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Cost of Service

Parks and Recreation Department



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Cost of Service Methodology

The **Cost of Service methodology** identifies the full cost of delivering services by collecting and allocating direct and indirect expenses, including salaries, materials, and overhead, to specific programs or facilities. Using tools like the Pyramid Model, it categorizes services by community or individual benefit, guiding cost recovery targets. This approach ensures financial transparency, aligns spending with priorities, and supports data-driven budgeting.



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Overhead Costs

Overhead costs represent expenses incurred by the Recreation Performance Fund that are not covered under direct or marketing expenditures. These costs are shared across various programs and services and typically include:

- **Non-Departmental Charges:** General administrative and operational expenses that apply across multiple services.
- **Free Events:** Costs associated with community events that do not generate revenue, such as public festivals or outreach programs.
- **PLAY Street:** Shared costs for maintaining and organizing activities related to PLAY Street initiatives.
- Other shared program and services expenditures that support the overall functioning of the Recreation Department.



Indirect Cost

Indirect costs are shared expenses that are necessary for providing programs or services but cannot be directly attributed to a single activity. These costs are typically associated with General Fund personnel (fixed and variable) and are spread across multiple programs and services. This ensures that essential support functions like management, administration, and facility maintenance are accounted for in the overall cost of service.

■ **Examples of Indirect Costs:**

- Personnel involved in supporting various activities at the Recreation Center, such as:
 - **Seasonal Staff:** Contributing 20% of their time to Programs, 60% to Rentals, and 20% to Memberships.
 - **Service Attendants:** Contributing 5% of their time to Programs, 10% to Rentals, for a total of 15% indirect cost.
 - **Recreation Supervisors:** Allocating 15% of their time to Programs, 5% to Events, 10% to Rentals, and 10% to Memberships, totaling 40% in indirect costs.
 - **Recreation Specialists:** Allocating 10% of their time to Programs, 4% to Events, and 6% to Memberships, totaling **20% in indirect costs**.



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Support Services

Support Service Costs are not included in the program-specific financial analysis as they represent general costs (both fixed and variable) that are not directly attributed to any one service, program, or category such as Direct, Indirect, or Overhead costs. These costs typically exist regardless of a specific program being offered and are essential for the overall functioning of the facility and department. Often, they are categorized under **Support Services** and include:

▪ **Facilities and Spaces:**

- The portion of full-time, part-time, and essential seasonal staff (percentage directly related to facility operation) and corresponding benefits.
- Utilities for the facility, such as water, electricity, and solid waste management.
- Contractual services for the facility, like janitorial services and pest control.
- Facility-specific licensing agreements.
- Uniforms for facility staff and staff keys.
- Non-consumable equipment for the facility (requiring periodic replacement) or necessary for operations, such as capital replacement items.
- Building alarm monitoring.
- Safety equipment and supplies (e.g., fire extinguishers, AEDs, first aid kits).
- Other facility-related costs.



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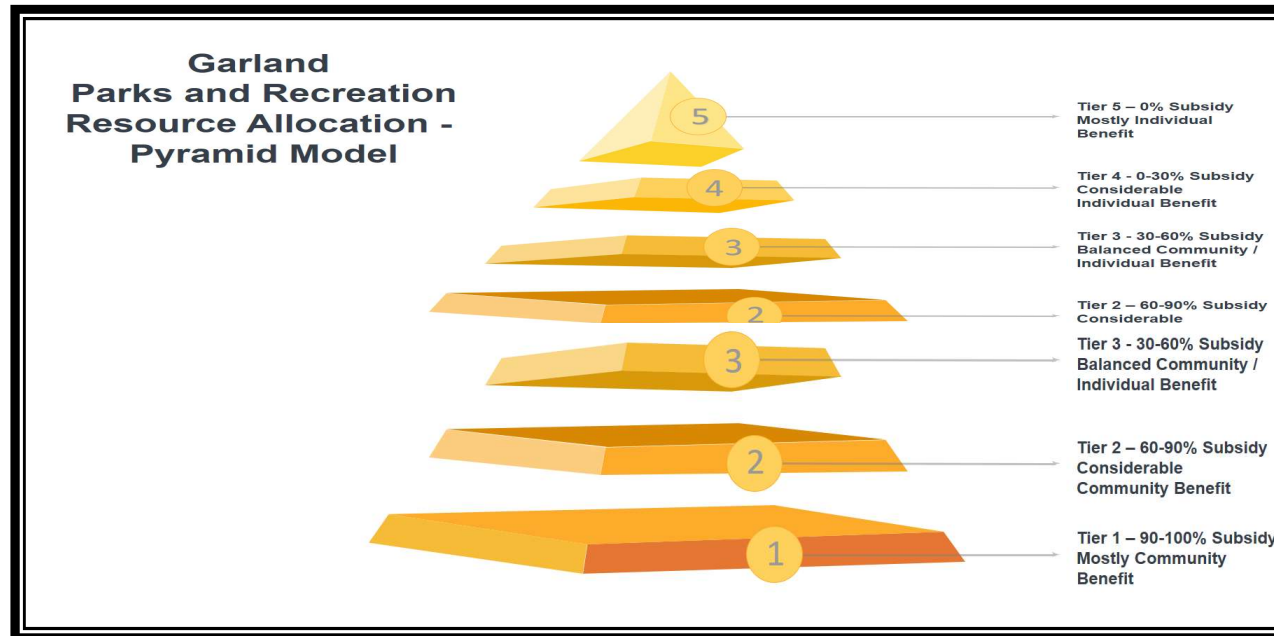
Administration

