



Audit & Finance Committee Report

Date: January 19, 2012
To: Audit and Finance Committee
Through: Kari Kent, Deputy City Manager
From: Marc Heirshberg, Parks, Recreation and Commercial Facilities Director
Subject: Parks, Recreation and Commercial Facilities Department Fees and Charges

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to submit for review and consideration recommended changes to fees and charges for certain services provided by the Parks, Recreation and Commercial Facilities (PRCF) Department.

The PRCF Department, in conjunction with the Parks and Recreation Advisory Board, requests Council approval of changes for the recommended FY11-12 and FY12-13 Schedule of Fees and Charges, as outlined in this report and detailed in the attached Exhibit "A."

Background

The PRCF Department is designed to offer diversified programs and services at facilities that include parks, recreation centers, swimming pools, golf courses, a stadium, convention center, amphitheatre and cemetery. The Department relies on its ability to generate revenues via fees and charges to provide these services and maintain its facilities. Fees and charges are continually monitored in order to adapt to current market and economic conditions.

Each year in October, PRCF staff contact local municipalities to gather data to compile a market comparison survey of fees and charges for similar recreation program offerings. The Parks and Recreation Advisory Board Fees and Charges Subcommittee members review and consider changes to the fee schedule and make decisions based on participant capacity, market demands, and fee structures of other cities. The recommended fees as outlined in this report were approved by the Parks and Recreation Advisory Board on January 11, 2012.

Discussion

The Department is proposing ranges for program fees, removing Youth Recreation Programs, and adding new Sports Complex Field Use fees. These ranges will allow for maximizing capacity in programs while providing flexibility to adjust fees to achieve cost recovery and respond to changes in market conditions. Detailed below are the related programs with new or adjusted fee ranges recommended for approval.

Commercial Facilities:

There is no fiscal impact from the recommended changes to fees and charges for Commercial Facilities.

Dobson Ranch Golf Course

It is recommended to change the winter dates from November through April, to November 1 through April 15 and summer dates from May through October to April 16 through October 31. Changing effective dates of fees will better align with other municipality fees.

It is recommended to change the 18-hole fee to "Green Fee" and remove the 9-hole fee. This will ensure everyone teeing off of the number one tee from opening to twilight, pays the one fee designated as Green Fee. This will maximize use of tee sheet and revenue for the 18-hole rounds.

Parks and Recreation:

The total fiscal impact from the recommended changes to Fees and Charges for Parks and Recreation is estimated to be \$23,545 for FY11/12 and \$45,545 for FY12/13, for a total of \$69,090.

Aquatics

Change Family pass for non-amenity pools as unlimited and amenity pools as limited to six family members. Add a new fee for each additional family member over 6 members. The current system has no limit for each pass. Without a limit, abuses have occurred where multiple households were placed on one pass. This structure will ensure additional revenue to cover a portion of operational expenses. Anticipated revenue to be generated by these changes is \$9,945 annually.

It is recommended to change the fee range for the Flowrider Rentals, for Public/Non-Profit and Commercial/Private fees. Rental revenues will increase if a small group rental rate is included for three lifeguards and no flow fence as opposed to five lifeguards. It is anticipated that additional revenue will be collected by these changes at \$5,900 a year.

Last, staff is proposing to add a new hourly range fee for Lifeguards for competitive meets. The lane charge does not apply to local and state club meets. The impact is significant and lifeguard fees should be increased to cover impact usage expenses. Anticipated revenue to be generated by adding this new fee is \$1,200 annually.

Park Use Options

Add a new Ramada cleaning fee to the current fee schedule for miscellaneous park options. This new fee will be charged to six parks: Riverview, Pioneer, Countryside, Falcon Field, Red Mountain and Skyline. The fee will be limited to a period of time which will be from October 1 through Memorial Day in May; and will be in effect for Saturday and Sunday only. It is anticipated that this fee change will generate an increase in revenue at \$2,500 for FY11/12 and \$11,000 for FY12/13.

Recreation Centers/Gymnasiums

Staff is recommending removing a number of Youth Recreation Program fees for programs which are no longer offered.

Sports Complex Field Use

It is recommended to add and expand on the Sports Complex field use fees. The recommendation is to add day and night use for baseball, softball, and soccer complexes which will be for secured complexes. The secured complexes includes Gene Autry (baseball); Quail Run (baseball, soccer and softball); Red Mountain Soccer complex; Red Mountain Sports complex (baseball and softball); Riverview Sports complex (softball and soccer) and Skyline Sports complex (softball). It is anticipated that these fee additions will generate an increase in revenue at \$4,000 for FY11/12 and \$14,000 for FY12/13.

It is also recommended to adjust the fee range for field preparation and add a new fee for custom field preparation. Custom preps are done according to client needs. It is not anticipated that there will any additional revenues generated with these changes.

Add a new Field deposit fee range. Anticipated revenue will be approximately \$500 in FY12/13.

The last recommendation is to add new day field use fee for the unlocked sports fields. The unlocked sports fields include Countryside Park; Jefferson Park; Escobedo Park; Evergreen Park; Kleinman Park and Gene Autry Volleyball courts. It is anticipated that these fee additions will generate an increase in revenue at \$3,000 for FY12/13.

Sports Leagues

The recommended change is to increase the Soccer program fee range to allow for program re-development. It is anticipated that this fee change will not generate any additional revenue at this time.

Summer Recreation Activities

It is recommended to add a new non-resident fee of 20% to the current fee schedule for the Fun and Fitness mobile recreation unit. It is anticipated that these changes will generate a minimal amount of revenue.

Alternatives

- (1) Take no action. Maintain the current fees and charges for services provided by the Department. No fiscal impact on current revenue projections based on the existing fee structure would result.
- (2) Recommend alternative adjustments to the proposed fees and charges. The fiscal impact of this decision would depend on the changes proposed.

Fiscal Impact

The total revenues estimated for FY11/12 and FY12/13 resulting from approval of the proposed fee changes is approximately \$23,545 and \$45,545, respectively, for a total impact of \$69,090.

The adjustments outlined in this report continue to strengthen cost recovery of the PRCF Department's vastly diverse programming while also recognizing Parks and Recreation's role in the community to provide affordable, accessible programs and facilities to its citizens. Staff continues to reassess cost recovery strategies in all programs and also pursues opportunities for maximizing revenue generation through program partnership and sponsors.

The current economic climate has prompted the recommendation to establish a fee range rather than a fee increase on certain line items, thereby enabling staff to react quickly to market volatility. Fees could be adjusted within the established ranges should market conditions change within the year.

Concurrence

The Parks and Recreation Advisory Board concurred unanimously with the recommendations to the Fees and Charges Schedule for the recreation and aquatics programs on January 11, 2012.