

**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Bobby Magee  
District General Manager

**FROM:** Craig Bronzan  
Special Advisor, Baker Tilly

**SUBJECT:** Approve Park and Recreation Department Proposed Fees For 2024/2025 Fiscal Year and Direct Staff To Return for Board Consideration of an Update to the Budgeting and Fiscal Management Community Services and Beach Pricing for Products and Services Practice 6.2.0

**DATE:** June 26, 2024

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**I. RECOMMENDATION**

Approve the Recommended 2024/2025 Park and Recreation Department Fees and direct staff to return for future Board consideration of an update to the Budgeting and Fiscal Management Community Services and Beach Pricing for products and services (Practice 6.2.0).

**II. BACKGROUND**

Park and Recreation Department staff have been working on updating and revising the fees for programs and activities for fiscal year 2024/2025 (see attachment A). Each program is reviewed to determine what the appropriate fee should be for members of the Incline Village General Improvement District and for non-members as appropriate. The review includes whether the fee should be increased, decreased, or remain the same.

Attachment A lists the proposed fees that staff is recommending for fiscal year 2024/2025 based on Practice 6.2.0 (Attachment B). These proposed fees are expected to implement the recently Board approved IVGID budget related to revenue generation. Should the Board decide to change any of the proposed fees, it would have an impact on the Board approved budget, and that specific effect would have to be brought back to the Board at a future meeting.

On a related matter, in reviewing the current Budgeting and Fiscal Management Community Services and Beach Pricing for products and services (Practice 6.2.0), the document has an Appendix A which illustrates a Cost-Recovery Pyramid for recreation and community services programs. In the proposed spreadsheet of fees, each program is categorized into the specific pyramid tier. However, there is no ongoing tracking provided to show the actual percentage of recovery for each program by tier. Staff is recommending that it is appropriate for additional analysis to be conducted in the coming year to allow the Board to better understand the effects of each program and the fees charged when fees are reconsidered in the future.

Additionally, the science of setting park and recreation fees has many layers in addition to the Cost-Recovery Pyramid model. It is common for park and recreation agency Boards to adopt specific policies related to such things as:

- Yearly adoption of a Cost Allocation Plan that sets fees on a yearly basis
- The ability for parks and recreation to revise fees, usually on a quarterly basis to match the distribution of an activity guide as programs and activities change, are added, and are dropped
- Cost recovery goals for each program/group of programs (e.g. Cost Recovery Pyramid) – setting the goal with an annual review of how well each program met the goal to determine the coming year fees to be charged
- Whether cost recovery intends to recover direct costs, department overhead costs, agency wide overhead costs, and/or capital replacement costs
- Whether fees are to be increased each year based on Cost of Living Adjustments (or use of some other matrix)
- A definition of when a program is offered by the agency and/or when the agency allows the program to be offered by another organization or person
- A definition of what it means to co-sponsor or partner with another organization and how that relates to fees
- How the agency fees relate and/or are influenced by market conditions
- If and when fees may be reduced or waived, sometimes through the use of a scholarship program
- How many participants (or percentage) are necessary in a program for the program to continue (setting minimum and maximum numbers)
- Pricing for programs should be based on a specific benefit for the user that varies from meeting a common good (benefit for all) to a individual good (personal benefit)
- Satisfaction guarantee/refund policies for participants who request a refund from a program

When combined with effective program and customer satisfaction surveys, an agency that adopts many of the above types of policies will enable park and

recreation staff to evaluate programs on a regular basis, prepare more accurate budgets, and in turn, provide more relevant data for the Board to consider when fees are proposed each year. It is important to acknowledge that any type of subsidy in a program/fee is in fact, an intentional action by the Board to grant a special privilege and/or investment for the participants from funds that are collected from all who pay the assessment.

To enable staff to better provide a methodology for Board consideration, two department staff members have just been certified in Financial Sustainable For Park and Recreation Professionals. Staff is recommending that additional work such as mentioned above should be started for next years consideration of proposed fees by the Board.

### **III. FINANCIAL IMPACT AND BUDGET**

Approval of the fees will match the proposed 2024/2025 fiscal year budget for the Parks and Recreation Department.

