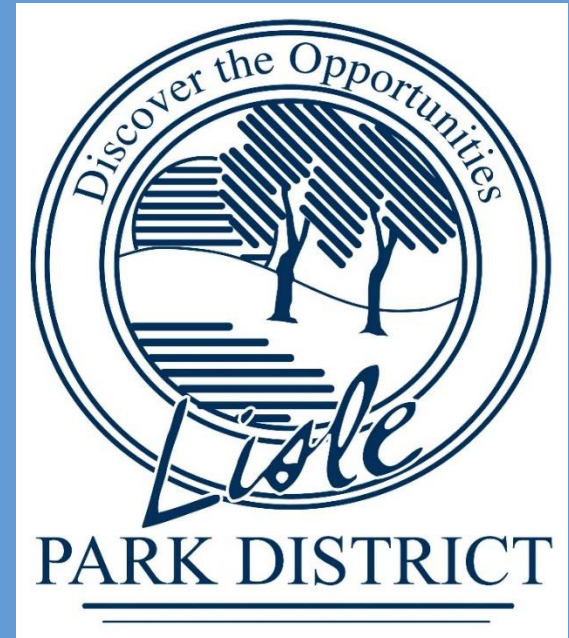




COST RECOVERY, RESOURCE ALLOCATION, AND REVENUE ENHANCEMENT STUDY



April 8, 2015



The Project

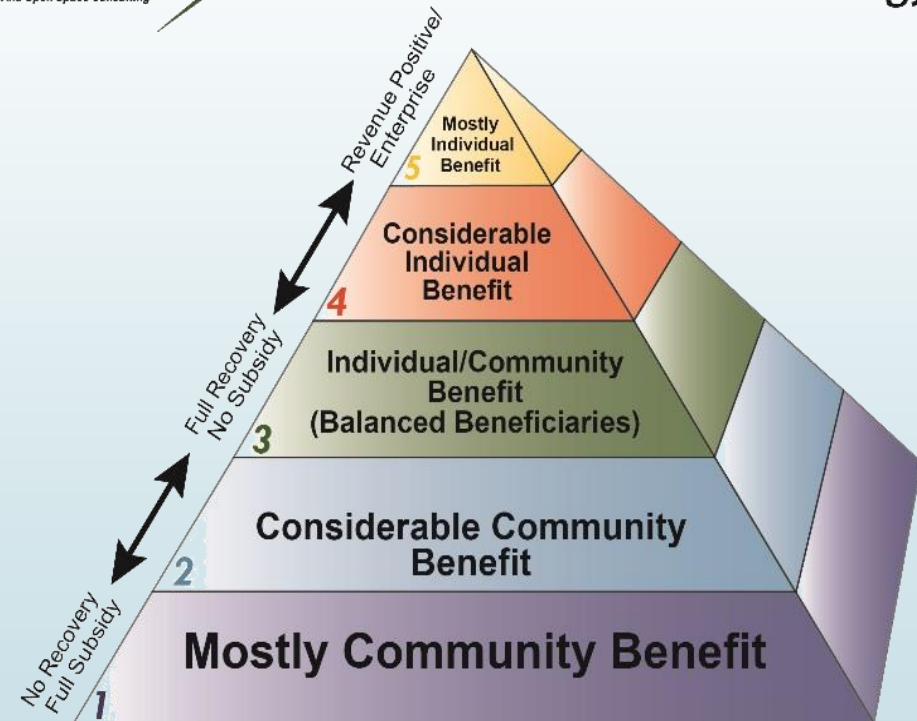
- September of 2014 through April of 2015.
- Led by Project Team to:
 - review practices and existing policy
 - become familiar with and incorporate best practice tool
 - work with the public to understand its values
 - recommend and adopt the best strategies for the Lisle Park District
- *Resource Allocation and Cost Recovery Philosophy, Model, and Policy*

The Pyramid Model

- Incorporates community values
- Continuum of benefit from Mostly Individual to Mostly Community
- Consistent definition of direct costs for calculation of cost recovery



