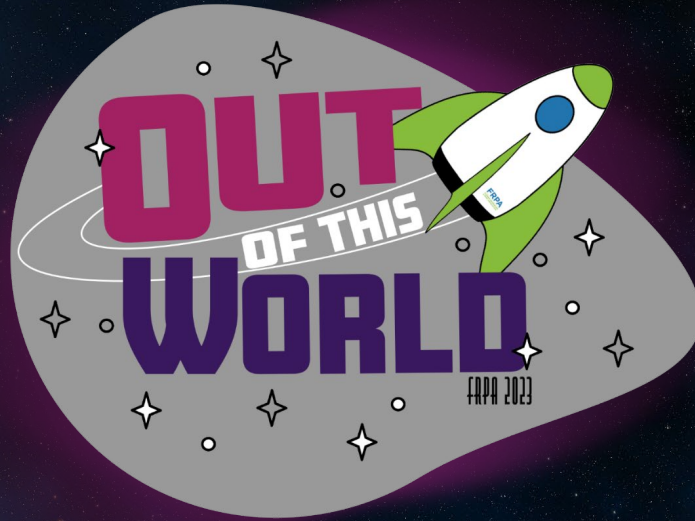


Welcome to the 2023 FRPA Conference!



August 28 - 31, 2023 | Orlando, FL

The background is a light green grid. Scattered around the text are several green dollar bills with white outlines and dollar signs, appearing to float or fall. The bills are in various orientations and positions, some partially cut off by the edges.

Evaluating & Restructuring Your Fees:

Achieving Your Cost Recovery Goals





SPEAKERS



MIAMI BEACH

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**Does anyone feel their department
fee structure needs improvement?**

**Who has set cost recovery goals
and tracks them?**



The background of the slide features a light green grid pattern. Scattered across this grid are numerous green dollar bills, depicted in a stylized, cartoonish manner. The bills are of various denominations and are oriented in different directions, some appearing to be falling or floating. Each bill has a white outline and a large dollar sign in the center. The overall aesthetic is clean and modern, with a focus on financial themes.

Importance & Benefits of Setting Fees





Importance and Benefits of Setting Fees

- Mechanism for allocating the use of public funds, creating a financially sustainable approach for recreational services and facilities, maximizing the use of programs and facilities, and ensuring affordable access to programs and services.
- Well-designed fees not only reduce the need for additional revenue sources but promotes service efficiency.
- Provides guidance when adding new programs/events.
- Provides back-up if questioned.



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Challenges

Challenges of Setting Fees

01

Economy

Inflation and Recession

02

Politics

Election Year?
Perception?

03

Community

Ages and Income

04

Past Standards

“But we’ve always done
it this way!”



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Types of Fees





Fee Types

Admission Fees	Membership Fees	Special Revenue Fees
Rental Fees	License and Permit Fees	Miscellaneous
User Fees	Non-Profit Org Fees	
Sales Revenue	Vendor Permit Fees	



The background of the slide features a light green grid pattern. Scattered across this grid are numerous green dollar bills, each with a white outline and a large white dollar sign in the center. The bills are oriented in various directions, some partially cut off by the edges of the frame.

What drives of our fees?

