

Gilbert Parks and Recreation Master Plan

Cost Recovery Analysis Report



Submitted by:

BerryDunn
2211 Congress Street
Portland, ME 04102-1955
207.541.2200

Chad Snow, Principal

csnow@berrydunn.com

Jason Genck, Project Manager

jgenck@berrydunn.com

Submitted On:

Cost Recovery Analysis

As part of this Master Planning process, BerryDunn analyzed the revenues, expenses, and utilization data associated with Gilbert. The review covered the department’s revenue and non-revenue-generating cost centers, including 14 revenue-generating facilities and program areas, 9 parks with rental revenues, and 11 Municipal Facilities cost centers.

The analysis is centered on the financial and participation data from the fiscal year (FY) 2022. The findings showed that the department had a total cost recovery of 34.47%. Within this total were 30,415 program registrations and 13,319 rentals. Locations with Revenue-Generating Programs recovered 44.18% of their costs through program registration fees, rental fees, and partnerships. Park Rentals recovered 32.78% of their parks’ operating costs in rental revenues. Municipal Facilities recovered 19.60% of their operating costs through various lease payments and operating agreements.

Table 1 below shows the department’s cost recovery in FY 2022 broken out by Revenue-Generating and Non-Revenue-Generating cost centers.

Table 1 – FY 2022 Cost Recovery

Parks and Recreation Cost Recovery			
	FY 2022 Revenues	FY 2022 Expenditures	Cost Recovery
Revenue Generating Facilities & Programs	\$ 5,047,431	\$ 11,425,347	44.18%
Park Rentals	\$ 705,359	\$ 2,152,113	32.78%
Municipal Facilities	\$ 1,022,174	\$ 5,216,344	19.60%
Subtotal Revenue Generating	\$ 8,195,893	\$ 18,347,007	19.60%
Non-Revenue Generating Cost Centers	\$ 205,703	\$ 5,244,273	
Subtotal Non-Revenue Generating	\$ 228	\$ 5,244,273	
GRAND TOTAL	\$ 8,196,121	\$ 23,591,280	34.74%

The rates of cost recovery within Gilbert are indicative of a strategic approach that is tailored to the unique values and objectives of the organization. Across the nation, each park and recreation agency has its own set of priorities when it comes to financial sustainability and service delivery, which is why cost recovery targets vary widely between organizations. For Gilbert, the focus is to help ensure that services remain accessible and valuable to the community while managing to recoup a portion of the operational costs to aid in financial sustainability.

In comparing these figures to broader benchmarks, the department is outperforming the national average. With a departmentwide cost recovery rate of 34.74%, Gilbert’s cost recovery is above the National Recreation and Parks Association’s reported average recovery rate of 24.6%.

Understanding and being conscious of the department’s specific cost recovery and utilization rates is crucial. It is this awareness that facilitates informed discussions among department heads, stakeholders, and the community. It contributes to strategic management decisions. By leveraging this data, the department can identify areas where adjustments may be needed, whether in the form of enhanced marketing efforts to boost program registrations, recalibrating fee structures, or reallocating resources to improve service offerings. Ultimately, this intentional

use of cost recovery metrics serves as a guiding tool for steering the department toward its dual goals of fiscal responsibility and exemplary community service.

Findings by Area

Revenue-Generating Facilities and Program Areas

In FY 2022, a variety of revenue-generating facilities, programs, rentals, and partnerships were offered, spread across 160 service groupings. These areas attracted a total of 30,415 registrations and managed 2,906 rental instances, contributing to revenues totaling approximately \$5.05 million. Expenses for these same areas amounted to over \$11.43 million, achieving a cost recovery rate of 44.18%. Table 2 outlines the financial performance and registration data for Gilbert’s revenue-generating facilities and programs.

Table 2 Financial Performance and Registration Data FY 2022

Parks and Recreation Cost Recovery							
Revenue Generating Facilities & Program Areas	Num. of Srvc Groupings	Total Registrations	Total Rentals	FY 2022 Revenues	FY 2022 Expenditures	Cost Recovery	
Youth and Adult Sports	1	430		\$ 232,910	\$ 202,078	115.26%	
Cactus Yards	11	10,772	1,028	\$ 1,740,457	\$ 2,113,815	82.34%	
Freestone Recreation Center	17	2,547	1,690	\$ 878,498	\$ 1,295,780	67.80%	
McQueen Community Center	20	3,178		\$ 396,043	\$ 692,680	57.18%	
Special Events	3	1,812		\$ 607,999	\$ 1,080,783	56.26%	
Perry Pool	3	1,365		\$ 106,025	\$ 205,661	51.55%	
Greenfield Pool	9	4,245	80	\$ 122,468	\$ 246,021	49.78%	
Williams Field Pool	4	1,683		\$ 88,972	\$ 217,779	40.85%	
Adaptive Recreation	19	991	-	\$ 28,493	\$ 72,902	39.08%	
Mesquite Pool	2	748	108	\$ 125,211	\$ 320,685	39.04%	
Gilbert Regional	9	95		\$ 174,608	\$ 514,005	33.97%	
Community Center	52	1,552		\$ 163,802	\$ 520,143	31.49%	
Riparian Preserve at Water Ranch	2	373		\$ 46,109	\$ 335,391	13.75%	
South East Regional and Perry Library	8	619		\$ 335,836	\$ 3,607,623	9.31%	
TOTAL REVENUE GENERATING FAC & PROG	160	30,410	2,906	\$ 5,047,431	\$ 11,425,346	44.18%	

The financial data from Gilbert’s Parks and Recreation department for FY 2022 showcases a diverse portfolio of revenue-generating programs and facilities, which despite their varied cost recovery rates, cumulatively present a picture of substantial community engagement through recreational activities. Cactus Yards stands out with the highest number of total registrations at 10,772 and a significant revenue generation of approximately \$1.74 million, which corresponds to a robust cost recovery rate of 82.34%. The Youth and Adult Sports program had an outstanding cost recovery rate of 115.26%.

It is noteworthy that the overall cost recovery for all services combined stands at 44.18%. While some programs operate at or near full cost recovery, others are subsidized to a greater extent, reflecting the community's investment in a wide range of recreational opportunities for its residents. The diversity in performance also reflects the balance between offering programs that are financially self-sustaining and those that are valuable community services warranting public support regardless of their direct financial return.

Adaptive Recreation

Adaptive Recreation within Gilbert is dedicated to providing inclusive recreational activities tailored to individuals with disabilities. This service area offers a variety of programs designed to

foster social interaction, physical activity, and personal growth in a supportive environment. In FY 2022, Adaptive Recreation contained 19 service groupings that provided engaging and supportive activities. These programs had 991 registrations and achieved a cost recovery rate of 39.08%. Total Revenues were \$28,493 from program registrations, with expenditures of \$72,902. Table 3 shows all of the programs offered in Adaptive Recreation.

Table 3 – Adaptive Recreation Programs

Adaptive Recreation Programs	
	Registrations
Adaptive Recreation Bingo Night	367
Adaptive Recreation Paint Party	97
Holiday Ball	83
Halloween Ball	71
Handmade Crafts Class-Adaptive Recreation	63
Sweetheart Dance-Adaptive Recreation	63
Glow Dance Party-Adaptive Recreation	62
Adaptive Recreation-Baking Buddies	37
Dance Fit Adaptive Recreation	27
Adaptive Rec-Movie Night	26
Holiday Lights-Adaptive Field Trip	25
Adaptive Recreation Zumba	16
Special Olympics Cheer & Dance	14
Adaptive Recreation Dance & Strength	11
Adaptive Rec-Bocce Ball Team	10
Adaptive-Beginning Weight Training & Yoga	10
Special Olympics-Bocce Ball	6
Adaptive Recreation-Yoga Stars	3
Adaptive Recreation-Beginning Yoga	0

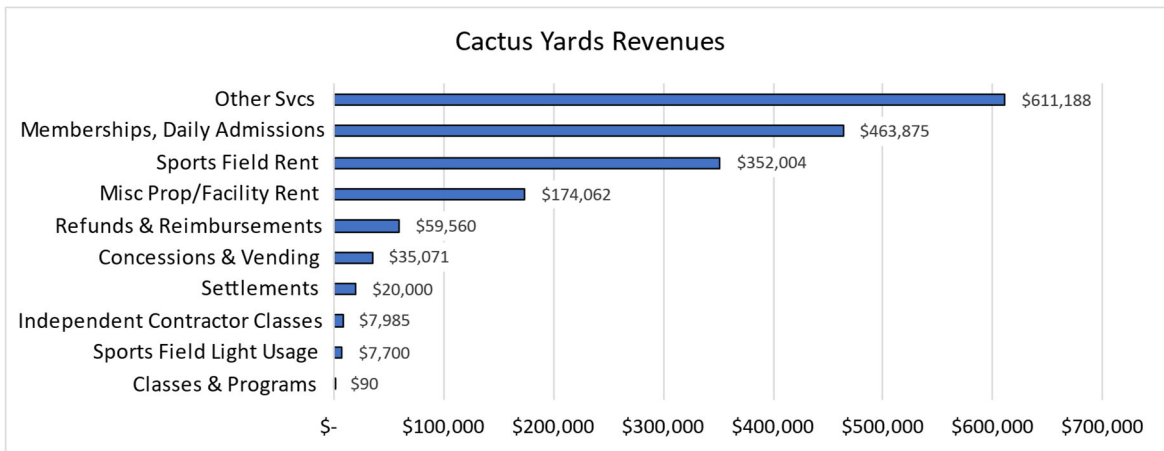
Overall, the Adaptive Programs and Services of Gilbert reflect a commitment to accessibility and inclusivity, creating spaces where every member of the community can participate, engage, and enjoy a variety of recreational pursuits.

Cactus Yards

Cactus Yards within Gilbert stands out as a hub of activity, drawing in the community with a broad array of sports and events. Designed to accommodate a variety of athletic pursuits, this facility offers a variety of programs. The cost recovery rate for the year was 82.34%, with total revenues of \$1,740,457 and expenditures of \$2,113,815.

Figure1 – shows each revenue source for Cactus Yards in FY 2022.

Figure 1 – Cactus Yards



In FY 2022, Cactus Yards generated \$1,740,457 in revenue from 11 service groupings. The largest income source, "Other Svcs," contributed \$611,188. This broad category encompasses a variety of revenue sources, including all sports programs, leagues, camps, and merchandise. Memberships and Admissions accounted for \$463,875. Programs, concessions, and settlements contributed smaller amounts. Due to the popularity of Cactus Yards, it might make sense for Gilbert to consider pursuing sponsorships and grants to enhance revenue generation.

In FY 2022, Cactus Yards had 11 service groupings, which attracted a significant number of participants, totaling 10,772 registrations. The breakdown of Cactus Yards' offerings and performance metrics is in Table 4.