The Pyramid Methodology



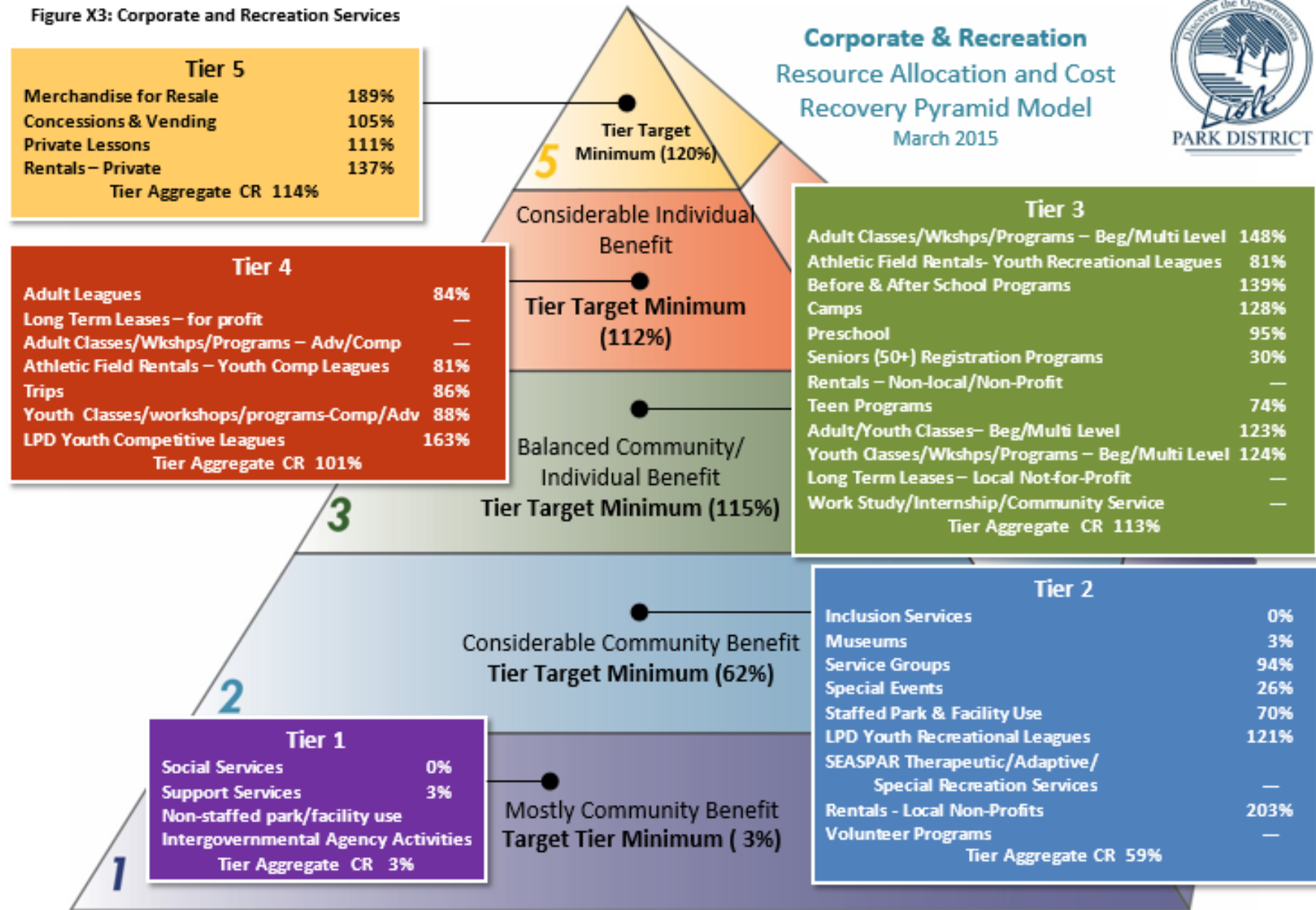
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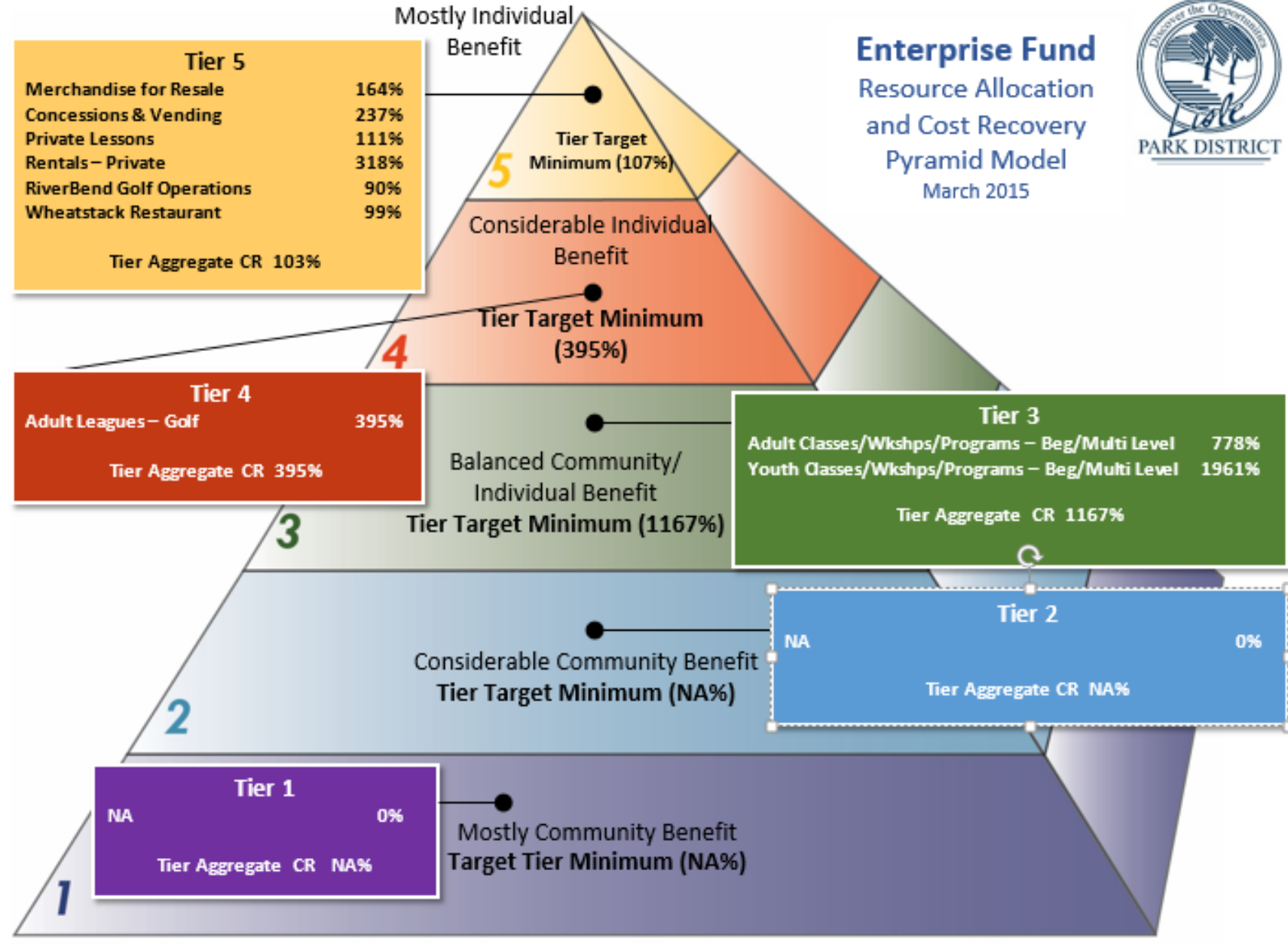
Citizen Engagement