### **IV. ALTERNATIVES**

1. Decline the recommended fees and provide direction to staff related to reconsideration.

### **V. ATTACHMENTS**

- A.** Proposed Park and Recreation Fees
- B.** Practice 6.2.0

Facility/Venue	Current Fee	Current w/IVGID	Current Local Non-profit	Proposed Fee	Proposed w/IVGID	Proposed Local Non-profit
<b>Ballfields</b>						
Daily Fee	500	375	225	500	375	225
Hourly	105	80	50	105	80	50

Facility/Venue	Current w/IVGID	Proposed w/IVGID
<b>All Beaches</b>		
IVGID Recreation Pass	Included in Rec Fee	Included in Rec Fee
Adult	\$ 16.00	\$ 18.00
Child	\$ 8.00	\$ 9.00
<b>Kayak</b>		
Annual	\$ 250.00	\$ 275.00
Summer Only	Phase out in FY 23-24	N/A
<b>Paddleboard</b>		
Annual	\$ 175.00	\$ 180.00

Facility/Venue	Current w/IVGID	Proposed w/IVGID
<b>Boat Launch</b>		
Round-Trip Launch	\$ 25.00	\$ 25.00
Annual Pass	\$ 250.00	\$ 275.00
One-way Retrieval	\$ 15.00	\$ 15.00

Facility/Venue	Current Fee	Current w/IVGID	Proposed Fee	Proposed w/IVGID	NOTES
<b>Tennis/Pickleball</b>					
Monthly Pass (PM)	move monthly	Remove monthly	remove monthly	remove monthly	
Monthly Pass (AM)	move monthly	Remove monthly	remove monthly	remove monthly	
Ball Machine Pass (PM)	150	115	\$150	\$115	
80+ Pass	FREE	FREE	\$100	FREE	
Adult Pass Full Season (T)	525	420	\$525	\$420	
Afternoon Pass	180	145	\$180	\$145	
Family Pass Full Season	N/A	1075	N/A	\$1,075	
Junior Pass Full Season	295	235	\$295	\$235	
Senior Pass Full Season	450	365	\$450	\$365	
Tennis Daily Court Fee (AM)	18	15	\$18	\$15	
Tennis Daily Court Fee (PM)	9	7	\$9	\$7	
Junior Daily Court Fee (13-17 AM)	13	10	\$13	\$10	
Junior Daily Court Fee (13-17 PM)	5	3	\$5	\$3	
Child (12 & Under After 12:30 PM)	3	Free	\$3	Free	
80+	Free	Free	\$100	Free	
Tennis Lessons	70-110	70-110	70-110	70-110	varies by pro, no discount for personal services
T/P Center Deck Rental	100/hour	75/hour	100/hour	75/hour	
Afternoon Camp and Clinic Court Rental	35/hour/court	25/hour/court	25/hr/court	25/hour/court	

Facility/Venue	Current Fee	Current w/IVGID	Proposed Fee	Proposed w/IVGID
<b>Pickleball Memberships</b>				
Adult Pass Full Season	375	300	\$375	\$300
Senior Pass Full Season	260	205	\$260	\$205
80+ Pass Full Season	Free	Free	\$100	Free
Junior (13-17) Pass Full season	205	120	\$205	\$120
Child (12 & Under) Pass Full Season	110	Free	\$110	Free
Daily Court Fee	14	10	\$14	\$10
T/P Center Deck Rental	100/hour	75/hour	100/hour	75/hour
Afternoon Camp and Clinic Court Rental	35/hour/court	25/hour/court	\$30/hour/court	\$25/hour/court



Facility/Venue	Current Fee	Current w/IVGID	Proposed Fee	Proposed w/IVGID
<b>Rec Center Memberships</b>				
Annual Single	723	543	723	543
Annual Couple	1195	897	1195	897
Annual Senior Single	689	506	689	506
Annual Senior Couple	1031	791	1031	791
Family	1423	1067	1423	1067
Student	408	307	408	307
On Going Monthly Single	71	51	73	53
On Going Monthly Couple	118	87	122	90
On Going Monthly Senior Single	61	45	63	46
On Going Monthly Senior Couple	102	76	105	78
On Going Monthly Family	134	101	128	104
On Going Monthly Student	42	31	43	32
6 month Single	385	289	385	289
6 month Couple	636	476	636	476
6 month Senior Single	352	264	352	264
6 month Senior Couple	552	415	552	415
6 month Family	725	543	725	543
6 month Student	227	170	227	170
3 month Single	299	225	299	225
3 month Couple	521	391	521	391
3 month Senior Single	291	218	291	218
3 month Senior Couple	489	367	489	367
3 month Family	599	449	599	449
3 month Youth	218	164	218	164
Facility/Venue	Current Fee	Current w/IVGID	Proposed Fee	Proposed w/IVGID
<b>Temporary Memberships</b>				
1 month Single	122	92	126	95
1 month Single Senior	116	87	119	90
1 month Couple	199	149	205	153
1 month Senior Couple	194	146	200	150
1 month Family	237	176	244	181
1 month Youth	78	59	80	61
1 week Single	59	44	61	45
1 week Single Senior	46	36	47	37
1 week Couple	98	74	101	76
1 week Couple Senior	81	61	83	63
1 week Family	118	89	122	92
1 week Youth	32	24	33	25
Adult Daily	20	15	20	15
Senior Daily	17	13	17	13
Youth Daily	10	7	10	7
Totally Active Rate	5	5	5	5

