



Regional District of Central Kootenay

# User Fees and Charges for Publicly Provided Parks and Recreation Services

Final Report May 2019





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# Section 1

## Introduction

Late in 2017 the Regional District of Central Kootenay (RDCK) retained RC Strategies + PERC to review and recommend changes to its parks and recreation fees and charges to render them more consistent, defensible, and practically implementable. A secondary goal was to simplify the system so that it was easier to understand for staff and the citizens of the Regional District.

This report represents the outcome of that process. It can be endorsed by the RDCK Board as a Policy, and parts of it can be translated into a Fees and Charges By-Law that will also require board approval and periodic updates. The report provides the policy base for annual calculation of fees and charges. Once ratified, it will drive the setting of all fees and charges on an annual basis.

This report is the outcome of a process that is described below in *Figure One*.

**Figure One**

### Summary of Fees and Charges Review Process

Task	Participants	Milestones
Workshop to review and agree on using the Benefits Based Approach as the basis for setting Fees and Charges	Board members, senior staff and consultants	Nov.16th 2017
Calculating unit costs for each service category	Staff teams with the consultants	Dec. 2017 to Apr. 2018
Workshop to agree on the list of benefits that will drive the process	Board members, senior staff and consultants	Jan. 8th 2018
Telephone conference calls and several face to face meetings to modify and adjust the cost accounting work	Staff teams with the consultants	Apr. 2018 to Jun. 2018
Workshop to obtain direction from board members on what to include in cost accounting and which categories of users and uses might drive variance in the degree of subsidy justified.	Board members, senior staff and consultants	Jun. 21 <sup>st</sup> 2018
Determine recovery rates for each category of users and uses	Consultants	Jul. 2018
Calculating proposed new fees	Consultants	Jul. 2018
Drafting the new Fees and Charges Policy with implementation strategy	Consultants	Jul. 2018
Subsequent draft reviewing with staff	Senior Staff	Sep. 2018 to Feb. 2019
Workshop to review of Draft Policy	Board members, senior staff and consultants	Mar. 2019
Finalize and submit Policy for Board consideration	Consultants	Apr. 2019

## Section 2

# Definitions

**Benefit** - refers to anything contributing to an improvement in condition or advantage and can be a direct benefit to a user or indirect benefit to a non-user.

**Private Benefit** - any benefit that the RDCK does not recognize as a benefit to the community as a whole is a private benefit. Private benefits accrue directly to those who consume a good or service and only to those who consume it.

**Public Benefit** - in general, refers to anything which increases the welfare of the community, is of value to the community as a whole, or responds to a need of the general public. For the purposes of fees and charges for parks and recreation services in the RDCK, the public benefits are summarized as 22 Service Objectives which represent categories of public benefit as defined in the January 8th 2018 workshop with board members and senior staff. They are used subsequently in this report to denote public benefit or public good (see *Figure Three*), and are summarized in Appendix A.

**Public Goods and Services** are those which result in Public Benefits.

**Private Goods and Services** are those which result in Private Benefits.

**Merit Goods and Services** are those with mixed benefits. In other words, while some of the benefits will accrue directly to consumers or users, the community as a whole, including non-users, also benefit. The general location on the benefits continuum will vary depending on the proportion of public benefit in relation to private benefit.

**Benefits Continuum** - is a continuum of benefits with public benefits at one end, private benefits at the other, and mixed benefits in between. It is further illustrated in *Figure Two*.

**Total Capacity for Use** - of a recreation space is defined as all hours each year where it is reasonably possible to use the space within the current operating/staffing format and the current budget.

**Total Use** - of a recreation space is defined as the amount of use the space actually receives. It can be expressed as a percentage of total capacity and is never more than 100% of total capacity.

**Prime Time** - Each facility will have its own definition of prime time that is determined by staff and ratified by the operating authority. The definition of prime time may vary by season in some facilities. Typically, prime time is the period during which demand is most concentrated and the space is most used.

**Non-Prime Time** - will automatically be determined by subtracting prime time from all available hours within the current opening/staffing format. This is the period that is typically in low demand and for which a price incentive may be needed to shift some activity from prime time. That incentive will be in the form of a percentage discount off the full prime time rates.

**Fixed Costs** - are the major costs that are incurred by the facility operator when it decides to provide a good or service. They typically include all capital costs and all fixed operating costs of providing a set of services independent of the amount of use accommodated within the space. These costs do not typically vary with the amount of use of the service or type of use of a facility. They can generally be considered to be the “cost of having the doors open” to accommodate use.

**Variable Costs** - are operating costs normally incurred in the process of providing a specific service, and vary with the amount or type of service or use of the service. They include: program supplies, extra facility maintenance cost (e.g. room setup or ice cleaning), instructor costs, staffing costs associated with facility use over and above legal minimums associated with having the building open, and programmer costs for planning and organizing the activity. They are the incremental costs, added to the Fixed Costs, of accommodating use in a space.

**Total Costs** - are all of the Fixed and Variable costs.

**Recovery Rate** – The percentage of total costs that is intended to be recovered from users in the form of user fees.

**Subsidy Rate** - The remainder of total costs not recovered from users will constitute a public subsidy which is the complement of the recovery rate. The recovery rate and the subsidy rate total 100% of the cost.

**Categories of Potential Users** - There are two subcategories of users; namely individuals and user groups. Each category of user may justify a different level of subsidy because servicing each category might result in a different ratio of public benefit to private benefit. The categories were defined in a workshop on June 21st 2018.

### Categories of Individual users

- **Pre-School:** An individual less than 5 years of age;
- **Youth:** An individual 5 to 18 years of age;
- **Adult:** An individual 19 to 74 years of age;
- **Golden Age\*:** An individual 75 years of age and over;
- **Family:** Up to two adults and up to four dependent children residing in the same household.

*\* Note that the category senior has been removed as per discussions on June 21st more detail is included in the rationale and recovery rates sections of this document. Also the Golden Age category has been reduced from age 80 to 75 years.*

### Categories of User Groups

**Non Profit Organization** A non-profit organization (NPO) is any club, society, or association that’s organized and operated solely for any other purpose except profit.

**Community Group** A non-profit, group or organization. All community groups wishing to be considered for facility allocation must provide activities and programming that is consistent with the goals, objectives, and values of the RDCK.

- **Youth Recreation Group** A non profit sport, culture and recreation group dedicated to primarily serving minors (those 18 years of age and younger). Groups must have a

minimum of 80% of participants under the age of 18.

- **Adult Recreation Group** A non profit sport, culture and recreation group that offers activities and whose members are 19 years old and older.
- **Representative Community Group** A non profit elite sport team who represents an area or institution. These teams must be endorsed and play in a nationally recognized league within the sport's national development model.

**School Group** A non profit educational institution located within the boundaries of the RDCK and SD#8, SD#10, SD#20, and SD#92.

**Commercial Group** A group, individual, or organization who/which is engaged in a for profit business.

**Casual Renter** Any person, group or company that is booking a private event does not have a regular/recurring booking and or not open to the general public to join.

### Categories of Facility Use

There are three modes of facility use as follows, and one has five subcategories. They were identified as categories of use by which justification for subsidy may vary in a June 21st 2018 workshop.

- **Drop In Use:** A use characterized by a person or group of persons deciding on a use by use basis to attend a public session where the public or a subset of the public is welcome to attend.
- **RDCK Programs:** Uses where an individual or group of individuals pre-commits to a series of uses through a registration process. The program is typically characterized by having a leader, or instructor who teaches or leads. Sometimes they are called courses. These programs are offered to the general public and seek to meet the needs of the community. RDCK recreation programs include but are not limited to all registered programs, drop in programs, and events.
- **Rental Uses:** A group rents a space through a rental contract and therefore controls the uses and the users of that space during the period of rental. There are several subcategories of rental uses and each may have its own recovery rate.
  - a. **Regular (recurring) Use:** usual or normal methodical use by a community group occurring at fixed intervals and confirmed in a seasonal contract (e.g. sport group renting space for league games and practices).
  - b. **Community Event:** Community events are tournaments and competitions. Community events are encouraged and supported as valuable assets to the RDCK communities.
  - c. **Special Event:** A special event can be considered one that is provincial, national, and international and/or provides significant athletic, social, cultural, and/or economic benefits to the community.
  - d. **Commercial Use:** Engaged in commerce; an organization engaged in the trade of goods and/or services for the sole purpose of making a profit to benefit their owners and shareholders.
  - e. **Fund Raising:** Where a non-profit group wishes to rent public space and the primary intent is to raise funds for that group (i.e. a fund raising activity or event).

## Section 3

# Rationale for Setting Fees & Charges

The recommended fees and charges system must be philosophically sound, thereby easy to defend, and practically based, as well as easy to implement. The philosophical grounding is based on an assessment of benefits. The following statement forms the core of the recommended fees and charges policy.

