

**FEEES, FEEES, AND  
MORE FEEES... WHY  
PRICING MATTERS**

**SMS UNIVERSITY, APRIL 2019**

# WHY DO WE EVEN CARE ABOUT FEES?

- Perceived value of program
- Cost recovery
- Revenue and Pricing Plan Development
  - What are your community focus areas?
  - Do you have an elevator speech developed for the next recession?
- What will you do when they cap taxes?

# COMMUNITY FOCUS AREAS

- Revenue and Pricing Plan Development
  - What are your community focus areas?
  - Do you have an elevator speech developed for the next recession?
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# SERVICE CLASSIFICATIONS

- Public Programs
- Select Programs
- Exclusive Programs

# DIRECT AND INDIRECT COSTS

- **DIRECT - sole program use**
  - Facility – rental fees/loss of revenue, Utilities, Building Attendant
  - Supplies/Equipment/Materials/Misc Special Costs
  - Instructor/Official Fees/on-site program Staff
  - Advertising
  - Special Services – valet, transportation, insurance
  - Fun Guide & Distribution
- **INDIRECT – non-recoverable costs**
  - 20% of revenue

# DETERMINING FEES AND CHARGES

- **Determine the service classification (Cost Recovery Level)**
- **Determine the direct and indirect costs of providing the service**
- **Determine the pay structure for the instructor.**
- **Compare the market rate or current fee being charged for a similar service for a minimum of 1 and a maximum of 3 in closest proximity and adjust accordingly.**

# PROGRAM PLANNING AND PROGRAM PLANNERS

- Do you and your team use a program planner?
- Do you look at every element of your program from start to finish?
- Do you think through every single expense you have?
- What about your time...are you counting that time too?

# WHAT NOT TO DO

- Don't price yourself out of the market
- Don't offer something just because a neighboring city does
  - KNOW YOUR AUDIENCE
- Do surveys and see what people want
- Be creative – with programming and pricing
- Do your research and ask what others charge
- Do determine the value before setting the price
- Don't offer it free the first time without being VERY clear about future intent



# CONTACT INFORMATION

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