

Apex Pricing Policy



Leon Younger,
PROS Consulting



Philip Parnin,
PROS Consulting

Apex Town Council – August 12

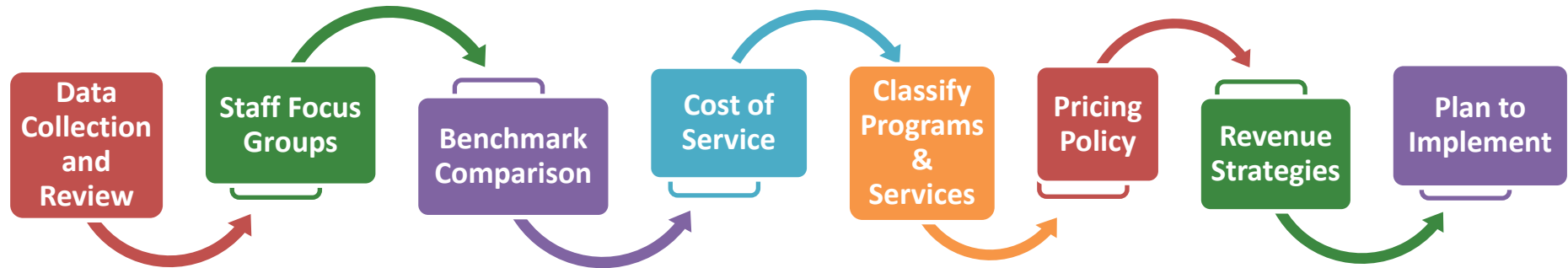


Agenda

- The Process
- Current Pricing Policy Highlights
- Why the Assessment
- Recommended Changes
- Supporting Factors



Process



Why Assess Pricing Policy

- Hasn't been comprehensively reviewed and updated since 2010.
- Best practice is to review annually etc.
- 2023 Master Plan Recommended annual review

Important Note:

The Pricing Policy does not override the provisions outlined in the Community Special Events Policy, which shall take precedence in cases where the two policies differ.



Existing Pricing Policy

Program fees are charged to recover costs of providing services. These fees cover direct costs such as instructor/entertainment contracts, part-time staff, supplies, equipment, referees, uniforms. A 10% administrative fee is added to cover overhead and an additional 10% maintenance fee for athletic programs.

Non-Resident Fees:

- \$15 for Halle and JMBCC programs
- \$10 for Senior and Specialized Recreation
- \$25 for Athletic Programs



Benchmarking Non-Resident Fees

Apex

Non-resident fees are typically higher than resident fees; specific amounts vary by program.

Parks & Recreation Non-Resident Fees Comparison	
Municipality	Non-Resident Fee Structure
Cary	Non-resident fees are typically higher than resident fees; specific amounts vary by program.
Holly Springs	Non-resident fees are generally higher than resident fees; specific amounts vary by program.
Fuquay-Varina	Non-resident fees are higher than resident fees; specific amounts vary by program.
Morrisville	Non-resident fees are 30% higher than resident fees.
Garner	Non-resident fees are 40% higher than resident fees.
Wake Forest	Non-resident fees are higher than resident fees; specific amounts vary by program.
Wendell	Non-resident fees are higher than resident fees; specific amounts vary by program.
Rolesville	Non-resident fees are higher than resident fees; specific amounts vary by program.



Existing Pricing Policy

Cost Recovery:

100% of Direct Costs – fees based on program attendance minimums –

Most fee based programs (JMBCC, Halle, Adult Athletics)

50% of Direct Costs for Youth Athletics

35% of Direct Costs for Senior* and Specialized Programs

* Senior Trip related fees such as admissions, meals, lodging
capture 100% of costs



