

City of Alexandria, Virginia

# Resource Allocation & Cost Recovery Policy

Park & Recreation Commission  
September 26, 2024

Recreation, Parks and Cultural Activities



# Real Estate Collapse Impact



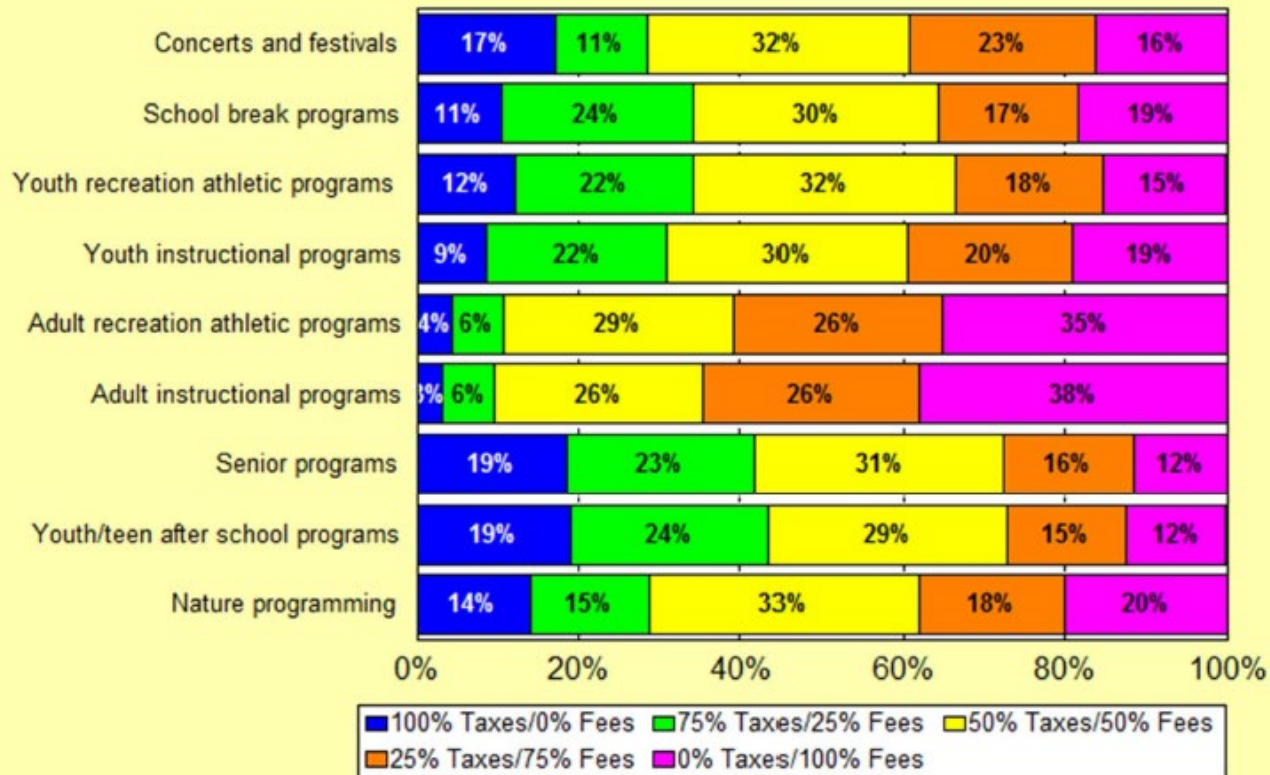
- FY09 mid-year reductions - \$357,438
- FY10 - \$1,103,685 reductions to Recreation Services
- Charles Barrett, NJ Lee, and Durant – 7 day a week centers to only after school or on demand programs
- Reduction in weekend and evening hours at other centers

