



Peninsula Metropolitan Park District

PO Box 425 – Gig Harbor, WA 98335
253-858-3400 – info@penmetparks.org
www.penmetparks.org

REGULAR MEETING AGENDA

April 18, 2023, 6:00 PM

Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

Call to Order

Commissioner Roll Call:

	Present	Excused	Comment
Steve Nixon, President			
Maryellen (Missy) Hill, Clerk			
Amanda Babich			
Kurt Grimmer			
Laurel Kingsbury			

ITEM 1 President's Report

ITEM 2 Executive Director's Report

ITEM 3 Special Presentations: None

ITEM 4 Board Committee Reports

4a. Park Services Committee

4b. Finance Committee

4c. Administrative Services Committee

4d. Recreation Services Committee

4e. Campaign Committee

4f. External Committees

ITEM 5 Public Comments:

This is the time set aside for the public to provide their comments to the Board on matters related to PenMet Parks. Each person may speak up to three (3) minutes, but only once during the citizen comment period. Anyone who provides public comment must comply with Policy P10-106 providing for the Rules of Decorum for Board Meetings. A copy of the policy is available at each meeting and at www.penmetparks.org

ITEM 6 Minutes

6a. [Approval of the April 4, 2023 Study Session Minutes](#)

6b. [Approval of the April 4, 2023 Regular Meeting Minutes](#)

ITEM 7 Consent Agenda: None

ITEM 8 Unfinished Business



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- 8a. [Resolution RR2023-003: Adopting the Fox Island Fishing Pier Accessible Ramp and Handrail Improvement Project Budget \(Second Reading\)](#)
- 8b. [Resolution RR2023-004 Adopting the Tubby's Dog Park Upgrades Project Budget \(Second Reading\)](#)
- 8c. [Resolution RR2023-005: Adopting the Narrows Beach Road Pavement Preservation Project Budget \(Second Reading\)](#)
- 8d. [Resolution RR2023-006: Adopting the Community Recreation Center Mini Golf Course Improvement Project Budget \(Second Reading\)](#)

ITEM 9 New Business

- 9.1 Purchasing Resolutions Requiring One Reading for Adoption: None
- 9.2 Single Reading Resolutions Requiring One Reading for Adoption: None
- 9.3 [Two Reading Resolutions Requiring Two Readings for Adoption:](#)
 - 9.3a [Resolution RR2023-007: Adopting the Fees and Services Assessment Study \(First Reading\)](#)

ITEM 10 Comments by Board

ITEM 11 Next Board Meetings

April 28, 2023 Board Retreat Site Tour and April 29, 2023 Board Retreat.

May 2, 2023 Study Session at 5:00 pm and Regular Meeting at 6:00 pm at the Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

ITEM 12 Adjournment

BOARD OF PARK COMMISSIONERS MEETING PROCEDURES

The Board of Park Commissioners encourages the public to attend its Board meetings. All persons who attend Board meetings must comply with Board Policy P10-106 providing for the Rules of Decorum at Board Meetings. This Policy is to preserve order and decorum and discourage conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of Board meetings. A copy of the policy is available at each meeting and at www.penmetparks.org.



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STUDY SESSION MINUTES

April 04, 2023, 5:00 PM

Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

Call to Order Time: 5:01 PM

Commissioner Roll Call:

	Present	Excused	Comment
Steve Nixon, President	x		
Maryellen (Missy) Hill, Clerk		x	
Amanda Babich		x	
Kurt Grimmer	x		
Laurel Kingsbury	x		

Quorum, Yes

ITEM 1 Board Discussion

1a. Fees & Services Assessment Study PowerPoint Presentation by Teresa Jackson, BerryDunn

Board Comment: Discussed study language and sponsorships and clarified the freedom of language about sponsorships. Well done, appreciate the depth of data and projections.

Board Question: What is the experience of programs in the tiers?

BerryDunn Answer: Based on annual reviews. **Board Question:** What difficulty did you have quantifying resident vs non-resident? **BerryDunn Answer:** The team was very helpful and provided actual counts. Modifications to software will be needed to identify in-district vs. out-of-district.

Staff: Pleased we did this work, headed in the right direction to support how we move forward.

ITEM 2 Adjournment Time: 5:37 PM

BOARD OF PARK COMMISSIONERS MEETING PROCEDURES

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Approved By the Board on _____

Steve Nixon, Board President

Maryellen “Missy” Hill, Board Clerk

Attest: Ally Bujacich

Submitted by: Robyn Readwin, Board Secretary



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REGULAR MEETING MINUTES

April 04, 2023, 6:00 PM

Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

Call to Order Time: 6:00 PM

Commissioner Roll Call:

	Present	Excused	Comment
Steve Nixon, President	x		
Maryellen (Missy) Hill, Clerk	x		
Amanda Babich		x	
Kurt Grimmer	x		
Laurel Kingsbury	x		

Quorum, Yes

ITEM 1 President's Report

- Participated in capital campaign updates with Commissioner Grimmer and Commissioner Kingsbury.
- Phone Meeting with Kelly Busey of Colvos Heights Owners Association
- 2 meetings for Senior Programs
- CRC Tours

ITEM 2 Executive Director's Report

- PROS Plan webpage has more info on upcoming PROS Plan public input opportunities:
 - Wednesday 4/5/2023 at Arletta Schoolhouse, 5:30 - 7:00 pm
 - Thursday 4/6/2023 at Sehmel Sehmel Homestead Park, 9:00 - 10:30 am
 - Thursday 4/6/2023 at Arletta Schoolhouse, 5:30 - 7:00 pm
- Spring Egg Hunt is 4/8/2023 at Sehmel Homestead Park, 10:00 am – 2:00 pm.
 - There are still some openings in the low sensory hour
 - Have made room for walk-ins
 - Crafts, food for sale, collecting donations for Fish Foodbank with our partner Kiwanis.

ITEM 3 Special Presentations

3a. February 2023 Financial Report

PowerPoint Presentation by Director of Finance and IT Stephanie Buhman
Board Question: Scholarship follow-up questions. **Staff:** May will be the first quarterly report out on the updated Scholarship Program.



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ITEM 4 Board Committee Reports

4a. Park Services Committee

- DeMolay request for qualification interview
- PROS engagement week April 5-8
- DeMolay project budget approval

4b. Finance Committee – Has not met since last meeting.

4c. Administrative Services Committee

- Marketing update and overview of the timeline
- Update on hiring, the rollout of the new Employee Handbook, and supervisor's training.
- Upcoming event-Field and Court Users Summit is set for March 29 at 5pm.

4d. Recreation Services Committee

- Teresa Jackson, BerryDunn preview of Study Session
- Positive Baseball registration
- Spring Egg Hunt
- Family Dances

4e. Campaign Committee – Has not met since last meeting.

4f. External Committees - None

ITEM 5 Public Comment was provided by:

- Bill Sehmel

ITEM 6 Minutes

6a. Approval of the March 21, 2023 Study Session Minutes

6b. Approval of the March 21, 2023 Regular Meeting Minutes

Commissioner moved;
 Commissioner seconded;
 Roll call vote. Approved Unanimously. Motion Carried.

ITEM 7 Consent Agenda

7a. Resolution C2023-005: Approval of March Vouchers

Commissioner moved to adopt the consent agenda as presented;
 Commissioner seconded;
 Roll call vote. Approved Unanimously. Motion Carried.

ITEM 8 Unfinished Business: None

ITEM 9 New Business



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9.1 Purchasing Resolutions Requiring One Reading for Adoption: None

9.2 Single Reading Resolutions Requiring One Reading for Adoption: None

9.3 Two Reading Resolutions Requiring Two Readings for Adoption:

9.3a Resolution RR2023-003 Adopting the Project Budget for the Fox Island Fishing Pier Accessible Ramp and Handrail Improvement Project (First Reading)

Commissioner moved;
 Commissioner seconded;
 Memo overview provided by Park Services Director, Denis Ryan
 Board discussion. None
 Second Reading will be at the April 18, 2023 Regular Meeting.

9.3b Resolution RR2023-004 Adopting the Project Budget for the Tubby's Trail Dog Park Upgrades Project (First Reading)

Commissioner moved;
 Commissioner seconded;
 Memo overview provided by Park Services Director, Denis Ryan
 Board discussion. What are the upgrades? Staff Answer: Upgrade the fence with a top rail, black cyclone vinyl coated. Wood fibar and beautification, maybe an arbor.
 Second Reading will be at the April 18, 2023 Regular Meeting.

9.3c Resolution RR2023-005 Adopting the Project Budget for the Narrows Beach Access Road Pavement Preservation Project (First Reading)

Commissioner moved;
 Commissioner seconded;
 Memo overview provided by Park Services Director, Denis Ryan
 Noted, total project budget is \$285,000.
 Board discussion. None
 Second Reading will be at the April 18, 2023 Regular Meeting.

9.3d Resolution RR2023-006 Adopting the Project Budget for the Community Recreation Center Mini Golf Course Improvement Project (First Reading)

Commissioner so moved;
 Commissioner seconded.
 Memo overview provided by Park Services Director, Denis Ryan
 Board comment: On CRC Tours, when we indicate that the mini golf is included, people are excited. It will be a big deal when it is up and running.



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Second Reading will be at the April 18, 2023 Regular Meeting.

ITEM 10 Comments by Board

Thanks to everybody for showing up tonight.

ITEM 11 Next Board Meetings

Please note, there will be NO April 18, 2023 Study Session.

The Regular Meeting will begin at 6:00 pm at the Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

ITEM 12 Adjournment Time: 6:39 PM

BOARD OF PARK COMMISSIONERS MEETING PROCEDURES

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Approved By the Board on _____

Steve Nixon, Board President

Maryellen "Missy" Hill, Board Clerk

Attest: Ally Bujacich

Submitted by: Robyn Readwin, Board Secretary



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

Through: Ally Bujacich, Executive Director

From: Denis Ryan, Director of Park Services

Date: April 18, 2023

Subject: **Second Reading of Resolution RR2023-003 Adopting the Project Budget for the Fox Island Fishing Pier Accessible Ramp and Handrail Improvement Project**

Background/Analysis

During the 2023 Capital Improvement Plan development, the Fox Island Fishing Pier Asphalt Pathway and Handrail was identified as priority number four replacing existing structures with an ADA compliant walkway and railing system. The project budget contemplates addressing improving accessibility and usability for the District.

The Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Fox Island Fishing Pier Accessible Ramp and Handrail Improvement Project.

Funding

Funding to support this project is allocated in the adopted 2023 capital budget in the amount of \$275,400.00.

Project Budget Summary	
2023 Capital Improvement Plan allocation	\$275,400.00
Total project budget	\$275,400.00

Policy Implications/Support

1. The Fox Island Fishing Pier Master Plan, Accessible Ramp and Handrail Improvement Project is supported by the following 2023 goals and objectives:



- Effectively manage and maintain our assets to preserve existing infrastructure and provide parks and recreation opportunities for our community.
2. The Board passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Fox Island Fishing Pier Accessible Ramp and Handrail Project.

Staff Recommendation

Staff recommends the Board pass Resolution RR2023-003 approving the project budget for Fox Island Fishing, Accessible Ramp and Handrail Project in the amount of \$275,400.00 at its second reading on April 18, 2023.

Committee Recommendation

This action was reviewed by the Park Services Committee at its March 28, 2023, meeting with a recommendation to bring this action to the full Board for its approval.

Staff Contact

If you have any questions or comments, please contact Denis Ryan, Director of Parks Services at (253) 649-5254 or via e-mail at dryan@penmetparks.org.

Attachments:

Exhibit A: Resolution RR2023-003



Peninsula Metropolitan Park District

RESOLUTION RR2023-003

ADOPTING THE FOX ISLAND FISHING PIER ACCESSIBLE RAMP AND HANDRAIL IMPROVEMENT PROJECT BUDGET

WHEREAS, the Board of Park Commissioners evaluated District-wide capital improvement needs; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan (CIP); and

WHEREAS, the Fox Island Fishing Pier, Accessible Ramp and Handrail Improvement was ranked at priority four in the 2023 CIP; and

WHEREAS, the scope of the project generally includes replacing aged systems and ADA accessibility upgrades; and

WHEREAS, PenMet Parks analyzed the estimated project costs required to complete the project to meet the community needs and estimated that the total project budget necessary to complete the project scope is \$275,400.00

NOW THEREFORE BE IT

RESOLVED, the Fox Island Fishing Pier Accessible Ramp and Handrail Improvement Project, total project budget is \$275,400.00.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on April 18, 2023.

Steve Nixon, Board President

Maryellen "Missy" Hill, Board Clerk

Attest: Ally Bujacich



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

Through: Ally Bujacich, Executive Director

From: Denis Ryan, Director of Park Services

Date: April 18, 2023

Subject: **Second Reading of Resolution RR2023-004 Adopting the Project Budget for the Tubby’s Trail Dog Park Upgrades Project**

Background/Analysis

During the 2023 Capital Improvement Plan development, upgrades for Tubby’s Trail Dog Park was identified as a District priority. The project budget contemplates providing surfacing at the off-leash dog area, improvements to the off-leash enclosure fence, and landscape upgrades to improve the user experience.

The Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Tubby’s Trail Dog Park Upgrade Project.

Funding

Funding to support this project is allocated in the adopted 2023 capital budget in the amount of \$118,000.00.

Project Budget Summary	
2023 Capital Improvement Plan allocation	\$118,000.00
Total project budget	\$118,000.00

Policy Implications/Support

1. The Tubby’s Trail Dog Park Upgrades Project is supported by the following 2023 goals and objectives:



- Effectively manage and maintain our assets to preserve existing infrastructure and provide parks and recreation opportunities for our community.
2. The Board passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Tubby's Trail Dog Park Upgrades Project.

Staff Recommendation

Staff recommends the Board pass Resolution RR2023-004 approving the project budget for Tubby's Trail Dog Park Upgrades Project in the amount of \$118,000.00 at its second reading on April 18, 2023.

Committee Recommendation

This action was reviewed by the Park Services Committee at its March 28, 2023, meeting with a recommendation to bring this action to the full Board for its approval.

Staff Contact

If you have any questions or comments, please contact Denis Ryan, Director of Parks Services at (253) 649-5254 or via e-mail at dryan@penmetparks.org.

Attachments:

Exhibit A: Resolution RR2023-004



Peninsula Metropolitan Park District

RESOLUTION RR2023-004

ADOPTING THE TUBBY’S DOG PARK UPGRADES PROJECT BUDGET

WHEREAS, the Board of Park Commissioners evaluated District-wide capital improvement needs; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan (CIP); and

WHEREAS, the Tubby’s Trail Dog Park Upgrades Project was ranked at priority five in the 2023 CIP; and

WHEREAS, the scope of the project generally includes surfacing, fencing, and other improvements to enhance the user experience; and

WHEREAS, PenMet Parks analyzed the estimated project costs required to complete the project to meet the community needs and estimated that the total project budget necessary to complete the project scope is \$118,00.00.

NOW THEREFORE BE IT

RESOLVED, the Tubby’s Trail Dog Park Upgrades Project total project budget is \$118,000.00.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on April 18, 2023.

Steve Nixon, Board President

Maryellen “Missy” Hill, Board Clerk

Attest: Ally Bujacich



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

Through: Ally Bujacich, Executive Director

From: Denis Ryan, Director of Park Services

Date: April 18, 2023

Subject: **Second Reading of Resolution RR2023-005 Adopting the Project Budget for the Narrows Beach Access Road Pavement Preservation Project**

Background/Analysis

During the 2023 Capital Improvement Plan development, the Narrows Beach, Access Road Pavement Preservation Project was identified as a District priority. The project budget contemplates addressing drainage issues, repairing the guardrail as needed, and repaving the access road.

The Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Narrows Beach, Access Road Pavement Preservation Project.

Funding

Funding to support this project is allocated in the adopted 2023 capital budget in the amount of \$285,000.00.

Project Budget Summary	
2023 Capital Improvement Plan allocation	\$285,000.00
Total project budget	\$285,000.00

Policy Implications/Support

1. The Narrows Beach, Access Road Pavement Preservation Project is supported by the following 2023 goals and objectives:



- Effectively manage and maintain our assets to preserve existing infrastructure and provide parks and recreation opportunities for our community.
2. The Board passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Narrows Beach Master Plan, Repair and Repave Access project.

Staff Recommendation

Staff recommends the Board pass Resolution RR2023-005 approving the project budget for the Narrows Beach, Access Road Pavement Preservation Project in the amount of \$285,000.00 at its second reading on April 18, 2023.

Committee Recommendation

This action was reviewed by the Park Services Committee at its March 28, 2023, meeting with a recommendation to bring this action to the full Board for its approval.

Staff Contact

If you have any questions or comments, please contact Denis Ryan, Director of Park Services at (253) 649-5254 or via e-mail at dryan@penmetparks.org.

Attachments:

Exhibit A: Resolution RR2023-005



Peninsula Metropolitan Park District

RESOLUTION RR2023-005

ADOPTING THE NARROWS BEACH ACCESS ROAD PAVEMENT PRESERVATION PROJECT BUDGET

WHEREAS, the Board of Park Commissioners evaluated District-wide capital improvement needs; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan (CIP); and

WHEREAS, the Narrows Beach, Access Road Pavement Preservation Project was ranked at priority seven in the 2023 CIP; and

WHEREAS, the scope of the project generally includes addressing drainage issues, repairing the guardrail, and repaving the access road; and

WHEREAS, PenMet Parks analyzed the estimated project costs required to complete the project to meet the community needs and estimated that the total project budget necessary to complete the project scope is \$285,000.00

NOW THEREFORE BE IT

RESOLVED, the Narrows Beach Access Road Pavement Preservation Project budget is \$285,000.00.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on April 18, 2023.

