

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Department of Park and Planning, Montgomery County, Maryland
9500 Brunett Avenue Silver Spring, Maryland 20901



AGENDA DATE: October 10, 2005

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October 6, 2005

TO: Montgomery County Planning Board

VIA: Jerry Bush, Acting Chief, Enterprise Division

FROM: Karen Warnick, Principal Administrative Specialist, Enterprise Division

SUBJECT: FY07 User Fee Schedules - Enterprise Fund

STAFF RECOMMENDATION: Approval of Proposed FY07 Enterprise Fund User Fees.

Per the Department's User Fee Policy, Enterprise staff has performed its annual review of the Enterprise Fund user fees for policy compliance and cost basis, and presents its fee recommendations for consideration and approval by the Board. Regular and timely fee adjustments are necessary to keep our fees competitive with comparable public and private self-supporting facilities or programs and/or to respond to market influences that affect pricing, user demand, etc.

Last November, the Planning Board approved the Enterprise Division's fee recommendations for both FY05 and FY06. Expected increased revenue generated from those fees was included in the FY05 Estimated and FY06 Proposed Budgets. This year, we are presenting a few additional fee recommendations for FY06 as well as fees to be implemented in FY07. Any increased revenue generated from these fee recommendations are designed to support the strategic plan for the Enterprise Division and will be included in the FY06 Estimated and FY07 Proposed budget submissions.

In FY05, the Enterprise Division developed a Strategic Plan for all Enterprise facilities and the Division as a whole with the mission of providing great, affordable, active recreation for all. We feel our proposed fees reflect that mission.

Background

In accordance with the Department's Policy on User Fees (attached – see circle page 18), Enterprise user fee recommendations go to the Planning Board on an annual basis. Prior to developing the proposed user fee schedules for the following year, staff conducts surveys of other local jurisdictions' user fees for similar facilities (attached – see circle pages 11-17). This information, in concert with input from our facility managers, attendance information and user patterns for each facility, and the financial picture of individual facilities and the Enterprise Fund as a whole, is used to draft the recommended schedule of fees. Enterprise staff also presented our fee recommendations to the County Wide Recreation Advisory Board at their monthly meeting in September for their review.

Consistent with the Department's user fee policy, user fees for self-supporting Enterprise facilities, services, and programs are established at a level which (1) is competitive with comparable public and private facilities and services in the area; (2) can reasonably be expected to generate sufficient revenue to sustain administrative, operating and maintenance costs; (3) is likely to generate surplus operating income to fund capital improvements at existing and developing facilities; and (4) reflects user demand and patterns of use.

Not all fees are recommended to increase or change on a yearly basis. Some fees, such as security deposits, are not necessarily affected by market influences or inflation, and may remain unchanged for several years running. Fees for certain family oriented activities, such as boat rentals, the carousel, and train rides, remain fairly static in the marketplace over a period of years, with only occasional, incremental increases, which we try to mirror or even initiate. In other instances, it is a judgment call by staff to leave selected fees at current and past levels in order to enhance usage, and/or when we believe a particular product or service level we offer does not command a fee commensurate with or higher than other competitive facilities.

Staff recommends the following changes in the Enterprise Fund user fees. A full listing of the fee schedules is provided in Attachment 1 (see circle pages 4-10).

Golf Courses – See circle page 4 for the schedule

Last fall, the Planning Board approved fee increases at Northwest and Needwood to be implemented in FY06 including an incremental 9-hole greens fee increase of \$0.50 and an 18-hole greens fees increase of \$0.50 on the weekdays and \$1.50 on the weekends, and a \$1.00 increase for the weekend 9-hole greens fee for the Needwood Executive 9. No changes were recommended for Little Bennett or Sligo in FY06.

This year, staff recommends increasing the private lesson fee from \$45 to \$50 per lesson in April 2006. It will have been 4 years since this fee was last increased. Approximately 86% of this fee is paid to contract teaching pro. No other fee increases are recommended for the golf courses.

Ice Rinks - See circle page 5 for the schedule

The general admission fees at area rinks have stayed the same and, in some cases, have decreased in the past few years. In order to remain competitive, staff recommends holding steady on the admission fees.

