

## RESOLUTION NO. 2018-025

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK, CALIFORNIA, ADOPTING A COMMUNITY SERVICES RECREATION PROGRAM COST RECOVERY POLICY

**WHEREAS**, Rohnert Park Municipal Code Chapter 3.32, "Cost-Recovery – Fee and Service Charge System," provides for the "establishment of a fee system to recover costs of the City in providing certain services, products and regulatory activities," including regular review of fees to assure that they "continue to recover the reasonable and proportional share of costs from applicants requesting services," and providing authority for the City Council "to establish such fees by resolution to support the costs of providing the service or services" requested by user; and

**WHEREAS**, the City presently sets its facility and program fees in amounts that do not exceed the reasonable cost for the service or benefit provided, and charge this cost to those who are provided the service or benefit; and

**WHEREAS**, in certain circumstances, it is preferable to reduce recreational facility and program fees that are of community benefit below the total cost to provide the service, in order to facilitate the use of those facilities and programs; and

**WHEREAS**, the City staff desires to implement a Community Services Recreation Program Cost Recovery Policy ("Policy") which incorporates the Community Benefit Methodology to further guide the setting of program fees based on community benefit; and

**WHEREAS**, the Policy establishes uniform guidelines and cost recovery targets for in-house recreation programs, events, activities, goods, and services.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Rohnert Park that hereby adopts the attached Community Services Recreation Program Cost Recovery Policy.

**DULY AND REGULARLY ADOPTED** this 27th day of February, 2018.

**CITY OF ROHNERT PARK**

  
Pam Stafford, Mayor

**ATTEST:**

  
Caitlin Saldanha, Deputy City Clerk

Attachment: Community Services Recreation Program Cost Recovery Policy

AHANOTU: Aye BELFORTE: Aye MACKENZIE: Aye CALLINAN: Aye STAFFORD: Aye  
AYES: ( 5 ) NOES: ( 0 ) ABSENT: ( 0 ) ABSTAIN: ( 0 )

**CITY COUNCIL POLICY**

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<b>COMMUNITY SERVICES RECREATION PROGRAM COST RECOVERY POLICY</b>	ASSIGNED BY DEPUTY CITY CLERK			

**PURPOSE**

The City of Rohnert Park (City) Community Services enhances the City's high quality of life and nurtures the health and well-being of our people, our community and our economy.

The purpose of this Community Services Recreation Program Cost Recovery Policy (Policy) is to establish uniform guidelines and cost recovery levels and goals for in-house recreation programs, events, activities, goods, and services. Establishing a cost recovery policy will accomplish the following:

1. Provide a structure to calculate fees for recreation programs.
2. Align community contributions with community benefits.
3. Provide systematic framework for the potential removal of programs not generating the designated minimum cost recovery for that program.
4. Allow decision makers to decide how General Fund subsidy is allocated.

**DEFINITIONS**

**City:** Means the City of Rohnert Park and its departments and events sponsored by the City.

**Community Benefit:** The positive impacts resulting from a service to a community, i.e. enhanced property values, public health, social and environmental needs met, and/or improved citizen quality of life.

**Cost:** Expenses related to the delivery of recreation programs and activities. See *Direct Cost* and *Indirect Cost* for further information.

**Direct Cost:** Costs that are directly related to a program or service. Without the program or service, these costs do not exist. Examples would include part-time staff and materials.

**Indirect Cost:** Costs not tied to one specific program, service, or facility. These are full-time staff salaries and benefits associated with facilities where programs are hosted. Assumed rate for indirect cost is 35% of direct cost.

**In-house (program and activities):** Recreation programs and activities staffed with part- and full-time City employees.

**POLICY**

Community Services offers services that are funded through a combination of user fees, taxes, grants, and donations. Fees and charges shall be assessed in an equitable manner in accordance with Table 1. Percentages shall be considered as guidelines; however, special circumstances as well as the nature and cost of each program should be taken into consideration.

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**Process**

1. Community Services will conduct an annual comprehensive review of cost recovery targets and levels.
2. Community Services will assess in-house recreation programs and activities to ensure proper assignment of cost recovery level.
3. New programs will be sorted and assigned a cost recovery level using the Community Benefit Methodology.
4. A Fee Structure/Rate review will be done annually to determine viability of programs.

**City of Rohnert Park's Cost Recovery Model**

The City of Rohnert Park will use the Community Benefit Methodology (CBM) to assign cost recovery targets to in-house programs and activities. This cost recovery model recognizes the spectrum of beneficiaries of recreation programs and activities ranging from mostly community benefit to mostly individual benefit. Definitions of levels in the CBM are informed by the City's mission, vision, and values, and help determine the level of general fund contribution provided to each program and activity.

The following model represents all categories of services currently provided, or those which may be provided in the future by Community Services. The levels are defined by the degree of benefit to the community, the values of the Rohnert Park community, and the mission of Community Services. This model and policy forms the basis for setting fees and charges. The definitions for each level are as follows:

***Level I – Mostly Community Benefit***

Recreation programs and activities that have a wide community benefit and meet the core mission and vision of the City by enhancing the overall quality of life for community members. Participation in these programs and activities is open to all members of the community, with an emphasis on serving populations in-need. High participation is beneficial to the community, and thus it is valued over cost recovery.

***Level II – Considerable Community Benefit***

Programs or activities that fulfill the core mission of Community Services that provide a wide community benefit. These programs and activities are general, basic and non-specific to any one recreational activity or are generally accepted as traditional municipal youth programs.



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*Level III – Individual and Community Benefit*

Recreation programs and activities in this level are more interest-specific for individuals. These programs and activities may be traditional municipal programs or may vary depending on current recreation trends. Market rate consideration, as well as participation rates, are taken into consideration when determining the cost recovery for program and activities.

*Level IV – Considerable Individual Benefit*

These programs and activities have a higher individual focus and may be competitive or highly specialized programs or activities.

*Level V – Mostly Individual Benefit*

Recreation programs and activities benefit the individual more than the wider community. These programs and activities have a higher degree of specialization, and adults are often the primary beneficiaries. The demand for the program or activity is a factor in fee setting and some activities may be strictly revenue-oriented.

The Cost Recovery Model will be used to determine the minimum percentage of cost recovery for individual in-house recreation programs and activities. The cost recovery percentages increase from Level 1 to Level 5.

The target minimum cost recovery percentages at each level are listed below:

**Table 1: Target Minimum Cost Recovery by Level**

Levels	Target Minimum Cost Recovery by Level	Type of Cost
Level 1	0-14%	Direct Cost
Level 2	15-49%	Direct Cost
Level 3	50-79%	Direct Cost
Level 4	80-99%	Direct + Indirect Cost
Level 5	100%	Direct + Indirect Cost

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**Community Services Recreation Program Cost Recovery Model:  
Minimum Cost Recovery by Level**