***Those who benefit from a good or service should pay in proportion to the benefit they receive.***

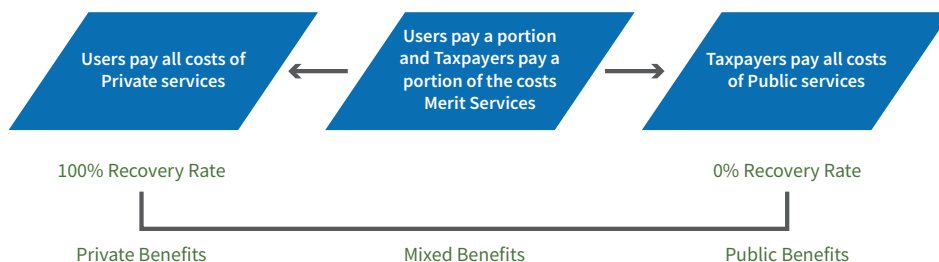
*If all, or substantially all, of the benefits accrue to the community as a whole, the community as a whole should pay for the service through taxes. If all, or substantially all, of the benefits accrue to the individual or group that consumes the good or service, without any greater “public good”, the users should pay all the costs.*

*Where the benefits accrue to the community and also to specific users, the costs should be shared on the basis of proportionate benefit. Users should be required to pay to the extent that the benefits accrue only to themselves, while the community, through taxes, should pay for the portion which benefits it generally.*

According to the above rationale, user fee targets can be set along the benefits continuum as illustrated in **Figure Two**.

**Figure Two**

### Benefits Continuum



There is no easy quantitative formula for determining the amount of public benefit that flows from a particular good or service. It is a matter of local judgment and will typically reflect community values. For example, if the community believes that families recreating as a unit is important and worthy of public subsidy and results in a better community for everyone to live in, then it might determine that family activities had some public benefits and it could justify somewhere along the benefits continuum the amount of public subsidy for recreation opportunities which target families.



Until a more sophisticated way of gauging “public good” is identified, the list of 22 socially worthwhile goals and objectives discussed in the January 8th, 2018 workshop will be used as indicators of public benefit. They are labeled herein as *Figure Three* and detailed in *Appendix A*.

It is important to note that the benefits based approach to Fees and Charges described above is consistent with and supports the general direction laid down in the National Recreation Framework; a national policy document which describes the basic tenets of public recreation in Canada.

**Figure Three**

### **Indicators of Public Benefit**

<b>Growth of Individual</b>	<b>Growth of Community</b>
Fitness and Well Being	Special Events
Preschool Recreation Opportunities	Support for Local Community Groups
Basic Skills for School Aged Children	Spectator Sport
Advanced Skills for School Aged Children	Exposure to the Arts
Social Opportunities for Teens	Social Functions
Basic Skills for Adults	Protecting Natural Resources
Advanced Skills for Adults	Beautify the Community
Recreation Opportunities for Seniors	Opportunities for Family Units
Interpreting the Environment	Mixing Generations and Subgroups
Reflection/Escape	Support for Volunteerism
Leisure Education	
Communication System	



A model which reflects the philosophical base and the above principles for fees and charges can be illustrated in the following chart. It suggests five “thresholds” of cost recovery from none at one end of the scale to full cost recovery at the other in equal increments of 25%. It is summarized in *Figure Four*.

**Figure Four**

**Thresholds of Cost Recovery**

	<b>Public</b>	<b>Merit</b>			<b>Private</b>
	<b>0%</b>	<b>25%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>
Type of Activity	Public Goods & Services	Merit Goods & Services with relatively high community benefit	Merit Goods & Services with a relatively equal mix of community and private benefit	Merit Goods & Services with relatively high private benefit	Private Goods & Services
Pricing Strategy	No price charged	25% cost recovery	50% cost recovery	75% cost recovery	At a minimum, full cost recovery
Cost Recovery Benchmark	None	25% of all costs (fixed and variable)	50% of all costs (fixed and variable)	75% of all costs (fixed and variable)	At a minimum, 100% of all costs (fixed and variable)
Rationale	Goods and services which support community goals and result in a very high degree of community benefit are worthy of provision on a fully subsidized basis. The costs of these goods and services should be paid for by all taxpayers	The more a good or service supports community goals and results in community benefits, the more worthy of public support, and the less the user should be required to pay	Where the benefits to the community and to users are approximately equal, the costs should be shared equally	The more the benefits of a good or service accrue to the consumer of the good or service, and not to the wider community, the more the user should be required to pay	Where the benefits of a good or service accrue solely to the consumer of the good or service, with no benefit to the wider community, the user should be required to pay full costs.

## Section 4

# A Fees & Charges Model

The fundamental basis for fees and charges decision-making is a determination of who benefits from the service. However, it is recognized that pricing decisions may be influenced by practical considerations such as the cost of collecting the revenue, market effects, legal constraints, or ability to pay.

Therefore, the approach to fees and charges decision-making as set out in this policy can be regarded as “two-pronged”. Decisions should be based first and foremost on an assessment of where the benefits of provision accrue. The benefits analysis is the first “prong” of the two-pronged approach and ensures that fees and charges decisions are rooted in a philosophical base. The second “prong” allows for the influence of other charging considerations for practical reasons. It ensures the philosophical base can be implemented.

Some of the factors which modify and limit the generality of the rationale and make it more practical without sacrificing its philosophical integrity are listed below.

1. The revenue collected from fees or charges must always be greater than the costs of collection of the revenue. If not, the revenue should not be collected.
2. It may be desirable to use the charging mechanism to discourage or encourage particular behaviour (e.g. alter demand patterns, discourage unreasonable uses of staff time, discourage polluting behaviour, or shift uses from prime to non-prime time).
3. Using tax resources to subsidize a public service or program should only be done where there is a public benefit. Where there is only private benefit the program should be funded by direct fees that recover the whole cost or a market place return. The use of taxation with the sole purpose of reducing fees below the private sector fees should not be done.
4. The precondition for being able to levy a fee or charge is that the good or service must exhibit both “benefit separability” and “exclusion”. These characters are:
  - » “benefit separability” - that is, it must be possible to identify a person(s), group or organization that directly benefits from provision of the service in order to charge them for at least a portion of the costs of the service,
  - » and “chargeability” or “exclusion” - that is, it must be possible to exclude individuals from receiving the benefit of the good or service if they do not pay.

*These are both absent in the case of pure public services which should have no user fees.*

5. The use of public recreation areas and facilities by private groups should be considered secondary to general public usage or use by non-profit recreation or service organizations. Only under exceptional circumstances should such private use hamper the ongoing publicly sponsored programs, drop-in opportunities, and recreation rentals. One such exceptional circumstance is when excess capacity exists in a space once the public good has been met. In this case, private groups can be encouraged to use the space.
6. The community has a right to generate a surplus on the use of its facilities when public resources are utilized by profit-motivated individuals, groups or companies for profit motivated uses where there is no resulting public good.
7. Like education, health or safety, recreation is a basic human need and should be available to all. The RDCK should ensure that opportunities exist for all citizens to access recreation.
8. Rental cancellations and registration withdrawals with appropriate notice should trigger a refund of a portion of the amounts charged depending on the circumstances.
9. Where additional staff time or other resources are required in order to support a specific facility rental, beyond the regularly scheduled amount of staff time or other resource that is typically included in that base rental cost, those additional costs will be passed on to the user in addition to the regular hourly rental rate. So, all room set up fees, all extra cleaning fees, all specialized services (e.g. AV services, or food and beverage services) and all security fees would be charged extra, at cost. This will specifically, but not exclusively, relate to all arena uses at which admission is charged.
10. The public will be informed in advance of changes to fees and charges to permit advance planning by groups who may have to adjust registration fees and fund-raising activities to accommodate the new rates.
11. Equipment and supplies that are not included in the base rental fee will be charged either to fully recover all of the costs of providing the equipment or supplies.

*A rental fee will be charged for the use of such equipment and supplies as may be deemed rentable. Commodities shall include any item that would enhance our public operator's ability to give high quality public service.*

12. Leases of publicly owned space will be negotiated separately, but according to the principles of the benefits based approach.
13. Partnerships to deliver recreation services will be negotiated separately, but according to the principles of the benefits-based approach.
14. Where a non-profit group wishes to rent public space and the primary intent is to raise funds for that group (i.e. a fundraising activity), the user fee should be set to recover all of the costs (i.e. 100% cost recovery) of providing the space. That way, the use will not automatically, by policy, contribute to the funds raised. If the group wishes public subsidy of a fundraising event, it must apply for a grant from the local or regional authority in which its members reside, and subsidy will thereby be considered on the specific merits of the application.