# RPCA Needs Assessment (2011)



## Q10. Percentage of Activity/Program Direct Costs That Should Be Paid Through Taxes and Fees

by percentage of respondents

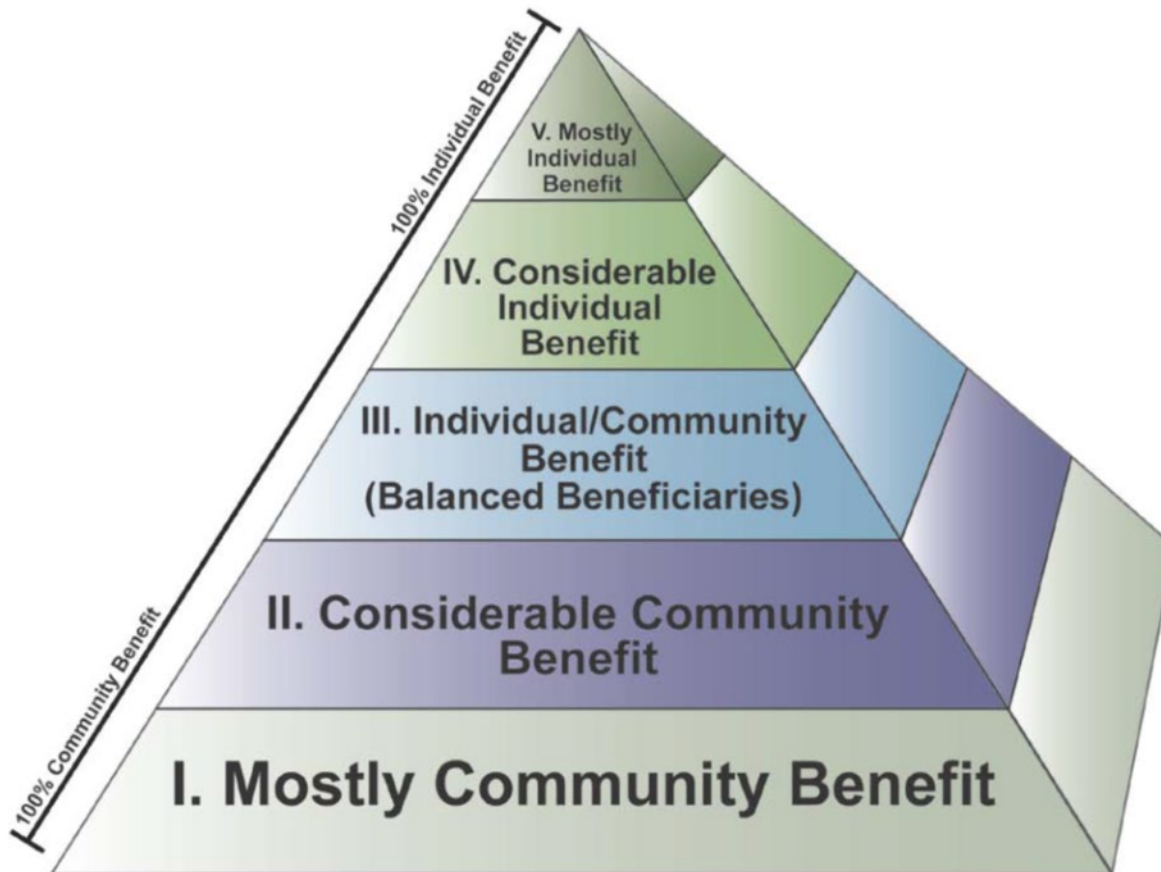


# Resource Allocation Study and Public Process



- In 2012, RPCA used best practice research from GreenPlay LLC to engage the community in the development of a resource allocation and cost recovery model specific to Alexandria.
- City Council adopted this model in September 2013.

# Resource Allocation Pyramid Methodology



Where do we allocate resources?

What do we subsidize with tax dollars?

What services are supported by user fees?

# Resource Allocation Filters



Filter	Definition
Benefit	Who receives the benefit of the service?
Access/Type of Service	Is the service available to everyone equally? Is participation eligibility restricted by factors (i.e., age, ability, skill, financial)?
Organizational Responsibility	Is it the organization's responsibility or obligation to provide the service based on mission or mandate?
Historical Expectations	What have we always done that we cannot change?
Anticipated Impacts	What is the anticipated impact of the service on existing resources, on other users, on the environment? What is the impact of not providing the service?
Social Value	What is the perceived social value of the service by constituents, leadership and policy makers? Does it build community?

