



City of Courtenay
**RECREATION FEES AND
CHARGES REVIEW**

Council Workshop

November 25, 2019



Purpose of the Review

- To ensure a practical, transparent, consistent, and fair approach to setting fees and charges for recreation facilities, programs and services.
- To implement an approach that is based on a defensible philosophy and justified rationale (an approach that is endorsed by Council).
- To ensure that fees align with existing City planning.

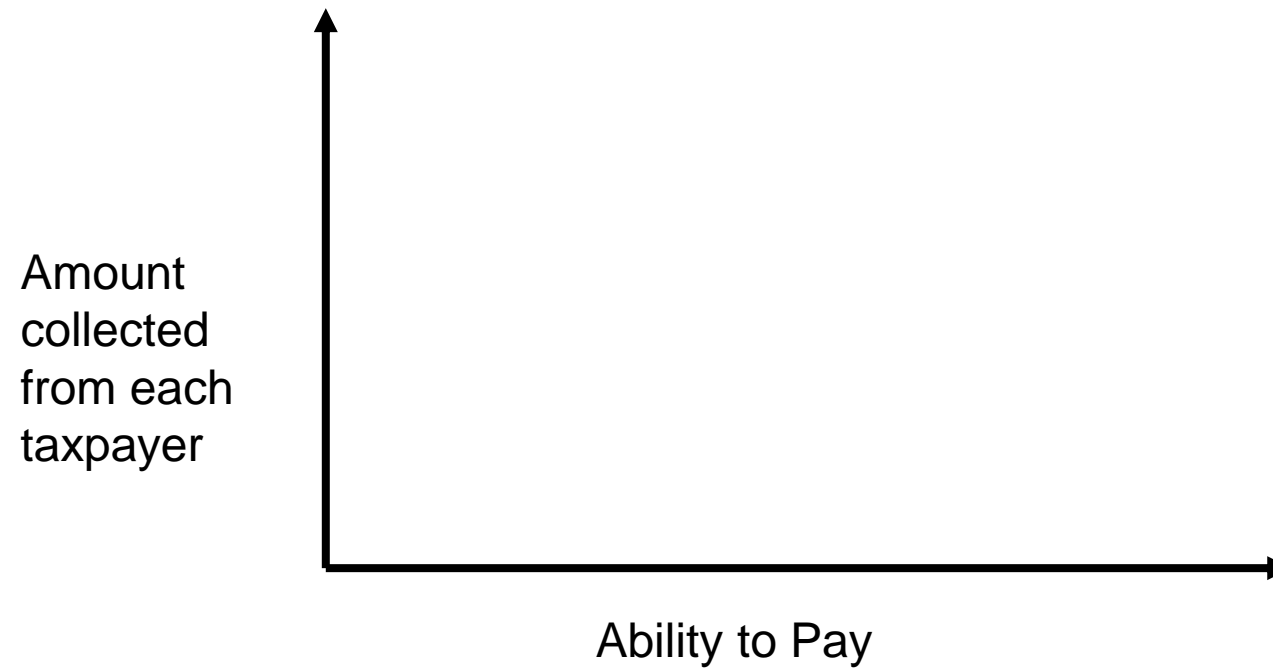
Purpose of the Workshop

- To explain the *Benefits Based Approach* to setting fees.
- To test comfort with this recommended approach.