- **Personnel Services:** Full-time, part-time, and seasonal employees who primarily perform administrative duties for the department, including Directors, Managers, Planners, Business Managers, Administrative Assistants, and Park Development Staff.
- Professional memberships and training (e.g., TRAPS, NRPA, CPRP) and related travel expenses.
- Required training (e.g., CPR, First Aid, defensive driving).
- Office furniture and equipment maintenance (e.g., copier maintenance agreements).
- Consumable office supplies (e.g., paper, toner, cleaning supplies).
- Various other appropriated costs associated with department-wide operations.



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Pyramid Model



The Pyramid Model is a framework used to allocate resources and determine the level of subsidy for programs and services based on the balance between community and individual benefit. Each tier of the pyramid reflects a different level of public good versus private benefit, influencing how much financial support (subsidy) the program should receive from the community or through user fees.



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Tier 1 – 90-100% Subsidy

Tier 1 – 90-100% Subsidy (Mostly Community Benefit)

Programs or services in Tier 1 provide **mostly community benefit**. These are typically core services that are essential for public welfare, health, and safety. They are highly subsidized because they serve the common good and provide widespread benefits.

- **Free Community Special Events**
- **Garland Senior Activity Center** – Free Special Events
- **Carver Senior Center** – Free Special Events
- **Carver Senior Center** – Carver Classes
- **Non-Profit Programs** – Summer Nutrition Program
- **Non-Profit Programs** – PLAYStreets
- **Athletics Partner** – Buddy League
- **Tennis Pro Contract** – Classes, Private Lessons, Tournaments & Court Rentals



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Tier 2 – 60-90% Subsidy (Considerable Community Benefit)

Programs in Tier 2 offer a **considerable community benefit**, but also provide some individual advantages. These services still focus on collective benefits, though some elements might cater to individual participants.

- **Community Special Events**
- **Center Events** – Audubon
- **Center Events** – Bradfield
- **Center Events** – Fields
- **Center Events** – Granger
- **Center Events** – Holfrod
- **Center Events** – Hollabaugh
- **Adapted Recreation** – TR Classes
- **Adapted Recreation** – TR Events
- **Adapted Recreation** – TR Trips
- **Scholarship/Grant Camps & Afterschool Programs** – STARS Day Camp
- **Scholarship/Grant Camps & Afterschool Programs** – Fields Afterschool Program
- **Athletics Preferred Provider** (Coordinated Organizations) – Little League, Basketball, Cheer/Football, Soccer, Softball & Track
- **Aquatics Bradfield Pool Admissions** – Bradfield Over 4 Ft Public Swim
- **Aquatics Bradfield Pool Admissions** – Bradfield Under 4 Ft Public Swim



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Tier 3 – 30-60% Subsidy (Balanced Community/Individual Benefit)

Programs in Tier 3 offer a **balanced community and individual benefit**. These services are partially subsidized, with costs being shared between the community and individual participants.