COST RECOVERY

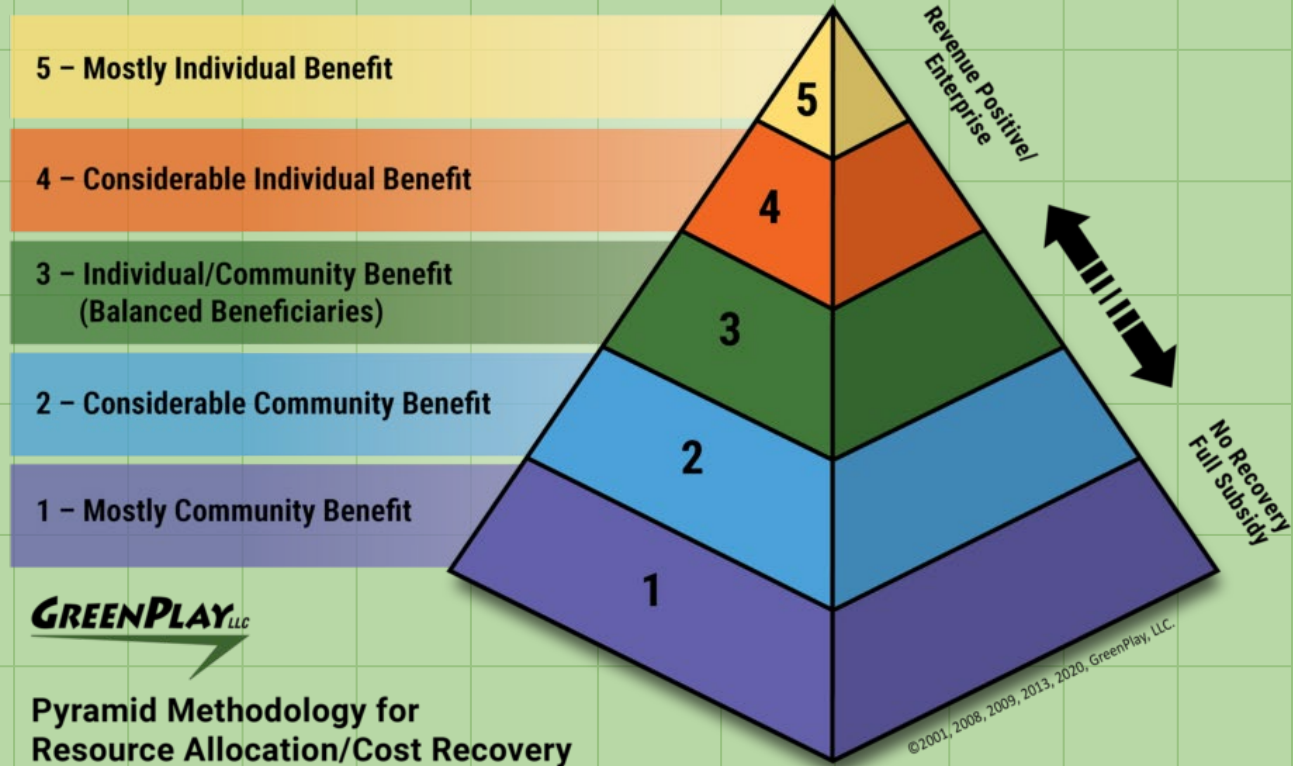


What is it?

- “Cost recovery is the principle of recovering expenditures, and generally refers to regaining the cost of any business-related expense.”
- The point of adopting a cost recovery philosophy is not to make a profit, rather, to be thoughtful and responsible with financial resources.
- Perhaps even more importantly, it’s about optimizing tax-payer dollars and the benefits a community realizes based upon your spending decisions.



