

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Hugh R. Riley, Assistant City Manager 

PREPARED BY: Stephanie Anderson, Recreation Superintendent

DATE: November 6, 2012 (Meeting of December 5, 2012)

SUBJECT: Cost Recovery Summary Fiscal Year 2011-2012

BACKGROUND

On January 18, 2012, the City Council approved the Recreation Programs and Services Cost Recovery Policy. The Policy defines costs, revenue sources, program categories, and recovery levels. The Policy establishes both the minimum cost recovery and target cost recovery requirements for Recreation Division programs. The Policy requires an annual reporting to the Parks and Recreation Commission and Moorpark City Council on Recreation Programs and whether those programs met their cost recovery goals.

DISCUSSION

This report serves as a financial summary of Recreation Division programs for the fiscal year 2011-2012. The report was presented to the Parks and Recreation Commission on November 5, 2012. The Commission provided feedback on the report and concurred with staff recommendations for programs not meeting their minimum recovery goals.

Recreation programs are expected to reach their minimum recovery goal within a period not to exceed one year. Although the policy was not enacted until January 2012 (the middle of the Winter 2012 season), and would therefore be effective starting with the Spring 2012 season, included in this report are all programs held during the entire 2011-2012 fiscal year (Summer 2011, Fall 2011, Winter 2012, and Spring 2012 seasons.) Programs that are unable to meet the minimum cost recovery will be reviewed for consideration of appropriate action, including restructuring or eliminating the program. The City Manager is also authorized to exclude individual programs from the Cost Recovery Policy.

Included in this report is a summary listing of programs based on their status of meeting cost recovery goals; financial summaries for each program; and staff recommended action plans for those programs not meeting their minimum recovery goals. Attached for reference is the Cost Recovery Policy, which establishes minimum and target cost recovery percentages for the various program categories.

Cost Recovery Goal Summaries

| Programs meeting target cost recovery goal | Programs meeting minimum cost recovery goal | Programs not meeting minimum cost recovery goal |
|---|--|---|
| 3 rd of July Fireworks Extravaganza Camp Moorpark Adult Softball League Youth Basketball League | Trick or Treat Village Breakfast with Santa Easter Egg Hunt Moorpark Arts Festival Teen Band Events Recreation Classes and Specialty Camps Adult Soccer League | Visits from Santa Moorpark Has Talent General Teen Events Teen Skate Events Teen Dances Adult Basketball League Dribble, Dish, and Swish Punt, Pass and Kick |

Program Financial and Cost Recovery Summaries for Recreation Division Programs

EVENTS

3rd of July Fireworks Extravaganza

Sunday, 7/3/11 from 4:00 to 9:30 p.m. at AVCP; admission \$3.00

| Fireworks Extravaganza Financial Summary | |
|---|------------------|
| Participation | 13,100 |
| Revenue | \$45,981 |
| Direct Costs | \$39,064 |
| Indirect Costs | \$12,726 |
| <i>F/T Staff</i> | \$11,791 |
| <i>Overhead Costs</i> | \$935 |
| Total Costs | \$51,790 |
| Gross Profit / (Loss) | \$6,917 |
| Net Profit / (Loss) | (\$5,809) |

Cost Recovery Summary (Category: Community Event):

| | |
|---|-------|
| Percent Direct Costs Recovered: | 100% |
| Percent Division Indirect Costs Recovered | 54.3% |
| Minimum Recovery Met: | Yes |
| Target Recovery Met: | Yes |

Trick or Treat Village

Saturday, 10/29/11 from 4:00 to 7:00 p.m. at AVRC; admission \$5.00/\$10.00/\$15.00

| Trick or Treat Village Financial Summary | |
|---|------------------|
| Participation | 600 |
| Revenue | \$2,100 |
| Direct Costs | \$2,060 |
| Indirect Costs | \$5,749 |
| F/T Staff | \$5,325 |
| Overhead Costs | \$424 |
| Total Costs | \$7,809 |
| Gross Profit / (Loss) | \$40 |
| Net Profit / (Loss) | (\$5,709) |

Cost Recovery Summary (Category: Special Event):

| | |
|---|------|
| Percent Direct Costs Recovered: | 100% |
| Percent Division Indirect Costs Recovered | 1% |
| Minimum Recovery Met: | Yes |
| Target Recovery Met: | No |

Visits from Santa

December 16, 17, 22, 23, and 24, 2011, at various times; registration fee \$52.00/\$75.00

| Visits from Santa Financial Summary | |
|--|------------------|
| Participants | 201 |
| Revenue | \$1021 |
| Direct Costs | \$430 |
| Indirect Costs | |
| F/T Staff | \$2,392 |
| Overhead Costs | \$135 |
| Total Costs | \$2,957 |
| Gross Profit / (Loss) | \$591 |
| Net Profit / (Loss) | (\$1,936) |

Cost Recovery summary (Category: Other Event):

| | |
|---|-------|
| Percent Direct Costs Recovered: | 100% |
| Percent Division Indirect Costs Recovered | 23.5% |
| Minimum Recovery Met: | No |
| Target Recovery Met: | No |

