City of Las Vegas
Department of Leisure Services

Pricing and Revenue Plan For Improved Program Services, Efficiencies, and Sustainability

PREPARED BY:

pros consulting LLC

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CHAPTER ONE - EXECUTIVE SUMMARY & PRICING POLICY

The City of Las Vegas Department of Leisure Services is committed to providing outstanding public parks, facilities, recreation and arts related programs. The increasing demands for parks, facilities and programs, along with the rising operating costs and decreasing revenues in the City's General Fund through the economic issues associated with the recession, have made it a challenge to maintain the current level of service offerings under the existing management model for the Department of Leisure Services. To achieve optimal results through studying existing fees and researching alternative pricing structures, the Department of Leisure Services acquired an outside consultant. This allowed a more global and unbiased perspective on developing a more financially sustainable approach to doing business. In addition, this allowed for more consistent data collection and reporting therefore standardizing processes and creating efficiencies.

The Pricing and Revenue Plan for Improved Program Services, Efficiencies, and Sustainability will allow elected officials, leisure users, staff and general taxpayers to better understand the philosophy behind pricing of products and services. The Plan establishes consistent guidelines and a methodology, as well as cost of services and processes for staff to follow toward pricing in the future. If followed, the pricing guidelines outlined in this Pricing and Revenue Plan will provide a solid foundation for future sustainability of the Department.

City Council approval of the Pricing Policy outlined in the Pricing and Revenue Plan is based on an agreed to pricing methodology process and philosophy that will create fairness and equity on how programs and services are priced in the future. The Pricing and Revenue Plan also sets forward various recommendations on cost recovery levels based on whether the program or service is a core or non-core service, as well as what level of classification the program or service falls based on if the service is public, merit or private. In addition, PROS outlined several operational efficiency options to cut operational costs without sacrificing the quality of services provided to users of the system.

Traditionally, the Department of Leisure Services has subsidized some programs at a high level and kept fees low to accommodate a percentage of customers that could not afford market rates for services. The unintended consequences of pricing services below-market rates are that the Department is not able to consistently balance the demand for quality programs and facilities with available resources. The majority of the prices for programs and services have not increased in the last seven years. A series of implementation recommendations are contained in the body of this report by core area of service. These recommendations provide the framework and guidance for staff to implement the plan over the next 5 years.

The development of this Pricing and Revenue Plan for Improved Program Services, Efficiencies, and Sustainability was created with the support from the City of Las Vegas Department of Leisure Services Department and PROS. The work completed by PROS included the following:

- Individual interviews with City Council Members, City Leadership and individual staff groups within the Department of Leisure Services

- Community focus group meetings and public forums with various users groups and citizens across the City
- Department meetings with staff
- City Manager Team meetings
- Established the criteria of what constitutes a core and non-core service
- Established what constitutes a public, merit and private service the Department offers
- Established the true cost of service both direct and indirect for every program area in the Department and the current level of cost recovery
- Established Key Findings and Recommendations
- Developed the Framework Pricing Policy and Revenue Plan
- Established the cost recovery goals for the Department for the next five years
- Benchmarked the City of Las Vegas Department of Leisure Services Department cost recovery rates against those Departments within the Las Vegas region and nationally for urban recreation departments
- Reviewed the Pricing and Revenue Plan with the City of Las Vegas Finance Department, auditors, and attorneys
- Presentation to the public, key community leaders and staff

ONE.1.1 PURPOSE

The Pricing and Revenue Plan for Improved Program Services, Efficiencies, and Sustainability is a management tool for allocating the use of public funds creating a financially sustainable approach for providing recreational services and facilities that maximize citizen use of programs and facilities while ensuring affordable access to programs and services.

The Pricing Policy outlined in this plan allows elected officials, users, staff and general taxpayers to better understand the philosophy behind the pricing of programs and services. The Pricing Policy presents a cost of service template to be used to determine the level of cost recovery for direct and indirect costs for each core program category.

ONE.1.2 PRICING POLICY RECOMMENDATION

The City Council will authorize the City Manager to set all Leisure Services fees and pricing strategies in accordance with the annual City Council-approved operating budget based on the cost recovery percentage goals and the guiding principles described in this policy. The Department of Leisure Services cost recovery goals shall be submitted by the Leisure Services Director to the City Manager and approved by City Council through the annual operating budget process. The Department of Leisure Services shall publish an annual report that presents the Department's accomplishments, results, and performance on cost recovery goals. Individual prices for services will follow the following guiding principles.

ONE.1.2.1 PRICING AND REVENUE GUIDING PRINCIPLES

1. Identify the Level of Benefit a Customer Receives

To maximize the distribution of available parks and recreation resources to the greatest number of residents, the Department shall prioritize the subsidization and funding of programs. To determine the percentage of subsidy allocated, Public, Merit and Private categories will be used to identify the level of community/public or individual/private benefit a user receives.

Public Services Definition

Public services provide all users the same level of benefit and can be assessed by the broadest cross section of the population; these services typically receive the highest level of subsidization. Examples of public services include clean and accessible public parks and trails.

Merit Services Definition

Merit services provide benefit to both the community and individual. These programs should follow a cost sharing model between tax subsidy and a fee to the customer. Some portion of the cost of service should be supported by the user thus lowering the general fund contribution. Example of merit services includes swim lessons, youth sports leagues, and SafeKey related programs.

Private Services Definition

Private services provide a benefit to the individual, are typically specialized and provide minimal to no benefit to the community. These services should receive a minimal subsidization (if any) and the fee to participate is the responsibility of the user/customer. Examples of private services include private facility rentals, adult sports programs, and specialized fee based classes.

2. Service Classification

Determine rather the program is a core service. Core services are considered as follows:

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

- The program/service is aligned with the Department's Vision and Mission.
- The program has been provided by the City for a long period of time (15 years or longer) and is expected by the community.
- The program consumes a large portion of the Leisure Services budget (5% or more) to deliver the program and has revenue sustainability.
- The program/service currently continues to fill 80% of its program capacity each season it is offered.
- The program is used by a broad range (age and other demographics) of community residents.
- There are tiered levels of skill development available within the program.

- Full-time staff or contractors are dedicated and responsible for the actual execution of the program.
- Facilities are designed specifically to support the program.
- The Department currently controls a significant percentage (20% or more) of the program market locally.
- The program has been in a growth or mature stage of its lifecycle for a long period of time and has long-term 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.
- The program requires high levels of customer interface (1 staff to 10 participants or fewer).
- 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).
- 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).
- 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).
- 90% or more of the participants are City of Las Vegas residents.

3. Calculate Cost of Service

   The Department of Leisure Services shall collect cost of service data to determine the actual cost per unit of specified services, including direct and indirect costs. Direct costs are exclusively attributed to a program or service and can include salaries for staff directly providing the service, supplies and materials. Indirect costs are attributed to more than one program and can include supervisor salaries, maintenance, utilities, leases, equipment replacement and technology.

4. Determine Cost Recovery Goals

   The City Manager with City Council approval through the budget process shall set targets for the recovery of program costs through the collection of user fees. Targets will be expressed as the percentage of the overall program budget the Department intends to recover. Cost recovery goals will align with public, merit, and private service categories and reflect the level of community/public and individual/private benefit received. Cost recovery goals shall be reviewed annually with consideration of the City's overall operating budget.

5. Ensure Affordable Access

   To ensure City of Las Vegas resident's affordable access to participation in recreation activities the Department of Leisure Services shall continue to implement a formalized scholarship program. Eligible scholarship applicants will demonstrate proof of qualified income verified by their participation in one of the pre-existing local, state or federal assistance programs determined by the Leisure Services Director.

6. <u>Create Revenue Strategies</u>

   The Department of Leisure Services shall use a variety of methods to generate revenue to offset general fund subsidy for recreation programs and services. These methods shall include creative revenue options outlined in this Pricing and Revenue Plan, and will include partnerships and differential pricing methods.

7. <u>Creative Revenue Options</u>

   To support the operating costs of the Department and to meet cost recovery goals that cannot be achieved solely by pricing of services, the Department will implement new creative revenue income strategies that include but are not limited to sponsorships, grants, and foundations and other earned income opportunities but will be developed as an overall revenue strategy for the City Manager to approve to help the Department achieve financial sustainability.

8. <u>Partnerships</u>

   Partnerships with private and public entities are vital to enhance service levels and to keep program fees affordable to residents. The Department will continue to cultivate existing relationships and develop new partnerships with other community and not-for-profit organizations to minimize program fees as appropriate.

9. <u>Differential Pricing Methods</u>

   The Department shall implement an assortment of pricing methods to increase customer options. Differential pricing methods will maximize facility usage and encourage users to move to options that best accommodate their schedules and price point. Pricing methods may include pricing services by weekday/weekend rates, price by length of stay, price by amenity and incentive pricing such as early bird registration. The pricing of programs, services and facilities shall be reviewed on an annual basis by the City Manager to ensure progress towards the City Council approved cost recovery percentages goals.

   The following page outlines the core program areas, current cost recovery ranges, and the corresponding optimum cost recovery rates to be achieved over the next 3-5 year time frame. These goals are dynamic and may need to be adjusted on an annual basis depending on the program performance, economy and a host of other variable characters.

10. Cost Recovery Goals

The following cost recovery goals were established by core program activities and are made a part of the Pricing Policy. It must be kept in mind that individual programs within the core areas may have varying cost recovery goals because of the public value associated with the program, 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. Recommended cost recovery rates are as follows based on the criteria and analysis completed by PROS Consulting and staff to achieve a sustainable Department of Leisure Services.

Cost Recovery Goals by Core Pr and Activity (in alphabetical or	Current Co Recovery Ran	Proposed Co Recovery Ran (To be Phased
After School	**16% to 100%+**	**25% to 100%**
a. Camps – 100% Cost Recovery Goal		
b. Holiday Camp – 100% Cost Recovery Goal		
c. SafeKey – 100% Cost Recovery Goal		
d. Specialty – 125% Cost Recovery Goal		
e. Teen programs – 25% Cost Recovery Goal		
f. Youth Development – 50% Cost Recovery Goal		
Aquatics	**3% to 28%**	**25% to 100%**
a. Competitive Swim – 100% Cost Recovery Goal		
b. Fitness Swim – 100% Cost Recovery Goal		
c. Learn to Swim – 60% Cost Recovery Goal		
d. Life Guard/Safety training – 100% Cost Recove		
e. Open Swim – 25% Cost Recovery Goal		
f. Parent and Tot – 60% Cost Recovery Goal		
Arts	**0% to 22%**	**50% to 100%**
a. Adult Classes – 100% Cost Recovery Goal		
b. Youth Classes – 50% Cost Recovery Goal		
c. Events – 50% Cost Recovery Goal		
d. Performance – 50% Cost Recovery Goal		
e. Technology support – 100% Cost Recovery Goal		
Rentals	**0% to 100%+**	**50% to 100%**
a. Concessions – 125% Cost Recovery Goal		
b. Gymnasiums – 100% Cost Recovery Goal		
c. Halls – 125% Cost Recovery Goal		
d. Meeting rooms – 125% Cost Recovery Goal		
e. Open Space – 100% Cost Recovery Goal		
f. Park fee – 100% Cost Recovery Goal		
g. Pools – 100% Cost Recovery Goal		
h. Shelters – 50% Cost Recovery Goal		
i. Stage – 120% Cost Recovery Goal		
j. Theater – 100% Cost Recovery Goal		
Seniors	**0% to 15%**	**15% to 100%**
a. Day use – 15% Cost Recovery Goal		
b. Fee classes – 50% Cost Recovery Goal		
c. Food/nutrition/daily – 50% Cost Recovery Goal		
d. Senior Legal Services – 100% Cost Recovery Go		
e. Social Services – 15% Cost Recovery Goal		
f. Special Events – 50% Cost Recovery Goal		
g. Trips – 100% Cost Recovery Goal		

Cost Recovery Goals by Core Pro and Activity, cont. (in alphabetic	Current Cost Recovery Range	Proposed Cost Recovery Range (To be Phased I
Special events	**2% to 9%**	**50% to 100%**
a. Competitions – 100% Cost Recovery Goal		
b. Entertainment/food – 50% Cost Recovery Goal		
c. Holiday – 50% Cost Recovery Goal		
Sports	**0% to 30%**	**50% to 100%+**
a. Adult Classes – 100% Cost Recovery Goal		
b. Adult League; competitive – 125% Cost Recovery Goal		
c. Adult league; recreation – 100% Cost Recovery Goal		
d. Clinics – 100% Cost Recovery Goal		
e. Competitive/Performing Teams (Gymnastics, Dance, etc)		
f. Recreational gymnastics – 50% Cost Recovery Goal		
g. Scheduling – 150% Cost Recovery Goal		
h. Tennis – 100% Cost Recovery Goal		
i. Tournaments – 100% Cost Recovery Goal		
j. Youth Classes – 50% Cost Recovery Goal		
k. Youth league; competitive – 100% Cost Recovery Goal		
l. Youth league; recreation – 50% Cost Recovery Goal		
Therapeutic	**0% to 16%**	**20% to 100%**
a. Adult drop in – 20% Cost Recovery Goal		
b. Adult respite (day use) – 20% Cost Recovery Goal		
c. Adults – 50% Cost Recovery Goal		
d. Camps – 50% Cost Recovery Goal		
e. Classes – 25% Cost Recovery Goal		
f. Trips – 100% Cost Recovery Goal		
g. Youth – 25% Cost Recovery Goal		
h. Youth drop in – 20% Cost Recovery Goal		
i. Youth respite (day use) – 20% Cost Recovery Goal		
Wellness and Fitness	**0% to 15%**	**15% to 100%**
a. Clubs/centers – 100% Cost Recovery Goal		
b. Fee classes – 100% Cost Recovery Goal		
c. Social Services – 15% Cost Recovery Goal		

PROS recommends the following actions by staff to implement this Pricing and Revenue Plan:

- Continue to input and track cost of services based on the costing model provided and developed by PROS Consulting as part of this study
- Price new programs based on the cost recovery goals submitted by the City Manager and approved by City Council as part of the annual budget process
- Inform users how much the City is investing in them and how much they are investing in themselves for their leisure experience
- Use differential pricing as much as possible/ based on cost and capacity available to encourage higher levels of use and increased revenue to offset operational costs
- Evaluate prices and costs on a annual basis and make price adjustments to meet the cost recovery goals approved by City Council
- Move away from entitlement pricing for special interest groups over a three year period
- Develop earned income options to off-set operational costs to keep prices as low as possible and to create a sustainable Department
- Implement efficiency recommendations first before raising prices as outlined in the recommendations **Appendix C**
- Develop a Business Development office and a pricing and revenue team to implement this plan over the next year
- Hold staff accountable to meeting the outcomes of this plan to the level the City Manager desires
- Teach and train staff on cost of services and earned income opportunities
- Develop mini-business plans for all high end leisure facilities to maximize use and revenue capability; destination facilities offer a wide range of programmatic opportunities for a multi-generational audience
- Keep dollars earned in a revolving account to support the core programs where the dollars came from and to build customer loyalty
- Reduce senior discounts from 40-50% to 10% and hold the senior age to qualify for a discount at 62 years which follows social security guidelines; current discounting practices are based actual FY 2008 revenue and expenditure figures and analysis of pricing practices for all Senior activities
- Reduce staffing levels in some facilities that are only open 55 hours a week or less based on a square ft basis, program requirements and or industry best practices
- Develop staff cost based on operating standards (maintenance, programs, rentals) to be achieved per site. Standards costs include staff hours with benefits to produce the standard

- Evaluate capacity levels for each recreation facility and use differential pricing to move users from prime time to non-prime time
- Negotiate with large tournament operators a permit price and percentage of gross revenues
- Outsource the rental of city owned equipment for a percentage of the gross
- Establish an out of Clark County price for leisure services; numerous focus groups expressed the blended participatory markets of all County parks and recreation users stressing the importance of County/Out-of-County price differentiation
- Change the name of Leisure Services Department to Parks and Recreation Department to maximize the value of parks role in the delivery of services

[redacted]

The Department of Leisure Services now has a methodology and process to follow in establishing pricing of services for their programs and facilities. The staff understand how the cost of service was developed and the must be disciplined in managing the cost of service model for the future to help them make sound decisions in the delivery of services while keeping within the established cost recovery rates approved by the City Manager and the City Council. The pricing team recommended in this Revenue and Pricing Team must take ownership of the plan, teach and train staff on how to use it and evaluate on a monthly level how they are progressing to achieve the recommendations outlined in the plan and to obtain a sustainable system. The Department of Leisure Services has many areas of their operation that needs to be address as it applies to efficiency and in sharing of resources to maximize the value of the taxpayer dollars received to support their programs and facilities. The administration staff is eager and ready to move forward on this plan. Let the process begin!

