



# City of Sandy

## Agenda

City Council / Parks Board Work Session

Meeting Date: Wednesday, December 14, 2022

Meeting Time: 6:00 PM

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Page

### **1. MEETING FORMAT NOTICE**

This meeting will be conducted in a virtual format via Zoom.

To attend the meeting online via Zoom

Please use this link: <https://us02web.zoom.us/j/83731215754>

Or by phone: (253) 215-8782; Meeting ID: 837 3121 5754 If you are unable to access a computer or phone and would like to attend this meeting, please contact City Hall by Monday December 12th.

### **2. WORK SESSION ON PARKS AND RECREATION COST RECOVERY**

#### **2.1. Cost Recovery and Financial Sustainability for Sandy Parks and Recreation**

2 - 59

Beneficiary of Services Virtual Workshop

[Staff Report, Attachments, and Presentation Slides](#)

### **3. ADJOURN**



## Staff Report

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**Meeting Date:** December 14, 2022

**From** Rochelle Anderholm-Parsch, Parks and Recreation Director

**SUBJECT:** Cost Recovery and Financial Sustainability for Sandy Parks and Recreation Department - Beneficiary of Services Virtual Workshop

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**DECISION TO BE MADE:**

Rank the Parks and Recreation service categories to help illustrate which services are perceived to serve a “common good” in contrast to services that deliver a more “individualized benefit”.

**PURPOSE / OBJECTIVE:**

Interactive workshop and presentation by Jamie Sabbach, President and CEO of 110%. Jamie will present to Council and PTAB on the Parks and Recreation Department’s efforts regarding the “Smart Approach to Financial Sustainability.” After the educational session the Council and PTAB will provide input ranking the Department’s service categories from 1 to 10 based on the idea that a service serves more of the “common good” (receiving a higher level of dedicated taxpayers funds), or more “individualized benefit” (receiving a lower level of allocated taxpayer funds) resulting in a higher cost recovery for those services.

**BACKGROUND / CONTEXT:**

City of Sandy Parks and Recreation Department has contracted with 110% and Amilia Consulting USA to help in a department-wide cost recovery analysis, and methodology creation. Jamie Sabbach, the founder and CEO of 110% Inc. and Amilia Consulting, USA will provide a webinar and education session to supply information and context regarding the cost recovery work that the Department is doing in consultation with 110% Inc. After the education portion and overview PTAB and the Council will interactively rank the Departments service categories (Attachment A).

The Smart Approach to Financial Sustainability has 3 phases. A detailed description of each of the phases is provided in Attachment B of this packet. Staff has completed 1.1. of Phase 1; Education and Training where we learned the ‘why’ of cost recovery. The Department has also completed phase 1.2; Cost of Service Analysis. This phase is an in depth analysis of our current cost recovery using budgetary data supplied to our consultant. The team also completed Phase 1.3 which was to create the Department’s service categories. This work required a department taskforce to name and define all services provided. After a list of all services were compiled, the taskforce developed and defined the department’s service categories.

The Dec. 14, 2022 meeting will complete the last step in Phase 1. Phase 1.4 is the Beneficiary of Service - Staff/Policy Maker/Advisory Board/Community Workshop. The Beneficiary of Services workshop allows participants to rank the department's service categories starting from services generating the greatest 'community benefit' to those services generating the greatest 'individual benefit'. This work allows the Sandy Parks and Recreation Department to build our cost recovery model – a visual representation of our strategy. The outcome illustrates which services should receive the greatest subsidy, and which services may receive little to no subsidy.

During Phase 2 and 3, the parks and recreation team and the consultant will unveil the Cost Recovery Tool and the results of the cost of service analysis. This analysis will include both the direct and indirect costs to provide individual services and programs. The data will also evaluate current cost recovery performance. In part, the analysis of the current cost recovery performance results will be used as the baseline from which the department can justifiably and rationally set cost recovery/subsidy allocation goals and targets. These targets will be illustrated on the department's cost recovery model, thus completing the visual representation of the department's cost recovery philosophy. These results will guide fees and charges, assist in policy alternatives, and will make for informed financial decisions moving forward. The goal is to achieve a more fiscally responsible and sustainable future.

The work done by the Council and PTAB during this joint work session will help mold a visual representation of the department's cost recovery philosophy which will be included in a policy. To reiterate, this model will guide fees and charges and will assist the department in making informed financial decisions moving forward. The Parks and Recreation team's goal is to bring the cost recovery model to the Council at a future meeting to codify as policy.

This work meets Council Goal #5: "Maintain financial strength and sustainability; a). Diversify revenue sources, analyze new revenue streams, look at cost recovery where possible." It also satisfies annual goals as set forth by the Parks Board.

**RECOMMENDATION:**

After the educational session, rank the Department's service categories from 1 to 10 based on the idea that a service serves more of the "common good" (receiving a higher level of dedicated taxpayers funds), or more "individualized benefit" (receiving a lower level of allocated taxpayer funds) resulting in a higher cost recovery for those services.

**LIST OF ATTACHMENTS/EXHIBITS:**

- Attachment A: Sandy Park and Recreation Service Categories
- Attachment B: Smart PARD, The Smart Approach to Financial Sustainability
- Attachment C: The Smart Approach to Financial Sustainability Slide Deck

## ATTACHMENT A



### **Advanced/Competitive Level Classes & Activities**

Classes and activities designed to advance or master a skill. In the case of team or league play, scoring is kept with winning as a primary goal.

*Examples: Power Yoga, Parkour, Softball Leagues, 5/6th grade Youth Basketball*

### **Beginner/Intermediate Level Classes & Activities**

Classes and activities designed to teach or engage at an introductory or novice level. In the case of team or league play, there is no-scoring with a focus on building foundational skills.

*Examples: Kinderdance, Yoga & Stretch, Music and Movement, Skyhawks, 3/4th Grade Youth Basketball, Intermediate Parkour, Intermediate Guitar Lessons*

### **Community Events**

Annual events designed to be inclusive of the entire community regardless of age, ability, family composition, or special interest.

*Examples: Christmas Tree Lighting, Music & Movies in the Park, Holiday Lights at Meinig, Longest Day Parkway*

### **Drop-in Activities**

Self-directed activities which include staff oversight and supervision and do not require registration.

*Examples: Community/Senior Center Lounge Drop-in, Games & Puzzles, Cooling Shelter, Open Gym, Silvertones*

### **Education & Enrichment Activities**

Classes and activities designed to educate and teach personal, social-emotional, and life skills.

*Examples: Mental Health Classes, Medicare Classes, Babysitting Classes*

### **Human Services**

Resources provided for the prevention and remediation of life challenges and to support those who need assistance ensuring independence and community connection.

*Examples: Meals on Wheels, Transportation Services, Case Management, Referrals, Energy Assistance, Congregate Meals*

### **Open Access**

Access to parks, trails, and facilities where activity is self-directed. No staff oversight is provided.

*Examples: Parks, Trails, Dog Park, Playgrounds, Skate Park, Sports Courts*

*Working Draft 10-20-2022*

**Rentals**

Reservations which provide exclusive use of public spaces and places by a group or individuals.

*Examples: Sports Field Rentals, Auditorium Rental, Art Room Rental, Dining Room Rental, Gazebo Rental, Plaza Rental, Community Garden Plot Rentals*

**Social Equity Services**

Services that remove barriers and constraints to accessing park and recreation opportunities.

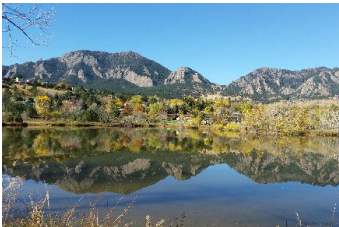
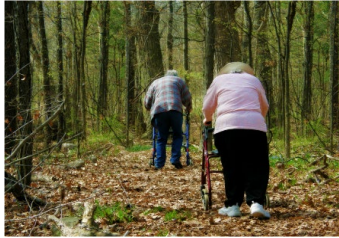
*Examples: Inclusive Egg Hunt, Shower Cart, Todos Juntos*

**Special Events**

Events designed and targeted towards a specific market or market niche'.

*Examples: Noah's Quest, Corn Cross, Teen Egg Hunt, Senior Egg Hunt, Senior Outings/Trips, Mountain Festival Kids' Events*

**We're in this together.**



**Our commitment is to help your organization position itself for long-term financial resilience, strength, and vitality.**



**A Call to Action for Public Parks & Recreation**

Among the biggest challenge parks and recreation faces are managing historic community expectations that tax dollars foot the bill for all parks and recreation services. The uncharted territory in which many professionals now find themselves includes the reality that taxpayer dollars be directed mostly to services that provide for the greatest common good.

**The Smart Approach to Financial Sustainability** helps park and recreation organizations operate from a foundation built upon sound management principles. It enables professionals to be more diligent about the decisions they make and clearly understand how taxpayer dollars are being spent. It encourages the pursuit of opportunities for revenue growth that will help strengthen systems for the long term. Today, the long-held notion that certain services can continue to be subsidized because they always have been, is being challenged – and rightly so. This is our collective call to action.

**Parks & Reconomics©**

There are few approaches to creating cost recovery or financial sustainability strategies for public parks and recreation organizations which exist today - and none quite like **The Smart Approach to Financial Sustainability**. This game-changing approach builds on the philosophy of Parks & Reconomics© - how parks and recreation manages its finite resources - and an interest in every organization being able to confidently answer the question, “How do we manage our financial resources”.

**110%: The Differentiator in Parks and Recreation**

With more 60 cost recovery/financial sustainability projects in just the past 18 months, **110%** has become synonymous with cost recovery and financial discipline efforts across the U.S. Our unique, one-of-a-kind cost of service tool designed by park and recreation professionals for parks and recreation, identifies all costs associated with service delivery. This is essential to determining intelligent, equitable, and useful cost recovery goals. If you don't know the cost to provide a service or how much taxpayer investment is being made to support a service, it is hard to tell a compelling story or make important changes or improvements.