Steve Nixon, Board President

Maryellen "Missy" Hill, Board Clerk

Attest: Ally Bujacich



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

Through: Ally Bujacich, Executive Director

From: Denis Ryan, Director of Park Services

Date: April 18, 2023

Subject: **Second Reading of Resolution RR2023-006 Adopting the Project Budget for the Community Recreation Center Mini Golf Course Improvement Project**

Background/Analysis

During the 2023 Capital Improvement Plan development, improving the Community Recreation Center Mini Golf Course was identified as a District priority. The project budget contemplates moderate improvements to mini golf course to elevate the user experience. The District will seek community input to guide improvements to the course. Significant changes to the design of the course may be limited by the available project budget.

The Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Community Recreation Center Mini Golf Course Improvement Project.

Funding

Funding to support this project is allocated in the adopted 2023 capital budget in the amount of \$80,000.00.

Project Budget Summary	
2023 Capital Improvement Plan allocation	\$80,000.00
Total project budget	\$80,000.00



Policy Implications/Support

1. The Community Recreation Center Mini Golf Course Improvement Project is supported by the following 2023 goals and objectives:
 - Effectively manage and maintain our assets to preserve existing infrastructure and provide parks and recreation opportunities for our community.
2. The Board passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan, which allocated funding for the Community Recreation Center Mini Golf Course Improvement Project.

Staff Recommendation

Staff recommends the Board pass Resolution RR2023-006 approving the project budget for Community Recreation Center Mini Golf Course Improvement Project in the amount of \$80,000.00 at its second reading on April 18, 2023.

Committee Recommendation

This action was reviewed by the Park Services Committee at its March 28, 2023, meeting with a recommendation to bring this action to the full Board for its approval.

Staff Contact

If you have any questions or comments, please contact Denis Ryan, Director of Park Services at (253) 649-5254 or via e-mail at dryan@penmetparks.org.

Attachments:

Exhibit A: Resolution RR2023-006



Peninsula Metropolitan Park District

RESOLUTION RR2023-006

ADOPTING THE COMMUNITY RECREATION CENTER MINI GOLF COURSE IMPROVEMENT PROJECT BUDGET

WHEREAS, the Board of Park Commissioners evaluated District-wide capital improvement needs; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2022-011 adopting the 2023 Annual Capital Budget and Capital Improvement Plan (CIP); and

WHEREAS, the Community Recreation Center Mini Golf Course Improvement Project was ranked at priority nine in the 2023 CIP; and

WHEREAS, the scope of the project generally includes improvements to mini golf course to elevate the user experience; and

WHEREAS, PenMet Parks analyzed the estimated project costs required to complete the project to meet the community needs and estimated that the total project budget necessary to complete the project scope is \$80,000.00

NOW THEREFORE BE IT

RESOLVED, Community Recreation Center Mini Golf Course Improvement Project total project budget is \$80,000.00.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on April 18, 2023.

Steve Nixon, Board President

Maryellen "Missy" Hill, Board Clerk

Attest: Ally Bujacich



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

Through: Ally Bujacich, Executive Director

From: Tracy Gallaway, Director of Recreation Services

Date: April 18, 2023

Subject: **Resolution RR2023-007 Adopting the Fees And Services Assessment Study (First Reading)**

Background/Analysis

The Board of Park Commissioners passed Resolution R2021-016 adopting the outcomes of the June 19, 2021, Board Retreat, including identifying a number of goals and objectives for 2022. The adopted goals include elevating programs that advance the mission, align with policy, benefit the District, and foster effective operations; and strategically delivering recreation programs that respond to community need and align with strategic goals. The adopted 2022 and 2023 operating budgets allocate funds to develop a comprehensive program plan to advance those goals.

To continually improve and develop its services and overall organizational effectiveness, the District retained BerryDunn to conduct a Fee and Services Assessment (Study). The process included a review and assessment of services, programs, and facilities; categorization of District services based upon the level of community versus individual benefit; a comparable agency review, a market study; and consideration of service provision strategies. This process and its outcomes maximize the effectiveness of the District, assuming a framework for future planning, programming, budgeting, pricing, and resource allocation.

This major undertaking is built on community values and mission-based service, and provides a foundational philosophy, policies, and best practice model that will live on in the organization. Its intent is to be flexible and responsive to changing conditions, allowing the District to allocate its resources consistently and provide valuable information for decision-making and setting priorities for improvements to the system.

This assessment provides the necessary tools for future decision-making while allowing the District to be responsive to changing needs and demographics. Most importantly, it



links strategic and tactical intents to overall goals and desired outcomes through an easily understood and implementable measurable approach.

Staff Recommendation

Staff recommends the Board pass Resolution RR2023-007 adopting Peninsula Metropolitan Parks District's Fees & Services Assessment at its second reading on May 2, 2023.

Policy Implications/Support

1. The Board passed Resolution R2021-016 adopting the outcomes of the June 19, 2021, Board Retreat, including identifying elevating programs and strategically delivering recreation programs as goals for the District.
2. The District has adopted the annual operating budgets for 2022 and 2023 with funding allocated to create a comprehensive program plan.
3. The Fees & Services Assessment Study was presented to the Recreation Services Committee on March 30, 2023, and to the Board at the April 4, 2023, study session.

Staff Contact

If you have any questions or comments, please contact Tracy Gallaway at (253) 858-3400 or via e-mail at tgallaway@penmetparks.org.

Attachments

Exhibit A: Resolution RR2023-007



Peninsula Metropolitan Park District

RESOLUTION NO. RR2023-007

ADOPTING THE FEES AND SERVICES ASSESSMENT STUDY

WHEREAS, the Peninsula Metropolitan Park District (PenMet Parks) was formed in 2004 by a vote of the people and is authorized to deliver parks and recreation services under RCW 35.61; and

WHEREAS, the Board of Park Commissioners adopted goals include elevating programs that advance the mission, align with policy, benefit the District, and foster effective operations and strategically delivering recreation programs that respond to community need and align with strategic goals; and

WHEREAS, it is the policy of the PenMet Parks District Board of Park Commissioners that the District employ balanced and fair revenue policies to provide sufficient funding for desired programs; and

WHEREAS, PenMet Parks retained BerryDunn to conduct a recreational services assessment to help affirm and or establish a procedural foundation by which to operate, a cost recovery philosophy, and fees and services plan; and

WHEREAS, during the recreation assessment process the District sought and received input from the community, Board, and staff, to develop a fees and services plan; and

WHEREAS, the study provides staff with policy change suggestions and actionable implementation steps;

NOW THEREFORE BE IT

RESOLVED, by the Board of Park Commissioners that PenMet Parks accepts the Fees and Services Assessment Study attached as Exhibit A.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on May 2, 2023.

Steve Nixon, Board President

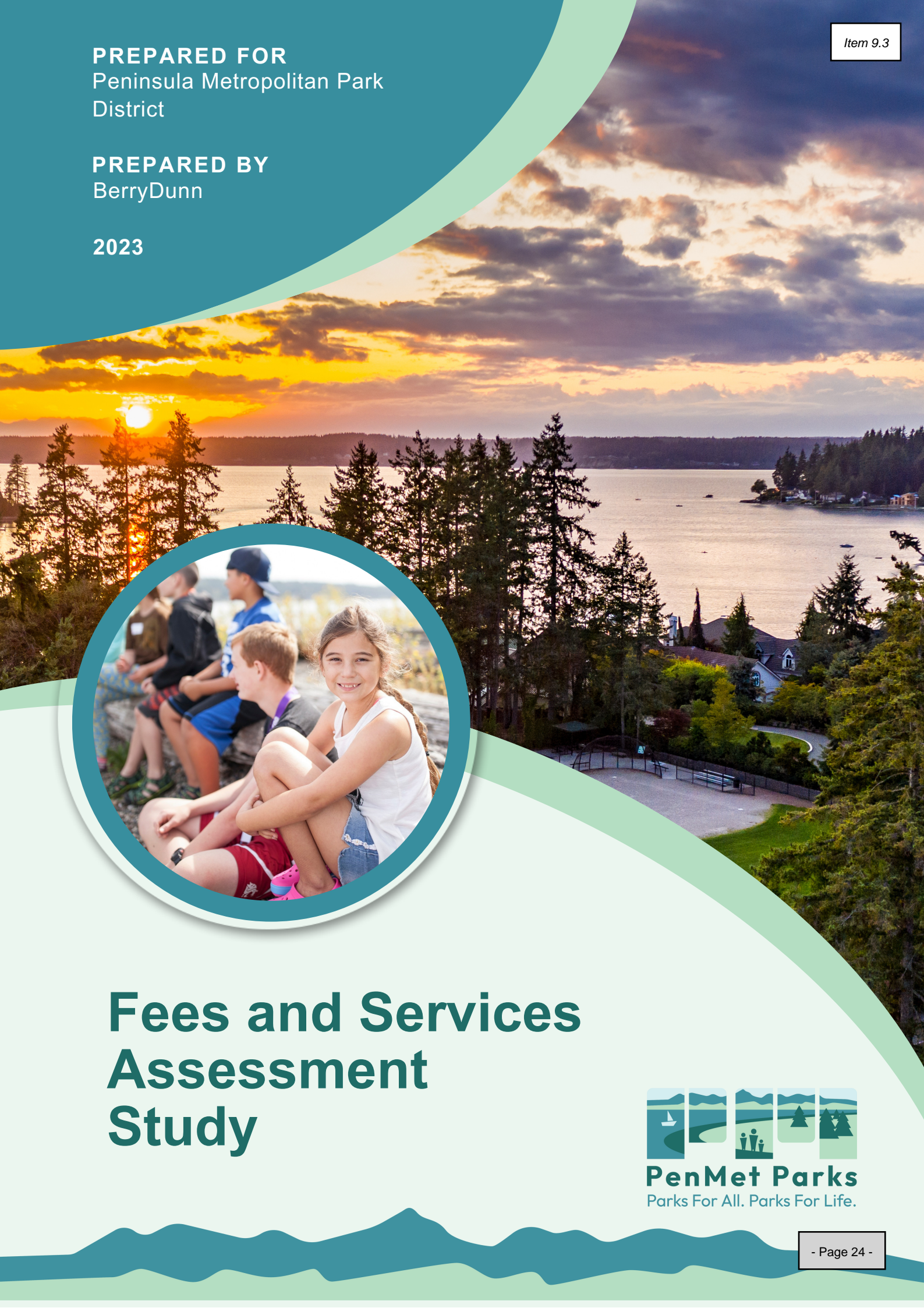
Maryellen "Missy" Hill, Board Clerk

Attest: Ally Bujacich

PREPARED FOR
Peninsula Metropolitan Park
District

PREPARED BY
BerryDunn

2023



Fees and Services Assessment Study



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I.0 Introduction

In an effort to continually improve and develop its services and overall organizational effectiveness, the Peninsula Metropolitan Park District (PenMet Parks) retained BerryDunn to conduct a Fee and Services Assessment (Study). The process included a review and assessment of services, programs, and facilities; categorization of District services based upon the level of community versus individual benefit; a comparable agency review, a market study; and consideration of service provision strategies. This process and its outcomes will maximize the effectiveness of the District, assuring a framework for future planning, programming, budgeting, pricing, and resource allocation.

1.1 Purpose of the Plan

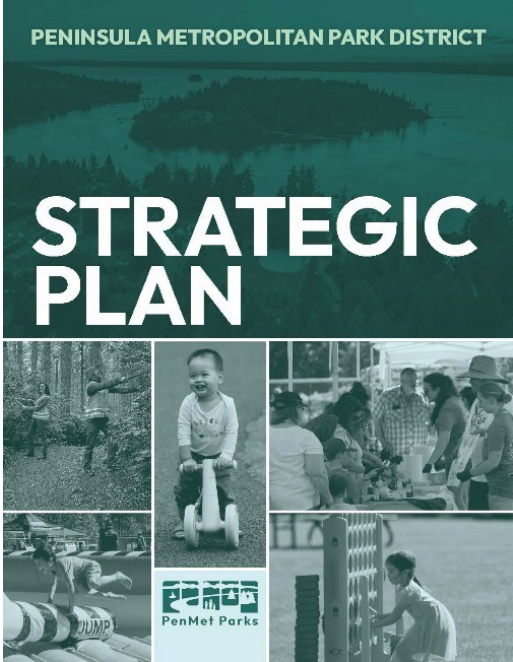
This major undertaking is built on community values and mission-based service, and provides a foundational philosophy, policies, and best practice model that will live on in the organization. Its intent is to be flexible and responsive to changing conditions, allowing the District to allocate its resources consistently and provide valuable information for decision-making and setting priorities for improvements to the system.

This study provides the necessary tools for future decision-making while allowing the District to be responsive to changing needs and demographics. Most importantly, it links strategic and tactical intents to overall goals and desired outcomes through an easily understood and implementable measurable approach. This plan seeks to:

- Create transparency and trust that is rooted in analytics, best practices, and community input
- Set direction while creating service sustainability for the organization
- Provide tools that filter processes for unbiased decision-making
- Position the team to provide recommended solutions to challenges facing PenMet Parks that are creative, while in alignment with District values
- Allow for new ideas while being responsible of taxpayer dollars
- Support informed decision-making through information gathering and data analysis
- Provide a meaningful cost-recovery philosophy, methodology, and policy that is based on community values

1.2 Plans of Influence

This planning effort is aligned with the recently adopted PenMet Parks Strategic Plan. The Strategic Plan provides a roadmap for the future direction of the district, reaffirms its mission, recognizes its vision, and highlights its organizational values. The plan determines key areas for future decision-making and collaboration by building upon past successes to unify the District around a common vision that creates action toward the future. The organization’s mission and vision provides direction and guides decision-making.



PenMet Parks Mission

The mission of PenMet Parks is to enhance the quality of life by providing parks and recreation opportunities for our community.

PenMet Parks Vision

The vision of PenMet Parks is to be a leader promoting health and well-being in a thriving community.



2.0 Comparable Agency Review

Benchmarking with communities of similar jurisdiction, population, and size, can be an effective tool that creates a deeper understanding of the operations and budgets of high-performing agencies. This type of analysis often provides clarity on how other agencies manage their budget, bring in revenue, offer programs, and run their facilities.

The intent of benchmarking is not to compare “apples to apples” with other agencies, as each jurisdiction has its own unique identity, ways of conducting business, and distinct community needs. The political, social, economic, and physical characteristics of each community make the policies and practices of each parks and recreation agency unique. Additionally, organizations do not typically measure or define metrics the same way for parks, trails, facilities, and maintenance.

National Recreation and Park Association (NRPA) Park Metrics is the most comprehensive source of data standards and insights for park and recreation agencies. This tool provides an opportunity to select agencies that meet certain criteria, and develop customized reports for comparisons between peer agencies. This tool provides greater consistency than other methods; however, organizations may measure or define various metrics differently.

For this report, six agencies were selected to be compared to PenMet Parks. Agencies with an asterisk (*) submitted their data into NRPA Park Metrics, which is where that data was sourced. Data was sourced from information requests, online research, budget reports, and program catalogs for the other agencies.

The agencies that are compared in this study include:

- Bainbridge Island Metro Park & Recreation District (WA)
- Chehalem Park & Recreation District (OR)*
- City of Federal Way Parks & Recreation (WA)
- Gurnee Park District (IL)*
- Lombard Park District (IL)*
- City of Puyallup Parks & Recreation (WA)

Note: For the purpose of readability, these agencies may be abbreviated by a shortened name. Tables throughout this report highlight PenMet Parks in blue (in the first column) then sorted alphabetically with other agencies showing in green.

2.1 Benchmarked Agencies Jurisdiction Type & State

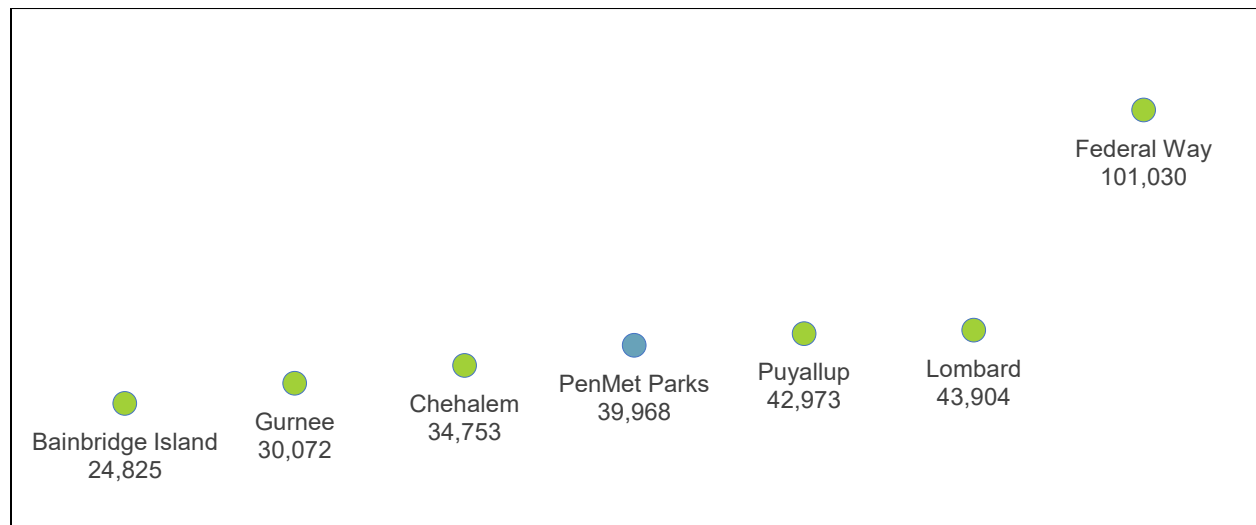
Four out of the six compared agencies are special districts like PenMet Parks. The two remaining agencies are cities with municipal parks and recreation departments. Three agencies were located in Washington, one in Oregon, and two in Illinois.

