



The Smart Approach to Cost Recovery in Public Parks & Recreation – Virtual Express Cohort

An approach made possible by 110% Inc. an Amilia Company

A Call to Action for Public Parks & Recreation

Among the biggest challenge the public-sector faces are managing historic customer and community expectations that tax dollars foot the bill for most or all governmental services including parks and recreation. The uncharted territory in which many professionals now find themselves includes the reality that subsidy dollars only be directed to services that provide for the greatest public good, and an expectation of heightened cost recovery or excess revenue generation for services that provide more individualized benefit and not a broader impact on the community as a whole.

The business of public parks and recreation (and arguably, government in general) is at a critical crossroad and has been profoundly impacted by a number of key issues including: increased interest in governmental accountability; increased competition from all sectors; stable or declining revenues with increasing costs; rampant arbitrary pricing and antiquated financial accounting processes; rapidly changing demographics; and maintenance backlogs and deteriorating infrastructure that seem far beyond recovery.

Operating from a foundation built upon sound business principles does indeed challenge conventional wisdom in the public sector. It charges employees with being more diligent about their management decisions with the expectation that they justify how resources are used. It requires the establishment of organization cultures that reflect an interest in defensible management practices and justifying how tax dollars are spent. It encourages productivity and the pursuit of opportunities for efficiency and revenue growth knowing that these efforts can help strengthen systems for the long term. And by applying business principles the long-held notion that certain services can continue to be subsidized because they always have been or because there is a demand that they are is challenged.

We are in this together.

Our commitment is to help set your organization up for long-term financial resilience, strength, and vitality with the Smart Approach to Cost Recovery.



The Smart Approach to Cost Recovery - Virtual Cohort process at a glance

Today's economic and public health crises have prompted the urgency for many organizations to adopt the Smart Approach to Cost Recovery. These new realities have presented a limited window of time to complete this critical work along with the added constraint of entirely virtual efforts. In order to meet these challenges, The Smart Approach – Virtual Express Cohort process was created.

The Virtual Express Cohort process involves multiple agencies within the same geographic region in this collegial yet individualized effort. Agencies are guided through a prescribed mix of collective cohort education sessions as well as specialized consulting designed in response to each individual organization based upon its conditions and realities.

Cohorts:

- Small organization cohort: 4-6 agencies with operational budgets under \$10M
- Mid-sized organization cohort: 3-4 agencies with operational budgets between \$10-\$25M
- Large organization cohort: 2-3 agencies with operational budgets over \$25M

Proposed timeline: ~12 weeks

Proposed price: \$5975 per small organization; \$7975 per mid-sized organization; \$9975 per large organization

Included:

- *SmartRec* Cost Recovery online Tool by Amilia
Included for 6 months after project concludes. Renewals are available.

The Consulting Team



Farrell Buller is the Deputy Town Administrator for the Town of Erie, Colorado, and a project consultant for 110%. A former parks and recreation director, she brings 20 years of practical experience and a lengthy list of accomplishments as a government employee with a strong commitment to fiscal responsibility and accountability to each cost recovery/financial management project.

Eric Perowne is a Cost Recovery Associate at Amilia, a park and recreation software company. Eric specializes in helping organizations organize and sort their data efficiently by guiding them in the use of Amilia cost recovery tool. Eric's background in both technology and hospitality provides him with an impressive combination of skills that support cost recovery work in parks and recreation.



Jamie Sabbach is the founder and CEO of 110% Inc, helping organizations be more responsible, strategic, and bold amid dynamic social, environmental, and economic change and a company that has become synonymous with financial responsibility in parks and recreation. Over the course of her 30+ year career, she has served as park and recreation practitioner, university faculty, and as a consultant. Jamie has testified to the United States Congress on the critical importance of parks and public lands and has

been recognized on numerous national stages for her work. She was inducted into the American Academy for Park and Recreation Administration in 2008.

Nicolas Venditti is the Cost Recovery Partnerships Manager at Amilia, a park and recreation software company. Like Eric, Nick specializes in helping agencies organize and sort their data efficiently by guiding them in the use of Amilia's cost recovery tool. He has been involved in the success of cost recovery projects with various sized agencies across the country.



The Smart Approach to Cost Recovery - Virtual Cohort Scope of Work

The Smart Approach to Cost Recovery – Virtual Express Cohort process is a program designed in five (5) phases combining educational trainings, recorded webinars, interactive digital work sessions and one-on-one meetings.