Breakfast with Santa

Saturday, 12/17/11 from 8:00 a.m. to 10:45 a.m. at AVRC; registration fee \$15/\$10/\$8

| Breakfast with Santa Financial Summary | |
|---|------------------|
| Enrollments | 83 |
| Revenue | \$854 |
| Direct Costs | \$1,144 |
| Indirect Costs | |
| F/T Staff | \$2884 |
| Overhead Costs | \$217 |
| Total Costs | \$4,245 |
| Gross Profit / (Loss) | (\$290) |
| Net Profit / (Loss) | (\$3,291) |

Cost Recovery summary (Category: Special Event):

| | |
|---|-----|
| Percent Direct Costs Recovered: | 75% |
| Percent Division Indirect Costs Recovered | 0% |
| Minimum Recovery Met: | Yes |
| Target Recovery Met: | No |

Easter Egg Hunt

Saturday, 4/7/12 from 10:00 a.m. to 1:00 p.m. at AVCP; admission \$5.00/\$10.00

| Easter Egg Hunt | 2012 |
|----------------------------|------------------|
| Attendance | 1,200 |
| Revenue | \$3,310 |
| Direct Costs | \$2,645 |
| Indirect Costs | |
| F/T Staff | \$4,031 |
| Overhead Costs | \$378 |
| Total Costs | \$7,055 |
| Gross Profit / (Loss) | \$665 |
| Net Profit / (Loss) | (\$3,774) |

Cost Recovery summary (Category: Special Event):

| | |
|---|------|
| Percent Direct Costs Recovered: | 100% |
| Percent Division Indirect Costs Recovered | 15% |
| Minimum Recovery Met: | Yes |
| Target Recovery Met: | No |

Moorpark Has Talent

Saturday, 3/24/12 at 7:00 p.m. at HSAC; performer entry fee \$10.00; show admission \$8.00/\$10.00. Revenue updated for this report to include a recent donation of \$1,000 from Moorpark Foundation for the Arts.

| Moorpark Has Talent | 2012 |
|----------------------------|------------------|
| Attendance | 284 |
| Revenue | \$4,426 |
| Direct Costs | \$2,026 |
| Indirect Costs | |
| <i>F/T Staff</i> | \$4,397 |
| <i>Overhead Costs</i> | \$421 |
| Total Costs | \$6,844 |
| Gross Profit / (Loss) | \$2,400 |
| Net Profit / (Loss) | (\$2,418) |

Cost Recovery summary (Category: Other Event):

Percent Direct Costs Recovered: 100%
 Percent Division Indirect Costs Recovered 50.2%
 Minimum Recovery Met: No
 Target Recovery Met: No

Moorpark Arts Festival

Saturday, 4/28/12 from 10:00 a.m. to 4:00 p.m. on High Street; free admission

| Moorpark Arts Festival | 2012 |
|-------------------------------|-------------------|
| Attendance | 3,000 |
| Revenue | \$2,310 |
| Direct Costs | \$3,124 |
| Indirect Costs | |
| <i>F/T Staff</i> | \$9,562 |
| <i>Overhead Costs</i> | \$704 |
| Total Costs | \$13,390 |
| Gross Profit / (Loss) | (\$814) |
| Net Profit / (Loss) | (\$11,080) |

Cost Recovery summary (Category: Community Event):

Percent Direct Costs Recovered: 74%
 Percent Division Indirect Costs Recovered 0%
 Minimum Recovery Met: Yes
 Target Recovery Met: No

General Teen Events

Coco Loco Luau: Friday, 6/10/11 from 7:00 to 10:00 p.m. at AVRC; admission \$5

Holiday Movie Marathon: Friday, 12/21/11 from 10:00 a.m. to 6:00 p.m. at HSAC; admission \$5.00/\$10.00

Minute to Win It: Saturday, 1/28/12 from 1:00 to 3:00 p.m. at AVRC; entry fee \$5.00/\$8.00

Pi Day: Wednesday, 3/14/12 from 4:00 to 6:00 p.m. at Poindexter Park; admission \$3.00

Anime Night: Friday, 4/13/12 from 7:00 to 10:00 p.m. at AVRC; admission \$3.00

| Small Teen Event Financial Summaries | Coco Loco Luau | Holiday Movie Marathon | Minute to Win It | Pi Day | Anime Night | Total FY 11-12 |
|--------------------------------------|------------------|------------------------|------------------|------------------|------------------|------------------|
| Participation (Total) | 13 | 163 | 2 | 10 | 5 | 193 |
| Revenue | \$67 | \$758 | \$13 | \$31 | \$15 | \$884 |
| Direct Costs | \$445 | \$1,161 | \$100 | \$111 | \$110 | \$1,927 |
| Indirect Costs | | | | | | \$8,615 |
| <i>F/T Staff</i> | \$1,841 | \$1,381 | \$1,381 | \$1381 | \$1381 | \$7,365 |
| <i>Overhead Costs</i> | \$294 | \$231 | \$240 | \$233 | \$252 | \$1,250 |
| Total Costs | \$2580 | \$2,773 | \$1,721 | \$1,725 | \$1,743 | \$10,542 |
| Gross Profit / (Loss) | (\$378) | (\$403) | (\$87) | (\$80) | (\$95) | (\$1,043) |
| Net Profit / (Loss) | (\$2,513) | (\$2,015) | (\$1,708) | (\$1,694) | (\$1,728) | (\$9,658) |

