

PARKS AND RECREATION COST RECOVERY POLICY

Purpose

Establishing a cost recovery policy provides the District with a tool for evaluating services and establishing appropriate fees for services. Standardizing cost recovery objectives enhances the District's ability to accomplish broad goals and objectives. Establishing a reasonable, transparent, and consistently applied policy is intended to:

- Stretch taxpayer investment in parks and recreation services to optimize value received
- Promote program respect and ownership
- Allow prices to reflect users' investment in themselves based on individual benefit
- Develop deeper commitment to the programming users help support

Costs Considered When Evaluating Cost Recovery

To evaluate cost recovery, the District will calculate the "full cost of service", for programming, facility use, and services provided. The full cost of service will include components for:

- The direct costs of service:
 - The labor associated with the performance of service from all personnel involved in the activity
 - The services, supplies, and/or materials required to complete the activity
- A reasonable share of the indirect costs of service:
 - The services, supplies, and materials which support the personnel involved in the activity
 - The maintenance of any facilities required to support the provision of service
 - The indirect management, administration, and support services associated with the direct functions involved in the activity
 - The central services, agencywide management and administration, and governmental oversight associated with the functions involved in the activity

Targeted Cost Recovery in Fees

Once the full cost of service is established for each activity, the District will apply a consistent set of guidelines for determining the amount of cost to be recovered in the final fee amount. A cost recovery percentage will be applied to the full cost of service to calculate the fee. **Figure 1** describes the general criteria for assigning District programming, facility use, and services to cost recovery tiers. The cost recovery threshold assigned to each fee-related service and program area will be identified in the periodic analysis and documentation supporting the ongoing and seasonally managed calculation of the District's Parks and Recreation fees.

