Cost Allocation Plan and Fee Study Update

Ruby Tumber

Acting Business Services Manager

Park Advisory Committee

February 26, 2024

East Bay Regional Park District

matrix consulting group

Agenda
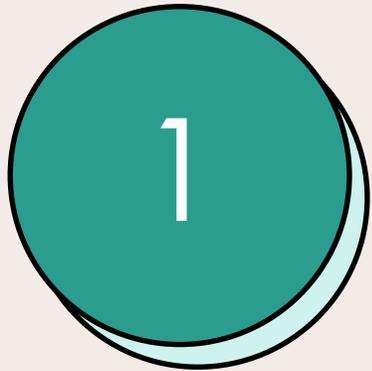
1 — Introduction To Study

2 — Objectives

3 — Methodology
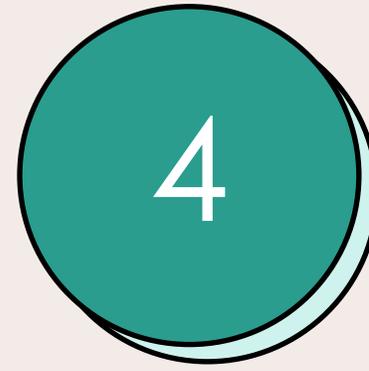
4 — Findings

5 — Next Steps

Consultant

- Request for Proposal December 2022
- Interviews and Selection January 2023
- Project Kick-Off Spring 2023
- **Matrix Consulting Group**
  - Decades of experience working with public sector, specifically Bay Area
  - 250+ cost of service studies
  - Courtney Ramos, Vice President
  - Khushboo Ingle, Senior Manager
- Internal EBRPD team
  - Deborah Spaulding, AFO
  - Tiffany Margulici, BSM
  - Ruby Tumber, Acting BSM
  - Renee Patterson, AA2
  - Cross-divisional input

matrix consulting group

Introduction

Fee Study: An analysis on fees for services associated with an organization or agency. The purpose is to better understand factors such as cost recovery, market comparison, and revenue generation.
Includes user fees such as swim access or camping fees.

Cost Allocation Plan: A tool used to understand how an organization allocates costs and how they're distributed across personnel and services.

Objectives

- Review Fee Structure
- Determine Cost Components
- Calculate Full Costs
- Review / Revise Fees
- Develop a Revised Fee Schedule
- Provide findings to Board

Methodology

Staff Costs

- Staff processing, reviewing, and directly involved in the permitting and application process.

- Salaries, Benefits, Productive Hours, Departmental/Divisional Overhead, and Districtwide Overhead

Park Use Overhead

- Captures costs associated with MAST, ASD, and Public Safety for general park use and support.

- Also includes indirect costs associated with those services from Cost Plan (i.e., HR, IT, GM, AGM, etc.)

Material and Land Costs

- Paper costs, cost of fish, and direct material costs and expenditures.

- Cost associated with facility space as well as overtime rates.

Findings & Recommendations
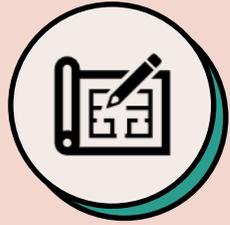
Under-Recovering
36%. Comparable Agencies are between 20-50% .
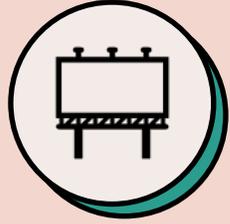
Update Fees
Develop a process to update fees with regularity
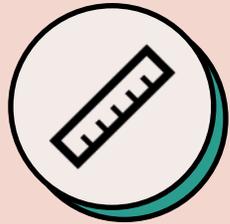
Cost Recovery
Develop a set of Guiding Principles based upon benefit and recovery
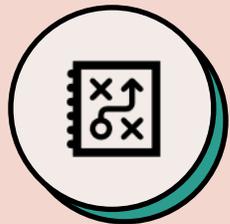
Comprehensive Fee Update
Conduct a comprehensive fee update every 5-7 years
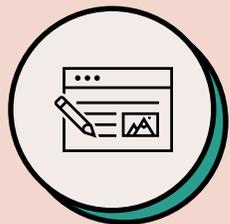
Comparisons
Many – not all – fees fall within market comps (parking & swim largest area of under-recovery))