Cost Recovery Summary (Category: Special Event):

| | |
|---|-------|
| Percent Direct Costs Recovered: | 45.9% |
| Percent Division Indirect Costs Recovered | 0% |
| Minimum Recovery Met: | No |
| Target Recovery Met: | No |

Teen Band Events

Band Jam: Friday, 7/8/11 from 7:00-10:00 p.m. at AVRC; event was cancelled

Band Jam: Friday, 11/18/11 from 7:00-10:00 p.m. at AVRC; \$5.00 admission

Band Jam: Saturday, 1/14/12 from 7:00-10:00 p.m. at AVRC; \$5.00 admission

Band Jam: Friday, 3/9/12 from 7:00-10:00 p.m. at AVRC; \$5.00 admission

| Band Events | 7/10/11 | 11/18/11 | 1/14/12 | 3/9/12 | Total FY11-12 |
|----------------------------|------------------|-----------------|------------------|------------------|--------------------------|
| Participation | 0 | 58 | 87 | 71 | 216 |
| Revenue | 0 | \$251 | \$365 | \$195 | \$811 |
| Direct Costs | 0 | \$157 | \$144 | \$91 | \$392 |
| Indirect Costs | | | | | \$7,553 |
| <i>F/T Staff</i> | <i>\$1841</i> | <i>\$1,841</i> | <i>\$1381</i> | <i>\$1,381</i> | <i>\$6,444</i> |
| <i>Overhead Costs</i> | <i>\$294</i> | <i>\$314</i> | <i>\$247</i> | <i>\$254</i> | <i>\$1,109</i> |
| Total Costs | \$2,135 | \$2,312 | \$1,772 | \$1727 | \$7,945 |
| Gross Profit / (Loss) | \$0 | \$94 | \$221 | \$104 | \$419 |
| Net Profit / (Loss) | (\$2,135) | (\$2061) | (\$1,407) | (\$1,531) | (\$7,134) |

Cost Recovery Summary (Category: Special Event):

| | |
|---|------|
| Percent Direct Costs Recovered: | 100% |
| Percent Division Indirect Costs Recovered | .06% |
| Minimum Recovery Met: | Yes |
| Target Recovery Met: | No |

Teen Skate Events

Skate Fest: Saturday, 8/13/11 from 1:00-4:00 p.m. at Poindexter Park; admission \$2.00

Skate Jam: Friday, 10/14/11 from 4:00-7:00 p.m. at Poindexter Park; admission \$3.00

Skate Fest: Saturday, 5/12/12 from 1:00-4:00 p.m. at Poindexter Park; admission \$3.00

| Skate Fest | 8/13/11 | 10/14/11 | 5/12/12 | Total FY 11-12 |
|----------------------------|------------------|------------------|------------------|---------------------------|
| Participation (Total) | 85 | 70 | 42 | 197 |
| Revenue | \$143 | \$70 | \$59 | \$272 |
| Direct Costs | \$397 | \$126 | \$331 | \$854 |
| Indirect Costs | | | | \$5,888 |
| <i>F/T Staff</i> | <i>\$1,841</i> | <i>\$1,841</i> | <i>\$1,381</i> | <i>\$5,063</i> |
| <i>Overhead Costs</i> | <i>\$294</i> | <i>\$298</i> | <i>\$233</i> | <i>\$825</i> |
| Total Costs | \$2,135 | \$2,265 | \$1,945 | \$6,345 |
| Gross Profit / (Loss) | (\$254) | (\$56) | (\$272) | (\$582) |
| Net Profit / (Loss) | (\$2,389) | (\$2,195) | (\$1,886) | (\$6,470) |

Cost Recovery Summary (Category: Special Event):

| | |
|---|-------|
| Percent Direct Costs Recovered: | 31.9% |
| Percent Division Indirect Costs Recovered | 0% |
| Minimum Recovery Met: | No |
| Target Recovery Met: | No |

Teen Dances

After Dark: Friday, 9/23/11 from 7:00 to 10:00 p.m. at AVRC; admission \$5.00

Black & White Ball: Saturday, 2/11/12 from 7:00-10:00 p.m. at AVRC; admission \$5.00

| Teen Dances | 9/23/11 | 2/11/12 | Total FY 11-12 |
|----------------------------|------------------|------------------|------------------|
| Participation | 20 | 32 | 52 |
| Revenue | \$100 | \$90 | \$190 |
| Direct Costs | \$418 | \$1,335 | \$1,753 |
| Indirect Costs | | | \$3,783 |
| F/T Staff | \$1,841 | \$1,381 | \$3,222 |
| Overhead Costs | \$314 | \$247 | \$561 |
| Total Costs | \$2,573 | \$2,963 | \$5,536 |
| Gross Profit / (Loss) | (\$318) | (\$1,245) | (\$1563) |
| Net Profit / (Loss) | (\$2,473) | (\$2,873) | (\$5,346) |

Cost Recovery Summary (Category: Special Event):

| | |
|---|----|
| Percent Direct Costs Recovered: | 0% |
| Percent Division Indirect Costs Recovered | 0% |
| Minimum Recovery Met: | No |
| Target Recovery Met: | No |

