

REPORT OF GENERAL MANAGER

NO. 04-214

DATE June 16, 2004

C.D. All

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVAL OF AMENDMENTS TO THE DEPARTMENT'S SCHEDULE OF RATES AND FEES FOR 2004-05

K. Chan _____
J. Combs _____
H. Fujita _____

J. Kolb _____
F. Mok _____
*G. Stigile AS



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board approve the changes to the Schedule of Rates and Fees outlined in the body of this report, effective July 1, 2004, except for Film Monitor rates, effective as described in the body of the report; and that the Board Secretary transmit this report to the Mayor, City Council, the Chief Administrative Officer, and the Chief Legislative Analyst for their information.

SUMMARY:

The Mayor and City Council have adopted a budget for fiscal year 2004-05 which directs the Department of Recreation and Parks to increase fees for non-residents to generate an additional \$1.6 million in revenue. The Department has been asked to report on the feasibility of separate fees for non-City residents and additionally to report on the updated Schedule of Rates and Fees so as to generally respond to the requirement to increase Department revenue.

FEASIBILITY OF SEPARATE FEES FOR NON-CITY RESIDENTS

A committee of Department management and experienced operations staff was assembled to discuss the feasibility of implementing non-resident fees in Los Angeles and to consider options available to increase revenue. Of immediate concern regarding resident/non-resident fees was the identification of facilities funded through Prop A or AII funds, at which we are restricted from charging differential fees to Los Angeles County residents. Prop A and AII, County-wide property tax assessments, are over a decade old and have partially funded many projects at approximately 25 percent of park facilities. These facilities, or portions thereof, would need to be excluded from differential pricing, and appropriate measures taken to educate the public of the reasons for this exclusion at limited facilities.

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The Department discussed various options but requires additional time to evaluate and plan a feasible program. Options which have been discussed include:

1. **Registration Fees -** Implementation of a registration fee, charged once at the start of each program registration, as a means to contribute revenue to the General Fund. Department practice is for fees for sports activities and classes to be deposited to a revolving fund which is used to pay for direct expenses of that program. The account, known as the Municipal Recreation Program fund, is independent from the General Fund and; therefore, any revenue from the conduct of recreational activities is not credited against the revenue target established in the budget for the Department. The proposed one-time registration fees for residents would be lower than the fee charged for non-residents. We are further studying a reservation or club card system that would be a marketing tool as well as an advantage card for residents.
2. **Picnic Areas/Rental Halls –** Staff determined that a differential fee for picnic areas would not be effective as permittees would simply seek a member of their party with City residency, to apply for the permit.
3. **Tennis Reservation Cards –** A differential fee for tennis reservation cards would be implemented beginning July 1. Residents would be charged \$15 per annual card, non-residents \$30 per annual card. There are currently 10,500 residents and 1,200 non-residents. If the fee does not result in a significant drop in non-resident participation, staff estimates that the new fee structure would increase annual revenue by \$18,000. Creating a resident/non-resident differential on tennis cards will be in line with golf reservation cards.
4. **Aquatic Fees -** Aquatic fees for non-resident lap cards, and adult and youth swim lessons would be implemented. Further study on an appropriate non-resident fees schedule is underway.

While resident/non-resident issues have surfaced in the past, they focused on giving residents priority registration over non-residents and were not seen as a means to generate additional revenue. In the mid-1990s, priority registration for residents was implemented on a pilot basis at a few recreation centers where some programs were in high demand. The pilot lasted only one season at two of the recreation centers where the verification process was so cumbersome that resident and non-resident complaints were significant enough to prompt staff to drop the priority registration process. At Cheviot Hills Recreation Center, priority registration continued until 2003 when the demand for the programs had decreased so significantly that priority registration was no longer needed. Priority registration continues at Bogdonovich Recreation Center for their basketball program with no price differential.

