

Avondale Parks and Recreation

Fee Policy

Overview

- o Why Have a Fee Policy
- o Fee Objectives
- o Fee Policy Methodologies
- o Direct vs. Indirect Costs
- o Best Practices in Determining Fees
- o Current Avondale Parks and Recreation Fees
- o Council Direction

Current Status

- o 100% direct cost recovery for all City programs.
- o Partial cost recovery for special events.
 - o Vendors and Exhibitor Fees
 - o Sponsorships
- o Recover direct cost for fields, facilities and picnic shelters.

Why have a fee policy

- o Serves as a tool for evaluating services and establishing appropriate fees.
- o Standardizes how fees are set.
- o Justifies/Validates costs for service.
- o Creates transparency and consistency in fees and charges for programs and services.
- o Establishing a fee policy yields lasting benefits
 - o Protects the taxpayers investment for optimal return
 - o Allows prices to reflect users' investment in themselves based on individual benefit.
 - o Promotes program respect and ownership

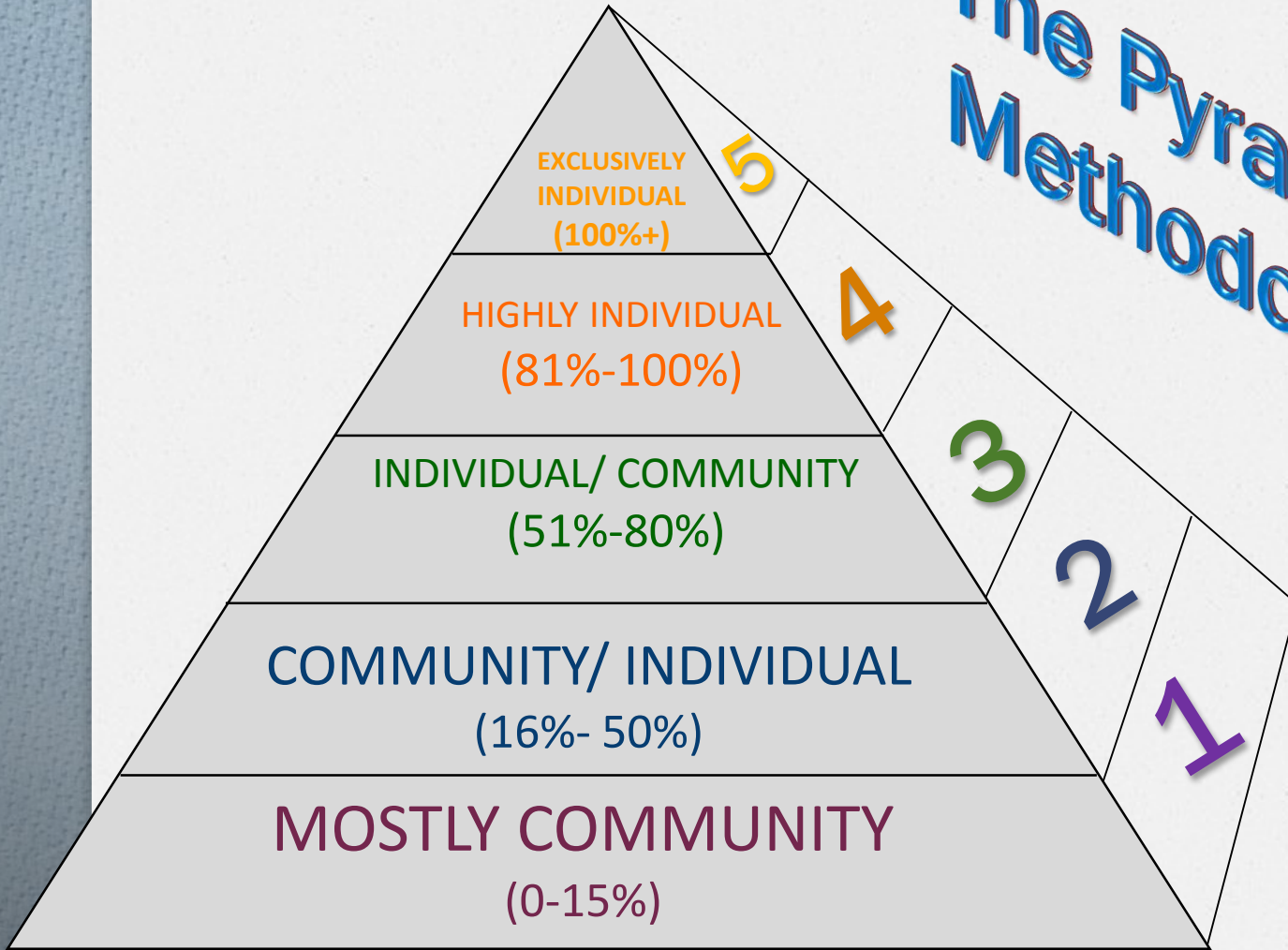
Fee Objectives

- **Equity**- Those who benefit from the service should pay for it. Those who benefit the most should pay the most.
- **Value**- Provide the customer with a benefit in relation to or exceeding the relative monetary worth.
- **Revenue Production**- Producing revenue assists with services offered and offset impacts from use.
- **Efficiency**- Expenditures are made with the most efficient use of our resources, the right mix of programs, facilities and events.
- **Revenue Distribution**- Revenues are distributed to the cost center providing expenditures.