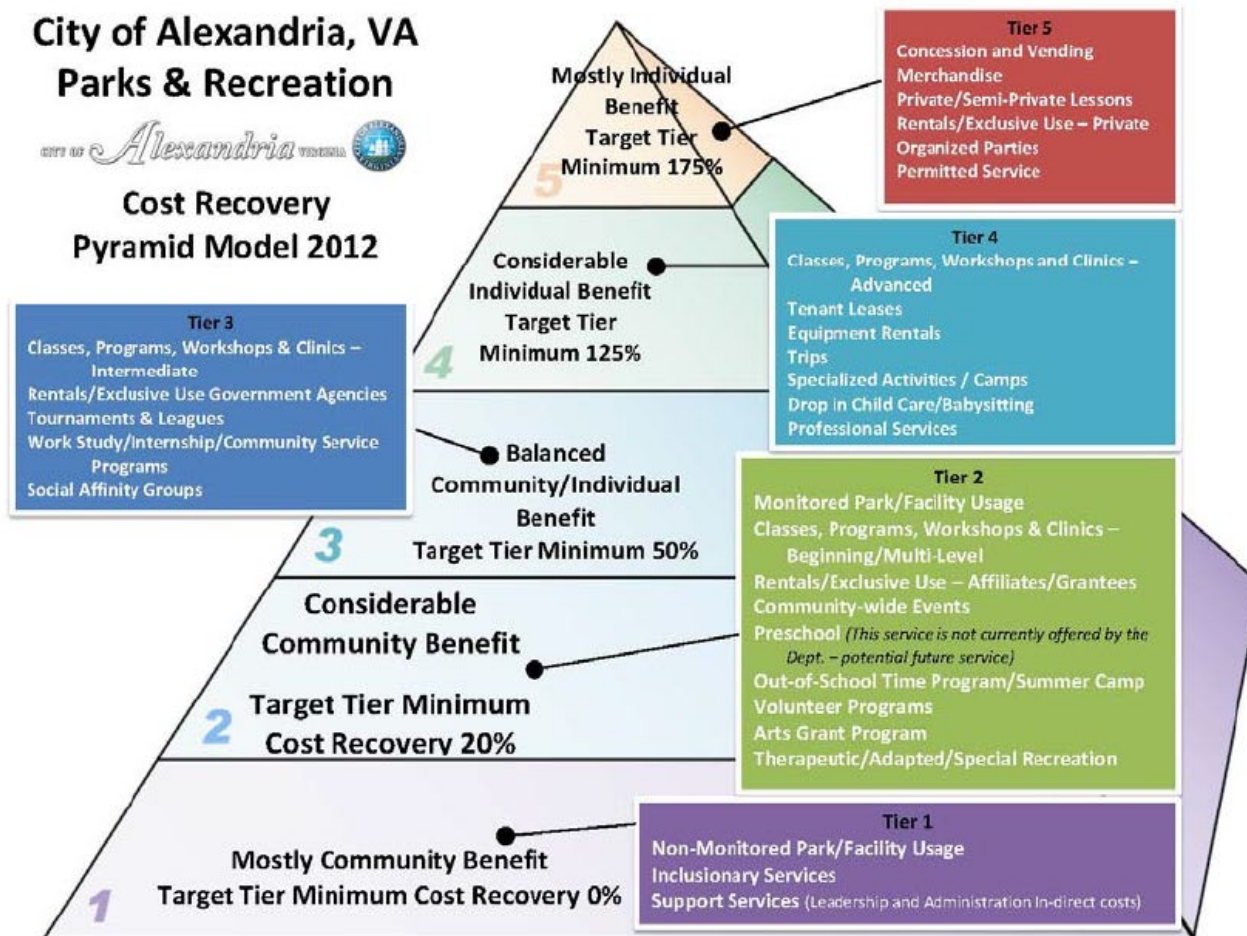
# 2013 Resource Allocation Model



## City of Alexandria, VA Parks & Recreation



### Cost Recovery Pyramid Model 2012





# 2018 Resource Allocation Update



- Review of the policy in late fall 2018, including participation from over 150 community members and the Park & Recreation Commission
- Adopted by City Council in June 2019.