**Continuous Improvement**

Working with faculty from *Pennsylvania State University*, we have evaluated the effectiveness of the work we do because we want to ensure that each **Smart Approach to Financial Sustainability** process is better than the last.

**The Smart Approach Community**

Developed in 2021, **The Smart Approach Community** provides all park and recreation organizations with which we have worked the chance to connect on a quarterly basis building a national network of professionals who understand the importance of financial sustainability and giving them the platform to learn from one another's successes and challenges.

## The Smart Approach to Financial Sustainability

### PROCESS at a GLANCE

The **Smart Approach to Financial Sustainability** is designed in three (3) phases combining digital educational trainings, work sessions, community meetings, and one-on-one conversations, all leading to recommendations and final deliverables. The process is expected to take 6-9 months.

Having facilitated successful operational planning projects with many agencies in North America, we manage each individual process with a commitment to detail, a focus on the key attributes, characteristics, and traits of your organization, and on doing all we can to heighten the probability of effective implementation and action once the process concludes.

### PROJECT MANAGEMENT TASKS

#### Project Kick-off Meeting with your organization's Project Team

- Review of each project phase & timeline
- Review of required data and information
- Preparation and planning of various Phase 1, 2, and 3 tasks

#### Process Check-ins, Updates, and Review Meetings with your organization's Project Team

- Convene regular check-ins and process updates

## PHASE 1

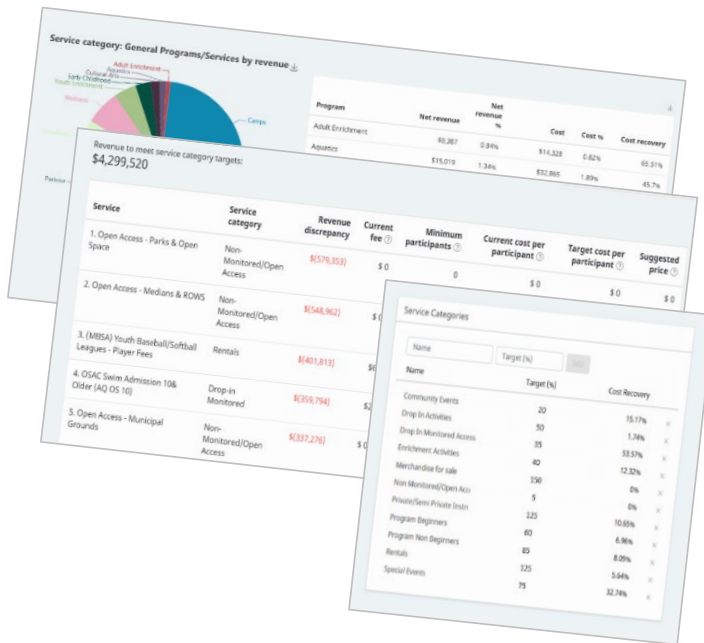
### 1.1 Education & Training - Staff/Policy Maker/Advisory Board Workshops

Education and training on the front end of the process with staff and advisory boards and/policy making officials provides a comprehensive understanding of the process, why the department would choose to engage in a cost recovery exercise, and how the outcomes are ultimately intended to positively affect service delivery. Further, it offers an introduction to the topics of financial management and cost recovery in the public sector and enhanced education on the merits of how revenues are and/or may be generated, how to think differently about spending/investing taxpayer resources, and about the importance of a cost recovery philosophy for sustaining parks and recreation systems over the long term. These virtual workshops will include the creation of a definition for the “common good” that is relevant to the realities in the community. Defining and understanding “common good” is an important step in the development of a defensible cost recovery strategy - one that ensures that taxpayer investment is directed to services that have broad reach, are universal in value, are accessible, and essential to the greater community.



## 1.2 Cost of Service Analysis

Through the use of our strategic partner Amilia’s SmartRec®, cloud-based Cost Recovery Tool (no internal technology requirements necessary), the cost-of-service analysis will reveal the cost recovery performance of each service. All services will be identified, and all revenues and costs/expenses (both direct and indirect) will be attributed appropriately in order to realize the cost recovery and subsidy level for each service. Staff who are needed to assist with this phase of the process include but are not limited to those at an administrator level along with those who are “gatekeepers” of financial and service data.



A checklist that specifies all data requirements (revenues and expenses), a master spreadsheet, and in-depth support from the consulting team will be provided to assist you with initial data preparation, and to ensure there is clarity and understanding regarding data identification and collection. The cost-of-service analysis will be completed via three separate workshops and weekly touch points.

After the data collection and importing processes conclude, staff will view the results of the cost-of-service analysis. These data and supplemental insights include the

cost to provide each individual service provided by your organization, current cost recovery and subsidy levels, and a series of other important data and information.

Current cost recovery performance results can be used as the baseline from which you can justifiably and rationally set cost recovery/subsidy allocation goals that will ultimately be placed on the Cost Recovery Strategy Continuum, creating a visual representation of your organization’s tax use and revenue enhancement philosophy. Results will also guide you in establishing fees and charges and making other informed financial decisions moving forward.

## 1.3 Service Category Development

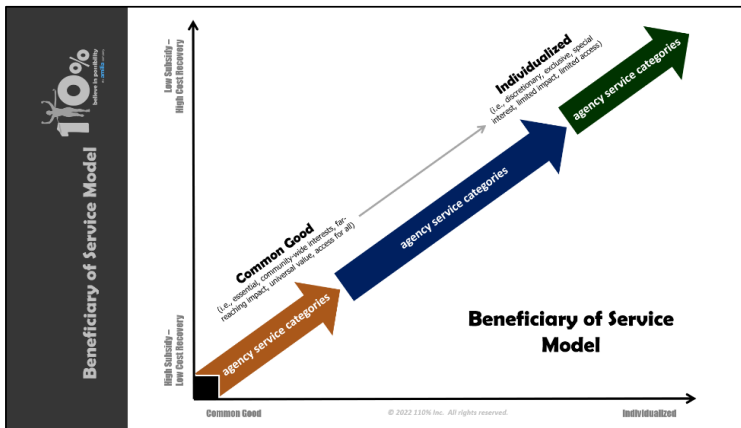
A pre-determined team of staff representing all areas and levels of your organization will be tasked with the development of a working draft of service categories which represent your organization’s service menu. This begins with an online, live Service Category Development Work session. Resources will be provided to the team to assist in the development of service categories as well as category definitions.







In addition, this team will assist in the cost of service analysis by assigning each service (e.g., course, class, event) to the service category to which it belongs.



### 1.4 Beneficiary of Service - Staff/Policy Maker/Advisory Board/Community Workshops

These interactive virtual workshops will allow staff, advisory boards and/or policy makers, and a group of community representatives (per the discretion of the Executive Director) to rank

your organization’s service categories starting from services determined to align most with the “common good” to services which a more “individualized benefit”. The result of these workshops allows for the development of the first iteration of your organization’s Cost Recovery Strategy Continuum - a visual representation of your financial management and investment philosophy. By plotting all service categories on a continuum that illustrates which services are perceived to serve a common good in contrast to those providing the greatest individual benefit, you will begin to connect the dots between those services that can justifiably receive a greatest subsidy (common good services) in contrast to those that may receive little to no subsidy (individualized services).





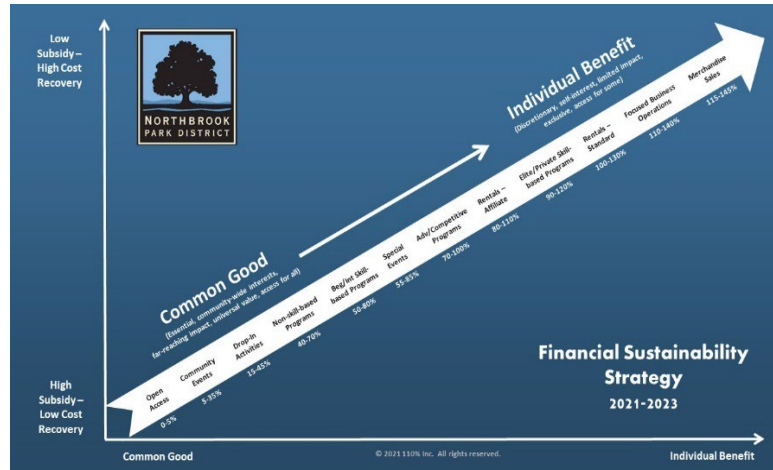
## The Smart Approach to Financial Sustainability

### PHASE 2

#### 2.1 Cost Recovery Goal Setting - The Financial Sustainability Strategy Continuum

Once the cost-of-service analysis is complete, you will determine cost recovery/subsidy allocation goals based upon current performance, analysis insights, and budget

projections. This is when your Cost Recovery Strategy Continuum takes shape. The Continuum and a robust Insights Report (which includes data sets from the Cost-of-Service Analysis), sets the stage for implementation and momentum, aligning your community's values with financial reality and a commitment to financial discipline.

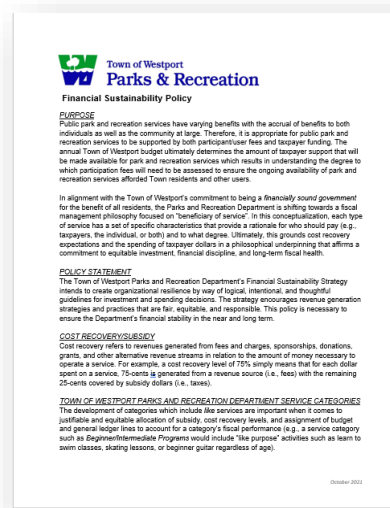


#### 2.2 Fees Scenario Calculator - Recommended Fees & Charges

Based upon the results of the cost-of-service analysis, a Fees Scenario Calculator will be created for your organization that will calculate recommended fees and charges based upon determined cost recovery/subsidy allocation goals. This Fees Calculator will be designed so that you can use it beyond the term of the process. You will also receive a series of pricing strategies for consideration as well.