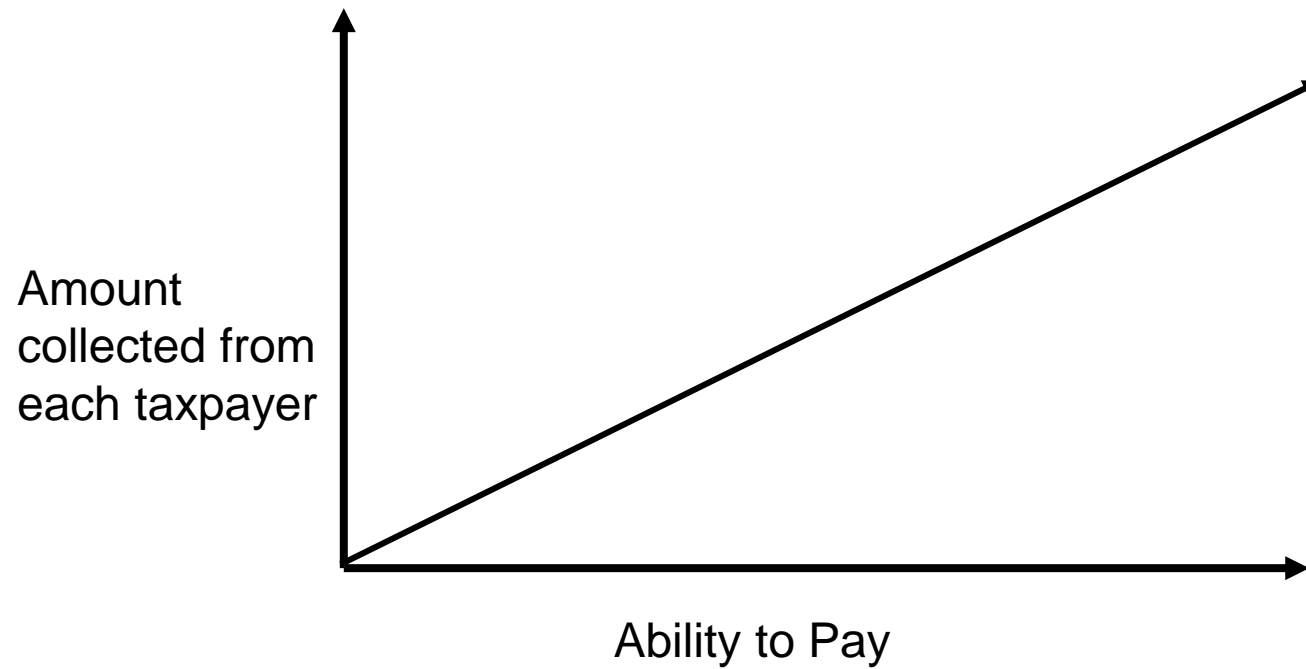
Role of Local Government

- To legislate an appropriate framework within which to live, work and play.
- To collect taxes and use the funds to deliver services back to the taxpayers.

