

ITEM	4
MANAGER'S REPORT NO.	42
COUNCIL MEETING	94/07/11

TO : CITY MANAGER
DATE: 1994 JULY 07

FROM : DIRECTOR RECREATION AND CULTURAL SERVICES

RE : 1994/1995 BURNABY RECREATION FACILITY FEES BYLAW

PURPOSE : To request Council to bring forward the Annual Burnaby Recreation Facility Fees Bylaw.

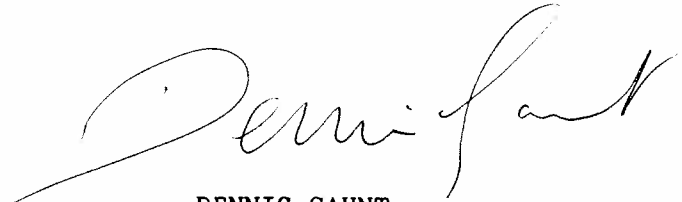
RECOMMENDATION:

1. THAT the Annual Burnaby Recreation Facility Fees Bylaw as detailed on Attachment #3 of the attached report be brought forward.

REPORT

At its meeting of 1994 July 06, the Parks and Recreation Commission received the attached staff report on the above subject and adopted the recommendation contained therein.

Because of its length, the fee schedule and related adjustments (Attachment #3) is being forwarded to Council under separate cover. Any member of the public or media wishing a copy can obtain one at the Parks and Recreation Department in City Hall.



DENNIS GAUNT
DIRECTOR RECREATION &
CULTURAL SERVICES

tc
Attachment
A/2833

cc: City Solicitor

ITEM 9
DIRECTOR'S REPORT NO. 12
COMMISSION MEETING 94/07/06

SUBJECT: 1994/1995 BURNABY RECREATION FACILITY FEES BYLAW

RECOMMENDATION:

1. THAT Council be requested to bring forward the Annual Burnaby Recreation Facility Fees Bylaw as detailed on Attachment #3 of this report.

REPORT

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BACKGROUND

A Recreation Facility 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 (not scheduled programs);
- fees for all equipment rentals not directly related to scheduled programs and activities.

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

The fees schedules recommended reflect current market demands for recreation services and the appropriate market value.

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

- 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, therefore no increase or a decrease in rates may be considered.

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

Fees for activities, programs and equipment rentals specifically related to programs are not included in the Facility Fees Bylaw. These rates are set and implemented administratively by staff under the authority of the Commission. A separate report dealing with the 1994/1995 program pricing will be presented to the Commission for approval (appears elsewhere on this agenda).

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1994/95 FACILITY AND EQUIPMENT FEES BYLAW

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CHANGE IN TIMING OF BYLAW SCHEDULE

Historically, the Recreation Facility Fees Bylaw has been established and in effect on an annual basis January 01 to December 31. This approach results in patrons who are taking part in programs and services, or holding allotments of space, facing a fee increase half-way through the major program/service season of September to March.

In 1994, the Commission approved a change in the Fees Bylaw Schedule. Starting in September 1994, most recreation services will operate on a fee schedule from September 01 to August 31. This adjustment is seen as being advantageous to both the customer and also for promotional purposes (ie: a fall/winter brochure can be developed indicating one fee for a service as opposed to two separate fees).

Burnaby Village Museum and Golf Services will remain on an annual fee cycle of January 01 to December 31. This time frame best suits the needs of these two areas.

1994/1995 FEES BYLAW

The determination of the 1994/1995 fees reflects the "Pricing Guideline", Attachment #1, and the following factors:

- 1) Current 1994 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.
- 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.
- 7) Fees in most cases are adjusted to odd amounts to allow for rounding to the nearest \$0.05 when G.S.T. is added. G.S.T. is not included in the proposed fees.

Fee schedules and related adjustments are described and explained by utilizing a number of key phrases. Definitions for these phrases are provided in Attachment #2.

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The 1994/1995 Facility Use Fee Schedule (Attachment #3, which is provided as a separate package), is in principle consistent with the 1994 Bylaw. Reasons for all adjustments and fee changes are provided in the attached schedules. Most variances reflect an allowance for inflation which is estimated at approximately 2.5% (Lower Mainland inflation rate). Inflation and minor market shifts result in most increases being between 1.5% and 4.0%

Overall, Parks and Recreation facility and equipment rentals appear to be appropriately priced in comparison to the market. As indicated in previous fee reports, the public's expectations for convenient and quality public services continue to escalate. It is hoped and anticipated that all recommended 1994/1995 rates will assist in providing the best possible service to Burnaby residents at appropriate and affordable prices.

BC:seo
Attachments (3)
FEES/0049

cc: City Solicitor

RECREATION SERVICES PRICING GUIDELINE

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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.

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.

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, 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 in-house 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 that could be considered only a complicated accounting exercise.

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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:

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 3(b) 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 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 are viewed from two perspectives:
 - . 65 years and over for all general activities;
 - . 55 years and over for activities and services offered through Recreation for the Retired facilities.

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 Associations.

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

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Other Services:

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

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

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ATTACHMENT #2

EXPLANATION OF VARIANCES - DEFINITIONS:

The fee schedules are described and variations explained using terminology such as the following:

- AT MARKET VALUE

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

- BELOW MARKET VALUE

The price is below market standards, therefore is increased beyond normal inflationary standards.

- NEW RATE ESTABLISHED

indicates implementation of a new or modified service.

- INFLATIONARY ADJUSTMENT

The price increases reflect anticipated inflationary costs. The final cost of the service remains within market range.

- 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.