

BLUFF BOAT RAMP USER FEES AND COLLECTION METHODS OPTIONS DISCUSSION

To: Bluff Community Board

Meeting Date: Monday 7 August 2023

From: Caroline Rain – Parks and Recreation Manager
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Approved: Steve Gibling - Group Manager - Leisure and Recreation

Approved Date: Tuesday 1 August 2023

Open Agenda No

Public Excluded Agenda: Yes

Reason for the Public Excluded:

Section of the Act	Subclause and Reason under the Act	“Plain English” Reason	When Report Can Be Released
s7(2)(i)	Conduct negotiations	Allow the Board to discuss options that are subject to commercial negotiations	Completion of the negotiations

Purpose and Summary

This report identifies a range of options for feedback related to the user fees, the collection methods and a range of enforcement and monitoring options for the soon-to-be-completed Bluff Boat Ramp.

Recommendations

Recommends that the Bluff Community Board:

1. Receives the report “Bluff Boat Ramp User Fees and Collection Methods Options Discussion”.
2. Provides feedback on the user fees options.
3. Provides feedback on the range of options for fee collection methods.

Background

The Boat Ramp upgrade has been a project that the Invercargill City Council (ICC) has been working with a selected Stakeholder Group for the last four years.

An agreement in 2019 between ICC and South Port NZ to resolve historical legal issues has provided funding which initiated an upgrade project with a budget of \$1.8 million. The funding of the project comes from ICC which includes loan funding of \$800,000 and a \$250,000 loan which was planned to be repaid from user charges. South Port and Environmental Southland (ES) have provided the balance of funding being \$750,000.

Council undertook a survey on the number of boats using the ramp in 2019 and found that approximately 2,400 – 2,500 uses occurred in a year. This was based on a three-month survey of data from video images. This approach also looked at the range of sizes of boats (by trailer axles) to see if this could be a useful parameter for user charging.

The long-term vision is that the ramp becomes sustainable with user charges funding ongoing maintenance.

The funding package sets out that the second ICC loan would be recovered over a 10-year period and that any shortfall would be underwritten by South Port, ES and ICC equally.

Objectives (KPIs)

The successful operation of the ramp includes meeting the loan costs from user charges with key objectives of this process being:

- Recovery is simple and easy to understand with users willingly paying.
- The fees are user-focused, fair and appropriate.
- The fees adequately cover the loan repayments, future maintenance requirements to upkeep the facility and administrative costs.
- The administrative costs to recover and manage charges is less than 15% of the fee.
- The fees structure recognises the difference between recreational and commercial uses, and the fees reflect this difference.

Issues and Options

Analysis

The following information discusses the objectives, user charges and mechanism recommendation in order to recover the costs of the ramp. To achieve these objectives, it requires a collaborative approach between internal departments.

Please see Appendix 1 (A3270268) for the draft discussion paper and Appendix 2 (A3270267) for a breakdown of costs.

User Charges

User Charges - Cost Model Proposed:

The proposal for user charges is outlined below and includes GST. The proposal is based on a financial assessment of recovery requirements, a thorough assessment of other similar facility charges nationally, and through consultation with the Bluff Boat Ramp Stakeholder Group. The boat and car are the elements registered, not the person.

As noted above, the funding agreement with ES and South Port NZ underwrites this loss in equal shares with ICC. If run at a loss, in theory, we should be able to cover costs between us.

Fees would be intended to be put towards the resource consents and their monitoring, clearing silt and rocks off ramps and their surrounding area, maintenance, repair, and depreciation.

Phase 1 - Introductory Phase (1 July 2024 – 30 June 2025):

Phase 1, the introductory phase is the period where the user charges are introduced, acknowledging that as better data knowledge is gained over this time, the financial model will be fine-tuned.

The two different options presented are split into different costing models, however represent the same users. The purpose in combining and simplifying in the preferred option is to promote compliance and encourage upfront payment of users of this new facility. The purpose in splitting these in different ways, in the second option, is to better align to market value.