## Section 5

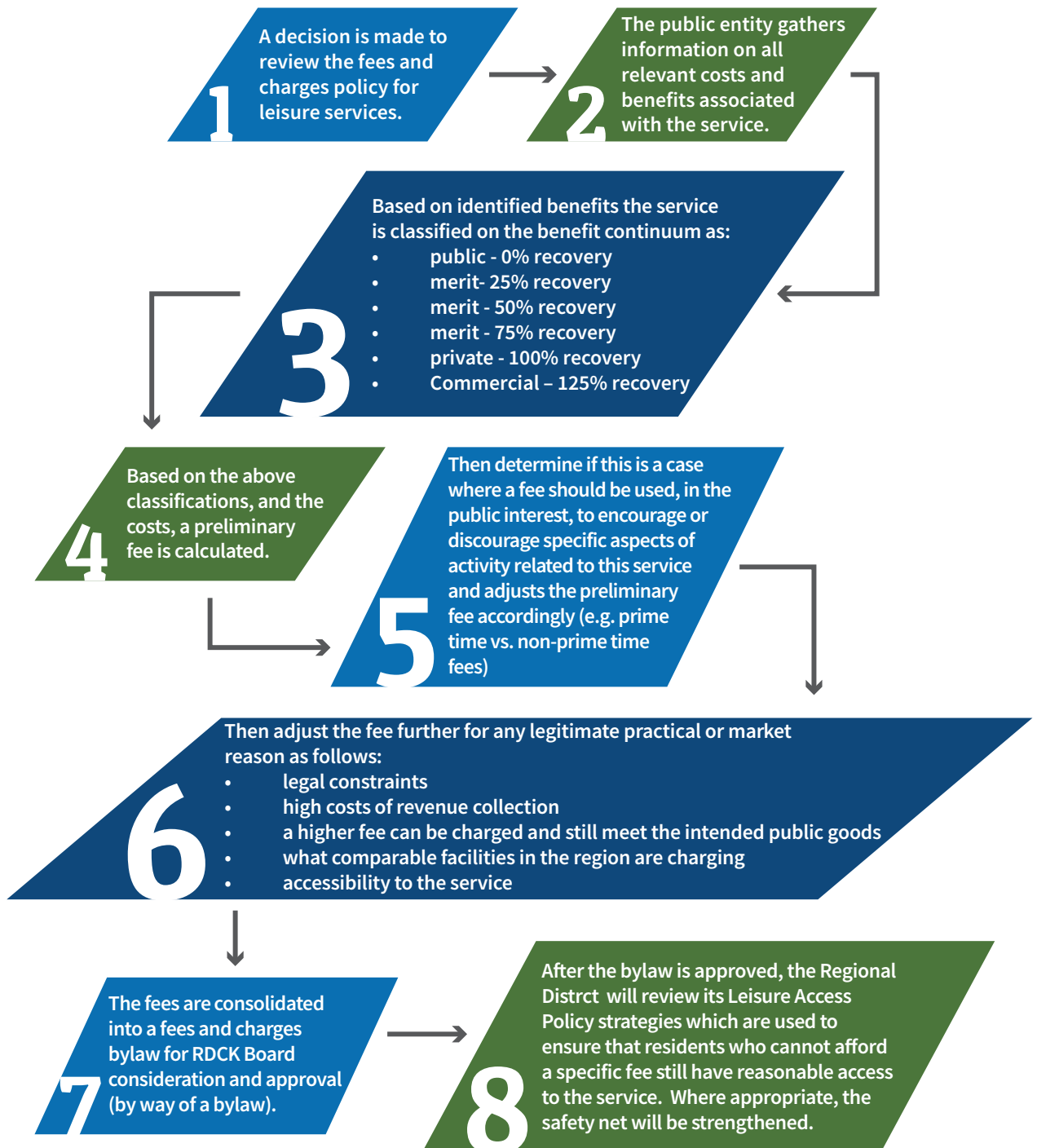
# Process for Setting Fees & Charges

The flow chart in *Figure Five* graphically represents a process for assessing all categories of parks and recreation services funded regionally. The process results in an indicated fee level that is philosophically sound, respects market forces and is practical to implement.



Figure Five

### Summary of Process for Setting Fees and Charges



## Section 6

# Recovery Rates

In *Figure Five* in the previous section, the first three steps relate more to policy and the following steps relate more to the practice of calculating annual fees. In this policy, therefore, it is appropriate to complete the first three steps and then record additional steps that relate to calculating specific fees for 2020 as outlined in Appendix C.

The recovery rates summarized in *Figure Six* are recommended to apply to all public leisure services. They reflect the staff assessment of the justification for public subsidy for each of the categories of uses and users that might be made of indoor and outdoor public recreation spaces.

**Figure Six**

### Recommended Recovery Rates for Calculating Fees and Charges

	USES					
	Drop In Admission	Programs	RENTALS			Camping
			Regular Activity	Special Event	Commercial Use	
<b>Individual Users</b>						
Preschool (<5yrs)	0%	25%				
Youth/Student (5-19)	25%	25%				
Adult (20-75yrs)	50%	50%				50%
Golden Age (76+)	0%	25%				
Family	100%*	100%				
<b>Group Users</b>						
Youth Non-Profit Rec			50%	50%		
Adult Non-Profit Rec			75%	100%		
Private Group or Individual or Fund Raising Motive			100%	100%		50%
Commercial			125%	125%	125%	

\* Family equals twice the adult rate

The public benefits that will potentially accrue from the subsidies indicated above are listed in *Figure Three*. In general, where a lower recovery rate is indicated in *Figure Six* it is because there will be more public benefit delivered under the 22 headings in *Figure Three*. Some justification of the recovery rates is provided below.

- Serving children and teens has more public value than serving adults, and therefore a higher rate of subsidy can be justified. Children and teens involved in positive and engaging recreation activities are more likely to continue with a healthy and active lifestyle.
- Golden Guest program encourages older residents to remain physically and socially active in the community thus improving their ability to remain independent.
- The policy provides an incentive for families to recreate together as a unit, on the understanding that families are a building block of community and have less discretionary income.
- Private groups may or may not bring any social value to a community associated with their activities, so no automatic subsidy can be justified. Subsidizing them does nothing but compete unfairly with the private sector and consume public resources that might better be used to deliver public good.
- Public facilities should be first and foremost used for realizing public goods. The only time they should be used for a commercial purpose is when they aren't required to realize a public good. The private sector should not be allowed to profit at the public expense. The high recovery rate indicated in *Figure Six* for commercial uses by commercial entities sends that message.





## Section 7

# Recommendations

The following recommendations are for consideration by the RDCK Board.

1. Adopt the policy outlined in sections 2, 3, 4 and 5 of this report. These four sections can be copied directly into an RDCK policy format and by-law.
2. Separately, endorse the recovery rates shown in *Figure Six* which may be updated more frequently than the policy and therefore this decision is made separately.
3. Endorse the specific fees in *Appendix C* and instruct the operating entities to implement them for 2020.
4. Instruct staff to recalculate the cost base for publicly provided recreation services every three years and use that revised cost base to recalculate fees for the subsequent year.
5. In the years between the three year update, the cost of living index should be used to adjust fees annually.
6. Once the fees have been calculated using updated costs and the recovery rates in *Figure Six*, the fees may be adjusted either up or down for market forces and other practical matters listed in *Figure Five*.
7. Notwithstanding the above six recommendations, during the initial three year period of implementing this policy, there will more significant adjustments. These will require careful attention to impacts and phasing in of the most significant changes in order to reduce stress to users and user groups.
8. Once base fees are determined, uses of public recreation facilities can be “packaged” into bulk purchases through the use of strip tickets, programs, passes or memberships, offering some discounts per use to reflect the reduced administration costs and the appropriate incentive to generate more use.
9. Also, fees can be discounted to encourage behaviour which is desirable to the community. For example, non-prime use can be encouraged through incentive pricing.

10. A set of “safety net” strategies will be required which will ensure that those with barriers to accessing public recreation services should be constantly monitored to guarantee that they practically reduce such barriers of all kinds; but with respect to this policy, reduce barriers associated with ability to pay adjusted fees. The safety net strategies may include any or all of the following elements which represent industry “best practices”:
  - a. Working with local agencies (e.g. Ministry of Social Development) to provide special Leisure Access Cards or Passes to families or individuals which qualify for income assistance.
  - b. Working with local sports, recreation and arts organizations which rent space from the RDCK to ensure they each have policies for including potential participants that have an interest and/or ability to participate but no financial means to do so.
  - c. Allowing low income families to apply for a discounted Leisure Access Pass or Card and setting up a program to deal with such applications.
  - d. Adding more free or low cost opportunities for basic services such as swimming and skating and then measuring the impact of those sessions.
  - e. Developing a specific program to assist and support seniors for whom their financial situation is a barrier to participation.
11. In the future, RDCK staff should adjust and utilize the RDCK’s general ledger structure to better calculate the unit costs for each type of parks and recreation service so that they can be more easily calculated henceforth.

A fee calculation for 2020 which is consistent with the above recommendations is included in **Appendix C** along with some practical recommendations for incorporating a phased in approach to fee adjustments in the initial three years of implementation.



## Section 8

# Implications of Recommendations

If the above schedule of fees and charges is ratified by The Board, the major changes that would be adopted would include:

- Reconciled and consolidated ages for tots, children, adults, seniors, and families. Whereas different services now have divergent definitions for these age groups, the new system would have consistent definitions for all terms across the RDCK therefore increasing clarity and consistency.
- No separate designation as a teen - Children and Teens would now be consolidated as youth because there is no greater or lesser degree of public good associated with serving a 14 year old than there is serving a ten year old.
- A new charge for rental uses of the sports fields for fields operated by the RDCK and advocacy for City operated sports in the region - This is because more consistency between indoor and outdoor spaces is desired. Generally, if a person wishes to use a park for informal use and share it with the public, then they use it for free. However, if they want exclusive use (i.e. the right, by permit, to use it exclusively, and ask other users to vacate that portion of the park for a specific time period) the proportion of benefits shifts to a more merit benefit category, and this triggers a user fee. There is no justification for charging for indoor amenities and not charging a similar rate for outdoor amenities.
- Charge full recovery for all events where the primary purpose is for fund raising. This ensures that if the group raising funds wants a public contribution to that cause, they must apply for a grant explicitly rather than getting it by policy. The Board approves grants on the worthiness of a specific cause, not the staff by policy.
- Charge more for commercial uses by commercial entities than it costs to provide the service. This surplus sends the message that public facilities are primarily used for public purposes.
- Adopt a general principle that no RDCK citizen (as defined by the LAP policy) will be refused access to a public leisure opportunity on the basis of inability to pay the stated user fee. This may be applied in various ways but extends the notion of a Leisure Access system significantly more than it currently provides. The Leisure Access Pass would be a policy that allows for those that cannot afford to pay the regular fees to have a discount or waiver such that they can gain access, and not be denied service.