<b>Personal Training (range)</b>			65 - 90	65-90
<b>Preschool Playground w/parent</b>			6	5
<b>Preschool Playground Full Service</b>			17	15
Basic - (No Discounted Rate)	65	85	65	85
Specialty - (No Discounted Rate)	85	100	85	100
* Youth Age is 6-18 years				

Facility/Venue	Current Fee	Current w/IVGID	Proposed Fee	Proposed w/IVGID	Notes
<b>Picnic Areas</b>					
All Beaches AM/PM Mon-Thurs	Restricted Access	125	Restricted Access	125	Local Non Profit rate for all venues requires prior approval. All picnic areas require a refundable \$150 deposit to be held on file.
All Beaches Daily Mon-Thurs	Restricted Access	180	Restricted Access	180	
All Beaches AM/PM Fri- Sun	Restricted Access	180	Restricted Access	180	
All Beaches Daily Fri-Sun	Restricted Access	290	Restricted Access	290	
Preston Park Picnic AM/PM	125	80	125	80	
Preston Park Picnic Daily	185	130	185	130	
Village Green BBQ/Picnic AM/PM	100	75	100	75	
Village Green BBQ/Picnic Daily	125	100	125	100	
Incline Park #1 Picnic AM/PM	100	75	100	75	
Incline Park #1 Picnic Daily	125	100	125	100	
Rec Center BocceBall Courts - Hourly	30	25	30	25	
Rec Center Bocce AM/PM - per court	120	100	120	100	AM 8am - 2pm, PM 3pm - 8pm
Rec Center Bocce - All Day/All Courts	480	400	480	400	
* Beach Group Site fees do not include applicable guest fees for non IVGID Recreation Pass holders.					

<b>Rec Facility/Venue</b>	<b>Current Fee</b>	<b>Current Daily Fee w/IVGID</b>	<b>Current Local Non-Profit</b>	<b>Proposed Fee</b>	<b>Proposed Fee w/IVGID</b>	<b>Proposed Local Non-Profit</b>
<b>Rec Center Gymnasium</b>						
Daily	495	395	300	500	395	300
Hourly	100	75	50	125	75	50
<b>Half Court Gymnasium</b>						
Daily	195	150	75	250	175	150
Hourly	55	40	30	65	50	40
<b>Rec Center Back Yard</b>						
3.5 hour block	150	115	90	150	115	90
<b>Rec Center Group Fitness</b>						
After 1pm (for professionals)very limited hours	75	55	40	75	55	40
<b>KidZone Programming Center</b>						
3.5 hour block	100	75	55	100	100	100
<b>Rec Center Pool Lane</b>						
Hourly (4 lanes, shared)	100	75	55	100	75	55
Single Lane Rental	50	40	30	50	40	30

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**RELEVANT POLICIES: 6.1.0 Adoption of Financial Policies**

**PRACTICE.** It is the practice of the District to establish the manner in which fees and charges for services are set and the extent to which they cover the cost of services provided (per Policy 6.1.2.2)

**1.0 Scope**

This Practice shall be used to ensure consistent application of pricing policy across the District's Community Services and Beach venues in order to meet venue-specific revenue and cost-recovery targets established through the annual budget process.

The objective of the District's pricing policy is to:

- Ensure that revenues, including Charges for Services and applicable Recreation or Beach Facility Fees are sufficient to cover the full cost of providing services to IVGID Picture Pass holders, guests of IVGID Picture Pass holders and others.
- Utilize sound financial planning principles to avoid volatility in charges and fees from year-to-year.
- Promote consistent framework for pricing across all venues and programs, while providing for venue-specific pricing considerations.
- Establish conditions for management to modify pricing during the fiscal year based on market conditions, and for the determination of pricing new programs.