Fee Category	Current Revenue	Annual Cost	Difference $	Cost Recovery %
Public Safety Fees & Fines				
Impounded / Stored Vehicle Release Fee	$3,500	$5,073	($1,573)	69%
Annual Dog Permits	$40,600	$54,843	($14,243)	74%
Land Use, Encroachment & Development	$143,000	$329,260	($186,260)	43%
Park Use Fees				
Dog Fees	$61,280	$111,452	($50,172)	55%
Camping Fees (Parking Included)	$1,644,632	$3,259,977	($1,615,345)	50%
Parking Fees (Day Use Only)	$1,799,225	$7,050,430	($5,251,205)	26%
Boat Fees	$76,926	$202,954	($126,028)	38%
Commercial Photograph Permit	$12,070	$13,961	($1,891)	86%
Fishing Permits	$291,550	$410,927	($119,377)	71%
Pool / Beach / Lagoon Access Fee	$263,692	$2,874,878	($2,611,186)	9%
Ohlone Wilderness Regional Trail Permit	$3,742	$33,661	($29,919)	11%
Reservation Fees				
Day Camps	$3,316	$111,605	($108,289)	3%
Picnic Reservations	$616,120	$317,054	$299,066	194%
Special Event Permit Fee	$129,000	$717,123	($588,123)	18%
Outdoor Permits	$3,700	$28,875	($25,175)	13%
Sanitation Trailer Rentals	$5,250	$2,726	$2,524	193%
Interactive Play Equipment Permit	$6,000	$13,915	($7,915)	43%
Misc. Fee & Permits	$21,810	$18,736	$3,074	116%
Facility Rentals	$748,435	$709,909	$38,526	105%
Richard Trudeau Training Center	$0	$0	$0	0%
Total	**$5,873,848**	**$16,267,360**	**($10,393,513)**	**36%**

