



PRK-3.06 - Cost Recovery Policy for City Parks and Recreation Programs - Printable Version

COST RECOVERY POLICY FOR CITY PARKS AND RECREATION PROGRAMS

Non-Binding City Policy
NCP-PRK-3.06

PURPOSE

WHEREAS, a healthy parks and recreation system makes Portland a better place to live, work, and play; and

WHEREAS, the mission of Portland Parks & Recreation is to ensure access to leisure opportunities and enhance Portland's natural beauty; and

WHEREAS, an objective of Vision 2020 is to provide a wide variety of high quality park and recreation services and opportunities for all residents; and

WHEREAS, when organizing recreational opportunities for the public, Portland Parks & Recreation offers activities that promote positive community values such as:

- Lifelong learning;
- Health and a sense of well being;
- A sense of community;
- Respect for the natural environment; and

WHEREAS, Portland's citizens have made a significant investment in parks and recreation facilities so that all citizens can have access to a broad range of positive leisure activities, and all Portland citizens benefit when the community has recreation sites that are clean, safe, and accessible to all; and

WHEREAS, Portland Parks & Recreation is obliged to protect these investments through sustainable operations and maintenance practices; and

WHEREAS, participation in positive recreation activities brings personal benefits to the individual participants such as an increased a sense of well being, life long learning, and enjoyment; and

WHEREAS, public recreation programs also bring benefits to the entire community such as increased community involvement and cooperation, a more attractive location for businesses and employees, better educated and more responsible youth, improved public safety and health, stronger and more cohesive neighborhoods, and greater respect for the environment; and

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WHEREAS, broad participation in public recreation programs by a diversity of citizens from all segments of Portland increases both personal and public benefits; and

WHEREAS, the public interest is furthered in ensuring access to public recreation for groups experiencing barriers to participation; and

WHEREAS, with multiple benefits accruing to both personal and public interests, it is appropriate for public recreation programs to be supported by a blend of participant fees and taxpayer funding; and

WHEREAS, the annual City budget determines the amount of taxpayer support that is available for organized public recreation opportunities; and

WHEREAS, charging fees for participation is a way to increase the availability of those programs by supplementing taxpayer resources; and

WHEREAS, charging fees creates the responsibility to balance the availability of recreation programs with their affordability; and

WHEREAS, recreation programs exist in a voluntary market place where customers have complete choice about whether to participate, and where consumer choices are sensitive to the prices charged and the selection of offerings; and

WHEREAS, Portland Parks & Recreation has prepared a cost of service study that identifies current cost recovery levels for the various types of recreation programs;

POLICY

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Portland that the cost of service study presented by Portland Parks & Recreation be accepted; and

BE IT FURTHER RESOLVED that the following cost recovery policy guide Portland Parks & Recreation's efforts to organize and set prices for recreation programs;

1) Public Interest – The public has an interest in the availability of a broad range of organized recreation opportunities that encourage good health, lifelong learning, respect for the environment, and a sense of community.

2) Balance of benefits – Benefits of participation in public recreation accrue to both the participant and to the public and, therefore, it is appropriate that recreation be funded by a balance of participant fees and public resources.

3) Focus of cost recovery goals – The mission and goals for public recreation activities and programs apply to all citizens of Portland and interests in particular activities are determined by individual participants. The public interest lies in encouraging participation and reducing barriers to access of public recreation. Hence cost of service analysis and cost recovery goals are expressed in broad demographic groups for which there is particular public interest or for whom there exist significant barriers to participation. These groups are identified as follows:

- a) Youth: in order to invest in the future of our community.
- b) Adults: in order to increase the diversity of community participation in public recreation.
- c) Low income citizens: in order to ensure access and mitigate financial barriers to participation.
- d) Disabled citizens and seniors: in order to improve opportunities for inclusion and participation.
- e) New immigrants: in order to increase awareness of, and improve access to, recreation programs.

4) Cost recovery goals – Cost recovery goals express a balance of public and personal benefits defined in terms of the broad demographic groups identified as follows:

- a) Youth: Pricing for youth programs offered outside of low income neighborhoods should be set to recover 42% of total costs.
- b) Adults: Pricing for adult programs offered outside of low income neighborhoods should be set to recover 63% of total costs.
- c) Low income citizens:
 - i) Youth: Pricing of youth programs in low income neighborhoods should be set to recover 23% of total costs.
 - ii) Adults: Pricing of adult programs in low income neighborhoods should be set to recovery 26% of total costs.

