Kettering Parks, Recreation and Cultural Arts
Financial Analysis

Final Report
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Prepared by:

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Section 1 – Executive Summary

1.1. Introduction

The City of Kettering, Parks, Recreation and Cultural Arts Department (PRCA) is in a position to continue and enhance the way it provides quality parks and recreation services to its community. PRCA is recognized for its quality recreation facilities and programs. Today, however, parks and recreation can no longer simply provide a service without recognition of costs of service or revenue generation to help offset operations and maintenance costs. It is important to that park and recreation agencies have a balanced philosophy of social service versus financial sustainability.

The City subsidy for PRCA has remained constant for the past two years. The City subsidy is projected to not increase in future years. To maintain the quality and service levels, PRCA is required to increase its funding through fees and charges.

1.2. Project Purpose and Process

PROS Consulting, LLC (PROS) was retained by the City to provide Financial Analysis services for the Parks, Recreation and Cultural Arts Department. The Financial Analysis reviewed the operational and financial situation of PRCA to document the subsidy levels of each program and facility and to develop organizational and systematic processes to make more informed decisions on budgeting, pricing, and operational efficiencies.

Specific tasks performed included the following:

- Assessment of the cost effectiveness (cost recovery) of PRCA programs and services
- Review and recommended changes to the PRCA pricing policy
- Assessment and recommendations of the PRCA organizational analysis
- Review and recommendations for improvements to the PRCA budget process
- RecTrac recreation tracking software application assessment

The following report presents more detailed analysis including findings and recommendations for each of these areas. A summary of findings and recommendation follow.

1.3.   Summary of Key Findings

A summary of key findings is presented below:

- The Department has not maintained or updated its pricing policies to support the budget and maintain its subsidy levels.

- The Department follows the City's general budget process which does not provide for resource planning at the program level.

- The Department has not been able to document its operational cost at the program level.

- The costs of major facilities are allocated to only five cost centers.

- RecTrac cost center reporting has been inconsistent in content and format.

1.4.   Recommendations

The Department's General Fund subsidy has been at the same level for the past fiscal years.   In order to maintain the current subsidy in future years, the Department will need to monitor its user fees and evaluate its programs to continue to offer the same quality and number of programs.

Based on the analysis and findings presented above, PROS Consulting recommends the following actions by the Kettering Parks, Recreation and Cultural Arts Department:

- Use the cost of service model as a program analysis and budget preparation tool by annually updating the model to evaluate program pricing.

- Refine pricing policies based on the Department's goals and objectives by annually reviewing its policies.

- Use the cost of service model for indirect cost allocations to improve the recognition of shared expenditures with all programs.

- Use the cost of service model to review the cost of service of each program user fee.

- Use the cost of service model for updating fees and charges based on program analysis and pricing policies to improve program cost and revenue comparison with PRCA pricing policies.

- Increase RecTrac training for users to increase the utilization of the RecTrac functions and to improve the use of RecTrac reporting.

- To assist in marketing specific programs to participants of similar programs, implement an email marketing strategy by program based on the user database in RecTrac

- Implement the process and printing of Activity Fee and Facility Fee reports for all operations to improve the matching of PRCA revenues with expenditure reports.

Section 2 - Scope of Work

Our work process followed the proposal scope of work shown below:

The City of Kettering Parks, Recreation, and Cultural Arts (PRCA) Department wishes to retain a Financial Analyst to conduct a study to understand the subsidy levels of its programs and facility to support developing organizational and systematic processes to make more informed decisions on budgeting, pricing, and operational efficiencies.

The PROS Consulting Team understands the requirements of the City to evaluate the six major PRCA program areas: aquatics, ice arena, fitness and sports, youth and family programs, senior programs and cultural arts to achieve the following:

- *Determine the cost effectiveness of each program area including identifying subsidy levels and resource efficiencies*
- *Analyze facilities operations associated with each program area to identify total costs and design of appropriate user fees*
- *Review the budget process and support systems to identify methods and tools for improving consistency in routine monitoring and decision making*
- *Evaluate the use of RecTrac to determine the effectiveness and accuracy of current use of the program and develop procedures for consistent application and improved reporting.*
- *Training of staff on processes and tools for improved budgeting process*

The following scope of work is organized as tasks under each of the project requirements as outlined in the request for proposal. In certain cases, tasks may be performed simultaneously with others to gain efficiencies and to recognize the integral nature of certain activities.

Specific tasks include:

Project Kick-off/Communications

A project kick-off meeting will be performed and followed by thorough communications during the entire process. This kick-off meeting will include designated City team members to confirm project goals, objectives, and expectations that will help guide actions and decisions of the project team. Confirmation on lines of communication, points of contact, level of involvement by City staff, and other related project management details will be established.

1. ***Determine the cost effectiveness of each program area***
    a. *Through cost analysis, identify the program areas as either self-supporting, at breakeven or requiring a subsidy.*
        i. *Data Collection: The project team will request the following data from the City of Kettering:*
            • *Budgeted and actual expenditures for the last five years*
            • *Fee schedule by program/activity*
            • *Fee units/volume administered per fee for the last three years*
            • *Previous cost analysis*
        ii. *Costing Breakdown: The project team will determine direct and indirect costs for each program. In a multi-program organization, all costs can be divided into two different types: direct and indirect. Direct costs are those that are clearly and easily attributable to a specific program. Indirect costs are those which are not easily identifiable with a specific program, but which may be necessary to the operation of the program. These costs are shared among programs and, in some cases, among functions.*
        iii. *Develop Cost of Service Model: The project team will develop a cost of service model. A cost of service model is developed to incorporate and allocate direct and indirect costs in order to make management decisions on pricing of services and to indicate revenue impacts, subsidy levels, and operational effectiveness. The model will incorporate budgeted expenditures allowing for continuous updates, efficient analysis and informed decisions. The model will be developed in MS Excel format and provided to the City to use in the future for performing cost of service analysis.*
    b. *Make an analysis of each program area's human resources and make a recommendation for shifting resources and providing other ideas for creating more efficiency.*
        i. *Functional Responsibilities Assessment: From the cost data collected, PROS will identify areas of concern related to overall staffing levels and expenditures. From this*

identification, the City will conduct a more thorough assessment of current functional responsibilities for each of the identified programs. This should include evaluating staffing levels/functions/organization structure; supervisory/control; management systems and procedures; customer service and community relations; registration/check-in; data collection/reporting systems; and marketing/promotions.

ii. *Organizational Analysis: From the functional responsibility assessment, the City will be able to evaluate and make recommendations for shifts in human resources to gain better efficiencies and effectiveness.*

2. ***Facilities Operations***
   a. *Analyze the facilities associated with each program area and determine the total cost of operations for each facility. Provide a detailed list of expenses including personnel, utilities, charge backs, and other facility charges.*
      i. *Data Collection: In conjunction with the Cost Analysis for Programs in Task 1, the project team will collect the following data:*
         • *Budgeted and actual expenditures for the last five years*
         • *Debt Service schedules for outstanding bond issues*
         • *Fee schedule by department*
         • *Fee units/volume administered per fee for the last three years*
         • *Previous cost analysis*
      ii. *Costing Breakdown: The project team will determine direct and indirect costs for each facility in conjunction with the Cost Analysis for Programs. All costs can be divided into direct and indirect.*
      iii. *Develop Cost of Service Model: The project team will develop a cost of service model that is combined with that prepared for the Programs task. A cost of service model will incorporate and allocate direct and indirect costs in order to make management decisions on pricing of services and an ultimate impact on revenue impact, subsidy levels, and operational effectiveness. The model will incorporate budgeted expenditures allowing for continuous updates, efficient analysis and informed decisions. The model will be developed in MS Excel format and provided to the City to use in the future for performing cost of service analysis.*
   b. *Make recommendations for areas where amounts could be passed through or current charges can be increased to patrons to assist with cost recovery/subsidizing facility costs.*
      i. *User Fee Design: Utilizing the cost of service model, the City will have the capabilities to revise and/or design new user*

> *fees. This iterative process will include a training session on use of the cost of service model with key city staff.*

