



Date: January 18, 2001

**TO: Board Members - Parks and Recreation**  
**FROM: General Manager - Parks and Recreation**  
**SUBJECT: 2001 Fees and Charges**

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## **RECOMMENDATION**

THAT the Board approve the change to the Fees and Charges Policy increasing the senior's rate from 50% to 75% of the adult rate over the next three years.

## **POLICY**

It is the Board's policy to consider staff recommendations for any changes in policies and fees and charges.

## **PURPOSE**

This report will address the proposed policy change in the context of the current senior in our community, their needs, both financial and recreational, and the future shift in demographics toward an aging society. The report will also describe the alternatives available for fixed income or low income seniors.

## **BACKGROUND**

The proposed policy changes are:

1. Change in definition of the Family classification from "1-2 adults of the same household and their children" at a fixed fee equivalent to 2 adult fees to "1-2 adults of the same household and their children under the age of 19" with everyone paying at the children's fee.
2. Increase the senior rate to 75% (from 50%) of the adult rate over the next three years.

On August 18, 2000, after discussion at a Board workshop, proposed changes to the Fees and Charges policies were posted on the bulletin boards of Pitch & Putts, Community Centers and major facilities for six weeks. Only a few comments opposing the changes were received.

On January 15, 2001, the Board considered and approved the change in the definition of the Family classification. The policy related to the senior rate was deferred for further review and to the January 29, 2001 Board meeting.

This new policy would apply to all recreation programs operated by Park Board at all our facilities. It includes all swimming, skating, fitness, pitch and putt and admission to Bloedel Conservatory, VanDusen Gardens, Miniature Train/Children's Farmyard. It does not apply to programs operated by Community Associations and VanDusen Botanical Gardens Association. The three golf courses (Fraserview, Langara and McCleery) are exempt from this policy as they presently reviewing their fees under a separate management plan and public process scheduled for February, 2001.

## **DISCUSSION**

In our Community, seniors over age of 65 represent 12% of the population. Their participation in our public swimming and public skating activities represent approximately 10-12% of our users. Seniors' use of opportunities at Bloedel Conservatory and VanDusen Gardens increases to between 12 and 32%. On our Pitch and Putt Courses seniors represent 12% of participation. The range of participation in membership in Community Associations averages 8% but goes as high as 18% at some Centres.

One of the greatest challenges in the public sector is that of establishing fees and charges for our services. These must be set in a way that generates needed revenues without excluding those who are unable to pay them. The process is complicated by the diversity within our communities. A fee that is considered to be fair to one participant may be viewed as unfair by another. A fee that is inconsequential to one individual may deny access to another. One traditional way to address the diversity and to ensure participation is to use discounts. The discount levels of the Board's existing policy is set up in a ratio structure that charges adults, youth, children and seniors in an ratio of 1,3/4,1/2 and 1/2. This means youth are charged 75% of adult fees. Seniors and children are charged 50% of adult fees.

There are two main reasons for offering discounts to seniors for recreational services. The first is financial need. Logically we assume that retirement is characterized by reduced income. As a result, discounts to retired persons represent a way of compensating for less income. The second reason is value of recreation services. It is believed that senior's mental and physical health is greatly enhanced through their participation in recreation activities. These reasons have always provided a compelling argument in favor of discounts for seniors, so compelling in fact, that discussions of these discounts are often emotionally charged. We believe we need to revisit our policies in light of the original reasons for offering the discounts.

### ***A Question of Need***

Although need is often cited as a major reason for supplying senior discounts, the logic behind this argument seems to falter under a closer examination. Canada's Print Measurement Bureau (PMS) provides evidence that, as a group, older adults are no more prevalent among low income groups than any other age group. In other words, an older adult is no more likely to be poor than is any other person.

As a group, today's older adults are one of the most affluent groups in the community. In *Introduction to Canadian Business and Management*, John Pliniussen cites these facts from *The Globe and Mail*:

- Those between 50-64 years of age control 45 per cent of the personal wealth and have 40 per cent of the disposable income, yet make up only 12 per cent of the population;
- They purchase 43 per cent of all new domestic cars and 48 per cent of all luxury cars;
- They own 75 per cent of all financial assets and account for 40 per cent of all consumer demand;  
.... Three quarters own their homes, mortgage free.

