
511- Revenue Policy

- 1.0. 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.
- 2.0. Background:** The District should try to maintain a stable revenue system to protect against short-term fluctuations in any one revenue source. The District depends on the property tax levy passed by the voters in August 2011. Although the District seeks to increase programming and admission revenue to supplement the tax levy revenue, the revenue generated by programming and admissions is not sufficient to maintain the facility or its programs.
- 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.

3.0. Definitions Used in this Policy

3.1. **Service:** Any program, class, event, activity, sales or rental opportunity provided by the District.

3.2. **Direct Costs:** Those costs that can be directly and exclusively attributed or assigned to a specific service.

3.3. **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.

3.4. **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.

3.5. **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.

3.6. **District Sponsored:** Services that are organized, promoted, and conducted exclusively by District staff and are the responsibility of the District.

3.7. **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.

3.8. **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 District'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.

4.0. Types of Revenue

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

4.1. Earned Revenue

- 4.1.1. **Admission Fees:** Fees to enter a District building recreational purposes and special events.
- 4.1.2. **One Time Rental Fees:** One-time payments made for the privilege of exclusive use of a portion or the entire District facility, including any associated booking fees.
- 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.
- 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).
- 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.
- 4.1.6. **Merchandise Sales Revenues:** Revenue obtained from the operation of stores, concessions, and from the sale of merchandise and other property.
- 4.1.7. **Miscellaneous:** Revenue obtained through the application of late fees, cancellation fees, or advertising fees.

4.2. Non-Earned Revenue

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

5.0. Policy

The budget will reflect the projection of all anticipated revenue from all sources including tax revenue. One time or unanticipated revenue **will** not be included in the Annual Budget but can be accounted for in amended budgets once the revenue has been received. The annual budget revenue will establish the level of programs and services the District will provide to the community.

5.1. Revenue Estimates: Because revenues, especially those of the General Fund, are sensitive to local and regional economic conditions, revenue estimates will be conservative and will be made by an objective, analytical process.

5.2. Pricing: Prices shall be recommended by the Director of Aquatic Operations, 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:

5.2.1. 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.

5.2.2. Determine the focus of the activity (Section 2.3).

5.2.3. Identify the market rate or current fee being charged for a similar service.

5.2.4. Consider inflationary factors for services.

5.2.5. Availability and affordability within the constraints of Annual Budget.

5.2.6. The District priorities as expressed in the current Strategic Plan.

5.2.7. Local economic conditions.

5.2.8. Specific needs of the District community.

5.2.9. Residency or non-residency within the Tukwila city limits.

5.3. Financial assistance: In addition to pricing, which reflects the item referenced above, the District will seek to ensure affordability of activities through:

- 5.3.1. Scholarships
- 5.3.2. Certain free or reduced-price youth activities
- 5.3.3. Time-limited price promotions
- 5.3.4. Cultivating volunteers and partnerships
- 5.3.5. Other opportunities approved by the BOC
- 5.3.6. Special population pricing, such as for veterans, seniors, and individuals covered by the ADA (see TPMPD Policy 260).
- 5.4. 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. Contracted use agreements will be reviewed, and prices set, in accordance with District approved pricing at the time of renewal, or during the contract negotiation process.
- 5.5. 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 of Aquatic Operations to be in the best interest of the District and the service applicant, for:
 - 5.5.1. One-time events or activities
 - 5.5.2. Special promotions or events that last no more than 30 days.
 - 5.5.3. 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 of Aquatic Operations 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 District's related expenses.

- 5.6. Review of Pricing:** The District Board of Commissioners may 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.

- 5.7. Interagency Use:** Services provided to other governmental agencies shall be compensated at full and true value in keeping with RCW 43.09.210.
- 5.8. Acceptance of Donations:** The District will occasionally receive requests from individuals or organizations to accept cash donations. The Director of Aquatic Operations or District Administrator will have the authority to accept restricted and unrestricted cash donations.
- 5.9. Cost Recovery from Programs and Users:** As much as reasonably possible, District programs should be supported by fees and charges in-order-to provide maximum flexibility in the use of general revenues to meet the cost of services of broader public benefit. Rate adjustments for services utilizing user fees and charges should be recalculated annually to consider inflation and other costs. The District should be sensitive to the balance between the need for programs and services and the District's ability to raise fees, charges, and taxes to support those services.