

City of San Jose



Pricing Policy, Philosophy, Revenue Enhancement Implementation Plan

PREPARED BY:



FEBRUARY 2009

Table of Contents

- CHAPTER ONE - PRICING POLICY 1
 - 1.1 PURPOSE OF PRICING POLICY 1
 - 1.2 CURRENT PRICING PHILOSOPHIES 1
 - 1.3 CURRENT PRICING PRACTICES 1
 - 1.4 GUIDING PRINCIPLES OF PRICING 3
 - 1.5 PRICING POLICY PROCESS 6
 - 1.6 CORE PROGRAM IDENTIFICATION 9
 - 1.7 CORE PROGRAM STAFF RESULTS 11
 - 1.8 PUBLIC, PRIVATE OR MERIT PROGRAMS 14
 - 1.9 STATEMENT OF PHILOSOPHY 16
 - 1.10 PROGRAM RECOMMENDATIONS 20
 - 1.11 EARNED INCOME OPPORTUNITIES 32
 - 1.12 AGENCY SCHOLARSHIP POLICY 35

CHAPTER ONE - PRICING POLICY

1.1 PURPOSE OF PRICING POLICY

The Pricing Policy for the city of San Jose is designed to provide the Parks and Recreation Department with consistent guidelines in pricing admissions, facilities, programs and services. This allows elected officials, users, staff and general taxpayers to better understand the philosophy behind pricing a product or service. Furthermore, the pricing of a product or service is based on a set agreed to process that includes rather a product or service is a core service or a non-core service, rather it is a public, merit, or private product or service and the process includes establishing the true cost to provide the product or service both direct and indirect before any decision is made on how the product or service is priced.

Once this information is gathered, the level of benefits users receive above a general taxpayer is evaluated and translated into pricing options based on the appropriate tax subsidy level that fits into the values of the community or on the level of individual consumption or exclusivity benefit the user receives above what a general taxpayer receives.

The pricing policy is expressed in terms of the percentage of cost recovery the agency is trying to recover against the agency's overall budget and the activity goal within a specific core business.

The city of San Jose is committed to providing outstanding public parks and recreation facilities along with quality recreation programs and facilities. The increasing demands for additional parks, facilities and programs coupled with rising operating and capital costs, makes it challenging to maintain existing levels of service as well as providing new ones. It is necessary for the Department to have a sound and consistent policy that will serve as a tool for establishing, implementing and evaluating various fees and revenue options. The establishment of a pricing policy makes additional programs and facilities available that would not otherwise not be developed or offered.

1.2 CURRENT PRICING PHILOSOPHIES

The current pricing philosophy within the Department is based on the perception of the affordability. There has been no consistency across the city as to how prices are established and presented to users. Recommended fee increases have been based on perceptions of staff and comparisons with other area agencies. The current pricing in the Department is established to minimize all user fees for teens and senior services. Adult program fees are set to recovery all direct costs.

1.3 CURRENT PRICING PRACTICES

Most user fees and charges are set by the City Council based on the perception of the citizens' ability to pay for the services and programs, and based on comparative prices of other area agencies.

The City Council sets the fees for

- Facility Use
- Reservation of Facilities
- Equipment Use
- Sports Leagues
- Picnic Reservations
- Cancellation Charges
- Parking Fees
- Film Permit Fee
- Firewood Collection Permit
- Administrative Fee for Fee Classes and Activities
- Special Events
- Miscellaneous Fees
- Gymnasium and Fitness Facilities
- Special Reservation & Permit Fees
- Camping Fees
- Happy Hollow Park and Zoo Rates
- Multicultural Arts Center Fees
- Roller Hockey Rink Fees
- Swim Program Fees
- Lake Cunningham Regional Skate Park Fees

The Director sets the fees for:

- Fee Classes and Activities
- Youth, Teen and Adult classes such as; fitness, exercise, music, art, dance, cooking, language and movement classes
- Year round and summer camps
- Special events
- Senior center classes such as; exercise, dance, art, music, health...
- Equipment Rental
- Boat Rental and Launching Fees
- Golf

The Director may discount fees based on established criteria.

Currently each division of the department functions separately with respect to cost recovery and user fee strategies to recover operational costs. The Department in the past had no system-wide scholarship policy.

The Department has experienced difficulties with user fee increases. This has primarily been the result of a lack of true cost data and quantifiable program information on which the City Council can base decisions. The Department has never established a true cost of service, never established a criteria for what is a core service or non-core service or established a criteria for what constitutes a public, merit, or private service. The lack of pricing justification and effective data puts the Department in a defensive position when it comes to changing prices to offset operational cost. The staff appears to be resistant to user fee adjustments due to past experiences.

1.4 GUIDING PRINCIPLES OF PRICING

The guiding principles of effective pricing are fourfold as follows:

- Accessibility and Fairness
- Financial Sustainability
- Efficiency
- Redistribution of Income

ACCESSIBILITY AND FAIRNESS

Equity and Fairness means those who benefit from the service above what a general taxpayer receives should pay for it and those who benefit the most should pay the most. Public park and recreation agencies offer three kinds of services. Public services, Merit services and Private services. The type of service and benefit received will directly determine the cost recovery strategy or pricing strategy to be used in the pricing of the services and products the Department creates.

PUBLIC SERVICES

Public services normally have low level or no user fees associated with their consumption. The cost for providing these services is borne by the general tax base. Public services are those services parks and recreation offer that provide all users the same level of opportunity to access the service. The level of benefit is the same to all users. Examples of public services are open public access to use a park, a playground, a trail or a picnic area that cannot be reserved.

MERIT SERVICES

Merit services can be priced using either a partial overhead pricing strategy or a variable cost pricing strategy. Partial overhead pricing strategies recover all direct operating costs and some determined portion of fixed indirect costs. The portion of fixed indirect costs not recovered by the price established represents the tax subsidy. Whatever the level of tax subsidy, the Department staff needs to inform the public (through effective communication) the level of subsidy being provided by the city. Merit services are usually services whereby the user receives a higher level of benefit than the general taxpayer. And yet the taxpayer benefits as a whole because the service provides a more livable community and the service has a good public benefit as well. Examples of merit type services are swim lessons, youth sports, after-school programs for youth, and special events that promote healthy active lifestyles.

PRIVATE SERVICES

Private services are where the user only benefits. This is where the Department needs to implement pricing services using a full cost recovery strategy. The price of this particular service is intended to recover all fixed costs and variable costs associated with the service. Examples if private services are food services for resale, retail services, rental of space for

weddings and business meetings and exclusive use of recreation center rooms or sports facilities.

FINANCIAL SUSTAINABILITY

Financial Sustainability means that user fees and prices charged from admissions, programs, food services, retail services, rentals and special events will assist in the overall funding of Department operations. The revenue produced through this will give the park and recreation system needed cash for operations, capital costs and marketing dollars to promote Department programs and services. These dollars can come from any source that supports operations and include grants, sponsorships, partnerships, permits, special rental uses and many other options available to the Department.

EFFICIENCY

Through the cost of service assessment the Department can evaluate how the service is delivered and if it is delivered in the most effective and efficient manner based on the cost of service assessment. Priorities to enhance user or visitor experiences are clearly defined because the services provided are clearly made visible and the priorities are established based on the direct user costs that are associated with the activities that users want. Pricing of services correctly can achieve seven positive results:

- Reduces congestion and overcrowding
- Indicates user and visitor demand and support
- Increases positive user and visitor attitudes
- Provides encouragement to the private sector to invest in Department programs through contracts that can bring greater revenue to the Department
- Provides incentives to achieve societal goals
- Ensures stronger accountability on Department staff and management
- Allows multi-tiered pricing to occur so those users who want a higher level of quality can pay for it

REDISTRIBUTION OF INCOME

Redistribution of income means dollars generated from each activity are redistributed back to the area it came from to pay direct cost and indirect cost in some situations and for future improvements associated with an activity. Examples would be sports leagues pay for improvements to the sport fields.

The staff will document the cost of services provided through a costing model provided by PROS Consulting. The true cost of each activity is designated as direct and indirect costs associated with providing a product or service.

A review of all fees periodically is recommended to document the changes that have occurred within the products or services provided by the Department. This will help staff to evaluate which program, product or service should be adjusted based on the pricing policy and Philosophy.

With the ability to apply an activity based costing model to each cost center at the time of pricing of products or services. All direct and indirect costs need to be identified consistently by Department staff for each product, program or service provided to provide consistency across the system. A Activity Costing Program Sheet is outlined for staff to follow in determining which costs apply to their specific programs or facilities.

After the true cost of the product, program, or service is figured, the appropriate tax subsidy level approved in the pricing policy can be applied to determine the price.

1.5 PRICING POLICY PROCESS

To gain and provide consistency among elected officials, user groups, staff, and the community, a philosophical revenue and pricing foundation must be implemented. PROS recommended a ten (10) step process to effectively develop the foundation of thinking behind pricing a service and to establish an adequate pricing policy that demonstrates to users the process the Department used in developing pricing strategies. The 10 Step Process is as follows:

RATIONALE

The City Council and Department staff need to adopt a policy of pricing services to the personal benefits received over and above a general tax payer to help offset operating cost and to support the structural budget deficient. This approach will provide a fair and equitable method to distribute City resources to the largest number of users of the system.

AUTHORIZATION

Ideally, prices should be created based on the level of desired income or subsidy level needed to meet the operational budget requirements to keep the Department in a sustainable position. Pricing based on established recovery goals will provide staff with the flexibility to maximize all pricing alternatives to the fullest while not eliminating anyone from accessing the service. Allowing the staff to work within a pricing range and policy will permit the staff to set prices based on 14 different pricing options such as primetime/non-primetime rates and season/off-season rates, weekday and weekend rates, group and by level of benefit received to maximize user participation and also encourages additional group rate pricing.

REVENUE PHILOSOPHY

The agency should adopt a revenue philosophy that not only promotes revenue sustainability to offset operating costs, but also allows for revenues collected to remain within the Department. In return, this will build incentives for staff to be more aggressive in seeking revenues. User support for pricing services will be developed because the dollars that the users invest in their park or recreation experience will be re-invested in better quality services and facilities for themselves.

CITIZEN INPUT

Citizen input into pricing of services allows users to pick and choose what components of the service they want to buy. This approach is helpful in the establishment of multi-tiered pricing options. This includes allowing users to pick and choose what level of quality or quantity they want and pay accordingly. One price fits all does not work effectively in maximizing pricing alternatives and in gaining revenue sustainability or community support.

PROGRAM SERVICES AND CLASSIFICATIONS

The agency should allow the pricing of services to be classified into levels. Pricing classifications encourage users to move to a classification option that best fits their schedule and price point. The classifications include the following:

- Primetime
- Non-primetime
- Season and Off-season Rates
- Multi-tiered Program Pricing
- Group Discounting and Packaging
- Volume Pricing
- Incentive Pricing
- Length of Stay Pricing
- Cost Recovery Goal Pricing
- Level of Exclusivity Pricing
- Age Segment Pricing
- Level of Private Gain Pricing

These classifications will apply to the following:

- Admissions
- Reservations
- Programs
- Concessions
- Permits
- Rentals
- Facility Use

LEVELS OF BENEFIT

Pricing should be based on the level of benefit received. The higher the benefit above what the general taxpayer receives should be priced accordingly. Recreation programs and services are consumptive in nature. Consequently, once an activity or visit is finished, the most the user can hope for is a memorable experience. Allowing prices to reflect users investing in themselves, based on an individual benefit received, is easy to communicate and visitors will understand the price justification. Communicating their level of investment into the service and the City's level of investment helps them to appreciate what the city is doing for them in supporting their parks and recreation services.

COST ACCOUNTING

The Department staff needs to develop a budget format that will support an effective activity based costing process that includes direct and indirect costs to determine cost per experience and level of subsidy before pricing of the product or service. This will facilitate efficient decision making in determining the best method to price the program, activity or admission in the most cost effective manner.

PRICING METHODS

The pricing methods outlined in this policy should be incorporated into admissions, programs, services, and facilities.

USER PRICING EXPECTATIONS

Recreation users expect higher quality of services when pricing efforts are instituted. This will require establishing written program and facility standards that will need to be implemented to meet the user's expectations and willingness to pay the proposed fees.

COMMUNICATING COSTS

In all cases, communicating the true costs of a service or program to recreation users will increase their understanding of the value they receive. Messages that convey the benefits received versus the features of the program and or the service and the City's subsidy through Department programs and facilities will increase user understanding of the recreation pricing philosophy that is in place.

1.6 CORE PROGRAM IDENTIFICATION

Core Program criteria was been developed to help distinguish PRNS' "core" (versus extraneous) programs and services. Applied to a list of all of the current programs and services, the criteria will help PRNS focus on resources on those areas most critical to their stakeholders and help achieve financial sustainability. Programs were assessed based on their CURRENT state only without introducing hypothetical factors.

These criteria help the staff and public to understand what elements of a service represent the greatest number of users. Further, from a tax payer perspective it helps to justify the City's investment in providing programs and services that enhance the quality of life and livability of the community.

A Core Program will meet **60% - 70%** of the criteria below.

1. Does this program/service align with the Department and/or City's Vision and Mission?
Vision: National leader of Parks and Recreation in cultivating healthy communities through quality programs and dynamic public spaces
Mission: To build healthy communities through people, parks and programs.
2. The program has been provided by the City for a long period of time (15 years or longer) and is expected by the community.
3. The core program consumes a large portion of the recreation budget (\$2.5 million or more) to deliver the program (staffing, supplies/materials, and maintenance) and has revenue sustainability.
4. The program/service currently continues to fill 80% of its program capacity each season it is offered.
5. The program is used by a broad range (age and other demographics) of community residents.
6. There are tiered levels of skill development available within the program.
7. Full-time staff or contractors are dedicated and responsible for the actual execution of the program.
8. Recreation facilities are designed specifically to support the program.
9. The Department currently controls a significant percentage (20% or more) of the program market locally.
10. The program has been in a growth or mature stage of its lifecycle for a long period of time and has long-term participation appeal. * A program cycle will begin with a growth phase, plateau at a mature stage (healthy participation) and then decline downward (reduction in participation) to a program end
11. The program requires high levels of customer interface (1 staff to 10 participants or less).
12. The program has a strong social value that is part of a solution to a community problem. (e.g. Health, crime rate, social isolation, education...)
13. The program has strong economic appeal and a high resident benefit that creates a strong return on investment (ROI) for the City (e.g., tourism activities, business development, and revenue development).

14. The program has a high partnering capability (e.g., matching funds, renting a facility or partnering in the development of a facility, program, or event).
15. 90% or more of the participants are residents of San Jose.

1.7 CORE PROGRAM STAFF RESULTS

The following are the results from the core program assessment based on the criteria established as part of the pricing policy earlier in this document.

Core programs are ones that have met at least 60% - 70% of the core program criteria elements provided in **Section 1.6**. They help to recover the Department's operational budget and support the Department's vision in the most sustainable way possible.

CORE PROGRAMS

- Youth and Teens
 - Early Childhood Recreation Classes
 - Parent/Child classes
 - Fee Classes
 - Camps
 - Youth Sports Leagues (non-competitive)
 - Teen Center Drop In
 - Youth Drop-in Gym
 - Youth Drop-in Fitness
 - Youth Sports (clinics and workshops)
 - Theater Program
 - Youth Roller Hockey and Rink
 - Youth Track Meets (Hershey, State, CW)
- San Jose After School
 - After School Recreation
- Youth Intervention Services
 - Safe School Campus Initiative
- Therapeutic Services
 - OTS Therapeutic Recreation Classes
 - Grace Therapeutic Recreation Classes
- Aquatics
 - Recreation Swim (including Almaden Lake)
 - Swim Lessons
- Adults

- Fee classes
 - Sports Leagues
 - Sports Programs
- Seniors
 - Fee classes
 - Senior Center Drop In
- Parks, Trails, Open Space
 - Parks and Maintenance
 - Trails
 - Golf
 - Happy Hollow Park and Zoo
 - Cunningham Skate Park
- Rentals / Reservations
 - Community Center Rentals
 - Sports Field and Court Reservations
 - Pool Rentals
 - Special Park Use Permits
 - Regional Park Picnic Reservations

NON-CORE PROGRAMS

Non-Core Programs do not mean they are non-essential but it entails that the Department manage them from a slightly different perspective. These programs focus more on the individual value obtained by a user that is over and above what a general taxpayer receives. Given these conditions, it is imperative that the users share a greater burden of the program costs to help ensure the financial sustainability of the program.

- Seniors
 - Senior Nutrition Program
 - OOA Services and Resources
- San Jose After School
 - Level I Homework Centers
- Youth Intervention Services
 - STAND Program
 - Clean Slate
- Therapeutic Services

- Grace Independent Living Skills
 - Grace Drop In Program
 - Grace Rehabilitation Program
- Parks, Trails, Open Space
 - Parks Concessions
 - Civic Grounds Maintenance
- Aquatics
 - Lap Swim
- Events
 - Christmas In the Park
 - Holiday Parade
 - Groundbreakings & Grand Openings
 - Special Events (eg one-voice)
- Other
 - Anti-Graffiti Program
 - Anti-Litter Program

1.8 PUBLIC, PRIVATE OR MERIT PROGRAMS

The following are the definitions and program classifications by Public, Private and Merit programs.

PUBLIC SERVICES

Public services normally have low level or no user fees associated with their consumption. The cost for providing these services is borne by the general tax base. Public services are those services parks and recreation offer that provide all users the same level of opportunity to access the service. The level of benefit is the same to all users. Examples of public services are open public access to use a park, a playground, a trail or a picnic area that cannot be reserved.

MERIT SERVICES

Merit services can be priced using either a partial overhead pricing strategy or a variable cost pricing strategy. Partial overhead pricing strategies recover all direct operating costs and some determined portion of fixed indirect costs. The portion of fixed indirect costs not recovered by the price established represents the tax subsidy. Whatever the level of tax subsidy, the Department staff needs to inform the public (through effective communication) the level of subsidy being provided by the city.

Merit services are usually services whereby the user receives a higher level of benefit than the general taxpayer. And yet the taxpayer benefits as a whole because the service provides a more livable community and the service has a good public benefit as well. Examples of merit type services are swim lessons, youth sports, after-school programs for youth, and special events that promote healthy active lifestyles.

PRIVATE SERVICES

Private services are where the user only benefits. This is where the Department needs to implement pricing services using a full cost recovery strategy. The price of this particular service is intended to recover all fixed costs and variable costs associated with the service. Examples of private services are food services for resale, retail services, rental of space for weddings and business meetings and exclusive use of recreation center rooms or sports facilities.

Public

- Aquatics – Recreation Swim
- Unreserved Sports Fields
- Lake Cunningham
- Anti-Graffiti and Anti-Litter Programs
- All Neighborhood and Community Parks, Trails and Open Space Areas

Merit

- After School Programs
- Aquatics
 - Swim Lessons
- Grace
- Office of Therapeutic Services
- Teen Centers
- Prusch Park Classes and Hatchery
- Senior Services, Facility Rentals and Volunteer Program
- Youth Intervention –SSCI

Private

- Aquatics – Camden Aquatics Lap Swim and Fee Activity (Classes)
- Adult Sports Leagues
- After School – Level 2
 - Summer Camp
- Family Camp Programs
- Lake Cunningham Skate Park and Marina
- Golf Courses
- Happy Hollow Park and Zoo Area
- Theater
- Grace Adult Women’s Survivors of Violence
- Grace Medical Services
- Prusch Park Tutoring and Ballet and Tap
- Senior Nutrition, Fee Activities and Companions Program
- Youth Intervention – Clean Slate, STAND
- Rentals

1.9 STATEMENT OF PHILOSOPHY

The guiding principles of the San Jose Parks, Recreation and Neighborhood Services Department's pricing policy is based on a clear understanding of what the core and non-core services are, what programs and services are public services, merit services and private services and the cost to provide the product or service both direct and indirect, the level of benefit and exclusivity the user receives above what a general tax payer receives. Also included is the percentage of cost recovery the Department is trying to recover against the Department's overall budget and the activity goal within a specific core business.

Within this philosophy, the Department will continue to efficiently offer the most diversified Recreation services, ensuring that all San Jose citizens have equal opportunity to participate in a wide variety of programs and services regardless of capability through an effective scholarship policy.

Based on this analysis, cost recovery goals were established by core program activities. It must be kept in mind that individual programs within the core areas may have varying cost recovery goals but their aggregates should aim to meet the system-wide goals mentioned below. Also, individual programs within each core or non-core program are classified as Public, Private or Merit based and may have differing cost recovery rates than that of the entire core program area.

- Sports
 - Basketball — 125% both Direct and Indirect
 - Softball – 80% (increasing to 100% over 2 years) both Direct and Indirect
 - Soccer – 25% (increasing to 100% over 4 years) both Direct and Indirect
 - Sports Fields Reservations - 30% (increasing to 100% over 4 years) both Direct and Indirect
 - Roosevelt Rink – 100% Direct and Indirect
- Lake Cunningham Skate Park—70% both Direct and Indirect
- Aquatics Programs—50% Direct
 - Recreation Swim – 35% Direct
 - Swim Lessons – 75% Direct
 - Camden Aquatics Lap Swim – 60% Direct
 - Camden Aquatics Fee Activity (Classes) – 125% Direct
 - Year Round Special Events – 100% Direct
 - Almaden Lake Park Recreation Swim – 100% Direct
- After School Programs – 75% both Direct and Indirect
 - Level 2 Programs (M-F after school recreation) – 80% Direct

- Level 2 drop in summer camp – 80% Direct
- Family Camp Programs—100% both Direct and Indirect
- Family Camp Retail – 135% both Direct and Indirect
- Golf Programs—125% or more both Direct and Indirect
 - Golf Lessons – 125% both Direct and Indirect
 - One Tee – 100% Direct and Indirect
- Happy Hollow Park and Zoo — 100% both Direct and Indirect
- Theater — 125% or more both Direct and Indirect
- Grace Total – 80% (increasing to 100% over 2 years) Direct
 - Grace Adult Drop-In Program – 50% Direct (Grant Funded)
 - Grace Adult Activities: Therapeutic Recreation – 50% Direct
 - Grace Adult Women's Survivors of Violence – 100% Direct (Grant Funded)
 - Grace Medical Services – 100% Direct (Grant Funded)
- Office of Therapeutic Services (OTS)
 - OTS Adaptive Sports– 20% (up to 35% over 4 years) both Direct and Indirect
 - OTS Social Recreation – 20%
- Teen Center – 25% (increasing to 50% over two years) Direct
 - Teen Fee Activities (Music, Art, Dance) – 100% Direct and Indirect
- Prusch Park Hatchery and Classes – 100% or more Direct and Indirect
- Adult Fee Classes – 125% Direct
- Youth Fee Activities – 100% Direct
- Youth Summer Camps – 125% Direct
- Recreational Youth Sports Leagues – 50% Direct
- Drop-In Gym – 100% Direct
- Drop-In Fitness Room – 100% Direct
- Senior Services – 50% Direct and Indirect costs
 - Senior Recreation Classes (General) – 80% Direct
 - Senior Center Drop-In – 80% Direct
 - Senior Nutrition Program – 80%
- Youth Intervention Total – 75% Direct
 - Clean Slate – 100% Direct

- SSCI – 50% Direct
- STAND – 100%
- Concessions and Retail - 125% Direct and Indirect
- Special Events
 - Holiday Parade – 100% Direct (earned income)
 - Community Center Special Events – 50% Direct
 - Youth Tournaments (Hershey / Mayor’s Basketball) – 100% Direct
- Community Center Rentals – 50% (increasing up to 100% over 5 years) Direct
- Gym Rentals – 30% Direct
- Pool Rentals - 100% Direct
- Special Park Use Permits – 100% Direct
- Regional Park Picnic Reservations – 100% Direct

The San Jose Parks and Recreation and Neighborhood Services Department should consider implementing pricing strategies that focus on maximizing the capacity of use of recreation facilities and programs based on the following pricing methods:

- Price facilities and programs by primetime and non-primetime for pools, game fields, classes, courts, shelters and fitness areas.
- Price by season and off-season rates for leagues, clinics, shelters, courts, and trips.
- Price by location for sports fields, courts, picnic areas, seats at the theatre and class location.
- Price services by age segment as it applies to pre-teens and teen classes, young-adult classes, families and seniors.
- Price services by using differential pricing by level of class, by level of instruction, level of exclusivity, by time, size of group and loyalty and length of stay.
- Price services that include capital replacement cost in fees for equipment, buildings or park amenities.
- Contractor Pricing should be based on direct and indirect costs and the ability for the contractor to bring in a steady flow of users.
- Partnership pricing should be dealt with based on a set amount of equity based on use, time, operational costs and must be as close to 50/50 as possible; both partners contribute to the service.
- Incentive Pricing needs to be allowed that focus on discounts for early trip registration, season passes, group admission rates, rental uses, number of classes taken in a year and for loyalty.

- All pricing involved in facility cost recovery needs to be established against a targeted goal, by age segment, by primetime and non-primetimes, by volume and by group.
- All Park Service Programs need to recover the direct cost of the services, material cost and at maintenance endowment for long term maintenance, as it applies to trees, benches, sports fields, sports lights and replacement costs.
- All Sponsorship/Partnerships will be priced based on the image value received and impression points, as it applies to market rates in the city currently.

The Pricing Policy will follow the 10 Step evaluation process strategy for all future pricing changes or new pricing efforts that take place inside the organization. The pricing policy will be updated every two years for consistency and implementation impact to the operational budget.

1.10 PROGRAM RECOMMENDATIONS

The tables in this section depict the Current and Desired Level of Cost Recovery and consequently the recommended pricing for the Core Programs. Given below is the methodology employed to come up with the recommendations provided in this section.

It must be noted that the level of cost recovery factors in Only Program Direct and Indirect Costs and not Department Overheads.

METHODOLOGY

- Using the **Cost of Service Analysis**, the direct and indirect cost of a core program and the revenue generated was obtained. This reveals the **Current Cost Recovery Percentage** of that program area
- Factoring in the total number of units of participation for each core program against the total program cost provided the **Cost per Participating Unit**
- Each core program was classified as **Core / Non-Core** based on their utility and need to the community. Further the program classification sought to assign Public / Merit / Private categories to individual program types based on the value they offer over and above the basic service provided. These classifications and the governing philosophy of the Department help **determine the cost recovery percentage** (Of Direct Expenses) that would be appropriate for the respective programs
- The **Recommended Pricing** is derived based applying the percentage difference in the current and expected cost recovery to the current prices for the program. This provides a proportionate increase in prices across the Board and ensures that the burden of cost recovery is fair and equitable across the community

	Aquatics Total	Recreation Swim	Swim Lessons	Camden Aquatics Lap Swim	Camden Aquatics Fee Activity (Classes)
Total Current Cost	\$ 1,107,955	\$ 475,486	\$ 497,508	\$ 100,652	\$ 34,309
Number of Units	57048	35286	5994	15223	545
(Units of Service)	Unduplicated Participants	Unduplicated Participants	Unduplicated Participants	Unduplicated Participants	Unduplicated Participants
Current Cost by Unit	\$ 19.42	\$ 13.48	\$ 83.00	\$ 6.61	\$ 62.95
Current Subsidy per Unit	\$ 11.82	\$ 11.76	\$ 32.01	\$ 4.78	\$ (10.18)
Current Level of Cost Recovery (Direct Costs)	39%	13%	61%	28%	116%
Recovery based on total expenditures	-36%	-12%	-55%	-25%	125%
Desired level of cost recovery	50%	35%	75%	60%/80%/100% - over three years	same level
Core / Non-Core Program	Core	Core	Core	Non-Core	Non-Core
Program Classification	Merit	Public	Merit	Private	Private
Existing Admission Fee Range (Lower)		\$ 2.00	\$ 40.00	\$ 2.25	\$170
Existing Admission Fee Range (Higher)		\$ 2.00	\$ 45.00	\$ 3.50	\$170
Current Cost Recovery (%)	39%	13%	61%	28%	116%
Desired Cost Recovery (%)	50%	35%	75%	60%	125%
Difference between Desired and Current Cost Recovery Rates (%)	11%	22%	14%	32%	9%
Increase in Fee to meet Cost Recovery Goal (Lower Range)	\$ -	\$ 0.45	\$ 5.43	\$ 0.73	\$ 15.01
Increase in Fee to meet Cost Recovery Goal (Higher Range)	\$ -	\$ 0.45	\$ 6.10	\$ 1.13	\$ 15.01
Updated Admission Fee Range (Lower)	\$ -	\$ 2.45	\$ 45.43	\$ 2.98	\$ 185.01
Updated Admission Fee Range (Higher)	\$ -	\$ 2.45	\$ 51.10	\$ 4.63	\$ 185.01

Figure 1 - Aquatics

Figure 1 depicts the Pricing Recommendation for Aquatics Programs. Aquatics as a whole is a core merit program for the City though, the various individual program classifications exhibit some diversity. As seen, Camden Aquatics Fee Activity is the only program type currently at over 100% cost recovery, as demonstrated in the level of subsidy being (\$10.18) which essentially means that the program fee is not subsidized.

The recommended Cost Recovery Rates are established with a goal to cover 50% of Direct and Indirect Costs for Aquatics as a whole. The fee increase ranges from 9% increase to Camden Fee Activity to a 32% increase for Camden Lap Swim. However, it must be noted that the figure presents price increases only for the next year and not beyond. Thus there may need to be adjustments for price changes in programs like Camden Aquatics Lap Swim which have a phased increase from 60% to 100% over a 3 year period.

	Fee Activity Classes	After School Total	After School Level 1	After School Level 2 Summer Drop-in & Summer Camps	After School Level 3
Total Current Cost	\$ 1,387,640	\$ 4,615,661	\$ 2,544,018	\$ 927,287	\$ 1,144,355
Number of Units	18,380	n/a	2,254,320	113,303	151,071
(Units of Service)	Participants		Participants	Unduplicated Participants	Unduplicated Participants
Current Cost by Unit	\$ 75.50		\$ 1.22	\$ 9.02	\$ 8.18
Current Subsidy per Unit	\$ (42.18)	n/a	\$ 0.13	\$ 4.33	\$ 1.02
Current Level of Cost Recovery (Direct Costs)	156%	35%	97%	57%	95%
Recovery based on total expenditures	135%	32%	89%	52%	88%
Desired level of cost recovery	same level	75%	100%	65%	100%
Core / Non-Core Program	Core		Non-Core	Core	Non-Core
Program Classification	Private	Merit	Merit	Private	Merit
Existing Admission Fee Range (Lower)		Charge Admin Rate to recover 100%		100	
Existing Admission Fee Range (Higher)				400	
Current Cost Recovery (%)	156%	35%	97%	57%	95%
Desired Cost Recovery (%)	156%	75%	100%	80%	100%
Difference between Desired and Current Cost Recovery Rates (%)	0%	40%	3%	23%	5%
Increase in Fee to meet Cost Recovery Goal (Lower Range)	\$ -	\$ -		80	\$ -
Increase in Fee to meet Cost Recovery Goal (Higher Range)	\$ -	\$ -	\$ -	320	\$ -
Updated Admission Fee Range (Lower)	\$ -	\$ -		\$ 180.00	\$ -
Updated Admission Fee Range (Higher)	\$ -	\$ -	\$ -	\$ 720.00	\$ -

Figure 2 - Fee Activity and After School Programs

	Adult Sports Total	Adult Leagues - Basketball	Adult Leagues - Softball	Adult Leagues - Soccer	Roosevelt Rink	Sports Fields Reservations	Sports Fields Unreserved	Youth Sports Special Events
Total Current Cost	\$ 1,826,218	\$ 98,551	\$ 153,895	\$ 148,362	\$ 62,579	\$ 1,110,192	\$ 252,640	\$ 252,778
Number of Units	n/a	1060	2338	240	954	12074	31478.75	929
(Units of Service)		Players	Players	Players	Reservations	Permitted Hours	Hours Available	Participants
Current Cost by Unit		\$ 92.97	\$ 65.82	\$ 618.17	\$ 65.60	\$ 91.95	\$ 8.03	\$ 272.10
Current Subsidy per Unit		\$ (17.25)	\$ 21.68	\$ 524.54	\$ 46.83	\$ 78.22	n/a	n/a
Current Level of Cost Recovery (Direct Costs)	23%	119%	67%	15%	29%	15%	0%	0%
Recovery based on total expenditures	-21%	104%	-60%	-14%	-26%	-14%	0%	0%
Desired level of cost recovery	100%	125%	80%/100% - two years	25%/50%/75%/100% - over four years	100%	30%/40%/50%/75%/100% - over five years		
Core / Non-Core Program	Core	Core	Core	Core	Core	Core	Core	Non-Core
Program Classification	Private	Private	Private	Private	Private	Private	Public	Private
Existing Admission Fee Range (Lower)		\$660	\$680	\$800	\$ 4.00	\$ 2.00		
Existing Admission Fee Range (Higher)		\$660	\$680	\$800	\$ 68.00			
Current Cost Recovery (%)	23%	119%	67%	15%	29%	15%	0%	0%
Desired Cost Recovery (%)		125%	80%	25%	100%	30%		100%
Difference between Desired and Current Cost Recovery Rates (%)		6%	13%	10%	71%	15%	0%	100%
Increase in Fee to meet Cost Recovery Goal (Lower Range)		\$ 42.53	\$ 87.92	\$ 78.82	\$ 2.86	\$ 0.30	\$ -	\$ -
Increase in Fee to meet Cost Recovery Goal (Higher Range)		\$ 42.53	\$ 87.92	\$ 78.82	\$ 48.55	\$ -	\$ -	\$ -
Updated Admission Fee Range (Lower)		\$ 702.53	\$ 767.92	\$ 878.82	\$ 6.86	\$ 2.30	\$ -	\$ -
Updated Admission Fee Range (Higher)		\$ 702.53	\$ 767.92	\$ 878.82	\$ 116.55	\$ -	\$ -	\$ -

Figure 3 - Adult Sports Leagues and Sports Field Reservations

	Family Camp Total	Family Camp Programs	Family Camp Retail	Lake Cunningham Total	Lake Cunningham Skate Park	Lake Cunningham Grounds Maintenance	Lake Cunningham Administration & Fee Collection	Lake Cunningham Park Rangers	Lake Cunningham Marina
Total Current Cost	\$ 701,686	\$ 674,455	\$ 27,231	\$ 1,332,287	\$ 249,665	\$ 546,689	\$ 131,100	\$ 333,332	\$ 71,501
Number of Units	10136	10136	6227	n/a	23628	n/a	0	0	0
(Units of Service)	Participants	Participants	Transactions		Participants				Participants
Current Cost by Unit	\$ 69.23	\$ 66.54	\$ 4.37		\$ 10.57				
Current Subsidy per Unit	\$ 12.29	\$ 12.08	\$ 0.34		\$ 5.58	n/a	n/a	n/a	n/a
Current Level of Cost Recovery (Direct Costs)	82%	82%	92%	62%	47%	61%	281%	0%	6%
Recovery based on total expenditures	-74%	-73%	-81%	-56%	-43%	-56%	236%	0%	-5%
Desired level of cost recovery	100%	100% / 125% / 150% over 3 years	135%	65%	70%/80%/100% - over three years	65%	Same	Same	100%
Core / Non-Core Program	Non-Core	Non-Core	Non-Core	Core	Core	Core	Core	Core	Non-Core
Program Classification	Private	Private	Private	Merit	Private	Merit	Private	Public	Private
Existing Admission Fee Range (Lower)		\$ 23			\$ 3				
Existing Admission Fee Range (Higher)		\$ 55			\$ 78				
Current Cost Recovery (%)		82%	92%		47%	61%			6%
Desired Cost Recovery (%)		100%	135%		70%	65%			20%
Difference between Desired and Current Cost Recovery Rates (%)		18%	43%		23%	4%		0%	14%
Increase in Fee to meet Cost Recovery Goal (Lower Range)		\$ 4.17	\$ -		\$ 0.69	\$ -	\$ -	\$ -	\$ -
Increase in Fee to meet Cost Recovery Goal (Higher Range)		\$ 9.98	\$ -		\$ 17.82	\$ -	\$ -	\$ -	\$ -
Updated Admission Fee Range (Lower)		\$ 27.17	\$ -		\$ 3.69	\$ -	\$ -	\$ -	\$ -
Updated Admission Fee Range (Higher)		\$ 64.98	\$ -		\$ 95.82	\$ -	\$ -	\$ -	\$ -

Figure 4 - Family Camp and Lake Cunningham

	Golf Total	Los Lagos Golf Course	Rancho del Pueblo Golf Course	Municipal Golf Course
Total Current Cost	\$ 4,003,198	\$ 3,160,766	\$ 842,432	\$ -
Number of Units	190159	67655	35513	86991
(Units of Service)	Rounds	Rounds	Rounds	Rounds
Current Cost by Unit	\$ 21.05	\$ 46.72	\$ 23.72	\$ -
Current Subsidy per Unit	\$ (4.54)	\$ (9.45)	\$ 4.58	\$ (4.45)
Current Level of Cost Recovery (Direct Costs)	122%	120%	81%	n/a
Recovery based on total expenditures	106%	105%	-72%	1960%
Desired level of cost recovery	Same	125%	125%	
Core / Non-Core Program	Core	Core	Core	
Program Classification	Private	Private	Private	
Existing Admission Fee Range (Lower)		\$ 12.00	\$ 6.00	
Existing Admission Fee Range (Higher)		\$ 46.00	\$ 15.00	
Current Cost Recovery (%)		120%	81%	
Desired Cost Recovery (%)		125%	125%	
Difference between Desired and Current Cost Recovery Rates (%)		5%	44%	
Increase in Fee to meet Cost Recovery Goal (Lower Range)		\$ 0.57	\$ 2.66	
Increase in Fee to meet Cost Recovery Goal (Higher Range)		\$ 2.20	\$ 6.65	
Updated Admission Fee Range (Lower)		\$ 12.57	\$ 8.66	
Updated Admission Fee Range (Higher)		\$ 48.20	\$ 21.65	

Figure 5 - Golf

	Theatre	Anti-Graffiti	Anti-Litter	Grace Total	Grace Adult Drop-In Program	Grace Adult Activities - Therapeutic Recreation	Grace Adult Women's Survivors of Violence	Grace Medical Services
Total Current Cost	\$ 118,839	\$ 1,989,985	\$ 186,643	\$ 1,355,365	\$ 712,816	\$ 15,011	\$ 66,955	\$ 560,583
Number of Units	4,611	1,246,151	5,846	42,314	35,002	1,366	1,012	4,934
(Units of Service)	Participants	Square Feet	Trash Bags	Total Attendance	Total Attendance	Total Attendance	Total Attendance	Total Attendance
Current Cost by Unit	\$ 25.77	\$ 1.74	\$ 34.87	\$ 32.03	\$ 20.37	\$ 10.99	\$ 66.16	\$ 113.62
Current Subsidy per Unit	\$ (1.09)	\$ 1.74	\$ 3.25	\$ 20.79	\$ 20.37	\$ 7.90	\$ 10.62	\$ 29.46
Current Level of Cost Recovery (Direct Costs)	104%	0%	99%	35%	0%	28%	84%	74%
Recovery based on total expenditures	-92%	0%	91%	-33%	0%	-26%	-77%	-68%
Current Fee								
Fee Last Changed								
Desired level of cost recovery	125%	0%	0%	100%	50%	50%	100%	100%
Core / Non-Core Program	Non-Core	Non-Core	Non-Core	Non-Core	Core	Core	Non-Core	Non-Core
Program Classification	Private	Public	Public	Merit	Merit	Merit	Private	Private
Existing Admission Fee Range (Lower)	\$ 40.00				Grant Funded	\$ 2.00	Grant Funded	
Existing Admission Fee Range (Higher)	\$ 160.00					\$ 20.00		
Current Cost Recovery (%)	104%	0%	91%	35%	0%	28%	84%	74%
Desired Cost Recovery (%)	125%	0%	0%	100%	50%	50%	100%	100%
Difference between Desired and Current Cost Recovery Rates (%)	20.76%					21.87%		
Increase in Fee to meet Cost Recovery Goal (Lower Range)	\$ 8.30					\$ 0.44		
Increase in Fee to meet Cost Recovery Goal (Higher Range)	\$ 33.22					\$ 4.37		
Updated Admission Fee Range (Lower)	\$ 48.30	\$ -	\$ -	\$ -	\$ -	\$ 2.44	\$ -	\$ -
Updated Admission Fee Range (Higher)	\$ 193.22	\$ -	\$ -	\$ -	\$ -	\$ 24.37	\$ -	\$ -

Figure 6 - Theater, Anti-Graffiti, Anti-Litter and Grace

	OTS Total	OTS After School	OTS Adaptive Sports	OTS Social Recreation	OTS Community Center Support	OTS Community Center Training
Total Current Cost	\$ 632,086	\$ 48,577	\$ 396,432	\$ 187,077	\$ 16,059	\$ 3,975
Number of Units	6777	1023	2198	3556	1248	104
(Units of Service)	Participants	Participants	Participants	Participants	Hours	Hours
Current Cost by Unit	\$ 93.27	\$ 47.48	\$ 180.36	\$ 52.61	\$ 12.87	\$ 38.22
Current Subsidy per Unit	\$ 87.74	\$ 47.48	\$ 171.67	\$ 47.44	\$ 12.87	\$ 38.22
Current Level of Cost Recovery (Direct Costs)	6%	0%	5%	10%	0%	0%
Recovery based on total expenditures	-5%	0%	-4%	-9%	0%	0%
Desired level of cost recovery	20% - 35% over	10%	20%	20%		
Core / Non-Core Program	Core	Core	Core	Core	Core	Core
Program Classification	Merit	Merit	Merit	Merit	Merit	Merit
Existing Admission Fee Range (Lower)	Earned Income, Regional Cent		\$ 5.00	\$ 5.00		
Existing Admission Fee Range (Higher)			\$ 63.00	\$ 90.00		
Current Cost Recovery (%)			5%	10%		
Desired Cost Recovery (%)			20%	20%		
Difference between Desired and Current Cost Recovery Rates (%)			15%	10%		
Increase in Fee to meet Cost Recovery Goal (Lower Range)			\$ 0.76	\$ 0.51		
Increase in Fee to meet Cost Recovery Goal (Higher Range)			\$ 9.56	\$ 9.15		
Updated Admission Fee Range (Lower)			\$ 5.76	\$ 5.51		
Updated Admission Fee Range (Higher)			\$ 72.56	\$ 99.15		

Figure 7 - OTS

	Teen Center Drop-In	Prusch Park Classes Total	Prusch Park Hatchery	Prusch Park Math Tutoring	Prusch Park Reading Tutoring	Prusch Park Ballet & Tap
Total Current Cost	\$ 419,386	\$ 53,861	\$ 53,220	\$ 237	\$ 244	\$ 160
Number of Units	1024	218	180	20	10	8
(Units of Service)	Participants	Participants	Participants	Participants	Participants	Participants
Current Cost by Unit	\$ 409.56	\$ 247.07	\$ 295.66	\$ 11.85	\$ 24.40	\$ 20.00
Current Subsidy per Unit	\$ 409.56	\$ 6.59	\$ 16.66	\$ (46.15)	\$ (33.60)	\$ (38.00)
Current Level of Cost Recovery (Direct Costs)	0%	97%	94%	489%	238%	290%
Recovery based on total expenditures	0%	-87%	-84%	383%	202%	242%
Desired level of cost recovery	25% - 50% over	100%	100%	75%	75%	100%
Core / Non-Core Program	Core	Core	Core	Core	Core	Core
Program Classification	Merit	Merit	Merit	Private	Private	Private
Existing Admission Fee Range (Lower)	\$ -		\$ 189	\$ 58	\$ 58	
Existing Admission Fee Range (Higher)			\$ 279	\$ 58	\$ 58	
Current Cost Recovery (%)	0%		94%	489%	238%	290%
Desired Cost Recovery (%)	50%		100%	489%	238%	290%
Difference between Desired and Current Cost Recovery Rates (%)	50%		6%	0%	0%	0%
Increase in Fee to meet Cost Recovery Goal (Lower Range)	\$ -		\$ 10.65	\$ -	\$ -	\$ -
Increase in Fee to meet Cost Recovery Goal (Higher Range)	\$ -		\$ 15.72	\$ -	\$ -	\$ -
Updated Admission Fee Range (Lower)	\$ -		\$ 199.65	\$ 58.00	\$ 58.00	\$ -
Updated Admission Fee Range (Higher)	\$ -		\$ 294.72	\$ 58.00	\$ 58.00	\$ -

Figure 8 - Teen Center, Prusch Park

	Senior Services Drop In Total	Senior Nutrition	Senior Facilities Rentals	Senior Fee Activities	Senior Companions Program	Retired Senior Volunteer Program	Senior Program Operations
Total Current Cost	\$ 5,172,728	\$ 2,262,412	\$ 6,552	\$ 108,333	\$ 269,723	\$ 340,904	\$ 2,184,804
Number of Units		244861			42031	216780	216780
(Units of Service)		Meals			Hours	Hours	Hours
Current Cost by Unit		\$ 9.24			\$ 6.42	\$ 1.57	\$ 10.08
Current Subsidy per Unit	n/a	\$ 2.50	n/a	n/a	\$ 3.25	\$ 1.14	\$ 10.08
Current Level of Cost Recovery (Direct Costs)	39%	73%	463%	92%	49%	28%	0%
Recovery based on total expenditures	-36%	-66%	424%	-84%	-45%	-25%	0%
Desired level of cost recovery	50%	80%/90%/100% over three years	100%	100%	60%	35%	10%
Core / Non-Core Program	Core	Non-Core	Core	Core	Non Core	Non Core	Core
Program Classification	Merit	Private	Merit	Private	Private	Merit	Merit
Existing Admission Fee Range (Lower)	\$ 15			\$ 4	Earned Income	Earned Income	\$ 10
Existing Admission Fee Range (Higher)	\$ 25			\$ 75			
Current Cost Recovery (%)	39%			92%	49%	28%	0%
Desired Cost Recovery (%)	50%	80%	100%	100%	60%	35%	50%
Difference between Desired and Current Cost Recovery Rates (%)	11%	80%	100%	8%	11%	7%	50%
Increase in Fee to meet Cost Recovery Goal (Lower Range)	\$ 1.68	\$ -	\$ -	\$ 0.33			\$ 5.00
Increase in Fee to meet Cost Recovery Goal (Higher Range)	\$ 2.79	\$ -	\$ -	\$ 6.10	\$ -		\$ -
Updated Admission Fee Range (Lower)	\$ 16.68	\$ -	\$ -	\$ 4.33			\$ 15.00
Updated Admission Fee Range (Higher)	\$ 27.79	\$ -	\$ -	\$ 81.10	\$ -		\$ -

Figure 9 - Senior Services

	Youth Intervention Total	Youth Intervention Clean Slate	Youth Intervention SSCI	Youth Intervention STAND
Total Current Cost	\$ 2,996,027	\$ 224,851	\$ 2,152,034	\$ 619,142
Number of Units	187906	5650	166139	16117
(Units of Service)	Participants	Treatments	Participants	Participants
Current Cost by Unit	\$ 15.94	\$ 39.80	\$ 12.95	\$ 38.42
Current Subsidy per Unit	\$ 14.42	\$ 39.80	\$ 12.95	\$ 20.59
Current Level of Cost Recovery (Direct Costs)	10%	0%	0%	46%
Recovery based on total expenditures	-9%	0%	0%	-42%
Desired level of cost recovery	75%	50%	50%	100%
Core / Non-Core Program		Non-Core	Core	Non-Core
Program Classification		Private	Merit	Private
Existing Admission Fee Range (Lower)	Earned Income	Earned Income	Earned Income	
Existing Admission Fee Range (Higher)				
Current Cost Recovery (%)				
Desired Cost Recovery (%)	75%	50%	50%	100%
Difference between Desired and Current Cost Recovery Rates (%)				
Increase in Fee to meet Cost Recovery Goal (Lower Range)				
Increase in Fee to meet Cost Recovery Goal (Higher Range)				
Updated Admission Fee Range (Lower)		\$ 20		
Updated Admission Fee Range (Higher)				

Figure 10 - Youth Intervention

	Community Center Rentals	Sports Field and Court Reservations	Gym Rentals	Pool Rentals	Special Park Use Permits	Regional Park Picnic Reservations
(Units of Service)	Number of Rentals	Permitted Hours	Number of Rentals	Number of Rentals	Number of Rentals	Number of Rentals
Current Level of Cost Recovery (Direct Costs)	30%	15%	30%	30%	30%	35%
Desired level of cost recovery	50% / 60%/70%	30%	30%	100%	100%	100%
Core / Non-Core Program	Core	Core	Core	Core	Core	Core
Program Classification	Private	Private	Private	Private	Private	Private
Existing Admission Fee Range (Lower)	\$ -	\$ 2	\$ 17			\$ 60
Existing Admission Fee Range (Higher)	\$ 150	\$ 2	\$ 88			\$ 500
Current Cost Recovery (%)	30%	15%	30%	30%	30%	35%
Desired Cost Recovery (%)	50%	30%	30%	100%	100%	100%
Difference between Desired and Current Cost Recovery Rates (%)	20%	15%	0%	70%	70%	65%
Increase in Fee to meet Cost Recovery Goal (Lower Range)	\$ -	\$ 0.30	\$ -	\$ -	\$ -	\$ 39.00
Increase in Fee to meet Cost Recovery Goal (Higher Range)	\$ 30.00	\$ 0.30	\$ -	\$ -	\$ -	\$ 325.00
Updated Admission Fee Range (Lower)	\$ -	\$ 2.30	\$ 17.00	\$ -	\$ -	\$ 99.00
Updated Admission Fee Range (Higher)	\$ 180.00	\$ 2.30	\$ 88.00	\$ -	\$ -	\$ 825.00

Figure 11 - Rentals

Note: The Current Cost Recovery Rates are assumptions based on best case estimates.

1.11 EARNED INCOME OPPORTUNITIES

Earned income dollars need to continue to be pursued as it applies to grants, advertising, sponsorship and partnerships that can help support operational and capital costs. These earned income dollars require a concentrated support effort by staff to be successful with a strategy in place to achieve the desired results.

Staff training in sponsorship development is needed. The following earned income options will be incorporated to offset operating cost where prices cannot meet the cost recovery goals.

The earned income options that are outlined should be pursued only if pricing options don't work as outlined. The following earned income opportunities will need a system wide strategy so there is consistency in seeking earned income endeavors to supplement costs for programs and facilities. Training should be developed with staff on seeking earned income opportunities so that they are consistent and don't lessen the value of an earned income option.

CORPORATE SPONSORSHIPS

Corporate sponsorships come in the form of Title, Presenting, Associate, and Product sponsors. Sponsorships recruitment needs to be coordinated internally with a set system for proposals, dollar amount based on impression points and value to the sponsor and to the city. A sponsorship policy and guideline manual should be developed to support staff in the process of seeking out sponsors for programs, facilities and events.

PARTNERSHIPS

Partnerships come in the form of public, not-for-profit and private partnerships. Each type of partnership should have a specific policy for how the Department will deal with partners in each category. The goal is to approach partnerships as a earned income opportunity where the cost for services are shared with partners and the goal is to retain 50/50 level of equity between each partner involved in the service. Developing the true cost of providing the service on the city's side is very important to determine on the front end to ensure that the partnership is fair and equitable. Partnerships need to provide written agreements with measureable outcomes to hold each partnership accountable to the outcomes determined in the development of the partnership.

PARK FOUNDATIONS

Park foundations help organization to add revenue to their department operations and capital cost by raising money on a yearly basis for programs such as scholarships for under privileged youth and adults to access classes and facilities. They raise money for needed projects in the form on one year, three year and five year projects. They assist in raising money for land acquisition and they support need projects designated by the Director of the Department on a yearly basis.

