



## Legislation Text

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### REQUESTED ACTION

Approve Execution of a Consultant Agreement

### RECOMMENDATION

Approve Agreement

### DESCRIPTION/HISTORY

The 2020 Parks, Recreation, Open Space and Trails Master Plan included a number of operational, maintenance, recreation and marketing strategies to help guide the department over the next 10 years. One of the operational strategies recommends to “seek to add financially sustaining facilities and improve cost recovery rate on existing programs and facilities.” Currently, there are limited procedures for establishing fees and charges for programs and services offered by the Parks and Recreation Department. The current structure for fees and charges 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.

During the 2021 feasibility study for a potential multi-generational recreation center and library facility, the lack of an established financial philosophy or cost recovery goals made the development of the operational pro-forma for the facility difficult. If the city moves forward with the construction of this facility in the future, the need for setting a sustainable financial model for operating, maintaining and reinvesting in the facility is crucial. 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 parks and recreation system forward in a manner that is sustainable, reflects the values of Mansfield and is accountable to residents.

In order to create a financial management philosophy and establish a cost recovery model for all parks and recreation programs and services, the department solicited a proposal from 110% Inc. to lead discussions and analysis with staff, elected officials and stakeholders. 110% Inc.’s program, **The Smart Approach to Financial Sustainability**, is designed in three phases combining digital educational trainings, work sessions, community meetings, and one-on-one conversations, all leading to recommendations and final deliverables. The process is expected to take 6-9 months.

A copy of the proposal from 110% Inc. detailing the steps and deliverables of the process is attached. The process deliverables include:

- **Service categories** which represent our organizational service menu and definitions
- A comprehensive **Cost of Service Analysis** with recommended fees and charges
- An **Insights Report** including all costs and subsidies for each service
- **Definitions of “Common Good” and “Individualized Benefit”** created to represent the values of the community that will guide subsidy (taxpayer) investment and revenue enhancement strategy
- A **Beneficiary of Service Model** developed with staff, advisory board, elected officials, and representative community member input
- A relevant and useful **Financial Sustainability/Cost Recovery Strategy** that will serve as a graphic representation of our organization’s tax investment and revenue enhancement philosophy
- **Financial Sustainability Policy** alternatives

- A **Fees Scenario Template** providing the platform to create scenarios for potential and/or future fee increases/adjustments

The consultant team was chosen based on multiple factors, including: qualifications of personnel; project schedule; experience with similar projects; references and reputation; methodology; and the team's capability to perform all aspects of the work.

### **JUSTIFICATION**

**The Smart Approach to Financial Sustainability** helps park and recreation organizations operate from a foundation built upon sound management principles. It enables professionals to be more diligent about the decisions they make and clearly understand how taxpayer dollars are being spent. It encourages the pursuit of opportunities for revenue growth that will help strengthen systems for the long term.

### **FUNDING SOURCE**

MPFDC ½ cent sales tax

### **PREPARED BY**

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