**2.0 Definitions** – for purposes of this practice, the following definitions shall be applied:

- Full-Cost is intended to represent the per-unit cost of providing access to, or use of, District venues, services and programs, and shall include operating costs (including overhead), capital depreciation and debt, as reflected in the annual budget.
- Operating Costs are defined to include direct personnel costs, non-personnel costs and overhead costs. For purposes of this definition, overhead applied to programs and services shall include appropriate allocation of Central Services Overhead as well as Department-specific administrative overhead.

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- Direct Costs are defined as the incremental cost of providing for access or services for a specific event or purpose. Examples would include incremental cost (staffing, supplies, etc.) of providing access to a venue during normal business hours versus outside of normal operations.
- Capital Costs for programs and services provided through the District's Community Services and Beach Enterprise Funds shall be defined as the annual depreciation budgeted and allocated to each fund and cost center.
- Debt Costs for purposes of establishing full-cost recovery shall include principal and interest on outstanding debt allocated to each fund as included in the annual budget.

**3.0 Community Services Pricing**

The District operates recreational facilities, venues, services and programs. To support the Community Services facilities, venues, services, and programs, the District establishes, through the annual budget process, a Recreation Facility Fee assessed on parcels and/or dwelling units within the District.

Pricing for IVGID Picture Pass holders and others is defined as follows:

**3.1 Others (Non IVGID Picture Pass holders):**

3.1.1 Rates charged for use of venues, services, and programs shall be set to cover no less than 100% of the Full-Cost of the venue rental, venue access, service provided and programs made available.

3.1.2 Pricing for services and merchandise sold at District profit centers (ex. Golf Shop, Food and Beverage, Ski Rentals) shall incorporate mark-up over costs based on market-driven targeted profit margins established as part of the budget process.

3.1.3 As it applies to daily rates charged for venue rental, venue access, programs, and services, management is authorized to

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utilize dynamic pricing, based on changing market conditions, provided that doing so contributes positively to the net operating income of the venue. (The Board may establish a “floor” such as no lower than the IVGID Picture Pass-holder rate).

3.2 Guests:

3.2.1 Guest rates may be set at a discount, provided that the guest rates shall, at a minimum, cover the Operating Costs of access to venues, or program.

3.2.2 Where Guest Rates are established, the Guest must be accompanied by an IVGID Picture-Pass holder.

3.3 IVGID Picture Pass holders:

3.3.1 Rates charged to IVGID Picture-Pass Holders shall be discounted from the Full-Cost of services, in recognition of the Recreation Facility Fee assessed.

Rates established for IVGID Picture-Pass holders shall generally be set at no greater than the rate required to cover the Operating Costs of programs and services. In some cases, rates charged may exceed Operating Costs (to the extent that the Facility Fee approved through the budget process is insufficient to cover the cost of annual Capital Costs and Debt Costs).

3.4 Discounts

3.4.1 Group Rates – Access to and/or rental of venues for qualifying groups can be provided at a discount, provided that the discounted pricing is set so as to cover the Direct Costs of venue access. Discounts may vary based on venue availability (example: peak versus off-peak, mid-week versus weekend).

3.4.2 Community Focused Non-Profits – Access to and/or rental of District facilities and venues, and participation in programs and/or services by community-focused non-profits, as defined (Policy & Procedure 141, Resolution 1895) may be provided at a discount at

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no less than the Direct Costs of providing venue access/  
rental, program or service.

- 3.4.3 The annual budget could provide a funding allocation from the District's General Fund to be used to offset discounts anticipated to be provided to community focused non-profit organizations. This funding is to be allocated to venues, programs or services based on utilization by community focused non-profits in order mitigate the impact on overall financial performance of the venue, program or service.
- 3.4.4 A quarterly report will be provided to the Board of Trustees detailing the financial impact of the discount extended to the various groups and/or non-profits.

**3.5 Venue-Specific Pricing**

While applying the Community Services pricing guidelines as set forth in this practice, each venue, as a unique business enterprise, may incorporate modifications to its pricing for access/rentals, programs, and services, provided the venue is able to achieve overall financial results consistent with the net income targets established through the annual budget process. Such modifications may include, but are not limited to:

**3.5.1 Golf Course Fees**

- 3.5.1.1 Fees charged to IVGID Picture-pass holders their guests and others may vary based on season, day of the week, time-of-day, and partial (9-hole) use of the golf courses.
- 3.5.1.2 Play-Passes offered to IVGID Picture Pass holders may be priced at a discount from daily fees.
- 3.5.1.3 Management shall track and report average revenue-per-round, in relation to the defined cost-recovery targets.

**3.5.2 Chateau & Aspen Grove Rentals / Special Events**

- 3.5.2.1 Fees set for Facility rentals and Special Events will be based on cost-recovery targets for the Facilities



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Enterprise Fund established through the budget process.

- 3.5.2.2 Rental fees for use of facilities by non-IVGID Picture Pass holders will take into account the historical utilization rates and incorporate a mark-up required to achieve overall cost-recovery targets.
- 3.5.2.3 Rentals provided to IVGID Picture-Pass holders will incorporate discounts, as appropriate.
- 3.5.2.4 Fees charged for catered (Food and Beverage service) events will be set to cover the Full-Cost of staff, operations and food and beverage, plus mark-up based on market conditions.
- 3.5.2.5 Consideration shall be given to maintain Facility rental and Special Events services competitive within the regional marketplace.

3.5.3 Ski

- 3.5.3.1 Rates charged to non-IVGID Picture Pass holders for daily tickets and season passes will be set so as to remain competitive within the market.
- 3.5.3.2 Rates charged to non-IVGID Picture Pass holders for daily tickets shall be no less than the Full-Cost of access to the ski venue.
- 3.5.3.3 Rates charged to IVGID Picture Pass holders for daily tickets and season passes shall be set at a discount – to the extent that revenues from tickets and passes are sufficient to meet overall net revenue targets for the season.
- 3.5.3.4 Rates charged may vary based on peak periods, day of the week, and full-day versus half-day passes.
- 3.5.3.5 The Ski Rental Shop and Ski Lessons operate as Profit-Centers, with rates being largely market-driven, to include appropriate profit margins. Rates are charged uniformly, with no discounts.

3.5.4 Parks, Recreation, and Tennis Center

- 3.5.4.1 The District's Parks, Recreation Center, Tennis Center and recreation programming are community amenities open to residents, guests and visitors.

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Program pricing is based on industry-standard “Cost-Recovery Pyramid” which provides for increasing levels of cost-recovery based on whether programs provide community benefit versus individual benefit. (See Appendix A)

- 3.5.4.2 Programs and memberships are provided to IVGID Picture-Pass holders at a discount.
- 3.5.4.3 Recreation Center and Tennis Center membership pricing is adjusted based on age, season, time-of-day and day of the week (peak and non-peak hours).
- 3.5.4.4 Management shall review memberships and program fees annually, and may adjust rates based on industry and regional rates.

**4.0 Beach Pricing**

District-owned beaches are restricted to deeded parcel owners within the District and their guests. To support the Beaches, services, and programs, the District establishes, through the annual budget process, a Beach Facility Fee assessed on eligible parcels and/or dwelling units within the District.

- 4.1.1 Beach access is restricted for use by IVGID Picture Pass holders with beach access and their guests.
- 4.1.2 Funding to support the District beaches comes directly from the annual Beach Facility Fee assessed on parcels and/or dwelling units within the District and, as such, beach access to IVGID Picture-pass holders with beach access is made available at no additional charge.
- 4.1.3 The daily Guest beach access fee is to be set annually in relation to Operating Costs (per beach visit) as established through the annual budget process.
- 4.1.4 The daily Beach access fee may vary based on time of year, and peak periods. Management shall report on the average daily rates for the season to ensure that pricing policy and beach revenue targets are met.

**5.0 Administration of Community Services and Beach Pricing Policy**

- 5.1 The Board of Trustees will establish overall financial performance targets for each venue through the annual budget process.

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- 5.2 The Board of Trustees will approve, through the budget process or when appropriate during the fiscal year Key Rates to include:
  - 5.2.1 Golf Rates for IVGID Picture Pass Holders, Play Passes, Guests and others.
  - 5.2.2 IVGID Picture-Pass holder and others, Season Pass Rates and Picture-Pass holder Daily Pass Rates for Diamond Peak.
  - 5.2.3 IVGID Picture-Pass holder Recreation Center and Tennis Membership Rates
  - 5.2.4 IVGID Picture-Pass holder rental rates for District Facilities / Special Events.
- 5.3 The General Manager is authorized to approve daily and group rates for all other programs, based on the recommendations of venue managers, consistent with the parameters of the District's Pricing Policy.
- 5.4 The District's Director of Golf/Community Services is authorized to approve pricing for Food and Beverage and retail merchandise.
- 5.5 Fee Schedules shall be placed on the District's website, and shall be updated, as needed, to reflect current pricing, to the extent practical.

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## Appendix A Cost-Recovery Pyramid Recreation and Community Programs