# Resource Allocation 2019 Changes



## Services that moved from Tier 2 to Tier 3:

- Out of School Time programs
- Therapeutic recreation
- Beginner/multi-level classes and programs (removed intermediate level)
- Rentals/exclusive use for affiliates or grantees

## Service that moved from Tier 4 to Tier 5:

- Tenant leases for profit and equipment rentals

## Categories added in 2019:

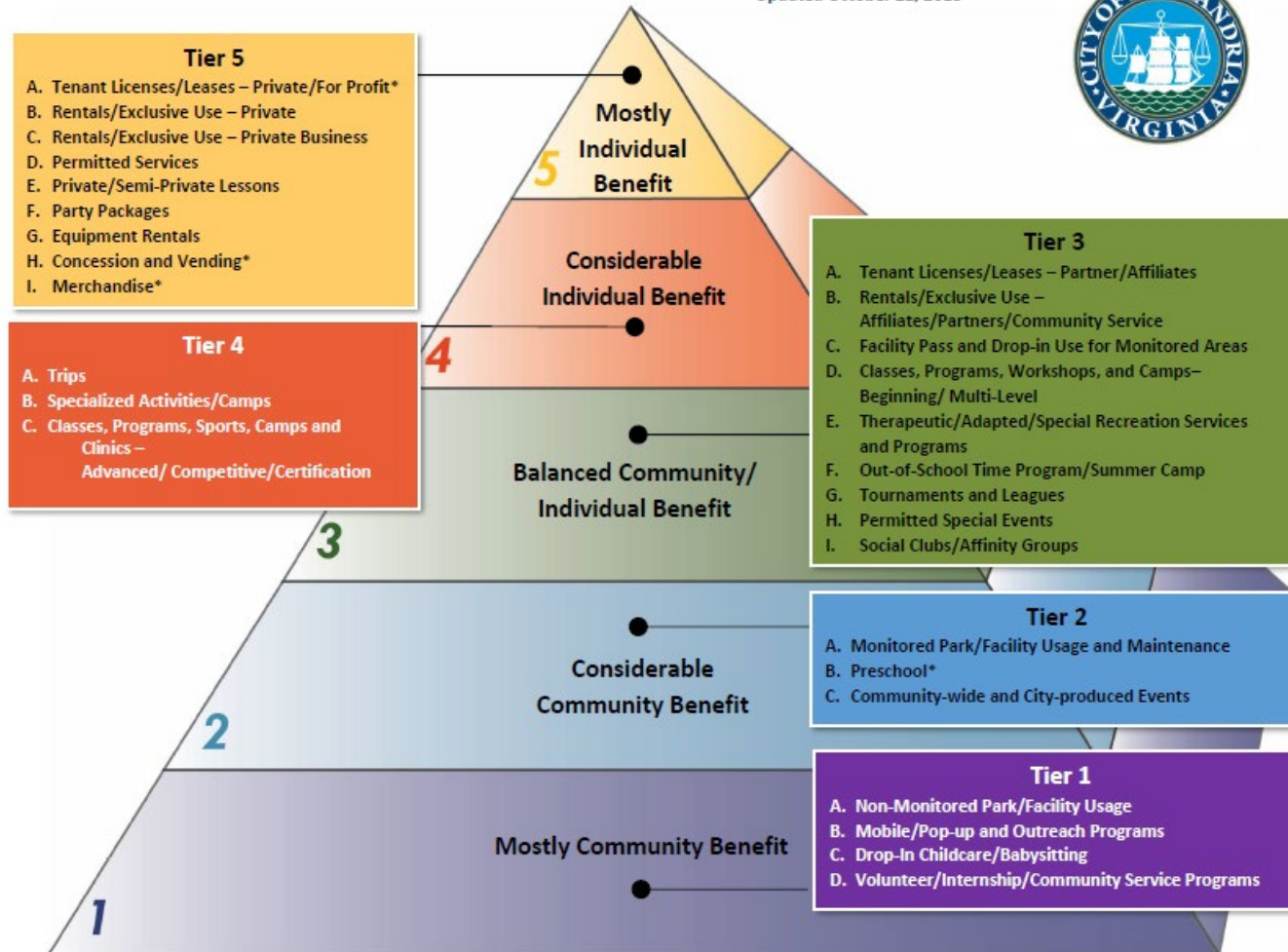
- New mobile/pop-up and outreach
- New facility pass and drop-in use of monitored areas
- New tenant licenses/leases for partner/affiliates