Financial Model

Parks and Recreation Agencies operate principally between two models



**Business Model -
Outcome and
results driven**

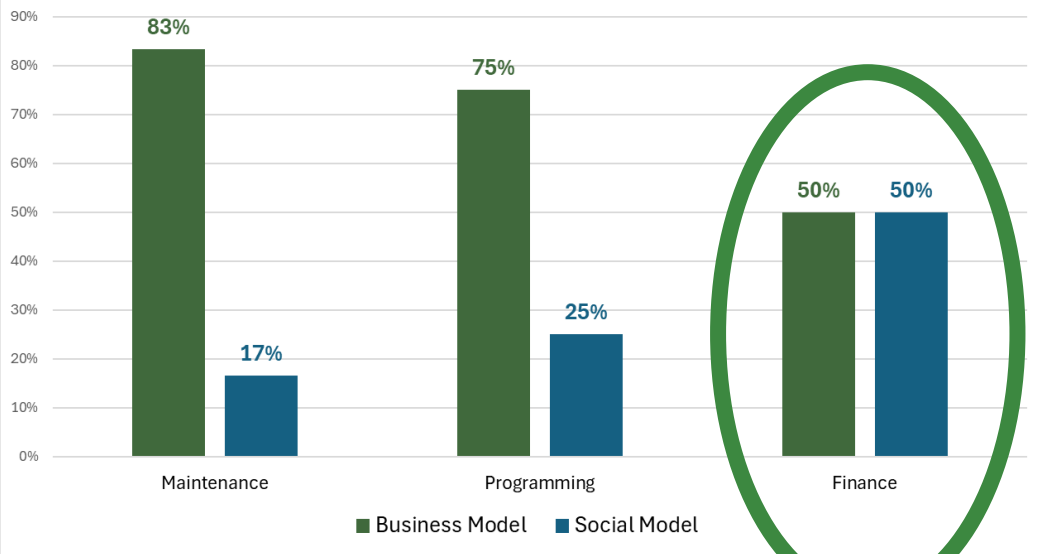


**Social Model -
Personality
driven**



Financial Model by Function

Apex Management (Business vs Social Model by Function)



Maintenance Business Model	
Yes	Maintenance Business Model
X	Maintenance standards are set and budgeted to performance measures
X	Cost of Service is performed on all parks and facilities
X	Design standards are in place so not to over design parks
X	Classification of parks are in place to designate use
X	Life cycle management is followed
X	Work order management is in place
X	Matrix managed as a group vs. cylinder (NEED)
X	Track hours to produce a task
X	Formal partnership agreements in place with
X	Staff are accountable to budgets
X	Use technology to support decision making
X	Communicate standards to the community
X	Build volunteer support
X	Balanced allocation of budget to support prod (Budgets are 60% to 65% labor and 35% to 40%

Business/ Finance Business Model	
Yes	Programming Business Model
X	Budget are tied to overall vision and priorities of department and supported by efficient management practices
X	Systems are defined to support consistent operations and accountability
X	Proactive strategy to support earned income development to offset operating costs
X	Contracts are established to support compliance to clearly defined requirements and expectations with formal review and reports
X	Standards, ordinances and policies are established to guide balanced

Programming Business Model	
Yes	Programming Business Model
X	Core businesses are clearly defined and managed
X	Costs of service is known for all programs, services and facilities
X	Program standards are established and supported by policy
X	Cost recovery goals established for each core business supported by policy to guide staff management
X	Programs and services are priced based on established policies
X	Facilities and programs are designed to recover operating costs
X	Formal partnership agreements are in place, supported by policies and performance outcomes
X	Formal performance measures are developed and linked to established vision, budgets and standards
X	Formal customer feedback process is in place and consistently applied
X	Proactive marketing strategy tied to program lifecycle and age segment participation
X	Entitlement is managed and controlled based on cost and return on investment
X	Economic impacts are tracked on land, facilities and programs/events



Classifications

Core (0-40%)

- Programs and services that provide significant community-wide benefit and align closely with the Department's mission to serve the public good.

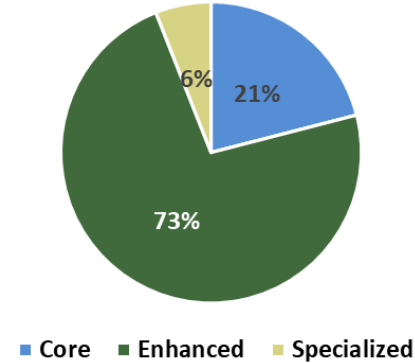
Enhanced (40-80%)

- Programs that offer a mix of community and individual benefit. These services provide enrichment beyond essential offerings.