Table 1: Overview of Benchmarked Agencies

	PenMet Parks	Bainbridge Island	Chehalem	Federal Way	Gurnee	Lombard Park District	Puyallup
Jurisdiction Type	Special District	Special District	Special District	City	Special District	Special District	City
Jurisdiction State/Province	WA	WA	OR	WA	IL	IL	WA
Jurisdiction Population	39,968	24,825	34,753	101,030	30,072	43,904	42,973
Budget (FY21)	\$8,128,859	\$9,287,031	\$7,692,997	\$4,154,492	\$6,719,633	\$7,012,956	\$19,133,242
Per Capita Spending	\$203.38	\$374.10	\$221.36	\$41.12	\$223.45	\$159.73	\$445.24

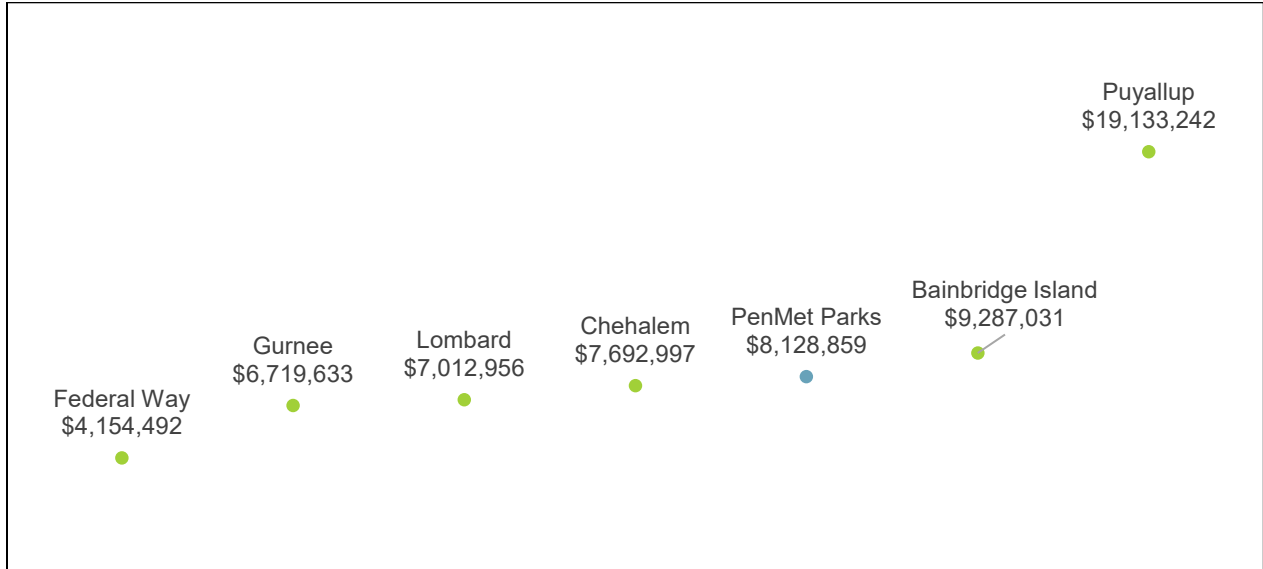
PenMet Parks had an estimated population of 39,968 in 2021. Three of the agencies reviewed had smaller populations ranging from 24,825 to 34,753. The remaining three agencies had larger populations ranging from 42,937 to 101,030.

Figure 1: Population Comparison of Benchmarked Agencies



Of all agencies compared, PenMet Parks had the third largest operating budget at \$8.1 million. The other agencies ranged from \$4.2 Million to \$19.1 Million. The average operating budget for these compared agencies was \$8.2 million, while the median operating budget was \$7 million.

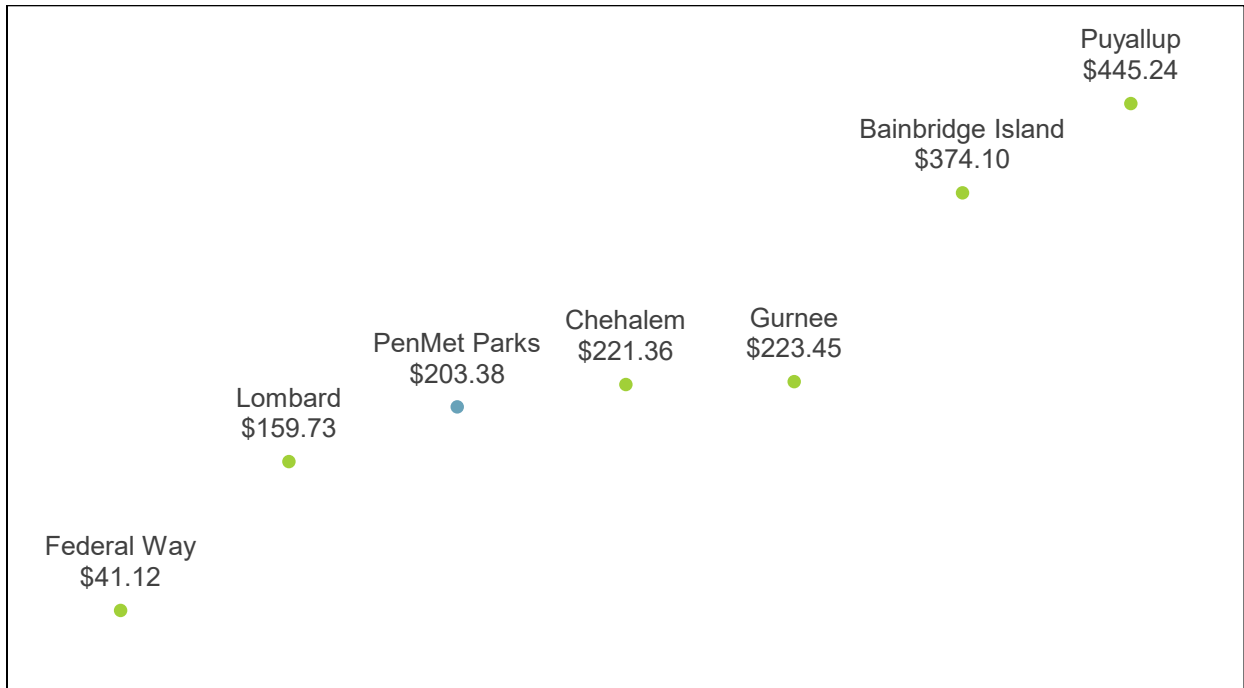
Figure 2: Operating Budget (FY21) of Benchmarked Agencies



Normalizing operating expenditure data by population served by an agency is a much more accurate and meaningful way of articulating and comparing spending. In terms of per capita spending, PenMet Parks fell in the lower range at \$203.38. The 2022 NRPA Agency Performance Review finds the median per capita spending for an agency of 20,000 – 49,999 is \$110.32.



Figure 3: Per Capita Spending Benchmarked Agencies



2.2 Programs and Services

Recreation programs are core to the primary services that park and recreation agencies provide. The type of programs varies based on a number of factors, including facility space, staff/instructor availability and expertise, alternative service providers in the area, benefit to the community, and program demand. PenMet Parks was most similar to Federal Way and Puyallup, both in Washington with relatively fewer types of programs offered compared to Bainbridge Island, Chehalem, Gurnee, and Lombard.

Table 2: Programming Offered by Benchmarked Agencies

Programs and Services	PenMet Parks	Bainbridge Island, WA	Chehalem, OR	Federal Way, WA	Gurnee, IL	Lombard, IL	Puyallup, WA
Health and wellness education	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Safety training	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Fitness enhancement classes	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Team sports	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Programs and Services	PenMet Parks	Bainbridge Island, WA	Chehalis, OR	Federal Way, WA	Gurnee, IL	Lombard, IL	Puyallup, WA
Individual sports	●	●	●	●	●	●	●
Running/cycling races	●	●	●	○	●	●	○
Racquet sports	●	●	●	●	●	●	●
Martial arts	○	○	●	●	●	●	○
Aquatics	○	●	●	●	●	●	○
Golf	●	○	●	○	●	●	○
Social recreation events	●	●	●	○	●	●	○
Cultural crafts	●	●	●	●	●	●	●
Performing arts	●	●	●	●	●	●	○
Visual arts	●	●	●	●	●	●	○
Natural and cultural history activities	●	●	●	●	●	●	○
Themed special events	●	●	●	●	●	●	●
Trips and tours	○	●	●	●	●	●	○

Legend ● Yes ○ No

Targeted Programs for Children, Seniors, & People with Disabilities

The “prime directive” for all park and recreation agencies is to serve the public. Delivering high-quality services to all community members is a key commitment of park and recreation professionals. That promise includes those professionals being leaders in providing services and programming for children, older adults and people with disabilities.

According to the 2022 NRPA Agency Performance Review, 83% of park and recreation agencies offer summer camp programs for their communities’ children. A majority also deliver programs for teens and after-school care as portions of their out-of-school time (OST) offerings. Fewer agencies include preschool, before-school care or all-day child care as a part of their program offerings. OST programs are commonplace offerings by agencies of nearly all sizes, but most especially those that serve populations of at least 20,000 residents.

The 2022 NRPA Agency Performance Review also found most park and recreation agencies offer specific programming for other segments of their communities, including older adults (79%), teens (66%) and people with disabilities (62%).

Agencies in larger communities are most likely to offer these types of programming. For example, 77% of park and recreation agencies in jurisdictions serving 100,000 to 250,000 residents offer programming designed for people with disabilities. In comparison, 36% of agencies that serve populations of less than 20,000 residents offer such programs. More than half of park and recreation agencies provide science, technology, engineering, and mathematics (STEM) specific programs to community members.

Table 3: Targeted Programs for Children, Seniors, and People with Disabilities

Targeted Programs	PenMet Parks	Bainbridge Island, WA	Chehalem, OR	Federal Way, WA	Gunree, IL	Lombard Park District, IL	Puyallup, WA
Summer camp	●	●	●	●	●	●	●
Before-school Programs	○	●	●	○	●	●	○
After-school Programs	○	●	●	●	●	●	○
Preschool	○	○	●	●	●	●	●
Full day care	○	○	●	○	○	○	○
Specific teen programs	●	●	●	○	●	●	○
Specific senior programs	●	●	●	●	●	●	●
Programs for people with disabilities	●	●	●	●	●	●	○
STEM Programs	●	●	●	○	●	●	○

Legend ● Yes ○ No

2.3 Pricing Policy

Historically, public parks and recreation agencies have assessed only minimal charges for the use of public parks and recreation services. In recent decades, however, pressure from several avenues have forced many public agencies, including parks and recreation, to rethink their basic tenets and, in many cases, institute policies to recover part or all the expenses generated by this public service. This trend has required parks and recreation administrators to critically examine their parks and recreation pricing approach.

Tax dollars provide basic operational costs for parks and recreation services. Fees and charges offset operating costs and are an important source of income to assist in narrowing the gap between the levels of tax subsidy and revenue. Fees and charges must be viewed as a method

for continuing and expanding the ability to provide quality parks and recreation services at a level that is fair and equitable to both participants and non-participants.

Agencies around the country have pricing policies to support and guide the development of a fair and consistent fee schedule. A typical pricing policy provides a standardized approach to assessing fees, a criteria for non-resident rates, framework for a financial assistance program and guidelines for priority registration.

The comparable agency review found five of the six agencies studied impose a non-resident surcharge for their programs. Non-residents pay 15 – 25% more than residents. Additionally, three of the six give priority registration to residents for their summer camp programs.

Table 4: Pricing Policies

	PenMet Parks	Bainbridge Island, WA	Chehalis, OR	Federal Way, WA	Gurnee, IL	Lombard, IL	Puyallup, WA
Adopted Pricing Policy	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-resident surcharge	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Financial assistance program	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Priority registration for residents	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Legend ● Yes ○ No

2.4 Key Findings

It is important to take all data in a benchmarking study with context, realizing that while benchmarking can be a great comparative tool, it doesn't necessarily lend itself into being a decision-making tool. Additionally, the impact of COVID-19 has significantly altered program offerings, facility availability, and overall program delivery which may have 2021 data as represented in this report.

The comparable agency review of the pricing practices used by the agencies studied found five of the six impose a non-resident surcharge for their programs and three of the six provide priority registration for residents. PenMet Parks does not use either registration strategy. District residents support park and recreation services through their property taxes. For this reason, the District should consider lower program cost for in-district residents.

3.0 PenMet Parks Program Inventory and Analysis

A program inventory and analysis was conducted on Fiscal Year (FY) 2022 programs that required registration. The analysis does not consider how many times a program is offered, it instead evaluates the category of service and target audience. Registration does not require a person to provide household income or race demographic data. Therefore, only age-based assertions about differences in service levels can be recognized. Drop-in programs and public events were excluded from the analysis.

3.1 Program Inventory

PenMet Parks provides a diverse array of recreation opportunities year-round for youth, adults, and seniors. Programs are well attended and are in high demand by the community and participation is generally reaching or exceeding capacity due to limited programming space.

On average, over 6,000 participants register for PenMet Parks programs annually. Programs are offered at over 20 locations including elementary schools and various parks. Programs with registration are sorted into 10 service categories. In FY22, across the 10 service categories PenMet Parks offered 465 programs. Table 5 summarizes program categories and FY22 participation rates.

Table 5: Program Participation

Service Category	Sum of Total Enrolled
Adult Classes & Programs: Advanced & Competitive	19
Adult Classes: Beginning & Intermediate	449
Adult Sports Leagues	106
Public Education & Outreach	220
Specialized & Adaptive Programs	124
Teen Activities & Outreach	197
Youth Camps	1,707
Youth Classes & Programs: Advanced & Competitive	20
Youth Classes and Programs: Beginning & Intermediate	1,243
Youth Sports Leagues	2,159
Grand Total	6,244

3.2 Program Analysis

The demographics report completed as part of the PenMet Parks Strategic Plan found the median age in the district was 48.4 years old in 2022, almost 10 years older than in the State of Washington (38.9). Population age breakdown shows children up to 19 years old, making up 19.9% of the population. The most populous five-year age group are those between 55 and 64 years old, making up 15.7% of the population. Additionally, the population has aged since 2000, with those 65- to 84-year-olds increasing by 7%.

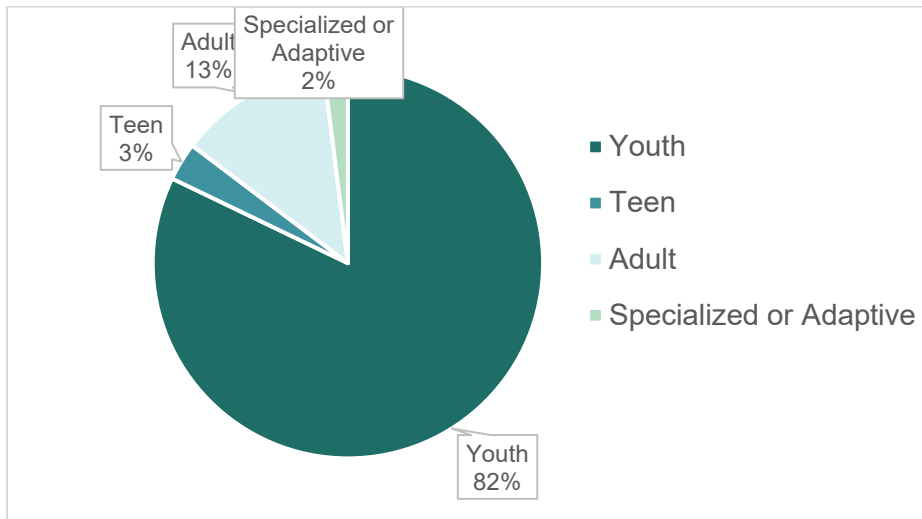
Table 6: Age Distribution in PenMet Parks (2010 – 2027)

Age Distribution	2010	2022	2027
0-4	4.53%	3.99%	3.94%
5-9	6.50%	4.97%	4.88%
10-14	7.72%	6.13%	5.63%
15-19	6.99%	6.42%	5.43%
20-24	3.97%	4.69%	4.31%
25-34	7.64%	8.90%	9.17%
35-44	13.27%	10.66%	11.25%
45-54	17.48%	13.81%	12.53%
55-64	16.69%	17.08%	15.66%
65-74	9.42%	14.88%	15.74%
75-84	4.29%	6.57%	10.42%
85+	1.88%	2.35%	2.95%

For the purposes of this study programs are sorted into four service groups:

- Youth
- Teen
- Adult
- Specialized or Adaptive Recreation

Figure 4: Registration by Service Group



While the community is primarily made up of adults (35 to 54 years) and active adults (55 to 74 years) an evaluation of participants by service group finds the primary focus of PenMet Parks programs to date is youth. Figure 4 provides the percentage of registration by service group. Eighty-two percent of those served by PenMet Parks programs in FY22 were youth age 2 – 12.

The youth programs provided by PenMet Parks are first-class and in high demand. Many programs are at capacity and participants are placed on a waiting list. Across 181 programs over 1,500 youth were on a waiting list in FY22. PenMet Parks could increase its reach by 25% if it had the capacity to serve those on the waiting list.

An analysis of all 6,244 program registrations found 30% of registrants are non-residents, or individuals who do not live within the boundaries of the PenMet Park district. Across the 181 programs that had waitlists, 33% of those registered were non-residents of the District.

Table 7: Waitlist and Percent of Non-Residents Registrations

Program Category	Total Served	Sum of Waitlist	% of Non-Residents Registrations
Youth Camps	1,707	817	30%
Youth Classes and Programs: Beginning & Intermediate	1,243	349	21%
Youth Sports Leagues	2,159	374	29%

3.3 Key Findings

Providing access to parks and recreational opportunities to all members of a community is a critical opportunity for enhancing social sustainability within a community. As a concerted part of this study, the District sought to conduct a data-driven analysis to determine if PenMet Park’s current service portfolio provides equitable access.

To answer this question, gaps in recreation services must be identified. Addressing gaps ensures that all community members have access to the many great benefits that PenMet Parks offers. This knowledge can be used to help minimize gaps in service by informing priority opportunities for programming.

The PenMet Parks program inventory and analysis found the majority of PenMet Parks programs are designed for youth. The demographics of the District illustrate there is an opportunity to diversify the PenMet Parks service portfolio by increasing opportunities for adults and seniors.