Table 4 – Cactus Yards Programs

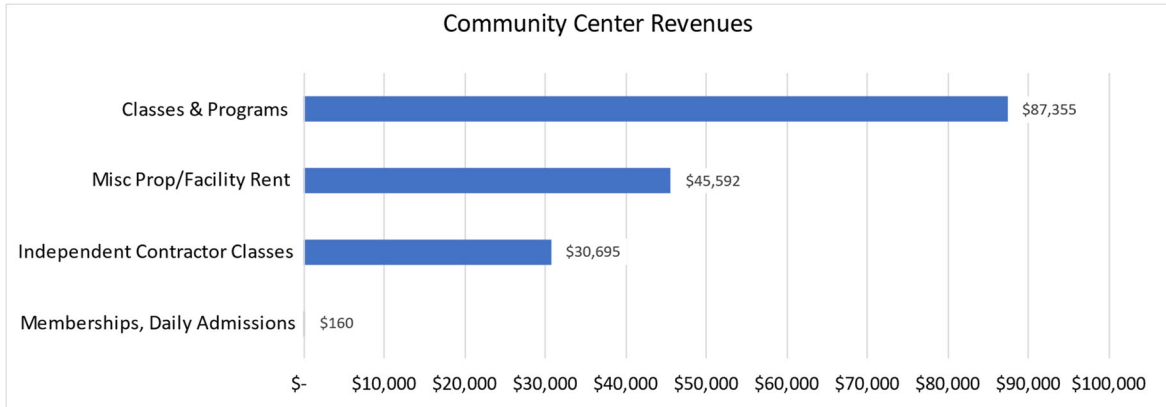
Cactus Yards Programs	
	Registrations
Adult Indoor Soccer	815
Adult Kickball	298
Adult Softball	6589
Gilbert Day Softball Tournament	40
Springball	287
Indoor Soccer	2215
Camps	236
Adaptive July Soccer Camp - Cactus Yards	10
Adaptive June Soccer Camp - Cactus Yards	12
Cactus Yards Egg Hunt	218
Challenger International Soccer Camp	52

Gilbert Community Center

The Gilbert Community Center serves as a cornerstone for the Town's recreational and cultural life, hosting 52 service groupings and 1,557 registrations in FY 2022. The center's extensive programs foster a sense of community and lifelong learning. The center had a cost recovery rate of 31.49%, with revenues of \$163,802 and expenditures of \$520,143.

Figure 2 shows each revenue source for the Community Center in FY 2022.

Figure 2 – Community Center Revenues



In FY 2022, the Community Center earned significant revenue from Classes and Programs at \$87,355 and Independent Contractor Classes at \$30,695, showcasing active community participation and program diversity. Misc Prop/Facility Rent contributed \$45,592.

The Community Center offered a variety of programs that attracted a total of 1,539 participants across staff and contractor run programs. The combined revenue from 'Classes and Programs' and 'Independent Contractor Classes' amounted to \$118,050. The breakdown of the Community Center's offerings and performance metrics are in Table 5.

Table 5 – Community Center Programs

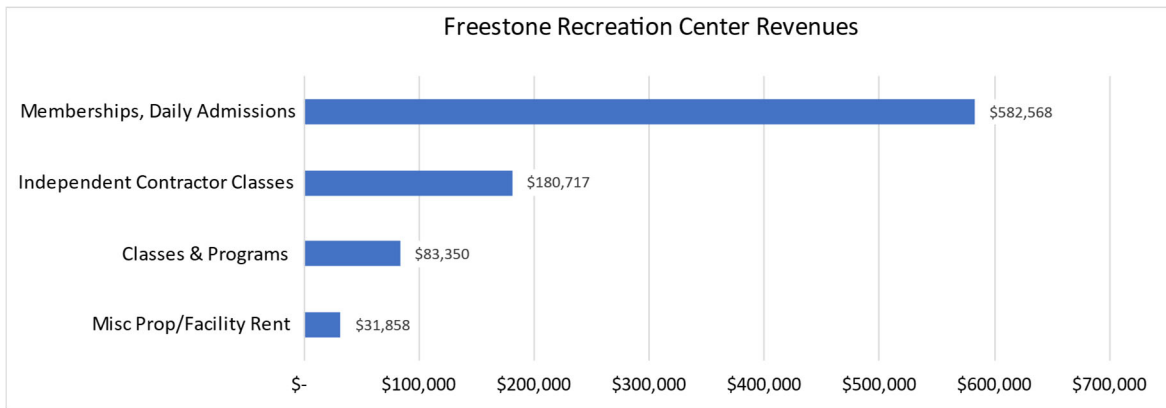
Community Center Programs	
	Registrations
Arts & Crafts	309
Camps	8
Cooking	142
Dance & Cheer	214
Enrichment	133
Events	591
Gymnastics & Active Movement	84
Health & Fitness	5
Special Interest	51
Sports	15

Freestone Recreation Center

Freestone Recreation Center had 17 service groupings and 2,547 registrations. It stood out with a cost recovery rate of 67.80%, generating substantial revenues of \$878,498. Expenditures were \$1,295,780.

Figure 3 shows each revenue source for the Freestone Recreation Center in FY 2022.

Figure 3 – Freestone Recreation Center Revenues



For FY 2022, Freestone Recreation Center's revenues were led by Memberships and Daily Admissions at \$582,568, with an average of 2,200 members per month active at the facility. In FY 2022, the center offered 2,100 group exercise classes to members with over 24,000 attendees. Even though the facility shows a high priority to memberships, the revenue from "Independent Contractor Classes" reached \$180,717, reflecting the center's successful collaboration with specialists. "Classes & Programs" and standard facility rentals contributed \$83,350 and \$31,858, respectively, indicating robust program participation and facility use.

