

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT / AGENDA REPORT**

TO: BOARD OF DIRECTORS

FROM: MARY OTTEN, GENERAL MANAGER
By: Jessica A. Puckett, CPRP, Administrative Analyst

DATE: June 8, 2022

**SUBJECT: DRAFT REVIEW OF COST OF SERVICE ANALYSIS
FOR THE 2022 FEE STUDY AND COST RECOVERY
ANALYSIS**

SUMMARY

Staff has been working with consulting firm, ClearSource Financial Consulting to conduct a comprehensive fee-based cost analysis and cost recovery study since November 2021. Capital and operating budgets have been analyzed to determine the true cost of services provided by the District to the community as a basis for creating a cost recovery policy and methodology. The draft analysis was presented to the Finance Committee on April 20, 2022.

BACKGROUND

The current Fee Schedule was last studied and updated in FY 2017-2018. After conducting a formal RFP process for bids, the Board awarded a contract to conduct a user fees and cost recovery policy analysis or study to ClearSource Financial Consulting on November 6, 2021. The goal of the study is to develop a cost recovery model and policy that provides a framework for future planning, budgeting, pricing and resource allocation for the District's parks and recreational services. ClearSource has been meeting with District staff to review, analyze, and evaluate current and previous years' operating and capital budgets to determine what it costs the District to provide various services and what, if any, cost recovery has occurred for all services.

ANALYSIS

District staff has been meeting with ClearSource over the last seven months to review budgets as well as programming and operations to evaluate facility usage, staff labor allocations, and cost recovery estimates. ClearSource has used all of this data and feedback to create a preliminary cost of service analysis to be used as the basis for creating a cost recovery methodology and policy for the District to implement. Staff is seeking feedback and guidance from the Board in this next step of crafting a new policy and methodology to our user fees and pricing rationale. Upon approval from the Board, staff and ClearSource will move into the public comment phase to obtain feedback from the community. Upon completion of the public comment period, ClearSource and staff will return to the Board with the results and further guidance on the final formulation of a new cost recovery policy and fee structure for all programs and facilities.

FISCAL IMPACT

There is currently no fiscal impact associated with this action.

STRATEGIC PLAN COMPLIANCE

Meets 2021-2026 Strategic Plan Goal 1.1: Review costs, revenues, and subsidies for program and rentals through strategies:

1.1.A: “Conduct a comprehensive Fee Study and Cost Recovery Analysis exploring funding opportunities and policies including but not limited to program fees, discounts, cost recovery methods, tournaments, community service organization fees and fees received from the rental of District parks and recreational facilities.”

1.1.B: “Develop sustainable funding sources for implementation of the Strategic Plan, deferred maintenance, priority projects, and on-going operations.”

RECOMMENDATION

It is recommended that the Board of Directors provide feedback and guidance on the draft cost of service analysis and cost recovery policy development presentation by ClearSource Financial Consulting.