3. **Budget Process**

   The project team will review the current budget system and procedures and provide recommendations for all program and facility areas including:

   a. *Ways to review revenues and expenses throughout the year in order to create consistency among program areas.*
      i. *Budget Process Review: The financial management practices of the Department will be reviewed with three primary goals. First, to understand the financial dynamics of the Department to further advance the understanding of operations gained through the work described above. Second, to review funding and accounting practices with an eye toward accurate financial tracking and the ability of the Department to have more useful financial information for strategic decision-making.   Third, to seek opportunities to improve the financial sustainability of the programs, evaluate expenditures and increase existing and new sources of revenue.   This analysis will look at the current budgeting process, monthly reporting process of actual expenditures, and ability of staff to understand reports and to take action.*
   b. *A budget modeling process that could be applied to all programs.*
      i. *It is important that the budget process provide information that is relevant to managing each program and that actual data can be collected to match that projected in the budget process.   The consulting team will review the current accounting and budgeting processes to evaluate the usefulness and accuracy of the data and in turn recommend any changes needed to improve control and monitoring of participation revenues and expenses.*
   c. *A budget tool that enables staff to make decisions on what programs to implement and those that should not be implemented or that should be discontinued.*
      i. *Task 3.b. will provide information on existing programs that may suggest discontinuances because of excessive cost or limited to project participation and funding levels for recommended future programs to meet the dynamic service needs of the City residents. We will develop a forecasting tool to assist in projecting new and existing programs so that decisions can be made as to allocation of PRCA resources.*

4. **RecTrac Evaluation**
   a. *Analyze the current Recreation Complex front desk duties relating to the registration process to determine the current use of resources and make recommendations for greater efficiencies.*

i. *Resource Inventory: The project team will analyze the front desk duties to understand the supervisory/control, staffing levels and capabilities, inventory of responsibilities, registration/check-in process, configuration of the control center, customer service, and other related activities.*

ii. *Recommendations: The project team will make recommendations for improvements based on findings from the inventory. Emphasis on consistency in application of standard operating procedures will be paramount.*

b. *The project team will analyze the current reporting systems used for revenues related to programs and events and recommend a systematic approach to using the RecTrac system for reporting revenues. The review will be accomplished in concert with similar related work in Task 3.b. and 3.c.*

i. *Revenue Tracking and Reporting Review: The project team will review the process and reporting systems related to revenues for programs and events. This will include performance in budgetary development, controls, and execution, history and results of fee collection, and sources, amounts, and usage of grants, and special funds. An analysis will be performed to identify a systematic approach for utilizing RecTrac to manage and report revenues. A focus on consistent data entry and reporting will be critical.*

c. *Develop processes and systems to track all financial aspects for PRCA that will interface with both the RecTrac and current Finance system.*

i. *Process/Systems Improvements: An evaluation of the City's financial system and the compatibility of RecTrac will be performed. Recommendations for consistent procedures and systems will be made. Opportunities to create interfaces to reduce or eliminate dual and manual entry will be identified. Actual interface design is not included in this proposal.*

5. Training

Provide training to key staff regarding recommendations included in the budget process #3 above.

a. *Training: The project team will perform training of key staff over a two-day period on procedures, systems, and tools developed.*

b. *Final Report: The project team will prepare a final report that will include all analysis of costs, recommendations and electronic copies of the cost of service model and other budget management tools.*

Section 3 - Cost Effectiveness

3.1. Programs Analyzed

PROS reviewed the cost effectiveness of Kettering Parks, Recreation and Cultural Arts Department (PRCA) to identify the cost recovery and subsidy level for 20 programs, services, and facilities. The cost effectiveness assessment included the following cost centers:

- PRCA Administration
- Adult Programs
- Adult Sports
- Aquatics
- Arena
- CIL Senior Center
- Concessions
- Corporate Recreation
- Fairmont Programs
- Fitness Programs
- KRC Facilities
- Nursery
- Polen Farm
- Preschool / Youth Program
- Rosewood Centre
- Rosewood Programs
- Senior Programs
- Special Events
- Special Population
- Sports Programs
- Tot Lot Program

To accomplish this analysis, PROS developed a MS Excel model to document and organize the Department's costs, financial resources, and the income from programs and services. The analysis included collecting financial and operational data through a variety of sources. This data was organized in a manner to present direct and indirect costs and calculate the cost recovery/subsidy level. The analysis is based on the 2005 Budget and revenue amounts and events from the 2003 Fiscal Year.

3.2. Data Collected

To analyze the cost effectiveness of the PRCA, PROS reviewed published financial information and interviewed key City and PRCA personnel. An interview questionnaire was prepared and used to gather specific information related to the operations of each cost center.

The project team reviewed:

- City's Comprehensive Accounting and Financial Report for the fiscal year ending 2003

- Year-end budget and revenues reports for fiscal years ending 2001, 2002, and 2003.

- PRCA Revenue Manual

- PRCA quarterly publications

- PRCA marketing materials

- Area fee surveys

- PRCA job descriptions

The project team interviewed key program and facility personnel to document the programs, services, operations and near future plans of the PRCA cost centers.

3.3. Cost-of-Service and Revenue Analysis

The cost of service and revenue analysis was performed at the cost center level. Based on the City budget categories, the cost centers were analyzed by personnel costs, operating expenses, and capital expenditures. Indirect costs were also considered as a part of the cost center analysis. The indirect costs reviewed included

- PRCA Administration

- Park Maintenance

- Building and Grounds Maintenance

- KRC Front Desk

The cost of service analysis is to determine the total cost of providing services to individual customers, groups of customers, or an entire customer base. The total includes all direct and indirect costs. This analysis will support decision making for determining what programs and services require additional operating capital or additional fees to be charged for specific services. Following is the methodology used to prepare this cost of service analysis:

- Direct costs include those incurred directly by the departments such as salaries and benefits, commodities, contractual expenses, and capital outlay also including direct charges from other departments.

- All costs other than direct costs are indirect costs. Indirect costs are allocated to each department based upon the indirect cost allocation included in the model. The portion indirect cost allocated to each cost center is based the allocation methodology applied to the specific indirect cost element.

- The direct cost plus the indirect costs equal the total costs.

- The total costs divided by the units of service were identified to determine the total costs per unit of service.

- The result of the cost-of-service analysis does not necessarily mean that the City should recover the total costs-of-service through user fees.

3.3.1. Indirect Cost Allocation

The indirect cost allocations were based on the methodology that most accurately reflects the cost centers use of each of the indirect cost categories. The methodologies applied are:

Figure 1 – Methodology for Allocation

Indirect Cost	Methodology for Allocation
PRCA Administration	Percent of Budget
Park Maintenance	Actual Work Order Documentation
Facilities	Facilities Space Utilization
KRC Front Desk	Number of Programs Served

3.3.2. Cost of Service Model

The cost of service model developed for this project is designed to be used by PRCA for analyzing the cost of service for each cost center, for assessing the cost recovery for revenue accounts, and for preparing PRCA budgets for future years.

The cost of service model analyzes the PRCA budget and revenue information for the documentation of program costs and revenue recovery. The model documents personnel costs, operation and maintenance expenses, and capital expenditures not debt financed, was utilized. Debt service costs are not included. The model provides the functionality to allocate indirect costs to cost centers and program services. The model provides separate Microsoft Excel files for each cost center. The model has been developed for use by PRCA staff. The model may be updated by the staff to analyze cost of service and revenue recovery for future years.

3.3.2.1. MODEL COMPONENTS

The model is composed of twenty separate Microsoft Excel files:

- Kettering Summary and Indirect Cost Analysis (version 2005.xls

- Kettering Fee Study - Adult Programs(version 2005).XLS

- Kettering Fee Study - Adult Sports (version 205).XLS

- Kettering Fee Study - Aquatics (version 2005).XLS

- Kettering Fee Study - Arena (version 2005).XLS

- Kettering Fee Study - CIL Senior Center (version 2005).XLS

- Kettering Fee Study - Concessions (version 2005).XLS

- Kettering Fee Study - Corporate Recreation (version 2005).XLS

- Kettering Fee Study – Fairmont Programs(version 2005).XLS

- Kettering Fee Study - Fitness Programs (version 2005).XLS

- Kettering Fee Study - KRC Facility (version 2005).XLS

- Kettering Fee Study - Nursery (version 2005).XLS

- Kettering Fee Study - Polen Farm (version 2005).xls

- Kettering Fee Study - Preschool / Youth Programs (version 2005).XLS

- Kettering Fee Study - Rosewood Centre (version 2005).XLS

- Kettering Fee Study - Rosewood Programs (version 2005).XLS

- Kettering Fee Study – School Outreach Program (version 2005).XLS

- Kettering Fee Study - Senior Programs (version 2005).XLS

- Kettering Fee Study - Special Events (version 2005).XLS

- Kettering Fee Study - Special Population (version 2005).XLS

- Kettering Fee Study - Sports Programs (version 2005).XLS

- Kettering Fee Study - Tot Lot Program (version 2005).XLS

3.3.2.2. Use of Model

The yellow shaded areas of each worksheet are for the input of data. These highlighted input fields can be changed as desired to update program costs and to update fees and charges.

Each file contains two (2) worksheets: a cost worksheet and a revenue worksheet. The cost worksheet is for the analysis of all costs associated with a cost center. The cost and revenue information may be updated by entering new data in the yellow cells of the cost of service model. The model is described in more detail in the following sections. The worksheets are presented in the Appendix.

