

**EAST BAY REGIONAL PARK DISTRICT
PARK ADVISORY COMMITTEE
AGENDA STAFF REPORT**

DATE February 26, 2024
TITLE Informational Update on the Park District's Fee Study
DIVISION Operations
FROM Ruby Tumber, Acting Bus. Svcs. Mgr.
Lisa Goorjian, AGM of Operations

APPROVED

RECOMMENDATION

This item is an informational update on the Cost Allocation Plan and Fee Study.

BACKGROUND

After a formal Request for Proposal process, in January 2023, the Park District employed the services of locally based Matrix Consulting Group for a Cost Allocation (“CAP”) and Fee Study. The focus of the CAP and Fee Study was to better understand costs associated with fees charged by the Park District, recognize cost recovery levels, and to utilize said information to inform future fee revisions and updates. The objectives of the project included:

- Reviewing the Park District’s Fee Structure
- Identifying Costs Associated with Fees, analyzing both direct and indirect costs
- Calculating the “Full Cost” of providing fee-backed services
- Providing deliverables and recommendations resulting from the Cost Allocation Plan and Fee Study.

Matrix Consulting Group met with staff members throughout the Park District to understand the costs, time, and resources related to fees and incorporated feedback in crafting their reports. With input from the General Manager, staff also developed a draft of “Guiding Principles” to help guide fee-setting decisions at the Park District.

This item was presented to the Board Operations Committee meeting on December 12, 2023. Input from the Park Advisory will help inform future fee change decisions.

ANALYSIS

An overview of the findings will be provided at the Board Operations Committee. However, a primary finding of the study is that the Park District is recovering 36% of its costs or under-recovering its costs by approximately \$10.4 million (based on an analysis of fiscal year 2023 expenditures and fiscal year 2022). This shortfall, however, is consistent with comparable agencies that provide Parks and Recreation Services. Generally, these fall within the 20-50% cost recovery range. A recovery of 36% is within this range. The Park District has the option of increasing fees in select areas to help alleviate the under-recovery or making a formalized decision or policy as to which fees will be subsidized. A general

rule of thumb for governing bodies is to craft a cost recovery policy that revolves around a community benefit factor: activities or services with the largest community benefit will have the least cost recovery (potentially full subsidization), and those with high individual benefit will have the most recovery (or no subsidy). An example of a community benefit fee would be a park entry fee, versus one with a largely individual benefit – such as a Day Camp Operator permit. The Park District will need to determine the level of benefit and subsidization for its different fees. The Guiding Principles drafted by staff will also serve as a tool on how to set future fees.

This presentation aligns with the Park Advisory Committee 2024 Objective #6 to Provide Guidance and Recommendations on Park District Policies and Practices.

FISCAL IMPACT

There is no fiscal impact resulting from this report, but implementation of future recommendations may have a bearing on future Fee Schedules

ATTACHMENTS

Draft Fee Study and Draft Guiding Principles.