## Appendix A

# Summary of the Categories of Public Good

The overall goals established for the delivery of public leisure services may differ from community to community and may alter through time. There is neither a right goal nor a wrong one. The point is that the overall goal(s) must be agreed to and supported by the RDCK Board and must reflect the interests of the entire community. They must also be consistent with the accepted philosophical foundation. RDCK Board support must be clear and total, because in some cases (although hopefully only in isolated cases), achieving the social goals may not entirely parallel the meeting of short term public demand. If the RDCK Board bows to public demand by always giving vocal minority groups what they want, simply because they say they want it, then the RDCK Board will not be protecting the overall public interest. It will, instead, be taxing all citizens to subsidize the interests of a few, simply because those few want help to finance their recreation pursuits.

Two goals considered appropriate for a typical RDCK are as follows:

### **USE THE DELIVERY OF PUBLIC LEISURE SERVICES TO FURTHER THE GROWTH AND DEVELOPMENT OF THE COMMUNITY**

(i.e. through first establishing a broadly felt community identity and then developing a widely held community spirit and, finally, to the evolution of a community culture.)

### **USE THE DELIVERY OF PUBLIC LEISURE SERVICES TO FURTHER THE GROWTH AND DEVELOPMENT OF THE INDIVIDUAL**

(i.e. the social, emotional, moral, academic and physical growth of each member of the community.)

With regards to the first goal, communities pass through several stages of evolution. Similarly, residents who move into a community which is new to them have a relationship with that community that evolves through several stages. The first phase has been termed herein as the development of a sense of COMMUNITY IDENTITY. In this stage people begin to feel a part of the community in which they reside. This occurs gradually over time. The second stage occurs when people not only feel a part of the community, but they feel good about it. It is the evolution of a sense of COMMUNITY SPIRIT. Eventually some communities develop to a sense of COMMUNITY CULTURE. Communities in this category are known for their unique characteristics or attributes (e.g. art galleries, hockey teams, theatre groups, friendliness, special events or historic sites).

Analysis of communities that have made good progress along the growth continuum, from community identity through community spirit to community culture, suggests that much of this growth can be directly linked to leisure time activities that draw local residents together and instill a sense of pride. In fact, how people feel about the community in which they live is influenced greatly by the experiences they have during leisure time.

Two points about community growth are significant. First, growth does not automatically progress positively along the continuum. If it did, the RDCK Board would not need to become involved. In fact, growth along the continuum is not assured at all. Secondly, the existence of leisure experiences does not automatically foster such growth. In fact, certain forms of recreation activity can frustrate growth or contribute negatively to it. It is the quality, variety, balance and the way in which leisure services are administered that influence growth. That is why the RDCK Board can justify using public leisure services as a vehicle in achieving a sense of community identity, spirit and culture. Leisure services have the potential to, but do not automatically, contribute to growth. If they do contribute to the sense of community, there is indirect benefit to all.

With regards to the second goal, recreation like other types of liberal education experiences, can contribute to the mental, physical, social, moral and emotional development or growth of each resident in the community. Recreation does not automatically contribute to growth (it could potentially stagnate rather than develop), but it can do so, and indeed, is a vehicle ideally suited to contribute to growth for the following reasons:

1. The provision of public Leisure Services, by its very definition (i.e. contributing to growth) is educational. In fact, it is more broadly educational than current public education systems because:
  - » It enjoys a wide range of media in which to educate (i.e. a wide range of physical and social settings)
  - » It occurs while the participant is in a state of mind particularly susceptible to education (i.e. consumed, comfortable, voluntary, usually enjoyable)
  - » It deals very generally with the total person (i.e. physical, mental, emotional).
2. People spend a great deal of their time participating in recreation. There is little doubt that the percentage of one's time spent in leisure will increase in the future and the potential for growth in leisure time is significant.
3. Psychologists agree that recreation is a very basic part of life (i.e. a natural human activity).

In effect then, the provision of publicly sponsored leisure services as a vehicle in maximizing growth of the individual can be justified in exactly the same way as public education.

If recreation can contribute to the growth of individuals and communities but does not automatically do so, it is in the community's best interests to at least monitor recreation delivery systems, preferably control those systems to the extent that potential for growth is maximized and possibly, directly sponsor certain recreation services which most effectively contribute to the two goals.

## Objectives

The following 21 Service Objectives are consistent with the two Growth Goals described in the previous section. (They may be considered as specific public leisure service categories for achieving the goals.) All RDCK activities directed toward achieving the two goals could be categorized under one or more of these objectives.

## Community Growth

### 1. SPECIAL EVENTS

Special events (e.g. carnivals, fairs, and the like) can contribute to a feeling of community identity and spirit. Therefore, the RDCK should be involved in sponsoring special events to the extent necessary to ensure promotion of this objective.

### 2. SUPPORT TO LOCAL GROUPS

Local clubs, groups and agencies are and will be organizing and sponsoring leisure opportunities. The "people doing things for themselves" aspect of such groups is socially worthwhile and desirable. The RDCK should support such groups in their efforts. Support may occur in a number of ways, including subsidized access to facilities, assistance in leadership training, provision of specialized equipment or the provision of operating grants.

### 3. EXPOSURE TO SPORTING EVENTS

Community identity, spirit and culture can be fostered through the environment generated by spectators at athletic events. In such events, sport can be closely linked with community identity and pride. Because of this, opportunities should be provided for spectator experiences at athletic events.

### 4. EXPOSURE TO THE ARTS

Artistic endeavors (both performing and visual) represent one of the most significant aspects of developing a culture in any community. Through exposure to the arts, local residents should develop a better understanding and appreciation of the cultural aspects of a community.

### 5. SOCIAL FUNCTIONS

Because social functions are a valuable vehicle to use in developing community cohesion and identity, the public sector should ensure that such opportunities exist.

## **6. PROTECTING COMMUNITY NATURAL RESOURCES**

The protection of natural aesthetic features, vistas, natural phenomenon and features of historic significance and the provision of public access to such features will contribute to a greater understanding of and pride in the community and, therefore, contribute to community growth.

## **7. BEAUTIFY THE COMMUNITY**

The extent to which a community is seen by its residents as being visually pleasing is directly related to the potential for creating community identity, spirit and culture. Therefore, to make a community more beautiful is a worthwhile social objective worthy of tax support.

## **8. FAMILY ORIENTED LEISURE SERVICES**

The family unit is an integral building block of community growth. Opportunities should be provided for families to pursue leisure as a family unit.

## **9. INTEGRATING GENERATIONS AND SUB GROUPS**

Community growth can be fostered through increased contact between people of varying age groups within the community. The more contact and interchange between seniors and younger adults and children, the greater the potential for community growth. Therefore, in the provision of leisure services, attempts should be made to provide such contact and interchange between seniors and younger residents with a view toward transmitting cultural heritage across the generations.

Community growth can further be fostered through an integrative mixing of various ethnic groups so that each better understands and appreciates the differences and strengths of the other. Multicultural recreation services can be used as a vehicle in making the community more cohesive.

Community growth can also be fostered by integrating various groups of people with special needs into mainstream programming. Whether individuals have physical, emotional or mental special needs, recreation can be used as a leveling and integrative force.

## Individual Growth

### 10. FITNESS (WELL BEING)

Fitness, in this context, is used broadly as a synonym for wellness, and refers to mental and emotional, as well as physical fitness. The fitness level of every resident of the community should be increased at least to a pre-determined minimum level with opportunities available for progress beyond this point.

### 11. PRE-SCHOOL LEISURE OPPORTUNITIES

An opportunity should exist for every pre-school aged child to participate with other children in a variety of leisure experiences, in order to:

- Expose the child to social settings
- Foster gross motor development
- Provide a generally happy and satisfying atmosphere where growth can occur
- Teach basic safety skills and attitudes.

### 12. BASIC LEISURE SKILL DEVELOPMENT FOR SCHOOL AGED CHILDREN

A wide variety of leisure pursuits in such areas as sport, performing arts, visual arts, outdoor nature-oriented skills, and hobbies, should be identified, and basic skill level instruction in each should be provided for school aged children in order to:

- Provide exposure to skills which may form the basis for enjoying lifetime leisure activities
- Contribute to gross motor and fine motor physical development
- Provide social settings in which social, moral, and emotional growth can be fostered
- Provide the basis for leisure education (i.e. the teachings of the benefits of and wise use of leisure time).

### 13. ADVANCED LEISURE SKILL DEVELOPMENT FOR SCHOOL AGED CHILDREN

Opportunities should be provided for those children who wish to further develop their interest and skills in a wide variety of leisure pursuits beyond the basic level.

### 14. SOCIAL OPPORTUNITIES FOR TEENS

The maturing from youth to adult which occurs during teenage years is often a critical time in the life of an individual. It is also a time when individual difficulties may result in severe social problems. Hence, opportunities should be provided for teens to:

- Learn about themselves and how they will react to various social settings and pressures
- Develop positive social/emotional/moral skills, principles and convictions
- Develop positive leisure lifestyle patterns which will remain with them through adulthood.



## **15. BASIC LEISURE SKILL DEVELOPMENT FOR ADULTS**

Opportunities should be provided in a wide range of leisure endeavors and hobbies for adults who wish to be exposed to such endeavors and learn some basic skills in each.

