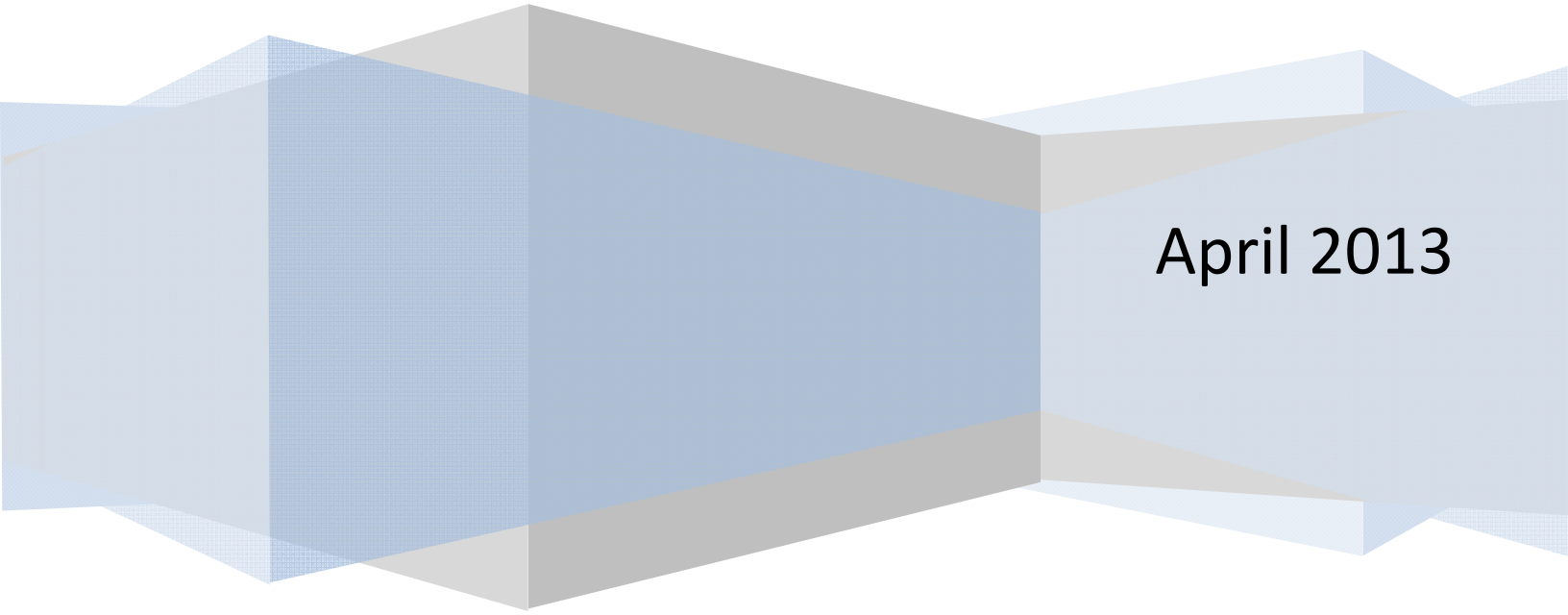
Vancouver-Clark Parks and Recreation Department

ORGANIZATIONAL ASSESSMENT

Final Report

GreenPlay, LLC



April 2013

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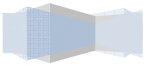

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EXECUTIVE SUMMARY

GreenPlay was asked to evaluate and recommend an organizationally more effective parks, recreation, and open space delivery model to provide service to the residents of Clark County, including the more intensive services expected to serve the urban areas of the City of Vancouver and the urban growth area. This recommendation would be the basis for the revision of the Inter-Local Agreement (ILA) between the two jurisdictions. On February 4-5, 2013 findings-to-date were presented to the Vancouver City Council, the Clark County Board of Commissioners and the VCPRD Parks and Recreation Advisory Commission and initial input was received regarding the preliminary recommendations.

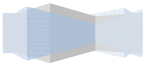
GreenPlay reviewed previous and current studies and reports; relied on the considerable community input gained from those efforts; compiled a brief community profile addressing population growth, aging, and ethnicity; reviewed VCPRD's inventory and current circumstances; interviewed key stakeholders; and identified key issues and critical components for moving forward. We have identified benchmarking methodology and types of data that can be helpful in the process.

Final recommendations are now being put forth regarding the organizational structure for providing parks and recreation services to the Vancouver/Clark County community, staffing, service mix, and funding.

Organizational Structure

Long Term Recommendation – A Truly Consolidated Future

- We have learned from our work on this study that there is a strong value in the community for the efficiency and consistency that one would expect from the consolidation of like services. Although in a past survey residents rated parks and recreation lower than some other public services, 90% indicated that they are important to the quality of life in the county. We believe that the best future from the customer's or resident's perspective would be a single, truly consolidated system.
- Based on our experience with other parks and recreation programs similar to what Clark County and the City of Vancouver represent, the most efficient and effective governance structure to accomplish this is an independent organization in the form of a special parks and recreation district, with its own primary funding source, independent, elected governing board, and executive director. This district would have direct responsibility to the residents of the district.
- Under the current circumstances, this should be the long term goal for VCPRD. Currently, state law is a barrier; however, changes in that state law could be possible. We also recognize that the voters recently turned down a proposal that would have established a Metropolitan Park District within the City of Vancouver. We believe that this is a substantially different proposed entity and with the proper groundwork to create an accurate understanding by the voters of the workings and benefits of such a model, support is possible.
- This structure would require a "letting go" of parks and recreation responsibilities by both the City and the County in favor of a new entity responsible to neither, yet by its nature, a new partner for both. It would also require a shift of equitable financial resources from the City and the County to the District in the form of reduction of taxes to the City, County, and GCPD and establishment of a new property tax to support parks and recreation through the District. The voters might also support additional funding to fulfill needs for improvements and standards identified in the Comprehensive Plan.



This long term consolidation strategy, along with variations (including the creation of a special district with no owned assets, but with a long term [50 year] lease of assets or the creation of a parks and recreation authority) were presented to the City and County elected officials in February of 2013. It was recognized at the time that the implementation of a solution such as this was probably years into the future, and therefore a short term strategy that would move the community toward true consolidation was also proposed.

In addition, an alternative to consolidation was proposed, **separate City and County parks and recreation systems,** contracting for service through an interlocal agreement**.**

At this time, elected officials of the City of Vancouver and Clark County appear to have reservations about full consolidation, and implementation of the recommendations that are necessary to build support for the long term goal of true consolidation would take years and resources that are not currently available. Therefore, the best option is to separate the City and County parks and recreation services, with each managing separate systems, but collaborating in parks planning and customer service in order to maintain a cohesive system. Each could contract with the other for specific services, or jointly contract for services where desired. This is, in fact what is currently occurring; however, the inter-local agreement does not reflect it.

With this in mind, the following recommendations are made for immediate implementation:

- Use the planned 2013 Comprehensive Parks Recreation and Open Space Plan update to describe the future of a coordinated park and recreation system throughout the county (including the city and the GCPD) addressing local and regional assets as well as active and passive opportunities. Regardless of the service delivery model, an overall vision and mission, and coordination of effort, as well as standards desired by constituents can be captured in this document.
- Mission, vision, and value system should be addressed as part of the Comprehensive Plan update, enabling the entire system to be guided by a coordinated mission, vision, and value system that is supported by the citizens.
- Continue the Parks and Recreation Advisory Commission (PRAC) with a tightened focus on policy, not implementation, and with its recommendations to be based on consistency with the overall comprehensive plan. System policy and code issues should be addressed no more frequently than annually, except for emergency.
- Revise the ILA to reflect a coordinated planning and customer service effort between the City and the County and an agreement for necessary services.

Staffing

It is clear that the park and recreation system is generally understaffed. It is spread thin and treading water. Through strong leadership and organizational structure within the department, staffing needs to be adjusted over time with the appropriate authority and responsibility to accomplish the mission of the department. Recommendations address the following critical areas:

- Adjusting staffing assignments based on determinations from the Service Assessment introduced as part of this study.
- Providing staff training to best prepare an employee for not only the requirements of the job, but for a pro-active approach to the job.
- Making assessment of staff skills a high priority task for the new director.
- Eventually returning park maintenance to a full service parks and recreation department with, until that time, the department director playing a strong, influential role in the direction for maintenance of parks.
- Eventually returning special events in parks to a full service parks and recreation department with, until that time, closer coordination with the City Manager's Office. In addition, 100 percent of costs to the VCPRD for waived fees, security and clean up and monitoring should be recovered or at least credited to the department for resources expended.
- Supporting efforts by the City through a plan to assist staff with change management as the department takes on a new way of doing business over the next several years.
- Clarifying specific work tasks to be preformed for Clark County by VCPRD through revision of the ILA.

Service Mix

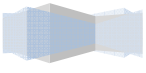
A **Public Sector Service Assessment** was introduced and is being conducted to determine where to aggressively pursue a market niche, to divest interest, to diversify resources, or to form partnerships. This assessment is an intensive review of organizational services including activities and facilities. This is a staff intensive effort working with the consultants, which will eventually live and breathe in the VCPRD as a standard and ongoing way of doing business. The assessment uses a series of filters to assist in the determination of the organization's level of responsibility in the provision of service. Results of the assessment indicate whether the service is "core to the organization's mission," or if there is significant gap in service or duplication of community efforts to provide a service, which may require direction to reallocate resources elsewhere.

Service Assessment Findings and Determinations

The Service Assessment required staff to answer a series of questions regarding "fit" with the mission and vision of the VCPRD; the "strength of the VCPRD's market position" for each of its services and programs based on community need, present credibility and capacity, and community awareness; the "financial capacity" of the service or program to be viable without the support of tax funding; and the presence of "alternative providers" in the market place.

The resulting provision strategies for the VCPRD identify:

- Services to advance or affirm its market position
- Services to pursue collaboration
- Services for complementary development
- Services to invest in to change the market position
- Services to divest



The assessment is a work in progress. VCPRD staff will need to implement tactics to pursue the service provision strategies indicated. This tool can continue to be used to evaluate the appropriate service provision strategy for current and future potential programs and services, as market, economic, and alternative provider circumstances change over time.

Partnerships

Partnerships are a viable strategy for developing a service mix; however, they should be approached purposefully and not be seen as an exit strategy to simply divest of a struggling program or service.

The VCPRD currently is dealing with "partnerships" that have been set up over time. These include development and use partnerships for ballfields as well as programming relationships. Our analysis has indicated that less effort is needed at the present time to identify new partners and more is needed to provide an appropriate philosophy and consistency in partnership implementation. This includes addressing inadequacies in existing relationships as well as distinguishing between a true partnership and a simple agreement for services.

GreenPlay has provided a Partnership Policy draft to the VCPRD as part of this study that identifies strategies to facilitate public and private partnership opportunities and minimize risk.

Funding

The lack of funding, and differential of funding from City, County, and GCPD sources, has caused multiple park maintenance standards and has nearly brought the acquisition and development of new park sites to a halt. Continuing the current trend of cutting services to meet financial constraints will result in reduced hours and potentially closure of facilities in future budget cycles. It is clear from current and potential partners that they are no better equipped financially and do not have the resources to take over the operations.

Capital Funding

Park Impact Fees (PIF) and For Real Estate Excise Tax (REET) are used to meet a prescribed level of Service (LOS). Some flexibility is needed regarding how existing funding sources can be used to acquire and develop park land. The Comprehensive Plan update should move from using only a capacity based methodology to a composite values methodology to determine and express the desired level of service for which funding is applied. By combining and analyzing "composite values" of each component within the parks system, it is possible to measure the service provided by a parks and recreation system from a variety of perspectives and for any given location, and provides for a variety of solutions to meet a level of service standard. It also allows a measurement of other than "park" land such as undeveloped open space and trails or cultural or historic areas that can also contribute to a solution.

Operational Funding

Some of the very programs that are at the heart of the VCPRD mission, and the mission of public parks and recreation, have been discontinued, because they do not generate sufficient cost recovery. From an operations standpoint, clearly new ways of doing business and the generation of revenue to offset expenditures are necessary. Cost recovery is not an arbitrary process. Through this study, we have provided staff with the tools to fine tune the service portfolio and the cost recovery philosophy and strategy. This will free up some financial resources, but will never cover the entire cost.

Funding Goals:

- Sustainable funding
- Maintaining current assets is the first priority; expanding the network is secondary – but necessary to meet the needs of future residents.
- Public support should be targeted primarily for those things that benefit the entire community and for those who can't pay their own way.

Funding Recommendations:

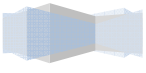
- **Potential for Increase in Tax Funding**
  Support for increased tax funding for parks and recreation does not appear viable at this time. This strategy should be explored during the update of the Comprehensive Plan in conjunction with level of service analysis.

- **Park Impact Fee**
  Affirm a joint Park Impact Fee program with the County to be administered by City.

- **Non-resident Fee for Use of Recreation Programs and Parks**
  Consideration may also be given to charging non-residents more than residents for recreation programs and park use, since they do not pay taxes to support these programs and facilities. This issue was addressed in the 2008 *Recreation Cost of Service Study* and not recommended at that time. This strategy should also be explored during the update of the Comprehensive Plan.

- **Approach to Cost Recovery**
  GreenPlay has introduced best practices for the general operations of the VCPRD through two new business planning tools. The *Public Sector Service Assessment Model* © considers service delivery strategies based upon the surrounding market and an agency's mission and capabilities. The *Cost Recovery and Resource Allocation Pyramid Model* © helps determine to what degree it is appropriate to charge fees for services. These tools each provide a look at current services and programs in order to align sources of funding (taxes as well as fees and charges and other alternative funding sources) with a focus on the beneficiaries of the services. Although these tools provide a point in time assessment of current recreation programming and operations, each is also designed as an ongoing business practice tool to be used regularly for evaluation of current and potential new services and programs.

  Through interactive dialogue and exercises, staff moved through steps one through four of the process outline below, and sorted the broad categories of service onto levels of the pyramid using the benefits filter. This is a work in progress and will be refined over time as staff continues through the ten steps for implementation of the tool. Elected officials' buy-in to this process will be critical to its success. PRAC should be used to provide feedback on the outcome of using this tool as the process evolves.



Pyramid Methodology Ten Steps

1. Build on Organizational Values, Vision, and Mission
2. Understanding the Pyramid – the Benefits Filter and Secondary Filters
3. Develop the Organization's Categories of Service
4. Sort Categories of Services
5. Determine (or confirm) Current Subsidy/Cost Recovery Levels
6. Define Direct and Indirect Costs
7. Establish Subsidy/Cost Recovery Goals
8. Understand and Prepare for Influential Factors and Considerations
9. Implement
10. Evaluate

- **Pricing Strategy**
  VCPRD should adopt a pricing strategy that becomes the basis of ***Step 9: Implementation*** in the Pyramid Methodology. The strategy requires attention to financial trends, the budget process, the cost of service provision, the purpose of pricing, and understanding the strategies of differential pricing, the psychological dimensions of pricing, and market tolerance, as well as pricing implementation strategies.

- **Community Centers Pass Fees**
  A simpler fee structure should be considered for the two community centers that provides for prime and non-prime time membership (as opposed to discounts for specific groups) that is reciprocal at both FCC and MCC, and is implemented in phases over time. Annual membership would be a discount off daily fees.

- **Parks and Recreation Potential Funding Sources**
  A variety of traditional and alternative potential funding sources (with brief explanations included in the full report) were considered and categorized based on the degree of difficulty of implementation for potential success. The VCPRD should thoroughly research and implement as many different types of funding sources as possible to enhance its operating and capital budgets. Several options that hold the most promise as new sources of revenue include:
    - Loan Mechanisms
    - Additional Community Service Fees and Assessments
    - Permits, Licensing Rights and Use of Collateral Assets
    - Program and Support Grants
    - Additional Volunteer Programs

Performance Measures

Best practices in performance measurements have moved from reporting "counts" of amenities, people, and dollars toward measuring opportunity and satisfaction levels. The VCPRD has recently settled on a few, fairly simple performance measures in its annual budgeting process:

- Access – percent of residents living within half mile of a park, trail or open space
- User satisfaction – as reported on comment cards at the Centers and in the biennial community survey with a target of at least 80% satisfaction
- Cost recovery for recreation programs meeting Council adopted target, which is currently 72%

The quality of life benefits of green spaces within communities and close to homes – density relief, stress relief, stormwater management, replenishing our oxygen supply, to name a few – are widely accepted. Research has also shown that when provided opportunity for physical activity within a convenient distance, physically activity through use of that opportunity increases. Through the 2013 update of the Comprehensive Plan, the VCPRD will be able to measure the current percent of residents living within one half mile of a park, trail, or open space to identify the current benchmark and set a desired target. One half mile is greater than the "walkability" factor used by many communities today of one quarter to one third mile. It will be important to balance community satisfaction with its willingness to pay for a desired standard as a key issue in the Comprehensive Plan update.

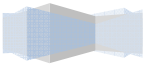
Measures of satisfaction provide better guidance to an organization than a count of amenities or people in terms of performance. Residents and visitors, primarily through taxes and fees are investing in the parks and recreation system. Their satisfaction is paramount to success and should be measured and used to guide decision-making.

As the VCPRD moves forward with its newly adopted cost recovery approach, it will be redefining the definition of costs – both direct and indirect – which may alter the current measurement and cause a need to reset the adopted target to maintain its current performance. The target is a measurement of the combination of all programs and operations. In actuality, the cost recovery for each program or service will be defined for each category of service and may be set above or below the cumulative target. Use of the Service Assessment and Cost Recovery methodology introduced in this study will guide the VCPRD in setting various cost recovery targets and in making the best use of its financial resources. As the methodology promotes, program and service pricing must also support the mission of the VCPRD.

Conclusion

This study provides recommendations that, through collaboration with staff and partnership with other agencies, will better position this local and regional park system to achieve sustainability through an organizationally more effective parks, recreation, and open space service delivery model. The study addresses both Council policy issues dealing with governance and organizational structure as well as operational issues regarding what is provided through a look at service mix; how it is provided through staff assignments and skills as well as business practices; and how it is funded through a new cost recovery and pricing philosophy and policy, and potential new revenue sources.

For the most effective governance structure to serve both City and County residents, a truly consolidated program with its own funding source and governing body is the best possible solution. Due to current realities, a true consolidation is not possible for the short term, so a focus has been placed on recommendations to address functioning at the highest possible level through separate, but collaborative systems.



Key to this approach is alignment of vision for the parks, recreation, and open space provisions on both a local and regional level. The update of the VCPRD Comprehensive Plan in 2013 provides an ideal vehicle to identify and pursue this vision. Critical elements include joint planning and a broadly representative Advisory Commission; an integrated Park Impact Fee program implemented to carry out the level of service identified for the park system in the Comprehensive Plan update; and coordinated service delivery that avoids duplication and gaps as well as over or understaffing through contractual arrangements between the City and the County . This should all be addressed in a revision of the Inter-Local Agreement.

The personal and professional commitment of individual staff members and well as their collective commitment to providing excellent service in light of limited resources provides a readiness to move forward. Armed with new best practice business tools, staff will be making the changes necessary to work with limited resources and leverage those resources to be sustainable. However, it should be recognized that this is a significant amount of change and staff will need support in terms of recognition and acceptance of these new ways of doing business and training and skill development in order to best manage this effort.

Residents and visitors to the area have come to appreciate the VCPRD, the “one-stop-shopping” for parks, recreation, open space, and trails interests. This along with the reaching out to solicit input, relationships with neighborhood and organizations, volunteer opportunities and partnerships with others in the region must be maintained. Taking care of what you have needs to be balanced with adding to meet the needs of future residents as the community continues to grow.

It has been our pleasure to work with you on this organizational assessment. We are sure that you will find that it provides a solid foundation for moving forward.

INTRODUCTION

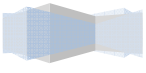
Parks, recreation and open space programs in Vancouver and Clark County are facing major changes. The inter-local agreement (ILA) establishing a "consolidated" city-county parks and recreation agency in 1997 was set to expire at the end of 2012, and automatically renew for five years unless change was desired. Both the City and the County desired to review and revise the relationship through a replacement agreement because the characteristics of the community and the needs that initially led to the establishment of the joint Vancouver- Clark Parks and Recreation Department (VCPRD or department) had changed and the agreement did not reflect current work being done or current economic/financial conditions. In addition, the VCPRD director left in May of 2012 to take a new position and there was a need to recruit a new leader for the department. It is important to the successful hiring of this position that the specifics of the city/county relationship be well understood.

The City engaged GreenPlay, LLC to evaluate the VCPRD organizational structure and current service delivery methods and identify the best strategy for delivering park and recreational services in the context of current and future funding support predictions. This study is intended to help identify an organizationally more efficient and realistic service delivery model and performance expectations. The study examines the existing organizational and governance structure, service portfolio, labor and staffing capacity and financial structure, and proposes alternative considerations for both the City and County approach (consolidated or not) to park and recreation service delivery.

This scope of work is an essential prerequisite to the development of an updated strategic and business plan for VCPRD and the effective future delivery of park and recreation services in the community. It will also inform the City for the update of the Comprehensive Parks, Recreation & Open Space Plan, which is scheduled for 2013, and provide a methodology to update of the cost of service/cost recovery plan that the department prepares periodically.

This plan is intended to evaluate the programs, staffing, organizational and management structure of the VCPRD and help it make decisions about its future, including whether or not to continue operating jointly as a city-county agency. With the current economic landscape, the Department has had to significantly alter its operational and organizational structure. Recognizing that the City of Vancouver's recreational programs and services are also utilized by non-residents , the plan is intended to help the department develop a realistic and manageable structure, so it can be run as efficiently as possible without compromising the parks and recreation legacy in Vancouver and Clark County.