# 2019 Resource Allocation Model



## Pyramid Model – Resource Allocation Methodology

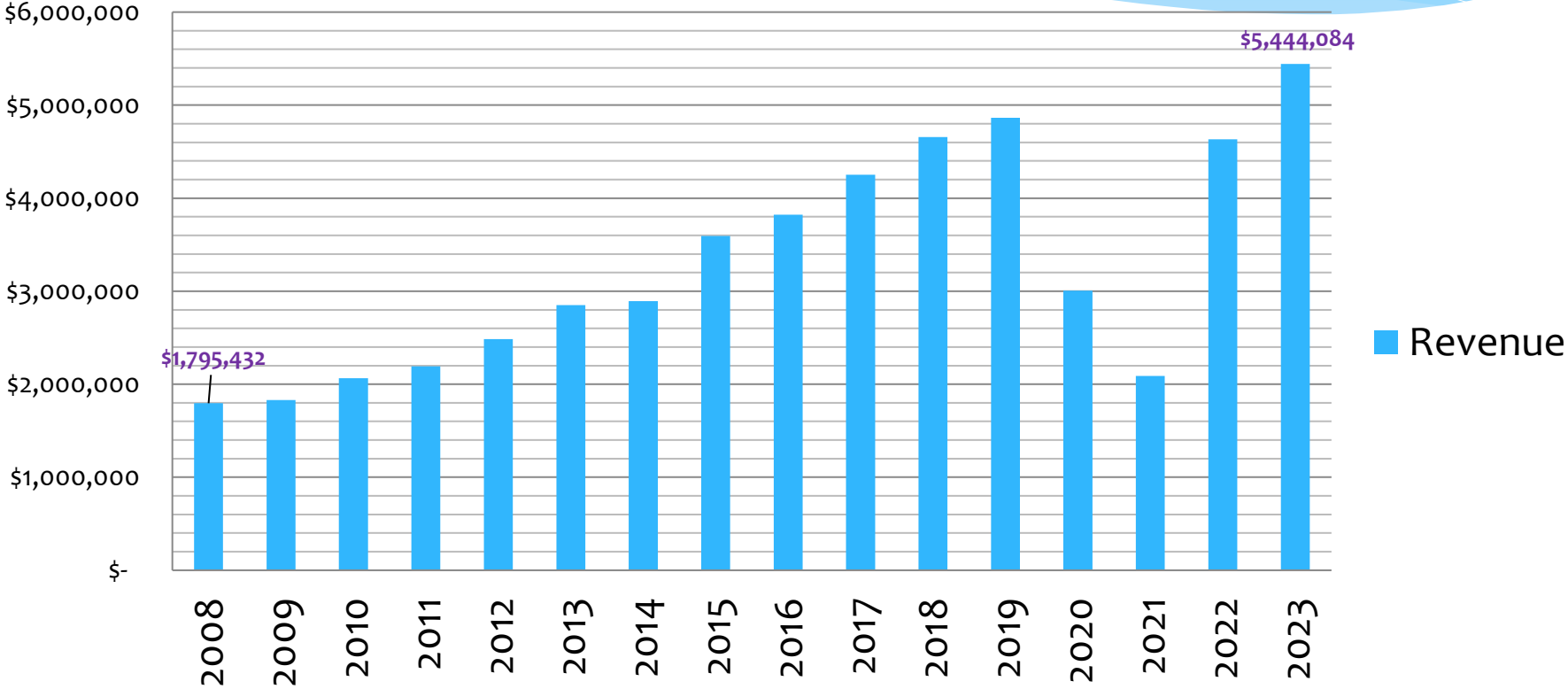
Updated October 22, 2018



\*Categories not currently in use, but may be considered in the future

# Recreation Move to Revenue Support

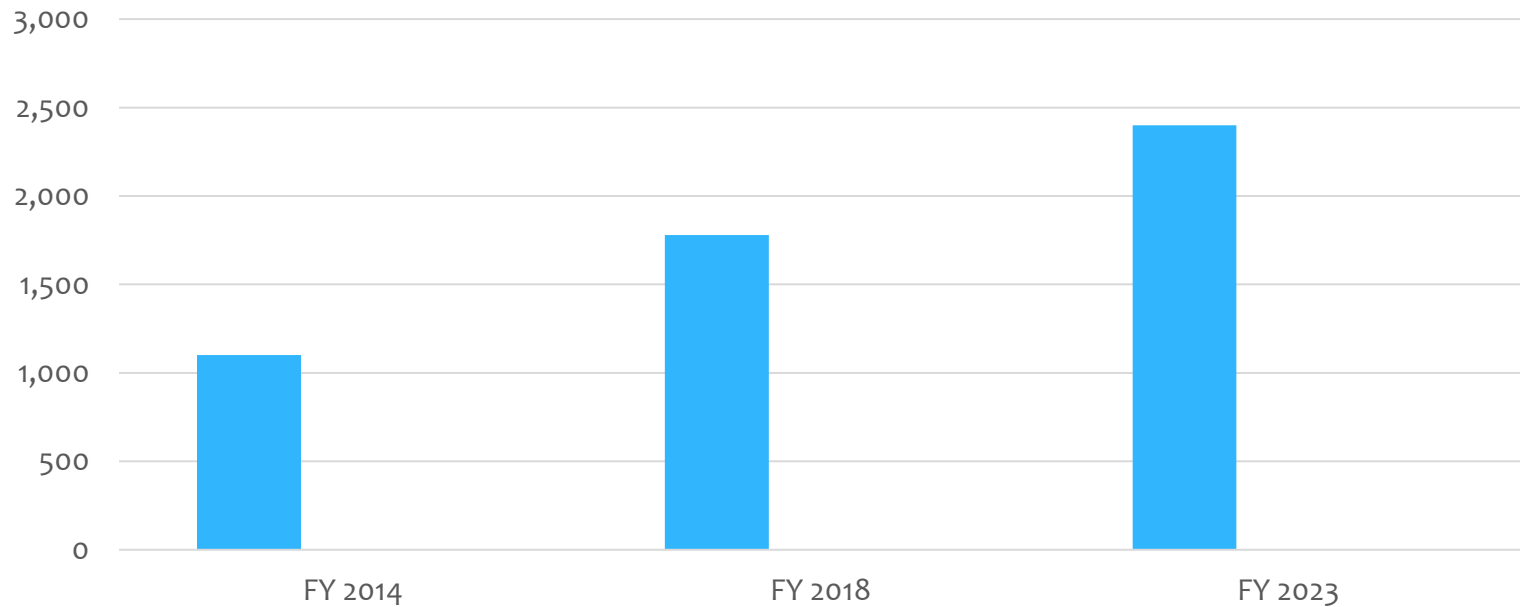
(Earned Revenue)



# Number of Programs Offered



Program Growth



# Resource Allocation Policy Benefits



- Provides structured, fair and consistent framework for resource allocation, setting fees, and cost recovery.
- Aligns community needs with services and available resources.
- Guides short- and long-term goals and implementation strategies.
- Facilitates increased agility in decision-making.

# Resource Allocation & Financial Assistance Policies



RPCA sets fees and charges for Tiers 2-5 in relation to:

- Departmental goals
- Equity
- Market conditions
- Benchmarking
- Demand
- Cost recovery targets
- Industry trends



A Financial Assistance Policy allows for maximum resident participation

Services for populations with the fewest alternatives (youth, limited income, senior adults, and families) may be more heavily supported by grants, donations, or property taxes vs. user fees



# Resource Allocation & Financial Assistance Policies



- The Resource Allocation and Cost Recovery Policy supports RPCA's effort to reduce the department's net impact on the City's General Fund, while maximizing benefits to the community.
- The Financial Assistance Policy, adopted concurrently, allows any resident to request assistance to provide equitable access to fee-based programs.

# Resource Allocation & Financial Assistance Policies



Attachment 2



Recreation, Parks and Cultural Activities

Financial Policies and Procedures

## RESOURCE ALLOCATION AND COST RECOVERY

Approved by City Council xxx

Draft Date	6/11/2019
Approval Date	7/01/2019
Director Initials	JBS
Primary Contact	RPCA Director

### Summary

As a publicly financed park system, the City of Alexandria Department of Recreation, Parks & Cultural Activities (RPCA) provides basic services funded by tax dollars, but free to use by the public. Cost recovery, including fees, charges and other methods to recover costs, are considered a responsible and necessary means to supplement tax revenue and provide a greater level of services that benefit the community. To that end, the department sets fees and charges in relation to these goals, market conditions, benchmarking, demand, cost recovery targets, and industry trends. A financial assistance policy and process was also developed to allow for maximum resident participation in City Programs and to ensure that no one has a financial barrier to participation.

