

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Stacie Anaya, Parks and Recreation Director

DATE: August 21, 2018

SUBJECT: **Appointment of Two Members of the City Council and Two Members of the Lewisville 2025 Advisory Board to the Parks & Recreation Financial Management and Cost Recovery Model Sub-Committee.**

BACKGROUND

There are limited procedures for establishing fees and charges for programs and services offered by the Parks & Recreation Department. The current fees and charges structure has been created through ad hoc methods that do not provide a clear approach to cost recovery, priority of service delivery or ensuring access to public spaces or programs. The construction of Thrive and the need for setting a sustainable financial model for operating, maintaining and reinvesting in the facility is eminent. However, maintaining and ensuring continued access to current parks, recreation facilities and public programs is important as well. Operating from a foundation of sound public administration and business principles will be critical for moving the park system forward in a manner that is sustainable, reflects the values of Lewisville and is accountable to residents.

ANALYSIS

In order to create a fiscal management philosophy and establish a cost recovery model for all parks & recreation programs and services, the department has retained 110% Inc to lead discussions and analysis with staff, elected officials and stakeholders. A copy of the proposal from 110% Inc. detailing the steps and deliverables of the process is attached. As you will read, the process will include:

- An analysis of existing organizational values and purpose and their alignment with fiscal policies
- Systematic examination of internal and external environments that impact the organization's capacity to operate
- Identification of key issues and opportunities to which the organization should dedicate efforts and resources to create the greatest impact.

This process will be very inclusive. A core project team consisting of the directors of Parks & Recreation, Community Relations & Tourism, Finance and Budget will lead the process from a staff perspective. Every full-time employee on the Parks & Recreation staff and members of the Community Relations & Tourism Department will be engaged in the process along with City Managers, Department Directors and key staff members. In addition, City Council members and appointed officials on the Parks and Recreation Advisory and Lewisville 2025 Advisory Board will be included from the beginning.

After analyzing current conditions and identifying key issues/opportunities, the project team and committee will develop a financial management philosophy used to create a cost recovery model based on service categories that will provide guiding principles for establishing fees and charges, development and acquisitions policies/procedures, asset prioritization and social equity policies.

Throughout the process there will be a need for the project team and the consultant to connect with representatives from the City Council, Lewisville 2025 Advisory Board and Parks & Recreation Advisory Board (PARB) to ensure the identification of key issues and opportunities as well as the initial development of the service categories and their corresponding cost recovery (or subsidization) ratios are congruent with community values. In order to facilitate timely communication, staff requests that City Council appoint two members to serve on a sub-committee along with two members of the Lewisville 2025 Advisory Board and three members of PARB. The PARB representatives will be selected at the September 12 regular meeting of the Board. Members of this sub-committee will be asked to respond to questions from the project team and the consultant via email and attend occasional meetings during consultant visits. These meetings will be scheduled according to availability of the sub-committee members and will run approximately 45 minutes to an hour.

In addition to seeking immediate feedback from the sub-committee, two additional workshops for all members of the represented council/committees will be held throughout the process. The Arts Advisory Board will be asked to participate in these workshops as well. These workshops will give the project team and consultant the opportunity to brief each team's progress, as well as to solidify service categories and cost recovery (or subsidization) ratios early on then finalize policies at the end of the project. The first workshop is scheduled for Monday, October 29 at 6:00pm.

The timeline for the various steps in the process is shown in the table below:

Task	Team	3Q 2018	4Q 2018	1Q 2019	2Q 2019
Kick off Meeting	110%, Project Team	August 1			
Education & Training	110%, Project Team, Staff & Elected, Appointed Officials	August 29			
Evaluation & Analysis of Current Condition	110%, Project Team	X	X		
Identify Key Issues & Opportunities	110%, Project Team		X	X	
Design Financial Management Philosophy	110%, Project Team			X	X
Policy Development and Deliverables	110%, Project Team, Staff & Elected, Appointed Officials			X	X

RECOMMENDATION

That the City Council appoint two City Council members and two Lewisville 2025 Advisory Board members as set forth in the caption above.