## **16. ADVANCED LEISURE SKILL DEVELOPMENT FOR ADULTS**

Opportunities should be provided for those adults who wish to further develop their interests or abilities in a wide variety of leisure pursuits.

## **17. OPPORTUNITIES FOR SENIORS**

Opportunities should be provided for senior citizens to participate in the leisure activities of their choice in order to:

- Maintain overall fitness levels
- Maintain social contacts and continue to be involved in social environments
- Provide a continuing sense of worth and meaning of life through continuing personal growth.

## **18. INTERPRETING THE ENVIRONMENT**

Opportunities should be provided for every local resident to learn about, understand, relate to and experience all aspects of his/her environment.

## **19. REFLECTION/ESCAPE**

Often growth can occur through escape, reflection, contact with nature and relaxation in a serene natural environment. Because of this, opportunities should be provided for residents to experience nature.

## **20. LEISURE EDUCATION**

All residents should be generally educated as to the best use of leisure time and the benefits (e.g. growth and fulfillment) that accrue therefrom.

## **21. COMMUNICATION SYSTEM**

A communication/information system should be established and maintained whereby all residents are made aware of the availability of access to leisure opportunities in the community.

## **22. ENCOURAGE VOLUNTEERISM**

Volunteering can be considered one of the highest forms of recreation and results in substantial public good. The public sector should be encouraging such activity whenever possible.

The rationale as outlined above does not determine how much money a Regional District allocates to the delivery of public leisure services. Instead, it provides a framework within which to make decisions no matter what level of service is supported by the RDCK Board. **The ultimate objective is to make the most effective use of limited available resources by providing services in a rational, consistent, equitable manner that can be clearly justified and defended to all local residents.**

## Appendix B

# Demand vs. Need

In the private sector **Demand** is defined as the amount of a good or service that is purchased at a particular price. Demand is always a function of price. In public recreation agencies we sometimes ignore the price side of the definition and simply ask people what they want and then give them what they want because they say they want it; independent of price or what “the market will bear”.

There is growing understanding that demand is not an appropriate basis for making decisions about publicly supported leisure services. Demand essentially focuses on direct benefits to users of a service and the value they place on those benefits.

**Need** is always a subset of demand. In order for there to be a need, there must first be some demand for a service. But in order for that service to also be a need, there must be some form of indirect benefit to all citizens, from which they cannot escape. In fact, that is a classic definition of a “public good”; indirect benefit to all citizens which is not separable.

The private sector is always demand driven. If there is enough demand for something, and it is legal, the private sector will respond and provide services consistent with the demand. The public sector is always needs driven. In order for it to become involved, the service must also have some benefit to the entire community. There must be a public good that results.

**Examples:**

Assume there are two possible uses for a multipurpose space. One is a local family which wants to rent the space for a bridal shower with 40 women. The other is a group of ten teens at risk that are interested in a workshop on how to make digital films of skateboarding.

If the room were in a private facility, the operator would opt for the use which responds to highest demand; the use which results in more net revenue to the facility - in this case, the bridal shower. However, if the multipurpose space were in an arena, the operator would opt for the use which meets the highest need. The question would focus on which use results in more indirect benefit to the entire community. That decision might favour the ten youth at risk; who might be motivated toward less antisocial behaviour and indirectly make life better for all residents of the community whether they had kids in the workshop or not.

Another example relates to choosing the goods to sell at a public concession. Does the public sector decision maker choose the goods with the highest margin (e.g. soda pop and candy floss) or does it choose the goods which are consistent with the healthy living mandate of a Community Centre (which might favour juice and fruit). That decision is the same whether the public operator is a City Department, a RDCK or a School Board.

So, in summary, public investments in recreation services are justified only on the basis that there is some form of collective good (i.e. called public good) that is measured as indirect benefit to all, rather than simply responding to whatever citizens want to do in their recreation time (which the private sector responds to) and whatever results in the most revenue.



## Appendix C

# Calculating Fees and Charges for 2019

For 2019, the calculations of costs for providing services are described in *Figure Five* in the body of this report have been completed and they are summarized herein as *Figure D-1*.

**Figure D - 1**

### Summary of Unit Costs of Providing Recreation Services in the RDCK in 2017

Cost Centre	Nelson Unit Costs Based on		Castlegar Unit Costs Based on		Creston Unit Costs Based on	
	Capacity	Use	Capacity	Use	Capacity	Use
<b>Aquatics</b>						
Lap Pool Cost per hour	213	213	155	155	168	168
Leisure Tank Cost per hour	174	174	48	48	156	156
Cost per Drop-In Swim	6.56	10.86	4.60	16.45	6.90	21.56
Group Swim Lesson (8 sessions)	71	71	65	65	69	69
Drop in Aqua Fit Class	6.55	13.70	7.10	7.25	7.45	8.20
<b>Arenas</b>						
Arena Ice per Hour	127	333	198	336	133	208
Dry Floor Rental	99	3023	120	587	51	392
Drop in Skate	1.43	26.00	2.08	25.00	1.40	21.00
<b>Fitness</b>						
Fitness Centre per hour	133	133	54	54	80	80
Fitness Centre drop in	1.80	6.22	1.55	7.75	2.20	11.42
Fitness Studio per hour	53	173	32	125	48	134
Drop in Fitness Class	9.75	18.60	7.35	9.90	7.75	17.21
<b>Multipurpose Rooms</b>						
Large per hour	N/A		27	99	24	89
Medium per hour	N/A		14	33	13	30
Small per hour	8	19	13	48	6	31

Cost Centre	Nelson Unit Costs Based on		Castlegar Unit Costs Based on		Creston Unit Costs Based on	
	Capacity	Use	Capacity	Use	Capacity	Use
<b>Outdoor Spaces</b>						
Ball Diamond Rental per hour	N/A	N/A	N/A		32*	118*
Soccer Field Rental per hour	N/A	N/A	N/A		26*	43*
Pass Creek Campground per day	6.42*	\$19.90				
Glacier Campground per day	10.02*	\$32.39				

Notes: Figures in the above table with an asterisk \* do not include capital

Although the campgrounds appear under the Nelson column, they are a region wide service.

A review of **Figure D – 1** shows that there is a significant degree of variances between the unit costs of each of the three recreation complexes. This is due to a number of factors as indicated below.

- The same types of space in each centre can vary significantly. For example, the leisure pool in the Castlegar facility is much smaller than the leisure pools of the other two centres.
- The types and formats of use of the same space vary significantly between the centres. For example, the arena ice in the Nelson facility has a much longer season than in the other two centres, and when the ice is out for only a few weeks, there isn't sufficient time to host dry floor leagues, so the level of usage is quite low. Almost all the dry floor time at the Nelson facility is getting the arena ready to put the ice back in.
- The demographics of the communities are also unique and therefore usage of certain facilities and programs can vary as do the cost to support those varying numbers of participants.
- The age of the spaces varies and therefore the efficiency of operation varies. For example, in an older facility, more energy is typically required to provide the same hour of use of a space.

As **Figure D - 1** also shows, there are two different approaches to calculating unit costs. The first is to divide all costs by the total capacity for use. This gives a theoretical cost of providing services if the spaces are all operated at full capacity. The second is to divide all costs by the amount of actual use. This can be considered to be a more accurate measure of "real" costs at current usage levels. However, the costs at the three major complexes in the RDCK appear to vary more using this second approach as the levels of use vary between the three complexes. There was some support in the June 2018 workshop to use the option of capacity as variance would be less. However, in practice that was soon determined to be unworkable. So, the best approach in this situation was to divide all costs by actual use to determine unit costs of providing recreation services.

At the same workshop, it was also decided that there was merit in attempting to have the same or similar user fees in all three complexes. In addition, it supports the work previously done on developing the Regional Wellness Pass and encourages residents of the RDCK to view recreation as one service. Therefore, since fees will be recovered as a percentage of unit costs, it was decided that the unit costs of the three complexes should be averaged to a single set of unit costs against which a single set of fees would be raised. Figure D-2 shows the final set of average unit costs.

Figure D - 2

**Average Unit Costs Based on Actual Use 2017**

<b>Cost Centre</b>	<b>Average Unit Costs</b>
<b>Aquatics</b>	
Lap Pool Cost per hour per lane	\$33.37
Leisure Tank Cost per hour	\$126.00
Cost per Drop-In Swim	\$16.29
Group Swim Lesson (8 sessions)	\$68.33
Drop in Aqua Fit Class	\$9.72
<b>Arenas</b>	
Arena Ice per Hour	\$292.00
Dry Floor Rental	\$90.00*
Drop in Skate	\$24.00
<b>Fitness</b>	
Fitness Centre per hour	\$89.00
Fitness Centre drop in	\$8.47
Fitness Studio per hour	\$144.00
Drop in Fitness Class	\$15.24
<b>Multipurpose Rooms</b>	
Large per hour	\$94.00
Medium per hour	\$31.50
Small per hour	\$31.50
<b>Outdoor Spaces</b>	
Ball Diamond Rental per hour	\$118.00
Soccer Field Rental per hour	\$43.00
Pass Creek Campground per day	\$19.90
Glacier Campground per day	\$32.39

\* Only in the case of dry floor rental was overall dry floor cost divided by capacity for use not actual use.

In 2017, the same year as the unit costing, the existing fees for the three complexes vary significantly for similar types of services. *Figure D – 3* shows the range of fees for the service categories and translates them into recovery rates.