RECREATION CLASSES

Summer 2011: June through August

Fall 2011: September through November

Winter 2012: December through January

Spring 2012: March through April

| Summer Classes | Summer 2011 | Fall 2011 | Winter 2012 | Spring 2012 | Total FY11-12 |
|----------------------------|------------------|------------------|------------------|------------------|-------------------|
| Classes Offered | 126 | 107 | 110 | 109 | 452 |
| Classes Run | 80 | 67 | 67 | 57 | 271 |
| Classes Canceled | 46 | 40 | 43 | 52 | 181 |
| Cancelation Rate | 36.5% | 37% | 39% | 48% | 40% |
| Enrollments | 758 | 691 | 601 | 516 | 2,566 |
| Revenue | \$68,222 | \$59,703 | \$57,390 | \$53,927 | \$239,242 |
| Direct Costs | \$46,304 | \$39,115 | \$39,016 | \$37,644 | \$162,079 |
| Indirect Costs | | | | | \$91,018 |
| F/T Staff | \$18,885 | \$17,486 | \$14,689 | \$18,885 | \$69,945 |
| Overhead Costs | \$4,852 | \$5,220 | \$5,511 | \$5,490 | \$21,073 |
| Total Costs | \$70,041 | \$61,821 | \$59,216 | \$62,020 | \$253,098 |
| Gross Profit / (Loss) | \$21,918 | \$20,588 | \$18,374 | \$16,283 | \$77,163 |
| Net Profit / (Loss) | (\$1,819) | (\$2,118) | (\$1,825) | (\$8,092) | (\$13,854) |

Cost Recovery Summary (Category: Recreation Classes and Specialty Camps):

Percent Direct Costs Recovered: 100%
 Percent Division Indirect Costs Recovered 84.8%
 Minimum Recovery Met: Yes
 Target Recovery Met: No

CAMP MOORPARK

Summer Camp: Monday through Friday, 6/6/11 through 8/22/11 from 7:00 a.m. to 6:00 p.m. at AVRC; daily registration fees \$25.00-\$46.00; annual registration fees \$23.00-\$110.00

- Adventure Camp: Ages 10 to 15
- Camp Moorpark: Ages 6 to 10
- Mini-Camp Moorpark: Ages 4 years 9 months to 7

Winter Camp: Monday through Friday 12/19/11 through 12/30/11 from 7:00 a.m. to 6:00 p.m. at AVRC; daily registration fees \$23.00-\$36.00; annual registration fee \$35.00 (if did not attend summer 2011)

Spring Camp: Monday through Friday, 3/19/12 through 3/23/12 from 7:00 a.m. to 6:00 p.m. at AVRC; daily registration fees \$23.00 - \$36.00; annual registration fee \$35.00 (if did not attend summer 2011)

| Camp Moorpark Financial Summary | Summer 2011 | Winter 11/12 | Spring 2012 | Total FY 11-12 |
|--|--------------------|---------------------|--------------------|-----------------------|
| Participants (unduplicated) | 327 | 59 | 44 | 358 |
| Total Enrollments | 6,471 | 287 | 174 | 6,932 |
| Average Daily Attendance | 117.7 | 28.7 | 34.8 | N/A |
| Revenue | \$204,324 | \$7,610 | \$4,326 | \$216,260 |
| Direct Costs | \$134,478 | \$4,074 | \$1,910 | \$140,462 |
| Indirect Costs | \$57,866 | \$4,471 | \$5,126 | \$67,463 |
| <i>F/T Staff</i> | \$45,636 | \$3,478 | \$4,490 | \$53,604 |
| <i>Overhead Costs</i> | \$12,230 | \$993 | \$636 | \$13,859 |
| Total Costs | \$192,344 | \$8,545 | \$7,036 | \$207,925 |
| Gross Profit / (Loss) | \$69,846 | \$3,536 | \$2,416 | \$75,798 |
| Net Profit / (Loss) | \$11,980 | (\$935) | (\$2,710) | \$8,335 |

Cost Recovery Summary (Category: Day Camps):

Percent Direct Costs Recovered: 100%
 Percent Division Indirect Costs Recovered 100%
 Minimum Recovery Met: Yes
 Target Recovery Met: Yes

ADULT SPORTS LEAGUES

Adult Softball Leagues

Summer 2011: Thursdays and Fridays 6/16/11 through 9/16/11, games at AVCP and PHP; 30 teams; registration \$410.00

Fall 2011: Thursdays and Fridays 9/15/11 through 1/13/12, games at AVCP and PHP; 27 teams; registration \$410.00

