
511- Revenue Policy

1. **Purpose:** To set a fair and reasoned methodology in setting and developing the District revenue and pricing structure, and any future increases which may be needed.
2. **Background:**
 - 2.1. **Public Interest:** The public has an interest in the availability of a broad range of organized recreation opportunities that encourage good health, lifelong learning, respect for the environment, and a sense of community.
 - 2.2. **Balance of Benefits:** Benefits of participation in recreation, and specifically swimming, accrue to both the participant and to the public and, therefore, it is appropriate that recreation be funded by a balance of participant fees and public resources.
 - 2.3. **Targeted or Focused Groups:** The mission and goals for recreation activities and programs by the District apply to all citizens within the District boundaries and interests in particular activities are determined by individual participants. The public interest lies in encouraging participation and reducing barriers to access available recreation opportunities. Hence, cost of service analysis and fee structures need to be expressed in broad demographic groups for which there is particular public interest or for whom there exist significant barriers to participation. These groups are identified as follows:
 - 2.3.1. Youth: in order to invest in the future of our community.
 - 2.3.2. Adults: in order to increase the diversity of community participation in public recreation.
 - 2.3.3. Low income citizens: in order to ensure access and mitigate financial barriers to participation.
 - 2.3.4. Disabled citizens and seniors: in order to improve opportunities for inclusion and participation.
 - 2.3.5. Veterans: In order to increase awareness of, and improve access to, recreation programs.
- 2.4. **TYPES OF REVENUES:**

Revenues are divided into two groups, Earned Revenue and Non-Earned Revenue. The following is a breakdown of both revenue streams:

 - 2.4.1. **Earned Revenue:**
 - 2.4.1.1. **Admission Fees:** Fees to enter a District building recreational purposes and special events
 - 2.4.1.2. **Rental Fees:** One-time payments made for the privilege of exclusive use of a portion or the entire District facility.
 - 2.4.1.3. **Contracted Rental Fees:** Recurring payments made by contracted agreement for the privilege of exclusive use of a portion or the entire District facility
 - 2.4.1.4. **Membership Fees:** Fees paid for the unlimited use of the facility and amenities for a set duration of time (i.e., annual membership)

- 2.4.1.5. **Instructional and Exercise Fees:** Fees for the use of a facility, participation in an activity such as a group program or instructional class.
- 2.4.1.6. **Sales Revenues:** Revenue obtained from the operation of stores, concessions, and from the sale of merchandise and other property.

2.4.2. Non-Earned Revenue

- 2.4.2.1. **Compulsory Revenues:** Revenue from mandatory payments such as tax revenues or special assessments.
- 2.4.2.2. **Alternative Revenues:** Revenue sources other than compulsory revenues. These revenues may include gifts, sponsorships, donations, grants, fees and charges.

2.5. OTHER DEFINITIONS USED WITHIN THE POLICY

- 2.5.1. **Service:** Any program, class, event, activity, sales or rental opportunity provided by the department.
- 2.5.2. **Direct Costs:** Those costs that can be directly and exclusively attributed or assigned to a specific service.
- 2.5.3. **Indirect Costs:** Those costs that can be attributed to more than one (1) program or service. Examples would include departmental administrative staff salaries, insurance, acquisition/construction depreciation or the costs of operating an activity bus that may be used for several different programs.
- 2.5.4. **Cost of Service or Full Costs:** These are both the direct costs and a pro-rated percentage of the indirect costs that can be attributed to a specific service.
- 2.5.5. **Bundled or Discounted Fees:** The use of combining fees or extended length of commitment to encourage use and to reduce the costs of fee collection and provide a higher level of convenience to repetitious users. An example is Annual Pass or Membership pass with exercise add on.
- 2.5.6. **District Sponsored:** Services that are organized, promoted, and conducted exclusively by County staff and are the responsibility of the District.
- 2.5.7. **District Co-Sponsored:** Services that are organized, promoted, and conducted in part by District staff and in-part by an outside agency, organization, or individual(s) and are the negotiated responsibility of both parties as defined by a performance contract. Any fees assessed to the outside group for facility use of staff time shall be established to recover the District's direct costs at minimum. An example would be Senior Games.
- 2.5.8. **District Facilitated:** Services that are organized, promoted, and conducted by an outside agency, organization, or individual(s) with limited assistance from District staff. These services are the responsibility of the outside group. District involvement often includes permission to use a District facility or promotional assistance. Normally, these levels of service are defined by the warranties/guarantees of a contract. Any fees assessed to the outside group for facility use or staff time shall be established to recover the County's direct and indirect costs. An example would be the use of the facility by the local swim club or the high school swim team.
- 2.5.9. **Director:** The District Executive Director or designee.

3. POLICY

- 3.1. Pricing:** Prices shall be recommended by the District Executive Director to be approved by the District Board of Commissioners. In setting prices, the District fees and charges are evaluated in an identical manner, which includes the following process:
- 3.1.1. Determine the direct and indirect costs of providing the service. The hourly rate for volunteer labor has been defined by the IRS or the Washington State Auditor's Office.
 - 3.1.2. Determine the focus of the activity (Section 2.3) and demographics of the targeted group.
 - 3.1.3. Identify the market rate or current fee being charged for a similar service.
 - 3.1.4. Consider inflationary factors for services (Western Washington Consumer Price Index)
 - 3.1.5. Availability and affordability within the constraints of Annual Budget
 - 3.1.6. The District priorities as expressed in the current Strategic Plan
 - 3.1.7. Local economic conditions
 - 3.1.8. Specific needs of the District community
- 3.2. Financial assistance:** In addition to pricing, which reflects the item referenced above, the District will seek to ensure affordability of activities through:
- 3.2.1. Scholarships,
 - 3.2.2. Certain free youth activities
 - 3.2.3. Time-limited price promotions
 - 3.2.4. Cultivating volunteers and partnerships.
- 3.3. Rentals and Contract Use of Facilities:** Rentals are available for use by groups and private parties. Pricing should be set to recover 100% of direct costs for rentals during normally open hours. For events during normally closed hours, prices should be set to recover all incremental costs incurred by the District, including staff, maintenance, and utilities
- 3.4. Reducing, Increasing and Waiving of Fees and Charges:** On occasions, fees and charges may be increased, reduced or waived completely when such action is determined by the Director to be in the best interest of the District and the service applicant. Setting, Increasing, waiving or reducing fees and charges for activities and admissions can be made at the discretion of the District Director for:
- 3.4.1. One-time events or activities
 - 3.4.2. Special promotions or events that last no more than 30 days.
 - 3.4.3. Instructional classes to ensure cost recovery
- The District Board of Commissioners will approve any fee structure for admissions, events, and activities that last in excess of 30 days. The Director may bundle and/or create new pricing structures for admissions and activities in excess of 30 days without Commissioner approval if the overall price does not significantly change the end cost.
- 3.5. Review of Pricing:** The District Board of Commissioners will review and adjust the fee structures once per year as part of the annual budget process. Any increases will be

documented in the annual budget. Contracted use agreements will be reviewed and prices will be set at the time of renewal or during the contract negotiation process.

3.6. Interagency Use: Services provided to other governmental agencies should recover 100% of their full costs.