



City of Gahanna

Master

200 South Hamilton Road
Gahanna, Ohio 43230

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Sponsors:

Notes:

Indexes: MOTION

Attachments:

History of Legislative File

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**DEPARTMENT OF
PARKS & RECREATION
FEE POLICY**
~~FEBRUARY 1, 2012~~
JANUARY 9, 2013

GAHANNA'S VISION is ...

... to be an innovative model community that values its rich heritage, pursues high standards, and where citizens respect one another.

GAHANNA'S MISSION is ...

... to ensure an exceptional quality of life by providing comprehensive services, financial stability, and well-planned development which preserves the natural environment, so that city government will continue to be responsive, accessible and accountable to our diverse and growing community of citizens.

DEPARTMENT OF PARKS & RECREATION'S MISSION is ...

- *To protect and conserve the natural environment and to provide Gahanna citizens with opportunity to spend leisure time in a constructive beneficial manner.*
- *To provide a balanced recreation program designed to assist the citizens of Gahanna in developing and learning skills and maintaining their general welfare.*
- *To present stimulating programs to all age groups based on the expressed interest of the citizens of Gahanna.*

I. PHILOSOPHY

The guiding principle of the City of Gahanna's Department of Parks & Recreation's philosophy in regard to fees and charges is to efficiently offer the most diversified recreational services possible, ensuring that all Gahanna citizens have equal opportunity to participate in a wide variety of programs and services. This principle is accomplished through two primary sources: tax dollars and fees. Tax dollars provide basic operational costs for Parks and Recreation services. Fees offset operating costs and continue to be an important source of income to assist in narrowing the gap between the levels of tax subsidy and revenue.

This system of fees and charges must supplement and not replace existing financial resources. They must be constructed on a level consistent with the needs of Gahanna residents and in accordance with national and local trends.

II. FEES AND CHARGES REVENUE CLASSIFICATIONS

Table 1 outlines the revenue classification system. Each program is classified into one of the identified classifications. The classification system provides the economic rationale upon which decisions about fees and charges should be based. It assumes that the objectives are to price each program or service at a level that is fair and equitable to both participants and non-participants. It helps determine which services lend themselves to monetary pricing, on what basis, on what level and with what effects. The philosophy for each of the revenue classifications is as follows:

Definitions:

Direct Costs: Any expenditure which is directly related to the operation of the program. (E.g. instructor fees, materials, facility rental)

Indirect Costs: All expenditures which have not been applied to direct costs. (E.g. administrative costs, facility maintenance)

Non-resident: any individual or organization whose place of residence or business is outside of the Gahanna city limits.

Subsidy Level: The portion of a service's direct cost which is paid for by the Department.

Fee Contribution: All or any portion of a service which is paid for by users of the service.

- A. Special Interest Program (Individual Benefit) 100% – 75%, subsidy level 0% - 25%. Generally, these services are highly specialized and the benefits are

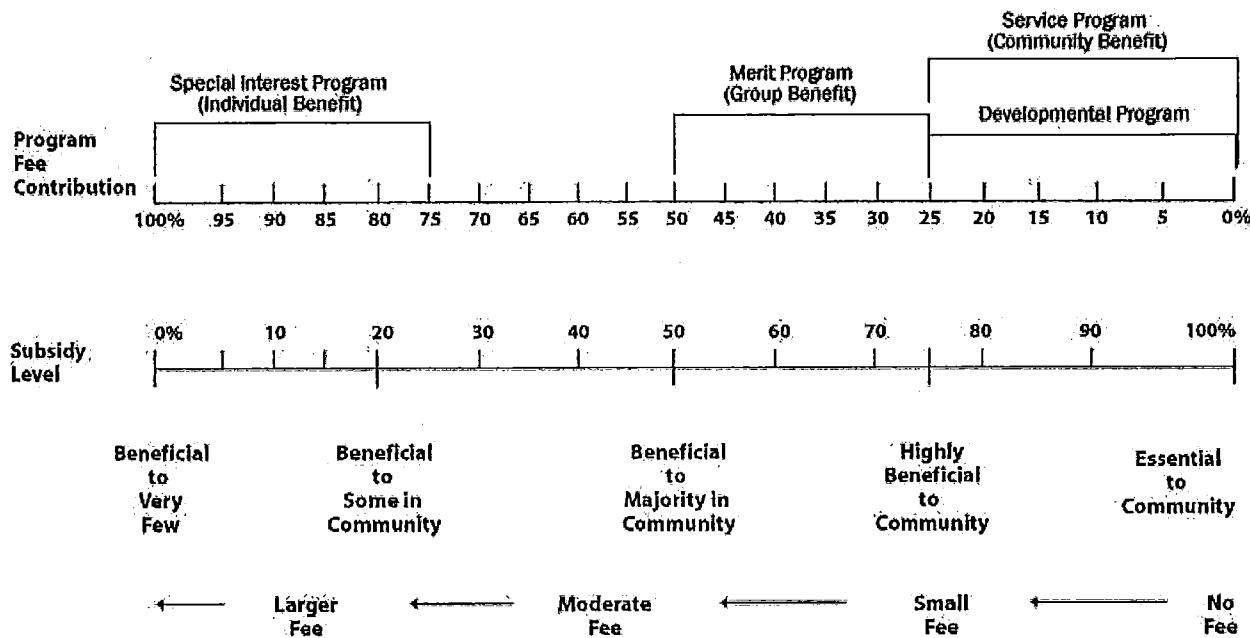
received exclusively by a limited number of users. Therefore, it is considered that fees be charged for these services in order to offset all direct costs, and in some cases, all or a portion of the indirect costs. Examples include recreation programs, golf course fees, memberships, and facility rentals.

