

### PURPOSE & BACKGROUND:

A market comparison of camp fees has not been conducted in many years. In order to address this, an analysis was conducted to compare Oregon City’s camp fees in relation to local market camps fees. This analysis was performed to provide a recommendation based on findings from data collected with the objective of aligning the Oregon City Parks and Recreation (OCP&R) camp fees to the fees researched in surrounding areas. This evaluation also takes into consideration a slight increase to camp hours which will address desires expressed by the community.

Current fee increase practice has been in accordance with Resolution No. 05-19, *Revising and Establishing a Current Schedule of Fees for use of the Oregon City Municipal Swimming Pool* (Attachment B). Resolution 05-19 was approved in June 15, 2005. This resolution has been the mechanism used to increase aquatic and recreation program fees by 3% annually. Programs that have realized a 3% increase annually have been; swimming lessons, swim team contract dues and onsite and off-site youth camps. An increase by 3% annually has helped off-set the growing costs of indirect and direct youth camp expenses. However, over the years the increase has not equated to alignment with current market fees.

### MARKET ANALYSIS:

Outside Agency Rates			
	Hourly Rates	Weekly Rates	Range of Hours
Lake Oswego	\$5.67-17.50	\$92-\$250	12.5-35
North Clackamas	\$7.00-\$8.20	\$123-\$150	15
West Linn	\$3.66	\$110	30
THPRD	\$5.62-\$9.58	\$89-\$281.25	15-40
<b>Average rate:</b>	<b>\$5.49-\$9.73</b>	<b>\$78.75-\$197.81</b>	<b>12.5-40</b>

### OCP&R CURRENT FEES:

Current Rates	Hourly Rates Resident (R)	Hourly Rates Non-Resident (NR)	Weekly Rate (R)	Weekly Rate (NR) <sup>1</sup>	Hours
Pre-K	\$4.66	\$6.41	\$28.00	\$38.50	6
Aqua Camp	\$3.52	\$4.67	\$61.75	\$81.75	17.5
Rivercrest Camps	\$3.67	\$4.34	\$110.25	\$130.25	30
<b>Average rate and hours:</b>	<b>\$3.95</b>	<b>\$5.14</b>	<b>\$66.67</b>	<b>\$83.50</b>	<b>18</b>

### SUMMARY OF FINDINGS MARKET COMPARISON:

- \$5.49/hrly is the base level of hourly camp fees for local market comparison.
- \$3.95/hrly is Oregon City’s base hourly rate for camp fees.
- Oregon City’s fees are 28% under the low end of market comparison.
- A 40% increase to Oregon City’s fees will align us with local market camp fees of \$5.50/hour

<sup>1</sup> Non-Resident rates are calculated by taking 50% of the resident rate with a cap of \$20.

## OPTIONS TO CONSIDER:

There are three options to consider. 1.) raise the camp fees by 20% in 2020 and 20% in 2021, 2.) raise the camp fees by 40% effective July 1, 2020 or 3.) continue to subsidize the camps at approximately 20%. Below are the fees with either a gradual 20% increase or a 40% increase. This will assist in providing a reference in order to compare OCP&R current fees in relation to the proposed new fees. Note: both options include an increase in hours. Specifically, to Pre-K and Rivercrest. This is to meet the needs requested by the community.

### Option 1: 40% Increase Over 2 Years

Option 1: 20% Increase Year 1	R	NR	Weekly Rate (R)	Weekly Rate (NR)	Hours
Pre-K	\$5.59	\$7.69	\$44.74	\$64.74	8
Aqua Camp	\$4.22	\$5.60	\$73.92	\$93.92	17.5
Rivercrest Camps	\$4.40	\$5.21	\$154.14	\$174.14	35
Average rate and hours:	\$4.74	\$6.17	\$90.93	\$110.93	20
Option 1: 20% Increase Year 2	R	NR	Weekly Rate (R)	Weekly Rate (NR)	Hours
Pre-K	\$6.71	\$9.23	\$53.68	\$73.68	8
Aqua Camp	\$5.07	\$6.72	\$88.70	\$108.70	17.5
Rivercrest Camps	\$5.28	\$6.25	\$184.97	\$204.97	35
Average rate and hours:	\$5.69	\$7.40	\$109.12	\$129.12	20

### Option 2: 40% Increase starting July 1, 2020

Option 2: 40% Increase	R	NR	Weekly Rate (R)	Weekly Rate (NR)	Hours
Pre-K	\$6.52	\$8.97	\$52.00	\$71.75	8
Aqua Camp	\$4.93	\$6.54	\$86.00	\$106.00	17.5
Rivercrest Camps	\$5.14	\$6.08	\$180.00	\$200.00	35
Average rate and hours:	\$5.53	\$7.20	\$106.00	\$125.92	20

## RECOMMENDATIONS:

- **Option 1:** increase fees in 2020 and 2021 at a rate of 20%. This is a gradual approach and will result in improved cost recovery and reset our fee schedule to match local market fees over a period of two years.
  - o The first year will increase camp cost recovery from 82.54% to 97.61%. In 2021 cost recover will increase to 115.40%.
  - o Cost recovery is figured by including both direct<sup>2</sup> and indirect<sup>3</sup> costs.
  - o Attachment A, *Budget Overview and Cost Recovery Analysis and Methodology*, provides a detailed breakdown.
- **Option 2:** increase Oregon City's Park and Recreation Camp fees by 40% to align with the local market. This increase will result in improved cost recovery and reset our fee schedule to match today's market.
  - o This option will increase camp recovery from 82.54% to 113.06% cost recovery.
- Either Option 1 or 2 will result in a moderate increase to camp hours in order to meet the requests of the community. Additionally, the increase in time will help justify the fee increase. Total time added 7 hours; 2 hours added to our preschool camp and 5 hours to our Rivercrest camp. No change to Aqua Camp.

