

## The Original Project

The original project was driven by policy direction in PR-33 of the Parks, Arts, Recreation, Culture and Conservation (PARCC) Plan calling for the establishment and implementation of financial goals, cost recovery targets, and a subsidy allocation model to inform recreation program decision-making.

In 2017, the Project Team

- Became familiar with the Pyramid Methodology;
- Reviewed existing policy, guidelines, and practices;
- Defined categories of programs and services;
- Worked with staff, the commission, and citizen stakeholders to understand community values through sorting workshops to place categories of services on appropriate pyramid tiers using a benefits filter;
- Determined appropriate methodology for allocation of overhead and indirect cost;
- Compared select proposed fees with those of other comparable jurisdictions;
- Recommended the best cost recovery practices; and,
- Acknowledged current cost recovery levels using 2015 data and used them to determine appropriate target levels to attempt to reach stated cost recovery goals for the future.

As a result of the project, City Council adopted an umbrella policy statement setting the underlying principles of the cost recovery and service pricing approach, including:

- a) Basic level of service is free (supported by tax revenues);
- b) Fees are a responsible and necessary supplement;
- c) Community benefit equates to the use of tax dollars;
- d) Individual benefit equates to the use of fees;
- e) The greater the individual benefit, the higher cost recovery rate;
- f) Policy considers economic climate, alternative providers, and market rate; and
- g) Fee reductions are available for economic need.

Over time, the Department was to implement recommended policy and practice changes while annually evaluating the cost of service and recalibrate existing parks and recreation fees to meet established goals. Year one was recommended as a planning year, allowing additional research into programs and services and a better understanding of potential cost savings and fee adjustments that could be used to meet new cost recovery targets. Year one was to also include staff training and process improvements.

## The Project Update

Much has changed in recent years including staff and policy-maker turnover and a pandemic of proportions that created an unprecedented major impact on the community and the City's operations, and likely a change in community views. This in turn disrupted the ability for a smooth implementation of the project recommendations and provides an opportunity for the rethinking of financial goals. This update could result in:

- Further clarification or addition of categories.
- Movement of a category to a more appropriate tier.
- Movement of a program or service to a different category.
- Reassignment of costs or recalculation of cost recovery.

- Refinement of cost recovery targets based on any or all of the items bulleted above.

Engagement of all full-time staff, the establishment of a project champions and implementation team will be critical to the success of this update.

## Timeline for Cost Recovery Project

GreenPlay typically completes projects such as these within 5-6 months, depending upon the time necessary for staff to provide financial data. **We anticipate starting this project in September 2021.**

Cost of Service, Subsidy Allocation and Cost Recovery Update Proposed Project Timeline					
Tasks and Key Meetings – (months)	1	2	3-4	5	6
A. Strategic Kick-Off and Determination of Critical Success Factors	X				
B. Workshop 1	X				
C. Workshop 2		X			
D. Workshop 3				X	
E. Costing of Services		X	X	X	
F. Draft and Final Report & Presentations					X

### I. STRATEGIC KICK-OFF (SKO) AND DETERMINATION OF CRITICAL SUCCESS FACTORS (TASK A)

Upon award of the project, GreenPlay will provide a **Detailed Work Plan** for discussion at a virtual Strategic Kick-Off to formalize the timeline and details of the process. We will also provide a material request list for staff to provide us necessary information.

### II. STAFF REFRESHER AND UPDATE OF COST RECOVERY MODEL (TASKS B-D)

The Pyramid Methodology Update will engage your staff, stakeholders, and decision makers, through consensus building exercises. It includes a series of three (3) multi-day meetings to conduct Cost Recovery/Resource Allocation Workshops. These include 5-6 half or full-day staff workshops, many individual and team meetings, and a minimum of three to four public sorting meetings, in addition to daytime stakeholder and staff sorting meetings (1/2 day staff workshops, individual and team meetings as necessary, and staff training). These are supplemented by an ongoing conference calls with the project team to ensure that there is clear understanding and that all aspects of the project are moving forward seamlessly.

Ideally, placement for programs and services is based on sound philosophical underpinnings, programmatic objectives, financial rationale, and a consistently applied definition of cost and cost methodology for all programs and services. Care will be taken to assure that category and tier assignments are consistent and support the Department's mission, goals, and values, and that it is clear how to consider new offerings and programs and services as you evolve.

### **III. COSTING OF SERVICES (TASK E)**

GreenPlay will work with appropriate staff (programming, budget analysts, etc.) to re-measure full cost accounting for all programs and services based on the developed cost recovery philosophy and policy. This task will be carried on simultaneously with the workshop series and in preparation for final decisions about program delivery strategies. GreenPlay will review to assure zero-based budgeting templates are in use and working.

### **IV. DRAFT AND FINAL REPORT DELIVERABLES (TASK F)**

GreenPlay will:

- Update current policy, as necessary; work with staff to determine appropriate level of taxpayer support for program and service categories based on cost recovery goals, and appropriate fee strategies for services that should not be based on cost recovery (e.g., those that should be based on market-driven rates). The policy will include fee assistance strategies and other pricing policies and best practices to ensure access for all citizens.
- Assist staff with recalibration of existing parks and recreation costs based on Parks and Recreation philosophy and policies including cost layers identified by the Department.
- Assure a sustainable and justifiable model for calculating fees for parks and recreation services, analyze park and recreation program fees, recommend new fees and/or fee adjustments, and verify the alignment of the fees with park and recreation policies.
- Report on other matters that come to our attention that, in our professional opinion, the Department should consider. This would include any service or program where the Department currently charges for services as well as areas where the Department may charge, but currently does not, based on the Department's practices or the practices of comparable agencies.

### **Presentations**

GreenPlay will present detailed information to your appropriate advisory and governing bodies as identified in the Strategic Kick-off meeting. This is intended to be open to the public including key stakeholders. GreenPlay will then revise your final policy document for final submission.