This report documents the results of this study that has been completed in two phases. A preliminary findings report and presentation were made in early February 2013 that focused on governance, staffing, and organizational structure. The City and County moved forward with some changes in light of the preliminary recommendations while the second phase was carried out and completed in April of 2013. The second phase focuses on staffing, service mix, service delivery strategies, funding analysis, and cost recovery strategy, identifying options to best meet the community's needs with more stability for the existing facilities and priority services.



Project Purpose

- Review and revise the agreement articulating the relationship between the City and the County creating the joint Vancouver- Clark Parks and Recreation Department (VCPRD) to reflect current work being done and current economic/financial conditions. The agreement was established in 1997 to help gain efficiencies and better coordinate park planning, development, and operations across jurisdictional boundaries.
- Evaluate the VCPRD organizational structure and current service delivery methods and identify an organizationally more efficient and realistic service delivery model and performance expectations so it can be run as efficiently as possible without compromising the parks and recreation legacy in Vancouver and Clark County.

Project Scope

- Examine the existing organizational and governance structure, service portfolio, labor and staffing capacity, and financial structure, and propose alternative considerations for both the City and County approach (consolidated or not) to park and recreation service delivery.

Project Process

- Reviewed relevant previous and current planning work
- Considered community demographic profile, aging population, and regional context
- Reviewed inventory and current conditions
- Met with stakeholders (staff, board, public, and key collaborators)and performed SWOT Analysis
- Provided staff training regarding Cost Recovery and Resource Allocation methodology, as well as Service Assessment methodology
- Conducted manpower analysis
- Identified Findings, Key Issues and Goals for Delivery of Park and Recreation Services to the Residents of the City of Vancouver and Clark County
- Presented the interim report that focused on staffing and organizational structure to City Council and County Commissioners as well as the Parks and Recreation Advisory Commission.
- Performed additional and final analysis to address service mix and service delivery strategies, cost recovery strategy, funding analysis, final recommendations
- Delivered Final Report through presentation to City Council with Parks and Recreation Advisory Commission members in attendance.

BACKGROUND

Review of Related Studies

GreenPlay reviewed relevant previous and current planning work including existing comprehensive plans, cost recovery plans, budgets, workplans, other assessments, agreements, surveys and measurements of performance as part of the **Parks and Recreation Department Organizational Assessment.** Relevant information from some of those documents is summarized in this background section and other information is integrated, as appropriate, into the analysis. A bibliography of documents reviewed is included at the end of this report.

VCPRD Comprehensive Parks, Recreation, and Open Space Plan

The 2007 VCPRD Comprehensive Parks, Recreation, and Open Space Plan established a planning framework by which to anchor the agency. This is particularly important to this study, as it is evident that the VCPRD struggles with an understood vision and ability to reconcile budget reductions with its mission. Within the planning framework, the drivers are:

Guiding Principles

Vision

To help build a healthy community, protect the natural environment, and support a high quality of life for all residents

Mission

To meet community needs by providing an interconnected system of parks, trails, recreation facilities, and natural areas that support environmental stewardship and diverse recreation programs and opportunities

Primary Goals

- **Provide a balanced, comprehensive, and interconnected system**
- **Provide diverse opportunities for all residents**
- **Be effective stewards of the land**
- **Preserve our historic and cultural heritage**
- **Maintain and enhance existing park and recreation facilities**
- **Create a dynamic and effective organization**
- **Acquire adequate funding**
- **Build strong partnerships**
- **Reflect the community we serve**

Blue Ribbon Commission Report (2011)

In 2010-2011, all of Clark County's jurisdictions were invited to "engage in defining the future of our local and regional parks and recreations system and identifying recommendations regarding more stable funding and a more effective governance structure." A Blue Ribbon Commission made up representatives of six of the eight invited jurisdictions met monthly and used extensive public involvement and outreach activities to inform its discussions.

As indicated in the Report, "the charge of the Blue Ribbon Commission was to find solutions that created efficiencies in service delivery, regardless of jurisdictional boundaries while also reflecting citizens' values, priorities, and needs for parks and recreation. Continuing budget cuts experienced by many local and regional parks and recreation programs show that the current funding and governance model is neither stable nor sustainable. It is necessary to identify what the role of government should be in providing public parks and recreation service and programs now and in the future."

Based on establishing the need and support for parks and recreation services through a telephone survey, recommendations included:

- Expand the use of volunteers in support of recreation and enrichment programs, and for maintenance and stewardship of parks, sport fields, facilities, trails, and natural areas.
- Establish a "one stop shop" to more efficiently coordinate volunteer effort.
- Implement new or expanded user fees to help cover maintenance and operations costs, especially at facilities that provide exclusive use to certain groups. Volunteer efforts in the maintenance of these facilities should be factored into the implementation of any new or expanded fees.
- Collaborate and coordinate with non-profit, school and other providers to reduce duplication or deficiencies throughout the community.
- Determine what tools will work best for greater collaboration between agencies, including forming ad-hoc partnerships for specific purposes, negotiating fees for particular professional services, developing an ILA, expanding the existing ILA.
- Explore the possibility for each jurisdiction to join the existing Greater Clark park district, or create a special purpose taxing district to gain efficiencies in service and more sustainable funding.
- Jurisdictions should form working groups to address a variety of issues and concepts having to do with alternative service providers, finding gaps and opportunities in services, policy changes, legislative changes regarding aggregate tax limits for districts, asset transfers, acquisition, and development tools.

While the Blue Ribbon Commission made a valiant and recognized effort to look at the broad picture and to establish the need, perhaps chair Roy Heikkala captured the essence of the circumstances with these words:

> *"When I first started this process, I thought we were going to come up with a good '1-2-3' in terms of financing solutions - we'd ride out of here with white hats and we'd save parks forever more, but it's a very complex situation…Each jurisdiction has their own policies and directions." - Roy Heikkala, Vancouver (Feb. 18 2011 meeting)*

Of course, the devil is in the details, and the complex nature of *just two* entities collaborating, Clark County and the City of Vancouver, is daunting. This study, focused on the existing collaboration and organization structure, is designed to unearth the fragile underpinnings of an admirable but no longer tenable attempt at a consolidated effort between the two entities to deliver park and recreation services, and determine a more viable solution.

City Manager Mid-Year Briefing (2012)

In this briefing, the City Manager spoke to the City's Goal #4: Address the future of parks and Recreation Services in Vancouver.

The City Manager reported that since 2008, both the City of Vancouver and Clark County have faced significant revenue shortfalls and resulting deficits requiring budget reductions. VCPRD responded by reducing staff, reducing hours that parks and community centers are open, transitioning some services and programs to other providers, and reducing or eliminating some programs and services.
The City's General Fund support has decreased by $2.3 million (25.8%) from 2008 to 2012 and more than half of the City parks, grounds and recreation staff has been eliminated.

VCPRD and its supporting departments continue to evolve and transform their business practices - transitioning recreation services to non-profit and community partners, more heavily investing in volunteer coordination and outreach, including "adopt a park" programs, and engaging correction crews in certain grounds maintenance activities. In addition, VCPRD is transitioning to a coordinated system for scheduling sport park facilities - establishing reasonable user fees for practices, games, and tournaments. Revenues will off-set operational and maintenance costs.

Although at that time, the City Manager spoke to the potential of a voter approved MPD, the 2013-14 budget for Parks and Recreation was assembled with the assumption of no new revenues from an MPD, and in fact the voters did not approve the MPD.

The City Manager will soon be seeking a permanent leader for the VCPRD. In the meantime, the interim director has been tasked to work with managers of each service area within Parks to conduct an organizational assessment, charting opportunities to best deploy limited resources in service of Parks and Recreation for Vancouver. This assessment is a "key ingredient in developing a long-term business plan for VCPRD under the next generation of department leadership."

CITY Metropolitan Park District (VMPD)

After user-generated fees and other revenues are netted with the costs of the service they support, the remaining cost associated with delivering City parks and recreation services is $8.75 million. Since 2008, the amount of City General Fund support for VCPRD has been reduced by $2.2 million and its staff has been cut by half. This has resulted in:

- Reduced maintenance of parks and trails
- Elimination of recreation classes and activities, including a number of popular free community programs for kids and teens
- Reduced maintenance and hours of operation at the community centers

In June 2012, the City Council agreed to pursue the formation of a Metropolitan Park District (VMPD) to help restore and preserve existing parks and recreation programs and services within the City limits. In a fact sheet provided by the City it stated that the VMPD levy would reduce VCPRD's reliance on the City's General Fund by nearly half, but would not eliminate it. This reduction in General Fund support for parks and recreation could free up additional funding for other City services. In November 2012, Vancouver voters opposed formation of the VMPD by nearly 2-1.

Vancouver Clark County Inter Local Agreement

History

- The first inter-local agreement (ILA) between Clark County and the City of Vancouver that was related to parks and recreation was adopted in 1997, as a result of the major annexation of the Cascade Park area. The ILA combined the City and County parks and recreation departments, transferred staff to the City, established a joint Parks and Recreation Advisory Commission, and provided for the County to purchase services from the new department.
- The 1997 ILA was amended in 2008 after the passage of the Greater Clark Parks District (GCPD) to address the major parks development program funded by the GCPD. Provisions specified roles and responsibilities related to the acquisition of land for parks, master planning each park, design and development of the park, and once developed, operations and maintenance.
- The ILA is currently being revised because funding for parks and recreation from the general fund, real estate excise taxes (REET) and the GCPD has declined due to the Great Recession. Development of new parks is on hold and the focus is on maintaining the system in place. The provisions of the 2008 ILA do not address the changed environment so the ILA needs to be revised.

The existing ILA continues to memorialize the agreement between the City of Vancouver and Clark county to operate a consolidated parks department designated the Vancouver-Clark Parks and Recreation Department (VCPRD), under the direct supervision of the City. The language goes on to say that no new separate legal or administrative entity is created to administer the provisions of the agreement and that the Interlocal Cooperation Act allows that "one or more public entities may contract with one another to perform government services which each is by law authorized to perform."

The original agreement recognized the noticeable and distinct differences between the parks and recreation departments of the City and the County, with the City providing an activity based urban system and the County a resource based regional system, and the policy adoption efforts in 1996 that brought many of the services practices into alignment. One of the key elements of the 2008 update to the agreement was to specifically address the changes brought about by the 2005 voter approval of the Greater Clark Parks District or MPD, which resulted in the County providing urban park facilities similar to the City, with a volume so great as to require the County to now play the lead role in the planning and construction of the parks serving its citizens.

Main points of the existing agreement regarding the duties or responsibilities of each entity include:

- Hiring of the Director and two park design and construction positions as a collaborative effort.
- Automatic extension of the agreement from December 31, 2012 to 2017.
- City to provide planning and acquisition services for all urban park properties, and a collaborative effort of the City and the County's Office of Legacy Lands for conservation lands.

- City to provide design services and County to provide engineering and project management for all GCPD park development projects.
- Public information and outreach for County projects to be managed by the County PIO.
- As City annexes into the GCPD, it will pledge back to the County 75% of REET revenue as well as MPD revenues for maintenance of park, trail, and sports facilities for that park development in the MPD. County will continue to be responsible for maintenance until a separate transfer agreement is entered into.
- City and County to update Park Impact Fees by March 31, 2009; County will transfer PIF to the City and City will manage funds.
- City will provide operating and capital budgets to the County for its approval along with performance reports.

Kenbrio Status Assessment Report on the VCPRD Interlocal Agreement (2003)

Seven years after the implementation of the Interlocal Agreement (ILA), this assessment was intended to "identify what had been working well under the terms of the agreement and what refinements and amendments might be recommended in light of current and prospective economic and organizational conditions." A summary of Observations and Findings for the 1997-2001 initial ILA term included:

General

- A recommendation to remove no longer relevant provisions, having served their original purpose.
- Parks and open space inventory grew; urban park and open space goal of land-per-1000-residents was exceeded, slightly; regional park land continued to be below the goal, and open space just above the goal.
- Although urban park development within the 10 park districts and regional park development occurred, both were below the level of developed park inventory desired at the end of the term.

Indicative of successes

- Talents of the parks staff were held in high esteem by professional, community members, and elected officials.
- Maintenance cost per acre had declined over this time period.
- VCPRD engaged a healthy number of partners in the performance of its duties.
- The joint Park Impact Fee Program was functioning well.
- System-wide planning for parks and open space had improved with the mixing of City and County expertise and perspectives.

Indicative of concerns identified that still challenge the arrangement

- Difficulties implementing the terms of the agreement were encountered, including communication patterns and billing and reporting systems, leading to perceptions of satisfaction and dissatisfaction among those responsible for either delivering services or accounting for them. The parties voiced commitment to resolving operational and logistical difficulties.
- Although in the early days of the ILA, the agreement was referred to as a "consolidation," the relationship evolved to be predominated by fee-for-service expectations.
- A more precise scope of services was needed so that expectations could be clarified and performance measures developed and monitored.
- A review of unit costs of services is warranted in order to quantify and verify the affordability and cost effectiveness of the services.

Community Profile

Population

The 2007 Vancouver-Clark Comprehensive Parks, Recreation, and Open Space Plan ***(Table 1)*** reported that the 2006 population of the VCPRD planning area was 409,292, and had nearly doubled in the previous 20 years. Although evidence of rapid growth could be found throughout the planning area, the greatest increases were occurring in and around the County's most urban areas: Vancouver, Camas, Washougal, and Battle Ground. At that time the community was projected to see continued growth over the next 20 years, with a 2025 estimated population of 595,603, with much of that growth spilling into areas beyond the current Vancouver Urban Growth Area (UGA). In fact, based in the 2010 Census, the Washington State Office of Financial Management has revised those numbers downward, likely a result, at least in part, of the economic recession of the past few years. Regardless, the 2011 County population is 428,000 and is still expected to grow substantially to 508,124 by 2025.
(Vancouver-Clark Comprehensive Parks, Recreation, and Open Space Plan | 2007 p. 3-4)

Table 1: OFM Population Projection

WASHINGTON STATE OFM POPULATION PROJECTION: MEDIUM (most likely) SERIES (Issued 2012)						
Clark County Population Projection	2010	2015	2020	2025	2030	2035
Total	425,363	447,201	477,884	508,124	536,717	562,207

Ethnicity

Cultural diversity continues to grow as the County population grows. The 2010 U.S. Census shows the majority (85.4%) of Clark County residents were white, while those reporting Asian or Native Hawaiian & Other Pacific Islander grew from 3.6% to 4.8 %, those reporting Black or African American grew from 1.5% to 2.0%, and those claiming Hispanic Origin grew from almost 5% to 7.6%. Persons of Hispanic descent accounted for more than half of all population growth in the US in the last decade. Family and individual recreation patterns and preferences are shaped by cultural influences.
(http://www.ofm.wa.gov/databook/pdf/local.pdf, Nov 19, 2012.)

Aging

As reported by the Aging Readiness Task Force in the February 2012 *Growing Older in Clark County Report*, "As the baby boomer generation (born 1946-1964) reaches retirement age, the number of Clark County residents 60 and older is estimated to have a projected growth rate of 158 percent from 2005 to 2030. By 2030, one in four Clark County residents will be 60 or older." (p iii.) The report identifies "Improving access to parks, recreation and open spaces close to homes" as an opportunity challenge.

The report noted that, "Access to parks, recreation and open space has a direct effect on our health. Public health practitioners have documented a 40 percent increase in physical activity when people have access to parks and open space….Convenient access to parks, open spaces and quality recreational facilities and programs greatly increases the likelihood of physical activity. Regular participation in physical activity can provide social and emotional benefits by reducing depression and anxiety, improving mood and enhancing the ability to perform daily tasks throughout a person's life (San Joaquin Valley Toolkit)." (p 8). Dr. Howard Frumkin, dean of the University of Washington School of Public Health, also stated in the report that, "Parks and green spaces can be critical to elder longevity; those with access to green spaces tend to live longer than those without." (p 11).

Also highlighted as a short term strategy is increasing volunteerism by replacing barriers with flexible hours, incentives and maximizing knowledge skills. Organizations that rely on volunteers should offer options that allow people to engage in different ways, at different times and at different levels of commitment. Informal volunteering should be valued and encouraged. Cultural diversity should be embraced." (p 80)

FINDINGS

Inventory

The VCPRD is tasked with providing a comprehensive parks, recreation, open space, and trails system for the City of Vancouver and the urban growth area, as well as the other unincorporated areas of Clark County, using resources generated through the City, the County, and the Greater Clark Park District. The system serves a population of over 425,000 through over 7,280 acres of park land and 66 miles of trails. Facilities consist of 191 (113 developed) neighborhood, community, and regional parks, 82 sports fields, two community centers, one senior center, one tennis center, nine indoor and outdoor water access/swimming areas, four boat launches, five community gardens, eight skate parks/spots, three dog parks, ten sand volleyball courts, one disc golf course, and a pistol/rifle range.

The three indoor recreational facilities (2 community centers and 1 tennis center) are located within the City of Vancouver, while both the City and County have various types and sizes of rental facilities. An extensive system of neighborhood parks exists in both the City of Vancouver and the urban growth area.

Current Operations

Faced with significant budget cuts over the last decade, and challenges with the organizational structure, the department has been resourceful in finding ways to continue to offer quality, although lesser, services. VCPRD is to be commended for continuing to provide opportunities including comprehensive tennis, fitness and health, and swimming programs; senior programs; special recreation accommodations and programming through the Inclusion and Access to Recreation programs; and community events while managing facilities and park operations, and planning and land management functions.

Strategies to make this possible have included developing partnerships with individuals and organizations, and working with dedicated volunteers. Funding from the Parks Foundation, the Everybody Plays! Recreation Scholarship program for kids, teens, and people with diabilities, and donations have become crucial. Last year, contributions from individuals, businesses, foundations, and state/federal agencies brought in more than $826,432 of revenue. Private partnerships have been developed to support public access to parks and recreation opportunities with creative partnerships in site acquisition, management, programming, and maintenance helping to stretch limited public resources and maximize cost efficiencies to better serve residents. Examples of such partnerships include joint use agreements with local schools, transportation, and stormwater infrastructure. City and County public works and facilities departments maintain parks, trails, sports fields, and recreation centers.

In spite of these efforts, without significant structural change and operational change, the system will suffer further decline.

Key Stakeholders Input

After reviewing background information and recent efforts to collect citizen, staff, and leadership input, including the 2011 Blue Ribbon Commission Findings and Recommendations, we conducted interviews with staff, administration and leadership, and other key stakeholders, including partners engaged with the VCPRD. Most of the interviews, including a meeting with the PRAC, took place on site and some were by phone. Fifty-eight individuals were included in the group and phone interviews. A debriefing took place with eleven representatives of the City and the County where additional input was gathered.

Interviewees were asked to focus on organizational, jurisdictional, and funding aspects of VCPRC, with the overall intent of providing efficient, effective, and seamless service to the residents of Vancouver and Clark County.

Initial key issues identify by interviewees included:

- *Renegotiation of the City-County Interlocal Agreement to accurately depict the roles, responsibilities, asset sharing, chain of command, activities, etc. of each party*
- *Adoption of the City and County biennial budget as submitted for 2013-14.*
- *Hiring of a VCPRD Director*
- *Aligning staffing and resources with expectations for what the VCPRD is responsible for both City and County*
- *Updating of Parks and Recreation Comp Plan – overdue for update (current is 2007 with 2009 partial update)*
- *Securing additional funding*
- *Accepting that this is not really a consolidation – is an interlocal agreement; the only thing consolidated is parks planning and administration - (maintenance is not, recreation is not), but does not feel consolidated*
- *The November 6th vote to determine a Metropolitan Park District with dedicated tax funding and City of Vancouver jurisdictional boundaries was identified; however this was eliminated as a key issue since the defeat of the issue at the polls.*

Parks and Recreation Advisory Commission (PRAC) Goals

The PRAC also provided a listing of its desired goals for the future of parks and recreation in Vancouver and Clark County.

- Improve relationships & partnerships to better serve community parks and recreation services.
- Ensure stable funding for parks and recreation.
- Maintain programs that meet the needs of the community.
- Build more sports fields, especially synthetic turf fields.
- Help establish a framework for a streamlined department.

SWOT ANALYSIS (Strengths, Weakness, Opportunities, Threats)

Understanding that the existing structure has been altered through budget cuts and reassignment of functions to other departments in both the City and the County over the last decade, we have used the **SWOT Analysis** and professional opinion to identify options for re-aligning the department to be better positioned for current and future value and community service. The strengths, weaknesses, opportunities, and threats are those perceptions reported by participants during interviews.