<sup>2</sup> Direct costs include; supplies, transportation, trip fees, staff time

<sup>3</sup> Indirect costs include; parks maintenance time, manger time, programmer time, administration support, operational expenses, marketing and advertising

**ATTACHMENT A**  
**BUDGET OVERVIEW & COST RECOVERY ANALYSIS<sup>4</sup> AND METHODOLOGY<sup>5</sup>**

<b>Oregon City Current Budget</b>						
July 1, 2018 - June 30, 2019	Revenue	Direct Expenses	Indirect Expenses	Total Expenses	Profit	Cost Recovery
<b>Total</b>	55,853.58	49,706.49	17,960.00	67,666.49	(11,812.91)	82.54%

**Option 1: 20% Increase over 2 Years, Effective July 1, 2020**

<b>20% Fee Increase (Year 1)</b>						
	Revenue	Direct Expenses	Indirect Expenses	Total Expenses	Profit	Cost Recovery
<b>Total</b>	67,024.30	50,706.49	17,960.00	68,666.49	(1,642.19)	97.61%
<b>20% Fee Increase (Year 2)<sup>6</sup></b>						
	Revenue	Direct Expenses	Indirect Expenses	Total Expenses	Profit	Cost Recovery
<b>Total</b>	80,429.16	51,197.68	18,498.80	69,696.48	10,732.67	115.40%

**Option 2: 40% Fee Increase, Effective July 1, 2020**

<b>40% Fee Increase</b>						
	Revenue	Direct Expenses	Indirect Expenses	Total Expenses	Profit	Cost Recovery
<b>Total</b>	77,636.48	50,706.49	17,960.00	68,666.49	8,969.99	113.06%

<sup>4</sup> Cost recovery analysis can be broken down into a recovery pyramid or benefits filter. The filter is broken down into by emphasis on either or both community or individual benefit categories. These categories are as follows: 1.) Community benefit, 2.) Community/Individual Benefit, 3.) Individual/Community Benefit, 4.) Mostly Individual Benefit and lastly, Highly Individual Benefit. Youth camps fall under #2, Community/Individual Benefit. These programs are considered important and promote individual well-being and are considered traditionally expected services. These programs are typically assigned a fee based on a specified percentage of direct and indirect costs.

<sup>5</sup> Reference: Lakes Oswego Cost Recovery Model – Shared by Jan Wirtz (Recreation Superintendent), Courtesy of GreenPlay, LLC. 2010. (2010). *Cost Recovery Pyramid & Understanding the Pyramid – Filters and the Benefits Filter*.

<sup>6</sup> Includes 3% increase on expenses (min. wage and operational costs).

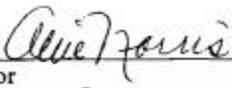
**ATTACHMENT B**  
**RESOLUTION NO. 05-19**

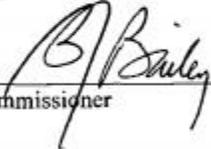
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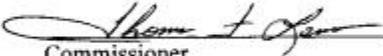
A RESOLUTION REVISING AND ESTABLISHING A CURRENT SCHEDULE OF FEES FOR USE OF THE OREGON CITY MUNICIPAL SWIMMING POOL.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of Oregon City that the fees outlined in the staff report for the use of the Oregon City Municipal Swimming Pool for 2005-2006, including the provision that fees will increase 3% annually is hereby adopted and incorporated as if fully set forth herein to be come effective July 1, 2005.

Adopted, signed and approved this 15<sup>th</sup> day of June, 2005

  
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Mayor

  
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Commissioner

  
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Commissioner

  
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Commissioner

  
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Commissioner

Comprising the City Commission  
of Oregon City, Oregon

RESOLUTION NO. 05-19  
Effective Date: June 15, 2005, upon the approval of the City Commission of Oregon City

**COMMISSION REPORT: CITY OF OREGON CITY  
TO THE HONORABLE MAYOR AND COMMISSIONERS**

320 Warner Milne Road----(503) 657-0891

	<b>Agenda Item No.:</b> 5.2	<b>Topic:</b> Proposed Resolution No. 05-19, Municipal Swimming Pool Fee Increases
	<b>Report No.:</b> 05-085	
	<b>Agenda Type:</b> DISCUSSION/ACTION	
	<b>Meeting Date: June 15, 2005</b>	<b>Public Hearing:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Prepared By: Jim Row</b>	<b>Reviewed By: Scott Archer</b>	<b>Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<b>Approved By: L. Patterson</b>

**RECOMMENDATION:**

Staff recommends City Commission approval and adoption of proposed Resolution No. 05-19, increasing the municipal swimming pool usage fees **3% every year**, beginning July 1, 2005.

**REASON FOR RECOMMENDATION:**

To keep up with increasing costs of operation, it is necessary for the swimming pool's usage fees to increase annually. The fees subject to these annual increases include, **group, private and school swimming lessons, community room and pool rentals, memberships and punch cards.** All fees will be rounded to the nearest 25-cents. **Since the pool's daily admission fees currently range from \$2.25-\$3.75 they will increase every three years in 25-cent increments, which approximately averages 3% annually.**

**BACKGROUND:**

In the past, the swimming pool has followed a practice of increasing fees 3% annually since the late 1990's as advised by the Rate & Fee Committee, which as of late has been inactive. The swimming pool's fees are consistent with fees charged by comparable public swimming pools in the metro area.

**BUDGET IMPACT:** FY(s): 05-06 Funding Source: Revenue from fees is accounted for within the Proposed 05-06 budget.

Attachment: [Resolution No. 05-19](#)