Finally, the consistent waiting list and percentage of non-residents severed warrants further investigation. PenMet Parks should consider strategies to help ensure residents of the District have priority access to programs.



4.0 Market and Gap Analysis

The next section of this report identifies alternative service providers, to further understand other organizations and businesses that offer similar recreation-related programs and services. While not every alternative service provider is considered a competitor, other providers may impact the need or exclusion for a particular program or facility space. In January 2023 a comprehensive list of over 100 service locations in the peninsula region was collected, organized, and prepared in a pivot table for filtering and sorting. Then, the top nine categories were chosen as those that directly relate to programs and services provided by PenMet Parks.



- Fitness Centers/Gyms (21)
- Aquatic Centers/Facilities (4)
- Adult Sports and Enrichment (3)
- Youth Camps (12)
- Youth Sports (8 organizations at 19 locations)
- Youth Enrichment (7)
- Fishing Pier and Boat Launches (2 organizations at 11 locations)
- Golf Courses (2)
- Public Parks, Trails and Open Space (5 organizations at 29 locations)

The list of alternative service providers prepared for this study offers a snapshot in time. Service providers are continuously updating their offerings. The goal of the market analysis is capture 90% of alternative service providers at the time of the study.

4.1 Fitness Centers/Gyms

There are 22 fitness centers or gyms, within or near the District boundaries. Each facility has its own unique layout, space, and equipment. Some facilities have certain spaces that focus on a particular sport, like kickboxing or pilates; others have spas, pools, and more specialized amenities.

Table 8: Area Fitness Providers

Facility Name	Address	City
9Round Fitness	4793 Point Fosdick Drive NW, Suite 100	Gig Harbor
Anytime Fitness	5275 Olympic Dr NW	Gig Harbor
Better	3308 Uddenberg Lane	Gig Harbor
Bodystar Studios	3425 Vernhardson Street	Gig Harbor
CrossFit Gig Harbor	6515 43rd Avenue Court	Gig Harbor
Curves	3006 Judson Street	Gig Harbor
Edge Pilates Studio	5727 Baker Way NW	Gig Harbor
Galante Pilates Studio	3214 50th Street, Building D	Gig Harbor
Gateway Fitness	2618 Jahn Avenue NW Suite G1	Gig Harbor
Gig Harbor Senior Center	6509 38 th Avenue	Gig Harbor
Gig Harbor Strength and Fitness	2619 Jahn Avenue NW Bldg G	Gig Harbor
Hard Candy Pilates - Health Clubs	2703 Jahn Avenue NW	Gig Harbor
Innovative Fitness	1105 Regents Blvd.	Gig Harbor
Innovative Fitness	4902 Point Fosdick Drive NW	Gig Harbor
Jazzercise	8205 86th Avenue NW	Gig Harbor
Key Peninsula Civic Center	17010 South Vaughn Road NW	Vaughn

Facility Name	Address	City
Matwork MMA - Health Clubs	1617 Stone Dr NW Suite A	Gig Harbor
Narrows CrossFit	2817 Jahn Ave NW Suite 1	Gig Harbor
Orangetheory Fitness	4935 Point Fosdick Dr F500	Gig Harbor
The Club at Gig Harbor	3201 Jahn Ave NW Suite 200	Gig Harbor
Waypoint Cross Fit	14610 Purdy Dr NW	Gig Harbor
YMCA	10550 Harbor Hill	Gig Harbor



Figure 5: Area Fitness Providers



4.2 Aquatic Facilities

Aquatic facilities identified in this study include indoor or outdoor pools in or near the District boundaries. Five area aquatic opportunities were identified. All locations provide a traditional rectangle-shape pool. Most municipal or public pools have shifted away from the traditional rectangle shape, and instead have moved to facilities that include zero-depth entry, play structures that include multiple levels, spray features, small to medium slides, and separate play areas segmented by age/ability. Only the Tom Taylor Family YMCA offers an option similar to this. A aquatics opportunity designed for play is not present in or near the District boundaries.

Table 9: Area Aquatic Providers

Facility Name	Address	City
Tom Taylor Family YMCA	10550 Harbor Hill Drive	Gig Harbor
Canterwood Golf Course and Country Club	12606 54 th Avenue NW	Gig Harbor
Peninsula High School Pool	14105 Purdy Drive NW	Gig Harbor
Gig Harbor High School Pool	5101 Rosedale Street NW	Gig Harbor
Beard Swim Co	4914 Point Fosdick Drive NW	Gig Harbor



Tom Taylor Family YMCA



Canterwood Golf Course and Country Club



Peninsula High School Pool



Gig Harbor High School Pool



Beard Swim Co

Figure 6: Area Aquatic Providers



4.3 Adult Sports and Enrichment

Sports and enrichment programs provide an opportunity for adults to experience new activities or further expand current knowledge and abilities. Beyond fitness facilities there are minimal adult directed programs in the area. There are four adult sports or enrichment providers within or near the District boundaries.

Table 10: Area Adult Sports and Enrichment Providers

Facility Name	Address	City
Gig Harbor Canoe and Kayak Racing Team	3589 Harborview Dr	Gig Harbor
Fox Island Community Recreation Association	690 9 th Street	Fox Island
Gig Harbor Senior Center	6509 38th Avenue	Gig Harbor
Tom Taylor Family YMCA	10550 Harbor Hill	Gig Harbor



Gig Harbor Canoe and Kayak Racing Team



Fox Island Community Recreation Association

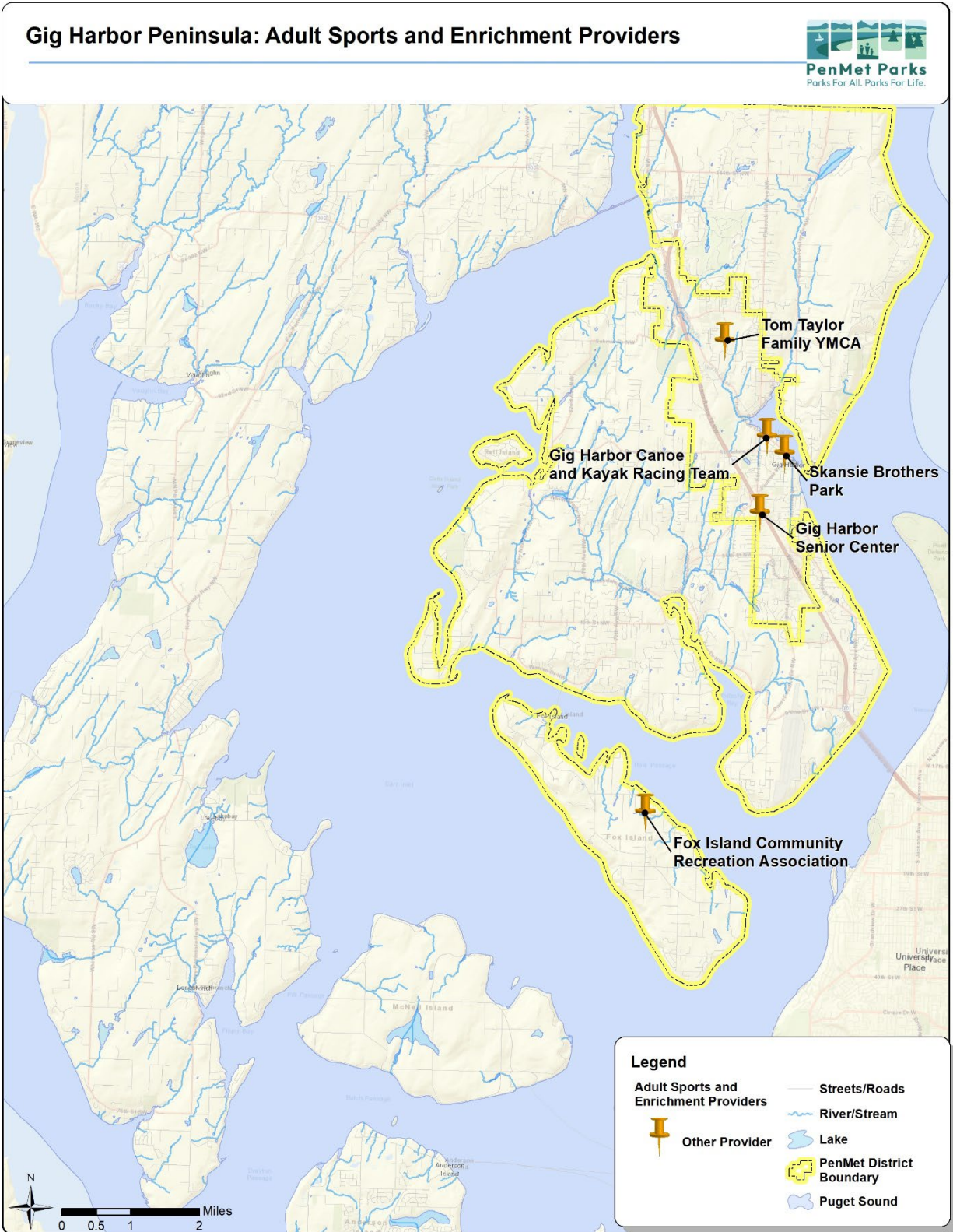


Gig Harbor Senior Center



Tom Taylor Family YMCA

Figure 7: Area Adult Sports and Enrichment Providers



4.4 Youth Camps

Youth camps happen when school is not in session throughout the year and are often seen as an alternative to day care for working parents. Parents rely on child care to help them enter, re-enter, or remain in the workforce, but access to affordable, quality child care is often a significant barrier for many. There are 12 youth camp providers within or near the District boundaries.

Table 11: Area Youth Camp Providers

Facility Name	Address	City
AGA Northwest Gig Harbor	9672 Bujacich Rd	Gig Harbor
Camp Invention at Voyager Elementary School	5615 Kopachuck Drive NW	Gig Harbor
Gig Harbor Baseball and Sports	4125 124th Street NW	Gig Harbor
Gig Harbor Yacht Club	8209 Stinson Avenue	Gig Harbor
Curious by Nature	7190 Wagner Way	Gig Harbor
Junior Sailing	3417 White Cloud Avenue NW	Gig Harbor
Tom Taylor Family YMCA	10550 Harbor Hill	Gig Harbor
YMCA Camp Seymour	9725 Cramer Road NW	Gig Harbor
Miracle Ranch	15999 Sidney Rd SW	Port Orchard
Sound View Camp and Retreat Center	8515 Key Peninsula Hwy SW	Longbranch
Camp Colman	20016 Bay Rd SW	Longbranch
Camp Lake Helena	11606 Ranch Dr SW	Port Orchard

Figure 8: Area Youth Camp Providers



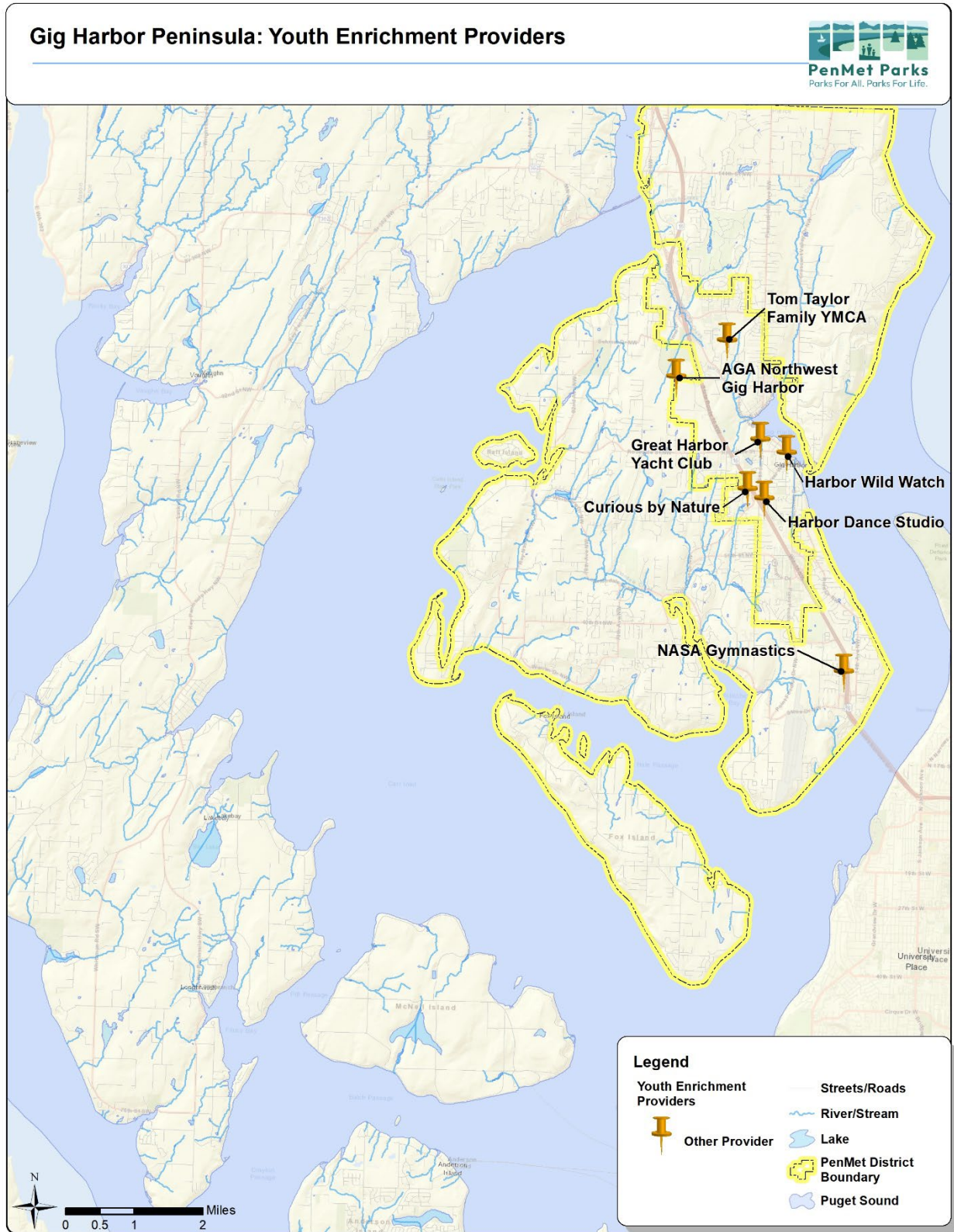
4.5 Youth Enrichment

General enrichment programs provide an opportunity for youth to experience new activities or further expand current knowledge and abilities. There are eight youth enrichment providers within or near the District boundaries.

Table 12: Area Youth Enrichment Providers

Facility Name	Address	City
AGA Northwest Gig Harbor	9671 Bujacich Rd	Gig Harbor
Great Harbor Yacht Club	8210 Stinson Avenue	Gig Harbor
Curious by Nature	7191 Wagner Way	Gig Harbor
Fox Island Community Recreation Association	690 9 th Avenue	Fox Island
Harbor Dance Studio	6820 Kimball Dr Ste E, Gig Harbor	Gig Harbor
NASA Gymnastics	2905 Jahn Ave NW Ste 11	Gig Harbor
Tom Taylor Family YMCA	10550 Harbor Hill	Gig Harbor
Harbor Wild Watch	3207 Harborview Dr	Gig Harbor

Figure 9: Area Youth Enrichment Providers



4.6 Youth Sports

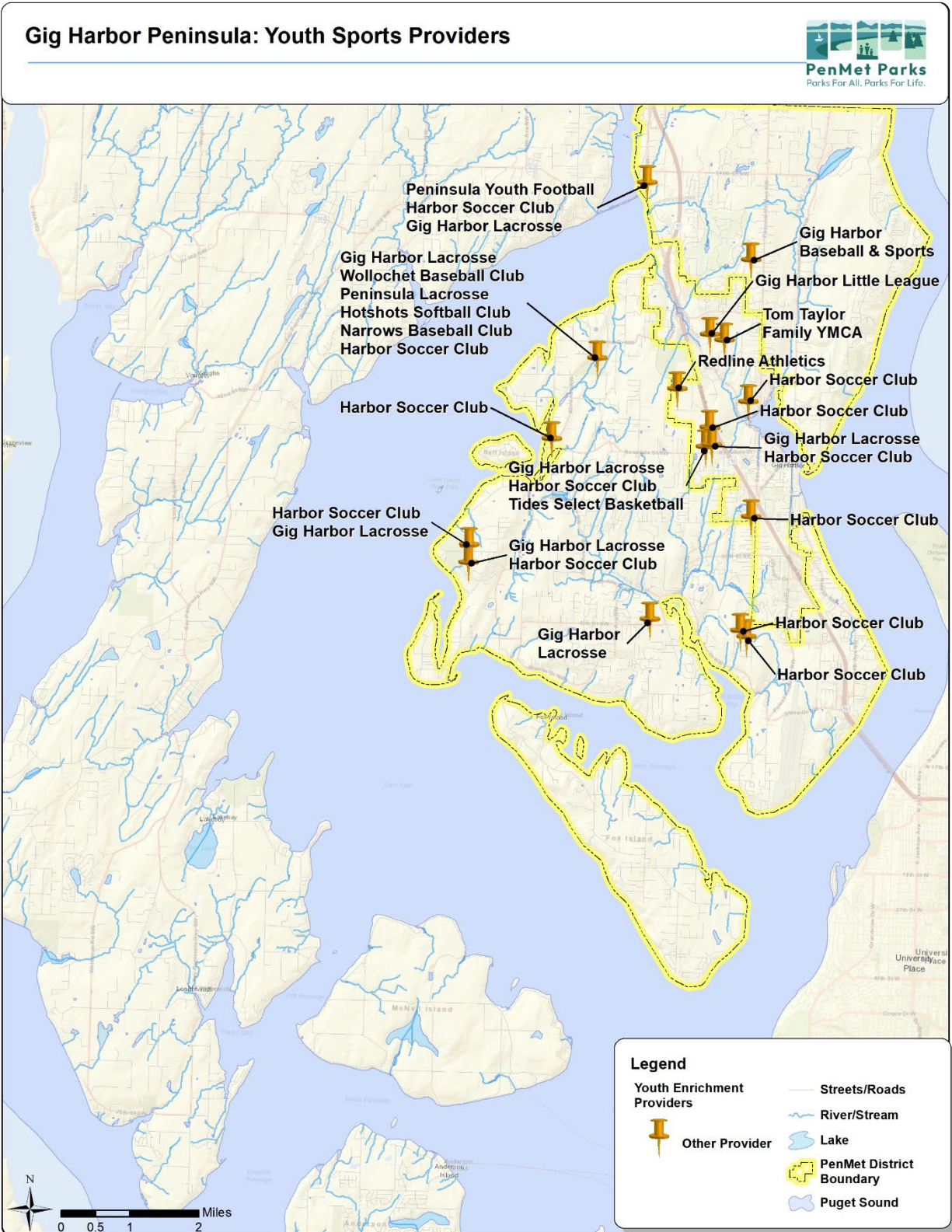
Organized youth sports can provide many benefits for children. Team sports help teach youth accountability, dedication, leadership and other skills. Thirteen organizations provide youth sports opportunities at 20 locations within or near the District boundaries.