Strengths

ROLES AND RESPONSIBILITIES:

- VCRPD credibility and reputation
- Great parks system, lands, facilities, well located
- Consistency in acquisition, design and development standards

STAFFING:

- Dedicated, passionate, professional staff
- Personal staff relationships that make the system work

FINANCES AND REPORTING:

- Significant available acquisition dollars through park impact fees and real estate excise tax programs
- Accountability/compliance for restricted revenue funds
- Exceptional Recreation cost recovery tracking

PARKS AND FACILITIES MAINTENANCE:

- Park maintenance quality
- Centralized building asset management

COMMUNICATION AND OUTREACH:

- Soliciting input from community and public
- Outreach and use of technology/social media
- One-stop-shop in SW Washington go-to for parks
- Neighborhood relationships; one time (episodic) volunteering
- Good relations with regional partners; capital partnerships
- Park Foundation of Clark County

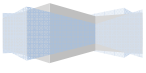
Weaknesses

ROLES AND RESPONSIBILITIES:

- Lack of clear vision/direction; political instability
- Lack of clarity about role and responsibilities of the Parks & Recreation Advisory Commission
- Interlocal – Lack of clarity about desired services; confusion regarding the city/county structure within VCPRD; most parks and recreation functions are not consolidated
- Very confusing system with eight departments doing P&R work, four unions, separate organizations; Department of Environmental Services – unclear role and responsibilities related to VCPRD

STAFFING:

- VCPRD Director reports to two bosses/legislative bodies and because parks & recreation functions are spread across several departments, the Director is accountable but not responsible for resources and their allocation
- Lack of clarity for roles and responsibilities for staff members
- Lack of workplans; crisis management
- Lack of staffing to manage volunteer effort; to advocate and go after planning funding and grants; and to support various financial aspects of the operation



- Limitation on staff training due to budget cuts
- Staff turnover; lost institutional memory

FINANCES AND REPORTING:

- Funding structural deficit
- There is no standard reporting; financial and performance reporting is complex and inconsistent between funds and entities
- Indirect costs of the interlocal agreement are not taken into account;
- No coordination between city and county grant application process
- No revenue development strategy
- Fee collection for youth sports groups separate for city and county
- Inclusion/ADA- many participants are county residents; no county funding to support recreation
- Not taking advantage of technology – records are still largely paper not electronic; catalog still printed

PARKS AND FACILITIES MAINTENANCE:

- There is a lack of funding for maintenance so maintenance levels are dictated by money available – not adopted standards; maintenance levels of service are inconsistent between city, UGA and County
- Acquisition has slowed to nearly a stop because there is not maintenance funding
- Lack funding for needed capital repairs (deferred maintenance)
- Disconnect between parks and public works maintenance
- Disconnect between permit staff and maintenance staff on site
- Need equipment standardization
- No directive or plan for properties between acquisition and development stages

COMMUNICATION AND OUTREACH:

- Credibility – we don't promote ourselves to the public
- Lack of marketing/communications support
- Partnerships – parks foundation is getting overburdened
- Partnership is an exit strategy
- Lack of credibility with partners
- One –stop shop not adequately staffed to respond to community requests, questions

Opportunities

- Identify a strategic approach for the VCPRD
- Hire and KEEP a director
- Explore several potential delivery models from purely consolidated to purely separate entities
- Make the ILA congruent with the reality of current circumstances
- Follow the Organizational Assessment with a Comprehensive Plan and a Business Plan with Revenue Strategy
- Develop an Asset Management program, consistent with others in the city and county
- Establish written park and maintenance standards
- New funding
- Simplify partnerships

Threats

- The economy
- The ILA continuing without substantial changes

Key Issues

Using the information gained from document review, the inventory assessment, key stakeholder interviews, and professional observation, key issues were identified.

City/County Relationship and the Concept of Consolidation

- The Inter-local agreement (ILA) is not representative or supportive of a "consolidated entity." The ILA is a contract for services between the City and the County, consisting mostly of service delivered from the City to the County in exchange for payment of the cost of those services.

- Eight different departments/divisions of the City and County are currently delivering parks and recreation services to the Vancouver/Clark County community.

- There is a sense that there is too much "ownership" of the concept of consolidation and belief that it is working, or not broken enough, for the substantial change that is needed.

Funding

- VCPRD has responded to significant revenue shortfalls by reducing staff, reducing hours of operation, transitioning services to other providers, and reducing or eliminating services. More than half of the City parks, grounds, and recreation staff has been eliminated.

- The concept and credibility of "partnerships," suffers from a general lack of underlying philosophy and inconsistency in application, creating a feeling that "partnerships" is being used as an exit strategy when the VCPRD has no funds to continue an operation or a program.

- The November 2012 bid to create a City Metropolitan Park District (MPD) failed by a two to one margin. Stakeholders interviewed for this study indicated that the failure may be due in part to lack of understanding of the intent of the ballot issue, or lack of specificity in the protection of revenue raised through this avenue; and/or the stated plan to supplant 50% of the tax proceeds and use them for non-park purposes.

Personnel

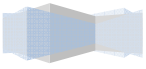
- In spite of the structural deficit in which the VCPRD operates, the personal and professional commitment of individual employees translates to powerful and effective personal efforts to accomplish much of the work of the VCPRD. This is very much recognized by the public.

- The VCPRD has struggled to retain a Director. Lack of a common understanding of the vision for the VCPRD, coupled with incongruent expectations for accountability and lack of authority, are contributing factors.

Mission, Standards, and Operations

- Available funding from different funding sources is driving maintenance standards and as a result, levels vary for the City, the GCPD, and the County.

- Recreation cost recovery policy does not appear to relate to the mission of the VCPRD and has resulted in a systematic discontinuation of some mission based programs and relying on participant's ability to pay for those remaining as funding has been cut.



- Although the City is the provider of a majority of the recreational services, the County through its "partnerships" with local sports organizations regarding use of fields, has also found itself in the business of providing recreational services. Even though this may seem like a "rental" issue, it is a very common service delivery model for parks and recreation. Being handled separately from the VCPRD recreation program has resulted in inconsistency in negotiated agreements for field development and use, as well as inconsistencies with the larger recreation program.

Customer Service

- Throughout the economic recession, the public has been more willing to accept reductions in parks and recreation services than fire, streets, and police. Satisfaction with outdoor sports and athletic fields, walking and biking trails, and coordination of special and community events increased from 2010 to 2012. However, as the ETC Institute DirectionFinder (2012) survey indicated, satisfaction with each of the following decreased from 2010 to 2012: maintenance of city parks (71% down to 66%), adult recreation programs (58%/56%), youth recreation programs (63%/57%) and indoor facilities (66%/64%). This level should be monitored to determine if this is an indication that the level of reductions may be beginning to exceed the tolerance level.

- There is no doubt, that from the customer's perspective, all of the parks and recreation assets of the city and the county are public assets. It is a strength of the current system that programs and facilities are available for everyone to use and enjoy, regardless of whether they are in the city or unincorporated area, and the (at least) perceived efficiency is of high value.

The Projected Result of No Change

It is helpful to consider the option of continuing the way things are when formulating recommendations for a better future.

- The current relationship of the City, the County, and the GCPD through the VCPRD is externally, by some, perceived to be a consolidated effort; however, it is far from that in its actual operation. This has been fueled by changes in the external environment and the financial and accountability structure in which it operates. Continuation of the present operations in the name of a "consolidation" undermines the integrity of the original intent of consolidation, and will serve to damage credibility in representing it as such.

- In reality the current relationship is quite a separated effort with a substantial effort necessary to report to the three authoritative governing bodies and two bosses, and accounting for funds **per transaction** for each function of the operation to keep the integrity of at least the three main funding sources. In short, it is a system with a great deal of responsibility, little authority, and takes a huge effort to reconcile financially.

- Continuing the current trend of cutting services to meet financial constraints will result in reduced hours and potentially closure of facilities in future budget cycles. It is clear from current and potential partners that they are no better equipped financially and do not have the resources to take over the operations.
- Determining maintenance standards based on funding availability, given that funding is declining, will lead to deterioration of the condition of facilities to the point of failure, or render them no longer usable as intended.

- Some of the very programs that are at the heart of your mission, and the mission of public parks and recreation, because they don't generate sufficient cost recovery, have been discontinued. Cost recovery is not an arbitrary process. We have provided staff with the tools to fine tune the service portfolio and the cost recovery philosophy and strategy. This will free up some financial resources, but will never cover the entire cost. If that was possible, the private sector would be picking off the most financially viable programs, leaving those most vulnerable of citizens (struggling single parents, seniors, families, those with disabilities) with few or no recreational choices.

- Employees will continue to put the best face on this set of circumstances, but attrition will continue to occur, through better opportunities as well as impending retirements. It would be very challenging to fill these positions with the residual pride from better times. This will likely continue to erode the system.

Critical Components for Moving Forward

Focus in critical areas must bridge the current circumstances with the preferred future. It is imperative that there is agreement from both the City and the County leaders on these components for implementation of any changes to be successful.

- **Celebrate past accomplishments.** Some good things have happened and should be celebrated, with appropriate credit given, as a step in moving forward. The original consolidation concept was implemented in a better economy. Many of the original circumstances have changed over the years causing significant organizational changes at all levels, and resulting in much of today's angst.

- **Focus on customer experience.** This ranges from opportunity to quality to consistency. Regardless of the resources you have, if you are perceived to provide value to the community through their use, you are building advocates. This puts the focus on the customer experience (external) versus governmental agency (internal).

- **Use terminology of "consolidation," "collaboration," and "partnership" realistically and appropriately.** These are all concepts that the public desires and supports but implementation must match the concept.

- **Preserve and reinforce what works within the recommended context of a structure and operating practices that can deal more effectively with the reality of responsibilities for separate pots of funding.**
  - It is a great parks and recreation SYSTEM of well-located lands and facilities, with significant available acquisition dollars through PIF & REET Programs.
  - In spite of the challenges, through the eyes of the public, the VCPRD appears to have a strong reputation and credibility; it offers a one-stop-shop in SW Washington; it enjoys good relations with regional partners; it has been proactive in outreach and use of technology/ social media to communicate with and solicit input from the community.
  - There is a history of support from neighborhoods, volunteers, significant private donations, capital partnerships and a working Parks Foundation.
  - There is a consistency in acquisition, design, and development standards.

- There is dedicated, passionate, professional staff, aching for good, sustainable leadership and organizational structure.
- There have been exceptional cost recovery accomplishments in recreation.
- There is effective use of centralized services outside of the department when appropriate, (core competencies are not present, task is not large enough to warrant internal staffing, services outside the department are readily available), such as for building asset maintenance.

- **Simplify administration.** An inordinate amount of time and energy is being spent at all levels tracking every transaction. Efficiencies must be put in place to properly account for, as required, restricted funds.

- **Establish systems and processes that can better equip the organization to address funding reductions and build credibility for wise use of resources.**

- **Develop short term recommendations that lead to the eventuality of the preferred long term solution**.

BENCHMARKING

Benchmarking is an often desired method of providing an assessment of how the types and levels of services provided by an organization compare with those of other similar jurisdictions. Identifying similar communities that will provide an exact comparison poses a challenge because each community has its own identity and individualized systems, as well as strengths and weaknesses. The political, social, economic, and physical characteristics of each community make the policies and practices of each parks and recreation agency unique. Despite efforts to promote uniformity in comparison, organizations have slightly different organizational structures, service offerings, resource allocations, policies and procedures, staffing and associated benefits, etc. The availability of detailed information may also be limited.

Several options for benchmarking exist but all require strict definition of the item to be benchmarked and strategic selection of the communities to benchmark against. Benchmarking can include local, regional, and/or national organizations; however you want to select organizations with as many similarities with your community as possible regarding both community demographics and your program and services offering. As information is analyzed you may find the need to further clarify data sources to maximize the potential for an apples-to-apples comparison. Options include:

- **Existing Benchmarking Data Sets**
  Using existing data is efficient in that much of the work is done for you and in some cases you can filter for more relevant information; however, the limitation is that you are only able to choose from predetermined pieces of information, and you cannot always verify the quality of the information.

  The National Recreation and Park Association, through a relatively new data collection program known as PRORAGIS (**P**ark and **R**ecreation **O**perating **R**atio and **G**eographic **I**nformation **S**ystem), provides a comparison with other entities across the country. PRORAGIS is a replacement for the NRPA standards that have guided land acquisition and development for the past 45 years.

This data is anticipated to be more accurate because you can compare standards with departments in your state or region, by population size or density, type of entity and magnitude of operation by budget or number of employees, and the data that is reported comprises actual numbers rather than a more generic national average. However, PRORAGIS is young and great effort is being made to increase the number of participants, as well as provide multi-dimensional information addressing community demographics, budgets, programming, parks, open space, and trails amenities, indoor and outdoor facilities, administration and financing. At this time, the data set is not determined to be useful for this report, but is anticipated to be so in the future.

In some states, benchmarking information may be available through state park and recreation offices or other sources.

- **Written Request to Specifically Selected Organizations**
  An appeal may be made to select organizations through a written (usually e-mail) request. This allows you to determine the type of information you would like to obtain and better control the language of the request. It is a more time consuming process than using already existing data. The following tips are helpful:
  - Invite more organizations than you want information from as typically only 60 to 70 percent of invited organizations will respond.
  - Contact the director of the organization personally asking for their participation and confirmation that they will participate.
  - The less information you request increases your chances of a response. Focus on the information that will help you the most.
  - Ask for information that organizations typically have at their fingertips and that clerical support staff can provide.
  - Create a matrix into which each organization can compile its information. (A sample matrix template has been provided).
  - Create a specific deadline for submission of information and send a reminder email as necessary to encourage a timely response and to see if they have any questions.
  - An incentive for organizations to participate is to guarantee you will send them the completed matrix of benchmarking information (not necessarily the analysis).

- **Phone Request to Specifically Selected Entities**
  Although more time consuming, this is similar to the written request except that it provides an advantage of a higher quality response. You are responsible for completing the matrix, but you can clarify intention as needed. It is also preferable if the information being sought is more complex.

For VCPRD, it may be most useful to identify a number of comparable jurisdictions in the region, and focus on some core information at this time. As most organizations do not account for parks maintenance outside of their parks and recreation budgets, combining that function with the remainder of the parks and recreation effort is a critical element. Data to be collected at this time could include:

- Organization demographics: population, square miles served, median household income, type of organization
- Number of full time employees
- Number of acres managed or maintained
- Number of developed park acres

- Total operating budget
- Operating expenditure per capita
- Operating expenditure per full time employee
- Total non tax revenue for operating budget
- Operating expenditure per acre of land managed or maintained

ORGANIZATIONAL STRUCTURE ASSESSMENT

After 15 years of operation, VCPRD and the ILA that underlies it need to be revised and refreshed to meet the challenges of the future. We would NOT recommend continuing the current organizational structure and systems. Clark County and Vancouver face a choice on how to proceed. The points below are intended to help understand the choices.

Governance Structure

Long Term Recommendation – A Truly Consolidated Future

- We have learned from our work on this study that the community strongly values efficiency and consistency that would best be achieved by the consolidation of like services. The Davis, Hibbitts & Midghall, Inc. survey as reported in the Blue Ribbon Commission study indicated both that 90% of Clark County residents say that public parks and recreation services are important to the quality of life in the county yet they are lower priority than public safety, business assistance , job creation, transportation, and health and human services. We believe that the best future from the resident's, or customer's perspective would be a single, truly consolidated system.

- Based on our experience with other parks and recreation programs similar to what Clark County and the City of Vancouver represent, the most efficient and effective governance structure to accomplish this is an independent organization in the form of a special parks and recreation district, with its own primary funding source, independent, elected governing board, and executive director. This district would have direct responsibility to the residents of the district. This should be the long term goal for VCPRD.

- District boundaries would mirror the boundary of Clark County, with the opportunity for incorporated areas, other than the City of Vancouver, to opt out, if they so desired.

- Current state law is a barrier; however, changes in that state law could be possible.

- We recognize that the voters recently turned down a proposal that would have established a Metropolitan Park District within the City of Vancouver. We believe that this is a substantially different proposed entity and with the proper groundwork to create an accurate understanding by the voters of the workings and benefits of such a model, support is possible.

- This structure would eliminate the current challenges evident in the existing relationship related to cumbersome reporting, tracking, and communicating between organizations.

- This structure would require a "letting go" of parks and recreation responsibilities by both the City and the County in favor of a new entity responsible to neither, yet by its nature, a new partner for both. It would also require a shift of equitable financial resources from the City and the County to the District in the form of reduction of taxes to the City, County, and GCPD and establishment of a new property tax to support parks and recreation through the District. The voters might also support additional funding to fulfill needs for improvements and standards identified in the Comprehensive Plan.

This long term consolidation strategy, along with variations (including the creation of a special district with no owned assets, but with a long term [50 year] lease of assets or the creation of a parks and recreation authority) were presented to the City and County elected officials in February of 2013. It was recognized at the time that the implementation of a solution such as this was probably years into the future, and therefore a short term strategy that would move the community toward true consolidation was also proposed.

In addition, an alternative to consolidation was proposed, **separate City and County parks and recreation systems,** contracting for service through an interlocal agreement**.**

At this time, elected officials of the City of Vancouver and Clark County appear to have reservations about full consolidation, and implementation of the recommendations that are necessary to build support for the long term goal of true consolidation would take years and resources that are not currently available. Therefore, the best option is to separate the City and County parks and recreation services, with each managing separate systems, but collaborating in parks planning and customer service in order to maintain a cohesive system. Each could contract with the other for specific services, or jointly contract for services where desired. This is, in fact what is currently occurring, however, the inter-local agreement does not reflect it.

With this in mind, the following recommendations are made for immediate implementation:

- Use the planned 2013 Comprehensive Parks Recreation and Open Space Plan update to describe the future of a coordinated park and recreation system throughout the county (including the city and the GCPD) addressing local and regional assets as well as active and passive opportunities. Regardless of the service delivery model, an overall vision and mission, and coordination of effort, as well as standards desired by constituents can be captured in this document.
- Mission, vision and value system should be addressed as part of the Comprehensive Plan update, enabling the entire system to be guided by a coordinated mission, vision, and value system that is supported by the citizens.
- Continue PRAC with a tightened focus on policy, not implementation, and with its recommendations to be based on consistency with the overall comprehensive plan. System policy and code issues should be addressed no more frequently than annually, except for emergency.
- Revise the ILA to reflect a coordinated planning and customer service effort between the City and the County and an agreement for necessary services.

The Interlocal Agreement

Guiding Principles

Until such time when a decision can be made to truly create a consolidate park and recreation district to serve the residents of both the City and the County, the Interlocal Agreement (ILA) needs to be renegotiated as an agreement for services. Guiding principles have been established for a *2013-18 Vancouver-Clark County Parks & Recreation ILA*:

- City and County are committed to providing parks, trails, and open space, and access to recreation opportunities for all residents.
- A coordinated system of parks and trails, appropriate to the various neighborhoods in the County, can best be achieved by coordinating the planning, acquisition and development of these facilities.
- The City and County seek efficiencies in the development and operation of their parks, trails and open spaces, and to avoid duplication of services where possible.
- Different patterns of development will require different types of parks, trails, open space and recreation facilities and standards should reflect this. The City and County will continue to coordinate on setting standards for these facilities.
- Our citizens trust us to spend their taxes wisely, with a focus on long-term community livability. The City and County are committed to providing the best system of parks, trails, and recreation facilities possible with the revenues allocated.
- All users of City and/or County parks, trails, and recreation facilities have a right to a safe and pleasant experience. City and County will coordinate efforts and share information to identify and minimize risks and protect public safety.
- In times of economic hardship and fiscal limitations, investment in parks, trails and recreation facilities will give priority to those facilities that serve the community at large, versus those that serve a more specialized individual interest or need.
- Both Clark County and the City of Vancouver are interested in attracting firms paying family wage jobs to the community. Many firms that are considering relocating to the area, choose a location based on quality of life for owners and employees. Parks, trails, open spaces and access to recreation facilities contributes to the excellent quality of live in our area, and thus to the social and economic health of our community.

The specific tasks currently provided to the County are detailed in the Staffing Assessment that follows. Each of these tasks need to be considered in the revision of the ILA and a determination made as to the continuation as a service provided to the County from the City, and thus a provision of the new agreement.

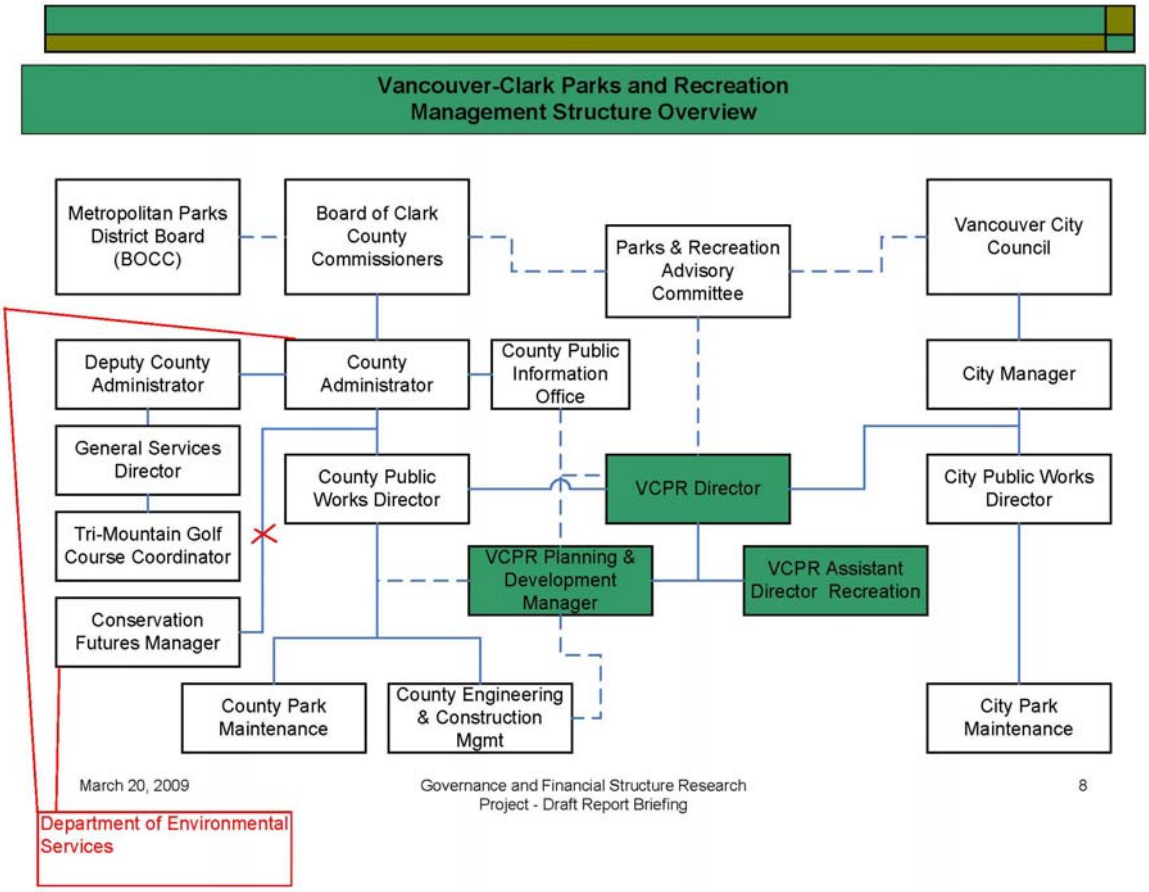
STAFFING ASSESSMENT

It is clear that the park and recreation system is generally understaffed. It is spread thin and treading water. This is contributing to the difficulty in retaining a director for the department. Lack of a common understanding of the vision for the VCPRD, coupled with incongruent expectations for accountability and lack of authority, are also contributing factors. Over time the system has also become piecemeal with various operations spread throughout the City and the County, likely in response to the department's inability to adequately and pro-actively meet its challenges in the face of significant budget reductions.

