



Date: November 2, 2010

TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: 2011 Fees and Charges

RECOMMENDATION

THAT the Board approve the 2011 Fees and Charges as detailed in Appendix I.

POLICY

The Board's policies on user fees and charges are summarized as follows:

- User fees and charges will be levied to recover all or a portion of overall operating costs.
- All fees and charges will be adjusted to accommodate changes in the marketplace and in operating and maintenance costs.
- The General Manager will have the authority to waive or reduce fees and alter fees for services, promotion purposes and to quickly establish fees for experimental services.
- Fees may be reduced for people with accessibility issues, families, groups, frequent users, low priority times, promotions and marketing strategies.
- Each rink and indoor pool will schedule at least four hours of low-cost public sessions each week.
- A Leisure Access Card (LAC) will allow free access to public swimming and skating and a 50% reduction in other basic Park Board services to people meeting the assistance eligibility criteria. Further reductions will be available to LAC holders for Flexipasses, swim lessons and skate lessons only.
- Unless otherwise specified, fees are defined for age-based and family categories as follows:
 - Pre-school: 5 years of age and under
 - Child: 6 to 12 years inclusive
 - Youth: 13 to 18 years inclusive
 - Adult: 19 to 64 years inclusive
 - Seniors: 65 years and up
 - Family: 1-2 adults of the same household and their children. To encourage family participation, each person in the family pays the child rate, subject to a two person minimum.
- An age-based fee structure will be maintained that provides the following general discounts from adult fees for recreation services:
 - youth and seniors: 30% discount
 - children: 50% discount

BACKGROUND

It is Council policy that fees and charges for City services be established on a cost recovery basis and at market levels in circumstances where they are provided in competition with the private sector.

The Park Board is in the process of preparing the 2011 Operating Budget. As part of the budgeting process, all City departments and boards were asked to review revenues to ensure they reflect market rates where they are in competition with the private sector. The Board's revenue inflation rates for 2011 have been estimated at 4% to allow for collective agreement increases.

The Board's 2010 expenditure budget of \$102 million is offset by \$42 million in revenues raised via fees and charges, for a net tax-supported budget of \$60 million. Increasing the revenue budget by 4% for 2011 requires that the Board increase its revenue budget by \$1.7 million beyond the 2010 budget level.

At the Services and Budgets Committee meeting on September 21, 2010, staff briefed the Committee about the inflationary and market requirements, reviewed the changes proposed for the 2011 Fees & Charges and proposed a public consultation process to be undertaken. The committee's recommendations were then incorporated into the proposed 2011 Fees and Charges and the requested public consultation process initiated.

DISCUSSION

The purpose of the Fees and Charges report is to recommend a new fee schedule for 2011 which complies with Board and Council policies, reflects market conditions and provides for estimated inflationary cost increases.

Public Consultation Process

Following the Committee meeting on September 21, 2010 information to support the consultation was prepared. This included background information on the operating budget and proposed fee changes and a reference copy of the Proposed 2011 Fees and Charges. Due to the low response rate for paper surveys experienced during the consultation on the 2010 Fees and Charges, the Committee recommended forgoing a paper-based survey for 2011 and only an on-line survey was prepared.

A number of processes were undertaken to inform the public of the proposed changes and to encourage feedback via the on-line survey or other mechanism. These included:

- a news release
- letters to the Community Centre Association Presidents, staff unions and the Vancouver School Board Parent Advisory committees
- posters at community centres, stand alone rinks and pools, golf courses, pitch & putts, Burrard Marina and Park Board attractions
- use of social media (Facebook and Twitter)

- use of the Park Board’s Web Page (links to the survey and supporting documentation were available on the home page in a feature box, and on the Fees & Charges, Budgets & Financials and Public consultation web pages
- a notice to staff to request their help in encouraging the public to participate by taking the survey, providing written comments or emailing the Board.

Overview of Recommended Changes

In preparing the recommended 2011 Fees and Charges (attached in Appendix I), staff reviewed comparative market rates, operating costs and impacts to customers. The changes recommended by the Committee for the 2011 Fees and Charges fall into two general categories: changes for inflation and changes reflecting market conditions.

Proposed changes for inflation include:

- a general 4% increase applied to most fees to help offset cost increases
- changing low-cost session pricing from the loonie(\$1)/toonie(\$2) structure used for the past 5 years to a pricing structure based on 50% off the drop-in admission fee, reflecting cost increases incurred during that time.