- A. B. Merit Program (Group Benefit) 50% - 25%, subsidy level 50% -75%.
Part of the benefits from these services is received by the individual and part is received by the public in general. Public agencies are able to furnish these services in the quantity and quality demanded by the consuming public and at a price the public is willing to pay. It is feasible and generally desirable to charge for these services, but only to the extent that the individual user pay part of the cost. Examples include senior adult recreation, social and education programs, and summer play center.
- B. C. Service Program (Community Benefit) 25% -0%, subsidy level 75% - 100%. In its pure form, the service is equally available and beneficial to all citizens in the community. It is sometimes feasible to charge a nominal or small fee for these services, since they are basic in nature and are supported through the local tax system. Examples include senior adult enabling services, division supervisors' salaries, park land, and facilities.
- C. D. Developmental Program 25% -0%, subsidy level 75% - 100%. This revenue classification allows for program growth and the opportunity to explore trends in programming within the community. This category enables new programs to be offered by the department under a three-year evaluation term. Each program will be reviewed and evaluated annually to determine future direction. Such programs may begin with financial subsidy from the city, while the goal is to achieve non-subsidy status. The department may deem them Merit or Service status.

For example, if a recreation program is classified as a specialized interest program, then the fee must cover all direct operating costs (100% fee contribution) and the subsidy level will be zero. On the opposite end of the continuum are the service programs which require little revenue and a greater level of subsidy. The subsidy level is the percent of tax dollars that will be used to support park and recreation services.

A MODEL FOR PRICING RECREATION PROGRAMS

CONTINUUM OF RECREATION PROGRAMS



III. REVENUE SOURCES

The following classifications are intended to guide the Department in the generation of revenue for Department programs and services:

- A. Admissions/Drop-Ins: This classification is described as charges to enter a facility on a per-visit basis. Entry and exits are normally controlled and attendance is regulated. Examples include adult open gym basketball and volleyball, golf rounds, senior fitness classes, etc. In the future, this could include open swimming time, open gym passes, and fitness passes.
- B. Seasonal/Yearly Passes: This classification is described as membership/passes purchased by frequent users to gain admittance to facilities or programs on a seasonal or yearly discounted basis. Examples of this would be pool and golf course memberships. In the future, this could include open gym passes, and fitness passes.
- C. Facility Rentals: This classification consists of fee payments made for the privilege of exclusive use of a facility. This fee gives the patron the right to enjoy all of the advantages derivable from the use of a facility without consuming, destroying, or injuring it in any way. Examples of this could include clubhouse and shelter house rentals; and in the future can include

rentals of the Gahanna Senior Center and any future community buildings/centers.

D. Sales/Rental Revenue: These are rentals obtained from the operations of concessions and from the rentals of merchandise and/or rental space and property. Objects of the sales revenue may be:

1. To provide needed supplies which the visitor cannot obtain in the general parks/facility vicinity.
2. To provide sufficient revenue to cover the costs of all operations and to provide a source which will enable expansion of all parks and recreation services.
3. To provide rental equipment for the enjoyment of the recreation area, which the visitor may not have provided for themselves.
4. To provide rental equipment which adds to the visitor's enjoyment of the area. Examples of sales and rental revenue include concessions, golf equipment rentals and sales, and rental of paddle boats. In the future, this could include rental and sales of sporting equipment and arts and crafts equipment and supplies.

E. Program Fees: This classification is described as actual fees for taking part in scheduled Parks and Recreation activities or programs. Programs vary according to revenue classification. Examples of this are league fees, creative dramatics, recreation activities, etc.

F. Sponsorship/Advertising: This classification represents revenue taken in to sponsor a particular program or to advertise in a Department publication. Examples of this could be sponsoring a booth at the Creepside Festival or advertising in the program brochure.