### Resource Allocation & Cost Recovery Policy

RPCA offers services that are funded through a combination of user fees, taxes, grants, and donations. Fees and charges shall be assessed in an equitable manner in accordance with the following fee and charge assessment schedule. Through a special initiative, services that provide recreational opportunities for populations with the fewest recreational alternatives (youth, limited income, senior adults, and families) may be more heavily supported by grants, donations, or property taxes than user fees to ensure that the population is well served by Recreation, Parks and Cultural Activities programs. Percentages shall be considered as guidelines; however, special circumstances, the nature and cost of each program, and persons to be served should be taken into consideration.

### Process

- The Recreation, Parks and Cultural Activities shall conduct an annual comprehensive review of cost recovery targets.
- Programs will be sorted and assigned a cost recovery tier using the Pyramid Methodology on a biennial basis.
- A Fee Structure/Rate review will be done annually to determine viability of programs.
- Programs plans are developed and approved with fees set within the tier cost recovery target minimum.
- The Department's Fiscal Year fee schedule will be included each year as part of the annual budget submittal and will include non-market rate services.

### City of Alexandria's Resource Allocation & Cost Recovery Model

The following model represents all categories of services currently provided or those which may be provided in the future by the Department. The model is based upon: the degree of benefit to the community (Tier 1 services are at the low end of the pyramid and provide Mostly Community Benefit) or (Tier 5 services are at the top of the pyramid and provide Mostly Individual Benefit); the values of the Alexandria community; and the vision and mission of the Department of Recreation, Parks and Cultural Activities. This model and policy form the basis for setting fees and charges for services provided by the Department.



Recreation, Parks and Cultural Activities

Financial Policies and Procedures

## Financial Assistance

Approved by City Council XXXX

Draft Date	6/11/2019
Approval Date	7/01/2019
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### Section 1 – RPCA Sponsored Programs

#### Summary

The department encourages resident participation in City programs. A financial assistance policy and process is developed to allow for maximum resident participation in City programs.

#### Eligibility

All City residents who meet qualifications are eligible. All City programs on Tiers 1-4 of the Resource Allocation and Cost Recovery Policy are eligible for financial assistance

**Policy** Financial assistance may be granted according to the following schedule:

- 40% reduction for households where a child receives free or reduced lunch at an Alexandria City School.
- 50% reduction for households where a child receives free or reduced lunch and the family receives nutrition assistance (SNAP).
- 70% reduction for households where a child receives free or reduced lunch and also receives Temporary Assistance for Needy Families (TANF), or where they reside in a City of Alexandria temporary shelter.
- Resident seniors (60 years old and above) may request a 20% discount on each program.
- Adults without children who have proof of receiving SNAP, Medicaid, or receive housing assistance may be granted a 30% fee reduction.
- Any resident may request assistance outside of the parameters listed above; if approved, the level of assistance is determined based on the application.
- Specific programs, including those with a longer time commitment, may provide financial assistance levels greater than those described above; information will be included with registration materials.

#### Procedures:

- Resident completes the application and submits the accompanying documentation to the Recreation Program Manager/Center Director. Applications must be accompanied by written documentation.
- Recreation Program Manager/Center Director reviews and verifies documentation.
- Recreation Program Managers/Center Directors may approve and sign the application as the Department Director Designee.
- Any financial assistance requested that differs from the stated policy, or without documentation, must be approved by a Division Chief.

# PRC Feedback and Discussion



- Review the 2019 Categories of Service Definitions on pages 3-5.
- Take a few minutes to indicate which tier each category best fits on page 2.
- What questions do you have?
- What are we missing or what should we add?
- Who are the community stakeholders you can help get involved in the process?