Table 13: Area Youth Sports Providers

Organization	Location	Address	City
Harbor Soccer Club	Sehmel Homestead Park	10123 78th Avenue NW	Gig Harbor
Harbor Soccer Club	Gig Harbor Little League Fields	10819 McCormick Creek Dr	Gig Harbor
Gig Harbor Little League	Gig Harbor Little League Fields	10819 McCormick Creek Dr	Gig Harbor
Gig Harbor Baseball and Sports Academy	Gig Harbor Baseball and Sports	4124 124th Street NW	Gig Harbor
Harbor Soccer Club	Voyager Elementary	5615 Kopachuck Drive NW	Gig Harbor
Shockwave Baseball	Sehmel Homestead Park	10123 78th Ave NW	Gig Harbor
YMCA	Tom Taylor Family YMCA	10550 Harbor Hill	Gig Harbor
Harbor Soccer Club	Discovery Elementary	4905 Rosedale Street	Gig Harbor
Harbor Soccer Club	Gig Harbor High School	5101 Rosedale Street	Gig Harbor
Harbor Soccer Club	Goodman Middle School	3701 38th Avenue NW	Gig Harbor
Harbor Soccer Club	Harbor Ridge Middle	9010 Prentice Ave	Gig Harbor
Harbor Soccer Club	Harbor Heights Elementary	4002 36th Street NW	Gig Harbor
Harbor Soccer Club	Kopachuck Middle School	10414 56th Street NW	Gig Harbor
Harbor Soccer Club	Minter Creek Elementary	8502 Skansie Ave	Gig Harbor
Harbor Soccer Club	Peninsula High School	14105 Purdy Drive	Gig Harbor

Organization	Location	Address	City
Harbor Soccer Club	Rosedale Park and Community Hall	8206 86th Avenue NW	Gig Harbor
Harbor Soccer Club	Tacoma Community College	3993 Hunt Street NW	Gig Harbor
Redline Athletics	Redline Athletics	9644 Bujacich Road	Gig Harbor
Tides Select Basketball	Gig Harbor High School	5101 Rosedale Street NW	Gig Harbor
Wollochet Baseball Club	Sehmel Homestead Park	10123 78th Ave NW	Gig Harbor
Peninsula Lacrosse	Sehmel Homestead Park	10123 78th Ave NW	Gig Harbor
Hotshots Softball Club	Sehmel Homestead Park	10123 78th Ave NW	Gig Harbor
Narrows Baseball Club	Sehmel Homestead Park	10123 78th Ave NW	Gig Harbor
Peninsula Youth Football	Peninsula High School	14105 Purdy Drive	Gig Harbor
Gig Harbor Lacrosse	Peninsula High School	14105 Purdy Drive	Gig Harbor
Gig Harbor Lacrosse	Kopachuck Middle School	10414 45th Street NW	Gig Harbor
Gig Harbor Lacrosse	Gig Harbor High School	5101 Rosedale Street	Gig Harbor
Gig Harbor Lacrosse	Voyager Elementary School	5615 Kopachuck Drive NW	Gig Harbor
Gig Harbor Lacrosse	Artondale Elementary School	6219 40 th Street NW	Gig Harbor
Gig Harbor Lacrosse	Discovery Elementary School	405 Rosedale Street NW	Gig Harbor

Figure 10: Area Youth Sports Providers



4.7 Public Parks, Trails and Open Space

The City of Gig Harbor, Key Pen Parks, and Washington State Parks provide several public parks, trails and open space properties within or near the District boundaries. Six open space properties, 20 parks, and three trails are maintained through these alternative providers.

Figure 11: Area Parks Trails and Open Space

Type of Property	Organization	Facility Name	Address	City
Open Space	City of Gig Harbor	Adam Tallman Park	6811 Wagner Way	Gig Harbor
Open Space	City of Gig Harbor	Austin Park Estuary	4009 Harborview Drive	Gig Harbor
Open Space	City of Gig Harbor	Donkey Creek Park	8714 North Harborview Drive	Gig Harbor
Open Space	City of Gig Harbor	Grandview Forest Park	3488 Grandview Street	Gig Harbor
Open Space	Key Pen Parks	Rocky Creek Conservation Area	SR 302 at 150th Avenue	Lake Bay
Open Space	City of Gig Harbor	Wilkinson Farm Park	4118 Rosedale Street	Gig Harbor
Park	City of Gig Harbor	Ancich Waterfront Park	3525 Harborview Drive	Gig Harbor
Park	City of Gig Harbor	Bogue Viewing Platform	8763 North Harborview Drive	Gig Harbor
Park	City of Gig Harbor	Civic Center Green	3510 Grandview Street	Gig Harbor
Park	City of Gig Harbor	Crescent Creek Park	3303 Vernhardson Street	Gig Harbor
Park	Washington State Park	Cutt Island State Park	106 Ave CT NW	Gig Harbor
Park	City of Gig Harbor	Finholm View Climb	8826 North Harborview Drive	Gig Harbor
Park	Key Pen Parks	Gateway Park	10405 State Route 302	Gig Harbor
Park	Gig Harbor Little League	Gig Harbor Little League Fields	10819 McCormick Creek Dr	Gig Harbor

Type of Property	Organization	Facility Name	Address	City
Park	Key Pen Parks	Home Park	172280 8th Avenue Ct. KPN	Lakebay
Park	Washington State Park	Joemma Beach State Park	20001 Bay Road SW	Lakebay
Park	City of Gig Harbor	Kenneth Leo Marvin Veterans Memorial Park	3580 50th Street Court	Gig Harbor
Park	Washington State Park	Kopachuck State Park	10712 56th Street NW	Gig Harbor
Park	Key Pen Parks	Maple Hollow Park	4411 Van Beek Rd	Lakebay
Park	City of Gig Harbor	Old Ferry Landing	2700 Harborview Drive	Gig Harbor
Park	Washington State Park	Penrose Point State Park	321 158th Avenue SW	Lakebay
Park	Pierce County	Purdy Sandspit	Goodrich Drive and SR 302	Gig Harbor
Park	City of Gig Harbor	Shaw Park	4404 Borgen Blvd	Gig Harbor
Park	City of Gig Harbor	Skansie Brothers Park	3207 Harborview Drive	Gig Harbor
Park	Key Pen Parks	Taylor Bay	17916 76th Street	Longbranch
Park	Key Pen Parks	Volunteer Park	5514 Key Peninsula Highway N.	Lakebay
Trail	Key Pen Parks	360 Trails	10405 State Route 302	Gig Harbor
Trail	City of Gig Harbor	Cushman Trail	Borgen Boulevard, Hollycroft Street and Grandview Street	Gig Harbor
Trail	Key Pen Parks	Key Central Forest	10527 Wright Bliss Road KPN	Gig Harbor

Figure 12: Area Parks, Trails and Open Space



4.8 Water Access

The City of Gig Harbor and Pierce County provide several opportunities for water access near or within the District boundaries. Two fishing piers and ten boat launch sites are maintained through these alternative providers.

Table 14: Area Fishing Piers and Boat Launches

Organization	Facility Name	Address	City
City of Gig Harbor	Jerisich Dock	3211 Harborview Drive	Gig Harbor
City of Gig Harbor	Eddon Boat Park	3805 Harborview	Gig Harbor
City of Gig Harbor	Maritime Pier	2700 Harborview Drive	Gig Harbor
Pierce County	Fox Island Fishing Pier	203 3rd Avenue	Fox Island
Pierce County	Point Fosdick	4302 Berg Drive NW	Gig Harbor
Pierce County	Wollochet Bay	37th and Northwest Street	Gig Harbor
Pierce County	Longbranch Boat Launch Ramp	72nd Street KPS near Long Branch	Lakebay
Pierce County	Lakebay Boat Launch Ramp	1922 A Street	Lakebay
Pierce County	Hall Road Boat Launch Ramp	17999 Hall Road	Vaughn
Pierce County	Horsehead Bay	10998 36th St NW	Gig Harbor
Pierce County	Randall Drive	Randall Dr NW	Gig Harbor
Pierce County	Wauna Spit	7239 WA-302	Gig Harbor

Figure 13: Area Fishing Piers and Boat Launches



4.9 Golf Courses

There are two golf courses within or near the District boundaries. There are also another 42 golf courses within 20 miles of the District, including 22 public, 10 municipal, and eight private courses.

Table 15: Area Golf Courses

Facility Name	Address	City
Gig Harbor Golf Club	6909 Artondale Drive NW	Gig Harbor
Canterwood Golf Course	12606 54th Avenue NW	Gig Harbor



Gig Harbor Golf Club



Canterwood Golf Course

Figure 14: Area Golf Courses



4.10 Key Findings

There are over 60 different agencies, organizations, or businesses within or near the District boundaries that offer similar or relevant services to PenMet Parks. Analyzing the service area demonstrated that while there are many different types of providers within or near the District boundaries, considerable research did not indicate that the market was oversaturated or without opportunity. In fact, limited passive or active recreation opportunities are available in the Purdy, Maplewood, Artondale and Fox Island regions.

Awareness and understanding of trends and research findings can help an organization determine how best to build its service portfolio. This information can also help determine where to direct additional data collection efforts within an organization. The following summarizes regional and national trends and research findings that are relevant to the PenMet Parks service area.

- Forbes estimates that youth sports is a \$7 billion industry. Parents can spend upwards of 10% of their income on general, recreational sports for young athletes. When a child ages up into travel teams, or “elite teams” as they are sometimes known, the costs skyrocket further. According to experts, a travel team can cost up to \$10,000 per season, depending on the sport and its associated fees, its travel schedule, and the equipment required.
- The NRPA, Youth Sports at Park and Recreation Agencies study found 87% of park and recreation agencies offer team sports opportunities.
- A Pew Research Center survey found that 73% of adults consider themselves lifelong learners. Do-it-yourself project classes and programs that focus on becoming a more “well-rounded” person are popular.
- The American Academy of Sports Medicine issues a yearly survey of the top 20 fitness trends. It ranks senior fitness programs ninth among most popular fitness trends for 2021.
- The Harvard Business Review found 57% of working families in the U.S. spent more than \$10,000 on day care annually. The expenditure on these services reached up to 20% of the household income for more than half of American families.
- According to Grand View Research, the U.S. child care market size was valued at 60.4 billion in 2022 and is expected to expand at a compound annual growth rate of 4.18 % from 2023 to 2030. Families in the U.S. are willing to spend more on child care services, indicating the high service demand in the U.S.
- According to the NRPA 2021 OST Report 85% of U.S. adults say it is important for their local park and recreation agency to offer before-/after-school child care and summer camps for youth.

- According to the National Library of Medicine greenspace exposure corresponds with improved physical health, including decreases in stress, blood pressure, heart rate, and risk of chronic disease (cancer, diabetes, cardiovascular heart disease).
- The Washington State Comprehensive Outdoor Recreation Plan (SCORP) regularly evaluates and assesses the state’s recreation and park needs. SCORP is Washington’s plan of outdoor recreation and conservation needs and priorities. The plan provides a common vision for public investments in outdoor recreation and public lands conservation. The SCORP is developed on a 5-year cycle. In 2017 and 2022 the State of Washington distributed an Assessment of Outdoor Recreation Demand Survey to support the development to the SCORP. The survey asked about participation in 88 outdoor recreation activities. Table 16 provides trends on the 15 activities most relevant to this study.

Table 16: Trends from 2017 and 2022 Assessment of Outdoor Recreation Demand Survey

Activity	2017	2022	% of Change
Picnic, BBQ, or Cookout	43%	59%	16%
Hanging Out	41%	60%	19%
Dog Park	16%	28%	12%
Yard Games (beanbag toss, horseshoes, etc.)	7%	32%	25%
Technology-based games	18%	13%	-5%
Drones, Gliders, or Model Aircraft	6%	11%	5%
Soccer	9%	13%	4%
Football	7%	9%	2%
Lacrosse	0%	6%	6%
Rugby	0%	5%	5%
Ultimate Frisbee	2%	8%	6%
Basketball	11%	13%	2%
Tennis	7%	12%	5%
Pickleball	2%	12%	10%

- The NRPA, 2021 Engagement with Parks Report found U.S. residents visit local park and recreation facilities an average 22 times a year, or nearly twice a month.

5.0 Resource Allocation and Cost Recovery

Resource allocation is how limited tax dollars and alternative funding sources are utilized. Cost recovery is the percent of the annual operating budget cost that can be offset by funding other than General Fund taxpayer investment (whether derived from property, sales, or other sources).

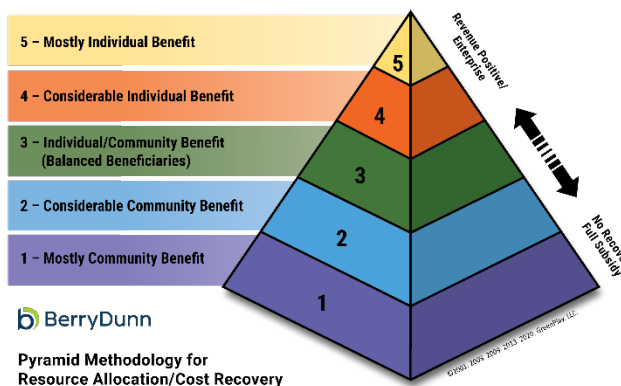
Parks and recreation services provide economic, environmental, and social benefits to the community. Tax dollars support these “core services.” Beyond those benefits realized by all residents, the District is also able to provide specific activities and services that benefit individuals. There are not adequate tax dollars to completely support this level of activity, and it is appropriate and common to charge at least minimally for these services.

For example, if an individual takes a swimming lesson or participates in a senior trip, there are certain levels of skill-building, social engagement, or entertainment that a person receives. However, it can still be argued that there is a benefit to the community as a whole by teaching people water safety and through the social capital and health gained by keeping seniors active and in touch. This warrants covering at least a portion of the cost of a program or activity through tax dollars. Other opportunities, such as the rental of a space for a private party, may warrant a fee to cover the entire cost of providing that service.

Although fee adjustments are possible, the goal is not to simply generate new revenues through fees, but to help ensure a sustainable system into the future by using tax revenues and fees in the most appropriate ways. These are also supplemented where possible by grants, sponsorships, partnerships, and other sources of alternative revenues. Taxes should support “core services,” whereas fees and charges are appropriate for activities and services benefiting the individual partaking in the service.

5.1 The Pyramid Methodology

The Pyramid Methodology used in this study is built on a foundation of understanding who is benefiting from park and recreation services to determine how the costs for service should be funded. The model illustrates a pricing philosophy for establishing fees commensurate with a target cost recovery level based on the benefit received.



Descriptions regarding each level of the pyramid are provided in Appendix A; however, the model is intended as a discussion point and is very dependent on agency philosophies to determine what programs and services belong on each level. Cultural, regional, geographical, and resource differences play a role in this determination. The resulting pyramid is unique to each agency that applies this methodology. The application of the Pyramid Methodology begins with the mission of PenMet Parks but must also address other considerations:

- Who benefits from the service - the community in general or only the individual or group receiving the service?
- Does the individual or group receiving the service generate the need (and therefore the cost) of providing the service?
- Will imposing the full cost fee pose a hardship on specific users?
- Will the level of the fee affect the demand for the service?
- Are there competing providers of the service in the public or private sector?

Mission and vision represent principles that create a philosophical framework to serve as the foundation for organizational decisions and processes. They also help determine those community conditions that the District wishes to impact, guiding often difficult management decisions, substantiating them, and making them justifiable and defensible.

5.2 Study Approach

The resource allocation portion of the study commenced in September 2022 and concluded with final recommendations in March 2023. A project team comprised of staff from the District was established to review practices and existing policy, become familiar with the Pyramid Methodology, and work with the public to understand its values.

PenMet Parks staff members attended an initial orientation and training workshop in September 2022. This was followed by additional workshops, where staff identified key themes by reviewing existing policy, guidelines, and practices, becoming familiar with the Pyramid Methodology, and examining cost recovery practices. Staff defined categories of programs and services, participated in sorting workshops to place categories of services on appropriate pyramid tiers, hosted community workshops, and tackled the challenges of identifying measurable costs associated with providing programs and services.



The execution of the model is broken down into the following steps:

- Step 1: Building on PenMet Parks' mission and vision
- Step 2: Understanding the Pyramid Methodology, and the benefits filter
- Step 3: Developing PenMet Parks' Categories of Service
- Step 4: Sorting the Categories of Service onto the pyramid
- Step 5: Defining direct and indirect costs
- Step 6: Determining cost recovery levels
- Step 7: Establishing cost recovery goals
- Step 8: Understanding and preparing for influential factors
- Step 9: Implementation
- Step 10: Evaluation

A detailed description of each step is provided in Appendix A.