Spring 2012: Thursdays and Fridays 4/5/12 through 7/13/12; games at AVCP and PHP; 26 teams; registration \$410.00

| Adult Softball | Summer 2011 | Fall 2011 | Spring 2012 | Total FY11-12 |
|----------------------------|--------------------|------------------|--------------------|----------------------|
| Participation | 375 | 371 | 371 | 1,117 |
| Revenue | \$12,300 | \$11,096 | \$10,660 | \$34,056 |
| Direct Costs | \$6,313 | \$3,499 | \$4,437 | \$14,249 |
| Indirect Costs | | | | \$15,258 |
| <i>F/T Staff</i> | \$2,220 | \$2,154 | \$2,154 | \$6,528 |
| <i>Overhead Costs</i> | \$348 | \$4,953 | \$3,429 | \$8,730 |
| Total Costs | \$8,881 | \$10,607 | \$10,020 | \$29,508 |
| Gross Profit / (Loss) | \$5,987 | \$7,597 | \$6,223 | \$19,807 |
| Net Profit / (Loss) | \$3,419 | \$490 | \$640 | \$4,549 |

Cost Recovery Summary (Category: Adult Sports Programs):

| | |
|---|------|
| Percent Direct Costs Recovered: | 100% |
| Percent Division Indirect Costs Recovered | 100% |
| Minimum Recovery Met: | Yes |
| Target Recovery Met: | Yes |

Adult Basketball Leagues

Summer 2011: Mondays and Thursdays 7/7/11 through 9/29/11; games at AVRC; 16 teams; registration \$325.00

Fall 2011: Mondays and Thursdays 10/6/11 through 1/16/12; games at AVRC; 12 teams; registration \$340.00

Winter 2012: Mondays and Thursdays 1/19/12 through 3/26/12; games at AVRC; 14 teams; registration \$275.00

Spring 2012: Mondays and Thursdays 4/2/12 through 7/2/12; games at AVRC; 16 teams; registration \$365.00

| Adult Basketball | Summer 2011 | Fall 2011 | Winter 2012 | Spring 2012 | Total FY11-12 |
|----------------------------|--------------------|------------------|--------------------|--------------------|----------------------|
| Participation | 130 | 121 | 128 | 138 | 517 |
| Revenue | \$5,200 | \$3,900 | \$3,850 | \$5,840 | \$18,790 |
| Direct Costs | \$2,767 | \$2,606 | \$2,437 | \$3,183 | \$10,993 |
| Indirect Costs | | | | | \$11,534 |
| <i>F/T Staff</i> | \$1,379 | \$1,379 | \$1,379 | \$1,379 | \$5,516 |
| <i>Overhead Costs</i> | \$1,652 | \$1,306 | \$1,392 | \$1,668 | \$6,018 |
| Total Costs | \$5,798 | \$5,291 | \$5,207 | \$6,229 | \$22,525 |
| Gross Profit / (Loss) | \$2,433 | \$1,294 | \$1,413 | \$2,657 | \$7,797 |
| Net Profit / (Loss) | (\$598) | (\$1,391) | (\$1,358) | (\$390) | (\$3,737) |

Cost Recovery Summary (Category: Adult Sports Programs):

Percent Direct Costs Recovered: 100%
 Percent Division Indirect Costs Recovered 67.6%
 Minimum Recovery Met: No
 Target Recovery Met: No

Adult Soccer Leagues

Summer 2011 (7 on 7): Wednesdays 6/15/11 through 8/31/11; games at PHP; 16 teams; registration \$325.00

Fall 2011 (7 on 7): Wednesdays 9/14/11 through 12/14/11; games at AVCP; 10 teams; registration \$340.00

Winter 2012 (Futsal): Wednesdays 1/11/12 through 2/29/12; games at AVRC; 8 teams; registration \$340.00

Spring 2012 (7 on 7): Wednesdays 4/4/12 through 7/11/12; games at AVRC; 12 teams; registration \$325.00

| Adult Soccer | Summer 2011 | Fall 2011 | Winter 2012 | Spring 2012 | Total FY 11-12 |
|----------------------------|--------------------|------------------|--------------------|--------------------|-----------------------|
| Participation | 224 | 129 | 86 | 154 | 593 |
| Revenue | \$5,200 | \$3,250 | \$2,720 | \$3,900 | \$15,070 |
| Direct Costs | \$2,206 | \$1,392 | \$1,148 | \$1,688 | \$6,434 |
| Indirect Costs | | | | | \$11,184 |
| <i>F/T Staff</i> | \$2,005 | \$2,005 | \$1,002 | \$2,005 | \$7,017 |
| <i>Overhead Costs</i> | \$322 | \$1,842 | \$800 | \$1,203 | \$4,167 |
| Total Costs | \$4,533 | \$5,239 | \$2,950 | \$4,895 | \$17,617 |
| Gross Profit / (Loss) | \$2,994 | \$1,858 | \$1,572 | \$2,212 | \$8,636 |
| Net Profit / (Loss) | \$667 | (\$1,989) | (\$230) | (\$996) | (\$2,548) |

Cost Recovery Summary (Category: Adult Sports Programs):

| | <u>Total Program</u> | <u>7 on 7</u> | <u>Futsal</u> |
|---|----------------------|---------------|---------------|
| Percent Direct Costs Recovered: | 100% | 100% | 100% |
| Percent Division Indirect Costs Recovered | 77.2% | 76% | 87.2% |
| Minimum Recovery Met: | Yes | Yes | Yes |
| Target Recovery Met: | No | No | No |

YOUTH BASKETBALL LEAGUE

Summer 2011: Saturdays 7/9/11 to 8/27/11; games at AVRC; registration fee \$62.00/
 \$72.00