CHAPTER TWO - SUMMARY REPORT

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The City of Las Vegas Department of Leisure Services is committed to providing outstanding public parks, facilities, arts, recreation programs and special services. The increasing demands for additional parks, facilities and programs, coupled with rising operating and capital costs, make it challenging to maintain existing levels of service. To combat this trend, it is necessary for the Department of Leisure Services to have a sound and consistent Pricing Policy that will serve as a management tool for establishing, implementing and evaluating various fees and revenue options to off-set operational costs. The establishment of a Pricing Policy will provide consistency in how services are priced across the system which will provide needed operational revenues to help make additional programs and facilities more available that would not otherwise be developed or offered.

The new Pricing Policy for the Department is designed to provide consistent guidelines in pricing admissions, rental of facilities, programs and services. It will help the Department to address the structural budget deficit the City is facing and provide greater fairness in pricing services to users. This new Pricing Policy allows elected officials, users, staff and general taxpayers to better understand the philosophy behind pricing of products and services offered. The Pricing Policy is based on the true costs to provide programs and services and whether or not the services are public, merit or private based (see **Section 2.3** for further detail.)

This pricing policy supports the Department's cost recovery goal of approximately 25-30% of total operational costs against the Department's overall operating budget to be achieved over a period of five years. Currently the Department recovers less than 25% percent of its operating budget if all costs both direct and indirect are included. Best practices for larger urban systems are 35% to 40% of total operational dollars recovered from fees and earned income generated.

Operating Definitions as described by Dan McLean Ph.D. University of Nevada, Las Vegas, Department of Recreation and Sports Management:

- **Cost recovery**: A process used by public agencies to price their services on a break-even basis, or as Brayley and McLean (2008) state "approximately the same amount of resources are recovered through pricing as are expended in production and delivery"
- **Cross-subsidization**: Using profits of one program to reduce the price of another
- **Equity**: Those who benefit from the service should pay for it and those who benefit the most should pay the most
- **Merit good**: Services indirectly benefiting the community, but are most beneficial to those who receive the service
- **Non-excludability**: Once a public good is offered no person can be excluded from receiving this public good or service
- **Pricing:** A process used to recover the costs of production. Economists propose price as resulting from the balance between demand and supply, given assumptions on

other factors and the availability of market information

- **Private good**: A private good prevents someone from consuming a public good or detracts from another person's consumption of that good (e.g., fee based programs)
- **Public good**: A public good does not allow or prevent someone from consuming that good for their own personal benefit. A public good does not preclude or detract from another's persons' consumption of the good and all users have equal or first come, or first serve opportunities. (e.g. access to a public park or trail)
- **Public services**: of value and benefit to a broadly defined community, such as neighborhood parks and playgrounds, and trails, to name a few
- **Revenue negative**: When revenue for specific programs or program areas are insufficient to recover costs and prescribed targets
- **Revenue neutral**: Income meets costs of the program or program area at a level prescribed by the governing body, but does not exceed 100% of direct and indirect costs
- **Revenue positive**: Income exceeds 100% of direct and indirect costs
- **Subsidization**: the level at which a public agency is willing to provide partial funding for a service or program resulting in reduced or no cost to the user. More narrowly it is defined as using tax revenues to reduce or eliminate user fees for services

Cost recovery is a basic revenue generation process used by all levels of government. It is a process that has become commonly accepted by all types of governmental organizations. It may have distracters such as special interest groups who feel they are entitled to a variety of discounts, but as tax revenues have not been unable to provide sufficient funds for operations, cost recovery is one of the primary tools available to agencies to continue to provide quality services versus eliminating services. As an income source it is classified as earned income.

The Department in the past has recovered approximately 35% of **direct costs** for leisure related services provided but now will be responsible to track costs for utility and maintenance costs based on a formula rate on a per square foot in the 2010 budget which could potentially reduce their cost recovery rates to below 25% of the total operating budget if these allocations are not recovered through an increase in pricing. With this new pricing and revenue policy the Department should be able to increase their operating revenues above 35% of their total operational budget with maintenance and utility maintenance costs included if the recommendations outlined in this plan are followed and implemented.

[redacted]

The current pricing philosophy within the Department assumes that all residents of the City of Las Vegas should be able to participate in programs regardless of ability to pay. Current fees are based on comparisons with other area agencies, which provide similar programs and services. The current pricing philosophy in the Department is established to minimize user fees for art related programs and events, summer camps, teens, persons with disabilities and senior services. Adult program fees are set to recover all direct costs. Indirect costs including preventative and routine maintenance, utilities, City resources such as attorney support, planning and development, and other non-direct costs are not currently recovered by the Department's current pricing philosophy.

Most user fees and charges are set by the City Council based on recommendations from the Director of Leisure Services which is based on the perception of the citizens' ability to pay for the services and programs and based on comparative prices of other area park and recreation agencies. The last fee increase for most programs was 7 years ago.

Currently each division within the Department of Leisure Services functions with different cost recovery goals and user fee strategies to recover a collective Department cost recovery goal of 35% of **direct** costs.

In an effort to maintain affordability of services for the public, the Department has been hesitant to increase fees, even when overall operating costs have increased. Many fees for programs and services have been static for five to seven years, primarily as a result of a lack of true cost data and quantifiable program information on which the City Council can base its decisions. This was in part due to not having the right system data to collect the true cost internally within the Department. The Department had also not determined the true costs to provide services, whether the programs are core or non-core services, and if the programs serve a public, merit, or private purpose. The lack of pricing justification and effective data, places the Department in a defensive position when it comes to changing prices to offset increased operation costs.

Based on PROS' observations, the Department's current pricing structure indicates an affinity towards pricing programs and services to the lower socio-economic groups versus ability to pay and level of benefit received above what a general taxpayer is provided. This results in a significant amount of lost revenue due to under pricing of programs against their fair market value and the user benefit received. Additionally, it also serves to build an entitled constituency that has an expectation of this practice being continued in the harshest of economic environments.

Based on the 80:20 principle followed by PROS, the ideal approach would be to price the programs to the 80% of the community that can afford to pay and use the revenue generated to subsidize the 20% that may not be able to pay as well as support and provide an effective scholarship access policy. PROS feels the Department of Leisure Services should be able to control this practice similar to best-practice systems with support from the elected officials and City management.

[redacted]

The objectives and best practices of pricing for Parks and Recreation Services are based on National Standards and PROS' operational experience. These objectives and best practices include the following:

- Accessibility, Affordability and Equity
- Financial Sustainability
- Efficiency
- Parity in Income Distribution (Income Retention)

TWO.3.1 ACCESSIBILITY, AFFORDABLITY AND EQUITY

Equity of pricing ensures that users pay for the services based on the level of benefit that they receive. Affordability should be based on the benefit received and the ability to pay. This policy recognizes that affordability is in the eye of the user, but it is also addressed in the Scholarship Policy criteria outlined in this Policy Document in **Appendix A**.

Public park and recreation agencies provide programs and services that are classified as public services, merit services and private services as defined below. The type of service and benefits received will directly determine the cost recovery goal and pricing strategy to be used in the pricing of the services and products the Department creates.

TWO.3.1.1 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. Examples of public services are open public access to parks, playgrounds, trails and a picnic area that cannot be reserved.

TWO.3.1.2 MERIT SERVICES

Merit services are services whereby the user receives a higher level of individual benefit than the general taxpayer and yet the taxpayers benefit as a whole because the service provides a community public benefit as well. 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 users by letting them know what the Department is investing in them in a dollar amount and what percentage level of investment they are making in their own experience. Examples of merit type services are swim lessons; youth sports programs, after-school programs for youth, arts and special events that promote healthy active lifestyles.

TWO.3.1.3 PRIVATE SERVICES

Private services benefit only the user; there is little or no public community benefit. These types of services usually are viewed by parks and recreation departments as requiring a full cost recovery strategy. The price of each 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, competitive/travel sports, private lessons, and exclusive use of recreation center rooms or sports facilities.

TWO.3.2 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 funding of Department operations. The revenue produced through these sources will give the park and recreation system needed cash for operations, some capital costs and marketing dollars to promote Department programs and services. Additional revenue dollars can also be generated from sources such as grants, sponsorships, partnerships, and special use permits.

TWO.3.3 EFFICIENCY

Through a cost of service assessment, the Department can better evaluate how services are delivered and if they are delivered in the most effective and efficient manner. Priorities to enhance the user or visitor experience can be 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:

- Reduce congestion and overcrowding
- Indicate user and visitor demand and support for program/facility
- Increase positive user and visitor attitudes
- Provide encouragement to the private sector to invest in Department programs
- Provide incentives to achieve community goals
- Ensure stronger accountability for Department staff and management
- Allow multi-tiered pricing so those users who want a higher level of quality (higher credentialed instructor, all-inclusive of supplies/materials, etc.) can pay a higher price

TWO.3.4 PARITY IN INCOME DISTRIBUTION (INCOME RETENTION)

Parity in income distribution means dollars generated from each activity are redistributed back equally to the area it came from. This would help to pay direct costs and indirect cost and fund future improvements associated with an activity. Examples would be sports leagues paying for improvements to the sport fields.

Staff can document the costs 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. This allows staff to recognize what the service costs on a per user basis, a per hour basis and on a unit basis.

A periodic review of all the costs and the prices 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 have price adjustments based on the pricing policy and cost recovery goals established for that program or service.

PROS recommends that the Department Director and staff set prices within this new Pricing Policy for services based on the following process:

- The true cost to provide the service and its cost on a per experience basis, hourly rate, or unit rate
- Whether the program or service is a core or non-core program based on the criteria established in the Pricing Policy outlined in **Section 2.5**
- Whether the program is a public, merit or private service based on the established criteria in the Pricing Policy as outlined in **Section 2.3**

- Does this price support the cost recovery goal desired for the program or leisure facility to support Department sustainability

[redacted]

The Pricing Policy was developed to provide a consistent methodology to price programs and services based on a philosophical and cost of service approach that provides the Department with a solid foundation for sustainability. City Council approval of a policy based on an agreed to pricing methodology process and philosophy will create fairness and equity on how programs and services are priced. Based on one-on-one interviews PROS conducted with all Council Members, PROS recognizes that some City Council members have reservations about raising prices on services when the economy is in a recession. The Pricing Policy sets forth recommendations on cost recovery levels based on whether the program or service is a core or non-core service and what level of classification it falls into based on its public, merit or private benefit.

The Pricing Policy process seeks City Council approval to allow the Department Director to establish prices using the methodology and these guiding principles as outlined. These guiding principles are the foundation for the pricing of programs and services that can be clearly communicated to users. The guiding principles include:

TWO.4.1 RATIONALE

Department staff should recommend for city council adoption, a policy of pricing services based on personal benefits received over and above what a general taxpayer receives. This approach will provide a fair and equitable method to distribute City resources to users of the park and recreation system.

TWO.4.2 AUTHORIZATION

Prices should be established based on the level of desired income to support sustainability and to establish the correct subsidy level needed to meet the operating budget requirements as outlined by the City Manager with approval by City Council in the approval of the annual operating budget. Pricing based on established cost recovery goals for each core service area will provide staff with the flexibility to maximize all pricing alternatives to the fullest while ensuring accessibility for programs and services.

Staff will set prices based on different pricing options such as primetime/non-primetime rates, season/off-season rates, weekday and weekend rates, age group and level of benefit received to maximize user participation and encourage users to find the right price point that best serves their needs which will result in higher usage of facilities and greater revenue to the Department.

TWO.4.3 REVENUE PHILOSOPHY

The Department 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's operating budget. User support for pricing services will be greater 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. In addition, adopting the Scholarship

Policy outlined in this policy will support the revenue philosophy by creating opportunities for all citizens to access services.

TWO.4.4 CITIZEN CHOICE IN PICKING THE RIGHT PRICE POINT

User price points will allow users to pick and choose what components of a service they want to buy. This approach allows for multi-tiered pricing options, which will allow users to pick and choose what level of quality or quantity they want and pay accordingly. The current practice of one price fits all does not work effectively in maximizing revenues or filling capacity of programs and facilities. Creating alternatives built around pricing alternatives will produce greater revenue sustainability, increase capacity of use and gain greater community support for the Department.

TWO.4.5 PROGRAM DIFFERENTIAL PRICING ALTERNATIVES

The pricing alternative methods outlined below should be incorporated into all services (core/non-core; public/merit/private) and not be limited to individual program areas. Additionally, differential pricing alternatives encourage users to move to a pricing option that best fits their schedule and price point. This would ensure maximum use and revenue to generate customer loyalty and support operational sustainability for the entire system.

Examples of differential pricing alternatives include:

- Primetime pricing
- Non-primetime pricing
- Season and off-season rates
- Multi-tiered program pricing
- Group discounting and packaging
- Volume pricing
- Non-city resident pricing
- Incentive pricing
- Length of stay pricing
- Cost recovery goal pricing
- Level of exclusivity pricing
- Age segment pricing
- Level of private gain pricing
- Loyalty pricing

It is recommended that pricing alternatives be used in these service categories:

- Admissions
- Reservations
- Programs
- Concessions
- Permits
- Rentals of Equipment
- Park and Recreation Facility Use

TWO.4.6 LEVELS OF BENEFIT

PROS Consulting recommends that program class pricing be based on the level of benefit received by the participant. A benefit received above what the general taxpayer receives should be priced accordingly. Recreation programs and services are consumptive in nature. Once an activity or visit is finished, the user receives a memorable experience or an increased level of skill. 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.

TWO.4.7 COST ACCOUNTING

The Department should develop a budget format that will support an 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.

TWO.4.8 USER PRICING EXPECTATIONS

Participants in Leisure Services programs expect higher quality of services when pricing changes are instituted. This will require establishing written program and facility standards that will need to be implemented to meet users' expectations and willingness to pay the proposed fees.

TWO.4.9 COMMUNICATING COSTS

Communicating the true costs of a service or program to recreation users will increase their understanding of the value they receive from the City and what they invest in themselves. 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. This will reduce the users' sense of entitlement and increase fairness between what the City invests in them and what the user invests in themselves. An example of this message is in a swim program below:

> *"The City is investing $55 dollars into your child's swim lesson and you are investing $45 dollars. The dollars that you and the City invest cover the costs for the instructor, education materials, supervision, registration costs, marketing of the service and maintenance of the pool. These personal and City dollars also help to develop a life-time safety skill for your child."*

[redacted]

Core Program criteria checklist **(see definition 1.1.2.1)** was developed to distinguish Department's "core" programs and services from non-core programs and services. Applied to a list of all of the current programs and services the City offers. The criteria will help the Department focus resources on those areas most critical to stakeholders and help achieve financial sustainability. Programs were assessed based on their CURRENT state only without introducing hypothetical factors.

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

[redacted]

The following are the results from the core program assessment based on the criteria described in **Section 1.1.2.1**.

It must be noted that core program conditions may keep changing or new programs may be added, and it is imperative that staff evaluate programs periodically to ensure continued adherence to core program criteria.

Non-Core Programs are programs that do not meet 60-70% of the core program criteria. While some of these programs may continue to be offered they will be managed from a 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.

- Core Program Areas include:
    - Aquatics
    - After School
    - Seniors
    - Wellness and Fitness
    - Special events
    - Arts
    - Sports
    - Therapeutic
    - Rentals

[redacted]

The guiding principles of the City of Leisure Service Department Pricing Policy is based on a clear understanding of: what constitutes a core and non-core service; what programs and services are public services, merit services and private services; the costs to provide the product or service, both direct and indirect; the level of benefit and exclusivity the user receives above what a general taxpayer receives; and the percentage of cost recovery for the activity, program, or service the Department is trying to recover against the Department's overall budget.

The Department should continue to efficiently offer the most diversified recreation services, ensuring that all Las Vegas citizens have equal opportunity to participate in a wide variety of programs and services regardless of ability to pay through an effective Scholarship Policy.

TWO.7.1 METHODOLOGY

- Using the **Cost of Service Analysis, PROS determined the direct and indirect cost associated with a program or service that breaks the cost down to a unit cost such as the cost per experience, cost per hour or cost per unit.** The direct and indirect cost of a core program and non-core program and the revenue generated were obtained from various sources. This revealed the true **Current Cost Recovery rate** of that program area. Examples of direct costs include the costs of instructors, supplies, referees and consumables. Indirect costs include items such as utilities, insurance, telephone, supervision, marketing and registration costs, building and grounds maintenance and vehicle maintenance.
- Factoring in the total number of units of participation for each core and non-core program against the total program cost provided the **Cost per Participant or Unit**.
- Each core program was classified as **Core/Non-Core** based on its public value and need to the community. Working with Department staff, PROS was able to establish whether a program was a Public/Merit/or Private Service based on the benefits to the user and/or community. These classifications and the governing philosophy of the Department help **determine the recommended cost recovery percentage** that would be appropriate for the respective programs. Based on community values, services provided for youth were analyzed separately than those provided for adults.

  The **Recommended Pricing** is derived by applying the percentage difference in the current and expected cost recovery goal for the program, service or facility 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. It is recommended that pricing changes will occur over the next three years to achieve the cost recovery goals.

