

**CITY OF STEAMBOAT SPRINGS, COLORADO**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING A COST RECOVERY STRATEGY AND METHODOLOGY FOR THE CITY OF STEAMBOAT SPRINGS PARKS AND RECREATION DEPARTMENT**

**WHEREAS**, City Council tasked the Parks and Recreation Commission during its June 12, 2018 work session to develop a long term cost recovery strategy; and

**WHEREAS**, the Parks and Recreation Commission has met and recommended to City Council a cost recovery strategy, cost recovery calculation methodology, service area categorization and cost recovery range for each service area; and

**WHEREAS**, City Council directed staff to bring back a resolution to adopt the recommended cost recovery strategy and methodology presented by Parks and Recreation Department staff during the March 5, 2019 City Council meeting in order to provide the Parks and Recreation Department a general cost recovery strategy, methodology and decision making framework; and

**WHEREAS**, City Council wishes to adopt a cost recovery strategy and cost recovery calculation methodology based upon the foregoing meetings and information gathered at those meetings.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO, THAT:**

1. The City Council of the City of Steamboat Springs hereby approves the following cost recovery strategy and cost recovery calculation methodology:
  - (a) Utilize the Greenplay LLC., community benefit vs. individual benefit pyramid strategy and methodology as a general cost recovery framework and decision making tool. (See attached Exhibit A)
  - (b) Keep the recommended Parks and Recreation Department service areas consistent year over year from an accounting perspective for the purpose of consistency and the ability to benchmark long term. (See Exhibit B)
  - (c) Keep the recommended cost recovery calculation methodology consistent year over year for the purpose of consistency and the ability to benchmark long term. (See Exhibit C)

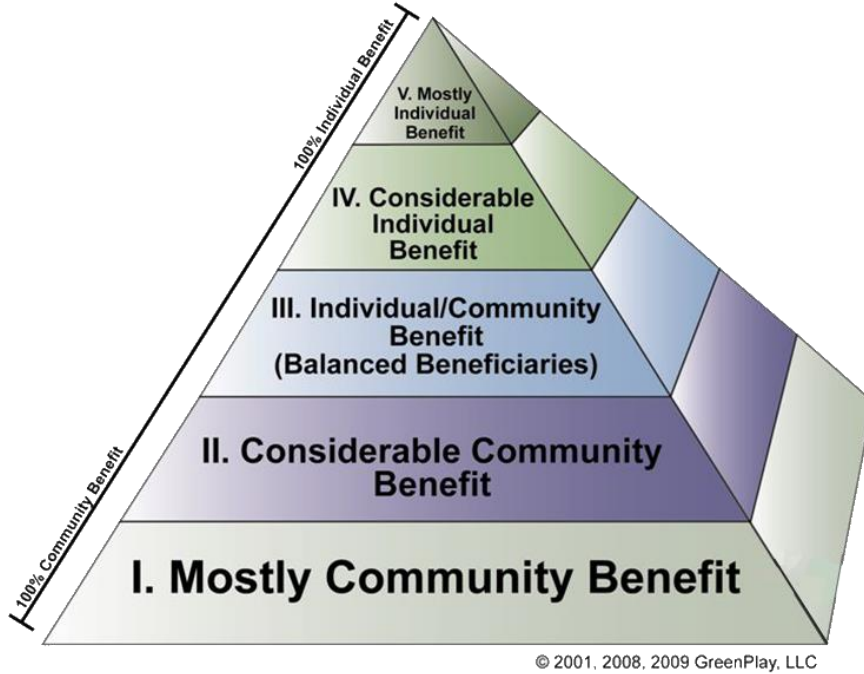
- (d) City Council hereby directs the Parks and Recreation Commission to review and make recommendations on cost recovery ranges for each service area as well as the placement of each service category within the Cost Recovery Pyramid on an annual basis. (See exhibit D)
- (e) City Council shall have final authority on cost recovery ranges for each service area as well as the placement of each service category within the Cost Recovery Pyramid.
- (f) Parks and Recreation staff shall make a clear distinction between adult user fees and youth user fees during the annual budget process wherein adult user fees shall always be higher than youth user fees for a particular service or program.
- (g) Parks and Recreation staff shall utilize the cost recovery strategy as a general framework and decision making tool in order to adjust user fees for specific programs within a service category.