Establishing Cost Recovery



Examples



Annual Egg Hunt Event

Considerable
Community Benefit



Private Guitar Lessons

Most Individual Benefit



Spring Break Camp

Considerable Individual
Benefit



Round of Golf

Most Individual Benefit



Senior Citizen Bingo Night

Individual/Community
Benefit*



Infant Swim Lessons

Considerable
Community Benefit*



The Cost Recovery Continuum





Cost Recovery Challenges

High Expenses

Sustainability

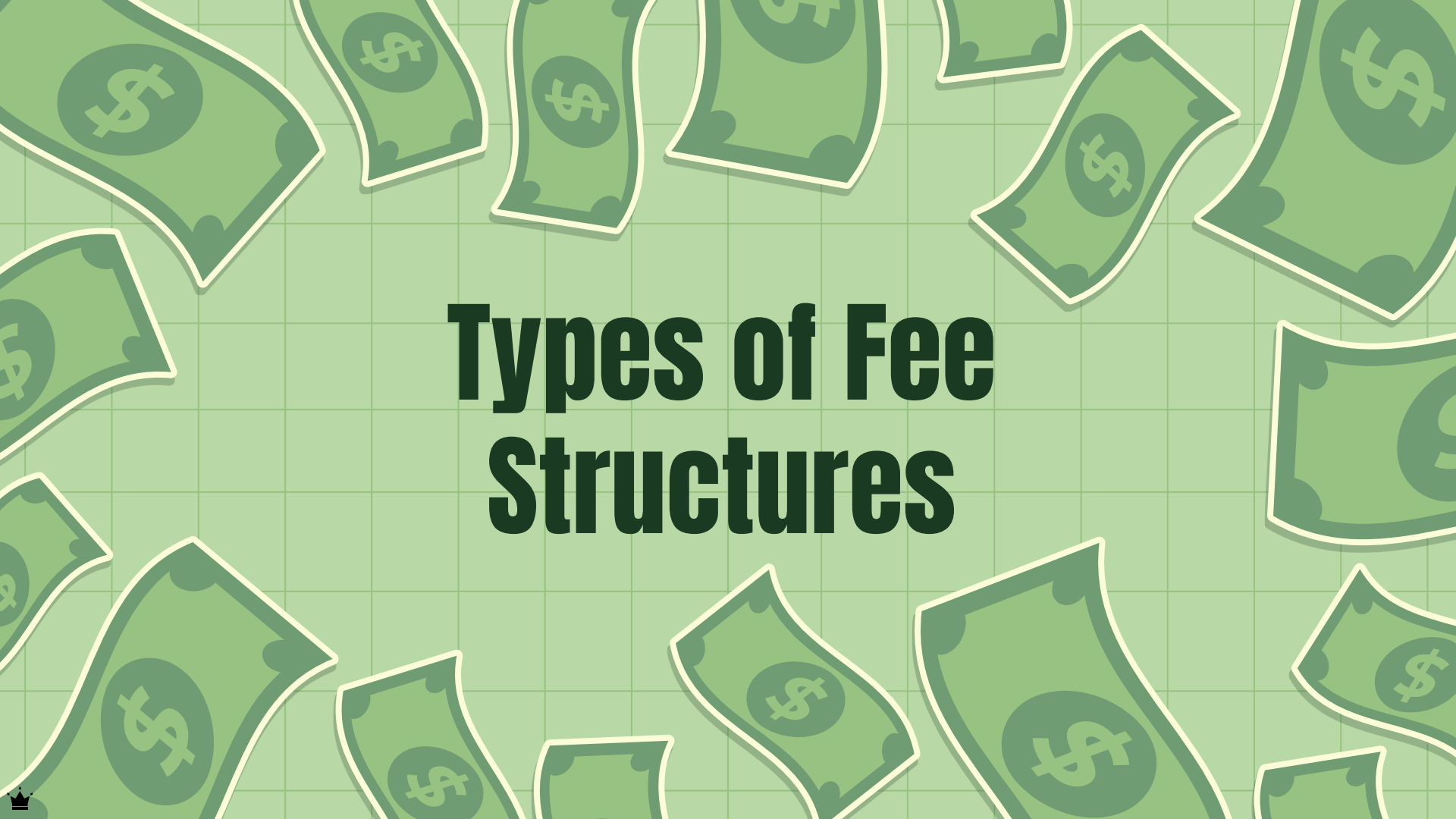
Unrealistic Goals

Tracking

Staffing Costs

Program Interest



The background of the slide features a light green grid pattern. Scattered across this grid are numerous green dollar bills, each with a white outline and a large white dollar sign in the center. The bills are oriented in various directions, creating a dynamic and financial-themed backdrop.

Types of Fee Structures

Program Types

You can divide your fees by Program Types such as:

- Toddlers, Youth, Teens, Adults, Seniors, Special Needs, and Community
- Fitness, Arts, Educational, Athletics, Technology, Rentals, and Events
- City Operated vs Contracted



Ranges

You can set ranges for fees to allow for flexibility and growth:

- Pool Entrance: \$0-\$15 per person
- Pavilion Rental: \$100-\$150 per rental
- Art Classes: \$50-\$150 per session
- Soccer League: \$700-\$1,000 annually

* Ranges can be divided by Residents and Non-Residents



Subsidized vs Unsubsidized

Divide your fees into what your agency approves subsidies for :


- Set cost recovery percentage goals for both types
- Calculate program fees based on goals
- Examples:
 - Senior Citizen Programs and Special Populations Programs may be subsidized 100% by your agency. You'll have zero cost recovery goals.
 - Coding Classes for Adults is a program that your agency won't subsidize; therefore, you must make 100% cost recovery or more.



Little Bit of Everything!

One structure might not work for your agency;
therefore, you might combine a few to achieve the best
structure to meet your needs!



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**How do you come up
with your fees?**



Strategies

01

Comparison Studies

Research the Market &
Similar/Neighboring
Communities

02


CPI Increase to Current Rates

Post Comparison Study

03

Community Expectations

You know your
community!



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Fee Setting Process

What is the best way?

Consider selecting the best way which enables the municipality to quickly respond to market trends and community needs by implementing pricing methods as appropriate to meet financial sustainability.