- The Consulting Team held community focus groups and forums around the City of Las Vegas during on April (20 and 21st) and May 11, 12, 27th and 28th) in 2009. Over 200 people attended these sessions. The residents want the quality of services to continue and are willing to pay more to keep it that way. They do not want to pay more for the same level of services they are receiving, but recognize that the City will have no choice but to eliminate some services and cut costs to support the overall budget deficit the City is facing. Residents especially are willing to pay more for higher quality of field maintenance costs for sports leagues. Residents recognize they receive very good services from the City and some groups feel highly entitled. PROS informed the groups that they were not there to promote new prices, but to gauge how informed the community was on the cost to provide services, willingness to reduce quality to keep prices the same, cut services and to operate the Department in the most efficient manner. Residents especially want to have first priority on programs offered before non-residents have access to the same programs.

The following table represents the current cost of service levels for each core program area assessed.

Core Program Area	Core Program Use	Total Allocated Cost	Total Units Administered	Percent of Cost Recovered	Average Cost Recovery Goal
After School	Camps (General)	$ 2,874,204	11,890	232.8%	100.0%
After School	Specialty	$ 1,072,037	2,922	23.9%	125.0%
After School	Teen Programs	$ 329,152	3,637	16.4%	25.0%
After School	Youth Development	$ 1,168,837	6,779	23.2%	50.0%
Aquatics	Competitive Swim	$ 484,706	509	3.4%	100.0%
Aquatics	Learn to Swim	$ 642,192	10,630	24.1%	60.0%
Aquatics	Life Guard/Safety Training	$ 688,983	3,473	27.5%	100.0%
Aquatics	Open Swim	$ 656,828	80,026	13.1%	25.0%
Arts	Classes/Fee Classes	$ 1,763,486	8,489	21.6%	100.0%
Arts	Events	$ 166,201	1,462	0.1%	50.0%
Arts	Performance	$ 1,598,874	20,505	2.8%	50.0%
Arts	Technology Support	$ 161,509	n/a ; Zero	0.0%	100.0%
Rentals	General	$ 218,889	2,785	37.0%	0.0%
Rentals	Gymnasiums	$ 74,568	n/a ; Zero	0.0%	100.0%
Rentals	Halls/Banquet	$ 115,925	n/a ; Zero	0.0%	125.0%
Rentals	Meeting Rooms	$ 322,431	55	0.0%	125.0%
Rentals	Open Space	$ 133,512	10	22.0%	100.0%
Rentals	Pools	$ 333,415	9,595	18.7%	100.0%
Rentals	Stage	$ 4,512	1	3.3%	120.0%
Seniors	Classes/Fee Classes	$ 1,585,889	17,793	15.4%	100.0%
Seniors	Community Garden	$ 19,692	172	0.0%	0.0%
Seniors	Day Use	$ 106,365	7,378	0.0%	15.0%
Seniors	Food/Nutrition (Daily)	$ 344,572	22,549	2.7%	50.0%
Seniors	Senior Legal Services	$ 40,824	850	0.0%	100.0%
Seniors	Social Group	$ 247,736	800	0.0%	0.0%
Seniors	Social Services	$ 120,487	3,312	0.0%	15.0%
Seniors	Special Events	$ 849,725	6,839	0.6%	50.0%
Seniors	Trips	$ 206,052	893	0.7%	100.0%
Special events	Competitions	$ 15,691	27	2.6%	100.0%
Special events	Entertainment/Food	$ 899,750	9,345	8.9%	50.0%
Special events	Halls/Banquet	$ 21,443	179	2.5%	125.0%
Special events	Holiday	$ 395,073	13,715	1.9%	50.0%
Sports	Adult Classes	$ 88,880	348	29.8%	100.0%
Sports	Adult League; Competitive	$ 979,781	299	2.3%	125.0%
Sports	Adult League; Recreation	$ 488,926	1,639	11.9%	100.0%
Sports	Clinics	$ 227,098	n/a ; Zero	0.0%	100.0%
Sports	Competitive/Performing Teams	$ 240,056	831	12.7%	100.0%
Sports	Tennis	$ 1,189,416	5,801	10.2%	100.0%
Sports	Youth Classes	$ 1,854,481	12,590	28.0%	50.0%
Sports	Youth League; Competitive	$ 185,137	113	1.3%	100.0%
Sports	Youth League; Recreation	$ 651,444	3,337	26.8%	50.0%
Therapeutic	Adult Drop-in	$ 20,428	n/a ; Zero	0.0%	20.0%
Therapeutic	Adult Respite (Day Use)	$ 285,625	1,558	8.2%	20.0%
Therapeutic	Adults	$ 275,010	2,500	0.0%	50.0%
Therapeutic	Camps	$ 123,964	n/a ; Zero	0.0%	50.0%
Therapeutic	Classes/Fee Classes	$ 10,891	n/a ; Zero	0.0%	100.0%
Therapeutic	Youth	$ 129,487	n/a ; Zero	0.0%	25.0%
Therapeutic	Youth Drop-in	$ 70,794	n/a ; Zero	0.0%	20.0%
Therapeutic	Youth Respite (Day Use)	$ 376,540	800	6.3%	20.0%
Wellness and Fitness	Classes/Fee Classes	$ 1,941,372	9,180	8.6%	100.0%
Wellness and Fitness	Clubs/Centers	$ 110,345	n/a ; Zero	0.0%	100.0%
Wellness and Fitness	Social Services	$ 114,375	4,302	15.0%	15.0%
Wellness and Fitness	Youth Drop-in	$ 31,398	n/a ; Zero	0.0%	20.0%

[redacted]

The following tables represent the pricing for programs in the Las Vegas Valley for comparative purposes:

Programming	Las Vegas	Henderson	North Las Vegas	Clark County
- Learn to Swim	$60-$100/six 45 min class	$80/four 30 min class	$25/30 minute session	n/a
ivate - Learn to	$40-$50	n/a	n/a	n/a
Swim - Parent and	$25/six 45 min class	$21-$28	$25	$23
Swim	$20-$25	$24-$32	$25	$23-$28
wim (youth) - daily	$1	$1-$2 (1-2 punches)	$2	$.50-$1
wim (adult) - daily	$2	$2-$3 (2-3 punches)	$3	$1.50-$3
wim (senior) - daily	$1.50	$1-$2 (1-2 punches)	$2	$1
wim (individual) -	(1 mon; 3 mon; 1 year) $20;$40;$150	(30; 60; 120; 180; 360) punches $20; $36; $66; $90; $145	$40-$60/month	$20-$30/3 months
wim (senior) - pass	(1 mon; 3 mon; 1 year) $15;$30;$60	n/a	$40/month	$15-$25/3 months
wim (family) - pass	(1 mon; 3 mon; 1 year) $30;$60,$230	n/a	$150/season	$35-$50/3months
r *water park*-daily	n/a	n/a	n/a	$2; $3; $1
r *water park* - 3				$100; $35; $60; $20
enter rental - per two hour minimum)	$100/hr	$150-$450	$300	$120-$200
ed classes - daily	$2-4	n/a	n/a	n/a
ed classes - weekly	$6			
ed classes - monthly	$18	$15-$38	$12-$30	$18-$37
ed classes - 6-month	$92	n/a	n/a	n/a
ed classes - annual	$173			
ports field rental - r	$20-$40			$10-$75
oftball - team	$475 + umpire fees ($25/game)	$450 + Umpire fees ($12/game)	$375 + Umpire fees	$240 + umpire fees
occer -team	$300 + ref fees ($20/game)	$275	$225 + Referee fees	$240 + referee fees

	Las Vegas	Henderson	North Las Vegas	Clark County
Adult football - team	*n/a*	$200 + Referee fees		$190 + off. fees
Adult volleyball - team	$120-$150 + off. fees	n/a		$180 + off. fees
Adult basketball - team	$225-$300 + officials fee	$300 + Referee fees	$225 + Referee fees	$260 + off. fees
Preschool - all day care (1 child; 2 children; 3 children)	$55/month	(1c; 2c; 3c) $90; $160; $210		
Preschool - half day care	n/a		$348 - $648	
Senior fee based classes	$1-$5		up to $5	$3-$14
Special events	daily fee-$20	free - $28		
Senior Special Event	daily fee -$15	free - $28		$2-$10
Ceramics	6 classes - $36-$75	4 classes - $21		
Art -youth	6 classes- $30	8 classes - $21-$23	8 classes - $10-$36	$12-$25
Arts & Crafts	$45	$45		$25-$45
Youth Dance- 8 classes	n/a	$25	$10-$15	$10-$18
Youth Theatre- 6 classes	$36-$54	n/a		$12-$18
Music - Private	$90	6-8 classes $40-$50	$38	$56 - $72
Guitar - Group	$30	8 classes- $42	$38	
Dance - Private- 6 classes	$90	n/a	n/a	n/a
Dance - Couples - 6 classes	$50			
Dance - Adult	$30-$36	8 classes - $25-$30		
Theatre -Adult	$30	8 classes- $70		$60
Performing arts production	free -$15	n/a		free-$10
Therapeutic & disability program	3 days $27 - 5 days $45	$9/day $40/week		$25
Lap swimming	daily fee	daily fee	daily fee	daily fee
Swim team rental - lap swimming	$100/hour	not offered	not offered	not offered
Tot & Parent Classes	$25-$45	$17-$50	$25	$23-$30
Swim team rental - swim meets	$100/hour	not offered	not offered	not offered
Senior Trip - Range & level of subsidy	$3-$8	$3-$30	$6-$18	$3-$15
Workshops	free -$45	free-$145	free-$55	

	Las Vegas	Henderson	North Las Vegas	Clark County
Safekey - morning (per child)	AM daily: $4-$6 AM weekly: $14-$25	Morning (1C; 2C; 3C) - 5 days $19; $34; $48	Morning (1C; 2C; 3C) - 5 days $20; $40; $60	$4
		Morning (1C; 2C; 3C) - 4 days $15; $28; $39	Morning (1C; 2C; 3C) - 4 days $16, $32; $48	
		Morning (1C; 2C; 3C) - 3 days $12; $22; $29	Morning (1C; 2C; 3C) - 3 days $12; $24; $36	
Safekey - afternoon (per child)	PM daily: $7-$8 PM weekly: $14-$35	Afternoon (1C; 2C; 3C) - 5 days $35;$58;$82	Afternoon (1C; 2C; 3C) - 5 days$35;$70;$105	$7
		Afternoon (1C; 2C; 3C) - 4 days $29;$48$67	Afternoon (1C; 2C; 3C) - 4 days $28; $56; $84	
		Afternoon (1C; 2C; 3C) - 3 days $22;$37;$52	Afternoon (1C; 2C; 3C) - 3 days $21; $42; $63	

Safekey - extended care	$1/minute	$10/10 minutes late	$4-$7/hour	$5/10 min late

[redacted]

It is recommended that the Department consider implementing differential pricing strategies that focus on maximizing the capacity of use of facilities and programs based on the following pricing alternatives:

- Price facilities and programs by primetime and non-primetime for pools, game fields, classes, courts, picnic areas and fitness rooms.
- Price by season and off-season for leagues, clinics, picnic areas, tennis and basketball courts, picnic pavilions and trips.
- Price by location (quality/ease of access, extent of assets/amenities) 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 by residents/non-City residents by incorporating a resident's discount in the fee
- Price services that include capital replacement cost in fees for equipment, buildings or park amenities where it is appropriate
- 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 reflecting use, time, operating costs, as close to 50/50 as possible; both partners contribute to providing the service
- Incentive Pricing that focuses on discounts for early trip registration, season passes, group admission rates, rental uses, number of classes taken in a year and for loyalty. These can be set up as promotional opportunities to encourage people to use the service
- 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 Sponsorship/Partnerships will be priced based on the image value received and number of individual touch points (singular instances where a user comes in contact with the image or impression of the sponsor), as it applies to market rates in the City currently.

It is further recommended that the Guiding Principles, as outlined in **Section 2.4**, be utilized for all future pricing changes or new pricing efforts that take place inside the Department.

CHAPTER THREE – COST OF SERVICE METHODOLOGY

Cost of service analysis determines the total cost of providing services to individual customers, groups of customers, or an entire customer base. Cost of service is the product of total costs required to administer a service divided by the total units – i.e. persons, teams, leagues, groups, etc. The total cost of service includes all direct and indirect costs. This analysis is best used as a tool to support decision making for determining the impact that programs and services have on operations and/or capital costs, as well as the break point for registrants based on the desired cost recovery goal.

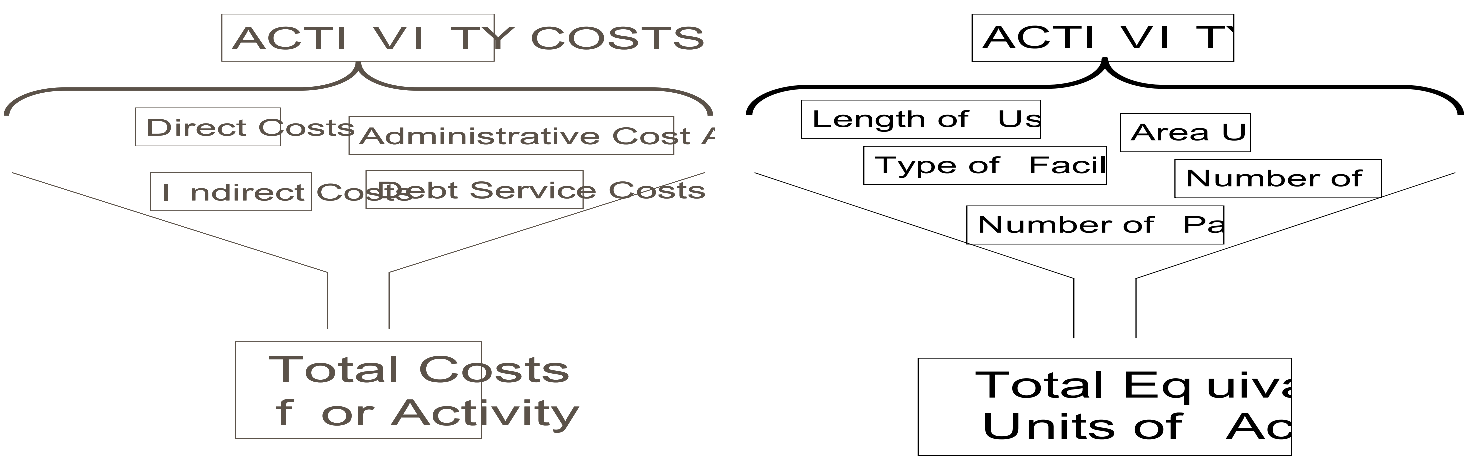
The **result of the cost of service analysis does not necessarily mean that the Department should recover the total costs of service through user fees.** Evaluating the total allocated costs of providing a specific service, program, or activity, and the projected revenues generated are useful in determining if the cost-benefit of administering the service meets the values of the community and the mission of the Department. Many factors must go into such a decision – the Department must analyze the target market and the social and economic impact of the service and the characteristics of the product or service.

A cost of service model was developed to incorporate and allocate direct and indirect costs to assist management and staff in program offering and pricing of services. Revenue impacts, subsidy levels, and operational effectiveness were calculated by incorporating budgeted expenditures and actual participation for all programs offered by the Leisure Services Department. This process allows for efficient analysis and informed decisions by the Department for future planning and budgeting of services.

[redacted]

The cost-of-service approach is a method of service pricing based on the resources required to provide the service and based on the levels of service and units of service provided.

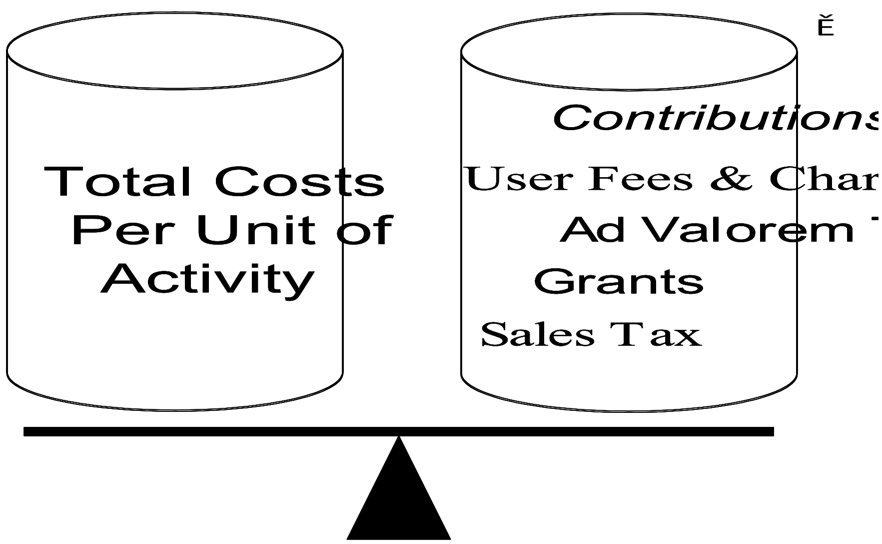
The resources required include the operations and maintenance costs, both direct and indirect, and the capital investment in equipment, hardware, and software. The level of service is a measure of the intensity of the resources applied to a unit of service while the units of service are the number of individual participants or activities offered.