3.3.3. Cost of Service Analysis

The cost center input area for the Aquatics cost center is shown below. The cost center input area shows the cost center budget with input areas for personnel, operations and maintenance items, capital expenditures, and indirect costs. The cost centers included in the analysis are:

- Adult Programs
- Adult Sports
- Aquatics
- Arena
- CIL Senior Center
- Concessions
- Corporate Recreation
- Fairmont Programs
- Fitness Programs
- KRC Facility
- Nursery

- Polen Farm
- Preschool / Youth Programs
- Rosewood Centre
- Rosewood Programs
- School Outreach Program
- Senior Programs
- Special Events
- Special Population
- Sports Programs
- TotLot Program

3.3.3.1. Cost Center Summary

Figure 2 presents a sample summary of cost center budget. The model provides input areas for the personnel costs, operating expenses, capital expenditures, and indirect costs. Totals are shown for each section as well as a cost center total.

3.3.3.2. Revenue Account Allocation

Figure 3 presents a revenue account allocation example. The cost center's costs are allocated to programs and service in the revenue account area of the cost model worksheet. The revenue account allocation area for the Aquatics cost center is shown below.

The cost center budget line items are allocated to the revenue accounts by entering the percentage of each line item that is related to each revenue account.

The cost percentages to revenue accounts allocate the budget amounts to the revenue accounts and are shown in an allocation summary shown in ***Figure 4***.

3.3.3.3. Model Training

Training for key model users is a part of this project. Key PRCA management personnel have been involved in the development of the model including input into the model's functionality. The training process included a review of the model with each program manager.

The training includes hands-on use of the model with assistance by PROS project team members.

Figure 2 - Cost of Service Benefit Example – Aquatics

Aquatics

Position	#hours	Rate of pay	Benefits	AMOUNT
Facility Manager	416.00			$ 17,252
Aquatics Supervisor	2,080.00			$ 63,619
Arena and Aquatics Facility Coordinator	520.00			$ 11,631
Aquatic Operations Coordinator	1,560.40	15.50	4,111.74	$ 28,298
Aquatic Instructional Coordinator	1,117.90	13.10	2,489.49	$ 17,134
Assistant Coordinator Summer	0.00	0.00	0.00	$ -
Assistant Coordinator Summer	680.00	8.70	1,005.72	$ 6,922
Head Lifeguard	1,280.00	7.90	1,719.04	$ 11,831
Lifeguards W/S	2,646.00	7.20	3,239.70	$ 22,291
Lifeguards Summer	9,040.00	7.30	11,218.64	$ 77,211
Lifeguards F/W	2,288.00	7.20	2,800.51	$ 19,274
WSI's W/S	594.00	7.50	757.35	$ 5,212
WSI's summer	1,168.00	7.50	1,489.20	$ 10,249
WSI's F/W	528.00	7.50	673.20	$ 4,633
WSI Aide W/S	252.00	6.80	291.31	$ 2,005
WSI Aide Summer	480.00	6.80	554.88	$ 3,819
WSI Aide F/W	160.00	6.80	184.96	$ 1,273
Water Park Attendants Summer	4,281.00	6.20	4,512.13	$ 31,054
Maintenance Specialist	0.00	7.90	0.00	$ -
Maintenance W/S	0.00	6.30	0.00	$ -
Maintenance Summer	480.00	6.30	514.08	$ 3,538
Maintenance F/W	0.00	6.30	0.00	$ -
Cashiers Summer	1,350.00	6.20	1,422.00	$ 9,792
Contingency Funding	717.60	7.00	853.94	$ 5,877
Contract Employees-Health	1.00	3,060.00	520.20	$ 3,580
Contract Employees-KCST Coach	1.00	40,000.00	6,800.00	$ 46,800
Contract Employees-Water Workout Instructor	1.00	2,100.00	357.00	$ 2,457
Total				**$ 405,753**

OPERATING EXPENSE	AMOUNT
Printing, Publications, & Membership	$ 1,200
Supplies, Tools, and Materials	$ 26,100
Uniforms and Clothing	$ 4,400
Grounds and Building Maintenance	$ 71,500
Equipment Maintenance	$ 300
Travel and Conference	$ 1,000
Training and Tuition	$ 2,100
Contractual Services	$ 10,000
Utilities	$ 47,100
Communications	$ 700
Citizen Information	$ 300
Taxes and Assessments	$ 100
Total	**$ 164,800**

CAPITAL EXPENDITURES	AMOUNT
Capital	$ -
Total	**$ -**

TOTAL BUDGETED COSTS   **$ 570,553**

INDIRECT COSTS	AMOUNT
Indirect Costs	$ 28,451
Facilities Cost Allocation	$ -
Personnel / Administrative Cost Allocation	$ -
Park MaintenanceCost Allocation	$ 7,334
TOTAL INDIRECT COSTS	**$ 35,785**

Figure 3 -

TOTAL BUDGETED AND INDIRECT COSTS   **$ 606,338**

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Revenue Account Allocation Example

Aquatics

PERSONNEL

Position	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Facility Manager	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
WSI's W/S	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Arena and Aquatics Facility Coordinator	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Aquatic Operations Coordinator	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Aquatic Instructional Coordinator	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Assistant Coordinator Summer	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Assistant Coordinator Summer	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Head Lifeguard	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lifeguards W/S	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lifeguards Summer	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lifeguards F/W	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
WSI's W/S	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
WSI's summer	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
WSI's F/W	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
WSI Aide W/S	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
WSI Aide Summer	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
WSI Aide F/W	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
Water Park Attendants Summer	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Maintenance Specialist	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Maintenance W/S	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Maintenance Summer	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Maintenance F/W	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Cashiers Summer	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency Funding	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contract Employees-Health	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contract Employees-KCST Coach	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%
Contract Employees-Water Workout Instructor	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

OPERATING EXPENSE

	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Printing, Publications, & Membership	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Supplies, Tools, and Materials	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Uniforms and Clothing	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Grounds and Building Maintenance	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Equipment Maintenance	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Travel and Conference	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Training and Tuition	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contractual Services	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Utilities	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Communications	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Citizen Information	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Taxes and Assessments	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CAPITAL EXPENDITURES

	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Capital	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

TOTAL BUDGETED COSTS

INDIRECT COSTS

	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Indirect Costs	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Facilities Cost Allocation	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Personnel / Administrative Cost Allocation	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Park MaintenanceCost Allocation	60%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Figure 4 - Example Cost Percentage of Allocation

Aquatics

PERSONNEL

Position	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Facility Manager	10,351	6,901	-	-	-	-	-	-	-	-	-	-	-	-
WSI's W/S	38,172	38,172	25,448	-	-	-	-	-	-	-	-	-	-	-
Arena and Aquatics Facility Coordinator	6,978	6,978	4,652	-	-	-	-	-	-	-	-	-	-	-
Aquatic Operations Coordinator	16,979	16,979	11,319	-	-	-	-	-	-	-	-	-	-	-
Aquatic Instructional Coordinator	10,280	10,280	6,854	-	-	-	-	-	-	-	-	-	-	-
Assistant Coordinator Summer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant Coordinator Summer	4,153	4,153	2,769	-	-	-	-	-	-	-	-	-	-	-
Head Lifeguard	7,099	7,099	4,732	-	-	-	-	-	-	-	-	-	-	-
Lifeguards W/S	13,375	13,375	8,916	-	-	-	-	-	-	-	-	-	-	-
Lifeguards Summer	46,326	46,326	30,884	-	-	-	-	-	-	-	-	-	-	-
Lifeguards F/W	11,564	11,564	7,710	-	-	-	-	-	-	-	-	-	-	-
WSI's W/S	-	-	-	-	-	-	-	-	5,212	-	-	-	-	-
WSI's summer	-	-	-	-	-	-	-	-	10,249	-	-	-	-	-
WSI's F/W	-	-	-	-	-	-	-	-	4,633	-	-	-	-	-
WSI Aide W/S	-	-	-	-	-	-	-	-	2,005	-	-	-	-	-
WSI Aide Summer	-	-	-	-	-	-	-	-	3,819	-	-	-	-	-
WSI Aide F/W	-	-	-	-	-	-	-	-	1,273	-	-	-	-	-
Water Park Attendants Summer	18,633	18,633	12,422	-	-	-	-	-	-	-	-	-	-	-
Maintenance Specialist	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance W/S	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Summer	2,123	2,123	1,415	-	-	-	-	-	-	-	-	-	-	-
Maintenance F/W	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashiers Summer	5,875	5,875	3,917	-	-	-	-	-	-	-	-	-	-	-
Contingency Funding	3,526	3,526	2,351	-	-	-	-	-	-	-	-	-	-	-
Contract Employees-Health	2,148	2,148	1,432	-	-	-	-	-	-	-	-	-	-	-
Contract Employees-KCST Coach	-	-	-	-	-	-	-	-	-	-	46,800	-	-	-
Contract Employees-Water Workout Instructor	1,474	1,474	983	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ 199,057	$ 195,606	$ 125,804	$ -	$ -	$ -	$ -	$ -	$ 27,192	$ -	$ 46,800	$ -	$ -	$ -

