



PARKS AND RECREATION COMMISSION AGENDA REPORT

MEETING DATE: JANUARY 28, 2004

ITEM NUMBER: 9b

SUBJECT: COST RECOVERY FOR GROUP ONE USER GROUPS

DATE: JANUARY 20, 2004

FROM: ADMINISTRATIVE SERVICES DEPARTMENT, RECREATION DIVISION

PRESENTATION BY: JANA RANSOM, RECREATION MANAGER

FOR FURTHER INFORMATION CONTACT: RUTH RAHEB AT (714) 754-5653

RECOMMENDATION

That the Parks and Recreation Commission direct staff actions with respect to a cost recovery proposal for Group 1 Field User Groups.

BACKGROUND

The City has granted fee waivers for a number of years to various groups and organizations. In the mid 1990's, the number of requests for fee waivers for the use of City Community Centers and the Show Wagon increased significantly to the point where Council and staff felt that some type of procedure was needed. In August 1997, Council Policy 100-7 (Attachment A) became effective which outlines the procedures and criteria for obtaining fee waivers for City facilities and the Show Wagon. The fee waiver applies only to the basic rental fee and not the costs for equipment set up and breakdowns, refreshments or other applicable charges. As a result of that policy, fee waivers are now granted to governmental agencies and non-profit Costa Mesa organizations once per quarter.

The City grants fee waivers for the use of athletic fields through the Athletic Field/Facility Use and Allocation Policy (Attachment B). Organizations partnering with the City and qualifying as a Group 1 organization, may receive a fee waiver with Parks and Recreation Commission and City Council approval. A Group 1 User is defined as "City sponsored or co-sponsored events; Recreation Division youth or adult athletic programs or leagues; Non-profit or not for profit organizations who partner with the City, have at least 90% residents, have open registration regardless of skill level, and provide an 'everyone plays' philosophy."

Youth groups qualifying for resident status that have previously requested and received City Council granted fee waivers are AYSO 120, AYSO 97, Costa Mesa National Little League, Costa Mesa American Little League, Newport Harbor Baseball, Pop Warner Football, Costa Mesa Pony, Costa Mesa Youth Soccer Association and the Boys and Girls Club of the Harbor Area.

DISCUSSION

Generally, the two policies, 100-7 and the Athletic Field/Facility Use and Allocation Policy are dealing with separate uses. Although the language is not specific, the apparent intent of Council Policy 100-7 is to provide fee waivers for City facilities such as the Community Center, along with the Show Wagon. These are the buildings that are available for rent for meetings. The Athletic Field/Facility Use and Allocation Policy intent is to provide fee waivers on an ongoing, daily basis for the use of athletic fields such as baseball, softball and soccer fields, in

addition to gyms or other sport facilities. Although not a numbered Policy, the Athletic Field/Facility Use and Allocation Policy has been reviewed and adopted by both the Parks and Recreation Commission (September 25, 1996 with amendments) and the City Council (last amended on June 18, 2001).

Youth sports field fee waivers first went before City Council years before the Council Policy 100-7 was created. Our youth sport's partners use City and Newport-Mesa Unified School District fields and offer programs that the Recreation Division does not or cannot offer on such a large scale. These sports organizations are serving community youth and meet daily or several times per week as opposed to once or twice a month.

Originally, when many youth sports organizations received fee waivers from City Council, the youth sports organizations were not playing year-round, but played a season. Now most youth sports organizations have grown to year-round play.

With the inception of play at the Farm Sports Complex, as well as the City taking on field reservation scheduling of school district fields with the signing of the Joint Use Agreement with NMUSD, monitoring field use became an issue. In response, the City implemented the Field Ambassador program last year. This work unit consists of two to four staff persons who travel to each reserved field to insure that the appropriate users are on the permitted fields and areas. The City's Field Ambassadors ensure that user groups are permitted and observe the rules and regulations. They provide supervision and education to user groups – responsibilities that can not be provided through enforcement. If enforcement is required, Park Rangers or Police are called by staff.