#### 2.3 Policy Alternatives

Identifying and designing financial-centric policies can position your organization to address not only short-term financial challenges but long-term financial interests as well (e.g., a commitment to investing in infrastructure, strengthening reduced rates and needs based assistance). These policies can be among the most critical deliverables of a cost recovery process. Policies that may be developed and/or re-written to become more relevant include cost recovery, social equity, and capital investment, just to name a few. Success metrics (performance measures) will be identified and included in policy statements as a means to evaluate whether or not services are in compliance with cost recovery goals and other intended service outcomes.



### PHASE 3

#### 3.1 Staff Education & Training: Insights into Action – Virtual Work session

Methods and strategies for turning *Insights into Action* will provide guidance and suggested ways to use the data and information resulting from the Smart Approach to help staff take the necessary steps needed to implement and take action.

#### 3.2 Presentation of Results

A formal presentation, if requested, will be provided to staff and advisory boards and/policy making officials to include the following.



#### Process Deliverables

- ✘ **Service categories** which represent your organizations service menu to include definitions.
- ✘ A comprehensive **Cost of Service Analysis** with recommended fees and charges.
- ✘ An **Insights Report** including all costs and subsidies for each service.
- ✘ **Definitions of “Common Good” and “Individualized Benefit”** created by your advisory boards/policy makers to represent the values of the community that will guide subsidy (taxpayer) investment and revenue enhancement strategy.
- ✘ A **Beneficiary of Service Model** developed with staff, advisory board, elected officials, and representative community member input.
- ✘ A relevant and useful **Financial Sustainability/Cost Recovery Strategy** that will serve as a graphic representation of your organization’s tax investment and revenue enhancement philosophy.
- ✘ **Financial Sustainability Policy** alternatives.
- ✘ A **Fees Scenario Template** providing your organization the platform from which to create scenarios for potential and/or future fee increases/adjustments.

### PRICING

Organization Type	Operational Budget	Price
Small	Under \$2M	<b>\$18,985</b>
Standard	\$2 – 9.9M	<b>\$26,985</b>
Mid	\$10 – 19.9M	<b>\$34,985</b>
Large	Over \$20M	<b>\$42,985</b>

[NOTE: In person facilitation is available upon request. Pricing per trip is based upon market.]

**Included:** SmartRec Cost Recovery online Tool by Amilia included for 6 months from project conclusion. Renewals are available.



# ATTACHMENT C



## Jt. Board/Council Workshop

December 14, 2022



## Financial Sustainability Strategy

A process made possible by 110% Inc.



# Agenda

Financial Sustainability Strategy

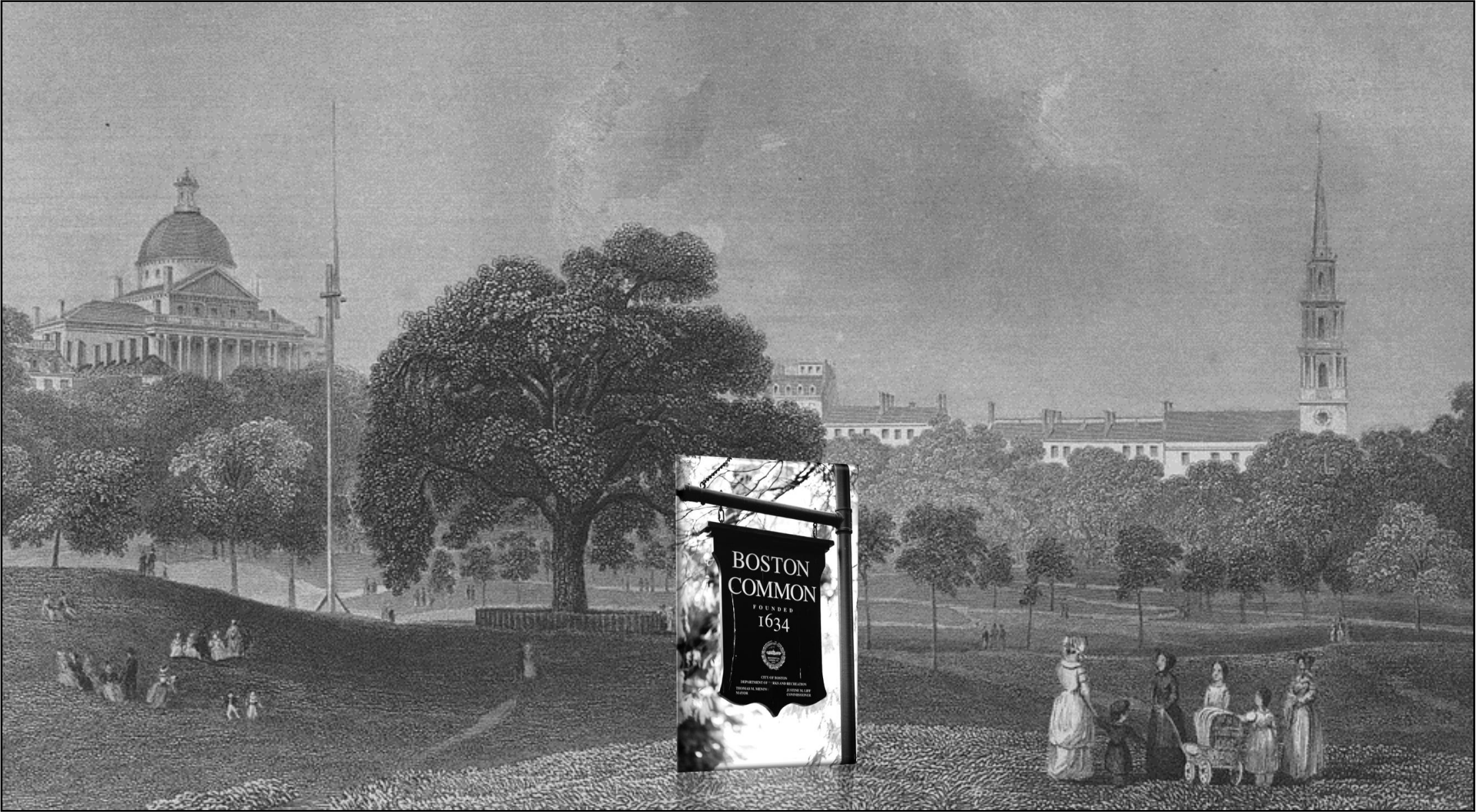


- 1. WHY - Financial Sustainability in Quality of Life Services**
- 2. Thoughts & Questions**
- 3. WHAT & HOW - The Smart Approach to Financial Sustainability**
- 4. Thoughts & Questions**
- 5. YOUR OPINION – Beneficiary of Service Exercise**
- 6. Thoughts & Questions**
- 7. Next Steps**



# Context









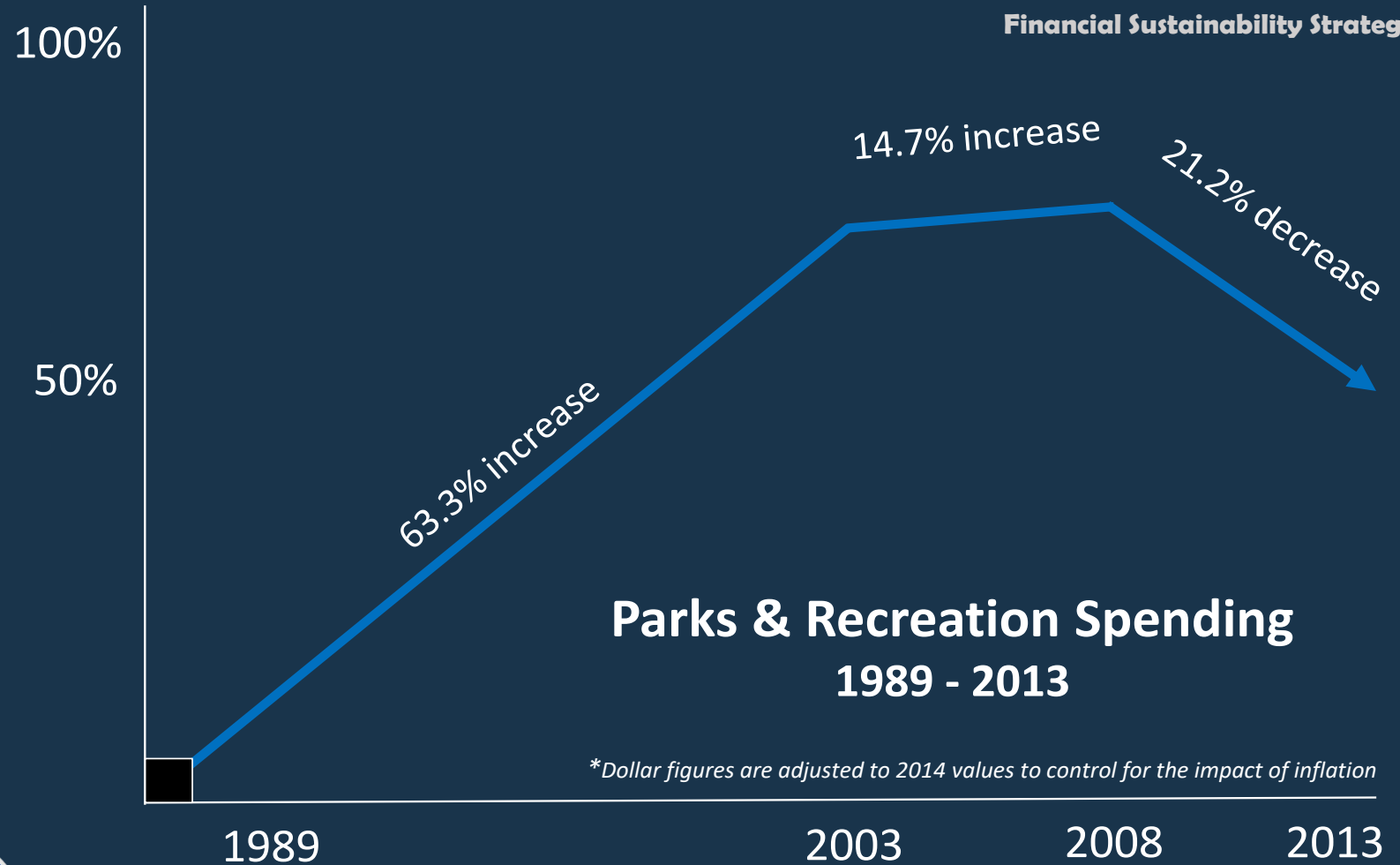
## The public sector's balance sheet



# The Great Recession's Profound Impact on Parks & Recreation

By: Nicholas Pitas, Ph.D., Austin Barrett, Ph.D.,  
Andrew Mowen, Ph.D.

