

CITY OF REDMOND
RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF REDMOND, WASHINGTON, ADOPTING A REVISED COST
OF SERVICE METHODOLOGY TO PROVIDE GUIDANCE FOR
REDMOND PARKS AND RECREATION EFFORTS TO
ORGANIZE AND SET PRIORITIES FOR RECREATION
PROGRAMS AND SERVICES

WHEREAS, Redmond Parks and Recreation is committed to building community through people, parks, and programs and provides sustainable parks, innovative recreation services, and unique art and cultural experiences that continue to build a high quality of life in Redmond; and

WHEREAS, the Redmond Parks and Recreation Department desires to evolve a long-term strategy, structure, and system that provides for its fiscal health and sustainability and is responsive to the community; and

WHEREAS, PR-33 in Chapter 3 of the Parks, Arts, Recreation, Culture and Conservation (PARCC) Plan states that the Department will establish and implement financial goals, cost recovery targets, and a subsidy allocation model to inform recreation program decision-making; and

Whereas, in 2017 the City Council adopted the Redmond's Parks and Recreation Cost of Service and Cost Recovery Methodology Report in Resolution No. 1491, much has changed in recent years. This has

disrupted the ability for a smooth implementation of the 2017 report; and

Whereas, this Cost of Service update provides an opportunity for the rethinking of financial goals and to help create a sustainable model for the Department into the future; and

WHEREAS, Cost of Service is an identification and calculation of what is required financially to produce or operate a service; and

WHEREAS, Cost Recovery represents a decision to generate revenues by charging fees, or other types of revenue for some, or all, programs and services relative to the total operation costs to provide them; and

WHEREAS, cost recovery does not imply that the target is total recovery of the cost, a target is established according a variety of considerations and may range from zero percent to more than 100 percent of direct costs; and

WHEREAS, the Pyramid Methodology uses five tiers ranging from mostly community benefit to mostly individual benefit to determine cost recovery levels; and

WHEREAS, the main purpose of this endeavor has been to create a fair, equitable, and transparent cost recovery system for establishing and adjusting fees and charges for the Redmond Parks and Recreation Department.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES:

Section 1. Redmond Parks and Recreation Cost of Service Update. The City Council adopts the March 2022 Cost of Service Study presented by Redmond Parks and Recreation Department (Exhibit A).

Section 2. Redmond Consensus Pyramid. The City Council adopts the Redmond Consensus Pyramid (Figure 1), in the "Cost of Service Update", as a fundamental component of the Cost Recovery philosophy.

Section 3. Cost Recovery Policy. The following cost recovery policy guide Redmond's Parks and Recreation efforts to organize and set prices for recreation programs and services:

- As a publicly financed park system, the Redmond Parks and Recreation Department provides a basic level of Parks and Recreation services for the public, funded by tax dollars. However, fees and charges and other methods to recover costs are considered a responsible and necessary means to supplement tax revenue and regulate park use where appropriate.
- Critical to the success of service delivery are affordability, fairness, and equity. The intent of this policy is to ensure

that the approach for the use of tax dollars as well as alternative forms of revenue will result in these qualities.

- In establishing fees and charges, the Department will determine the costs of providing services based on an identified and consistently applied methodology. This calculated cost will be used to measure current and future levels of cost recovery and to help establish appropriate cost recovery goals to support services. The appropriate level of cost recovery will be based on an assessment of who is benefiting from the service provided.
- If the benefit is to the community, it is appropriate to use taxpayer dollars to completely or primarily fund the service. Examples of services that primarily provide community benefits are trails, play areas, parks, and City signature events. Cost recovery goals are used to establish and/or adjust fees to reach these goals.
- As the benefit is increasingly offered to an individual or select group of individuals, it is appropriate to charge fees for the service at a decreasing level of subsidy and an increasing rate of cost recovery. Supervised or instructed programs, facilities, and equipment that visitors can use

exclusively, as well as products and services that may be consumed, provide examples where fees are appropriate.

- The Department shall also consider available resources, public need, public acceptance, and the community economic climate when establishing fees and charges. In cases where certain programs and facilities are highly specialized by activity and design and appeal to a select user group, the Department shall additionally consider fees charged by alternative service providers or market rates.
- The Department may further subsidize services for persons with economic need or other targeted populations, as allowable, through tax-supported fee reductions, scholarships, grants, or other methods.

Section 4. Severability. If any section, sentence, clause, or phrase of this resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this resolution.

Section 5. Effective Date. This resolution is effective immediately upon passage.

ADOPTED by the Redmond City Council this _____ day of _____
_____, 20XX.

APPROVED:

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO: