

REPORT OF GENERAL MANAGER

NO. 03-210

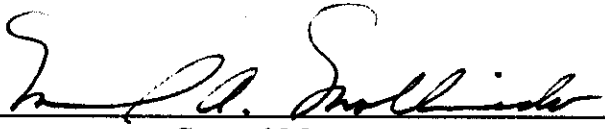
DATE June 18, 2003

CD _____

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVAL OF AMENDMENTS TO THE DEPARTMENT'S SCHEDULE OF RATES AND FEES

J. Combs _____	H. Fujita _____
*T. Coroalles _____	J. Kolb _____
J. Duggan _____	B. Lukehart _____



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board approve the changes to the Schedule of Rates and Fees as outlined in the body of this report; and authorize staff to amend the Schedule of Rates and Fees to incorporate the Aquatics fee changes, effective June 21, 2003, coinciding with the start of the 2003 summer swim season, and all other fee changes to be effective July 1, 2003.

SUMMARY:

An annual review of the Department's Schedule of Rates and Fees is typically conducted so that needed rate changes can be implemented concurrently with the start of the new fiscal year. The focus for this fiscal year, given the City's current budget crisis and the resulting emphasis by the Mayor and City Council on cost recovery and identifying revenue opportunities, is to increase fees which have not changed for several years and seize modest revenue opportunities in areas where the Department's fees are below fair market rate with local competition. Additionally, the Mayor and City Council specifically concurred on an increase of \$100,000 in revenue from our Aquatics operations, and recommendations for achieving this target are incorporated.

Department staff is currently conducting a comprehensive evaluation of various program expenditures and income opportunities and anticipates that further recommended changes to the Department Schedule of Rates and Fees will be forthcoming in August to meet the aggressive revenue targets stipulated in the 2003-2004 Budget.

Justification for the recommended rate changes are included below, actual rates are reflected in the attached revised pages of the respective Rate sheets.

REPORT OF GENERAL MANAGER

PAGE 2

NO. 03-210

General

PART-TIME STAFF FEES – Part-time staff fees will increase from \$15.00 to \$16.00 per hour to capture the salary increases negotiated for part-time classifications.

URBAN IMPACT CENTERS - The Urban Impact Centers Listing identifies recreation facilities which serve a high concentration of low-income patrons, and are subsidized by grants and general funds because they cannot generate enough funding through fees to self sustain needed programs. Staff recommends merging "Borderline Centers" with the rest of the Urban Impact Centers as the distinction from the early years of the program no longer has meaning. Also, the list is being slightly adjusted to conform with current City demographics. Two centers have been removed from the list and ten new or existing facilities were added to the list. The names of several centers have also been changed to reflect official renamings, both in this listing and throughout the Schedule of Rates and Fees.

Aquatics

The Department has been asked by the Mayor and City Council to increase Aquatic revenues by \$100,000 in Fiscal Year 2003-04. Department staff recommends an increase in fees for adult use to accomplish the revenue increase. Adult admission fees will increase by 25 cents per admission, from \$1.25 to \$1.50. Fees for Adult Lessons at Urban Impact Centers and non-Urban Impact Centers will be set uniformly at \$20.50 per series of ten 25-minute classes, which formerly were free for adults at Urban Impact Centers and cost \$15.00 per series at non-Urban Impact Centers. The adult swim lesson fee remains an excellent value, as comparable lessons at a local YMCA facility costs \$25 per month for eight 20-minute lessons, and also requires a YMCA membership fee of \$39 per month per adult. The hourly rate for lifeguards has increased over the past year also, and user/permit groups will be required to pay a higher rate which allows for full cost recovery.

Camps

The Camping Division recommends fees increases in four areas where fees have not changed in at least four years. Organized Group Family Camping Outings include one night lodging, four meals, staff supervision and camp activities. Food and staff costs have risen. An increase of \$5 per night for adults and \$2 per night for children is proposed, and will be deposited in the Department general fund. The Summer Youth Camp Program is also faced with increased staff and operating costs. Fees will increase an addition \$1.50 per night. Fees at Camp High Sierra are below the local competition (Forest Service site and private camps in the Mammoth Lakes area) and given that staffing and related costs have risen, fee increases of \$3 to \$5 per night are proposed for various overnight reservations. At Decker Canyon Camp, a favorite site of youth groups, cost of maintenance and staff has risen. Fees for group outdoor camping average

REPORT OF GENERAL MANAGER

PAGE 3

NO. 03-210

a 9 percent increase. Staff also recommends an increase in the Camp Surcharge from 15% to 20% to be deposited in the facility MRP account. The anticipated revenue from the surcharge is \$106,000 per year. This amount will be used to offset obligatory regulatory costs associated with the renewal of our US Forest Service long term use permits for three of the Department's camps located on federal property. New Federal legislation requires permittees to provide detailed biological assessments, including wildlife and botanical studies and cultural resources surveys on Camp properties. Staff anticipates over \$160,000 will be needed to conduct these reviews. Only \$10,000 is available in the Camp budget to fund these types of costs. The overall fee increase should more than offset the additional MRP allocation.

Car Shows

Based on the high traffic generated at the facility when a car show is conducted, a modest increase of \$10 in the facility use fee for car shows is proposed to capitalize on a revenue opportunity. Additionally, a clarification is made that if the Car Show event charges an admission fee, the SPECIAL EVENTS/FUNDRAISER, Use Fee is applicable which will allow the Department to share a portion of the revenue made by the permittee.