Category of Service Development

Prior to sorting each program and service onto the pyramid, the project team took on the rigorous task of reviewing, analyzing, and sifting through many individual programs and services in an effort to develop PenMet Parks’ categories of services, including definitions and examples. “Narrowing down” facilities, programs, and services and placing them in categories (groups of like or similar service) that best fit their descriptions allowed a reasonable number of items to be sorted onto the pyramid tiers using the individual and community benefit filter. Twenty-six (26) categories were identified as listed below. The description and listing of programs and services within each category can be found in Appendix B.

- Concessions & Vending
- Equipment Rentals
- Private Lessons
- Tenant Leases
- Adult Classes & Programs: Advanced & Competitive
- Adult Sports Leagues
- Youth Classes & Programs: Advanced & Competitive
- Adult Classes: Beginning & Intermediate
- Family Programs
- Indoor Facility Rentals
- Sports Courts and Field Rentals
- Teen Activities & Outreach
- Youth Classes and Programs: Beginning & Intermediate
- Youth Specialty Camps
- Shelter Rentals
- Monitored Drop-in
- Senior Activities & Outreach
- Specialized & Adaptive Programs
- Youth Recreation Camps
- Youth Sports Leagues
- Community Events
- Parks, Trails, Open Space
- Public Education & Outreach

Staff and Stakeholder Category Sorting

PenMet Parks hosted five workshops between November 26, 2022 and January 27, 2023, with the goal of gathering input from staff and resident stakeholders. The charge to both was to sort the categories onto suitable tiers of the pyramid model based on who they benefited (the benefit filter).



The effort was based on a community values-based conversation. During public workshops, 48 community members each dedicated 1.5 hours of their time. This approach, which provided 72 hours of meaningful volunteer deliberation, allowed staff to understand the values of the community and participants to better understand their fellow residents' perspectives.

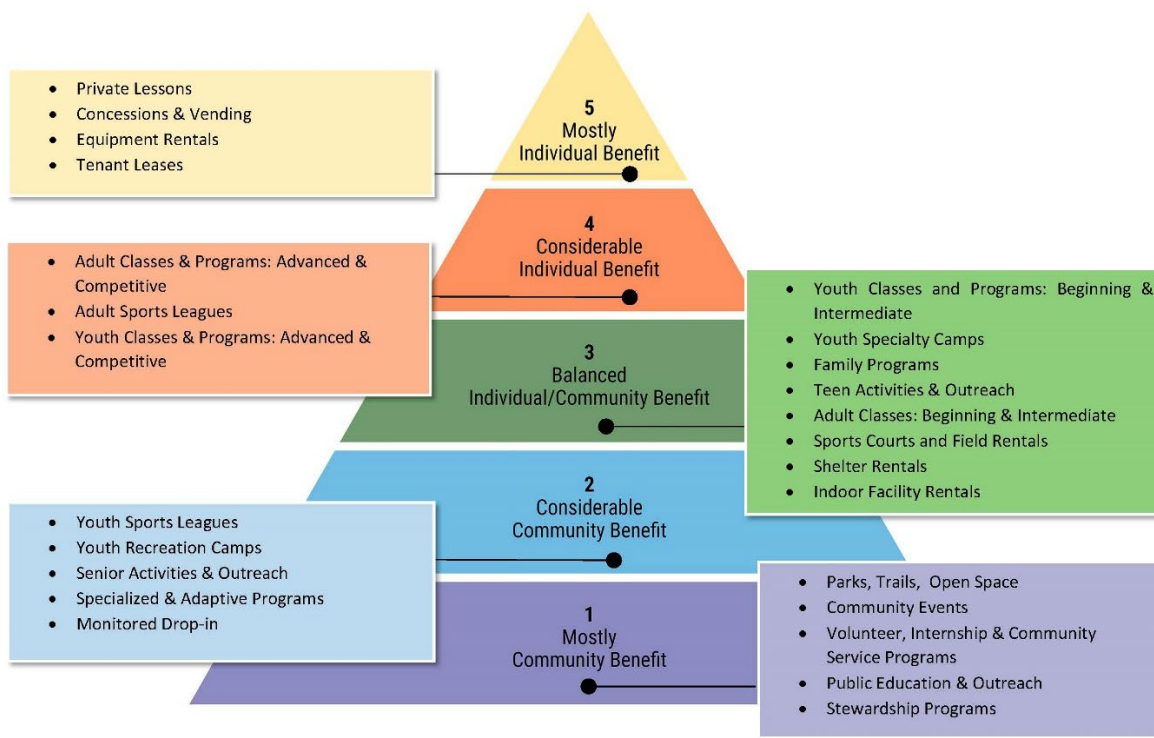
The sorting process was a challenging step and was led by objective and impartial facilitators in order to hear all viewpoints. The process generated discussion and debate as participants discovered what others had to say about serving the community regarding a variety of topics and priorities, such as: special events, athletic fields, and rentals involving the general public, non-profit and for-profit entities, etc. It was important to push through the “what” to the “why” to find common ground.

By using feedback from the community to look at programs and services in this way, staff can set a program’s subsidy relative to the amount of community benefit a category of service provides. Programs and services considered to have a high community benefit will have a higher subsidy; while programs and services considered to have higher individual benefits will be recommended for a lower subsidy.

Establishing a Consensus Pyramid

Using the pyramid framework, a consensus pyramid from the staff and public sorting process was created with each category of service placed in the appropriate tier of the pyramid based on the benefits filter. By using feedback from the community to look at programs and services in this way, staff can set a program’s cost recovery goal relative to the amount of community benefit a category of service provides. Figure 15 represents PenMet Park’s consensus pyramid. Programs and services considered to have higher individual benefit will be recommended to have a higher cost-recovery percentage.

Figure 15: PenMet Park’s Consensus Pyramid



Cost-of-Service Analysis

Cost of service was measured using FY22 data to provide a baseline for setting appropriate cost recovery targets. No measurement of cost recovery is possible without a clear definition of what is being counted as “cost.” The definition of direct and indirect costs can vary from agency to agency. The most important aspect to understand is that all costs associated with running a program or providing a service are identified and consistently applied across the system.

- Direct cost includes all the specific, identifiable expenses (fixed and variable) associated with providing a service or program. These expenses would not exist without the program or service and often increase exponentially.
- Indirect cost are those costs that are not directly attributable to a program or service but are necessary to support the effort and are incurred for a common objective.

Revenue and expense data was compiled and associated with individual services in the system. For the study, only the direct cost associated with programs and services were evaluated. The specific direct cost counted include:

- Recreation Coordinators salary and benefits (80%)

- Recreation Assistants salary and benefits (100%)
- Recreation Specialists salary and benefits (100%)
- Recreation Leader salary and benefits (100%)
- Contractual services for coaches, officials, instructors, security, etc.
- Program specific licensing agreements like Motion Pictures, etc.
- Program specific consumable equipment and supplies like ping pong balls, camp supplies, art supplies provided by instructor or agency
- Uniforms, tee shirts, awards for participants and staff
- Non-consumable equipment purchased only for the program that require periodic, continual replacement or are necessary for the start of the program like yoga mats, blocks, bouncy balls, basketballs, low free weights, racquets and goggles
- Training specifically for the program or service
- Transportation costs such as mileage, parking, tolls, or rental of busses, etc.
- Field trip entry fees, tickets, admissions for participants and leaders/instructors
- Association fees related to specific activities
- Rental fees for facilities, spaces, janitors, charge backs, etc. (facilities managed by other providers)
- Marketing/promotion/printing/distribution/fliers/etc., associated directly with programs



5.3 Findings and Recommended Cost Recovery Goals

After the data collection and analysis concluded, staff received the results of the cost-of-service analysis. This data included all cost to provide each individual service in the system and current cost recovery performance results. The FY22 cost-of-service analysis provides a baseline to guide PenMet Parks in developing cost recovery goals. Current cost recovery by tier is shown in Table 17.

Table 17: FY22 Cost Recovery

Pyramid Tier	Revenue	Revenue as % of System	Expense	Expense as % of System	FY22 Tier Aggregate
T5	\$ 0	0%	\$0	0%	N/A
T4	\$ 29,251	4%	\$25,333	3%	115%
T3	\$ 376,774	50%	\$380,157	40%	99%
T2	\$ 310,629	41%	\$409,049	43%	76%
T1	\$ 34,827	5%	\$113,860	12%	31%
Total:	\$751,481		\$928,398		81%

As costing of services is a very revealing process, realistic and feasible targets have been recommended to align with the pyramid model and also to meet specific financial objectives for cost recovery. Recommended tier target ranges are shown in Table 18.

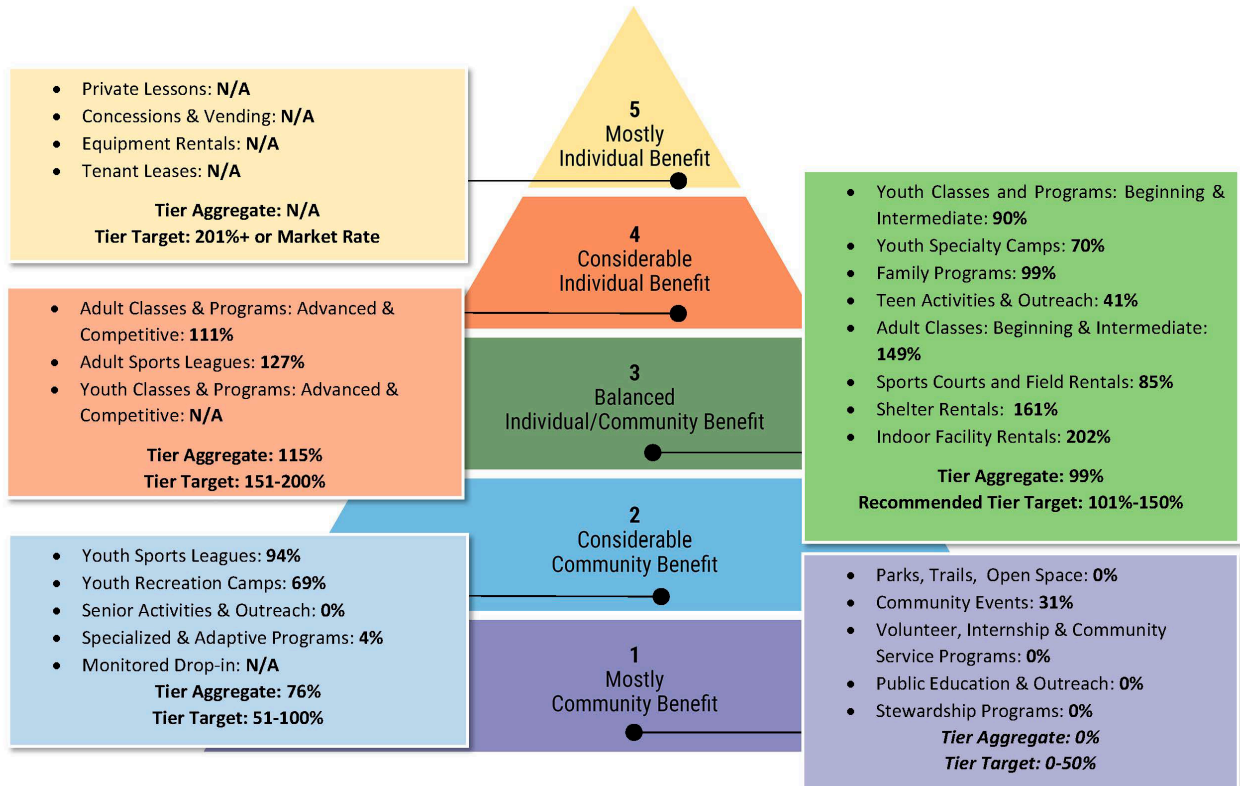
Table 18: Cost Recovery Tier Targets

Pyramid Tier	FY22 Tier Aggregate	Range Minimum	Range Maximum	Difference between Tier Aggregate and Range Minimum
T5	N/A	201+%	Market Rate	N/A
T4	115%	151%	200%	-36%
T3	99%	101%	150%	-2%
T2	76%	51%	100%	25%
T1	31%	0%	50%	0%

The tier aggregate is a measure of all categories on the tier. It is not intended that each individual category meets the tier target, but that the aggregate is at or above the tier target range. Fee reductions are not a recommendation or an outcome of the study. Some categories are performing above the recommended tier target; however, the tier aggregate is the focus. It is not uncommon for programs in the same tier to perform differently.

The PenMet Parks pyramid model with FY22 cost recovery by category of service is shown in Figure 16. Current cost recovery will be refined over the first year of implementation as steps are taken to more accurately account for revenues and expenditures by category of service.

Figure 16: PenMet Parks Cost Recovery Pyramid Model



5.4 Suggested Policy Language for Cost Recovery

PenMet Parks does not have a formal policy regarding cost recovery. The following policy language is suggested.

As a publicly financed park system, PenMet Parks provides a basic level of parks and recreation services for the public, funded by tax dollars. However, fees and charges and other methods to recover costs are considered a responsible and necessary means to supplement tax revenue.

Critical to the success of service delivery is affordability, fairness, and equity. It is the intent of this policy to ensure that the approach in the use of tax dollars as well as alternative forms of revenue will result in these qualities.

In establishing fees and charges, the District will determine the costs of providing services based on an identified and consistently applied methodology. The calculated cost will be used to measure current and projected cost recovery and to help establish appropriate cost recovery goals to support services. The appropriate level of cost recovery will be based on an assessment of who is benefiting from the service provided. If the benefit is to the community as a whole, it is appropriate to use taxpayer dollars to completely, or primarily fund the service. Examples of services that primarily provide community benefits are trails, play areas, parks, and community events. The cost recovery goals are used to establish and/or adjust fees to reach these goals.

As the benefit is increasingly offered to an individual or select group of individuals, it is appropriate to charge fees for the service at a decreasing level of subsidy and an increasing rate of cost recovery. Supervised or instructed programs, facilities, and equipment that visitors can use exclusively, as well as products and services that may be consumed, provide examples where fees are appropriate.

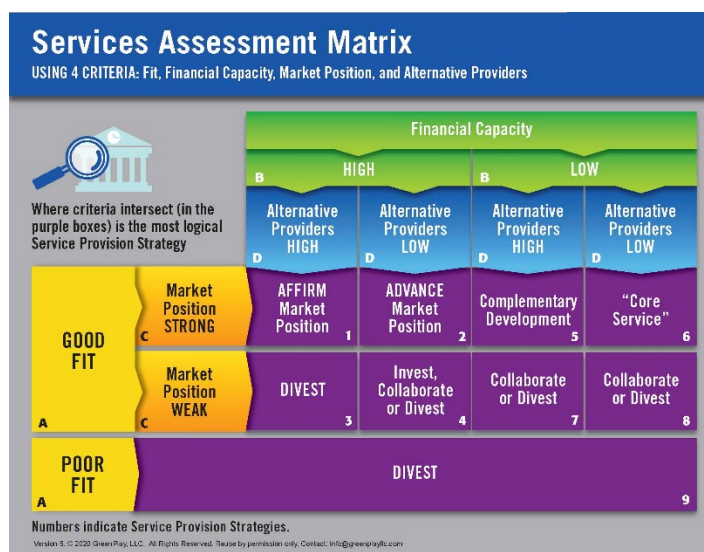
The District shall also consider available resources, public need, public acceptance, and the community economic climate when establishing fees and charges. In cases where certain programs and facilities are highly specialized by activity and design, and appeal to a select user group, the District shall additionally consider fees charged by alternative service providers or market rates.

The District may further subsidize services for persons with economic need or other targeted populations, as allowable, through tax-supported fee reductions, scholarships, grants, or other methods.

6.0 Public Sector Services Assessment

An assessment of public sector services is an intensive review of organizational services including activities, facilities, and parkland assets that leads to the development of an agency’s service portfolio. The process includes a location-specific analysis of each service for: relevance to the organization’s mission and vision; the organization’s position in the community relative to market; the quantity and quality of other similar service providers in the market area; and the economic viability of the service. Results indicate whether the service is “core to the organization’s mission and vision” and are therefore heavily, if not totally, reliant on the taxpayer investment to provide, or, for other services, it identifies recommended provision strategies that can include, but are not limited to enhancement of service, reduction of service, collaboration, or advancing or affirming market position.

Based on the MacMillan Matrix for Competitive Analysis of Programs, the Services Assessment Matrix is an extraordinarily valuable tool that has been adapted to help public agencies assess their services. The matrix is based on the assumption that duplication of existing comparable services (unnecessary competition) can fragment limited resources available, leaving all providers too weak to increase the quality and cost-effectiveness of customer services. The assessment tool challenges an agency to look at its services through a series questions categorized in filters addressing fit, financial capacity, market strength, and alternative providers. The matrix helps organizations think about some very pragmatic questions.



- Is PenMet Parks the best or most appropriate organization to provide the service?
- Is market competition good for the community?
- Is PenMet Parks spreading its resources too thin without the capacity to sustain core services and the system in general?
- Are there opportunities to work with another organization to provide services in a more efficient and responsible manner?

6.1 Services Assessment Filters

The District created a Service Menu listing using the categories of service developed for the cost recovery portion of the study. Findings from the program inventory and analysis, and market and gap analysis were used to answer a series of questions regarding fit, market position, financial capacity and the presence of alternative coverage in the marketplace.

Fit

Fit is the degree to which a service aligns with the agency's values and vision, reflecting the community's interests. If a service aligns with the agency's values and vision, and contributes to the overall enhancement of the community, it is classified as "good fit", if not, the service is considered a "poor fit".

- 1 Does the service align with agency values and vision?
- 2 Does the service provide community-wide return on investment (i.e., community, individual, environmental, or economic benefits and outcomes that align with agency values such as crime prevention, improved health and well-being, enhancement of property values)?

The answer to one or both questions must be yes to be a "good fit."

Financial Capacity

Financial Capacity is the degree to which a service (including a program, customer experience, facility or land asset is currently or potentially attractive as an investment of current and future resources to an agency from an economic perspective).