The permitting of fields and facilities is time intensive. Staff interacts with most Group 1 Field User Groups on a weekly basis. Field permits, rain dates, cancellations and rest and renovation of fields are only a few services the City provides our Group 1 Field Users.

As the City looks across the board at all programs and services to find ways to cover expenses, a question that should be explored is "Should the City of Costa Mesa's community youth sports partners continue to use the fields for free?" In general, fees are charged where an identifiable cost is associated with an activity. In this case, the cost of the Field Ambassador program is directly related to the up-tick in usage and the need to allocate fields to user groups.

As stated in the July 15, 2002 City Council Meeting Agenda Report from the Finance Department, Financial Planning Division, User Fees and Charges:

"User fees and charges represent a significant growing portion of local government revenue. As competition for tax resource allocation increases and interest in privatization of public services grows, fees and charges will continue to assume a large role in the diversification of municipal revenues sources.

User fees and charges are considered 'beneficiary charges' which are defined as payments made by consumers in direct exchange for government services received. User fees and charges are payment for publicly provided services that benefit individuals and exhibit "public good" characteristics. They include fees such as recreations fees (established by the Parks and Recreation Commission), building permit fees and public protection false alarm fees."

The California Constitution allows municipalities to recover the "costs reasonably borne" for all services provided to the community. In this report staff provides information based on current average labor cost to provide the service, including allowable materials or overhead costs. The proposed fees also consider similar fees charged in the municipal marketplace. In no instance does a fee exceed the total cost of providing services.

ANALYSIS

Group 1 Field Users are currently given the highest priority for consideration of athletic fields use during the field allocation process. Groups that enjoy this status currently are given fee waivers of 100% of the full resident field rental rate. The resident field rental rate will be \$20 per hour per field (approved 1/20/04 by Council to cover the rising costs associated with field maintenance and up from the current resident fee of \$15 per unlighted field).

For the calendar year 2003, the dollar amount waived for Group 1 Field User totaled \$459,525. If a minimum of 5% of those fees had been recovered, given all factors remaining equal, revenues would have increased by \$22,976. (Attachment C). This amount would decrease the City subsidization of the Field Ambassador program by 75%. The Field Ambassador program budgeted cost in FY 03-04 is \$85,622 with part time personnel costs accounting for \$60,576.

ALTERNATIVES CONSIDERED

Alternatives that are still being considered are:

1. Continue to provide the existing 100% fee waivers for Group 1 Field User Groups.
2. Designate a recovery percentage rate higher than 5% for Group 1 Field User Groups.
3. Add a \$5.00 Cancellation of Reservation Fee.
4. Add a \$5.00 Transfer of Reservation Fee.
5. Add a \$25 Waived Fee per event charge.
6. Remove all fee waivers for Group 1 user groups.
7. Further increase light fees.
8. Remove City sponsored or co-sponsored events and Recreation Division youth or adult athletic programs or leagues from the Group 1 User Group. These programs or activities will use the established Cost Recovery Rate when established and approved by the Parks and Recreation Commission and City Council.

FISCAL REVIEW

If the Commission approves new cost recovery fees and charges, additional revenue will be generated. The potential increase cannot be determined at this time and would depend upon the level of fees and charges set along with the degree or amount of field use. However, if a 5% increase for Group 1 User Groups were initiated given the same use level as 2003, a \$22,976 increase would be realized in additional revenue.

LEGAL REVIEW

No legal review is necessary at this time.

CONCLUSION

Staff has attempted to provide pertinent information concerning the history of fee waivers for use of facilities and fields. The Parks and Recreation Commission is asked to direct staff actions with respect to a cost recovery proposal for Group 1 Field User Groups.

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Attachments

Attachment "A"	Council Policy 100-7
Attachment "B"	Athletic Field/Facility Use and Allocation Policy
Attachment "C"	Group 1 Field User Cost Recovery Information

Distribution

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