

# ***Staff Report***

Community Services Department



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**REPORT TO:** Community and Infrastructure Services Committee

**DATE OF MEETING:** June 16, 2025

**SUBMITTED BY:** Bob Cheyne, Director, Sport Division

**PREPARED BY:** Christine Baker, Manager, Customer Experience and Solutions

**WARD(S) INVOLVED:** All

**DATE OF REPORT:** June 6, 2025

**REPORT NO.:** CSD-2025-250

**SUBJECT:** Kitchener Indoor Recreation Complex (KIRC) Operating Model

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## **RECOMMENDATION:**

**That the service-focused operating model (staffing and financials) outlined in CSD-2025-250 be approved for the Kitchener Indoor Recreation Complex (KIRC) to ensure the facility is able to meet the City's growing recreation needs, attract major tournament and events and, provide a positive experience for the facility users; and**

**That the anticipated operating impacts of the KIRC operating model (staffing and financials) be incorporated into the 2026 and 2027 budgets.**

## **REPORT HIGHLIGHTS:**

- Currently under construction and anticipated to open in 2026, the Kitchener Indoor Recreation Complex (KIRC) will be the premier indoor recreation facility in Waterloo region and one of the best indoor turf facilities in Ontario. The facility will include a FIFA-sized indoor turf, a world-class aquatic centre with two pools, a quad gymnasium, two cricket practice nets, a walking track and several multi-purpose rooms.
- This multi-sport facility has been thoughtfully designed to meet the increasingly diverse sport and recreation needs of Kitchener residents, balancing competitive sport opportunities with affordable, community-based programming.
- The facility will be open to the public seven days a week, from 7 a.m. to midnight.
- The City is committed to ensuring a positive user experience and is proposing an operating model that will ensure KIRC is welcoming, clean, safe and easy to navigate.
- The proposed staffing model is focused on providing a positive user experiences, allows flexibility to adapt to peak usage times, and includes dedicated expertise in planning and hosting major tournaments and events that will benefit the local business community.
- The staffing model is built on three connected teams working together and supported by experts from other areas of the organization, to ensure a positive user experience.
- A provision was made for the operating costs of KIRC through the budget planning process and the proposed operating budget for the facility aligns with original estimates.

\*\*\* This information is available in accessible formats upon request. \*\*\*

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- The financial model shows that there will be no direct impact on existing taxpayers as the costs of the facility will be fully covered by user fees and anticipated assessment growth, which is expected to be sufficient to cover not only KIRC operating impacts in 2026 and 2027, but also address other known operating budget growth related pressures

## **BACKGROUND:**

In recent years City Council approved construction of the Kitchener Indoor Recreation Complex (KIRC) which includes the following amenities:

- An indoor turf that is divisible into four individual fields
- An aquatic centre featuring an 8-lane competitive pool and a large leisure pool
- A quad gymnasium
- Two cricket practice nets
- An elevated walking track

As the City's first net-zero carbon building, this facility exemplifies innovative, sustainable design and a commitment to a greener future. Set to open in the third quarter of 2026, KIRC is expected to attract more than 570,000 annual visits, including an estimated 100,000 event-related visits from out-of-town coaches, event officials and spectators in its first full year of operation.

A first of its kind for the City, the KIRC's diverse amenities make it unlike any other City facility in terms of operation and staffing. While most City facilities generally offer a single amenity (e.g., arena, pool, community centre), the KIRC's offerings require a unique and complex staffing model to support a seamless integration of multiple amenities in one facility – while ensuring users enjoy a positive experience in the facility.

## **REPORT:**

The KIRC operating model is generally made up of two major components – the staffing model and the annual operating budget.

In order to develop the recommended staffing model, staff undertook the following activities:

	<b>Action taken</b>	<b>Key takeaways</b>
1	Reviewed staffing models at City of Kitchener facilities including pools, arenas, and community centres with a focus on the most comparable facilities - The Kitchener Memorial Auditorium and Breithaupt Community Centre.	Identified City best practices, specifically as it related to coordination between service areas to support facility maintenance and operations.
2	Reviewed staffing models at similar facilities from 7 municipalities, including facilities in Brantford, London, Markham, Mississauga, Thunder Bay, Vaughan, and Waterloo. The analysis included reviewing organizational charts, job descriptions, and interviews with facility management.	Provided significant insight into the management of complex multi-sport recreation facilities using either centralized or de-centralized models.