Proposed changes arising out of the market reviews are specific to various fees and are detailed below under Fee Recommendations. The proposed market adjustments include:

- elimination or reduction of fees
- clarification of fee application
- increases above or below 4%
- a reduction in the age at which children begin paying admission from 6 years old to 3 years old

The proposal to reduce the age at which children are charged for admission to pools was based on a market review of fees for children and the age structures for those fees in other communities throughout the lower mainland. The table below outlines the review results:

Community	Pre-school Age	Pre-school Fee	Child Age	2010 Child Fee Regular Pool/Rink	2010 Child Fee Leisure Pool
West Vancouver	2 & under	Free	3 - 12 yrs	\$3.70	
Richmond	1 & under	Free	2 - 12 yrs	\$3.50	\$4.60
Surrey	1 & under	Free	2 - 6 yrs	\$3.00	\$3.25
Burnaby	3 & under	\$1.00	4 - 12 yrs	\$3.00	
Coquitlam	n/a	n/a	0 - 12 yrs	\$2.86	
North Vancouver	2 & under	Free	3 - 18 yrs	\$2.85	
Vancouver	5 & under	Free	6 - 12 yrs	\$2.82	\$3.09

The communities in the above table are ordered with those charging the highest children’s fees at the top of the table to those charging the lowest fees (fees shown include HST). In 2010, children in Vancouver are charged a lower rate than any of the surrounding communities and are provide with the longest period during which children were not charged any fee.

Proposed fees and changes for the Park Board:

Age Definitions			Proposed 2011 Fee Regular Pool/Rink	Proposed 2011 Fee Leisure Pool
	2010	Proposed for 2011	General Admission	
Pre-school	5 years and under	2 years and under	Free	Free
Child	6-12 years inclusive	3-12 years inclusive	\$2.95	\$3.25
Youth	13-18 years inclusive	13-18 years inclusive	\$4.15	\$4.60
Adult	19-64 years inclusive	19-64 years inclusive	\$5.95	\$6.50
Senior	65 years and up	65 years and up	\$4.15	\$4.60
Family	1-2 Adults of the same household and their children	1-2 Adults of the same household and their children	at child rate	at child rate

The proposed change for 2011 brings the age structure for children in Vancouver more in-line with the lower mainland market, while still ensuring the child fee is among the lowest in the surrounding communities.

Feedback from the public on Fees & Charges

Results up to November 2nd have been summarized and included in this report. Any additional submissions from the public will be consolidated into the presentation material for the November 15 Board meeting so that they can be considered by the Board as part of the approval process. This survey is self-selecting and therefore not scientifically reliable, but does provide the Board with a snapshot of opinions on the proposed changes.

124 surveys were returned by November 2nd, which is slightly fewer than the 2010 consultation, for which 114 on-line surveys and 40 paper survey were received. A number of written comments were also received.

The feedback on increasing all fees by 4% for inflation was mixed: while 37% did support an across the board 4% increase, 17% felt neutral and 46% did not support an across the board increase of 4%. However, of those that did not support increasing all fees by 4%, 70% supported increases for specific programs, 22% supported decreasing funds for specific programs and only 12% supported decreasing funds for all programs (respondents were allowed to pick more than one option resulting in a total of more than 100%)

People were generally supportive of continuing to subsidize fees, with the greatest support for ability to pay (79 respondents), followed by age (69 respondents), and to encourage specific users, such as families (48 respondents).

Because the Board was considering a policy change (reducing the age at which children begin paying admission to pools from six years old to three years old) specific feedback on this change was sought. Out of 123 responses, 55 (or 45%) supported beginning to charge children at the age of three, 24 (or 19%) felt neutral about the proposed change and 44 (or 36%) did not support beginning to charges children at the age of three. In looking at the comments of the 44 respondents who were not supportive, 6 would support charging 4 or 5 year olds, while only 13 would not support any change.

The Board also wanted feedback on its proposal to make a price change to its low cost sessions. For more than 12 years the Board has offered loonie (\$1) sessions and in 2005 the adult fee for low cost sessions was increased to a toonie (\$2). The 2011 proposal would price low cost sessions at 50% off the posted drop-in rate (for 2011 it would cost \$3.00 for an adult, \$2.10 for youth and seniors and \$1.50 for a child). 61% of respondents supported the change, 14% felt neutral and 25% did not support the change. Of those not supporting the change, two respondents felt that there should not be any low cost sessions and one supported all attendees paying a toonie (\$2).