Total costs divided by total units of service equals the cost to deliver that particular service. A cost of service study should not be viewed as an accounting process, but as a strategic planning tool that provides the Department with operational efficiencies, information, and feedback, which then assist in setting goals and tracking progress towards the attainment of financial sustainability in an environment of intensifying competition. However, to do so, cost of service has to become an integral component of the organization's operational strategies. Cost of service determines whether services, programs, or activities are generating revenues or operating at a loss.

When evaluating the services provided, an organization must analyze their target market and the social and economic impact of the service, the characteristics of the product or service, and environmental influences. Not all programs, services, and activities should be expected to recover all operating costs; the goal of a program as a whole should be to meet the desired cost recovery set by policy – this means that not each individual activity or service offered within a program must meet the desired cost recovery, but that the program as a whole should meet the desired cost recovery once all activities and services have been summed.

Certain programs and services may be deemed a social good rather than a recreational experience. These programs are generally subsidized more heavily, and many times completely, by the general fund. Ultimately, the Department will have to create a balance between user fees, grants, and taxes in order to deliver services to the community. By utilizing and managing to a cost of service model, management and staff will have the ability to offer a strong mix of revenue generating and non-revenue generating programs, proactively seek out appropriate grant monies for social programs, and manage to a predetermined outcome.



An indirect cost allocation and cost of service model was developed to incorporate and allocate direct and indirect costs in order to make management decisions on pricing of services and the ultimate impact desired on subsidy levels and operational effectiveness.

[redacted]

The total cost of providing a service, also known as the fully allocated cost, is the sum of its direct costs plus a proportional share of organizational overhead, or indirect costs. In a multi-program organization, all costs can be divided into two different types: direct and indirect. When the direct and overhead costs of a service are identified, the resulting dollar amount constitutes the fully allocated cost, or total cost, of providing a service. Direct costs are those that are clearly and easily identified specifically with particular cost objectives such as a service performed, contract, project, function or activity. Direct costs generally include:

- Salaries and benefits (including vacations, holidays, sick leave, and other excused absences of employees – i.e., direct labor costs)
- Other employee fringe benefits allocable on direct labor employees
- Contract services associated with a program to deliver the service i.e. officials, instructors
- Travel of (direct labor) employees
- Materials, supplies and equipment purchased directly for use in a specific program or grant contract
- Communication costs such as long distance telephone calls identifiable with a program
- Direct costs are those cost items that only benefit one specific service, program, or activity.

[redacted]

Activity based costing can be an arduous process when first implemented. Often, certain costs are overlooked during the allocation phase of determining the cost of providing a service, program, or activity. Frequently overlooked cost items include:

- Bond preparation and administration, interest, and other capital costs – these costs are associated with capital items purchased for the exclusive use of a service through a bond issue or other financing arrangement
- Full benefit and employee tax costs including retirement and pension costs – employee payroll/unemployment/other tax as well as retirement/pension costs of employees who work exclusively on a service should be included as a direct cost
- Facility and equipment costs – facility and equipment are the most common costs overlooked; this is mainly due to the principles of the social management model which typically view all costs other than direct labor cost as a sunk cost and irrecoverable
    - Technology, specialized supplies and materials, and fleet services used exclusively for a service should be included in the direct cost of service; these costs are often misappropriated to the “parent” organization responsible for procurement
    - Utility, maintenance, and depreciation costs for facilities and capital equipment used exclusively for a service should be included as a direct cost of service; actively accounting for these costs allow for equitable budget allowance for all programs and provides for the ability to set aside renewal and replacement funds for assets that reach the end of the useful life

Indirect costs, including typical overhead costs and other costs not directly attributable to a specific service, are costs that benefit the service and at least one other City service, program, or activity. Indirect costs are those which are not easily identifiable with a specific service performed, contract, project, function or activity, but are necessary for the general operation and delivery of the services provided. These costs are shared among departments, organizations, and programs.

All revenue centers have a cost center; not all cost centers have a revenue center. This is the purpose of allocating indirect costs – costs that cannot be directly attributed to a final product or end user must still be accounted for to balance the budget. In theory, costs such as upper management, accounting, personnel, and utilities might be charged directly if work order management systems could record exact minutes of all personnel and staff in a sufficient manner. However, few entities have the ability to track such costs at the moment they are incurred. Therefore, allocation of costs or more elaborate indirect cost plans are used to distribute these costs to benefiting services, and ultimately, revenue centers. Indirect costs are generally allocated among services, programs and activities based on personnel costs, total direct costs, and/or a "step-down" method derived from indirect cost plans.

The expenses of various administrative and support services provided to a service are indirect costs. In order to truly be classified as an indirect cost, the various administrative and support services provided must be distributed between the service and at least one other service, program, or activity. Indirect costs generally include:

- Salaries and wages,
- Fringe benefits,
- Supplies and materials, printing, and communications
- Rent, utilities, and other costs

A review of all costs incurred should be made to ensure that indirect costs include applicable capital costs, all benefit costs, and facility/asset use-allowance costs on shared facilities and equipment.

For the purpose of this study, indirect costs were allocated based on personnel costs incurred by each program. The personnel-cost method assumes that indirect costs are proportional to the number of employees (or full-time equivalent employees, i.e. FTEs) required to administer a program.

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Contract services are frequently utilized to augment the delivery of services usually performed by staff. The premise of contractual services is to enhance the core service offering with specialized skills, additional personnel, or at a significant cost savings over historical delivery of goods and services. However, accounting for the administration of the contract is a direct cost that is often overlooked. The total cost of contract based service delivery is the sum of contractor costs plus the cost associated with the contract administration.

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The use of avoidable costs is recommended when assessing the likely cost savings achievable through contracting out, or terminating a service, program, or activity Example:(eliminating senior trips that recover less than 1% of their costs). The use of avoidable, or incremental, costs is also the generally accepted managerial accounting approach to conducting the financial component of a business make-or-buy decision. In making the decision on whether a program should make, it should be noted that avoidable costs can never exceed fully allocated costs for that particular program – the sum of cost avoidance can never be more than the service currently costs to provide.

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The total cost, or fully allocated cost, of providing a service, program, or activity is the sum of its direct and indirect costs. Analyzing each program based on the total cost allows for the Department to account for the complete budget.

A cost of service study should not be viewed as an accounting process but as a strategic tool that provides the Department with information and feedback, which then helps to set goals and track progress towards the attainment of financial sustainability in an environment of tightening budgets and increased scrutiny of governmental spending. Accounting for the fully allocated costs for each service provided allows the Department to better understand the relationship between the cost center (budget), revenue center (service/program/activity), and the sustainability of the Department.

The cost of service calculation – the product of the total cost divided by the units administered (unit costs can include participants, hours, time, square foot, acres, etc) – should not be the sole factor when determining the price point, nor should it be utilized to establish cost recovery goals. In some instances the social benefit of a service will outweigh the financial sustainability, this will result in the need to subsidize the program with funds other than those created via user fees. However, to operate with managerial and financial knowledge capable of informed decision making in today's ever changing environment, cost of service has to become an integral component of the organization's operational strategies. Cost of service determines whether services, programs, or activities are generating revenues or operating at a loss. Many factors must go into such a decision – when evaluating the services provided, an organization must analyze their target market and the social and economic impact of the service, the characteristics of the product or service, and environmental influences.

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Cost of service for the Las Vegas Leisure Services Department were calculated based on the fiscal year 2008 actual reported financial and user information data. At the time of project conception, FY 2008 performance data was the latest information available that portrayed one complete year of information.

Leisure Services Department FY 2008 Actuals	Revenue	Expenditure	Over/(Under)	% Recovery
ACE Division	$530,739.67	$3,854,936.85	($3,324,197.18)	13.77%
Adaptive/Sports Division	$2,288,018.86	$5,714,309.73	($3,426,290.87)	40.04%
Admin Division	$277,326.82	$2,649,548.26	($2,372,221.44)	10.47%
Aquatics	$415,361.85	$1,364,642.61	($949,280.76)	30.44%
Community Schools	$1,594,505.57	$3,301,277.72	($1,706,772.15)	48.30%
Safekey	$4,481,389.58	$4,452,553.29	$28,836.29	100.65%
Recreation Division	$1,613,543.22	$5,845,331.68	($4,231,788.46)	27.60%
Senior Law Project	$991,140.64	$1,064,625.39	($73,484.75)	93.10%
Seniors	$95,384.87	$3,010,720.20	($2,915,335.33)	3.17%
Special Events	$8,289.67	$306,109.37	($297,819.70)	2.71%
Other Programs	$370,110.83	$660,003.57	($289,892.74)	56.08%
Total Leisure Services Department	**$12,665,811.58**	**$32,224,058.67**	**($19,558,247.09)**	**39.31%**

To determine the cost of service for each of the individual services/programs/activities offered by the Department, the following steps were taken:

- Determine the Organizations where the cost centers are located and list all services administered
    - Organizations analyzed include:
        - Administration – revenue center predominantly consisted of pavilion rentals; majority of Organization budget was allocated to all other Organizations as an indirect cost, Example: Floyd Lamb Park
        - Adaptive/Sports
        - Arts and Community Events
        - Community School
        - SAFEKEY
        - Recreation
        - Seniors
        - Senior Law Project
- Establish programs and/or activities to be analyzed – initial service/program/activity list was derived from the CLASS reservation system of more than 24,000 line items; due to the discrepancies in the input of data into the CLASS system, Organization Supervisors amended the data to accurately depict usage information; revised service/program/activity offering by the Department for the fiscal year 2008 were analyzed resulted in a total of 936 unique individual programs

- Once service offering was defined, each line item was assigned to a core program and core program use category; core programs were utilized in an effort to realign the Department based on function instead of Organization; this was done because many like programs spanned multiple Organizations resulting in an inefficient delivery of services; these core program categories and sub-program usages are:
    - Aquatics
        - Learn to swim
        - Fitness swim
        - Competitive swim i.e. Diving, Synchronized Swimming, Water Polo
        - Life guard/safety training
        - Open Swim
    - After School
        - Camps
        - Holiday Camp
        - Specialty
        - SafeKey
        - Youth Development
        - Teen programs
    - Seniors
        - Day use
        - Trips
        - Classes/fee classes
        - Food/nutrition/daily
        - Senior legal services
        - Special events
        - Social services
    - Wellness and Fitness
        - Classes/fee classes
        - Swim and Sports Centers
        - Social Services
    - Special events
        - Holiday
        - Entertainment/food
        - Competitions
        - Festivals and Celebrations
        - Dances
        - Concerts
    - Arts
        - Adult & Youth Classes
        - Events
        - Performances
        - Technical production support
    - Sports
        - Youth league; recreation

        - Youth league; competitive
        - Adult league; recreation
        - Adult league; competitive
        - Clinics
        - Tennis Center Programs
        - Tournaments
        - Scheduling
        - Classes/fee classes; Youth & Adult
        - Recreational gymnastics
        - Competitive/performing teams (gymnastics, dance, etc)
    - Therapeutic
        - Classes
        - Adult respite (day use)
        - Youth respite (day use)
        - Adult drop in
        - Youth drop in
        - Trips
        - Youth
        - Adults
        - Camps
    - Rentals
        - Open space
        - Meeting rooms
        - Halls
        - Park fee
        - Gymnasiums
        - Picnic Shelters
        - Pools
        - Stage
        - Theater
        - Concessions
- Classify program/activity – based on criteria established through an inclusive process, Organization Supervisors classified each service/program/activity administered as core/non-core status and public/private/merit (e.g. the level of benefit received by the registrant)
- Allocate costs to functional cost components – each Organization Supervisor, in conjunction with staff responsible for the front line delivery, was responsible for allocating out the respective Organization Actual Budget for FY 2008 to each service/program/activity offered by the Organization
- Indirect cost allocation – if 100% of Organization costs were not allocated to services/programs/activities, remaining Organization costs were distributed back into the Organization from which the costs originated; overhead costs (i.e. Administration costs not associated with rentals, utilities, etc.) were distributed to all revenue center Organizations and ultimately services/programs/activities based on percent of personnel costs associated with administering each service

- Determine unit classification – units, i.e. individual participants, teams, leagues, rental parties, etc., were defined for each service/program/activity offered
- Determine units of service – total number of units (registrants) were identified; when multiple price points existed (i.e. pricing for youth, adult, senior) total registrants at each price point were listed
- Determine the price charged per service – price charged during fiscal year 2008; when multiple price points exist each price was recorded
- Calculate unit costs of service – calculated by dividing the total allocated cost by the total units administered
- Calculate percent of cost recovered – calculated by dividing the total revenues generated (total units administered multiplied by the price charged) divided by the total allocated cost

The complete line item budget utilized for each Organization within the Department, and ultimately each individual activity, is provided as a supplement to the report in an electronic model. Detailed cost of service analysis by individual program – including revenues, direct and indirect expenses, participation and fee assessed, and percentage of cost recovery – is presented in the electronic model. Cost of service summaries by program are presented in the **Appendix**.

CHAPTER FOUR – COST ANALYSIS

The cost of service model developed for this project is designed to be used by the Department for analyzing the cost of service for each service, program, and/or activity administered and assessing the cost recovery for programs in conjunction with the cost recovery goals as defined by the values and mission of the Department.

The cost of service model analyzes the Leisure Services Department budget and revenue information for the documentation of program costs and recovery. The model documents personnel costs, operation and maintenance expenses as reported in the FY 2008 Actuals as reported in the City financial system. The model provides the functionality to allocate direct costs to revenue centers and ultimately individual services, programs, or activities. The cost of service process results from an outcome based shift in management. This shift accompanies a philosophical change in the way management and staff are accountable for analyzing and delivering services and collecting data. Due to the change management process and the resulting need for detailed accurate information, all data required for the analysis had to be modified, revised, or amended. This is a natural progression for agencies when switching to information systems that utilize cost of service analysis. However, due to the data modifications, it can be expected that the records and statistics generated from this initial cost of service analysis are approximate based on the data provided to PROS by the Department. It can be expected that initial analysis is 90-to 93% accurate of actual operations. Continued operations and modified data collection practices will ensure the precise calculation of service delivery by year-3 of this process.

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Actual financial performance for Fiscal Year 2008 was utilized as the base data for the cost of service analysis. Based on these original, non-amended figures, the average direct cost recovery for all Organizations that actively administer a service, program, or activity is 39.7%. This direct cost recovery is strictly based on Organization costs and revenues as reported in the FY 2008 Actuals and does not include Departmental indirect costs nor is the general overhead costs which are included in the Administration line item reallocated amongst the other Organizations.

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Administration	[illegible]	[illegible]	[illegible]
Adaptive/Sports	[illegible]	[illegible]	[illegible]
Arts and Community Events	[illegible]	[illegible]	[illegible]
Community Schools and SAFE KIDS	[illegible]	[illegible]	[illegible]
Recreation	[illegible]	[illegible]	[illegible]
Senior Law Project	[illegible]	[illegible]	[illegible]
Seniors	[illegible]	[illegible]	[illegible]
Total; by Organization/Service Pro	[illegible]	[illegible]	[illegible]

To accurately portray the cost of administering the services to the registrants, this base expenditure data was modified through a detailed allocation process that entailed the distribution of costs from the Organization level to the individual service/program/activity level. This step was required because of the shift in management model – from a broad delivery of services based on historical precedence to a precise understanding and delivery of recreational and leisure services to the community – requires more exact information that was currently tracked and/or utilized by the Department. This allocation process was presided over by the Organization Supervisors; Supervisors then recruited staff to provide front line knowledge of service delivery.

Meticulous data management requirements for the cost of service process including cost allocation, core program classifications, level of benefit identification, and more will result in first-year accuracy level of 90- to 93%. Due to this, totals illustrated amongst the charts throughout this report may be inconsistent depending on which cross-section of information (i.e. Organization, core program area, level of benefit, etc.) is being analyzed.

The cost allocation process performed by the Department was a three step process that entailed the following:

- First step allocation – Organization costs were allocated among all services/programs/activities that are administered within each specific Organization; line item costs are captured in three categories (salaries, services, supplies)
- Second step allocation – remaining Organization costs not allocated to a specific program were distributed within the respective Organizations based on the salary costs allocated in step-one
- Third step allocation – all Departmental indirect costs (utilities, etc.) and Administration Organization costs not allocated to the services/programs/activities administered by the Administration Organization (rentals, etc.) were distributed amongst all Organizations and the respective services/programs/activities within each based on salary costs allocated

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Current delivery of service, program, and activity is administered based on Organizations. Although the cost of service process included the classification of offering by the functional level – core program area – analysis was conducted at the Organization level as well.

Extensive data manipulation required to depict operations at the service/program/activity level, whereas the majority of prior analysis had been at the Organization roll-up, it can be expected that the findings will be in the 90- to 93% range of accuracy for this first-year of activity based costing. Likewise, when shifting from Organization analysis to Core Program Area analysis, there will be discrepancies in the final output.