- 4 workshops on November 18th and 19th
- 90 community members voluntarily contributed 225 hours of meaningful deliberation
- Members of the Park Board participated in the process.
- Information available on web site
- Presentation to Park Board in April 8 Study Session
- Park Board Public Hearing and Action April 16

Figure X3: Corporate and Recreation Services



Enterprise Fund
Resource Allocation
and Cost Recovery
Pyramid Model
March 2015



Cost Recovery: Current and Target

Table Y: Current and Recommended Target Cost Recovery

Corporate & Recreation Services	Current Cost Recovery %	Target Cost Recovery %	Net Dollar Value
Tier 5	114%	120%	\$7,055
Tier 4	101%	112%	\$49,059
Tier 3	113%	115%	\$15,605
Tier 2	59%	62%	\$27,370
Tier 1	3%	3%	\$1,324
TOTAL	33%	34%	\$100,414
Enterprise Fund			
Tier 5	103%	107%	\$78,559
Tier 4	395%	395%	\$0
Tier 3	1167%	1167%	\$0
Tier 2	NA	NA	\$0
Tier 1	NA	NA	\$0
TOTAL	106%	110%	\$78,559



Key Findings

- Cost accounting to align revenues and expenditures
- Tier target minimums, and evaluation after year one
- Fee setting and adjusting
- Maximizing fees for non-resident use
- Eligibility and funding for need-based discounting
- Accounting for volunteer services as a cost avoidance strategy
- Questioning of the Museum as an appropriate and sustainable operation
- Value of this exercise in supporting Agency Accreditation.