Freestone Recreation Center's total revenue from "Classes & Programs" and "Independent Contractor Classes" was \$264,067. With a combined total of 2,171 registrations across all programs. The breakdown of Freestone Recreation Center's offerings and performance metrics are in Table 6.

Table 6 – Freestone Recreation Center Programs Requiring Registrations

Freestone Recreation Center	
	Registrations
Arts & Crafts	53
Camps	79
Dance & Cheer	256
Enrichment	72
Events	454
Gymnastics & Active Movement	68
League Sports	96
Martial Arts	54
Sports	1033
Camps	6

Gilbert Regional Park

Gilbert Regional Park, although smaller with nine service groupings and 95 registrations, generated revenues of \$174,608. These revenues were generated from a mix of programs and facility rentals. The breakdown of Gilbert’s offerings and performance metrics is in Table 7.

Table 7 – Gilbert Regional Park Programs

Gilbert Regional	
	Registrations
League Sports	
Adult Sand Volleyball - Co-Ed Upper B	0
Youth Sand Volleyball League: Ages 11-12	30
Youth Sand Volleyball League: Ages 13-14	12
Youth Sand Volleyball League: Ages 9-10	19
Sports	
Basketball Camp	14
Fundamentals of Basketball Camp	5
Fundamentals of Football Camp	4
Fundamentals of Speed & Agility Camp	4
Speed & Agility Camp	7

Greenfield Pool

The pool's operations generated revenues of \$122,468 and had a cost recovery rate of 49.78%, with expenditures of \$246,021. The pool’s only revenue category is “Other Svcs,” which is made up of Pool Daily Admissions and Aquatics Programs. Greenfield Pool had nine service

groupings and 4,245 registrants in FY 2022. The breakdown of Greenfield Pool’s offerings and performance metrics are in Table 8.

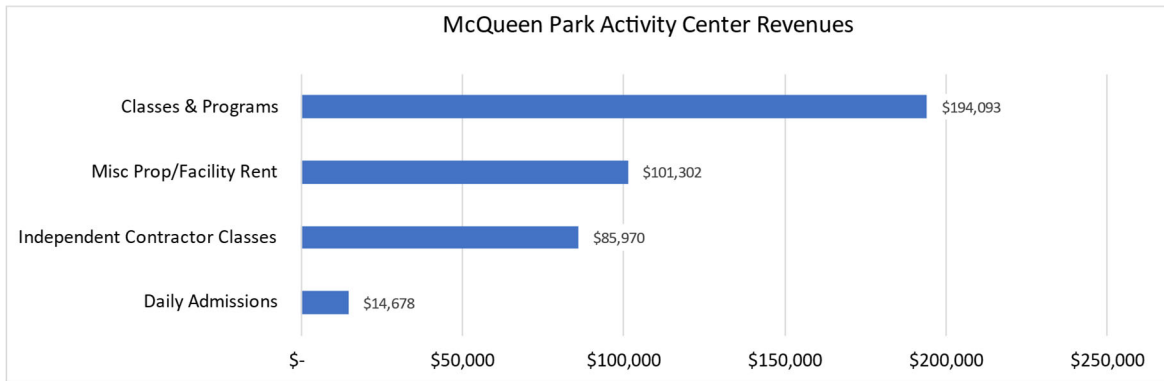
Table 8 – Greenfield Pool’s Programs

Greenfield Pool	
	Registrations
Aquatics	2124
Lifeguard Training	8
Lifeguard Training Certification	29
Aquacise	27
Swim Lessons	1474
Spring Swim Team	164
Summer Dive Team Greenfield Gators	412
Water Safety Instructor (WSI) Certification	7
Session 2 Swim Lessons - Adaptive	1

McQueen Park Activity Center

The McQueen Park Activity Center had a cost recovery rate of 57.18%, with revenues of \$396,043 against expenditures of \$692,680. Figure 4 shows each revenue source for the McQueen Park Activity Center in FY 2022.

Figure 4 – McQueen Park Activity Center Revenues



McQueen Park Activity Center revenues were led by Classes and Programs, which brought in \$194,093. Misc Prop/Facility Rent also contributed significantly with \$101,302, reflecting the center’s appeal as a venue. Revenue from Independent Contractor Classes totaled \$85,970, pointing to successful external partnerships, while Daily Admissions added \$14,678, highlighting ongoing patronage.

McQueen Park Activity Center had 20 service groupings with 3,178 registrations. These registration revenues were split between the Classes and Programs and Independent Contractor Classes line items. The breakdown of McQueen Park Activity Center’s offerings and performance metrics are in Table 9.