2. The Department of Parks and Recreation will calculate the cost recovery ratio of each service category during the annual budget process in order to provide the Parks and Recreation Commission with the necessary information to discuss and review the cost recovery ranges for each service area and the placement of each service area within the Cost Recovery Pyramid structure. Parks and Recreation staff will provide an annual briefing on cost recovery to City Council that will include the Parks and Recreation Commission's recommendations on cost recovery ranges for each service area and a recommendation of the placement of each service area within the Cost Recovery Pyramid structure.

3. The City Manager or City Manager's designee is hereby given final authority to set and approve all fees administered by the Department of Parks and Recreation.

**Exhibit A)**

**Greenplay LLC., Community Benefit vs. Individual Benefit Pyramid Model**



**Exhibit B)**

**Parks and Recreation Service Area Descriptions**

**Haymaker Golf Course**

The Haymaker Golf Course Service Area is funded by an enterprise fund established to account for the operation of Haymaker Golf Course and is financially self-sustaining. The main sources of operating revenue are green fees, cart rentals, and range fees. Accommodation tax revenue supports the debt service requirements.

**Tennis Center**

The Tennis Center Service Area is operated by an independent contractor under a concessionaire agreement. The concessionaire is responsible for operating the Tennis Center

in accordance with the highest standards. The city maintains the facility, provides snow removal and landscaping services and receives utility reimbursements from the concessionaire.

### Adult Sports

The Parks and Recreation Department offers four seasons of athletic opportunities for adults. Leagues are mainly coed and consist of a regular season and playoffs each season. Clinics and special events are based on interest and facility availability. Examples of adult sports coed leagues are: Hockey, Softball, Outdoor Volleyball, Soccer, Kickball, Indoor Volleyball as well as Indoor Soccer.

### Howelsen Ice Arena

The Howelsen Ice Arena is operated by the Steamboat Parks and Recreation Department. Operating expenses include annual building maintenance expenses, all personnel to operate the facility, as well as all utility costs. The main source of revenue are ice rental fees, adult league game fees, and fees from bumper car operations.

### Bike Series

The Bike Series consists of six races hosted biweekly June through August. In addition, the series includes one Kickoff Party in May, six Post Race Parties and one end-of-season Community Ride and End-of-Season BBQ. Expenses include all operating expenses as well as labor costs for staff members. Ten volunteers are required in addition to city staff to run each race.

### Sports Fields

The Parks and Recreation Department maintains 11 rectangular fields (soccer, rugby, football) and 11 diamond fields (softball, baseball). Expenses include all operating and personnel costs to maintain and upkeep ball fields at Howelsen Park, Ski Town Park, Emerald Park, and the Steamboat Springs Middle School (for the purpose of Triple Crown games) and soccer fields at Emerald Park, Ski Town Park, Whistler Park, Heritage Park and Memorial Park.

### Youth Programs

The service area includes all costs to provide and operate summer camps and summer asset camps, after school childcare and asset clubs including school days off childcare, middle school

programs, a small Senior Program, Therapeutic Recreation (inclusive service for children with special needs), and youth community programs such as Teen Council and collaboration with SOS Outreach (former Snowboard Outreach Society).

Note: The youth programs service category contains a very small and financially immaterial senior program. If the senior program becomes a material issue in the future, a new service category will need to be created.

### Howelsen Ski Area

The service area includes the operation and maintenance of the Howelsen Ski Area, Howelsen Nordic Area, Howelsen Ski Jumps, all snowmaking for Alpine, Nordic, and Jump operations, maintenance of Howelsen Hill Lodge, rental of the Olympian Lodge and Fireplace Room, and operation of the concession stand during winter operations. Maintenance of the two lifts, towhouse, five lift shacks and various storage buildings.