3	Interviewed 12 City staff currently involved in the operation of existing City of Kitchener facilities to understand staffing needs for sport and program delivery, maintenance and facilities management.	These conversations underscored the importance of coordination between teams responsible for programming and amenity changeovers/set-up.  Provided valuable insights into customer service staffing requirements based on amenity and peak usage at other City facilities.
4	Developed a strategy and estimated schedule for all amenities to assist in identifying peak hours (see graphic below) and the associated staffing needs to support expected programming, rentals and events.	Was critical in determining the staffing levels required to serve customers and support the efficient set-up and take-down of programming spaces to accommodate various activities at peak and off-peak facility usage times.
5	Developed guiding principles to help steer staffing decisions and ensure that the proposed staffing model supported the overall vision for the facility. See staffing guiding principles below.	Ensured alignment to a singular vision for staffing when discussing roles, responsibilities, requirements, etc. This included stakeholders from teams across the organization involved in staffing and/or supporting the KIRC operations.

### Facility Usage Mapping:

The facility is expected to be open to the public from 7 a.m. to midnight, seven days a week, with the possibility of extended morning hours to support seasonal training.

In order to determine appropriate staffing levels, staff reviewed usage of similar facilities and leveraged the City's anticipated programming strategy to identify amenity and overall facility usage throughout the day. Based on this analysis, staff anticipate that the facility will be busiest from 4 p.m. to 10 p.m. on weekdays, and from 9 a.m. to 4 p.m. on weekends.

Below is an example of the analysis of facility usage by amenity where 1=light usage, 2=moderate usage, 3=peak usage and X= no significant usage expected.

M-F school year	5 a.m.	6 a.m.	7 a.m.	8 a.m.	9 a.m.	10 a.m.	11 a.m.	no on	1 p.m.	2 p.m.	3 p.m.	4 p.m.	5 p.m.	6 p.m.	7 p.m.	8 p.m.	9 p.m.	10 p.m.	11 p.m.
<b>Facility total</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>7</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>17</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>16</b>	<b>12</b>	<b>9</b>	<b>8</b>
Turf	X	X	1	1	1	1	1	1	1	1	2	2	3	3	3	3	3	2	1
Cricket	X	X	1	1	1	1	1	1	1	1	2	2	3	3	3	3	3	3	3
Gym	X	X	X	1	2	2	2	2	2	1	1	3	3	3	3	3	3	3	3
Pool	1	1	1	1	2	2	2	1	1	1	1	3	3	3	3	2	1	X	X
Multi-purpose rooms	X	X	X	2	2	2	2	1	1	1	1	1	2	2	1	1	1	X	X
Walking track	X	X	1	1	1	1	1	1	1	1	1	3	3	3	3	1	1	1	1
Viewing galleries (custodial)	X	X	X	X	1	1	1	1	1	1	1	3	3	3	3	3	X	X	X

### KIRC Staffing Guiding Principles

As noted above, as part of the process of developing the KIRC staffing model, a series of guiding principles (see below) were developed to guide the decision-making process:

***Commitment to Customer Service:*** The staffing model will support a high level of customer service to meet community needs, as well as plan for and host tournaments and other events.

***A Team Approach:*** The staffing model will support a cohesive and aligned team approach to operating KIRC. This team approach will support the implementation of a shared vision for the facility, a common customer service philosophy and a team-based workplace culture that fosters pride and accountability.

***Connection Between Programs/Rentals and Setup/Take-Down:*** The staffing model will support a positive user experience by creating a close connection between programs and rentals at the facility, and our ability to prepare and transition facility spaces for various programs and individual uses in a timely and effective manner.

***Flexibility to Meet Peak User Hours:*** The staffing model will provide capacity to increase staffing levels in vital service and support roles during peak hours, when the highest number of users are present.