- At discretion of the Department Director/City Manager - Pros and Cons?
- Annually approved by through the budget cycle - Pros and Cons?
- Establishing a Resolution or Ordinance - Pros and Cons?



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Tracking Cost Recovery



Recreation Program/Class Proposal

Date of Submittal:		
Program/Class Name:		
Ages/Grades:		
Site Name(s):		
Regular Registration Start/Deadline:		
Program/Class Description: (K10):		

Partnership (if applicable):

Partnership (g) (applicable)				# class or hrs./Series	
Series I					
Start Date:		Days:			
End Date:		Times:			
Series II				Program/Class Fees	
				Resident:	\$ -
Start Date:		Days:		Non-Resident:	\$ -
End Date:		Times:		Sibling Discount:	\$ -
				100% Scholarship:	\$ -
				75% Scholarship:	\$ -
Series III					
Start Date:		Days:		50% Scholarship:	\$ -
End Date:		Times:		Other Fee:	\$ -

OPERATING EXPENSES

[illegible]

STAFFING EXPENSE

<u>Position Name</u>	<u>Av. Hourly rate</u>	<u># of hrs.</u>	<u># of Positions</u>	<u>Estimated Total</u>	<u>Actual Cost</u>
	\$ -	0.0	0	\$ -	\$ -
	\$ -	0.0	0	\$ -	\$ -
	\$ -	0.0	0	\$ -	\$ -
	\$ -	0.0	0	\$ -	\$ -
	\$ -	0.0	0	\$ -	\$ -
	\$ -	0.0	0	\$ -	\$ -
	\$ -	0.0	0	\$ -	\$ -
	\$ -	0.0	0	\$ -	\$ -
TOTAL STAFFING EXPENSE:		0	0	\$ -	\$ -

REVENUE SUMMARY

ESTIMATED REVENUE		Exp. # of Part.	Subtotals	ACTUAL REVENUE	# of Part.	Subtotals
Resident:	\$ -	0	\$ -	Resident:	0	\$ -
Non-Resident:	\$ -	0	\$ -	Non-Resident:	0	\$ -
Sibling Discount:	\$ -	0	\$ -	Sibling Discount:	0	\$ -
100% Scholarship:	\$ -	0	\$ -	100% Scholarship:	0	\$ -
75% Scholarship:	\$ -	0	\$ -	75% Scholarship:	0	\$ -
50% Scholarship:	\$ -	0	\$ -	50% Scholarship:	0	\$ -
Other Fee:	\$ -	0	\$ -	Other Fee:	0	\$ -
ESTIMATED TOTAL:		0	\$ -	ACTUAL TOTAL:	0	\$ -

SPONSORSHIP / GRANT REVENUE

Source	Item	Subtotals
		\$ -
		\$ -
SPONSORSHIP / PRODUCT TOTAL:		\$ -

PROGRAM/CLASS BUDGET OVERVIEW (PROPOSED & FINAL):

	<u>Estimated</u>	<u>Actual</u>
Revenue Summary \$	-	\$ -
Sponsorship or Grant Revenue \$	-	\$ -
TOTAL REVENUE \$	-	\$ -
Operating Expense \$	-	\$ -
Staffing Expense \$	-	\$ -
TOTAL OPERATING BUDGET \$	-	\$ -
TOTAL NET BUDGET \$	-	\$ -
TOTAL COST RECOVERY % (SUBSIDIZE D)	#DIV/0!	#DIV/0!

OPERATING EXPENSE COST (without Staffing)

Cost Per Participant	Estimated #DIV/0!	Actual #DIV/0!	(Operating Expense <i>divided by</i> the number of participants)
----------------------	----------------------	-------------------	--

TOTAL OPERATING BUDGET COST (with Staffing)

Cost Per Participant:	Estimated #DIV/0!	Actual #DIV/0!	(Operating Exp. + Staffing Exp. <i>divided by</i> the # of participants)
-----------------------	----------------------	-------------------	--

TOTAL NET BUDGET COST (with Revenue and Staffing)

Cost Per Participant	Estimated #DIV/0!	Actual #DIV/0!	(Total Net Budget <i>divided by</i> the number of Participants)
----------------------	----------------------	-------------------	---

SUPERVISOR APPROVAL/DENIAL

Miscellaneous Notes:

Proposal Entered by: _____ Supervisor Signature: _____

Deputy Director: _____ Director: _____

Special Event Proposal

Date of Submittal:		Population:			
Special Event Name:		Site of Event:			
Date of Event:		Estimated # of Patrons:			
Start/End Time:		Actual # of Patrons:			
Event Description (Include intended KIO, planned activities, etc.):					
Partnership (if applicable):					
OPERATING EXPENSES					
<u>Vendor Name</u>	<u>Budget Code</u>	<u>Description</u>	<u>Estimated Cost</u>	<u>Actual Cost</u>	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
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	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
	011-0950-000		\$0.00	\$0.00	
TOTAL OPERATING EXPENSES:			\$0.00	\$0.00	
STAFFING EXPENSE					
<u>Position Name</u>	<u>Av. Hourly rate</u>	<u># of hrs.</u>	<u># of Positions</u>	<u>Proposed Total</u>	<u>Actual Cost</u>
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
	\$ - 0.0	0	0	\$ - \$	-
TOTAL STAFFING EXPENSE:			0	\$ - \$	-

REVENUE SUMMARY					
Type of Revenue (<i>Rides, Concessions, etc.</i>)	Estimated Cost		Actual Cost		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
	\$	-	\$		
ESTIMATED TOTAL:	\$	-	ACTUAL TOTAL:	\$	-
SPONSORSHIP / GRANT / DONATIONS / FUNDRAISING REVENUE					
<u>Source</u>	<u>Item</u>			<u>Subtotal:</u>	
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
SPONSORSHIP / PRODUCT TOTAL:				\$	-
TOTAL REVENUE:				\$	-
SPECIAL EVENT BUDGET OVERVIEW (PROPOSED & FINAL):					
		<u>Estimated</u>		<u>Actual</u>	
Revenue Summary		\$	-	\$	-
Sponsorship / Grant / Donations / Fundraising Revenue		\$	-	\$	-
TOTAL REVENUE		\$	-	\$	-
Operating Expense		\$	-	\$	-
Staffing Expense		\$	-	\$	-
TOTAL OPERATING BUDGET		\$	-	\$	-
TOTAL NET BUDGET		\$	-	\$	-
TOTAL COST RECOVERY % (SUBSIDIZED)			#DIV/0!		#DIV/0!
OPERATING EXPENSE COST (without Staffing)					
Cost Per Participant:	Estimated # DIV/OI	Actual # DIV/OI	(Operating Expense <i>divided by</i> the number of participants)		
TOTAL OPERATING BUDGET COST (with Staffing)					
Cost Per Participant:	Estimated # DIV/OI	Actual # DIV/OI	(Operating Exp. + Staffing Exp. <i>divided by</i> the # of participants)		
TOTAL NET BUDGET COST (with Revenue and Staffing)					
Cost Per Participant:	Estimated # DIV/OI	Actual # DIV/OI	(Total Net Budget <i>divided by</i> the number of Participants)		
SUPERVISOR APPROVAL/DENIAL					
Miscellaneous Notes: 					
Proposal Entered by: _____ Supervisor Signature: _____ Deputy Director: _____ Director: _____					

The background is a light green grid. Scattered across the grid are several green banknotes of various sizes and orientations. Each banknote has a white outline and a dark green circle in the center containing a white dollar sign (\$).

\$0000...

What do we do?





City of Doral

- Fee Structure: Program Types & Ranges
- Strategy: Annual Fee Study
 - Provides justification for proposed increases and new fees
- Adoption: Passed via Resolution Annually
 - Pros and Cons?



City of Miami Beach

ORDINANCE NO. 2019-4299

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, BY AMENDING CHAPTER 1 OF THE CODE OF THE CITY OF MIAMI BEACH, ENTITLED "FEE PROVISIONS," BY CREATING SECTION 1-15, ENTITLED "FEE SCHEDULE," TO PROVIDE THAT ALL FEES AND CHARGES ESTABLISHED BY THE CITY COMMISSION SHALL BE SET FORTH IN APPENDIX A TO THE CITY CODE, ENTITLED "FEE SCHEDULE," TO PROVIDE FOR AN ANNUAL ADJUSTMENT FOR CERTAIN SPECIFIED FEES AND CHARGES TO REFLECT INCREASES IN THE CONSUMER PRICE INDEX; AND PROVIDE THAT CERTAIN OTHER FEES AND CHARGES SHALL BE SUBJECT TO ADJUSTMENT APPENDIX A TO THE CITY CODE, ENTITLED "FEE SCHEDULE," TO CONSOLIDATE FEES AND CHARGES ESTABLISHED BY THE CITY COMMISSION, AND TO IDENTIFY WHICH FEES AND CHARGES SHALL BE SUBJECT TO ANNUAL ADJUSTMENT; AND PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, during the Fiscal Year 2018-19 budget process, the City Commission directed the City Administration to review the City of Miami Beach's (the "City") current approaches for annually indexing the City's rates, fees, and charges (collectively, the "City Fees"), and identify which City Fees should be subject to annual adjustment to reflect changes in the Consumer Price Index ("CPI"); and