### Rodeo

The service area includes the costs of maintaining the facility, all personnel costs for prepping the arenas for performances, restroom cleaning and general grounds maintenance before, during, and after performances.

### Botanic Park

The Botanic Park service area is self-supported by the Botanic Park Endowment Fund. City staff occasionally provides support for maintenance and capital improvements projects.

### Streetscapes

This service area includes general landscape maintenance of Highway 40 and Mount Werner Road medians, traffic roundabouts at the Base of the Steamboat Ski Area, tree care on Lincoln Avenue, Oak streets, Yampa Street and city right of ways.

## Parks

The service area includes the general maintenance and upkeep of 27 city parks, three volleyball courts, two skate parks, nine playgrounds, eight public restrooms, landscape maintenance of 11 city buildings, as well as cost of staffing special events.

## Trails & Open Space

The Trails & Open Space Service Area is responsible for the maintenance and management of approximately 47miles of trails in the Steamboat Springs area including Emerald Mountain trails, Spring Creek, and the Yampa River Core trail among others. In addition, the service area manages over 2,300 acres of open space, conducts river monitoring, issues commercial guiding permits, and leads volunteer work days. Expenses also include up to six weeks of contracted trail/open space related work with Rocky Mountain Youth Corp.

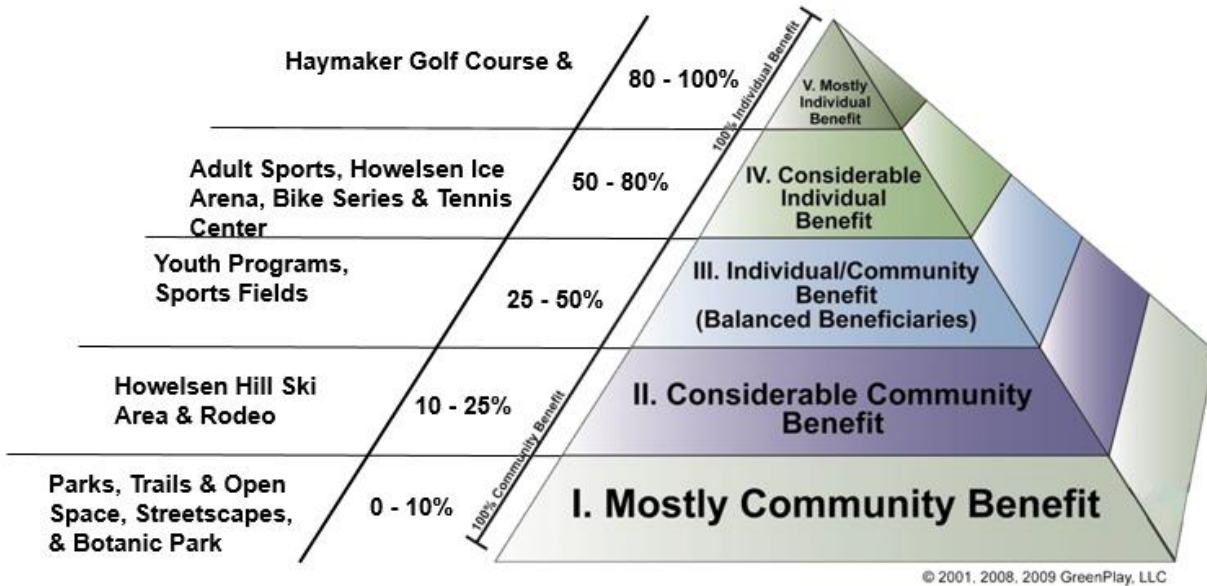
**Exhibit C)**

**Cost Recovery Overhead Calculation Methodology (2019 Example)**

<b>City of Steamboat Springs Overhead Calculation Parks &amp; Recreation Cost Recovery as of 12/31/19</b>									
<b>Expenses to be Allocated</b>									
	<b>2019 Budget</b>								
City Manager's Office	\$	3,728,333							
General Services		4,540,717							
Finance		1,322,864							
Legal & Muni Court		584,030							
	\$	<u>10,175,944</u>							
<i>Per 2019 Budget Book</i>									
<b>Expenses</b>									
Excluding Fleet Fund, Capital Funds, URA, LMD, School Tax Fund, Debt Service, Capital, & Allocated Overhead									
<b>City Expenditures</b>									
	<b>2019 Budget</b>								
	\$	39,955,337							
