# Commerce City Parks, Recreation & Golf Department
# Parks, Recreation & Golf Service Sustainability Model

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## Commerce City Parks, Recreation & Golf Service Sustainability Model

The Commerce City Parks, Recreation & Golf Department, recognizing the importance of the responsible use of available financial resources and an interest in maintaining high levels of service for its citizenry in both the short and long terms is working to establish a "Service Sustainability Model." This is a model that would allow the Department a mechanism by which they could make informed decisions concerning existing and future financial resource allocation and revenue generation. Fundamentally this new model intends to guide the organization in how to most responsibly use its subsidies and generate revenues.

It is first important to define what *subsid*y and *cost recovery* is for the sake of clarity. *Subsidy* includes funding sources such as sales taxes, property taxes, and other taxing mechanisms that are used to financially support service delivery. These funds support service costs (direct and/or indirect) not covered by user fees, or other forms of revenues such as donations, grants or sponsorships. Essentially, subsidy is the community's investment in parks, recreation and golf. Conversely, *Cost Recovery* is the degree to which the cost of services are financially supported by user fees and/or other revenue sources such as grants, partnerships, donations, sponsorships, or alternative funding sources.

The development of the Department's model, referred to as a **Service Sustainability Model**, establishes a comprehensive and equitable subsidy allocation and cost recovery philosophy.

**The Commerce City Parks, Recreation & Golf Department's Service Sustainability Model**

A philosophy regarding subsidy allocation and cost recovery including fees and charges can provide a base for differentiating parks, recreation and golf services on the basis of who benefits and who should pay for services. Economists have differentiated goods in the economy in this manner for decades and have designated three types of goods and services: public, merit (dual benefit), and private.

Adopting a philosophy that acknowledges these three levels of parks, recreation and golf services shifts from the social welfare philosophy of many public recreation agencies that all services are of equal value and should be provided for everyone. This egalitarian philosophy is replaced with one that provides a basis for sorting out costs and benefits derived from various parks, recreation and golf services. In this conceptualization, each type of service has a set of specific characteristics that provide a rationale for who should pay (e.g., taxpayers, the individual, or both) and to what degree.

In developing a comprehensive **Service Sustainability Model** that includes a tax use (subsidy) philosophy the Commerce City Parks, Recreation and Golf Department established levels of parks, recreation and golf services with the intent of aligning subsidy allocation and cost recovery goals and expectations with benefit of service (essentially, those who benefit from a service should pay for that service). This philosophy guided the development of the Department's **Service Sustainability Model** as seen on the following page.

