



Tualatin Hills Park & Recreation District Service and Financial Sustainability Analysis

Resource Allocation, Cost Recovery Philosophy, Model and Policy
Service Assessment and Service Portfolio

July 2013



Table of Contents

<i>I. Executive Summary</i>	<i>1</i>
<i>II. Introduction to the Plan.....</i>	<i>9</i>
A. Current THPRD Financial Outlook.....	10
B. Background on Cost Recovery and Service Assessment.....	19
<i>III. THPRD Mission and Vision</i>	<i>23</i>
A. Review and Analysis of District Mission and Vision.....	23
B. Mission Statement.....	23
C. Vision Statement.....	23
<i>IV. The Service and Financial Sustainability Analysis Process</i>	<i>25</i>
<i>V. Resource Allocation Philosophy, Model and Policy</i>	<i>27</i>
A. Developing a Resource Allocation Philosophy: The Pyramid Methodology.....	27
B. Direct and Indirect Cost Definitions.....	28
C. The THPRD Target Cost Recovery Pyramid Model.....	31
D. Cost Center Pyramids	31
<i>VI. Core Service Identification and Provision Strategies</i>	<i>35</i>
A. Identifying the Core Services and Provision Strategies	35
B. The Public Sector Services Assessment	35
C. Service Assessment Process.....	36
D. Service Assessment Findings	37
E. Recommended Provision Strategies – Defined.....	37
F. Service Assessment Findings and Determinations.....	38
<i>VII. Traditional Parks and Recreation Operations and Capital Development Funding Sources</i>	<i>39</i>
A. Traditional Tax and Exactions-Based Funding Resources.....	39
B. Development Funding.....	39
<i>VIII. Traditional Parks and Recreation Earned Revenue Resources.....</i>	<i>41</i>
A. Fees and Charges	41
<i>IX. Alternative Parks and Recreation Operations and Capital Development Funding Sources</i>	<i>43</i>
A. Loan Mechanisms	43
B. Alternative Service Delivery and Funding Structures	44
C. Partnership Opportunities	44
D. Community Resources.....	45
E. Community Service Fees and Assessments	49
F. Contractual Services.....	51
G. Permits, Licensing Rights and Use of Collateral Assets	52
H. Enterprise Funds.....	54

I. Funding Resources and Other Options	54
X. Cost Saving Measures.....	55
A. Cost Saving Ideas	55
B. Green Resources, Practices, and Strategic Initiatives.....	56
XI. Implementing the Service and Financial Sustainability Analysis.....	57
XII. Developing a Pricing Strategy.....	59
XIII. Conclusion and Recommendations	63
XIV. Goals, Objectives, and Action Items.....	65
A. Context.....	65
B. Timeline	65
C. Broad Vision Themes	66
Theme 1: Policy Strategies.....	67
Proposed Draft Policy 1	70
Resource Allocation and Cost Recovery Philosophy, Model and Policy	70
Proposed Draft Policy 2	75
Non-Resident Fee Policy	75
Proposed Draft Policy 3	77
Family Assistance Policy.....	77
Theme 2: Service Provision and Management	79
Theme 3: Cost Savings – Cost Avoidance Strategies.....	84
Theme 4: Cost Recovery Alignment.....	86
Theme 5: Revenue Enhancement.....	90
Theme 6: Future Growth	93
Appendix A – The Pyramid Methodology.....	95
Appendix B - Categories of Service.....	103
Appendix C – Glossary of Terms and Definitions	107
Appendix D – The Public Sector Service Assessment.....	117
Appendix E – Federal and State Funding Resources and Green Resources, Practices, and Strategic Initiatives.....	123
Appendix F - Comparative Analysis Criteria	133
Appendix G – Service Portfolio Sample	135

Acknowledgements

The Tualatin Hills Park & Recreation District gratefully acknowledges the contributions of the Board of Directors, staff, and individuals who offered their ideas, concerns, and creative ideas. This input has helped shape the comprehensive plan update, and has made a lasting impact on future recreational opportunities in the District.

Tualatin Hills Park & Recreation District Board of Directors

Joe Blowers, President

Larry Pelatt, Secretary

Bob Scott, Secretary Pro-Tempore (and Board liaison for this project)

John Griffiths, Director

Bill Kanable, Director

Doug Menke – THPRD General Manager

The Cost Recovery Team

Jim McElhinny – Director of Park & Recreation Services

Keith Hobson – Director of Business & Facilities

Bruce Barbarasch – Superintendent of Natural Resources & Trail Management

Kylie Bayer-Fertterer – Community Outreach Coordinator (Family Assistance Scholarship Program)

Lyndsay Bjork – Center Supervisor, Garden Home Rec Center

Cathy Brucker – Finance Manager

Scott Brucker – Superintendent of Sports

Jon Campbell – Program Management Supervisor

Dave Chrisman – Superintendent of Maintenance Operations

Sharon Hoffmeister – Superintendent of Aquatics

Jim Klee – Building Maintenance Coordinator

Gery Keck – Bond Planning Manager

Brian Leahy – Center Supervisor, Tennis Center

Ann Mackiernan – Operation Analysis Manager

Lisa Novak – Superintendent of Programs & Special Activities

Eric Owens – Superintendent of Recreation

Brian Powers – Center Supervisor, Sunset Swim Center

Deb Schoen – Center Supervisor, Conestoga Recreation & Aquatic Center

Katherine Stokke – Operations Analyst

Sabrina Taylor Schmitt – Center Supervisor, Aloha Swim Center

For more information about this document, please contact:

Tualatin Hills Park & Recreation District

15707 SW Walker Rd, Beaverton, OR 97006

503.645.6433

www.thprd.org

GreenPlay LLC

Karon Badalamenti, CPRE and Principal

211 North Public Road, Suite 225, Lafayette Colorado 80026



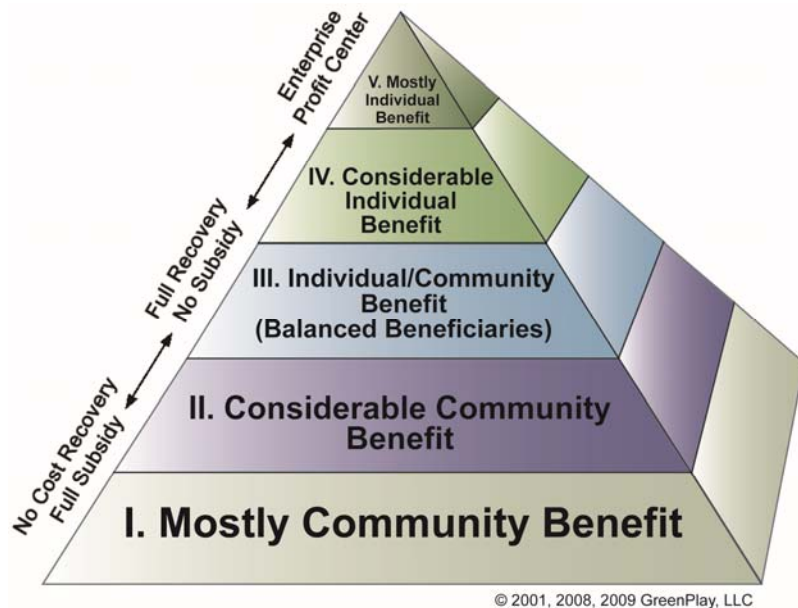
Telephone: 303/439-8369

www.GreenPlayLLC.com

I. Executive Summary

The primary goal of the Tualatin Hills Park & Recreation District's (THPRD) Service and Financial Sustainability Analysis was to establish resource allocation and cost recovery priorities, identify core services, and establish organizational sustainability through a logical and thoughtful philosophy that supports the core values, vision, and mission of the District and its community. Due to shrinking tax support, it was critical that THPRD conduct this study to ensure the sustainability and the future of the District.

THPRD selected GreenPlay LLC to conduct the study because of the proven methodologies and tools developed by the firm. GreenPlay has established the **Pyramid Methodology** as a model and philosophical approach to allocating the limited taxpayer funds for partial or wholly subsidized services, setting fees, determining partnership or developer contributions, and pursuing alternative funding sources, depending on the beneficiary of the service.



Many agencies across the nation are using this methodology, and recognize its benefit and application for all county, municipal, and special district services. In **Oregon**, the **City of Corvallis** and the **North Clackamas Parks & Recreation District** have incorporated the Pyramid Methodology into their master planning process. The Pyramid Methodology is currently being used in public park and recreation agencies of all sizes and structures across the nation, and is being taught in universities. *Arizona State Parks; the Cities of Arlington and Coppell in Texas; South Jordan, Utah; Bismarck, North Dakota;* and many others are successfully using this innovative methodology to align taxpayer funding with services.

GreenPlay developed the **Public Sector Service Assessment** as a tool to evaluate an agency's market strength or weakness for each service within the target market service area. This tool points out duplication of services and where alternate provision strategies may be available. In Utah, *Salt Lake County* conducted an **Organizational Audit in 2009**, which included a detailed look at their service portfolio using this tool. In addition *Spokane, Washington* was one of the first to use this tool. The *Oakland County Park and Recreation Commission in Michigan* is currently developing their **Service Portfolio** using these tools to create its philosophy and model. Both the *Maryland National Capital Parks Planning Commission (M-NCPPC)* *Montgomery County Department of Parks* and the *Montgomery County Department of Recreation* recently used these tools in the creation of their **Vision 2030**. This plan included a **Financial and Service Sustainability Plan** for each agency using both the **Pyramid Methodology** and the **Public Sector Service Assessment**. Recently, *San Diego County* developed its **Cost Recovery, Resource Allocation, and Revenue Enhancement Study** using these tools.

This study reviewed and assessed all of THPRD's services including programs and facilities, confirmed THPRD's overall mission, refined the agency vision, created categories of services based upon the level of community versus individual benefit, defined direct and indirect costs, and evaluated current pricing methods.

All of the components of this study directly influence cost recovery and subsidy allocation levels, the establishment of future cost recovery and subsidy allocation targets, and future pricing strategies and methods. This comprehensive review and analysis will assist THPRD in refining its service delivery and financial management philosophy as they move forward in efforts to sustain services over both the short and long-term.

Having a Service and Financial Sustainability Analysis can help THPRD answer challenging questions from its stakeholders and governing body. Such questions include:

- Does THPRD provide services that align with the community's values, the vision, and the mission of the organization?
- Does THPRD use its resources responsibly, attempt to collaborate with other entities with similar missions, and make efforts to minimize duplication of services when appropriate?
- How will THPRD fund services with possible budget constraints in the future?
- Is THPRD using funding in a responsible manner and maintaining a high level of governmental accountability?
- Are THPRD's services priced to allow for reasonable public access while competing fairly in the market?

A. Values, Vision, Mission, and Desired Outcomes

The current THPRD mission was reviewed in relation to the desired outcomes, and the vision was refined as part of the Comprehensive Plan Update process, which was conducted concurrently. Having a focused parks and recreation vision statement informs both the staff and the public. These fundamental principles guide and direct service provision and resource allocation decision-making. For this reason, the following desired outcomes were identified:

- Lay the foundation for the development of a philosophy to determine and implement fees.
- Develop a mechanism and consistent language for communicating how we use taxpayer funding.
- Lessen the dependence on tax funds through ambitious long-term financial goals by approaching, or even exceeding cost recovery targets to be determined through this process and improve our financial sustainability forecast.

B. Resource Allocation and Cost Recovery

An extensive analysis of current cost recovery and subsidy allocation was conducted by the District using the **Pyramid Methodology**. Cost Recovery is the degree to which the operational and maintenance costs of a service are financially supported by user fees and/or applicable funding mechanisms such as grants, partnerships, donations, sponsorships, volunteers, or other alternative funding sources.

In contrast, subsidy (taxpayer investment resources) includes designated parks and recreation or General Fund sources such as property taxes (in Oregon), sales taxes, other taxing mechanisms, or mandatory fees in other parts of the country. Subsidy dollars are the community's investment that provide for the cost of parks and recreation services that are not recovered by either user fees or other forms of alternative funding.

Currently, THPRD is projected to operate at 37 percent cost recovery, which translates to 63 percent of operations being subsidized by the General Fund property tax subsidies (and federal tax monies supporting selected services).

Due to current economic conditions, reduction in available tax funding, challenges to find capital and maintenance funding, and several major maintenance issues, THPRD must find ways to increase its sustainability. A philosophical shift is required to keep pace with current and increasing demands for service and the decreasing subsidy support.

THPRD held several public forums where citizen representatives, along with various stakeholders/user groups representing the community, were engaged for service sorting workshops. The staff used the resulting information to develop the consensus pyramid model.

The Pyramid Methodology, a current best practice approach, assists agencies in identifying a financial management philosophy, which details the level to which all District services should be subsidized, if at all. Staff and public participants were asked to rank, in order of the degree of community or individual benefit, taking into account the District mission, all categorized services for varying populations with varying interests. (THPRD's Pyramid Model is included at the end of this Executive Summary.)

The resulting pyramid model identified minimum target cost recovery percentages for each level intended to account for all direct expenses while working toward increasing the overall cost recovery of many services. Services which benefit the community as a whole are intended to be covered predominately by taxpayer investment. The intent is to help THPRD adjust to the current economic climate and budget reductions, while not decreasing services. Therefore, a heavy reliance on alternative funding sources, as well as aligning pricing strategies, will be warranted.

C. Service Assessment

After completion of the resource allocation philosophy, model and policy development, the Service Assessment was conducted. It is an intensive review of all services which led to the development of THPRD's Service Portfolio. The service matrix tool identified those services that are (as well as those that are not) "core" to the values, vision, and mission of THPRD.

The underlying philosophy of the **Public Sector Service Assessment** is based on the assumption that duplication of existing comparable services (unnecessary competition) among public and non-profit organizations can fragment limited resources available, leaving all providers unable to increase the quality and cost-effectiveness of customer services. The Assessment also included identifying management strategies intended to assist THPRD in its provision of these services in the future.

The resulting provision strategies for THPRD recommend:

- Services to advance or affirm the THPRD market
- Services to pursue collaboration
- Services for complementary development
- Services to invest in to change the market position
- Services to divest

Service Pricing

As a last step in developing the Service and Financial Sustainability Analysis plan, the consultant team provided strategies for service pricing intended to create a consistent, fair, and equitable approach to the development of service fees and charges based upon established cost recovery goals.

The Service Portfolio, the last appendix in the document due to length (**Appendix G**), details each service, its category, recommended provision strategy, cost recovery goal, and pricing strategy.

Service and Financial Sustainability Analysis

The THPRD Service and Financial Sustainability Analysis included extensive stakeholder and staff involvement; research and best practice analysis; and a critical analysis of current cost recovery, services, and provision strategies. The consultant team, working with THPRD staff, researched existing policies and practices which impede improved cost recovery and cost savings measures, provided information on traditional and alternative funding resources and opportunities, developed decision making criteria, and generated 25 broad-based goals and subsequent, measurable objectives spanning six themes.

THPRD's Service and Financial Sustainability Analysis will act as an internal work and strategic plan spanning a multi-year period that articulates the goals and objectives that must be achieved to realize the intended results of this comprehensive study. The Plan will be the implementation catalyst for the Resource Allocation and Cost Recovery Model and Service Portfolio.

The six themes include:

- Policy Strategies
- Service Provision and Management
- Cost Savings – Cost Avoidance Strategies
- Cost Recovery Alignment
- Revenue Enhancement
- Future Growth

(Please see the Theme and Goal Matrix on the next page)

Derived from each goal are objectives that lead to the accomplishment of the goal. All action steps are intended to be immediate and ongoing or short-term (1-2 years), while the goals and objectives will span the longer-term (3-5 years and beyond) multiple budget cycles with new action steps and timelines as these are achieved.

The goals and objectives reflect the THPRD issues, priorities, unmet needs, and creative ideas identified through extensive stakeholder engagement and staff involvement. Those ideas that were consistently and frequently expressed were included in the recommendations. The recommendations for implementation include the following:

- Adjust pricing and/or seek alternative funding to meet cost recovery goals for each category of service (see pyramid).
- Implement the goals and objectives as outlined in this report.

Theme and Goal Matrix

Theme 1: Policy Strategies	Goal 1 – Explore the possibility of expanding the self-sustaining enterprise fund.
	Goal 2 – Establish a sinking fund for life cycle repair/replacement projects.
	Goal 3 – Adopt the Target Tier Minimum Cost Recovery Percentage as the fiscal methodology for budget preparation, the basis for establishing fees, and public accountability.
	Goal 4 – Adopt the Pricing Strategies as the methodology for fee setting by THPRD.
	Goal 5 – Revise Current Sponsorship Policy.
	Goal 6 – Implement a Partnership Policy.
	Goal 7 – Revise current Non-Resident fee policy.
	Goal 8 – Revise current Family Assistance Program.
Theme 2: Service Provision and Management	Goal 9 – Implement provision strategies identified through the Service Assessment.
	Goal 10 – Explore a systematic approach to, and strategies for, advancing or affirming market position for identified services.
	Goal 11 – Continue to explore targeted menus of services that are specific to the unique needs of individual communities throughout the District (avoid a “one-size-fits-all” approach).
	Goal 12 – Improve intra-division cooperation and labor management.
Theme 3: Cost Savings/ Cost Avoidance Strategies	Goal 13 – Continue to develop a consistent methodology and budget planning approach for service management.
	Goal 14 – Continue to use cost savings practices that align with the District’s Vision and produce cost effective results.
	Goal 15 – Continue to track and communicate cost of major maintenance.
	Goal 16 – Continue to identify and track the value of volunteers as an alternative revenue source and cost savings measure.
Theme 4: Cost Recovery Alignment	Goal 17 – Ensure long-term sustainability by focusing taxpayer funding on those services that produce the widest community benefit, using a cost recovery pyramid.
	Goal 18 – Review all Intergovernmental Agreements (IGAs), Memorandums of Understanding (MOUs), Rentals and Tenant Leases to reflect cost of service provision and value received.
Theme 5: Revenue Enhancement	Goal 19 – Explore alternative funding sources that strategically align with targeted services.
	Goal 20 – Improve effectiveness of Friends’ Groups and Advisory Committees for appropriate fundraising efforts.
	Goal 21 – Explore the opportunities for and use of Sponsorships through naming rights.
	Goal 22 – Increase targeted marketing and outreach efforts.
Theme 6: Future Growth	Goal 23 – Explore new services using the Service Assessment.
	Goal 24 – Continue a variety of community outreach strategies.
	Goal 25 – Pursue collaborations and partnerships.

Note: These are not in priority order. THPRD may already be addressing some of these goals.

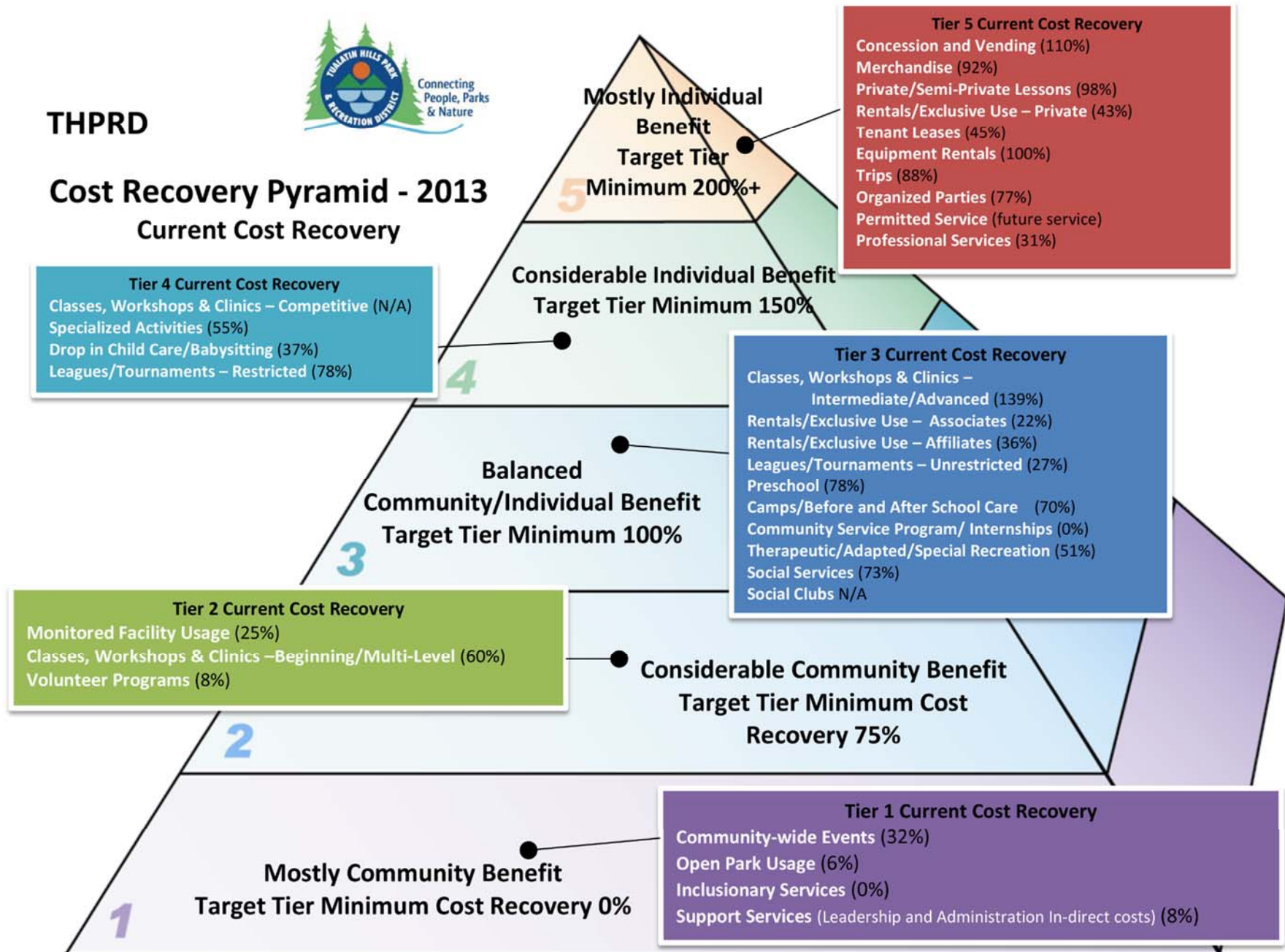
THIS PAGE INTENTIONALLY LEFT BLANK

THPRD



Cost Recovery Pyramid - 2013

Current Cost Recovery



THIS PAGE INTENTIONALLY LEFT BLANK

II. Introduction to the Plan

In summer of 2012, Tualatin Hills Park & Recreation District (THPRD) requested a proposal to complete a Service and Financial Sustainability Analysis. GreenPlay proposed its **Pyramid Methodology and Public Sector Service Assessment**, to include all services offered by the District. Notice of award was given, and work began in August 2012.

THPRD's Comprehensive Plan, as adopted in 2006, contained a strategic planning element which outlined eight umbrella goals, supporting objectives, and actions to help meet park, recreation, and trails needs over the next 20 years. Several of the eight umbrella goals are relevant for this analysis:

Goal 1: Provide quality neighborhood and community parks that are readily accessible to residents throughout the District's service area.

Goal 2: Provide quality sports and recreation facilities and programs for Park District residents and workers of all ages, cultural backgrounds, abilities, and income levels.

Goal 3: Operate and maintain parks in an efficient, safe, and cost effective manner, while maintaining high standards.

Goal 4: Acquire, conserve, and enhance natural areas and open spaces with the District.

Goal 5: Develop and maintain a core system of regional trails, complemented by an interconnected system of community and neighborhood trails to provide a variety of recreational opportunities, such as walking, biking, and jogging.

Goal 6: Provide value and efficient service delivery for taxpayers, patrons, and others who help fund Park District activities.

Goal 7: Effectively communicate information about Park District goals, policies, programs, and facilities among District residents, customers, staff, District advisory committees, the District Board, partnering agencies, and other groups.

Goal 8: Incorporate principles of environmental and financial sustainability into the design, operation, improvement, maintenance, and funding of Park District program and facilities.

The comprehensive plan is being concurrently updated with the development of this plan and contains several recommendations for improved level of service. Funding mechanisms for these recommendations include increased cost recovery as outlined in this analysis.

This **Service and Financial Sustainability Analysis** which resulted in a comprehensive **Services Portfolio**, identifies core services, points out duplication in services, recommends provision strategies, determines resource allocation, and recommends pricing strategies. It enhances partnerships and helps meet the future needs of THPRD residents, along with those who work in and visit the community. The project included conducting an inventory and analysis of all parks and recreation service offerings in relation to the values, vision, and needs of the community, as well as their position in the market, and reaffirms the District's mission. It also included a review of current policies to determine opportunities lost or available to improve cost recovery standing.

The Plan focused on short and long-term implementation strategies that enhance service delivery, efficiently and effectively utilize the community's investment for critical parks and recreation needs, and identifies collaborative efforts. This plan aligns available and future resources with core services and commitments to include desired level of service, sustainable fiscal and environmental stewardship, and industry best practices in operating and maintaining the District's infrastructure. The process produced a systematic implementation plan to ensure the District is moving in the right direction to meet the needs of the **THPRD** community.

THPRD used strategies to engage key stakeholders representing as much of the District's diverse population and service areas as possible. During the fall and winter of 2012, a series of five sorting meetings were held to gather input from staff, users, partners, stakeholders, and citizens from across the geography of the District; in all over 150 participants created 33 similar pyramids grounded in the THPRD community values, District mission, vision, and beneficiary. Meetings took place at Cedar Hills Recreation Center and the Elsie Stuhr Center. The consolidated results identify areas for THPRD to improve financial sustainability – areas that THPRD can focus on impacting over the next several years.

Subsequent chapters of this report chronicle the process of how THPRD used the tools and methodologies and stakeholder engagement to develop the recommended goals, objectives, and action steps of this Service and Financial Sustainability Analysis.

A. Current THPRD Financial Outlook

As part of the **Resource Allocation and Cost Recovery Philosophy, Model and Policy** development phase of the project, and in light of current budgetary conditions, the Tualatin Hills Park & Recreation District (THPRD) elected to examine its resource allocation practices and develop a consensual philosophy, model, and policy. Please refer to the memorandum dated August 17, 2012 from Keith Hobson, Director of Business & Facilities (memorandum content follows this section). This document outlines financial corrective measures the District has undertaken since 2005 to preserve its financial position and sustain services.

"It's fun to challenge our assumptions, even in our own department."

Staff feedback

"Simply put, our [previous] fee increases were a good first step, and we would be in much worse shape financially if we had not implemented them. A review of other agencies around the country, including those in Oregon, shows cutbacks, reduced hours, and staff lay-offs, all of which we have avoided so far. As shown on the models, however, we need to take further action to prevent problems in the future."

“The creation of a cost recovery model and resource allocation philosophy ensures that we are using limited property tax revenue in the manner that best meets the community needs and priorities.”

In light of this, the goal is to improve the District’s financial sustainability forecast. The leadership is forward thinking and desires to have a philosophy, model, and policy in place if and when hard decisions need to be made.

Having a Financial Resource Allocation Philosophy in place can help agencies answer challenging questions such as:

- Are your programs priced fairly and equitably?
- How will you continue to fund your agency’s facilities and services in relationship to future budget constraints?
- Are you using your funding in a responsible manner?
- Do you have a methodology for how you distribute your subsidy? If so, are you transparent?
- Does the way you charge for services (facilities, programs, etc.) support the agency’s values, vision, and mission?

Establishing a carefully considered philosophy for cost recovery and subsidy allocation is the foundation for the development of financial management strategies. It can allow staff to recognize where subsidy is being applied, determine if it is at an appropriate level, and express how and why services are priced as they are. Another result of an articulated philosophy is to help explain the costs and justify pricing of new services.

This process aligns the philosophy with, and supports the values, vision, and mission of, the agency. In addition, the process helps the District meet desired goals for future cost recovery and subsidy levels. The process inherently involves staff, agency leadership, and the community, as buy-in from all stakeholders is critical to successful development and implementation.

The District established a Subsidy/Cost Recovery Resource Allocation Model pyramid based on current and future funding. In addition, Cost Center Pyramids are established for specific types of budgets (Enterprise or General Fund), program areas, or facilities (aquatics, preserves or nature centers, community centers, etc.) as needed.

Cost Recovery Defined

For the purposes of developing a Resource Allocation Philosophy and Policy, cost recovery is defined as the amount of funding for non-capital items that comes into the District that is not General Fund tax subsidy or other tax subsidy (whether derived from property, or other sources).

Current Cost Recovery

Total **taxpayer investment** budgeted for the THPRD for fiscal year (FY) 2011-12 was approximately **63% or close to \$25 million**. This means that the District is **recovering** (cost recovery through non-tax revenue sources) **37%** of the total operating expenses through earned income from fees and charges, miscellaneous and interest income, sales, leases, transfers in, and from other forms of alternative funding such as sponsorships, grants, gifts, etc.

This cost recovery percentage includes a reliance on the beginning fund balance. At this time, the cost recovery figures also include grants and intergovernmental revenues (for our purposes, these resources should count toward subsidy or taxpayer investment if they originate in taxes, whether federal, state or local, and not cost recovery through earned income and alternative funding).

If aligned with community satisfaction ratings, this financial position may indicate very high District Board and community support for use of tax dollars to fund the many existing services of the District.