Option 1: Membership fees option

Annual Subscription	\$100 per year (per Boat) – including commercial
Seasonal (3 months)	\$50
Casual Use	\$15 per use (via QR code, e-permit, over the counter)
Commercial Use	\$250 per use (via application form/invoice)
Admin Recovery Fee	\$25 (if not paid within 7 days via online payment)
Joining Fee	\$25 (Waived during Phase 1)
Infringement Fee	\$100 (Once added to Parking Bylaw or District Plan)

			Cost Ex GST	
	Recreation	Total Use	Cost inc per use	
Annual Memberships	140	1,400	\$100	\$86.95
Casual Use	940	940	\$15	\$13.04
Commercial	50	50	\$250	\$217.39

The first year (Introductory charge) is to encourage people to have good social behaviour and are willing to pay, through lower fees. When we have more data about actual usage we can then amend future fees through Annual Plan Fees and Charges process to make any difference. Forecast financial modelling indicates the \$250,000 loan (covered by user charges) has an estimated eight-year payback period.

Option 2: Distinguished through boat types option:

Payment Type	Cost		
	Commercial	Boats over 5m/ double axle	General/Boats under 5m (single axle)
Annual Subscription	N/A	\$500	\$200
Seasonal (3 months)	N/A	\$200	\$100
Casual	\$500 per use	\$100	\$50
Admin Recovery Fee	\$50	\$50	\$50
Infringement Fee (if not paid within 14 days via an online payment)	\$100	\$100	\$100

				GST Excl
Axle	Membership type	Recreation	Cost Inc	per use
Single	Annual (12 Month)	616	\$200	\$170.00
	Seasonal (3 month)	331	\$100	\$85.00
	Casual	83	\$50	\$42.50
Double	Annual (12 month)	784	\$500	\$425.00
	Seasonal (3 month)	421	\$200	\$170.00
	Casual	105	\$100	\$85.00
n/a	Commercial	50	\$500	\$425.00
	Admin	2390	\$50	\$42.50
	Infringement	120	\$100	\$85.00

Forecast financial modelling for this option indicates the \$250,000 loan (covered by charges based on boat type) has an estimated two-year payback period. This excludes infringement and administration recovery fees which, if implemented, would bring it back to one year.

Option 3: No fees:

Forecast financial revenue indicates the \$250,000 loan would not be paid back through user charges and would be rates funded.

User Charge Mechanisms

In order that user charges can be recovered, there needs to be a robust mechanism ensuring the best success of recovery, balancing the administrative cost to recover the fee versus the amount able to be recovered.

After a review of other similar situations nationally (e.g. Thames Coromandel District Council) and undertaking an options analysis (Appendix 3 – A4701188) the suggested approach is as follows:

- PayEasy: No app is required for people to download and pay casual or annual fees before boating. People just need a smartphone and ICC would need to produce a QR code on-site for payment: <https://www.acmnz.co.nz/for/government-and-councils/solution/touch-free-payments>.

- This can be done on-site with clear communications and signage outlining payment methods.
- PaymyPark: Requires an app that the Council already utilises and can be an additional solution to collect fees for those who don't want to use a QR code.
- Parking meters can be set up as a third method of collection so people can use paywave. This would be a separate standalone method, disconnected with the PayEasy and PaymyPark option.

Reasoning:

This is consistent with user pay systems Invercargill City Council-wide and provides various options for different types of 'user pays', e.g. Casual, Commercial and Annual Subscriptions etc. This fee collection method, combined with a camera to pick up enforcement of payments is viewed as the best approach.

Proven technology and suppliers Council is already using, so Council is familiar with this system. Payment onsite means it is instant and people can launch boats straight away, or via an app for those wanting to book in advance. Another option is payment over the counter.

Supporting Infrastructure

Licence Plate recognition cameras:

In order to implement the proposed solution, it is proposed to install two video cameras recording all movements at the ramp as a way of capturing the license plates of the vehicle to check payment. This adds security value to the operation and would require number plate recognition software installed to assist.

Signage:

Noting that cameras are operating will need to be included. These would need to state clearly why there are cameras operating (ensuring they are fit for purpose for the equipment and policy) and could include a combination of security and enforcement/monitoring. Signage would also note costs and QR code for payment.

Member Subscription – online process to minimise administration costs:

- Contact Information - name, address, mobile phone, email
- Boat Name
- Boat Number
- No of Axles
- Trailer Weight (approximately)
- Boat Make and Model (for id reasons)
- Waiver of Privacy Statement
- Year dated sticker posted to address to be

This would be widely promoted (hopefully by the stakeholder group and others) as the best community solution and fair price. It would also signal that going forward, refinement can occur and a differential rate for large and small boats considered.