WHEREAS, the purpose of the review was to ensure that the City Fees keep up with inflation, and are sufficient to recover the costs of providing services to the City's residents and customers; and

WHEREAS, annual rate indexing is viewed favorably by credit rating agencies, and can better position the City for higher credit ratings, and lower interest rates associated with debt financing for high-priority capital improvements; and

WHEREAS, various City departments collaborated to develop recommendations and identify which City Fees should be subject to annual adjustment; and

WHEREAS, the Office of Management and Budget subsequently retained a consultant (GovRates, Inc.) to assist with developing recommendations for annual indexing; and

WHEREAS, the Mayor and the City Commission hereby determine that this Ordinance will promote transparency, eliminate inconsistencies, and streamline the procedure for adjustments to City Fees.

Page 84 of 100

Description	Amount (Sales tax or other taxes may apply)	Annual Adjustment (References shown are defined at the end of Appendix A)
Winn Pass:		
Non-Resident	\$40.00	[A]
Non-Resident	\$75.00	[A]
11 Beach Golf Club:		
1 - 10(31):		
Site	125.00	[A]
1000 Resident	80.00	[A]
1000 Resident	95.00	[A]
1000 Resident	55.00	[A]
Resident	70.00	[A]
15:		
	130.00	[A]
	100.00	[A]
	70.00	[A]
	225.00	[A]
	120.00	[A]
	90.00	[A]
	25.00	[A]
	15.00	[A]
	3,800.00	[A]
	4,900.00	[A]
Under 18 Years of Age	500.00	[A]
Non-Resident:		
Single	6,000.00	[A]
Husband and Wife	7,500.00	[A]
Each Dependent Under 18 Years of Age	750.00	[A]

- Fee Structure: Program Types & Ranges
- Strategy: Annual Fee Study & CPI Increase
- Adoption: Ordinance No. 2019-4299