Specialized (80-100+%)

- Programs and rentals that provide high individual/private benefit with minimal community-wide impact. These offerings are typically exclusive, optional, and customized

Program/Service Classification Chart

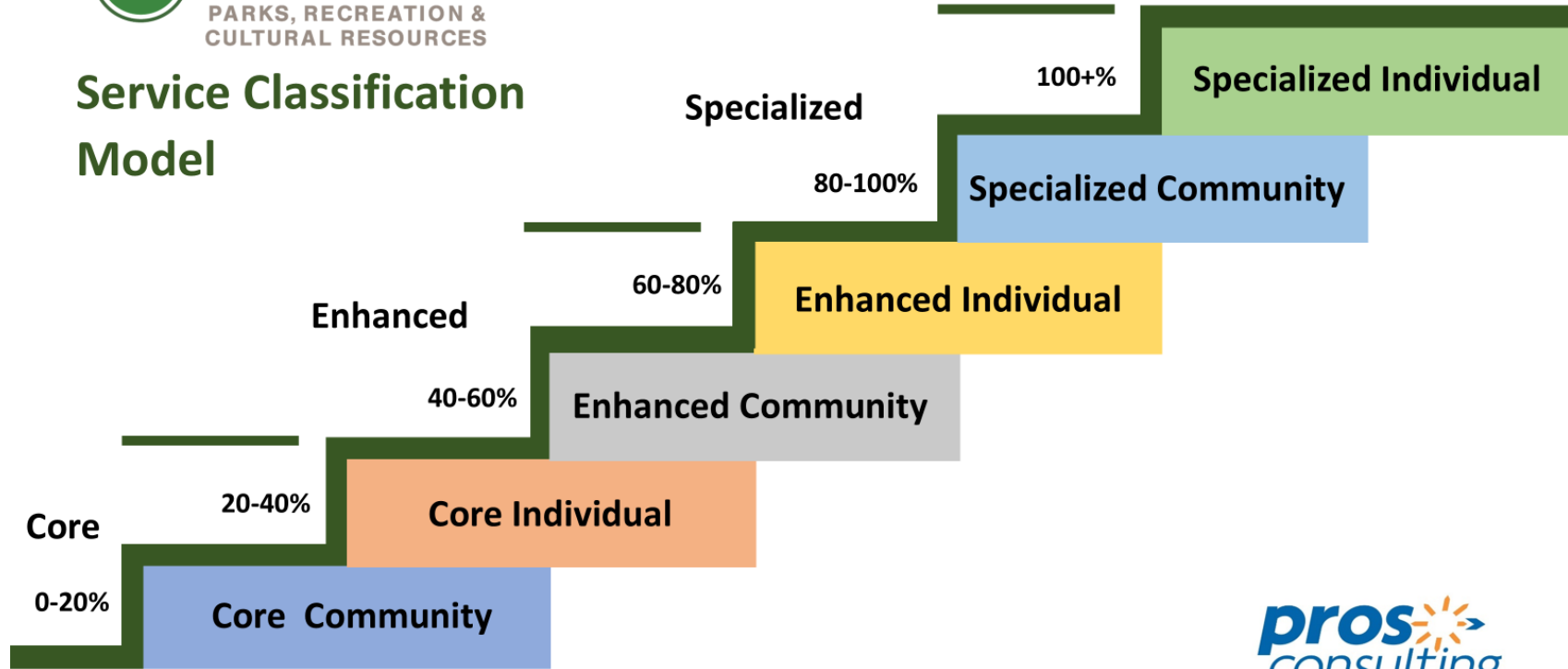




APEX

PARKS, RECREATION &
CULTURAL RESOURCES

Service Classification Model



Percentages represent direct and indirect cost recovery



Market Value



The Policy



Purpose of the Policy

- Establishes a transparent and consistent approach to setting fees across Dept. divisions
- Balances public benefit and individual use based on exclusivity
- Supports financial sustainability of services
- Informs planning - budget process and cost recovery goals



Policy Oversight

- Reviewed annually with Town budget process
- Adjustments made based on economic shifts and community needs



Waivers

- One waiver per nonprofit/civic group per year to allow fund raising during a rental, must be approved by Department Director.
- 25% Non-Profit discount allowed for all Facility and Park Shelter rentals, Monday-Thursday.
- Encourages mission-driven use of Town facilities