- **Assistance**- Not all customers have the same ability to pay and opportunities must exist to waive, reduce or provide scholarship opportunities.

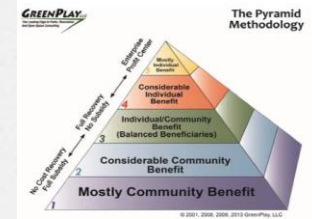
Fee Policy Methodologies

- o The Pyramid Methodology - GreenPlay, LLC
- o Direct Cost and Indirect Cost Recovery

The Pyramid Methodology



Pyramid Methodology

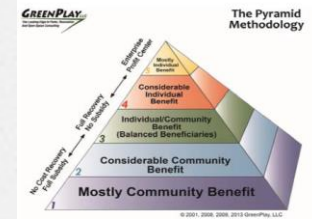


1. MOSTLY COMMUNITY BENEFIT: Available to everyone in the community, benefits everyone.

- o Parks and Facilities Maintenance
- o Trails
- o Special Events (No entry fee)
- o Unreserved picnic areas
- o Natural Areas – Tres Rios
- o Playgrounds, dog parks, courts
- o Splash pad

Low or no cost Recovery (0%-15%), Full Subsidy

Pyramid Methodology

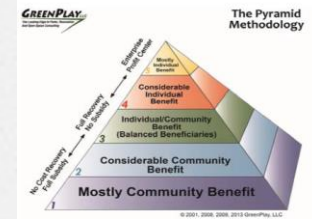


2. CONSIDERABLE COMMUNITY BENEFIT: Services benefit those who participate but also the community at large.

- o Youth Recreation Programs
- o Senior Recreation Programs
- o Drop in Recreation Programs
- o Aquatics

Partial cost recovery (16%-50%); Mostly Subsidized

Pyramid Methodology

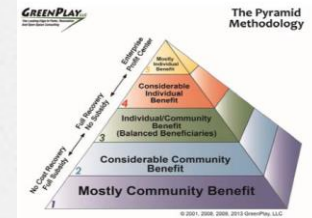


3. INDIVIDUAL/ COMMUNITY BENEFIT: User fees should recover the full cost of services.

- o Resident Athletic Field Rentals
- o Non-Profit Athletic Field Rentals
- o Non-Profit Special Event Facility Rentals
- o Adult Sports Leagues
- o Ticketed Community Events

Mostly cost recovery (51% – 80%); Partial subsidy

Pyramid Methodology



4. & 5. CONSIDERABLE INDIVIDUAL BENEFIT/
MOSTLY INDIVIDUAL BENEFIT: Individuals or
groups benefit from the services; there is little or
no community benefit.