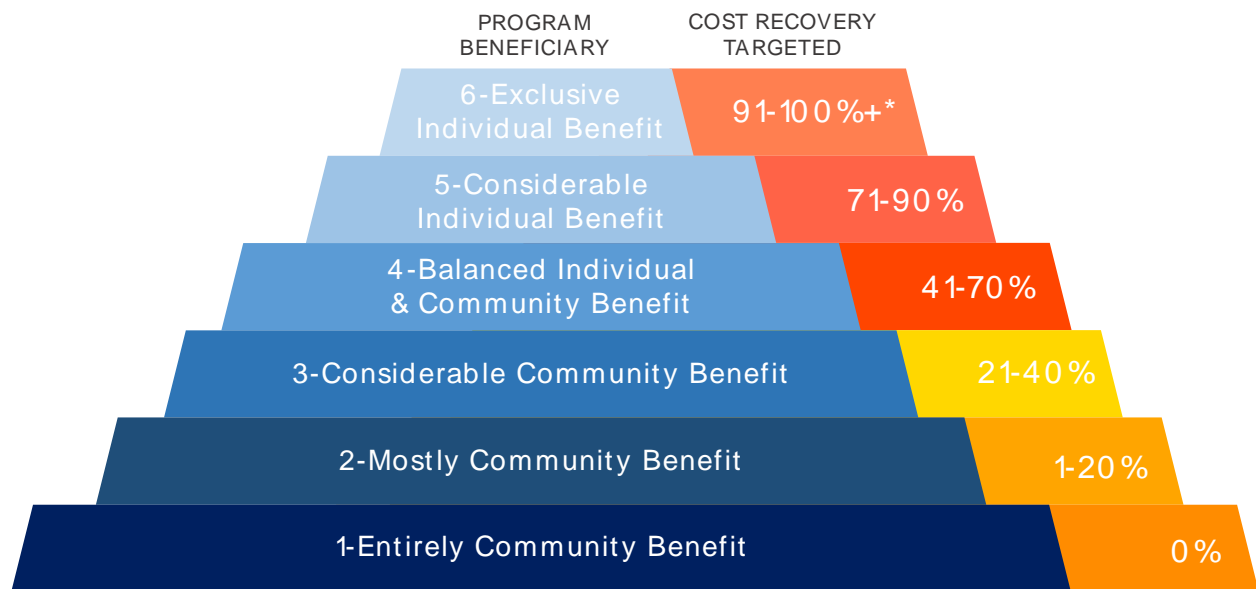
FIGURE 1 | COST RECOVERY GUIDELINES – PARKS AND RECREATION SERVICES

BENEFIT-BASED RECOVERY TIER	DESCRIPTION	FEE BASED PROGRAM AREA
<p>0% COST RECOVERY</p> <p>Entirely Community Benefit</p>	<p>Programs, facilities, and services that benefit the community as a whole. The community generally expects the District to offer these services and supports paying for these through taxes.</p>	<ul style="list-style-type: none"> • General, non-exclusive park, playground, open space, trails, restrooms, and facility visitation and use
<p>1-20% COST RECOVERY</p> <p>Mostly Community Benefit</p>	<p>Programs, facilities, and services that provide benefit to the individual user, but have more fundamental goal of:</p> <ul style="list-style-type: none"> • Seeking to engage community with high participation levels desirable • Community problem solving (e.g., services for vulnerable or underserved populations) 	<ul style="list-style-type: none"> • Senior Services • District initiated Special Events
<p>21-40% COST RECOVERY</p> <p>Considerable Community Benefit</p>	<p>Programs, facilities, and services which promote individual physical and mental well-being, and provide recreation skill development. They may have a community benefit but to a smaller group of the community. Generally, costs of service are offset by both a tax subsidy to account for community benefit and participant fees to account for individual benefit.</p>	<ul style="list-style-type: none"> • District provided programs <ul style="list-style-type: none"> ○ Aquatics ○ Sports ○ Camps and Classes • Reserved CSO Facility Use
<p>41-70% COST RECOVERY</p> <p>Balanced Individual and Community Benefit</p>	<p>Programs, facilities, and services which promote individual physical and mental well-being, and provide recreation skill development. Program, facility, and service use that benefits individuals primarily, but the community receives some benefit.</p> <ul style="list-style-type: none"> • Services which are specialized and/or similar to private sector • Comparable “market rates” for similar services affect ability to recover a greater percentage of costs 	<ul style="list-style-type: none"> • Resident facility use
<p>71-90% COST RECOVERY</p> <p>Considerable Individual Benefit</p>	<p>Benefits individuals significantly more than the community; Private sector or public agencies offer similar services; Demand for service, facility or program exceeds capacity</p>	<ul style="list-style-type: none"> • Programs providing individual benefit
<p>91-100% COST RECOVERY</p> <p>Exclusively Individual Benefit</p>	<p>Benefit individuals; Commercial nature of services</p>	<ul style="list-style-type: none"> • Non-resident & Commercial use of facilities

The following shall serve as guidelines for categorizing Recreation Programs and services based on types of programs, target populations, and level of community benefit to determine appropriate subsidy Level:

- Programs with the highest level of community benefit will have the lowest level of cost recovery.
- Programs that have the greatest level of individual or group benefit will target the highest level of cost recovery.
- Pricing of programs and services takes into account market rates and the impact on demand which may override cost-recovery target considerations.
- Non-resident fees are priced higher than resident fees.
- Fees will be periodically reviewed to keep pace with changes in the cost of living, market demands, and/or to promote identified Recreation Programs.
- Staff will adjust fees to meet minimum cost-recovery rates and to be consistent with market demand for services.
- The District will continue to offer opportunities to offset the cost of programs for eligible low-income participants identified through its established procedures

Staff will seek to enhance and refine this policy over time.



*100%+ indicates minor exceptions where premiums above cost may be justified, such as market-based rents.

Most fees for Parks and Recreation services and programs will fluctuate seasonally as District Staff manages offerings and provisions of service dynamically in line with capabilities and market conditions at the time schedules are developed. The Cost Recovery Policy is intended to establish general targets for District Staff within which it can set most fees on that fluctuating basis within its periodic service catalogs.