Base data resulting from the cost allocation at the Organization level reveals that the Community Schools and SAFEKEY Organization is operating at the highest level of cost recovery.

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Analyzing Organization service delivery by classification (core / non-core) and level of benefit (public / private / merit) would imply that the overall cost recovery for the Community Schools and SAFEKEY is boosted by the performance of the Non-Core/Merit programs which recover 103% of the total allocated costs. As could be expected, as the service/program/activity scale slides to a more exclusive level of benefit, the percent of costs recovered increases.

The basis for this sliding scale of increased recovery is founded in the philosophy that as the level of benefit shifts from a general public good or from a offering targeting the public in general to a more specific or exclusive user group – meaning that the level of service received is greater than the base level provided for the general tax payer – those users that are benefiting from the more exclusive offering should pay a greater portion of the costs incurred.

The greatest amount of allocated costs when analyzing at the Organization level are found in the Core/Merit category; $14.4 million and 104,712 total units. The highest average percent of cost recovery – 26.9% – is associated with the Non-Core/Merit category.

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Delivery of service is currently done in a "silo"; this means that services/programs/activities are strictly administered by individual Organizations. In an effort to deliver services/programs/activities more efficiently, cost were analyzed on a functional basis based on core program area – or type of service/program/activity offered – as defined by the Department. This process aligns delivery based on like or similar offerings instead of Organizations.

Cost allocation at the Core Program Area mimics that of the Organizational level in that the After School Core Program Area leads all others with a cost recovery of greater than 100%. A portion of this high cost recovery for the After School program can be attributed to some of the expenses required to operate are funded by a CDBG grant and therefore do not surface in the Leisure Services Department's budget details. If these costs were to be allocated, it is expected that the cost recovery percentage would decrease.

As expected, the shift to the functional cost allocation and analysis results in a slight discrepancy when compared to the Organization analysis of total funds and units administered.

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As with the Organization detail, the greatest activity is found in the Core Program Area category of Core/Merit. The greatest cost recovery is found in the Non-Core/Merit category and is attributed to the After School program.

Theory states that as the level of benefit received becomes more exclusive, the cost, and therefore the expected cost recovery, should increase. However, in both the Organization and Core Program Area analysis, the Merit level of benefit is greatest. This is a common trend amongst entities when they begin utilizing activity based costing. The basis of this entire process is to better understand the effort and resulting cost to associated with services, programs, and activities so that a conscious effort can be made in the delivery that results in equity amongst all users.

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The intent of the cost of service analysis task of the Pricing and Revenue Plan is not meant to be a benchmark for widespread price increases. The intent of the cost of service analysis is to assist management and staff of the Leisure Services Department in a change management. As stewards of the Las Vegas tax payer, it is imperative that the Leisure Services Department truly understand the cost of providing services and the resulting impact or opportunity cost – this means that by understanding true cost of service delivery the Department can then proactively plan for a more efficient service delivery based on the overall market demand of the Department's registrants.

PROS recommends two main strategies for this change management:

- First, it is imperative that the Department utilize the CLASS reservation software in a more accurate manner to capture all registrant details for each service, program, or activity offered
- Secondly, the budgeting process must begin with a more accurate portrayal of the costs at the functional level; this entails a more detailed understanding of the budget process and time sheet capture at the management/staff level that is administering the service, program, and activity

CHAPTER FIVE - OPERATIONAL RECOMMENDATIONS

The following are the key recommendations for the Department's Pricing Policy:

- Establish a Business Development Unit within the Department of Leisure Services that focuses on managing the following:
    - Cost of services tracking and data management
    - Policy management
    - Revenue development
    - Marketing of services and facilities
    - Point of sale data management of Class Reservations
    - IT management
    - Training of staff in pricing of services, communicating costs and cost of service assessment
    - Performance measure development and tracking
- Establish updated policies and standards for developing and managing sponsorships, partnerships (public, not-for-profit, private). Develop recreation facility and program standards and create performance measures based on agreed to outcomes. Develop business plans for all core programs and signature attractions such as the Tennis Center, Recreation Centers, Sports Complexes, and Aquatic facilities. Business Plans ensure a planned and focused approach toward a program or facility area. Any Business Plan should include an articulated vision, goals and objectives, information about the market and competitors, strength, weakness and opportunities analysis, a pro-forma to highlight the financial viability of the facility/program and an action plan that includes strategies and tactics to successfully implement the plan.
- Top ten next steps and priorities the system must address:
    - Continue cost of service assessment
    - Develop individual business plans for core programs, facilities, and services
    - Use differential pricing options to build on excess capacity of facilities to increase revenues to support operational costs
    - Develop performance measure to hold staff accountable to desired outcomes
    - Design programs and facilities to the needs of the neighborhood and community based on design standards and principles to support the Departments operational budget versus its capital budget
    - Communicate the cost of service to users and level of cost recovery they are contributing to. This helps the City to educate the users on the level of subsidy the City actually provides them as compared to the actual cost of providing the program
    - Teach and train staff on managing a social product in a business mindset

- Develop an operational and financial strategy plan to manage the system forward in the future
- Ensure the financial management of the Leisure Services system to ensure on -going accuracy in allocating budget items within their respective cost centers
- Follow what the users in the focus groups indicated to meet the operational budgets of the City

- Track the results of Best Practice Agencies in revenue production

[redacted]

The following cost recovery goals were established by core program activities and are made a part of the Pricing Policy. It must be kept in mind that individual programs within the core areas may have varying cost recovery goals because of the public value associated with the program, 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. Recommended cost recovery rates are as follows based on the criteria and analysis completed by PROS Consulting and staff to achieve a sustainable Department of Leisure Services.

Cost Recovery Goals by Core Pr and Activity (in alphabetical or	Current Cos Recovery Rar	Proposed Co Recovery Ran (To be Phased
After School	**16% to 100%+**	**25% to 100%**
a. Camps – 100% Cost Recovery Goal		
b. Holiday Camp – 100% Cost Recovery Goal		
c. SafeKey – 100% Cost Recovery Goal		
d. Specialty – 125% Cost Recovery Goal		
e. Teen programs – 25% Cost Recovery Goal		
f. Youth Development – 50% Cost Recovery Goal		
Aquatics	**3% to 28%**	**25% to 100%**
a. Competitive Swim – 100% Cost Recovery Goal		
b. Fitness Swim – 100% Cost Recovery Goal		
c. Learn to Swim – 60% Cost Recovery Goal		
d. Life Guard/Safety training – 100% Cost Recove		
e. Open Swim – 25% Cost Recovery Goal		
f. Parent and Tot – 60% Cost Recovery Goal		
Arts	**0% to 22%**	**50% to 100%**
a. Adult Classes – 100% Cost Recovery Goal		
b. Youth Classes – 50% Cost Recovery Goal		
c. Events – 50% Cost Recovery Goal		
d. Performance – 50% Cost Recovery Goal		
e. Technology support – 100% Cost Recovery Goal		
Rentals	**0% to 100%+**	**50% to 100%**
a. Concessions – 125% Cost Recovery Goal		
b. Gymnasiums – 100% Cost Recovery Goal		
c. Halls – 125% Cost Recovery Goal		
d. Meeting rooms – 125% Cost Recovery Goal		
e. Open Space – 100% Cost Recovery Goal		
f. Park fee – 100% Cost Recovery Goal		
g. Pools – 100% Cost Recovery Goal		
h. Shelters – 50% Cost Recovery Goal		
i. Stage – 120% Cost Recovery Goal		
j. Theater – 100% Cost Recovery Goal		
Seniors	**0% to 15%**	**15% to 100%**
a. Day use – 15% Cost Recovery Goal		
b. Fee classes – 50% Cost Recovery Goal		
c. Food/nutrition/daily – 50% Cost Recovery Goal		
d. Senior Legal Services – 100% Cost Recovery Go		
e. Social Services – 15% Cost Recovery Goal		
f. Special Events – 50% Cost Recovery Goal		
g. Trips – 100% Cost Recovery Goal		

Cost Recovery Goals by Core Pro and Activity, cont. (in alphabetic	Current Cost Recovery Range	Proposed Cost Recovery Range (To be Phased I
Special events	**2% to 9%**	**50% to 100%**
a. Competitions – 100% Cost Recovery Goal		
b. Entertainment/food – 50% Cost Recovery Goal		
c. Holiday – 50% Cost Recovery Goal		
Sports	**0% to 30%**	**50% to 100%+**
a. Adult Classes – 100% Cost Recovery Goal		
b. Adult League; competitive – 125% Cost Recovery Goal		
c. Adult league; recreation – 100% Cost Recovery Goal		
d. Clinics – 100% Cost Recovery Goal		
e. Competitive/Performing Teams (Gymnastics, Dance, etc)		
f. Recreational gymnastics – 50% Cost Recovery Goal		
g. Scheduling – 150% Cost Recovery Goal		
h. Tennis – 100% Cost Recovery Goal		
i. Tournaments – 100% Cost Recovery Goal		
j. Youth Classes – 50% Cost Recovery Goal		
k. Youth league; competitive – 100% Cost Recovery Goal		
l. Youth league; recreation – 50% Cost Recovery Goal		
Therapeutic	**0% to 16%**	**20% to 100%**
a. Adult drop in – 20% Cost Recovery Goal		
b. Adult respite (day use) – 20% Cost Recovery Goal		
c. Adults – 50% Cost Recovery Goal		
d. Camps – 50% Cost Recovery Goal		
e. Classes – 25% Cost Recovery Goal		
f. Trips – 100% Cost Recovery Goal		
g. Youth – 25% Cost Recovery Goal		
h. Youth drop in – 20% Cost Recovery Goal		
i. Youth respite (day use) – 20% Cost Recovery Goal		
Wellness and Fitness	**0% to 15%**	**15% to 100%**
a. Clubs/centers – 100% Cost Recovery Goal		
b. Fee classes – 100% Cost Recovery Goal		
c. Social Services – 15% Cost Recovery Goal		

Earned income supports the operating budget and helps to meet cost recovery goals that can not be achieved by pricing of services to support the Leisure Services operational budget. The Department does currently seek some earned income opportunities but it has not been pursued in a systematic manner to help offset operating costs and keep user prices as low as possible. PROS recommends that the Department create a **Business Development Unit** that would focus on generating earned income through grants, advertising, sponsorship, partnerships and other funding sources. These opportunities will require substantial training, a support effort by the Business Development staff and a well-developed implementation strategy to achieve the desired results.

The earned income options listed below should be pursued along with the pricing options outlined in the Pricing and Revenue Plan to meet the cost recovery goals recommended. They need a system-wide strategy to ensure consistency in seeking earned income endeavors.

FIVE.2.1 CORPORATE SPONSORSHIPS

PROS recommends that the Department seek corporate sponsorships in the form of Title, Presenting, Associate, and Product sponsors. These sponsorships can be applied to special events, facilities, exhibits, programs and services. Sponsorships 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 sponsorship for programs, facilities and events. PROS Consulting further recommends that a sponsorship team be formed to oversee the sponsorship process and requests so there aren't multiple requests going to the same corporation or business.

FIVE.2.2 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 work with partners in each of these categories. The goal is to approach partnerships as an earned income opportunity where the costs for services are shared with partners. The goal is to retain a 50/50 level of equity between a partner and the City. Developing the true cost of providing the service on the City's side is very important to determine what level of support the City should extend to the partnership. It is recommended that partnership agreement include measureable outcomes for accountability to the outcomes determined in the development of the partnership. It will be important for the City to gain an understanding from the partner what level of investment they are making in the programs that are using City-owned resources.

FIVE.2.3 PARK AND RECREATION FOUNDATIONS

Park and Recreation Foundations help organizations 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 to access classes and facilities. PROS recommend that the Department form a Park and Recreation Foundation to raise funds for needed projects in the form of one year, three year and five year projects. It also can assist in raising funds for land acquisition and support needed projects designated by the Director of the Department on an annual basis.

FIVE.2.4 GRANTS

PROS recommends that the Department establish a coordinated effort to seek grants on an annual basis to support parks, programs and facilities. We further recommend that grants be coordinated internally between divisions and approved by the Director before applications are submitted, to ensure that matching dollar programs are budgeted for in each fiscal year. Most Departments the size of the City of Las Vegas has personnel assigned to coordinate and manage grants for the Department.

FIVE.2.5 LAND LEASES

Many Departments evaluate on a yearly basis where they can lease park land for revenue purposes to support their operating budgets. Land leases can come in the form of leases along trails for concession and retail opportunities, park leases for food and retail establishments and cell towers, as well as to 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 operating costs.

FIVE.2.6 DEDICATED OCCUPANCY TAX

Agencies have pursued and received dedicated occupancy taxes from hotels, motels and bed and breakfast establishments to support the operating costs of park and recreation attractions, facilities and events. PROS recommends that the Department demonstrate its value to the City Council and seek this revenue source on an annual basis.

FIVE.2.7 USE OF PRIVATE CONCESSIONAIRES

Municipalities similar to that of the City of Las Vegas Department of Leisure Services have used private concessionaires to manage public facilities to maximize their revenue potential. Examples include golf courses, concessions, recreation and park attractions, special events, pools, and special use hospitality type facilities and spaces.

FIVE.2.8 ADVERTISING IN PARKS, FACILITIES AND PROGRAMS

Most Departments have an advertising policy that allows them to sell advertising in parks, special facilities and attractions and in programs. PROS recommends that the City of Las Vegas establish an advertising policy that provides opportunities for advertisement on program guides, exhibits, park and recreation web-site, landscaped areas, gymnasiums, outfield fences, backboards, bottom of swimming pools, water slides, vending machines, skate parks, vehicles, water bottles, playgrounds, billboards, radio and TV and web-sites.

FIVE.2.9 GIFT PROGRAMS

Many Departments have developed gift catalogs. Gift catalogs provide the opportunity for the community to invest in needed equipment and supplies. For example, the City of Sacramento has had a gift catalog for over 20 years and has raised millions of dollars for the department. Staff submits a list of items that they need to manage their facilities and programs and asks people to invest in them. Usually the Department has a large event for the community to provide them the opportunity to invest in the system.

FIVE.2.10 LEISURE SERVICES FACILTY IMPROVEMENT FEE

Many Departments will at times incorporate a Leisure Services Facility Improvement Fee for improvements on top of a user fee to support needed improvements for a special use facility like a golf course, swimming pool, skate park, dog park or sports field. Improvement fees range from $2-$5 added on to existing fees and remain in place until the improvement is complete.

FIVE.2.11 USE OF PRIVATE CONCESSIONAIRES

Many Departments use private concessionaires to manage catering hospitality and retail services for their Departments. Private concessionaires pay to lease space and pay a percentage of gross receipts to the Department for the right to provide the service at special events and or hospitality type events. Food and beverage and retail percentages range from 8% to 30% of gross revenues.

FIVE.2.12 GREENWAY UTILITY

Parks and recreation agencies sell the development rights below their trails for utilities based on a linear foot basis. The utility companies find these options attractive because they do not have to acquire an easement and they are dealing with one land owner. Parks and Recreation agencies use the money for matching trail grants, operating costs and signage improvements.

FIVE.2.13 SALE OF NAMING RIGHTS

Park and recreation agencies often sell the naming rights to special events, specific high end facilities and parks. With the sale of the naming rights the person whose name is on the park, facility or event receives a ten year right. The also support a percentage of the maintenance costs associated with the park, recreation facility and or event.

FIVE.2.14 DISTINGUISHED LICENSE PLATES

Many park and recreation agencies have a designated license plate for the Department that generates approximately $55 dollars a tag for the parks and recreation department. Such dollars can be targeted to greenways, open space and nature education types of parks.

FIVE.2.15 LICENSING RIGHTS

Many park and recreation departments have created licensing arrangements for their major attractions and for people who generate revenue through the use of City resources. Licensing can be applied to photographers, caterers, clothing manufactures and souvenir producers.

FIVE.2.16 SPECIAL USE PERMITS

Many groups and individuals often generate revenue through the use of City-owned facilities. These groups include sports groups who host major sports tournaments, special event groups, bike and running type of events. Parks and Recreation agencies receive revenue for the special use permit and also for each participant who is registered for the event

FIVE.2.17 HOSPITALITY AND BUSINESS PLANNERS PERMITS

Park and recreation agencies will permit a selected group of hospitality and business planners, based on a request for proposal basis, the opportunity to book and provide hospitality events in City-owned facilities when people request their use. The City receives 10-15% of gross revenues from the food and drinks served as well as 85% of the rental.

FIVE.2.18 EQUIPMENT RENTAL FOR REVENUE

Parks and recreation departments will often rent equipment such as strollers, bicycles, canoes, kayaks, sailboats, pontoon boats, scooters, chairs, tables, stages, tents, roller blades, cross country skis, golf clubs, life jackets, helmets and decorations to people to use in parks and facilities.

