely reporting across all facilities. The ability to generate consistent subsidy and rental reports will improve financial tracking and transparency.

Alignment with fee structure practices:

In the 2025 Budget, staff proposed a \$18.00 per hour rental rate for pickleball courts. This represented the approved 2024 rate (which previously included a 10% subsidy). Instead of continuing the subsidy, staff applied the reduced rate directly. Adopting a similar approach for youth sports promotes greater consistency in fee setting.

With the removal of subsidy percentages, the table below shows how a fixed baseline hourly rate with annual increases to fees equates. The example below uses youth hockey:

Year	Fixed Baseline Hourly Rate	Annual Increase	update hourly rate
2026	No increase to fees proposed		
2027	90.72	1.70%	92.26
2028	92.26	1.70%	93.83
2029	93.83	1.70%	95.42

After reviewing both options, staff recommend proceeding with Option 2 – Removing the subsidy percentage and establishing a fixed baseline hourly rate for youth sport activities.

This approach provides several key advantages:

Consistency Across Facilities and Programs:

Establishing a clear, baseline rate structure ensures greater consistency in how fees are applied to youth sport rentals and other municipal programs. This approach aligns with practices adopted in the 2025 budget (e.g., pickleball rental rate adjustments), supporting a more standardized and equitable fee model across all recreation services.

Financial Clarity for User Groups:

Fixed rates are easier for user groups to understand and budget for, reducing confusion over percentage-based subsidies while maintaining affordability for youth programming.

Staff feel that if Council approves the recommendation of Option #2, Council can direct staff to include the following to the draft subsidy policy:

Rate Setting:

Rate setting for youth sport will be based on a fixed baseline hourly rate with an annual review through the fees and charges bylaw of the annual Municipal budget process.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None at this time.

G. Financial Impacts

Staff anticipate that the financial impact to the municipality will be minimal, while the benefits to youth user groups and sport associations will be significant. Establishing fixed baseline hourly rates provides greater financial predictability and stability, allowing organizations to plan and budget confidently from year to year without concern over potential fluctuations in subsidy percentages. Applying modest annual adjustments tied to the Consumer Price Index (CPI) is a more sustainable and transparent approach than facing larger, unexpected changes to subsidy levels. This method supports long-term affordability while maintaining consistency within the Town's overall fee structure.

H. In Consultation With

Ryan Gibbons, Director of Community Services

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Aaron McMullen, Manager of Recreation Facilities and Building Maintenance amcmullen@thebluemountains.ca.

J. Attached

1. Draft Subsidy Policy
2. Facility Subsidy Request Form
3. Decision Making Matrix

Respectfully submitted,

Aaron McMullen
Manager of Recreation Facilities and Building Maintenance

For more information, please contact:
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Report Approval Details

Document Title:	CS.25.039 Follow-up Subsidy Policy.docx
Attachments:	- Att-1-Draft-Subsidy-Policy.pdf - Att-2-Facility-Subsidy-Request-Form.pdf - Att-3-Decision-Making-Matrix.pdf
Final Approval Date:	Nov 7, 2025

This report and all of its attachments were approved and signed as outlined below:

Aaron McMullen - Nov 6, 2025 - 8:10 PM

Ryan Gibbons - Nov 7, 2025 - 9:06 AM