A higher non-resident fee for golf registration cards was implemented in 1999 to improve Los Angeles City residents' accessibility for tee times. The impact of the implementation was a 13% drop in the total number of golf registration cards issued, and a drop in non-resident users from

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forty percent (40%) of the card holders to its current 15% non-resident card holders. The total annual revenue in 1999 compared to 2002 increased 4%, or approximately \$53,000 for the year.

The Department has initially surveyed neighboring small municipalities, of which the majority have had non-resident fees at least five years. An initial survey showed that seven of nine cities have implemented some form of non-resident differential pricing. The City of Calabasas, like some facilities in the City of Los Angeles, received County support and is restricted from charging differential fees among Los Angeles County residents. Of the cities surveyed, only the City of Glendale does not charge non-resident fees. The other cities cited both providing priority registration to residents and a means of generating additional revenue as equal reasons for implementing a non-resident fee structure. Further information is needed to substantiate whether the structure has resulted in meaningful revenues for its municipalities.

UPDATED SCHEDULE OF RATES AND FEES

Last fiscal year, the Department aggressively reviewed our rates and fees and made many changes aimed at capturing additional revenue from commercial activities conducted on park property and generally insuring cost recovery. This year, in addition to the on-going study above, the annual review of rates and fees focused on ensuring that fees are charged appropriately for their use; that we can recover all cost for outside discretionary use; that we have clarity and consistency in the application of fees; and that new fees are adopted for new facilities, new amenities, or new uses.

GENERAL CHANGES

PART-TIME RATE – Increase from \$16 to \$18 per hour. Annual increases in hourly part-time salary rates, coupled with additional benefits (compensated personal time off, half-time holiday and overtime pay), and rising in-direct costs for general administration and support of the addition of part-timers, translates to a \$2 increase per hour to fully recover costs for use of part-time staff for non-Department activities.

LAUSD RECIPROCAL USE PRIVILEGES – For decades, the Department and LAUSD, have worked cooperatively to maximize public use of resources by exchanging use of indoor and outdoor sports facilities. This reciprocity is a courtesy and continues with LAUSD when reciprocal use is valued to be reasonably equivalent. Clarification is provided about this usage. LAUSD reciprocal use is subject to availability. LAUSD is permitted reciprocal use of outdoor and indoor facilities for youth sports activities, practices, and games of school-related sports activities when school is in session. All other activities are subject to appropriate fees. This privilege is extended to charter schools of the LAUSD system, and all non-LAUSD schools must pay established fees.

FACILITY USE FEE FOR FEE GENERATING ACTIVITIES

Two years ago, the Department adopted a standard for capturing revenues of permittees using park property to generate private income. This standard of charging a flat fee, three times the basic facility use fee, replaced the former profit sharing formula based on percentage, which was difficult to collect after an event or activity concluded. The Community Recreation Center and Special Events pages reflect the new fee structure. The continued interest in use of park

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properties for private fee generating activities makes it necessary to incorporate this fee structure in the rate pages of facilities with their own rate page. The following rate pages were changed to reflect an appropriate commercial use fee using the standard formula: Anderson Memorial Senior Citizen Center; Balboa Sports Center, Devonshire House, Felicia Mahood Senior Citizen Center, Westchester Senior Citizen Center, Westwood Recreation Complex, and Wilkinson Senior Citizen Center.

SPECIFIC RATE PAGES

AQUATICS

Swim Lessons - Increase fees for swim lessons by \$5.00 per series of ten 25-minute lessons to bring our fees closer in-line with comparable lessons offered at the YMCA. The rates for non-urban impact adult lessons will rise from \$20.50 to \$25.50, rates for non-urban impact youth lessons will rise from \$15.00 to \$20.50, and rates for youth at urban impact centers will increase from free to \$5.00 per series.

Program Fees for Junior Lifeguard Program, L.A. City Competitive Team Sports Program, and Lifeguard Training Classes – Programs charges were, and continue to be, based on actual cost, language is clarified.

Swim Meets – Fee is changed from \$100 for first four hours and \$35 each additional hour to just \$35 per hour. This hourly fee structure more accurately recuperates costs based on actual usage.

Fees for Officials and Staff Supervising Scuba Group Use – Stated in generic terms and tied to the part-time staff rate per the General Information page.