FIVE.2.19 PARKING FEES FOR EVENTS

PROS recommends exploring the option of charging parking fees at special events. Several Parks and Recreation agencies nationwide have incorporated this practice for sports tournaments, special events and major attractions.

FIVE.2.20 ROOM OVERRIDES ON SPECIAL EVENTS

Agencies will work with hotels and motels on room overrides for tournaments and special events that they host. Usual dollar overrides received are 10% on the cost of the room.

FIVE.2.21 MAINTENANCE ENDOWMENTS

It is recommended that the Department create maintenance endowments for all of its parks and facilities, where a percentage of dollars collected goes back into the operating budget to cover general yearly improvements to keep the facilities at the highest level possible. Houston, Dallas and Indianapolis have used this revenue source to help support the long-term maintenance needs of the City's attractions.

FIVE.2.22 SPORTS LIGHTING FEES

Park and recreation agencies typically charge a lighting fee for use of sports and tennis courts on a per hour basis as a revenue source. Systems nation-wide have employed this practice and it could be implemented in Las Vegas as well.

FIVE.2.23 RENTAL OF GARDENS AND VENDOR SPACE

It is recommended that the Department charge ground space to individuals for community gardens and vendor space for food and merchandise in parks and facilities on a square foot basis. Examples, of areas to charge this fee are at the community gardens and to vendors who sell items at events held at parks or community centers.

FIVE.2.24 PATRON CARDS FOR RECREATION CENTERS AND HIGH END FACILITIES

It is recommended that the Department sell patron cards for recreation centers, senior centers, teen centers and special use facilities. These patron cards cost $25-$50 a card and it provides certain rights and privileges beyond those a general user receives. This is a best practice that has been adopted by many Parks and Recreation Departments across the United States.

FIVE.2.25 MEMBERSHIPS, MONTHLY PASSES, DAILY ADMISSION FEES

Park and recreation agencies will develop a membership, monthly pass and/or a daily admission to a recreation type facility that has multiple program experiences to help offset operating costs. Rates range from $5 a day to $25-$65 a month for individuals, with incremental pricing for couples and/or families. These fees create revenues that are typically dedicated to that specific facility.

FIVE.2.26 USE OF VOLUNTEERS

Best practices by park and recreation agencies include developing volunteer programs directed at reducing staffing costs to support quality visitor experiences. PROS recommend that the City further refine the current volunteer program to

- Build Volunteerism as a core program area
- Provide needed staff and program support
- Build advocacy for the Department's programs and services in the community
- Develop a volunteer database for future system-wide use

FIVE.2.27 RESERVATIONS FOR EXCLUSIVE USE OF A PARK AMENITY

It is recommended that the Department further refine fees for the rental of indoor and outdoor spaces for exclusive use by establishing fees based on prime-time, non-prime time and season and off-season rates.

FIVE.2.28 CONCESSIONAIRE FEES

It is recommended that the Department charge professional coaches and teachers a fee to teach classes on City-owned tennis courts, basketball courts, sports fields, buildings, golf courses and entertainment venues for a percentage of revenue. Best practices indicate that the City could receive up to 15% of gross revenues from these sources.

FIVE.2.29 SALE OF MERCHANDISE

It is recommended that the Department allow other vendors and professionals to sell their materials on City-owned facilities for a percentage of receipts back to the City. This can be on a consignment basis or in a designated space. Items can include photographs, art, food, clothing, picnic supplies and other memorabilia.

FIVE.2.30 RENTAL CAR TAX

Parks and recreation agencies in major cities such as Phoenix receive a percentage of the rental car tax to support their operations. The rental car tax supports their high end attractions, golf courses, special events and provides capital and operating money for the department.

FIVE.2.31 SPECIAL FUNDRAISERS

It is recommended that the Department develop three or four key fundraisers each year for specific programs. These include fundraisers for scholarships, adopt a kid programs, therapeutic services and key attractions requiring operating dollars.

CHAPTER SIX - CONCLUSION

The key to implementing a successful Pricing and Revenue Plan centers on having an effective methodology and process to follow as outlined in this plan. Department staff provided a lot of input into this document and has learned a lot about their current costs and levels of cost recovery.

Having measurable outcomes to which staff are held accountable will teach them to manage within a business mindset. They will learn to manage their programs and services with attention to efficiency and cost, and to price their services based on levels of benefit and cost recovery goals. The result will be additional revenue to offset operating costs and make the Department of Leisure Services a more sustainable department.

A greater awareness of the costs to provide a service will also help staff to make more informed decisions, from a pricing and efficiency standpoint. Tracking pricing outcomes and results based on capacity and attendance and the revenue created will be critical for the future. Effectively communicating costs and providing users pricing alternatives based on their price points will be important to the users and a major element to ensure the success of this plan.

Using all the appropriate earned income strategies will only help the organization move towards greater fiscal sustainability and long term success in the minds of its users and elected officials. This Pricing and Revenue Plan will not be easy to implement in the beginning, but it is attainable and will achieve great results for the Department if followed. Implementing the Scholarship Policy will help people who need or want a service to not be closed out by lack of ability to pay the market rate. During these challenging financial times every revenue opportunity needs to be pursued to help support the operating budget of the Department and the City to achieve sustainability.

CHAPTER SEVEN - APPENDIX A

[redacted]

Scholarship programs serve a very important purpose in terms of creating equity and fairness in offerings. They ensure greater accessibility to all cross-sections of the community and help build a society that values the underprivileged and seeks to help make things better. Additionally, by having a set dollar amounts, these programs offers the scholarship recipient a choice in the type of programs that they want to partake in, be it a number of individual classes or just extended camps.

To ensure the effective implementation of such a policy, it is important to have adequate representation from Department staff (manager and field staff involved in the implementation of the policy) and the legislative liaisons involved and weighing in on the workings of the policy. The field staff must evaluate the effectiveness of the policy on a consistent basis to ensure it serves its purpose and that the eligibility criterion is fair.

SEVEN.1.1 STATEMENT OF INTENT

- The Department of Leisure Services Scholarship Program will ensure that qualifying Las Vegas residents will have fair access to participation in the Department's programs, classes and services

SEVEN.1.2 ELIGIBILITY CRITERIA

- Youth (0-17 years, or proof of current enrollment in secondary education institution), Indigent adults, seniors with disabilities
- Submit/show proof of City of Las Vegas residency (driver's license, utility bill, etc.)
- Submit/show proof of restricted income, determined by one of the pre-existing state and/or federal level programs listed below:
    - Subsidized housing, Section 8 rent subsidy
    - Aid to Families with Dependent Children (AFDC)
    - Temporary Assistance for Needy Families (TANF)
    - Food Stamps
    - Military personnel
    - Nevada unemployment benefits
- Complete/submit scholarship application form

SEVEN.1.3 PROGRAM ELIGIBILITY

- Scholarships will apply to fee based recreation classes that meet more than one time

SEVEN.1.4 SCHOLARSHIP AMOUNT AND FREQUENCY

- The scholarship will cover 50% of the listed fee to participate. The scholarship recipient is required to pay the remaining 50% of the listed price of the class
    - Any additional costs (supplies, etc.) are the responsibility of the recipient
- The funding level for scholarships will be dependent upon the revenues collected each fiscal year. The amount that each individual is eligible for will be posted at all sites to ensure that the public is aware of changes to the program

SEVEN.1.5 FUNDING

- 2%- 3% of revenue generated will be allocated to the scholarship fund, ensuring that scholarships remain a budgeted item
- Leisure services scholarship fund is available for donations and contributions

- Community Input – comments, recommendations, and suggestions that were made by the consensus of participants at public workshops held throughout the community
  - Adult Sports Comments:
    - Community willing to pay for quality
    - Community is willing to pay for increased maintenance
    - Current practice of field allocation is flawed; hoarding instead of usage based (how can we keep our competitors from using the field)
    - Sparse/very few comments about fees being too high; one comment came from a person who has blanket use of a 12-field complex
    - Services have been cut while fees have remained constant (i.e. over-seeding, trash pick-up, etc.)
  - Senior comments
    - The majority annual membership holders are willing to pay a little more
    - Fee classes were really important
    - Enjoy trips, but cannot afford higher price
    - Would like to explore volunteer instructors to keep cost down
    - Food and nutrition is an important program to seniors
    - Quality of facilities and staffing exceed all other entities visited
  - Recreation comments
    - Open to differential pricing; did not mind paying more for prime time; also open to differential pricing by location
    - Open to higher level of instruction
    - Open to use of improvement fund if funds were protected by policy
    - SafeKey is a great bargain
    - Summer camps are excellent value
    - Potential to establish friends groups to offset costs
  - Aquatics comments
    - The majority of users at Veterans do not want a covered pool; covered pool will provide for year-round use
    - Most pools are available for high school swim beginning in February
    - Majority of users support a modest increase in open swim fee
    - Users would be supportive of increasing class minimums to keep the costs lower
  - After School comments
    - Programs are very reasonably priced
    - Great value and alternative for parents
    - Convenient hours; some parents would like expanded hours
  - Wellness and Fitness comments
    - Seniors liked the fitness facilities where present

CHAPTER NINE - APPENDIX C

Appendix C is a capture of the Leisure Services Department operations for the 2008 Fiscal Year. This Core Program Market Analysis is dynamic that can and has changed as operational shifts are made.

- Core Program Market Analysis, Strategies, and Recommendations – core program and core program use analysis as defined by the Pricing and Revenue Plan Committee Members and vetted by the Director, Acting Deputy Director, and Department Managers
    - Adult Sports
        - Basketball – 1 gymnasium at a facility; demand is limited to capacity; diversifying gymnasium by program limits the ability of additional basketball programming
            - Classification – Non-Core / Private
            - Current Pricing – varies by program
            - Cost Recovery – 100%+
            - Cost Recovery Goal – 125%
            - Regional Benchmark – very few private groups provide adult basketball; private clubs/YMCA set the upper bar; City is at the bottom of pricing spectrum; City is one of few municipalities that run shot clocks, etc.; some providers set pricing differently (charge for officials, etc.); other providers charge an average of 15% higher pricing; pricing elasticity is low
            - Alternative Pricing/Programming – mid-day leagues (10A-2P Leagues) to address second/third shift employees; potential for organized pickup game (run-and-shoot) based on the competency of the player and the number of participants (organized around lunch/dinner/short break)
            - Strategies – survey of young adult residents (18-35) to hone in on need of recreational programming; explore operational policies of closing centers at 5PM for expanded programming
        - Soccer – adult soccer has exploded as City has increased in-house programming; increased from 6-teams to 32-teams; to increase market share City would have to reduce the permits to private leagues; limited capacity for City leagues due to permitting; must balance field permitting/allocation and City leagues to allow for 50% City usage
            - Classification – Core / Private
            - Current Pricing – varies by program area
            - Cost Recovery – 150%+
            - Cost Recovery Goal – 125%
            - Regional Benchmark – Most private programming is permitted through City scheduling; private entities charge between $400 to $500 per team; City charges $175 per team; pricing elasticity is high

  - Alternative Pricing/Programming – increase user agreements to allow for City to control 50% of field allocation; remaining 50% allocated to non-profit and for-profit groups and rentals
  - Strategies – increase price point to mirror other providers utilizing City assets; provide same level of service (games, etc.)
- Softball – more demand than supply of field; City fields opened up in October; demand could decrease with Field of Dreams soon opening
  - Classification – Core / Private
  - Pricing – varies by program area
  - Cost Recovery – 116%
  - Cost Recovery Goal – 125%
  - Regional Benchmark – City programming is within a few dollars of other providers; supply and demand are nearly equal
  - Alternative Pricing/Programming – potential to open up existing non-peak capacity to non-traditional leagues such as second/third shift employees; weekend leagues (Saturday and Sunday);
  - Strategies – allocate necessary human resources/funding to allow for just-in-time programming based on market demand; explore potential of marketing naming rights for facility/programs to increase unearned income opportunities (Huntington Beach is currently utilizing similar program)
- Adult Softball Tournament – due to cost to produce City has removed themselves from the business of adult softball tournaments
  - Classification – Non-Core / Private
  - Pricing – varies by program area
  - Cost Recovery – 21.2%
  - Cost Recovery Goal – 125%
  - Regional Benchmark – Other providers can operate with higher margins; cease program offering
  - Alternative Pricing – Continue practice of permitting fields to outside organizations for efficiencies/savings (roughly $10K per year in savings)
  - Strategies – cease City offered program; continue with permitting
- Racquetball – limited critical mass of market makes racquetball a limited cost recovery program; must base future program on restructuring of memberships
  - Classification – Non-Core / Private
  - Pricing – varies by program area
  - Cost Recovery – 1.1% / 2.6% / 3.6%
  - Cost Recovery Goal – 125%
  - Regional Benchmark – many other providers associated with larger fitness based facilities;
  - Alternative Pricing – explore additional court reservation fee in addition to the membership rate based on first-come-first-served

for peak/off-peak periods (after 4PM all courts are rental based)

- Strategies – explore membership program and associated benefits; explore alternatives for tiered pricing of programs based on market demand; explore space utilization to maximize value of all spaces and potential for alternative uses

- Volleyball (indoor) – program not as big as once was; limited gymnasium space due to 1 gymnasium per facility; expansion of badminton program has lead to greater off-peak usages in gymnasiums
  - Classification – Non-Core / Private
  - Pricing – varies by program area
  - Cost Recovery – 3.2% / 84.7%
  - Cost Recovery Goal – 125%
  - Regional Benchmark – similar pricing to County (County is $180+Ref/City of $150+Ref); limited programming in private sector
  - Alternative Pricing/Programming – mid-day leagues (10A-2P Leagues) to address second/third shift employees; explore potential of complimentary programming to allow for parent-child utilization of facility
  - Strategies – build wider audience base to focus on young adult and recreational use for club sport teams; collaborative nature of inner-department asset management leads to loss of market expansion
- Volleyball (outdoor) – excess capacity for outdoor volleyball program; multi-million dollar outdoor volleyball complex (Centennial Hills Park); 20 courts; alcohol sales are not permitted; open to public; management of facility is done at Dula Gym – not on site (across town); explore potential to outsource operations of facility (similar arrangement to golf courses)
  - Classification – Non-Core / Private
  - Pricing – varies by program area
  - Cost Recovery – 17.1%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – Sunset (County charges $180 per team for 8-games)
  - Alternative Pricing/Programming – outsourcing of Centennial Park complex to management group (similar to golf contracts); allow for alcohol sales during conducive program times; explore potential to program non-peak times for City usage
  - Strategies – pursue management group; explore programming to school-aged volleyball market to provide additional sport outlet; recruit through single clubs/other local traditional style leagues

▪ Seniors

- Day use – senior population fastest growing demographic in community; many providers in the region are making some senior services non-essential; excess capacity in senior centers allows for room to grow; many users of senior services come from neighboring communities;

- Classification – Core / Public
- Pricing – $2 annual membership
- Cost Recovery – Less than 2.0%
- Cost Recovery Goal – 15%
- Regional Benchmark – North Las Vegas has one facility; extremely old (40+years); Henderson is building their first senior-only center; County has multiple, West Flamingo facility rivals City facilities
- Alternative Pricing/Programming – wellness/fitness program to "energy up" facility and make more attractive to the young-senior categories (50-65); aquatic programming – explore potential for small exercise pool at limited existing facilities
- Strategies – discontinue all pay-on-the-floor practices; implement pay tiers for senior age segments; implement volunteer program with voucher compensation (similar to golf course practices); explore potential for expanded wellness/fitness amenities; explore potential to backfill full time staffing with volunteers to supplement levels of service and reduce operating costs; explore the expansion of programming where allowed at Centers (dependent on CDBG funding) to take place after hours (after 5PM); enforce senior discounts for all Leisure Services divisions at a strict 15%; administer capacity study to understand utilization of space; regional program/facilities strategy

- Trips – All senior centers in region offer trips; some groups administer out -of-state trips; City offers half-day trips; seniors pay for all ancillary services; City incurs cost of transportation, staff, and water during summer months
  - Classification – Core / Private
  - Pricing – $2 per trip
  - Cost Recovery – average 0.7% cost recovery
  - Cost Recovery Goal – 100%
  - Regional Benchmark – All entities in region offer service
  - Alternative Pricing/Programming – revenue/expense neutral program to recover all costs incurred
  - Strategies – explore potential to outsource trip program or cease offering program and allocate operational expenses to essential services; regional program/facilities strategy
- Fee classes – fitness and computer class attendance is at/near capacity; excess capacity exists in all other spaces; many instructors are paid on the floor (illegal process); indirect competition from hotel/casino pulls much of the market share (hotel sends free transportation and offer reduced price/free lunch)
  - Classification – Core / Private
  - Pricing – Pay-on-the-floor; cease this process
  - Cost Recovery – average 15.4% cost recovery