G. Cancellation/Administrative Fees: The fee charged to participants who cancel a facility rental or a program registration.

H. Non-Resident Fees: Fees charged to people who are not residents of the community to use parks & recreation services.

I. Clean Up Fee: Fees charged to facility renters who do not comply with the regulations for cleaning the facility.

J. Membership: Fees charged to participants of a particular facility, i.e. the Senior Center, which provide adequate revenue to cover costs for a member publication and certain activities.

K. Grantsmanship: This is revenue recovered for securing a grant or outside funding for facilities or programs. This includes federal, state, and local grants, as well as funding from various private sector organizations. Examples are the local and national foundations and state and federal local programs.

L. Contracted facility for program use: fees charged to sports organizations in order to provide use/access of facilities/fields to conduct organizations' programs. Organizations will be charged total of department cost, or minimum 15% of program fee, whichever is greater.

IV. FAIR SHARE POLICY

A. The Gahanna resident, and those who work full-time within the City limits, make a significant contribution to the financing and operation of the Gahanna Department of Parks & Recreation. The City property tax and income tax are paid whether or not the individual participates in or uses the facilities of the Department. The Fair Share concept is intended to apportion to non-residents an equalized fee so that they can contribute to the overall financing of the Department of Parks & Recreation on an equitable basis with the resident. It is hoped that this policy will give not only equitable treatment, but also a better understanding of fees and overall financing to both residents and non-residents.

B. Non-resident fee

GDPR Sports Leagues:

\$20 per non-resident on roster/\$100 maximum per team

Recreation Program Fee:

\$1-\$4 – programs costing less than \$10

\$5 - programs costing less than \$20

\$6 - \$10 - programs costing \$21 - \$75

\$15 programs costing \$76 - \$99

\$20 – programs costing \$100 or more

50% higher than resident rates

\$50 more per person

Senior Memberships:

Golf Memberships:

Park Shelter Rentals and

Golf course club house: 200% higher than resident rates

Ohio Herb Education

150% of the resident rates

Center parlor rentals:

V. DEPARTMENT REFUND POLICY

A. All refunds will be processed either through the city's Finance Department when a check is issued or through the Department of Parks & Recreation

when a credit card is processed. There will be no cash refunds. No refunds will be made except:

1. When a class is canceled or closed by the Department of Parks & Recreation due to low enrollment or other circumstances.
2. When a participant becomes ill and/or injured. The request for the refund is made to the Director of Parks & Recreation and must be accompanied with a doctor's statement.
3. When proof is shown that the participant has moved from the vicinity.
4. When a customer is dissatisfied by the service which was paid. This is subject to Division/Department head approval.

VI. FEE ASSISTANCE

The Department may develop a fee assistance program for those families or individuals who may be suffering from temporary economic setbacks. This program provides all residents the opportunity to enjoy our programs and facilities.

VII. INCENTIVES/DISCOUNTS

At the discretion of the Department of Parks & Recreation Director, incentives may be used for the following:

- A. To introduce new programs or services.
- B. To identify and attract new clients to existing programs or services.
- C. To stimulate more frequent use of programs or services.
- D. To stabilize fluctuations and participation patterns.

Examples of incentives can be discount coupons, family discounts, group discounts, and etc.

VIII. FEE SETTING AND WAIVERS

Per Gahanna Codified Ordinances, Section 153.04, SETTING OF FEES

- (a) Annually the board shall recommend to council a pricing policy that guides the establishment of charges and membership fees for city recreational programs and city use.
- (b) The pricing policy would include but not be limited to subsidy rates, nonresident fees, and discounts.
- (c) No permit or fee may be waived without the explicit consent of the Parks and Recreation Board. (Ord. 98-0416. Passed 11-2-98.)

Fee recommendations will be made using the following method:

Step 1: Total cost assessed.

Step 2: Multiply by the corresponding fee contribution:

| <u>Revenue Classification</u> | <u>Fee Contribution</u> |
|-------------------------------|-------------------------|
| Specialized Interest | 100% |
| Merit | 50% |
| Service | 25% |

Step 3: Consider and utilize the following price variables:

- 1) Number of service hours divided by total assessed costs.
- 2) Total assessed costs divided by the minimum number of participants.
- 3) The "Going Rate" Fee.

Step 4: Round off fee to the nearest dollar.

IX. ASSESSING COSTS

The Department of Parks & Recreation will use the following formula to determine costs:

Assessed Cost = Direct Operating Costs + 25% minimum Administrative Charge

Step 1: Determine all Direct Operating Costs.

Direct Operating Costs are incurred because of some identifiable and definite action directly related to or for the program/service.