Equipment Rental – Adopts fees to allow permitted groups to rent swim equipment and deposits funds to the MRP for replacement of equipment.

CABRILLO BEACH BATHHOUSE

Facility Use Fee for "Fee-Generating" Activities – Adopted on this page, based on the Department's established standard of three times the rate for facility use without revenue generating activities.

Security Guard Services – Per hour rate is changed to generic language, similar to that in the Grace E. Simmons rate page, linking this fee to the fee which is charged per the citywide contract for security services administered by General Services Department.

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CAMPS

Increased fees for Camp High Sierra and Camp Seely are proposed to help offset actual costs of operating the facilities. Camp High Sierra campsites are increased from \$18 to \$22 per night; those with electrical hookups from \$23 to \$28 per night; cabin rentals for up to eight (8) persons from \$30 to \$40 per night, and cabin with toilet and water from \$35 to \$45 per night. Various fees for use of kitchen, picnic, and shower areas also increase modestly. The fees at Camp Seely for a week-long reservation increase from \$60 to \$75 per week and from \$12 to \$15 for each additional person beyond 150. These fees continue to be the lowest price for camping in the market area.

COMMUNITY RECREATION CENTERS

Scoreboard – Adds a fee for scoreboard and operator based on established fee at Westwood Recreation Center.

Boot Camp/Private Workshops – Boot Camps conducted by outside entities, generally in the early morning before normal recreation center hours, have been treated similarly as Day Camps and charged \$100 for the first five hours and \$20 for each additional hour. Implemented in September 2003, the Department has found this fee, being structured in a five-hour block, was inconsistent with the use by the permittee and, therefore, considered too high and discouraged users from applying for the proper permits. It is more appropriate to charge a per hour fee, and with the most similar activity being exclusive use of outdoor sports fields, a fee of \$48 per hour for this business activity is recommended. Reference to Boot Camps is also removed from the Day Camp rate page.

Casting Sessions – To remain consistent with the outdoor use fee, this fee is reduced from \$50 per hour to \$48 per hour. Fifty percent (50%) of the fee is to be deposited to the facility MRP to encourage recreation centers to permit and monitor this activity.

Special Group Use – For clarity, staff deleted this unnecessary section which excluded fees for Recreation Center Program Groups and referred Benefit Affair use to the Special Events page. Self-Help groups were moved to the list of Exempt Groups.

DANIELS FIELD

Fees for this stadium were reviewed for consistency with rates for similar facilities. The fees were updated based on fees for similar use at the Jackie Robinson Stadium but differ in that this field is used for soccer. The standard soccer field use fee is adopted at \$26 per hour without lights and \$30 per hour for lighted play.

EPICC SWIM STADIUM

A schedule of fees is established for the John C. Argue Swim Stadium at Exposition Park Intergenerational Community Center (EPICC). Fees for private exclusive use and use by the Board of Education, community colleges, private educational institutions, and training groups is recommended to be the same as the fees for non-urban impact centers established in the Aquatics rate page. The exception is that this large, state-of-the-art facility consists of two swimming pools, therefore, the required lifeguard ratio is higher. Fees are to be deposited to the EPICC pool MRP account consistent with the other fee deposits for EPICC. The complex has been

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under-budgeted and will rely on MRP funds to provide proper levels of operations and maintenance staff. The percentage of deposit to the MRP account is expected to decrease when a sufficient budget is allocated to the facility.

FILMING

Supplemental Film Monitor – Fee for part-time staffing to monitor filming is increased from \$15 per hour to \$16 per hour to ensure sufficient cost recovery for new Compensated Personal Time Off (CPTO) benefits earned through labor negotiations. CPTO is earned at a rate of 2.74 minutes per hour, a monetary equivalent of \$.69 per hour. Additional costs are incurred by the Department when additional part-time coverage is needed to cover the shift of a part-timer taking CPTO. The \$1 per hour increase is estimated to be sufficient to cover the CPTO and additional shift coverage. The increase will become effective on August 14, 2004 (forty-five days from July 1, 2004), or forty-five days after approval of the Mayor's office, per Executive Directive IA-1, whichever is later.