<i>Exclude Fund 20, 71, 80, 81, 95, 40 Exclude overhead, capital, transfers &amp; Debt Exclude Classification 395, 715, 755 Exclude Objects 5315, 9100, 9200</i>									
<b>Parks &amp; Recreation Expenses (excluding Capital, Debt Service, &amp; Allocated Overhead)</b>									
P&R Admin	\$	694,134							
P&R Marketing & Event Admin		87,701							
			<b>Percent age of City Budget</b>	<b>City Admin Overhead (% x Amt to be allocated)</b>	<b>% of P&amp;R Admin</b>	<b>P&amp;R Admin Overhead (% x Amt to be allocated)</b>	<b>% of Mktg &amp; Event Admin</b>	<b>P&amp;R Mktg Overhead (% x Amt to be allocated)</b>	<b>Grand Total Overhead by Service Area</b>
Haymaker Golf Course	\$	1,324,360	3.31%	\$ 337,292	21.64%	\$ 150,210	21.64%	\$ 18,978	\$ 506,481
Tennis Center		144,169	0.36%	36,717	2.36%	16,352	2.36%	2,066	\$ 55,135
Adult Sports		86,480	0.22%	22,025	1.41%	9,809	1.41%	1,239	\$ 33,073
Howelsen Ice Arena		637,381	1.60%	162,330	10.41%	72,292	10.41%	9,134	\$ 243,756
Bike Series		49,107	0.12%	12,507	0.80%	5,570	0.80%	704	\$ 18,780
Sports Fields		378,166	0.95%	96,312	6.18%	42,892	6.18%	5,419	\$ 144,624
Youth Programs **		618,297	1.55%	157,470	10.10%	70,128	10.10%	8,860	\$ 236,458
Howelsen Hill Ski Area		1,133,632	2.84%	288,717	18.52%	128,578	18.52%	16,245	\$ 433,540
Rodeo		211,378	0.53%	53,834	3.45%	23,975	3.45%	3,029	\$ 80,838
Botanic Park		193,037	0.48%	49,163	3.15%	21,894	3.15%	2,766	\$ 73,824
Streetscapes		132,166	0.33%	33,660	2.16%	14,990	2.16%	1,894	\$ 50,545
Parks		874,199	2.19%	222,644	14.28%	99,153	14.28%	12,528	\$ 334,324
Trails & Open Space		337,604	0.84%	85,982	5.52%	38,291	5.52%	4,838	\$ 129,111
Total P&R Exp (excluding capital, debt & overhead)	\$	<u>6,901,811</u>	15.32%	<u>\$ 1,558,654</u>	100.00%	<u>\$ 694,134</u>	100.00%	<u>\$ 87,701</u>	<u>\$ 2,340,489</u>
subtract: Park & Rec Admin	\$	(694,134)			check:	\$ -		\$ -	
subtract: Park & Rec Marketing	\$	(87,701)							
Total P&R Exp (excluding Admin & Mktg)	\$	<u>6,119,976</u>							

**Exhibit D)**

**2019 Cost Recovery Pyramid Model**



PASSED, ADOPTED, AND APPROVED this \_\_\_\_ day of April, 2019.

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Jason Lacy, President  
Steamboat Springs City Council

ATTEST:

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Julie Franklin, CMC  
City Clerk