

ITEM	4
MANAGER'S REPORT NO.	59
COUNCIL MEETING	90/10/01

1990 SEPTEMBER 25

TO : MUNICIPAL MANAGER  
 FROM : DIRECTOR RECREATION & CULTURAL SERVICES  
 RE : 1991 BURNABY RECREATION FACILITY AND EQUIPMENT FEES BYLAW  
 PURPOSE: To request Council's approval of the 1991 Burnaby Recreation Facility and Equipment Fees Bylaw.

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**RECOMMENDATION:**

1. THAT the 1991 Burnaby Recreation Facility and Equipment Fees Bylaw be brought forward as detailed in the attached report.

**REPORT**

At its meeting of 1990 August 01, the Parks and Recreation Commission received the attached staff report on the above subject and adopted the recommendation contained therein.

Attachment 2 (50 pages) has been included separately with Council agendas. Members of the public wishing to review Attachment #2 can see a copy in either the Office of the Municipal Clerk or the Parks and Recreation Department.



DENNIS GAUNT  
 Director Recreation &  
 Cultural Services

DG:hh  
Attach.

c.c.  
 Municipal Solicitor  
 Director Finance

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RE: 1991 BURNABY RECREATION FACILITY AND EQUIPMENT FEES BYLAW

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RECOMMENDATION:

1. THAT Council be requested to bring forward the 1991 Burnaby Recreation Facility and Equipment Fees Bylaw as detailed on Attachment #2 of this report.

REPORT

A Recreation Facility and Equipment Fees Bylaw is required under the conditions of the Municipal Act. The bylaw covers all fees and charges related to the public use of recreation facilities and rental equipment. This bylaw is established and in effect on an annual basis commencing January 01.

Next year's fees are established at this time to enable staff to predict revenues for the next year's Provisional Budget.

The fee schedules recommended, reflect current market demands for recreation services and the appropriate market value. The shifts in demand and market value are normally very minor as is the case for 1991.

Brief explanations on the schedules provide the reasoning for all rates. It is noted that three basic scenarios normally exist for fee changes:

- 1) The current rate is at market value and no increase is advisable.
- 2) The current rate is low given the market and demand, therefore, an increase is appropriate.
- 3) The current rate is high compared to the market, demand and public feedback.

New categories of fees and rate shifts reflect the public response to the service and demands for new programs and options.

Fees for activities and programs are not included in the Facility Fees Bylaw. The activity rates are set and implemented administratively by staff under the authority of the Commission. A separate report dealing with 1991 program pricing will be presented to the Commission for approval.

1991 FEES BYLAW

The determination of the 1991 fees reflects the "pricing guideline", Attachment #1, and the following factors:

- 1) Current 1990 fee.
- 2) Public response to programs, services and associated fees.
- 3) Current and projected market demands and price ranges. These are based on comparable public and private recreation services in the Lower Mainland.

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- 4) Shifts in operating costs are affected by increases in staff and supply costs.
- 5) Budget restrictions and revenue targets.
- 6) General market trends in recreation and related leisure service areas and promotional considerations.

The fee schedules are described and variations explained using terminology as clarified in the following definitions:

- Market value

The price is at the appropriate level in consideration of our public, quality of service and general market comparison.

- Inflationary adjustment

The price increase is made to cover cost increases and still keeps within the market value.

- Private rentals and allotments

Personal use of a facility for a social activity or meeting on a one time or continuing basis.

- Preferred rentals and allotments

A rental or allotment for recreation, sport, art organizations, non-profit societies' activities, meetings or socials on a one time or continuing basis.

- Prime time

A time period within a facility where demand is high and space is limited. This varies according to facility and service area.

- Non-prime time

A time period within a facility where demand is low and space is available. This varies according to facility and service area.

- New admission pass structure

A revised approach to create consistency in the saving when purchasing an admission pass and to aid in the processing with an automated cash system.

The 1991 facility use fees schedule, Attachment #2, is in principle consistent with the 1990 Bylaw. Variances reflect an allowance for inflation and a few minor market shifts. Reasons for all shifts are summarized on the attached schedules. Attachment #2 has been included with the Commissioners' Agendas only as a separate document because of its bulk.

The Federal Goods and Services Tax has not been incorporated within the fee schedule. The tax will be an additional cost to the public. Staff anticipate some public reaction to the additional tax.

Generally our fees are at appropriate levels. Public expectations for quality services and convenience continue to increase. The 1991 fees reflect the desire to continue serving the greatest number of Burnaby residents possible and to present quality services at the appropriate price.

JE:ps  
Attach.

cc: Municipal Solicitor

ATTACHMENT #1

RECREATION SERVICES PRICING GUIDELINE

1. General Comment:

The pricing policy should:

- a) Allow a reasonable level of accessibility to recreation services
- b) Produce revenues that keep pace with rising costs
- c) Price all services at fair value
- d) Provide a rational base for the application of subsidies

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This would achieve an equitable pricing structure which would slow the growth of the net operating budget and provide a more stable base for continuing recreation opportunities.

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2. Market Value:

The value of any given service is ultimately decided by public opinion which strongly determines the marketable price of the service. Market value is the price the public is willing to pay for a given service. It is usually based on current rates for comparable services in the public and the private sector. Market value may or may not be greater than the cost of the service.