# Next Steps



- Community Engagement to Update to Resource Allocation and Cost Recovery Policy
  - Community sorting meetings, sorting survey, stakeholder sorting meetings
- Recommend Updates to the Fee Assistance Policy
- Recommend Updates Sports Affiliate Policy

# Questions

# Level 1 – Mostly Community Benefit - Foundational



- ✓ **Services are perceived to benefit the community as a whole.**
- ✓ Services are available and accessible to all community members based upon diversity factors such as age, skill/ability and/or personal financial condition.
- ✓ The agency is held responsible for and plays a significant role in the provision of the service based upon mission, legal mandate, or other obligation or requirement.
- ✓ Tradition has influenced the agency's role as expected provider.
- ✓ It is expected that the agency will provide the service regardless of anticipated impact on existing resources, the environment, and/or to other users.
- ✓ The anticipated impacts of not providing the service are significant to the community.
- ✓ There is substantial social value (community building) in the provision of the service as viewed by constituents, agency staff, leadership; and policy makers.



# Level 2 – Considerable Community Benefit



- ✓ **Services are perceived to benefit primarily the community and an individual to a lesser degree.**
- ✓ Services are available and accessible to a majority of the community or to those who have no other options based upon diversity factors such as age, skill/ability and/or personal financial condition.
- ✓ The agency is likely to be held responsible for playing a significant role in the provision of the service based upon mission, legal mandate, or other obligation or requirement.
- ✓ Tradition may have influenced the agency's role as expected provider.
- ✓ The anticipated impact of the service on existing resources, the environment, and/or to other users is accepted.
- ✓ The anticipated impacts of not providing the service are significant to the community to a greater extent than the individual.
- ✓ There is a high degree of social value (community building) in the provision of the activity and/or service as viewed by constituents, agency staff, leadership, and policy makers.

# Level 3 – Individual/Community Benefit



- ✓ **Services are perceived to equally benefit both the individual and the community.**
- ✓ Services are available and accessible to most community members based upon diversity factors such as age, skill/ability and/or personal financial condition.
- ✓ The agency may be held responsible for playing a role in the provision of the service based upon mission, legal mandate, or other obligation or requirement.
- ✓ The agency may be expected to provide the service but it is not required to do so.
- ✓ The anticipated impact of the service on existing resources, the environment, and/or to other users is evident and can be qualified and quantified.
- ✓ The anticipated impact of not providing the service is moderate for both the community and the individual.
- ✓ There is social value (community building) in the provision of the service as viewed by constituents, agency staff, leadership, and policy makers.

# Level 4 – Considerable Individual Benefit



- ✓ **Services are perceived to benefit primarily the individual.**
- ✓ Services are available and accessible to fewer community members based upon diversity factors such as age, skill/ability (pre-requisite for participating) and/or personal financial condition.
- ✓ The agency is not held responsible for playing a role in the provision of the service based upon mission, legal mandate, or other obligation or requirement.
- ✓ The agency may be expected to provide the service but it is not required.
- ✓ The anticipated impact of the service on existing resources, the environment, and/or to other users is evident and can be qualified and quantified,
- ✓ There is a lesser degree of social value (community building) in the provision of the service as viewed by constituents, agency staff, leadership, and policy makers.



# Level 5 – Mostly Individual Benefit

- ✓ **Services are perceived to mostly, if not solely, benefit the individual.**
- ✓ Services are available and accessible to a small segment of the community based upon diversity factors such as age, skill/ability (pre-requisite for participating or competitive versus recreational) and/or personal financial condition.
- ✓ The agency is not responsible for providing the service based upon mission, legal mandate, or other obligation or requirement.
- ✓ The agency may be expected to provide the service but it may be questioned.
- ✓ The anticipated impact of the service on existing resources, the environment, and/or to other users is evident and can be qualified and quantified.
- ✓ There is a limited degree of social value (community building) in the provision of the service as viewed by constituents, agency staff, leadership, and policy makers.

# Staffing Model



- Seasonal Employment
  - 2008 # of seasonal staff totaled 63
  - 2023 # of seasonal staff totaled 335
- Seasonals are 67% of staff members in RPCA
- FTE Employment Recreation Services
  - 2008 # of recreation FTE totaled 86.8
  - 2024 # of recreation FTE totaled 71.09

# Key Indicators



- Total # of households registered – 46,315
- % of households active in past year – 54%
- Recreation Services cost recovery – 44%
- % of households receiving financial aid – 47%
- % of OSTP sites at physical capacity – 80%
- % of participants rated recreation program good or excellent – 90%