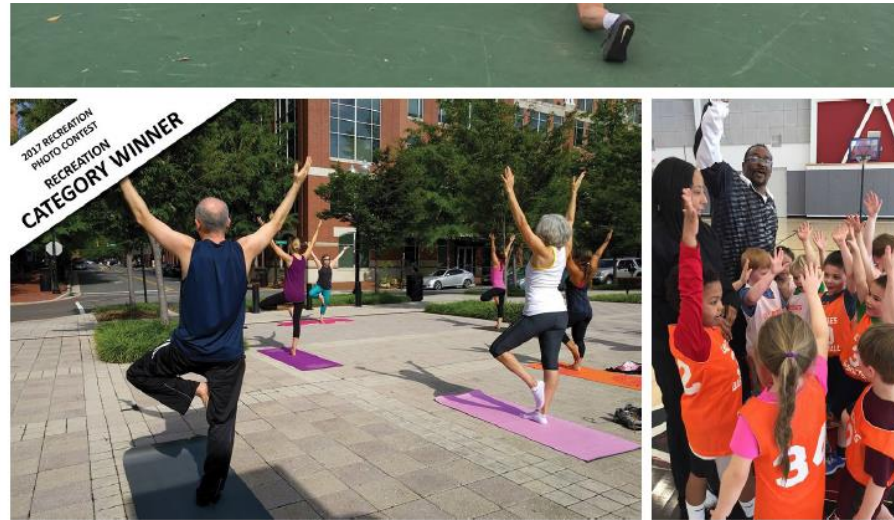




# **City Council Meeting**

## **June 25, 2019**

Department of Recreation, Parks &  
Cultural Activities Resource Allocation &  
Cost Recovery