Step 2: Determine the 25% administrative charge of all direct operating costs.

The administrative charge has been set at 25% to more accurately reflect the true costs of a program/service. This will also reflect national trends that have shown the 25% charge to be a common practice in assessing true costs.

Step 3: Determine the total cost assessed by adding the 25% administrative charge (Step 2) to all direct operating costs (Step 1).

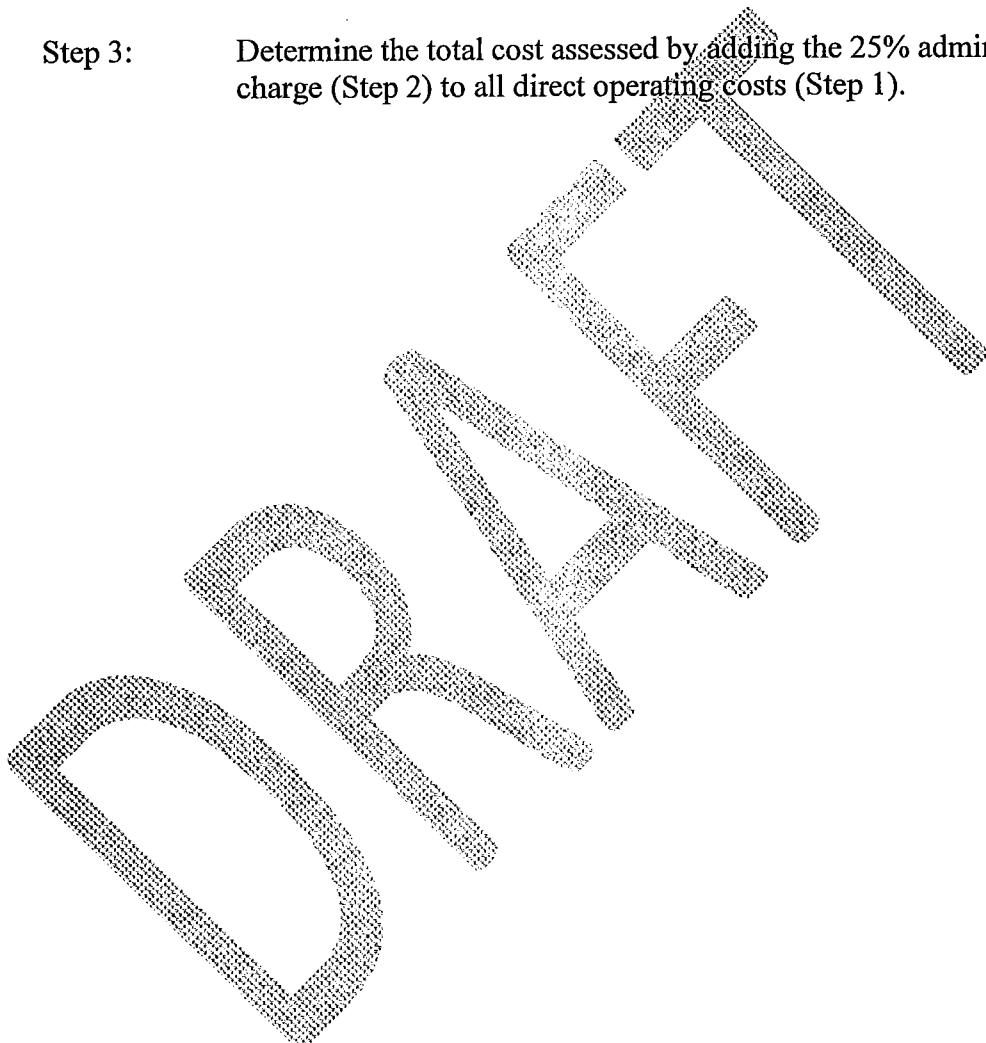


TABLE 1**Current Parks & Recreation Services****Level of Subsidy**

| | |
|--------------------------------------------------|--------|
| Concession/Sales | 0% |
| Department Community Events | 100% |
| Equipment Rental | 0% |
| Full-Time Salaries | 100% |
| Pool Operations | 25% |
| Golf Course Operation | 10-20% |
| Non-Department Special Events | 0% |
| Park Development and Maintenance | 100% |
| Park Maintenance Staff | 100% |
| Facility Reservations | 0% |
| Facility Reservations - Non-profit Organizations | 25% |
| Ohio Herb Education Center | 25-50% |
| <i>The Gateway Program Guide</i> | 100% |
| Recreation Leaders (Service staff, office staff) | 100% |
| Recreation Programs | 20% |
| Senior Center | 100% |
| Senior Center Staff | 100% |
| Senior Enabling Services | 25-50% |
| Senior Recreation Activities | 50% |