  - Cost Recovery Goal – 50%
  - Regional Benchmark – County and Henderson offer similar services; compete against hotels/casinos
  - Alternative Pricing/Programming – charge/administer programs based on reservation system
  - Strategies – shift to hourly pay for all instructors; regional program/facilities strategy
- Food/nutrition/daily – not at capacity; program is limited due to staffing and budget; access to program is first-come first-served; hourly staffing prepares all meals; City has shifted to pre-packaged meals at Doolittle and Las Vegas Senior Center; City has been partnering with AARP to provide service at Las Vegas Senior Center
  - Classification – Core / Private
  - Pricing – $2 per meal
  - Cost Recovery – average 2.7% cost recovery
  - Cost Recovery Goal – 50%
  - Regional Benchmark – North Las Vegas, County, and Henderson offer program in some capacity
  - Alternative Pricing/Programming – educate seniors as to the true cost to provide meal and list suggested price of meal
  - Strategies – explore potential to cease program offering and allocate operational expenses to essential services; regional program/facilities strategy
- Senior Legal Services – received a large grant from the State for program; additional grants; partially administered through revenues generated through Nevada Revised Statute; general fund augmentation; attorney/paralegal/personnel/etc. are City employees
  - Classification – Non-Core / Private
  - Pricing – Free program; funded with grant/alternative funding; donations are accepted
  - Cost Recovery – 0.0% from fees; allocated slightly less than $25,000 of operational costs per year; recovers roughly 60-65% of costs through partnering/grants
  - Cost Recovery Goal – 100%
  - Regional Benchmark – City is sole provider of free senior services
  - Alternative Pricing/Programming – program cannot charge for services
  - Strategies – explore for potential operating efficiencies for 100% cost recovery
- Special Events – special events are at capacity (space) at most facilities; generates the majority of participation/clicks at Centers; indirect competition from hotels/casinos
  - Classification – Non-Core / Merit
  - Pricing – varies by event; $2, $3, and on $5
  - Cost Recovery – average recovery is 0.6%
  - Cost Recovery Goal – 50%

    - Regional Benchmark – All neighboring entities; compete against hotels
    - Alternative Pricing/Programming – regional programs/events; reduce level of service; explore $7 price point for all events
    - Strategies – average cost of $100 per person per event ($500K costs and 5K participants) – limit costs by reducing service and duplication of events; regional program/facilities strategy
  - Social Services – demand for social services is high; mostly driven by the free use of space the City has historically provided
    - Classification – Non-Core / Private
    - Pricing – free programs
    - Cost Recovery – 0.0%; free programs
    - Cost Recovery Goal – 25%
    - Regional Benchmark – All neighboring entities; some non-profits provide social services as well
    - Alternative Pricing/Programming – charge for use of space (rental); negotiation of in-kind services with partners
    - Strategies – program/utilization of spaces with City run programs should take precedence; regional program/facility strategy
- Youth Sports
  - Youth league; recreation – basketball, soccer, flag football, and t-ball; excess capacity exists; youth sports has not been a huge priority in the City; City has prospered in youth sports where organization is strong; lack of strong direction has lead to youth sport decline; field allocation limits ability of youth sport ventures
    - Classification – Core / Merit
    - Pricing – varies by activity
    - Cost Recovery – average 26.8%
    - Cost Recovery Goal – 70%
    - Regional Benchmark – most activities are provided by private club sports; all entities in the Valley run youth sports to some degree
    - Alternative Pricing/Programming – improve quality of program
    - Strategies – once quality/value has been improved address price point; explore potential for annual capital/maintenance fund fee as an add-on to individual participant fees; place youth sports into Sports Unit ("Sports" Core Program) division
  - Youth league; competitive – limited to youth basketball; excess capacity exists; when well organized participation is solid;
    - Classification – Core / Private
    - Pricing – varies by activity
    - Cost Recovery – average 1.3%
    - Cost Recovery Goal – 100%
    - Regional Benchmark – private/club sports provide regular on-going leagues;

      - Alternative Pricing/Programming – improve quality and consistency of program; potential to create neighborhood recreational feeder programs into regional competitive leagues; explore expansion into competitive soccer leagues and other club sports; explore sponsorships derived through RFP process (sponsorship program similar to Land 'O Frost program)
      - Strategies – explore potential for annual capital/maintenance fund fee as an add-on to individual participant fees; place youth sports into Sports Unit ("Sports" Core Program) division

- Other Sports
  - Clinics – organized activities that did not make; clinics limited to tennis
    - Classification –
    - Pricing – varies by type of program
    - Cost Recovery – average 0.0%
    - Cost Recovery Goal – 100%
    - Regional Benchmark –
    - Alternative Pricing/Programming –
    - Strategies –
  - Tennis – off-peak hours have excess capacity; seasonally at capacity during peak hours (weekends; after 5PM); waiting lists are common during peak times; expansion of mid-morning programming has increased participation; currently exploring differential pricing to shift capacities to mid-day
    - Classification – Core / Private
    - Pricing – varies by program; passes range from $250/$300/$500 per year; tournaments, drop-in, and sessions vary
    - Cost Recovery – average 90.2%
    - Cost Recovery Goal – 100%
    - Regional Benchmark – All neighboring entities have tennis assets; most local parks have courts; hotels/casinos; private clubs; none have the quality and breadth of offering (on-site pro shop, etc.) that Darling Tennis Center does; competition does not affect the ability of the DTC to attract participants
    - Alternative Pricing/Programming – differential pricing to shift programs to mid-day time slots/seasonal; price point on many programs, clinics, leagues, and outside tournament usage should increase to mimic true competitors in marketplace
    - Strategies – shift price point in line with value received; shift management and program of facility to the program/market offered (i.e. sanctioned tournaments do not require gift/prize)
  - Tournaments – excess capacity exists; limited opportunities offered by City; most tournament play occurs in private sector; City does partner with some entities to provide tournament; private groups have monopolized tournament market and revenues available
    - Classification – Core / Private
    - Pricing – varies by program

  - Cost Recovery – varies
  - Cost Recovery Goal – 100%
  - Regional Benchmark – Private/club providers
  - Alternative Pricing/Programming – explore potential of "Competitive Sports" unit
  - Strategies – create business plan to demonstrate economic value of all City administered tournaments; assign full time staff person to administer all tournament activities; organize tournament under work unit of "Competitive Events/Sports" core program category that administers all outdoor sporting events via City programming (recreational leagues), local user groups, tournament usage, etc.
- Scheduling – allocating/permitting City assets to community for usage; allocation of City and limited school assets (approximately 12 school fields); permitting is at capacity during peak times on an annual basis;
  - Classification – Core / Private
  - Pricing – youth league - $100 per team per season; adult league - $110 per team per season; practice - $10/hour/field for non-profit; $20/hour/field for profit; tournaments follow hourly pricing plus an additional 10% of tournament registration
  - Cost Recovery – varies
  - Cost Recovery Goal – 150%
  - Regional Benchmark – Other municipalities, school district and some private.
  - Alternative Pricing/Programming – explore potential to expand use for second and third shift employees to program non-peak times; increase quality of assets by over-seeding, etc.; current costs of maintaining assets ($2.25 to $3.0 million) equates to less than 10% of costs covered by user fees – explore price point increase in line with value received; explore league pricing shift to team charge plus an additional hourly rental based on asset use (hourly/asset rent) instead of team based – this will limit the issue of asset hoarding; differential pricing of assets to shift to off -peak times
  - Strategies – explore potential for annual capital/maintenance fund fee as an add-on to individual participant fees; place youth sports into Sports Unit ("Sports" Core Program) division; set pricing based on value received and costs incurred
- Youth Classes – basketball skills, martial arts, general sports classes
  - Classification – Core / Merit
  - Pricing – varies
  - Cost Recovery – average 28%
  - Cost Recovery Goal – 50%
  - Regional Benchmark – all regional entities; private/club (martial arts, soccer, baseball, etc.)

  - Alternative Pricing/Programming – explore workshop/clinic style program (single meeting/1-3 hour event); quality of instruction is inconsistent; explore potential to funnel classes into leagues
  - Strategies – place youth sports into Sports Unit ("Sports" Core Program) division
- Adult Classes – wellness/fitness, martial arts; fitness rooms are currently highly subsidized
  - Classification – Core / Private
  - Pricing – varies by program
  - Cost Recovery – average 29.8%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – all regional entities; private sector (big box wellness/fitness, martial arts studios, etc.)
  - Alternative Pricing/Programming – explore workshop/clinic style program (single meeting/1-3 hour event); explore packaging of programs with current trend/culture (i.e. 9-and-wine); consistently administer membership program across the system
  - Strategies – explore potential to restructure memberships for a-la-carte pricing based on benefit received; regional program/facility marketing plan; explore potential for capital replacement fund for fitness equipment; package programs to provide multi-generational programming opportunities (i.e. mom-&-tot, etc.)
- Recreational gymnastics – wide range of programming including parent and me to advanced gymnastics programs; programs take place in cafeterias, dedicated spaces, gymnasiums, etc.; inconsistent pricing amongst programs at locations; need a more standardized approach to pricing; dedicated gymnastic facilities are running at capacity (Mirabelli and Veterans) during peak times; program has a tendency to overpay instructors; Mirabelli and Veterans instructors are paid top dollar, even for recreational gymnastics; shift program composition to place "advanced" instruction to competitive gymnastics program due to level of instructor and exclusivity of program offering
  - Classification – Core / Merit
  - Pricing – varies by program type
  - Cost Recovery – 50.1%
  - Cost Recovery Goal – 50%
  - Regional Benchmark – private clubs; all other public entities
  - Alternative Pricing/Programming – shift advanced program to competitive gymnastic tier to reflect level of instruction and exclusivity received; differential pricing based on location and asset/amenity (Mirabelli and Veterans)
  - Strategies – create a higher number of minimum participants to keep price of program affordable; marketing strategy to shift the advanced program to the competitive program; explore instructor compensation structure to per participant (ratio) basis

instead of hourly basis (POLICY SHIFT FOR HOURLY/RATIO COMPENSATION); explore potential to offer buy-up option to allow for lesson participants the option to buy-up for private instruction with the same group lesson instructor

- Competitive/Performing Teams (Gymnastics, Dance, etc) – pricing is not consistent; generally, cost recovery is minimum; pricing reflects initial program creation; instructors with dance/performing teams do not have credentials; gymnastic instructors are credentialed; pricing of program versus the total out-of-pocket costs (i.e. uniforms, shoes, bags, etc.) is unbalanced
    - Classification – Core / Private
    - Pricing – varies by program area
    - Cost Recovery – average 12.7%
    - Cost Recovery Goal – 100%
    - Regional Benchmark – see table
    - Alternative Pricing/Programming – explore pricing structure to allow City to collect all fees and provide uniform/etc. for all teams instead of each individual purchasing separately; explore potential to shift program to entry-level instruction and shift competitive nature to outside/private clubs
    - Strategies – document cost of service and subsidy for program; create system wide strategy for all sport programs to create a consistent approach to pricing, instruction, rental/allocation, etc.; establish a system wide curriculum for all programs to be followed at all sites/locations; promote functional based organization, and subsequently programming, system wide

- Aquatics
    - Learn to Swim – summer season is main program focus; tiered levels of programming;
        - Classification – Core / Merit
        - Pricing – varies by program types
        - Cost Recovery – average 24.1%
        - Cost Recovery Goal – 60%
        - Regional Benchmark – All public entities; some private providers
        - Alternative Pricing/Programming – promote off-peak classes; explore packaging of all tiers/programs for LTS; explore market for adult/senior LTS classes
        - Strategies – market LTS during non-peak times (day use); cross program LTS and water fitness/dry programs for multi age segment family programming; explore market expansion to older demographic
    - Fitness Swim – senior water aerobics, shallow water exercise, aquatic therapy and recovery, arthritis water exercise; geared toward senior adult market;
        - Classification – Core / Private
        - Pricing – varies by program types

- Cost Recovery –
- Cost Recovery Goal – 100%
- Regional Benchmark – all public entities; private sector in large/big box providers
- Alternative Pricing/Programming – price by hour, non-prime time, lane/amenity and number of participants; explore potential of "punch card" usage for lap swim
- Strategies – present cost of service and resulting subsidy levels; explore potential to convert underperforming pools into "fitness only" pools – could be problematic due to deep water present at all pools;

- Competitive Swim – high school, club rental swim, water polo, performance teams; high school and club rental is high; high level of entitlement amongst user groups – reasoning for building cover at Pavilion Pool (located adjacent to Veterans) is due to team/club use; City philosophy has changed to servicing the competitive groups before the general public
  - Classification – Non-Core / Private
  - Pricing – varies by program type
  - Cost Recovery – average 3.4%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – All public entities; HOA and YMCA's act as facility provider;
  - Alternative Pricing/Programming – explore tiered pricing for peak/non-peak usage (groups utilize facility during peak afternoon/evening time);
  - Strategies – analyze subsidy rental per hour and cost of service
- Parent and tot – limited programming available;
  - Classification – Non-Core / Merit
  - Pricing – varies by program type
  - Cost Recovery – no data available
  - Cost Recovery Goal – 60%
  - Regional Benchmark – All public entities; some private providers
  - Alternative Pricing/Programming – as demand increase pursue alternative/differential pricing
  - Strategies – pursue approach similar to that utilized for gymnastics and dance
- Life Guard/Safety training – program trains participants that typically work at local hotel/casino; atmosphere and perks provided by hotel/casino typically outweighs the pay incentive that the life guard receives when compared to the City; discounting exists for some life guard training to improve program numbers
  - Classification – Non-Core / Private
  - Pricing – varies by program type
  - Cost Recovery – average 27.5%
  - Cost Recovery Goal – 100%

  - Regional Benchmark – All other public entities; some private providers
  - Alternative Pricing/Programming – explore discounting of program for return of participant working for City; discount would be realized through credit to paycheck after a set period of time
  - Strategies – explore potential regional approach to life guard training for hotel/casinos;
- Open Swim – open swim time has encroached on program times due to desire for afternoon/evening usage; fees for open swim were increase 2-3 years ago; capacity available differs by pool location
  - Classification – Core / Public
  - Pricing – varies by program type
  - Cost Recovery – average 13.1%
  - Cost Recovery Goal – 25%
  - Regional Benchmark – all public entities; YMCA's
  - Alternative Pricing/Programming – explore use of punch card; differential pricing to shift high use period to non-peak times;
  - Strategies – redesign flat pool to more resort style amenities

▪ After School

- Summer Camps – capacity differs on location; large demand (140+ persons at West) exists at some locations; program is underpriced for value received; staffing ratio is 15:1; 1-2 full time staff are allocated per camp to supplement hourly staff;
  - Classification – Core / Merit
  - Pricing – varies by program type
  - Cost Recovery – average 98.8%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – all public entities; churches/non-profit groups; private providers; most charge a much higher rate for program
  - Alternative Pricing/Programming – explore half day camp to provide tiered levels of service;
  - Strategies – analyze subsidy levels and cost to provide service; price accordingly; explore potential of shifting low attendance camps to specialty camps
- Seasonal Camp – winter break and spring break camps; spans multiple divisions (ACE/Recreation/Adaptive/Sports); attendance wide range amongst camps;
  - Classification – Core / Merit
  - Pricing – varies by program type
  - Cost Recovery – 80.97%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – all public entities; some private providers; churches/non-profits;

- Alternative Pricing/Programming – price according to value of experience received
- Strategies – continue to explore regional sites for seasonal camps;

- Specialty – good attendance for most programs; offered in multiple divisions (ACE/Recreation/Adaptive/Sports); qualifications of instructors should be of a higher level than typical recreational programs; high demand leads to registration nightmare due to non-efficient registration process – must register in person on a weekly basis
    - Classification – Core / Private
    - Pricing – varies by program type
    - Cost Recovery – average 23.9%
    - Cost Recovery Goal – 125%
    - Regional Benchmark – all public entities; churches/non-profits; private providers
    - Alternative Pricing/Programming – pricing according to instructor qualifications; analyze department wide approach to program offering and pricing to offer single approach
    - Strategies – build program around current trends as determined by pop culture and current events; registration of specialty camps is
- SafeKey – high demand exists majority of sites; some sites will need to be closed or managed differently; desire to shift to a punch card system would be detrimental to program; hours and pricing differ by site and time
    - Classification – Core / merit
    - Pricing – varies by program type
    - Cost Recovery – varies by program
    - Cost Recovery Goal – 100%
    - Regional Benchmark – all public entities; some after school programs at YMCA and some day care facilities
    - Alternative Pricing/Programming – snacks purchased from Clark County School District have increased in past, this increase was not passed through to the participant
    - Strategies – do not shift to punch card; manage model must be approached from an operations (staff is limited to budget allocated and staffing ratio) or registrant (number of registrants dictate the operations); <operational costs are fixed based on a set period of time – one week; shifting to a punch/a la carte approach to program participation cannibalizes the ability of the program to operate efficiently – the staff must be present regardless of participation, i.e. same management model utilized by private day care>
- Youth Development – No discussion from the public meetings for this program
    - Classification – / Merit and Core