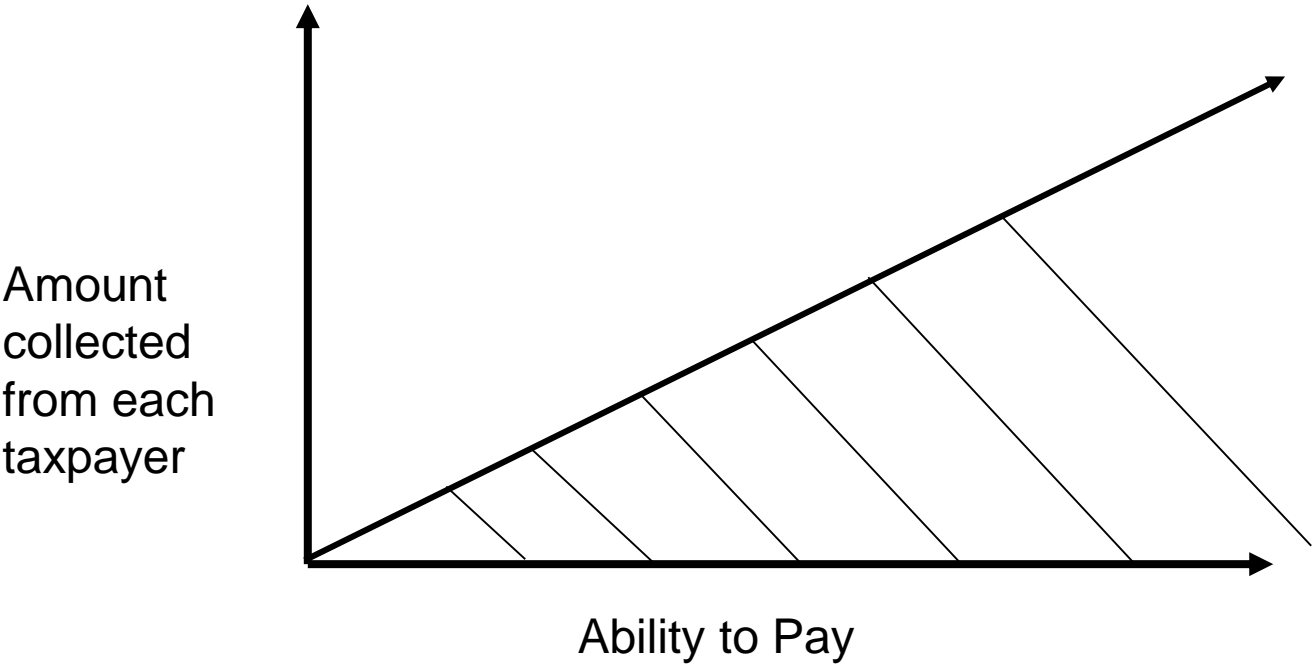
Tax System



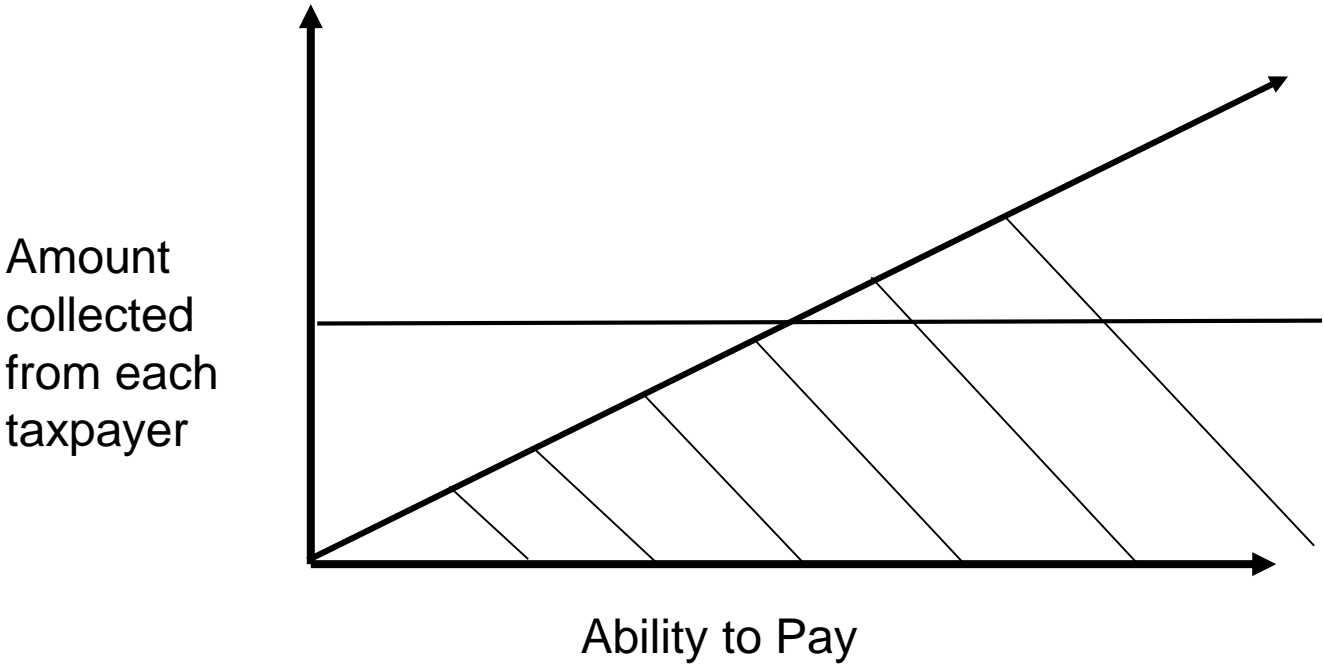
Tax System



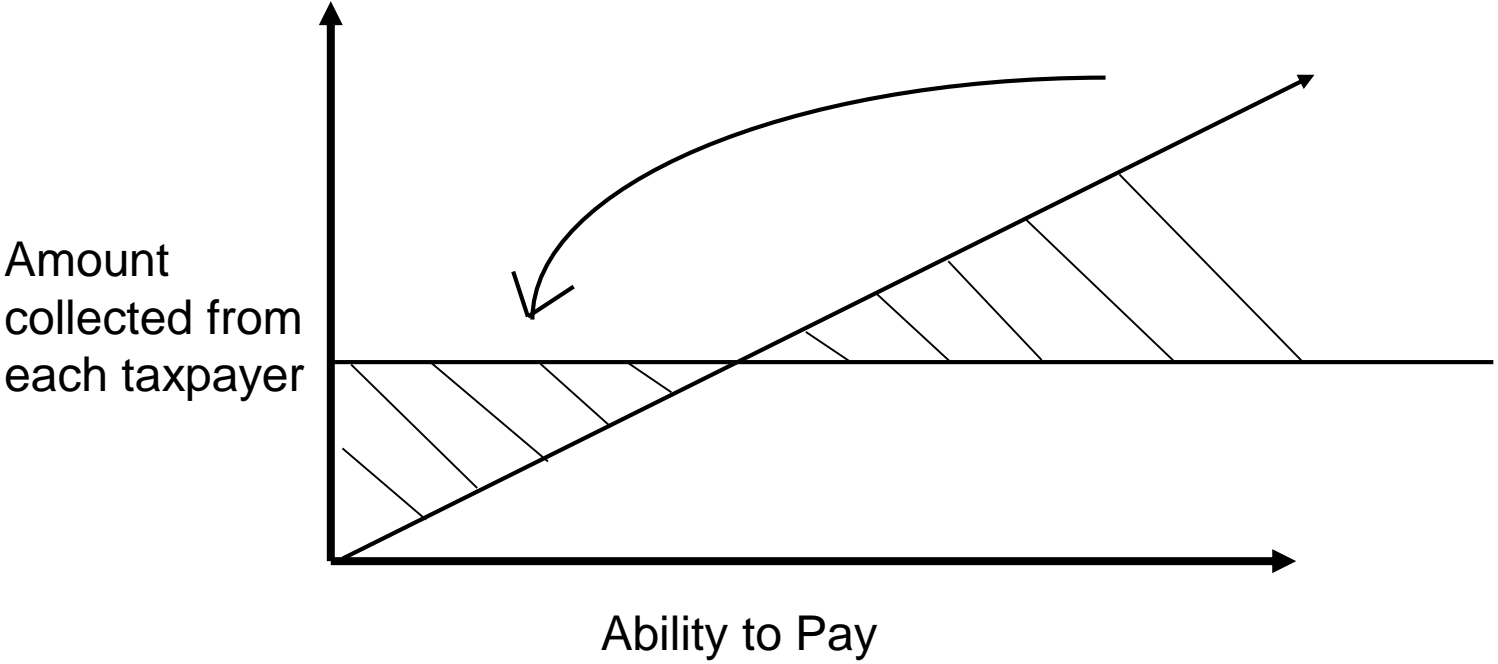
Tax System



Tax System



Tax System



Subsidizing Recreation Services

Brainstorm and Discussion

(10 minutes)

- Why are public recreation services subsidized?
- On what basis can we justify this subsidy?
- Who benefits from the delivery of public recreation services?
- Why don't we leave it to the private sector?
- Are we fair and equitable across different activities?

Need vs Demand

- Demand
- Need

Public Good

What is a Public Good?

- Indirect benefit to all citizens from which no one can escape.

Benefits Based Approach

Handouts and Discussion

(~20 minutes)

- 21 public goods to gauge benefits.
- Do you have any comments or questions?