Table 9 – McQueen Park Activity Center Programs

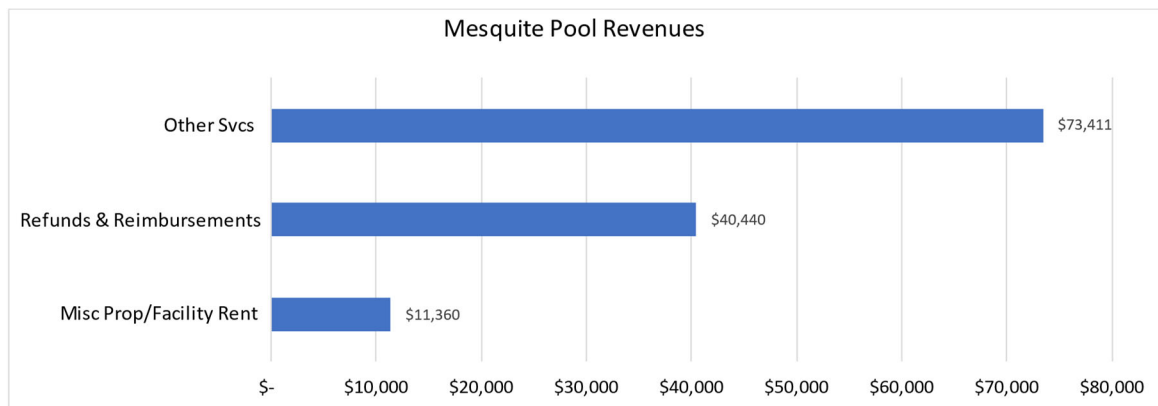
McQueen Park Activity Center	
	Registrations
Arts and Crafts	180
Camps	47
Cooking	182
Dance & Cheer	462
Enrichment	484
Events	243
Gymnastics & Active Movement	480
Health & Fitness	146
League Sports	267
Martial Arts	119
Special Interest	16
Sports	552

Mesquite Pool

Mesquite Pool offered two service groupings and had 748 registrations over the fiscal year. The cost recovery rate for Mesquite Pool was 39.04%, with total revenues reported at \$125,211 and expenditures of \$320,685.

Figure 5 shows each revenue source for the Mesquite Pool in FY 2022.

Figure 5 – Mesquite Pool Revenues



“Other Svcs,” which include Pool Daily Admissions and Aquatics Programs, were the highest revenue source at \$73,411. “Misc Prop/Facility Rent” generated \$11,360, pointing to the facility’s rental appeal. “Refunds and Reimbursements” amounted to \$40,440.

Mesquite Pool focused on aquatic education and competitive swimming, with its two main offerings attracting a significant number of participants. Swim Lessons were particularly popular, with 409 individuals registered, indicating a strong community interest in learning to swim or improving swimming skills. The Swim Team also saw registration of 339 swimmers, reflecting

the community's engagement in more structured and competitive aquatic activities. The breakdown of Mesquite Pool's offerings and performance metrics are in Table 10.

Table 10 – Mesquite Pool's Programs

Mesquite Pool	
	Registrations
Swim Lessons	409
Swim Team	339

Perry Pool

Perry Pool provided three service groupings, with a total of 1,365 registrations. The pool's cost recovery rate was 51.55%, with revenues of \$106,025 against expenditures of \$205,661. Perry Pool's only revenue line item was "Other Svcs," which consists of Daily Admissions and Aquatics Programs.

Swim Lessons had 696 registrations, underscoring the community's prioritization of swimming as a vital skill. The Swim Team also experienced high participation with 592 registrations, indicative of the pool's success in cultivating a competitive swimming environment. Additionally, the Dive Team contributed to the pool's aquatic programs with 77 registrations. Breakdown Perry Pool's offerings and performance metrics are in Table 11.

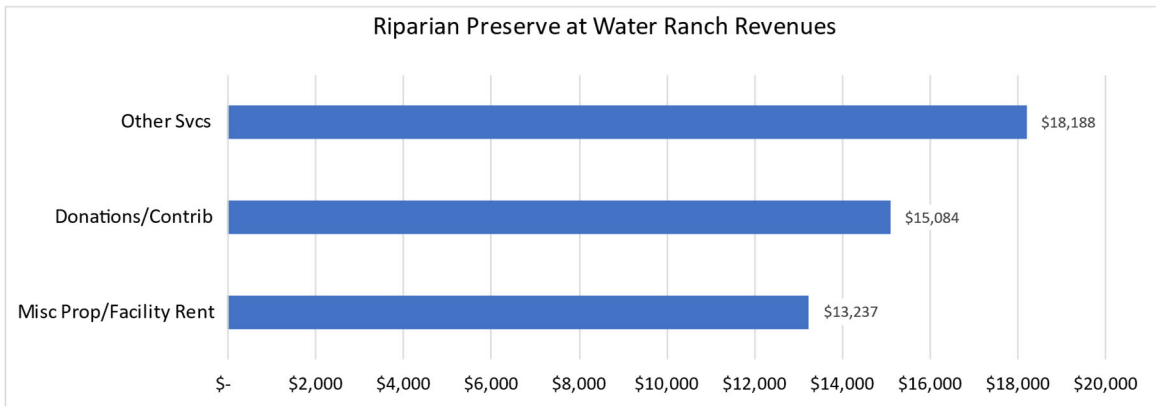
Table 11 – Perry Pool Programs

Perry Pool	
	Registrations
Swim Lessons	696
Dive Team	77
Swim Team	592

Riparian Preserve at Water Ranch

The Riparian Preserve at Water Ranch had two service groupings and 373 registrations. It had a cost recovery rate of 13.75%, with revenues at \$46,109 compared to expenditures of \$335,391. However, much of the Riparian Preserve at Water Ranch budget is not dedicated to providing revenue-generating services. Figure 6 shows each revenue source for the Riparian Preserve at Water Ranch in FY 2022.

Figure 6 – Riparian Preserve at Water Ranch Revenues



“Other Svcs” led the revenue sources with \$18,188, which encompasses a variety of activities and programs offered at the preserve. The “Donations/Contrib” totaled \$15,084, reflecting the community’s support and investment in the preserve’s conservation and educational efforts. “Misc Prop/Facility Rent” brought in \$13,237.