The current management structure, shown in the organizational chart in ***Figure 1,*** illustrates the complexity of the piecemeal system, and suggests the difficulty for pro-actively managing. Direction is coming from multiple sources which both complicates and blurs the operation, rendering staff to do the best they can in a reactive mode.

In spite of the structural deficit in which the VCPRD operates, the personal and professional commitment of individual employees translates to powerful and effective personal efforts to accomplish much of the work of the VCPRD. This is very much recognized by the public. This dedicated and passionate staff is aching for good, sustainable leadership and organizational structure.

Figure 1: Existing Organizational Chart



Staffing Philosophy and Strategy

Through strong leadership and organizational structure within the department, staffing needs to be adjusted over time with the appropriate authority and responsibility to accomplish the mission of the department. Several critical areas need to be addressed:

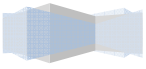
- The Recreation staffing structure is solid; however, it will need to evolve, using the Service Assessment process, dropping unnecessary tasks, and focusing on critical areas. Attention should be paid to the delivery of "core programs" and those for which it is in the best interests of the VCPRD to "advance" and "affirm" the market position (for better understanding refer to the Service Mix section of this report). Staffing assignments should be adjusted based on determinations from the Service Assessment.
- Staffing decisions driven by seniority, may not always be in VCPRD's best interest, as with limited resources it is important to have the most effective, experienced, resourceful staff to carry out the mission of the department. However, in light of this necessity, staff training becomes crucial and must be made available to best prepare an employee for not only the requirements of the job, but for a pro-active approach to the job.
- An in-depth staffing skills assessment was not possible in this study, however, it is likely that the right talent is not necessarily in the right place in the department based on the reaction to budget cuts and effects of seniority over the past several years, with employees being moved around to fill available positions rather than primarily based on skills. The new director should make assessment of staff skills a high priority task.
- Although not a high priority initially, park maintenance should eventually return to a full service parks and recreation department. The coordinated effort of serving park users, and maximizing park revenues through scheduling, preparing, monitoring, and customer service, is best carried out from a single source. Until that point in time, the department director should play a strong, influential role in the direction for maintenance of parks.
- In time, Special Events in parks should also be returned as a function of the department. The coordinated effort of serving park users, and maximizing park revenues through scheduling, preparing, monitoring, and customer service, is best carried out from a single source. Until that point in time, there needs to be closer coordination with the City Manager's Office and an approach to accounting for the costs to the VCPRD for waived fees, security and clean up and monitoring that assures that 100 percent of costs are recovered or at least credited to the department for resources expended.
- The proposed changes in the programming and operating systems will be taking place over the next several years requiring everyone one to step up to the plate to a new way of doing business. This will require the support of the City through a plan to assist staff with change management.

Specific Work Tasks Performed for Clark County by VCRPD

In addition to the staffing requirements for the City of Vancouver, the following details work tasks currently performed for Clark County by VCPRD. Many of these would be most efficiently provided by continuing to serve both organizations and should be considered in the revision of the ILA.

1. **Administrative and Financial**
   a. Customer service – respond to requests for information about facilities and services and respond to issues, complaints and concerns about parks, trails and recreation facilities
   b. Negotiate and manage agricultural leases and interim leases of parks properties until developed as parks
   c. Provide staff support and direction to the Parks & Recreation Advisory Commission
   d. Identify funding opportunities and prepare applications for grants, loans, etc. to accomplish parks, trails, open space, and recreation facility goals, including presentations to elected and appointed officials and partners to gain their support. If any changes to use (conversions) of the property covered by the grant occur at any time in the future coordinate with granting agencies regarding replacement or repayment policy
   e. Identify partnership opportunities (for example with school districts, sports leagues, interagency, non-profit organizations) and negotiate agreements to put them in place; monitor renewals and modifications as needed
   f. Monitor legislative and regulatory changes at the state and federal level, provide feedback to city and county officials, and lobby for city and county interests as needed
   g. Administration of the park impact fee program including: responding to requests for waivers or exemption, monitoring and reporting on fund levels and expenditure deadlines, identifying appropriate properties for acquisition and appropriate development activities eligible for PIF funding, documenting compliance with state, county and city regulations (need analysis and level of service), maintaining all records and responding to audit questions; PIF Technical Document updates as needed
   h. Develop and maintain policies and procedures consistent with federal, state and local laws and plans
   i. Track performance metrics and prepare annual report; prepare SEA (County) and Performance Snapshot (City) biennially
   j. Maintain files, provide information for local state and federal audits, respond to audit queries, adjust policies and/or procedures in response to audit recommendations and document

2. **Personnel**
   a. Advertise, hire/appoint, evaluate, coach/discipline and if necessary fire VCPRD Director
   b. Advertise, hire/appoint, evaluate, coach/discipline and if necessary fire Parks Planning and Capital Program Manager
   c. Advertise, hire/appoint, evaluate, coach/discipline and if necessary fire Parks Operation Manager
   d. Advertise, hire/appoint, evaluate, coach/discipline and if necessary fire line staff executing the programs covered by this agreement
   e. Advertise, hire/appoint, evaluate, coach/discipline and if necessary fire temporary staff for summer operations



3. **Comprehensive Planning, Policy, and Standards Development**
    a. Periodically (currently every 5 years) review and update the Vancouver – Clark Comprehensive Parks, Trails, Open Space and Recreation Plan to meet the requirements of the Growth Management Act (RCW 36.70A) and the requirements of Washington State Grant funding agencies and programs
    b. Annual Review for text and capital facilities plan updates as needed
    c. Maintain parks, trails and open space inventory information and demographic information and keep up-to-date the analysis of how well the system of parks, trails and open space meets standards set in adopted plans and policies
    d. Involve the public in setting goals and policies, codes and standards related to parks, trails, open space and recreation
    e. Review and revise city and county parks codes to reflect changes in adopted plans and to facilitate public use and enjoyment of parks, trails and open spaces
    f. Establish and implement policies related to the safe use of parks, trails and open spaces
    g. Subarea Plan participation

4. **Parks, Trails, and Special Facilities Master Planning**
    a. Gather background information (covenants or restrictions, zoning, environmental overlays, vegetation, boundaries, utility locations, etc.) and create base map and prepare maps of existing conditions
    b. Identify, outreach to and coordinate public involvement in design
    c. Develop master plan options and review with the public and appointed and elected officials
    d. Finalize master plan based on public and city/county official review and comment
    e. Identify implementation measures and costs

5. **Land Acquisition**
    a. GIS analysis to identify areas needing parks, trails or open space and identify appropriate options and opportunities s to meet the need
    b. Contact property owners and negotiate acquisition
    c. Obtain appraisal, survey, title report, environmental reports (haz mat, geotech, wetlands, etc.), and other due diligence site review, including procurement and budget monitoring;
    d. Verify fund availability and appropriate accounts to use
    e. Explore and maximize partnership opportunities for acquisition and/or maintenance for interim or long term joint use
    f. Prepare staff report, presentation materials and present to Council or Board
    g. If approved, establish escrow and complete purchase
    h. Secure the property (fencing, demolish buildings or secure them, etc.) until it can be developed
    i. Negotiate and document trust land transfers, donations and land trades

6. **Parks, Trails, and Special Facilities Capital Improvements**
    a. Design (or oversee consultant design of) improvements consistent with master plan, city/county, state and federal laws, including community gardens, interim uses, memorial donations
    b. Prepare cost estimate(s), identify funding options, obtain funding authority from executive or elected body and establish accounts to be charged
    c. Manage construction or coordinate with construction manager to resolve issues that arise, consistent with budget and plans

d. Document construction and project as built; file consistent with asset management system;
e. Monitor that proper accounts are charged for the work
f. If the project is grant funded, ensure that required grant reports and drawdowns are completed and sent to granting agency
g. Coordinate with Parks Foundation on small project grants, memorial benches/furnishings and their implementation

7. Property Inventory & Asset Management

a. GIS mapping and inventory updates
b. Road Atlas updates
c. Property file maintenance, organization and database integration, including organizing and scanning property documents from past years
d. Coordination with GIS and DES staff for inventory database design and quality control;
e. Coordination with County Property Management Committee
f. Coordinate access to archives and information requests and document responses
g. Monitor and report facility usage

8. Parks Operations

a. Maintain website, produce flyers, press releases, etc. to inform public of parks rental opportunities, rules and costs
b. Coordinate with facility and grounds maintenance crews to ensure user safety and enjoyable experience, including signage, equipment safety, garbage collection, etc.
c. Monitor activities in parks to prevent, minimize and respond to risk situations in coordination with law enforcement and maintenance
d. Respond to situations, keeping city and county administration in the loop
e. Oversee fee collection operations to meet adopted policy and best management practice for safety and smooth operations

9. Parks, Fields and Facility Use and Scheduling

a. Develop policies and priorities for facility use, conditions of use and fees and present to PRAC and elected officials for adoption
b. Monitor costs of maintaining and operating facilities compared to revenues from rentals/use agreements
c. Communicate with individuals and groups about their wants/needs and facility availability to match. Negotiate use agreements/permits and parking contracts. Update as needed.
d. Determine conditions of use and fees, draft permits/invoices, get signatures, collect fees and issue permits
e. Maintain and distribute schedules to staff, users, maintenance crews, etc.
f. Maintain database of facilities & amenities; report monthly on activity levels/revenues

SERVICE MIX ASSESSMENT

A **Public Sector Service Assessment** was introduced and is being conducted to determine where to aggressively pursue a market niche, to divest interest, to diversify resources, or to form partnerships. This assessment is an intensive review of organizational services including activities and facilities. This is a staff intensive effort working with the consultants, which will eventually live and breathe in the VCPRD as a standard and ongoing way of doing business. The assessment uses a series of filters to assist in the determination of the organization's level of responsibility in the provision of service. Results of the assessment indicate whether the service is "core to the organization's mission," or if there is significant gap in service or duplication of community efforts to provide a service, which may require direction to reallocate resources elsewhere.

This assessment reviews recreation programming and needs based upon the VCPRD vision and mission, recreation trends, facility inventory, and service provider offerings within the city and the county.

The Public Sector Service Assessment Model

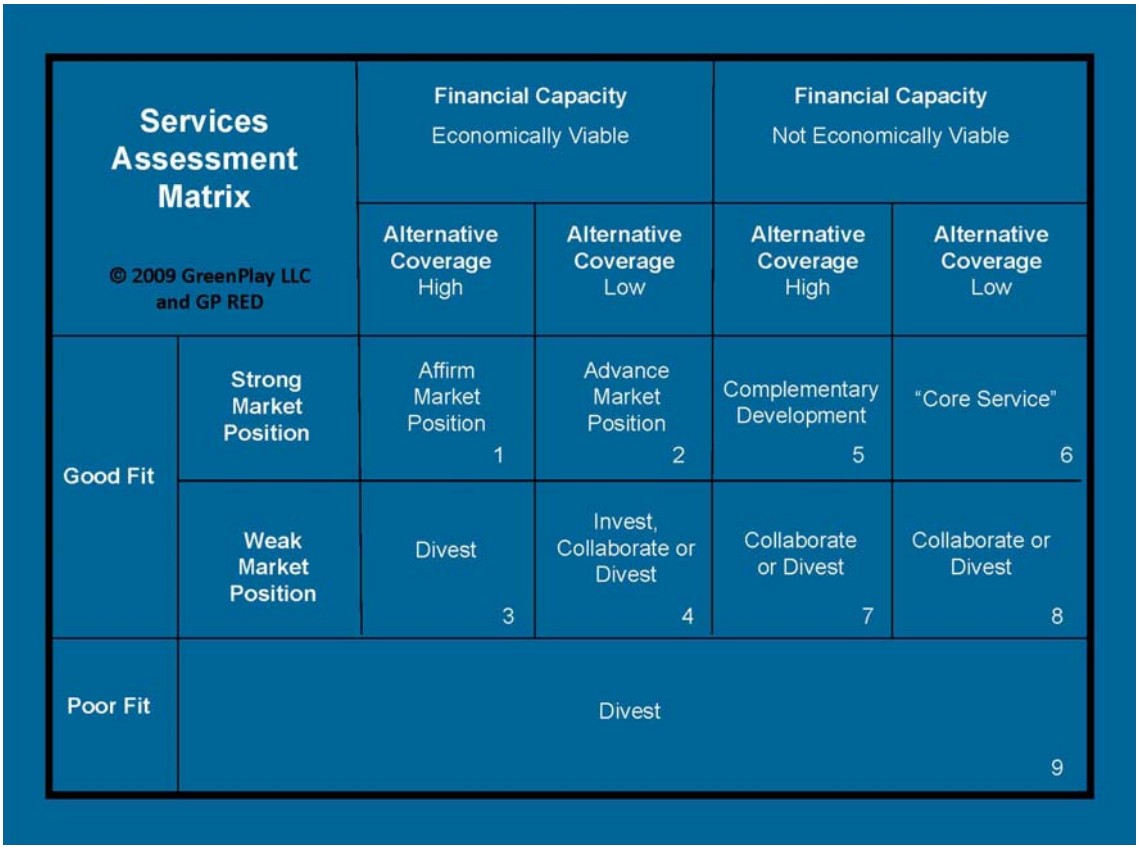
Public agencies have not traditionally been thought of as organizations needing to be competitively oriented for provision of services in the marketplace. Unlike private and commercial enterprises which compete for customers (and whose very survival depends on satisfying paying customers), many public and non-profit organizations operate in a non-market, or grants economy – one in which services may not be commercially viable. In other words, the marketplace may not supply sufficient and adequate resources.

In the public sector, customers (taxpayers) do not decide how funding is allocated and which service gets adequate, ongoing funding. In fact, many public agencies and non-profits can be considered "sole-source," or the only place to get a service, so there is little to no market saturation. Therefore, the potential exists for apathetic service enhancement and improvement. Consequently, public and non-profit organizations have not necessarily had an incentive to question the status quo, to assess whether customer needs were being met, or to examine the cost-effectiveness or quality of available services.

The public sector and market environments have changed, and funders and customers alike are beginning to demand more accountability; both traditional (taxes and mandatory fees) and alternative funding (grants and contributions) are getting harder to come by, even as need and demand increases. This increasing demand for a smaller pool of resources requires today's public and non-profit agencies to rethink how they do business, to provide services where appropriate, to avoid duplicating existing comparable services, and to increase collaboration, when possible. In addition, organizations are leveraging all available resources where possible.

Based on the MacMillan Matrix for Competitive Analysis of Programs[1], the Public Sector Services Assessment Matrix ***(Figure 2)*** is a valuable tool that is specifically adapted to help public agencies assess their services. The MacMillan Matrix realized significant success in the non-profit environment and has led to application in the public sector. The Matrix is based on the assumption that duplication of existing comparable services (unnecessary competition) among public and non-profit organizations can fragment limited resources available, such that no provider has sufficient resources to increase the quality and cost-effectiveness of customer services.

Figure 2: The Public Sector Services Assessment



The Matrix assumes that trying to be all things to all people can result in mediocre or low-quality service. Instead, agencies should focus on delivering higher-quality service in a more focused (and perhaps limited) way. The Matrix helps organizations think about some very pragmatic questions.

- **Q: Is the agency the best or most appropriate organization to provide the service?**
- **Q: Is market competition good for the citizenry?**
- **Q: Is the agency spreading its resources too thin without the capacity to sustain core services and the system in general?**
- **Q: Are there opportunities to work with another organization to provide services in a more efficient and responsible manner?**

These are further defined as **Fit, Financial Capacity, Market Position,** and **Alternative Coverage,** with questions designed to help analyze each of the categories**.**

[1] Alliance for Nonprofit Management

Fit

Fit is the degree to which a service aligns with the agency's values and vision, reflecting the community's interests. If a service aligns with the agency's values and vision, and contributes to the overall enhancement of the community, it is classified as "good fit," if not, the service is considered a "poor fit."

- Does the service align with agency values and vision?
- Does the service provide community-wide return on investment (i.e. community, individual, environmental, or economic benefits and outcomes that align with agency values such as crime prevention, improved health and well-being, enhancement of property values)?

Financial Capacity

Financial Capacity is the degree to which a service (including a program, facility or land asset is currently or potentially attractive as an investment of current and future resources to an agency from an economic perspective.

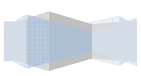
No program should be classified as 'highly attractive" unless it is ranked as attractive on a substantial majority of the criteria below.

- Does the service have the capacity to sustain itself (breakeven) independent of General Fund or taxpayer subsidy/support?
- Can the service reasonably generate at least 72% of the direct costs of service from fees and charges or alternative funding sources?
- Can the service reasonably generate excess revenues over direct expenditures through the assessment of fees and charges?
- Are there consistent and stable alternative funding sources such as donations, sponsorships, grants, and/or volunteer contributions for this service?
- Is there demand for this service from a significant/large portion of the service's target market?
- Can the user self-direct or operate/maintain the service without agency support?

Market Position

Market Position is the degree to which the organization has a stronger capability and potential to deliver the service than other agencies – a combination of the agency's effectiveness, quality, credibility, and market share dominance. No service should be classified as being in a "strong market position" unless it has some clear basis for declaring superiority over all providers in that service category, and is ranked as affirmative on a substantial majority of the criteria below.

- Does the agency have the adequate resources necessary to effectively operate and maintain the service?
- Is the service provided at a convenient or good location in relation to the target market?
- Does the agency have a superior track record of quality service delivery?



- Does the agency own a large share of the target market currently served?

- Is the agency currently gaining momentum or growing its customer base in relation to other providers? (e.g., "Is there a consistent waiting list for the service?")

- Can you clearly define the community, individual, environmental and/or economic benefits realized as a result of the service?

- Does agency staff have superior technical skills needed for quality service delivery?

- Does the agency have the ability to conduct necessary research, pre and post participation assessments, and/or properly monitor and evaluate service performance therefore justifying the agency's continued provision of the service? (Benchmarking performance or impact to community issues, values, or vision)

- Are marketing efforts and resources effective in reaching and engaging the target market?

Alternative Coverage
Alternative Coverage is the extent to which similar services are provided in the service area to meet customer demand and need. If there are no other large (significant), or very few small agencies producing or providing comparable services in the same region or service area, the service should be classified as "low coverage." Otherwise, coverage is "high."

Service Assessment Tool Glossary of Terms

Ability – the quality or state of being able; power to perform; competence in doing

Adequate – sufficient for a specific requirement; reasonably sufficient

Capacity – the potential or suitability for accommodating; the maximum amount or number that can be contained or accommodated; the facility or power to produce, perform, or deploy; capability

Quality – meeting or exceeding expectations; degree of excellence; superiority in kind

Superior – of higher rank, quality, or importance; excellent of its kind

Target market – the specific market of a service (e.g., age, sex, race/ethnicity, education level, ability level, residence)

The Process

The **VCPRD Public Sector Services Assessment** is a review of organizational services indicating whether a service is core to its values and vision. The assessment recommends strategies for providing services that can include (but are not limited to) enhancement of service, reduction of service, collaboration, and advancing or affirming market position. This assessment is based on a nexus between services provided and VCPRD's central purpose. The process includes an analysis of: each service's relevance to the community's values and vision, each service's position in the community relative to the market, the quantity and quality of other providers in the service area, and the economic viability of the service.

The use of the *Service Assessment* tool to identify core services and potential provision strategies included an educational work session and required extensive time and effort by VCPRD staff. Each component of the process was introduced allowing staff to use the model ***(Figure2)*** to identify core services and service provision strategies for each type of service or program offered based on each service's market segment and the strength or weakness of its position within that market, and to identify alternative providers, core services, and optional provision strategies.

Service Assessment Findings and Determinations

The Service Assessment required staff to answer a series of questions regarding "fit" with the mission and vision of the VCPRD; the "strength of the VCPRD's market position" for each of its services and programs based on community need, present credibility and capacity, and community awareness; the "financial capacity" of the service or program to be viable without the support of tax funding; and the presence of "alternative providers" in the market place.