- **Camps/Afterschool Programs** – Fee-Based Camps
- **Aquatics** – Swim Lessons
- **Memberships** – Youth ID Membership
- **Memberships** – Adult ID Card
- **Memberships** – Fitness Membership
- **Memberships** – Senior Fitness General Membership



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Tier 4 – 0-30% Subsidy (Considerable Individual Benefit)

Programs in Tier 4 offer **considerable individual benefit**, but they also contribute to broader community outcomes. Subsidies are lower because the program primarily serves individual needs but has some community value.

- **Athletics Tournament Provider** – %
- **Recreation Center Events** – Fee-Based Community Events
- **Recreation Center Classes** – Audubon Recreation Center
- **Recreation Center Classes** – Bradfield Recreation Center
- **Recreation Center Classes** – Fields Recreation Center
- **Recreation Center Classes** – Granger Recreation Center
- **Recreation Center Classes** – Holford Recreation Center
- **Recreation Center Classes** – Hollabaugh Recreation Center
- **Recreation Leagues** – Youth Basketball Leagues
- **Recreation Leagues** – Men’s Basketball Leagues
- **Recreation Leagues** – Women’s Basketball Leagues
- **Youth Specialty Camps/Programs** – Specialty Camps
- **Senior Trips** – Senior Outings
- **Senior Trips** – Day Trips
- **Senior Trips** – Extended Trips



Tier 5 – 0% Subsidy (Mostly Individual Benefit)

Programs or services in Tier 5 provide **mostly individual benefit**. These services are fully fee-based, with no public subsidy, as they cater directly to individual participants and are considered non-essential for public welfare.

- **Ball Field Rentals** – Sports Field Rentals (Cody, Crossman 1 & 2, Cullom, Lou Huff)
- **Facility Rentals** – Bradfield Pool After Hours
- **Facility Rentals** – Recreation Center Reservations
- **Facility Rentals** – Garland Senior Resident Reservations
- **Facility Rentals** – Pavilion Rentals
- **Private/Semi-Private Lessons** – Personal Training
- **Private/Semi-Private Lessons** – Fitness 101
- **Vending/Concessions/Merchandise for Resale** – Bradfield Pool Concessions
- **Vending/Concessions/Merchandise for Resale** – Recreation Center Merchandise
- **Specialized Classes/Overnight Trips** – Senior Trips



Program Analysis Summary

Program Analysis Summary												
Location	Audubon Recreation Center			Indirect Cost:	\$ -	Subsidy Level	0%					
Fiscal Year	2024/25			Total Direct Expense	\$ -	Total Marketing	\$ -					
Tab #	Program Name	Tier	Overhead (Dept) Expense Allocat	Total of All Expenses	Total Revenue	Marketing	Net Revenue	Subsidy Level	Target Subsidy	Low	High	Meets Target
Tab 1	Program 1	Tier 5 - Facility Ren	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 2	Program 2	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 3	Program 3	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 4	Program 4	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 5	Program 5	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 6	Program 6	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 7	Program 7	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 8	Program 8	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 9	Program 9	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 10	Program 10	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 11	Program 11	-- Select Tier --	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A
Tab 12	Program 12	Select Tier	\$ -	\$ -	\$ -	\$ -	\$ -	0%	#N/A	#N/A	#N/A	#N/A



Recreation Program Worksheet

Recreation Program Worksheet

Clear Sheet

Facility	Audubon Recreation Center	Tier:	Tier 5 - Facility Rentals - Recreation Center Reservations	Total Net Revenue	\$ -	% of Subsidy	Yes
Program Name	Program 1	Tier Target	#N/A	Direct Expenditures	\$ -	Total Expenses (Direct, Indirect and Overhead Expense)	\$ -

Revenue										
Revenue Code	Description of Fee	Min # of Registrants	Max # of Registrants	# of Registrants Proposed	Program Fee (Based on Activity)	# of Hours per Sessions	# of Sessions	Gross Revenue based on # of Registrants Budgeted	Marketing Deduction (2%)	Net Revenue
								\$ -	\$ -	\$ -
								\$ -		
								\$ -		
								\$ -		
						0	0	\$ -	\$ -	\$ -

Revenue Code	Monetary - Sponsorship or Donations Description	Total Received	Description	In-Kind Contributions (Value)
Total Program Revenue:				\$ -