OPERATING EXPENSE

	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Printing, Publications, & Membership	720	480	-	-	-	-	-	-	-	-	-	-	-	-
Supplies, Tools, and Materials	15,660	15,660	10,440	-	-	-	-	-	-	-	-	-	-	-
Uniforms and Clothing	2,640	2,640	1,760	-	-	-	-	-	-	-	-	-	-	-
Grounds and Building Maintenance	42,900	42,900	28,600	-	-	-	-	-	-	-	-	-	-	-
Equipment Maintenance	180	180	120	-	-	-	-	-	-	-	-	-	-	-
Travel and Conference	600	600	400	-	-	-	-	-	-	-	-	-	-	-
Training and Tuition	1,260	1,260	840	-	-	-	-	-	-	-	-	-	-	-
Contractual Services	6,000	6,000	4,000	-	-	-	-	-	-	-	-	-	-	-
Utilities	28,260	28,260	18,840	-	-	-	-	-	-	-	-	-	-	-
Communications	420	420	280	-	-	-	-	-	-	-	-	-	-	-
Citizen Information	180	180	120	-	-	-	-	-	-	-	-	-	-	-
Taxes and Assessments	60	60	40	-	-	-	-	-	-	-	-	-	-	-
Total	$ 98,880	$ 98,640	$ 65,440	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CAPITAL EXPENDITURES

	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOTAL BUDGETED COSTS

INDIRECT COSTS

	Admissions Resident	Admissions Non-Resident	Punch Card	Season Passes Resident	Season Passes Non-Resident	Pool rentals	Waterpark Rentals	Instruction	Bathhouse Locker Rental	K.C.S.T.	Overnighters	Merchandise Sales	Over/short Account	Other
Indirect Costs	17,071	11,381	-	-	-	-	-	-	-	-	-	-	-	-
Facilities Cost Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel / Administrative Cost Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park MaintenanceCost Allocation	4,400	2,934	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INDIRECT COSTS	$ 21,471	$ 14,314	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL BUDGETED AND INDIRECT COSTS	$ 319,408	$ 308,561	$ 191,244	$ -	$ -	$ -	$ -	$ -	$ 27,192	$ -	$ 46,800	$ -	$ -	$ -

3.3.4. Revenue Analysis

The revenue analysis is shown in the revenue worksheet of each cost center file. At the top of the worksheet is a summary of the cost centers revenues and recovery percentages. The revenue summary reflects both current and proposed cost recovery statistics.

Below the revenue summary is a presentation of each revenue accounts costs and revenues.

Figure 5 - Example Revenue Summary

PROGRAM AREAS - Aquatics	
Item	
Total Direct and Allocated Costs	$ 606,338
Total Revenues at Current Rates	426,697
REVENUES OVER (UNDER) EXPENDITURES	(179,641)
Percent of costs recovered per unit of service	70.37%
Total Revenues at Adjusted Rates	510,460
Adjusted Revenues Over (Under) Expenditures	(95,878)
Percent of costs recovered per unit of service	84.19%
Pricing Recovery Goal	100.00%
Number of Program Types per Program Area	14

The revenue summary for each cost center shows the total costs and the total revenues with current fees and charges. Revenues from modeled revenues updates are also shown. Revenues Over (Under) Expenditures are also shown. The percentage of cost recovery from revenues is shown for the current fee and charge amounts as well as the recovery percentage for adjusted fees and charges.

The Pricing Recovery Goal is also shown. The Pricing Recovery Goal is the recovery percentage for each cost center as established in PRCA's Pricing Policies. The number of Programs in the cost center is also shown in the summary.

The model contains a fee analysis for each revenue account. The revenue account analysis for the Admissions Resident in the Aquatics cost center is shown in **Figure 6**.

The revenue analysis shows the average revenue per service, the total costs of the program and the average cost per unit of service of the program. The "unit classification" is an input. The unit classification is basic unit by which the program is measured. In the example, the unit classification is "Admissions" and the number of units is 28,334. The analysis shows the average cost per unit of service and the cost recovery percentage for the program activity. The "Recommended fee per unit of service" is an input field to enter a recommended update to the fee. The percent recovery for the recommended fee per unit of service is also shown.

Figure 6 - Pricing Recovery Goal

Admissions Resident

Revenues per service	$ 3
Allocated direct presonnel costs	199,057
Allocated materials, license, dues, temp personnel	98,880
Allocated Capital expenditures	-
Allocated Indirect	21,471
Indirect cost rate	0.00%
Total Cost to provide service	$ 319,408
Unit classification	*Admissions*
Units of service	28,334
Cost of service per unit of service	$ 11.27
Percent of costs recovered per unit of service	26.61%
Fee charged per unit of service	$ 3.00
Recommended fee per unit of service	$ 4.00
Percent of costs recovered, recommended fee	35.48%

3.3.4.1. Cost Recovery Summary

Based on the model results, a Cost Recovery Summary is shown in *Figure 7.* The Summary shows the total expenditures incurred and revenues for each program in the Department. The pricing goals are also shown.

Figure 7 – Cost Recovery Summary

City of Kettering
Summary Table

Revenues and Expenditures	Adult League	Adult Program	Aquatics	Arena	CIL Center	Concessions	Corporate Recreation	Fairmont Program	Fitness Program	KRC Facility	Nursery
Total Personnel Costs	56,500	46,700	403,900	323,800	200,000	83,400	25,400	58,900	177,100	541,100	48,600
Total Operating Expenditures	126,200	24,800	164,800	296,750	180,100	63,500	33,900	171,600	34,000	662,300	2,800
Total Capital Expenditures	-	-	-	-	-	-	-	60,300	12,000	-	-
Total Allocated Indirect Costs	50,927	5,798	53,454	50,325	30,825	11,913	4,809	24,394	18,093	97,593	4,168
Total Costs of Program	**$ 233,627**	**$ 77,298**	**$ 622,154**	**$ 670,875**	**$ 410,925**	**$ 158,813**	**64,109**	**315,194**	**$ 241,193**	**1,300,993**	**55,568**
Total Revenues at Currect Rates	**$ 137,900**	**$ 17,755**	**$ 426,697**	**$ 781,975**	**$ 50,160**	**$ 167,406**	**$ 8,000**	**$ 307,138**	**$ 307,138**	**$ 48,980**	**$ 20,100**
Total Revenues Over (Under) Expenditures	**$ (95,727)**	**$ (59,543)**	**$ (195,457)**	**$ 111,100**	**$ (360,765)**	**$ 8,593**	**$ (56,109)**	**$ (8,056)**	**$ 65,945**	**$(1,252,013)**	**$ (35,468)**
Pricing Percent of Cost Recovery Goal	100%	60%	100%	100%	60%	100%	100%	130%	130%	60%	60%
Number of Program Types per Program Area	16	24	14	23	5	9	5	27	27	11	4

Revenues and Expenditures	Polen Farm	Preschool & Youth Program	Rosewood Center	Rosewood Program	School Out Program	Senior Program	Special Events	Special Population	Sports Program	Tot Lot Program
Total Personnel Costs	68,000	139,200	140,200	173,800	60,600	197,600	34,900	60,800	118,500	80,400
Total Operating Expenditures	104,200	53,800	243,600	135,670	13,800	169,900	80,100	12,500	77,000	8,500
Total Capital Expenditures	-	-	6,500	-	-	-	-	-	-	-
Total Allocated Indirect Costs	52,106	15,652	(18,348)	60,097	6,034	29,803	7,391	5,944	15,855	22,210
Total Costs of Program	**224,306**	**208,652**	**371,952**	**369,567**	**80,434**	**$ 397,303**	**$ 122,391**	**$ 79,244**	**$ 211,355**	**111,110**
Total Revenues at Currect Rates	**$ 152,150**	**$ 20,200**	**$ 156,565**	**$ 360,060**	**$ 20,200**	**$ 280,459**	**$ 13,300**	**$ 52,620**	**$ 186,570**	**$ 92,365**
Total Revenues Over (Under) Expenditures	**$ (72,156)**	**$ (188,452)**	**$ (215,387)**	**$ (9,507)**	**$ (60,234)**	**$ (116,844)**	**$ (109,091)**	**$ (26,624)**	**$ (24,785)**	**$ (18,745)**
Pricing Percent of Cost Recovery Goal	100%	60%	40%	40%	60%	60%	60%	60%	100%	60%
Number of Program Types per Program Area	4	24	27	12	24	22	23	4	40	3

Section 4 - Pricing Assessment

PROS Consulting was asked by the City to evaluate the current pricing policy manual and the pricing philosophy in place for the parks and recreation department.