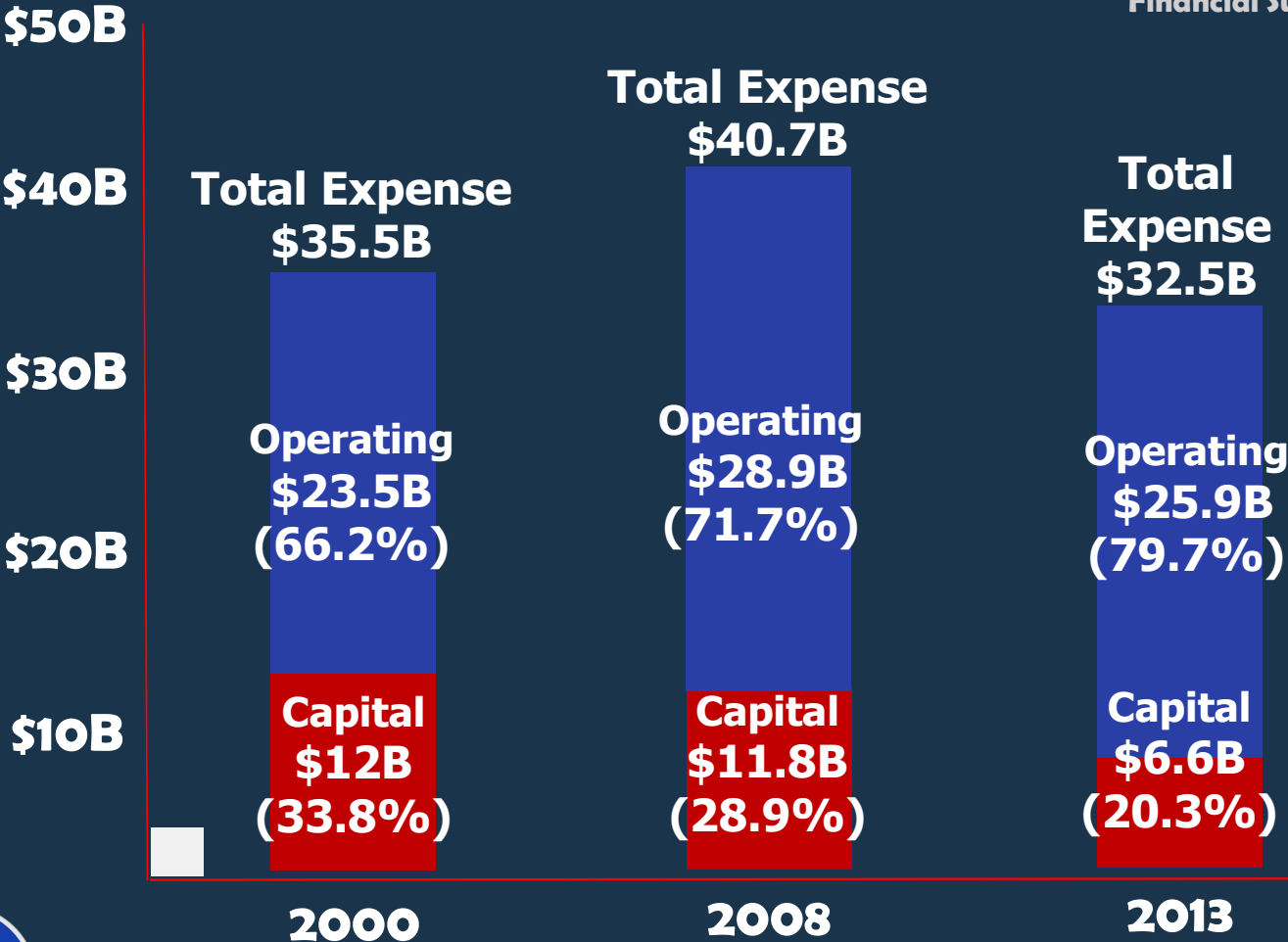




### Parks & Recreation Spending 1989 - 2013

*\*Dollar figures are adjusted to 2014 values to control for the impact of inflation*





The *State of Local Government Survey* reveals that 68 percent of responding local governments see *moderate, significant, or major* financial adjustments being needed due to the ongoing coronavirus pandemic.

# BUDGET CUTS.

January 4, 2021

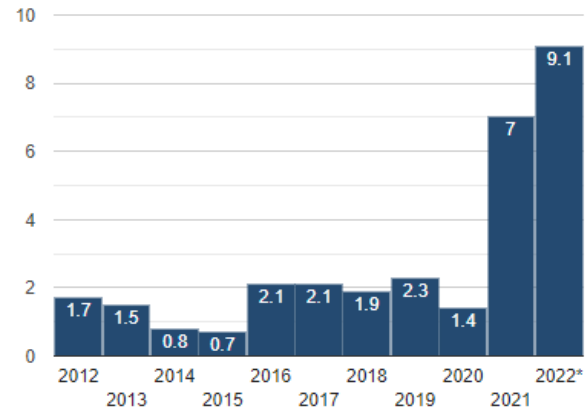


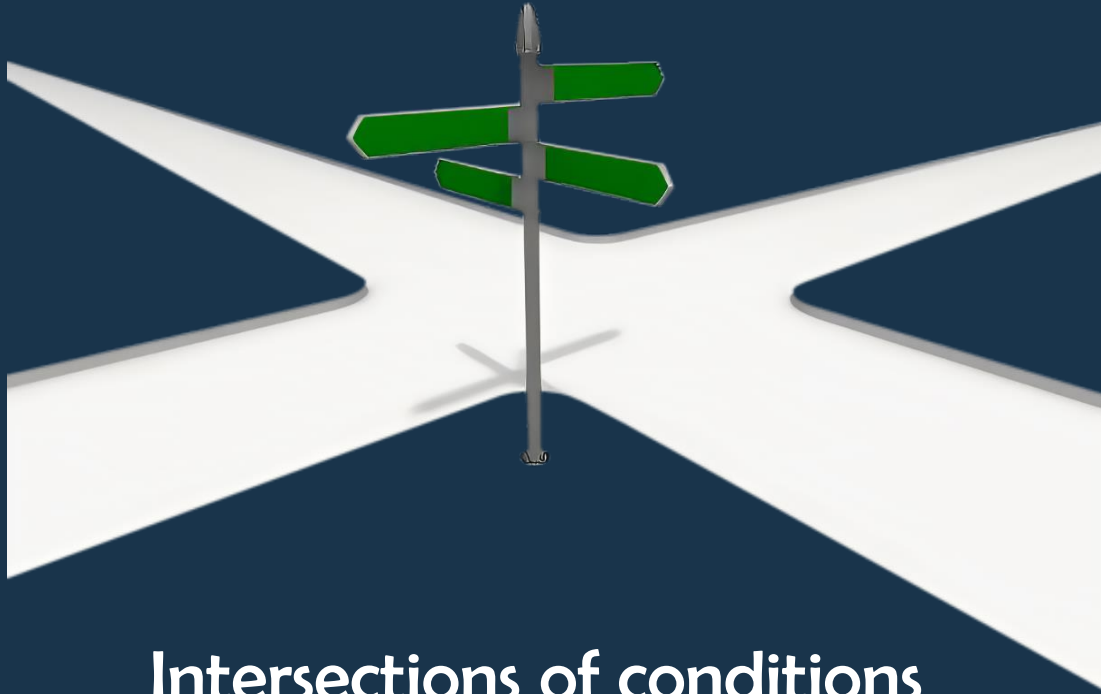
## Current US Inflation Rates: 2000-2022

The annual inflation rate for the United States is 9.1% for the 12 months ended June 2022, the largest annual increase since November 1981 and after rising 8.6% previously, according to U.S. Labor Department data published July 13. The next inflation update is scheduled for release on August 10 at 8:30 a.m. ET. It will offer the rate of inflation over the 12 months ended July 2022.

The chart and table below display **annual US inflation rates** for calendar years from 2000 and 2012 to 2022. (For prior years, see [historical inflation rates](#).) If you would like to calculate accumulated rates between two different dates, use the [US Inflation Calculator](#).

Chart: United States Annual Inflation Rates (2012 to 2022)





## Intersections of conditions



**Economic uncertainty**

**Public health crisis**

**Social unrest & chaos**

**Increasing disparities/needs**

**Lack of revenue diversification**

**Limited financial literacy**

**Maintenance backlogs**

**Uninformed constituencies**

**Unreasonable expectations**

**Staffing deficiencies**

**Struggling competitors/partners...**



# Parks & Reconomics<sup>©</sup>

How we manage our finite resources.