GOLF

Golf fee changes such as charging Friday at the weekend rates are currently under study. The last increase did not take effect until fall 2003, and we would like at least one full year to analyze the impact. Additionally, approval from the Army Corps of Engineers is required to increase rates at Encino, Balboa, Woodley Lakes, and Hansen Dam golf courses, which they own. The Army Corps will conduct their next review in October 2004. We will return to the Board at that time with another report.

HANSEN DAM

MRP Deposit – Forty percent (40%) of fees will be deposited to the facility MRP, and 10% to the Ranger MRP, consistent with many of the facility use fees, this source of income will be deposited in the MRP and used at the facility.

Water Truck Fee – The dirt field at the site is often used for parking during special events. To prevent dust clouds, the field is watered using a water truck. The fee recovers the cost of renting the equipment, and an additional charge will be levied for an operator at their current overtime rate.

LAKE BALBOA/WOODLEY PARK

A new rate page is established for this large regional park which is used heavily for special events. The new fees are identical to the Hansen Dam Park rate page with the addition of fees for the Flight Field. This one-of-a-kind facility within the Department and Southern California area is used by model airplane enthusiasts and, on occasion, is requested for special events. The fee is established based on the estimated costs of maintenance staff at the overtime rate plus equipment.

LOS ANGELES MARITIME MUSEUM

The Museum updated their list of exempt groups to reflect a name change for the Friends of the Los Angeles Maritime Museum to the Los Angeles Maritime Museum Foundation, and specifies the local units of the U.S. Coast Guard and U.S. Navy that are exempt from fees.

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MUNICIPAL SPORTS

Correction is made to account numbers.

PAN PACIFIC RECREATION CENTER

New rates are established for the recreation center based on fees at Westwood Recreation Center, a similar facility in size and usage demand. Specific rates for the amphitheater utilize an outdated fee structure; the generic Bandshell and Amphitheater rate page and Special Event rate page replace the specific fees.

PAY TENNIS

The no-show fee is increased from \$2 to \$3 as the former fee is not significant enough of a deterrent.

Tennis reservation cards for non-residents will be charged at \$30 per year, while resident cards will be charged at \$15 per year, as previously discussed above.

ROSS SNYDER

The artificial turf soccer field was donated to the Department by Nike and the United States Soccer Federation in September 2003, to encourage youth soccer in the inner-city. The original fee for field use by youth soccer groups was established in line with other youth soccer field use at \$3 per hour. However, to reflect the spirit of the donors' intentions, the youth fee will be reduced to no cost, and the lost income will be made up through an increased fee for adult usage. Adult use will increase from \$40 to \$43 during the day and from \$45 to \$48 with use of lights.

TRAVEL TOWN

With the completion of the Travel Town Locomotive Pavilion, the rates have been reviewed for appropriate use and adoption of fees for newly established areas commensurate with other museum facilities.

Rates for fee-generating activities are incorporated based on the standard Department formula.

Specific groups which provide an equivalent value of materials or in-kind services to the museum are identified and exempted from payment of fees.

TREGNAN GOLF ACADEMY

Program fees – Because the facility focuses on providing recreational programs to youth, the facility was recently moved out of the Golf Division and now operates as a recreation center. Program fees at recreation centers are established based on a cost recovery model established in our Department Municipal Recreation Program (MRP) Manual. The program fees are, therefore, deleted from this rate page to allow the facility the flexibility to develop additional recreational programs and charge accordingly using the MRP guidelines.

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YOUTH SPORTS GROUPS

A new fee for lighted use of fields is adopted at \$7 per hour for non-urban impact, and \$5 per hour for urban impact centers, with the additional \$2 to be deposited to the General Service Department utility account.

A clarification is made adding private youth teams to the rate sheet, to be charge at the same rate as private school teams.

Report Prepared by Dale Wong Nguyen, Administrative Resource Division