- o Picnic Shelter Rentals
- o Private facility rentals
- o Concessions
- o Non-Resident, Private or For-Profit Athletic Field Rentals
- o Public Private Partnerships (ASC)

80% - 100% cost recovery; Enterprise fund

Direct Cost vs Indirect Cost

- **Direct costs** are those specific expenses, which are incurred by the department in conducting a program or operating a facility. These are costs associated with the customers' or users' direct experience.
- **Indirect costs** are those department expenses, which are not directly incurred by the program or facility but may be charged to it.

Direct Costs

- o Staff
 - o City Staff
 - o Contract Instructors
 - o Volunteers (background checks and training).
 - o Umpires and Officials
 - o Custodial
- o Equipment
- o Uniforms
- o Electrical/Utility Costs for Field Lighting
- o Marketing

Indirect Cost

- o Utilities – Water, Sewer, other Electrical/Lighting, Air Conditioning, etc.
- o Maintenance – seed, fertilizer, set up, clean up
- o Capital Replacement
- o Administrative Support Staff
- o Computer Registration Software
- o Security

Determining Fees and Charges

Best Practices

1. Determine the direct and indirect costs of providing the services.
2. Utilize the Pyramid methodology to determine what category the service being offered will align – based on each community.
3. Identify the market rate or current fee being charged for similar services.
4. Budgetary mandates that may affect the fee/charge setting process.
5. Fees shall be set to improve cost recovery, but not to significantly impact a user group's ability to pay.
6. For profit user groups and non-residents pay higher fees.

Avondale Parks & Recreation Fees

- o Field Rentals – Day time and Prime Time
 - o Resident / Non-Profit
 - o Non-Resident / For Profit
- o Picnic Shelter Rentals
- o Programs
- o Facilities
- o Tournaments

Council Adopted Fees

Field Rentals

	<u>Adopted Fees</u>	<u>Current Fees</u>
Resident		
Field Reservation - Prime Time (5pm- 10pm)	\$15.00 - \$20.00 Per Hour	\$15 / Hour
Field Reservation – Daytime	\$10.00 Per Hour	\$10 / Hour
Non-Resident		
Field Reservation - Prime Time (5pm -10pm)	\$20.00 - \$35.00 Per Hour	\$20 / Hour
Field Reservation - Daytime	\$15.00 Per Hour	\$15 / Hour

Council Adopted Fees Picnic Shelter Rentals

	<u>Adopted Fees</u>	<u>Current Fees</u>
Resident		
Picnic Shelter- Friendship	\$10.00 - \$75.00 Per Hour	\$50 / 4 Hours
Picnic Shelter- Neighborhood Parks	\$5.00 - \$50.00 Per Hour	\$5 / Hour
Non-Resident		
Picnic Shelter- Friendship	\$10.00 - \$80.00 Per Hour	\$75 / 4 Hours
Picnic Shelter- Neighborhood Parks	\$5.00 - \$50.00 Per Hour	\$10 / Hour

Adult Softball Cost Recovery Budget

<u>Expenditures</u>	\$9,391.70
Staff, umpires, field maintenance, lights, balls, misc.	
<u>Revenue</u>	<u>\$11,100.00</u>
Team Fees, sponsorships	
<u>Net Revenue</u>	\$1,708.30

118% Direct Cost Recovery

Youth Soccer Budget

Total Number of Participants: 145

<u>Expenditures</u>	\$9,383.00
Uniforms, staff, balls, marketing, awards, Volunteer coaches background checks, etc.	