The pricing manual in place follows Dr. John Crompton's recommendations found in his book <u>Pricing Government Services</u>, which was written twenty years ago. The pricing manual follows his classifications criteria with a few modifications. These include:

- **Private Services** (City's classification is ***Specialized Interest Programs***) in which the user pays 100% of the cost of the program.

- **Merit Programs** (City uses the same classification as Dr. Crompton) in which there is some public good and also some private individual self benefit, so the user pays between 25% to 50% of the cost of the service provided by the City.

- **Public Services** (City's classification is ***Service Programs***), which there is more public good than private service good, so the user pays 25% to 0% of the cost of the program.

In addition, the city has added other classifications beyond the classic three presented by Dr. John Crompton. Listed below are the additional pricing classifications.

- Admission/Drop-In Fees
- Yearly/Seasonal Passes
- Facility Rentals
- Sales/Rental Revenues
- Memberships
- Grantsmanship
- Sponsorship Partnerships
- Park Service Programs
- Non-Resident Rates
- Fee Assisted Programs
- Corporate Rate Fees

In these classifications the user pays from 25% to 100% of the cost of the program based on direct costs and a 30% administrative cost on top of the direct cost.

The City's ultimate goal is to be ***60%*** self-supporting on recreation programs, recreation facilities and services. They would like to be ***40%*** self-supporting on cultural arts services and to be ***3%*** self-supporting in park services.

The goal of 60% self-supporting in Recreation Programs and Facilities is in the upper middle range for suburban parks and recreation systems in the United States. The goal of 40% self-supporting for cultural arts is in the low-middle range for

suburban park and recreation systems in the U.S. and the goal of 3% for parks services is in the low end of park related services.

The pricing process, used by staff to determine the price of a service, is based on establishing what the direct costs are for the program and adding 30% to the cost for administrative overhead. This gives the staff the total cost of the program. Staff then divides the cost by the minimum number of people required to hold the class or activity. The key here is rather all staff is consistent in determining what the direct costs are and what is included or not included. In the pricing manual there was not a class or budget expense sheet that outlined all the expense cost of a class or program for the staff to work from.

Based on PROS Consulting work the goal of 60% for recreation programs and recreation facilities is generally obtained before the allocation of indirect costs. Based on PROS consulting work the current flat 30% overhead is less accurate than the modeled indirect costs and should be eliminated. The indirect cost should be allocated based on the results of the cost of service model for each cost center.

Setting the minimum number to hold the class and the maximum number allowed is determined by the staff and was not outlined well in the pricing manual.

The City also has established a corporate recreation program. The program provides discount rates if 10% of the corporation's work force participates in the program. The program includes fitness and company rentals at Polen Farm and at the KRC.

PROS suggest that the City also consider pricing recreation programs, recreation facilities and parks in an additional manner that would include:

- **Prime Time/Non-Prime Time** for pools, game fields, ice rink, Polen Farm, classes, courts, shelters and fitness areas to help fill in excess capacity. This would increase use of non-prime time space in facilities.

- **Price by Season and Off-Season Rates** for leagues, clinics, shelters, courts, ice time, Polen Farm and trips.

- **Price by Location** for sports fields, courts, picnic areas, seats at the theatre and in classes.

- The City should consider more **age segment pricing** as it applies to pre-teen and teen classes, young adult classes, families and seniors.

- The City should consider more **differential pricing** by level of class, level of exclusivity, by time and size of group and for loyalty.

- The City does not include **capital replacement costs** in fees for equipment, buildings or park amenities, nor do they include a maintenance endowment fee for sports fields, and special use areas. These should be considered.

- **Concession and merchandise** pricing was not included in the pricing manual and should be stated on a cost plus range.

- **Contractor pricing and percentages** were not clearly spelled out and should be based on the direct and indirect support the city gives to each contract class instructor. This can vary by the percentage the contractor receives. This needs to be done on a more consistent basis.

- **Partnership Pricing** is not dealt with in the pricing manual and should be outlined more clearly based on the level of equity each partner is required to put into the program or facility based on direct and indirect costs.

- The City does not outline a **pricing philosophy** for earned income development outside of user fees and fees for facilities and services which needs to be established.

- **Incentive discounts** were lightly touched on in the pricing manual but more efforts and strategies need to be created in this area as it applies to early registration, season passes, group admission rates, rental uses and number of classes taken in a year, etc.

- **Non-resident rates** appear to be outlined well, but should be consistently evaluated on their ability to deter use at the expense of a class, or recreation facility.

More cities are moving away from non-resident fees because of the negative connotation they give to outside city users and have opted for using other pricing methods that are more acceptable and lessen the perception that they are not wanted. This can be accomplished by having residents have the first two weeks of registration and non-residents registration starting the third week or having non-residents use non-prime times only in facilities and programs or changing how prices are stated, (example: Current Price $30, Resident Rate $25).

In closing, the pricing manual and pricing policy used by the City has been working well for the last twenty years, but adjustments need to be made based on the cost of service work completed, and in maintaining a more consistent approach across the city on what is included in direct and indirect costs by all staff.

Overall, goals for self-sufficiency need to be looked at in the cultural arts programs and park services where the opportunities are greater than what the City is producing, based on the quality of services provided.

A strong commitment needs to be made on how to communicate price more effectively to users, so they understand what level of investment they are making and the level the City is making in their recreation experience.

The City must consider additional pricing methods beyond what they currently have in place to maximize the parks and to meet the revenue goals for the future. The City must tie out revenue goals and pricing strategies to performance measures that can demonstrate the level of success they are making beyond tracking revenues and expenses. These performance measures include:

- Cost per experience, cost per team, cost per game
- Tracking cost per unit, (i.e., square foot, court, field, etc.)
- Tracking program lifecycles
- Targeted age segments met through effective pricing

Section 5 - Organizational Analysis

From the cost of service analysis and meetings with representatives of the individual program and facility division within the PRCA, PROS Consulting assessed the current organization structure and effectiveness. This included evaluating staffing levels/functions/organization structure, supervisory/control; management systems and procedures, customer service and community relations, registration/check-in, data collection/reporting systems, and marketing/promotions.

5.1. Organization Observations

Based on this analysis, PROS identified the following observations:

- The current organizational structure is very flat with too many direct reports to the Director of Parks and Recreation.
- The organization design is very traditional and cylinder driven which causes the Divisions to act very independently and provides an illusion that current responsibilities and accountabilities are more than they should be.
- The Department as a whole is very mature and pay levels are high for the level of responsibility and accountability in place for many positions. This type of organizational structure is very difficult to manage or to make changes in due to the design and maturity of staff, unless a complete realignment is put into place.
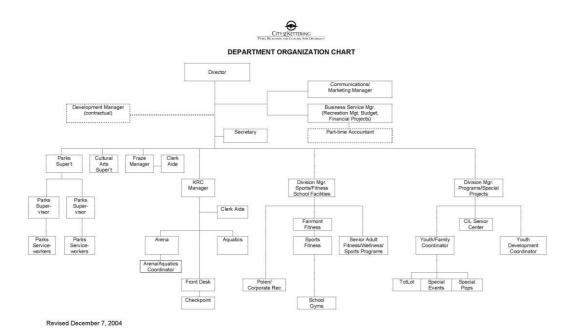
5.2. Organization Recommendations

Organization recommendations include:

- The organizational structure needs to have a Facility Division that operates and maintains facilities. The Facility Division needs to work closely with the Recreation Program Division to provide programs in recreation facilities that meets the community needs and fills the capacity of space available. The Facility Division needs to see the recreation program staff as their customer and do what is required to meet their needs and the customer's needs.

- The Recreation Division staff is currently responsible for developing programs and managing their facilities. This does not create a balanced environment for the staff to do either area of responsibility well.

- The Recreation Division by design is to limiting and the core businesses need to be broader in design and in activity areas. Instead of individual divisions for KRC, Youth and Adult Sports, Special Events, Senior Services, Special Populations, Youth and Family Services, Outdoor Skills, Fitness and Adult Leisure Trips, they should be categorized by Youth Services, Adult Services, City-Wide Events, Cultural and Performing Arts and Recreation Facilities.

The organization chart (Figure 7) outlines the proposed structure.

Figure 7 - Proposed Organization Chart

The proposed organizational structure will create three administrative work groups and six operating divisions. The administrative work groups include Business Services, Development, and Communication/Marketing. The operating divisions include Parks, Rosewood Centre, KRC, Sports/Fitness/Schools, and Program Services/Special Projects. This organization will be more efficiently designed because it is based on functions. The culture of the organization, because of its design, will grow the talent and skills of staff in a broader level, and will support a team concept. PROS recognized the problem with pay levels topping out, but it is important to redesign the organization in a manner that supports the revenue goals and organizational efficiency goals of the Department and the City. This organizational structure is much more manageable from a Director's perspective.