# Are you smart about managing money?



# Cost recovery



***Cost recovery:***  
recovering or offsetting the costs  
(expense) of delivering services.



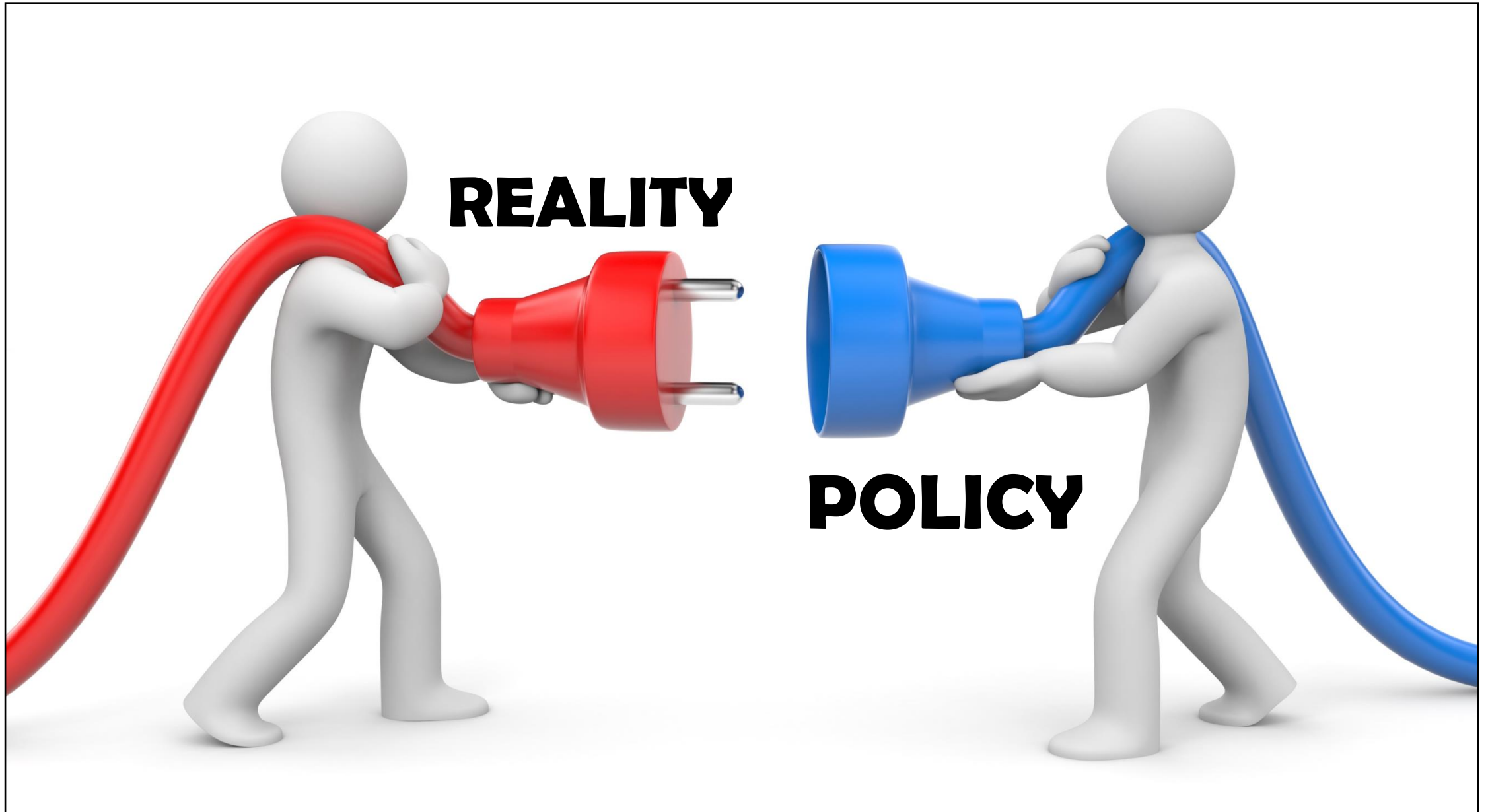
# Tax use/subsidy

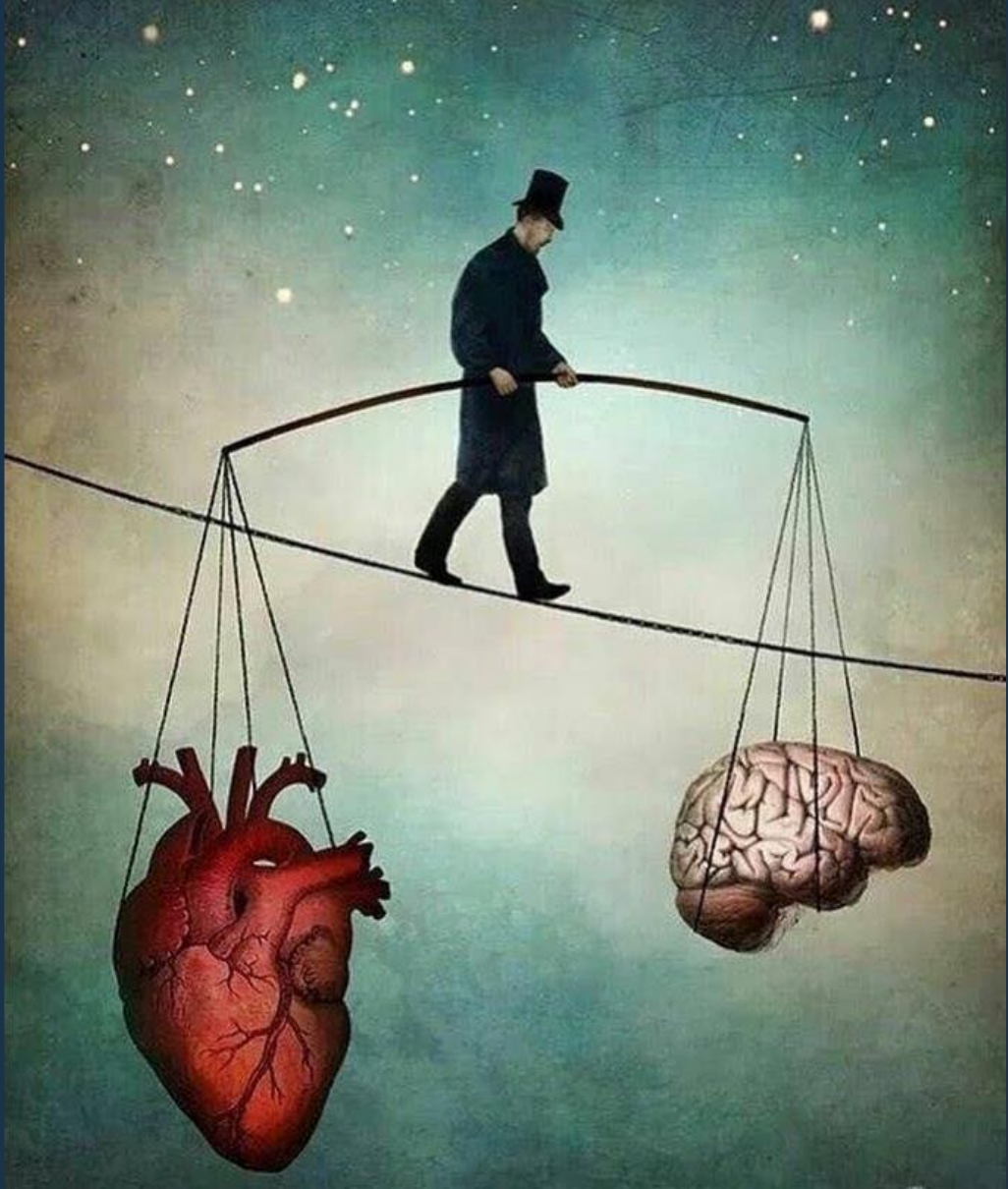


## ***Tax use/subsidy:***

a benefit given by the government;  
typically to remove some type of  
burden, and often considered to be in  
the overall interest of the public; given  
to promote a social good or an  
economic policy.







Financial Sustainability Strategy



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*Thoughts?  
Questions?*





# Financial Sustainability Three-legged Stool

Tax Use/Revenue  
Enhancement Philosophy

← Cost of Service

Service Categories →

Beneficiary of Service →



# Financial Sustainability Three-legged Stool

Tax Use/Revenue  
Enhancement Philosophy

Service Categories →



What are Service Categories?  
What services are like "purpose"?

**Seniors**  
(Intro to Fitness)  
**Cost recovery goal = 25%?**



**Aquatics** (learn to swim)  
**Cost recovery goal = 40%?**



**Youth Sports** (t-ball)  
**Cost recovery goal = 50%?**



Service Category: **Beginner Level Activities**  
Similar purpose = Same CR goal





## SANDY PARKS AND RECREATION Service Categories

### Advanced/Competitive Level Classes & Activities

Classes and activities designed to advance or master a skill. In the case of team or league play, scoring is kept with winning as a primary goal.

*Examples: Power Yoga, Parkour, Softball Leagues, 5/6th grade Youth Basketball*

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# Financial Sustainability Three-legged Stool

Tax Use/Revenue  
Enhancement Philosophy

Beneficiary of Service →



Service Area: **Aquatics**  
CR goal = 75%

**What is Beneficiary of Service?**  
**Who benefits?**  
**Who has access?**

**Learn to Swim**  
Cost recovery goal = 75%?

**Masters Swim**  
Cost recovery goal = 75%?



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**What is Beneficiary of Service?  
Who benefits?  
Who has access?**

Service Category:  
**Competitive Level Activities**

Service Category:  
**Beginner Level Activities**





## BENEFICIARY OF SERVICE

A financial resource allocation philosophy provides a foundation for differentiating services based on “who benefits” and “who should pay”.