The resulting provision strategies for the VCPRD identify:

- Services to advance or affirm its market position
- Services to pursue collaboration
- Services for complementary development
- Services to invest in to change the market position
- Services to divest

Multiple strategies are often highlighted through this process for particular services. This is because there are several variables at work creating a weak mark position that an agency may or may not be willing or able to change. Market position is determined by the current resources available (could that investment be increased?), the location of the service (could it be moved?), the track record and credibility of the VCPRD (is there any momentum toward improvement?), technical skill (could training be provided?), are people really aware of the offering (could marketing efforts be increased?). An appropriate solution for some of the challenges might be collaboration, suggesting another strategy, or it may be time for divestment. Some of the VCPRD offerings will be found in multiple categories at this early stage of the analysis process.

Below are the service provision strategies descriptions. The numbers refer to the boxes in parentheses in ***Figure 2***. Following the description is some analysis of the VCPRD programs and services that were found to belong in the box for that particular provision strategy.

Affirm Market Position (1) – a number (or one significant) *alternative provider*(s) exists yet the service has *financial capacity* and the agency is in a *strong market position* to provide the service to customers or the community. **Affirming market position** includes efforts to capture more of the market and investigating the merits of competitive pricing strategies. This may also include investment of resources to realize a financial return on investment. Typically, these services have the ability to generate excess revenue. The following are services for which the VCPRD is well suited to provide and that attract a significant amount of revenue to the VCPRD.

Monitored Facility Use (pass/drop-in)
Exercise - Fitness , Aquatics, Group
Facility Rentals
Youth Sports Leagues
Youth Sports Instruction
Youth Activities /Enrichment
Youth/ Teen Day Camps
Adult/ Tennis Instruction

Although there are other providers for these services, there is demand to justify affirming the market position for these activities. The VCPRD will want to maintain a high quality experience to keep and attract new users, and keep an eye on its pricing strategies to remain competitive and optimize revenues. There may also be an opportunity to increase the VCPRD's credibility through training and/or gaining additional expertise in providing and marketing these services, as well as keeping them "fresh."

Advance Market Position (2) – a small number or no *alternative providers* exist to provide the service, the service has *financial capacity* and the agency is in a *strong market position* to provide the service. Due primarily to the fact that there are fewer if any alternative providers, **advancing market position** of the service is a logical operational strategy. This includes efforts to capture more of the market, investigating the merits of market pricing, and various outreach efforts. Also, this service may be an excess revenue generator by increasing volume. Similar to box number 1, the VCPRD is well suited for providing:

There is demand for these activities and there are not any significant other providers, which creates the opportunity for more aggressively pursuing the market for these activities. It is likely that the ability to pay for these services is strong and it is in the VCPRD's best interests to aggressively work to advance the market position for these services.

Divestment (3,4,7,8,9) – the agency has determined that the service does not *fit* with the agency's values and vision, and/or the agency has determined it is in a *weak market position* with little or no opportunity to strengthen its position. Further, the agency deems the service to be contrary to the agency's interest in the responsible use of resources, therefore, the agency is positioned to consider **divestment** of the service.

Over the past several years, through budget reductions, the VCPRD has taken steps to divest itself of these activities by seeking alternative providers to serve current users, or simply discontinued the service. There are no current programs that readily fit this category, however if further investment or collaboration is not possible, it could be considered for the programs listed in the categories below.

Investment (4) – **investment** of resources is the agency's best course of action as the service is a *good fit* with values and vision, and an opportunity exists to strengthen the agency's current *weak market position* in the marketplace. This could be a consideration of VCPRD for:

Concessions & Merchandise
Fitness Training & Services
Outdoor Rec/Environmental Education

Complementary Development (5)– the service is a *good fit*, a number of or one significant *alternative provider(s)* exists which provide the service, the agency is in a *strong market position* to provide the service, yet it does not generate revenues to support itself. "**Complementary development"** encourages planning efforts that lead to complementary service development rather than duplication, broadening the reach of all providers. Although there may be perceived market saturation for the service due to the number or like services of alternative providers, demand and need exists justifying the service's continued place in the market. These services were determined to be a "good fit" because they are supportive of other opportunities available at VCPRD facilities and make it possible for people to pursue these opportunities. Although these types of services are available outside of VCPRD facilities, those services do not meet the needs of user of the facilities and so "complementary development," or providing in addition to those other providers is necessary at this time to attract users.

Facility Maintenance
Child Watch

Collaboration (4,7,8)– the agency determines that the service can be enhanced or improved through the development of a collaborative effort as the agency's current *market position is weak*. **Collaborations** (e.g., partnerships) with other service providers (internal or external) that minimize or eliminate duplication of services while most responsibly utilizing agency resources are recommended. The following services and programs should be considered first for collaborating with another provider (schools, non-profits, event promoters, other local recreation providers). What this may mean is that the VCPRD continues to be the provider of the facility and event sites; however, it will contract or lease the venues to others to provide programs, such as Meals-on-Wheels, that are complimentary to VCPRD services. A full assessment of cost must be completed to assure that collaboration is actually improving the financial position of the VCPRD. If other collaborators cannot be found, these activities should be considered for divestment.

Family Events
Kids First/Out of Schools Programs
Adult Activities/Enrichment
Special Events (Department)
Adult Sports Leagues
Community Gardens
Concessions & Merchandise
Fitness Training & Services
Outdoor Rec/ Environmental Education

Core Service (6) – these services *fit* with the agency's values and vision, there are few if any *alternative providers*, yet the agency is in a *strong market position* to provide the service. However, the agency does not have the *financial capacity* to sustain the service outside of General Fund support. The following services are **"core" to satisfying the VCPRD's values and vision** typically benefiting all community members, or are seen as essential to the lives of under-served populations.

Teen Center Use
Non-monitored Park Use
Non-monitored Community Center Use
Summer Playground Programs
Inclusion
Access to Recreation
Department Administration

Next Steps
VCPRD staff will need to implement tactics to pursue the service provision strategies indicated. This tool can continue to be used to evaluate the appropriate service provision strategy for current and future potential programs and services, as market, economic, and alternative provider circumstances change over time

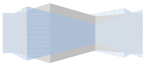
Partnerships

Partnerships are a viable strategy for developing a service mix; however, they should be approached purposefully and not be seen as an exit strategy to simply divest of a struggling program or service.

A partnership is a cooperative venture between two or more parties with a common goal, who combine complementary resources to establish a mutual direction or complete a mutually beneficial project. Partnerships can be facility-based or program-specific. The main goal for Vancouver Parks and Recreation Department partnerships is enhancing public offerings to meet the mission and goals of the VCPRD.

Partnerships can accomplish tasks with limited resources, respond to compelling issues, encourage cooperative interaction and conflict resolution, involve outside interests, and serve as an education and outreach tool. Partnerships broaden ownership in various projects and increase public support for community recreation goals. Partners often have flexibility to obtain and invest resources/dollars on products or activities where municipal government may be limited.

Partnerships are being used across the nation by parks and recreation agencies in order to bring to the table additional resources for their community's benefit. Examples of partnerships abound, and encompass a broad spectrum of agreements and implementation. The most commonly described Partnerships occur between public and private entities as well as between public entities and non-profit organizations and/or other governmental agencies.



In order for partnerships to be successful, research has shown that the following elements should be in place prior to partnership procurement:

- There must be support for the concept and process of partnering from the very highest organizational level – i.e.: the City Council, the Parks and Recreation Advisory Commission and department head.

- The most successful agencies have high-ranking officials that believe that they owe it to their citizens to explore partnering opportunities whenever presented, those communities both solicit partners and consider partnering requests brought to them.

- It is very important to have a Partnership Policy in place before partner procurement begins. This will allow the VCPRD to be proactive rather than reactive when presented with a partnership opportunity. It also sets a "level playing field" for all potential partners, so that they can know and understand in advance the parameters and selection criteria for a proposed partnership.

- A partnership policy and process should set development priorities and incorporate multiple points for go/no-go decisions.

- The partnership creation process should be a public process, with both Partners and the VCPRD well aware in advance of the upcoming steps.

The VCPRD currently is dealing with "partnerships" that have been set up over time. These include development and use partnerships for ballfields as well as programming relationships. Our analysis has indicated that less effort is needed at the present time to identify new partners and more is needed to provide an appropriate philosophy and consistency in partnership implementation. This includes addressing inadequacies in existing relationships as well as distinguishing between a true partnership and a simple agreement for services.

GreenPlay has provided a Partnership Policy draft to the VCPRD as part of this study that identifies strategies to facilitate public and private partnership opportunities and minimize risk.

FUNDING ASSESSMENT

The VCPRD is funded through the General Fund, Real Estate Excise Tax, and Park Impact Fees. The General Fund dollars come both from the City directly and through the ILA from the County. Park maintenance is also funded through the General Fund of each entity although outside of the VCPRD budget through the respective Public Works departments. The Greater Clark Parks District is also funded directly through a property tax for both capital and maintenance. Costs are recovered (offset) through fees and charges, grants, philanthropic support, sponsorships, and through the Clark Foundation.

The lack of funding, and differential of funding from City, County and GCPD sources, has caused multiple park maintenance standards and has nearly brought the acquisition and development of new park sites to a halt. Continuing the current trend of cutting services to meet financial constraints will result in reduced hours and potentially closure of facilities in future budget cycles. It is clear from current and potential partners that they are no better equipped financially and do not have the resources to take over the operations.

Capital Funding

Park Impact Fees (PIF)

Park impact fees should be a joint program of the City and the County, administered by the City. Park impact fees are calculated, assessed, and spent in ten different park districts across the City of Vancouver and its urban growth area. Fee collection and spending is separate for each park district. Park Impact Fee rates are determined for each PIF district by calculating the cost of acquiring and developing parkland necessitated by new development and deducting the impact of taxes and fees currently paid by new homeowners towards park acquisition and development (the cost adjustment factor, or CAF). Fees are calculated separately for the City and County and for each park district.

Despite the two different jurisdictional (city vs. county) areas that are contained within several districts, the PIF program implements acquisition and development for each district based on its needs analysis for existing and future levels of service as well as targeting equitable distribution of park land across the district and the larger urban community.

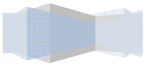
For Real Estate Excise Tax (REET):

The City and County collect and allocate REET independently.

- Clark County: up until 2012, REET was committed to parks; this was split two-thirds to the urban area (i.e. Greater Clark Park District) for design and construction) and one-third to regional parks. For 2012, due to fiscal challenges, most all REET was recommitted to cover existing debt service (unrelated to Parks). There remains a commitment of $300,000 annually for regional park capital repair.

- City of Vancouver: through a prescribed formula, VCPRD receives a percentage of REET revenue. Based on the amount being collected at this time, all of the funds are being used to pay debt service from the construction of Firstenburg Community Center and the remodel of the Marshall/Luepke Community Center.

Some flexibility is needed regarding how existing funding sources can be used to acquire and develop park land. These funding sources are used to meet a prescribed level of Service (LOS) typically defined in as the capacity of the various components and facilities that make up the system to meet the needs of the public. This is often expressed in terms of the size or quantity of a given facility per unit of population. The VCPRD system currently depends on an NRPA set of LOS standards that do not address redevelopment and infill situations very well, nor changes in recreation demand.



Through a book published by NRPA in 1983, a table of standards became widely known as "the NRPA standards," recommending "that a park system, at minimum, be composed of a core system of parklands, with a total of 6.25 to 10.5 acres of developed open space per 1,000 population." (Lancaster, 1983, p. 56) The guidelines went further to make recommendations regarding an appropriate mix of park types, sizes, service areas, and acreages, and standards regarding the number of available recreational facilities per thousand population (a measure of capacity). It is important to note that these standards were never formally adopted for use by NRPA.

In order to address questions concerning what is included in the definition of "developed " open space, the context of the community, the quality and condition of amenities, among other relevant issues, a new methodology for determining Level of Service was developed. It is called a **Composite-Values Methodology** (CVM) and has been applied in many communities across the nation since 2001 to provide a better way of measuring and portraying the service provided by parks and recreation systems.

For CVM analysis, capacity is only part of the LOS equation. Other factors are brought into consideration, including *quality*, *condition*, *location*, *comfort*, *convenience*, and *ambience*. By combining and analyzing these "composite values" of each component, it is possible to measure the service provided by a parks and recreation system from a variety of perspectives and for any given location, and provides for a variety of solutions to meet a level of service standard. It also allows a measurement of other than "park" land such as undeveloped open space and trails or cultural or historic areas that can also contribute to a solution.

The Comprehensive Plan update should use a composite values methodology to determine and express the desired level of service for which funding is applied.

Operational Funding

The City's General Fund support decreased by $2.3 million (25.8%) from 2008 to 2012. Funding from the GCPD and the County has also been reduced. VCPRD has responded to significant revenue shortfalls by reducing staff, reducing hours of operation, transitioning services to other providers, and reducing or eliminating services. More than half of the City parks, grounds, and recreation staff has been eliminated. Continuing the current trend of cutting services to meet financial constraints will result in reduced hours and potentially closure of facilities in future budget cycles. It is clear from current and potential partners that they are no better equipped financially and do not have the resources to take over the operations.

Some of the very programs that are at the heart of the VCPRD mission, and the mission of public parks and recreation, have been discontinued because they don't generate sufficient cost recovery. From an operations standpoint, clearly new ways of doing business and the generation of revenue to offset expenditures are necessary. Cost recovery is not an arbitrary process. Through this study we have provided staff with the tools to fine tune the service portfolio and the cost recovery philosophy and strategy. This will free up some financial resources, but will never cover the entire cost.

Funding Goals

- Sustainable funding
- Maintaining current assets is the first priority; expanding the network is secondary – but necessary to meet the needs of future residents.
- Public support should be targeted primarily for those things that benefit the entire community and for those who cannot pay their own way.

Potential for Increase in Tax Funding

Support for increased tax funding for parks and recreation does not appear viable at this time. In 2012 results of the Citizen Survey indicated that 58% of respondents were either "supportive" or "very supportive" of using voter approved taxes or levies to fund specific services, much more so than the 26% who showed support for eliminating programs or services and the 11% who showed support for significantly decreasing service levels and responsiveness of all existing services. Although the November 2012 bid to create a City MPD failed by a two to one margin, the reasons are not clear at this time, but could have been related to three explanations of concern heard in the stakeholder interviews in this study: 1) lack of understanding of the intent; 2) lack of specificity in the protection of revenue raised through this avenue; and 3) plan to supplant 50% of the tax proceeds and use them for non-park purposes. This strategy should be explored during the update of the Comprehensive Plan in conjunction with level of service analysis.

Non-resident Fee for Use of Recreation Programs and Parks

Consideration may also be given to charging non-residents more than residents for recreation programs and park use, since they do not pay taxes to support these programs and facilities. This issue was addressed in the 2008 *Recreation Cost of Service Study* with the following opinion offered:

> "Separate pricing for non-residents can be workable, but the across-the-board use of nonresident pricing requires a sustained commitment over a long period of time, including the development of systems and procedures for distinguishing City residents from nonresidents. These procedures create a burden on residents as well as non-residents— residents must periodically prove that they are indeed residents, while non-residents must pay the price premium.
>
> It is possible to implement a limited non-resident price premium with less administrative complication by restricting it to certain types of revenues, such as pass sales. With that approach, less commitment is required, but potential revenue gains are modest. We tested the impact of applying a non-resident price premium to pass sales only, using three different price elasticity assumptions. The result ranged from a net gain of about $19,000 to a net loss of about $10,000. In all, we feel that for Vancouver, separate non-resident pricing is probably not worth pursuing."

This strategy should be explored during the update of the Comprehensive Plan in conjunction with level of service analysis.

Approach to Cost Recovery

GreenPlay has introduced best practices for the general operations of the VCPRD through two new business planning tools. These tools each provide a look at current services and programs in order to align sources of funding (taxes as well as fees and charges and other alternative funding sources) with a focus on the beneficiaries of the services. The *Cost Recovery and Resource Allocation Pyramid Model* © helps determine to what degree it is appropriate to charge fees for services. The *Public Sector Service Assessment Model* © considers service delivery strategies based upon the surrounding market and an agency's mission and capabilities. Although these tools provide a point in time assessment of current recreation programming and operations, each is also designed as an ongoing business practice tool to be used regularly for evaluation of current and potential new services and programs.

Recreation Cost of Service Study for the City Of Vancouver (2008)

A cost of service study was carried out in 2008 to identify the full cost of service and cost recovery for recreation programs and facilities, compare the actual cost recovery with what would be expected under the City's existing cost recovery policy, and assist City staff in reviewing policy and fee levels. The cost of service analysis compared actual 2007 recreation revenue with budgeted 2008 Recreation Division expenditures.

The following key findings were based on that comparison:

- The Recreation Division as a whole recovered 60% of its overall costs, including direct program costs, the site administration and maintenance at the two community centers, and a pro rata share of department overhead costs. The "overall costs" considered in this study exclude capital, debt service, and citywide overhead costs.
- Firstenburg Community Center recovered 89% of its site costs.
- Marshall/Luepke Community Center recovered 47% of its site costs.
- The "Other Programs" category as a group recovered 85% of its direct program costs. (Included special events at 70% and $50,000 subsidy from the Tourism Fund.)
- The "Subsidized Programs" group recovered 19% of its direct program costs. (Included Access to Recreation, a group of activities serving citizens with disabilities at 79%, with others recovering little or none of their cost).
- Individual programs at Marshall/Luepke and Firstenburg community centers varied widely, from 23% to 135%.

Its recommendations included:

- Recreation Division as a whole to recover 67% of its overall costs.
- Excluded three subsidized programs from overall cost recovery calculation—Kids First, Summer Playgrounds, and Teen Centers. Overall cost recovery goal moves from 67% to 70% and actual cost recovery moves from 60% to 62%.
- Firstenburg Community Center to recover 100%; Marshall/Luepke Community Center 52%.
- "Other Programs" to recover 100% of the direct program costs (including a proportionate share of the cost of park maintenance, in the case of the Special Events program).
- Group Access to Recreation program be grouped with Marshall/Luepke Community Center since it does not receive any more of a subsidy than regular recreation programs.
- Treat the Inclusion program costs the same way as department overhead costs.
- Do not pursue non-resident pricing.
- Do not increase the prices for individual programs by more than 5-7% per year.

The recommendations of this study informed some fee adjustments that were made subsequently but it was not formally adopted or implemented.

The results of implementing the proposed pyramid methodology described below will purposefully place programs in appropriate categories for assignment of cost recovery targets and put the VCPRD in a proactive, rather than reactive, position for cost recovery targets and the development of a revenue generation strategy.

COST RECOVERY PHILOSOPHY AND POLICY

A proven effective tool in the parks and recreation field known as the ***Pyramid Methodology*** is used to address cost recovery and resource allocation. This methodology and model is a way of conducting analysis of the existing and potential budget procedures, resources, capital improvement plans, cost recovery, traditional and alternative funding, pricing methodology, and user fees, and lays the foundation for potential fee adjustments.

Cost Recovery and Resource Allocation Pyramid Model

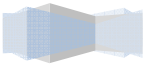
GreenPlay has examined the current approach to recovering cost through user fees for all services delivered by VCPRD, and considered community expectations to provide recommendations on changes to the current approach to cost recovery. We did not compare this current approach to other comparable jurisdictions, as we are introducing a best practice that provides a way of conducting analysis of existing and potential budget procedures, resources, capital improvement plans, cost recovery, traditional and alternative funding, pricing methodology, and user fees, and lays the foundation for potential fee adjustments or increases.

Critical to this philosophical undertaking is the support and buy-in of elected officials and advisory boards, staff and ultimately of citizens. Whether or not significant changes are called for, VCPRD wants to be certain that it is philosophically aligned with its constituents. The development of the cost recovery philosophy and policy is built upon a very logical foundation, using the understanding of who is benefiting from the parks and recreation service to determine the appropriate balance of tax and user fees to pay for that service.

The entire premise for this process is to align values, core services, and resources to fulfill the community's vision and mission. It is important that organizational values are reflected in the vision and mission. The principles presented provide the groundwork so that over time, staff can conduct further fiscal analysis of every component of overall Department services and operations. Staff has taken on this task and is working through the implementation tasks. The methodology was also presented to the PRAC and they endorsed it as a cost recovery philosophy for the department at their March 2013 meeting.