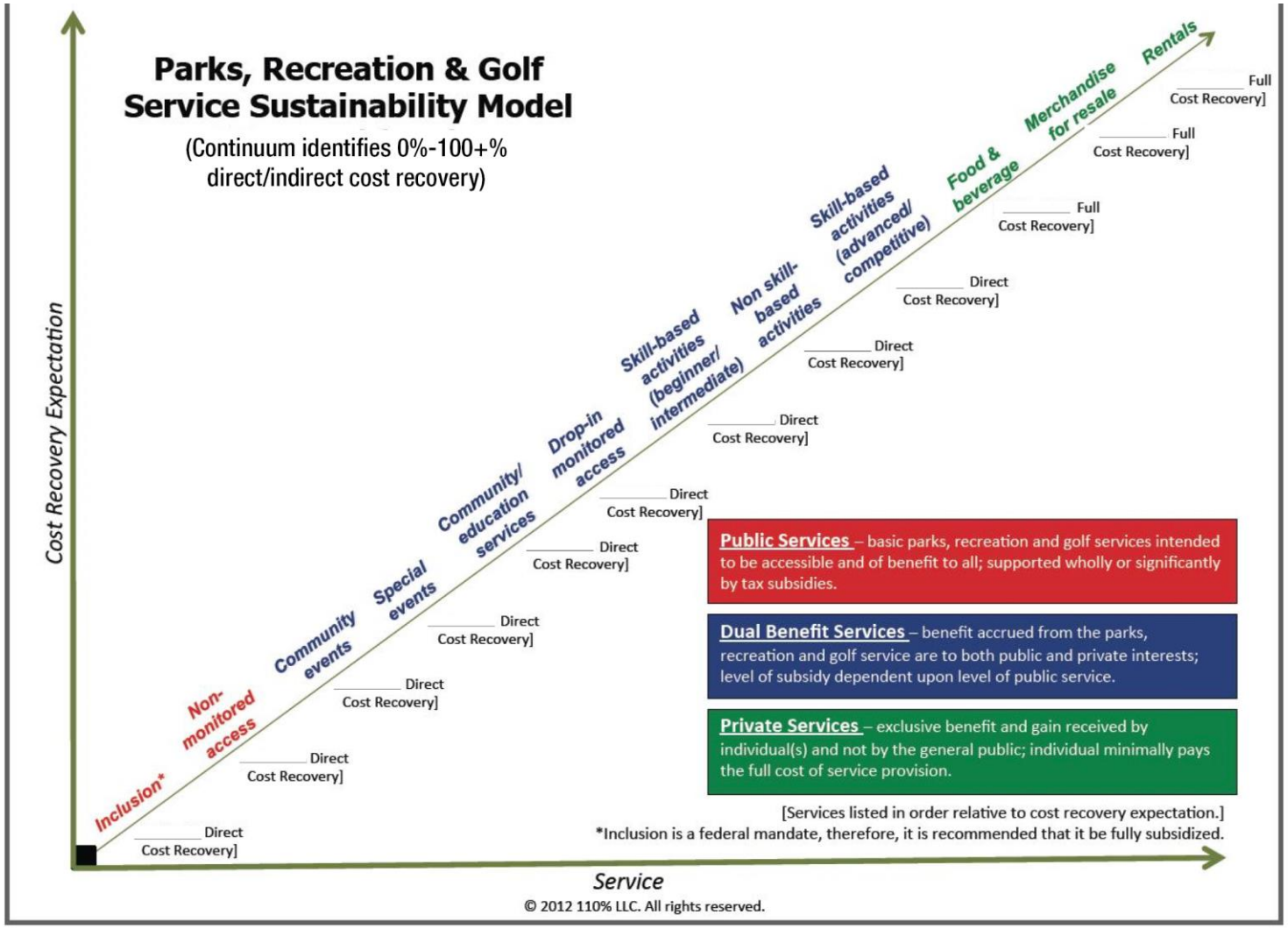
**Public Services**
Basic parks, recreation and golf services intended to be accessible and of benefit to all; supported wholly or significantly by tax subsidies.

**Dual Benefit Services**
Benefit accrued from the parks, recreation and golf services are to both public and private interests; level of subsidy dependent upon level of public service.

**Private Services**
Exclusive benefit and gain received by individual(s) and not by the general public; individual minimally pays the full cost of service provision.

There is a need to determine the Department's financial goals regarding recovering direct costs and/or indirect costs of service provision for the services that have been defined in the three service areas: Public, Dual Benefit, and Private.

## Commerce City Parks, Recreation & Golf Department's Parks, Recreation & Golf Service Sustainability Model

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## Parks, Recreation & Golf Categories of Service

1. **Inclusion**
   This service provides for reasonable accommodation to any Department activity, park and/or facility providing leisure opportunities to people with physical or cognitive disabilities. Inclusion services are intended to comply with Americans with Disabilities Act (federal mandate).

2. **Parks, athletic fields, trails, open space, and recreation facilities access (self-directed/non-monitored)**
   Outdoor and indoor open access to parks and facilities; does not include staff/volunteer supervision or oversight. Examples include: basketball, tennis, playgrounds, spray ground, recreation and community center lobbies, Veterans Memorial, public art, and trails.

3. **Events**
   This service consists of major events that are planned for the Commerce City community. These highly intensive services typically occur on an annual basis. Events may be designed for any and all ages.
   Event sub-categories include:
   a) Community Events-these are large-scale community events built into the "Community Events" budget. This may also include requests from other departments to provide event support. Examples include: 4thFest, Neighborhood Outreach, Creepy Hollows.
   b) Special Events-these are events that serve a specific, smaller portion of the community, and are budgeted within program areas. Examples include: Senior Volunteer Recognition, Daddy Daughter Dance, Dance Recitals, Youth Baseball Day, golf course open house.

4. **Community and Education Services**
   Programs that are oriented towards life skills development, social services, (i.e., health and welfare), or are educationally focused. Examples include: Pre-school Enrichment Program, Girls' Club, job fairs, Youth/Teen Advisory Committee, Silver Sneakers Fitness Program Membership, health services, tax assistance, senior center resource classes.

5. **Drop-in monitored access (self-directed/non-instructional)**
   Activities that do not require registration, are non-instructed, and include staff/volunteer supervision or oversight. Examples include: public swim, daily fee golf, recreation center game room, fitness classes (membership inclusive), weight room, batting cages, senior volleyball, and open basketball.