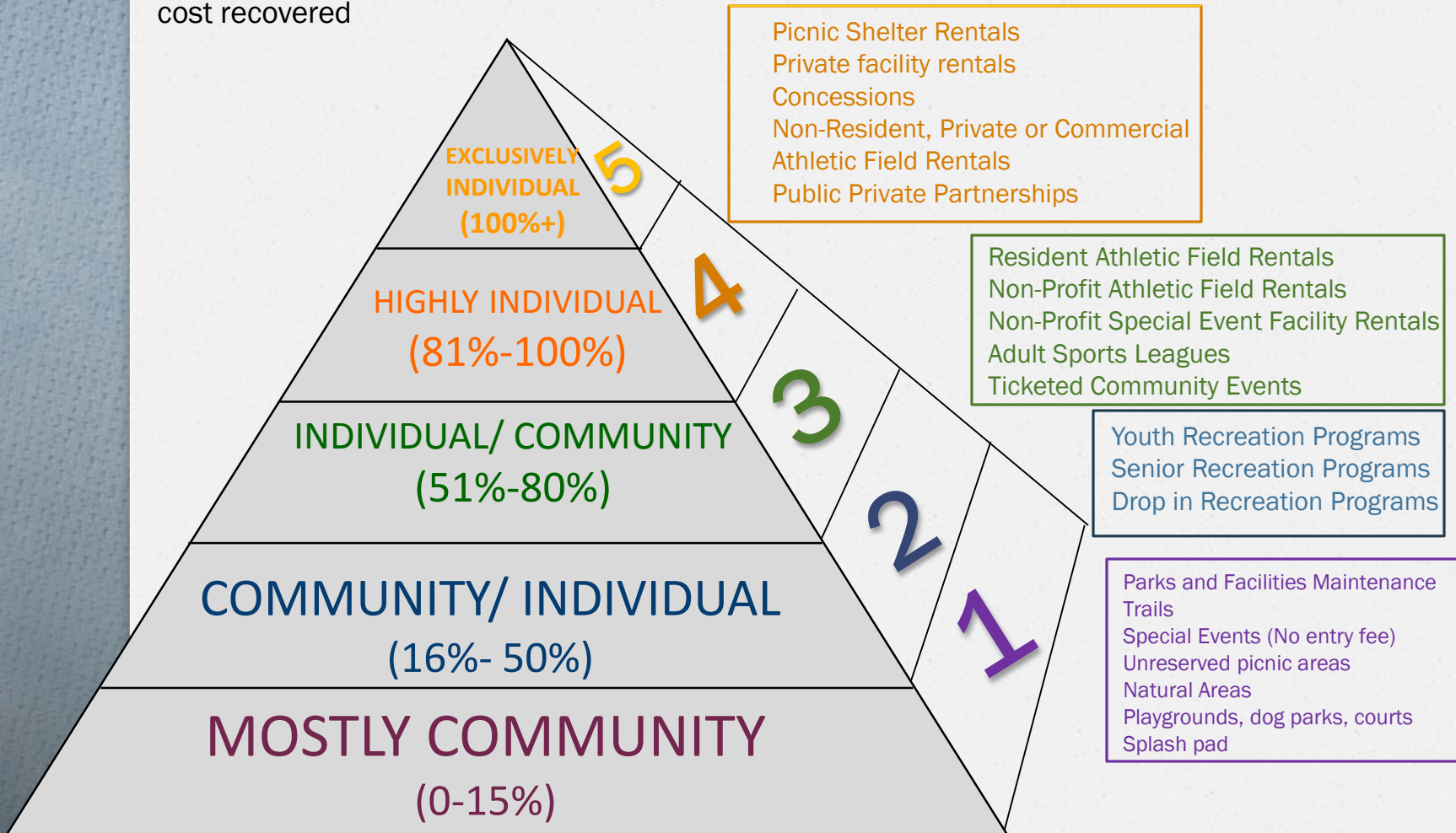
<u>Revenue</u>	<u>\$9,515.00</u>
Registration Fees, sponsorships	

<u>Net Revenue</u>	\$132.00
---------------------------	-----------------

101% Direct Cost Recovery

Cost Recovery Pyramid

Recommendation of % indirect cost recovered



Council Feedback

- o What are councils priorities in developing a fee policy?