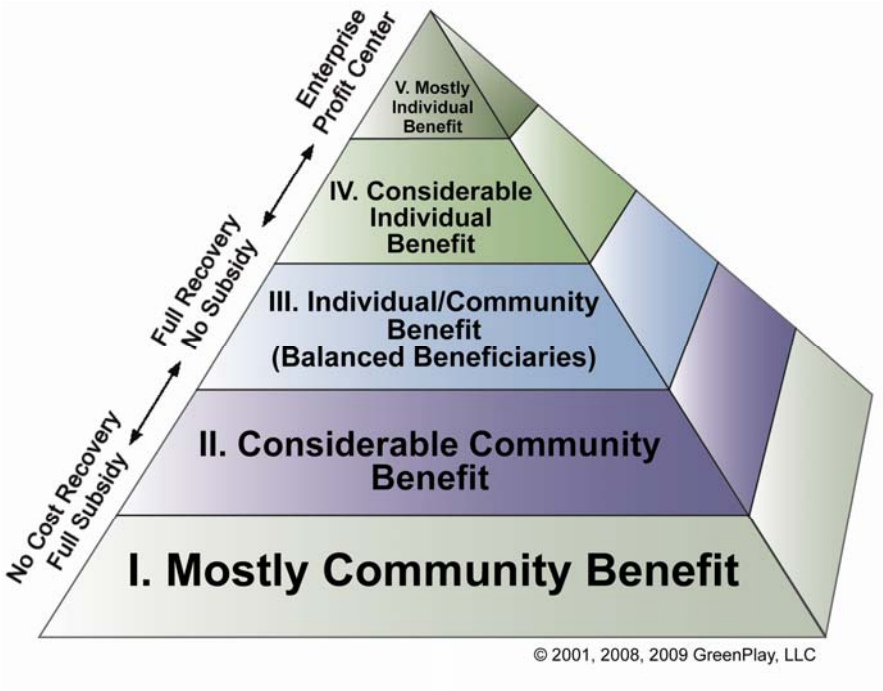
The Pyramid Model

It is often easier to integrate the values of an organization with its mission if they can be visualized. An ideal philosophical model for this purpose is the Pyramid. In addition to a physical structure, *pyramid* is defined by Webster's Dictionary as "an immaterial structure built on a broad supporting base and narrowing gradually to an apex." Parks and recreation programs are built with a broad supporting base of core services, enhanced with more specialized services as resources allow. Envision a pyramid sectioned horizontally into five levels (see ***Figure 3***).



The foundational level of the Pyramid represents the mainstay of a public parks and recreation system. It is the largest service level and most heavily subsidized by tax dollars. Services appropriate to higher levels of the Pyramid should be offered only when the preceding levels below are significant enough to provide basic parks and recreation services to the community as a whole. Together, this represents the public parks and recreation mission while reflecting the growth and maturity of a department.

Figure 3: The Pyramid Model



Application of the Pyramid Methodology begins with the values, vision, and mission of the VCPRD, but must also address the following questions and issues:

- Who benefits from the service – the community in general, or the individual or the group receiving the service?
- Does the individual or group receiving the service generate the need, and therefore the cost, of providing the service? An example of this type of service is a permitted activity in a park that requires police presence beyond the norm.
- Will imposing the fee pose an economic hardship on specific users?
- If the ability to pay does not align with the benefit and value of a service, consideration of this dynamic should be addressed during the implementation phase of pricing and marketing.
- Do community values support taxpayer subsidy of the cost of service for individuals with special needs (e.g., specialized programs for people with disabilities or services for low-income families)?
- Are services federally mandated, like inclusionary services as instituted by the Americans with Disabilities Act (ADA)?
- Will the level of the fee affect the demand for the service?
    - Is it possible and desirable to manage demand for a service by changing the level of the fee?
    - Are there competing providers of the service in the public, nonprofit, or private sector?

The VCPRD Pyramid

The Process

The use of the **Pyramid Methodology** tool to sort services into categories and determine current and minimum target cost recovery thresholds included a series of educational workshops and a significant amount of staff work. To introduce this process, GreenPlay trained a cross section of staff members on each component of the tool, developed an understanding of the ten step process and the benefits filter, and helped to identify broad categories of like or similar service.

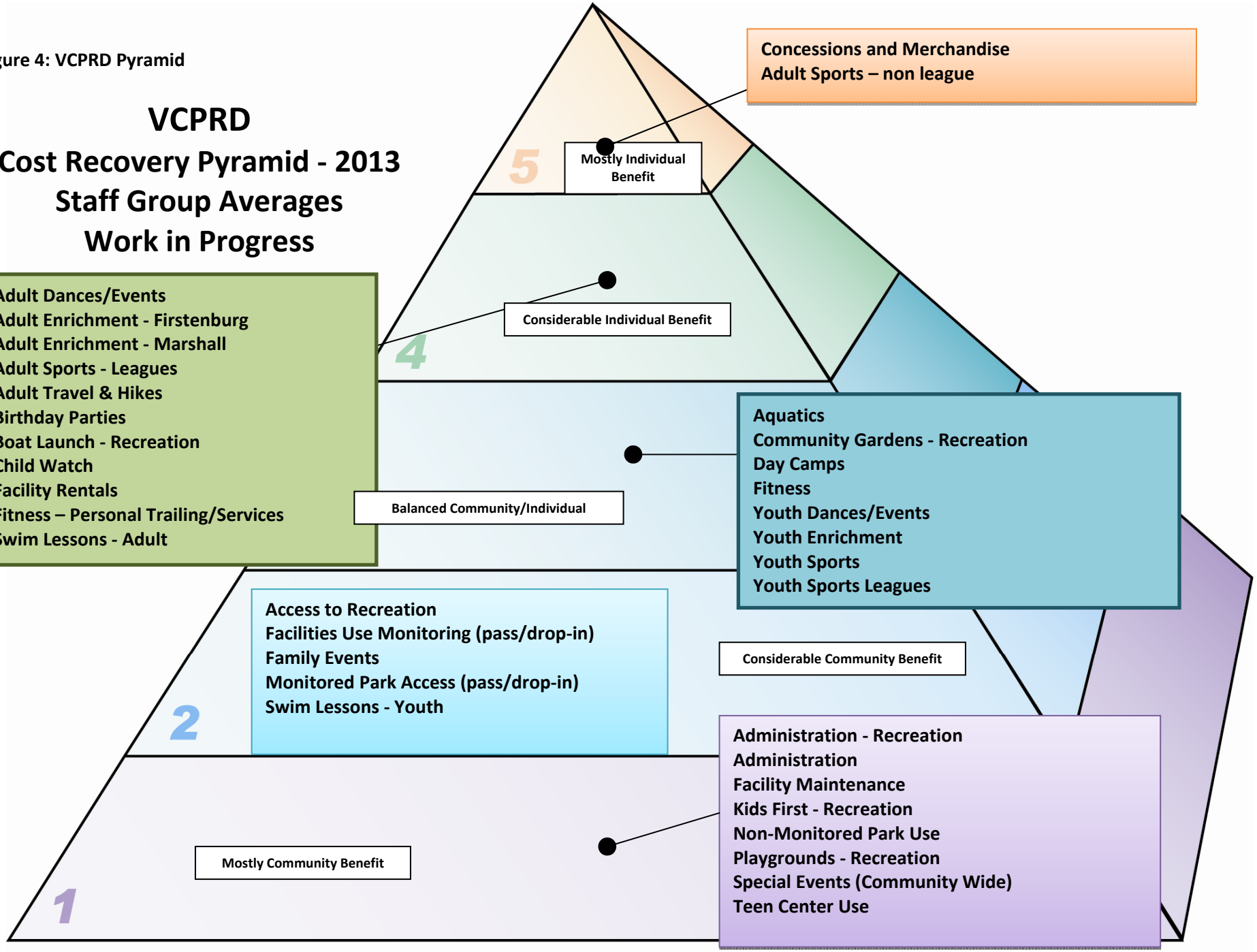
Pyramid Methodology Ten Steps

1. Build on Organizational Values, Vision and Mission
2. Understanding the Pyramid – the Benefits Filter and Secondary Filters
3. Develop the Organization's Categories of Service
4. Sort Categories of Services
5. Determine (or confirm) Current Subsidy/Cost Recovery Levels
6. Define Direct and Indirect Costs
7. Establish Subsidy/Cost Recovery Goals
8. Understand and Prepare for Influential Factors and Considerations
9. Implement
10. Evaluate

Through interactive dialogue and exercises, staff moved through steps one through four, and sorted the broad categories of service onto levels of the pyramid using the benefits filter. The results of this effort are shown in ***Figure 4,*** the VCPRD Cost Recovery Pyramid. This is a work in progress and will be refined over time as the following steps are carried out.

Figure 4: VCPRD Pyramid

VCPRD
Cost Recovery Pyramid - 2013
Staff Group Averages
Work in Progress



Next Steps

Staff will need to continue through the ten steps for implementation of the tool. Elected officials' buy-in to this process will be critical to its success. PRAC should be used to provide feedback on the outcome of using this tool as the process evolves.

This includes:

- **Final sorting of categories of service and layering on the pyramid.**
  Each category of service needs a written description of the programs and activities that are included with it. This will be used to communicate and create acceptance of the results o f the process.

- **Defining "Direct Costs" and "Indirect Costs."**
  The City of Vancouver desires to approach all analysis from a "full cost of service" approach, meaning as many costs as possible need to be identified and assigned to programs and services. The challenge is doing this in a way that doesn't add significant work rendering it an administrative financial burden. A simplified approach can result in a useful and meaningful analysis. It should be noted that this approach risks becoming very precise but not necessarily accurate. If it is determined that a particular program or service should be discontinued, all of the costs may not be "saved," as they are costs that are not in control of the department and are usually part of a larger effort that cannot actually be apportioned.
  That being said, it will be useful in setting appropriate fees for services. Staff is in the process of defining "direct" and "indirect" costs for the VCPRD so that the methodology can be consistently applied. These costs will be applied at the program level.

- **Using those definitions to determine current cost recovery for each service and the range of cost recovery for each level of the pyramid.**
  Applying all costs through this methodology for each category of service will identify both the range of and average cost recovery occurring within each level of the pyramid. It will allow a visual assessment of how the levels relate to each other, as philosophically the level of cost recovery should increase as you move up the pyramid. There should be flexibility within each level so a range is appropriate, but pricing should be adjusted so that outliers become aligned when new targets are established.

- **If desired, establishing new cost recovery targets or goals. The targets are attempting to recover a percentage of both direct and indirect cost of service provision, or may be fully loaded (direct and indirect) costs.**
  New targets need to be within a reasonable distance of the current cost recovery averages and/or range, and fall within what the market will bear for implementation to be successful. A phased approach to implementation may be necessary. Note that the current and/or new targets for cost recovery are not likely to align with the current cost recovery target established for the department as there is now a new definition of cost.

  An approach of breaking programs out from facilities is common and appropriate; even if programs reach 150% and facilities are far less, there is an acknowledgement that facility costs support programs.

- **Using the staff resource document provided, consider how other influential factors may affect ability to reach cost recovery goals.**
  Supporting those with economic needs and special needs, marketing strategies, and political issues, among other influences may affect the ability to reach the cost recovery goals and should be anticipated, tracked and reported.

- **Creating a plan and implement tactics needed to align current programs with cost recovery targets, phasing if appropriate.**
  A first year plan should be established for fee setting in conjunction with tactics established for service provision strategies as determined from the services assessment.

- **Evaluating the success of implementation after year one and making adjustments as needed.**
  As this is a substantial change to carrying out the business of the VCPRD, there is a lot to be learned in the first year. A purposeful evaluation will identify adjustments needed to maximize the results of the effort.

In 2012, VCPRD recovered 77% of the cost of recreation services through user fees, grants, and donations. The Vancouver Tennis Center recovered 94% of its operating costs. As the VCPRD moves forward with its newly adopted cost recovery approach, it will be redefining the definition of costs – both direct and indirect – which may alter the current measurement and cause a need to reset the adopted target to maintain its current performance. The target is a measurement of the combination of all programs and operations. In actuality, the cost recovery for each program or service will be defined for each category of service and may be set above or below the cumulative target. Use of the Service Assessment and Cost Recovery methodology introduced in this study will guide the VCPRD in setting various cost recovery targets and in making the best use of its financial resources. As the methodology promotes, program and service pricing must also support the mission of the VCPRD.

Pricing Strategy

As the final step in the development of the Cost Recovery and Resource Allocation Philosophy for VCPRD the following information about pricing was introduced. This discussion should continue in the future, as the topic areas are included and applied:

1. **Understanding financial trends**
   The increasing complexity and resulting shifts of our society's economy have led to what can be deemed as constant fiscal change in government. Public sector administrators and managers must be prepared to respond to the fiscal realities that have resulted from these economic shifts. Trends that impact fiscal and pricing decisions include:
   - Increased governmental accountability
   - On-going or increased demand for services with no/limited additional funding, or decreased funding
   - Disinterest in service reductions or increased fees and charges
   - Increased operating expenses (e.g., utilities, fuel, personnel, supplies)

2. Understanding the budget process and fiscal year cycle

Budgets are viewed as annual or bi-annual financial plans and include planning and forecasting, establishing priorities, and a way to monitor fiscal process. This overview allows for an abbreviated look at the process and how it impacts and is impacted by pricing.

3. Understanding the costs of service provision

Prior to making pricing decisions, it is important to understand the different types of service provision costs. Having grounded knowledge of the various types of costs allows staff to make better informed pricing decisions. The different types of service provision costs are as follows:

- Direct costs
  - Fixed costs
  - Changing fixed costs
  - Variable costs
- Indirect Costs

Definitions of Direct and Indirect Costs are being developed by VCPRD at this time as a result of this study and will exist in the Cost Recovery and Resource Allocation Philosophy and Policy.

4. Understanding the purpose of pricing

There are many reasons to develop service fees and charges. These include, but are not limited to, the following:

- Recover costs
- Create new resources
- Establish value
- Influence behavior
- Promote efficiency

5. Pricing strategies – differential pricing

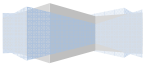
Differential pricing is grounded in the notion that different fees are charged for the same service when there is no real difference in the cost of providing the service. There may be many reasons why VCPRD may wish to expand use of this pricing strategy including:

- To stimulate demand for a service during a specified time
- To reach underserved populations
- To shift demand to another place, date, or time

6. Examining the psychological dimensions of pricing

In addition to the social and environmental issues that surround pricing, the human elements of pricing must be considered. Regardless of how logical a price may seem, customer reactions and responses are their own and can be vastly different than what one might expect. The psychological dimensions of pricing include:

- Protection of self-esteem (pricing in such a way as to not offend certain users)
- Price-quality relationship (value received for every dollar spent)
- Establishing a reference point (worth of service in comparison to others)
- Objective price (price has a basis in fact, is real and impartial)
- Subjective price (perception of bias or prejudice)
- Consistency of image (perception of the brand and identification with product or service)
- Odd price (perception of arbitrary or incongruent pricing)



7. Establishing initial price

Establishing an actual price for a program can be based upon a variety of strategies. Arbitrary pricing is not encouraged as it is impossible to justify; however, these strategies include:

- Arbitrary pricing: a fee based on a general provision such as raising all fees by $2.00 to meet budget goals – ignores market conditions and cost recovery goals.
- Market pricing: a fee based on demand for a service or facility or what the target market is willing to pay for a service. The private and commercial sectors commonly use this strategy. One consideration for establishing a market rate fee is determined by identifying all providers of an identical service (i.e. private sector providers, municipalities, etc.), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.
- Competitive pricing: a fee based on what similar service providers or close proximity competitors are charging for services. One consideration for establishing a competitive fee is determined by identifying all providers of an identical service (i.e. private sector providers, municipalities, etc.), and setting the mid-point or lowest fee.
- Cost recovery pricing: a fee based on cost recovery goals within market pricing ranges.

8. Understanding price revisions

Once a price is established, there may be the need to periodically review the price and examine the need for revision. In some cases, "revised" may be viewed as "increased"; therefore, a systematic approach to pricing revision is important. Factors to consider in pricing revision include:

- Customer tolerance: the degree to which small increases in price will not encounter client resistance.
- Adjustment period: the period of time where the value of the service is assessed by the customer in relation to the price increase. The value of the service from the customer's perspective must meet or exceed the impact of the increased cost. Adjustment periods may lead to diminished participation or termination of participation altogether based upon customer loyalty and other factors.
- Customers' perceived value of the service: the degree to which services including programs, facilities, and parks impact the public (individual and community), or in other words, the results or outcomes of services. Value is the judgment or perception of worth or the degree of usefulness or importance placed on a service *by personal opinion*. The intent or intention of a service is the purpose, aim, or end.

9. The pricing process – developing a method

Staff participating in the cost recovery and resource allocation process will move on to engage in interactive cost identification and pricing exercises that apply the cost recovery goals for their respective service areas. The initial workshops initiated a process that will lead to changes to selected current pricing practices with the intention of attaining recommended cost recovery and subsidy allocation goals and establishing a new method for setting fees and charges. This method is based upon using cost recovery goals as a primary pricing strategy, followed by either market pricing (for services with low alternative coverage – few if any alternative providers) or competitive pricing (for services with high alternative coverage – other alternative providers offer similar or like services).

10. **Alternative funding sources**
    In general, there has been a decrease in the amount of tax support available to public parks and recreation departments across the nation. VCPRD has experienced this and is forward thinking in its planning. As such, the need to look at alternative funding sources as a way to financially support services, especially to accommodate citizens with financial need or when fees have reached what the market will bear, or to promote a particular opportunity, has become commonplace. Alternative funding sources are vast and can include:
    - Gifts
    - Grants
    - Donations
    - Sponsorships
    - Collaborations
- Volunteer contributions

Comparative Analysis Criteria

As part of a pricing methodology, comparative analysis of differing fees structures can reveal market rates and competitive pricing in the market place. Comparative analysis (benchmarking) is an important tool that allows for comparison of certain attributes of the VCPRD's management practices and fee structure. This process creates deeper understanding of alternative providers, VCPRD's place in the market, and varying fee methodologies, which may be used to enhance and improve the service delivery of parks and recreation services.

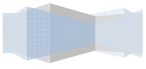
It is critical in this analysis to produce an apples-to-apples comparison and best to compare a unit fee, such as a fee per hour, while also segregating by age group and other variables that call for differential pricing.

Firstenburg and Marshall/Luepke Community Centers Pass Fees

Community Center Fees are a significant component of VCPRD non-tax revenues used to recover costs.

Current Fee Structure

The current fee structure for Firstenburg (FCC) and Marshall/Luepke (MCC) Community Centers has seven pass choices by type of user and, because there is a different fee level for each of the two centers, a total of 12 options based on amount of use. This includes two all access passes that allow use at either center. Pass holders receive access to the fitness center, lap and open swims, open gym, as well as most land and water fitness classes offered, and a 15% discount on classes and activities. FCC also has a track and a climbing wall.



The fee structure is captured in ***Tables 2 and 3*** below:

Table 2: VCPRD Ongoing Center Pass Fees

Combined Fitness & Aquatics Passes										
Pass Type	**Ongoing Pass (Paid Monthly)**		**Ongoing *All-Access* Pass (Paid Monthly)**	**12 Month Pass**		**12 Month *All-Access* Pass**	**3 Month Pass**		**1 Month Pass**	
	MCC	**FCC**		**MCC**	**FCC**		**MCC**	**FCC**	**MCC**	**FCC**
0-3 Yrs.	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
Youth	$20	$21	$23	$240	$252	$276	$75	$78	$30	$31
Adult	$37	$39	$42	$444	$468	$504	$126	$132	$47	$49
Couple	$55	$58	$63	$660	$696	$756	$180	$189	$65	$68
Senior	$30	$32	$34	$360	$384	$408	$105	$111	$40	$42
Sr. Couple	$45	$48	$51	$540	$576	$612	$150	$159	$55	$58
Family	$59	$63	$67	$708	$756	$804	$192	$204	$69	$73

MCC (Marshall/Luepke Com. Center), FCC (Firstenburg Com. Center); All-Access Pass includes both FCC and MCC

Table 3: VCPFD Daily Center Pass Fees

	Marshall/Luepke Community Ctr	Firstenburg Community Ctr
Pass Type	**Daily Drop In**	**Daily Drop in**
0-3 Yrs.	Free	Free
Youth	$3	$4
Adult	$6	$7
Senior	$4	$5
Family	$14	N/A

Pass Type Descriptions:

Youth: Persons 18 years of age or under.

Adult: Persons 19 to 59 years of age.

Couple: Persons 4 to 59 years of age along with their spouse, partner or family member, in the same household.

Senior: Persons 60 years of age or older.

Senior Couple: Persons 60 years of age or older along with their spouse, partner or family member, in the same household.

Family: Two adults (spouses, partners or family members) and their children 22 and under living in the same household.

Fee Structure Analysis

Although it may seem reasonable that this fee structure is very customized, in reality it can be conceived as complicated and confusing with relatively small incremental differences. As shown in the ***Tables 4 and 5*** below, approximately 10 percent of all of the passes sold are all access, and seniors, through the Senior Health Benefit Pass program option, make up approximately 21 percent of all pass holders. Generally we find that most pass buyers use primarily one facility regardless of the type of pass they purchase, and that they generally buy passes for one main activity. Having a lower fee at the MCC risks conveying a message of a lower quality experience. Although the facility is older, the quality of the experience is similar. The total number of amenities that one has access to may be less, but most users are not using all amenities.

Table 4: All-Access Passes

Center	Total Passes	Total All Access Passes	% All Access of Total
FCC	4,475	384	8.6%
MCC	1,997	237	11.9%
Total	6,472	621	9.6%

Note: Vancouver Tennis Center currently has 271 members with no all-access option.

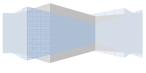
Senior Health Benefit Passes

VCPRD participates in the "Silver & Fit" and "Silver Sneakers" through its Senior Health Benefit Pass programs which provides a reimbursement based on the number of eligible pass holders who actually enter the center on a monthly basis. These numbers are steadily growing.

Table 5: Senior Health Benefit Passes

	Monthly Users	% Of Total Use
Total eligible pass holders	1500	21.2%
FCC	766	17.1%
MCC*	142	7.1%

*Marshall/Luepke recently became a Silver Sneakers site and these numbers are not yet reported.



Recommended Fee Structure

A simpler fee structure is recommended for consideration as shown below in ***Table 6.*** Other factors relative to the service market will also need to be explored as this is considered.

