



WELCOME TO THE  
2019 FRPA  
CONFERENCE!

## LEARNING OBJECTIVES



- Importance of cost recovery when planning and pricing
- How to determine pricing
- Evaluate cost recovery on micro and macro levels



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## WHAT IS COST RECOVERY

- Revenue to cover the cost of a program/ service
- Comparison of revenue vs. expenses
- Justification of costs and pricing structure



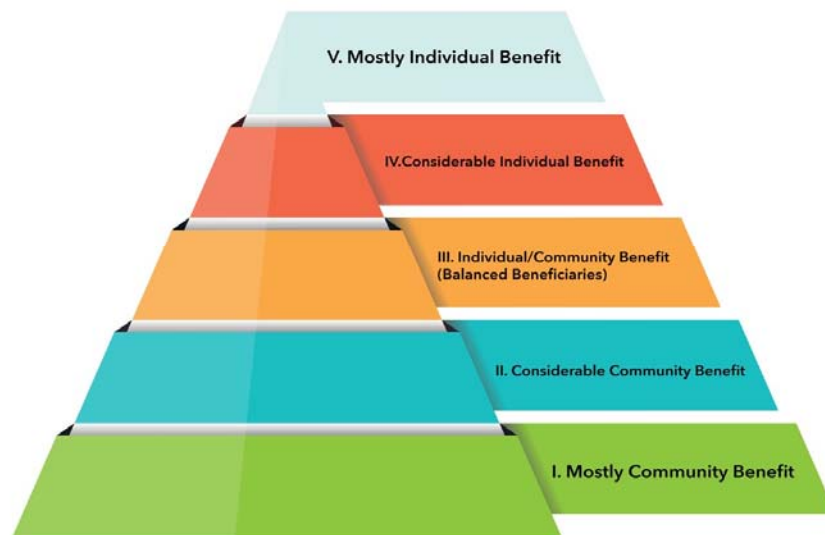
## WHY COST RECOVERY

Having a cost recovery model can help answer challenging questions:

- How will you continue to fund facilities and services in relationship to budget constraints?
- Are you using your funding most efficiently?
- Are you charging for your programs/services in a way that supports your mission?
- Are programs priced fairly?



### Cost Recovery Pyramid



## THE BENEFITS FILTER

### Mostly Community Benefit

- Programs, facilities and services that benefit the Community as a whole. Examples - Community Special Events, community Parks

### Considerable Community Benefit

- Programs, facilities and services that promote some individual benefit, but service a greater community good. Examples – Neighborhood parks, facility amenities, teen programming



## THE BENEFITS FILTER

### Individual/Community Benefit

- Programs, facilities and services that promote individual physical/mental being and provide recreational skill development. Examples – Beginner instructional level classes

### Considerable Individual Benefit

- Programs, facilities and services that support mostly an individual. Examples – Intermediate level skills, child care, etc.



## THE BENEFITS FILTER

### Mostly Community Benefit

- Programs, facilities and services that support an individual vs. provide a benefit to the community. Examples, competitive focus leagues, profit centers, services that do not fall within the core mission of the department



## OTHER FILTERS

### Mostly Community Benefit

- Type of Service/access
- Organizational responsibility/obligation
- Historical expectations
- Impact to providing service
- Social value



## USING COST RECOVER AS A MANAGEMENT TOOL



- Revenue Goals
- Monthly Reports
- Pre-event Cost Analysis
- Post-event Analysis
- Social value



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