  - Pricing – No charge
  - Cost Recovery – average 23.2%
  - Cost Recovery Goal – 25%
  - Regional Benchmark –Some non-profit provide similar services
  - Alternative Pricing/Programming –Need to have a monthly charge for the program, some by event, cover the costs of the banquet and seek sponsorships for the program
  - Strategies – The outcomes are focused on the high school graduation rates, job skill development, social development, school assistance and preparing for college
- Teen programs – Skate parks are very important to the community and the kids did not want to see the rates go up. The current rates are $10 dollars and there are skate board classes at $50 dollars. No other programs for teens was discussed
  - Classification – Core / Merit
  - Pricing – Targeted for the after school pricing efforts. They are also targeted to the game rooms programs
  - Cost Recovery – average 16.4%
  - Cost Recovery Goal – 25%
  - Regional Benchmark – other entities do programming in conjunction with the City; two indoor private skate parks in City
  - Alternative Pricing/Programming – game rooms are difficult to price according to cost of service; analysis of skate parks showed that the cost to limit access is prohibitive
  - Strategies – explore price increase according to subsidy provided;

▪ Wellness and Fitness
- Fee classes – yoga, bosu, Pilates, walking clubs (senior center), etc.;
  - Classification – Core / Private
  - Pricing – varies by program type
  - Cost Recovery – average 8.6%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – all public entities; non-profits; private providers
  - Alternative Pricing/Programming – analyze the benefits of membership/all inclusive as opposed to a la carte pricing;
  - Strategies – need an overall philosophy as to how wellness and fitness is presented as a program; review program offering by division and organize appropriately as a functional organization (ACE does not need to offer Pilates);
- Clubs/centers – Chuck Minker, Veterans, Mirabelli, Doolittle and Doolittle Senior Center, Municipal Pool; cardiovascular and resistance training; majority are underutilized; some centers have outdated equipment; majority of all centers are cramped for adequate space;
  - Classification – Core / Private
  - Pricing – varies by program type
  - Cost Recovery – average 0.0%

        - Cost Recovery Goal – 100%
        - Regional Benchmark – some in surrounding public entities; private providers; non-profits
        - Alternative Pricing/Programming – analyze the benefits of membership/all inclusive as opposed to a la carte pricing; off-peak pricing; explore potential to collect renewal/replacement fund
        - Strategies – evaluate drop in use and monthly membership fee; regional approach to program offering
    - Social Services – food voucher/stamp program referral (Stupak and Rivera), Fit Program; health fair; other assistance to underprivileged neighborhoods; 100% subsidized by the Department;
        - Classification – Core / Public
        - Pricing – varies by program type
        - Cost Recovery – average 15.0%
        - Cost Recovery Goal – 15%
        - Regional Benchmark –
        - Alternative Pricing/Programming – most public entities in some form or another; non-profits;
        - Strategies – explore service offering within the community for duplication of services; explore potential to partner for program delivery; analyze participants for unique persons (not repeat)
- Special events
    - Holiday – Easter Festival, Halloween Event, Cinco de Mayo, Back to School, Fathers/Mothers Day, MLK Day; local, regional and city-wide events, majority are neighborhood and regional;
        - Classification – Non-Core / Public
        - Pricing – varies by program type
        - Cost Recovery – average 1.9%
        - Cost Recovery Goal – 50%
        - Regional Benchmark – all public entities; churches/non-profits; HOA;
        - Alternative Pricing/Programming – explore potential to shift to three quality events on a regional basis
        - Strategies – explore potential to shift away from neighborhood to regional and citywide events; shift to three events for regional/city-wide offering to focus on quality;
    - Entertainment/food – Movies in the Park, all catered special events
        - Classification – Core / Merit
        - Pricing – varies by program type
        - Cost Recovery – average 8.9%
        - Cost Recovery Goal – 50%
        - Regional Benchmark – all public entities; some private & non-profit
        - Alternative Pricing/Programming – explore potential to shift to specified quantity of quality events on a regional basis

- Strategies – Explore potential to shift away from neighborhood to regional/city-wide offering to focus on quality
- Competitions – AM Jam, tennis tournaments
  - Arts Classification – Public / Core
  - Pricing – varies by program type
  - Cost Recovery – average 2.6%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – some public entities, private entities, outside valley come here to compete
  - Alternative Pricing/Programming – pursue more competitors, less competitions
  - Strategies – increase pricing, manage expenses, partnering

▪ **Arts**

- Classes – dance, arts, music, and acting; ACE is in the process of breaking out classes by youth and adult
  - Classification – Core/Merit
  - Pricing – varies by program type
  - Cost Recovery – average 21.6%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – all public entities; all LS divisions, private entities
  - Alternative Pricing/Programming – explore current subsidy levels and price accordingly to cost recover at goal; look at prime vs. non-prime time and location; specialized instruction vs. beginners (price accordingly), explore consistent curriculum and consistent pricing; look at prime vs. non-prime time and location
  - Strategies – consolidate under-performing classes with other locations, ensure minimum enrollment is met; programming should occur in venues designed to host the event; explore potential for sponsorship and co-sponsorship opportunities
- Events – public dances, big band events, films, festivals
  - Classification – Core/Public - ½ are Core/Merit
  - Pricing – varies by program type
  - Cost Recovery – average 0.1%
  - Cost Recovery Goal – 50%
  - Regional Benchmark – all public entities, private entities, other LS divisions
  - Alternative Pricing/Programming – charge minimum fee to reduce subsidized level and meet cost recovery goal
  - Strategies – Explore potential to shift away from neighborhood to regional/city-wide offering to focus on quality
- Performances – theater performances (TRC), anything performance related – local and touring artists
  - Classification – Core / Merit
  - Pricing – varies by program type
  - Cost Recovery – average 2.8%

        - Cost Recovery Goal – 50%
        - Regional Benchmark – all public entities, other City departments, private
        - Alternative Pricing/Programming – explore current subsidy levels and price accordingly to cost recover at goal; look at prime vs. non-prime time and location
        - Strategies – programming should occur in venues designed to host the event; explore potential for sponsorship and co-sponsorship opportunities; negotiate better prices with the artists
    - Technical support – Technical Unit – audio and visual support
        - Classification – Core / Private
        - Pricing – varies by program type
        - Cost Recovery – average 0.0%
        - Cost Recovery Goal – 100%
        - Regional Benchmark – all public entities, private sector
        - Alternative Pricing/Programming – explore current subsidy levels and price accordingly to cost recover at goal
        - Strategies – eliminate CLV events that create overtime/TILO; establish an equipment replacement/maintenance fund (use % of fees to establish)

- Therapeutic
    - Classes – Swim lessons (one-on-one and group), paddling, golf, Dodgeball, Racquetball, Art, Yoga, SPARK, no input from focus groups
        - Classification – Core / Merit
        - Pricing – varies by program type
        - Cost Recovery – average 0.0%
        - Cost Recovery Goal – 25%
        - Regional Benchmark – limited from any other provider
        - Alternative Pricing/Programming – Are we charging enough? Look at overhead efficiencies.
        - Strategies – Setting a higher standard on minimum registrations, further networking on school district to recruit participants.
    - Adult respite (day use) – After work recreation programs for adults with developmental disabilities. This was not discussed at the focus groups.
        - Classification – Core / Merit
        - Pricing – varies by program type
        - Cost Recovery – average 8.2%
        - Cost Recovery Goal – 20%
        - Regional Benchmark – limited from any other provider
        - Alternative Pricing/Programming – Look at overhead efficiencies, standardize pricing, try exploring alternate respite funds to pay for participants attendance
        - Strategies – Evaluate consolidating adult and youth respite programs, evaluate field trip component and overhead

efficiencies.

- Youth respite (day use) – After school recreation programs for school age children with developmental disabilities. Focus groups said that the facilities were not functional and were very outdated. An important service to her family so that her child could be involved.
    - Classification – Core / Merit
    - Pricing – varies by program type
    - Cost Recovery – average 6.3%
    - Cost Recovery Goal – 20%
    - Regional Benchmark – limited from any other provider
    - Alternative Pricing/Programming – Look at overhead efficiencies, standardize pricing, and try exploring alternate respite funds to pay for participant's attendance.
    - Strategies – Evaluate consolidating adult and youth respite programs, evaluate field trip component and overhead efficiencies.

- Adult drop in – Heading On, Annual Holiday Dance, REP and no input from focus groups.
    - Classification – Core / Private
    - Pricing – varies by program type
    - Cost Recovery – average 0.0%
    - Cost Recovery Goal – 20%
    - Regional Benchmark – Limited from any other provider
    - Alternative Pricing/Programming – No fee charged
    - Strategies – Look to institute a fee, evaluate the continuance of the program and look at overhead efficiencies.
- Youth drop in – Family Appreciation BBQ, Disability Awareness Day
    - Classification – Core / Merit
    - Pricing – varies by program type
    - Cost Recovery – average 0.0%
    - Cost Recovery Goal – 20%
    - Regional Benchmark – Limited from any other provider
    - Alternative Pricing/Programming – Fees are nominal so look at a pricing increase and look at overhead efficiencies
    - Strategies – Evaluate the need for this program, look at attendance and cost recovery and look overhead efficiencies.
- Trips – Leisure Buddies, Camping
    - Classification – Non-Core / Private
    - Pricing – varies by program type
    - Cost Recovery – data needs to be refined
    - Cost Recovery Goal – 100%
    - Regional Benchmark – Limited from any other provider
    - Alternative Pricing/Programming – Less frequent too increase enrollment

    - Strategies – Evaluate the need for this program, look at attendance and cost recovery and look overhead efficiencies.
  - Youth Wheelchair Sports– BLAZE, Power Soccer, USA Paralympic and was not discussed in the focus groups.
    - Classification – Core / Merit
    - Pricing – varies by program type
    - Cost Recovery – data needs to be refined
    - Cost Recovery Goal – 25%
    - Regional Benchmark – Limited from any other provider
    - Alternative Pricing/Programming – No Fee,
    - Strategies – Look for more alternative funding sources, look to school district to increase attendance, evaluate the need for this program, look at attendance and cost recovery and look at overhead efficiencies.
  - Adults Wheelchair Sports– Rugby, Football, Over the Line and was not discussed at focus groups.
    - Classification – Core / Private
    - Pricing – varies by program type
    - Cost Recovery – data needs to be refined
    - Cost Recovery Goal – 50%
    - Regional Benchmark – Limited from any other providers
    - Alternative Pricing/Programming – membership fee and a tournament fee and both need to be evaluated to look at cost recovery goals.
    - Strategies – Passing official costs to participants, train more local wheelchair sport officials; look at overhead efficiencies, evaluating the staffing pattern associated with wheelchair sports.
  - Camps – Youth and Adult Camp CAL & Camp Malibu no input from focus groups
    - Classification – Core / Private
    - Pricing – varies by program type
    - Cost Recovery – average 0.0%
    - Cost Recovery Goal – 50%
    - Regional Benchmark – Limited from any other providers
    - Alternative Pricing/Programming – Currently meeting cost recovery goal, higher cost recovery goal should be considered
    - Strategies – Evaluate staffing and overhead costs to assist in higher cost recovery.
- Rentals
  - Open Space – parks, festival areas
    - Classification – Core / Private
    - Pricing – varies by program type of group i.e. individual, 501-C-3 Not-for-profit, and private for profit
    - Cost Recovery – average 22.0%
    - Cost Recovery Goal – 100%

- Regional Benchmark – all public entities, HOAs
- Alternative Pricing/Programming – pricing based upon amenities
- Strategies – share revenue from events, develop a marketing plan that will increase public knowledge of rental opportunities, eliminate waived fees petition to city council and develop an updated rental policy; ensure only qualified participants receive the non-profit rate if applicable

▪ Meeting rooms – conference rooms, multi purpose rooms, learning rooms
  - Classification – Non-Core / Private
  - Pricing – varies by rental type
  - Cost Recovery – average 10.0%
  - Cost Recovery Goal – 125%
  - Regional Benchmark – all public entities; private entities
  - Alternative Pricing/Programming – pricing based upon amenities, prime versus non-prime time; additional charge for equipment usage (i.e. projector, additional tables, chairs, etc.); charge actual cost for staff including benefits for support
  - Strategies – eliminate waived fees and develop rental policy, establish facility maintenance fund (% of fees charged); develop a marketing plan that will increase public knowledge of rental opportunities; ensure only qualified participants receive the non-profit rate if applicable

▪ Halls – ballrooms
  - Classification – Non-Core / Private
  - Pricing – varies by rental type
  - Cost Recovery – average 0.0%
  - Cost Recovery Goal – 125%
  - Regional Benchmark – All public entities, private sector
  - Alternative Pricing/Programming – pricing based upon amenities, prime versus non-prime time; additional charge for equipment usage (ie projector, audio equipment, additional tables, chairs, etc.); charge actual cost for staff support
  - Strategies – eliminate waived fees and develop rental policy, establish facility maintenance fund (% of fees charged); develop a marketing plan that will increase public knowledge of rental opportunities; ensure only qualified participants receive the non-profit rate if applicable

▪ Parking fee – Floyd Lamb Park entrance fees
  - Classification – Non-Core / Private
  - Pricing – $6/vehicle; $1 walk/bike/horseback; $1/person/bus; $15 senior annual pass; $45 annual pass
  - Cost Recovery – 100%
  - Cost Recovery Goal – 100%
  - Regional Benchmark – Other regional parks
  - Alternative Pricing/Programming – explore market and service areas to determine needs of community; program and price

accordingly
    - Strategies – increase marketing, explore possible overnight venues (camping, special events)
- Gymnasiums – basketball tournaments, clinics
    - Classification – non core / private
    - Pricing – varies by gym location
    - Cost Recovery – average 0.0%
    - Cost Recovery Goal – 100%
    - Regional Benchmark – All public entities, private sector
    - Alternative Pricing/Programming – pricing based upon amenities, prime versus non-prime time; additional charge for equipment usage (ie score clock, basketballs, chairs, etc.); charge fee for staff support, eliminate waived fees
    - Strategies – develop rental policy
- Shelters – park picnic shelters
    - Classification – core / private
    - Pricing – varies by type of pavilion
    - Cost Recovery – no data available
    - Cost Recovery Goal – 50%
    - Regional Benchmark – All public entities, HOAs
    - Alternative Pricing/Programming – pricing based upon amenities, prime versus non-prime time, eliminate waived fees and develop rental policy
    - Strategies – Develop a marketing plan
- Pools – lane rentals, open pool areas
    - Classification – core/private
    - Pricing – varies by size of pool
    - Cost Recovery – average 18.7%
    - Cost Recovery Goal – 100%
    - Regional Benchmark – All public entities, HOAs, private
    - Alternative Pricing/Programming – eliminate waived fees and develop rental policy, establish facility maintenance fund (% of fees charged); develop a marketing plan that will increase public knowledge of rental opportunities; ensure only qualified participants receive the non-profit rate if applicable, establish facility maintenance fund (% of fees charged);
    - Strategies – develop a marketing plan that will increase public knowledge of rental opportunities
- Stage – Showmobile and Cultural Arts Express
    - Classification – Core / Private
    - Pricing – varies by program type
    - Cost Recovery – average 3.3%
    - Cost Recovery Goal – 120%
    - Regional Benchmark – public entities, private
    - Alternative Pricing/Programming – ensure only qualified participants receive the non-profit rate if applicable, establish

facility maintenance fund (% of fees charged); eliminate waived fees and develop rental policy
    - Strategies – charge actual staff costs to include overtime/TILO and benefits; eliminate CLV events that create overtime/TILO
- Theater Rentals – Charleston Heights and Reed Whipple Arts Centers, Sammy Davis Jr. Festival Plaza, and Centennial Hills Amphitheater
    - Classification – Core / Private
    - Pricing – varies by program type
    - Cost Recovery – data needs to be refined
    - Cost Recovery Goal – 120%
    - Regional Benchmark – public entities, some private
    - Alternative Pricing/Programming – ensure only qualified participants receive the non-profit rate if applicable, establish facility maintenance fund (% of fees charged); eliminate waived fees and develop rental policy; price based upon amenities
    - Strategies – establish co-sponsorship/sponsorship opportunities, share event/ticket revenue, charge actual staff costs

- Permitting/Allocation – Fields, Tournaments and Leagues, the focus groups discussed less hoarding by the wealthy groups, they want an evaluation of fields secured vs. number of teams, most groups can pay higher fees, quality of our facilities is at the top in the Southwest open to differential pricing, due to location or assets with the complex.
    - City control 50% of all sports field assets
    - Usage Agreement tiered for City, Non-Profit, and Private uses
    - All partnerships with Non-Profit require audited books of Non-Profit to determine the pricing; based on lowest denominator to guard against the ability of Non-Profit to shift/allocate funds within organization to lower revenues
        - Classification – Core / Private, Core/ Merit
        - Pricing – varies by program type
        - Cost Recovery – average 32.7%
        - Cost Recovery Goal – 100%
        - Regional Benchmark – All other municipalities, some private and school district.
        - Alternative Pricing/Programming – Differential pricing, tournament revenue sharing with the city.
    - Strategies – Explore more leagues facilitated by city, implement new permitting policy, auditing of tournament and league financial books.