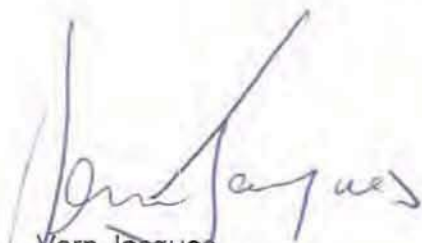




To: Parks, Recreation and Cultural Services Committee **Date:** October 6, 2011
From: Dave Semple
 General Manager, Parks and Recreation **File:**
Re: **Proposed Annual Inflationary Increase in Playing Field User Fees**


Staff Recommendation

1. That playing field user fees be annually increased by an amount equal to the previous year's Consumer Price Index for Greater Vancouver, effective January 2012, and that the applicable fees be included in the annual Consolidated Fees Bylaw for 2013; and
2. That 2012 playing field user fees be increased by 1.75%.



Vern Jacques
 Acting Director, Recreation
 (604.247.4930)

Att. 1

FOR ORIGINATING DEPARTMENT USE ONLY					
ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER		
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>				
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

Playing field user fees are currently not included in the City's Consolidated Fees Bylaw. The authority to charge user fees for use of Richmond's playing fields was granted through City Council resolutions R02/18-17 for artificial turf fields and R06/11-10 for natural turf fields.

Since fees for playing fields went into effect, staff have conducted an annual review to determine the market rates for field user fees as well as the Consumer Price Index for Greater Vancouver (CPI). The results of this research would form the basis for staff recommendations for annual fee increases. These fee increases would be presented to Richmond Sports Council for their endorsement. This process is labour intensive and often causes heated debate amongst various member groups of Richmond Sport Council.

This report outlines the history of playing field user fees in Richmond and addresses future annual fee increases for playing fields.

Findings of Fact

Artificial Turf Playing Field User Fees

In October 2002, Council approved the introduction of fees for the use of artificial turf playing fields. The revenue is redirected to offset maintenance and capital replacement of those fields as follows:

60% of the fees collected from the artificial turf fields in Richmond have been placed in the Special Sports Reserve Fund as sustaining and new capital, and

40% has been directed to field operating costs and administration.

The only exception to this is Richmond High where the agreement made with SD No. 38 is that 40% of all field user fees are placed in the Special Sports Reserve fund for the ultimate replacement of the field surface and 60% directed towards the City's field maintenance costs.

User fees for artificial turf playing fields enables the City to recover the operating costs of its artificial turf fields, and will fund the eventual infrastructure replacement cost of the artificial turf fields.

Natural Grass Playing Field User Fees

Fees for use of Richmond's natural turf fields went into effect in January 2007. The agreement made with community field sport groups and Richmond Sports Council is that 100% of the revenue collected from the use of Richmond's natural turf fields goes towards upgrading existing field sport facilities and/or new field sport facility development.

Funds collected from ball diamond users go into a special Diamond Improvement Reserve fund which is under the Special Sports Reserve fund to be used to upgrade existing ball diamond facilities and/or building new ball diamond facilities.

Funds collected from field users (i.e. football, soccer, rugby, cricket, field lacrosse and field hockey) go into the Special Sports Reserve fund to be used for upgrading existing fields and building new field sport facilities in Richmond.

History of Richmond's Playing Field Fee Increases

After a staff review of market rates and with the endorsement of Richmond Sports Council, playing field user fees were increased by 3% for 2009 and a further 3% for 2010.

For 2011, at the request of Richmond Sport Council, playing field user fees were not increased. The rationale for not increasing playing field for 2011 was that community sports groups were facing financial hardship due to the implementation of HST (which added 7% to many goods and services that formerly had been tax exempt) and cutbacks in Provincial Gaming Grants.

For 2012, the Provincial Gaming Grants for community sport groups have been, in most cases, re-established near former funding levels. Therefore, Richmond's community field sport groups are in a better financial position to contribute towards the costs of operating, or upgrading community playing fields.

Analysis

It is important that the fees for use of Richmond's playing fields are increased annually to keep up with the costs of inflation, which trail the costs of maintenance. As well, it is beneficial to establish a process for increasing future playing field user fees that is fair to the field users and easy to administer by City staff.

In accordance with the City of Richmond's Long Term Financial Management Strategy Policy 3707 section 9, all user fees are to be increased annually by CPI.

After researching various methods of establishing inflationary fee increases, consulting with Richmond Sports Council and in abidance with the City's Long Term Financial Management Strategy, the process that best meets the needs of community field sport groups and the City, is to annually increase playing field user fees effective January 01 of each year by an amount equal to the previous year's CPI.

Unusual circumstances may occur that warrant Council to make a decision on a greater or lower playing field fee increase for any particular year.

The process of systematically increasing user fees by an amount equal to the previous year's CPI is used by other City departments (Engineering and Transportation) for a variety of rental fees, permit fees and sales of products such as maps, drawings and manuals.