Economists have differentiated goods and services in the economy in this manner for decades.

Determining the “beneficiary of services” becomes a primary driver in how public parks and recreation organizations can begin to make informed and defensible taxpayer investment decisions. Following this concept, each of the organization’s service categories have a set of specific characteristics that provide a rationale for who should pay (e.g., taxpayers, the individual, or both) and to what degree. Ultimately, this aligns how an organization will choose to spend taxpayer dollars with the “beneficiary of service”.

**Common Good:** These services are accessible, of benefit to all in a community, and provide universal value. Essentially, these are services that contribute to the “common good” and can be characterized as essential (“must-haves”) having community-wide interest and far-reaching impacts. Services contribute to greater equity and make EVERYONE in Sandy’s like better.

**Individualized:** These services provide exclusive benefit to the individual(s) and can include constraints or barriers to access. Essentially, these services benefit the individual more than the community as a whole and can be characterized as discretionary (“nice to haves”) with less of a community-wide impact. Individualized services can often be accessed from other service providers.

Please rank the Department’s Service Categories starting from the category that aligns most with the “Common Good” (#1) to the category that most provides for an “Individualized” benefit (#10). During this exercise, avoid any discussion involving funding, fees, etc. Focus *ONLY* on beneficiary of service.

- |          |           |
|----------|-----------|
| 1. _____ | 6. _____  |
| 2. _____ | 7. _____  |
| 3. _____ | 8. _____  |
| 4. _____ | 9. _____  |
| 5. _____ | 10. _____ |



## BENEFICIARY OF SERVICE – glossary of relevant terms

### Accessible services

Park and recreation services that can be easily reached or used by anyone who resides in a community (district, city, etc.). These services have no/few constraints or barriers to access.

### Barriers/constraints to access

Constraints to full access can include: age, ability/skill, mobility, senses, gender, language, culture (race/ethnicity), family composition, geography, transportation, technology, socio-economic conditions, etc. which can inhibit, limit and/or prevent full access, interest, and opportunity.

### Community need

Discrepancies between a present state or condition and a desired state. These discrepancies inflict undue hardship on member(s) of a community. These discrepancies and inequities include but are not limited to poverty, poor health indicators, unemployment, educational attainment, etc.

### Community interests/wants

Desires for something outside the scope of “need”. The wants, demands, and expectations of an individual or group often come on behalf of those interested in a particular service and may not be focused on a broader community need and impact.

### Discretionary services

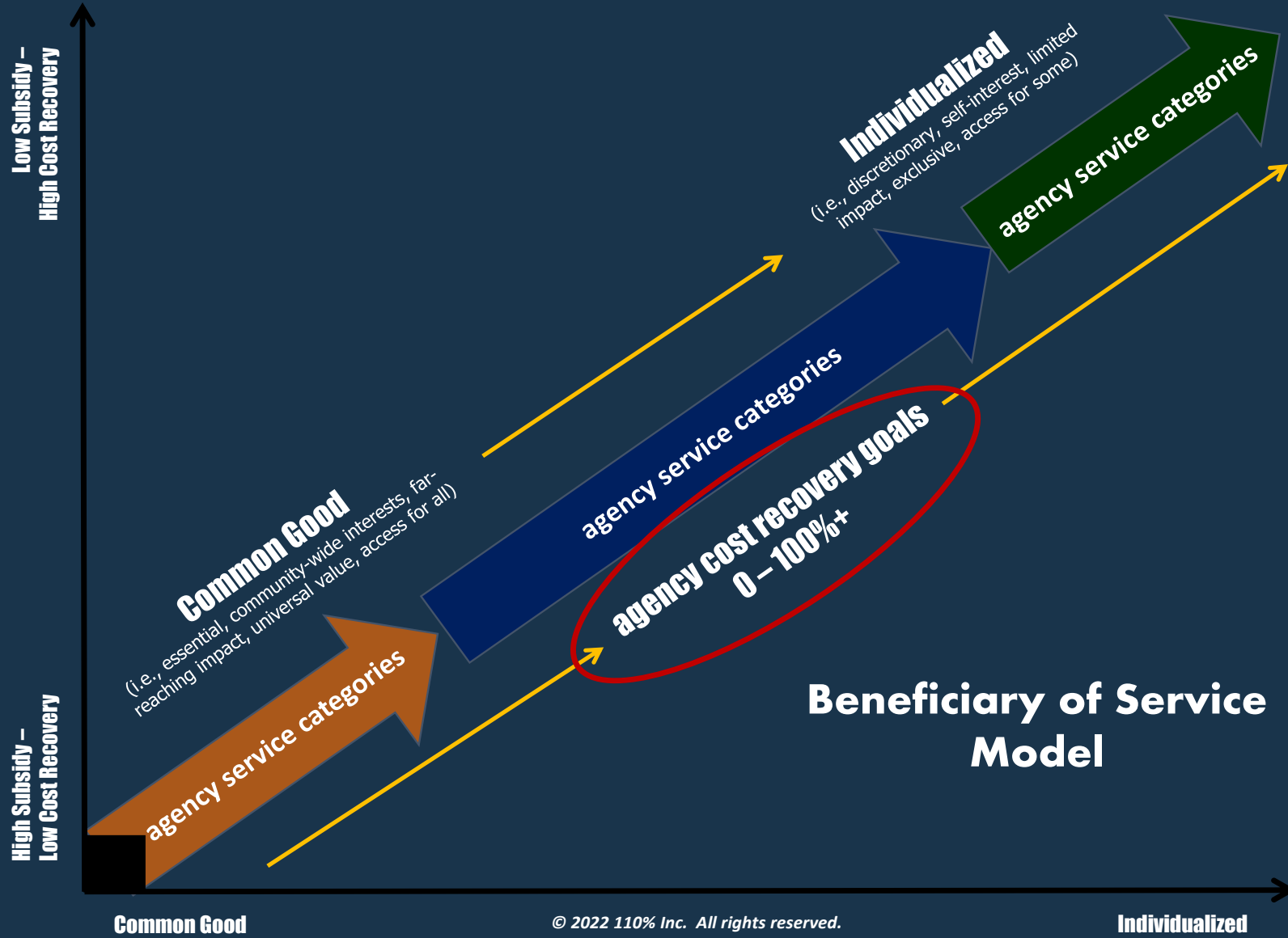
Park and recreation services that are non-essential. These discretionary services are luxuries and/or can be classified as lifestyle choices and “wants” or “nice to haves”. Discretionary services are in contrast to essential services which respond to deficiency “needs”.

### Essential services

Park and recreation services that are absolutely necessary to community quality of life. These services are critical to preserving life, health, and basic social function and if interrupted, would endanger life, personal safety, and/or the physical and mental health of our community. Essential services are considered “must haves”.



# Financial Sustainability Continuum



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# Financial Sustainability Three-legged Stool

Tax Use/Revenue  
Enhancement Philosophy

← Cost of Service





## Ice Cream Shop

### Sell one thing – ice cream cones

- 50,000 ice cream cones sold

### Direct Costs

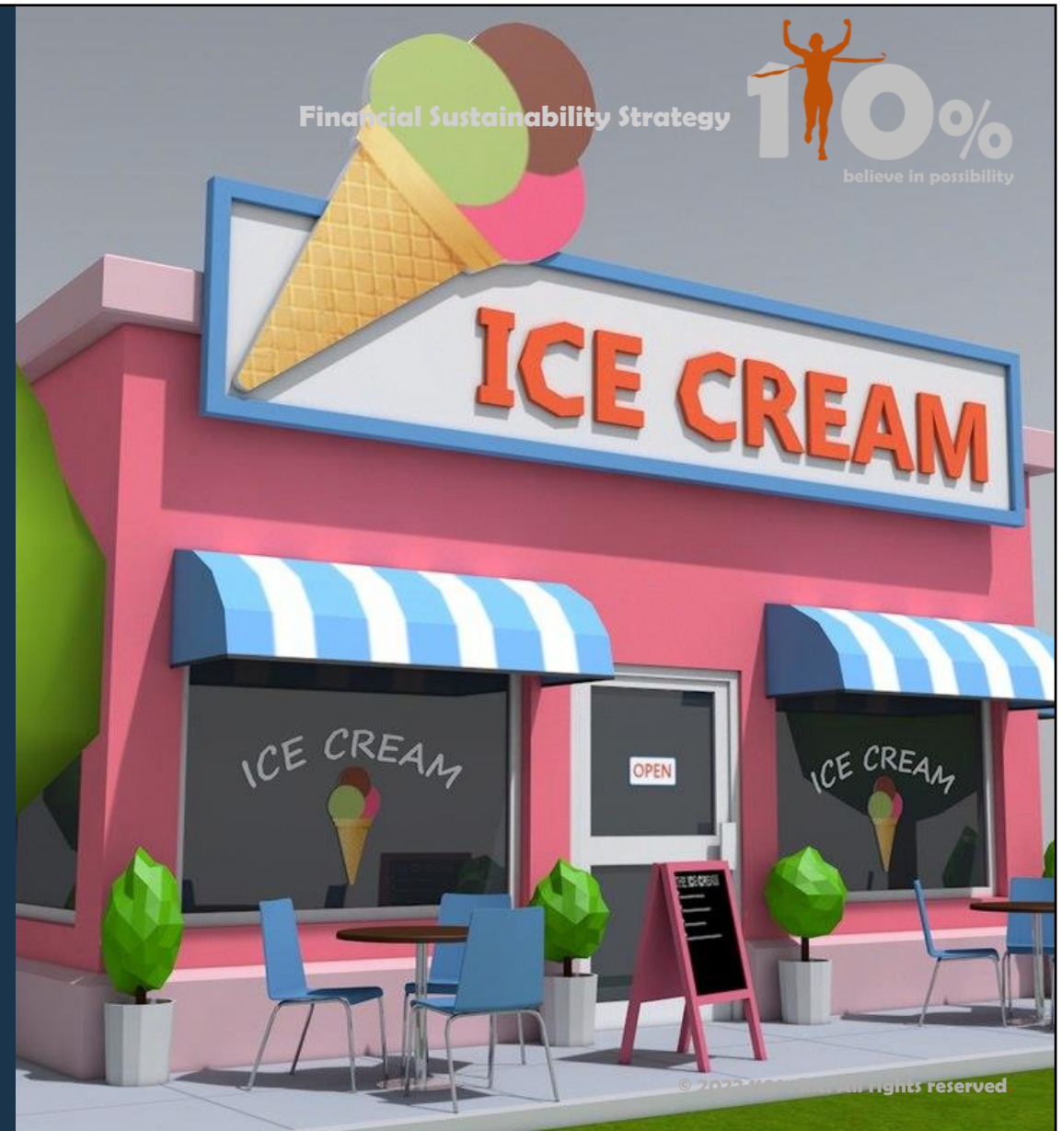
- Ice cream, cones, napkins
- Costs = \$50,000 (\$1/cone)

### Indirect Costs

- Utilities, management, landscaping, equipment
- Costs = \$100,000 last year

### Calculate cost of service

- Cost of service = \$150,000
- To cover all costs, they need to sell cones for \$3/each (100% cost recovery).



