



Standard Operating Procedure

Title: Revenue SOP Issue Date: 03/12/2025
Approved By: D'Lee Williams Revision Date: _____

Purpose

This SOP establishes guidelines for setting and updating fees, revenue projections, and cost recovery strategies for the Parks and Recreation Department (PARC). It ensures that fees are fair, transparent, and aligned with the City's financial goals, budgetary requirements, and legal compliance.

Master Fee and Rate Schedule

- PARC shall maintain a Master Fee and Rate Schedule, which will be updated annually.
- All updates to fees must be reviewed in alignment with the City's financial policies and approved through the budget process.

Fee Determination & Cost Recovery Methodology

- Fees will be structured based on the pyramid methodology, ensuring cost recovery levels correspond with the public benefit.
- A cost of service analysis shall be conducted for each service to ensure appropriate pricing and financial sustainability.
- Cost recovery goals shall be established to balance affordability with financial responsibility.
- A tiered fee structure may be implemented to differentiate between resident and non-resident rates, as well as between different service categories.

General Fund and Recreation Performance Fund

- The Parks and Recreation Department operates under two primary funding sources: the General Fund and the Recreation Performance Fund.
- The General Fund supports core department services, maintenance, and operations that provide broad community benefits. These programs and services are primarily tax-supported, with minimal reliance on direct user fees.
- The Recreation Performance Fund is structured to be self-sustaining, covering costs through program-generated revenue. Services under this fund should align with cost recovery goals and financial sustainability objectives.
- Fees for programs and services funded by the Recreation Performance Fund will be determined using a cost of service analysis and the pyramid methodology, ensuring that pricing reflects the appropriate cost recovery tier.
- Revenue projections for the General Fund and Recreation Performance Fund shall be prepared separately, with distinct tracking and reporting requirements to ensure financial accountability.
- Any adjustments to fees or cost recovery targets must be reviewed annually and align with budgetary guidelines established by the City.

Revenue Projection, Fee Updates, and Collection

- Fee updates must comply with the Budget Instruction Manual and be submitted using the Revenue Estimates Spreadsheet provided by the Budget Office.
- Departments must update both the Current Fiscal Year Projections and Next Fiscal Year Projections in the Revenue Estimates Spreadsheet.
- If there are any new fees, they must be submitted using the "New Fee Submission" form.
- All proposed fee changes shall be reviewed during the City Manager Budget Review meetings.
- A benchmark survey comparing fees with neighboring parks and recreation departments will be conducted annually.
- The department shall prepare annual revenue projections using historical data and anticipated trends.
- Revenue estimates must be submitted in the Revenue Projection Memo format and align with Budget Department guidelines.

Compliance & Review

- Revenue shall be monitored monthly to assess projected targets and adjust projections as necessary.
- Any significant deviations from projected revenue must be reported to the Administrative Services Manager.
- The Administrative Services Manager will work with the department's Budget Analyst to discuss further actions.
- The department shall follow legal and financial guidelines outlined in the Revenue Management Directive.
- All revenue sources must have a designated manager responsible for oversight, forecasting, and reporting.

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5.1.1 SOP Revenue Policy

Final Audit Report

2025-03-12

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