Fall 2011: Saturdays 10/1/11 to 12/13/11; games at AVRC; registration fee \$68.00/
 \$78.00

Winter 2012: Saturdays 1/7/12 to 2/25/12; games at AVRC; registration fee \$68.00/
 \$78.00

Spring 2012: Saturdays 3/31/12 to 6/2/12; games at AVRC; registration fee \$68.00/
 \$78.00

| Youth Basketball | Summer 2011 | Fall 2011 | Winter 2012 | Spring 2012 | Total FY11-12 |
|----------------------------|------------------------|----------------------|------------------------|------------------------|--------------------------|
| Participation | 160 | 188 | 192 | 168 | 708 |
| Revenue | \$10,866 | \$12,639 | \$13,391 | \$11,991 | \$48,887 |
| Direct Costs | \$5,772 | \$7,563 | \$6,426 | \$5,740 | \$25,501 |
| Indirect Costs | | | | | \$28,170 |
| <i>F/T Staff</i> | \$2,601 | \$2,598 | \$3,898 | \$3,898 | \$12,995 |
| <i>Overhead Costs</i> | \$3,671 | \$3,869 | \$3,964 | \$3,671 | \$15,175 |
| Total Costs | \$12,044 | \$14,030 | \$14,287 | \$13,308 | \$53,669 |
| Gross Profit / (Loss) | \$5,094 | \$5,076 | \$6,965 | \$6,251 | \$23,386 |
| Net Profit / (Loss) | (\$1,178) | (\$1,391) | (\$897) | (\$1,318) | (\$4,784) |

Cost Recovery Summary (Category: Youth Sports Programs):

| | |
|---|------|
| Percent Direct Costs Recovered: | 100% |
| Percent Division Indirect Costs Recovered | 84% |
| Minimum Recovery Met: | Yes |
| Target Recovery Met: | Yes |

NFL Punt Pass & Kick

Saturday, 9/17/11 at 11:00 a.m. at AVCP; free

| NFL Punt, Pass, & Kick | 2011 |
|-----------------------------------|----------------|
| Participation | 13 |
| Revenue | \$0 |
| Direct Costs | \$189 |
| Indirect Costs | |
| F/T Staff | \$333 |
| Overhead Costs | \$53 |
| Total Costs | \$575 |
| Gross Profit / (Loss) | (\$189) |
| Net Profit / (Loss) | (\$575) |

Cost Recovery Summary (Category: Youth Sports Programs):

| | |
|---|----|
| Percent Direct Costs Recovered: | 0% |
| Percent Division Indirect Costs Recovered | 0% |
| Minimum Recovery Met: | No |
| Target Recovery Met: | No |

NBA Dribble Dish & Swish

Friday, 11/18/11 from 5:00 to 8:00 p.m. at AVRC; free

| NBA Dribble Dish & Swish | 2011 |
|-------------------------------------|----------------|
| Participation | 12 |
| Revenue | 0 |
| Direct Costs | \$184 |
| Indirect Costs | |
| F/T Staff | \$218 |
| Overhead Costs | \$89 |
| Total Costs | \$491 |
| Gross Profit / (Loss) | (\$184) |
| Net Profit / (Loss) | (\$491) |

Cost Recovery Summary (Category: Youth Sports Programs):

| | |
|---|----|
| Percent Direct Costs Recovered: | 0% |
| Percent Division Indirect Costs Recovered | 0% |
| Minimum Recovery Met: | No |
| Target Recovery Met: | No |

Staff Recommended Actions for Programs Not Meeting Minimum Cost Recovery Goals:

Visits from Santa

This event is categorized as “Other Event” because it is not typically offered by public agencies and is held in resident’s homes rather than a public venue that would allow for a larger segment of the community to participate. Events in this category are required to recoup 100% of division indirect costs. Visits from Santa was only able to recoup 23%. It is unlikely that participation or fees could be increased enough to allow the event to recoup the necessary amount of overhead cost. While this event has received very positive response from participants, its specialized nature does not make it a fundamental recreation program. This event is not included in the FY 12/13 budget.

Moorpark Has Talent

This event is currently categorized as “Other Event” because it requires participants to register and audition in advance, the venue limits the number of public that can attend the final show, and substantial financial prizes are distributed to winners. This event is required to recoup 100% of indirect costs, and only recouped 50%. This event has sold out for two of the three years it has been held, and has received very positive response from event participants and attendees. Additionally, the event is held at the High Street Arts Center, and helps promote that venue. Staff is evaluating ways to meet cost recovery goals by increasing revenue for the program, including obtaining additional financial support from the Moorpark Foundation for the Arts, and/or increasing ticket prices, entry fees, and sponsorships.

General Teen Events

Providing recreation programming to the City’s teen population is a high priority for the Recreation Division. These events are categorized as “Special Event” and are required to recoup at least 50% of direct costs. Over the course of this fiscal year, these events recouped 45.9%, which is very close to the minimum required. Staff recommends continuing these events, with increased efforts to increase paid attendance and sponsorships to meet the minimum cost recovery requirements.