Future Playing Field Increases

For the most recent year, the CPI is 1.75%. It is recommended that the 2012 playing field user fees be increased by that amount. A comparison between 2011 and proposed 2012 playing field fees is shown in **Attachment 1**.

It is further recommended that playing field user fees be included in the City's consolidated fee bylaw, which adjusts fees annually by an amount equal to the previous year's CPI.

Financial Impact

Annual revenue projections will be able to keep pace with inflation.

Conclusion

It is important that the fees for use of Richmond's playing fields are increased annually to keep up with the costs of inflation. As well, it is beneficial to establish a process for increasing future playing field user fees that is fair to the field users and easy to administer by City staff.

After researching various methods of establishing inflationary fee increases, consulting with Richmond Sports Council and in abidance with the City's Long Term Financial Management Strategy, the process that best meets the needs of community field sport groups and the City, is to annually increase playing field user fees by an amount equal to the previous year's CPI.



Eric Stepura
Manager, Sports and Community Events
(1274)

:es

Playing Field Fee Comparison 2011 and Proposed 2012 (with a 1.75 % increase)

	2011 Fees		Proposed 2012 Fees	
	Full Size	Mini Field	Full Size	Mini Field
Natural Turf Field Fees				
Sand Turf (With Lights)				
Commercial (all ages)	\$ 33.16	\$ 16.58 /hr	\$ 33.74	\$ 16.87 /hr
Private or Non-resident (all ages)	\$ 26.52	\$ 13.26 /hr	\$ 26.98	\$ 13.49 /hr
Richmond Youth Groups	\$ 9.28	\$ 4.64 /hr	\$ 9.44	\$ 4.72 /hr
Richmond Adult Groups	\$ 19.89	\$ 9.95 /hr	\$ 20.24	\$ 10.12 /hr
Sand Turf (No Lights)				
Commercial (all ages)	\$ 23.88	/hr	\$ 24.30	/hr
Private or Non-resident (all ages)	\$ 19.10	/hr	\$ 19.43	/hr
Richmond Youth Groups	\$ 6.68	/hr	\$ 6.80	/hr
Richmond Adult Groups	\$ 14.33	/hr	\$ 14.58	/hr
Soil Turf (No Lights)				
Commercial (all ages)	\$ 7.96	\$ 3.98 /hr	\$ 8.10	\$ 4.05 /hr
Private or Non-resident (all ages)	\$ 6.37	\$ 3.19 /hr	\$ 6.48	\$ 3.24 /hr
Richmond Youth Groups	\$ 2.22	\$ 1.11 /hr	\$ 2.26	\$ 1.13 /hr
Richmond Adult Groups	\$ 4.78	\$ 2.39 /hr	\$ 4.86	\$ 2.43 /hr
Artificial Turf Fees				
Richmond Youth Groups	\$ 20.16	\$ 10.08 /hr	\$ 20.51	\$ 10.25 /hr
Richmond Adult Groups	\$ 33.95	\$ 16.98 /hr	\$ 34.54	\$ 17.28 /hr
Commercial/Non-Residents (all ages)	\$ 50.06	\$ 25.03 /hr	\$ 50.94	\$ 25.47 /hr
Ball Diamonds				
Sand Turf (With Lights)				
Commercial (all ages)	\$ 21.00	/hr	\$ 21.37	/hr
Private or Non-resident (all ages)	\$ 16.82	/hr	\$ 17.11	/hr
Richmond Youth Groups	\$ 5.89	/hr	\$ 5.99	/hr
Richmond Adult Groups	\$ 12.63	/hr	\$ 12.85	/hr
Sand Turf (No Lights)				
Commercial (all ages)	\$ 19.25	/hr	\$ 19.59	/hr
Private or Non-resident (all ages)	\$ 15.39	/hr	\$ 15.66	/hr
Richmond Youth Groups	\$ 5.41	/hr	\$ 5.50	/hr
Richmond Adult Groups	\$ 11.57	/hr	\$ 11.77	/hr
Soil Turf (No Lights)				
Commercial (all ages)	\$ 5.62	/hr	\$ 5.72	/hr
Private or Non-resident (all ages)	\$ 4.51	/hr	\$ 4.59	/hr
Richmond Youth Groups	\$ 1.60	/hr	\$ 1.63	/hr
Richmond Adult Groups	\$ 3.40	/hr	\$ 3.46	/hr

Track and Field Fees and Charges (Facilities at Minoru Park)

Training fee - All ages Track and Field Club	\$ 700.19 /year	\$ 712.44 /year
Richmond Youth Meets	\$ 127.31 /meet	\$ 129.54 /meet
Richmond Adult Meets	\$ 202.60 /meet	\$ 206.15 /meet
Private Group Track Meets or Special Events	\$ 509.23 /day	\$ 518.14 /day
Private Group Track Meets or Special Events	\$ 42.40 /hr	\$ 43.14 /hr