

Re: BURNABY SOUVENIRS

On July 18, 1977, Council requested a report on the sale of souvenirs to individuals and organizations who qualify for a discount subject to compliance with certain prerequisites. The expressed concern was that the policy of charging persons who represent Burnaby or who serve as hosts at official functions may be restrictive in nature, and that the payment of a price for memorabilia should be reviewed accordingly.

As Council is aware, the municipality has made available for sale three types of souvenirs that can be purchased for a nominal price. The souvenirs and prices are as follows:

<u>Souvenirs</u>	<u>Full Price</u>	<u>50% Discount</u>
1. Embroidered Rhododendron Lapel Flowers	\$ .40	\$ .20
2. Rhododendron or Logo Lapel Pins	.40	.20
3. Key Rings	.50	.25

These prices include the Federal sales tax and duty charges. They do not include the 7% Provincial sales tax; when any of the items are purchased, the cashier adds 7% to the prices as noted above.

The prices noted in the compilation are based on the actual cost that the municipality must pay suppliers for souvenirs plus Federal sales tax, duty charges and 15% for overhead.

Souvenirs that are sold to official delegations and teams that represent Burnaby organizations are discounted 50%. If these qualifications are not met, persons making purchases must pay the full price.

The number of souvenirs that have been purchased at full and discounted prices since becoming available on approximately June 1, 1977 are as follows:

<u>Souvenirs</u>	<u>Numbers Sold</u>	
	<u>At Full Price</u>	<u>At Discounted Price</u>
1. Embroidered Rhododendron Lapel Flowers	1,215	480
2. Rhododendron or Logo Lapel Pins	1,368	582
3. Key Rings	409	50
	<u>2,992</u>	<u>1,112</u>

Members of staff who are responsible for the sale of souvenirs advise that there have been virtually no complaints from the public regarding the obligation to pay for souvenirs. In fact, only one complaint can be recalled, and this involved an individual who obtained items at discount. In almost every case, however, the transactions are routine and completed without any criticism or animosity on the part of the purchasers.

There is no reliable way to ascertain how many more souvenirs would be requested if the price on items that are discounted were to be lowered or eliminated. The public's reaction, based on the experience of staff who sell souvenirs, indicates that the policy on pricing has been accepted as reasonable and fair. We have received no suggestions to the effect that the prices should be adjusted or that the items should be made available at no charge.

There is considerable merit for the requirement to have persons pay for at least a portion of the cost. While recovery is not an important factor in the matter under consideration, there is little doubt that the payment of a nominal sum serves as a control which encourages people to acquire only the number of items that are needed, and not more.

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In summary, we are now faced with three alternatives: to retain, reduce or eliminate the current prices on souvenirs that are sold to official delegations and organizations representing Burnaby. With respect to the latter alternatives, it is felt that there is not sufficient justification for the elimination of prices, and in fact, that there is good reason for their retention as noted in the paragraph above. While the reduction of prices, on the other hand, could be regarded as a means of stimulating more interest in the purchase of souvenirs, there is nothing to suggest that such an action is either necessary or desirable. It is therefore recommended that the prices as currently established be retained.

RECOMMENDATIONS:

1. THAT the policy of selling souvenirs to official delegations and Burnaby athletic teams at discount rates as shown below be continued:

<u>Souvenirs</u>	<u>Full Price</u>	<u>50% Discount</u>
a. Embroidered Rhododendron Lapel Flowers	\$ .40	\$ .20
b. Rhododendron or Logo Lapel Pins	.40	.20
c. Key Rings	.50	.25

2. THAT all persons and organizations that do not qualify for a discount be charged full price for souvenirs.

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