**Figure D – 3**

**Range of Existing Fees for 2017**

<b>Cost Centre</b>	<b>Average Cost of Providing the Service</b>	<b>Range of Existing Fees for the Service</b>	<b>Range of Existing Recovery Rates</b>
<b>Lap Pool Rental per hour per lane</b>	<b>\$33.37</b>		
Youth Recreation Organization		\$13.10 - \$22.89	39% - 69%
Adult Recreation Organization			
Private/Other Non-Profit Org.			
Commercial Organization (whole pool)		\$125.44 - \$208.12	63% - 104%
<b>Leisure Tank Rental per hour</b>	<b>\$126.00</b>		
Youth Recreation Organization		\$52.17	41%
Adult Recreation Organization			
Private/Other Non-Profit Org.			
Commercial Organization			
<b>Drop In Swim</b>	<b>\$16.29</b>		
Child		\$2.41-\$3.33	15% - 20%
Youth		\$3.35-\$3.57	21% - 22%
Student		\$4.77-\$5.00	29% - 31%
Adult		\$5.72-\$6.47	35% - 40%
Senior		\$4.77-\$5.00	29% - 31%
Golden Age		0	0
Family		\$13.34-\$15.40	NA
<b>Group Swim Lesson (8 sessions – 55 min each)</b>	<b>\$68.33</b>		
Child		\$50.00-\$65.00	73% - 95%
Youth		\$50.00 - \$65.00	73% - 95%
Student			
Adult			
Senior			
Golden Age			
<b>Drop in Aqua Fit Class</b>	<b>\$9.72</b>		
Child			
Youth		\$3.35 - \$3.57	85% - 92%
Student		\$4.77 - \$5.00	49% - 51%
Adult		\$5.72 - \$6.47	59% - 67%
Senior		\$4.77 - \$5.00	49% - 51%
Golden Age		\$0	
Family		N/A	

<b>Cost Centre</b>	<b>Average Cost of Providing the Service</b>	<b>Range of Existing Fees for the Service</b>	<b>Range of Existing Recovery Rates</b>
<b>Arena Ice Rental per Hour</b>	<b>\$292.00</b>		
Youth Recreation Organization		\$67.67 - \$99.06	23% - 34%
Adult Recreation Organization		\$122.84 - \$155.66	42% - 53%
Private/Other Non-Profit Org.			
Commercial Organization			
<b>Dry Floor Arena Rental</b>	<b>\$90.00</b>		
Youth Recreation Organization		\$40.32 - \$53.07	45% - 59%
Adult Recreation Organization			
Private/Other Non-Profit Org. (full day non profit rate)		\$676.65 - \$806.58	75% - 90%
Commercial Organization – (special event full day booking)		\$1145.65 - \$1241.15	127% - 138%
<b>Drop in Skate</b>	<b>\$24.00</b>		
Child		\$2.25 - \$3.33	9% - 14%
Youth		\$2.75 - \$3.35	11% - 14%
Student		\$4.77 - \$5.00	20% - 21%
Adult		\$4.00 - \$6.47	17% - 27%
Senior		\$4.77 - \$5.00	20% - 21%
Golden Age		0	
Family		\$9.50 - \$15.40	NA
<b>Fitness Centre drop in</b>	<b>\$8.47</b>		
Child		NA	
Youth		\$3.35 - \$3.57	40% - 42%
Student		\$4.77 - \$5.00	56% - 59%
Adult		\$5.72 - \$6.47	68% - 76%
Senior		\$4.77 - \$5.00	56% - 59%
Golden Age		0	
Family		NA	
<b>Fitness Studio per hour</b>	<b>\$144.00</b>		
Youth Recreation Organization			
Adult Recreation Organization		\$26.02- \$30.77	18% - 21%
Private/Other Non-Profit Org.			
Commercial Organization		\$39.04	27%
<b>Drop in Fitness Class</b>	<b>\$15.24</b>		
Child			
Youth		\$3.35-\$3.57	22% - 23%
Student		\$4.77-\$5.00	31% - 33%
Adult		\$6.00 - \$6.47	39% - 42%



Cost Centre	Average Cost of Providing the Service	Range of Existing Fees for the Service	Range of Existing Recovery Rates
Senior		\$4.77-\$5.00	31% - 33%
Golden Age		0	
Family		N/A	
<b>Large Multipurpose Room per hour</b>	<b>\$94.00</b>		
Youth Recreation Organization			
Adult Recreation Organization		\$78.07 - \$94.99	83% - 101%
Private/Other Non-Profit Org.			
Commercial Organization		\$78.07-123.09	83% - 131%
<b>Medium Multipurpose Room per hour</b>	<b>\$31.50</b>		
Youth Recreation Organization			
Adult Recreation Organization		\$39.04 - \$61.55	124% - 195%
Private/Other Non-Profit Org.			
Commercial Organization		\$39.04-\$94.99	124% - 302%
<b>Small Multipurpose Room per hour</b>	<b>\$31.50</b>		
Youth Recreation Organization			
Adult Recreation Organization		\$17.53 - \$30.77	56% - 98%
Private/Other Non-Profit Org.			
Commercial Organization		\$27.06-61.55	86% - 195%
<b>Ball Diamond Rental per hour</b>	<b>\$118.00</b>		
Youth Recreation Organization			
Adult Recreation Organization			
Private/Other Non-Profit Org.			
Commercial Organization			
<b>Soccer Field Rental per hour</b>	<b>\$43.00</b>		
Youth Recreation Organization			
Adult Recreation Organization			
Private/Other Non-Profit Org.			
Commercial Organization		\$124.85	290%
<b>Pass Creek Campground per day</b>	<b>\$19.90</b>	<b>\$17.00</b>	<b>85%</b>
<b>Glacier Campground per day</b>	<b>\$32.39</b>	<b>\$10.00</b>	<b>31%</b>

As *Figure D-3* shows, the existing range of recovery rates and fees is quite diverse. If *Figure Six* from the body of this report is used to apply recovery rates to the unit costs above, we get what is tentatively called “preliminary fees” as noted in step 4 of *Figure Five* of the body of the report. This is a tentative initial indication of fees that is used as a basis for making adjustments that might be required for practical reasons. *Figure D - 4*, shows what these preliminary fees might look like and how much they might be different from the current fees. In the last three columns, where the cells are blank, there is no current fee in place for this specific user or use.

Figure D - 4

**Preliminary Indicated Fees in Relation to Existing Fees**

<b>Cost Centre</b>	<b>Average Cost of Providing the Service</b>	<b>Preliminary Indicated Fees</b>	<b>Existing Nelson Fees</b>	<b>Existing Castlegar Fees</b>	<b>Existing Creston Fees</b>
<b>Lap Pool Rental per hour per lane</b>	<b>\$33.37</b>				
Youth Recreation Organization		\$16.69	\$20.88	\$22.89	\$14.50
Adult Recreation Organization		\$25.00			
Private/Other Non-Profit		\$33.37			
Commercial Organization		\$41.71			
<b>Leisure Tank Rental per hour</b>	<b>\$126.00</b>				
Youth Recreation Organization		\$63.00	\$52.17		
Adult Recreation Organization		\$94.50			
Private/Other Non-Profit		\$126.00			
Commercial Organization		\$157.50			
<b>Drop In Swim</b>	<b>\$16.29</b>				
Pre - School (under 5)		0	\$2.41	\$2.85	3.33
Child/Youth (5 - 19)		\$4.07	\$3.35	\$3.57	\$3.33
Adult (20 - 75)		\$8.15	\$6.43	\$5.72	\$6.47
Golden Age (76+)		0	0	0	0
Family		\$16.30	\$13.35	\$13.34	\$15.40
<b>Group Swim Lesson (8 sessions - 55 min each)</b>	<b>\$68.33</b>				
Child/Youth (5 -19)		\$17.08	\$65.00	\$65.00	\$50.00
Adult (20-75)		\$34.17			
Golden Age (76+)		0			
<b>Drop in Aqua Fit Class</b>	<b>\$9.72</b>				
Child/Youth (5 - 19)		\$2.43	\$6.43	\$6.00	\$6.47
Adult (20 - 75)		\$4.86	\$6.43	\$5.72	\$6.47
Golden Age (76+)		0	0	0	0
Family		\$9.72			
<b>Arena Ice Rental per Hour</b>	<b>\$292.00</b>				
Youth Recreation Organization		\$146.00	\$99.06	\$79.97	\$67.67
Adult Recreation Organization		\$219.00	\$155.66	\$131.09	\$122.84
Private/Other Non-Profit		\$292.00			
Commercial Organization		\$365.00			

