

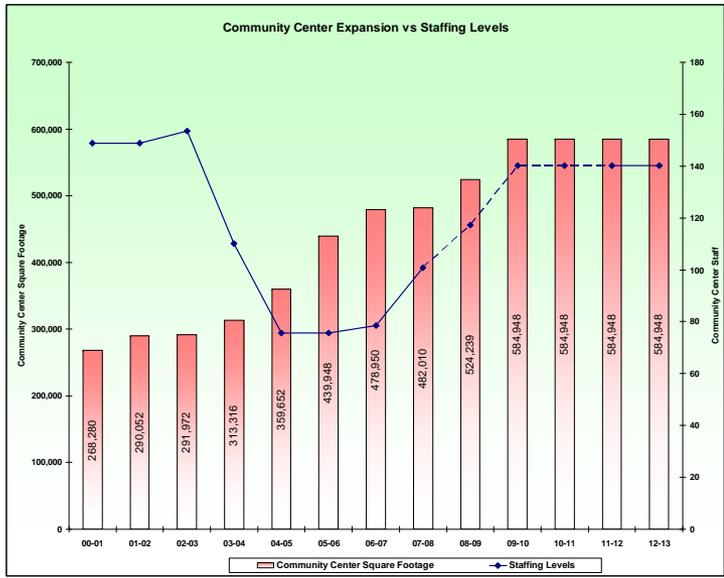
PRNS Pricing & Revenue Policy Goals

- Create a financially sustainable approach to providing parks and recreation services in San Jose
- Maximize the use of programs and facilities
- Ensure affordable access to PRNS services



Current PRNS Fiscal Environment

- PRNS historical approach to pricing
- Citywide budget reductions over the past 8 years



Municipal Parks and Recreation Cost Recovery Rates

Indianapolis	40%
Denver	33%
Los Angeles	30%
Dallas	28%
San Jose	~11%

- Increased demand created by Measure P facilities



PRNS Pricing and Revenue Policy

1. PRNS Pricing and Revenue Guiding Principles

- Set Cost Recovery Goals
- Ensure Affordable Access
- Create Revenue Strategies

2. Expand authority for PRNS Director

3. City Council approved cost recovery goals.

Cost Recovery Goals

Level of Benefit- Tool to categorize the community and individual benefit received resulting in a level of subsidy.

- Public Services: All community members receive the same benefits (highly subsidized)
- Merit Services: Shared community and individual benefit (subsidy and cost sharing model)
- Private Services: Individual receives the majority or all the benefit (little to no subsidy and the customer is responsible for the program cost)

Cost of Service- Cost to provide a program or service including direct and indirect costs

Sample Cost Recovery Goals-

Aquatics	Merit	38% Direct
Family Camp	Private	90% Direct and Indirect
Fee Classes	Private	100% Direct
Trails and Open Space	Public	No Cost/Free
Therapeutic Services	Merit	25% Direct

PRNS Pricing and Revenue Policy

Affordable Access through Scholarship⁵

- Existing Scholarship Strategies
 - Advisory groups
 - Individual donors
 - Grant Funding
- Scholarship Program
 - Use local, state and federal assistance programs for eligibility criteria
 - Department budgeted item

Revenue Strategies and Pricing Methods

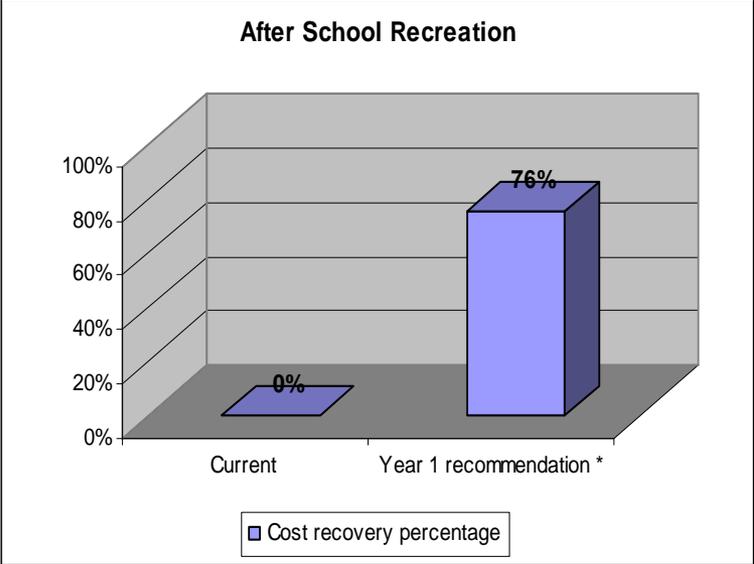
- Created Income- Revenues other than user fees
 - Partnerships, sponsorship, foundations and advertising
- Differential Pricing - Alternatives to maximize facility use and provide options that best fit schedules and price points.
 - Prime Time/ Non Prime time (facility and sports field rentals)
 - Cost recovery rate (therapeutics, teen centers)
 - Pricing by length of stay (Lake Cunningham skate park)
 - Pricing by amenity (fee classes, recreation swim)

Pricing Examples

After School Recreation Merit Service

After school recreation offered at 9 City of San Jose school sites Monday through Friday between 3:00 and 5:30 PM.

- Current Price: Free
- Year 1: \$35 per week or \$100 per month
- Year 2: Evaluate efficiencies of homework centers through City School Collaborative



* Year 1 recommendation includes direct and program indirect costs



Pricing Examples

Anti Graffiti

Department Non Core
Merit Service

The prevention and removal of graffiti in San Jose

Current Price: Free

Year 1:

- Develop Created Income Strategies
 - Possible utility company funding
 - Opportunity for RDA funding assistance in SNI neighborhoods

Year 2:

Service enhancement with optional staff removal of graffiti on private property for X dollars per square foot.



Pricing Examples

Facility Rentals

Private and Merit Services

Current Price:

User I	No Charge
User II	\$25 - \$70 per hour
User III (resident)	\$40 - \$125 per hour
User III (non res)	\$50 - \$150 per hour



Year 1:

Non Prime Time Rate	\$20 - \$125 per hour
Prime Time Rate	\$60 - \$150 per hour
Additional Non Resident Rate	\$50 - \$150 per hour

SNI, Advisory Group and Neighborhood Association in-kind equity.
(volunteer time in lieu of reduced rate)

Year 2:

Evaluate efficiencies

PRNS Pricing and Revenue Policy



Next Steps

- City Council Review
- Policy and cost recovery goals replace PRNS section of the Fees and Charges Resolution (June 2009)
- Information memo with highlights of year one pricing changes (Fall 2009)
- Calendar PRNS report (Spring 2010)