However, each year the demand for hockey increases and with it, the leased ice fee at our competitor's rinks. Staff recommends increasing our leased ice fee by \$10 per hour in September 2006.

Indoor Tennis - See circle page 6 for the schedule

Seasonal Time

At Cabin John, seasonal reservations continue to be consistently near capacity (95% or above). Most seasonal fees have not increased since FY01. Staff recommends increasing the hourly seasonal time across the board by \$2 in April 2006.

Wheaton's seasonal reservations are at 80% capacity or above during the winter months when many outdoor patrons come inside, and are lower during the better weather months. However, most of the prime time fees have not increased since FY00. Staff recommends increasing the hourly seasonal time across the board by \$1 in April 2006.

Spot Time

For spot time reservations, the hourly court fee is currently \$2 above the seasonal fee. Staff recommends increasing this fee differential to \$3 in April 2006.

During some select hours, only spot time is available at Cabin John. During those hours, staff recommends increasing the hourly spot time fee by \$3, which is consistent with the \$2 across the board increase plus the \$1 spot time increase. Staff also recommends increasing the Holiday spot time hourly fee by \$4 for this premium time frame.

At Wheaton, staff recommends increasing the Saturday hourly spot rental fee from 6pm-9pm by \$6 to make it consistent with other 6pm-9pm fees and decrease the Saturday hourly rental fee from 10pm-11pm by \$1 to make it consistent with other 10pm-11pm fees in April 2006.

Summer

Staff recommends increasing the summer spot time fee from \$12 to \$14 per hour at Cabin John.

Lessons

Staff recommends increasing the private lesson fee \$2 per hour. This fee was last increased in FY03 and this entire increase would go to the teaching pro.

Conference Centers - See circle page 7 for the schedule

Staff at the conference centers still do not meet price resistance for use of our facilities and continue to hear that our facilities are a good value. As such, staff makes the following recommendations:

- Rockwood - increase the meeting fees by \$25-\$50 in both FY06 and FY07; increase the fees for social package #3 by \$200 in FY06 and in all three social packages by \$200-\$300 in FY07.
- Seneca Lodge - increase the fees for the social package by \$50 in FY06 and by \$50-\$100 in FY07.
- Woodlawn Manor – in FY06, increase all rental fees by \$25-\$150.

Park Facilities - See circle pages 8-10 for the schedules

Our fee-based facilities in our parks provide a variety of opportunities for families, groups, and others to enjoy our wonderful parks. Staff recommends the following changes to our fees at these facilities.

- Boating operations – in FY07, increase the rental fee for pedal boats from \$5.50 to \$6 per half hour at Lake Needwood; increase the rental fee for rowboats and canoes from \$6 to \$7 per hour and from \$23 to \$24 per day at both lakes and the same increases for the kayaks at Black Hill; increase the annual mooring fee from \$70 to \$75 per year at Black Hill.
- Little Bennett Campground - increase the tent (no electricity) camping fee \$1 per night per site in FY06 and the RV (electricity) camping fee \$2 per night per site in FY07; and increase the group primitive site by \$10 per night in FY07.
- Picnic pavilions – in FY07, increase the rental fee by \$15 for pavilions in regional parks and by \$30 for the large pavilions in Black Hill Regional Park.
- Brookside Gardens – in FY06, increase the rental fee of the Wedding Gazebo from \$400 to \$500 and introduce a refundable deposit of \$500 for the Wedding Gazebo.

Currently, Brookside Gardens charges a 25% prime time premium for the rental of their facilities from May 15-June 30 and Labor Day weekend. Staff recommends expanding the prime time premium fee to include May 1-15, and all holiday weekends including Independence Day, Columbus Day, Veteran's Day, Thanksgiving, Christmas, New Year's, Martin Luther King, Jr.'s Birthday, President's Day, and Mother's Day.

- Stables - the concessionaires at each of the three stables have requested several fee increases in their programs and boarding fees. See the schedule on circle page 10 for a complete listing.

Attachments