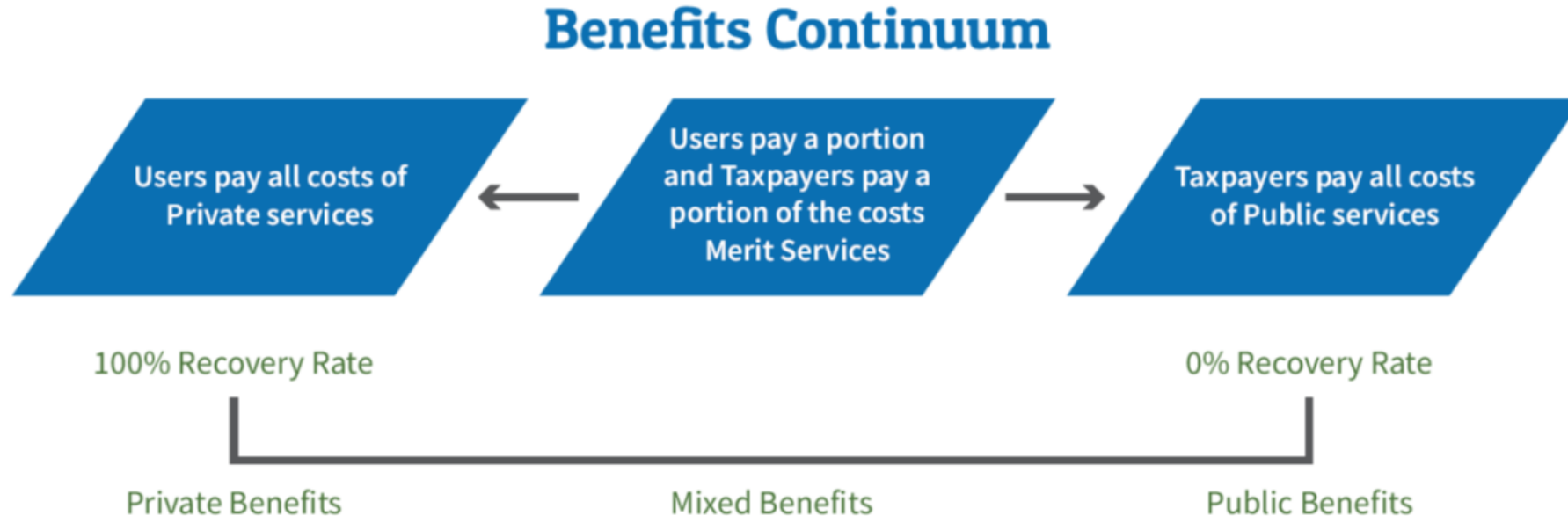
Foundation for Public Recreation Services

- Use public recreation services as a vehicle for achieving certain socially worthwhile goals and objectives;
- the achievement of which clearly demonstrates indirect benefit to all citizens.

Benefits Based Approach

A Policy Based on the Benefits/Public Goods Approach

- Those who benefit from a public service should pay in proportion to the benefit they receive.



Public Good

Separation of Public and Private

Public Good

- Needs driven
- Focuses on indirect benefit to all
- Measures benefits in units of social value
- Decisions protect interests of citizens

Private Service

- Demand driven
- Focuses on direct benefits to users
- Measures benefits in dollars
- Decisions protect interests of investors

Benefits Based Approach

Steps to Implementing the Approach

- Calculate unit costs.
- Assign recovery rates to uses and users.
- Calculate initial fees based on justification for subsidy.
- Review initial fees and adjust as per implementation strategies (e.g. phase-in significant changes).
- Adjust further for practical reasons.
- Ensure a robust safety net.

Benefits Based Approach

Handouts and Discussion

(~5 minutes)

- Matrix of uses and users of recreation services.
- Do you have any comments or questions?

Comfort Level

Confirmation, Concerns, Reservations

(up to 10 minutes)

- Is this an appropriate approach?
- Do you have any reservations or concerns?

Next Steps

- Review of background material
- **Council Workshop #1: Suggested approach to setting fees**
- Understanding current costs (unit costs)
- Stakeholder workshops and survey
- Public survey
- Assignment of subsidy levels
- Draft report
- **Council Workshop #2: Review of subsidy levels and draft report**
- Stakeholder and public feedback
- Adjust draft report accordingly
- **Council Presentation: Present updated report**
- Finalize and submit for approval

Thank You!

- Thank you for participating!