

**CITY OF BOULDER**  
**PARKS AND RECREATION ADVISORY BOARD AGENDA ITEM**

**MEETING DATE:** August 24, 2015

**AGENDA TITLE:** Recreation Service Delivery and Approach to Financial Aid

**PRESENTERS:**

Yvette Bowden, Director, Parks and Recreation  
Therron Dieckmann, Deputy Director, Parks and Recreation  
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**EXECUTIVE SUMMARY:**

The Parks and Recreation Department (department) continues to align business practices with the guidance outlined in the 2014 Parks and Recreation Master Plan (master plan). In an effort to align the recreation program portfolio with master plan direction, the department is proposing modifications to take effect in January 2016. The proposed adjustments include fee increases to several areas of recreation programming and improvements to program management. The fee increases are included in the department's 2016 proposed budget and are proposed in the context of master plan direction on deliberate use of subsidy, the cost to deliver services and market rates.

As a result of these adjustments, the department is demonstrating its commitment to understanding the total cost of service delivery and aligning use of the subsidy with services that provide community benefit (those that serve youth, people with disabilities, and/or people with low-incomes or other barriers to participation). The adjustments to program management fulfill the master plan direction to provide for community members' health and wellness through deliberate and thoughtful design of programs, facilities, parks and services and reflect best practices in a life cycle management approach in recreation programming.

**ANALYSIS:**

**Background**

The department's review of the recreation program portfolio is part of ongoing efforts to align practices with the master plan. These efforts focus on two overlapping initiatives:

- Ensure that recreation services are intentionally planned, delivered and evaluated to impact community health and wellness; and

- Ensure the community subsidies are directed towards programs that provide community benefit.

Background information on the department's goals related to recreation programming can be found in chapters six and eight of the master plan. The methodology and departmental progress in achieving the goals related to recreation service delivery, including costing methodology, was provided in a previous PRAB packet. In this phase of implementation, the services reviewed include health and wellness, gymnastics and tennis. In fulfilling the policy direction of the master plan, these efforts reflect deliberate use of subsidy and values related to serving youth, people with disabilities and people with low-incomes.

### **Value of Service and Market Comparison**

#### *Gymnastics*

The gymnastics program serves a range of ability and ages and is split into two categories: instructional and competition. Within the City of Boulder's service area there is one other private provider of gymnastics programming. The city's gymnastics program is conducted at the North Boulder Recreation Center and has a reputation for being affordable and not overly competitive.

Service delivery analysis suggests that the department's gymnastics portfolio should move toward a more sustainable fee to cost alignment. Courses are operated below the Recreation Priority Index's recommended cost recovery goals resulting in a greater use of subsidy funding. Currently, there are opportunities to schedule alternative uses in the gymnastics program space, expand services to the South Boulder Recreation Center and the East Boulder Community Center, and provide additional customer service outreach to the participants and parents through increased staff trainings and communications.

Hourly fees for the advanced instruction and competitive program are lower than competitors' pricing. In addition to implementing hourly fee increases, competition and elite program fees will be increased.

#### *Tennis*

Currently the tennis program is facilitated through a contracted partner (Gonzo Tennis) and split into two categories: instructional classes and private lessons. Courses are available at all three recreation centers as well as Centennial Middle School. Beginning in 2005, the city shifted the delivery of tennis from a mix of direct delivery and contractor facilitated programs to fully contractor facilitated programs. In 2007, the city initiated a contractual agreement with Gonzo Tennis to manage and operate all of the tennis programs (classes and private training).

A service delivery analysis suggests that this method of service provision is effective. Over the past ten years, the tennis program has focused on youth engagement and health and wellness while increasing participation numbers and improving financial sustainability. For youth tennis programs, the department will continue to charge market based fees. Due to the expiration of the current contraction, this fall 2015 a Request for

Proposal (RFP) for tennis programs will be issued providing an opportunity for the department to further align the contract and service delivery with community values and department goals.

The competitive market for tennis programming indicates that the department's tennis services are less expensive than those offered by community competitors. Based on the competition and the community's willingness to pay, the department will continue to align its tennis fees to meet market rates.

### *Health and Wellness*

Health and wellness programs include registered and drop-in mind/body, fitness, weight training, pilates, and other specialized skill-based courses for adults. In line with a community that highly values health and wellness, the department's health and wellness program portfolio is varied and provides many opportunities to improve physical and mental well-being. Courses are currently offered at all three recreation centers as well as the Iris Studio and Salberg Park.

Service delivery analysis suggests that the department's health and wellness portfolio can be streamlined to more effectively use resources. Courses are operated at or even just below the minimum enrollment, translating into a higher than desired use of subsidy to provide the service. In addition, the breadth of courses offered in this area leads to participation rates in the 50-60% range. In implementing best practices in program life-cycle management, the department will strive to more effectively operate these programs and improve financial sustainability.