Community Recreation Centers

The Department is receiving increased requests by private individuals and businesses, some non-profits and some for-profits, to utilize our facilities to conduct activities/classes where the permittee charges a fee to participate. Since Department fees were set with community use in mind, our fees were not structured for business rentals. We attempted to capture a percentage of the participation fees, but the reliability of the revenue reported by the permittees was questionable, and the staff efforts to monitor the activity and reconcile reported revenue was inefficient and ineffective. The existing basic room rental fees allow a permittee conducting this type of business to make significant profit because of our modest rates, without compensation to the City. The Department proposes a new set of use fees for any "business," whether non-profit or for-profit, which charges a participation fee on-site or off-site. Department staff recommends a fee which is three times that of the basic room fee which is commensurate with the differential of admission versus non-admission event fees on the Special Events Rate sheet. Staff will continue to monitor the effects of this fee to determine the appropriate market rate and will make adjustments accordingly.

Day Camp, Boot Camp and Private Workshop Permits

A fee increase in this area has not been implemented in the last two years. A \$10 increase in use fees for private day/boot camps/workshops and non-profit day camps is proposed.

REPORT OF GENERAL MANAGER

PAGE 4

NO. 03-210

Filming

An analysis of overtime paid for film monitoring activities revealed that a 15% increase in the hourly staff monitor rate would be necessary to cover the average hourly overtime rate of staff monitors and cover negotiated salary increases of 2%-4% anticipated for the coming year. The recommended staff monitor fee of \$38 per hour will ensure full cost recovery.

Pay Parking Lots

The Cabrillo parking lot is extending Summer weekday operating months to March until October instead of the previous months of April through September. The addition of these two months is a reflection of high demand of facility parking usage during this period. Additionally, some minor corrections will be made to the new fee schedule approved in September of 2002.

Pay Tennis

The permit fee will increase from \$8.00 to \$10.00 per hour per court. The permit fee currently listed in our rates and fees is not consistent with the other facilities throughout California and must be updated (last revised in 1991) to keep up with the cost of maintaining the tennis courts. Furthermore, the increased permit fee will help cover the cost of paying the booth attendants' wage, which have increased 2% every six months and is currently \$10.59. Tennis Professional Concessionaires will be charged 50% of the permit fee per court per hour for Tennis Tournaments. Tennis Professional Concessionaires will also be permitted to use pay courts after they have fully utilized permitted teaching courts, for walk-on lessons, but must pay current rental percentage on those lesson revenues.

Picnics

Reserved picnic areas remain in high demand while the number of picnic areas are limited. While reservation fees for groups under 100, will only raise slightly from \$55.00 to \$60.00 for the day, the larger picnic areas will increase by a greater percentage from \$85 to \$100 for groups of 101-250, and from \$145 to \$175 for groups of 251 to 500. An additional charge is recommended for the permitting of moonbounces in picnic areas, which are rented from outside companies with the permittee or moonbounce company obligated to meet City insurance requirements. Processing of insurance and staff time expended to direct and monitor moonbounce set-up and take down, warrant a recommended \$20 moonbounce permitting fee.

Sherman Oaks Castle Park

Correction is being made to allow revenue to be deposited into whichever sub-account is appropriate in the facility MRP accounts, versus the previous restriction to sub account 1702, which necessitated transfers among accounts.

REPORT OF GENERAL MANAGER

PAGE 5

NO. 03-210

Special Events/Fundraisers

The Facility Use Fee for events over 1000 attendees is negotiable by the Superintendent. A minimum fee of \$100 for events with free admission, and \$250 for events charging an admission fee, is required for each additional 1,000 attendees. This guideline will provide greater uniformity in the setting of Special Event fees Department-wide. Also, clarification is provided in identifying a commercial entity for purposes of receiving appropriate compensation.

Sportsfields

A study of field fees charged by other municipalities yielded 11 cities who charged field fees, including neighboring Glendale, Burbank, and Long Beach. The average fee charge per hour per fee is \$18.70. Staff recommends increases in field fees from \$13 to \$16 per hour and from \$15 to \$20 per hour for lighted fields. If adopted, this field use fee will be uniformly changed throughout the Rates and Fees.

Travel Town

Rental fees for the Travel Town party rental cars have not increased in over five years. An overall increase of 25% for car rentals is proposed. Major improvements to the birthday party cars were recently completed including the purchase of two new refrigerators/freezers and new linoleum flooring. Also, the Travel Town parking lot is often used for parking for off-site activities such as filming. This fee has also not increased in over five years. An increase in the parking fee for 15 or more vehicles or commercial vehicles (catering trucks, semi-pulled trailers, or other oversized vehicles) is recommended from \$200 to \$250. The 5:00 pm to 9:00 am parking rate shall increase from \$20 to \$25 to capture increased staffing costs.

Youth Sports Groups

A survey conducted of twenty-nine Southern California recreation departments revealed that the City of Los Angeles is the only local municipality which charges outside youth organizations a flat fee per division per sports season (\$75.00 plus a \$2 per hour per field maintenance fee). All other municipalities charge a per hour per field fee, averaging \$18.70. Staff recommends implementing a per hour per field fee in place of the Division fee. To ease the 23 youth organizations currently using our fields into the new structure, the Department proposes implementing a very low fee of \$5 per hour per field, which includes the \$2 maintenance fee groups are accustomed to paying. This fee will be adjusted to \$3 per hour per field for fields at designated Urban Impact Centers. Each youth group charges fees of its participants and utilizes a high ratio of volunteers to help them conduct their programs. Staff is comfortable the fee can be met by the youth sports groups.