Presentation of Parks & Recreation Department User Fee Study Results

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Introduction to Matrix Consulting Group

- We have been specializing in financial and management analysis for local governments for the last 12 years.
- Our experience includes not only Cost Allocation Plans and User Fee Studies but also management studies of recreation services.
- We have conducted over 100 financial and management studies for recreation departments nationwide. A sample includes:

Financial Studies	Management Studies
Fort Lauderdale, FL	Orland Park, Illinois
San Pablo, CA	Irvine, California
Manhattan Beach, CA	Dekalb County, Georgia
Temecula, CA	Alexandria, Virginia

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Study Goals and Objectives

- The City's main objectives for this study were:
  - Ensure current fee schedules reflect services provided.
  - Documentation of current services and cost recovery levels.
  - Ensure cost recovery allocations comply with state and local laws.
  - Develop recommendations for fee changes and/or subsidies.
- The overall goal of this study was to help the Department understand the full cost of providing recreation services, and develop tools for establishing and setting cost recovery policies.

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Project Approach & Methodology

- Gather input of staff from various program areas:
  - Time estimates for classes, camps, programs, etc.
  - Current or projected participation levels
  - Current and projected revenue and expenses
- Analyze the total costs and revenue associated with services, identify gaps.
- Review and revise results

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Overview of Results (1)

- **Athletics:** Currently Youth and Adult athletics combine for an overall cost recovery of 25%, and have an annual deficit of $392,000.
  - **Adult** – Current programs are inline with those offered by surrounding jurisdictions, and current fees are on par or slightly higher.
  - **Youth** – Current programs are inline with those offered by surrounding jurisdictions, however current fees are lower by an average of $15.
- **Pools** – Overall pools are recovering 24% of their costs, however cost recovery varies dramatically among the City's three pools. Rec Park Pool is at 35%, while Walton Street is at 5%
- **Camps & After School Programs** – Revenue projections for these programs are limited, as the department does not currently track participation based upon the various discounts / subsidies provided.

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Overview of Results (2)

- **WNC Nature Center** – The largest source of revenue is admission fees, which currently are well below the national average for zoos and parks ($13 adults / $9 children).
- **Skate Park** – The per month cost for an individual resident annual pass is the same as the weekend fee for a non-resident ($5).
- **Tennis Center** – Compared to other tennis facilities with clay courts, the Tennis Center's annual passes are well below the average ($160 compared to $488).

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Overall Cost Recovery

Program	Deficit	Cost Recovery %
Adult Athletics	$(252,552)	31%
Aston Park Tennis Center	$(278,212)	25%
Food Lion Skate Park	$(135,656)	13%
Pools	$(260,711)	24%
WNC Nature Center	$(899,392)	35%
Youth Athletics	$(138,954)	11%
Summer Playground	$(223,352)	14%
Vance Afterschool	$(17,280)	90%
Outdoor Programs	$(110,712)	23%
TOTAL	**$(2,316,820)**	**31%**

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Direct Cost Recovery

Program	Deficit	Cost Recovery %
Adult Athletics	$(129,938)	47%
Aston Park Tennis Center	$(161,900)	37%
Food Lion Skate Park	$(86,947)	19%
Pools	$(153,717)	35%
WNC Nature Center	$(469,465)	50%
Youth Athletics	$(86,866)	16%
Summer Playground	$(138,312)	21%
Vance Afterschool	$10,945	107%
Outdoor Programs	$(84,970)	29%
TOTAL	**$(1,301,169)**	**44%**

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Aston Park Tennis Center

- Annual Passes are only recovering 19% of their total costs and account for 95% of the annual deficit associated with the Tennis Center.

Annual Passes	Participants	Current Fee	Projected Cost
Individual - Resident	45	$160	$665
Individual - Non-Resident	15	$200	$665
Senior - Resident	137	$130	$665
Senior - Non-Resident	71	$170	$665
Family - Resident	15	$200	$1,330
Family - Non-Resident	3	$240	$1,330
Senior Family - Resident	37	$160	$1,330
Senior Family - Non-Resident	24	$200	$1,330

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Areas of Opportunity

- **Annual Passes** – The City could generate more revenue immediately by increasing annual pass fees for the Skate Park, Pools, and Tennis Center.
  - Example: If the Tennis Center raised its annual pass fees by $10, it would generate roughly $58,000 in revenue.
- **General Admission** – The City could also generate more revenue immediately by increasing general admission fees for Pools, Skate Park, and Nature Center.
  - Example: If the Nature Center were to raise the general admission fee for Adults and Seniors to $10 and Children to $8, it could generate an additional $173,000 in revenue.