<b>Cost Centre</b>	<b>Average Cost of Providing the Service</b>	<b>Preliminary Indicated Fees</b>	<b>Existing Nelson Fees</b>	<b>Existing Castlegar Fees</b>	<b>Existing Creston Fees</b>
<b>Dry Floor Arena Rental</b>	<b>\$90.00</b>				
Youth Recreation Organization		\$45.00	\$53.07	\$40.32	\$41.64
Adult Recreation Organization		\$67.50			
Private/Other Non-Profit		\$90.00			
Commercial Organization		\$112.50			
<b>Drop in Skate</b>	<b>\$24.00</b>				
Pre-School (under 5)		0	\$2.41	\$2.25	\$3.33
Child/Youth (5 – 19)		\$6.00	\$3.35	\$2.75	\$3.33
Adult (20 – 75)		\$12.00	\$6.43	\$4.00	\$6.47
Golden Age (76+)		0	0	0	0
Family		\$24.00	\$13.35	\$13.34	\$15.40
<b>Fitness Centre drop in</b>	<b>\$8.47</b>				
Child/Youth (5-19)		\$2.12	\$3.35	\$3.57	
Adult (20-75)		\$4.25	\$6.43	\$5.72	\$6.47
Golden Age (76+)		0	0	0	0
Family		\$8.50			
<b>Fitness Studio per hour</b>	<b>\$144.00</b>				
Youth Recreation Organization		\$72.00			
Adult Recreation Organization		\$108.00	\$32.00	\$30.77	\$39.04
Private/Other Non-Profit		\$144.00			
Commercial Organization		\$180.00			
<b>Drop in Fitness Class</b>	<b>\$15.24</b>				
Child/Youth (5-19)		\$3.81			
Adult (20-75)		\$7.62	\$6.43	\$5.72	\$6.47
Golden Age (76+)		0			
Family		\$15.25			
<b>Large Multipurpose Room per hour</b>	<b>\$94.00</b>				
Youth Recreation Organization		\$47.00			
Adult Recreation Organization		\$70.50	NA	\$94.99	\$78.07
Private/Other Non-Profit		\$94.00			
Commercial Organization		\$117.50			

Cost Centre	Average Cost of Providing the Service	Preliminary Indicated Fees	Existing Nelson Fees	Existing Castlegar Fees	Existing Creston Fees
<b>Medium Multipurpose Room per hour</b>	<b>\$31.50</b>				
Youth Recreation Organization		\$15.75			
Adult Recreation Organization		\$23.63	NA	\$61.55	\$39.04
Private/Other Non-Profit		\$31.50			
Commercial Organization		\$39.38			
<b>Small Multipurpose Room per hour</b>	<b>\$31.50</b>				
Youth Recreation Organization		\$23.63			
Adult Recreation Organization		\$31.50	\$17.53	\$30.77	\$27.06
Private/Other Non-Profit		\$31.50			
Commercial Organization		\$39.38			
<b>Ball Diamond Rental per hour</b>	<b>\$118.00</b>				
Youth Recreation Organization		\$59.00			
Adult Recreation Organization		\$88.50			
Private/Other Non-Profit		\$118.00			
Commercial Organization		\$147.50			
<b>Soccer Field Rental per hour</b>	<b>\$43.00</b>				
Youth Recreation Organization		\$21.50			
Adult Recreation Organization		\$32.25			
Private/Other Non-Profit		\$43.00			
Commercial Organization		\$53.75			
<b>Pass Creek Campground per day</b>	<b>\$19.90</b>	<b>\$9.45</b>		<b>\$17.00</b>	
<b>Glacier Campground per day</b>	<b>\$32.39</b>	<b>\$16.20</b>	<b>\$10.00</b>		

A review of *Figure D – 4* suggests that the difference between what the new policy indicates and what is currently being charged range from very little (e.g. rental of a small multipurpose room in Castlegar) to quite significant (e.g. ice in rental rates at all centres). Therefore, some practical procedures will be required to adjust the current fee levels to what is indicated by the policy. The consultants suggest the following approach to aligning current fees with what is indicated in the proposed policy.

1. Where the fee indicated within the proposed policy (i.e. the second column in *Figure D – 4*) is within 10% of what is currently being charged, the policy should simply be applied and the fee for next year adjusted to be in full compliance with the policy.
2. Where there is no fee currently in place (i.e. blank cells in the final three columns of *Figure D – 4*) the indicated fee should simply be applied.
3. The first two points above will apply to a majority of all fees in all three centres. The subsequent points in this list will then deal with the minority of cases.
4. Where current fees are higher than the fee indicated in the policy, they should be “red circled” and allowed to remain at that level until costs catch up and then they will rise with costs. This assumes that current fees are deemed as presenting no barrier to participation to the vast majority of patrons, and therefore, they can continue for some time even though the newly indicated fee is below this level.
5. Where current fees are lower than what is indicated in the proposed policy for categories of private user group or commercial user group, they need to be increased to what is indicated in the proposed policy, as there is no justification for subsidy for these groups. In these cases, even if the fees need to be raised a substantial amount the fee increase is entirely justified and must be applied as there is no public good that results from these uses.
6. If the current fee is between 10% and 25% lower than what the proposed policy indicates it should be, the current fees should be gradually increased to the indicated levels over a three year period to reduce the impact of significant fee increases where there is substantial public good delivered by those uses.

Applying the above steps will align all existing fees to the proposed new fees in the vast majority of situations but it will leave a few more substantial shifts that will require additional measures. Those current fees that are more than 25% lower than what is indicated in the proposed policy and in categories of activity that deliver substantial public good are summarized below.

- Adult recreation group rentals of ice in all three centres. The current rates in all cases are substantially lower than what is indicated by the proposed policy. In these cases, fees should be increased over five years to the indicated fee level.
- Youth recreation group rentals of ice in all three communities. The current fees are substantially lower than what is indicated in the proposed policy. Moves to substantially increase fees may be counter-productive, causing reduced use by youth instead of bringing the recovery rates into alignment. Instead, additional investments should be made in all three centres to increase ice use, or find alternative users of the ice; either of which will reduce the unit costs and bring the current fees closer to what is required by the proposed policy. In the meantime efforts should be made to bring ice rental rates for youth into alignment with each other.
- Drop in public skate admissions in all three centres for all classes of users. As with the ice rental situation above, the approach here should be to focus on increasing use, thereby reducing unit costs in underutilized arenas to achieve alignment instead of substantial increases in fees.
- Adult group renters of the fitness studio. Since there is so little use in this category, the consultants suggest that fees be increased modestly, but that this type of use simply be treated as an exception to the policy.
- Most groups using ball diamonds and soccer fields have become used to not paying a fee for that use. However, to be consistent, a fee should be charged. Because of the difference between expectation and consistent policy, a special strategy needs to be devised to deal with this issue. It should include sitting down with the major user groups and individual municipalities (where applicable) and working out some form of phasing in of fees over time to be consistent with the proposed policy and best practice in BC. The arrangement might also include strategies to make better use of existing assets, thereby reducing unit costs, and/or allowing for some form of payment in kind as an alternative to fees.

If all of the above listed steps and bulleted points are implemented, the new fees moving forward for 2020 and beyond would be as outlined in *Figure D – 5*.

**Figure D – 5**

**Recommended New Fees for 2020**

<b>Cost Centre</b>	<b>Average Cost of Providing the Service</b>	<b>Preliminary Indicated Fees</b>	<b>Proposed Nelson Fees</b>	<b>Proposed Castlegar Fees</b>	<b>Proposed Creston Fees</b>
<b>Lap Pool Rental per hour per lane</b>	<b>\$33.37</b>				
Youth Recreation Organization		\$16.69	\$20.88	\$22.89	\$15.50
Adult Recreation Organization		\$25.00	\$25.00	\$25.00	\$25.00
Private/Other Non-Profit		\$33.37	\$33.37	\$33.37	\$33.37
Commercial Organization		\$41.71	\$41.71	\$41.71	\$41.71
<b>Leisure Tank Rental per hour</b>	<b>\$126.00</b>				
Youth Recreation Organization		\$63.00	\$56.00	\$56.00	\$56.00
Adult Recreation Organization		\$94.50	\$94.50	\$94.50	\$94.50
Private/Other Non-Profit		\$126.00	\$126.00	\$126.00	\$126.00
Commercial Organization		\$157.50	\$157.50	\$157.50	\$157.50
<b>Drop In Swim</b>	<b>\$16.29</b>				
Pre – School (under 5)		0	\$2.41	\$2.85	3.33
Child/Youth (5 – 19)		\$4.07	\$3.75	\$3.75	\$3.75
Adult (20 – 75)		\$8.15	\$7.00	\$7.00	\$7.00
Golden Age (76+)		0	0	0	0
Family		\$16.30	\$16.30	\$16.30	\$16.30
<b>Group Swim Lesson (8 sessions – 55 min each)</b>	<b>\$68.33</b>				
Child/Youth (5 -19)		\$17.08	\$65.00	\$65.00	\$50.00
Adult (20-75)		\$34.17	\$65.00	\$65.00	\$65.00
Golden Age (76+)		0			
<b>Drop in Aqua Fit Class</b>	<b>\$9.72</b>				
Child/Youth (5 – 19)		\$2.43	\$6.43	\$6.00	\$6.47
Adult (20 – 75)		\$4.86	\$6.43	\$5.72	\$6.47
Golden Age (76+)		0	0	0	0
Family		\$9.72	\$9.72	\$9.72	\$9.72