The Riparian Preserve at Water Ranch offerings highlighted the community’s interest in outdoor activities, with particularly strong turnouts for the Ranger Night Hikes, which saw 373 registrations. This program’s popularity suggests a community eager to engage with nature and participate in guided nocturnal explorations of the local environment. Additionally, the park provided an inclusive version of this experience through the Adaptive Recreation-Ranger Night Hike, which had 11 participants, ensuring that such enriching outdoor activities are accessible to individuals with disabilities.

In response to the popularity of the Riparian Preserve’s programs and its importance to the community, Gilbert has since hired a full-time Naturalist. The breakdown of the Riparian Preserve at Water Ranch offerings and performance metrics are in Table 12.

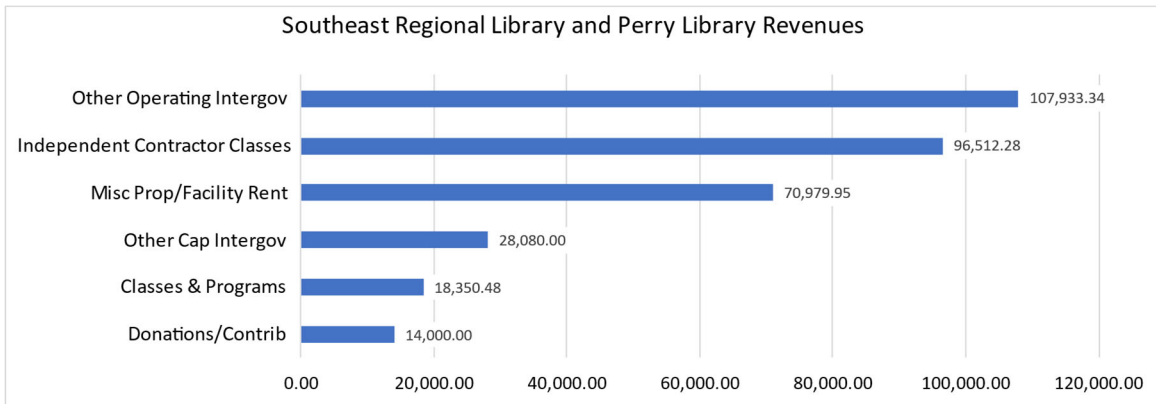
Table 12 – Riparian Preserve at Water Ranch Programs

Riparian Preserve at Water Ranch	
	Registrations
Adaptive Recreation-Ranger Night Hike	11
Ranger Night Hike	362

Southeast Regional Library and Perry Library

The Southeast Regional Library (SERL) and Perry Library are operated through a partnership with Maricopa County Library District. SERL is the most visited library in the county. The cost recovery rate for the Parks portion of the library operations was 9.31%, with revenue of \$335,836 and expenses of \$3,607,623. Figure 7 shows each revenue source for the SERL and Perry Library in FY 2022.

Figure 7 – Southeast Regional Library and Perry Library Revenues



Independent Contractor Classes generated \$96,512. Misc Prop/Facility Rent also contributed a significant amount, reflecting the library’s role as a venue for events and meetings. Classes and Programs brought in \$18,350.

Notably, the Other Operating Intergov revenues is from an accounting error and does not reflect actual library operations. The Perry Library was invoiced a portion of operating costs that should have been billed to Chandler. It is left in these tables because department financials still reflect this entry.

The SERL had 619 total registrations for activities. The breakdown of SE Regional Library revenue-generating offerings and performance metrics are in Table 13.

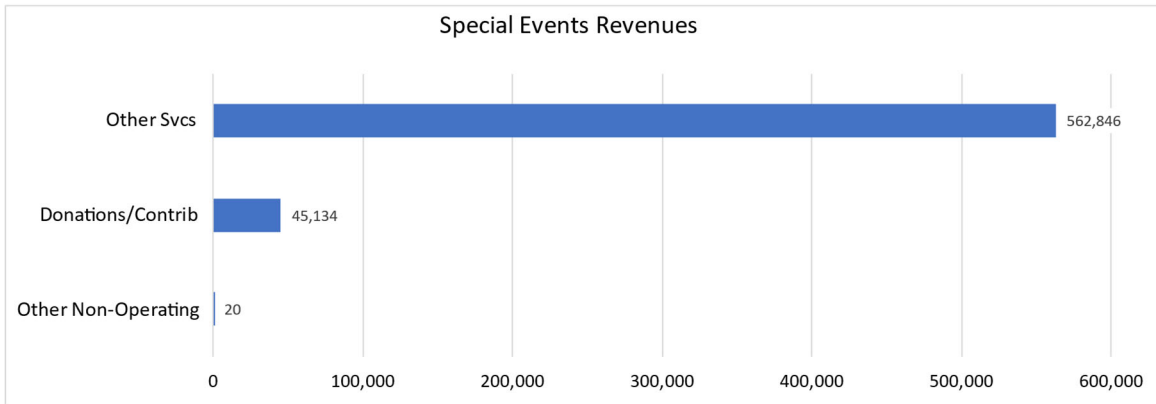
Table 13 – SE Regional Library Programs

SE Regional Library Programs	
	Registrations
Camps	53
Dance & Cheer	82
Enrichment	184
Gymnastics & Active Movement	104
Health & Fitness	23
Special Interest	173

Special Events

Special Events, encompassing three service groupings, saw a robust participation with 1,812 registrations. This segment achieved a cost recovery rate of 56.26%, generating revenues of \$607,999 against expenditures of \$1,080,783. Notably, more than three Special Events were held in FY 2022, but many of the event’s revenues and expenditures are comprised of other sources that do not necessarily flow through ActiveNet, such as sponsorships and on-site ticket sales, sold through alternative systems. Figure 8 shows each revenue source for the Special Events Revenues in FY 2022.