In addition many of the issues raised by staff can be resolved in this organizational structure. The staff issues include:

- The need for a marketing and budget employee.

- The need for business plans to be created for the core recreation program businesses, core recreation facilities and Polen Farm.

- Consistency in pricing strategies and budget development. (This can be accomplished in a more equitable manner by staff working with the Director.)

- Performance management, which can be tracked in a more consistent and seamless manner with this structure.

- Workload management, which also can be better managed under this structure.

- Succession management can be better managed and higher skill levels obtained with this structure.

- Marketing management which can be better controlled by improved coordination of the three publications put out quarterly by the Department. The Department's three publications are redundant and dilute the effectiveness of the different communications. The Department should consolidate the basic communications into one publication. More elaborate communications should be on a subscription basis. For example, an arts publication could be published and distributed to participants of the Rosewood Programs. The publication would be made available to non-participants on a subscription basis. Other special publications could be produced and distributed similarly.

- Policy management can be better controlled under this organizational structure.

- Budget management tied to RecTrac will be more manageable utilizing this organizational structure.

- Staff accountability and responsibility will be much more aligned than it currently is by incorporating structure changes. This will also support more fairness in salaries than exists today.

Section 6 - Facilities Operations

6.1. Facilities Cost Observations

The Facilities Operations costs were reviewed for allocation to the cost centers. Detailed information related to the area of each facility used by the PRCA programs and services was not available. From the available information, the project team developed a facility allocation component in the cost of service model to allocation facility cost in the future.

Park Maintenance costs were allocated to the cost centers based on information maintained by the Park Maintenance cost center.

6.2. Facilities Cost Recommendations

The facilities costs for PRCA are currently allocated to six cost centers. While the majority of the facilities cost is incurred by the six cost centers, other programs use a significant amount of the facilities and the cost facilities should be allocated to those programs to properly reflect the cost of service for each cost center's programs and activities. The cost of service model should be used to allocate facilities costs when data is available.

The Microsoft Excel file: Kettering Indirect Cost Analysis.xls contains the analysis functions for allocating the facilities costs. (See Appendix C)

6.3. Facilities Operational Observations

The Department has successfully developed program facilities to support its programs. Some of the facilities need to be updated to continue the quality and breadth of its program offerings.

6.4. Facilities Operational Recommendations

The Department should design facilities to create revenues by utilizing design principals that reflect the policies of the City and the Department

As the Department updates current facilities and invests in new facilities, the costs should be assessed to the primarily users of the facilities. For example, the

Aquatics cost center needs to update the outdoor pool to maintain its competitiveness with other facilities. In addition, the outdoor pool should be permanently covered to better facilitate year round aquatics programs. The costs to update these facilities should be recovered through the user fees for the Aquatics programs.

Section 7 - Budget Process Assessment

The Budget Process Assessment is focused on three main purposes:

- Ways to review revenues and expenses throughout the year in order to create consistency among program areas.
- A budget modeling process that could be applied to all programs.
- A budget tool that enables staff to make decisions on what programs to implement and those that should not be implemented or that should be discontinued.

7.1. City Budget Process

The City's budget preparation process for fiscal year ending 2005 started in May with CIP requests and ended with the Salary Budget Detail request submissions in September. The order of budget request submissions is summarized below:

Figure 8 - Sample City Budge Schedule

Budget Tasks	Due Date
CIP requests	May 3
Proposed personnel changes	July 9
Capital equipment requests	June 4
Budget objectives	July 30
Program measurements	July 30
Current year capital equipment estimates	August 2
Expense Budget Detail request with current year estimates	August 31
Salary Budget Detail requests	September 10

The Department's current budget process is focused on budget line items which cut across many programs. A program based budget process permits the Department to evaluate the quality and effectiveness of each program while preparing the budgets for each cost center. The program approach also assures that there are sufficient resources in each line item category to provide effective and efficient programs. The program based process also provides a link between capital

expenditures and the resulting operation and maintain expenses related to facilities and capital equipment.

7.2. Proposed PRCA Budget Process

7.2.1. Budget Objectives and Program Measurements

Prior to the beginning of the City-wide budget process, the consulting team recommends that the Department establish its budget objectives and program measurements for the next fiscal year. A part of this process should begin with the evaluation of program measurements for the current and previous fiscal next years. After reviewing the program measurements, the Department should review the prior year's budget objectives and document changes to budget objectives for the future budget period.

The program managers should annually review their existing programs and any new programs to document the anticipated revenues and expenditures related to specific programs and services. A sample program evaluation form is included in the Appendix.

7.2.2. Budget Program Changes

After the program measurements and budget objectives are completed, the Department should document program changes to the prior year's budget. Program changes include adding or deleting services and programs that were not in the prior budget. Program change documentation should include:

- Personnel changes, additions, and/or deletions,
- Supplies and/or materials required,
- Capital equipment required,
- Facilities or modifications required, and
- Additions to overhead, building maintenance, and ground maintenance expenditures.
- Revenues or cost savings

A sample Program Change form with instructions is included in ***Appendix A***.

7.2.3. Budget Preparation for Programs, Activities, and Services

PROS recommend the use of the cost of service model for preparation of the Department budget at the program level. The model may be used to prepare the budget by entering the budget cost and personnel data into the cost pages of the model.

7.2.4.   Revenue Budget Preparation: Review and Update Department Fees and Charges

Through the use of the cost of service model, the Department's fee and charges may be evaluated and compared with the Department's pricing policies. The model may be used to document the service cost and resulting recovery amounts for each fee and charge.

Section 8 - RecTrac Assessment

RecTrac is a recreation tracking software application developed by Vermont Systems, Inc. The RecTrac application is a popular recreation application that is in wide use and provides a broad scope of recreation program functionality. The following paragraphs summarize our findings related to PRCA's use of the application.

8.1.   KRC Front Office

The Recreation Center front desk functions as the main source of information and primary cost center for the various operations based inside the KRC. Memberships, daily use fees, class registration, and program inquiries are all administered by the front desk personnel. The primary RecTrac reports utilized by the front desk staff are the Cash Journal, Activity Roster, and the Waiting List Report.

Upon the completion of each shift, the Cash Journal report is generated in order to reconcile and close-out the cash drawer. This report is generated three times per day.

The front desk also generates the Activity Roster. This report lists the current class roster for each program offered by the KRC. This gives each instructor the ability to track the current enrollment in the program.

The Waiting List report is the third report generated by the front desk on a regular basis. As each class fills to the maximum number of participants allowed, a waiting list is created for all those that wish to participate but are unable due to size constraints. When a position in the class becomes available, a Waiting List report is generated and the respective instructor/contractor will contact those individuals on the Waiting List report.

Additional RecTrac applications used by the Recreation Center front desk personnel include the Global Sales, Household Maintenance, and Household Inquiry options.

Global Sales is used for the creation of a new pass and for those wishing to register for a class or program. Household Maintenance allows the user to maintain customer information, while the Household Inquiry option specifies account details such as credits, balances, and event or class participation. Beginning in December of 2004, the public will be able to register for classes and programs online, and update basic information on their account.

8.2. Revenue Reporting

The City's General Accounting uses modified accrual approach which is required for General Fund accounting at the Fund level. The modified accrual approach recognizes revenues when received and reports revenues as earned if the revenues are earned within the fiscal year.

Typically, PRCA fees and charges are made in advance of the programs or services. The RecTrac system has the ability report revenue when received and when earned. From the view of the program manager, the RecTrac system is better for reporting revenues. The RecTrac revenue reports with SunGard Bi-Tech expenditure reports present a more timely view of program operations than the use of the SunGard Bi-Tech revenue reports with SunGard Bi-Tech expenditure reports. The RecTrac report: <u>Activity Fees Report</u> for programs and <u>Facilities Fees Report</u> for facilities shows revenues for the month earned.

The RecTrac application (releases RecTrac 9.5a4i and RecTrac 9.5a3p) is ODBC complaint which allows the user to copy data into Microsoft Excel. SunGard Bi-Tech includes "Click, Drag, and Drill", a Windows based report writer that includes a copy to Microsoft Excel function.

8.3. Findings and Observations

The observations of the PRCA use of the RecTrac system include:

The KRC Front Office staff effectively use the system to registration and reservations and are knowledgeable with the respect to the system functions utilized.

The PRCA key program staff are not familiar the system reporting and few are sufficiently trained to query information and develop reports.

The reports from various costs centers are inconsistent regarding information queried and format.