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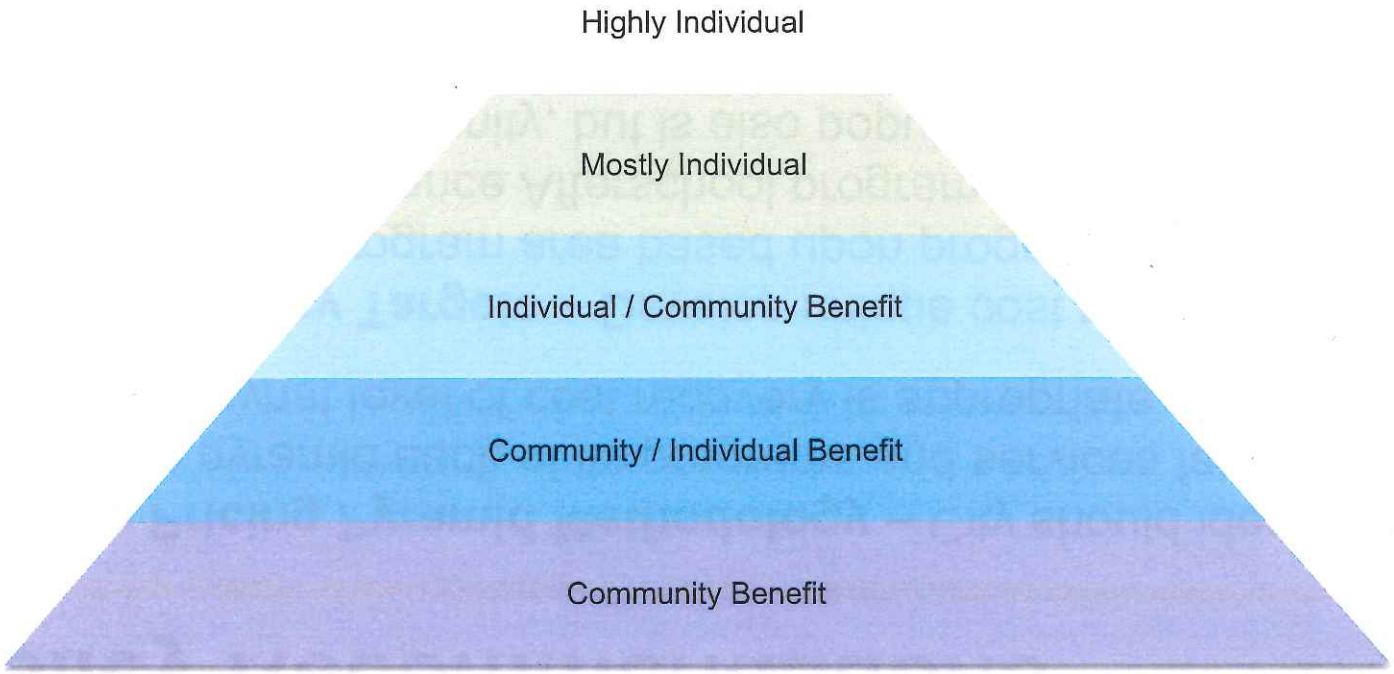
Current Pricing Pyramid Cost Recovery Methodology

- Higher up the pyramid = higher the cost recovery.



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Policy Recommendations

- **Utilize Pricing Pyramid Methodology** – City should identify where upon the pyramid each of its programs and services falls, to help determine what level of cost recovery is appropriate.
- **Cost Recovery Targets** – Develop unique cost recovery goals for each service / program area based upon program participation and desirability. E.g. Vance Afterschool program provides a high level of benefit to the community, but is also popular and should be set at or near full cost recovery.
- **Annual Fee Updates** – Adopt a policy to annually update the fees and charges for each service area. The Department can utilize the Program / Activity Cost Proposal Forms developed through this study to update its fees.

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Questions

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