FY 2011-12 General Fund Budget:

FY 11-12 Total Expense (adopted):	\$39,740,856
FY 11-12 Total Revenue (budgeted earned income):	\$14,892,061 (includes fund balances)
This includes all non-tax revenues as currently defined	<\$24,848,795>*
*covered by property taxes	
FY 11-12 Anticipated Cost Recovery:	37%

Compared to FY 2010-2011 General Fund Actual:

FY 10-11 Total Expense (actual):	\$41,385,112
FY 10-11 Total Revenue (actual):	\$14,016,913 (includes fund balances)
This includes all non-tax revenues as currently defined	<\$27,368,199>*
*covered by property taxes (which were over \$24 million)	
FY 10-11 Cost Recovery:	34%

By Division or Cost Center (these figures were taken from the 2011/12 Adopted Budget document):

Board of Directors

FY 11-12 Total Expense (adopted):	\$2,110,050
FY 11-12 Total Revenue (budgeted earned income):	\$0
*covered by property taxes	<\$2,110,050>
FY 11-12 Anticipated Cost Recovery:	0%

Administration

FY 11-12 Total Expense (adopted):	\$1,766,416
FY 11-12 Total Revenue (budgeted earned income):	\$0
*covered by property taxes	<\$1,766,416>
FY 11-12 Anticipated Cost Recovery:	0%

Business and Facilities Division

FY 11-12 Total Expense (adopted):	\$16,562,268
FY 11-12 Total Revenue (budgeted earned income):	\$0
covered by property taxes	<\$16,562,268>
FY 11-12 Anticipated Cost Recovery:	0%

Planning Division

FY 11-12 Total Expense (adopted):	\$1,516,481
FY 11-12 Total Revenue (budgeted earned income):	\$0
covered by property taxes	<\$1,516,481>
FY 11-12 Anticipated Cost Recovery:	0%

Parks and Recreation Services Division

FY 11-12 Total Expense (adopted):	\$15,002,333
FY 11-12 Total Revenue (budgeted earned income):	<u>\$9,556,046 (includes Admin rev)</u>
covered by property taxes	<\$5,446,287>
FY 11-12 Anticipated Cost Recovery: 64%	

Specific Park and Recreation Division Cost Centers follow:

Aquatics Cost Center (includes superintendent budget, excludes Conestoga Aquatics)

FY 11-12 Total Expense (adopted):	\$3,481,621
FY 11-12 Total Revenue (budgeted earned income):	<u>\$1,637,567 (excludes Con-Aq)</u>
covered by property taxes	<\$1,844,054>
FY 11-12 Anticipated Cost Recovery: 47%	
FY 10-11 Actual: 51%	

Specific Aquatic Center Budgets follow:

Aloha Swim Center

FY 11-12 Total Expense (adopted):	\$524,511
FY 11-12 Total Revenue (budgeted earned income):	<u>\$248,042</u>
covered by property taxes	<\$276,469>
FY 11-12 Anticipated Cost Recovery: 50% w/o maint/utilities	
FY 10-11 Actual: 43%	

Aquatic Center

FY 11-12 Total Expense (adopted):	\$769,881
FY 11-12 Total Revenue (budgeted earned income):	<u>\$449,862</u>
covered by property taxes	<\$320,019>
FY 11-12 Anticipated Cost Recovery: 55% w/o maint/utilities	
FY 10-11 Actual: 58%	

Beaverton Swim Center

FY 11-12 Total Expense (adopted):	\$742,348
FY 11-12 Total Revenue (budgeted earned income):	<u>\$435,623</u>
covered by property taxes	<\$306,725>
FY 11-12 Anticipated Cost Recovery: 60% w/o maint/utilities	
FY 10-11 Actual: 63%	

Harman Swim Center

FY 11-12 Total Expense (adopted):	\$724,514
FY 11-12 Total Revenue (budgeted earned income):	<u>\$267,686</u>
covered by property taxes	<\$456,828>
FY 11-12 Anticipated Cost Recovery: 39% w/o maint/utilities	
FY 10-11 Actual: 45%	

Sunset Swim Center

FY 11-12 Total Expense (adopted): \$441,323
FY 11-12 Total Revenue (budgeted earned income): \$147,912
covered by property taxes <\$293,411>
FY 11-12 Anticipated Cost Recovery: 43% w/o maint/utilities
FY 10-11 Actual: 45%

Raleigh Swim Center

FY 11-12 Total Expense (adopted): \$38,841
FY 11-12 Total Revenue (budgeted earned income): \$38,790
covered by property taxes <\$51>
FY 11-12 Anticipated Cost Recovery: 88% w/o maint/utilities
FY 10-11 Actual: 86%

Somerset West Swim Center

FY 11-12 Total Expense (adopted): \$ 54,512
FY 11-12 Total Revenue (budgeted earned income): \$ 49,652
covered by property taxes <\$4,860>
FY 11-12 Anticipated Cost Recovery: 90% w/o maint/utilities
FY 10-11 Actual: 118%

Sports Cost Center (includes superintendent budget and field fee revenue)

FY 11-12 Total Expense (adopted): \$1,695,214
FY 11-12 Total Revenue (budgeted earned income): \$1,164,993 (includes field fee)
covered by property taxes <\$530,221>
FY 11-12 Anticipated Cost Recovery: 71%
FY 10-11 Actual: 75%

*Specific Athletic Center Budgets follow:***Athletic Center and Sports**

FY 11-12 Total Expense (adopted): \$1,425,063
FY 11-12 Total Revenue (budgeted earned income): \$756,178
covered by property taxes <\$668,885>
FY 11-12 Anticipated Cost Recovery: 71% w/o maint/utilities
(71% recovery includes field fee revenue)
FY 10-11 Actual: 68% (does not include field fee revenue)

Recreation Cost Center (includes superintendent budget & Conestoga Aquatics)

FY 11-12 Total Expense (adopted): \$4,905,231
FY 11-12 Total Revenue (budgeted earned income): \$4,403,244 (includes Con-Aq)
*covered by property taxes <\$501,987> *
FY 11-12 Anticipated Cost Recovery: 90%
FY 10-11 Actual: 94%

Specific Recreation Center Budgets follow:

Cedar Hills Recreation Center

FY 11-12 Total Expense (adopted):	\$1,431,480
FY 11-12 Total Revenue (budgeted earned income):	<u>\$1,439,063</u>
nothing covered by property taxes	\$7,583
FY 11-12 Anticipated Cost Recovery: 101% w/o maint/utilities	
FY 10-11 Actual: 112%	

Conestoga Recreation and Aquatic Center

FY 11-12 Total Expense (adopted):	\$2,057,495
FY 11-12 Total Revenue (budgeted earned income):	<u>\$1,695,224</u>
covered by property taxes	<\$362,271>
FY 11-12 Anticipated Cost Recovery: 82% w/o maint/utilities	
FY 10-11 Actual: 85%	

Aquatic Center only

FY 11-12 Total Expense (adopted):	\$892,019
FY 11-12 Total Revenue (budgeted earned income):	<u>\$688,805</u>
covered by property taxes	<\$203,214>
FY 11-12 Anticipated Cost Recovery: 77% w/o maint/utilities	
FY 10-11 Actual: 87%	

Recreation Center only

FY 11-12 Total Expense (adopted):	\$1,165,476
FY 11-12 Total Revenue (budgeted earned income):	<u>\$1,006,419</u>
covered by property taxes	<\$159,057>
FY 11-12 Anticipated Cost Recovery: 86% w/o maint/utilities	
FY 10-11 Actual: 84%	

Garden Home Recreation Center

FY 11-12 Total Expense (adopted):	\$1,242,377
FY 11-12 Total Revenue (budgeted earned income):	<u>\$1,268,957</u>
*nothing covered by property taxes	\$26,580
FY 11-12 Anticipated Cost Recovery: 100% w/o maint/utilities	
FY 10-11 Actual: 103%	

Programs and Special Activities Cost Center (includes superintendent budget)

FY 11-12 Total Expense (adopted):	\$2,706,552
FY 11-12 Total Revenue (budgeted earned income):	<u>\$1,562,988</u>
covered by property taxes	<\$1,143,564>
FY 11-12 Anticipated Cost Recovery: 58%	
FY 10-11 Actual: 63%	

Specific Program and Special Activities Budgets follow:

Elsie Stuhr Center

FY 11-12 Total Expense (adopted): \$890,839
FY 11-12 Total Revenue (budgeted earned income): \$345,309
covered by property taxes <\$545,530>
FY 11-12 Anticipated Cost Recovery: 39% w/o maint/utilities
FY 10-11 Actual: 39%

Jenkins Estate

FY 11-12 Total Expense (adopted): \$301,104
FY 11-12 Total Revenue (budgeted earned income): \$257,875
covered by property taxes <\$43,229>
FY 11-12 Anticipated Cost Recovery: 68% w/o maint/utilities
FY 10-11 Actual: 81%

Camp Riverside

FY 11-12 Total Expense (adopted): \$139,808
FY 11-12 Total Revenue (budgeted earned income): \$91,580
covered by property taxes <\$48,228>
FY 11-12 Anticipated Cost Recovery: 66% w/o maint/utilities
FY 10-11 Actual: 65%

Tennis Center

FY 11-12 Total Expense (adopted): \$928,490
FY 11-12 Total Revenue (budgeted earned income): \$868,224
covered by property taxes <\$60,266>
FY 11-12 Anticipated Cost Recovery: 104% w/o maint/utilities
FY 10-11 Actual: 99%

Natural Resources and Trails Cost Center (includes superintendent budget and Natural Resources budget)

FY 11-12 Total Expense (adopted): \$1,506,421
FY 11-12 Total Revenue (budgeted earned income): \$251,054
covered by property taxes <\$1,255,367>
FY 11-12 Anticipated Cost Recovery: 17%
FY 10-11 Actual: 21.9%

Specific Natural Resources and Trails Program Budgets follow:

Interpretive Programs

FY 11-12 Total Expense (adopted): \$712,063
FY 11-12 Total Revenue (budgeted earned income): \$251,064
covered by property taxes <\$460,999>
FY 11-12 Anticipated Cost Recovery: 34% w/o maint/utilities
FY 10-11 Actual: 47%

1. Developing a Resource Allocation (Subsidy/Cost Recovery) Philosophy

Subsidy/Cost Recovery Philosophy refers to the justification for the degree to which programs and services are supported by tax subsidy as compared to user fees. Typically, park development, maintenance and operations, and agency-wide administrative costs are heavily subsidized through tax dollars which are supplemented by some incidental revenues. On the other hand, recreation programs are generally supported with a mix of revenue from taxes and user fees.

To illustrate the mix of revenue sources: a recreation program may have direct costs totaling \$10, and participants are charged a \$7 registration fee. The additional cost must be offset through a subsidy. In this example, we would indicate that the program is at a 30% subsidy and 70% cost recovery. This subsidy would most likely come from the agency's General Fund.

Many agencies are seeking to reduce dependence on tax dollars and user fees to offset direct costs. The subsidy level of agencies varies from a minimal dependence on fees to a complete fee-based program, covering all costs. In some examples, agencies fund their entire operations independently from government tax sources.

The District currently recovers about **37%** of its expenses in the General Fund through user fees and other forms of alternative funding. However, similar to the experiences of other agencies across the country, there continues to be a demand for more high quality facilities and programs. Efforts to meet this demand could be possible through an increase in cost recovery for appropriate programs and services. This enhances the ability to generate revenue while maintaining or increasing the participation needed to generate new dollars. The **Resource Allocation and Cost Recovery Philosophy, Model and Policy** takes into account the funding philosophies that will guide future pricing and allocation of resources.

It is informative to identify trends regarding all sources of revenue. As a part of this study, we can look at a history of FY 2010/11 actual, and FY 2011/12 adopted and FY 2012/13 proposed budgeted revenue forecast for various types of revenues including:

General Fund Subsidizations (current accounting):

- Taxes
 - Property tax is the primary source of funding for the District, and typically has a capacity limited by state law.
 - **Tax Rate: \$1.3073 per \$1,000 assessed value, which generates approximately \$25 million annually with a 95% collection rate (budget projections based on this conservative amount).**
 - In addition, there is an additional bonded debt fund.

General Fund Cost Recovery (current accounting):

- Cash balances, miscellaneous and interest income, transfers in
- Fees and Charges
 - Program/class fees
 - Permit fees
 - Drop-in admission
 - Rentals and leases
 - Food, beverage, merchandise sales
 - Other sales

- Alternative funding
 - Donations and gifts
 - ♦ Individual donations not budgeted for
 - ♦ Business in-kind donations
 - Event Sponsorships
 - Use of volunteers
 - Philanthropic grants
 - Grants and intergovernmental revenues (For our purposes, these resources should count toward subsidy or taxpayer investment if they originate in taxes, whether federal, state or local, and not cost recovery through earned income and alternative funding.)

Other Funds:

Special Revenue Fund

The District receives mitigation reserve funds periodically. These funds are a reserve against future maintenance costs at mitigation sites. A portion of the funds are available for use on a variety of natural area restoration projects, and all funds are accounted for separately.

Capital Project Fund

Funds from the Metro 2006 Natural Areas Bond Measure based on the Local Share Allocation, for use for various park/natural area related projects that protect and improve natural areas, water quality, and access to nature.

Enterprise Fund

There are currently no operations in an Enterprise Fund; however, the District is proposing to create a new center in an Enterprise Fund in FY 2013/14. The intention of an enterprise fund is to be a self-sustaining fund including servicing debt.

An enterprise fund or quasi-enterprise fund is a governmental accounting tool similar to those utilized in the private sector, allowing for tracking of services through a separate fund. All revenues and expenses, as well as assets and current liabilities, are included. This type of fund is generally required to break even, or generate excess revenues over expenditures.

Any revenues earned in excess of expenses are carried over, used for capital improvements, or are transferred to the General Fund. Collected gross revenues are not deposited in the General Fund, but rather are intended to be used to expand or improve services. These funds typically include services such as cemeteries, utilities, or golf.

2. Issues Related to Pricing and Cost Recovery

Having a common language for terms such as direct and indirect costs and what is to be included in the expenses are critical to the success of the process of developing a philosophy.

The factors involved in achieving higher cost recovery generally fall into two categories: design and programming. Design is important for several reasons. Trends across the country indicate that most people are willing to pay for value in recreation. For this reason, it is important to provide facilities that meet all key needs for recreation, therapeutics, and sports, and meet them in a first rate manner. A similar criterion applies to multi-use sports facilities and community centers. Excellent design promotes usage, which leads to community satisfaction and generates revenue.

State-of-the-art sports facilities could attract top-level competitions that bring in direct revenue. Indirect revenue such as taxes paid by visitors for lodging and meals is also a significant factor. Corporate contributions, both as a part of the initial cost or later as event sponsorships, are possible when first rate facilities exist. These facilities can also attract visitors and generate community economic development and return on taxpayer investments.

Facility programming is a key factor in cost recovery. It is important to provide a range of activities and schedule them in response to changes in demand. Flexibility of design is essential to meeting this objective. Besides facility user fees, other activities that generate significant revenue without large staff and other costs are recreation classes, birthday parties, events, team rentals, community rentals, and fitness centers. Other sources of income could include: equipment rentals and sales, spectator admission charges, training camps, sales of licensed merchandise, and vending and food concession sales.

A significant factor related to programming is marketing. At a very basic level, regular, periodic surveying of the community along with analysis of current efforts is essential to understanding your community. In addition, knowledge of alternative service providers in the community helps in avoiding service gaps and unnecessary duplication. Creative efforts to enhance usage are also important in cost recovery. One example might be an arrangement with local hotels under which the hotels could offer their guests a discounted pass to a facility in exchange for payment for those passes or an annual fee paid to the agency.

B. Background on Cost Recovery and Service Assessment

This information is taken from an August 17, 2012 memo from Keith Hobson, Director of Business & Facilities, to the THPRD Management Staff and given to the project team.

“As part of THPRD’s Comprehensive Plan update, the District will be engaging GreenPlay LLC to develop a Cost Recovery Model and Resource Allocation Philosophy, and to conduct a Service Assessment. These will be explained more fully by representatives of GreenPlay, but I wanted to start by providing background on why we have chosen to undertake these initiatives.

“Long Term Financial Plan

The long-term financial plan (LTFP) was developed in 2005 to provide a planning tool to ensure that the District was operating in a financially sustainable manner. At the time it was completed, we were seeing rapidly increasing maintenance replacement backlogs which was an indicator that we weren’t operating sustainably, and that without changes, the backlog would grow to a point that we would be forced to close facilities or make severe service reductions. Fortunately, the LTFP gave us the ability to model alternate strategies and find ones that put us on a sustainable track.

“2006 Comprehensive Plan and Fee Study

With the knowledge from the LTFP, the 2006 Comprehensive Plan included public surveys that asked our residents whether they would prefer us to address long term financial shortfalls through tax increases, user fee increases, or service level reductions. The response overwhelmingly supported user fee increases rather than the other two alternatives.

“Using the LTFP, we conducted a user fee study during the winter and spring of 2007, and the recommendations that resulted from this study were approved by the Board of Directors in June 2007. The resulting fee increases were phased in over four years beginning January 1, 2008. Some of the increases, such as the reduction in the senior discount rates, were pushed out further and won’t be fully phased in until 2015.

“Applying the fee increase to the LTFP showed that we would begin funding more of our maintenance replacements and actually cap out the deferred backlog in 2010, at which point it would begin slowly decreasing. The actual results played out as projected, and we did see the backlog cap out and start to slowly decrease.

“Property Tax Calculation under Measure 5 and Measure 50

District general fund property taxes are assessed using a permanent rate of \$1.3073 per \$1,000 of assessed value. Since the rate is fixed, the only way that revenue can increase is by having the total assessed value increase. There are two sources of increase in assessed value:

1. Assessed value on existing property can increase up to 3% per year **AS LONG AS** the assessed value does not exceed the actual market value, and
2. Assessed value of new development or new areas annexed into the district – this is called exception based increase in AV.

“Historically, these two sources resulted in annual increases to the district-wide assessed value of between four and six percent (3% on existing property and 1-3% of exception based growth), which in turn resulted in property tax revenue increase at the same rate.

“The LTFP and the Fee Study were built using estimates of property tax growth that we thought were conservative at the time – 4.5% per year.

“2008 Recession and Property Value Crash

Since the passage of Measure 50 in 1997, actual market value of real property grew at a much faster pace than the 3% increase allowed for assessed value. This created a cushion between assessed value and market value; at the market value peak, the average assessed value on residential property was only 55% of the real market value. With this cushion, it appeared that the 3% increase in assessed value on existing property was almost a guarantee.

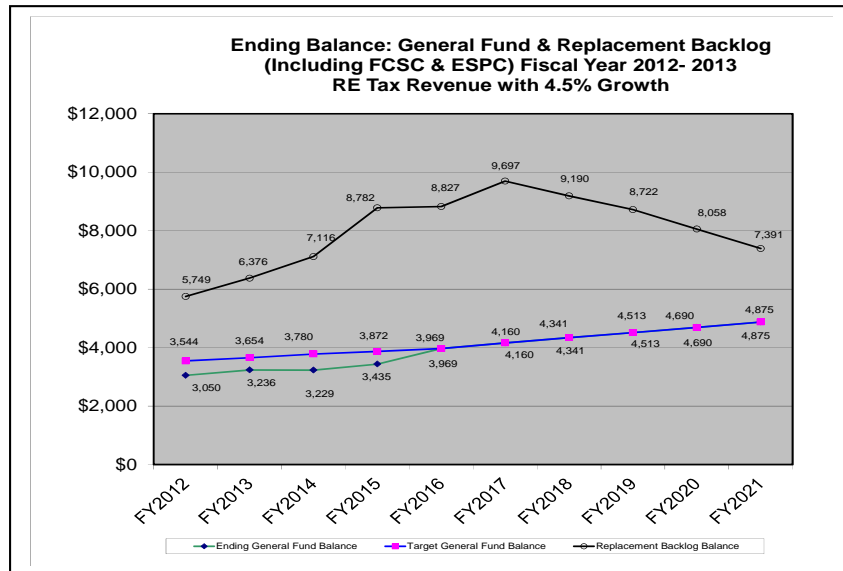
“With the 2008 recession and the crash of the real estate market ‘bubble,’ real property values have decreased in the District at an average rate of 25-30%. The 2011-12 Property Tax Rolls from Washington County now show average residential assessed values at 78% of the actual market value. Even if market values do not fall further, simply having no increase in market values means that the 3% increase will only last another seven years based on these average values.

“Unfortunately, the actual revenue calculation is not based on the average value and is set property by property. An analysis of assessed values in the District showed that 11% of the total assessed value is on properties that have assessed values already at market value; there is no 3% growth on these properties. Because of this, our 2012-13 budget could not assume the automatic 3% growth rate in property tax revenue and lowered the increase to 2.65%.

“The recession also took a toll on development activity. Our normal exception based growth of 1-3% has been cut to less than 0.5% for the last few years.

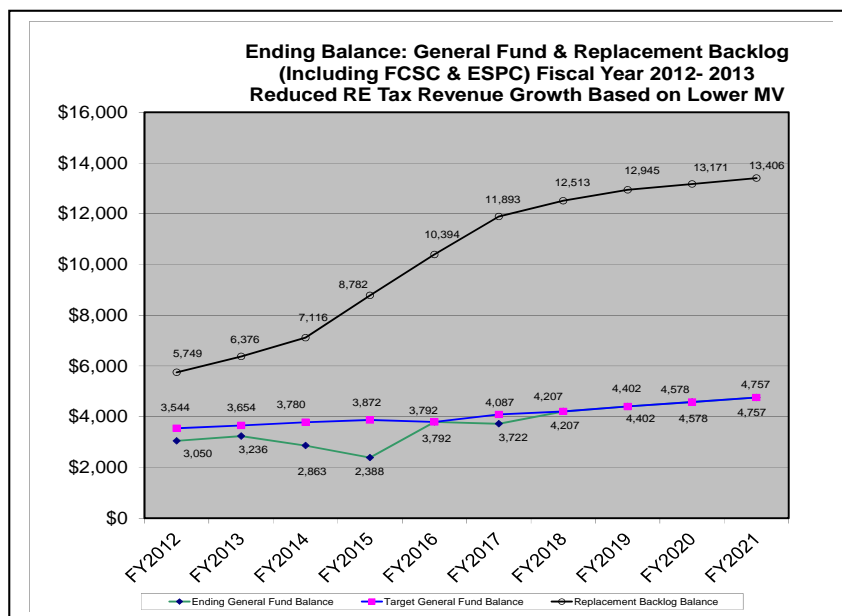
“So what does this mean to our LTFP projections?

“The chart below shows our 10 year projection of general fund balance and deferred backlog using the standard 4.5% growth we saw prior to 2008 for all fiscal years after FY 2012-13. As shown, backlog still grows for a few years due to the tax revenue loss we’ve already incurred plus growth in our overall inventory of assets subject to replacement, but then drops off significantly.



			FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
RE Tax Revenue Growth:												
Existing Property			3.00%	2.65%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
New Property			0.25%	0.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Total			3.25%	3.15%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

“The following chart shows our 10 year projection of the same things using lower rates of tax revenue growth that are more likely if real property values stabilize and begin to slowly recover. As shown here, backlog grows much more significantly and does not ever come down.



	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
RE Tax Revenue Growth:										
Existing Property	3.00%	2.65%	2.55%	2.65%	2.80%	3.00%	3.00%	3.00%	3.00%	3.00%
New Property	0.25%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.50%	1.50%	1.50%
Total	3.25%	3.15%	3.05%	3.40%	3.80%	4.25%	4.50%	4.50%	4.50%	4.50%

“We didn’t run a chart assuming that property values stay flat for several more years or even decline further, but it would show even greater growth in backlog.

“Simply put, our fee increases were a good first step, and we would be in much worse shape financially if we had not implemented them. A review of other agencies around the country, including those in Oregon, shows cutbacks, reduced hours, and staff lay-offs, all of which we have avoided so far. As shown on the models, however, we need to take further action to prevent problems in the future.

“The creation of a cost recovery model and resource allocation philosophy ensures that we are using limited property tax revenue in the manner that best meets the community needs and priorities.”

III. THPRD Mission and Vision

A. Review and Analysis of District Mission and Vision

These fundamental principles create a logical philosophical framework that guides and directs decision-making efforts. They are the foundation for all organizational decisions and processes.

THPRD's values are comprised of leadership values, staff values, and community values. They direct the District's vision and help determine those community conditions the District wishes to impact through the organizational mission. Its mission helps guide management decisions, often substantiating difficult decisions, making them justifiable and defensible.

THPRD previously established mission and vision statements that were reviewed, analyzed, and considered as the process advanced. The mission was confirmed and the vision statement was revised as a result of the concurrent Comprehensive Plan Update project.

B. Mission Statement

"The mission of the Tualatin Hills Park & Recreation District is to provide high-quality park and recreation facilities, programs, services, and natural areas that meet the needs of the diverse communities it serves."

C. Vision Statement

"We will enhance healthy and active lifestyles while connecting more people to nature, parks, and programs. We will do this through stewardship of public resources, and by providing programs/spaces to fulfill unmet needs."

THIS PAGE INTENTIONALLY LEFT BLANK

IV. The Service and Financial Sustainability Analysis Process

June 18, 2012

Strategic Kick-off Meeting

- Conducted as part of the separate and concurrent Comprehensive Plan update project
- Confirmed Plan schedule and scope
- Determined Critical Success Factors
- Determined staff and stakeholder participation

September 19, 2012

Cost Recovery Workshop 1

- Introduction to the *Pyramid Methodology*
- Conducted preliminary discussion of direct and indirect costs
- Refined direct and indirect costs allocations
- Determined strategy for identifying and applying direct and indirect costs
- Established small group to develop financial and registration related glossary of terms
- Zero-based budget preparation

December 12-17, 2012

Cost Recovery Workshop 2

- Introduced stakeholders to the methodologies and tools used in this project
- Conducted public/stakeholders and staff sorting meetings
- Sorted services based on beneficiary and the THPRD Mission and Vision
- Reviewed current cost recovery determinant methodology
- Created consensus pyramid from sorting results

March 5-7, 2013

Cost Recovery Workshop 3 and Service Assessment Workshop 1

- Presented consensus pyramid
- Confirmed current cost recovery and percent of operating budget for each tier
- Identified target cost recovery goals
- Discussed pricing theory
- Developed THPRD's pricing strategy and methods
 - Cost Recovery Strategy
 - Competitive Strategy
 - Market Rate Strategy
- Discussed policy revisions
- Service Assessment kick off and introduction
- Presented the *Public Sector Services Assessment* tool and methodology
- Identified THPRD menu of services including programs and facilities through a Services Analysis (homework)
- Identified alternative service providers through a Services Analysis (homework)
- Conducted staff homework meetings

April 30 and May 1, 2013**Service Assessment Multi-day Workshops**

- Processed each of the District's services through each of the Service Matrix filters
- Identified and discussed resulting provision strategies

May 2013**Policy and Report Development**

- Developed THPRD's Service Portfolio
- Drafted *Service and Financial Sustainability Analysis* report

June 17, 2013**Presentation**

- Presented results and recommendations to Board of Directors

V. Resource Allocation Philosophy, Model and Policy

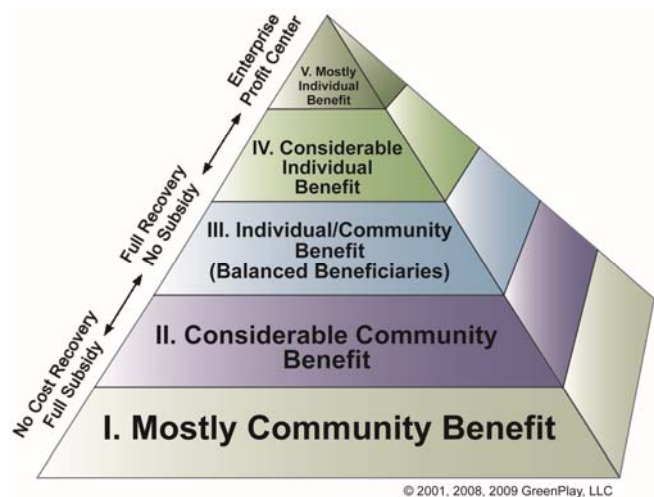
THPRD had GreenPlay train a cross section of staff members to learn how to use the **Pyramid Methodology** tool, to identify broad categories of like or similar service, and to understand the beneficiary filter. (See **Appendix A** for details on the methodology.) The participating group, the Cost Recovery Team, was comprised of staff representing all THPRD divisions. The staff, in addition to the public, sorted the broad categories of service by beneficiary (**Appendix B**).

The use of the Pyramid Methodology tool to sort categories of services and determine current and target tier minimum cost recovery thresholds included a significant number of educational workshops and required extensive time and effort by many THPRD staff. Educational workshops rooted in the vision and mission statements, and to what degree the community as a whole or an individual benefits, formed the foundation for development and use of the pyramid tool. These sessions introduced each component of the process and engaged internal and external stakeholder groups in interactive dialogue and exercises.

Engagement was critical to collective “buy-in,” consensus, and endorsement of the process. These workshops provided the groundwork for many intensive work sessions and ultimately, for the recommended Service Portfolio, a compilation of both the Pyramid Methodology and the Public Sector Services Assessment tools. (A sample of the Service Portfolio has been provided in **Appendix G**, and the full portfolio was provided to staff as a resource document.)

A. Developing a Resource Allocation Philosophy: The Pyramid Methodology

It is often easier to integrate the values of an organization with its mission and vision if they can be visualized. An ideal philosophical model for this purpose is the Pyramid. In addition to a physical structure, *pyramid* is defined by Webster’s Dictionary as “an immaterial structure built on a broad supporting base and narrowing gradually to an apex.” Parks and recreation programs are built with a broad supporting base of core services, enhanced with more specialized services as resources allow. Envision a pyramid sectioned horizontally into five levels.



The Pyramid illustrates THPRD’s categories of services and financial resource allocation philosophy. The Pyramid details cost recovery and subsidy goals commensurate with the benefit received by a service’s user and the community as a whole. Descriptions regarding each level of the Pyramid are provided in this document, and they are critically dependent upon THPRD’s philosophies. These philosophies inevitably determine where THPRD’s services will fall within the Pyramid. Historical, cultural, geographical, and resource impacts may play a role in this determination. The resulting Pyramid is unique to each jurisdiction that applies this method.

The Pyramid is the major component of a *Service and Financial Sustainability Analysis*. The foundational level of the Pyramid represents the mainstay of a public parks and recreation system. It is the largest service level and most heavily subsidized by tax dollars. Services appropriate to higher levels of the Pyramid should be offered only when the preceding levels below are significant enough to provide basic parks and recreation services to the community as a whole. This represents the public parks and recreation mission while reflecting the growth and maturity of a district.

Application of the Pyramid Methodology begins with the mission and vision of THPRD, but must also address the following questions and issues:

- Who benefits from the service – the community in general, the individual, or the group receiving the service?
- Does the individual or group receiving the service generate the need, and therefore the cost, of providing the service? An example of this type of service is a permitted activity in a park that requires police presence beyond the norm.
- Will imposing the fee pose an economic hardship on specific users?
- If the ability to pay does not align with the benefit and value of a service, consideration of this dynamic should be addressed during the implementation phase of pricing and marketing.
- Do community values support taxpayer subsidy of the cost of service for individuals with special needs (e.g., specialized programs for people with disabilities or services for low-income families)?
- Are services federally mandated like inclusionary services as instituted by the Americans with Disabilities Act (ADA)?
- Will the level of the fee affect the demand for the service?
- Is it possible and desirable to manage demand for a service by changing the level of the fee?
- Are there competing providers of the service in the public, nonprofit, or private sector?

B. Direct and Indirect Cost Definitions

Direct Cost: Includes all the specific, identifiable expenses (fixed and variable) associated with providing a service or operating and maintaining a facility, space, or program. These expenses would not exist without the program or service and often increase exponentially.

All Programs and Services*:

- Applicable full-time staff hours up to the Department Superintendent (program and service related).
- Applicable regular part-time staff hours (program and service related).
- Part time/hourly and seasonal time staff.
- Hourly or part time salaries for instructors, leaders, aides, field supervisors, officials, coaches.
- Personnel benefits including FICA and Medicaid, Social Security, Worker's Compensation Insurance, Unemployment Insurance, Retirement, Health, Dental, and other Insurance premiums as applicable; currently estimated at **52.26%** for full-time benefited employees, **43.21%** for regular part-time benefited employees, and **10%** (payroll taxes) for part-time employees.
- Contractual services for coaches, officials, instructors, etc.
- Consumable equipment and supplies like ping pong balls, paper, clay and glazes, kiln firing, art supplies provided by instructor or agency, chalk, food, paper.
- Uniforms, tee shirts, for participants and staff.

- Non-consumable equipment purchased only for the program that require periodic, continual replacement or are necessary for the start of the program like yoga mats, blocks, bouncy balls, basketballs, low free weights, racquets, and goggles.
- Training specifically for the program or service like CPR and First Aid, on-going or reimbursed training and certifications.
- Transportation costs like van driver and mileage, parking, tolls, detailing, or rental of busses, taxis, metro, etc.
- Entry fees, tickets, admissions for participants and leaders/instructors.
- Rental fees for facilities, spaces, janitors, charge backs, etc.
- Marketing/promotion/printing/distribution/fliers/etc. associated directly for programs.
- Repair or maintenance of program or service-specific equipment like piano tuning, pottery wheel, kiln, etc.
- Any other costs associated or attributed specifically with the program or service.

** Note: The **Class Fee Calculation Sheet** automatically adds all direct costs and a specific facility allocation.*

Facilities and Spaces (Includes applicable direct costs above*):

- Applicable full-time staff hours up to the Department Superintendent (facility and space related including lifeguards).
- Applicable regular part-time staff hours (facility and space related including lifeguards).
- Part-time/hourly and seasonal staff.
- All recreation center maintenance staff.
- Personnel benefits including FICA and Medicaid, Social Security, Worker's Compensation Insurance, Unemployment Insurance, Retirement, Health, Dental, and other Insurance premiums as applicable; currently estimated at **52.26%** for full-time benefited employees, **43.21%** for regular part-time benefited employees and **10%** (payroll taxes) for part-time employees.
- Building monitoring, insurance, utilities, etc. (may be contracted directly or may be allocations from another Department or General Services).
- Licensing Agreements like the American Society of Composers, Authors and Publishers; Broadcast Music, Inc.; Motion Pictures, etc.
- Consumable equipment; office supplies; and maintenance supplies like basketballs, paper, food, toilet paper, mops, cleaning supplies.
- Uniforms, tee shirts for center and spaces staff.
- Non-consumable equipment purchased only for the facility or space that require periodic, continual replacement or are necessary for the operation of the facility like free weights, cardio-equipment, etc.
- Training specifically for the center operations like CPR and First Aid, lifeguard training, pesticide applications, security, on-going or reimbursed training and certifications.
- Transportation costs like mileage reimbursement, parking, tolls, fleet expenses.
- Marketing/promotion/printing/distribution/fliers/etc. associated directly for facilities or spaces.
- Repair or maintenance of facility-specific equipment like copier maintenance agreement, phones, etc.
- Any other costs associated or attributed specifically with the facility.

** Note: The **Facility Fee Calculation Sheet** automatically adds all direct costs specific to a facility.*

District Administration or Indirect (Support Services) encompasses remaining overhead (fixed and variable) not identified as Direct Costs. These *Indirect Costs* would generally exist without any one specific service. Often **Departmental Administration or Indirect Costs** are lumped into a category of service called “Support Services” and are shown on the foundation level of the pyramid.

- Fund debt service
- Marketing and research – general support and activities guide
- General contractual services like janitorial, security, etc.
- Facility operating costs and utilities if not charged back
- Full-time, regular part-time, and part time/hourly employees at the Administrative level salaries, required trainings, supplies, equipment and contracts for General Manager’s Office, Directors’ Offices and staff, Business & Facilities Managers, Administration, Management Services, and technology costs, etc.
- Full-time and temporary Planning and Development employees’ salaries, required trainings, supplies, equipment, and contracts (when not chargeable to a capital project).
- Personnel benefits including FICA and Medicaid, Social Security, Worker’s Compensation Insurance, Unemployment Insurance, Retirement, Health, Dental, and other Insurance premiums as applicable; currently estimated at **52.26%** for full-time benefited employees, **43.21%** for regular part-time benefited employees and **10%** (payroll taxes) for part-time employees.
- Employment ads
- Office equipment and supplies
- Office furniture (Project Life Cover Ratio or Capital Improvement Plan)
- Computers, cell phones, smart phones, tablets, etc.
- Vehicles used for administration and mileage reimbursement
- All maintenance except recreation center maintenance (including administrative grounds, parks, trails, capital equipment and vehicles)
- Bank fees, etc.
- Various other appropriated costs

Indirect Costs (Administrative, Support, and Management Staffing) are not allocated but are carried in the Support Services category of service on the foundation of the pyramid.

Aquatics and Recreation Centers generate revenues through fees and charges on their own through drop-in admission, passes, and class fees. Therefore, most of the facility operating cost is allocated directly to the Monitored Facility category of service and rentals.

Costs Allocation Methodology for:

- **Aquatics/Recreation Centers Rentals** – Hourly costs for these types of facilities are based on a formula using expenditures directly related to the cost of operating the facility. Expenditures include utilities, telecommunications, custodial services and supplies, a percentage of FTE staff, and a percentage of hourly staff. Those costs are divided into operating hours in each facility and the square footage of the facility. This formula establishes per hour/per square foot rates for each facility. The rate is used to determine cost recovery levels for rentals.

- **Programs** – The cost of a program is determined by calculating all direct expenditures associated with the program. Expenditures include FTE and hourly staff time (program development and scheduling, registration and maintenance, and instruction/leader), services and supplies, and contractor percentage, when applicable. Each program will also be allocated a facility use cost.

Additional working definitions can be found in **Appendix C – Glossary of Terms and Definitions**

C. The THPRD Target Cost Recovery Pyramid Model

A consensus pyramid from the public sorting process was created. The target cost recovery percentages were established based on current cost recovery when all direct costs were allocated, and with the goal of increasing cost recovery for THPRD.

The Target Tier Minimum Cost Recovery Percentages were established by analyzing to which category or categories of service the majority of resources were allocated by each tier or level, coupled with typically current cost recovery based on the definitions of direct and indirect costs. GreenPlay also considered best practice target levels based on its work with other agencies. The target tier minimum cost recovery percentages are only attempting to recover direct cost of service provision, not all costs, or fully loaded (direct and indirect) costs. (The final THPRD cost recovery pyramid follows.)

A pyramid which aggregates the percent of operating budget for each category of service on each tier was created to understand where the majority of the available taxpayer subsidy is allocated. (That pyramid also follows.) The target tier minimum cost recovery percentages were established by aggregating and analyzing which category or categories of service the majority of resources were allocated to by each tier or level, typically coupled with current cost recovery based on the definitions of direct and indirect costs. The target tier minimum cost recovery percentages are attempting to recover only direct and allocated cost of service provision, not a fully loaded (direct and indirect) cost.

D. Cost Center Pyramids

In addition to defining costs and target tier minimum cost recovery percentages, specific and supplemental cost centers pyramids can be extrapolated and defined to assist in financial management practices as necessary. None were identified as necessary at the time of the report development.

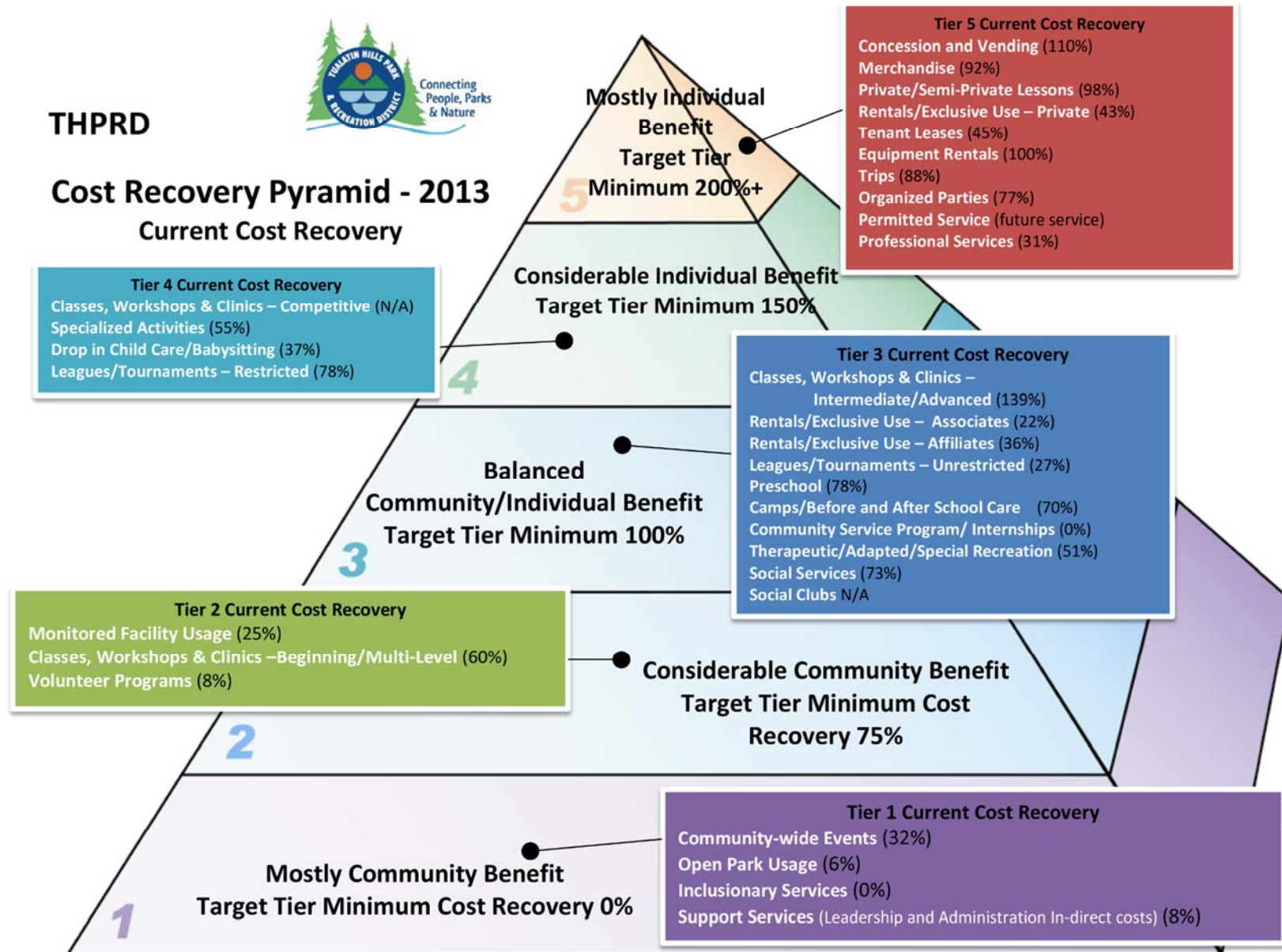
THIS PAGE INTENTIONALLY LEFT BLANK

THPRD



Cost Recovery Pyramid - 2013

Current Cost Recovery



THPRD

Resource Allocation Pyramid-2013

Percent of Operating Budget



Tier 4 Percent of Budget	
Classes, Workshops & Clinics – Competitive	N/A
Leagues/Tournaments – Restricted	0.0%
Specialized Activities	1.0%
Drop in Child Care/Babysitting	0.5%
Sub-total	1.5%



Tier 5 Percent of Budget	
Concession and Vending	0.0%
Merchandise	0.0%
Private/Semi-Private Lessons	1.0%
Rentals/Exclusive Use – Private	5.0%
Tenant Leases	0.5%
Equipment Rentals	0.0%
Trips	0.5%
Organized Parties	0.0%
Permitted Service	N/A
Professional Services	0.0%
Sub-total	7.0%

Tier 3 Percent of Budget	
Classes, Workshops & Clinics – Intermediate/Advanced	1.0%
Rentals/Exclusive Use – Associates	0.0%
Rentals/Exclusive Use – Affiliates	4.0%
Leagues /Tournaments – Unrestricted	7.0%
Preschool	2.0%
Camps/Before and After School Care	8.0%
Community Service Program/ Internships	N/A
Therapeutic/Adapted/Special Recreation	1.0%
Social Services	0.0%
Social Clubs	N/A
Sub-total	23.0%

Tier 2 Percent of Budget	
Monitored Facility Usage	13.0%
Classes, Workshops & Clinics – Beginning/Multi-Level	16.5%
Volunteer Programs	0.5%
Sub-total	30.0 %

Tier 1 Percent of Budget	
Community-wide Events	1.0%
Open Park Usage	11.0%
Inclusionary Services	0.5%
Support Services (Includes BOD, Admin, Planning, Fleet, and Security)	26.0%
Sub-total	38.5%

VI. Core Service Identification and Provision Strategies

A. Identifying the Core Services and Provision Strategies

GreenPlay trained a cross section of staff members to learn how to use the **Public Sector Services Assessment** tool; to understand each service's market segment and strength or weakness of its position within that market; and to identify alternative providers, core services, and optional provision strategies (see **Appendix D** for details on the tool and methodology). The participating group was comprised of staff from various THPRD functional and operational areas. The team was also assisted by several support staff members.

The use of the Service Assessment tool to identify core services and potential provision strategies included a significant number of educational workshops and required extensive time and effort by many THPRD staff. Educational workshops rooted in the mission and vision statements were the foundation for the development and use of the assessment tool. These sessions introduced each component of the process and engaged internal stakeholder groups in interactive dialogue and exercises.

Once again, engagement was critical to collective “buy-in,” consensus, and endorsement of the process. These workshops provided the groundwork for many intensive work sessions and ultimately, for the recommended Service Portfolio, a compilation of both the Pyramid Methodology and the Public Sector Services Assessment tools. (A sample of the Service Portfolio has been provided in **Appendix G**, and the full portfolio was provided to staff as a resource document.)

B. The Public Sector Services Assessment

Public agencies have not traditionally been thought of as organizations needing to be competitively oriented. Unlike private and commercial enterprises which compete for customers (and whose very survival depends on satisfying paying customers), many public and non-profit organizations operate in a non-market, or grants economy – one in which services may not be commercially viable. In other words, the marketplace may not supply sufficient and adequate resources.

In the public sector, customers (taxpayers) do not directly decide how funding is allocated and which service gets adequate, ongoing funding. In fact, many public agencies and non-profits can be considered “sole-source,” the only place to get a service, so there is little to no market saturation. Therefore, the potential exists for apathetic service enhancement and improvement. Consequently, public and non-profit organizations have not necessarily had an incentive to question the status quo, to assess whether customer needs are being met, or to examine the cost-effectiveness or quality of available services.

The public sector and market environments have changed; funders and customers alike are beginning to demand more accountability, and both traditional (taxes and mandatory fees) and alternative funding (grants and contributions) are getting harder to come by, even as need and demand increases. This increasing demand for a smaller pool of resources requires today's public and non-profit agencies to rethink how they do business, to provide services where appropriate, to avoid duplicating existing comparable services, and to increase collaboration, when possible. In addition, organizations are leveraging all available resources where possible.

The *Public Sector Services Assessment* is an intensive review of organizational services including activities, facilities, and parklands that leads to the development of THPRD's Service Portfolio. Additional results indicate whether the service is core to THPRD's values, vision, and mission, and provides recommended provision strategies that can include, but are not limited to, enhancement of service, reduction of service, collaboration, and advancing or affirming market position. This assessment begins to provide a nexus relative to which services are central to THPRD's purpose. The process includes an analysis of: each service's relevance to THPRD's values, vision, and mission; THPRD's market position in the community relative to the market; other service providers in the service area, including quantity and quality of provider; and the economic viability of the service.

Based on the MacMillan Matrix for Competitive Analysis of Programs¹, the Public Sector Services Assessment Matrix is a valuable tool that is specifically adapted to help public agencies assess their services. The MacMillan Matrix realized significant success in the non-profit environment and has led to application in the public sector. The Public Sector Services Assessment Matrix is based on the assumption that duplication of existing comparable services (unnecessary competition) among public and non-profit organizations can fragment limited resources available, leaving all providers too weak to increase the quality and cost-effectiveness of customer services. This is also true for public agencies.

The Public Sector Service Assessment Matrix assumes that trying to be all things to all people can result in mediocre or low-quality service. Instead, agencies should focus on delivering higher-quality service in a more focused (and perhaps limited) way. The Matrix helps organizations think about some very pragmatic questions.

Q: Is THPRD the best or most appropriate organization to provide the service?

Q: Is market competition good for the citizenry?

Q: Is THPRD spreading its resources too thin without the capacity to sustain core services and the system in general?

Q: Are there opportunities to work with another organization to provide services in a more efficient and responsible manner?

C. Service Assessment Process

THPRD created a Service Menu that listed each program, activity, or facility provided to the community by THPRD. This Service Menu is the preliminary step in the evolution of THPRD's comprehensive Service Portfolio, which inevitably includes not only the individual service and recommended provision strategy, but also the category of service to which each service belongs, cost recovery goal, and pricing strategy as identified using the Pyramid Methodology.

This intensive review of organizational services led to the development of THPRD's Service Portfolio and identified those services that require taxpayer investment and are "core" to the values, vision, and mission of THPRD.

The underlying philosophy of the Service Assessment is based on the assumption that too much duplication of like services can over-saturate the market. The Assessment also included management strategies intended to assist THPRD in its provision of these services in the future. As an outcome of the Service Assessment, the following preliminary provision strategies were identified. These will help inform the development of specific recommendations.

¹ Alliance for Nonprofit Management

D. Service Assessment Findings

The findings indicate that:

- THPRD has done an exemplary job at weeding out duplicative and un-productive services.
- Some programs and services may not have strong market positions, and further evaluation for alternate provision strategies may be warranted.
- Many social services offered through cooperative partnerships would be difficult to continue to offer through THPRD if the partnerships or funding were discontinued.

E. Recommended Provision Strategies – Defined

Affirm Market Position – A number of (or one significant) *alternative provider(s)* exists, yet the service has *financial capacity* and THPRD is in a *strong market position* to provide the service to customers or the community. Affirming market position includes efforts to capture more of the market and investigating the merits of competitive pricing strategies. This includes investment of resources to realize a financial return on investment. Typically, these services have the ability to generate excess revenue.

Advance Market Position – A smaller number or no *alternative providers* exist to provide the service, the service has *financial capacity*, and THPRD is in a *strong market position* to provide the service. Primarily due to the fact that there are fewer, if any, alternative providers, advancing market position of the service is a logical operational strategy. This includes efforts to capture more of the market, investigating the merits of market pricing, and various outreach efforts. Also, this service could generate excess revenue by increasing volume.

Divestment – THPRD has determined that the service does not fit with the values and vision, and/or THPRD has determined it is in a *weak market position* with little or no opportunity to strengthen its position. Further, THPRD deems the service to be contrary to its interest in the responsible use of resources; therefore, THPRD is positioned to consider divestment of the service.

Investment – Investment of resources is THPRD's best course of action as the service is a *good fit* with values and vision, and an opportunity exists to strengthen THPRD's current *weak market position* in the marketplace.

Complementary Development – The service is a *good fit*, a number of or one significant *alternative provider(s)* exists which provide the service, THPRD is in a *strong market position* to provide the service, yet it does not have *financial capacity*. **"Complementary development"** encourages planning efforts that lead to mutually compatible service development rather than duplication, broadening the reach of all providers. Although there may be perceived market saturation for the service due to the number or like services of alternative providers, demand and need exists justifying the service's continued place in the market.

Collaboration – THPRD determines that the service can be enhanced or improved through the development of a collaborative effort as THPRD's current *market position is weak*. Collaborations (e.g., partnerships) with other service providers (internal or external) that minimize or eliminate duplication of services while most responsibly using THPRD resources are recommended.

Core Service – These services *fit* with THPRD’s values and vision, there are few, if any, alternative providers, yet THPRD is in a *strong market position* to provide the service. However, THPRD does not have the *financial capacity* to sustain the service outside of taxpayer support, and the service is not deemed to be economically viable. These services are “core” to satisfying THPRD’s values and vision typically benefiting all community members, or are seen as essential to the lives of underserved populations.

F. Service Assessment Findings and Determinations

The Service Assessment required staff to answer a series of questions regarding “fit” with the mission and vision of the THPRD; the “strength of the THPRD’s market position” for each of its services and programs based on community need, present credibility and capacity, and community awareness; the “financial capacity” of the service or program to be viable without the support of tax funding; and the presence of “alternative providers” in the market place.

The resulting provision strategies for the Agency identify:

- Services to advance or affirm its market position
- Services to pursue collaboration
- Services for complementary development
- Services to invest in to change the market position
- Services to divest

Multiple strategies are sometimes highlighted through this process for particular services. This is because there are several variables at work creating a weak market position that an agency may or may not be willing or able to change. Market position is determined by the current resources available (could that investment be increased?), the location of the service (could it be moved?), the track record and credibility of the agency (is there any momentum toward improvement?), technical skill (could training be provided?), and whether or not people are really aware of the offering (could marketing efforts be increased?). An appropriate solution for some of the challenges might be collaboration, suggesting another strategy, or it may be time for divestment.

VII. Traditional Parks and Recreation Operations and Capital Development Funding Sources

There are a variety of mechanisms that local governments can employ to provide services and to make public improvements. Parks and recreation operating and capital development funding typically comes from conventional sources such as sales, use, and property tax referenda voted upon by the community, along with developer exactions. Operating funds are typically capped by legislation; may fluctuate based on the economy, public spending, or assessed valuation; and may not always keep up with inflationary factors. In the case of capital development, “borrowed funds” sunset with the completion of loan repayment and are not available to carry-over or re-invest without voter approval. Explained below are the salient points of traditional funding sources. Many of these strategies are currently being used to some extent by THPRD.

A. Traditional Tax and Exactions-Based Funding Resources

General Fund

Parks and recreation services are typically funded by an agency’s General Fund, which can be comprised of property tax, sales tax, and other compulsory charges levied by a government for the purpose of financing services performed for the common benefit of a community. These funds may also come from resources such as inter-governmental agreements, reimbursements, and interest and may include such revenue sources as franchise taxes, licenses and permits, fees, transfers in, reserves, interest income, and other miscellaneous incomes.

Sales Tax

This revenue source often funds public park and recreation agencies either partially or fully. Sales tax revenue is very popular in high traffic tourism agencies and with cities, counties, and state parks. Special Districts cannot exact sales taxes, which often calls into question the issue of charging resident and non-resident fee differentials.

Property Tax

Property tax revenue often funds park and recreation special districts and may be used as a dedicated source for capital development. When used for operation funding, it often makes the argument for charging resident and non-resident fee differentials. **This is the funding mechanism for THPRD and all agencies in Oregon.**

B. Development Funding

Park Land Dedication Ordinance

Park land dedication requirements typically state that all residential subdivisions of land (and often commercial), with some exemptions, are to provide for parks by either dedicating land, paying an in-lieu fee (the amounts may be adjusted annually), or a combination of the two.

Development Impact Fees

Development impact fees are one-time charges imposed on development projects at the time of permit issue to recover capital costs for public facilities needed to serve new developments and the additional residents, employees, and visitors they bring to the community. State laws, with a few minor exceptions, prohibit the use of impact fees for ongoing maintenance or operations costs. Not all states allow the collection of impact fees. **In Oregon, these are called System Development Charges (SDCs).**

Local Improvement Districts

Different from cities that are direct beneficiaries of these funds, Special Districts (or local improvement districts), are the beneficiaries of pass-through funding from cities or counties, which have responsibility for their interests. Special Districts cannot exact or collect the land dedication or the fee-in-lieu on their own.

VIII. Traditional Parks and Recreation Earned Revenue Resources

A. Fees and Charges

Ticket Sales/Admissions

This revenue source is for accessing facilities for self-directed or spectator activities such as splash parks, ballparks, and entertainment activities. Fees may also be assessed for tours, entrance or gate admission, and other activities, which may or may not be self-directed. These user fees help offset operational costs or apply to new projects.

Registration Fees

This revenue source is for participating in programs, classes, activities, and events which typically require pre-registration to assure a place. These services may or may not have limited space. These participant fees attempt to recover most if not all of the direct expenses and are often revenue positive due to market demand.

Daily Admission and Pass Sales

THPRD sells annual passes for specific types of amenities to offset operational costs. These fees can apply to recreational and aquatics centers. The consultant team recommends they continue to offer bulk discount buying of daily admission fees marketed as “monthly, seasonal, 3-month, 6-month, and/or annual passes.”

Program Independent Contractor Fees

THPRD receives a percentage of gross contractor fees for contractor programs held in THPRD facilities. THPRD includes contracted programs in its program guide, as well as collects the registration fees and returns the contractor’s percentage of enrollment via check.

THIS PAGE INTENTIONALLY LEFT BLANK

IX. Alternative Parks and Recreation Operations and Capital Development Funding Sources

Alternative funding sources include a variety of different or non-conventional public sector strategies for diversifying the funding base beyond traditional tax-based support. The following is a list of known industry funding practices, potential sources, and strategies, as compiled by GreenPlay. Some of the strategies are currently used by THPRD, but may not be used to maximum effectiveness or capacity. Those that may not currently be used by THPRD should be considered for a project's or the operation's specific relevance.

NOTE: *Not every funding mechanism on this list may be allowable by law, as the laws, regulations, statutes, ordinances, and systems of governance vary from city to city, county to county, and state to state. The authority to put forth referenda or institute exactions must be researched for validity within the THPRD and the State of Oregon, as this list is comprised of the financial practices from across the nation. Some referenda are passed by simple majority of those who vote, while others require a larger percentage to pass. In certain circumstances, referenda are passed by the majority of eligible voters versus just those who vote.*

A. Loan Mechanisms

General Obligation Bonds

Bonded indebtedness issued with the approval of the electorate for capital improvements and general public improvements.

Revenue Bonds

Bonds used for capital projects that will generate revenue for debt service where fees can be set aside to support repayment of the bond. These are typically issued for water, sewer, or drainage charges, and other enterprise type activities.

Special Assessment Bonds

These bonds are payable from the proceeds of special assessments such as local improvement districts.

Industrial Development Bonds

Specialized revenue bonds issued on behalf of publicly owned, self-supporting facilities.

Full Faith and Credit Bonds

Bonds that are payable from the general resources of the agency. They are not tied to a specific revenue source, but the payment of principle and interest uses available operating funds.

B. Alternative Service Delivery and Funding Structures

THPRD may already be using some of these strategies.

Inter-local Agreements

Contractual relationships could be established between two or more local units of government and/or between a local unit of government and a non-profit organization for the joint usage/development of sports fields, regional parks, or other facilities.

Annual Appropriation/Leasehold Financing

This is a more complex financing structure that requires use of a third party to act as an issuer of the bonds who would construct the facility and retain title until the bonds are retired. For example, THPRD enters into a lease agreement with the third party with annual lease payments equal to the debt service requirements. The bonds issued by the third party are considered less secure than general obligation bonds of THPRD and are therefore more costly. Since a separate corporation issues these bonds, they do not impact THPRD's debt limitations and do not require a vote. However, they also do not entitle THPRD to levy property taxes to service the debt. The annual lease payments must be appropriated from existing revenues.

Commercial Property Endowment Model – Operating Foundation

John L. Crompton² discusses government using the Commercial Property Endowment Model citing two case studies in the United Kingdom and Mission Bay Park in San Diego, California as an alternative structure to deliver park and recreation services. A non-profit organization may be established and given park infrastructure and/or land assets to manage as public park and recreation services along with commercial properties as income-earning assets or commercial lease fees to provide for a sustainable funding source. This kind of social enterprise is charged with operating, maintaining, renovating, and enhancing the public park system and is not unlike a model to subsidize low-income housing with mixed-use developments.

Privatization – Outsourcing the Management

Typically used for food and beverage management, golf course operations, ballfield, or sports complex operations by negotiated or bid contract.

C. Partnership Opportunities

Partnerships are joint development funding sources or operational funding sources between two separate agencies, such as two government entities, a non-profit and a government agency, or a private business and a government agency. Two partners jointly develop revenue producing park and recreation facilities and share risk, operational costs, responsibilities, and asset management based on the strengths and weaknesses of each partner.

² Spring 2010 *Journal of Park and Recreation Administration*, Volume 28, Number 1, pp 103-111

Creating synergy based on expanded program offerings and collaborative efforts can be beneficial to all providers as interest grows and people gravitate to the type of facility and programs that best suit their recreational needs and schedules. Potential strategic alliance partnerships where missions run parallel, and mutually beneficial relationships can be fostered and may include the following:

- YMCA
- School District
- Medical Center or Hospital
- Boys and Girls Club
- Kiwanis, Soroptimists, VFWs, Elks, Rotary, and other service and civic organizations
- Chamber of Commerce
- Convention and Visitors Bureau
- Homeowner or Neighborhood Associations
- Youth Sports Associations
- Other counties, neighboring cities, and communities
- Private alternative providers
- Churches.

A Sample Partnership Policy has been provided to THPRD.

D. Community Resources

The following subsections summarize research findings on potential funding sources that could enhance capital expenditures for capital repair, renovation, and new construction and operating budgets for THPRD. These findings do not recommend any particular funding strategy over another. The economic conditions within the District may vary with time and THPRD should explore the best means of achieving its goals toward the operations of the District, the programs, and the facilities on an ongoing basis.

Philanthropic

Philanthropy can be defined as the concept of voluntary giving by an individual or group to promote the common good and to improve the quality of life. Philanthropy generally takes the form of donor programs, capital campaigns, and volunteers/in-kind services.

The time commitment to initiate a philanthropic campaign can be significant. THPRD now has a Director of Community Partnerships position, and if current THPRD resources that could be dedicated to such a venture are limited, it may be recommended that THPRD outsource some or most of this task to a non-profit or private agency experienced in managing community-based capital fundraising campaigns.

Relevant methods are discussed below.

Friends Associations

These groups are typically formed to raise money for a single purpose that could include a park facility or program that will benefit a particular special interest population or the community as a whole.

Volunteers/In-Kind Services

This revenue source is an indirect revenue source in that persons donate time to assist THPRD in providing a product or service on an hourly basis. This reduces THPRD cost in providing the service, plus it builds advocacy for the system.

To manage a volunteer program, an agency typically dedicates a staff member to oversee the program for the entire agency. At THPRD, this staff member works closely with Human Resources as volunteers are another source of staffing a program, facility, or event.

Volunteer Programs

Adopt-a-Park/Adopt-a-Trail

Programs such as adopt-a-park may be created with and supported by the residents, businesses, and/or organizations located in the park's vicinity. These programs allow volunteers to actively assist in improving and maintaining parks, related facilities, and the community in which they live.

Neighborhood Park Watch

As a way to reduce costs associated with vandalism and other crimes against property, THPRD may initiate or expand a neighborhood park watch program. This program develops community ownership of THPRD's facilities.

Foundation/Gifts

These dollars are received from a tax-exempt, non-profit organization. The funds are private donations in promotion of specific causes, activities, or issues. They offer a variety of means to fund capital projects, including capital campaigns, gifts catalogs, fundraisers, endowments, sales of items, etc.

Gift Catalogs

Gift catalogs provide organizations the opportunity to let the community know what their needs are on a yearly basis. The community purchases items from the gift catalog and donates them to THPRD.

Gifts in Perpetuity

Maintenance Endowments

Maintenance Endowments are set up for organizations and individuals to invest in ongoing maintenance improvements and infrastructure needs. Endowments retain money from user fees, individual gifts, impact fees, development rights, partnerships, conservation easements, and for wetland mitigations.

Irrevocable Remainder Trusts

These trusts are set up with individuals who typically have more than a million dollars in wealth. They will leave a portion of their wealth to THPRD in a trust fund that allows the fund to grow over a period of time and then is available for THPRD to use a portion of the interest to support specific park and recreation facilities or programs that are designated by the trustee.

Life Estates

This revenue source is available when someone wants to leave their property to THPRD in exchange for their continued residence on the property until their death. THPRD can usually use a portion of the property for park and recreational purposes, and then use all of it after the person's death. This revenue source is very popular for individuals who have a lot of wealth and their estate will be highly taxed at their death. Their benefactors would have to sell their property because of probate costs. Life Estates allow individuals to receive a good yearly tax deduction on their property while leaving property for the community. Agencies benefit because they do not have to pay for the land.

Grants

Grants often supplement or match funds that have already been received. For example, grants can be used for program purposes, information technology infrastructure, planning, design, seed money, and construction. Due to their infrequent nature, grants are often used to fund a specific venture and should not be viewed as a continuous source of funding.

General Purpose or Operating Grants

When a grant maker gives THPRD an operating grant, it can be used to support the general expenses of operating THPRD. An operating grant means the fund provider supports THPRD's overall mission and trusts that the money will be put to good use.

Program or Support Grants

A program or support grant is given to support a specific or connected set of activities that typically have a beginning and an end, specific objectives, and predetermined costs. Listed below are some of the most common types of program or support grants:

Planning Grants

When planning a major new program, THPRD may need to spend a good deal of time and money conducting research. A planning grant supports this initial project development work, which may include investigating the needs of constituents, consulting with experts in the field, or conducting research and planning activities.

Facilities and Equipment Grants

These grants help THPRD buy long-lasting physical assets, such as a building. The applicant organization must make the case that the new acquisition will help better serve its clients. Fund providers considering these requests will not only be interested in the applicant's current activities and financial health, but they will also inquire as to the financial and program plans for the next several years. Fund providers do not want to allocate resources to an organization or program only to see it shut down in a few years because of poor management.

Matching Grants

Many grant makers will provide funding only on the condition that THPRD can raise an amount equal to the size of the grant from other sources. This type of grant is another means by which foundations can determine the viability of an organization or program.

Seed Money or Start-up Grants

These grants help a new organization or program in its first few years. The idea is to give the new effort a strong push forward, so it can devote its energy early on to setting up programs without worrying constantly about raising money. Such grants are often for more than one year, and frequently decrease in amount each year.

Management or Technical Assistance Grants

Unlike most project grants, a technical assistance grant does not directly support the mission-related activities of THPRD. Instead, they support THPRD's management or administration and the associated fundraising, marketing, and financial management needs of THPRD.

Program-Related Investments (PRIs)

In addition to grants, the Internal Revenue Service allows foundations to make loans—called Program-Related Investments (PRIs)—to nonprofits. PRIs must be for projects that would be eligible for grant support. They are usually made at low or zero interest. PRIs must be paid back to the grant maker. PRIs are often made to organizations involved in building projects.

Private Grant and Philanthropic Agencies

Many resources are available which provide information on private grant and philanthropic agency opportunities. A thorough investigation and research on available grants is necessary to ensure mutually compatible interests and to confirm the current status of available funding. Examples of publicly accessible resources are summarized below.

- Information on current and archived Federal Register Grant Announcements can be accessed from The Grantsmanship Center (TGCI) on the Internet at <http://www.tgci.com>.
- For information on government product news and procurement visit GovPro at www.govpro.com.
- Another resource is the Foundation Center's RFP Bulletin Grants Page on Health at www.fdncenter.org.
- Research www.eCivis.com for a contract provider of a web-based Grants Locator system for government and foundation grants specifically designed for local government.

Corporate Sponsorships

THPRD can solicit this revenue-funding source itself or work with agencies that pursue and use this type of funding. Sponsorships are often used for programs and events.

A Sample Sponsorship Policy has been provided to THPRD.

Naming Rights

Many agencies throughout the country have successfully sold the naming rights for newly constructed facilities or when renovating existing buildings. Additionally, newly developed and renovated parks have been successfully funded through the sale of naming rights. Generally, the cost for naming rights offsets the development costs associated with the improvement. People incorrectly assume that selling the naming rights for facilities is reserved for professional stadiums and other high profile team sport venues. This trend has expanded in recent years to include public recreation centers and facilities as viable naming rights sales opportunities.

Naming rights can be a one-time payment or amortized with a fixed payment schedule over a defined period of time. During this time, the sponsor retains the “rights” to have the park, facility, or amenity named for them. Also during this time, all publications, advertisements, events, and activities could have the sponsoring group’s name as the venue. Naming rights negotiations need to be developed by legal professionals to ensure that the contractual obligation is equitable to all agents and provides remedies to change or cancel the arrangements at any time during the agreement period.

Advertising Sales

Advertising sales are a viable opportunity for revenue through the sale of tasteful and appropriate advertising on THPRD related items such as program guides, scoreboards, dasher boards, and other visible products or services. Current sign codes should be reviewed for conflicts or appropriate revisions.

Fundraising

Many park and recreation agencies have special fundraisers on an annual basis to help cover specific programs and capital projects. THPRD has sold bricks, benches, and commemorative tree plantings in the past and could consider expanding this in the future to pavers, tiles, etc., or consider staging a telethon.

Raffling

Some agencies offer annual community raffles, such as purchasing an antique car that can be raffled off in contests.

E. Community Service Fees and Assessments

Recreation Service Fee

The Recreation Service Fee is a dedicated user fee that can be established by a local ordinance or other government procedure for the purpose of constructing and maintaining recreation facilities. The fee can apply to all organized activities that require a reservation of some type, or other purposes as defined by THPRD. Examples of such generally accepted activities that are assigned a service fee include adult basketball, volleyball, and softball leagues, youth baseball, soccer, and softball leagues, and special interest classes. The fee, above and beyond the user fee, allows participants to contribute toward the construction and/or maintenance of the facilities being used.

Capital Improvement Fees

These fees are on top of the set user rate for accessing THPRD facilities such as sport and tournament venues and are used to support capital improvements that benefit the user of the facility.

Residency Cards

Non-District residents may purchase “residency” on an annual basis for the privilege of receiving the resident discounts on fees, charges, tours, shows, reservations, and other benefits typically afforded to residents only. The resident cards can range in price, but are often at least equivalent to what a resident pays in taxes annually to support the operations, maintenance, and debt service of THPRD (THPRD currently offers this option to non-residents as a Resident Assessment Fee).

Security and Clean-Up Fees

THPRD may charge groups and individuals security and clean-up fees for special events or other type of events held at facilities.

Lighting Fees

Some agencies charge additional fees for lighting as it applies to leagues, special use sites, and special facilities that allow play after daylight hours. This fee may include utility demand charges.

Signage Fees

This revenue source charges people and businesses with signage fees at key locations with high visibility for short-term events. Signage fees may range in price from \$25-\$100 per sign based on the size of the sign and THPRD location.

Dog Park Fees

These fees are attached to kennel clubs who pay for the rights to have THPRD dog park facilities for their own exclusive use. Fees are on the dogs themselves and/or on the people who take care of other people's dogs.

Equipment Rental

This revenue source is generated from the rental of THPRD equipment such as tables and chairs (*THPRD currently uses this strategy*), tents, stages, bicycles, roller blades, boogie boards, etc., that are used for recreation purposes.

Parking Fee

This fee applies to parking at selected destination facilities such as sports complexes, stadiums, and other attractions to help offset capital and operational cost.

Utility Roundup Programs

Some park and recreation agencies have worked with local utilities on a round up program whereby a consumer can pay the difference between their bill and the next highest even dollar amount as a donation to the agency. Ideally, these monies would be used to support THPRD utility improvements such as sports lighting, irrigation cost, and HVAC costs.

Franchise Fee on Cable

This would allow THPRD to add a franchise fee on cable designated for parks and recreation. The normal fee is \$1.00 a month or \$12.00 a year per household. Fees usually go toward land acquisition or capital improvements.

Room Overrides on Hotels for Sports Tournaments and Special Events

Agencies have begun to keep a percentage of hotel rooms reservation fees that are booked when the agency hosts a major sports tournament or special event. The overrides are usually \$5.00 to \$10.00 depending on the type of room. Monies collected would help offset operational costs for THPRD in hosting the events.

Recreation Surcharge Fees on Sports and Entertainment Tickets, Classes, MasterCard, Visa

This fee is a surcharge on top of the regular sports revenue fee or convenience fee for use of MasterCard and Visa. The fee usually is no more than \$5.00, and is usually \$3.00 on all exchanges. The money earned would be used to help pay off the costs of improvements or for THPRD operational purposes.

Flexible Fee Strategies

This pricing strategy would allow THPRD to maximize revenues during peak times and premium sites/areas with higher fees and fill in excess capacity during low use times with lower fees to maximize play. THPRD currently uses this structure at the indoor tennis center.

Trail Fee

These fees are used for access to closed bike trails to support operational costs. Fees for bike trails are typically \$35 to \$50 a year. This arrangement works for bike trails if the conditions of dedicated use, fencing for control, and continuous patrolling/monitoring are in place. Multi-purpose trails that are totally open for public use without these conditions in place make it difficult to charge fees and are nearly impossible to monitor.

Real Estate Transfer – Tax/Assessment/Fee

As agencies expand, the need for infrastructure improvements continues to grow. Since parks and recreation facilities add value to neighborhoods and communities, some agencies have turned to a real estate transfer tax/assessment/fee to help pay for acquisition and needed renovations. Usually, the transfer tax/assessment/fee amount is a percentage on the total sale of the property and is assessed each time the property transfers to a new owner. Some states have laws prohibiting or restricting the institution, increase, or application of this tax/assessment/fee.

Processing/Convenience Fees

This is a surcharge or premium placed on THPRD phone-in registration, electronic transfers of funds, automatic payments, or other conveniences.

Self-Insurance Surcharge

Some agencies have added a surcharge on every transaction, admission, or registration to generate a self-insured liability fund.

Development Surcharge/Fee

Some agencies have added a surcharge on every transaction, admission, or registration to generate an improvement or development fund.

F. Contractual Services

Private Concessionaires

Contracts with private sector concessionaires provide resources to operate desirable THPRD recreational activities. These services are typically financed, constructed, and operated by a private business or a non-profit organization with additional compensation paid to THPRD.

Concession Management

Concession management is the retail sale or rental of soft goods, hard goods, or consumable items. THPRD has previously contracted concession stand services in the past, but is taking this back over in summer 2013. Through contracting, the agency either receives a percentage of the gross sales or the net revenue dollars from the profits after expenses are paid. Net proceeds are generally more difficult to monitor.

Merchandising Sales or Services

This revenue source comes from the public or private sector on resale items from gift shops, pro-shops, restaurants, concessions, and coffee shops for either all of the sales or a defined percentage of the gross sales. Typically, agencies engage in this type of service as a convenience to their patrons and as a means of enhancing overall operational cost recovery. In THPRD, these services are run by the Advisory Committees as a fund-raiser for their projects.

Cell Towers and Wi-Fi

Cell towers attached to existing or new light poles in game field complexes are another potential source of revenue that THPRD may consider. Typically, agencies engage in this service as a means of enhancing overall operational cost recovery.

Another type of revenue for a facility or complex can come from providing sites for supporting Wi-Fi technology. In California, the State Park System is providing wireless internet access and is charging \$7.95 for 24 hours of connectivity (approximately \$.33 per hour) within its service area. They have connected 85 state parks with SBC Communications. For more information, contact California State Parks at www.parks.ca.gov.

G. Permits, Licensing Rights and Use of Collateral Assets

Special Use Permits

Special permits allow individuals to use specific THPRD park property for financial gain. THPRD receives either a set amount of money or a percentage of the gross service provided.

Catering Permits and Services

This is a license to allow caterers to work in the THPRD system on a permit basis with a set fee or percentage of food sales returning to THPRD. Also, many agencies have their own catering service or authorized provider list and receive a percentage of dollars from the sale of food.

Licensing Rights

This revenue source allows THPRD to license its name on all resale items that private or public vendors use when they sell clothing or other items with THPRD's name on it. The normal licensing fee is 6 to 10% of the cost of the resale item.

Sale of Development Rights

Some agencies sell their development rights below park ground or along trails to utility companies. THPRD would receive a yearly fee on a linear foot basis.

Surplus Sale of Equipment by Auction

Agencies often have annual surplus auctions to get rid of old and used equipment, generating additional income on a yearly basis.

Private Developers

Developers may lease space from THPRD owned land through a subordinate lease that pays out a set dollar amount plus a percentage of gross dollars for recreation enhancements. These could include sports complexes and recreation centers.

Land Swaps

THPRD may trade property to improve access or protection of resources. This could include a property gain by THPRD for non-payment of taxes or a situation where a developer needs a larger or smaller space to improve their profitability. THPRD would typically gain more property for more recreation opportunities in exchange for the land swap.

Leasebacks on Recreational Facilities

Many agencies do not have adequate capital dollars to build desired revenue-producing facilities. One option is to hire a private investor to build the facility according to the specifications requested with the investment company financing the project. THPRD would then lease the property back from the investor over 20+ years. This can be reversed whereby THPRD builds the facility and leases to a private management company who then operates the property for a percentage of gross dollars to pay off the construction loans through a subordinate lease.

Subordinate Easements – Recreation/Natural Area Easements

This revenue source is available when THPRD allows utility companies, businesses, or individuals to develop some type of an improvement above ground or below ground on its property. Subordinate easements are typically arranged over a set period of time, with a set dollar amount that is allocated to THPRD on an annual basis.

Agricultural Leases

In some agency parks, low land property along rivers, or excess land may be leased to farmers for crops. THPRD uses this strategy and payment is based on a market lease value.

Sale of Mineral Rights

Many agencies sell mineral rights under parks, including water, oil, natural gas, and other by products, for revenue purposes.

Booth Lease Space

Some agencies sell booth space to sidewalk vendors in parks or at special events for a flat rate or based on volume of product sold. The booth space can also be used for sporting events and tournaments.

Manufacturing Product Testing and Display

This is where THPRD works with specific manufacturers to test their products in parks, in a recreation facility, or in a program or service. THPRD tests the product under normal conditions and reports the results back to the manufacturer. Examples include lighting, playground equipment, tires on vehicles, mowers, irrigation systems, seed & fertilizers, etc. THPRD may receive the product for free but must pay for the costs of installation and for tracking results.

Recycling Centers

Some agencies and counties operate recycling centers for wood, mulch, and glass as revenue generators for their systems.

Film Rights

Many agencies issue permits so that sites such as old ballparks or unique grounds may be used by film commissions. The film commission pays a daily fee for the site plus the loss of revenue THPRD would incur during use of the community space.

Rentals of Houses and Buildings by Private Citizens

Many agencies will rent out facilities such as homes to individual citizens for revenue purposes.

H. Enterprise Funds

Some agencies establish business units that are self-sustaining through fees and charges. Debt service and all indirect costs should be allocated or attributed to enterprise funds. Any excess revenue generated is maintained by the fund for future needs and cannot be used by another fund or department. Examples include premier sports tournament complexes.

I. Funding Resources and Other Options

Many federal and state taxation resources, programs, and grants are used by THPRD or may be available. See **Appendix E** for details.

Land Trusts

Many agencies have developed land trusts to help secure and fund the cost of acquiring land that needs to be preserved and protected for greenway purposes. This may also be a good source for the acquisition of future THPRD lands.

Positive Cash Flow

Depending on how aggressively THPRD incorporates marketing and management strategies, there may be a positive fund balance at the end of each year, especially if a new premier splash park, dog park, or sports complex is built. While current facilities, projections, and fee policies do not anticipate a positive cash flow, the climate can change. The ending positive balance could be used, for example, to establish a maintenance endowment for THPRD recreation facilities, to set aside funds for capital replacement and/or repair, or to generate a fund balance for contingency or new programming opportunities. It is suggested that THPRD be challenged to generate a fund balance and it not be returned to THPRD's general fund.

Cost Avoidance

THPRD must maintain a position of not being everything for everyone. It must be driven by the market and stay with its core businesses. By shifting roles away from being a direct provider of facilities, programs, or services, THPRD may experience additional savings. This process is referred to as *cost avoidance*. The estimated savings could be realized through partnering, outsourcing, or deferring to another provider in the provision of a service and/or facility.

X. Cost Saving Measures

In addition to aligning cost recovery with goals, charging appropriate fees, and using traditional and alternative funding mechanisms, several cost saving measures can improve the overall cost recovery picture of THPRD.

A. Cost Saving Ideas

Explore and implement the following cost savings ideas:

- Bulk purchasing
- Re-negotiate contracts
- Change maintenance standards and practices
- Consider greening trends
- Employ green practices

Change Maintenance Standards/Practices

- THPRD is looking into developing “no mow” standards next fiscal year.
- THPRD could add one extra day onto the mowing interval; thus reducing the amount of mowing in a season.

“Grow Not Mow”

In the April 2010 issue of *Recreation Management* magazine, the Genesee County Parks and Recreation Commission in Flint, Michigan discussed several small cost saving measures which added up to over \$167,000 in 10 months. One such strategy was “Grow Not Mow,” where the natural features of their 11,000 acres of parkland were enhanced. This practice reduced the required mowing where possible and included more wild flowers, native grasses, and an increase in wildlife.

Greening Trends – Rooftop Gardens and Park Structures

Rooftop gardens (both public and private) create respites in a densely built environment and help reduce urban heat island effects. In addition, the lack of availability and affordability of urban real estate has continued the trend of parks built over structures such as parking garages (e.g., Millennium Park and Soldier Field Stadium/Burnham Park re-design in Chicago) and other structures (such as Freeway Park in Seattle, built in the 1970s). **THPRD could research roof top gardens on facilities.**

Green Practices

Implement the following green practices ideas:

- Use light, water, and motion sensors
- Conduct energy audits
- Update to energy efficient ballasts, motors, appliances
- Use electric and hybrid vehicles
- Develop “Pack It Out” trash program
- Use greywater
- Use solar and wind energy
- Explore Oregon Energy Savings Performance Contracting
- Implement green operating practices

Many agencies miss the easiest green practices to implement into their everyday operating procedures and policies. Additional green operating practices include administrative procedures, best operating standards, and sustainable stewardship performance measures. Many of the industry best practices outlined below (**Table 1**) may be currently and successfully employed by THPRD.

Table 1: Green Practices Focus Area and Action Step

Focus Area	Action Step
Administrative	Recycle Office Trash
	Go Paperless
	Conserve Resources
	Flex Scheduling
	Virtual Meetings
Operating Standards	Preventative Maintenance
	Reduce Driving
	Eliminate Environmentally Negative Chemicals and Materials
	Green Purchasing Policies
	LEED® Design
Sustainable Stewardship	Re-analyze and Revise Practices and Standards
	Monitor and Report Results
	Lead by Example
	Incorporate Principles in all Park and Recreation Services
	Seek Available Grant Funding and Initiative Awards

B. Green Resources, Practices, and Strategic Initiatives

Many Green Resources, Green Practices Grants, Strategic Initiatives, and Partnerships may be available. See **Appendix E** for details.

XI. Implementing the Service and Financial Sustainability Analysis

The Government Finance Officers Association³ details primary implementation steps to financial recovery which includes “first aid” measures like revenue audits, exploring fees for service, and improving billing and collections. While at the same time, agencies should improve management practices, evaluate labor resources and structures, and know and manage the cost of services.

THPRD’s Service and Financial Sustainability Analysis will act as an internal work and strategic plan spanning a multi-year period. The Plan will be the implementation catalyst for the Resource Allocation and Core Service Model.

This THPRD action plan includes the establishment of broad-based goals and subsequent, measurable objectives. Derived from each goal are objectives that lead to the accomplishment of the goal. All action steps are intended to be immediate and ongoing or short-term (1-2 years), while the goals and objectives will span the longer-term (3-5 years and beyond) multiple budget cycles with new action steps and timelines as these are achieved.

Goals are broad-based statements of intent that are singularly focused, and correlate directly to the various components of the Service and Financial Sustainability Analysis. District Goals reflect overall THPRD administration and operations while Service Goals are specific to the provision of THPRD services (programs, facilities, and land asset provision). Therefore, District goals support service goal efforts.

Planning Objectives are attainable milestones that lead to the accomplishment of District and service goals. They are specific, measurable, realistic, and have the ability to be tracked. They should include: 1) the responsible staff member or staff team, 2) the action(s) that must take place, 3) how the action(s) will be accomplished, and 4) the degree to which they will be accomplished (by when or to what level of improvement).

Many of the Service Goals and subsequent Planning Objectives were derived from the Service Assessment that reviewed all of the services offered by THPRD including activities, facilities, and parklands. This assessment led to the development of THPRD’s Service Portfolio. (A sample of the Service Portfolio has been provided in **Appendix G**, and the full portfolio was provided to staff as a resource document.) Results indicate whether the service is “core to THPRD’s values and vision” and provides recommended provision strategies that can include, but are not limited to, enhancement of service, divestment or reduction of service, collaboration, or advancing of market position.

³ www.gfoa.org

THIS PAGE INTENTIONALLY LEFT BLANK

XII. Developing a Pricing Strategy

As the final step in the development of the Service and Financial Sustainability Analysis, a high-level pricing discussion was introduced for supervisory staff. Staff participating in the series of resource allocation workshops engaged in interactive cost identification and pricing exercises that applied the cost recovery goals of their respective service areas. The workshops prompted discussions leading to recommended changes to selected current pricing practices with the intention of attaining recommended cost recovery and subsidy allocation goals and establishing a new method for setting fees and charges. This method is based upon using cost recovery goals as a primary pricing strategy, followed by either market pricing (for services with low alternative coverage – few if any alternative providers) or competitive pricing (for services with high alternative coverage – other alternative providers offer similar or like services).

This discussion should continue in the future, and the following topic areas should be included and applied:

1. Financial trends

The increasing complexity and resulting shifts of our society's economy have led to what can be deemed as constant fiscal change in government. Public sector administrators and managers must be prepared to respond to the fiscal realities that have resulted from these economic shifts. Trends that impact fiscal and pricing decisions include:

- Increased governmental accountability
- Increased demand for people's "leisure dollar"
- On-going or increased demand for services with no/limited additional funding, or decreased funding
- Disinterest in service reductions or increased fees and charges
- Increased operating expenses (e.g., utilities, fuel, personnel, supplies)

2. The budget process and fiscal year cycle

Budgets are viewed as annual financial plans and include planning and forecasting, establishing priorities, and a way to monitor fiscal process. This overview allows for an abbreviated look at the process and how it impacts and is impacted by pricing.

3. The costs of service provision

Prior to making pricing decisions, it is important to understand the different types of service provision costs. Having a grounded knowledge of the various types of costs allows staff to make better informed pricing decisions. The different types of service provision costs are as follows:

- Direct costs
 - Fixed costs
 - Changing fixed costs
 - Variable costs
- Indirect Costs

Refer to **Appendix C** where the definitions are found.

4. The purpose of pricing

There are many reasons to develop service fees and charges. These include, but are not limited to, the following:

- Recover costs
- Create new resources
- Establish value
- Influence behavior
- Promote efficiency

5. Pricing strategies - differential pricing

Differential pricing is grounded in the notion that different fees are charged for the same service when there is no real difference in the cost of providing the service. There may be many reasons why THPRD may wish to expand use of this pricing strategy including:

- To stimulate demand for a service during a specified time
- To reach underserved populations
- To shift demand to another place, date, or time

6. Alternative funding sources

In general, there has been a decrease in the amount of tax support available to public parks and recreation agencies across the nation. THPRD has experienced this and is forward thinking in its planning. As such, the need to look at alternative funding sources as a way to financially support services has become commonplace. Alternative funding sources are vast and can include:

- Gifts
- Grants
- Donations
- Sponsorships
- Collaborations
- Volunteer contributions

7. The psychological dimensions of pricing

In addition to the social and environmental issues that surround pricing, the human elements of pricing must be considered. Regardless of how logical a price may seem, customer reactions and responses are their own and can be vastly different than what one might expect. The psychological dimensions of pricing include:

- Protection of self-esteem (pricing in such a way as to not offend certain users)
- Price-quality relationship (value received for every dollar spent)
- Establishing a reference point (worth of service in comparison to others)
- Objective price (price has a basis in fact, is real and impartial)
- Subjective price (perception of bias or prejudice)
- Consistency of image (perception of the brand and identification with product or service)
- Odd price (perception of arbitrary or incongruent pricing)

8. Establishing initial price

Establishing an actual price for a program can be based upon a variety of strategies. Arbitrary pricing is not encouraged, as it is impossible to justify; however, these strategies include:

- Arbitrary pricing: a fee based on a general provision such as raising all fees by \$2.00 to meet budget goals – ignores market conditions and cost recovery goals.
- Market pricing: a fee based on demand for a service or facility or what the target market is willing to pay for a service. The private and commercial sectors commonly use this strategy. One consideration for establishing a market rate fee is determined by identifying all providers of an identical service (e.g. private sector providers, municipalities), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.
- Competitive pricing: a fee based on what similar service providers or close proximity competitors are charging for services. One consideration for establishing a competitive fee is determined by identifying all providers of an identical service (e.g. private sector providers, municipalities), and setting the mid-point or lowest fee.
- Cost recovery pricing: a fee based on cost recovery goals within market pricing ranges.

9. Price revisions

Once a price is established, there may be the need to periodically review the price and examine the need for revision. In some cases, “revised” may be viewed as “increased”; therefore, a systematic approach to pricing revision is important. Factors to consider in pricing revision include:

- Customer tolerance: the degree to which small increases in price will not encounter client resistance.
- Adjustment period: the period of time where the value of the service is assessed by the customer in relation to the price increase. The value of the service from the customer’s perspective must meet or exceed the impact of the increased cost. Adjustment periods may lead to diminished participation or termination of participation altogether based upon customer loyalty and other factors.
- Customers’ perceived value of the service: the degree to which services including programs, facilities, and parks impact the public (individual and community), or in other words, the results or outcomes of services. Value is the judgment or perception of worth or the degree of usefulness or importance placed on a service *by personal opinion*. The intent or intention of a service is the purpose, aim, or end.

Comparative Analysis Criteria

As part of a pricing methodology, comparative analysis of differing fees structures can reveal market rates and competitive pricing in the market place. Comparative analysis (benchmarking) is an important tool that allows for comparison of certain attributes of the THPRD’s management practices and fee structure. This process creates deeper understanding of alternative providers, your place in the market, and varying fee methodologies, which may be used to enhance and improve the service delivery of parks and recreation. The suggested criteria are found in **Appendix F**.

THIS PAGE INTENTIONALLY LEFT BLANK

XIII. Conclusion and Recommendations

The primary goal of THPRD's **Service and Financial Sustainability Analysis** is to establish organizational sustainability through a logical and thoughtful philosophy that supports the core values, project vision, and mission of THPRD and its community.

As a result of the comprehensive study process and impending results as illustrated in the Service Portfolio (a sample has been provided in **Appendix G**, and the full Service Portfolio has been provided as a Staff Resource Document), THPRD will begin the process of implementing service provision strategies and align financial resource allocation with newly developed cost recovery goals. These efforts are intended to guide goals and objectives, and the decision-making process to create service sustainability for THPRD.

The goals, objectives, and action steps detailed in the plan reflect THPRD's issues, priorities, unmet needs, and creative ideas identified through extensive public engagement and staff involvement. Those ideas that were consistently and frequently expressed were included in the recommendations.

THIS PAGE INTENTIONALLY LEFT BLANK

XIV. Goals, Objectives, and Action Items

A. Context

Goals

Goals are clear general statements about what THPRD intends to accomplish and must be connected to the mission and vision of THPRD. They are broad statements of intent that typically require several objectives to accomplish.

Objectives

Objectives are specific operational statements that detail desired accomplishments, and provide a basis for evaluation of goal progress. They are “SMART” (specific, measurable, attainable, realistic, and trackable) and address the “ABCDs.”

- **Audience**-who will do the behavior? (be specific)
Recreation staff...
- **Behavior**-what will they be doing? (one action per behavior)
*Recreation staff **will research trends in youth baseball participation nationwide since 2005...***
- **Condition**-how will the behavior be accomplished? (describe behavior in specific terms)
*Recreation staff will research trends in youth baseball participation nationwide since 2005 **by contacting the National Baseball Association ...***
- **Degree**-how well or by when will the behavior be accomplished? (makes the objective measurable; numbers, date, or percentages)
*Recreation staff will research trends in youth baseball participation nationwide since 2005 **by contacting the National Baseball Association, by no later than end of December 2013.***

Action Items

Action items/steps connect directly to budget and work plans, and these are the basis for planning, implementation, and decision making.

B. Timeline

All action steps detailed are intended to be ongoing or short-term, while the goals and objectives will span both mid-term and longer-term timelines with new action steps as these are achieved.

- Immediate and ongoing
- Short-term (1-2 years)
- Longer-term (3-5 years and beyond)

C. Broad Vision Themes

Theme 1: Policy Strategies

Managing effectively to capitalize on opportunities and communicate consistency.

Theme 2: Service Provision and Management

Delivering parks and recreation services strategically to meet THPRD's vision for the future.

Theme 3: Cost Savings – Cost Avoidance Strategies

Maximizing efficiencies to assure sustainable service delivery.

Theme 4: Cost Recovery Alignment

Increasing direct cost recovery and focusing taxpayer investment on community benefit.

Theme 5: Revenue Enhancement

Producing new revenue streams to increase sustainability.

Theme 6: Future Growth

Planning to proactively respond to the needs of a diverse and growing community.

Theme 1: Policy Strategies

The intent of this theme is to identify policies and procedures to revise or develop which allow staff to achieve tier target minimum (direct) cost recovery percentages, maximize revenue generation where appropriate to shift taxpayer investment/subsidy to those areas that are more foundational on the pyramid, and capitalize on effective and efficient functions, all within Board of Directors guidelines and with transparent consistency.

This Theme encompasses Goals 1 through 8. Draft policies follow Theme 1 Goals.

Goal 1 – Explore the possibility of expanding the self-sustaining enterprise fund.

Objective 1.A.

THPRD will identify selective opportunities to implement enterprise funds.

Action:

- *Consider opportunities to convert self-sustaining programs and services (those that are revenue positive or expense neutral over direct costs) to an Enterprise Fund. For example, an adventure park or an indoor field house with batting cages, Parkour course, climbing wall, skatepark, etc.*

Goal 2 – Establish a sinking fund for life cycle repair/replacement projects.

Objective 2.A.

THPRD will fund the sinking fund utilizing the excess revenues from increasing overall District cost recovery.

Action:

- *Implement cost recovery as outlined in this document.*

Goal 3 – Adopt the Target Tier Minimum Cost Recovery Percentage as the fiscal target for budget preparation, the basis for establishing fees, and public accountability.

Objective 3.A.

THPRD will recommend to the Board of Directors formal acceptance of this plan (**Service and Financial Sustainability Analysis**) as the foundation for THPRD's decision-making regarding cost recovery.

Actions:

- *THPRD to present the plan at June 17, 2013 meeting.*
- *Board of Directors to formally accept the study and the recommended goals, objectives and action steps at a later date.*

Goal 4 – Adopt the pricing strategies as the methodology for fee setting by THPRD.

Objective 4.A.

THPRD will recommend to the Board of Directors to authorize the District to set fees using the Pricing Strategies outlined in the Service Portfolio as the foundation for THPRD's decision-making, allowing staff to respond to market conditions, opportunities, and service demands in a timely manner, versus approval of every fee for the next year.

Actions:

- *THPRD to present the plan to the Board of Directors.*
- *Board of Directors to formally accept the study and the recommended goals, objectives, and action steps at a later date.*

Goal 5 – Revise Current Sponsorship Policy.

Objective 5.A.

THPRD will consider revising the current sponsorship policy for implementation. This comprehensive policy would provide a “menu” to potential donors or sponsors that could offer the sponsorship of the operations of a park/facility, trails, fields, special events, and/or programs provided at one of THPRD’s sites. This effort can include the “adopting” of a facility or program.

Actions:

- *Management team to review and customize sample Sponsorship Policy provided by GreenPlay LLC.*
- *Recommend draft policy to the Board of Directors for approval process.*
- *Use final policy as basis for negotiated sponsorships of selected projects.*
- *Research using a consultant to identify sponsorship opportunities in the THPRD market.*

Goal 6 – Implement a Partnership Policy.

Objective 6.A.

THPRD will formalize a partnership policy for implementation.

Actions:

- *Management team to review and customize sample Partnership Policy provided by GreenPlay LLC.*
- *Recommend draft policy to the Board of Directors for approval process.*
- *Use final policy as basis for negotiated partnerships for selected projects.*

Goal 7 – Revise current Non-Resident Fee policy.

Objective 7.A.

THPRD will recommend to the Board of Directors the revised non-resident fee policy predicated on the following premises:

- The District is tasked with serving District residents and property owners first.
- Meeting the needs of adjacent non-residents and those who work within the District boundary, or who are visiting, is an ancillary and mutually beneficial service.
- Monitored Facility Usage is not at or near capacity with resident usage, and non-residents help to ensure that classes, workshops, and clinics reach minimum or fill. Therefore, setting appropriate but non-restrictive, non-resident user fees and service rates preserves the benefit to the resident and property owner for their property tax investment, while encouraging participation by others.
- Classes and services which are at or nearing capacity can assure resident priority participation through restricting registration access to residents first, then opening it up to non-residents if not filled.

Action:

- *Revise policy as required.*

Goal 8 – Revise current Family Assistance Program.

Objective 8.A.

The District is tasked with serving District residents and property owners with barrier-free access. Barrier-free access includes ability to pay constraints. THPRD will ensure that services are accessible for those who are socio-economically disadvantaged.

Actions:

- *Focus on providing financial support for participation in those categories of service on the Mostly or Considerable Community Benefit levels of the Pyramid – thus ensuring access for all to those services providing the greatest community benefit.*
- *Ensure that Family Assistance may be used for daily admission to THPRD facilities or frequent user discount fee package, or to register for any THPRD operated or managed **Tier 2 or 3** services except for rentals:*
 - *Monitored Facility Usage*
 - *Classes, Workshops, and Clinics – Beginning/Multi-Level*
 - *Classes, Workshops, and Clinics – Intermediate/Advanced*
 - *Leagues/Tournaments – Unrestricted*
 - *Preschool*
 - *Camps/Before and After School Care*
 - *Therapeutic/Adapted/Special Recreation*
 - *Social Services*
 - *Social Clubs*
- *Ensure that non-residents are not eligible for the Family Assistance Program.*
- *Cease cash awards made directly to third party providers (youth sports associations, contract instructors, THPRD Associates or Affiliates, or alternative providers such as the YMCA or Boys and Girls Clubs, etc.) will be discontinued.*
- *Revise policy as required.*

Draft Policies follow:

- **Cost Recovery**
- **Non-Resident Fees**
- **Family Assistance**

Proposed Draft Policy 1

Resource Allocation and Cost Recovery Philosophy, Model and Policy

Background

The District is tasked with cost recovery goals in accordance with the District's annual budget allocation and financial constraints. To that end, the District sets fees and charges in relation to these goals, the value/cost of service provision, market conditions, benchmarking, demand, cost recovery targets, and industry trends. The current Family Assistance (scholarship) policy and process was also refined to allow for maximum resident participation in THPRD programs and assure that no one has a barrier to participation.

Cost Recovery Policy and Fee Setting

THPRD offers services that are funded through a combination of user fees, taxes, grants, and donations. Fees and charges shall be assessed in an equitable manner in accordance with the following fee and charge assessment schedule (outlined under THPRD's Cost Recovery Model).

Since fees moving forward will be now be based on the value/cost of service provision, market conditions, benchmarking, demand, cost recovery targets and industry trends, automatic fee discounts for select age groups, those with special needs or those in lower income brackets will continue to be phased out in favor of funding special initiatives to reach target populations or socio-economic groups, as well as emphasizing barrier-free access for all residents through qualified use of the refined Family Assistance Program.

Example 1: In the past, Special Recreation program fees were set at 40 percent. Now on **Tier 3**, all services on this tier collectively are intended to recover 100 percent of all direct and allocated costs. As a phased approach, **Therapeutic/Adapted/Special Recreation** should attempt to recover like Tier 2 services (75%), then eventually at least break even on all direct and allocated costs. Therefore, those services that are doing better than the target tier minimum cost recovery goals or that are revenue positive can off-set this phased approach. Those with ability-to-pay issues should use the **Family Assistance Program**.

Example 2: In the past, THPRD senior discounts began at age 50, and now they begin at age 55. Automatic age entitlement discounts are preventing agencies from moving toward sustainability goals as the amount of older adults continue to grow. Most adults are living longer, enjoying healthy active lifestyles. This trend, coupled with goals to lessen the dependence on tax revenues to underwrite services, has forced many agencies to phase raising the age of senior discounts to match social security and retirement ages, or eliminate them altogether in favor of a general Family Assistance qualification program.

Through special initiatives, services that provide recreational opportunities for populations with the fewest recreational alternatives (youth, limited income, special needs, senior adults, and families) may be more heavily supported by grants, donations, revenue positive services, or by Board decision to allocate additional property taxes to ensure that the targeted population is well served by the initiative.

Cost recovery percentages may be considered as guidelines; however, special circumstances, the nature and cost of each program, and persons to be served should be taken into consideration. User fees may or may not be applicable.

Process

- THPRD shall conduct an annual comprehensive review of cost recovery targets.
- Programs, facility use, and services will be sorted and assigned a cost recovery tier using the Pyramid Methodology.
- A Fee Structure/Rate review will be done annually to determine viability of programs.
- Program plans are developed and approved with fees set within the tier cost recovery target minimum.

THPRD's Cost Recovery Model

The following model represents all categories of services currently provided, or those which may be provided in the future by the District. It is based upon the degree of beneficiary to the community (Tier 1 – Mostly Community Benefit) or individual (Tier 5 – Mostly Individual Benefit), the values of the THPRD community, and the vision and mission of the District. The model and policy form the basis for setting fees and charges (see Final Cost Recovery Model, Resource Allocation Philosophy, and Policy Document dated June 2013).

Services can always perform better than the target tier minimum cost recovery goals due to demand and market conditions.

- a. Revenue positive over direct costs – **Tier 5** services are targeted to recover a minimum of **200%+** of all direct and allocated costs.
 - Concession/Vending
 - Merchandise
 - Private/Semi-Private Lessons
 - Rentals/Exclusive Use – Private
 - Tenant Leases
 - Equipment Rentals
 - Trips
 - Organized Parties
 - Permitted Services
 - Professional Services
- b. Revenue positive over direct costs – **Tier 4** targeted at **150%** of all direct and allocated costs
 - Classes, Workshops, and Clinics – Competitive
 - Specialized Activities
 - Drop in Child Care/Babysitting
 - Leagues/Tournaments – Restricted

- c. Primarily fee supported services with no tax investment – as an average, **Tier 3** services are targeted to recover a minimum of **100%** of all direct and allocated costs, and some of these services may be appropriate for use of alternative funding sources (like grants, donations, and volunteers). At a minimum, these services should attempt to break even or be cost neutral.
- Classes, Workshops, and Clinics – Intermediate/Advanced
 - Rentals/Exclusive Use – Associates
 - Rentals/Exclusive Use – Affiliates
 - Leagues/Tournaments – Unrestricted
 - Preschool
 - Camps/Before and After School Care
 - Community Service Program/Internships
 - Therapeutic/Adapted/Special Recreation
 - Social Services
 - Social Clubs
- d. Partial fee supported services with some tax investment – as an average, **Tier 2** services are targeted to recover a minimum of **75%** of all direct and allocated costs, and some of these services may be appropriate for use of alternative funding sources (like grants, donations, and volunteers).
- Monitored Facility Usage
 - Classes, Workshops, and Clinics – Beginning/Multi-Level
 - Volunteer Programs
- e. Full tax investment with little or no fee support (**Tier 1** services are targeted to recover **0%** of all direct and allocated costs, **although** some of these services **may be** appropriate for use of alternative funding sources (like grants, donations, and volunteers).
- Community-wide Events
 - Open Park Usage
 - Inclusionary Services
 - Support Services (Leadership and Administration In-direct costs)

Cost of Services

The following general definitions will be used to determine the cost of providing all services.

Direct Cost: Includes all the specific, identifiable expenses (fixed and variable) associated with providing a service, program, or facility. These expenses would not exist without the program or service and often increase exponentially.

Indirect Cost: Encompasses overhead (fixed and variable) including the administrative costs of the agency. These costs would exist without any of the specific programs or facilities.

Benefits of Policy

Updating the Resource Allocation and Cost Recovery Model and Policy at this time reflects the philosophy that was developed as a result of this process and continues to move the District toward a more sustainable public service provider. This policy will also become the basis for setting fees and charges for programs and services.

Potential Downside of Proposal

There is no identifiable downside to adopting this policy with the exception of changes to automatic age or special needs discounted fees.

It is recommended that this change be phased in over a period of time with the senior age discount increasing annually in five year increments until the full social security retirement age is reached:

According to the Social Security Administration, "full retirement age (also called "normal retirement age") had been 65 for many years. However, beginning with people born in 1938 or later, that age gradually increases until it reaches 67 for people born after 1959."

For special needs discounts, it is recommended that the first phase is to attempt to reach the Tier 2 cost recovery minimum goal of 75% of direct and allocated expenses first, even though the category of service – Therapeutic/Adapted/Special Recreation – is on Tier 3 (100% target tier minimum cost recovery). The second goal would be to break even or be cost neutral.

Action Requested

Adoption of Policy

THIS PAGE INTENTIONALLY LEFT BLANK

Proposed Draft Policy 2

Non-Resident Fee Policy

Background

The District is tasked with serving District residents and property owners first. Meeting the needs of adjacent non-residents and those who work within the District boundary, or who are visiting, is an ancillary and mutually beneficial service. Monitored Facility Usage is not at or near capacity with resident usage, and non-residents help to ensure that classes, workshops, and clinics reach minimum or fill. Therefore, setting appropriate but non-restrictive non-resident user fees and service rates preserves the benefit to the resident and property owner for their property tax investment, while encouraging participation by others. Classes and services which are at or nearing capacity can assure resident priority participation through restricting registration access to residents first, then opening it up to non-residents if not filled.

District resident property taxes primarily support the services on **Tiers 1 and 2**. All other tiers are designed to be revenue positive over all direct and allocated expenses (or at a minimum cost neutral).

- a. Partial fee supported services with some tax investment – as an average, **Tier 2** services (those with **considerable community benefit**) are targeted to recover a minimum of **75%** of all direct and allocated costs, and some of these services may be appropriate for use of alternative funding sources (like grants, donations, and volunteers).
 - Monitored Facility Usage
 - Classes, Workshops, and Clinics – Beginning/Multi-Level
 - Volunteer Programs
- b. Full tax investment with little or no fee support (**Tier 1** services – those **mostly benefitting the community** – are targeted to recover **0%** of all direct and allocated costs, **although** some of these services **may be** appropriate for use of alternative funding sources (like grants, donations, and volunteers).
 - Community-wide Events
 - Open Park Usage
 - Inclusionary Services
 - Support Services (Leadership and Administration In-direct costs)

Resident rates are set in accordance with the District's Resource Allocation and Cost Recovery Philosophy, Model, and Policy, the annual budget allocation and financial constraints. To that end, the District sets higher non-resident fees and charges in relation to these goals, the value/cost of service provision, market conditions, benchmarking, demand, cost recovery targets, and industry trends, but so as not to be prohibitive.

The District's Family Assistance (scholarship) policy and process does not apply to non-residents or to those who pay non-resident rates. Nor does the policy apply to those who buy into a resident equivalent status. In addition, applicable senior or other discounts do not apply except for bulk/frequent user discount admission packages.

Staff is requesting that the Board of Directors adopt this policy.

Non-Resident Fee Policy

THPRD offers services that are funded through a combination of user fees, resident property taxes, grants, and donations. Non-resident fees and charges shall be assessed at a higher rate than resident rates, but not as to discourage non-residents from participation. Non-resident rates will consider the value/cost of service provision, market conditions, benchmarking, demand, cost recovery targets and industry trends, and resident priorities.

Resident status will be restricted to those who pay the annual lump sum equivalent to the amount of property tax based on the annual assessed valuation for a like or similar dwelling according to THPRD property tax rates.

Process

- THPRD shall conduct an annual comprehensive review of service capacity versus residential usage.
- A Non-Resident Fee Structure/Rate review will be done annually to determine viability of programs.

Benefits of Policy

Updating the Non-Resident Fee Policy at this time reflects the philosophy that was developed as a result of the Resource Allocation and Cost Recovery Philosophy, Model, and Policy development process, as well as industry best practices. This business and market decision benefits all residents because when non-residents participate, THPRD can better serve the residents by actualizing program minimums, creating excess revenue over direct and allocated expenses, and continuing to move the District toward a more sustainable public service provider.

Potential Downside of Proposal

There is no identifiable downside to adopting this policy.

Action Requested

Adoption of Policy

Proposed Draft Policy 3

Family Assistance Policy

Background

The District is tasked with serving District residents and property owners with barrier-free access. Barrier-free access includes ability to pay constraints. Recent allocations have amounted to over \$400,000 in annual discounts and distributions, of which \$75,000 was a cash outlay to Affiliates for scholarships to their programs (non-THPRD operated and managed services).

Family Assistance Policy

THPRD offers Family Assistance to those who live or own property within THPRD boundaries. The household must demonstrate District residency by having a valid THPRD registration card and financially qualify through proof of income documentation. Family Assistance funding eligibility will be good for one year after approval and cannot be carried over to the following year. Families may reapply for the next 12 months.

Process

- Applicants must supply proof of income such as two months of paycheck stubs for all working members of the family. Applicants may also attach award letters for the following: free school lunch, food stamps, social security/disability, TANF, or unemployment. If applicants have no income at all or other special circumstances, they may describe their situation in writing.
- To qualify for Family Assistance, the household must be within Tualatin Hills Park & Recreation District boundaries and entered in the District database. The applicant must also have a valid THPRD registration card.
- If the household income is less than the Federal Poverty Guidelines (updated annually), the applicant is eligible for Family Assistance. If the household income is between the Federal Poverty Guidelines and the Federal Free Meal Guidelines (updated annually), the applicant is still eligible, but will need to pay 10% of the requested funds or \$20 per person to access the Family Assistance.
- Applicants may apply for Family Assistance at any time during the year. The THPRD Family Assistance Program administrator determines eligibility on a case-by-case basis. If approved, applicants may be granted a maximum of \$200 per year in fee waivers for each person in the applicant's household. The funds will be made available in two \$100 allotments, six months apart. Funds are not transferable between members of the same household.
- Every member of the applicant's household who will use the fee waivers must be listed on the application. Only those members listed on the application will be able to use them. An incomplete application form will not be considered.

- Family Assistance may be used for daily admission to THPRD facilities or frequent user discount fee package, or to register for any THPRD operated or managed **Tier 2 and 3** services except for rentals.
 - Monitored Facility Usage
 - Classes, Workshops, and Clinics – Beginning/Multi-Level
 - Classes, Workshops, and Clinics – Intermediate/Advanced
 - Leagues/Tournaments – Unrestricted
 - Preschool
 - Camps/Before and After School Care
 - Therapeutic/Adapted/Special Recreation
 - Social Services
 - Social Clubs
- Non-Residents are not eligible for the Family Assistance Program
- Cash awards made directly to third party providers (youth sports associations, contract instructors, THPRD Associates or Affiliates, or alternative providers such as the YMCA or Boys and Girls Clubs, etc.) will be discontinued.

Benefits of Policy

Updating the Family Assistance Policy at this time reflects the philosophy that was developed as a result of the Resource Allocation and Cost Recovery Philosophy, Model, and Policy development process, as well as industry best practices. This program benefits all residents consistently and equitably who have an ability to pay issue regardless of age, ability, household size, or other entitlement criteria.

Potential Downside of Proposal

There is no identifiable downside to adopting this policy to THPRD and their residents if they qualify for the Family Assistance Program. There is the elimination of cash payments to Affiliates for THPRD youth participating in the Affiliate's programs and services. It is recommended that this change be phased in over a period of time.

Action Requested

Adoption of Policy

Theme 2: Service Provision and Management

The intent of this theme is to avoid duplicative services in over-saturated markets which exhaust resources; identify and develop niche markets in response to service area needs; and advance THPRD's market position where services are financially sustainable.

(Note: The following objectives were identified through a comprehensive staff Service Assessment in Fall of 2012 and Winter/Spring of 2013. The Service Assessment tool should be used regularly to align services with evolving community needs, financial and market conditions, etc. The Service Portfolio identifies all the recommended services provision strategies.)

This Theme encompasses Goals 9 through 12.

Goal 9 – Implement provision strategies identified through the Service Assessment.

Objective 9.A.

THPRD will evaluate alternative provision strategies through market research for identified services. (See the accompanying Staff Resource Document for Service Portfolios identifying all the services recommended for collaborations or complementary development.)

Several services suggest complementary development because a number of, or one, significant alternative provider(s) exists which provide the service. THPRD may be in a strong market position to provide the service, yet it does not have financial capacity. "Complementary development" encourages planning efforts that lead to mutually compatible service development rather than duplication, broadening the reach of all providers. Although there may be perceived market saturation for the service due to the number of similar services of alternative providers, demand and need exists, justifying the service's continued place in the market.

Actions:

- *Evaluate opportunities for complementary development:*
 - *Turn over adult fitness and yoga & Pilates combination adult/teen from the Athletic Center to Cedar Hills Recreation Center.*
 - *Indoor Playpark at Athletic Center is currently run by a co-op, but has revenue potential if run by the District.*
 - *Adult kickball at Athletic Center has low participation; work with the city of Hillsboro to expand number of teams in league.*
 - *Junior Lifeguards at Beaverton Swim Center.*
 - *Bicycle Repairs at Cedar Hills Recreation Center.*
 - *Several introductory/multi-level aquatic classes, teen art classes, guitar classes, and preschool ice skating at Conestoga Recreation and Aquatic Center.*
 - *Adaptive aquatics at Harman Swim Center.*
 - *Aquarobics at Raleigh Swim Center and Deep Water Aerobics at Sunset Swim Center; as well as lap swim at both due to discounted senior fees preventing financial sustainability.*
 - *Several introductory classes at the Elsie Stuhr Center such as Rosen Method Movement, Hand and Foot Therapy, etc. New classes should be monitored to see if they have successful participation levels after three attempts, or discontinue until demand is evident.*

- *Bingo could turn into a fundraiser at the Elsie Stuhr Center to cover operational costs.*
- *Some trips at the Elsie Stuhr Center.*
- *Blood pressure clinic at the Elsie Stuhr Center because there is high alternative coverage.*

Action not recommended:

- *Playground and fields usage at Garden Home Recreation Center suggested Complementary Development, because there are other opportunities in the same service area; if there weren't, this Open Park Usage would become a "core service"; would not recommend for complementary development at this time, unless the amenities and equipment are in disrepair or poor condition with readily available options in the target market's service area.*

Several of the services at selected locations suggest collaboration, because the service can be enhanced or improved through the development of a collaborative effort as THPRD's current market position is weak. Collaborations (e.g., partnerships) with other service providers (internal or external) that minimize or eliminate duplication of services while most responsibly using THPRD's resources are recommended.

Actions:

- *Evaluate opportunities for collaboration:*
 - *Tutor Time at Athletic Center.*
 - *Low Impact Aquarobics at Tualatin Hills Aquatic Center.*
 - *Several introductory/multi-level classes, workshops, and clinics and water safety instruction (needs new location due to pool limitations) at Harman Swim Center.*
 - *Nature Park Interpretive Center – Stroller Safaris.*
 - *Cooper Mountain Nature Park – Yoga, Afterschool Nature Club, and adult environmental education programs.*
 - *Nature Park Interpretive Center Spring Native Plant Sale is currently a fundraiser for the friends' group. If continued, cost of service provision should be covered by this event.*
 - *Fused Glass classes (various levels) at the Elsie Stuhr Center.*
 - *Diabetes Support Group at the Elsie Stuhr Center.*
 - *Self-Determination Resources, Inc. (SDRI)* job development at the Elsie Stuhr Center.*
 - *Various therapeutic/adapted/special recreation services at the Elsie Stuhr Center.*
 - *Junior tennis classes offered at parks throughout the District.*
 - *Competitive tennis tournament preparation.*

*Since 1997, Self-Determination Resources has worked with people who have disabilities to assist them to achieve true choice and control of the supports and resources available to them so that they can reach their goals. Their work is grounded in the concept of self-determination, a concept built on the fundamental belief that if people gain the control of their supports and resources, their lives will improve and costs will decrease. Currently, SDRI serves individuals through either the Support Services for Adults program sponsored by Oregon's Developmental Disability Program or through the Adult Mental Health Initiative (AMHI) sponsored by Oregon's Mental Health Services and contracted through Washington County's Mental Health Program.

Objective 9.B.

THPRD will develop a systematic process for the divestment of identified services to mitigate resource loss. (See the accompanying Staff Resource Document for Service Portfolios identifying all the services to divest.) Divestment could mean cessation of a specific service at a specific location and trying something different, closing or re-purposing a facility or facility space, or elimination of a service all together.

Only a couple of services offered by the District suggest divestment as the only option, because THPRD has determined that it is in a weak market position with little or no opportunity to strengthen its position. Further, the service is deemed to be contrary to THPRD's interest in the responsible use of resources; therefore, THPRD is positioned to consider divestment of the service.

Actions:

- *Divest Teen-adult kickboxing at Conestoga Recreation and Aquatic Center.*
- *Divest NIA (fitness program) at the Elsie Sthur Center.*

Objective 9.C.

THPRD will develop a systematic process for either collaborating with others to continue these identified services or divesting to mitigate resource loss. (See the accompanying Staff Resource Document for Service Portfolios identifying all the services to collaborate or divest.)

Many services offered by the District suggests either collaboration or divestment, because THPRD has determined that it is in a weak market position with little or no opportunity to strengthen its position. Regardless of whether the service may or may not be deemed to have the financial capacity to be economically viable, it is probably contrary to THPRD's best interest to use its limited resources to continue offering these services; therefore, THPRD is positioned to consider either a collaboration or divestment of these services.

Goal 10 – Explore a systematic approach to and strategies for advancing or affirming market position for identified services.

Objective 10.A.

THPRD will advance market position of identified services through increased marketing efforts. (See **Appendix G** for Service Portfolios identifying all the services to advance.)

Actions:

- *Capitalize on THPRD's strong market position for these services by increasing offerings as demand dictates.*
- *Advance market position of permitted services (alcohol, photo shoots, events by others), concession and vending, and merchandise in most (if not all) locations.*
- *Advance field rentals and facility rentals at most locations.*
- *Increase private and semi-private lessons at most locations, swim lessons, and professional services such as physical education swim classes with instruction at most (if not all) locations.*
- *Promote organized parties at most locations.*
- *Promote adult sports at the Athletic Center.*
- *Promote specialized activities and some community-wide events at most locations.*
- *Capitalize on Summer Camps and non-school day programs at several locations.*

- *Offer more introductory/multi-level aquatic classes at Beaverton Swim Center such as diving 1-4, synchronized swimming 1-6, water polo, and back-arthritis.*
- *Offer various introductory/multi-level and intermediate/advanced classes, workshops, and clinics at Recreation Centers throughout the District.*
- *Capitalize on indoor playground (CH).*

Objective 10.B.

THPRD will affirm market position of identified services through program outcome planning and market research. (See the accompanying Staff Resource Document for Service Portfolios identifying all the services to affirm.)

At certain locations, specific programs have demand within the target market and service area, and alternative providers are also in the same market space. Strategic positioning and messaging, focusing on the differences or niche will be a key marketing strategy.

Some classes and programs are also provided by others in certain locations throughout the District.

Actions:

- *Ensure that services offered fill a strategic niche market.*
- *Use niche positioning and messaging as a marketing strategy.*

Objective 10.C.

THPRD will consider strategies to deal with waiting lists on services which are at or near capacity and are determined to advance the market position.

Actions:

- *Consider summer package of multi-level learn to swim lessons to assist with aligning skill advancement with class scheduling.*
- *Consider determining advancement recommendations earlier in the session.*
- *Require patrons to pay the full class fee to register on waitlists or create a cancellation fee.*
- *Ensure that staff are monitoring registration, scheduling instructors for typical capacity regardless of level of instruction, and that adequate support staff is available to help manage high demand program registration needs at peak times.*

Goal 11 – Continue to explore targeted menus of services that are specific to the unique needs of individual communities throughout the District (avoid a “one-size-fits-all” approach).

Objective 11.A.

THPRD will conduct a service assessment and review portfolio of services annually to ensure responsiveness to each unique service area and their socio-economic conditions.

Action:

- *Add as a function to management performance plans.*

Objective 11.B.

THPRD will adopt a systematic approach to new program implementation and management (for instance, run a program three times, making adjustments as necessary, and then discontinue offering it if it is not successful).

Actions:

- *Monitor minimum registration.*
- *Make adjustments as necessary.*
- *Cancel and/or replace under-performing services.*

Objective 11.C.

THPRD will manage its programs' lifecycles through monitoring registration, attendance figures, and cost recovery goals on an ongoing and regular basis.

Action:

- *Watch for the warning signs of program saturation point, such as declining participation, and pursue revitalization efforts such as new instructor, new outcomes, title and description, and new day or time.*

Goal 12 – Improve intra-division cooperation and labor management.

Objective 12.A.

THPRD will explore centralizing recreation and aquatics programs and move away from complete site based budget and management structure.

Action:

- *Improve efficiencies and collaborations, decrease intra-divisional competition, improve consistency in service delivery, and eliminate “silo-ed” thinking by moving away from site-based management for some programs and services.*

Objective 12.B.

THPRD will enhance and deepen its understanding of true labor costs for services; this is especially valuable for decision-making regarding return on investments for certain programs, activities, and events (special events, fundraising events, etc.).

Action:

- *Conduct a time-in-motion/activity log.*

Theme 3: Cost Savings – Cost Avoidance Strategies

The intent of this theme is to identify practices and analysis methods for service planning and provision to consistently ensure the most cost effective use of resources.

This Theme encompasses Goals 13 through 16.

Goal 13 – Continue to develop a consistent methodology and budget planning approach for service management.

Objective 13.A.

THPRD will ensure that all staff is using zero-based (cost-based or activity-based) budgeting principles to determine the **direct and indirect** cost to provide a service as the basis for the budget development process.

Actions:

- *Expand use of existing budgeting, project, and time management tools to track actual costs over the next year.*
- *Compare tracked actual costs against current direct costs assumptions and make adjustments as necessary.*
- *Use cost-based budgeting tools as the details for the next fiscal year budget preparation.*

Goal 14 – Continue to use cost savings practices that align with the District’s vision and produce cost effective results.

Objective 14.A.

THPRD will review internal management practices and evaluate cost savings measures.

Actions:

- *Conduct internal process meetings to determine efficiencies, management styles, efficient uses of assets, and create recommendations to reduce costs and simplify processes, sharing approval/decision-making throughout THPRD.*
- *Managers to document recommended process changes and management strategies, which reduce costs.*

Goal 15 – Continue to track and communicate cost of major maintenance.

Objective 15.A.

THPRD will continue to maintain a current rolling 10-year capital lifecycle repair and replacement list of the physical assets of THPRD.

Actions:

- *Managers will continue to update the lifecycle repair and replacement list annually.*
- *Discuss a consensus approach to capital budget requests and communicate the impact of the escalation costs of not being able to address the repair and replacement plan with Leadership Team.*

Objective 15.B.

THPRD will continue to identify parks that have active community support and continue to implement an Adopt-A-Park/Adopt-A-Trail program to assist in ongoing maintenance efforts.

Actions:

- *Research best practices.*
- *Create a policy and procedures.*
- *Develop a list and schedule of tasks to be accomplished and whether or not the tasks are enhancements or are replacing current work being done as a labor cost savings measure.*
- *Account for the direct costs to manage this program.*
- *Market and promote the program.*

Goal 16 – Identify and track the value of volunteers as an alternative revenue source and cost savings measure.**Objective 16.A.**

THPRD will continue to track the use of volunteers that supplement critical service functions and include the value of this as an alternative funding source.

Actions:

- *Actively engage volunteers where appropriate as an alternative funding resource.*
- *Follow best management practices for volunteer programs.*
 - *Value the volunteer labor as outlined by the Independent Sector http://www.independentsector.org/volunteer_time. According to the website, the value of Oregon volunteer labor is \$19.33 per hour and the national value is \$22.14 for 2012. (2011 is the latest year reported – There is a lag of almost one year in the government's release of state level data which explains why the state volunteering values are one year behind the national value.)*
- *Account for the value of the volunteers as alternative funding contributing to cost recovery if replacing the cost to provide the service, and account for the same value of the service on the expense side.*
- *Classify the value of volunteers when supplementing operations or providing an enhancement.*

Theme 4: Cost Recovery Alignment

The intent of this theme is to identify opportunities to increase direct cost recovery where possible and to begin the dialogue with those affected.

This Theme encompasses Goals 17 and 18.

Goal 17 – Ensure long-term sustainability by focusing taxpayer funding on those services that produce the widest community benefit, using a cost recovery pyramid.

Objective 17.A.

THPRD will increase cost recovery to meet target goals through recommended pricing strategies and/or use of alternative funding sources as appropriate to specific service through staff.

Actions:

- *Staff will evaluate appropriate pricing by conducting a market analysis using suggested comparative analysis of like facilities and services and submit it to Supervisors.*
- *Supervisors will determine if they can make services meet the recommended cost recovery goals by looking at costs, fee adjustments, and alignment with available alternative funding strategies.*
- *Supervisors will articulate a recommendation to divest some or all of the services in the event that cost recovery goals cannot be achieved.*
- *Managers will consider recommendation and forward to the Leadership Team for approval.*
- *Strive to have all categories of services on tiers 3, 4, and 5 at least break even as the primary goal; then strive to reach target tier minimums in aggregate on each tier; then strive to have each category reach the target tier minimum on each tier; then each service in each category on each tier reach the target tier minimum.*

Objective 17.B.

THPRD will monitor the amount of resource dedicated to social services; services that provide a social, wellness, or safety benefit that do not fit into other traditional park and recreation instructional, special event and/or athletics offerings (examples: tax preparation services, senior meal programs, flu shots, toenail and foot care, literacy, blood pressure clinic, AARP driving course, support groups, etc.).

These services have importance to the community and are providing considerable benefit to both the community and the individual. These services are generally provided through another agency using space in the facilities, and should be provided by THPRD as long as funding remains available through federal tax grants (for Head Start programs, Meals on Wheels and perhaps congregate meal sites), or should be provided or managed by another agency whose mission more closely aligns with these services.

Action:

- *Staff will closely monitor these expenditures as the current Federal Government sequester is predicted to impact funding for Meals on Wheels (and perhaps congregate meal sites).*

Objective 17.C.

THPRD will review all independent contract agreements in relation to THPRD costs and adjust to match the category of service level on the pyramid annually.

Actions:

- *Educate current contract agreement holders on the Financial and Service Sustainability Plan, the results of the cost recovery goals, the service assessment and provision analysis.*
- *Discuss strategies to efficiently and effectively comply with the plan.*
- *Develop specific and measureable action steps for each contract holder including alternative funding strategies.*

Objective 17.D.

THPRD will consider implementing additional peak/off-peak or prime/non-prime time, and seasonal demand pricing strategies.

Actions:

- *Develop fees based on cost/value of and demand for the experience.*
- *Develop marketing strategy and campaign.*
- *Additional discounts aimed at admission should not be applied.*

Objective 17.E.

THPRD will consider implementing additional bulk purchase discounted frequent user pricing strategies for admissions or drop-in services.

Actions:

- *Develop an annual pass fee structure where a formula of use equals a discount (for instance: an annual pass equals 60 daily admissions, etc.).*
- *Consider different fees for different experiences (for instance: create an aquatics only pass for swimming or a recreation center only pass for fitness and gymnasium use, and an all-inclusive pass for the richer experience of having everything at one site, or admission to all sites).*
- *Consider automatic debiting for monthly passes.*

Objective 17.F.

THPRD will consider scaling back the number of fitness classes that are included with the daily admissions or drop-in services to a basic level.

Actions:

- *Staff will evaluate the number of fitness classes included with admission by monitoring attendance over a typical month.*
- *Staff will recommend including a range of basic fitness classes as part of the admission package with specialty classes requiring additional registration.*

Objective 17.G.

THPRD will consider phasing out discounted fees for select groups, and/or raising the age for senior discounts.

Actions:

- *Recommend if admission fees are discounted for various groups, that the discount is the same for youth, senior, disabled, and military and that the discount is the target cost recovery rate.*
- *Recommend if admission fees discounts are continued for select age groups, that the youth are under 18 years and the senior age follow Social Security and Medicare guidelines.*
- *Recommend that discounted fees only apply to drop-in admission, and that program, class, event, trip, or activity fees be based on cost of service provision and cost recovery goals.*
- *Recommend that barrier free access includes those with an ability-to-pay concern, and that the Family Assistance Program is the solution.*
- *Recommend that the Board of Directors fund strategic initiatives to target groups for specific outcomes (for instance: at risk youth afterschool program; low-income art program; older adult active lifestyle/healthy aging program; unrestricted unified sports league buddy program; etc.).*

Objective 17.H.

THPRD will encourage non-resident participation to add to cost recovery.

Actions:

- *Staff to re-consider the residency buy-in as equal to the amount of annual property tax payment a resident would pay.*
- *Benefits of residency buy-in would be the ability to pay the resident rate for all classes, events, admission, passes, etc.*
- *Residents would still get priority registration for services that fill and have wait list, like aquatics classes.*
- *Consideration could be given to granting early registration for non-residents to services that don't typically fill.*
- *To encourage non-resident participation in classes, programs, admission, passes, etc. (which are not typically at capacity), use a resident and non-resident rate structure, typically 10-50% higher for non-residents depending on the direct cost of service provision and not as a punitive measure. Several services and facilities have service areas and target markets which extend outside of the District's boundaries.*

Goal 18 – Review all Intergovernmental Agreements (IGAs), Memorandums of Understanding (MOUs), Rentals, and Tenant Leases to reflect cost of service provision and value received.

Objective 18.A.

THPRD will annually review all Intergovernmental Agreements (IGAs), Memorandums of Understanding (MOUs), rentals, and long-term Tenant Lease agreements to ensure compliance with cost recovery goals in relation to the direct cost to provide the service (the value) and the category of service level on the cost recovery pyramid.

Actions:

- *Educate current IGA, MOU, rental, and Tenant Lease holders regarding the Financial and Service Sustainability Plan, the cost recovery goals, the service assessment, and the provision analysis.*
- *Develop specific and measureable action steps for each IGA, MOU, and rental and Tenant Lease holders including alternative funding strategies.*

- *Review IGA with Beaverton School District. Field use fees are very commonly used by park and recreation agencies to help with cost recovery for these services. The District is not alone in charging them.*
- *Review and confirm who is an affiliate and formalize the criteria and process to become one.*
- *Review all affiliate rentals with THPRD aquatic clubs, THPRD sports clubs, Foundations/Advisory Committees/Friends Groups, West Portland Boxing, Meals on Wheels, etc., to assure that cost recovery goals are addressed.*

Objective 18.B.

THPRD will consider optional provision strategies and locations for Meals on Wheels.

Action:

- *Move Meals on Wheels from the Elsie Stuhr Center to a church. Meals on Wheels funding may be effected by the Federal Government sequester.*

Theme 5: Revenue Enhancement

The intent of this theme is to identify new sources of revenues, including alternative funding ideas, and explore their future potential to increase or contribute to THPRD's overall financial sustainability.

This Theme encompasses Goals 19 through 22.

Goal 19 – Explore alternative funding sources that strategically align with targeted services.

Objective 19.A.

THPRD will identify a couple of ideas per budget cycle from the Alternative Parks and Recreation Operations and Capital Development Funding Sources section of this document and formulate a work team to explore the pros and cons, and potential outcomes for consideration to implement through Managers.

Action:

- *Assign a team of staff to select and pursue a couple of alternative funding ideas.*

Objective 19.B.

THPRD will pursue alternative funding for efficiency measures to reduce the costs to the taxpayer of operations, maintenance, and safety over the next several years.

Actions:

- *Research efficiency grants to analyze investing in and converting to green practices.*
- *Research return on investment (ROI) amortization schedules for investing in and converting to green practices.*

Objective 19.C.

THPRD will expand alternative funding for strategic initiatives through grants for new and existing capital projects.

Actions:

- *Actively seek new grant opportunities for healthy and active living initiatives.*
- *Pursue grants for trail development such as Safe Routes to Schools.*
- *Continue to pursue grants for cultural and natural resource projects.*

Objective 19.D.

THPRD will continue seeking alternative funding sources for programs and operations.

Action:

- *Explore alternative funding sources for ongoing programs and operations.*

Goal 20 – Improve effectiveness of Friends’ Groups and Advisory Committees for appropriate fundraising efforts.

Objective 20.A.

THPRD will continue to align Friends’ groups with the District Vision, Mission, and Values to ensure that fundraising efforts support District needs.

Actions:

- *Review revenue sources for the Friends’ Groups and Advisory Committees. Many current efforts are dedicating revenue positive services that the District should be managing to improve its cost recovery (like merchandise for resale and vending revenues), and are using it for Friends’ Groups or Advisory Committees projects.*
- *Review all by-laws for these groups and distinguish the difference between a fundraising body, an advisory committee, and a policy board.*
- *Staff liaisons will work with “Friends” Groups to revitalize them or work with community members to create new groups to support THPRD programs and facilities.*
- *Encourage community members to become members as fundraisers with necessary skills (such as grant writing, community or business connections, philanthropy, etc.).*
- *Align fundraising activities to primarily meet the priority goals and critical needs of the District; secondarily member driven initiatives.*
- *Develop fundraising goals based on program and facility objectives or specific initiatives and programs.*
- *Assist these groups in other fundraising activities that the District cannot employ, like 501(c)(3) pass through grants, fund raising events, capital campaigns, etc.*

Objective 20.B.

THPRD will engage Advisory Committees to advise staff on interest area specific services.

Actions:

- *Review all by-laws for these groups and distinguish the difference between a fundraising body, an advisory committee, and a policy board.*
- *Staff liaisons will work with Advisory Committees to revitalize them or work with community members to create new groups to support THPRD programs and facilities.*
- *Encourage community members to become members of existing interest groups as advisors.*
- *Create new groups in areas with interested community members.*

Goal 21 – Explore the opportunities for and use of Sponsorships through naming rights.

Objective 21.A.

THPRD will develop a list of potential park and facility sites and amenities to consider for naming rights and costs.

Actions:

- *Develop a policy regarding appropriate naming criteria and protocol.*
- *Develop the list of opportunities including historic sites.*
- *Develop fees and timeframes for naming rights (annual, in perpetuity, etc.).*
- *Develop sponsorship packages to bundle opportunities and market to major businesses such as hospitals, insurance companies, sports organizations, and related for-profit businesses.*
- *Market this option to corporations (larger facilities and parks), and individuals (benches, rooms, and equipment, etc.).*

Goal 22 – Increase targeted marketing and outreach efforts.

Objective 22.A.

THPRD will increase marketing and promotional opportunities funding.

Actions:

- *THPRD will create a District-wide marketing plan.*
- *THPRD will create a style guide and branding as part of marketing plan.*

Objective 22.B.

THPRD will expand the use of email blasts to increase promotion of upcoming opportunities for program registration and special events.

Action:

- *Increase the number of email addresses receiving THPRD email distribution by collecting them on registration forms.*

Objective 22.C.

THPRD will add a “QR” code to all marketing and promotional materials.

Actions:

- *Research the use of QR codes (matrix bar codes) or augmented reality technology to provide people with a new way to view/experience your park or facility (through their mobile devices).*

Objective 22.D.

THPRD will consider a reduction in printing of the voluminous activities guide, in favor of more strategic marketing efforts.

Actions:

- *Make activities guide available as an online resource only (like a college curriculum catalog).*
- *Spend printing budget on more targeted marketing.*
- *Get information regarding THPRD in Welcome Wagon kits.*
- *Outreach to short-term (more transient) District residents.*

Objective 22.E.

THPRD will consider creating non-prime time program packages to reach those available during the hours of 9:00am to 4:00pm weekdays and selectively marketing to the target audience/market segment.

Actions:

- *Create an annual program like “Active Adults” which includes admission to selected facilities for working out with a variety of options (weight room, cardiovascular equipment, lap swimming, selective classes, etc.) plus sessions with a personal trainer when starting, and periodic check-in points during the year. Package could also include social activities and could be paid for by or applied to a SilverSneakers program.*

Theme 6: Future Growth

The intent of this theme is to assist THPRD in its planning efforts to proactively respond to the needs of a diverse and growing community.

This Theme encompasses Goals 23 through 25.

Goal 23 – Explore new services using the Service Assessment.

Objective 23.A.

THPRD will use Service Assessment to determine THPRD's position in the market relative to service fit, economic viability, or dependence on taxpayer investment, strength or weakness in the market, and other similar available providers before implementation of a particular service.

Action:

- *On an annual basis, staff will review the service portfolio and use the Service Assessment to evaluate market position and provision strategies.*

Goal 24 – Provide a variety of community outreach strategies.

Objective 24.A.

THPRD will continue to provide ongoing opportunities for community input through a variety of outreach efforts.

Actions:

- *Continue to participate in stakeholder and planning group meetings, etc.*
- *Conduct regional community forums, at least annually.*

Objective 24.B.

THPRD will keep the community input process current and reflective of changing demographics, interests, and economic conditions.

Action:

- *Plan for conducting a District-wide or target planning area statistically-valid community survey every five years.*

Goal 25 – Pursue collaborations.

Objective 25.A.

THPRD will continue collaborations and discussions with other jurisdictions.

Action:

- *Using the results of the Service Assessment for existing services, as well as analyzing market position and public providers for new services, staff will recommend services for collaborative consideration on an annual basis.*

Objective 25.B.

THPRD will continue collaborations and discussions with other agencies.

Action:

- *Using the results of the Service Assessment for existing services, as well as analyzing market position and other non-profit and private providers for new services, recommend services for collaborative consideration on an annual basis.*

Objective 25.C.

THPRD will continue collaborations and discussions with the Beaverton School District.

Actions:

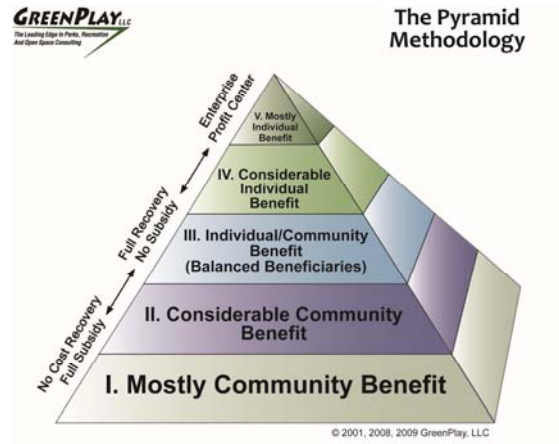
- *Using the results of the Service Assessment for existing services, as well as analyzing market position and schools as providers for new services, recommend services for collaborative consideration on an annual basis.*
- *Discuss additional use of schools sites for afterschool and weekend programming.*

Appendix A – The Pyramid Methodology

THE PYRAMID METHODOLOGY: COST RECOVERY AND SUBSIDY ALLOCATION PHILOSOPHY

The creation of a cost recovery and subsidy allocation philosophy and policy is a key component to maintaining an agency's financial control, equitably pricing offerings, and helping to identify core services including programs and facilities.

Critical to this philosophical undertaking is the support and buy-in of elected officials and advisory boards, staff, and ultimately, citizens. Whether or not significant changes are called for, the organization should be certain that it philosophically aligns with its constituents. The development of a financial resource allocation philosophy and policy is built upon a very logical foundation, based upon the theory that those who benefit from parks and recreation services ultimately pay for services.



The development of a financial resource allocation philosophy can be separated into the following steps:

Step 1 – Building on Your Organization's Values, Vision, and Mission

The premise of this process is to align agency services with organizational values, vision, and mission. It is important that organizational values are reflected in the vision and mission. Oftentimes, mission statements are a starting point and further work needs to occur to create a more detailed common understanding of the interpretation of the mission and a vision for the future. This is accomplished by engaging staff and community members in a discussion about a variety of Filters.

Step 2 – Understanding the Pyramid Methodology, the Benefits Filter, and Secondary Filters

Filters are a series of continuums covering different ways of viewing service provision. **Filters** influence the final positioning of services as they relate to each other and are summarized below. The **Benefits Filter**, however, forms the **foundation** of the **Pyramid Model** and is used in this discussion to illustrate a cost recovery philosophy and policies for parks and recreation organizations.

Filter	Definition
Benefit	Who receives the benefit of the service? (Skill development, education, physical health, mental health, safety)
Access/Type of Service	Is the service available to everyone equally? Is participation or eligibility restricted by diversity factors (i.e., age, ability, skill, financial)?
Organizational Responsibility	Is it the organization's responsibility or obligation to provide the service based upon mission, legal mandate, or other obligation or requirement?
Historical Expectations	What have we always done that we cannot change?
Anticipated Impacts	What is the anticipated impact of the service on existing resources? On other users? On the environment? What is the anticipated impact of not providing the service?
Social Value	What is the perceived social value of the service by constituents, city staff and leadership, and policy makers? Is it a community builder?

THE BENEFITS FILTER

The principal foundation of the Pyramid is the **Benefits Filter**. Conceptually, the base level of the pyramid represents the mainstay of a public parks and recreation system. Services appropriate to higher levels of the pyramid should only be offered when the preceding levels below are comprehensive enough to provide a foundation for the next level. This foundation and upward progression is intended to represent public parks and recreation's core mission, while also reflecting the growth and maturity of an organization as it enhances its service offerings.

It is often easier to integrate the values of the organization with its mission if they can be visualized. An ideal philosophical model for this purpose is the pyramid. In addition to a physical structure, *pyramid* is defined by Webster's Dictionary as "an immaterial structure built on a broad supporting base and narrowing gradually to an apex." Parks and recreation programs are built with a broad supporting base of core services, enhanced with more specialized services as resources allow. Envision a pyramid sectioned horizontally into five levels.

MOSTLY COMMUNITY Benefit

The foundational level of the Pyramid is the largest, and includes those services including programs and facilities which **MOSTLY** benefit the **COMMUNITY** as a whole. These services may increase property values, provide safety, address social needs, and enhance quality of life for residents. The community generally pays for these basic services via tax support. These services are generally offered to residents at a minimal charge or with no fee. A large percentage of the agency's tax support would fund this level of the Pyramid.

I. Mostly Community Benefit

Examples of these services could include: the existence of the community parks and recreation system, the ability for youngsters to visit facilities on an informal basis, low-income or scholarship programs, park and facility planning and design, park maintenance, or others.

NOTE: All examples above are generic – individual agencies vary in their determination of which services belong in the foundation level of the Pyramid based upon agency values, vision, mission, demographics, goals, etc.

CONSIDERABLE COMMUNITY Benefit

The second and smaller level of the Pyramid represents services which promote individual physical and mental well-being, and may begin to provide skill development. They are generally traditionally expected services and/or beginner instructional levels. These services are typically assigned fees based upon a specified percentage of direct (and may also include indirect) costs. These costs are partially offset by both a tax subsidy to account for **CONSIDERABLE COMMUNITY** benefit and participant fees to account for the **Individual** benefit received from the service.



Examples of these services could include: the capacity for teens and adults to visit facilities on an informal basis, ranger led interpretive programs, beginning level instructional programs and classes, etc.

BALANCED INDIVIDUAL/COMMUNITY Benefit

The third and even smaller level of the Pyramid represents services that promote individual physical and mental well-being, and provide an intermediate level of skill development. This level provides balanced **INDIVIDUAL** and **COMMUNITY** benefit and should be priced accordingly. The individual fee is set to recover a higher percentage of cost than those services that fall within lower Pyramid levels.



Examples of these services could include: summer recreational day camp, summer sports leagues, year-round swim team, etc.

CONSIDERABLE INDIVIDUAL Benefit

The fourth and still smaller Pyramid level represents specialized services generally for specific groups, and those which may have a competitive focus. Services in this level may be priced to recover full cost, including all direct and indirect expenses.



Examples of these services could include: specialty classes, golf, and outdoor adventure programs.

MOSTLY INDIVIDUAL Benefit

At the top of the Pyramid, the fifth and smallest level represents services which have profit center potential, may be in an enterprise fund, may be in the same market space as the private sector, or may fall outside the core mission of the agency. In this level, services should be priced to recover full cost in addition to a designated profit percentage.



Examples of these activities could include: elite diving teams, golf lessons, food concessions, company picnic rentals, and other facility rentals such as for weddings or other services.

Step 3 – Developing the Organization’s Categories of Service

In order to avoid trying to determine cost recovery or subsidy allocation levels for each individual agency service including every program, facility, or property, it is advantageous to categorize agency services into like categories. This step also includes the development of category definitions that detail and define each category and service inventory “checks and balances” to ensure that all agency services belong within a developed category. *Examples of Categories of Service could include: Beginner Instructional Classes, Special Events, and Concessions/Vending.*

Step 4 – Sorting the Categories of Service onto the Pyramid

It is critical that this sorting step be done with staff, governing body, and citizen representatives involved. This is where ownership is created for the philosophy, while participants discover the current and possibly varied operating histories, cultures, and organizational values, vision, and mission. It is the time to develop consensus and get everyone on the same page – the page that is written together. Remember, this effort must reflect the community and must align with the thinking of policy makers.

Sample Policy Development Language:

XXX community brought together staff from across the department, agency leadership, and citizens to sort existing programs into each level of the Pyramid. The process was facilitated by an objective and impartial facilitator in order to hear all viewpoints. It generated discussion and debate as participants discovered what different people had to say about serving culturally and economically varied segments of the community, about historic versus active-use parks, about the importance of adult versus youth versus senior activities, and other philosophical and values-based discussions. This process gets at both the “what” and “why” with the intention of identifying common ground and consensus.

Step 5 – Determining (or Confirming) Current Subsidy/Cost Recovery Levels

This step establishes the expectation that the agency will confirm or determine current cost recovery and subsidy allocation levels by service area. This will include consideration of revenues sources and services costs or expenses. Typically, staff may not be cost accounting consistently, and these inconsistencies will become apparent. Results of this step will identify whether staff members know what it costs to provide services to the community, whether staff have the capacity or resources necessary to account for and track costs, whether accurate cost recovery levels can be identified, and whether cost centers or general ledger line items align with how the agency may want to track these costs in the future.

Step 6 – Defining Direct and Indirect Costs

The definition of direct and indirect costs can vary from agency to agency. What is important is that all costs associated with directly running a program or providing a service are identified and consistently applied across the system. Direct costs typically include all the specific, identifiable expenses (fixed and variable) associated with providing a service. These expenses would not exist without the service and may be variable costs. Defining direct costs, along with examples and relative formulas is necessary during this step.

Indirect costs typically encompass overhead (fixed and variable) including the administrative costs of the agency. These costs would exist without any specific service but may also be attributed to a specific agency operation (in which case they are direct expenses of that operation). If desired, all or a portion of indirect costs can be allocated, in which case they become a direct cost allocation.

Step 7 – Establishing Cost Recovery/Subsidy Goals

Subsidy and cost recovery are complementary. If a program is subsidized at 75%, it has a 25% cost recovery, and vice-versa. It is more powerful to work through this exercise thinking about where the tax subsidy is used rather than what is the cost recovery. When it is complete, you can reverse thinking to articulate the cost recovery philosophy, as necessary.

The overall subsidy/cost recovery level is comprised of the average of everything in all of the levels together as a whole. This step identifies what the current subsidy level is for the programs sorted into each level. There may be quite a range within each level, and some programs could overlap with other levels of the pyramid. This will be rectified in the final steps.

This step must reflect your community and must align with the thinking of policy makers regarding the broad picture financial goals and objectives.

Examples

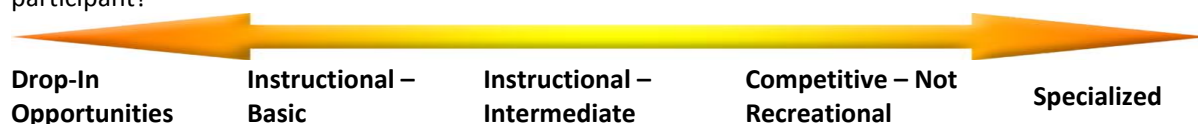
Categories in the bottom level of the Pyramid may be completely or mostly subsidized, with the agency having established limited cost recovery to convey the value of the experience to the user. An established 90-100% subsidy articulates the significant community benefit resulting from these categories.

The top level of the Pyramid may range from 0% subsidy to 50% excess revenues above all costs, or more. Or, the agency may not have any Categories of Service in the top level.

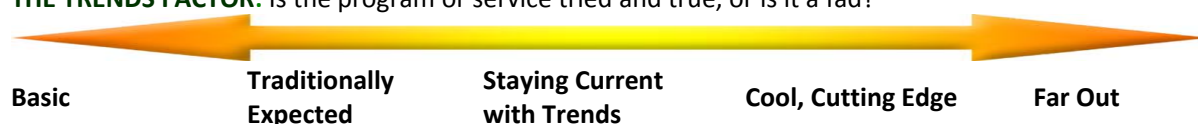
Step 8 – Understanding and Preparing for Influential Factors and Considerations

Inherent to sorting programs onto the Pyramid model using the Benefits and other filters is the realization that other factors come into play. This can result in decisions to place services in other levels than might first be thought. These factors also follow a continuum; however, do not necessarily follow the five levels like the Benefits Filter. In other words, a specific continuum may fall completely within the first two levels of the Pyramid. These factors can aid in determining core versus ancillary services. These factors represent a layering effect and should be used to make adjustments to an initial placement on the Pyramid.

THE COMMITMENT FACTOR: What is the intensity of the program; what is the commitment of the participant?



THE TRENDS FACTOR: Is the program or service tried and true, or is it a fad?



THE POLITICAL FILTER: What is out of our control?

This filter does not operate on a continuum, but is a reality, and will dictate from time to time where certain programs fit in the pyramid

THE MARKETING FACTOR: What is the effect of the program in attracting customers?



THE RELATIVE COST TO PROVIDE FACTOR: What is the cost per participant?



THE ECONOMIC CONDITIONS FACTOR: What are the financial realities of the community?



FINANCIAL GOALS FACTOR: Are we targeting a financial goal such as increasing sustainability, decreasing subsidy reliance?



Step 9 – Implementation

Across the country, ranges in overall cost recovery levels can vary from less than 10% to over 100%. The agency sets their goals based upon values, vision, mission, stakeholder input, funding, and/or other criteria. This process may have been completed to determine present cost recovery levels, or the agency may have needed to increase cost recovery levels in order to meet budget targets. Sometimes, simply implementing a policy to develop equity is enough without a concerted effort to increase revenues. Upon completion of steps 1-8, the agency is positioned to illustrate and articulate where it has been and where it is heading from a financial perspective.

Step 10 – Evaluation

The results of this process may be used to:

- articulate and illustrate a comprehensive cost recovery and subsidy allocation philosophy
- train staff at all levels as to why and how things are priced the way they are
- shift subsidy to where it is most appropriately needed
- benchmark future financial performance
- enhance financial sustainability
- recommend service reductions to meet budget subsidy targets, or show how revenues can be increased as an alternative
- justifiably price new services

This Cost Recovery/Subsidy Allocation Philosophy: The Pyramid Methodology Outline is provided by:



GreenPlay, LLC, 211 North Public Road, Suite 225, Lafayette, Colorado 80026
(303) 439-8369; Fax: 303-664-5313; Info@GreenPlayLLC.com; www.GreenPlayLLC.com
All rights reserved. Please contact GreenPlay for more information.
Copyright 2001, 2008, 2009, 2011

THIS PAGE INTENTIONALLY LEFT BLANK

Appendix B - Categories of Service

Prior to confirming the placement of services on the pyramid from the previous cost/benefit analysis, and sorting each new service onto the pyramid, the Project Team was responsible for refining the existing, and creating additional Categories of Services, including definitions and examples. These **thirty-one** categories of services and their definitions are summarized below.

THPRD'S CATEGORIES OF SERVICE

TIER 5: MOSTLY INDIVIDUAL BENEFIT

Concession and Vending – Food and beverage for individual use or consumption.

Merchandise – Items for individual or team use (examples: Logo clothing, tennis balls, memorial benches, bricks and trees, etc.).

Private/Semi-Private Lessons – Lessons arranged for one to three students with a specific instructor and/or time.

Rentals /Exclusive Use – Private – Rentals for exclusive use of spaces and facilities (examples: room rental, lap lane, fields, gyms, basketball or tennis courts, and entire facility, or picnic shelter, community garden which are only available for private rentals, etc.) on a one-time or one season basis by an individual, group, or business by a private individual, group, non-profit or for-profit business.

Tenant Leases – Long-term rentals for exclusive use of spaces and facilities for ongoing or multiple time-periods by a private individual, group, non-profit, or for-profit business (examples: communication and utility leases and easements, preschool, Portland Timbers, private residential residences or surplus property, etc.).

Equipment Rentals – Various agency-owned equipment available to renters (examples: banquet chairs/tables, audio/video equipment, tennis ball machines, stage, etc.).

Trips – Day, overnight, and extended trips that provide opportunities for participants to visit selected destinations outside of THPRD facilities and parks (examples: Elsie Stuhr Center excursions, outdoor recreation trips, specialized recreation trips, etc.).

Organized Parties – Includes a rental of space as well as an organized and monitored activity by staff; may or may not include food, cake, entertainment, and favors, catering and other planning functions (examples: swim birthday parties, nature birthday parties, weddings, baptisms, etc.).

Permitted Services – Allowable non-exclusive use permitted services for filming/photography rights, parking, concession/vending cart operations, alcohol, special events by others, etc.

Professional Services – Facility and program management or scheduling services provided by agency through contract to outside groups or other agencies (examples: mobile senior fitness programs to residential facilities, private residence tree trimming, church site maintenance, cooperative service agreements, etc.).

TIER 4: CONSIDERABLE INDIVIDUAL BENEFIT

Classes, Workshops and Clinics – Competitive – Same as above, with a focus on competitive activities; has a pre-requisite for participation or is try-out based (examples: tennis tournament prep program, etc.).

Specialized Activities – Targeted, individualized group activities led by THPRD staff, requiring advanced scheduling that are typically offered on a one-time or limited basis, or center specific one-time events (examples: school group activities or field trip, scout programs, home school activities, Bugfest, Fall Festival, Big Truck Day, Fun Run/Walk, Twilight Track, disc golf, bocce, Chocolate Fantasy, Junk in Your Trunk, etc.).

Drop-In Childcare/Babysitting – Drop-in on-site child care for participants using THPRD facilities and/or programs.

Leagues/Tournaments Restricted – Scheduled multi-game restricted sporting events for various age groups that are organized and/or managed by THPRD, may or may not be officiated and/or judged, and may or may not be scored, providing an individual or a team experience for participants with the intent to play a game/match-format or to compete (examples: open tennis, ASA sanctioned softball, etc.).

TIER 3: BALANCED COMMUNITY/INDIVIDUAL BENEFIT

Classes, Workshops, and Clinics – Intermediate/Advanced – Same as above, with a focus on intermediate/advanced progressive activities; has a pre-requisite for participation (examples: pre-competitive swim, specific skill refinement, tennis hit groups, lifeguard training, Splash Recreational Swim Team, etc.).