Table 6: Recommended Community Center Fee Structure

Vancouver Parks and Recreation Firstenburg and Marshall Community Centers Combined Fitness and Aquatic Pass Fees						
Pass Type	**Ongoing Pass (Paid Monthly)**	**Annual Pass**	**3 Month Pass**	**1 Month Pass**	**Daily Drop-In**	**10 Visit Punch Pass**
Youth 4-17	$25	$300	$90	$35	$5	$40
Adult 18+	$45	$540	$165	$55	$9	$75
Couple	$70	$840	$255	$90	N/A	N/A
Non-Prime Time Adult 18+	$35	$420	$125	$45	N/A	N/A
Non-Prime Time Couple	$55	$660	$200	$70	N/A	N/A
Family	$80	$960	$290	$100	N/A	N/A

Pass Descriptions:

Youth: Persons between 4 to 17 years of age.

Adult: Persons 18 years of age or older.

Couple: Persons 18 years of age or older along with their spouse, partner or family member living in the same household.

Non-Prime Time: Adult Persons 18 years of age or older with facility admittance Monday through Fridays from 8:30 am to 4:00 pm and anytime on weekends.

Non -Prime Time: Couple Persons 18 years of age or older along with their spouse, partner or family member living in the same household with facility admittance Monday through Fridays from 8:30 am to 4:00 pm and anytime on weekends.

Family: Two adults (spouses, partner, or family member) and their children under 23 years of age living in the same household.

Major elements of the structure for consideration:

- Simplified: drop-in, 10 punch, one month, three month, and annual.
- All passes are reciprocal at both FCC and MCC. Eliminates *all center* pass limited to each center.
- Rates are slighter higher than current *all access pass,* but continue to be lower than YMCA with no initiation fee. The fee at MCC would increase to that of FCC but would better position Marshall/Luepke as a quality experience.

- Three years old and under continue to be free.
- Premium all access pass provides prime and non-prime time membership
    - Removes the need for an age based senior discount by providing a lower priced pass during the time when most seniors are available and prefer to work out. Silver Sneakers and Silver fit should be between 8:30 and 4:00 pm, and the change should not affect the reimbursements for the Silver Sneakers or the Silver & Fit programs.
    - Replaces senior and senior couple with non-prime time adult and couple (18+ years)
    - During the week is less expensive, will push people to these times
    - Veterans and other specific demographics could also choose this time period.
- Annual membership 20% discount off daily fees; all rates have an appropriate ratio to the length and type of membership; encourages annual memberships for regular use
- Daily rate would be the same price at both centers (one is newer, but provides same service to patrons)
- Consider allowing one fitness class (prime time only available to prime time pass holders) similar to the YMCA.
- Does not include family drop-in (MCC has one, FCC does not). Could offer a once a month family swim at a reduced rate at a lower use yet popular family time like a Saturday evening, perhaps rotating between the two centers.
- Staged implementation with next price increase with next change of structure at next price increase opportunity with annual increases until new prices are reached. First year goal is to gain acceptance of new structure and increase revenue marginally, encouraging a higher volume of attendance.
- Scholarship should be made available for those with economic need.

Parks and Recreation Potential Funding Sources

There are a variety of mechanisms that local governments can employ to provide services and to make public improvements. Parks and recreation operating and capital development funding typically comes from conventional sources such as sales, use, and property tax referenda voted upon by the community, along with developer exactions. Operating funds are typically capped by legislation; may fluctuate based on the economy, public spending, or assessed valuation; and may not always keep up with inflationary factors. In the case of capital development, “borrowed funds” sunset with the completion of loan repayment, and are not available to carry-over or re-invest without voter approval.

Alternative funding sources include a variety of different or non-conventional public sector strategies for diversifying the funding base beyond traditional tax-based support.

Vancouver Clark Park and Recreation Department

The following list of traditional and alternative potential funding sources, with brief explanations, were placed into one of four categories based on the degree of difficulty for potential success. The VCPRD should thoroughly research and implement as many different types of funding sources as possible to enhance its operating and capital budgets. Sources not viable for the VCPRD to pursue were eliminated from the list.

- **Tier 1:** These funding sources are *currently being used by* VCPRD to create the existing budgets for capital and operational expenditures and in some cases there may be room for improvement and/or expansion.

- **Tier 2:** these funding sources are *worthwhile to pursue*, or *could easily be used* by VCPRD to create the existing budgets for capital and operational expenditures.

- **Tier 3:** these funding sources are potential funding opportunities VCPRD *would consider* for additional funding of capital and operational expenditures. Most would require significant staff effort and/or voter support.

- **Tier 4:** these funding sources are potential funding opportunities VCPRD could consider for additional funding of capital and operational expenditures. These funding sources may meet with some resistance and be more difficult to implement.

Tier 1: THESE FUNDING SOURCES ARE CURRENTLY BEING USED IN SOME CAPACITY BY VPRD TO CREATE THE EXISTING BUDGETS FOR CAPITAL AND OPERATIONAL EXPENDITURES AND IN SOME CASES THERE MAY BE ROOM FOR IMPROVEMENT AND/OR EXPANSION.

General Fund

Parks and recreation services are typically funded by an agency's General Fund, which can be comprised of property tax, sales tax, and other compulsory charges levied by a government for the purpose of financing services performed for the common benefit of a community. These funds may also come from resources such as inter-government agreements, reimbursements, and interest and may include such revenue sources as franchise taxes, licenses and permits, fees, transfers in, reserves, interest income, and miscellaneous other incomes. Common sources of funding for the General Fund are:

- **Sales Tax**

This revenue source often funds municipal park and recreation agencies either partially or fully. Sales tax revenue is very popular in high traffic tourism agencies and with cities, counties, and state parks. Special Districts cannot exact sales taxes, which often calls into question the issue of charging resident and non-resident fee differentials.

- **Property Tax**

Property tax revenue often funds park and recreation special districts and may be used as a dedicated source for capital development. When used for operation funding, it often makes the argument for charging resident and non-resident fee differentials.

Development Impact Fees and Land Dedication

Development impact fees are one-time charges imposed on development projects at the time of permit issue to recover capital costs for public facilities, including parks, needed to serve new developments and the additional residents, employees, and visitors they bring to the community. State laws, with a few minor exceptions, prohibit the use of impact fees for ongoing maintenance or operations costs.

Park land dedication requirements typically state that all residential subdivisions of land, with some exemptions, are to provide for parks by either dedicating land, paying an in-lieu fee (the amounts may be adjusted annually), or a combination of the two.

Fees and Charges

- **Annual and Season Pass Sales**

Agencies sell annual passes (also sometimes referred to as memberships) for specific types of amenities to offset operational costs. These fees can apply to recreational and fitness centers, regional park passes, tennis centers, splash parks, etc. There is movement away from the "membership" concept (because it implies exclusivity and every resident and business is a "member" qualifying for city services) in favor of bulk discount buying of daily admission fees marketed as monthly, seasonal, three-month, six-month and/or annual passes.

- **Program Registration Fees**

This revenue source comes from individuals or groups paying in advance for participation in a scheduled event or program usually involving an instructor, leader, or supervisor.

- **Program Independent Contractor Fees**

An agency may receive a percentage of gross contractor fees for contractor programs held in its facilities. The percentages depend on space, volume, and the amount of marketing the agency does for the contractor.

- **Reservations**

This revenue source comes from the right to reserve specific public property for a set amount of time. The reservation rates are usually set and apply to group picnic shelters, meeting rooms for weddings, reunions and outings or other type of facilities for a special activity.

- **Ticket Sales/Admissions**

This revenue source is for accessing facilities for self-directed or spectator activities such as recreation centers, splash parks, ballparks, and entertainment activities. Fees may also be assessed for tours, entrance or gate admission, and other activities, which may or may not be self-directed. These user fees help offset operational costs or apply to new projects.

Loan Mechanisms

- **General Obligation Bonds**

Bond used for indebtedness issued with the approval of the electorate for capital improvements and general public improvements. Currently the city has used most of its debt capacity and it will be several years before bonds are paid off and this option is viable again.

Alternative Service Delivery and Funding Structures

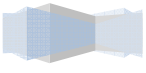
- **Inter-local Agreements**

Contractual relationships established between two or more local units of government and/or between a local unit of government and a non-profit organization for the joint usage/development of sports fields, regional parks, or other facilities.

Community Service Fees and Assessments

- **Equipment Rental**

This revenue source is generated from the rental of agency equipment such as tables and chairs, tents, stages, bicycles, roller blades, boogie boards, etc. that are used for recreation purposes.



- **Parking Fee**

This fee applies to parking at selected destination facilities such as sports complexes, stadiums, and other attractions to help offset capital and operational cost.

- **Security and Clean-Up Fees**

Charge to groups and individuals for security and clean-up fees for special events other type of events held at facilities. The city is already doing this in Esther Short Park, but does not cover all costs and could be expanded to other places.

- **Hotel, Motel and Restaurant Tax**

Tax based on gross receipts from charges and meals services, which may be used to build and operate sports fields, regional parks, golf courses, tennis courts, and other special park and recreation facilities. These taxes exist in Vancouver although none of the revenues are going in the VCPRD budgets.

- **Real Estate Transfer - Tax/Assessment/Fee**

As agencies expand, the need for infrastructure improvements continues to grow. Since parks and recreation facilities add value to neighborhoods and communities, some agencies have turned to real estate transfer tax/assessment/fee to help pay for acquisition and needed renovations. Usually transfer tax/assessment/fee amount is a percentage on the total sale of the property and is assessed each time the property transfers to a new owner. Some states have laws prohibiting or restricting the institution, increase, or application of this tax/assessment/fee.

Contractual Services

- **Concession Management**

Concession management is the retail sale or rental of soft goods, hard goods, or consumable items. An agency can contract for the service and either receive a percentage of the gross sales or the net revenue dollars from the profits after expenses are paid. Net proceeds are generally more difficult to monitor.

- **Merchandising Sales or Services**

This revenue source comes from the public or private sector on resale items from gift shops, pro-shops, restaurants, concessions, and coffee shops for either all of the sales or a defined percentage of the gross sales.

- **Private Concessionaires**

Contracts with private sector concessionaires provide resources to operate desirable recreational activities. These services are typically financed, constructed, and operated by the private business or a non-profit organization with additional compensation paid to the entity.

Permits, Licensing Rights, and Use of Collateral Assets

- **Agricultural Leases**

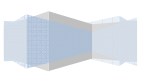
In some agency parks, low land property along rivers, or excess land may be leased to farmers for crops.

- **Booth Lease Space**

Some agencies sell booth space to sidewalk vendors in parks or at special events for a flat rate or based on volume of product sold. The booth space can also be used for sporting events and tournaments.

- **Community Gardens**

Many agencies will permit out food plots for community gardens as a small source of income.



- **Film Rights**

Many agencies issue permits so that sites such as old ballparks or unique grounds may be used by film commissions. The film commission pays a daily fee for the site plus the loss of revenue the agency would incur during use of the community space.

- **Land Swaps**

An agency may trade property to improve access or protection of resources. This could include an action for non-payment of taxes resulting in an agency property gain or a situation where a developer needs a larger or smaller space to improve their profitability. The agency would typically gain more property for more recreation opportunities in exchange for the land swap.

- **Surplus Sale of Equipment by Auction**

Agencies often have annual surplus auctions to get rid of old and used equipment, generating additional income on a yearly basis.

- **Rentals of Houses and Buildings by Private Citizens**

Many agencies will rent out facilities such as homes to individual citizens for revenue purposes.

Enterprise Funds

Some agencies establish business units that are self-sustaining through fees and charges. Debt service and all indirect costs should be allocated or attributed to enterprise funds. Any excess revenue generated is maintained by the fund for future needs and cannot be used by another fund or department. Examples include premier sports tournament complexes. The Vancouver Tennis Center is an enterprise fund.

Partnership Opportunities

Partnerships are joint development funding sources or operational funding sources between two separate agencies, such as two government entities, a non-profit and a government entity, or a private business and a government entity. Two partners jointly develop park and recreation facilities and share risk, operational costs, responsibilities, and asset management based on the strengths and weaknesses of each partner.

Creating synergy based on expanded program offerings and collaborative efforts can be beneficial to all providers as interest grows and people gravitate to the type of facility and programs that best suit their recreational needs and schedules. Potential strategic alliance partnerships where missions run parallel, and mutually beneficial relationships can be fostered and may include the following:

- YMCA
- School District
- Medical Center or Hospital
- Boys and Girls Club
- Kiwanis, Soroptimists, VFWs, Elks, Rotary, and other service and civic organizations
- Chamber of Commerce
- Convention and Visitor's Bureau
- Homeowner or Neighborhood Associations
- Youth Sports Associations
- Other counties, neighboring cities, and communities
- Private alternative providers
- Churches

Corporate Sponsorships

This revenue-funding source allows corporations to invest in the development or enhancement of new or existing facilities in park systems. Agencies can solicit this revenue-funding source themselves or work with other agencies that pursue and use this type of funding. Sponsorships are often used for programs and events.

- **Advertising Sales**

Advertising sales are a viable opportunity for revenue through the sale of tasteful and appropriate advertising on agency-related items such as program guides, scoreboards, dasher boards, and other visible products or services. Current sign codes should be reviewed for conflicts or appropriate revisions.

- **Naming Rights**

Many agencies throughout the country have successfully sold the naming rights for newly constructed facilities or when renovating existing buildings. Additionally, newly developed and renovated parks have been successfully funded through the sale of naming rights. Generally, the cost for naming rights offsets the development costs associated with the improvement. People incorrectly assume that selling the naming rights for facilities is reserved for professional stadiums and other high profile team sport venues. This trend has expanded in recent years to include public recreation centers and facilities as viable naming rights sales opportunities.

Naming rights can be a one-time payment or amortized with a fixed payment schedule over a defined period of time. During this time, the sponsor retains the "rights" to have the park, facility, or amenity named for them. Also during this time, all publications, advertisements, events, and activities could have the sponsoring group's name as the venue. Naming rights negotiations need to be developed by legal professionals to ensure that the contractual obligation is equitable to all agents and provides remedies to change or cancel the arrangements at any time during the agreement period.

Other Options

- **Cost Avoidance**

Few agencies can financially sustain a position of being everything for everyone. By staying with its core businesses and shifting roles away from being a direct provider of certain facilities, programs, or services, an agency can experience additional savings. This process is referred to as *cost avoidance*. The estimated savings could be realized through partnering, outsourcing, or deferring to another provider in the provision of a service and/or facility.

- **Shared purchasing**

Kent County, Mich. is using a "reverse auction" process with its venders and saving money in the process, both for the county and its local government partners in a shared services agreement. Using this process, the county saved more than $1 million on the cost of various purchases in 2010 — from toner cartridges to reams of paper. The county sets the top price that it's willing to pay based on what was paid the last time. Vendors then vie to provide the product or service at a lower cost. The county expanded the auctions in 2011 and 2012 to include about 20 other local governments.

- **Family Tree Program**

Many cities have worked with local hospitals to provide cash to the parks system to buy and plant a tree in honor of every new born in the City. The hospitals invest $250.00 to $300.00 and receive the credit from the parents of the newborns. The parks system gets new trees of ample size.

- **Fundraising/Friends Associations**

Many park and recreation agencies have special fundraisers on an annual basis to help cover specific programs and capital projects. Agencies could sell pavers, bricks, tiles, for example, or consider staging a telethon. Sometimes this kind of fundraising is conducted by a friends group formed to raise money typically for a single focus purpose that could include a park facility or program that will better the community as a whole and their special interest.

- **Land Trusts**

Many agencies have developed land trusts to help secure and fund the cost of acquiring land that needs to be preserved and protected for greenway purposes. This may be a good source to look to for the acquisition of future park and open space lands.

- **Maintenance Endowments**

Maintenance Endowments are set up for organizations and individuals to invest in ongoing maintenance improvements and infrastructure needs. Endowments retain money from user fees, individual gifts, impact fees, development rights, partnerships, conservation easements, and for wetland mitigations.

Grants

Numerous federal, state, and local taxation resources, programs, and grants may be available to park and recreation agencies. Grants often supplement or match funds that have already been received. For example, grants can be used for programs, planning, design, seed money, and construction. Due to their generally unpredictable nature, grants are often used to fund a specific venture and should not be viewed as a continuous source of funding.

- **Intermodal Surface Transportation Efficiency Act/Moving Ahead for Progress in the 21st Century Act**

ISTEA (pronounced Ice-Tea) Grants were authorized by the Federal Government in 1991. It presented an overall intermodal approach to highway and transit funding with collaborative planning requirements. The law provided for significant enhancement revenues available for transportation related projects, including bicycle and pedestrian trails, rail depot rehabilitation, landscaping, and beautification projects. Funds were distributed through the state. ISTEA expired in 1997. The current version of the law, Moving Ahead for Progress in the 21st Century Act (MAP-21) was enacted in 2012. Under MAP-21, funding for bicycle and pedestrian transportation is reduced and consolidated into a broader program called "Transportation Alternatives." A new 'Find It, Fund It' chart (http://bit.ly/157kRUt) indicates potential eligibility for pedestrian and bicycle projects under federal highway and transit programs. In each case there are specific requirements that must be met within eligibility criteria and eligibility will be determined on a case-by-case basis.

- **Land and Water Conservation Fund**

These funds are awarded for acquisition and development of parks, recreation, and supporting facilities through the National Park Service and State Park System.

- **General Purpose or Operating Grants**

When a grant maker gives an agency an operating grant, it can be used to support the general expenses of operations. An operating grant means the fund provider supports the agency's overall mission and trusts that the money will be put to good use.

- **Program or Support Grants**

A program or support grant is given to support a specific or connected set of activities that typically have a beginning and an end, specific objectives, and predetermined costs. Listed below are some of the most common types of program or support grants:

- **Private Grant and Philanthropic Agencies**

Many resources are available which provide information on private grant and philanthropic agency opportunities. A thorough investigation and research on available grants is necessary to ensure mutually compatible interests and to confirm the current status of available funding. Examples of publicly accessible resources are summarized below.

  - Information on current and archived Federal Register Grant Announcements can be accessed from The Grantsmanship Center (TGCI) on the Internet at: http://www.tgci.com.
  - For information on government product news and procurement visit GovPro at www.govpro.com.
  - Another resource is the Foundation Center's RFP Bulletin Grants Page on Health at: www.fdncenter.org.
  - Research www.eCivis.com for a contract provider of a web-based Grants Locator system for government and foundation grants specifically designed for local government.

Community Resources

The following subsections summarize research findings on potential funding sources that could enhance capital expenditures for capital repair, renovation, and new construction as well as agency operating budgets. These findings do not recommend any particular funding strategy over another. Economic conditions may vary with time and an agency should explore the best means of achieving its goals with regard to agency operations, programs, and facilities on an ongoing basis.

- **Philanthropic Support**

Philanthropy can be defined as the concept of voluntary giving by an individual or group to promote the common good and to improve the quality of life. Philanthropy generally takes the form of donor programs, capital campaigns, and volunteers/in-kind services. The time commitment to initiate a philanthropic capital campaign can be significant. If this option is pursued by agency decision-makers, the agency may decide to outsource most of this task to a non-profit or private agency experienced in managing community-based capital fundraising campaigns.

- **Foundation/Gifts**

These dollars are received from tax-exempt, non-profit organization. The funds are private donations in promotion of specific causes, activities, or issues. They offer a variety of means to fund capital projects, including capital campaigns, gifts catalogs, fundraisers, endowments, sales of items, etc.

- **Maintenance Endowments**

Maintenance Endowments are set up for organizations and individuals to invest in ongoing maintenance improvements and infrastructure needs. Endowments retain money from user fees, individual gifts, impact fees, development rights, partnerships, conservation easements, and for wetland mitigations.

- **Irrevocable Remainder Trusts**

These trusts are set up with individuals who typically have more than a million dollars in wealth. They will leave a portion of their wealth to an agency in a trust fund that allows the fund to grow over a period of time and then makes a portion of the interest available for agency use to support specific park and recreation facilities or programs that are designated by the trustee.

- **Life Estates**

This revenue source is available when someone wants to leave their property in exchange for their continued residence on the property until their death. The agency can usually use a portion of the property for park and recreational purposes, and then use all of it after the person's death. This revenue source is very popular for individuals who have a lot of wealth and their estate will be highly taxed at their death. Their benefactors will have to sell their property because of probate costs. Life Estates allow individuals to receive a good yearly tax deduction on their property while leaving property for the community. Agencies benefit because they do not have to pay for the land.

Volunteers/In-Kind Services

This is an indirect revenue source in that persons donate time to assist an agency in providing a product or service on an hourly basis. This reduces the agency's cost in providing the service, plus it builds advocacy for the system. To manage a volunteer program, an agency typically dedicates a staff member to oversee the program for the entire agency. This staff member could then work closely with Human Resources as volunteers are another source of staffing a program, facility, or event.

- **Adopt-a-Park/Adopt-a-Trail**

Programs such as adopt-a-park may be created with and supported by the residents, businesses, and/or organizations located in the park's vicinity. These programs allow volunteers to actively assist in improving and maintaining parks, related facilities, and the community in which they live.

Tier 2: THESE FUNDING SOURCES ARE *WORTHWHILE TO PURSUE*, OR *COULD EASILY BE USED* BY VCPRD TO CREATE THE EXISTING BUDGETS FOR CAPITAL AND OPERATIONAL EXPENDITURES.

Loan Mechanisms

- **General Obligation Bonds**

Bond used for indebtedness issued with the approval of the electorate for capital improvements and general public improvements. Currently, the city has used most of its debt capacity and it will be several years before bonds are paid off and this option is viable again.