Fees for health and wellness registered programs are well below the market rate and above desired subsidy rates. Fee increases will improve the financial viability of these programs and align with desired subsidy levels.

### **Modifications to 2016 Program Management and Fees**

In order to follow best practices in program management, the department will continue to optimize use of existing resources to more effectively deliver community-focused services. Practices for course management have been inconsistent among program areas and the department will begin implementing standards for course management in three areas:

- Adherence to established course minimums,
- Discontinuation of course fee prorating, and
- Streamlining of courses with below optimal participation rates.

Course minimum enrollments are established to ensure that each course recovers desired costs through fees and subsidy. Courses conducted below established minimum enrollment results in higher than desired subsidies and suboptimal use of space and other resources. Moving forward, all program areas will cancel courses that do not meet minimum enrollment levels one week prior to the first meeting of the course. Exceptions

will be allowed only in special circumstances, for example when a new course is being provided to allow time for the course to become established.

Similarly, course fees are set to ensure appropriate cost recovery through fees. When fees are pro-rated (for example to accommodate planned absences), the course is not guaranteed to recover desired costs and may be subsidized at higher rates. In future, the few program areas that allow this practice will no longer prorate course fees.

Service capacity is a metric that can help determine a program’s viability and life-cycle. For example, if 10 beginning yoga courses are offered in a session with a maximum enrollment each of 20 participants, the participation potential of this activity is 200. If, for example, the total enrollment for a session is 100, the service capacity of this program is 50 percent. Possible responses to this metric include offering fewer courses to increase service capacity and thus financial sustainability and increasing marketing efforts to increase enrollment. The department will continue to regularly monitor service capacity of individual activities as part of the life-cycle management.

According to the master plan, adult services (except those for target populations or seniors) shall recover direct costs plus all indirect costs through user fees. With the proposed fee increases, subsidies supporting adult exclusive recreation programs are relieved and the programs are more financially viable. Continued increases are required to achieve desired subsidy levels and analysis suggests the market will bear higher fees. The PRAB’s input on fee increase increments and phasing will support the department’s efforts to align service delivery with master plan direction.

<b>Activity</b>	<b>Service Category</b>	<b>Current Average Fee/Hour</b>	<b>Recommended 2016 Fee/Hour (10% increase)</b>	<b>Suggested Fees/Hour</b>
Pilates Reformer Classes	Exclusive	\$14.50	\$15.84	\$18.25
Adult Skill-Based Courses (such as Beginning Yoga and Specialty Fitness)	Exclusive	\$8.75	\$9.60	\$17.70
Tennis Courses - Adult	Exclusive	\$10.00	\$11.00	\$9.02

According to the master plan, youth services shall be funded through a mix of user fees and tax subsidies. With the proposed fee adjustments, youth instructional programs will continue to be subsidized while fees align with the market and can contribute to the costs of service delivery.

<b>Activity</b>	<b>Service Category</b>	<b>Current Average Fee/Hour</b>	<b>Recommended 2016 Fee/Hour</b>	<b>Suggested Fee/Hour (to be achieved over ti</b>
Tennis Courses – Youth	Recreational	\$15.75	\$17.33	\$8.75
Gymnastics Instruction	Recreational	\$9.52	\$10.47	\$15.25
Gymnastics Competition	Exclusive	\$4.96	\$5.46	\$15.25

**Implementation (Communication and Timing)**

Proposed fee increases are included in the department’s 2016 proposed operating budget. With City Council approval of the 2016 budget, the department plans on conducting outreach to current users and members through the Winter Guide (published December 2015), promotions in the recreation facilities and through communications directly to existing members and user groups.

The department will continue to review recreation service delivery, including fee strategy, with the PRAB twice each year. In January, the PRAB will discuss recommendations for service delivery adjustments to the summer and fall portfolio. Programs to be evaluated include aquatics, Boulder Reservoir services and youth camps.

**Supporting Access for All**

This year, the department plans to provide the PRAB additional information about the department’s financial aid program during the 4<sup>th</sup> Quarter. Staff is currently evaluating opportunities to eliminate gaps in its existing financial aid program in order to allocate additional resources to reduce financial barriers to participation for parks and recreation services. For example, the department is analyzing the feasibility of implementing a sliding scale discount program that would increase the minimum incomes needed for eligibility for financial support.

**PRAB Input**

- Given the gap between existing fees for adult exclusive programs and the market, as well as desired cost recovery levels, what is the PRAB’s input on fee increase increments and phasing?
- Given these fees adjustments and the past experience in communicating such changes to the community, what additional methods of communication does the PRAB suggest?