Rentals/Exclusive Use – Associate – Exclusive use of spaces and facilities (examples: room rental, lap lane, fields, gyms, basketball or tennis courts, entire facility, etc.) by a non-profit group on a one-time or on-going basis to groups identified as having common interests with the agency and may or may not have a formal agreement (examples: YMCA, THPRD inter-governmental agencies, Beaverton School District, NAC/CPO, etc.).

Rentals/Exclusive Use – Affiliates – Exclusive use of spaces and facilities (examples: room rental, lap lane, fields, gyms, basketball or tennis courts, entire facility, etc.) by a non-profit group on a one-time or on-going basis to groups identified as having aligned interests with the agency, fulfills a core service in lieu of the agency, serves primarily District residents, and has a formal agreement (examples: THPRD aquatic clubs, THPRD sports clubs, Foundations/Advisory Committees/Friends Groups, West Portland Boxing, etc.).

Leagues/Tournament Unrestricted – Scheduled multi-game sporting events for participants of multi-skill levels and various age groups that are organized and/or managed by THPRD, may or may not be officiated and/or judged, and may or may not be scored, providing an individual or a team experience for participants with the intent to play a game/match-format or to compete on a recreational level (examples: entry level tennis, volleyball, softball, basketball, Middle School track and cross-country, etc.).

Preschool – Structured curriculum-based licensed or license exempt education and enrichment programs for children 2.5-5 years old that prepare them for kindergarten. Programs may or may not include full day childcare and are managed and delivered by THPRD.

Camps/Before and After School Care – Non-licensed recreational and child care camps, school break programs, and after school programs with a social, child care and/or recreational focus which may include field trips, rather than specific instructional or skills programs. (examples: Winter or Spring Breaks, Summer Full-day Camp, non-contact school days, Nature and Sports Camp, etc.).

Community Service Program/Internship – Services that support educational or repayment requirements (example: court-ordered restitution, service learning requirements, college degree required internships, etc.).

Therapeutic/Adapted/Special Recreation Services – Specialized non-mandated on-site leisure drop-in opportunities and classes for people with disabilities designed and managed to be specific to the physical, cognitive, social, and affective needs of these populations. These are not unified programs, nor are they reasonable accommodations required as inclusionary services (examples: Camp Rivendale and TR drop-in programs, specialized aquatics, etc.).

Social Services – Services that are offered by agency to provide a social, wellness, or safety benefit that do not fit into other traditional park and recreation instructional, special event and/or athletics offerings (examples: tax preparation services, senior meal programs, flu shots, toenail and foot care, literacy, blood pressure clinic, AARP driving course, support groups, etc.).

Social Clubs – THPRD recognized, regularly scheduled, recurring, THPRD or self-managed group interest meetings and get-togethers (examples: Stuhr Book Group, Texas Hold-em, Chess, Bridge, potluck, etc.).

TIER 2: CONSIDERABLE COMMUNITY BENEFIT

Monitored Facility Usage – Drop-in use of a facility/activity that is non-instructed, and is actively monitored by agency staff/volunteer supervision. (examples: drop-in gym, drop-in swimming, weight room, billiards/cards, computer lab, tennis center courts, nature center, etc.).

Classes, Workshops, and Clinics – Introductory/Multi-Level – No pre-requisite for participation, entry level group recreational and/or instructional programs and activities for all ages (examples: learn to swim, beginning-level classes, multi-level fitness, nature and environment, arts and crafts, general interest, rec mobile, nature mobile, nature days, etc.).

Volunteer Program – Internal management of opportunities for individuals or groups to donate their time and effort to a structured or scheduled experience (examples: park watch, coaches, LITE, Junior Lifeguards, trail maintenance, education or events, Friends Groups, etc.).

TIER 1: MOSTLY COMMUNITY BENEFIT

Community-wide Events – Community-wide events that are not center specific, run by THPRD, typically offered on an annual basis that may or may not require registration (examples: Party in the Park, Concerts, Sunday Trailways, Farmer’s Market, Groovin on the Green, etc.).

Open Park Usage – Use of a park/activity that is non-registered and non-instructed, and is not actively monitored by agency staff/volunteer supervision. (examples: trail, playgrounds, park, self-guided tours, outdoor sport courts, disk golf, skate park, dog park, etc.).

Inclusion Services – Provides for reasonable accommodation and programs to any Department activity, park, and/or facility providing leisure opportunities to people with disabilities. Inclusion services are intended to comply with the Americans with Disabilities Act (ADA federal mandate).

Support Services – Services and facilities that are provided by the staff and volunteers that support the administration, operations, and/or general agency operations that are not allocated as direct expenses (examples: information technology, finance and accounting services, human resources, district-wide marketing, planning and development, internal trainings, Board Appointed Advisory Committee, risk management services, director and assistant directors offices, etc.).

Appendix C – Glossary of Terms and Definitions

Ability to Pay:

Ability to pay is based on an individual's financial circumstances and is not related to who benefits from the programs and services. Implementation strategy options for addressing inability to pay include scholarship or fee reduction programs, grants, volunteerism opportunities or other programs and management practices.

Activity Based Costing (ABC):

Defines all costs associated with providing a service or product. It is a tool to determine what a specific service or product costs, and also what the costs are to serve a given customer, including those services that are non-revenue generating.

Administrative and Support Services:

These are internal support services that have indirect costs to provide and are not attributable to any particular external public service. They include information services, finance, human resources (training, insurance, employee benefits), communications, safety and security services, risk management, and planning.

Advisory Committees:

These groups are created by and members appointed by the District Board to provide recommendations to the District Board pertaining to specified operational and/or planning functions. Membership may include District Board members, staff members, and/or citizens. These groups are long-standing advisory groups.

Affiliate Groups:

Civic associations (Little League, Junior Soccer, Lacrosse, swim team, etc.) or others that provide programs in lieu of THPRD or give back to the community.

Age Categories:

Categories based on age (e.g. youth, adult, senior, etc.), for the purposes of programming for activity levels as well as assigning user fees into which participants and users can be classified. Categories may also include groupings, such as "household."

Alternative Funding:

Other ways to improve cost recovery in addition to user fees and charges. May include grants, sponsorships, volunteer programs, cell tower fees, rental house fees, gifts, and other miscellaneous income categories, etc.

Attendance:

Attendance is measuring the total number of times that a participant attends the class. It's also the total number of spectators and participants in a tournament, festival or event, or total number of visitors at a rental function or meeting. It measures the users and non-users at a program or event.

Benefit:

The degree to which programs and services positively impact the public (individual and community), or in other words, the results of the programs and services. Are the individual and community better off, worse off, or unchanged as a result of programs and services?

The National Recreation and Park Association define the benefits of parks and recreation as:

- Socialization
- Healthy Lifestyle – lifelong wellness
- Economic Development and Vitality
- Environmental Stewardship

Benefit versus Value or Intent:

Benefit is defined as the advantage, use, or outcome to a group or individual. Value is the judgment of worth or the degree of usefulness or importance placed on a service or activity by personal opinion. The intent or intention of a program is the purpose, aim, or end.

Capacity – Occupancy or Participation Rates (Class Minimums and Maximums):

The number of available spaces. Occupancy or Participation rates are the ratio of filled spaces to available spaces. Over- and under-capacity (minimum and maximum registrations) issues can be addressed by giving residents pre-registration priority, adjustments to the price based on peak or off-peak time, or a market price differential.

Comprehensive Annual Financial Report (CAFR)

THPRD Finance Department prepares the annual CAFR, a financial report that provides introductory, financial, and statistical information on each individual fund and component unit of the District.

Consensus:

Consent or harmony reached among all differing opinions after discussion or deliberation and compromise, sometimes referred to as “informed consent.” It doesn’t necessarily mean 100% agreement with everything.

Cost Accounting:

The process of allocating all costs – both direct and indirect – associated with generating a sale or performing a service. Routinely a percentage of the business’s overhead costs is allocated to each service offered. In other words, all fixed overhead and general expenses are allocated on a basis that ignores how much effort or time is spent, or how much of the resources are associated with the product or service being provided.

Cost of Goods Sold:

The direct costs attributable to the production of the goods sold by an organization. This amount includes the cost of the materials used in creating the good along with the direct labor costs used to produce the good. It excludes indirect expenses such as marketing costs and sales force costs.

In standard accounting, costs of sales or costs of goods sold are subtracted from sales to calculate gross margin. These costs are distinguished from operating expenses, because gross profit is gross margin less operating expenses.

Cost Recovery:

The degree to which the cost (direct and/or indirect) of facilities, services, and programs is supported by user fees and/or other designated funding mechanism such as grants, partnerships, volunteer services etc., versus tax subsidies.

Cost versus Price or Fee:

Cost is defined as all expenditures associated with an activity or service. Price or fee is the amount charged to the customer for the activity or service.

Customer Satisfaction:

Meeting or exceeding the wants and preferences of customers. This is measured by asking the customer, not by the number of visitors, users, or participants.

Direct Cost:

Includes all of the specific, identifiable expenses (fixed and variable) associated with providing a service, or operating and maintaining a facility, space, or program. These expenses would not exist without the program or service and often increase exponentially.

District Administration or Indirect (Support Services) encompasses remaining overhead (fixed and variable) not identified as Direct Costs. These *Indirect Costs* would generally exist without any one specific service. Often **Departmental Administration or Indirect Costs** are lumped into a category of service called “Support Services” and are shown on the foundation level of the pyramid. **Indirect Costs (Administrative, Support, and Management Staffing) are not allocated but are carried in the Support Services category of service on the foundation of the pyramid.**

Enterprise/Quasi-enterprise:

A governmental accounting tool established to record transactions similar to those utilized in the private sector, allowing for tracking of services through a separate fund that records all transactions. All revenues and expenditures, as well as assets and current liabilities, are included. This type of fund is generally required to break even, or generate excess revenues over expenditures. Any revenues earned in excess of expenditures are carried over, used for capital improvements, or transferred to the General Fund. Collected gross revenues are not deposited in the General Fund, but rather are intended to be used to expand or improve the enterprise services. These funds typically include services such as golf.

Exclusive Use:

Scheduled, planned, or programmed use of a facility or space that is limited or restricted to a reserved or rented party only. They have the sole right to the space for the specified period of time.

Financial Accounting Software

THPRD utilizes Springbrook Software system for all of its financial and accounting modules. These include General Ledger, Payroll, Human Resources, Cash Receipts, Purchase Orders, Accounts Payable, Project Management, and Fixed Assets.

For-Profit/Private Group:

A group that does not have an IRS status that exempts it from paying taxes.

Full-Cost Recovery Fee:

The fee recovers the total cost of a service or program including all direct and all indirect costs, enabling the breakeven point to be reached. Full-cost recovery is often used as a strategy for services perceived as “private,” benefiting only users while offering no external benefits to the general community.

Full-Time Benefited Employee:

A regular employee who works at least 40 hours per week on a regularly scheduled basis. Full-Time Benefited Employees are eligible for the benefits package, are eligible for transfer or promotion to other regular positions within THPRD, and are eligible for other rights applicable to regular employment.

Governmental Group:

Any inter-agency, county, or other federal, state or local governmental group.

Indirect Cost:

Please refer to the Direct and Indirect Costs document.

Inventory Turn (applies to merchandise for resale):

How fast an inventory is "turned" (or sold). Two agencies may each have \$20 million sitting in inventory, but if one can sell it all every 30 days, and the other takes 41 days, there is less of a risk of inventory loss with the 30 day agency.

Current Year's Cost of Goods Sold

----- (Divided By)-----

The average inventory for the period

Inventory as a Percent of Current Assets (applies to merchandise for resale):

The percentage of current assets tied up in inventory. If 70 percent of an agency's current assets are in inventory and the business does not have a relatively low turn rate (less than 30 days), it may be a signal of obsolete products or other process issues that could result in an inventory write-down.

Market Rate Fee:

Fee based on demand for a service or facility. The market rate is determined by identifying all providers of an identical service (e.g. private sector providers, other special districts or municipalities, etc.), and setting the fee at the highest level the market will bear.

Pass Holders:

A count of the number of people who have purchased a frequent user pass to a facility (annual, semi-annual, three-month, or monthly pass holders).

Minimum Service Level:

The lowest “acceptable” service level at facilities; a function of maintenance levels, staffing levels, types and numbers of amenities available (picnic sites, nature trails, restrooms, recreation centers, etc.), types and numbers of additional program offerings, quality of customer service, etc.)

Net Profit Margin (applies to merchandise for resale):

Total revenue minus total costs. Net profit margin can be expressed in actual monetary values or percentage terms.

Non-Profit Group:

Agencies outside of the organization's system with IRS non-profit status.

Non-Resident:

A person whose primary residence is outside of THPRD's service area/boundary and does not meet the residency test in any way.

Non-User:

Those who have never stepped into the parks and facilities, taken a program, or used the organization's facilities or services.

Optimum (Desired) Service Level:

The "best" program and facility service; a function of maintenance levels, staffing levels, types and numbers of amenities available (picnic sites, nature trails, restrooms, recreation centers, etc.), types and numbers of additional program offerings, quality of customer service, etc.

Off-Peak:

Period of least demand for services and programs.

Oversight Committees:

These groups are created by and members appointed by the District Board to provide recommendations to the District Board pertaining to specified operational and/or planning functions. Membership may include District Board members, staff members, and/or citizens. These groups can be long-standing or temporary project specific advisory groups. (Example: Bond Oversight Committee)

Regular Part-Time Benefited Employee:

Regular employee who is scheduled to work on a year-round basis, at least 30 but no more than 35 hours per week or 87.5% full-time equivalent,. Regular Part-Time Benefited Employees are eligible for a proportional benefits package, are eligible for transfer or promotion to other regular positions, and are eligible for other rights applicable to regular employment.

Part-time Non-Benefited Employee:

Regular employee who is scheduled to work on a year-round basis, but less than 29 hours per week (1,508 hours in a year) or 72.5 percent of the full-time equivalent. These employees receive all legally mandated benefits (such as workers' compensation and Social Security), but are ineligible for all other benefits programs. Part-Time Non-Benefited Employees are eligible for transfer or promotion to other regular positions and are eligible for other rights applicable to regular employment.

Part-Time Temporary Employee:

Employees who work no more than 29 hours per week for less than 12 months of the year and not considered a seasonal employee.

Partial Cost Recovery Fee:

Fee recovers something less than full cost. This partial cost recovery fee could be set at a percentage of direct costs, all direct costs, all direct costs plus a percentage of indirect costs, or some combination. The remaining portion of the costs will be subsidized.

Patron/Participant/Guest/User/Visitor:

Persons who use facilities and/or services, visit parks, and/or participate in programs and activities.

Participation:

Participation refers to the number of those who are enrolled in a program, workshop, activity, or event. They are the doers or users, the enrollees, or the class attendees.

Peak:

Period of highest demand for services and programs. Peak and off-peak categorizations may vary for services and programs within a facility or park. For example, in a park, day use may be highest during the same time period in which demand for interpretive programs is low.

Performance Measures:

Performance measures are quantifiable evaluations of the organization's performance on a pre-determined set of criteria measured over time. The agreement upon standard performance measures allows the organization to judge its progress over time (internal benchmarking) and identify areas of strength and weakness.

Price Differentials:

Offering variations of the price to a particular group, which may achieve more equitable and efficient service delivery. Charging different groups different prices for the same service, even though there is no direct corresponding difference in the cost of providing the service to each of these groups. Price differentials can be based on resident (tax payer)/non-resident, age categories, location of facility, time or season, quantity of use, incentives, etc. The trend is to give residents a discount off the fee versus charging non-residents more.

Product Lifecycle (Useful Life):

The expected usable life of a particular piece of equipment or product before replacement.

Profit:

In government, or in parks and recreation: excess revenue that is not distributed or carried over, but offsets other subsidies (the additional **revenue** generated by a particular program or service when comparing the user or participant fees to the direct and/or indirect costs). In the private sector: excess "profit" goes to the stakeholders or shareholders as profit sharing or a distribution on their investment.

Program:

Activities and special events offered by THPRD at various locations with specific participant purposes such as education, skill development, socialization, or health.

Refund Policy:

All District programs operate with a minimum enrollment requirement, as well as maximum enrollment capacities. Full refunds or credits for classes will be made automatically when:

- Classes are canceled by the organization due to insufficient enrollment or other unforeseen reasons

For any reason other than those noted above, pre-paid registrations:

- Classes dropped at least six days in advance are 100% refundable (if, because of vendor cancellation requirements, a longer refund request period is necessary, it will be so noted in the class description, activities guide and on the patron invoice)
- Camps dropped less than 14 days in advance are 100% refundable
- Drops outside of these notification windows are not refundable

Credits in the registration system may be used for class registration at any facility. However, all credits of more than \$2 will be refunded on the next available cycle. Cycles will run three times per week, adjusting for holidays. Credits of \$2 or less will remain in the registration system. Full refunds will be processed by the method of payment used.

Credit card transactions will be refunded by check, should the amounts differ from the original registration invoice (proration, partial amount, etc.).

Rentals:

Rentals for, rooms, picnic sites, pavilions, pools, splash pads, as well as audio/visual equipment, stage, banquet chairs/tables, tennis ball machines, grills, etc.

Re-sales and Special Use Permitting:

Sales of food and beverage, merchandise for resale, and special use permitting (food vendors, alcohol use, photography, filming, etc.).

Resident:

Currently defined as those who live within THPRD boundary and/or own property within the district boundary and pay annual property taxes to THPRD.

Scholarship/Fee Reduction Policy (Family Assistance):

The scholarship or fee reduction policy is intended to provide recreation and leisure opportunities at a reduced rate to citizens of the agency with economic need.

Ability to pay should not be a factor for participation. The Family Assistance program (FA) is available to families or individuals living within THPRD boundaries who have qualifying income levels which mirror the Federal Poverty Guidelines and the Federal Free Meal Guidelines. If a family or individual is living with an income at or below the Federal Poverty Guidelines, the family or individual is awarded \$100 in FA funds per person. After six months, the remaining funds are expired and a new \$100 is issued. Families and individuals can reapply once per year.

If a family or individual is living with an income between the Federal Poverty Guidelines and the Federal Free Meal Guidelines, they are still eligible; however, they need to pay a co-pay before being awarded the FA funds. The co-pay is \$20 per person and is only requested once per year.

Seasonal Employees:

Non-regular employees hired to supplement the work force, or to assist in the completion of a specific project; employment is of limited duration, no more than nine months, or 1,508 hours, in any 12-month period, unless otherwise specified in the labor contract. Employment beyond any initially stated period does not in any way imply a change in employment status. Seasonal employees retain their status unless notified of a change. Seasonal employees receive all legally mandated benefits (such as workers' compensation and Social Security), but are ineligible for all other benefits programs.

Subsidy:

Funding through taxes or other mechanisms that is used to financially support programs or services provided to users and participants. Subsidy dollars provide for the program or service costs (direct and/or indirect) that are not covered by user or participant fees, or other forms of alternative funding. This is the community's investment.

Taxing Jurisdiction/Authority:

THPRD, as a special district of the State of Oregon, has the authority to collect real estate taxes from citizens within its boundary. Approximately 60 percent of its General Fund resources are from property tax.

Time and Attendance System:

THPRD utilizes the Kronos Time and Attendance System software to record and track employees' attendance via time clock or desk top entry. The system interfaces with Springbrook Financial Suite for employee information and payroll calculation.

Value (perceived and real):

Participant/user expectations of the worth and quality of a program or service based on the benefits received.

Other Registration Computer Terms**Class Management Registration Reports**

Below is a list of the key reports available in the Class Management Registration system. Other reports are also available in the system but not described below.

Class Reports:

Class Revenue Summary – The class revenue summary report lists by center each class offering, the targeted enrollment and revenue numbers, the actual enrollment and revenue numbers, and the percent of minimum enrollment.

Participation Evaluation (Simple Version) – The participation evaluation report lists by center each class offering along with the following details for each class: days of week held, minimum enrollment requirement number, maximum enrollment requirement number, actual enrollment counts, the class fee, the number of location hours, the number of patron sessions, and the number of patron counts (adult versus youth).

Superintendent Reports:

Registration Revenue – The registration revenue report lists by term, by center, the total number of enrollments, the total revenue (net of drops, adjustments and miscellaneous fees and/or charges), the percent of enrolled participants who are in-district, and the percent of enrolled participants who are out-of-district.

Drop-in Activity Revenue Summary – The drop-in activity revenue summary report lists by center by month the total dollars charged to participants for drop-in activities sorted by in-district versus out-of-district status.

Drop-in Activity Summary – The drop-in activity summary report shows the total number of drop-in participants by center by type of drop-in activity.

Adjustment Report – The adjustment report lists all adjustments made to patron accounts by center by activity by adjustment type as well as the dollar value of the adjustment and the activity type.

Assessment Summary – The assessment summary lists the total counts and total dollars of assessments sold district-wide by month.

Pass Purchase/Revenue Summary – The pass purchase/revenue summary lists total passes sold by month by pass type including total number sold as well as total dollars sold.

Accounting/Finance Terms and Reports**Administration Cash Receipts:**

Non-registration related revenues received and recorded directly to Springbrook Cash Receipts module.

Cashout Report:

The Daily Cashout Report lists all activity by patron and invoice detailing transactions and method of payment used (cash, check, credit card, credit balance applied.) It tells you how much cash was collected for the cashout period. After reconciliation to actual cash, summarized information will be used for preparation of the bank deposit. The report is subsequently audited by Finance for accuracy.

Cashout/GL Account Summary Report:

The Daily GL Account Summary Report contains the GL account names and numbers and debit, credit, net, and total figures. This report is used for basis of entry into the Springbrook Cash Receipts module.

Credit Card Payment Authorizations:

If credit card payments have been taken but not authorized, they can be authorized later in batches using the manual ViaWarp process.

GL Chart of Accounts:

A GL Chart of Accounts contains all account names and numbers listed according to account category. It also indicates whether accounts are active or inactive.

Manual Refund Processing:

For patron credits not able to be processed in a standard transaction (refer to Refund Policy), manual refunds are requested for approval and processing by Finance.

Monthly Revenue/Expenditure Summary Reports:

The Monthly Revenue and Expenditure Summary Reports list account names and numbers, annual budget, total monthly amount collected or expended, year-to-date amount collected or expended, outstanding encumbrances, and remaining budget balance.

Time Detail Report:

The Time Detail Report is used to review employee time and pay code detail based on date range parameters entered for subsequent payroll calculation.

Sources

THPRD

GreenPlay, LLC (www.GreenPlayllc.com)

Class Management Registration System

Springbrook Accounting System

Kronos Payroll System

Appendix D – The Public Sector Service Assessment

Public Sector Agency Service Assessment

Based on MacMillan Matrix for Nonprofit agencies from the Alliance For Nonprofit Management. Adapted by GreenPlay LLC and GP RED for Public Sector Agencies. April 2009.

Public agencies have not traditionally been thought of as organizations needing to be competitively oriented. Unlike private and commercial enterprises which compete for customers and whose very survival depends on satisfying paying customers, many public and non-profit organizations operate in a non-market, or grants economy - one in which services may not be commercially viable. In other words, the marketplace may not supply sufficient and adequate resources.

In the public sector, our customers (taxpayers) do not decide how funding is allocated and which service gets adequate, ongoing funding. (In fact, many public agencies and non-profits can be considered "sole-source," the only place to get a service, so there is little to no market saturation and therefore, potential for apathetic service enhancement and improvement). Consequently, public and non-profit organizations have not necessarily had an incentive to question the status quo, to assess whether customer needs were being met, or to examine the cost-effectiveness or quality of available services.

The public sector and market environments have changed, funders and customers alike are beginning to demand more accountability; and both traditional (taxes and mandatory fees) and alternative funding (grants and contributions) are getting harder to come by, even as need and demand increase. This increasing demand for a smaller pool of resources requires today's public and non-profit agencies to rethink how they do business, to provide services where appropriate, to avoid duplicating existing comparable services, and to increase collaboration, when possible. In addition, organizations are leveraging all available resources where possible.

An assessment of a **Public Sector Agency Services** is an intensive review of organizational services including activities, facilities, and parklands that leads to the development of an agency's **Service Portfolio**. Additional results indicate whether the service is **"core to the organization's values and vision"**, and provides recommended provision strategies that can include, but are not limited to enhancement of service, reduction of service, collaboration, advancing or affirming market position. This assessment begins to provide a nexus relative to which services are central to the organization's purpose. The process includes an analysis of: each service's relevance to the organization's values and vision; the organization's market position in the community relative to market; other service providers in the service area including quantity and quality of provider; and the economic viability of the service.

Based on the **MacMillan Matrix for Competitive Analysis of Programs**⁴, the Public Sector Services Assessment Matrix is an extraordinarily valuable tool that is specifically adapted to help public agencies assess their services. The MacMillan Matrix realized significant success in the non-profit environment and has led to application in the public sector. The **Public Sector Agency Services Assessment Matrix** is based on the assumption that duplication of existing comparable services (unnecessary competition) among public and non-profit organizations can fragment limited resources available, leaving all providers too weak to increase the quality and cost-effectiveness of customer services. This is also true for public agencies.

The **Public Sector Agency Service Assessment Matrix** assumes that trying to be all things to all people can result in mediocre or low-quality service. Instead, agencies should focus on delivering higher-quality service in a more focused (and perhaps limited) way. The Matrix helps organizations think about some very pragmatic questions.

Q: Is the agency the best or most appropriate organization to provide the service?

Q: Is market competition good for the citizenry?

Q: Is the agency spreading its resources too thin without the capacity to sustain core services and the system in general?

Q: Are there opportunities to work with another organization to provide services in a more efficient and responsible manner?

Services Assessment Matrix © 2009 GreenPlay LLC and GP RED		Financial Capacity Economically Viable		Financial Capacity Not Economically Viable	
		Alternative Coverage High	Alternative Coverage Low	Alternative Coverage High	Alternative Coverage Low
Good Fit	Strong Market Position	Affirm Market Position 1	Advance Market Position 2	Complementary Development 5	"Core Service" 6
	Weak Market Position	Divest 3	Invest, Collaborate or Divest 4	Collaborate or Divest 7	Collaborate or Divest 8
Poor Fit	Divest 9				

Note: Based on MacMillan Matrix for Nonprofit agencies from the Alliance For Nonprofit Management. Adapted by GreenPlay, LLC and GP RED for Public Sector Agencies. April 2009.

⁴ Alliance for Nonprofit Management

Fit

Fit is the degree to which a service aligns with the agency's values and vision, reflecting the community's interests. If a service aligns with the agency's values and vision, and contributes to the overall enhancement of the community, it is classified as "good fit", if not, the service is considered a "poor fit".

- Does the service align with agency values and vision?
- Does the service provide community-wide return on investment (i.e. community, individual, environmental, or economic benefits and outcomes that align with agency values such as crime prevention, improved health and well-being, enhancement of property values)?

Financial Capacity

Financial Capacity is the degree to which a service (including a program, facility or land asset is currently or potentially attractive as an investment of current and future resources to an agency from an economic perspective.

No program should be classified as 'highly attractive' unless it is ranked as attractive on a substantial majority of the criteria below.

- Does the service have the capacity to sustain itself (break even) independent of General Fund or taxpayer subsidy/support?
- Can the service reasonably generate at least XXXXX% (TBD) from fees and charges?
- Can the service reasonably generate excess revenues over direct expenditures through the assessment of fees and charges?
- Are there consistent and stable alternative funding sources such as donations, sponsorships, grants and/or volunteer contributions for this service?
- Can the service reasonably generate at least XXXXX% (TBD) of the costs of service from alternative funding sources?
- Is there demand for this service from a significant/large portion of the service's target market?
- Can the user self-direct or operate/maintain the service without agency support?

Market Position

Market Position is the degree to which the organization has a stronger capability and potential to deliver the service than other agencies – a combination of the agency's effectiveness, quality, credibility, and market share dominance. No service should be classified as being in a "strong market position" unless it has some clear basis for declaring superiority over all providers in that service category, and is ranked as affirmative on a substantial majority of the criteria below.

- Does the agency have the adequate resources necessary to effectively operate and maintain the service?
- Is the service provided at a convenient or good location in relation to the target market?
- Does the agency have a superior track record of quality service delivery?
- Does the agency currently own a large share of the target market currently served?
- Is the agency currently gaining momentum or growing its customer base in relation to other providers? (e.g., "Is there a consistent waiting list for the service?")
- Can you clearly define the community, individual, environmental and/or economic benefits realized as a result of the service
- Does agency staff have superior technical skills needed for quality service delivery?
- Does the agency have the ability to conduct necessary research, pre and post participation assessments, and/or properly monitor and evaluate service performance therefore justifying the agency's continued provision of the service? (Benchmarking performance or impact to community issues, values, or vision)
- Are marketing efforts and resources effective in reaching and engaging the target market?

Alternative Coverage

Alternative Coverage is the extent to which like or similar services are provided in the service area to meet customer demand and need. If there are no other large (significant), or very few small agencies producing or providing comparable services in the same region or service area, the service should be classified as "low coverage." Otherwise, coverage is "high."

Unfair Competition

It has become somewhat challenging to draw a line of demarcation between those services that are recognized to be the prerogative of the private sector and those thought to be the responsibility of the public sector. Overlap of service production and provision are common. A continuing problem today is the lack of clarification between what sector should be producing or providing which services, therefore, developing boundaries. What is needed is the reshaping of how public and private sector agencies work independent of each other or together in a more effective way, becoming complementary rather than duplicative.

Service lines are blurred due to a variety of factors. Whether it is due to the emergence of new services, not offered before, in response to customer demand, or reduced availability of public funds and therefore greater dependence on revenue generation, these blurred lines sometimes result in charges that the public sector engages in unfair competition practices by offering similar or like services to those of the private sector. These charges result from the resource advantages the public sector has over the private sector including but not limited to immunity from taxation and the ability to charge lower fees for similar or like services due to receipt of subsidy dollars.

Recommended Provision Strategies – Defined (numbers refer to graphic above)

Affirm Market Position (1) – a number (or one significant) *alternative provider(s)* exists yet the service has *financial capacity* and the agency is in a *strong market position* to provide the service to customers or the community. **Affirming market position** includes efforts to capture more of the market and investigating the merits of competitive pricing strategies. This includes investment of resources to realize a financial return on investment. Typically, these services have the ability to generate excess revenue.

Advance Market Position (2) – a smaller number or no *alternative providers* exist to provide the service, the service has *financial capacity* and the agency is in a *strong market position* to provide the service. Due primarily to the fact that there are fewer if any alternative providers, **advancing market position** of the service is a logical operational strategy. This includes efforts to capture more of the market, investigating the merits of market pricing, and various outreach efforts. Also, this service may be an excess revenue generator by increasing volume.