***Flexibility Within Roles:*** The staffing model will create flexibility within roles to allow staff to complete a broad range of duties depending on the needs of facility users.

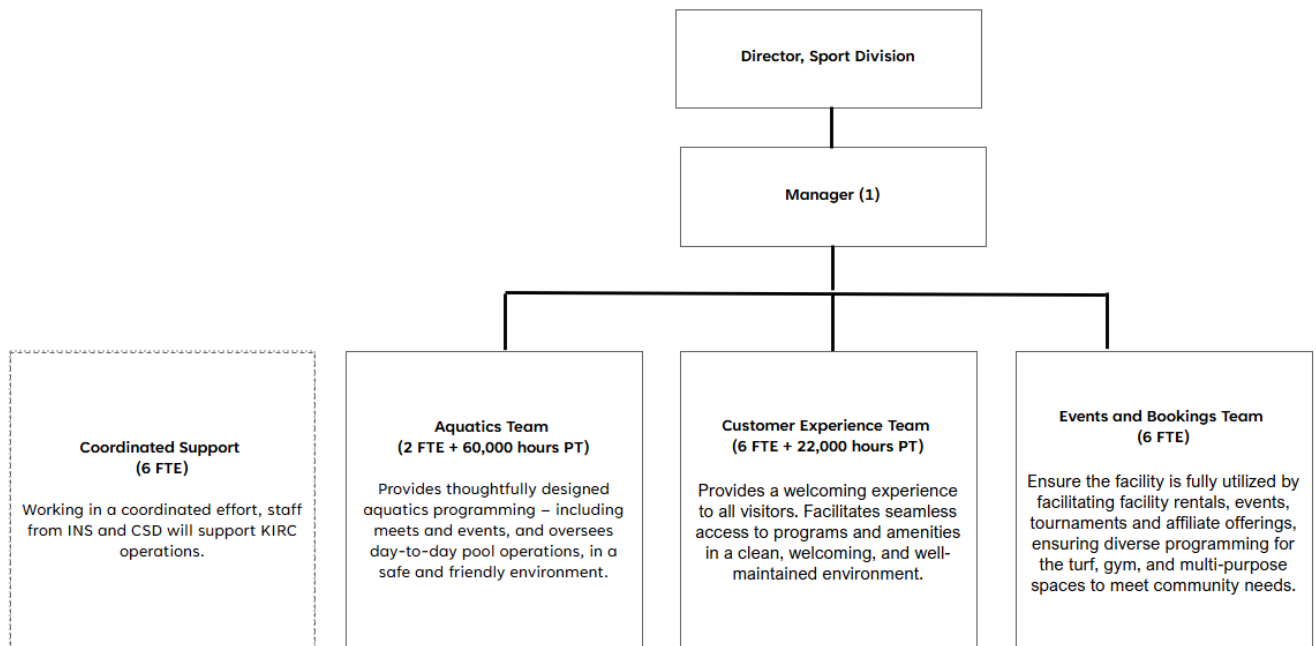
The staffing model guiding principles are addressed through the proposed staffing model:

Guiding Principle	How this is addressed through the staffing model
Commitment to Customer Service	The staffing model includes frontline customer service staff who will not only serve customers at our reception desk, checking them in for swims or registering them for programs, but will act as greeters during peak hours, replicating our successful and well-received City Hall greeter model.
A Team Approach	The staffing model allows for the KIRC team and coordinated teams within the organization to work together to most efficiently meet the needs of the facility, while remaining aligned with the KIRC facility vision and its strongly commitment to customer service and the user experience.
Connection Between Programs/Rentals and Setup/Take-Down	Including the staff responsible for programming and the staff responsible for setting up the different amenities within the same team structure allows for streamlined communication and an ability to easily adapt to changing needs and unexpected changes as they arise.
Flexibility to Meet Peak User Hours	The staffing model provides flexibility to ramp up part-time staffing levels at times of higher facility usage and adjust accordingly when fewer staff are required onsite, while ensuring that the facility remains safe, clean and well maintained.
Flexibility Within Roles	Wherever possible, roles have been designed to allow flexibility to support others within the facility so that staff are able to respond to demands as they arise.