The Department does not have a document training program for key user and program managers to maintain and enhance system skills.

8.4. Standard RecTrac Reports by Module

Due to the vast number of reports and the many intricacies in each, a standard for RecTrac reporting was created with support from Vermont Systems, the Kettering Business Services Manager, and PROS. Reports accessible to management of the Recreation and Cultural Arts Department are now limited for each of the following modules: Activity, Pass, Point of Sale, Facility, Locker, System Admin, and Global. Below is a brief summary of each of the RecTrac reports by module in order of significance.   RecTrac sample reports and RecTrac help topics may be found in Appendix E.

8.4.1. Reports in Activity Module

Below, in order of significance, are the recommended RecTrac reports to be used for the Activity Module.

- **Activity Bottom Line Report**
    - Use This Report For:
        - How much revenue is taken in for particular class regardless of when revenue was received; will also compare prior year enrollment and revenue information
        - Current year information is most recent registration cycle, prior year is FY's cycle preceding current years cycle; rosters are sent to history at the beginning of brochure production thus becoming "prior year information" (i.e. When running the bottom line report in October 2004 for Summer Classes, current year will be previous Summer Classes, 2004; prior year will be the FY preceding current year, 2003. Summer 2004 will become prior year once brochure production begins in January of 2005)

    - RecTrac Description:
        - Activities, with enrollment counts
        - Fees charged, less discounts, plus amounts paid, less amounts refunded, less instructor pay, miscellaneous income and expense, and net income or expense, by activity

- **Activity Trial Balance**
    - Use This Report For:
        - Who owes for a particular class, and how much is owed for current class

    - RecTrac Description:
        - Balance due for each household
        - Total household balances
        - Who owes you money

- **Activity Roster**
  - Use This Report For:
    - ➢ Extreme detail – 54 possible entries, best for management purposes
    - ➢ Will show emergency contact information, birthdays, amount due, etc. by class

  - RecTrac Description:
    - ➢ Enrollee information, such as phone numbers, addresses, comments
    - ➢ Who is enrolled in an activity

- **Class Attendance Worksheet**
  - Use This Report For:
    - ➢ Instructor roster with home phone number, does not print out emergency contact information
    - ➢ Roster will print out check boxes OR enrollee signature lines, not both

  - RecTrac Description:
    - ➢ Activity roster with attendance check boxes
    - ➢ Class meeting numbers to check off
    - ➢ Enrollee signature lines

- **Activity Listing**
  - Use This Report For:
    - ➢ Snapshot of enrollment counts for a range of activities
    - ➢ Which classes have waiting lists, which are full
    - ➢ Eliminates need to run roster to determine enrollment counts for each individual class
    - ➢ Strictly a management tool

  - RecTrac Description:
    - ➢ List of activities, with enrollment counts and class status
    - ➢ Meeting times, days and dates
    - ➢ Summary activity section setup info
    - ➢ Summary list of activities, with user-defined category values

- **Waiting List Reports**
  - Use This Report For:
    - ➢ "Slots" report – shows individuals waiting to be enrolled in a particular class where openings exist (number enrolled/max number allowed/number waiting to enroll)
    - ➢ "Summary" report – lists number of individuals on waiting list for a particular class
    - ➢ "Detail" report – shows who is waiting for a particular class and contact information for that individual

  - RecTrac Description:
    - ➢ Wait list enrollees with phone numbers, by activity

- **Activity Labels and Letters**
  - Use This Report For:
    - ➢ Labels, letters, and member addresses
    - ➢ Able to send emails
    - ➢ Marketing purposes for mail-out alerts

  - RecTrac Description:
    - ➢ Export file of activity enrollees
    - ➢ Mail merge for activity enrollees
    - ➢ Mailing labels for activity enrollees
    - ➢ Report of activity enrollees with addresses

- **Activity Proof Report**
  - Use This Report For:
    - ➢ Verify class setup information including fees charged, ages, meeting dates and times, and registration enrollment dates

  - RecTrac Description:
    - ➢ Detailed activity section setup info

8.4.2. Reports in Pass Module

Below, in order of significance, are the recommended RecTrac reports to be used for the Pass Module.

- **Pass Membership Monthly Comparison Report**
  - Use This Report For:
    - ➢ Comparing monthly revenue and membership totals by pass type for current and previous year

  - RecTrac Description:
    - ➢ Monthly comparison of new and renewed pass memberships/revenue for last year and the current year

- **Pass History Analysis Report**
  - Use This Report For:
    - ➢ Passes sold (new/renewals) and canceled based on when transaction occurred
    - ➢ Revenues received for transactions

  - RecTrac Description:
    - ➢ Historical membership information broken down by pass type

- **Pass Trial Balance**
  - Use This Report For:
    - ➢ Who owes for a particular pass, and how much is owed for a particular pass

- RecTrac Description:
  - ➢ Balances due for each household
  - ➢ Total household balances
  - ➢ Total outstanding monies
  - ➢ Who owes you money

- **Pass Visit Log**
  - Use This Report For:
    - ➢ Showing visits by pass type and member for a specified date and time range

  - RecTrac Description:
    - ➢ Pass visits that took place during a specified time range for a selected set of pass types, numbers and visit purposes

- **Pass Labels and Letters**
  - Use This Report For:
    - ➢ Labels, letters, and member addresses
    - ➢ Able to send emails
    - ➢ Marketing purposes for mail-out alerts

  - RecTrac Description:
    - ➢ Export file of pass members
    - ➢ Mail merge for pass members
    - ➢ Mailing labels for pass members

8.4.3. Reports in Point of Sale Module

Below, in order of significance, are the recommended RecTrac reports to be used for the Point of Sale Module.

- **Sales History Report**
  - Use This Report For:
    - ➢ Examine items sold by tran code and specified date range

  - RecTrac Description:
    - ➢ Transaction totals by tran code

- **T/C Sequence File Sales Report**
  - Use This Report For:
    - ➢ Examine daily drop-in attendance figures and revenue received, by specific date range
    - ➢ Report on drop-in and pass visit for a specified date range
    - ➢ Revenue comparison is for drop-in only, pass attendance figures are uploaded manually, no pass revenues

  - RecTrac Description:
    - ➢ Comparison of total count of one tran code to tran code gross count

➢ Comparison of total sales of one tran code to tran code gross sales

- **Cost of Goods Sold**
  - Use This Report For:
    - ➢ Items sold, cost of goods sold, revenues received and net income by item for a specified date range

  - RecTrac Description:
    - ➢ Comparison of average cost for two selected items
    - ➢ Gross margin for a selected range of inventory items

- **Inventory Physical Count Worksheet**
  - Use This Report For:
    - ➢ Manual count reconcile to RecTrac inventoried database

  - RecTrac Description:
    - ➢ Last activity date for inventory items
    - ➢ Total inventory items on hand

- **Inventory Reorder Report**
  - Use This Report For:
    - ➢ Examines normal stock count and quantity on hand
    - ➢ Indicates reorder quantity needed to obtain normal stock count

  - RecTrac Description:
    - ➢ Comparison of quantity on hand to normal stock quantity for order evaluation

8.4.4. Reports in Facility Module

Below, in order of significance, are the recommended RecTrac reports to be used for the Facility Module.

- **Facility Schedule**
  - Use This Report For:
    - ➢ What is taking place in each facility, including rentals and classes, along with contact information for renters

  - RecTrac Description:
    - ➢ Reservation info at a facility, by date

- **Facility Attendance Schedule**
  - Use This Report For:
    - ➢ What is taking place in each facility, including rentals and classes, and space to record attendance

  - RecTrac Description:
    - ➢ Attendance and income for this year, last year and variance, by month

➢ Daily schedule of reservations with expected headcounts and space to write in actual headcounts

- **Facility Bottom Line Report**
  - Use This Report For:
    - ➢ Report on revenue received by facility and a specific date of reservation
    - ➢ Reservation date specific

  - RecTrac Description:
    - ➢ Reservation and financial statistics for each selected facility

- **Facility Trial Balance**
  - Use This Report For:
    - ➢ Outstanding balance due for reservations by renter

  - RecTrac Description:
    - ➢ Balances due for each household
    - ➢ Total household balances
    - ➢ Total outstanding monies
    - ➢ Who owes you money

- **Facility Labels and Letters**
  - Use This Report For:
    - ➢ Labels, letters, and member addresses
    - ➢ Able to send emails
    - ➢ Marketing purposes for mail-out alerts

  - RecTrac Description:
    - ➢ Export file of facility reservees
    - ➢ Mail merge for facility reservees
    - ➢ Mailing labels for facility reserves with addresses

8.4.5. Reports in Locker Module

Below, in order of significance, are the recommended RecTrac reports to be used for the Locker Module.