In the private sector, if the service costs more than the public is willing to pay, then the service is discontinued.

In the public sector, such a service is either discontinued or is subsidized from the general tax base because the community through its Council decides that the service should be made available to its residents.

It is proposed that market price be levied against all recreation services. In so doing, all consumers will share fairly in the cost of operating the total recreation service not just a limited segment of the consumers.

3. Method of Determining Subsidy:

If a subsidy is required it will be based on four factors:

- a) Market value of the service
- b) Cost of providing the service
  - i) Direct leadership costs
  - ii) Activity supply costs
  - iii) A portion of the full facility operation costs
  - iv) A portion of the full direct administration costs
- c) The benefit of the activity to the general public
- d) The practicability of collecting fees

The capital cost of facility construction is not included. It is assumed that the Corporation will provide only those facilities which it considers appropriate for the benefit of its residents. A break with normal practice in including capital costs in the price of the service would provide a more sophisticated inhouse book value for that service but would probably be of little practical application in as much as our experience with the public's willingness to pay would lead us to believe that in no case would prices be able to recapture the full cost, thus ending with what could be considered only a complicated accounting exercise.

4. Benefit to the General Public:

A prime factor to be considered in determining degree of subsidy is that of benefit to the general public. Services will be categorized according to their degree of general public benefit. These categories will then be used to determine the potential for subsidization.

The general category headings are as follows:

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a) General Public Consumption Service  
(Free)

These services are free of charge because they provide benefit to all citizens and are generally viewed as being of high value to the majority of the citizens. Charging a fee for some of these services is also not feasible because of the control problems related to fee collection, for example, parks and beaches.

b) Preferred Public Consumption Service:  
(Possible subsidization)

This category includes services which provide a direct benefit to the participant and a recognized benefit or value to the general public. These services will be offered at a fair market price. This market price may or may not meet the cost. A degree of subsidization would, therefore, be considered which could vary greatly with the cost of the service and the market value. For example, the market price for minor hockey ice time and sport field use will probably require substantial subsidies.

c) Personal Consumption Services:  
(Full cost)

This category of services includes activities that are viewed as providing a benefit to only the participant, therefore, there is no direct benefit to the general public.

The price of these services will reflect market value and will recover at least the full costs as outlined in B3 above. These services will include most adult courses and the more advanced and specialized activities, e.g. adult fitness, advanced gymnastics for youth, photography.

5. Identification of Existing Services:

The following is a list of existing services, each one of which has been grouped under one of the three categories shown above. Reference to age of participants should be interpreted as follows:

- Preschool activities, are for the age group under 1 year to 6 years of age.
- Youth activities are intended to serve persons under 19 years of age.
- Adult activities are for persons 19 years and over.
- Retired persons in this context are viewed as persons retired and 55 years and over.

Basic services for the retired are those of an introductory level, and a casual drop-in and social nature, plus those funded and provided by other public or private agencies. Retired persons participating in specialized advanced courses would be expected to pay the full cost.

a) General Public Consumption Services: (Free)

Allotments:

- Facility space for basic School Board sponsored activities, indoor and outdoor. (This is in return for reciprocal free space which the School Board grants to the Commission for its activities.)
- Recreation associations, sports clubs, arts groups requiring business meeting space (not program space).
- Recreation, and non-profit society, and other non-commercial groups' and organizations' use of meeting rooms on a casual basis.
- Meeting space in Recreation Centres for the retired for O.A.P.O. groups and Senior Citizens Association.

Other Services:

- parks
- beaches
- trails
- outdoor tennis courts
- outdoor fitness circuits
- selected special events commemorating or celebrating public holidays or events
- selected promotional activities and events
- Sunday family swim at outdoor pools (access limited to family groups only)
- summer playground program

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b) Preferred Public Consumption Services: (Possible subsidization)

Courses:

- introductory preschool swimming programs
- basic learn to swim levels 1, 2 and 3, including lifesaving, all ages
- introductory synchronized swimming and diving for youth
- introductory youth outdoor recreation activities
- basic services for retired citizens
- introductory youth indoor and summer recreation activities
- introductory youth arts programs
- youth sport, outdoor and arts, camps
- introductory preschool activities
- select instructional family activities - basic skills only
- basic recreation programs for the disabled
- youth leadership training programs

Allotments:

- recreation user group storage space

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- amateur sports groups' use of Swangard Stadium
- all outdoor and indoor facility allotments for sport recreation and art associations and clubs (soccer fields, rinks, pool, gymnasium, activity rooms, studios, Cowan Theatre, etc.)

Other Services:

- public swimming indoor and outdoor
- public skating
- select promotional activities

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c) Personal Consumption Services: (No subsidization)

Courses:

- advanced and specialized indoor and outdoor youth, preschool and retired citizens recreation and arts programs
- adult indoor and outdoor activities (exception adult beginner swimming lessons -(See (a) above)
- instructional activities for school district classes

Rentals:

- racquet, squash and indoor tennis court rental
- rinks
- pools
- rentals and allotments of all facilities for agencies, institutions, political parties, personal private functions and other groups not otherwise mentioned in the other categories of this policy.
- storage space for private or commercial purposes
- rental for all social and fund raising events sponsored by Burnaby recreation groups and non-profit societies.

Other Services:

- golf services for all ages
- concession service