Financial Equity and Access

- Acknowledges economic disparities
- Provides financial assistance to reduce barriers
- Promotes equitable public service delivery
- Ensures taxpayer equity for Apex residents
- Additional fee for non-residents per program, passes, and facility rentals



Apex Non-Resident Fees

Apex Current Policy & Proposed Changes	
Currently	Proposed
Programs	
\$15 Halle and JMBCC (Contracted Programs/Camps)	\$25 Additional surcharge for Non-Residents
\$10 Senior Center and Specialized Recreation Programs	
\$25 for Athletic Leagues	
Rentals	
50% more -JMBCC, Halle and S.C. room rates, Nature Park Amphitheatre	50% Higher fee (surcharge) for Non-Residents
\$15 more – Park Shelters	
Passes/ Permits	
\$20 Open Gym, \$10 Senior Exercise, \$10-\$25 Fishing, \$35 Boat Permit	No Proposed Changes
100% more Dog Passes	



Apex Primetime/ Non-Primetime

Apex Current Pricing & Pricing with Proposed Changes

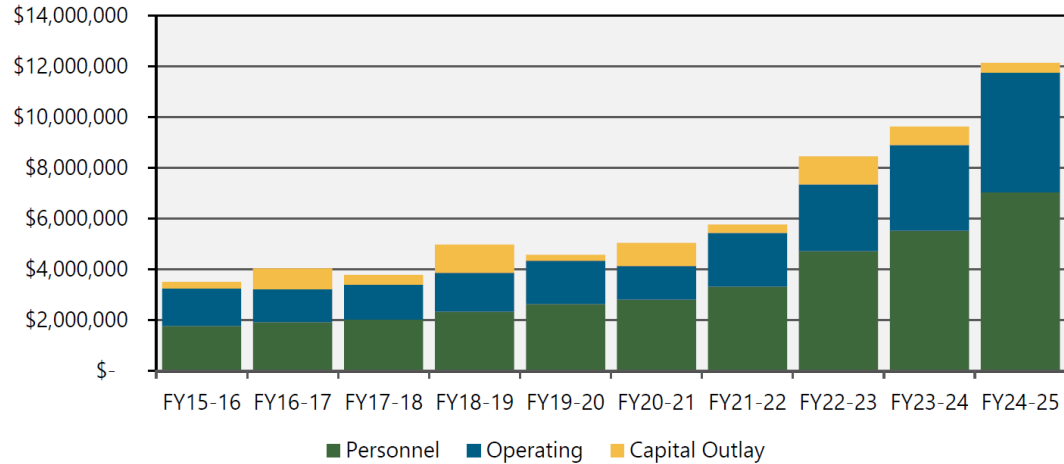
Facility	Currently	Weekday	Weekend
Community Center Summit Room	\$35R/ \$52.50NR	\$35R/ \$52.50NR	\$47.50R/ \$71NR
Community Room Arts & Crafts Room	\$21R/ \$31.50NR	\$21R/ \$31.50NR	\$28.50R/ \$32.50NR
Senior Center Salem Meeting Room	\$100R/ \$150 NR	\$100R/ \$150 NR	\$135R/ \$202.5 NR
Senior Center Hunter Exercise Room	\$30R/ \$45NR	\$30R/ \$45NR	\$40.50R/ \$61NR
Amphitheater (whole day)	\$250R/ \$375NR	\$250R/ \$375NR	\$337.50R/ \$506.50NR
Halle Cultural Arts Center - Studio Gallery	\$50R/ \$75NR	\$50R/ \$75NR	\$67.50R/ \$101.50NR
Apex Community Park - Small Shelter	\$20/ \$30NR	\$20/ \$30NR	\$27R/ \$40.50NR
No Change to Outdoor Sports Fields or Sport Courts			



Why the Change

User fees are implemented to help fund expanding services, **increasing operational costs**, and reduce financial ask of tax base.

Parks, Recreation, & Cultural Resources Expenditure History



Apex Parks, Recreation & Cultural Resources Budgets

FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Actual	FY24-25 Estimated
\$ 4,577,781.00	\$ 5,441,981.00	\$ 7,351,354.00	\$ 8,802,273.00	\$ 10,903,623.00

* Budgets are operations and do not include capital outlays

**58% Cost Increase 2020-2025
Operationally**



Progress in a better
financial structure
has already begun to
track expenses by
core program area

Line Item Expenditures

Parks, Recreation, & Cultural Resources Expenditures					
Line Item	FY22-23 Actual	FY23-24 Budget	FY23-24 Estimate	FY24-25 Budget	Percent Change
Salaries	3,003,668	3,514,200	3,461,887	4,372,500	24.42%
Part-Time Salaries	402,972	462,300	426,262	560,000	21.13%
FICA	247,220	290,550	289,531	377,400	29.89%
Group Insurance	487,249	659,100	650,127	836,700	26.95%
General Retirement	355,261	475,200	445,806	596,000	25.42%
401K General	146,441	184,500	166,151	218,700	18.54%
Workers Comp	73,256	98,500	77,030	75,200	-23.65%
Postage	814	1,400	1,000	1,400	0.00%
Telephone & Communication	32,470	44,400	35,000	46,700	5.18%
Printing	25,668	48,100	32,000	52,500	9.15%
Utilities	189,882	210,000	350,000	263,800	25.62%
Travel and Training	24,008	87,400	55,000	65,000	-25.63%
Maintenance & Repair - Building	144,962	226,500	226,500	474,100	109.32%
Maintenance & Repair - Equipment	16,425	40,800	40,800	35,400	-13.24%
Maintenance & Repair - Vehicle	7,635	16,000	12,000	19,500	21.88%
Rental - Equipment	15,627	19,500	19,500	19,500	0.00%
Rental - Vehicle	-	6,900	1,000	1,500	-78.26%
Rental - Facilities	47,203	71,400	70,857	76,400	7.00%
Advertising	33,452	79,200	60,000	97,600	23.23%
Automotive Supplies	10,071	14,500	14,500	14,500	0.00%
Motor Fuel	46,431	44,500	41,000	37,600	-15.51%
Office Supplies	8,442	9,515	9,515	13,800	45.03%
Janitorial Supplies	17,144	31,500	31,500	61,500	95.24%
Departmental Supplies	331,514	465,895	465,000	679,900	45.93%
Medical Supplies	19,314	-	-	-	-
Technology Hardware & Accessories	24	39,200	27,000	33,700	-14.03%
Athletic Supplies	185,387	103,450	103,450	183,700	77.57%
Senior Activities	174,625	238,200	225,000	300,100	25.99%
Meeting & Event Provisions	25,909	42,500	42,500	56,400	32.71%
Community Outreach Materials	1,872	4,000	4,000	12,000	200.00%
Uniforms	18,030	23,000	20,000	22,900	-0.43%
Contracted Services	416,605	475,100	460,000	623,200	31.17%
Personal Protective Equipment	9,775	13,600	11,000	15,700	15.44%
Software License & Maintenance	27,632	112,600	100,000	141,200	25.40%
Contracted Services - Instructors	482,162	686,900	540,000	854,500	24.40%
Professional Services	143,814	101,080	101,080	115,200	13.97%
Pro. Services - Engineer/Survey	29,955	42,000	40,827	40,000	-4.76%
Landfill Tipping Fees	300	-	-	-	-
Dues and Subscriptions	3,266	15,400	13,000	4,300	-72.08%
Operating Licenses & Permits	1,366	-	-	-	-
Special Programs	96,705	185,400	173,400	278,000	49.95%
Insurance - General Liability	46,797	54,935	54,931	72,000	31.06%
Capital Outlay - Land	630,316	-	-	-	-
Capital Outlay - Easements	-	10,000	10,000	10,000	0.00%
Capital Outlay - Improvements	293,190	556,750	250,000	312,000	-43.96%
Capital Outlay - Equipment	175,476	471,400	465,977	65,000	-86.21%
Total	\$8,450,336	\$10,277,375	\$9,624,132	\$12,137,100	18.10%



System-Wide Challenges

Comments reflect
PROS Consulting
Review of the
Pricing Policy and
staff input on
pricing programs
and services.

Why the Change

- Lack of a formal, standardized pricing policy implementation across all divisions.
- Uncertainty in application of indirect costs.
- No centralized costing model or implementation to track full program expenses.
- Pricing set ad hoc or by comparison to nearby communities without internal benchmarks.



Implementation

Program Development Worksheet (Step 1)						
APEX <small>PARKS, RECREATION & CULTURAL RESOURCES</small>						
Program Identification Program/ Event Idea (Name or Concept): _____ Date _____ Supervisor(s) _____ Strategic Plan Alignment: _____						
Internal Factors						
Age Segment:		Primary <input type="text"/> Select	Secondary <input type="text"/> Select			
Community Need		<input type="text"/> Select	Notes: _____			
Classification:		Essential Community <input type="text"/>	Essential Individual <input type="text"/>	Important Community <input type="text"/>	Important Individual <input type="text"/>	Value-Added Community <input type="text"/>
Cost Recovery Range:		0-20% <input type="text"/>	20-40% <input type="text"/>	40-60% <input type="text"/>	60-80% <input type="text"/>	80-100% <input type="text"/>
Core/ Non-Core		Core/ Non-Core <input type="text"/> Select	Core Program Area: <input type="text"/> Select			
Market - Similar Providers Number of Competitors: _____						
Competitive Pricing		<input type="text"/> Select	Notes: _____			
Growth Potential:		<input type="text"/> Select	Notes: _____			
Partnership/ Sponsorship Potential Partnership/ Sponsorship/ Grants: _____ <input type="text"/> Select						
Potential Partners/ Sponsors:		Names of Potential Partners/Sponsors/Grantors			Notes	
Potential Partners:						
Service Delivery Partner						
Service Enhancement Partner						
Other						

Pricing Calculation Worksheet (Step 3)			
APEX <small>PARKS, RECREATION & CULTURAL RESOURCES</small>			
Program Idea (Name or Concept): _____			Date _____
Core Program Area: <input type="text"/> Select		Supervisor: _____	
Step 1: Calculate Direct Costs <i>(These are expenses tied directly to delivering the program)</i>			
Direct Cost Items	Description	Estimated Costs	Actual Costs
Staff Wages	LSE, training, screenings, facilitators, aides		
Supplies & Materials	Consumables used in program (incl. clothing)		
Equipment	Rental or purchase		
Transportation	Vehicle rental, mileage reimbursement		
Facility Use (if applicable)	Rental or internal usage allocation		
Contracted Services	Entertainment, instructors, refs, etc.		
Admission/Tickets/Entry Fees	Field trips, special events, lodging		
Marketing Costs	Costs from Marketing Tab		
Other (specify):			
TOTAL DIRECT COSTS (A)			
Step 2: Choose the Indirect Costs that Apply (Flexibility) <i>(Percentage of overhead expenses that support the program)</i>			
Indirect Cost Items	Description	Estimated Costs	Costs Included
Administration/ Operational	staff, technology, bank fees	15%	15%
Maintenance & Utilities	Facility use upkeep, electricity, HVAC	10%	10%
Other (specify):			
Total Indirect Cost Percentage (B)		25%	25%
Step 3: Add Direct Costs and Multiply by Total Indirect Cost Percentage			
Cost Item	Cost	Participant Fee Calculation	
Direct Costs (A)	\$0.00	Total Service Cost	\$0.00
Indirect Cost Percentage (B)	25%	Minimum # of Participants	24
	\$0.00		
Total Service Costs	\$0.00	Cost per Resident Participant	\$0.00
		Non-Resident Rate	\$ 25.00
		Cost per Non-Resident Participant	\$25.00
Step 4: Add ACTUAL Direct Costs and Multiply by Total Indirect Cost Percentage			
Cost Item	Cost	Cost Recovery Calculation	
Actual Direct Costs (A)	\$0.00	Total Revenue	\$2,698.00
Indirect Cost Percentage (B)	25%	Actual Direct Costs (C)	\$0.00
	\$0.00	Difference	\$2,698.00
Actual Total Service Costs (C)	\$0.00	Cost Recovery	#DIV/0!



Next Steps

- Questions/ Comments from Council
- Formal Adoption and Documentation
(Parks & Recreation Advisory Board & Town Council)
- Staff Training and Operational Alignment
- System Integration and Fee Adjustments
- Monitor, Evaluate, and Annual Review for adjustments





Thank You For Your Time & Engagement

Comments or Questions?