# Chain of Shops

## Multiple locations

- Varying revenue by store
- Varying costs by store

## Some shared resources between locations

- Senior Managers
- Finance
- HR
- Landscaping contract
- etc.

Cost of service at separate location becomes a bit more challenging to calculate



# Quality of Life Services

Hundreds or thousands of services offered

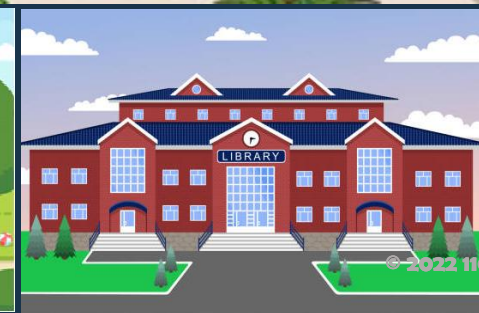
Many unique direct costs for each service

Globally shared costs/resources across the system (indirect costs)

- Senior Managers, Finance, HR, Landscaping, etc.

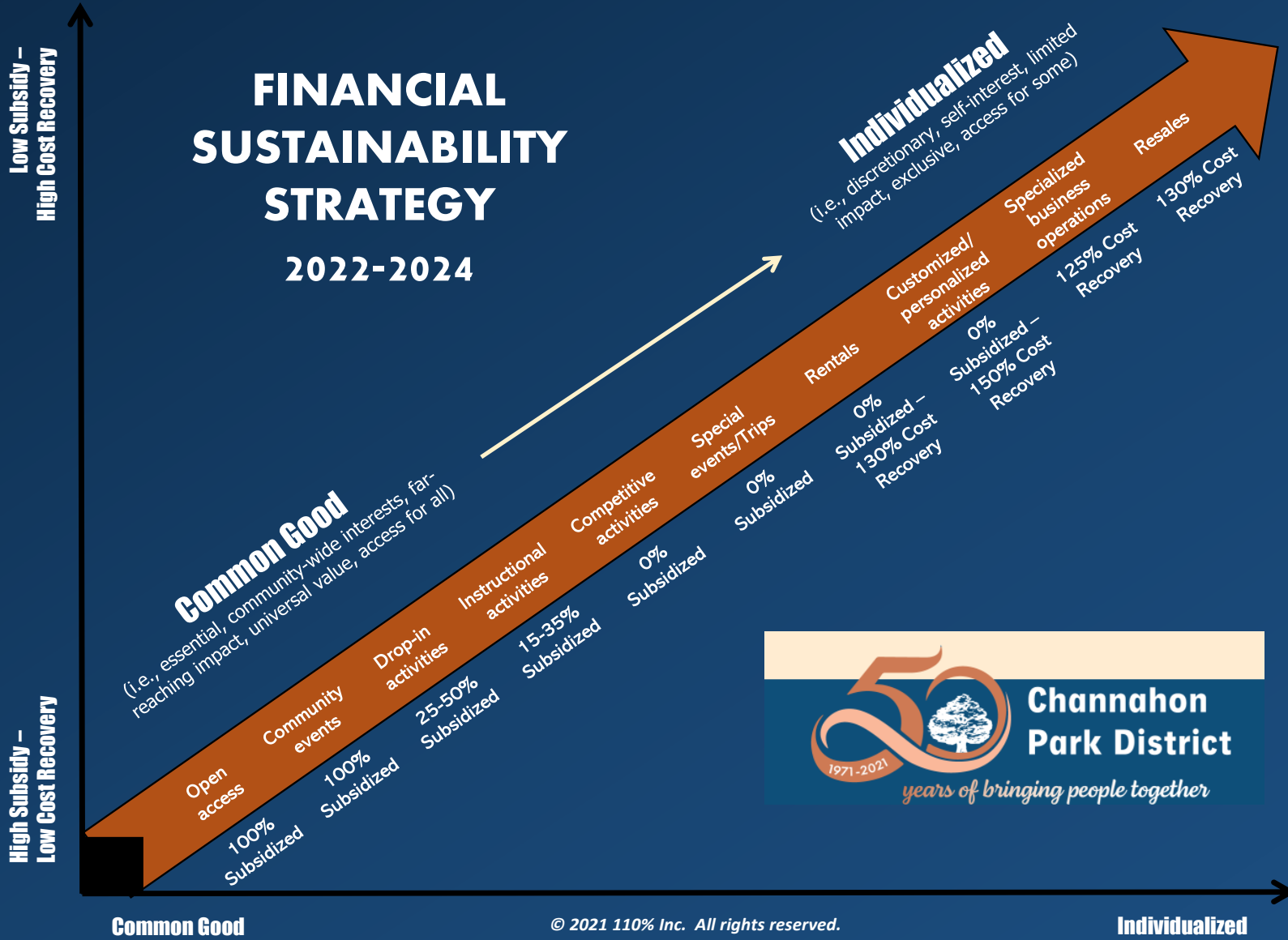
Location based shared costs/resources

- Facility maintenance, Utilities, Custodial, Front desk staff, etc.





# Financial Sustainability Continuum

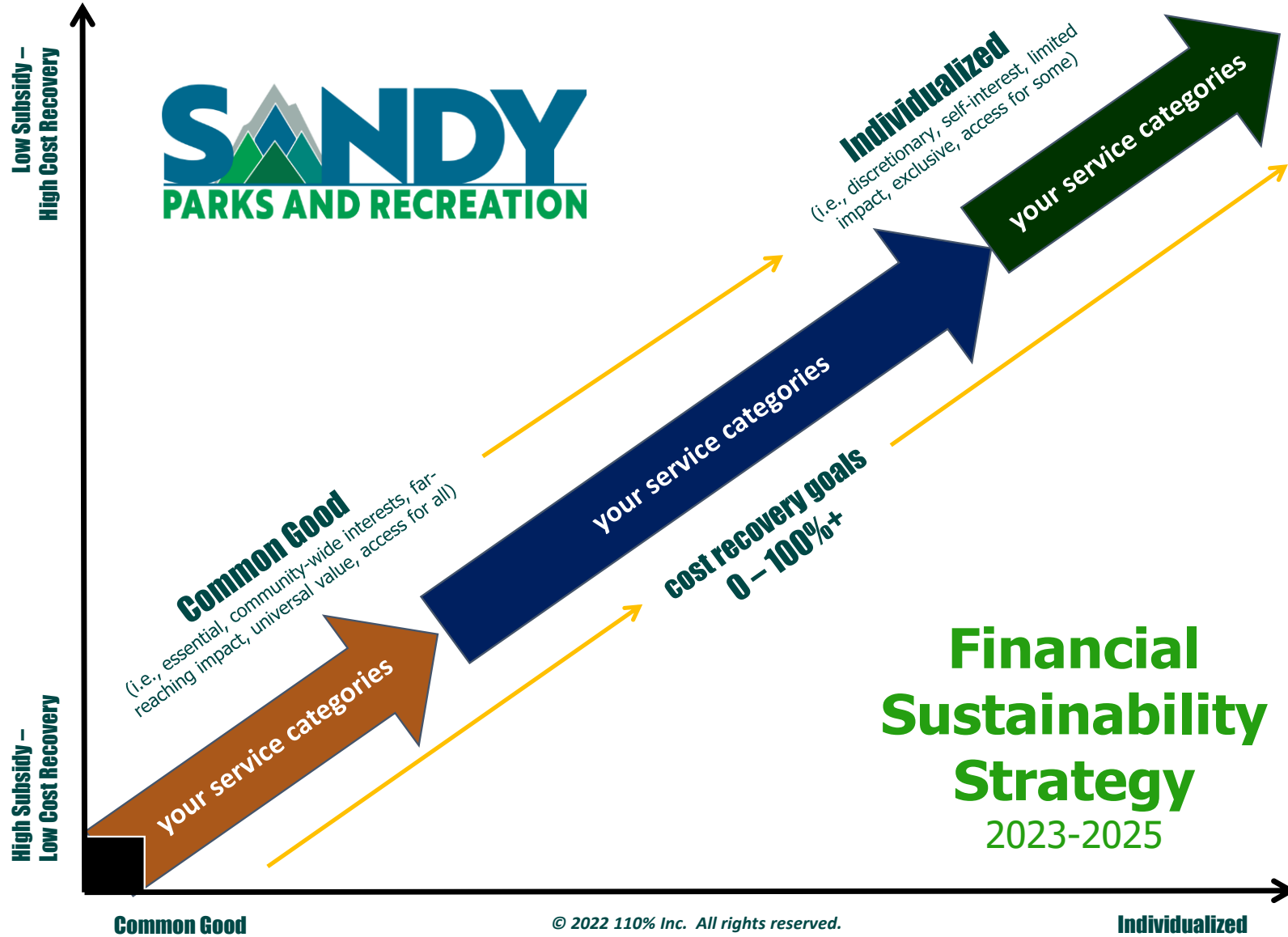


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# Financial Sustainability Continuum



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*Thoughts?  
Questions?*



# Beneficiary of Service Exercise





## Service Categories

### Advanced/Competitive Level Classes & Activities

Classes and activities designed to advance or master a skill. In the case of team or league play, scoring is kept with winning as a primary goal.