# RESOURCE ALLOCATION STUDY CITY OF ALEXANDRIA DEPARTMENT OF RECREATION, PARKS & CULTURAL ACTIVITIES



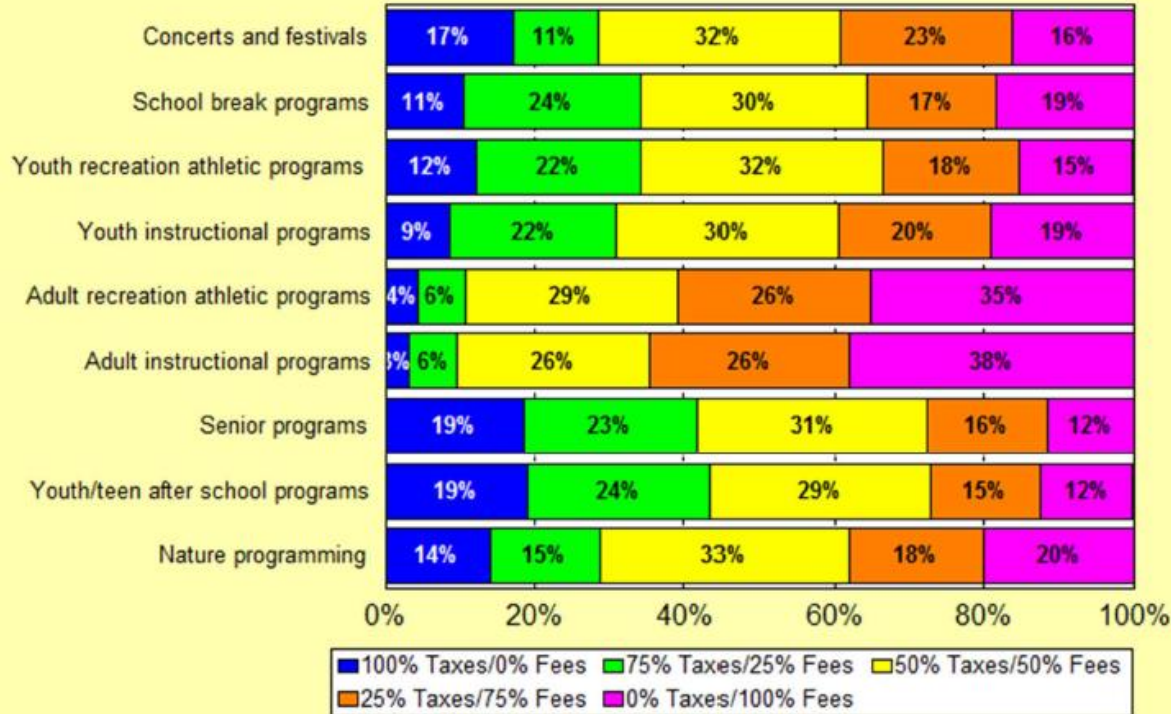
MAY 2019

# RPCA Resource Allocation (2011)

## Community Survey

### Q10. Percentage of Activity/Program Direct Costs That Should Be Paid Through Taxes and Fees

by percentage of respondents



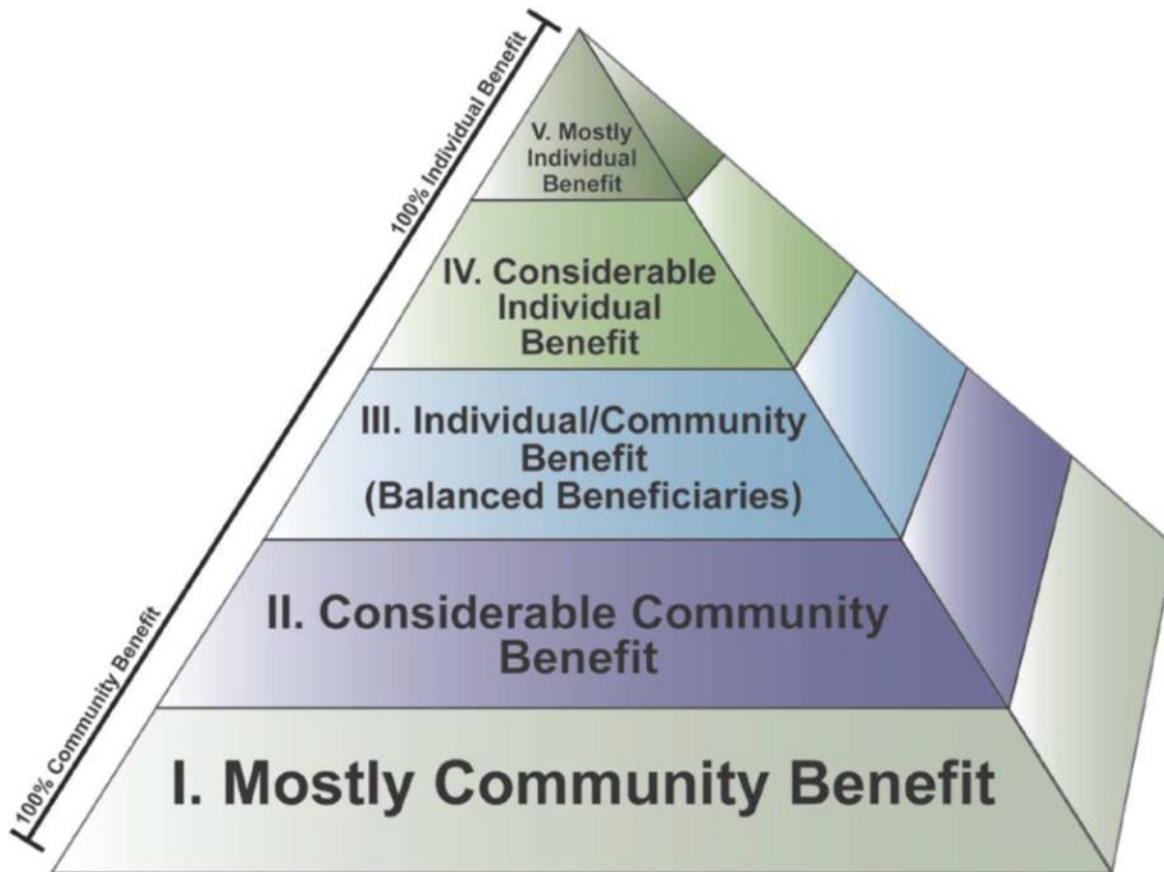
Source: Leisure Vision/ETC Institute (July 2011)

# GreenPlay Study and Public Process

- In 2012, RPCA used best practice research from GreenPlay LLC to develop a resource allocation and cost recovery model specific to Alexandria.
- City Council adopted this model in September 2013.
- In 2018, RPCA engaged GreenPlay and the community to update the model.