<b>Cost Centre</b>	<b>Average Cost of Providing the Service</b>	<b>Preliminary Indicated Fees</b>	<b>Proposed Nelson Fees</b>	<b>Proposed Castlegar Fees</b>	<b>Proposed Creston Fees</b>
<b>Arena Ice Rental per Hour</b>	<b>\$292.00</b>				
Youth Recreation Organization		\$146.00	\$105.00	\$95.00	\$80.00
Adult Recreation Organization		\$219.00	\$170.00	\$160.00	\$150.00
Private/Other Non-Profit		\$292.00	\$292.00	\$292.00	\$292.00
Commercial Organization		\$365.00	\$365.00	\$365.00	\$365.00
<b>Dry Floor Arena Rental</b>	<b>\$90.00</b>				
Youth Recreation Organization		\$45.00	\$53.07	\$45.00	\$45.00
Adult Recreation Organization		\$67.50	\$67.50	\$67.50	\$67.50
Private/Other Non-Profit		\$90.00	\$90.00	\$90.00	\$90.00
Commercial Organization		\$112.50	\$112.50	\$112.50	\$112.50
<b>Drop in Skate</b>	<b>\$24.00</b>				
Pre-School (under 5)		0	\$2.41	\$2.25	\$3.33
Child/Youth (5 – 19)		\$6.00	\$3.50	\$3.50	\$3.50
Adult (20 – 75)		\$12.00	\$7.50	\$7.50	\$7.50
Golden Age (76+)		0	0	0	0
Family		\$24.00	\$17.00	\$17.00	\$17.00
<b>Fitness Centre drop in</b>	<b>\$8.47</b>				
Child/Youth (5-19)		\$2.12	\$3.35	\$3.57	\$3.57
Adult (20-75)		\$4.25	\$6.43	\$5.72	\$6.47
Golden Age (76+)		0	0	0	0
Family		\$8.50	\$8.50	\$8.50	\$8.50
<b>Fitness Studio per hour</b>	<b>\$144.00</b>				
Youth Recreation Organization		\$72.00	\$72.00	\$72.00	\$72.00
Adult Recreation Organization		\$108.00	\$50.00	\$50.00	\$50.00
Private/Other Non-Profit		\$144.00	\$144.00	\$144.00	\$144.00
Commercial Organization		\$180.00	\$180.00	\$180.00	\$180.00
<b>Drop in Fitness Class</b>	<b>\$15.24</b>				
Chld/Youth (5-19)		\$3.81	\$3.81	\$3.81	\$3.81
Adult (20-75)		\$7.62	\$7.00	\$7.00	\$7.00
Golden Age (76+)		0	0	0	0
Family		\$15.25	\$15.25	\$15.25	\$15.25

<b>Cost Centre</b>	<b>Average Cost of Providing the Service</b>	<b>Preliminary Indicated Fees</b>	<b>Proposed Nelson Fees</b>	<b>Proposed Castlegar Fees</b>	<b>Proposed Creston Fees</b>
<b>Large Multipurpose Room per hour</b>	<b>\$94.00</b>				
Youth Recreation Organization		\$47.00	NA	\$47.00	\$47.00
Adult Recreation Organization		\$70.50	NA	\$94.00	\$78.07
Private/Other Non-Profit		\$94.00	NA	\$94.00	\$94.00
Commercial Organization		\$117.50	NA	\$117.50	\$117.50
<b>Medium Multipurpose Room per hour</b>	<b>\$31.50</b>				
Youth Recreation Organization		\$15.75	NA	\$15.75	\$15.75
Adult Recreation Organization		\$23.63	NA	\$61.55	\$39.04
Private/Other Non-Profit		\$31.50	NA	\$31.50	\$31.50
Commercial Organization		\$39.38	NA	\$39.38	\$39.38
<b>Small Multipurpose Room per hour</b>	<b>\$31.50</b>				
Youth Recreation Organization		\$23.63	\$23.63	\$23.63	\$23.63
Adult Recreation Organization		\$31.50	\$31.50	\$31.50	\$31.50
Private/Other Non-Profit		\$31.50	\$31.50	\$31.50	\$31.50
Commercial Organization		\$39.38	\$39.38	\$39.38	\$39.38
<b>Ball Diamond Rental per hour</b>	<b>\$118.00</b>				
Youth Recreation Organization		\$59.00	\$20.00	\$20.00	\$20.00
Adult Recreation Organization		\$88.50	\$40.00	\$40.00	\$40.00
Private/Other Non-Profit		\$118.00	\$118.00	\$118.00	\$118.00
Commercial Organization		\$147.50	\$147.50	\$147.50	\$147.50
<b>Soccer Field Rental per hour</b>	<b>\$43.00</b>				
Youth Recreation Organization		\$21.50	\$10.00	\$10.00	\$10.00
Adult Recreation Organization		\$32.25	\$20.00	\$20.00	\$20.00
Private/Other Non-Profit		\$43.00	\$43.00	\$43.00	\$43.00
Commercial Organization		\$53.75	\$53.75	\$53.75	\$53.75
<b>Pass Creek Campground per day</b>	<b>\$19.90</b>	<b>\$9.45</b>		<b>\$17.00</b>	
<b>Glacier Campground per day</b>	<b>\$32.39</b>	<b>\$16.20</b>	<b>\$16.20</b>		



## Additional Practical Matters

While *Figure D – 5* provides the basic fees, there are a few other issues that need to be addressed in order to provide a more complete picture of all fees and charges. They are outlined below.

- For non-prime time use of spaces (i.e. primarily in arenas at present, but could apply whenever an incentive is required to get people to time shift to a timeslot which is less in demand) a percentage can be used to apply against all fees. The RDCK should decide on the percentage that is required as an incentive to shift behaviour to off peak times.
- For any equipment rentals or any other specialized services, the rates can be calculated on the basis of fees provided in *Figure D – 5* and adding on additional services at cost. For example, if a group renting a meeting room requires specialized equipment that the operator owns, it can be provided at additional cost based on what the piece of equipment costs the operator per hour. The same would apply at an arena, swimming pool, ball diamond, or gymnasium.
- Except for the Wellness Pass program, which is an excellent approach to encouraging active living, emphasis on seasonal passes should be reduced.
- Where specific types of facilities vary in quality significantly, a fee adjustment might be made on that basis. For example, if one leisure pool is significantly smaller and offers significantly less scope for public good than the other two, the fee for that specific rental space might be reduced.
- The Fees outlined in *Figure D - 5* can also be used to calculate other fees not listed. For example, if a set of swim lessons lasts 30 minutes, the costs associated can be prorated using the cost of lesson sets for 55 minute lessons. In other words, the costs and therefore the fees would be halved.
- In order to simplify the dozens of fees currently not listed in the *Figure D – 3*, the fees in that figure can be used to extrapolate other fees. One example would be Adult Drop In Hockey. In fact, it doesn't need nor warrant its own fee, as the adult skate can be used instead. Also, for full day rentals, the operator can decide on the multiple of hours using the hourly rate. The daily rate can be based on 10 hours or 12 hours for example.
- For practical reasons it may be desirable to round off fees to the nearest practical unit (e.g. dollar or quarter) to make it easier for customers.
- In the vast majority of cases, the goal should be to have fees consistent within similar types of spaces throughout the RDCK. However, in cases where current fees are much lower than what the policy indicates, and varying quite substantially from one facility to another, and in cases where current fees are much higher than what the proposed policy indicates, and vary quite substantially, it may be appropriate to allow fees in the three centres to vary for a few years as they slowly come into alignment with the policy.
- In the past there has been a great deal of “bundling” of services. For example, a single drop in fee might be charged that allows a patron to participate in three or four different activities or spaces. This can and should continue. The fees described in *Figure D – 5* can be used as a base for bundling calculations. For example, if the drop in fee for two activities like skating and swimming vary, the higher of the two can be used as the drop in fee, allowing free use of other spaces. Or, a multiple of the highest fee (e.g. 1.5 times the drop in swim fee) for the daily drop in rate to all spaces. Alternatively, a weighted average admission fee could be calculated based on the likely hood of a combination of uses. Such a calculation would result in fees listed below, which could be added to *Figure D – 5*.
  - » 5 - 18 years: \$3.48
  - » 19 - 74 years: \$6.97
  - » Family: \$13.94

# Appendix D

## Best Practices

The following are a collection of best practices reviewed from a wide variety of fees and charges policies and bylaws .

### Connection to the Framework for Recreation in Canada; Pathways to Wellbeing

Connecting to and aligning with the 2015 Framework for Recreation in Canada should be and is a priority for the RDCK (as done in the ice allocation policy and other previous decisions made across the Community Services Department). It is therefore recommended that this policy highlight how and where the framework guidelines and goals are in line with the proposed rationale and decisions.

#### Vision

Everyone engaged in meaningful, accessible recreation experiences, that foster:

Individual Wellbeing / Wellbeing of Natural & Built Environments / Community Wellbeing

#### Values

Public Good / Inclusion & Equality / Sustainability / Lifelong Participation

#### Principles of Operation

Outcome-Driven / Quality & Relevance / Evidence Based / Partnerships / Innovation

#### Goals

Active Living / Inclusion & Access / Connecting People & Nature / Supportive Environments / Recreation Capacity

**Goal of the framework:** Recreation is a public good, in the same way as education or health care, provided for the benefit of individuals and communities. Quality recreation needs to be available to all, sustainable, and supported at all levels to enable lifelong participation.

## Benefits of recreation include economic benefits by investing in recreation (thereby providing additional rationale for subsidies)

Though economic benefit is not the primary driver for recreation service decisions, recreation is an important contributor to community economic development and cost reductions in other areas. Spending on recreation creates jobs, fosters tourism, and makes communities more attractive places in which to live, learn, work, play and visit. “Upstream” investments in recreation can lead to improvements in individual and community wellbeing, which helps to reduce costs in health care, social services and justice.

**Goal #2 of the Framework:** Inclusion and Access: Increase inclusion and access to recreation for populations that face constraints to participation

- Develop and implement strategies and policies, which ensure that no families or individuals in Canada are denied access to public recreation opportunities as a result of economic disadvantage.

**Statement of Need:** Due to the demand for services, operating, and capital costs, and the amount of available tax revenue, continuing to meet expectations and requests of citizens across the RDCK is a challenge. Therefore, it is necessary to develop a fees and charges policy that is both fair and equitable.