Casual Users

- a. Easy, online payment (for pre-paid use) or a QR code (has % fee of sales to be paid to supplier) on sign with credit card paid prior to use. This means instant use of the ramp but can't be pre-paid through QR code. QR code can also be duplicated elsewhere (i.e. other boat ramps).
- b. Signage with instructions for online payment on-site with conditions of use/QR coding.

- c. Honesty system approach (engagement and buy in from stakeholders will best achieve success with this approach).
- d. No cash on site (possible payments at Bluff local businesses/Bluff Service Centre)
- e. Options could be daily, seasonally (summer) or yearly for casual users.

Commercial Users

Agreement of monthly advice on users and invoiced annually. An application form is recommended for commercial users to separate them from the QR code which would be used for recreational and casual users.

Enforcement

Compliance (or contractor) would use something like a validation app where they scan license plates to see if they have been paid for. If not, an infringement docket would be placed on the car (we would need to ensure this is covered in Parking Bylaw).

Cameras can also be set up to capture licence plates of vehicles and trailers backing in/pulling out. As long as our policy clearly sets out what we are collecting video footage for, how long we keep it for and what we do with it, we are covering any privacy issues.

If not an infringement fine can be made by leaving a docket on the windscreen. Parking Bylaw (or District Plan) will need updated via a full Council resolution to include parking at the boat ramp.

It will be imperative that good implementation occurs immediately to ensure the approach is taken seriously. Down side for QR code is that there is no evidence people have paid on their windscreens so other public may think they don't need to either.

A webpage would need to be set up with a link to the application form and the ability to provide an e-permit via email to the applicant if required.

Community Views

Fees and charges will remain draft and will be subject to public consultation on the ICC Long Term Plan.

Implications and Risks

Strategic Consistency

The proposed approaches align with Council's approach to managing the Parks and Reserves Activity as outlined within the 2021 – 2031 Long Term Plan and the 2021 Activity Management Plan.

Financial Implications

With a change in ownership to Invercargill City Council, as owners of the boat ramp, the preferred option will ensure the path of using ratepayer money to cover maintenance and

consenting fees are avoided and will not need to be provided for in the Long Term Plan process.

This will be a new level of service, however, costs are anticipated to be over this via the user pays system.

Legal Implications

The Privacy Act for cameras will be covered by signage.

Infringement will need to be approved through either the District Plan review or the Parking Bylaw in order to be able to apply these.

Climate Change

In relation to charging for user costs and collection methods, including enforcement the following has been considered with regard to Climate Change:

- Investigating solar-powered camera options.
- Positive impacts will be through using phones to pay for the activity rather than printing paper.

Risk

Risk	Action to Manage
Users don't pay	<ul style="list-style-type: none"> • Cameras capture licence plates and infringement fee sent out. • Signage will ensure payment is user friendly and there are options of either over the counter or via the QR code for different types of users. • Variable options to choose from. • User costs adopted initially are reasonable and will aim to encourage uptake. • The fees and the approach to use will be communicated well to the community prior to the ramp being opened to raise awareness and support.
Other boat ramp at Rowing Club is used	<ul style="list-style-type: none"> • If not a Council asset this will not be the responsibility of Council to maintain and use will be at risk of the user
Costs are lower than expected	<ul style="list-style-type: none"> • Maintenance will come out of an existing maintenance budget.

Next Steps

Following feedback from the Bluff Community Board:

1. The Community Wellbeing Committee will receive the feedback from the Bluff Community Board and will endorse the options to proceed.
2. Present the preferred options to the stakeholder group.
3. Progress early procurement investigations around camera and pay easy/pay my park with suppliers in collaboration with infrastructure required to support the service.

4. Propose fees and charges as part of the Long Term/Annual Plan process.

Attachments

Appendix 1 - 2020 12 09 - ELT Memo - Bluff Boat Ramp - User charges and mechanisms - (A3270268)

Appendix 2 - 2020 12 09 - ELT Memo - Bluff Boat Ramp - User charges and mechanisms - Boat user Charges (A3270267)

Appendix 3 - Bluff Boat Ramp User Charges and Collection Methods - Options analysis - Bluff Boat Ramp (A4701188)