# Resource Allocation Pyramid Methodology



© 2001, 2008, 2009 GreenPlay, LLC

Where do we  
use resources?

What do we  
subsidize with  
tax dollars?

What services  
are supported by  
user fees?

# Resource Allocation Filters

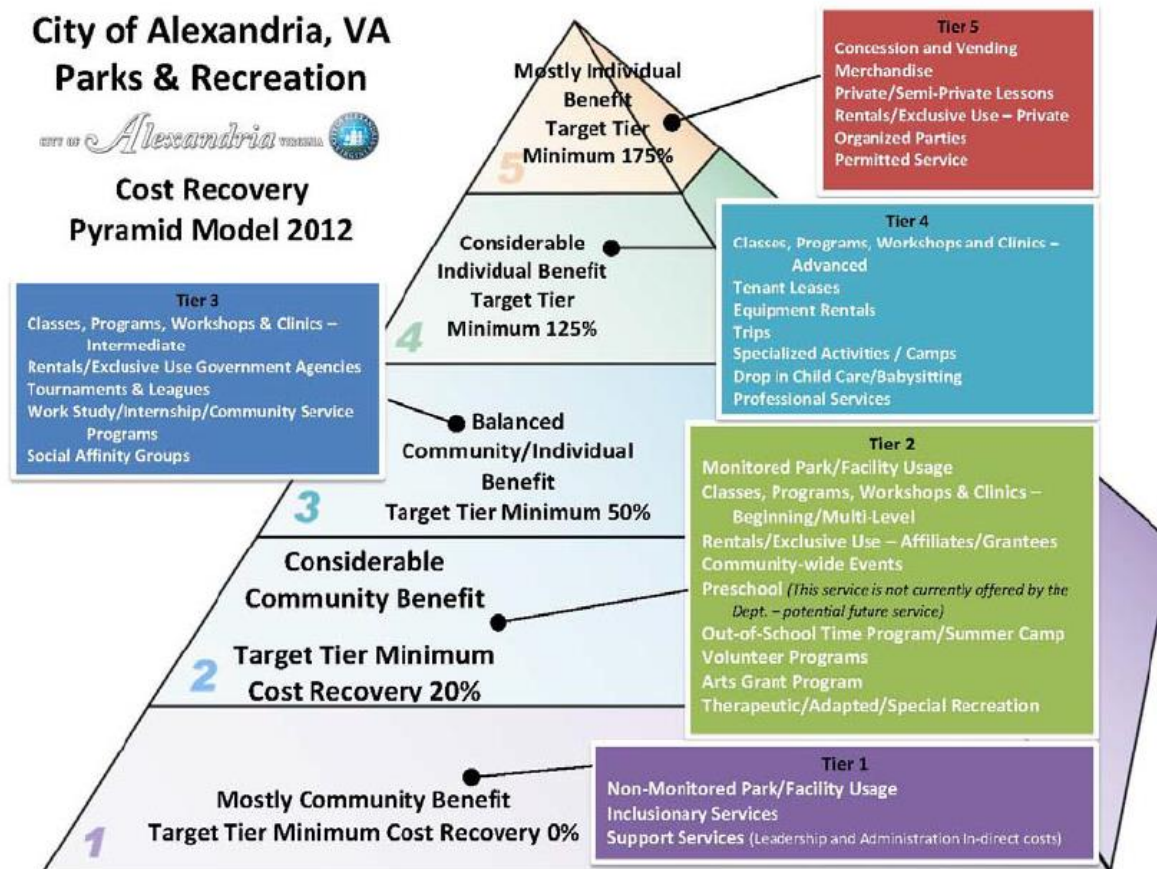
Filter	Definition
Benefit	Who receives the benefit of the service?
Access/Type of Service	Is the service available to everyone equally? Is participation eligibility restricted by factors (i.e., age, ability, skill, financial)?
Organizational Responsibility	Is it the organization's responsibility or obligation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