Fee Recommendations

The proposed fees are detailed in Appendix I. Fee increases are generally 4% although fees have been rounded for ease of application in many cases and so may reflect a slightly higher or lower percentage increase. Where recommendations are based on other considerations and do not follow the general 4% increase, the specific changes are outlined below.

Policy change to the age-based category for children (Page 2 of Appendix I)

The Board uses age-based categories for many of its fees. Currently children are not charged for admission until they are six years old. The 2011 proposal lowers the age at which children begin to pay fees from six years to three years. This policy change reflects a review of the age structures for surrounding communities (detailed above).

Burrard Marina (Page 3 of Appendix I)

Tide Grid and Work Area fees are being raised 6% because they are below market rates. The Electrical Connection and Usage fee will remain unchanged as it is meant to cover the cost of providing electrical services, which the current price is expected to do in 2011.

Train and Farmyard (Page 4 in Appendix I)

No changes to the 2010 Train Fees are proposed for 2011, reflecting that the events will no longer include admission to the farmyard, which will close in January 2011. It is anticipated that increased revenue targets will be met by increased attendance.

VanDusen Botanical Gardens (Page 5 in Appendix I)

Winter group rates (ten or more admissions at once) are being adjusted to be consistent with the discount provided for summer group rates, so that group rates provide a \$1 discount compared to the rates for individuals. A new Festival of Light family member rate is being introduced so that member discounts will now also apply to families who are

members. Wedding photography rates are being adjusted to reflect market rates at comparable facilities.

Golf Courses (Page 6 in Appendix I)

Golf fees are set in response to market conditions, which are impacted by competitors' rates, the condition of our courses and competitors' courses, and environmental and economic impacts. Green fee pricing is flexible, giving courses the ability to offer specials at certain times of the year and/or day in response to market conditions. The proposed fee strategy for 2011 is based on market comparisons, with an increase of approximately 2.75% over 2010 rates being proposed. The advanced booking fees have been decreased to \$5 (with HST) at McCleery and Langara and \$10 (with HST) at Fraserview. Driving range fees remain unchanged from 2010.

Recreation fees (Pages 9-18 in Appendix I)

Low cost sessions, currently priced at \$2 for adults and \$1 for children, youth and seniors, are proposed to be priced at 50% of the approved drop-in rate; this is the first increase to these fees since 2005. Fitness Centre fees for the new pool at Hillcrest will be priced at the same rate as a the Hillcrest leisure pool admission, reflecting the difficulty of controlling access that would be required to support differential pricing between the leisure pool and the fitness centre. Hockey school rates are being adjusted to clarify the appropriate pricing structure (previous rates for hockey schools did not differentiate between prime and non prime times, with summer non-prime hour rates charged for all hockey schools); for 2011 the new hockey school specific rates clarify when prime time rates apply.

Parking (Page 19-20 in Appendix I)

It is operationally difficult to increase pay parking by inflationary factors due to limitations of the equipment used to collect the fees. In setting 2011 fees, consideration has also been given to the fact that Pay Parking fees were increased significantly in early 2010 to cover the 23.52% additional tax payable by the Board resulting from Translink parking sales tax changes. To meet the revenue budget increase of 4% most fees have not been increased, with exception of the following rates:

- the Stanley Park hourly rate has increased from \$2.50 to \$3.00
- all monthly, season & annual passes increased by 4% except for indoor parkades & buses which are unchanged
- Parking for special events have increased from \$12.50 a day to \$13 a day

It is also worth mentioning that the seniors annual passes at QE Park and Vanier Park have been eliminated (a change approved in 2010, which takes effect beginning in 2011).

Outdoor Sports Facilities (Page 21 in Appendix I)

Effective 2011, Volleyball & Tennis court adult (non-profit) fees are proposed to be discounted from regular adult fees, at rates similar to other outdoor sports.

All Other Fees

With the exception of the changes detailed above, all other Fees and Charges are recommended to reflect the inflationary increase of 4%. Fees have been rounded for ease

of application in many cases and so may reflect a slightly higher or lower percentage increase on individual calculations.

SUMMARY

The proposed 2011 Fees and Charges, detailed in Appendix I, are consistent with the Board's policy to address inflationary increases and market rates in 2011. By approving the proposed rates, the Board can adjust fees, work toward meeting its 2011 budget target and provide sufficient notice to the public about the changes to fees for 2011. Feedback received from the public to date indicates mixed support for the various changes, although there is a clear preference for increased fees over reduced services.

Prepared by:
Corporate Services
Vancouver Board of Parks and Recreation
Vancouver, BC

ME