- 1 Does the service have the capacity to sustain itself (at least breakeven with direct costs) independent of General Fund or taxpayer subsidy/support?
- 2 Can the service reasonably generate (or could it in the future) at least 50% of the direct costs to provide the service from fees and charges?
- 3 Can the service reasonably generate (or could it in the future) excess revenues over direct expenditures through the assessment of fees and charges?
- 4 Are there consistent and stable alternative funding sources right now such as donations, sponsorships, grants and/or volunteer contributions for this service?
- 5 Can the service reasonably generate (or could it in the future) at least 25% (of the direct costs of service from alternative funding sources)?
- 6 Is there demand for this service from a significant or large portion of the service's target market?
- 7 Can the user self-direct or operate/maintain the service without agency support? For example: you are merely the convener or facilitator or the renter of the space to the user; they provide the ultimate experience.

The answer to the majority of these questions must be yes to be economically viable or have a high financial capacity.

Market Position

Market Position is the degree to which the organization has a stronger capability and potential to deliver the service than other agencies – a combination of the agency’s effectiveness, quality, credibility, and market share dominance. No service should be classified as being in a “strong market position” unless it has some clear basis for declaring superiority over other providers in that service category.

- 1 Does the agency have the adequate resources necessary to effectively operate and maintain the service?
- 2 Is the service provided at a convenient or good location in relation to the target market?
- 3 Does the agency have a superior track record of quality service delivery?
- 4 Does the agency currently own a large share of the target market currently served?
- 5 Is the agency currently gaining momentum or growing its customer base in relation to other providers? For example, "is there a consistent waiting list for the service?"
- 6 Can you clearly define the community, individual, environmental and/or economic benefits realized as a result of the service?
- 7 Does agency staff have superior technical skills needed for quality service delivery?
- 8 Does the agency have the ability (even if not currently employed) to conduct necessary research, pre and post participation assessments, and/or properly monitor and evaluate service performance therefore justifying the agency’s continued provision of the service? For example, benchmarking performance or the impact to community issues, values, or vision.
- 9 Are marketing efforts and resources effective in reaching and engaging the target market?

The answer to the majority of these questions must be yes to be in a “strong market position”.

Alternative Coverage

Alternative Coverage is the extent to which like or similar services are provided in the service area to meet customer demand and need.

- 1 Are there other large, or possibly several small agencies producing or providing comparable services in the same region or service area?

If yes, alternative coverage should be classified as "high." If no, alternative coverage is classified as "low."

6.2 Service Assessment Provision Strategies Defined

Services provision strategies are intended to direct and advance the PenMet Park’s service portfolio.

Affirm Market Position: a number (or one significant) *alternative provider(s)* exists; the service has *financial capacity* and the agency is in a *strong market position* to provide the service. Includes efforts to capture more of the market and investigating the merits of competitive pricing strategies. This includes investment of resources to realize a financial return on investment. Typically, these services can generate excess revenue over expenses.

Advance Market Position: a small number or no *alternative providers* exist to provide the service; the service has *financial capacity* and the agency is in a *strong market position* to provide the service. This includes efforts to capture more of the market, investigating the merits of market pricing, and improving outreach efforts. Also, this service may be an excess revenue generator by increasing volume.

Divestment: the service does not *fit* with the agency’s values and vision, and/or the agency has determined it is in a *weak market position* with little or no opportunity to strengthen its position. Further, the agency deems the service to be contrary to the agency’s interest in the responsible use of resources.

Investment: the service is a *good fit* with values and vision, and an opportunity exists to strengthen the agency’s current *weak market position*.

Complementary Development: the service is a *good fit*, several or one significant *alternative provider(s)* exists, the agency is in a *strong market position*, yet it does not have *financial capacity* for the agency. Complementary Development encourages planning efforts and sharing of responsibility that leads to mutually compatible service development rather than duplication, broadening the reach of all providers.

Collaboration: the service can be enhanced or improved through the development of a collaborative effort as the agency’s current *market position is weak*.

Collaborations: with other service providers (internal or external) minimize or eliminate duplication of services while most responsibly utilizing agency resources.

Core Service: these services *fit* with the agency’s values and vision, there are few if any *alternative providers*, yet the agency is in a *strong market position* to provide the service. However, the agency does not have the *financial capacity* to sustain the service outside of General Fund support and the service is deemed to not be economically viable. These services are core to satisfying the agency’s values and vision typically benefiting all community members or are seen as essential.

6.3 Findings and Recommended Service Provision Strategies

The outcomes of the Public Sector Services Assessment questions led to the determination of recommended service provision strategies for each service category. The outcomes by service category and Services Assessment filter are provided in Appendix C.

Core Services

Core services satisfying the District’s mission and vision typically benefiting all community members or are essential to under-served populations. There are few if any alternative providers and PenMet Parks is in a strong market position to provide the service. However, there is not the financial capacity to sustain the service outside of taxpayer support. Continual evaluation for efficiencies and effectiveness in providing these services is paramount. PenMet Parks’ core service categories include the following:

- Senior Activities & Outreach
- Parks, Trails, Open Space
- Public Education & Outreach
- Stewardship Programs
- Volunteer, Internship & Community Service Programs

Affirm Market Position

The Services Assessment identified services in which several, or one significant alternative provider(s) exists, yet the service has financial capacity, and the District is in a strong market position to provide it to customers or the community. Affirming market position includes efforts to capture more of the market and investigating the merits of competitive pricing strategies. This includes investment of resources to realize a financial return on investment. Typically, these services can generate excess revenue. Niche positioning and messaging are often used as market strategy. PenMet Parks should affirm the market position for the following service categories:

- Equipment Rentals
- Private Lessons
- Tenant Leases
- Youth Classes & Programs: Advanced & Competitive
- Youth Sports Leagues

Advance Market Position

The Services Assessment identified services in which a small number of, or no alternative providers exist to provide the service, the service has financial capacity, and the District is in a strong market position to provide the service. Primarily since there are fewer, if any, alternative providers, advancing market position of the service is a logical operational strategy. This includes efforts to capture more of the market, investigating the merits of market pricing and various outreach efforts. Also, this service may be an excess revenue generator by increasing

volume (particularly to fill current capacity). PenMet Parks should capitalize on its strong market position for these services by increasing offerings as demand dictates for the following service categories:

- Concessions & Vending
- Adult Classes & Programs: Advanced & Competitive
- Adult Sports Leagues
- Adult Classes: Beginning & Intermediate
- Family Programs
- Indoor Facility Rentals
- Sports Courts and Field Rentals
- Teen Activities & Outreach
- Youth Classes and Programs: Beginning & Intermediate
- Youth Specialty Camps
- Shelter Rentals
- Monitored Drop-in
- Specialized & Adaptive Programs
- Youth Recreation Camps
- Community Events

Complementary Development, Collaboration, Investment or Divestment

The Public Sector Services Assessment process did not identify service categories that aligned with four provision strategies. As PenMet Parks grows its service portfolio the following service provisions may come into play.

- Complementary Development: Complementary development encourages planning efforts avoiding duplication yet broadening the reach of all providers.
- Collaboration: Collaborative efforts, or partnerships, with other service providers (internal or external) minimizing or eliminating duplication of services, while most responsibly utilizing District resources.
- Investment: Investment may be in order if an opportunity exists to strengthen a weak market position.
- Divestment: Divestment may be in order if collaboration or investment are not available or successful. This can occur by discontinuing a service or transferring it to another entity.

7.0 Plan for Action

As a result of this study and impending results, the District will begin the process of implementing strategies and aligning resource allocation with newly developed objectives. These efforts are intended to set direction and to guide resource allocation and service provisions while creating service sustainability for the organization. The plan is organized into three focus areas:

- Program and Service Delivery
- Resource Allocation and Cost Recovery
- Services Assessment

There are 23 objectives within the study; each has been developed specifically to address issues and opportunities identified to advance the study’s three focus areas. The time frame for completion of the objectives is organized according to three categories, as follows:

- On-going
- Short-term: Initiated during 2023 or 2024 and completed by December 2024
- Medium-term: Initiated during 2025 or 2026 and completed by December 2026
- Long-term: Initiated in 2027 and completed by 2027 or after



7.1 Focus Area One: Program and Service Delivery

As a focused part of the study, the District sought to conduct a data-driven analysis to identify best practices, evaluate its service portfolio, and determine service gaps. The process included an inventory of services and programs provided by PenMet Parks, a review of comparable agencies, and a market study. This process has identified policies and operational practices to improve the overall organizational effectiveness of the District.

Table 19: Focus Area One: Program and Service Delivery Objectives

Objective		Time frame
1.1	Develop a comprehensive Pricing Policy to guide the development of a fair and consistent fee schedule. The Pricing Policy should include criteria for accessing a non-resident surcharge and guidelines for priority registration.	Short-term
1.2	Expand recreational opportunities to new locations to fill gaps in service. Investigate possibilities for Purdy, Maplewood, Artondale and Fox Island.	Mid-term
1.3	Diversify the District service portfolio by increasing opportunities for adults and seniors.	Mid-term
1.4	Continue to evaluate the current scope of youth programming. Determine if adjusting the size or increasing the number of youth camps will better serve the community by supporting summer day care needs.	Short-term
1.5	Maintain awareness and understanding of industry trends and research findings to influence the growth and development of the District service portfolio.	On-going
1.6	Conduct a life cycle analysis to determine if the District should develop new and more innovative programs, preposition programs that are in the decline stage, or continue with current balance of life cycle states.	Short-term
1.7	Develop an evaluation mechanism that measures the correlation between participation and revenue.	Short-term
1.8	Using the Sports and Leisure Market Potential Report, created by ESRI evaluate the adult sports market potential in the region.	Short-term

7.2 Focus Area Two: Resource Allocation and Cost Recovery

Intended to set direction to achieve cost recovery goals. This will allow the District to maximize revenue generation where appropriate and to shift taxpayer investment/subsidy to those areas more foundational on the pyramid.

This study examined all programs and services from a cost recovery perspective. Knowing the current status allows the setting of specific performance measures for the future.

The first year of implementation will continue to be a learning year as more data is generated and analyzed. It is likely that some adjustments will be made during or at the end of year one including:

- Further clarification or addition of categories
- Possible movement of a category to a more appropriate tier
- Possible movement of a program or service to a different category
- Reassignment of costs or recalculation of cost recovery levels

Adjusting fees is only one mechanism for meeting target cost recovery levels. Others include using alternative funding sources (sponsorships, scholarships, donations, grants, etc.), and creating cost efficiencies. The pyramid model has allowed the aligning of service benefits with the form of revenue best suited to support the service.



Table 20: Focus Area Two: Resource Allocation and Cost Recovery Objectives

Objective		Time frame																		
2.1	Seek Board of Commissioners approval of the suggested cost recovery policy found in section 5.4.	Short-term																		
2.2	<p>Recognize the PenMet Parks Consensus Pyramid (Figure 16) as the fundamental component of the PenMet Parks cost recovery philosophy. Based on direct cost from FY22 the following cost recovery goals are recommended:</p> <table border="1"> <thead> <tr> <th>Tier</th> <th>Range Minimum</th> <th>Range Maximum</th> </tr> </thead> <tbody> <tr> <td>Tier 5</td> <td>201+%</td> <td>Market Rate</td> </tr> <tr> <td>Tier 4</td> <td>151%</td> <td>200%</td> </tr> <tr> <td>Tier 3</td> <td>101%</td> <td>150%</td> </tr> <tr> <td>Tier 2</td> <td>51%</td> <td>100%</td> </tr> <tr> <td>Tier 1</td> <td>0%</td> <td>50%</td> </tr> </tbody> </table>	Tier	Range Minimum	Range Maximum	Tier 5	201+%	Market Rate	Tier 4	151%	200%	Tier 3	101%	150%	Tier 2	51%	100%	Tier 1	0%	50%	Short-term
Tier	Range Minimum	Range Maximum																		
Tier 5	201+%	Market Rate																		
Tier 4	151%	200%																		
Tier 3	101%	150%																		
Tier 2	51%	100%																		
Tier 1	0%	50%																		
2.3	Review existing policy and procedure to help assure full integration with the approved cost recovery policy.	Short-term																		
2.4	Refine the tracking of expenses for programs and services.	Short-term																		
2.5	Use the cost recovery philosophy, model, and policy as a District training tool and incorporate specific recommendations into annual staff work plans as appropriate.	On-going																		
2.6	Adjust fees to reflect the District’s cost recovery targets, being sensitive to fee tolerance, and implementing over time as necessary.	Mid-term																		
2.7	Set initial pricing for programs and services at a fee level that considers cost recovery targets, market rates, and willingness to pay.	On-going																		
2.8	Review all fees for annual adjustments to keep up with the increasing cost of providing the service.	On-going																		
2.9	Continue to review internal management practices to identify cost savings. Expenses may be minimized through avenues such as restructuring of programs, management efficiencies, and partnering.	Short-term																		

2.10	Engage staff in budget development and discussion of annual revenue goals.	Short-term
2.11	Explore alternative funding sources that strategically align with the District's vision including potential partnerships.	Long-term
2.12	Tier 5 represents activities determined to provide a high level of individual benefit. These programs are the least related to the fundamental purpose of the District. For this reason, categories on tier 5 should not be subsidized. The pricing for future programs in tier 5 categories should be set at a level that help ensure a tier aggregate of 201% cost recovery.	Mid-term
2.13	Tier 4 represents activities with a considerable individual benefit which should not be reliant on tax resources to support them. Modify program delivery to increase tier 4 aggregate cost recovery to a minimum of 151% by 2027. Strategies may include restructuring of the offering, decreasing expenses, and/or increasing fees.	Mid-term
2.14	Tier 3 represents activities that provide a balanced benefit. Tier 3 is a large tier with a variety of programs and services, and a large capacity for volume. Within each category of service, there are areas that suggest a closer look at program structure, consistency, and refinement of the cost accounting. Review the structure of programs in all categories on tier 3 to reach a tier aggregate of 101% cost recovery by 2027.	Mid-term

7.3 Focus Area Three: Services Assessment

The Public Sector Services Assessment provided an intensive review of organizational services, the development of a service portfolio and the identification of service provision strategies. The assessment included an analysis of each service’s relevance vision, and mission; market position; other service providers in the area, including quantity and quality of provider; and the economic viability of the service.

Table 20: Focus Area: Three Services Assessment Objectives

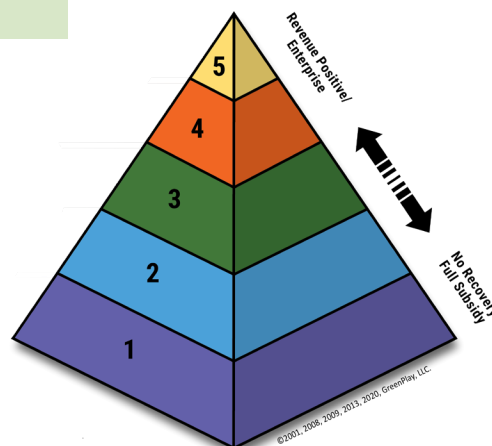
Objective		Time frame
3.1	Pursue service provision strategies identified in 6.3 to advance existing service categories.	Mid-term
3.2	Use the Public Sector Services Assessment as the foundation for evaluating service categories. Update the PenMet Parks Service Portfolio annually.	Mid-term
3.3	Monitor fill rates, program lifecycles, and cost recovery goals on an annual basis. Manage program lifecycles through monitoring registration, fill rates, and cost recovery goals on an ongoing basis. Use Services Assessment provision strategies for underperforming programs.	On-going



Appendix A: The Pyramid Methodology

The BerryDunn Pyramid Methodology, used in the development of the Subsidy and Resource Allocation Model, is built on a foundation of understanding *who* is benefiting from park and recreation services to determine *how* the costs for service should be paid.

The Model illustrates a pricing philosophy based on establishing fees commensurate with the benefit received. Descriptions regarding each level of the pyramid are provided; however, the model is intended as a discussion point and is very dependent on agency philosophies to determine what programs and services belong on each level. Cultural, regional, geographical, and resource differences play a large role in this determination. The resulting pyramid is unique to each agency that applies this methodology.



Application of the pyramid methodology begins with the mission of the organization, but must also address other considerations:

- Who benefits from the service - the community in general, or only the individual or group receiving the service?
- Does the individual or group receiving the service generate the need (and therefore the cost) of providing the service?
- Will imposing the full cost fee pose a hardship on specific users? (The ability to pay is different than the benefit and value of a program, activity, or service, and therefore, should be dealt with during the implementation phase of pricing and marketing.)
- Do community values support taxpayer investment for the cost of service for individuals with special needs (for example, people with disabilities or low-income)?
- Will the level of the fee affect the demand for the service?
- Is it possible and desirable to manage demand for a service by changing the level of the fee?
- Are there competing providers of the service in the public or private sector?

