



INCORPORATED COUNTY OF LOS ALAMOS COMMUNITY SERVICES DEPARTMENT POLICY

Index No. 1462

Proposed: July 27, 2021

Effective: October 1, 2021

COMMUNITY SERVICES FEES AND CHARGES POLICY

I. Purpose

It is the Community Services Department's responsibility to balance the need for fiscal accountability with the desires of the community for a broad range of educational, leisure, social, and recreational activities when establishing user fees and charges. The primary purpose of this policy is to provide in-depth information on the processes and methodology used to determine the appropriate level of County subsidy and cost recovery for all programs and services provided by the Community Services Department (CSD).

This policy reflects the general philosophy and guidelines set forth for the entire general County in the Los Alamos County User Fee Policy #0426, adopted by Council on June 21, 1993. In addition, it considers the unique customers of the CSD and their input and suggestions.

The current practice of establishing user fees and charges in the CSD is based upon sound management practices and general CSD administrative principles. This policy formalizes this practice and establishes goals, guidelines, definitions, and procedures for considering and calculating program and service fees and charges.

Refer to Policy #1735 for fees relating to use of Los Alamos County lands and facilities, as it provides the detail on user fees for facility usage.

II. Responsibility

CSD maintains appropriate records to substantiate the costs of providing services, including personnel services, supplies, contracts, etc. User statistics and participant volumes are also maintained by the Department.

The CSD Director or his/her designee is responsible for the compliance, enforcement, and adherence to this policy. Prices for programs and services will be established by the CSD Director or his/her designee and will be aligned with cost recovery targets and department goals.

III. Definitions of Types of Fees

Retail Fees cover the cost of the sale or purchase of merchandise.

Programs & Services are services or activities designed to provide or assist individuals to take advantage of individual or group activities directed towards promoting physical, cultural, education, and/or social development and enrichment. Examples are: swim lessons, summer camps and special activities.

IV. Categories of Direct Expenses

Labor Costs include salaries and benefits of County staff.

Professional and contractual services costs are costs paid to non-County contractors and outside professionals. In CSD, expenses related to contract instructors fall under this category. Other examples of expenses in this category are advertising, training, and dues.

Materials costs are those costs paid for tangible items, such as program supplies, merchandise for resale, office supplies, computers, cleaning supplies, uniforms, or maintenance items.

Debt/Fiscal charges for CSD includes credit card merchant service fees.

V. Pricing Considerations

Consistent with the County of Los Alamos' philosophy of ensuring all citizens equal opportunity to participate in recreation, this policy recognizes that paying fees or charges may result in inequities for individuals, groups, or situations. Therefore, the CSD Fees and Charges Policy will be flexible and sensitive to the following five (5) pricing considerations for commercial and non-commercial:

Demographics – this may include age, special populations, social-economic status, access to services or other stakeholder needs of the community.

County Costs – costs to the County in providing services.

Time – services provided at non-peak times vs. peak times (hours, days of week or season).

Quantity discounts – deductions from regular price that reflect economies of scale in large quantities.

Capacity – space constraints due to location for service or program.

VI. Contract Instruction

A. The Department uses contractors for specialized instruction in activities such as, outdoor programs, lessons, and general instruction, etc. Fees and charges for contract instruction should include the costs of materials and supplies, instructor's fee, promotional expense, and any costs related to the facility or support staff.

- B. In contract instructional programs, a contract or formal agreement shall be created and approved between the County and the Instructor.
- C. The instructor's fee varies by contract, but it is typically an agreed upon percentage of the fees paid by the participants. Fees are collected by the County, not the instructor.

VII. Refunds

Full refunds or credits will be issued for any programs or services cancelled by CSD. Any participant may receive a refund of their registration fee or facility pass, minus a \$10 service charge, under the following circumstances: illness, injury, or dissatisfaction with a program. Refunds or credits will be prorated based on the date received. All requests must be submitted in writing to the Program or Facility Manager.

VIII. Additional Revenue Sources

- A. Los Alamos County accepts, gifts, bequests, or donations to the Community Service Department for the purposes of acquisition, planning, development, maintenance, operations, and administration of Los Alamos County Aquatic Center and Library facilities, programs, and services. For further information, refer to Los Alamos [MuniCode §§ 20-366 and 20-367](#). Revenues gained through these additional sources shall be specifically designated and appropriated for purposes identified above, and any excess revenue shall be carried forward and utilized within the same program or service for which the revenue was originally specified.
- B. CSD may consider the establishment of endowed funds and "Friends" associations to meet special needs or special interests. However, these funds and associations need to be approved by County Council.
 - a. A written request may be submitted to CSD, after review and consideration by the CSD Director or their designee, the Director will make a recommendation to approve or deny the request to the County Managers Office (CMO). If approved by CMO, and required for Council approval, it will be placed on the next available agenda for Los Alamos County Council consideration.
- C. Upon approval of the County Council, the County Manager may enter into other agreements that benefit the community such as lease agreements for concession operations.

IX. Cost Recovery

- A. In general, the Community Services Department intends to cover certain percentages of overall division expenses through fees and charges. CSD will review actual cost recoveries at the end of each fiscal year and recommend fee adjustments when necessary to align with goals.
- B. Certain facilities and programs are expected to recover a percentage of their operating costs through fees and charges. Therefore, the following specific General Fund, CSD – PROS programs will have these cost recovery targets. These recovery goals consider regional averages and comparisons, and Los Alamos County historical data.

- a. Aquatics – The overall cost recovery goal will be 25% of the annual operating budget
- b. Ice Rink – The overall cost recovery goal will be 50% of the annual operating budget
- c. Parks – The overall cost recovery goal will be 10% of the annual operating budget
- d. Golf Course – The overall cost recovery goal will be 55% of the annual operating budget.
- e. Recreation Programs – The overall cost recovery goal will be 10% of the annual operating budget

X. Calculating “Fees and Charges”

The collection of a division’s fee revenues is intended to meet cost recovery goals. To determine appropriate fees for individual services, CSD will consider the following criteria:

- A. Breadth of participant population
 - a. Do programs serve general population or are they aimed at narrower subsets of user groups?
 - b. Are these programs or services designed to primarily benefit the individual? Do they reduce the availability of a facility to the general population?
- B. Implementation costs
 - a. Are there substantial costs up front that should be considered in fee setting? For example, would the department be required to invest in specialized equipment before the program could be offered?
 - b. How often will it need to be maintained or replaced?
 - c. How long will the program last?
- C. Material/supply costs
 - a. If program requires substantial material costs, those costs should be factored into fees.
 - b. Merchandise for resale, concessions, and fees to contract instructors should not be subsidized by the General Fund. Pricing for these items should exceed invoice costs in order to cover all additional expenses associated with providing these items and services, such as shipping charges, stocking and storage overhead, advertising, facility space, and labor associated with scheduling and registrations.
- D. Market analysis
 - a. What are the fees and charges of neighboring and similar municipalities?

XI. Periodic Review

- A. The Department, working in collaboration with the Parks and Recreation Board and its subcommittees, will review the CSD Fees and Charges Policy and the specific related Fees and Charges Schedule periodically to ensure alignment with cost recovery targets.

Prepared by: Community Services Department

STEVE LYNNE
County Manager

Date