Figure 8 – Special Events Revenues



“Other Svcs,” which consisted of special events revenues, totaled \$562,845.85. “Donations/Contrib” added \$45,133.56.

Special Events attracted a substantial number of participants, showcasing the department's ability to create engaging community experiences. Nerf Wars, a family-friendly and action-packed event, drew 263 participants, highlighting its popularity as a recreational activity. The Gilbert Glow Run was particularly successful, with 1,549 registrations, signaling the community's strong interest in participative and thematic fitness events.

The department hosts several special events throughout the year that do not require a registration fee. The robust schedule of special events offered include Gilbert Days, 4th of July Celebration, Global Village Festival, Gilbert Outdoors Expo, KAPOW! Superhero Run, Gilbert Cinemas, Gilbert Family Nights, Veteran’s Day Ceremony, Water Tower Holiday Lighting, H2O Fest, Riparian After Dark, and Truck-A-Palooza. The revenue for these events is accounted for in the total revenue for special events; however, the total attendance is not included.

The breakdown of Special Events’ offerings and performance metrics charged specifically to the Special Events cost center are in Table 14.

Table 14 – Special Events Programs

Special Events	
	Registrations
Nerf Wars	263
Gilbert Glow Run	1549
Complimentary Race Entries - KAPOW!	0

Williams Field Pool

Williams Field Pool had four service groupings with a registration count of 1,683. The cost recovery rate stood at 40.85%, with revenues totaling \$88,972 and expenditures at \$217,779.

Williams Field Pool’s only revenue line item was “Other Svcs,” which consists of Daily Admissions and Aquatics Programs.

Swim and Dive Lessons had 1,370 registrations, highlighting the community's interest in swimming proficiency and aquatic safety. The Swim Team also saw substantial participation, with 262 individuals signing up, showcasing the pool's role in promoting competitive swimming. The Aquacise class, though smaller in scale with 25 registrations, and the Aquatics Junior Lifeguard Program with 26 registrations, were important in offering diverse water-based fitness and educational opportunities. The breakdown of Williams Field Pool’s offerings and performance metrics are in Table 15.

Table 15 – Williams Field Pool Programs

Williams Field Pool	
	Registrations
Swim & Dive Lessons	1370
Aquacise	25
Aquatics Junior Lifeguard Program	26
Swim Team	262

Youth and Adult Sports

Youth and Adult Sports had only one service offering. This is because most of the other Youth and Adult Sports are included in the budgets of the facilities where they take place. This cost center had a cost recovery rate of 115.26%, bringing in revenues of \$232,910 against expenditures of \$202,078. The breakdown of Youth and Adult Sports’ offerings and performance metrics are in Table 16.

Table 16 – Youth and Adult Sports Programs

Youth and Adult Sports	
	Registrations
Softball & T-Ball	430

Softball and T-Ball program registered 430 participants. This program's popularity underscores the community's appreciation for traditional team sports that offer both recreational and competitive opportunities for a wide range of ages.

Park Rentals

Another area of cost recovery for Gilbert is park rentals. In total, there were 10,413 rentals across different parks, which generated a revenue of \$705,359 with expenses of \$2,152,113, for cost recovery rate of 32.78%.

It is important to remember that parks serve a broader purpose than just revenue generation. They are vital for community activities, environmental conservation, and as recreational spaces. Their value to the community extends beyond the financial metrics of park rentals, emphasizing the multifaceted role parks play in society. Though some areas of parks may be rented, most of the public spaces in the park remain open for free use by the community. For this reason, it is more important to consider the quantity of rentals rather than cost recovery since rentals represent such a small portion of their purpose.

Gilbert has nine parks which can cover a portion of their operating expenses through rentals. Table 17 details park rental data for FY 2022.

Table 17 Park Rentals

Parks and Recreation Cost Recovery					
Park Rentals	Total Rentals	FY 2022 Revenues	FY 2022 Expenditures	Cost Recovery	
Crossroads Park	2,368	\$ 311,547	\$ 339,648	91.73%	
Desert Sky Park	1,017	\$ 72,908	\$ 166,033	43.91%	
GYSA at Hetchler Park	1,167	\$ 139,760	\$ 326,512	42.80%	
McQueen Park	2,762	\$ 26,109	\$ 105,163	24.83%	
Discovery Park	1,167	\$ 63,216	\$ 318,375	19.86%	
Freestone Park	1,690	\$ 87,026	\$ 467,836	18.60%	
Nichols Park	70	\$ 2,762	\$ 34,055	8.11%	
Cosmo Park	51	\$ 1,388	\$ 149,599	0.93%	
Neighborhood Parks	121	\$ 643	\$ 244,891	0.26%	
TOTAL REVENUE GENERATING PARK RENTALS	10,413	\$ 705,359	\$ 2,152,113	32.78%	

Certain parks have the potential to generate increased revenue due to the range of amenities they provide. Crossroads, McQueen, and Freestone parks feature rentable amenities such as ballfields, ramadas, and open spaces. Desert Sky and Discovery Parks offer multi-use fields along with ramadas. Notably, GYSC (Gilbert Youth Soccer Complex) at Hetchler Park operates exclusively through an agreement with the Gilbert Youth Soccer Association and is not available for general public rentals.

