Peninsula Metropolitan Park District

Pricing Policy

Policy Number:	Resolution Number:	Date Approved:	Supersedes the following Resolutions and Policies:
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Policy: Pricing Policy

Purpose: PenMet Parks provides access to park and recreation programs and services to the public, which is funded by tax dollars. In some circumstances, the cost of a program or service exceeds that funding, and a fee or charge must be imposed to recover those additional costs. Imposing a fee or charge is considered a responsible and necessary means to supplement tax revenue. Critical to the success of program and/or service delivery is affordability, fairness, and equity. This policy is intended to balance those qualities when PenMet Parks imposes a fee or charge related to its programs and/or services.

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Section 1. Pricing Policy

PenMet Parks is committed to enhancing its community's quality of life through public access to parks and recreation opportunities. To provide these parks, programs and services, PenMet Parks receives funding through various taxes, grants, donations, participation fees, permitting and other sources.

PenMet Parks' annual budget estimates the amount of taxpayer support that is available for its programs and services. Charging fees for programs and services is a way to balance public and private benefit of the programs and services and to increase the availability of programs and services by supplementing PenMet Park's resources with additional revenue to pay for those program and service costs. However, charging program fees can create a barrier for some to accessing those programs and services. Consequently, affordability, fairness, and equity must be considered when implementing cost recovery.

The purpose of this policy is to guide the development of program-specific standard operating procedures that establish cost recovery practices for park and recreation programs and services that align with PenMet Parks' strategic framework and goals.

Section 2. Classification of Fees

Non-Resident Fees – Non-resident fees are established to offset the additional impact to the park system, facilities and programs and to provide equity to the taxpaying residents of the District. Non-resident fees will apply to all members of a household who do not reside within the District.

Rental Fees – Payment for the priority use of a facility, room or space. The individual, group or business pays for the privilege to exclusively use a room or facility or part thereof with a priority over the general public and other activities.

Admission/Membership Fees – Admission fees are charged for specialty facilities that have multiple uses and that have a significant operational overhead. Admission fees can be assessed daily, weekly, monthly, or annually. Such fees do not imply that a paid fee entitles anyone to exclusive use of a facility, room or space except where a specific facility or area is reserved through a reservation system.

Program/User Fee – Charged to an individual or team for participation in a program or activity, which may include the use of a specific part of a recreation facility or park for the purpose of that program or activity. Numerous participants are usually involved in the activity or program at the same time.

Section 3. Criteria for Establishing Fees and Charges

Definitions:

Cost of Service is an identification and calculation of what is required financially to produce or operate a program or service. This includes both direct costs (program-specific such as materials and supplies, equipment, personnel) and indirect costs (comprehensive, including administrative overhead).

Cost Recovery is the recouping of some or all of the costs associated with providing a program or service, generally through fees and/or charges.

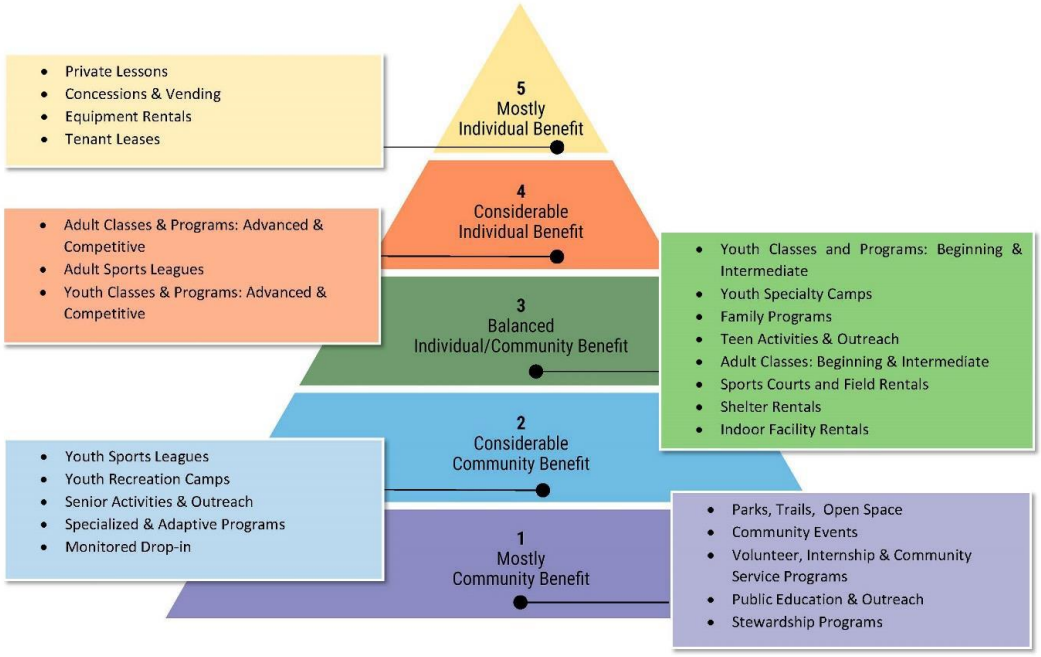
Cost recovery essentially is a decision to generate revenues by charging fees or other types of revenue, for some, or all, programs and services relative to the total operational costs to provide them. Cost recovery does not imply that the goal is total recovery of the cost; however, a target is established according to a variety of considerations and may range from 0% to more than 100% of direct costs. This policy is intended to define Cost Recovery as it relates to PenMet Parks' programs and services.

In establishing fees and charges, PenMet Parks will determine the full cost of providing programs and services based on an identified and consistently applied methodology. The calculated cost will be used to measure current and projected cost recovery and to help establish appropriate cost recovery goals to support those services.

The appropriate level of cost recovery will be based on an assessment of who is benefiting from the service provided. If the benefit is to the community as a whole, it is appropriate to use taxpayer dollars to completely, or primarily fund the service. Examples of services that primarily provide community benefits are trails, play areas, parks, and community events. The cost recovery goals are used to establish and/or adjust fees to reach these goals.

As the benefit is increasingly offered to an individual or select group of individuals, it is appropriate to charge fees for the service at a decreasing level of taxpayer subsidy and an increasing rate of cost recovery. Supervised or instructed programs, facilities, and equipment that visitors can use exclusively, as well as products and services that may be consumed are examples where charging cost recovery fees are appropriate.

PenMet Parks Consensus Pyramid



The District shall also consider available resources, public need, public acceptance and the community economic climate when establishing fees and charges. In cases where certain programs and facilities are highly specialized by activity and design and appeal to a select user group, the District shall additionally consider fees charged by alternative service providers and/or current market rates.

The District may further subsidize services for persons with economic need or other targeted populations, as allowable, through fee reductions, financial aid, grants, and/or other lawful methods.

Section 4. Pricing Policy Implementation and Review

Program specific cost recovery goals, rates, and cost of service will be set and determined through approved standard operating procedures implemented by the Executive Director. Program standard operating procedures should consider incorporating the following information:

A. Cost recovery rates and how rates will be implemented, including defining what programs and services will have no, partial, direct, or full cost recovery.

B. Timelines for when programs and rates are re-evaluated to ensure that it is meeting PenMet Parks' goals and the needs of the community.