These statistics should be interpreted with care because income levels will be reduced as this group retires and clearly, not all older adults are wealthy. This information does suggest, however, that need is not uniform among older adults. Indeed, the next generation of older adults may be relatively affluent. Further, they may be more affluent than other groups who are not offered discounts.

### ***Alternatives for Low Income Seniors***

Rather than offering a discount of 50 per cent to all seniors regardless of their financial circumstances, it is more appropriate to use the Leisure Access program. This program allows patrons with low income, including seniors, use facilities under the program at 50% of the adult fee.

It is recommended that the Board policy of special, low cost, four hour, public sessions per week (such as Loonie Swim and Loonie Skate) in each rink and pool continue to be scheduled. This allows inexpensive access to public swimming and skating in order to allow participation by economically disadvantaged users. Partnership with community associations offer programs to seniors at reduced rates or free of charges.

Recognizing the impact that this policy change may have on seniors, staff are recommending that it be phased in over the next 3 years.

### ***Financial Viability and Fairness***

Interest in senior discounts is growing as baby boomers age. Demographers tell us the number of older adults will more than double over the next 30 years from 10 to 23 % of our population. This trend raises the issue of long term viability for senior discounts as 36 % (\$25.6 million) of our gross operating budget is funded from user fees and charges. As well, Vancouver is one of the six largest western cities having an above average numbers of seniors.

Years ago, one of the main reasons for the Board's policy in offering discounts (50%) to seniors was based on needs as seniors were one of the least affluent sectors of our population. The senior's situation has changed, but our fee structure has not. In fact, leaving senior discounts at 50% (youth discounts are 25%) will result in a transfer of wealth from younger people who may be less able to afford to older people who may be more able. This inequity will become more pronounced as the population of seniors increases and if the 50 per cent discount rate remains. We are recommending a redesign of the fees and charges policies in order to re-balance the subsidy flow and restore equity to our services.

### **RECOMMENDATION**

The policy implications of senior discounts are important. As stated above, there are excellent reasons to provide discounts to users who lack resources or who will benefit from participation of recreation services. The question becomes, "How can we continue these discount programs in the face of increasing numbers?"

With the increase in the senior population and the need to have a more equitable fees and charges policy, it is recommended that the Board acts in a similar way as other municipalities and major attractions by decreasing the senior's subsidy from 50% to 25% (same as the rate to youth) over the next three years.

The following tables, outlining seniors' rates as percentages of adult fees at other municipalities and major attractions in Vancouver, indicate that other facilities charge seniors' fees higher than half-price:

<b>Parks and Recreation</b>	<b>Senior's Age</b>	<b>% of Adult Fees</b>
Burnaby	65	50% to 75% *
Coquitlam	65	63% to 78%
Delta	60	57%
Kelowna	65	66%
North Vancouver	65	70% to 92%
Richmond	55	70% to 80%
Surrey	65	75%
Vancouver	65	50%
Victoria	60	75%
West Vancouver	65	80%

\* **Approved in July 2000 to increase fees to 75% over four years**

<b>ATTRACTIONS</b>		
Capilano Suspension Bridge	65	84%
CN Imax Theatre	65	75%
Dr. Sun Yat-Sen Classical Garden	65	77%
Grouse Mountain Skyride	65	89%
Pacific Space Centre	65	76%
Science World	55	66%
Vancouver Aquarium	65	85%

It is also recommended that the change in a senior discount of 25% be phased in over the next three years to reduce the impact on senior patrons.

<b>Effective Date</b>	<b>Senior's Fee as a percentage of Adult Fee</b>
February 1, 2001	60%
January 1, 2002	70%
January 1, 2003	75%

This new policy would apply to all Park Board facilities with the exception of the three golf courses (Fraserview, Langara and McCleery) which are presently reviewing their fees under a separate management plan and public process scheduled for February 2001.

## **CONCLUSION**

The proposed policy change aligns the seniors' discount at the same level as the youth discount. It balances the subsidy flow, restores equity to our services, and increases our success in financial sustainability. With the Leisure Access Program, partnerships with community associations offering programs for seniors at reduced rates or free of charge, and weekly special low cost public sessions, the needs of our economic disadvantaged patrons are addressed. Phasing in the discount reduction over the next three years minimizes the impact on our senior participants .

Prepared by:

Corporate Services Division  
Board of Parks and Recreation  
Vancouver, BC