Divestment (3, 4, 7, 8, 9) – the agency has determined that the service does not fit with the agency's values and vision, and/or the agency has determined it is in a *weak market position* with little or no opportunity to strengthen its position. Further, the agency deems the service to be contrary to the agency's interest in the responsible use of resources, therefore, the agency is positioned to consider **divestment** of the service.

Investment (4) – **investment** of resources is the agency's best course of action as the service is a *good fit* with values and vision, and an opportunity exists to strengthen the agency's current *weak market position* in the marketplace.

Complementary Development (5) – the service is a *good fit*, a number of or one significant *alternative provider(s)* exists which provide the service, the agency is in a *strong market position* to provide the service, yet it does not have *financially capacity* to the agency. “**Complementary development**” encourages planning efforts that lead to complementary service development rather than duplication, broadening the reach of all providers. Although there may be perceived market saturation for the service due to the number or like services of alternative providers, demand and need exists justifying the service’s continued place in the market.

Collaboration (4, 7, 8) – the agency determines that the service can be enhanced or improved through the development of a collaborative effort as the agency’s current *market position is weak*.

Collaborations (e.g., partnerships) with other service providers (internal or external) that minimize or eliminate duplication of services while most responsibly utilizing agency resources are recommended.

Core Service (6) – these services *fit* with the agency’s values and vision, there are few if any *alternative providers*, yet the agency is in a *strong market position* to provide the service. However, the agency does not have the *financial capacity* to sustain the service outside of General Fund support and the service is deemed to not be economically viable. These services are “**core**” to **satisfying the agency’s values and vision** typically benefiting all community members, or are seen as essential to the lives of under-served populations.

Glossary

Ability - the quality or state of being able; power to perform; competence in doing

Adequate - sufficient for a specific requirement; reasonably sufficient

Capacity - the potential or suitability for accommodating; the maximum amount or number that can be contained or accommodated; the facility or power to produce, perform, or deploy; capability

Quality - meeting or exceeding expectations; degree of excellence; superiority in kind

Superior - of higher rank, quality, or importance; excellent of its kind

Target market – the specific market of a service (e.g., age, sex, race/ethnicity, education level, ability level, residence)

*This **Services Assessment Methodology** Outline is provided by:*



211 North Public Road, Suite 225, Lafayette, CO 80026

(303) 439-8369; Toll-free: 1-866-849-9959; Info@GreenPlayLLC.com; www.GreenPlayLLC.com; www.gpred.org

All rights reserved. Please contact GreenPlay or GP RED for more information.

Appendix E – Federal and State Funding Resources and Green Resources, Practices, and Strategic Initiatives

The following is a list of federal and state taxation resources, programs, and grants. Some may be used by THPRD or may be available to them in the future.

- Safe Routes to Schools Initiatives at: www.saferoutesinfo.org. “This national movement creates safe, convenient, and fun opportunities for children to bicycle and walk to school.” According to the June 2006 issue of *Parks and Recreation*, the official magazine of the National Recreation and Park Association, “Local park and recreation agencies often own or manage much of the land surrounding local schools and connecting local neighborhoods.”
- AmeriCorps* National Service Resources
- Community Services Block Grant Program
- Urban and Community Forestry for and with Minority and Underserved Populations
- 21st Century Community Learning Centers

Section 6 of the Endangered Species Act

Cooperative Endangered Species Conservation Fund

http://www.fws.gov/midwest/endangered/grants/S6_grants.html

The Cooperative Endangered Species Conservation Fund (Section 6 of the Endangered Species Act) provides funding to States and Territories for species and habitat conservation actions on non-Federal lands. States and Territories must contribute a minimum non-Federal match of 25 percent for the estimated program costs of approved projects, or 10 percent when two or more States or Territories implement a joint project. A State or Territory must currently have, or enter into a cooperative agreement with the U.S. Fish and Wildlife Service (Service) to receive grant funds.

Four grant programs are available through the Cooperative Endangered Species Conservation Fund. They include the “Traditional” Conservation Grants and the “Nontraditional” Grants: Habitat Conservation Plan Land Acquisition, Habitat Conservation Planning Assistance, and Recovery Land Acquisition Grants.

Land and Water Conservation Funds (LWCF)

www.nps.gov/lwcf

The Land and Water Conservation Fund grant program provides up to 50 percent reimbursement assistance for state and local government subdivisions (towns, villages, cities, counties, park districts, joint recreation districts, and conservancy districts) for the acquisition, development, and rehabilitation of recreational areas. Funding is issued at the state’s discretion – determining how much of that funding will be made available for local government.

Congress determines proposed funding for LWCF. The federal government provides up to 50 percent reimbursement for a public outdoor recreation project through each LWCF grant, while the local agency is responsible for the remainder. Federal funds supporting the LWCF program come from offshore oil lease revenues and other non-tax sources.

LWCF allocations for each State or Territory are determined by a formula based on law and subsequent approval of a “certificate of apportionment” by the Secretary of the Interior. As of this writing, the fate of LWCF is unsure.

How States Plan and Select Projects

To be eligible for grants, every State must prepare and regularly update a statewide recreation plan (sometimes called a SCORP). Most SCORPs address the demand for and supply of recreation resources (local, state, and federal) within a state, identify needs and new opportunities for recreation improvements, and set forth an implementation program to meet the goals identified by its citizens and elected leaders.

When a State's current plan has been approved by the appropriate field office of the National Park Service, all grant applications submitted must be in accord with the priorities listed in its action plan. To make the connection between the SCORP and concrete project proposals, each State also develops an Open Project Selection Process that contains:

- A set of project-ranking selection criteria that allows scoring of each project proposal according to how well it meets the needs and priorities published in the State recreation plan.
- A process (usually scheduled annually) to ensure that all eligible applicants are notified of funding availability, application deadlines, and selection criteria when a new project selection cycle starts.

In most years, all States receive individual allocations (apportionments) of LWCF grant funds based on a national formula (with state population being the most influential factor). States then initiate a statewide competition for the amount available (including the new year’s allocation, any previous year allocations, and any amounts “recovered” due to cost under runs on previously funded projects). Applications are received by the State and are scored and ranked according to the project selection criteria. Only the top-ranked projects (up to the total amount available that year) are chosen for funding. “Winning” applications are then forwarded to the National Park Service for formal approval and allocation of federal grant monies. Each State has its own priorities and selection criteria (tailored to its own particular needs and unique opportunities). Because individual States make the decision as to which projects will receive LWCF grants, the first step for THPRD is to contact the cooperating State office to find out about local application deadlines, state priorities and selection criteria, and to determine what documentation is required to justify a grant award. Interested applicants should call or write the appropriate state agency to request application information.

Other State Funding Resources

Admission Tax - Attraction/Entertainment Tax

Some cities and counties have a tax on all attraction/entertainment fees. Every business receiving payment for admission is required to collect the amount of the admissions tax from the person making the admission payment at the time the admission charge is paid.

Wheel Tax on Cars/Vehicles

Some cities and counties have a sticker tax on vehicles based on the type of vehicle. This allows for park agencies to receive a portion of this money to cover the costs of roads, hard surface paths, and parking lots associated with parks.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) is levied for the privilege of occupying a room or rooms or other living space in a hotel, inn, tourist home or house, motel, or other lodging (Hotel, Motel, Camping, Temporary Lodging) for a period of 30 days or less.

Hotel, Motel, Camping, Temporary Lodging, and Restaurant Tax

Tax based on gross receipts from charges and meals services may be used to build and operate sports fields, tennis courts, and other special park and recreation facilities.

Sin Tax or Sumptuary Tax

Sin tax is a euphemism for a tax specifically levied on such goods as alcohol and tobacco. Sin taxes are often enacted for special projects (American cities and counties have used them to pay for stadiums) when increasing income or property taxes would be politically unviable. The proper name for such taxes is sumptuary tax.

Cigarette Tax (sumptuary tax)

In some states, the sales tax gain by the state for cigarettes is redistributed to cities and counties for programs to teach and curb youth smoking through effective prevention recreation programs.

Green Resources

The following excerpts were taken directly from their respective websites.

U.S. Department of Energy

<http://www1.eere.energy.gov/calculators/index.html>

The Office of Energy Efficiency and Renewable Energy (EERE) has energy calculators and tools to help you evaluate your energy use and whether energy efficient products or renewable energy are right for you. Commercial focus areas include Buildings, Vehicles, and Industry.

LEED® Certification

www.usgbc.org

The LEED for Existing Buildings Rating System helps building owners and operators measure operations, improvements and maintenance on a consistent scale, with the goal of maximizing operational efficiency while minimizing environmental impacts. LEED for Existing Buildings addresses whole-building cleaning and maintenance issues (including chemical use), recycling programs, exterior maintenance programs, and systems upgrades.

According to the Green Building Finance Consortium, the lowest level of LEED certification has an estimated 0.8 percent higher initial cost, LEED silver costs 3.5 percent more, LEED Gold 4.5 percent and LEED Platinum 11.5 percent. But LEED certified buildings are able to recoup the costs in the first couple of years and after that it's pure cost and energy savings.

Sustainable Sites Initiative

<http://www.sustainablesites.org/report>

The Sustainable Sites Initiative is a partnership of the American Society of Landscape Architects, the Lady Bird Johnson Wildflower Center at The University of Texas at Austin and the United States Botanic Garden in conjunction with a diverse group of stakeholder organizations to transform land development and management practices with the first national rating system for sustainable landscapes. These guidelines apply to any type of designed landscape, with or without buildings, ranging from shopping malls, streetscapes, subdivisions, corporate and academic campuses, transportation corridors, parks and recreation areas, all the way to single family homes.

What is a sustainable site?

A “site” is a built landscape that encompasses all land in a designated space. Like green buildings, sustainable sites use less energy, water and natural resources; generate less waste; and minimize the impact on the land compared to traditional design, construction and maintenance techniques. Unlike buildings, sustainable sites can even give back by cleaning the air and water, reversing climate change, restoring habitat and biodiversity – all while providing significant social and economic benefits as well to the immediate site and surrounding region.

Why do we need a site-specific rating system?

Green building rating systems developed by the U.S. Green Building Council (USGBC) and other organizations offer excellent tools for new and existing buildings but relatively little beyond a building’s skin. Correctly built landscapes that mimic the natural world will help fill this critical gap.

What is the USGBC's position on the Sustainable Sites Initiative?

USGBC recognizes that there is a need within LEED to improve the site components and supports the Sustainable Sites Initiative. The USGBC is participating in the Initiative and anticipates incorporating the Sustainable Sites Initiative Guidelines and Performance Benchmarks into future iterations of LEED.

The Sustainable Sites Initiative: Guidelines and Performance Benchmarks 2009 is the product of more than four years of work by a diverse group of experts in soils, hydrology, vegetation, materials and human health and well-being. It is expanded and updated from the Guidelines and Performance Benchmarks –Draft 2008, which was released in November 2008. The Initiative developed criteria for sustainable land practices that will enable built landscapes to support natural ecological functions by protecting existing ecosystems and regenerating ecological capacity where it has been lost. This report focuses on measuring and rewarding a project that protects, restores and regenerates ecosystem services – benefits provided by natural ecosystems such as cleaning air and water, climate regulation and human health benefits.

The Guidelines and Performance Benchmarks 2009 includes a rating system for the credits which the pilot process will test for refinement before a formal release to the market place. The rating system contains 15 prerequisites and 51 credits that cover all stages of the site development process from site selection to landscape maintenance. Feedback from the pilot projects will be used to create a reference guide which will provide suggestions on how projects achieved the sustainability goals of specific credits.

Pilot Program

Over 150 Pilot Projects are participating in the SITES two-year Pilot Program (June 2010-June 2012). These projects represent a diverse cross-section of project types, sizes and geographic locations in various stages of development from design to construction and maintenance. SITES Pilot Projects will be the first projects in the United States and abroad to demonstrate the application of The Sustainable Sites Initiative: Guidelines and Performance Benchmarks 2009, released on November 5, 2009. The Guidelines and Performance Benchmarks 2009 includes a four-star rating system which works on a 250-point scale. Based on achieving all 15 of the prerequisites and at least 100 credit points, a pilot project will become Pilot Certified.

Certification levels (250 total points)

One Star (minimum points 40%):	100
Two Stars (minimum points 50%):	125
Three Stars (minimum points 60%):	150
Four Stars (minimum points 80%):	200

Feedback from the Pilot Program will be used to revise the final rating system and inform the technical reference manual (Reference Guide). This guide will provide real world examples of achieving sustainability goals and document the practices pilot projects used in solving site problems, slated for release in 2013.

Below is a summary of the projects participating in the pilot program.

PROJECT TYPES

- 25% Open space - Park
- 20% Institutional/Educational
- 15% Commercial
- 13% Residential
- 8% Transportation corridor/ Streetscape
- 8% Open space - Garden/Arboretum
- 6% Government Complex
- 4% Mixed-use
- 1% Industrial

EXISTING LAND USE

- 65% Greyfield
- 20% Greenfield
- 15% Brownfield

PROJECT SIZE

- 25% Less than one acre
- 27% 1-5 acres
- 40% 6-100 acres
- 7% 101-500 acres
- 1% Greater than 500 acres

PROJECT LOCATIONS

- Projects in 34 U.S. States
- 3% of projects outside U.S. in Canada, Iceland and Spain

The companion document titled *The Case for Sustainable Landscapes* provides a set of arguments—economic, environmental, and social—for the adoption of sustainable land practices, additional background on the science behind the performance criteria in the guidelines and performance benchmarks, the purpose and principles of the Sustainable Sites Initiative, and a sampling of some of the case studies the Initiative has followed.

GreenBiz.com

www.greenbiz.com

Greener buildings, design, computing resources and information.

Green Practices Grants

The following excerpts were taken directly from their respective websites.

Oregon Energy Savings Performance Contract (ESPC)

<http://www.oregon.gov/ENERGY/CONS/ESPC/Pages/index>.

An energy savings performance contract is an agreement between an energy services company (ESCO) and a building owner. Oregon defines it as a public contract between a state agency and a qualified energy service company for the identification, evaluation, recommendation, design and construction of energy conservation measures, including a design-build contract, that guarantee energy savings or performance.

At its core, an energy savings performance contract is a “design-build” contract with some highly tailored specializations. The owner uses the energy cost savings to reimburse the ESCO and to pay off the loan that financed the energy conservation projects. Agreements with ESCOs are typically five to seven-year agreements. The ESCO provides an array of services:

- Conducts a facility energy study
- Identifies cost-effective projects
- Designs all aspects of the chosen projects
- Hires subcontractors
- Manages the project installation
- Assists in structuring and securing the financing for the project

U.S. Department of Energy

<http://www.eere.energy.gov/>

The Office of Energy Efficiency and Renewable Energy (EERE) invests in clean energy technologies that strengthen the economy, protect the environment, and reduce dependence on foreign oil.

Federal Energy Management Program works to support sound, cost-effective energy management and investment practices within federal government facilities.

Clean Cities supports local decisions to adopt practices that contribute to the reduction of petroleum consumption.

Energy Efficiency and Conservation Block Grant Program assists state, local, and tribal governments in implementing strategies to reduce fossil fuel emissions, reduce total energy use, and improve energy efficiency in the transportation, building, and other appropriate sectors.

Weatherization and Intergovernmental Program provides funding and technical assistance to partners in state and local governments, Indian tribes, and international agencies to adopt renewable energy and energy efficiency technologies.

Kodak American Greenways Award Program

<http://grants.conservationfund.org>

Improvements to a greenway, trail or waterway may be eligible for up to a fifty percent grant match maxing at \$2,500 from the Kodak American Greenways Award grant. Offered in partnership with Eastman Kodak Company, The Conservation Fund, and the National Geographic Society. One major element is “seed” funds to grow the nation’s trail/waterways network. Past focus areas included projects with a natural, cultural, and/or socio-political historical theme.

National Park Service Grants

www.nps.gov/history/grants.htm

National Park Service grants help protect our nation’s significant historic and cultural sites and preserve our diverse cultural heritage. More than \$1 billion has been awarded to Federal, State, and local governments, Native American Tribes, nonprofit organizations and educational institutions for preservation projects in all 50 states and the U.S. Territories. Competitive grant programs include:

- American Battlefield
- Historic Black Colleges & Universities
- Japanese American Confinement Sites
- Native American Graves Protection & Repatriation Act
- National Center for Preservation Technology
- Preserve America
- Save America's Treasures
- Tribal Heritage

Strategic Initiatives and Partnerships

The following excerpts were taken directly from their respective websites.

Support America’s Backyard

www.americasbackyard.org

This NRPA program showcases the value of parks and recreation in the community. America’s Backyard was launched in 2010 by the National Recreation and Park Association (NRPA) to draw major public attention to the powerful and essential role of parks and recreation in America impacting the lives of 300 million people. The initiative seeks to educate citizens on the American park and recreation landscape, support and encourage national advocacy for the field, and leverage funding and resources for national programs that benefit local communities.

Become a Let's Move City or Town

<http://www.letsmove.gov>

The First Lady Michelle Obama is calling on mayors and elected officials across the country to join her Let's Move! campaign. Let's Move Cities and Towns engages mayors and other municipal leaders in the campaign to solve the problem of childhood obesity within a generation. Let's Move Cities and Towns emphasizes the unique ability of communities to solve the challenge locally, and the critical leadership mayors and elected officials can provide to bring communities together and spur action.

Let's Move Cities and Towns is designed to encourage mayors and elected officials to adopt a long-term, sustainable, and holistic approach to fight childhood obesity. This initiative recognizes that every city is different, and every town will require a distinct approach to the issue. Once an elected official signs up as a prospective Let's Move City or a Let's Move Town, he or she will choose at least one significant action to take over the following twelve months in each of the four pillar areas:

1. Help Parents Make Healthy Family Choices
2. Create Healthy Schools
3. Provide Access to Healthy and Affordable Food
4. Promote Physical Activity

Requirements:

Let's Move Cities and Towns must submit a first quarter and end-of-year update, describing the city's or town's plan, timeline, and actions. These reports will be posted online. Then, a city or town may become a Let's Move City or Let's Move Town.

Let's Move Cities and Towns for a given year may be recognized in the following ways:

- Let's Move! Intergovernmental Affairs representatives will seek out cities and towns to highlight and celebrate initiative.
- Accomplishments and ideas for future action may be highlighted on the Let's Move! website.
- Mayors from Let's Move Cities and Towns will be invited to participate in conference calls with White House and federal agency staff to share ideas, discuss barriers, celebrate progress.
- Let's Move Cities and Towns will receive a certificate of acknowledgement confirming qualification as a Let's Move City or Let's Move Town.
- Mayors from Let's Move Cities and Towns may be invited to attend events to celebrate collective success in combating childhood obesity.

Support More Kids in the Woods

www.fs.fed.us/recreation/programs/woods/

"The Forest Service has been a leader in conservation education and recreational opportunities for more than a century. In addition, national forests provide opportunities to urban and rural kids; therefore, they are an ideal location for most of the projects funded by this program. Beyond that, government, with its influence over parks, open spaces, education and health care, has a crucial role to play in helping our nation realize the physical, emotional and cognitive benefits of the great outdoors. The rise in childhood diseases like obesity, diabetes, heart disease is a growing national crisis. All of us have a role to play to ensure the health and well-being of our nation's children. Outdoor experiences in early childhood can help get our children on the pathway to a healthy and active lifestyle."

WASHINGTON, April 27, 2010 - Agriculture Secretary Tom Vilsack today announced that USDA's Forest Service will contribute \$500,000 in 2010 to the "More Kids in the Woods" program for projects that promote active lifestyles and connect kids to nature.

"More Kids in the Woods" challenge not only promotes physical activity, it fosters environmental awareness and stewardship among young people as we face critical environmental challenges, such as the effects of climate change. "More Kids in the Woods" helps kids make the connection between healthy forests, healthy communities and their own healthy lifestyles."

The contribution will be leveraged with \$1.5 million in donations and in-kind services from partners. The "More Kids in the Woods" challenge is a cost-share program in the Forest Service's long-standing Kids in the Woods program that involves thousands of partners who contribute their time, energy and resources to help us connect kids and families with our natural world.

In 2010, the Forest Service selected 21 projects for funding from more than 130 high-quality agency proposals created to promote environmental stewardship through innovative, hands-on activities. All "More Kids in the Woods" projects are designed to spark curiosity about nature and promote understanding of the role of the nation's forests and grasslands in providing clean, abundant water, clean air, wildlife habitat, and recreation. Project partners are committed to helping children develop a love for the land that will enable them to meet the conservation challenges of the 21st century through healthy lifestyles choices and natural resource careers.

This is the fourth year the Forest Service has matched funds and in-kind contributions from partners for "More Kids in the Woods." Partners include local, state, and federal agencies and American Indian tribes. Project activities include summer camps, after-school programs, and wilderness expeditions. The challenge-cost share will serve more than 15,000 children throughout the nation, including under-served and urban youth.

THIS PAGE INTENTIONALLY LEFT BLANK

Appendix F - Comparative Analysis Criteria

Limits of Comparative Data and Analysis

Comparative analysis (benchmarking) is an important tool that allows for comparison of certain attributes of THPRD's management practices and fee structure. This process creates deeper understanding of alternative providers, THPRD's place in the market, and varying fee methodologies, which may be used to enhance and improve the service delivery of parks and recreation.

It is very difficult to find exact comparable communities because each has its own unique identity, ways of conducting business, and differences in what populations they serve. The political, social, economic, and physical characteristics of each community make the policies and practices of each parks and recreation agency unique. It is important to keep in mind that while many park and recreation agencies primarily serve residents, others serve a large portion of non-residents, while others still cater to the tourism market.

Despite efforts to promote uniformity in comparison, organizations often have slightly different fee structures and associated benefits. For example, some parks and recreation agencies may not report all benefits associated with the purchase of a center membership, or may not explain the breadth of indoor recreation spaces in their system in the same way as another. The availability of detailed information may also be limited.

Additionally, organizations do not typically define the expenditures of parks, trails, facilities, and maintenance in the same way. Agencies also vary in terms of how they organize their budget information, and it may be difficult to assess whether or not the past year's expenses are typical for the community. Despite these inherent limitations, the comparative analysis and fee comparisons criteria presented in this document should be used as a catalyst for THPRD to continue to research fees, market position, and best practices for more specific areas when they are needed.

Comparative Analysis Data Sought

The communities selected for benchmarking data should be chosen primarily for their proximity and perceived similarities to THPRD. Requested comparative data in addition to service specific fee structure may also include:

- Values, vision, and mission of the organization
- Population and demographics
- Median household income and household size
- Prior year budget, actual expenses, and revenues for the entire agency
- Prior year budget, actual expenses, and revenues for the parks and recreation divisions
- Number and square footage of Community/Recreation Centers
- Total acres of open space and developed park land
- Number of maintenance acres contracted out and maintenance description
- Total miles of agency maintained trails
- Number of splashparks
- Number of lighted and unlighted softball/baseball fields
- Recreation and parks agency full-time employees and FTEs

Often, comparative analysis data looks to weigh pertinent data along with comparing against a “per thousand” population calculation for categories including: total agency budget, total acres, developed acres, miles of trails, Community/Recreation Center square footage, number of splash parks, number of softball/baseball fields, and recreation FTEs. Parks expenses and FTEs can be calculated per developed acre. Population, demographics, median household income, and household size estimates can be provided by the US Census.

Fee Comparison Considerations

To compare fees, other factors should be considered along with the price or fee charged for a program, rental, admission, pass, or other services. THPRD should include comparative data for each fee as applicable:

- Program contact hours
- Program session length
- Student/teacher ratio
- Contractor or in-house instructional staff
- Instructor qualifications
- Program quality
- Materials included or additional fees
- Set up/tear down and preparation time included
- Facility amenities included in admission or pass
- Programs included with admission or pass
- Towel service, locker, equipment usage included or extra
- Hours of operation or availability of service
- Peak or off peak pricing
- Packaging
- Value added amenities or services
- Service area demographics
- Subsidy versus cost recovery goals
- Use of alternative funding

Appendix G – Service Portfolio Sample

THIS PAGE INTENTIONALLY LEFT BLANK

May 24, 2013		District-Wide - Service Portfolio														
KEY	Category of Service/Type of Service Service Menu (below)	Fit		Financial Capacity		Market Position			Alternative Coverage		Cell	Provision Strategy	Notes	Beneficiary of Service	Cost Recovery Target Tier Minimum By Fund	Pricing Strategy
		Good	Poor	High	Low	Strong	Weak	High	Low							
		x		x		x		x		1	Affirm Market Position					
		x		x		x			x	2	Advance Market Position					
		x		x			x			3	Divest					
		x		x			x		x	4	Invest, Collaborate, or Divest					
		x			x	x		x		5	Complementary Development					
		x			x	x			x	6	Core Service					
		x			x		x			7	Collaborate or Divest					
		x			x		x		x	8	Collaborate or Divest					
		x	na	na	na	na	na	na	na	9	Divest					
Concession and Vending																
											#N/A	#N/A		Mostly Individual Benefit	200%+	#N/A
Merchandise																
											#N/A	#N/A		Mostly Individual Benefit	200%+	#N/A
Rentals/Exclusive Use - Private																
											#N/A	#N/A		Mostly Individual Benefit	200%+	#N/A
Rentals/Exclusive Use - Associates																
											#N/A	#N/A		Balanced Benefit	100%	#N/A
Rentals/Exclusive Use - Affiliates																
											#N/A	#N/A		Balanced Benefit	#N/A	#N/A
Tenant Leases																
											#N/A	#N/A		Mostly Individual Benefit	200%+	#N/A
Equipment Rentals																
											#N/A	#N/A		Mostly Individual Benefit	200%+	#N/A
Open Park Usage																
Outdoor Components											#N/A	#N/A				
Aqua Feat, Spray	x			x		x				x		6	Core Service	Mostly Community Benefit	No Fee	Free when Open
Backstop, Practice	x			x		x				x		6	Core Service	Mostly Community Benefit	No Fee	Free when Open
Ballfield	x			x		x				x		6	Core Service	Mostly Community Benefit	No Fee	Free when Open

May 24, 2013		District-Wide - Service Portfolio													
KEY	Category of Service/Type of Service Service Menu (below)	Fit		Financial Capacity		Market Position		Alternative Coverage		Cell	Provision Strategy	Notes	Beneficiary of Service	Cost Recovery Target Tier Minimum By Fund	Pricing Strategy
		Good	Poor	High	Low	Strong	Weak	High	Low						
		x		x		x		x		1	Affirm Market Position			No Fee	Free when Open
		x		x		x			x	2	Advance Market Position			No Fee	Free when Open
		x		x			x	x		3	Divest			No Fee	Free when Open
		x		x			x		x	4	Invest, Collaborate, or Divest			No Fee	Free when Open
		x			x	x		x		5	Complementary Development			No Fee	Free when Open
		x			x	x			x	6	Core Service			No Fee	Free when Open
		x			x		x		x	7	Collaborate or Divest			No Fee	Free when Open
		x			x			x	x	8	Collaborate or Divest			No Fee	Free when Open
			x	na	na	na	na	na	na	9	Divest			No Fee	Free when Open
	Ballfield, Complex	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Basketball	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	BMX Course	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Bocce Ball	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Community Gardens	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Disk Golf	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Dog Park	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Educational Experience	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Event Space	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Garden, Display	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Hockey, Inline	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Horseshoes	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Loop Walk	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	MP Field, Small	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	MP Field, Medium	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	MP Field, Large	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	MP Field, Multiple	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	MP Field, Complex	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Multiuse Court	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open
	Natural Area	x			x	x			x	6	Core Service			Mostly Community Benefit	Free when Open

May 24, 2013		District-Wide - Service Portfolio													
KEY	Category of Service/Type of Service Service Menu (below)	Fit		Financial Capacity		Market Position		Alternative Coverage		Cell	Provision Strategy	Notes	Beneficiary of Service	Cost Recovery Target Tier Minimum By Fund	Pricing Strategy
		Good	Poor	High	Low	Strong	Weak	High	Low						
		x		x		x		x		1	Affirm Market Position		Mostly Community Benefit	No Fee	Free when Open
		x		x		x			x	2	Advance Market Position		Mostly Community Benefit	No Fee	Free when Open
		x		x			x	x		3	Divest		Mostly Community Benefit	No Fee	Free when Open
		x		x			x		x	4	Invest, Collaborate, or Divest		Mostly Community Benefit	No Fee	Free when Open
		x			x	x			x	5	Complementary Development		Mostly Community Benefit	No Fee	Free when Open
		x			x	x				6	Core Service		Mostly Community Benefit	No Fee	Free when Open
		x			x		x		x	7	Collaborate or Divest		Mostly Community Benefit	No Fee	Free when Open
		x			x		x		x	8	Collaborate or Divest		Mostly Community Benefit	No Fee	Free when Open
		x		na	na	na	na	na	na	9	Divest		Mostly Community Benefit	No Fee	Free when Open
	Open Turf	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Open Water	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Other-Active	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Picnic Grounds	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Playground, Destination	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Playground, Local	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Restroom	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Shelter, Group	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Shelter	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Skate Park	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Structure	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Tennis	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Tennis Complex	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Trails, Primitive	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Trails, Multi-use	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Trailhead	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Volleyball	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Water Feature	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open
	Water Access, Developed	x			x	x			x	6	Core Service		Mostly Community Benefit	No Fee	Free when Open

May 24, 2013		District-Wide - Service Portfolio														
KEY	Category of Service/Type of Service Service Menu (below)	Fit		Financial Capacity		Market Position		Alternative Coverage		Cell	Provision Strategy	Notes	Beneficiary of Service	Cost Recovery Target Tier Minimum By Fund	Pricing Strategy	
		Good	Poor	High	Low	Strong	Weak	High	Low							
		x		x		x		x								
		x		x		x			x							
		x		x			x									
		x		x		x		x								
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														
		x														

May 24, 2013		District-Wide - Service Portfolio															
KEY	Category of Service/Type of Service Service Menu (below)	Fit		Financial Capacity		Market Position		Alternative Coverage		Cell	Provision Strategy	Notes	Beneficiary of Service	Cost Recovery Target Tier Minimum By Fund	Pricing Strategy		
		Good	Poor	High	Low	Strong	Weak	High	Low								
		x		x		x		x								1	Affirm Market Position
		x		x		x			x							2	Advance Market Position
		x		x			x	x								3	Divest
		x		x			x		x							4	Invest, Collaborate, or Divest
		x			x	x		x								5	Complementary Development
		x			x	x			x							6	Core Service
		x			x		x		x							7	Collaborate or Divest
		x			x		x		x							8	Collaborate or Divest
	x	na	na	na	na	na	na	na	9	Divest							
x			x	x			x	6	Core Service								
Inclusion Services																	
ADA Mandated Inclusion Services																	
x			x	x			x		6	Core Service							
Support Services																	
Administrative Support Services																	
x			x	x			x		6	Core Service							
														0%	N/A		