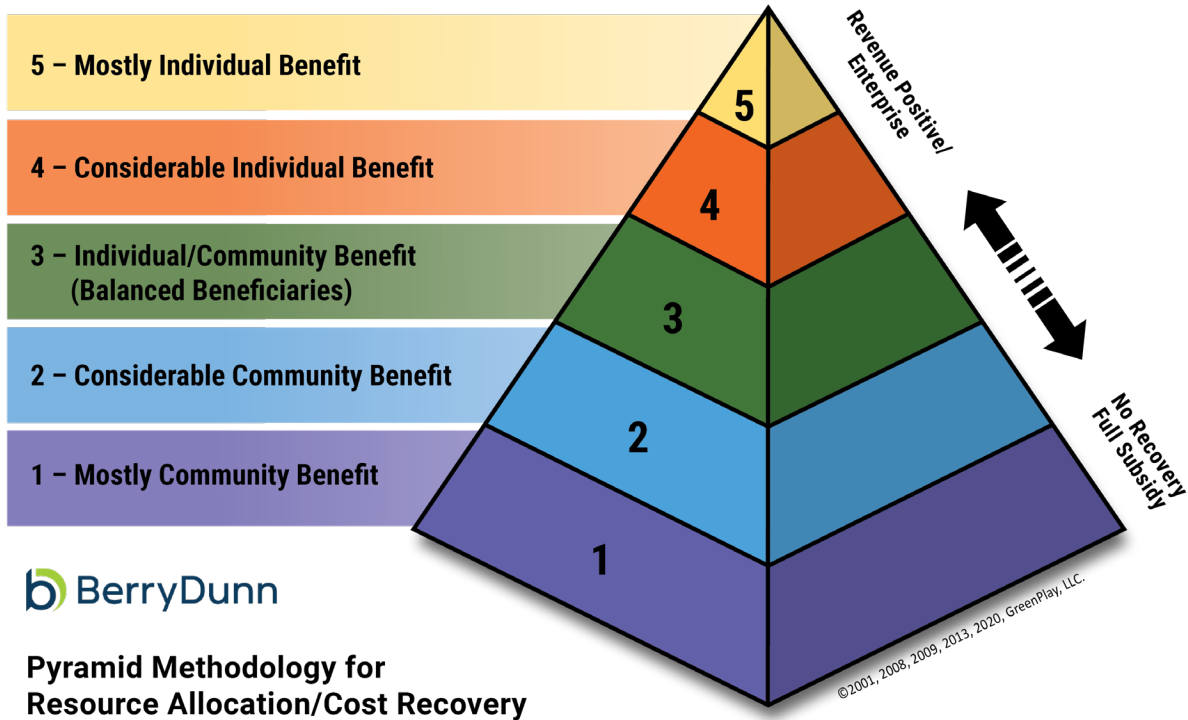
The application of the model is broken down into the following steps:

- Step 10:** Evaluation
- Step 9:** Implementation
- Step 8:** Understanding and preparing for influential factors and considerations
- Step 7:** Establishing tax investment goals/subsidy level targets
- Step 6:** Determining (or confirming) current tax investment/cost
- Step 5:** Defining Direct and Indirect Costs
- Step 4:** Sorting the Categories of Service onto the Pyramid
- Step 3:** Developing the organization's Categories of Service
- Step 2:** Understanding the Pyramid Methodology, the benefits filter, and secondary filters
- Step 1:** Building on your organization's values, vision, and mission

Step 1: Building on Your Organization’s Values, Vision, and Mission

Critical to this philosophical undertaking is the support and buy-in of elected officials and advisory board members, staff, and ultimately, citizens. Whether or not significant changes are called for, the organization should be certain that it philosophically aligns with its constituents. The financial resource allocation philosophy and policy is built upon a very logical foundation based upon the theory that those who benefit from parks and recreation services ultimately pay for them.

Envision a pyramid sectioned horizontally into five levels:



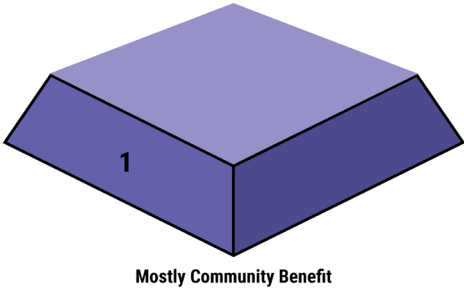
Step 2: Understanding the Pyramid Methodology and Filters

The philosophy and policy are key components to maintaining an agency’s financial control, equitably pricing offerings, and helping to identify core services including programs and facilities.

The principle of the Pyramid is the **Benefits Filter**. The base level of the pyramid represents the core services of a public parks and recreation system. Services appropriate to higher levels of the pyramid should only be offered when the preceding levels below are comprehensive enough to provide a foundation for the next level. The foundation and upward progression are intended to represent public parks and recreation’s core mission, while also reflecting the growth and maturity of an organization as it enhances its service offerings.

MOSTLY COMMUNITY Benefit

Level One is the foundation of the pyramid and therefore the largest, and encompasses those services, including programs and facilities, that **MOSTLY** benefit the **COMMUNITY** as a whole. These services may increase property values, provide safety, address social needs, and enhance quality of life for residents. The community generally pays for these basic services via tax support and they are generally offered to residents at a minimal charge or with no fee. A large percentage of the agency’s tax support funds this level.

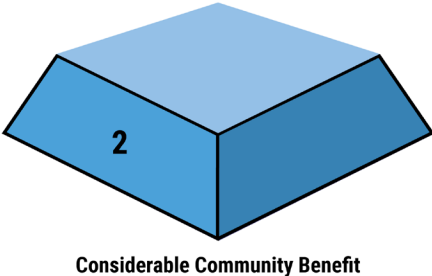


Examples of these services could include: the existence of the community parks and recreation system (park maintenance), the ability to visit facilities on an informal basis, park and facility planning and design.

NOTE: All examples given are generic – individual agencies vary in their determination of which services belong on which level of the Pyramid based upon agency values, vision, mission, demographics, goals, etc.

CONSIDERABLE COMMUNITY Benefit

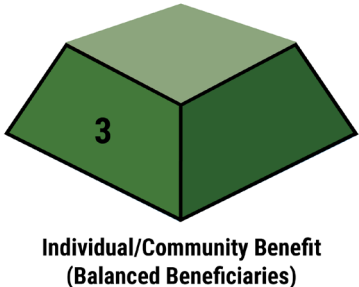
Level Two represents services that promote community and individual physical and mental well-being, and may begin to provide skill development. They are generally traditionally expected services and/or beginner instructional levels. These services are typically assigned fees based upon a specified percentage of direct (and may also include indirect) costs. These costs are partially offset by both a tax investment to account for **CONSIDERABLE COMMUNITY** benefit and participant fees to account for the Individual benefit received from the service.



Examples of these services could include: staffed facility and park use, therapeutic recreation programs and services, senior services, etc.

BALANCED INDIVIDUAL/COMMUNITY Benefit

Level Three represents services promoting individual physical and mental well-being and providing an intermediate level of skill development. There is a more balanced **INDIVIDUAL** and **COMMUNITY** benefit and should be priced accordingly. The individual fee is set to recover a higher percentage of cost than those services falling within lower Pyramid levels.

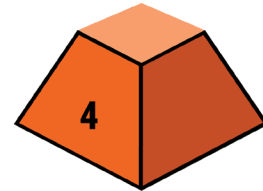


Examples of these services could include: summer recreational day camp, youth sports leagues, summer swim team, etc.

CONSIDERABLE INDIVIDUAL Benefit

Level Four represents specialized services geared toward individuals and specific groups, and services that may have a competitive focus. These are not highly subsidized and may be priced to recover full cost, including all direct expenses.

Examples of these services could include: Trips, advanced level classes, competitive leagues, etc.



Considerable Individual Benefit

MOSTLY INDIVIDUAL Benefit

At the top of the Pyramid, Level Five represents services that have potential to generate revenues above costs, may be in the same market space as the private sector, or may fall outside the primary mission of the agency. In this level, services should not be supported by subsidy, should be priced to recover full cost, and may generate revenue in excess of cost.

Examples of these activities could include: Private lessons, company picnic rentals, other facility rentals for weddings or other services, concessions and merchandise for resale, restaurant services, etc.



Mostly Individual Benefit

Step 3: Developing the Organization’s Categories of Service

Prior to sorting programs and services onto the Pyramid, each must be reviewed, analyzed, and sifted through to create the agency’s Categories of Services, including definitions and examples. “Narrowing down” facilities, programs, and services and placing them in categories (groups of like or similar service) that best fit their descriptions, allows a reasonable number of items to be sorted onto the pyramid tiers using the Individual and Community Benefit filter. There is not a pre-determined number of categories, however, ultimately every program and service offered must fit within a category, so carefully naming, describing, distinguishing, and providing examples for each category is critical to a successful effort.



Step 4: Sorting the Categories of Service onto the Pyramid



The sorting process is where ownership is created for the philosophy, while participants discover the current and possibly varied operating histories, cultures, missions, and values of the organization. The process develops consensus and allows everyone to land on the same page. The effort must reflect the community and align with the mission of the agency.

The sorting process is a challenging step led by objective and impartial facilitators in order to hear all viewpoints. The process generates discussion and debate as participants discover what

others have to say about serving the community; about adults versus youth versus seniors; about advanced versus intermediate and beginning programs; about special events; athletic fields; and rentals involving the general public, non-profit and for-profit entities; etc. It is important to push through the “what” to the “why” to find common ground. There is also the consideration of additional filters (discussed in Step 8), which often hold a secondary significance in determining placement on the Cost Recovery Pyramid.

Step 5: Defining Costs

The definition of direct and indirect costs can vary from agency to agency. The most important aspect is that all costs associated with directly running a program or providing a service are identified and consistently applied across the system. Direct costs typically include the specific, identifiable expenses associated with providing a service. These expenses would not exist without the service and may be fixed or variable costs. Indirect costs are costs shared among services. It is up to each agency to determine how best to allocate indirect costs, and the default is often the consequence of the agency’s accounting software’s ability to track and assign costs at the programmatic level.

Step 6: Determining (or Confirming) Current Tax Investment/Subsidy Levels

The agency will confirm or determine current subsidy allocation levels by category of services based upon the definition of costs. Results of this step identify what it costs to provide services to the community, whether staff has the capacity or resources necessary to account for and track costs, whether accurate cost recovery levels can be identified, and whether cost centers or general ledger line items align with how the agency may want to track these costs in the future. Staff may not be cost accounting consistently, and these inconsistencies become apparent.

Step 7: Establishing Cost Recovery/Tax Investment Targets

The steps thus far work to align who is benefiting from programs and services with the sources of funding used to pay for them. The tax investment is used in greater amounts at the bottom levels of the pyramid, reflecting the benefit to the community as a whole. As the pyramid is climbed, the percentage of tax investment decreases, and at the top levels, it may not be used at all, reflecting the Individual benefit.

Targets take into account current subsidy levels. As costing of services and matching revenues is a very revealing process, realistic and feasible targets are recommended to align with the pyramid model and also to meet specific financial objectives for recovery of direct and indirect cost. These targets will be identified for each tier of the agency's Pyramid Model.

Step 8: Understanding and Preparing for Influential Factors and Considerations



Inherent to sorting programs onto the Pyramid Model using the Benefits and other filters is the realization that other factors come into play. This can result in decisions to place services in other levels than might first be thought. These factors can aid in determining core services versus ancillary services. These may include participant commitment, trends, political issues, marketing, relative cost to provide the service (cost per participant), current economic conditions, and financial goals.

Step 9: Implementation

The agency sets goals based upon its mission, stakeholder input, funding, and/or other criteria. Completion of steps 1-8 position the agency to illustrate and articulate where it has been and where it is heading from a financial perspective. Some recommendations are scheduled to occur immediately, and others will take time to put into place, while some will be implemented incrementally. It is important that fee change tolerance levels are considered.

Step 10: Evaluation

This process is undertaken to articulate a philosophy, train staff on a best practice ongoing approach to subsidizing services in public parks and recreation, and enhance financial sustainability. Performance measures are established through subsidy level targets, specific recommendations are made for services found to be out of alignment, and evaluation of goal attainment is recommended to take place annually.

Appendix B: PenMet Parks Categories of Service

Tier	Category	Definition	Examples
5	Concessions & Vending	Food and beverage conveyed to individuals for use or consumption. May be contracted or self-operated.	Concessions at Sehmel Homestead Park
5	Equipment Rentals	Various District-owned equipment available to renters for exclusive use.	Sports equipment, banquet chairs/tables, audio/video equipment, stage
5	Private Lessons	Lessons arranged for one to three students with a specific instructor and/or time.	Not currently offered by PenMet Parks. Examples include tennis, music, golf, racquetball, personal training, dance, art
5	Tenant Leases	Outside entities leasing park district property (land and/or facilities).	Concessionaire lease
4	Adult Classes & Programs: Advanced & Competitive	Focus on advanced activities/instruction, certification, or competitive activities. Prerequisite skill levels may be required.	Specialty programs, dragon boating, advanced watercolors
4	Adult Sports Leagues	Scheduled multi-game athletics for adults managed by the District. Often the teams are created by the participants and compete on a recreational level.	Adult softball
4	Youth Classes & Programs: Advanced & Competitive	Focus on advanced activities/instruction, certification, or competitive activities. Prerequisite skill levels may be required.	Advanced basketball, advanced gymnastics
3	Adult Classes: Beginning & Intermediate	Entry or multi-level group recreational and/or instructional programs and activities requiring	Group exercise, sports fundamentals, education/enrichment programs, art, intro to painting

		registration with no prior skills required.	
3	Family Programs	Programs require parent or guardian participation.	Family art classes, parent & tot classes
3	Indoor Facility Rentals	Temporary and exclusive use of facilities by an individual, organization or non-profit.	Birthday parties, wedding rehearsals, business meeting, service clubs
3	Sports Courts and Field Rentals	Temporary and exclusive use of District fields or sports courts by an individual or organization.	Family function, organized sports leagues, non-profit softball teams
3	Teen Activities & Outreach	Programming and events specifically designed for teens.	e-Games tournament, socials/dances, Teen Advisory Committee
3	Youth Classes and Programs: Beginning & Intermediate	Entry or multi-level group recreational and/or instructional programs and activities requiring registration with no prior skills required.	Group ballet lessons, sports fundamentals, education/enrichment programs, art, STEM classes, gymnastics
3	Youth Specialty Camps	Non-traditional, topic specific camps that are typically offered on a one-time or limited basis. Includes individualized activities.	STEM Camps, Sport Camps, Dance Camps
3	Shelter Rentals	Temporary and exclusive use of a District shelter by an individual or organization.	Birthday party, company picnic
2	Monitored Drop-in	Drop-in use of an indoor facility activity with no instruction, but is monitored by District staff/volunteer supervision.	Drop-in basketball, pickleball, group exercise
2	Senior Activities & Outreach	Recreational, instructional, or social programs and activities requiring registration with no prior skills required for ages 55+.	Group exercise classes, Stay Active and Independent for Life, education/enrichment programs, art, walking for fitness, socials
2	Specialized & Adaptive Programs	Specialized opportunities for people with intellectual and	Social club, art classes, fitness & fun Future offerings may include

		developmental disabilities. All physical abilities are welcome.	wheelchair basketball, Special Olympics
2	Youth Recreation Camps	Half-day or full-day camps offered to provide enrichment in a recreational setting.	OST camps
2	Youth Sports Leagues	Scheduled multi-game athletics for participants of multi-skill levels and various age groups that are organized and/or managed by the District. Provides a team experience for participants with the intent to play a game/match-format or to compete on a recreational level.	Recreational youth leagues such as basketball, soccer, baseball, or flag football
1	Community Events	Community-wide events typically produced by the District and offered on an annual basis.	Scarecrow Festival, Family Fun Fest, Egg Hunt, Concerts in the Park
1	Parks, Trails, Open Space	Drop-in use of a park/facility/activity that is non-registered and non-instructed, and is NOT monitored by District staff/volunteer supervision.	Trail use, playgrounds, passive and active park areas, outdoor courts, dog parks, public art, beaches
1	Public Education & Outreach	Community engagement in a structured or non-structured setting.	Blood drives, public workshops, outreach/informational booths, Camp Fair
1	Stewardship Programs	Financial assistance provided to the community in order to reduce barriers to participation or enhance community assets.	Recreation Scholarship Program, Facility Fee Waiver, Park Improvement Grant (PEG)
1	Volunteer, Internship & Community Service Programs	Managing individuals or groups to donate their time and effort to a structured or scheduled experience, support educational or service requirements, or provide improvements.	Park clean-up volunteer events, youth sports volunteer coaches, special event volunteers

Appendix C: PenMet Parks Service Portfolio

	Fit				Financial Capacity				Market Position				Alternative Coverage				Cell	Provision Strategy
	Good	Poor	Good	Poor	High	Low	High	Low	Strong	Weak	Strong	Weak	High	Low	High	Low		
	x		1		x		2		x		3		x		4			
	x		1		x		2		x		3		x		4		10	Affirm Market Position
	x		1		x		2		x		3		x		7		13	Advance Market Position
	x		1		x		2		x		8		x		4		15	Divest
	x		1		x		2		x		8		x		7		18	Invest, Collaborate, or Divest
	x		1		x		11		x		3		x		4		19	Complementary Development
	x		1		x		FALSE	11	x		3		x		7		22	Core Service
	x		1		x		FALSE	11			x		8		4		24	Collaborate or Divest
	x		1		x		FALSE	11			x		8		7		27	Collaborate or Divest
	x		30	na	na		FALSE		na		na		na				30	Divest
Senior Activities & Outreach	x		1	FALSE	x		FALSE	11	x		3	FALSE	x		FALSE	7	22	Core Service
Parks, Trails, Open Space	x		1	FALSE	x		FALSE	11	x		3	FALSE	x		FALSE	7	22	Core Service
Public Education & Outreach	x		1	FALSE	x		FALSE	11	x		3	FALSE	x		FALSE	7	22	Core Service
Stewardship Programs	x		1	FALSE	x		FALSE	11	x		3	FALSE	x		FALSE	7	22	Core Service
Volunteer, Internship & Community Service	x		1	FALSE	x		FALSE	11	x		3	FALSE	x		FALSE	7	22	Core Service
Equipment Rentals	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		4	FALSE	10	Affirm Market Position
Private Lessons	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		4	FALSE	10	Affirm Market Position
Tenant Leases	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		4	FALSE	10	Affirm Market Position
Youth Classes & Programs: Advanced & C	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		4	FALSE	10	Affirm Market Position
Youth Sports Leagues	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		4	FALSE	10	Affirm Market Position
Concessions & Vending	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Adult Classes & Programs: Advanced & C	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Adult Sports Leagues	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Adult Classes: Beginning & Intermediate	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Family Programs	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Indoor Facility Rentals	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Sports Courts and Field Rentals	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Teen Activities & Outreach	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Youth Classes and Programs: Beginning &	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Youth Specialty Camps	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Shelter Rentals	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Monitored Drop-in	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Specialized & Adaptive Programs	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Youth Recreation Camps	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position
Community Events	x		1	FALSE	x		2	FALSE	x		3	FALSE	x		FALSE	7	13	Advance Market Position