Project Kick-off Virtual Meeting with each Organization's Project Team

(scheduled approx. 2-3 weeks prior to Phase #1)

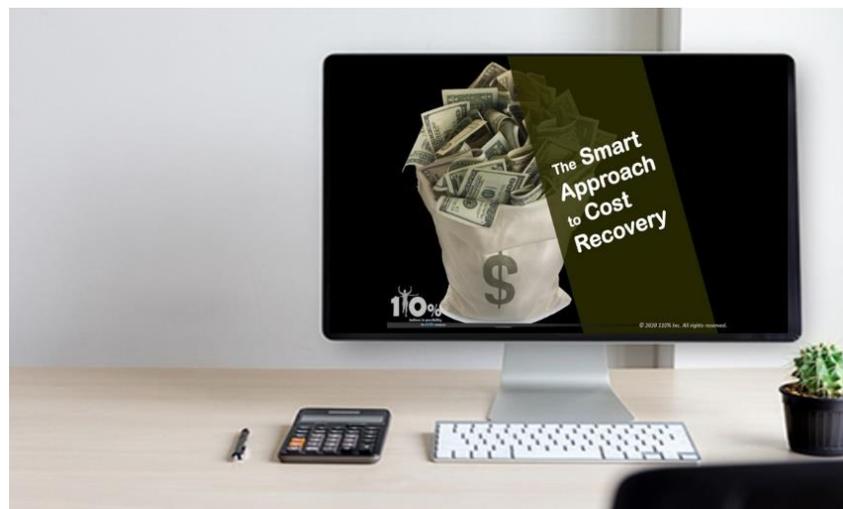
- Project team expectations
- Review of each project phase
- Data and information request
- Review of project timeline
- Expected quality and format of all deliverables
- Preparation of and planning for Phase 1

Phase 1

Staff Education & Training: 1 1/2 -hour Live Virtual Workshop

Education and training on the front end of the process with up to 20 staff per organization provides a comprehensive understanding of the process, why the organization would choose to engage, and how the outcomes are ultimately intended to positively affect operations. Further, it offers an

introduction to the topics of financial management and cost recovery in the public sector and enhanced education on the merits of how revenues are and/or may be generated, how to think about spending, and about the importance of a cost recovery philosophy for sustaining parks and recreation systems long term.



Phase 2

Service Category Development: 1-hour Live Virtual Work Session

A team of representative organization staff will be tasked with the development of the organization's initial working draft of service categories. Resources will be provided to the organization to assist in the self-directed development of service categories as well as category definitions.

Phase 3

Cost of Service Analysis

The Cost of Service Analysis is the "heavy lifting" phase of the process. Staff who are needed to assist with this phase of the process include but are not limited to those at an administrator level along with those who are "gatekeepers" of the organization's financial data.

A Data Import Spreadsheet (DIS) and supplemental instructional guide along with support from the consulting team will be provided to assist the organization and ensure there is clarity and understanding regarding data identification and collection. This cost of service analysis will be supported by:

- A Cost of Service Workshop & Introduction to Cost Recovery Tool – 1-hour live online session
- Ten one-hour work online sessions with specific project team members to facilitate the work.
- Weekly check-ins with the organization's project team (as needed).

The weekly check-in meetings will be held until such time that all necessary costs and revenues have been incorporated into the DIS, and there is a high level of confidence in the integrity and accuracy of the data and that all reasonable assumptions have been made and documented.

Phase 4

Beneficiary of Service Workshops

Once the organization's service categories have been developed and agreed upon, staff, policy makers and/or advisory boards and stakeholder groups will actively participate in determining each service category's "beneficiary of service".

Organization staff, council and/or boards can be invited to participate in workshops where participants rank the organization's service categories starting from services generating the greatest "community benefit" to those services generating the greatest "individual benefit".

The result of these workshops allows for the organization to begin building their cost recovery model - a visual representation of their strategy. By plotting all service categories on a continuum that illustrates which services provide for the common good in contrast to those services which are more individualized and specialized, the organization begins to see which services should receive the greatest subsidy (community benefit) in contrast to those that may receive little to no subsidy (individual benefit).



Phase 5

Unveil the Results of Cost of Service Analysis & Set Cost Recovery Goals

After the data collection and importing processes conclude, staff will view the organization's **Cost Recovery Tool** and the results of the cost of service analysis. These data and supplemental reports include the cost to provide (both direct and indirect) each individual service in the system, current cost recovery performance levels and a series of other important information.

Current cost recovery performance results can be used as the baseline from which the organization can justifiably and rationally set cost recovery/subsidy allocation goals and targets that will be placed on their cost recovery model, essentially completing this visual representation of the organization's philosophy. Results will also guide the organization in establishing fees and charges, and making other informed financial decisions moving forward.

Key Deliverable

Cost Recovery Model & Strategy

Once the cost of service analysis is complete and the organization determines cost recovery/subsidy allocation goals that are credible and relevant based upon current performance, analysis insights and budget projections, the organization's cost recovery model and strategy takes shape. This key actionable deliverable sets the stage for implementation and momentum towards aligning today's fiscal reality with the organization's tax use and revenue enhancement philosophy as designed throughout the process.



This unique approach is designed and offered to North American park & recreation organizations by:

