

MEMO

Community Services

Date: October 23, 2018

To: Rick Horst
City Manager

From: Nathan Ullyot
Community Services Director

Re: Pricing Policy – Summary of Changes

As a part of the proposed Community Services Pricing Policy that will be presented at the Budget Finance and Operations Committee (BFO) on Monday October 29th, I wanted to highlight what serves to be the more significant changes. I also want to share the thought process on coming to any proposed changes.

Policy Document

A key revenue driver for our department is the membership revenue from Copper Sky. In consideration of that, there is a desire to add more value to that membership in order to make it more attractive to all of our constituents, not just those close to the Copper Sky complex. With that in mind Copper Sky members will save approximately 25% on most Community Services Programs versus non-member residents. This is defined in Section Four in the Special Groups definitions. It is also a column of pricing in the proposed fee schedules. Members of Copper Sky may also have unique perks like free parking for special events, guest passes, birthday party packages and more as a part of their membership.

We have also revisited our Discount Program that will be a key factor in maintaining accessibility while allowing for competitive pricing for residents who can afford to pay their share. The proposed policy will now allow for sliding scale discounts on Copper Sky membership. It will also have a two tiered scale at for income and household size consideration. Tier 1 will be at 15%, for those households or individuals that are between 101% and 200% of poverty. Tier 2 will allow for a 30% discount for those at or below the poverty level. We will use updated federal guidelines to determine these levels. This is listed in Section 4 and in Attachment 1.

The Fee Wavier policy and the Library Collection Development policy are unchanged. However there are additional fees added to the schedule for library collections and for non- Pinal County Resident Fees.



MEMO

Fee Schedule

In general the proposed Fee Schedule the intent is to provide flexibility for staff to adjust pricing in connection to the direct and indirect cost of programs increasing or decreasing. It will also allow staff to create promotional or discount pricing for programs. It would appear that there is a high ceiling for programming but this is to try and account for multiple factors that include length of the programs, supply costs, and instruction cost. A good example of this would be a daily summer camp program may cost \$130 per week or could be a specialty sports camp that cost \$350 for a week of sports training. Once a price is set for a program there will only be minimal adjustments year to year with Section 5 outlining the parameters for those changes.

Rental fees have changed again to allow flexibility to accommodate different usage groups. A corporate entity wanting to reserve Copper Sky fields for a family fun day can and should pay the full or maximum amount allowed versus a non-profit or school using the space for an event that is open to the community at no charge.

There has also been a differentiation between Copper Sky and community park fields. Copper Sky is qualified as a sports complex due to the high standards of maintenance. It should not be categorized the same way as our community parks. This is done with the goal of attracting tournaments to our City while still allowing local use in the community parks to remain the same.

The Aquatics Facility rental fees have also changed. The previous fee structures caused the City to lose money anytime the facility was rented for a private event or party. We believe these fees are more accurate and cover the direct costs of an exclusive rental. Resident day rates, lane rentals, etc. remain unchanged in this fee policy.

Copper Sky Membership Fees

One of the largest changes in the Fee Schedule is the Copper Sky Membership fees. With the minimum wage increase that began in 2017, the cost for Copper Sky operation has increased as well. To this point that increase in staffing cost has not correlated with an increase in membership cost. In addition to adding value to the membership in general we are also incentivizing a customer commitment to the facility. Our current day pass rates offer little incentive to membership or punch pass purchasing so those have been raised as well.

Some of the key changes in pricing are:

- Removal of month to month membership
- 20 visit punch cards expire within 3 months
- 6 month memberships are now higher



MEMO

- 12 month membership costs are slightly lower
- Day pass rates have increased substantially
- Group and corporate scales are added to the membership discounts
- Child watch fees for non-members are now hourly and are not less expensive than a day pass for a child

We have also added the following fees:

- Membership Join Fee
- Membership Enhancement Fee
- Membership Change Fee

These fees can be waived as part of a promotion and are typical with most public or private fitness facility. We also hope to use these fees to fund an asset replacement plan/fund that will reduce the requests from Copper Sky for CIP dollars and will allow us to maintain the facility, its equipment, and amenities to industry standards.

Conclusion

We believe that this policy meets the direction given by Council to operate our facilities and programs in a fiscally responsible manner while continuing to provide affordable opportunities to our residents. The new structure adds value to the Copper Sky Membership plan which should increase operational revenues for the facility and encourage participation in other Community Services Department programs. We've also established a means of increasing fees and addressing market variables that could affect pricing.

Please let me know if I can help clarify anything for you.

Attachments:

Community Services ~~Revenue &~~ Pricing Policy

Attachment 1 – Scholarship Program Guidelines

Attachment 2 – Fee Waiver Policy

Community Services Department Fee Schedule - Proposed

