

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Stacie Anaya, Parks and Recreation Director

DATE: October 22, 2018

SUBJECT: Financial Management and Cost Recovery Model Workshop

BACKGROUND

The City has retained 110% Inc to lead discussions and analysis with staff, elected officials and stakeholders to create a fiscal management philosophy and establish a cost recovery model for all parks, recreation and cultural programs/services. The process will include:

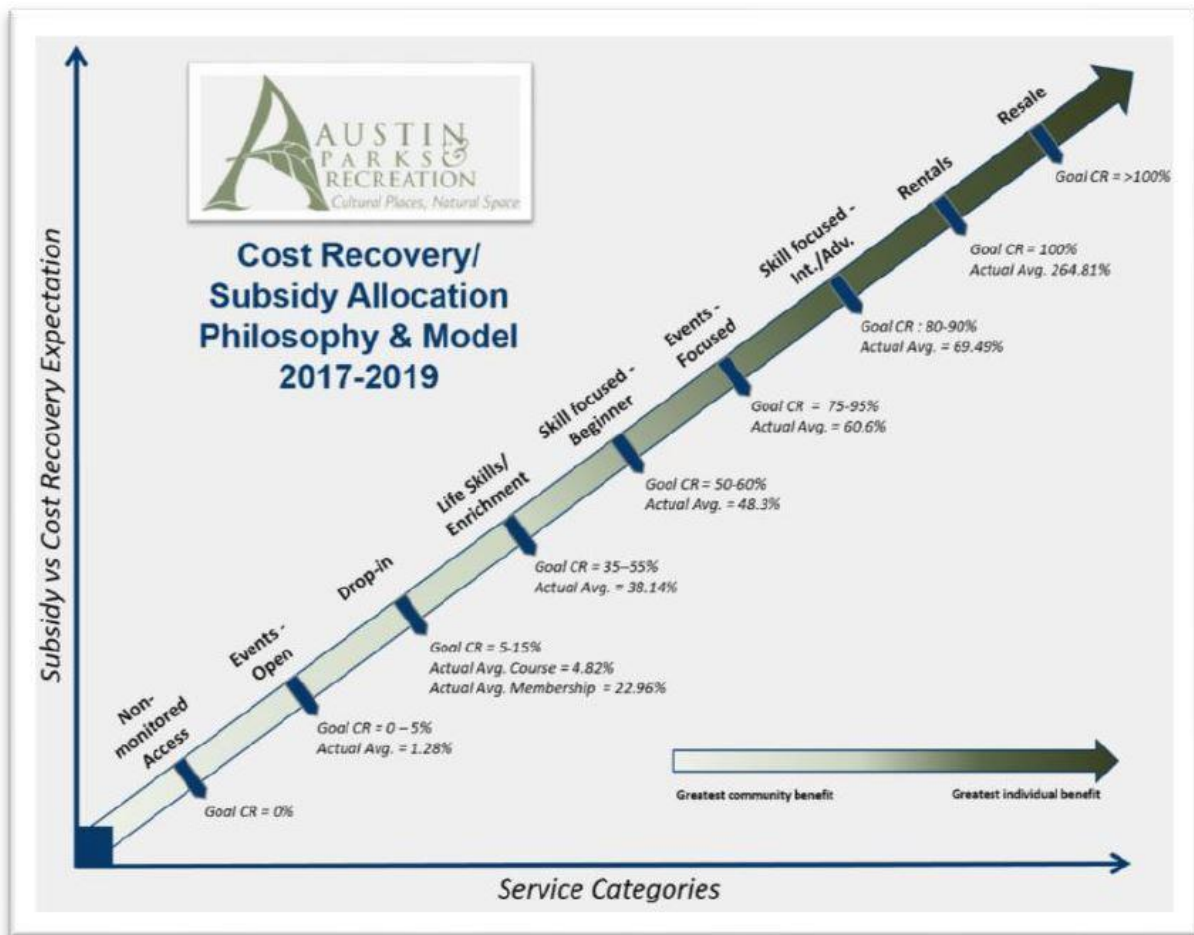
- An analysis of existing organizational values and purpose and their alignment with fiscal policies
- Systematic examination of internal and external environments that impact the organization's capacity to operate
- Identification of key issues and opportunities to which the organization should dedicate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

Jamie Sabbach and Lisa Paradeis from 110% Inc will be leading the City through this process.

An initial training workshop was held on August 29. Throughout the day, members of the City's leadership team, Parks & Recreation and Community Relations & Tourism Departments and key stakeholders met with the consultant to review the key steps of the process and inspire a shift in the approach to establishing financial management and fee setting procedures. A copy of the consultant's presentation is included for your review and refresher.

ANALYSIS

One of the key components of the process is establishing a continuum of service categories which define the types of programs and activities offered by the departments. These service categories will not be labeled by age of participant or type of program, but will encompass the level of staff involvement for providing the program and scope of access or participation by the community (ranging from entire community to the individual). Once the service categories have been established staff, stakeholders and policy makers will determine the level of community and individual benefit to be gained from the programs/activities. Eventually this will lead to a decision on the subsidy OR cost recovery each category should realize when the programs/activities are offered. This continuum will fit on one page for easy reference and use during the budget process. An example of the continuum created by the City of Austin Parks & Recreation Department is shown below:



Throughout the process of creating a financial management philosophy and a cost recovery model for programs and activities two workshops will be held with City Council, the 2025 Committee and the Parks & Recreation Advisory Board. The Arts Advisory Board will be asked to sit in on these workshops as well.

The first workshop is scheduled for Monday, October 29 at 6:00pm at the MCL Grand. During the workshop, the consultant will lead members of the respective boards in a discussion to begin defining the terms individual benefit and community benefit for the City of Lewisville. This discussion will compliment the work of the internal staff team who will work with the consultant earlier in the day to begin creating service categories for the types of programs and activities offered.

The second workshop will be held in the first quarter of 2019. Between workshops, the consultant will be working with staff and the sub-committee appointed by the City Council to review current process, draft new policies and procedures, and solidify service categories and subsidy rates before bringing the final product to City Council for approval.

The timeline for the remaining 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

No action is needed at this time.