

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

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| DATE | July 17, 2024 |
| TITLE | Update on Districtwide Fee Study |
| DIVISION | Operations |
| FROM | Ruby Tumber, Management Analyst Lisa Goorjian, Assistant General Manager of Operations |
| APPROVED | Sabrina Landreth, General Manager  |

RECOMMENDATION

This is an informational item only.

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.

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 the development of their evaluation. The resulting consolidated report (Attachment A) and associated Guiding Principles (Attachment B) were developed to help inform fee setting decisions at the Park District.

An informational update of findings was brought to the Board Operations Committee on December 12, 2023 to inform the Committee of the findings of the study. Later, at the February 26, 2024 Park Advisory Committee (PAC) meeting, an additional update was provided to gather community input on fees and possible fee changes. During the PAC meeting, members of the PAC were surveyed to better understand the public’s aptitude for potential fee changes. A few key takeaways from this meeting are identified below:

- When polled about their satisfaction level with current fees (on a scale of 1-5, with 5 being most satisfied), the PAC scored at an average rating of 3.53 – showing a neutral to positive level of satisfaction.

- The PAC members were also asked to rate their importance of government subsidization of recreational activities (on a scale of 1-5, with 5 being the most important) – and rated it at 4.07, meaning that they largely supported government subsidization.
- Nearly 80% of PAC members were receptive to the idea of the Cost Recovery Pyramid Model, as outlined in Matrix’s final report. The theory behind this model is that programs or opportunities with greatest public benefit should cost the least (or be most subsidized), while those with the least amount, or individual benefit, should cost the most.
- PAC members were also surveyed on the following factors and were asked to rank them in order of importance:
 - Market Comparison/Market Rate (Fees should be based on regional comparables and increase via CPI)
 - Cost Recovery & Administrative Costs (Fees should recover costs related to staff and administrative time)
 - Equity/Accessibility (Fees should be set through a lens of equity and access)
 - Maintenance & Improvement Costs (Fees should reflect the maintenance and upkeep needs of the park infrastructure)
 - Demand Management (Fees should serve as a means to manage demand and overuse)
 - Environmental Needs (Fees should serve as a means to protect environmental resources).

Of the above categories, the PAC members ranked **Equity/Accessibility and Maintenance & Improvement Costs** as those of highest importance, and **Market Comparison/Market Rate** fees as that of their least importance.

Findings of the Matrix evaluation were evaluated in conjunction with the PAC survey results. Staff had to consider a variety of viewpoints in proposing which fees should be evaluated for assessment and possible modification. Fees can be levied for a variety of reasons e.g., to recover administrative costs, to manage access, to maintain infrastructure and ongoing maintenance, as well as protect environmental resources. These goals can also be challenged by seemingly conflicting goals, such as aiming to keep recreational costs low to limit barriers of entry. Staff also wanted to ensure that the Guiding Principles that were developed were incorporated into any possible, future fee changes. For this initial evaluation phase, fee collection locations or how fees are collected were not evaluated. For this phase staff focused on the following as fees that should be considered for modification in the future:

- Parking fees
- Dog fees
- Swimming fees
- Special event permits
- Day Camps permits
- Outdoor Programs permits

ANALYSIS

The above fees were selected for consideration for several reasons, including impact on staff and resources, cost recovery levels, and benefit to the collective community. Some presented operational challenges or inefficiency, while others simply had not been assessed in a long time and needed to be assessed against today’s market conditions. Staff is focusing on a small subset of fees to better understand the longer-term impact on revenue. These considerations were balanced with feedback from PAC members, who advocated the need for access and equity, with cost recovery targeted at fees with the most individual benefit. Any proposed fee changes were evaluated with the Guiding Principles in mind. The below table summarizes recommendations that staff are considering bringing forward in the Proposed 2025 Fee Schedule in the Fall.

The Board Operations Committee’s feedback will be incorporated and analyzed along with a market comparison of analogous regional fees. As this is an informational update, staff are not seeking a formal endorsement from the committee for the recommendations below, but rather input ahead of the annual fee change process.

| Fee | Current Fee | Total Cost of Fee* | Recommendations for Fee Change |
|-----------------------|--|--------------------|--|
| Parking fees | \$3-6 (\$5 average) | \$20 | <ul style="list-style-type: none"> • Cost of parking should be the same in every park • Consolidate other common “entry fees” – such as dog or trailer, to improve entry process • If consolidating, increase cost (consider \$6-7) |
| Dog Fees | \$2 | \$4 | <ul style="list-style-type: none"> • Staff in favor of removing • Enforcement is challenging, numerous points of entry • Cost recovery is limited • Some comparable agencies do not have dog fees |
| Swimming Fees | Ages 16-61: \$3-4 Seniors (62+): \$2 Disabilities: \$2 Children 1-15: \$2 <1: Free | \$28 average | <ul style="list-style-type: none"> • Below market comparables • Impact to pool is comparable regardless of age • Streamline pricing into two pricing structures: adult and children • Consider increasing prices: <ul style="list-style-type: none"> ○ Adults (18+): \$5 ○ Children (Under 18): \$3 ○ Senior / Disabled: \$2 ○ Under 1: Free |
| Special Event Permits | \$50-500 based on size | \$1,233 to \$4,044 | <ul style="list-style-type: none"> • Special events can be high impact and resource / staff intensive – increase costs • Currently, all events with over 1,000 persons have same pricing, implement pricing differential per 500 persons • Increase refundable security deposit (\$50-250) due to potential impact to parks • Current pricing structure is the same fee regardless of parks the event is held in (e.g. races traverse multiple parks) – implement additional fee for every additional park impacted (e.g. \$100) • Consider price differential for Alameda / Contra Costa County Residents and non-residents like reservable facilities or picnic sites |
| Day Camp Permits | \$100 permit, additional capacity fees based Non-profit, For-profit, and Public Agency status | \$3,455 | <ul style="list-style-type: none"> • Increase permit price to \$200 • Higher capacity fees for For-profit groups • Consider removing the option to reserve campsites for day camps, as camps utilize parks between June 1 – August 31 (heaviest camping season) • Roaming camps (multiple parks) should have an additional fee per park |

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| | | | <ul style="list-style-type: none"> • Consider price differential for Alameda / Contra Costa County Residents and non-residents • Refundable security deposit is \$100 week to \$600 maximum, consider a higher maximum |
| Outdoor Program Permits | \$400 per park for Operators | \$3,250 | <ul style="list-style-type: none"> • No refundable security deposit; implement one to align with day camps • Consider price differential for Alameda / Contra Costa County Residents and non-residents • Higher capacity fees for For-profit groups |

* Total costs represents the total summation of allocated staff costs (salary and benefits), overhead, material costs, and land costs. This is what the fee should be if aiming for 100% cost recovery.

FISCAL IMPACT

As this item is only informational, there will be no immediate fiscal impact. Staff will garner input from the Committee and will seek a formal recommendation of changes to the Proposed 2025 Fee Schedule in the Fall.