5) Targeted recreation programs – Portland Parks & Recreation will provide recreation programs targeted to the special needs of disabled citizens, seniors, and new immigrant populations. The disabled citizens recreation, senior recreation, and outreach programs for new immigrant populations will have lower cost recovery rates than general recreation programs because of the fixed costs of organizing these programs. However, to the degree that disabled citizens, seniors, and new immigrants participate in general recreation programs, they are subject to the same prices as the general population, including pricing as appropriate for youth or low income citizens. Exceptions are for multiuse passes, golf, Pittock Mansion, and Crystal Springs Rhododendron Garden, where the bureau may continue the existing tradition of offering separate senior rates.

6) Pricing – Prices are to be set by recreation staff under the authority of the Director of Portland Parks & Recreation. In setting prices, the bureau will balance the goals of program availability and affordability within the constraints of budget allocations, market economics, and cost recovery goals approved herein.

7) Financial assistance – In addition to pricing which reflects cost

recovery goals for low income neighborhoods and youth programs, Portland Parks & Recreation will seek to ensure affordability of recreation activities through scholarships, certain free youth activities, time-limited price promotions, and by cultivating volunteers and partnerships. Certain youth activities should be free and regularly available at community centers and SUN Community Schools as appropriate to ensure accessibility and participation as determined by Portland Parks & Recreation.

8) Cross-subsidization – Cost recovery goals, as determined by this policy, are intended to be averages across the recreation programs. Over- or under-realization of these cost recovery goals by any particular site or activity is acceptable in order that programming and pricing fit the realities of the marketplace and particular neighborhoods while maximizing participation, making efficient use of facility capacity, and maintaining a broad array of recreation offerings.

9) Activities requiring permits – A permit is required for certain activities in Portland parks. When permits for picnics or weddings result in exclusive use of an area, pricing should be set to achieve 100% recovery of total costs. When the purpose of a permit is to reserve a limited area for a limited time, such as a small group picnic, then prices should be set to recovery 100% of the direct costs incurred by the bureau.

10) Rental of facilities – Various facilities are available for use by groups and private parties. Pricing should be set to recover 100% of direct costs for rentals during normally open hours. For events during normally closed hours, prices should be set to recover all incremental costs incurred by the bureau, including staff, maintenance, and utilities. However, recognized friends of parks groups and City of Portland neighborhood associations may have reasonable use of facilities free of charge during normally open hours.

11) Waivers of Fees and Charges – Waiving or reducing certain fees and charges for recreation activities, permits, and rentals is within the public interest in order reduce barriers to participation, or optimize utilization and revenue generation of existing facilities.

The bureau shall establish an appropriation during the annual budget process to offset revenues lost by waiving fees and charges. Total fees and charges waived annually shall be constrained within this appropriation. The bureau may request budget adjustments during the fiscal year.

12) Updating of goals – Information about cost recovery levels should be updated annually, and cost recovery goals should be reviewed and updated at least once every two years.

Whenever the Council approves a cost recovery goal that is higher than the current level of recovery prices should be raised incrementally over time in the affected program categories in accord with market acceptance in order to optimize revenue generation in balance with program availability and participation. Whenever the Council approves a cost recovery goal that is less than the current level of recovery the bureau shall present a budget decision package during the subsequent annual budget process identifying the additional amount of General Fund discretionary resources necessary to achieve the goal and provide options for program changes or reductions in lieu of additional resources.

13) Compliance with budget – Notwithstanding the policy goals for cost recovery described above, the bureau’s first responsibility in organizing and pricing recreation programs is to operate within the budget set by City Council. Cost recovery goals are guidelines for program design and pricing, subsidiary to budgetary allocations and economic realities. Furthermore, cost recovery goals are subsidiary to the bureau’s responsibilities for parks system development and maintenance requirements.

14) Recreation enterprises – Golf and the Portland International Raceway continue as enterprise operations and should continue to recover 100% of their full costs.

15) Interagency services – Services provided to other bureaus or governmental agencies should recover 100% of their full costs, consistent with the City’s Comprehensive Financial Management Policy.

BE IT FURTHER RESOLVED this resolution is non-binding city policy.

HISTORY

Resolution No. 36257 adopted by Council September 29, 2004.

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