- **Locker Listing**
  - Use This Report For:
    - ➢ See available lockers by locker room
    - ➢ Rented lockers by locker room
    - ➢ Locker rental expiration by locker room

  - RecTrac Description:
    - ➢ All lockers
    - ➢ Available lockers
    - ➢ Expiration date has passed on lockers
    - ➢ Rented lockers

- **Locker Labels and Letters**
  - Use This Report For:
    - ➢ Labels, letters, and member addresses
    - ➢ Able to send emails
    - ➢ Marketing purposes for mail-out alerts

  - RecTrac Description:
    - ➢ Export file of locker renters
    - ➢ Mail merge for locker rentals
    - ➢ Mailing labels for locker renters
    - ➢ Report of locker renters with addresses

8.4.6. Reports in System Admin Module

Below, in order of significance, are the recommended RecTrac reports to be used for the System Admin Module.

- **Cash Journal**
  - Use This Report For:
    - ➢ End of shift balancing of cash drawer

  - RecTrac Description:
    - ➢ Cash receipts sorted by date, cash drawer or receipt number
    - ➢ Total debits and credits by payment type for date range
    - ➢ Total debit and credits for date range

8.4.7. Reports in Global Module

Below, in order of significance, are the recommended RecTrac reports to be used for the Global Module.

- **Global HH Transaction History Listing**
  - Use This Report For:
    - ➢ Statement of account activity by household

  - RecTrac Description:
    - ➢ Household balance, by module
    - ➢ Household transactions

- **Global Receipts Reprint**
  - Use This Report For:
    - ➢ Reprint receipts for members

  - RecTrac Description:
    - ➢ Reprint any past receipt , by household
    - ➢ Reprint any past receipt, by receipt number

8.5. Potential Integration

The project team evaluated the compatibility of City's financial system and the RecTrac system. Our observations are presented below:

- Limited data integration is possible with RecTrac and has been accomplished in the City of Aspen, Colorado. The City of Aspen has been able to upload data from RecTrac to their accounting system. Currently, PRCA uploads its revenue information into the SunGard Bi-Tech system.

- The RecTrac application developed by Vermont Systems, Inc. operates in Windows 98, ME, NT4.0, 2000, XP, NT 4.0, Windows 2000, Windows 2003, Linux, and most Unix environments.

- SunGard Bi-Tech applications operate in Windows 2000, UNIX database server, and Windows 2000 Advanced Server environments utilizing Informix, Oracle or MS-SQL databases. If the City is operating the two systems in a common data environment, then data sharing can be accomplished.

- The advantage to system integration for Kettering is minimal with the City's current accounting system. Currently, the lag time between the end of a reporting period and the closing of the period makes the City budget reports of little added value to the reporting available through RecTrac.

- The RecTrac application (releases RecTrac 9.5a4i and RecTrac 9.5a3p) is ODBC complaint which allows the user to copy data into Microsoft Excel. The SunGard Bi-Tech accounting application includes "Click, Drag, and Drill", a Windows based report writer that includes a copy to Microsoft Excel function. Using these functions, PRCA could create customer Excel reports to meet the needs specific to the management of the cost centers without the time or cost of integrating the applications.

8.6. Training

The key to maximize system utilization is training of users. PROS recommends that key user receive regular (annually) advanced training to maximize the use of the RecTrac system functionality and reporting. The selected key user can then train other users on basic system functionality and updates to the system. Web-based and Phone-based training is available for RecTrac through Vermont Systems, Inc. which would eliminate travel costs and minimize the PRCA staff's time away from their primary job duties.

Section 9 – Summary of Recommendations

Based on the analysis and findings presented above, PROS Consulting recommends that Kettering Parks, Recreation and Cultural Arts Department implement the following recommendations.

- Use the cost of service model as a program analysis and budget preparation tool to prepare the Department's budget and evaluate program revenues.

- Refine pricing policies based on the Department's goals and objectives.

- Use the cost of service model for indirect cost allocations.

- Use the cost of service model to review the cost of service of each program revenue.

- Use the cost of service model for updating fees and charges based on program analysis and pricing policies.

- Increase RecTrac training for users.

- Implement email marketing strategy by program based on user database in RecTrac.

- Implement the process and printing of Activity Fee and Facility Fee reports for all operations.

- Use standardized RecTrac reports as identified by Vermont Systems and PROS.

APPENDIX

A - Program Change Request Form

B - Program Evaluation Form

C - Cost-of-Service Schedules

D – Allocation of Costs

E – Sample RecTrac Reports and Help

A - Program Change Request Form

PROGRAM CHANGE REQUEST

Budget Year _____

Program

Cost Center

Manager

Organization Number

Salaries and Benefits

Obj #	Position Title	# Requested	Estimated Cost
		Total	

Supplies

Obj #	Object Title		Total

Maintenance

Obj #	Object Title		Total

Other Charges

Obj #	Object Title		Total

Capital

Obj #	Object Title		Total

Revenues

Obj #	Revenues or Cost Reductions		Total

Net Cost of Program Change

Justification

Indicator Changes

pros consulting LLC

B - Program Evaluation Form

Activity Based Costing Form

City of Kettering, Parks, Recreation and Cultural Arts

Program Name				Cost Center	
Preparer Name		Year		Expenditure Quarter	1 2 3 4

Type of Service:			
Prime / Non-Prime Time	Age Segment	Concession	Incentive Discounts
Season / Off-Season	Differential Pricing	Contractor	Resident / Non-Resident
Location Pricing	Capital Recovery	Partnership	

Expenditures: Only incorporate those costs associated with the program and include direct and indirect costs.

I. Salaries	Actual $
Bi-weekly salaries	
Part-time Year-round	
Seasonal	
Overtime Straight	
Overtime Premium	
PERF (full-time/part-time .08)	
FICA (.765)	
In-house Maintenance Charges (Maintenance Budget)	
Total	$

II. Supplies	Actual $
Janitorial Supplies	
Safety Supplies	
Fist Aid Supplies	
Concession Food	
Concession Ice	
Other Concession - Retail	
Stationary Supplies	
Copy Machine Supplies	
Other Office Supplies	
Printing Paper	
Other Printing	
Arts & Crafts Supplies	
Sports Supplies	
Pool Supplies	
Reference Materials	
Training Equipment	

II. Supplies (continued)	Actual $
Other Equipment (under $5000)	
Training Materials	
Uniforms	
Other Supplies	
In-house Maintenance Supplies (Maintenance Budgets)	
Total	$

III. Other Services and Charges -	Actual $
Postage	
Long Distance Service	
Local Telephone Service	
Mileage Local (.375 city vehicles)	
Mileage Travel (.375)	
Electric Yearly ÷ sq. ft. of building	
Gas ÷ sq. ft. of building	
Water ÷ sq. ft. of building	
Sewer ÷ sq. ft. of building	
Staff Conference Fees	
Advertising	
Other Equip. Repair	
Rent Building Space	
Copy Machine Rental	
Telephone Pagers	

Activity Based Costing Form
City of Kettering, Parks, Recreation and Cultural Arts

III. Other Services/Charges (continued)	Actual $
Newspapers	
Magazines	
Arts Grants	
Special Financial Assist.	
Membership Dues	
Contracted Entertainment	
Pest Control	
Security Services	
Other Services/Charges	
In-house Maintenance Equip. (Maintenance Budget)	
Total	$

IV. Equipment	Actual $
Copy Machines	
File Cabinets	
Other Office Equip.	
Office Chairs	
Desks/Amortized over 10 years	
Tables/Amortized over 8 years	
Other Office Furniture	
Total	$

Expenditures Summary	Actual $
Total/ Expenditures	
Add Indirect Cost - ____%Total Expenditures	
Grand Total	$

Estimated Program Revenue - Means of Financing the Program

I. Participation Fees		Total $
Cost per Person		
Min # Users	x User Fee	
Max # Users	x User Fee	

II. League Fees		
Cost per team		
Min # Teams	x User Fee	
Max # Teams	x User Fee	
III. Resales (Concession/Resale Items)		
Minimum Revenue		
Maximum Revenue		
IV. Facility Rental Fees		
Min Rev.	x # Users	
Max Rev.	x # Users	

V. Admission Fees				
	Fee$	# Users	x User Fee	
Youth				
Adult				
Senior				
Group				
Spec. Event				
Misc.				

VI. Sponsorship/Donations		
Total		

Financial Summary	Minimum	Maximum
Estimated Revenue		
Actual Expenditure		
Estimated Carry Over (tax support)		
% of Tax Support		= Expenditure

Key Measurement Examples:
Cost per Class
Cost per Program
Cost per Person
Revenue to Experience
Subsidy Level Met
Cost per Team
Cost Per Player
Cost Per Day
Program User Retention

C - Cost-of-Service Schedules

D – Allocation of Costs

E – Sample RecTrac Reports and Help