Breaking down the data by individual parks, McQueen Park had the highest number of rentals at 2,762, bringing in a revenue of \$139,760, for a cost recovery rate of 24.83%. Crossroads Park had the next highest number of rentals at 2,368, bringing in revenues of \$311,547, for a cost recovery rate of 91.73%. Crossroads Park has a P3 with AZ Ice which brings in significant rental revenue. Similarly, Freestone Park has a P3 with RIP City Batting Cages and Freestone Railroad. Freestone Park had 1,690 rentals and a revenue of \$87,025.89, for a cost recovery rate of 18.60%.

Park rentals are an important revenue source for Gilbert. Although it is not the sole purpose for operating parks, park rental revenue does represent 9.27% (\$705,359) of the department’s total FY 2022 revenue (\$8,197,049).

Municipal Facilities

There are several revenue and non-revenue-generating cost centers in the Parks budget that are related to Municipal Facilities. Rather, these program areas generate revenues through

various interdepartmental and intergovernmental fees, rental agreements, and charges. Total revenues for this category were \$1,022,174 in FY 2022, with expenses of \$5,216,344, for a cost recovery rate of 19.60%. Table 18 below details these cost centers for FY 2022.

Table 18 – Municipal Facilities

Parks and Recreation Cost Recovery			
Municipal Facilities	FY 2022 Revenues	FY 2022 Expenditures	Cost Recovery
Heritage Annex	\$ 54,192	\$ 23,995	225.85%
Public Works Facility	\$ 149,473	\$ 163,076	91.66%
Public Safety Training	\$ 354,766	\$ 555,999	63.81%
South Area Service Center	\$ 228,059	\$ 682,049	33.44%
Public Safety Center	\$ 207,425	\$ 2,894,058	7.17%
University Building	\$ 28,260	\$ 424,408	6.66%
Heritage District		\$ 69,224	
Municipal Building I		\$ 151,524	
Municipal Building II		\$ 205,745	
Neely Facility		\$ 11,019	
Radio Maintenance Facility		\$ 35,247	
TOTAL MUNICIPAL FACILITIES	\$ 1,022,174	\$ 5,216,344	19.60%

The data shows that some facilities, like the Public Works Facility, are exceptionally effective in generating revenue well above their costs. These figures underline the importance of reviewing the purpose and efficiency of the revenue-generating agreements and activities of these facilities, considering that financial recovery is not the sole purpose of these public service entities.

Non-Revenue-Generating Cost Centers

Gilbert also has several cost centers that are non-revenue generating yet still critical to the operation of the system. The total expenditure in FY 2022 for these cost centers was \$5,244,273. This represented 23.19% of the total operating expenses. Table 19 details the expenditures for each of these cost centers.

Table 19 – Non-Revenue-Generating Cost Centers

Parks and Recreation Cost Recovery		
Non-Revenue Generating Cost Centers	FY 2022 Revenues	FY 2022 Expenditures
Parks and Open Space Admin	\$ 138	\$ 3,358,658
Parks Admin	\$ 90	\$ 1,524,495
Zanjero	\$ 205,475	\$ 25,962
Trails Washes and Other		\$ 217,039
Water Tower		\$ 118,119
TOTAL NON-REVENUE GENERATING COST CENTERS	\$ 205,703	\$ 5,244,273

These cost centers serve dual purposes: they support the behind-the-scenes functions essential for departmental success and cover the ongoing maintenance of public spaces that, although not income-producing, are cornerstones of community service. Note that Zanjero had revenue in 2022 because of a land sale. This financial commitment ensures that the department can deliver

a high standard of service consistently and sustain the Town's assets that enrich the community.

Conclusion

Gilbert has a diversified cost recovery across various program areas and facilities. The department, through its fiscal year 2022 activities, achieved a cost recovery rate of 34.47%, translating to \$8,196,121 in revenue across all its services. This performance is commendable when benchmarked against the national average cost recovery rate of 24.6% reported by the National Recreation and Parks Association.

The department's approach, which prioritizes accessible and valuable services to the community alongside financial sustainability, is evident in its strategic use of cost recovery metrics. By analyzing these metrics, the department can identify areas for improvement, adjust marketing efforts, review fee structures, or reallocate resources to enhance services.

Cactus Yards emerges as a significant community asset, attracting the highest number of registrations and achieving an 82.34% cost recovery rate. The various community centers, pools, and specialized facilities such as the Riparian Preserve at Water Ranch and SERL, while not as financially self-sustaining, contribute immensely to the social fabric of the community, offering programs that cater to a wide range of interests and needs.

The analysis further reveals that non-revenue-generating cost centers, while not financially self-sufficient, are integral to the department's operations. These centers, which account for nearly 23% of the department's total operating expenses, are crucial for maintaining the quality and availability of public services.

Considering the analysis presented, it is imperative to consider the economic climate and the impact of inflation on operational costs. To sustain the department's objectives of fiscal responsibility while continuing to provide exemplary community service, it may be necessary to explore the introduction of a modest fee increase. This would not only help to mitigate the effects of inflation but also help ensure that the quality and breadth of services that residents of Gilbert have come to expect can be maintained.

Looking at the most recent data from FY2023, inflation is creating an increase in expenses by nearly 31% (FY23 projected expenses \$27,475,090 to FY24 projected expenses \$36,226,230). Taking that into account, a modest fee increase, to maintain Gilbert's cost recovery would be financially prudent.

Ultimately, this analysis serves as a strategic tool, guiding the department toward achieving its dual objectives of fiscal responsibility and outstanding community service. The focus remains on leveraging cost recovery metrics not just for financial analysis, but also to help ensure that the parks and recreation services continue to enrich the lives of Gilbert's residents, foster community engagement, and enhance the Town's overall quality of life.