Teen Skate Events

As described for General Teen Events, providing recreation programming to the City’s teen population is a high priority for the Recreation Division. Teen Skate Events are also categorized as “Special Event” and are required to recoup at least 50% of direct costs. Over the course of this fiscal year, these events recouped 31.9%. As with General Teen Events, staff recommends continuing these events, with increased efforts to increase paid attendance and sponsorships to meet the minimum cost recovery requirements.

Teen Dances

Several years ago, the Recreation Division had great success with Teen Dances, often reaching attendance of several hundred teens. However, as evidenced by the low attendance at the two dances attempted this fiscal year, interest in this program among teens has declined significantly. Staff have also contacted the local middle and high schools, who indicated that interest in attending school dances (other than Prom) has declined in the student body. Considering the large amount of direct and indirect expense involved in teen dances, along with the declining interest in these programs, staff discontinued teen dances. This will be periodically evaluated to determine if and when dances might be tried again.

Adult Basketball League

This adult sports league is required to recoup 75% of indirect costs. Over the course of the fiscal year, it recouped 67.6%, which is close to the required minimum. Staff recommends continuing the program, with increased efforts to increase team participation, including adding additional days of play if needed, to increase program revenue in order to meet the minimum cost recovery goal.

Dribble, Dish, and Swish

This program was intended to increase interest in sports and physical activity among youth. Due to regulation established by the program sponsor, the City is not allowed to collect fees or obtain sponsors. Therefore, there is no way to recoup the required percentage of direct or indirect costs. Because the City has youth basketball leagues, staff will be discontinuing this as a stand-alone event and evaluate incorporating into the City's youth basketball program.

Punt, Pass and Kick

This program was intended to increase interest in sports and physical activity among youth. Due to regulation established by the program sponsor, the City is not allowed to collect fees or obtain sponsors. Therefore, there is no way to recoup the required percentage of direct or indirect costs. Because response to the program has been low, and the City does operate football leagues, staff has discontinued this program. Staff will send information on the program to the local football leagues (Packers and Saints) in the event the youth football groups are interested in holding the program.

STAFF RECOMMENDATION

Receive and file report.

Attachments:

1. Recreation Programs and Services Cost Recovery Policy

SECTION 6.

Policy 6.____: RECREATION PROGRAMS AND SERVICES COST RECOVERY POLICY

1. Purpose

The purpose and intent of the City Council in adopting the Recreation Programs and Services Cost Recovery Policy is to provide direction to staff in calculating and establishing fees and charges for recreation programs, to establish a process to recover the appropriate portion of cost based on the recovery goals of the program, to provide a framework to modify or eliminate programs that do not meet the minimum cost recovery goals, and to determine the extent to which the General Fund will fund above the amount collected in fees recreation programs and services.

2. Program Costs

Costs for each program shall be divided into three categories: 1. direct costs; 2. division indirect costs; and 3. other indirect costs. Each cost category shall have established minimum and target cost recovery percentages. Costs for programs shall be defined as follows:

“Direct Costs” shall mean all costs directly associated with a program and charged to the program’s budget, and all part-time staff costs associated with direct staffing of a program.

“Division Indirect Costs” shall mean all division costs associated with the program and charged to the division budget, facility costs, and staff costs associated with planning and administration of the program.

“Other Indirect Costs” shall mean department overhead costs for the department director and his/her administrative staff and city-wide overhead costs associated with the operation of the division.

3. Revenue Sources

A variety of revenue sources may be used to meet a program’s designated cost recovery goal. The City Manager or his/her designee shall determine the most appropriate revenue sources to assign to a program. Revenue sources include the following:

User Fees: Fees charged to the individual or team participating in a program, including admission fees and registration fees.

Sponsorships and Donations: Contributions in support of a specific program or service given to the City by private businesses or organizations.

Vendor Fees: Fees charged to vendors (such as food booths and arts and crafts booths) to participate in recreation programs.

Grants: Funding received by the City from a public, private, or non-profit grant or subvention program.

Advertising and Promotional Fees: Fees charged for advertisements placed in recreation publications, temporary program or facility naming rights, providing program or service equipment or supplies bearing the promoter's name or logo, and providing ancillary items or printed materials bearing the promoter's name or logo.

4. Program Categories

Each recreation program and service offered by the Recreation Division shall be placed in a Program Category. A program shall be placed in the category that best defines the type, purpose, and structure of the program. Program Categories shall be defined as follows:

A. "Community Event" shall mean a community-wide event that meets all of the following criteria: 1) benefits the community as a whole; 2) appeals to broad segments of the community; 3) is traditionally offered by a public agency; 4) does not require advance registration to attend. *Examples: Fireworks Extravaganza, Moorpark Arts Festival.*

B. "Special Event" shall mean an event that meets the following criteria: 1) benefits a large segment of the community; 2) appeals to a specific demographic or population; 3) is typically offered by a public agency. *Examples: Easter Egg Hunt, Trick or Treat Village, Teen events.*

C. "Other Event" shall mean all other events that do not fall into Community or Special event categories. *Example: Visits from Santa.*

D. "Day Camp" shall mean a general camp program for youth that does not focus on a specific activity type or topic. *Examples: Camp Moorpark, Adventure Camp.*

