

POL.A.07.02 - Fees and Charges Policy

Statement of Philosophy

The Park District of Oak Park uses multiple sources of revenue to supplement the revenue it receives from property taxes. A primary source of revenue beyond property taxes are fees and charges collected from participants of the Park District. It is not financially feasible or healthy to rely solely on one source of revenue to support a diversified quality parks and recreation program. The District will evaluate its fees and charges policy annually as part of its Budget Guidelines; receiving approval from the Board of Commissioners prior to implementation.

Fees and Charges

A system of fees and charges is an efficient and equitable way to distribute the costs associated with providing services that exceed the ability of the tax base to support the costs. With this in mind, the Park District has developed these goals and guidelines with the intention of uniformly defining the method used to determine pricing levels for fees and charges.

The Park District primarily provides recreation services on three different levels. Those levels include services that benefit the entire community, Recreation and Corporate programs and services that mostly benefit the user but to some extent benefit the community, and Revenue Facilities programs and services that benefit only the user. The chart below explains the differences in these levels.

	Community Programs	Recreation Programs	Revenue Programs
Who Benefits?	All people of the community	Mostly participants, but community to some extent	Participant only
Who Pays?	Community through taxation	Participants and community share costs	Participant pays full cost
Desirability or Feasibility of Fees	Not desirable or feasible	Desirable and feasible	Desirable and feasible
Examples of Programs or Services	Concerts in the Park, Conservatory	Teen events	Gymnastics, Dog Park
Cost Recovery	None or very little	Direct costs and 35% of indirect costs	Total direct and indirect costs

The concept of estimated cost recovery involves setting fees and a charge based on the level of service so that the revenue received equals the total cost of providing a particular service and is critical to the success of this system.

Definitions

Direct Cost: These are costs that are directly attributed to an individual service and include: instructor salary, materials, transportation, admission fees, specific marketing costs, building rent in non-District owned facilities, etc.

Indirect Cost: These are costs that cannot be associated directly with an individual service provided and include: administrative salaries, utility costs, building maintenance and cleaning, office and restroom supply costs, etc.

Total Cost: This is the cost of providing a service and includes both the direct cost and an allocated portion of the indirect cost.

Goals

The Park District will use tax revenues to improve and manage all of the land, facilities and recreation programs that have been determined to benefit all taxpayers. The Park District will also use tax revenue to assist residents who cannot afford to utilize a program or service.

Taxpayers should not be asked to meet the entire cost of providing activities and facilities that involve considerable expenses and serve a special interest with a limited number of participants. Charging fees for these programs is an equitable method of recovering costs for targeted or specialized programs and services. However, fees and charges should not become a barrier for participation or a method of excluding any resident of the Park District.

General Guidelines

- The Park District will not charge fees to residents for entrance into parks, playgrounds, sled hills, or informal use of outdoor athletic facilities (when not previously scheduled).
- The Park District will charge fees for specialized services that do not benefit the entire community including recreational programs. These fees will be structured to pay for the cost of offering the program and contribute to overhead as outlined below:
 - a. Managers will consider appropriate direct, indirect, and overhead costs, market conditions, target markets and payment of capital improvement bonds issued to renovate a specific facility when developing fees and charges for all Park District services. The Park District will consider the cost of using the facility when determining the total cost of offering programs instructed by a contractual third party. Program supervisors should strive to keep the costs associated with any program minimal in order to keep the fee for the program reasonable.
 - b. The Park District will charge entry fees for admission to special use facilities such as the indoor ice arena or swimming pools.
 - c. The Park District may charge membership and/or initiation fees for access and use of a facility or program.
 - d. The Park District may develop special pricing strategies including differential fees for different types of organizations, different times of the year, incentives to increase participation, and group, repeat business, or multiple family member discounts.
 - d. Managers may prorate fees if a person wishes to participate in a program after the first class of a program and the desired outcome of the program does not depend on attending all classes.
- The minimum number of participants per class needed to achieve revenue policy goals will be the determining factor in setting class minimums. Programs must reach minimum

participant levels one week before the class starting date or the Park District will cancel the program (new program ideas are exempt from this guideline for one year to allow the program to grow.)

- Since non-residents of the Park District do not support the District through taxes, they should pay an additional fee to assist with costs associated with overhead, facility maintenance and development, and program development expenses covered by taxes. The Park District considers non-residents who pay High School District # 200 taxes as residents for any program held in an Oak Park River Forest High School facility.
- The Park District will actively seek other sources of revenue such as donations or grants to partially subsidize community-wide programs.
- Scholarship or fee reduction programs will be available to any resident that proves financial hardship for any program or facility regardless of the amount of tax support the program or facility receives.