### Unique staffing model

The KIRC is unlike any other facility the City operates. Staff have done considerable work to project staffing needs, however it is anticipated that some adjustments may need to be made once the facility is operational. The proposed staffing model has been designed to allow flexibility to adapt and adjust to the operational requirements of the building.

The proposed staffing model includes 21 FTEs, as well as part-time and 9000 series staff working in three teams, each with clearly defined objectives that will contribute to a welcoming, safe, clean and well-programmed space for the community. Together, these teams will provide robust and diverse programming for all ages, drop-in programs, sports-themed summer camps, premier amenities for competitive training and recreational opportunities alike, as well as bringing tournaments and events to the community.



### **Aquatics Team:**

In addition to supporting day-to-day activities and providing a robust programming schedule, the Aquatics team support swimming tournaments and events. Staff have leveraged the existing Aquatics staffing model for KIRC, adjusting the number of 9000 series staff (guards, instructors, and assistants) to account for the scale and projected programming.

The KIRC Aquatics team would be made up of the following positions:

- Supervisor, Aquatics (1)
- Aquatics Coordinator (1)
- Head Guards (9000 series)
- Lifeguards (9000 series)
- Aqua Fitness Instructors (9000 series)
- Aquatics Assistants (9000 series)

### **Customer Experience Team:**

The Customer Experience team will ensure that customers are met with a great experience with friendly staff, that amenities are safe, well maintained and changed over throughout the day to support a variety of programs, and that the facility is clean.

Staff completed very in-depth programming projections to determine peak times for the facility and each amenity to determine when increased staffing levels would be required to support peak usage and meet customer service and facility changeover needs.

The KIRC Customer Experience team would be made up of the following positions:

- Supervisor, Customer Experience (1)
- Customer Service Associate (2)
- Building Attendant (3)
- Customer Service Attendant (9000 series)
- Building Attendant (9000 series)

### **Events and Bookings Team:**

This team will ensure that the facility is fully utilized by promoting and attracting events, tournaments, and affiliate programs. They will also ensure diverse programming for all KIRC amenities, including the gyms, turf, pools, and multi-purpose rooms. The KIRC Events and Bookings team would be made up of the following positions:

- Supervisor, Programs and Rentals (1)
- Sport and Recreation Programmer (1)
- Facility Scheduler (1)
- Sport and Recreation Event Associate (1)
- Finance and Admin Coordinator (1)
- Marketing Associate (1)

### **Coordinated Support:**

Staff identified a number of positions that are required to expand the capacity of several teams across the corporation to support the operations of KIRC. While these positions are not specifically included in the KIRC organizational structure, they are necessary to its operations, and to support other vital City facilities and programs. Coordination of the work for these roles will be the responsibility of their respective managers and KIRC management. These positions include:

- Building Operator (Facilities Management) (1)
- Building HVAC (Facilities Management) (1)
- Facility Operator Aquatics (Facilities Management) (1)
- Building Maintenance Generalist (Facilities Management) (1)
- Recreation Program Coordinator (Neighbourhood Programs & Services) (1)
- Outdoor amenity support (Parks & Cemeteries) (1)
- Program instructors, camp staff, youth drop-in staff (9000 series)

This staffing model supports 200 weekly summer and March break camps spots that will be specifically designed as sport-theme experiences for participants.

The KIRC staffing model will be supported by contracted services where it provides efficiencies.

### **Expected staff start dates**

It is staff's intention to begin recruitment for the KIRC management team as soon as possible with the expectation that they will be in place by fall 2025. This will allow them to be involved in the hiring, onboarding and preparation of their teams. The following are the proposed start dates (recognizing some of these dates will likely shift once the management team has been brought onboard) for all staff in the KIRC staffing model.