E. "Recreation Classes and Specialty Camps" shall mean any class, workshop, or specialty camp that focuses on a specific activity type or topic and is instructional or developmental in nature. *Examples: Beginning Ballet, Lego Engineering Camp, Tot Sports classes, Yoga.*

F. “Adult Sports Program” shall mean an intra-community sports program which is offered for individuals ages 18 and older, is recreational in nature, and is open to a variety of playing abilities. *Examples: Adult softball league, soccer league.*

G. “Youth Sports Program” shall mean an intra-community sports program which is offered for individuals ages 17 and younger, is recreational in nature, and is open to all playing abilities. *Example: Youth Basketball League.*

H. “Tournaments and Competitions” shall mean an activity that offers a higher level of competition than typical recreation level programs. Sports tournaments, extreme challenge events, and timed bicycle or running events are included under this definition. *Example: Softball tournament sponsored by the City.*

I. “Vital Services” shall be defined as services or activities that are essential to the health and well-being of the individual or community, are typically offered by a public agency, and are not generally available to the public through other sources. *Example: Women’s assault prevention clinic.*

J. “Special Interest Groups” shall be defined as social gatherings that do not have a paid instructor or supervisor at which the group will: 1. Discuss topics of interest; 2. Provide emotional or social support to group members; or 3. Work together on or participate in a common activity. *Example: Book club.*

5. Definition of Recovery Levels

Program Categories will be placed into recovery levels establishing the percentage of required minimum and target cost recovery the program. Levels are defined as follows:

Level One: Programs that are of a benefit to the whole community or are essential to the health and well-being of a target segment of the community, are typically provided by public agencies and not typically available through other providers, and require minimal commitment from participants (minimal time or financial investment is required, performance of program would not be altered by the absence of a single participant, and/or advance registration is not required.)

Level Two: Programs that provide a benefit to a targeted segment of the community, are often offered by public agencies, are limited in availability from other providers, and require minimal commitment from participants.

Level Three: Programs that provide both a community and individual benefit, are often offered by public agencies and may be available through other providers, and require some level of commitment from participants.

Level Four: Programs that have a greater individual than community benefit, may be offered by public agencies or private businesses or other providers, are

instructional or recreational in nature, and require a strong commitment from the participant (substantial time or financial investment is required, performance of program may be altered by the absence of a participant, and/or advance registration is required.)

Level Five: Programs that provide primarily an individual benefit and are specialized or competitive in nature.

6. Cost Recovery Matrix

In accordance with the Cost Recovery Levels, the following matrix has been developed. The minimum recovery indicates the percentage of costs that must be recovered in order to continue offering the program without modification. The target recovery indicates the percentage of costs that staff will attempt to recover through program fees and other revenue sources.

| Programs and Levels | Direct Costs | | Division Indirect Costs | | Other Indirect Costs | |
|---|------------------|-----------------|-------------------------|-----------------|----------------------|-----------------|
| | Minimum Recovery | Target Recovery | Minimum Recovery | Target Recovery | Minimum Recovery | Target Recovery |
| Level One: Includes: Community Events (A) Vital Services (I) | 25% | 100% | 0% | 25% | 0% | 0% |
| Level Two: Includes: Special Events (B) Special Interest Groups (J) | 50% | 100% | 0% | 50% | 0% | 0% |
| Level Three: Includes: Day Camps (D) Youth Sports Programs (G) | 100% | 100% | 50% | 75% | 0% | 0% |
| Level Four: Includes: Recreation Classes and Specialty Camps (E) Adult Sports Programs (F) | 100% | 100% | 75% | 100% | 0% | 25% |
| Level Five: Includes: Other Events (C) Tournaments and Competitions (H) | 100% | 100% | 100% | 100% | 50% | 100% |

7. Cost Recovery Implementation and Management

Division staff will establish, and the Department Director will approve, strategies for achieving cost recovery goals. Strategies will be implemented based on the best interests of maintaining a strong program and reaching the designated recovery goals within a period not to exceed one year. The process for cost recovery shall be as follows:

- a. Each recreation program or service will be assigned to the appropriate Program Category, establishing the recovery level for the program.
- b. Staff will determine appropriate revenue source(s) for the program and establish user fees, sponsorships/donations, vendor fees, and/or grant amounts necessary to meet minimum cost recovery.
- c. Programs will be reviewed annually to determine if they are meeting the minimum cost recovery percentage.
- d. Programs that are unable to meet the minimum cost recovery will be reviewed by the Department Director for consideration of appropriate action, including restructuring or eliminating the program.
- e. Programs that meet minimum cost recovery and do not exceed target recovery will not require action.
- f. Programs that exceed target cost recovery will be reviewed to determine whether or not fees should be decreased, the program should be placed in a different Program Category or Recovery Level, or other action is needed.
- g. An annual report will be presented to the Parks and Recreation Commission by October 31 and to the City Council by December 31 each year summarizing the programs offered during the prior fiscal year and whether cost recovery goals for each program were met.

8. Right of Exclusion

The City Manager is authorized to exclude individual programs from the Cost Recovery Policy. Said programs shall be budgeted as approved by the City Council. Said programs shall not be required to meet Cost Recovery requirements and may operate below recovery levels for the program category, or without revenue sources.