6. **Skill based Activities**
   Classes, clinics, workshops and other structured (instructor-led and/or supervised) recreation activities in which registration is required or a fee is charged, and the primary intent is to acquire or enhance a specific skill set.
   Activities sub-categories include:
   a) Beginning/intermediate levels-Examples include: swim lesson levels 1-5, parent-tot gymnastics, adult beginning guitar, Hatha Yoga, T-ball and all other recreation-based youth sports, beginner junior and adult group golf programs.
   b) Advanced/competitive levels-Examples include: personal training, CARA, Freedom Fighters, private swim/golf lessons, competitive golf leagues and clubs.

7. **Non-skill based Activities**
   Classes, clinics, workshops, and other structured (instructor-led/or supervised) recreation activities in which registration is required or a fee is charged, and the primary intent is to provide socialization, interaction, and lifelong learning. Examples include: senior and youth trips, camps, Father/Son classes, intramural adult sports leagues, adult/couples golf programs such as 9 and Dine.

8. **Food and Beverage**
   This service provides the availability of consumable goods for purchase at various Department facilities. An example includes: Buffalo Run Golf Course restaurant.

9. **Merchandise for Re-sale**
   This service provides the availability of non-consumable goods for purchase at various Department facilities. Examples include: golf shirts, golf clubs, swim goggles, swim diapers.

10. **Rentals**
    This service consists of park, shelter, and recreation facility rentals available at the following locations: Commerce City Recreation Center/Senior Center; Paradice Island, Buffalo Run Golf Course; athletic fields; various pocket, neighborhood, community parks, and trails and open space.

## Parks, Recreation & Golf Direct and Indirect Cost Definitions

**Direct Costs:** includes, Fixed, Changing Fixed and Variable expenses associated with providing a service. These costs would not exist without the service, and can increase based upon number of users.

- ❒ hourly, part-time or seasonal salaries (e.g. such as instructors, leaders, aides, field supervisors, officials, coaches) and associated state and federally mandated benefits including FICA, Medicare, Social Security, Civil Leave, Worker's Compensation Insurance, and Unemployment Insurance; and employer paid benefits including 50% of full-time rate for Bilingual Pay, Injury Pay, and Overtime Pay (for over 40 hours worked per week) - estimated at 12**%** for part time/hourly benefited employees, and for part-time/hourly non-benefited and seasonal employees
- ❒ contractual services (e.g. coaches, officials, instructors, vendors)
- ❒ consumable equipment and supplies (e.g. paper, clay, chalk)
- ❒ non-consumable equipment (e.g. yoga mats, blocks, sports equipment, free weights, racquets, goggles)
- ❒ shirts or uniforms for participants and staff (e.g. camp t-shirts, lifeguard suits)
- ❒ transportation costs (e.g. rental vehicles, mileage, parking, tolls)
- ❒ entry fees, tickets, or admissions
- ❒ rental fees for facilities
- ❒ any other costs associated or attributed specifically to the service (e.g. direct program marketing, licensing)

**Indirect Costs:** includes "overhead" expenses including the administrative costs of the agency. These costs would exist without any specific service.

- ❒ full-time employee salaries (e.g. coordinators, managers, director) and associated state and federally mandated benefits including: FICA, Medicare, Social Security, Worker's Compensation Insurance, and Unemployment Insurance; employer paid benefits including Basic Term Life and AD&D, Short Term Disability. Long Term Disability, Flex Spending Account, Employee Assistance Program, Spot Awards, Bilingual Pay, Tuition Reimbursement, Housing Loan Forgiven, Short Term Disability Pay, Injury Pay, General Leave, Holidays, Compassionate Leave, Injury Leave, Compensatory Time, Overtime (non-exempt staff), On-call Pay (Parks Maintenance staff), Lump Sum Merit Pay; and cost shared benefits including: health and dental insurance -estimated at 35**%** of salary cost for regular full-time benefited employees
- ❒ training required for service provision, specific and general organizational/department training (e.g. CPR and First Aid, customer service, safety, in-service, and other service specific trainings and/or certifications)
- ❒ debt service
- ❒ contractual services (e.g. janitorial, security)
- ❒ marketing and communications
- ❒ facility operating costs (e.g. utilities)
- ❒ office equipment and supplies
- ❒ office furniture
- ❒ grounds, equipment and building maintenance
- ❒ various other appropriated costs

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