All KIRC management	October 2025
Aquatics team	May – September 2026
Customer Experience team	July – August 2026
Events and Bookings team	January – April 2026
Instructors, camp staff, inclusion workers	September 2026 – March 2027

### **FINANCIAL IMPLICATIONS:**

#### **Capital Budget**

The 10-year capital forecast for the KIRC will be established through the 2026 Operating Budget. The increased reserve contributions required to fund the capital forecast are included in the operating budget details below.

#### **Operating Budget**

Final decisions on funding for the KIRC operating model will be finalized through the 2026 budget process and will reflect Council's decision on staffing and operational needs for the facility. A provision was made for KIRC operating impacts through the budget planning process, and the proposed operating budget for the facility aligns with original estimates.

Costs for the KIRC will be significantly offset by user fee revenues generated through programs, rentals, and events at the facility, but like other recreation facilities at the City, there will be some residual costs that are not fully recovered by user fees and would represent an impact to the tax supported operating budget. Staff's initial estimate is this impact is in the range of 1%, which is less than annual assessment growth of 1.5% to 2.0%. This means that there will be no direct impact on existing taxpayers as the costs of the facility will be fully covered by user fees and anticipated assessment growth. Assessment growth is expected to be sufficient to cover not only KIRC operating impacts in 2026 and 2027, but also address other known operating budget growth related pressures. Staff have been planning for these impacts when developing the operating and financial model for KIRC and will incorporate these impacts into the 2026 and 2027 budget, with the commitment to continue to maintain Council's direction towards reasonable tax rate increases.

#### Operating Expenditures

Several divisions within the City of Kitchener will contribute to the KIRC and therefore will incur increases to their operating budget. These divisions include Sport, Facilities Management, Parks & Cemeteries, Roads & Traffic, and Neighbourhood Programs & Services.

The largest single operating expense for the KIRC is staffing at an estimated annual cost of \$5.4M. This includes the salaries, wages and benefits for all full-time, part-time, and occasional staff. It is anticipated that all staffing costs will be offset by user fee revenues

generated by the KIRC once the facility is fully operational. In advance of the facility opening, some staff positions will need to be hired in late 2025 and early 2026 to ensure a smooth transition from construction of the facility to program delivery. These staffing costs will be covered within existing operating budget where possible, and the Tax Stabilization Reserve Fund (TSRF) will be used to offset any large variance due to the timing of expenses and the delay in when user fee revenue can be charged, once the facility is fully operational and open to the public for use.

In addition to staffing costs, there are also other operating costs related to materials (e.g. pool chemicals, cleaning supplies), contracted services, utilities, and equipment charges. Combined these costs are estimated at more than \$2.7M annually and are required to properly operate and maintain the facility. Some of these costs will not be offset by user fee revenues generated by the KIRC but will be covered by anticipated assessment growth

The table below outlines the proposed impacts of KIRC on the 2026 and 2027 Operating Budget. The Annual Operating Budget for KIRC, once the facility is fully operational, is expected to be approximately \$8.2M, with user fees and other revenue generating \$6.4M, for annual net operating budget impact of \$1.8M.

<b>Annual Operating Impact (\$000's)</b>	<b>2026 Impact</b>	<b>2027 Impact</b>	<b>Cumulative Budget Impact</b>
<b>Revenue:</b>			
User Fees	1,411	4,521	5,932
Other Revenue	84	165	249
Solar Roof Revenue	87	125	212
<b>Total Revenue</b>	<b>1,582</b>	<b>4,811</b>	<b>6,393</b>
<b>Expenditures:</b>			
Staffing Model	2,709	2,703	5,412
Materials & Services	1,015	909	1,924
Utilities	201	292	493
Contributions to Capital	200	0	200
Other Expenses	138	27	165
<b>Total Expenditures</b>	<b>4,263</b>	<b>3,930</b>	<b>8,193</b>
Transfer to/(from) Tax Stabilization Reserve Fund	(1,181)	1,181	0
<b>Net Operating Impact*</b>	<b>1,500</b>	<b>300</b>	<b>1,800</b>

\*The \$1.5 Net Operating Budget Impact in 2026 represents less than a 1% property tax increase, and is expected to be fully covered by anticipated assessment growth.