Recommendations

- Cost Recovery Policy Statement
- A: Policy Strategies
- B: Administrative Strategies
- C: Revenue Enhancement
- D: Cost Avoidance Strategies
- E: Tier Specific Cost Recovery Strategies
- F: Evaluation and Performance Measures
- G: Planning for the Future



Cost Recovery Policy Statement

- Basic level of service free
- Fees are a responsible and necessary supplement
- Community benefit = tax dollars
- Individual benefit = fees
- Balanced ➡ higher individual = higher cost recovery rate
- Also considers economic climate, alternative providers and market rate
- Fee reductions available for economic need



Focus Area A: Policy Strategies

- 1. Seek acceptance of policy statement and recommendations
- 2. Develop a written fee reduction policy; seek funding
- 3. Consider “Resident Discount” and more flexible approach
- 4. Shift adult age based discounting to “off peak” pricing
- 5. Establish a gifts and donations acceptance policy



Focus Area B: Administrative Strategies

- 1. Use Model and Policy as staff training tool
- 2. Use zero-based budgeting principles
- 3. Set and adjust fees using pricing strategies
- 4. Manage program lifecycles
- 5. Review all agreements for equity compliance with cost recovery goals
- 6. Use this best practice tool to support CAPRA Accreditation



Focus Area E: Tier Specific Cost Recovery Strategies

➤ 1. Enterprise Fund

- 4.5% increase in cost recovery = 4% increase in revenues
- Timeframe: end of year three or sooner
- Enterprise Fund carries higher load of direct costs than C&R Fund

➤ 2. Corporate and Recreation Services

- 1.5% increase in cost recovery = 5% increase in revenues
- Timeframe: end of year three or sooner



Focus Area E: Tier Specific Cost Recovery Strategies

► Tier 5

- Continue efforts to increase traffic at restaurant and golf club venues
- Separate private rentals from general operations at Wheatstack for cost tracking
- Evaluate merchandise at River Bend for higher cost recovery; seek 100% CR of golf fees
- For Corporate & Recreation Services increase overall tier CR from 114% to 120% (Sea Lion Concessions, garden plots, personal training)

► Tier 4

- Increase tier CR from 101% to 112% (focus on areas under 100% :adult and youth sports leagues, swim team, and senior trips)



Focus Area E: Tier Specific Cost Recovery Strategies

► Tier 3

- Increase tier CR from 113% to 115% - Large tier with variety of programs and services and capacity for large volumes of participation

► Tier 2

- Increase tier CR from 59% to 62% - Wide range of current CR. Particularly low are Special Events (26%), Museum (3%), and Senior Programs/Drop in Programs (0%). Consider fees and charges, sponsorship and/or partnerships.



Focus Area C: Revenue Enhancement

- 1. Explore alternative funding sources
- 2. Pursue alternative funding for environmental sustainable measures
- 3. Expand use of alternative funding for strategic initiatives
- 4. Maximize relationship with Lisle Partners for Parks Foundation for fundraising
- 5. Continue to pursue sponsorships; update valuations and opportunities
- 6. Increase marketing and outreach efforts through stronger branding



Focus Area D: Cost Savings/Cost Avoidance Strategies

- 1. Review internal management practices to simplify; place approval/decision making authority at appropriate levels
- 2. Maintain current operating capital and maintenance plans and budget practices
- 3. Identify specific parks and trails for “Friends Group” support
- 4. Value volunteer hours as a form of cost savings and report as part of financial performance



Focus Area F: Evaluation & Performance Measures

- 1. One year pilot implementation; annual review
- 2. Use internal and external data to
 - Conduct cost benefit analysis
 - Conduct pre and post assessments
 - Benchmark against your own standard
- 3. Base division and individual work plans on performance measures
- 4. Formalize a District-wide program and service evaluation tool



Focus Area G: Planning for the Future

- 1. Continue to provide opportunities for community input
- 2. Staff/Board participation in planning meetings
- 3. Continue collaborations and discussions with other agencies
- 4. Community-wide opinion and interest survey every 5-7 years with questions about value of services in light of changing demographics



Thanks for taking the journey!

Questions?

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