Cost Recovery Pyramid
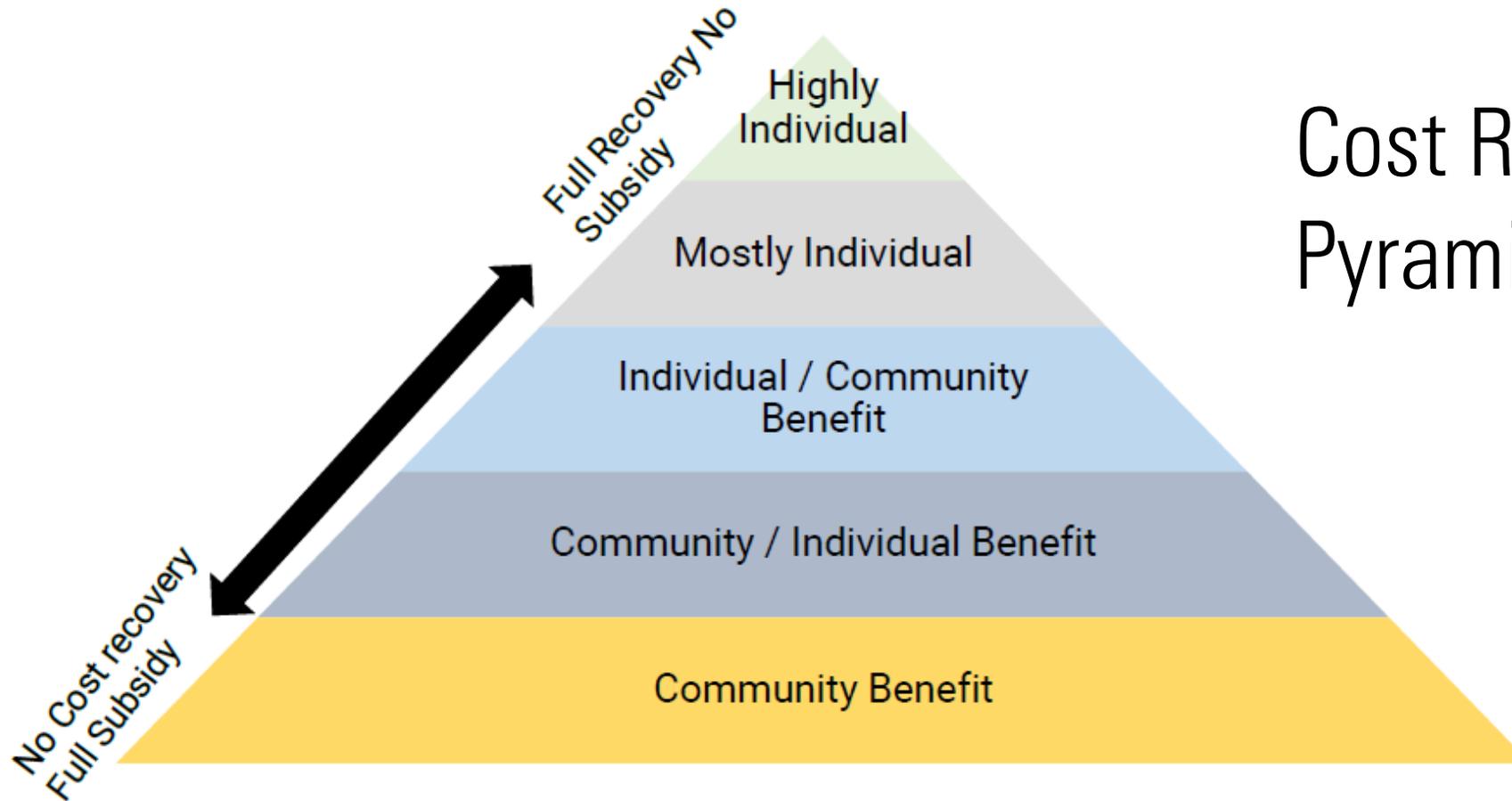
Guiding Principles: I

1. **Public Benefit:** Consider the broader public interest and benefits derived from the services or activities funded by fees. Ensure that fees with the widest community benefit are the most subsidized, while those with the mostly individual benefit are the least subsidized.

2. **Cost Recovery:** Fees should aim to recover some cost of providing the service or regulating the activity. Conduct thorough cost assessments to determine appropriate fee levels.

3. **Equity and Fairness:** Fees should be fair and equitable, considering the ability to pay and the economic impact on various stakeholders. Consider offering fee waivers or reduced rates for underserved communities.

4. **Legal Compliance:** Ensure that the fee policy aligns with relevant laws, regulations, and statutes. Comply with any legal requirements regarding fee setting, use, and reporting, including GFOA and State Government Codes.

5. **Transparency:** Make fee structures and calculations transparent and easily accessible to the public. Clearly communicate the purpose of the fee, how it is calculated, and where the funds will be allocated.

Guiding Principles: II

6. **Stakeholder Engagement:** Involve relevant stakeholders, including concessionaires, community organizations, and the public, in the fee-setting process.

7. **Review and Adjustment**: Regularly review and update fee structures to reflect changing costs, economic conditions, and government priorities.

8. **Efficiency:** Streamline fee collection processes to reduce administrative costs and ensure that fees are collected efficiently.

9. **Periodic Reporting:** Provide regular reports to the public and relevant oversight bodies on fee collection, utilization, and the impact on Park District services and programs

10. **Sensitivity to Economic Conditions**: Be mindful of economic downturns or other unforeseen circumstances that may affect fee payers' ability to meet their obligations.

Timeline & Next Steps

Spring 2024
Update and Input from PAC

Spring 2024
Recommendations to BOC / Board

Summer 2024
Coordinate with Finance on Proposed Fee changes

Fall 2024
Provide 2025 Fee Schedule

Beyond
Deploy strategy for future updates

Thank you!
Questions?

Scan the QR or use link to join

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