# 2013 Resource Allocation Model

## City of Alexandria, VA Parks & Recreation

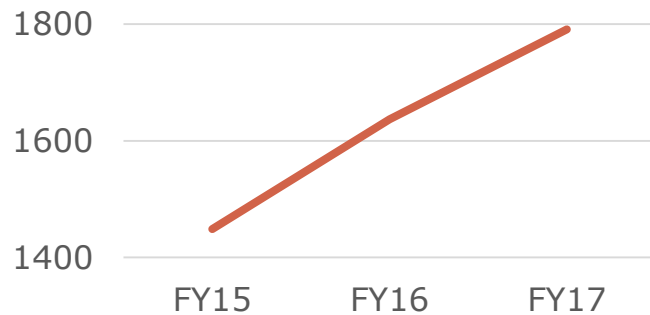


### Cost Recovery Pyramid Model 2012

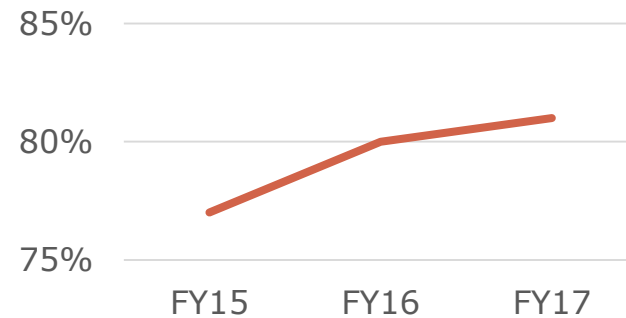


# RPCA Service Trends

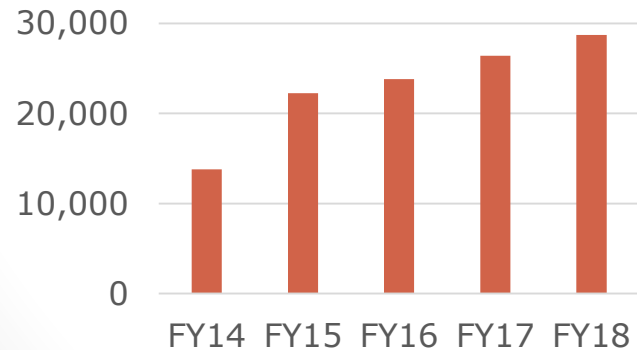
Number of Programs Offered



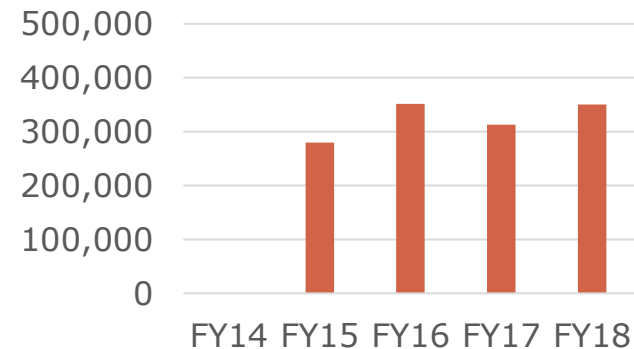
Program Success Rate



Total Registrations



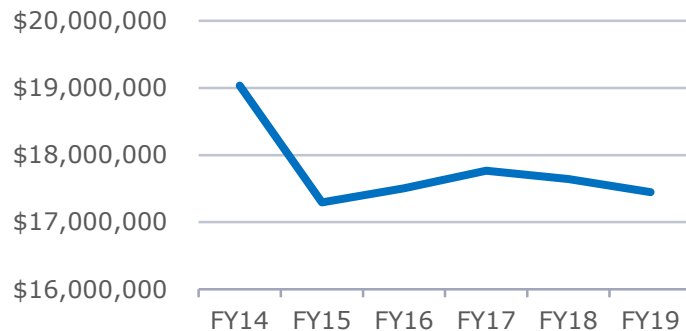
Fee Assistance



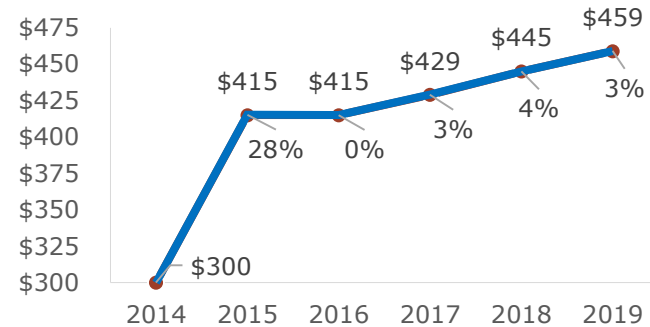


# RPCA Financial Trends

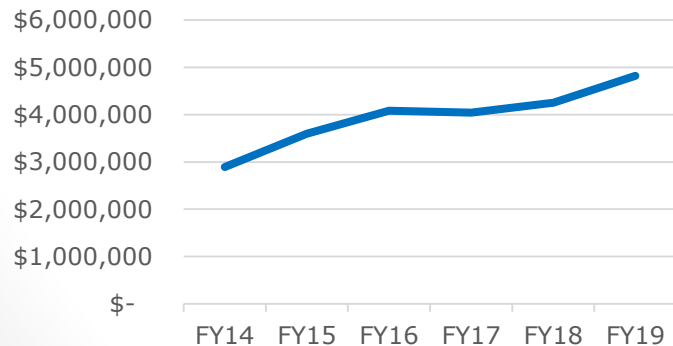
## Net General Fund Impact



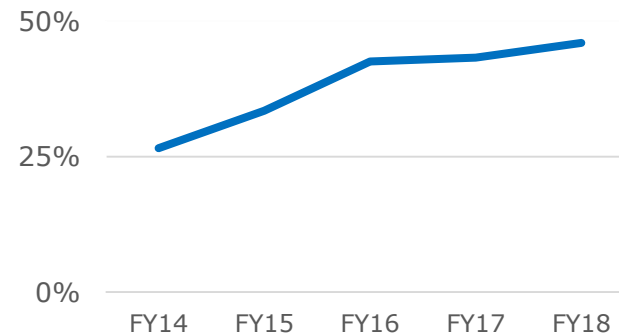
## Out of School Time Fee Increase



## Revenue Earned



## Cost Recovery, programs



# Resource Allocation Update

- Review of the policy in 2018, including participation from 150 community members and the Park & Recreation Commission



# Resource Allocation

## 2019 Preliminary Changes

Services that moved from Tier 2 to Tier 3:

- Out of School Time programs
- Therapeutic recreation
- Beginner/multi-level classes and programs (removed intermediate level)
- Rentals/exclusive use for affiliates or grantees

Service that moved from Tier 4 to Tier 5:

- Tenant leases for profit and equipment rentals

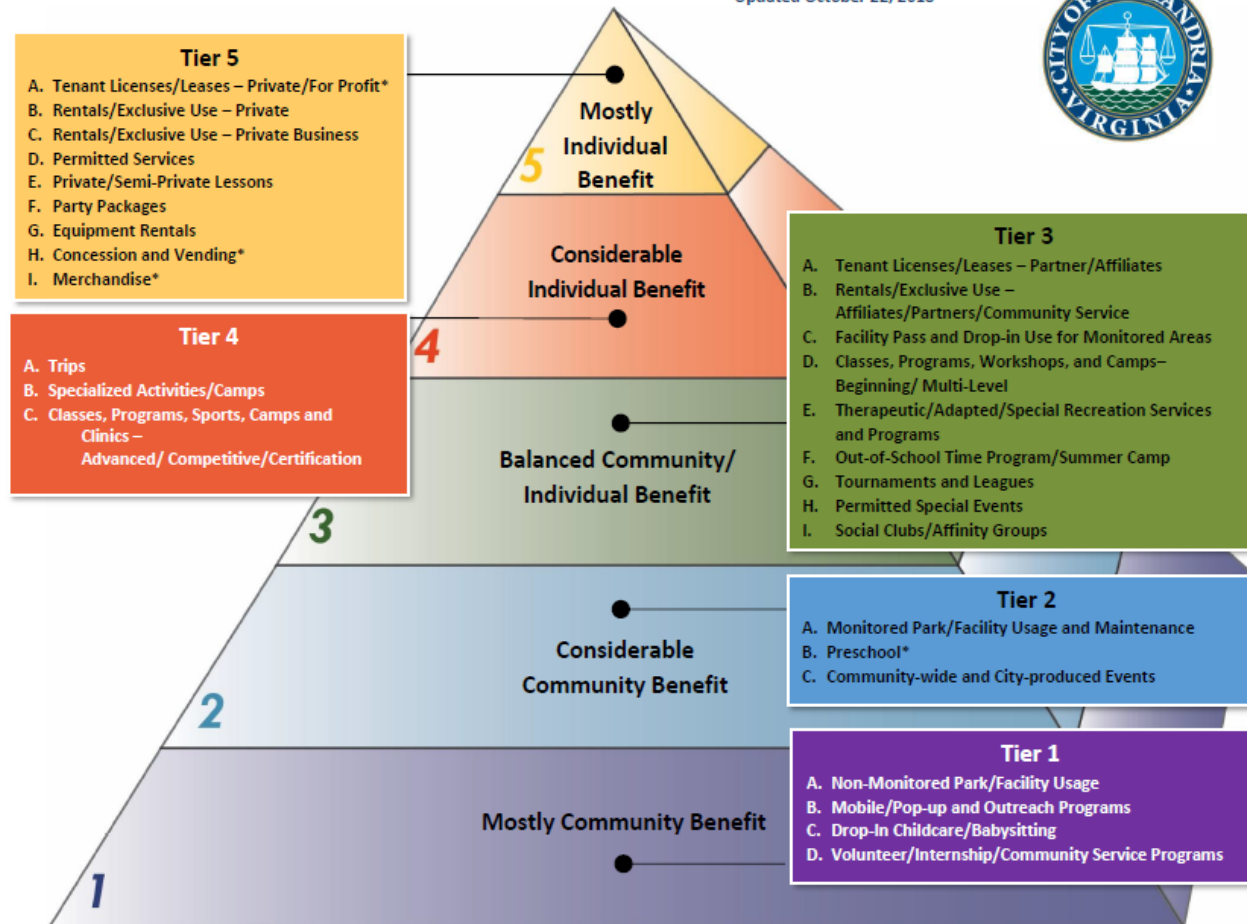
Categories added in 2019:

- New mobile/pop-up and outreach
- New facility pass and drop-in use of monitored areas
- New tenant licenses/leases for partner/affiliates

# 2019 Resource Allocation Pyramid

## Pyramid Model – Resource Allocation Methodology

Updated October 22, 2018



\*Categories not currently in use, but may be considered in the future

# Recommendations

Adopt the revised Resource Allocation and Cost Recovery Policy:

- Add language that describes the philosophy and purpose;
- Update the tiers to reflect the changes determined through the community process; and
- Clarify the language related to the annual fee schedule submission to include non-market rate services only.



# Recommendations

Adopt the revised Financial Assistance Policy:

- Remove automatic age-based senior discount (55 years old and older) to address equity and ability to pay; and
- Change to "Residents 60 years of age and above may request a 20% discount."

All adults may apply for need-based assistance in accordance with policy.

# Recommendations

Adopt the revised Financial Assistance Policy:

- Provide financial assistance for programs on Tiers 1-4 only to minimize subsidy of highly individualized benefit programs/services; and
- Add language to note that specific programs with longer time commitments may provide greater levels of financial assistance.

# Recommendations

Adopt the revised Financial Assistance Policy:

- Add language to allow for any resident to request assistance outside of the policy parameters to provide equitable access to fee based programs.

# Program and Service Pricing

RPCA will be able to propose fees and charges for market rate programs (tiers 3-5) to achieve target cost recovery. Impact would not be until the FY 2021 Budget at the earliest.

Benefits include:

- Allow staff to respond to changing market conditions and trends
- Consider resource allocation filters of access and equity

# Conclusion

- The updated Resource Allocation and Cost Recovery Policy supports RPCA's effort to reduce the department's net impact on the City's General Fund, while maximizing benefits to the community.