GRANTS

Grants are pursued by the Department on a yearly basis for needed monies to build parks, programs and facilities. Grants need to be coordinated internally between divisions and approved by the Director before applications are submitted. Matching dollar programs need to be budgeted for in each calendar year. Most Departments the size of San Jose has people assigned to coordinate grants for the Department on a coordinated basis and managed once the grant is received.

LAND LEASES

Many Departments evaluate on a yearly basis where they can lease park land for revenue purposes to support the operational budgets of the Department. Land leases can come in the form of leases along trails for concession and retail opportunities, park leases for food and retail establishments, sports groups who lease property for personal gain but support the recreational needs of the residents. In all cases the city receives a set lease amount and some level of gross revenue from the lease to support operational costs.

DEDICATED OCCUPANCY TAX

Agencies have pursued and received dedicated occupancy taxes for Hotels, Motels and Bed and Breakfast establishments to support park and recreation attractions, facilities and events to support their operational costs and to keep the attraction, facility and event in a high quality position to continue to drive business to these establishments. The agency must demonstrate its value to the Governing body that oversees these funds and to seek them on an annual basis.

USE OF PRIVATE CONCESSIONAIRES

Departments such as San Jose have used private concessionaires to manage public facilities to maximize their revenue potential and to undue unnecessary entitlement to bring dollars back into the Department where the agency is unable to react to market conditions or change a service because of government policies. These can include golf courses, concessions, attractions, events, pools, and special use hospitality type facilities and spaces.

The key to a successful pricing plan and philosophy centers on knowing the costs to produce a service or product, creating effective products and services, having quality and knowledgeable staff and volunteers in place and creating a memorable and fun experience that mixes products and services well. In addition, the staff needs to know how to effectively manage food service, retail services, program and educational services and marketing and promoting the site.

Pricing of services needs to motivate visitors and not discourage visitors. Using all appropriate strategies needs to be in place. Department staff must be well trained in pricing for this to be successful and the City management must be supportive as well.

1.12 AGENCY SCHOLARSHIP POLICY

STATEMENT OF INTENT

- The City of San Jose’s Department of Parks, Recreation & Neighborhood Services “Scholarship Program” will ensure that qualifying San Jose residents will have fee-based barriers to participation in department programs, classes, and activities reduced in order to enjoy the positive benefits of Parks, Recreation & Neighborhood Services programs

ELIGIBILITY CRITERIA

- Eligible applicants are Youth (0-18 years), Seniors (age 60+), and Disabled residents
- Complete/submit a separate Scholarship Application Form.
- Submit/show proof of San Jose residency. (Utility bill, letter from landlord, etc.)
- Submit/show proof of restricted income, determined by State and/or Federal Level Programs such as: Subsidized housing, Section 8 rent subsidy, Aid to Families with Dependent Children (AFDC), Temporary Assistance for Needy Families (TANF), Food Stamps, Medi-Cal, San Jose life line program (reduced rates for phone), Women, Infants & Children (WIC), or Supplemental Security Income (SSI).
- Submit/show proof of recipient’s identity if under age 18 years. (Proof may include a child’s Birth Certificate, School I.D. card, Baptism Certificate.)
- Applicant to be a parent or legal guardian of recipient if under age 18 years.
- Scholarships will apply only to Fee Classes and Fee Activities that meet more than one time.
- Scholarships will not apply to Trips and Drop-In Activities or to other activities that do not meet more than one (1) time. (*Ineligible programs include Special Events, Any Day/Monthly/Annual Passes, Fees for Renting Parks or Recreation Facilities, Adult Sports Leagues, Summer Swim Lessons, Family Camp and Happy Hollow Park and Zoo Note that these programs may have other options for discounted fees. Applicants may contact these programs for more information.*)

AMOUNT AND FREQUENCY

- The customer is required to pay for 50% of the listed price of the class (per adopted City of San Jose’s Fee Resolution). Any additional costs (supplies, food, transportation, etc.) are not covered by the scholarship fees and are to be paid by the applicant.
- Each individual may receive a maximum of \$100 of scholarship funding over the course of the calendar year (or season), as funding permits.

- An applicant granted a scholarship can request to use their scholarship funds as often as customer desires until the \$100 maximum is reached before December 31 of the current year.

PROCESS

- Applicants must complete separate Scholarship Application Form, submit/show proof of San Jose residency, submit/show proof of restricted income, and submit/show proof of recipient's identity.
- Scholarship requests may be accepted at any time, but must be submitted at least a minimum of 3 weeks before the 1st day of class to allow for processing time.
- Registration forms cannot be accepted or processed without prior approval of Scholarship Application.
- Scholarship Application Forms may be accepted in person, by mail, or by fax at each site offering eligible programs. Forms will be available at each site and can be downloaded online.
- Upon receipt of a Scholarship Application, staff should then create a RECS account for applicant while waiting for final approval.
- At the site, Scholarship Applications will be accepted, date and time stamped, managed at the individual sites, inputted into a database and sent to a centralized location after site supervisor (or supervisor's designated representative's) approval.
- Upon confirming eligibility, scholarships will be awarded on a first come, first serve basis, as funds are available, and if classes are available.
- Applicants will be notified of award status after submittal and must then complete a Registration Form to enroll in the desired class or activity. Scholarship awards do not guarantee enrollment and do not replace the registration process.
- Scholarship Application Forms and supporting documents should also be sent/faxed to a second person who will also approve and input information into a Central Scholarship Database. This same person may also manage the Central Scholarship Database and provide funding level information to site supervisors/designated representatives as needed. All original forms and supporting documents should be in the care of this designated person at one location.
- If scholarship applications are not approved due to lack of funding, a Central Waiting List will be compiled and used if funds become available at a later date within the prescribed timeframe.
- Refunds – Any refunds requested must follow the existing PRNS Refund Policies. Refunds may be processed if eligible. Administrative Fees may be waived for Scholarships.

- Any unused portion of any scholarship will revert back to the Scholarship Fund

FUNDING

- The current fund, known as the “Youth Activity Fund”, will remain as is until the existing funding in that account is exhausted on youth scholarships only. The Youth Activity Fund will cease to exist and will then be called the “PRNS Scholarship Fund”.
- A dedicated percentage of funding from Department revenue to be generated from Fee Classes and/or Fee Activities will go into the Scholarship Fund. At this time the recommended percentage is between 2-3%, with a cap of 4%. A future phase of this program may be to include tapping revenue from General Funded activities such as Facility Rentals.
- Funding to be transferred from Scholarship Fund directly to individual sites’ revenue accounts as registration is processed.
- The funding will be considered a “real transfer of funds” from the Scholarship Fund to the individual sites’ revenue accounts.

MISCELLANEOUS ITEMS

- Stakeholder Comments – most items provided by Stakeholders’ input have been addressed through the draft Scholarship
- A Scholarship Review Committee may be convened to review the process on a quarterly basis (or as needed). This committee should be comprised of representatives at the Recreation Supervisor level and above and can make recommendations for improvement.
- Additional Staff Training – will be scheduled in July & August to review the procedures used to accept and implement the Scholarship Program with site supervisors and specialists. Staff will also be asked to speak with those who receive scholarship funding so recipients fully understand the program and to avoid their sense of “entitlement” of receiving these funds.
- Additional RECS Training - Prior to implementation in Fall 2009, additional RECS training will be provided to on-site staff regarding the Scholarship Program so there is clear direction on how to handle this function.
- Central Scholarship Unit - decisions still need to be made regarding where this will be housed, who will be responsible for this unit, and who will track the funding in order for scholarships are given final approval.