*Examples: Power Yoga, Parkour, Softball Leagues, 5/6th grade Youth Basketball*

### Beginner/Intermediate Level Classes & Activities

Classes and activities designed to teach or engage at an introductory or novice level. In the case of team or league play, there is no-scoring with a focus on building foundational skills.

*Examples: Kinderdance, Yoga & Stretch, Music and Movement, Skyhawks, 3/4th Grade Youth Basketball, Intermediate Parkour, Intermediate Guitar Lessons*

### Community Events

Annual events designed to be inclusive of the entire community regardless of age, ability, family composition, or special interest.

*Examples: Christmas Tree Lighting, Music & Movies in the Park, Holiday Lights at Meinig, Longest Day Parkway*

### Drop-in Activities

Self-directed activities which include staff oversight and supervision and do not require registration.

*Examples: Community/Senior Center Lounge Drop-in, Games & Puzzles, Cooling Shelter, Open Gym, Silvertones*

### Education & Enrichment Activities

Classes and activities designed to educate and teach personal, social-emotional, and life skills.

*Examples: Mental Health Classes, Medicare Classes, Babysitting Classes*

### Human Services

Resources provided for the prevention and remediation of life challenges and to support those who need assistance ensuring independence and community connection.

*Examples: Meals on Wheels, Transportation Services, Case Management, Referrals, Energy Assistance, Congregate Meals*

### Open Access

Access to parks, trails, and facilities where activity is self-directed. No staff oversight is provided.

*Examples: Parks, Trails, Dog Park, Playgrounds, Skate Park, Sports Courts*

Working Draft 10-20-2022

### Rentals

Reservations which provide exclusive use of public spaces and places by a group or individuals.

*Examples: Sports Field Rentals, Auditorium Rental, Art Room Rental, Dining Room Rental, Gazebo Rental, Plaza Rental, Community Garden Plot Rentals*

### Social Equity Services

Services that remove barriers and constraints to accessing park and recreation opportunities.

*Examples: Inclusive Egg Hunt, Shower Cart, Todos Juntos*

### Special Events

Events designed and targeted towards a specific market or market niche.

*Examples: Noah's Quest, Corn Cross, Teen Egg Hunt, Senior Egg Hunt, Senior Outings/Trips, Mountain Festival Kids' Events*

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## BENEFICIARY OF SERVICE

A financial resource allocation philosophy provides a foundation for differentiating services based on “who benefits” and “who should pay”.

Economists have differentiated goods and services in the economy in this manner for decades.

Determining the “beneficiary of services” becomes a primary driver in how public parks and recreation organizations can begin to make informed and defensible taxpayer investment decisions. Following this concept, each of the organization’s service categories have a set of specific characteristics that provide a rationale for who should pay (e.g., taxpayers, the individual, or both) and to what degree. Ultimately, this aligns how an organization will choose to spend taxpayer dollars with the “beneficiary of service”.

**Common Good:** These services are accessible, of benefit to all in a community, and provide universal value. Essentially, these are services that contribute to the “common good” and can be characterized as essential (“must-haves”) having community-wide interest and far-reaching impacts. Services contribute to greater equity and make EVERYONE in Sandy’s like better.

**Individualized:** These services provide exclusive benefit to the individual(s) and can include constraints or barriers to access. Essentially, these services benefit the individual more than the community as a whole and can be characterized as discretionary (“nice to haves”) with less of a community-wide impact. Individualized services can often be accessed from other service providers.

Please rank the Department’s Service Categories starting from the category that aligns most with the “Common Good” (#1) to the category that most provides for an “Individualized” benefit (#10). During this exercise, avoid any discussion involving funding, fees, etc. Focus *ONLY* on beneficiary of service.

- |          |           |
|----------|-----------|
| 1. _____ | 6. _____  |
| 2. _____ | 7. _____  |
| 3. _____ | 8. _____  |
| 4. _____ | 9. _____  |
| 5. _____ | 10. _____ |



## BENEFICIARY OF SERVICE – glossary of relevant terms

### Accessible services

Park and recreation services that can be easily reached or used by anyone who resides in a community (district, city, etc.). These services have no/few constraints or barriers to access.

### Barriers/constraints to access

Constraints to full access can include: age, ability/skill, mobility, senses, gender, language, culture (race/ethnicity), family composition, geography, transportation, technology, socio-economic conditions, etc. which can inhibit, limit and/or prevent full access, interest, and opportunity.

### Community need

Discrepancies between a present state or condition and a desired state. These discrepancies inflict undue hardship on member(s) of a community. These discrepancies and inequities include but are not limited to poverty, poor health indicators, unemployment, educational attainment, etc.

### Community interests/wants

Desires for something outside the scope of “need”. The wants, demands, and expectations of an individual or group often come on behalf of those interested in a particular service and may not be focused on a broader community need and impact.

### Discretionary services

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Take





## SANDY PARKS AND RECREATION Service Categories

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**In which position  
did you place  
each category?**



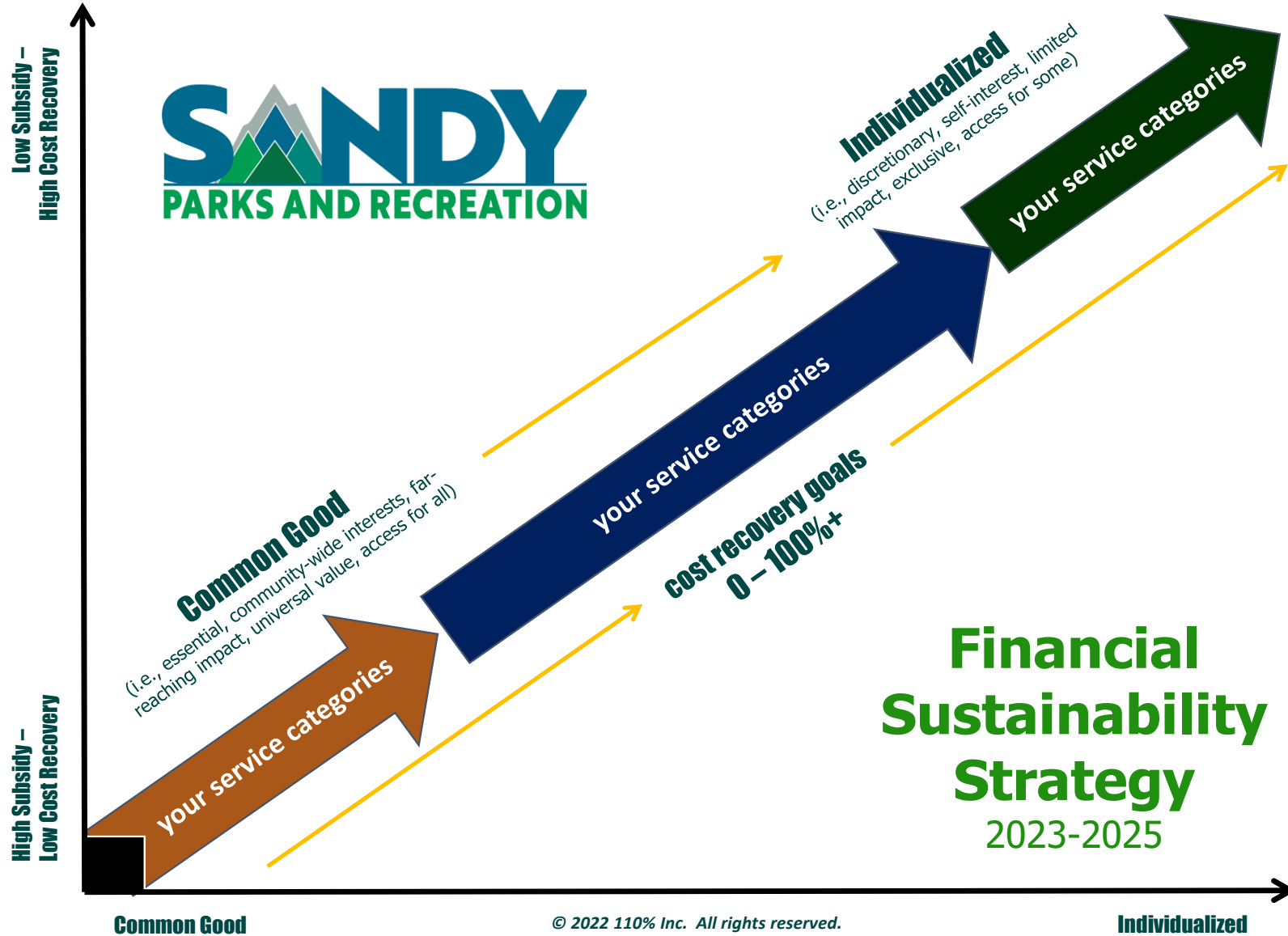


*Thoughts?  
Questions?*





# Financial Sustainability Continuum



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What's  
Next?

-Synthesize results of staff and board/council workshops and design Beneficiary of Service Model drafts for review

-Cost of service continues – once ready, a reveal and goal setting mtg will be scheduled

-Completion of the Strategy Continuum to include goals

-Policy development begins