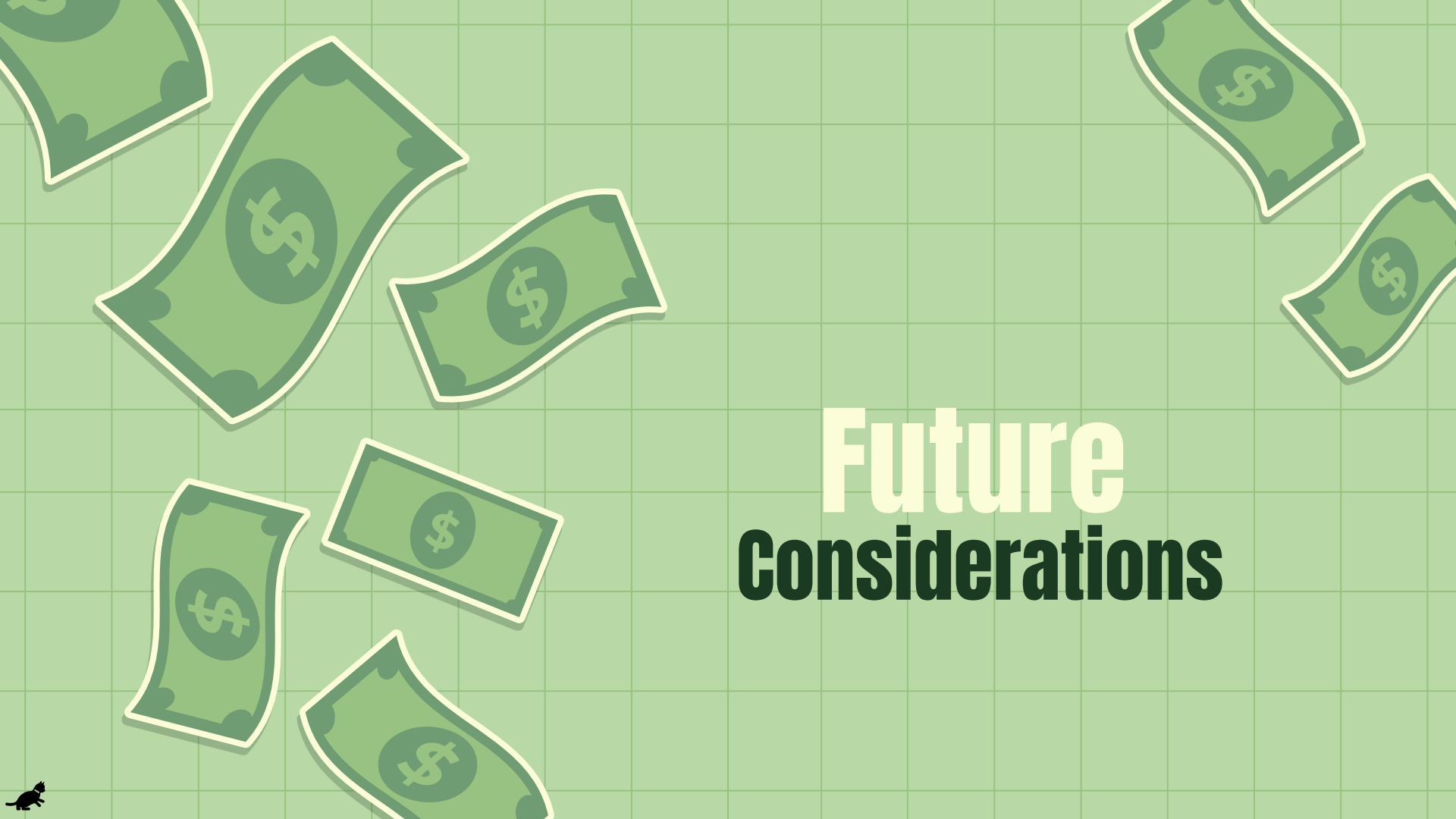
Pros and Cons?

SPECIALITY CAMP - weekly fees

	Resident		Non-Resident	
	Minimum	Maximum	Minimum	Maximum
Educational Specialty Camps	\$ 160.00	\$ 400.00	\$ 650.00	\$ 750.00
Sports Specialty Camps	\$ 160.00	\$ 400.00	\$ 300.00	\$ 750.00
Arts Specialty Camps	\$ 180.00	\$ 400.00	\$ 300.00	\$ 750.00
Wellness Specialty Camps	\$ 150.00	\$ 400.00	\$ 300.00	\$ 750.00
General Specialty Camps	\$ 150.00	\$ 400.00	\$ 300.00	\$ 750.00

YOUTH CLASSES

	Resident		Non-Resident	
	Minimum	Maximum	Minimum	Maximum
Youth Programs (Monthly - Contractors)	\$ 50.00	\$ 400.00	\$ 250.00	\$ 550.00
Youth Programs (Monthly - In-House)	\$ 50.00	\$ 250.00	\$ 250.00	\$ 400.00
Clubs (Monthly - Contractors)	\$ 25.00	\$ 400.00	\$ 90.00	\$ 550.00
Clubs (Monthly - In-House)	\$ 25.00	\$ 250.00	\$ 90.00	\$ 400.00
Youth Programs (Drop In- Contractors)	\$ 10.00	\$ 40.00	\$ 15.00	\$ 80.00
Youth Programs (Drop In - In-House)	\$ 5.00	\$ 40.00	\$ 15.00	\$ 80.00



Future considerations





Don't Forget About ...

- 01** **Discounts & Scholarships**
- 02** **Establish a Department Policy**
- 03** **Consider the Best Fee Structure**
- 04** **Don't be Afraid of Change .. Baby Steps!**
- 05** **Be Prepared to Sell the Benefits of Adjusting Fees**



The background of the slide is a light green grid. Scattered around the edges are several green dollar bills, each with a white dollar sign in the center and a white outline. The bills are slightly wavy and appear to be floating or falling.

Questions?





THANK YOU!



MIAMIBEACH

VIANCA PERON-SELLAN, MPA

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City of Miami Beach, FL
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