- **Special Assessment Bonds**

These bonds are payable from the proceeds of special assessments such as local improvement districts.

Community Service Fees and Assessments

- **Lighting Fees**

Some agencies charge additional fees for lighting as it applies to leagues, special use sites, and special facilities that allow play after daylight hours. This fee may include utility demand charges.

- **Processing/Convenience Fees**

This is a surcharge or premium placed on phone-in registration, electronic transfers of funds, automatic payments, or other conveniences.

- **Residency Cards**

Non-city residents may purchase "residency" on an annual basis for the privilege of receiving the resident discounts on fees, charges, tours, shows, reservations, and other benefits typically afforded to residents only. The resident cards can range in price, but are often at least equivalent to what a resident pays in taxes annually to support the agency's operations, maintenance, and debt service.

- **Signage Fees**

Individuals and businesses pay for signage fees at key locations with high visibility for short-term events. Signage fees may range in price from $25-$100 per sign based on the size of the sign and location.

- **Transaction Surcharge**

Some agencies have added a surcharge or every transaction, admission, or registration to generate a self-insured liability fund or to generate an improvement or development fund.

Permits, Licensing Rights, and Use of Collateral Assets

- **Patron Cards**

This allows patrons of a specific recreational facility to purchase patron cards for a month or a year that allows them special privileges above the general public. These privileges include having rights to early tee times, reservations, and special tours, shows, or events. The patron cards can range in price from $15.00 a month to $150.00 a year.

- **Special Use Permits**

Special permits allow individuals to use specific park property for financial gain. The entity receives either a set amount of money or a percentage of the gross service provided.

Other Options

- **Gift Catalogs**

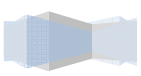
Gift catalogs provide organizations the opportunity to let the community know on a yearly basis what their needs are. The community purchases items from the gift catalog and donates them to the agency.

Program or Support Grants

A program or support grant is given to support a specific or connected set of activities that typically have a beginning and an end, specific objectives, and predetermined costs. Listed below are some of the most common types of program or support grants:

- **Planning Grants**

When planning a major new program, an agency may need to spend a good deal of time and money conducting research. A planning grant supports this initial project development work, which may include investigating the needs of constituents, consulting with experts in the field, or conducting research and planning activities.



- **Facilities and Equipment Grants**

These grants help agencies buy long-lasting physical assets, such as a building. The applicant organization must make the case that the new acquisition will help better serve its clients. Fund providers considering these requests will not only be interested in the applicant's current activities and financial health, but they will also inquire as to the financial and program plans for the next several years. Fund providers do not want allocate resources to an organization or program only to see it shut down in a few years because of poor management.

- **Matching Grants**

Many grant-makers will provide funding only on the condition that the agency will raise an amount equal to the size of the grant from other sources. This type of grant is another means by which foundations can determine the viability of an organization or program.

- **Seed Money or Start-up Grants**

These grants help a new organization or program in its first few years. The idea is to give the new effort a strong push forward, so it can devote its energy early on to setting up programs without worrying constantly about raising money. Such grants are often for more than one year, and frequently decrease in amount each year.

- **Management or Technical Assistance Grants**

Unlike most project grants, a technical assistance grant does not directly support the mission-related activities of the agency. Instead, they support the agency's management or administration and its associated fundraising, marketing, and financial management needs.

Volunteer Programs

- **Neighborhood Park Watch**

As a way to reduce costs associated with vandalism and other crimes against property, an agency may develop a neighborhood park watch program. This program would develop a sense of community ownership of the agency's facilities.

Tier 3: THESE FUNDING SOURCES ARE POTENTIAL FUNDING OPPORTUNITIES VPRD *WOULD CONSIDER* FOR ADDITIONAL FUNDING OF CAPITAL AND OPERATIONAL EXPENDITURES. MOST WOULD REQUIRE SIGNIFICANT STAFF EFFORT AND/OR VOTER SUPPORT.

Traditional Tax and Exactions-Based Funding Resources

- **Special Improvement District/Benefit District**

Taxing districts established to provide funds for certain types of improvements that benefit a specific group of affected properties. Special Districts (or local improvement districts) are the beneficiaries of pass-through funding from cities or counties, which have responsibility for their interests. Special Districts cannot exact or collect the land dedication or the fee-in-lieu on their own. Improvements may include landscaping, the erection of fountains, and acquisition of art, and supplemental services for improvement and promotion, including recreation and cultural enhancements. Under Washington state law, these are difficult to set up, but the city has successfully done so in the past.

Loan Mechanisms

- **Bond Referendum**

Bond Referenda are used to fund capital needs, renovations, and new facilities to meet the needs and demands of residents. A bond is a written promise to pay a specified sum of money at a specified future date, at a specified interest rate. These bonds are traditionally general obligation bonds, revenue bonds, or special assessment bonds initiated through agency approval and citizen vote.

- **Revenue Bonds**

Bonds used for capital projects that will generate revenue for debt service where fees can be set aside to support repayment of the bond. These are typically issued for water, sewer or drainage charges, and other enterprise type activities.

Privatization – Outsourcing Management

This is typically used for food and beverage management, golf course operations, ballfield, or sports complex operations by negotiated or bid contract.

Fees and Assessments

- **Capital Improvement Fees**

These fees are on top of the set user rate for accessing facilities such as sport and tournament venues and are used to support capital improvements that benefit the user of the facility.

- **Flexible Fee Strategies**

This pricing strategy would allow an agency to maximize revenues during peak times and premium sites/areas with higher fees and fill in excess capacity during low use times with lower fees to maximize play.

- **Recreation Service Fee**

The Recreation Service Fee is a dedicated user fee that can be established by a local ordinance or other government procedure for the purpose of constructing and maintaining recreation facilities. The fee can apply to all organized activities that require a reservation of some type, or other purposes as defined by the agency. Examples of such generally accepted activities that are assigned a service fee include adult basketball, volleyball, and softball leagues, youth baseball, soccer, and softball leagues, and special interest classes. The fee, above and beyond the user fee, allows participants to contribute toward the construction and/or maintenance of the facilities being used.

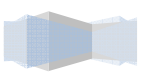
- **Entertainment Tax**

This tax is on ticket sales for major entertainment venues, such as concert facilities, golf tournaments, car race, to help pay for traffic control and sports stars that come into the City, based on the earnings they receive from their winnings. This tax also applies to video game machines.

Permits, Licensing Rights and Use of Collateral Assets

- **Cell Towers and Wi-Fi**

Payment for cell towers attached to existing or new light poles in game field complexes. Another type of revenue for a facility or complex can come from providing sites for supporting Wi-Fi technology. In California, the State Park System is providing wireless internet access and is charging $7.95 for 24 hours of connectivity (approximately $.33 per hour) within its service area. They have connected 85 state parks with SBC Communications. For more information, contact California State Parks at www.parks.ca.gov.



- **Catering Permits and Services**

This is a license to allow caterers to work in the park system on a permit basis with a set fee or percentage of food sales returning to the agency. Also, many agencies have their own catering service or authorized provider list and receive a percentage of dollars from the sale of food.

- **Sale of Development Rights**

Some agencies sell their development rights below park ground or along trails to utility companies. The entity receives a yearly fee on a linear foot basis.

- **Positive Cash Flow**

Depending on how aggressively an agency incorporates marketing and management strategies, there may be a positive fund balance at the end of each year The ending positive balance could be used, for example, to establish a maintenance endowment for recreation facilities, to set aside funds for capital replacement and/or repair, or to generate a fund balance for contingency or new programming opportunities.

- **Raffling**

Some agencies offer annual community raffles, such as purchasing an antique car that can be raffled off in contests. There are state limitations on raffling that need to be researched.

- **Program-Related Investments (PRIs)**

In addition to grants, the Internal Revenue Service allows foundations to make loans—called Program-Related Investments (PRIs)—to nonprofits. PRIs must be for projects that would be eligible for grant support. They are usually made at low or zero interest. PRIs must be paid back to the grant maker. PRIs are often made to organizations involved in building projects.

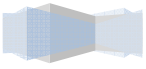
Tier 4: THESE FUNDING SOURCES ARE POTENTIAL FUNDING OPPORTUNITIES VPRD COULD CONSIDER FOR ADDITIONAL FUNDING OF CAPITAL AND OPERATIONAL EXPENDITURES. THESE FUNDING SOURCES MAY MEET WITH SOME RESISTANCE AND BE MORE DIFFICULT TO IMPLEMENT.

Parks and Recreation Independent Taxing District

Independent park and recreation district or a city-wide assessment district serves just the residents of the independent taxing district or may encompass a larger service area. This option provides a stable source of funds, a separate administration, and an elected body that is accountable to the voters residing in the district. This type of special district is often funded through property taxes but could also receive pass-through funding from the City.

Annual Appropriation/Leasehold Financing

This is a more complex financing structure that requires use of a third party to act as an issuer of the bonds who would construct the facility and retain title until the bonds are retired. An agency enters into a lease agreement with the third party with annual lease payments equal to the debt service requirements. The bonds issued by the third party are considered less secure than public agency general obligation bonds are therefore more costly. Since a separate corporation issues these bonds, they do not impact the agency's debt limitations and do not require a vote. However, they also do not entitle the agency to levy property taxes to service the debt. The annual lease payments must be appropriated from existing revenues.



Commercial Property Endowment Model – Operating Foundation

John L. Crompton[2] discusses government using the Commercial Property Endowment Model citing two case studies in the United Kingdom and Mission Bay Park in San Diego, California as an alternative structure to deliver park and recreation services. A non-profit organization may be established and given park infrastructure and/or land assets to manage as public park and recreation services along with commercial properties as income-earning assets or commercial lease fees to provide for a sustainable funding source. This kind of social enterprise is charged with operating, maintaining, renovating, and enhancing the public park system and is not unlike a model to subsidize low-income housing with mixed-use developments.

Community Service Fees and Assessments

- **Camping Fees & Hook-Up Fees**

These are permits for RV, tent, and primitive camping. Fees may range per site for primitive spaces, full hook-ups, and premium view or location sites. Additional fees may be added for water, electricity, sewer, and cable T.V. access, dump stations, showers, etc. Currently the city has a policy against camping within the city limits.

- **Dog Park Fees**

These fees are attached to kennel clubs who pay for the rights to have dog park facilities for their own exclusive use. Fees are on the dogs themselves and/or on the people who take care of other people's dogs.

- **Recreation Surcharge Fees on Sports and Entertainment Tickets, Classes, MasterCard, Visa**

This fee is a surcharge on top of the regular sports revenue fee or convenience fee for use of MasterCard and Visa. The fee usually is no more than $5.00 and usually is $3.00 on all exchanges. The money earned would be used to help pay off the costs of improvements or for agency operational purposes.

- **Room Overrides on Hotels for Sports Tournaments and Special Events**

Agencies have begun to keep a percentage of hotel rooms reservation fees that are booked when the agency hosts a major sports tournament or special event. The overrides are usually $5.00 to $10.00 depending on the type of room. Monies collected would help offset an agency's operational costs in hosting the events.

- **Business Excise Tax**

Park Districts in Illinois use a business excise tax as a revenue source, taxing new businesses in the community on products sold based on the wholesale cost. Vancouver had a Business & Occupations tax in place until the late 1990s. Reinstatement has been brought up periodically for the past decade without success.

- **Food and Beverage Tax**

The tax is usually associated with convention and tourism bureaus. However, since parks and recreation agencies manage many of the tourism attractions, they receive a portion of this funding source for operational or capital expenses. Washington state law restricts what for what lodging tax dollars can be used.

[2] Spring 2010 *Journal of Park and Recreation Administration*, Volume 28, Number 1, pp 103-111

- **Lottery Tax**

A percentage of the lottery tax gained by the state is made available for individual cities and county park systems to retain support efforts to develop programs and services targeted for youth to assist in skill development programs, after-school programs, summer camps, and other family type programs.

Permits, Licensing Rights and Use of Collateral Assets

- **Leasebacks on Recreational Facilities**

Many agencies do not have adequate capital dollars to build desired revenue-producing facilities. One option is to hire a private investor to build the facility according to the specifications requested with the investment company financing the project. The agency would then lease the property back from the investor over 20+ years. This can be reversed where by the agency builds the facility and leases to a private management company who then operates the property for a percentage of gross dollars to pay off the construction loans through a subordinate lease.

- **Manufacturing Product Testing and Display**

An agency works with specific manufacturers to test their products in parks, recreation facility, or in a program or service. The agency tests the product under normal conditions and reports the results back to the manufacturer. Examples include lighting, playground equipment, tires on vehicles, mowers, irrigation systems, seed & fertilizers, etc. The agency may receive the product for free but must pay for the costs of installation and for tracking results.

- **Private Developers**

Developers may lease space on agency owned land through a subordinate lease that pays out a set dollar amount plus a percentage of gross dollars for recreation enhancements. These could include sports complexes and recreation centers.

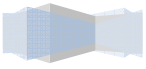
- **Subordinate Easements – Recreation/Natural Area Easements**

This revenue source is available when an entity allows utility companies, businesses, or individuals to develop some type of an improvement above ground or below ground on its property. Subordinate easements are typically arranged over a set period of time, with a set dollar amount that is paid to the entity on an annual basis.

Sponsorships

In an effort to utilize and maximize the community's resources, it is in the best interest of the City's Parks & Recreation Department to create and enhance relationship-based sponsorships. This may be accomplished by providing local, regional, and national commercial businesses and non-profit groups a method for becoming involved with the many opportunities provided by the Parks & Recreation Department. The Department delivers quality, life-enriching activities to the broadest base of the community. This translates into exceptional visibility for sponsors and supporters. It is the goal of the Department to create relationships and partnerships with sponsors for the financial benefit of the Department.

- Partnerships for recreation and parks facilities and program development may be pursued based on the Vancouver Partnership Policy, encouraging the development of partnerships for the benefit of the city, its citizens, and potential partners. Sponsorships are one type of partnership, and one avenue of procurement for alternative funding resources. The Sponsorship Policy may evolve as the needs of new projects and other City departments are incorporated into its usage.



- Broad guidelines are offered in this policy primarily to delineate which types of sponsors and approval levels are currently acceptable for the Vancouver Parks & Recreation Department.
- The policy should ensure that the definition of potential sponsors may include non-commercial community organizations (for example: YMCAs and Universities), but does not include a forum for non-commercial speech or advertising.
- Sponsorships are clearly defined and are different from advertisements. Advertisements are one type of benefit that may be offered to a sponsor in exchange for cash or in-kind sponsorship.
- The difference between sponsors and donors must be clarified, as some staff and the public often confuse and misuse these terms.

PERFORMANCE MEASURES

Best practices in performance measurements have moved from reporting "counts" of amenities, people, and dollars toward measuring opportunity and satisfaction levels. The VCPRD has recently settled on a few, fairly simple performance measures in its annual budgeting process:

- Access – percent of residents living within half mile of a park, trail or open space
- User satisfaction – as reported on comment cards at the Centers and in the biennial community survey with a target of at least 80 percent satisfaction
- Cost recovery for recreation programs meeting Council adopted target, which is currently 72 percent

The quality of life benefits of green spaces within communities and close to homes – density relief, stress relief, stormwater management, replenishing our oxygen supply, to name a few – are widely accepted. Research has also shown that when provided opportunity for physical activity within a convenient distance, physically activity through use of that opportunity increases. Through the 2013 update of the Comprehensive Plan, the VCPRD will be able to measure the current percent of residents living within one half mile of a park, trail, or open space to identify the current benchmark and set a desired target. One half mile is greater than the "walkability" factor used by many communities today of one quarter to one third mile. It will be important to balance community satisfaction with its willingness to pay for a desired standard as a key issue in the Comprehensive Plan update.

Measures of satisfaction provide better guidance to an organization than a count of amenities or people in terms of performance. Residents and visitors, primarily through taxes and fees are investing in the parks and recreation system. Their satisfaction is paramount to success and should be measured and used to guide decision-making.

As the VCPRD moves forward with its newly adopted cost recovery approach, it will be redefining the definition of costs – both direct and indirect – which may alter the current measurement and cause a need to reset the adopted target to maintain its current performance. The target is a measurement of the combination of all programs and operations. In actuality, the cost recovery for each program or service will be defined for each category of service and may be set above or below the cumulative target. Use of the Service Assessment and Cost Recovery methodology introduced in this study will guide the VCPRD in setting various cost recovery targets and in making the best use of its financial resources. As the methodology promotes, program and service pricing must also support the mission of the VCPRD.

VCPRD Accomplishments

In addition to specific performance measurements, department accomplishments are very telling. Facing organizational and financial challenges over the past several years has changed how VCPRD does business, including delaying park development, reducing staff in both parks and recreation, adjusting fees and hours of operation, and reducing or delaying maintenance. However, it has also only spurred the department to find other ways to provide great service.

The VCPRD 2012 Annual Report highlights many accomplishments:

- 77% recovery of the City's recreation centers operating costs through user fees, grants and donations; and 94% recovery of the Vancouver Tennis Center operating costs.
- 14.87 acres of public space added in partnership with other government agencies, and opening the Luke Jensen Sports Park in Clark County.
- $250,000 worth of Capital Repairs and ADA upgrades throughout the regional parks.
- Water trail plan completed to improve access to 32+ miles of outdoor recreation paddling along the Columbia and Lewis Rivers.
- Key parcels added to the Burnt Bridge Creek Greenway, making possible improvements to the trail and ecology of the creek and riparian area.
- Trail improvements planned in Whipple Creek Park that volunteers are now implementing, and an additional mile of trail designed for Vancouver Lake Park (currently in permit review).
- 12,994 volunteer hours outside and 30,133 volunteer hours at recreation facilities - equivalent to a $939,739 donation to the department including over 100 events to plant new trees (over 41,000 native trees and shrubs in the Greenway floodplain, open spaces, and nine parks), pick up trash, and keep parks clean through the adopt-a-park program.
- Sensory Camp, seven-week summer day camp for 204 kids age 12 and under with special needs, continued through the generosity of the community and the rally cry of a group of dedicated Vancouver moms.
- Special recreation accommodations and programming continued to disabled citizens through the Inclusion and Access to Recreation programs with funding from the Parks Foundation, Everybody Plays! Recreation Scholarship program for kids, teens and people with disabilities was.
- Over 800 scholarships totaling $43,000 awarded to support broader use of Parks and Recreation programs.
- Additional funding from community grants and donations used for playground equipment, park improvements, arts and supplies, trail construction, restoration to Teen Late Night, and other teen and senior programs.
- 8,500 seniors served hot, nutritious meals through the Meals on Wheels program.
- 142,010 hours of sports field usage; 127 community events; 1100+ park shelter rentals

Staff anticipates that in 2013, they will continue to create a healthy, livable, and sustainable community. In recreation and senior centers, they will continue to maintain core programming and services, as well as recreational and community spaces that cater to all ages and ability levels. However, with the loss of revenue and reductions of staffing over the last three years, they will refine business practices of delivering quality parks and recreation services. They will determine that they are providing the right services that are affordable by reviewing: regional recommendations from the Blue Ribbon Commission; results of this organizational assessment from GreenPlay including an internal examination of program usage and cost analysis. They will begin the six year update of our Comprehensive Plan exploring options and alternatives to continue to provide an interconnected system of parks, trails and open space, protecting natural resources and supporting a high quality of life for residents in the context of current conditions. Opportunities and partnerships will be pursued that minimize maintenance liabilities, but preserve a vision for future outdoor recreation opportunities for this growing community.

CONCLUSION

This study provides recommendations that, through collaboration with staff and partnership with other agencies, will better position this local and regional park system to achieve sustainability through an organizationally more effective parks, recreation, and open space service delivery model. The study addresses both Council policy issues dealing with governance and organizational structure as well as operational issues addressing what is provided through a look at service mix; how it is provided through staff assignments and skills as well as business practices; and how it is funded through a new cost recovery and pricing philosophy and policy, and potential new revenue sources.

For the most effective governance structure to serve both City and County residents, a truly consolidated program with its own funding source and governing body is the best possible solution. Due to current realities, a true consolidation is not possible for the short term, so a focus has been placed on recommendations to address functioning at the highest possible level through separate, but collaborative systems.

Key to this approach is alignment of vision for the parks, recreation, and open space provisions on both a local and regional level. The update of the VCPRD Comprehensive Plan in 2013 provides an ideal vehicle to identify and pursue this vision. Critical elements include joint planning and a broadly representative Advisory Commission; an integrated Park Impact Fee program implemented to carry out the level of service identified for the park system in the Comprehensive Plan update; and coordinated service delivery that avoids duplication and gaps as well as over or understaffing through contractual arrangements between the City and the County . This should all be addressed in a revision of the Inter-Local Agreement.

The personal and professional commitment of individual staff members and well as their collective commitment to providing excellent service in light of limited resources provides a readiness to move forward. Armed with new best practice business tools staff will be making the changes necessary to work with limited resources and leverage those resources to be sustainable. However, it should be recognized that this is a significant amount of change and staff will need support in terms of recognition and acceptance of these new ways of doing business and training and skill development in order to best manage this effort.

Residents and visitors to the area have come to appreciate the VCPRD, the "one-stop-shopping" for parks, recreation, open space, and trails interests. This along with the reaching out to solicit input, relationships with neighborhood and organizations, volunteer opportunities and partnerships with others in the region must be maintained. Taking care of what you have needs to be balanced with adding to meet the needs of future residents as the community continues to grow.

It has been our pleasure to work with you on this organizational assessment. We are sure that you will find that it provides a solid foundation for moving forward.

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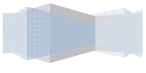

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