### Operating Revenues

Staff have conducted a very comprehensive exercise to estimate total revenues at the KIRC and believe they will be over \$6M annually. This is predominantly user fee revenues from programs, rentals, and events. In addition, the KIRC will also benefit from sponsorship revenue from our corporate community partnerships. Sponsorship revenue will be utilized



to make future additional investments to facility improvements and support future capital expenditures that may be required for the KIRC.

To develop comprehensive revenue projections, staff undertook extensive benchmarking and engagement across multiple municipalities and facility types, both within and beyond the Waterloo region. This research included site visits, robust analysis of fee structures, and conversations with staff from other facilities to discuss user groups, rental rates, and affiliate discount structures across all amenities.

Valuable benchmarking information was also gathered through the Central Ontario Network of Municipal Facility Managers, and through local collaboration with the City of Cambridge and the City of Guelph who are both currently developing new indoor recreation complexes. The table below summarizes the number of facilities reviewed by staff based on the KIRC amenity type.

Amenity	Facilities Reviewed
Gymnasiums	6
Indoor turf	9
Cricket practice nets	4

Pool revenue projections were based on existing City of Kitchener aquatic facilities and programming, scaled for KIRC. Based on this research, staff developed pricing strategy guiding principles noted below:

#### User Fees Pricing Strategy – Guiding Principles

The indoor turf and quad gymnasium at KIRC will be premier sport amenities within Waterloo region and will therefore have a unique pricing strategy for the facility that will help offset some of the higher facility operating costs. This strategy will minimize the financial impact operating the facility will have on Kitchener taxpayers by putting more of those costs on the facility users themselves.

1. The aquatics centre and multi-purpose rooms at KIRC will be priced in line with aquatics fees and room rental fees charged at similar City facilities.
2. The standard rental fee for the indoor turf and gym will be higher than fees charged at other recreation facilities in Waterloo region recognizing they are premier sport amenities and come with higher operating costs, and higher demand.
3. Affiliated youth sport groups (must be not-for-profit) will be charged less than the standard rental rate in order to help promote participation in youth sport, encourage active living, and provide opportunities for positive social connections with others.
4. Community-based sport organizations that provide reoccurring adult and youth programming at KIRC will charge a fee that is lower than the standard rental rate, but higher than the youth affiliate rate.
5. Rental fees for out-of-town bookings of the indoor turf and quad gymnasium will be the highest at the facility. This pricing strategy will help deter too many out-of-town

rentals that would travel to KIRC from outside of the region (if the fees were set too low) and limit the local community's access to these sport amenities.

These revenue projections are ambitious, and it is expected that they will not all be achieved in the first year of operation. Based on research and analysis of similar facilities, staff expect programming and related revenues to grow at KIRC over a period of several years. To better understand expected use of the facility, staff have begun the process of engaging user groups to discuss expected facility usage and potential user fees. Decisions regarding the user fees to be charged will be made by City Council as part of the annual budget process later this year.

#### Potential Variances

The KIRC is one of the largest and most complex facilities the City has ever built and operated, so it is quite likely some of the estimates and assumptions made during the comprehensive planning process will need to be adjusted as we gain experience with the facility open and operating. In the case that financial assumptions come in lower than projected, the resulting deficits will be offset by the Tax Stabilization Reserve Fund (TSRF) which is specifically created to offset deficits in tax supported program areas.

#### **COMMUNITY ENGAGEMENT:**

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

#### **PREVIOUS REPORTS/AUTHORITIES:**

- CSD-2025-237 - Kitchener Indoor Recreation Complex: Design and Operational Update
- CSD-2025-044 - Kitchener Indoor Recreation Complex - Gymnasium Update
- FIN-2024-411 - Community Sport and Recreation Infrastructure Fund - Kitchener Indoor Recreation Complex Gymnasium
- INS-2024-126 - Kitchener Indoor Recreation Complex

**APPROVED BY:**   MICHAEL MAY, DEPUTY CAO  
                          DENISE MCGOLDRICK, GENERAL MANAGER (INS)  
                          JONATHAN LAUTENBACH, CFO