



Amendment to Recreation Program Fee Policy

Town Council Meeting July 18, 2012

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Background

- May 2003
 - Council approved a resident-priority registration method that allows residents to register prior to non-residents.
 - Council approved a fee policy which increases recreation program fees and facility reservation fees by 50% for non-residents.



Background

- Policy Development
 - Policy was needed to control volume for popular programs and facilities during a time when the Town was rapidly growing.
 - Town Council's desire to implement a non-resident fee at a policy level.



Background

■ Current Status

- Town is not being overwhelmed by non-resident registration for recreational programs.
- In FY 12/13 recreation services offered by the Town are limited to two fee based programs.
 - Special Interest Classes and Adult Softball
 - Non-resident fees are not charged for the Adult Softball Program.
 - Free programs: Senior Program, After-School Program and Special Events



Background

- Goals

- Provide quality programs at affordable prices to all registrants.
- Seek ways to retain existing customers.
- Attract new customers.
- Increase operational efficiency.
- Enhance Revenues.



Staff Recommendation

- Parks and Recreation Advisory Committee
June 12, Meeting
 - Staff proposed eliminating non-resident fees for recreation special interest classes and maintain the resident-priority registration method.
 - Staff did not recommend any policy changes to the facility reservation fees with regard to non-resident fees.



Background

■ Method #1

- Municipalities that do not implement non-resident fees have a priority registration for residents.
- This type of set up supports a general philosophy to:
 - Eliminate obstruction to program registration.
 - Generate revenues by getting people to come into your town, spend their dollars locally.
 - Increase visibility to your town in hopes of attracting more residents.



Background

- Method #2
 - Municipalities place a non-resident fee for popular programs that are always filled or waiting lists are in place; a need to have volume control.
 - This type of model structured the Town's existing policy during a time of rapid growth.



Background

- Elimination of non-resident fee rationale:
 - The fee charged should reflect the value of the program.
 - Eliminating non-resident fees could assist the Town in achieving its mission to support economic development.
 - Non-resident fees may possibly deliver a message of exclusion.
 - Non-resident registrations allow some programs to meet minimum registration amounts so the program is viable.
 - Many non-resident may participate through their friendship with a resident. Some non-residents work in Queen Creek and convenience plays a factor.



Parks and Recreation Advisory Committee Recommendation

- Recommend changing the 50% fee increase to non-residents for participation in Special Interest Classes and maintain the resident priority registration policy.
- Staff supports the recommendation from the committee.



Fiscal Impact

- Difficult to provide and estimate of loss or gained revenues.
 - Changing the non-resident fees will result in less revenue generated per non-resident per class.
 - It could potentially generate more revenue in the long-run by increasing non-resident volume, the number of overall classes offered, and visitors to Town Center.
 - Staff will monitor the changes and update revenue estimates as part of the FY 13/14/ budget process.



Alternatives

- Choose to eliminate non-resident fees for special interest recreation classes and maintain the resident-priority registration method.
- Choose to change the non-resident fee increase from 50% to a progressive fee structure and maintain the resident-priority registration method.
 - \$10 non-resident fee for classes with fees of \$10-\$50
 - \$20 non-resident fee for classes with fees of \$51 or higher.
- Choose to maintain the current policy on recreation program pricing of an added 50% cost to non-residents for participation in special interest classes.





Thank You

Questions?
Comments?