

SUBJECT:
Cost-Recovery Plan
for Recreation Activities

POLICY NUMBER 600-05
ADOPTED 4-8-09

It is the policy of the City Council to establish uniform guidelines for a Cost Recovery Plan and a Master Fee Schedule for recreation programs, events, facilities, activities, and goods and services.

Establishing a Cost-Recovery Plan will accomplish the following:

Provide a structure to calculate fees for recreation programs.

Cover appropriate cost, based on who is served and type of program such as youth/adult/senior.

Provide a systematic framework for the potential change or removal of programs not generating the designated minimum cost-recovery for the Division.

Public Facilities Affected by Policy:

The public facilities affected by this policy are:

- A. Recreation Facilities and Amenities: City-owned facilities used primarily for sports, recreation, and leisure activities including, without limitation, recreation centers, athletic fields, tennis/basketball/volleyball courts, community centers, gazebos and meeting rooms.
- B. Public Areas impacted through a Special Event Permit: City-owned facilities used by private, nonprofit, and commercial groups for the purpose of hosting a special event or commercial venture including, without limitation, beach property, Civic Center plaza, parks, gazebos, and parking lots and/or garages.

Public Facilities Not Affected by Policy:

- A. Buildings: City-owned facilities used for City administration or other City business. Such facilities include, without limitation, the Civic Center, City Council Chambers, police/fire/safety facilities, communications center, and libraries.

- B. Support Facilities: City-owned facilities that support field operations. Support facilities include, without limitation, the operations yard and water and wastewater pump stations.

Cost Definitions:

Cost will be defined in terms of direct and indirect costs. In summary the costs listed below equal total cost. The allocation of revenue to cost will be done in an appropriate sequential manner as follows:

- A. Direct Costs – staff, supplies, equipment, and promotion and production.
- B. Indirect Division Costs – administration and management support and general division operating costs.
- C. Indirect Facility Support Costs – all associated facility costs, Division's share of finance and management support, and facility enhancement.

The pricing model will be used to determine the percentage of cost recovery that recreation activities should achieve. Activities for each level are as follows:

Level 1 – Programs or activities that fulfill the mission of the program and provide a community wide benefit. These programs and activities are generally accepted as traditional municipal youth or underserved populations programs or activities that enhance the health, safety and livability of the community and therefore require the removal of a cost barrier for optimum participation.

Level 1
Recreation/Lap Swim Activities
Community-building Events
Senior Classes

- (a) Minimum Recovery – 75 percent direct program costs
- (b) Target Recovery – no indirect costs
- (c) Example: Direct Costs = \$100
Min. # Participants = 10
Cost to Participant = \$7.50

Level 2 – Programs or activities which are more interest-specific and have more of an individual benefit or purpose to fulfill a specific recreational interest or need which promotes affordable activities for youth and seniors; to increase the quality of life; and enhance opportunities to all participants. These programs are often offered to keep pace with current recreational trends.

Level 2
Swim Lessons
Youth Sports
Youth Classes
OAAR Programs

- (a) Minimum Recovery – 100 percent direct program costs
- (b) Target Recovery – Plus 80 percent indirect division costs
- (c) Example: Direct Costs =\$100
 Indirect Division Costs =\$100
 Min. # Participants =10
 Cost to Participant =\$10-\$18

Level 3 – Programs or activities that are revenue generated to lower the subsidy of the recreation programs that are in high demand or may be available in the private sector.

Level 3
After School Program
Summer Camps
Adult Sports
Adult Classes
Special Events
Facility Rentals

- (a) Minimum Recovery – 100 percent direct/indirect division and facility costs
- (b) Example: Direct Costs =\$100
 Indirect Division Costs =\$100
 Indirect Facility Costs =\$100
 Min. # Participants =10
 Cost to Participant =\$30

Non-Resident Policy:

All fees established under the Cost Recovery Plan are subject to the \$10 non-resident fee surcharge as established in the Parks and Recreation Division Master Fee Schedule.