



Community Services and Youth Committee Memorandum

City of Arts & Innovation

TO: HONORABLE COMMUNITY SERVICES AND YOUTH COMMITTEE MEMBERS **DATE: AUGUST 14, 2019**

FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT **WARDS: ALL**

SUBJECT: UPDATE ON PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT REVISED FEES AND CHARGES

ISSUE:

Receive an update and recommend City Council approval of the Parks, Recreation and Community Services Department revised fees and charges.

RECOMMENDATION:

That the Community Services and Youth Committee:

1. Receive an update on the Parks, Recreation and Community Services Department revised fees and charges and provide feedback as appropriate; and
2. Recommend City Council approve proposed fee increases and charges as outlined in the report.

BACKGROUND:

On June 21, 2011, the City Council adopted a resolution approving Fiscal Year (FY) 2010/11 User Fees and charges adjustments which included the implementation of market based rental park fees and charges. Market based fees were proposed for various facilities and equipment operated by the Parks, Recreation and Community Services Department (PRCSD) in order to charge an appropriate amount for the private or exclusive use of these resources and to ensure that they are maintained.

On January 17, 2017, City Council approved a fee increase for certain service areas. The fees updated at that time included the following: Picnic Facility Rentals, Community Center Rentals, and Private Youth Group Field Lighting.

DISCUSSION:

In FY 2017/18, the PRCSD staff began a comprehensive review of fees and charges and conducted an updated market analysis. During the review, fees were also calculated for new

programs, activities and facilities and were added to the list of proposed fees. For example, Youth Innovation Center at Arlington Park is a new facility that will offer new and expanding programming. Foot golf at the Fairmount Park Golf course and disc golf at the Martha Mclean are also new additions. The updated market analysis indicated current fees for certain categories were below average. The review also gave the department the opportunity to make revisions to language used in fees and charges to ensure accuracy and clarity. A separate fee study will be conducted to assess the cost recovery rates and ensure the department is within industry standards.

Total revenue generated by the PRCSD in FY 2017/18 was \$3,488,248. Approximately half of the revenue generated comes from contract classes in the amount of \$875,975, and from cost recovery programs in the amount of \$779,769. The remaining half comes from other services the department offers such as facility rentals, golf, field rentals, etc.

Management Partners, an external audit firm, conducted a comprehensive performance assessment and analysis of PRCSD operations in 2018 and presented their findings in a report to City Council on July 2, 2019. The report found that PRCSD recovered approximately 22.8 percent of total expenditures in FY 2017/18 through its fees and charges, which is below the national industry average of 28 percent, and included a recommendation that a comprehensive fee study be completed. Thus, the recommendations in this report are in alignment with Management Partners recommendations in their recent audit findings and action plan.

The proposed fees identified in this report were presented to the Park and Recreation Commission on May 20, 2019. Meetings were also held with athletic field users and Youth Innovation Center stakeholders in June 2019. The department received no negative feedback as a result of the proposed fee changes. If fee changes are approved by the City Council, a notification will be placed at the golf course in August 2019 to notify customers of proposed modest increases and provide a long lead time before the fee changes take effect.

All fees with the exception of the Youth Innovation Membership fees will be effective January 2020. The Youth Innovation Center will open in late January 2020 and will need membership fees in place by opening day. Currently, there is no fee category for membership fees. In order to establish the fee, a public hearing and two notices in the paper will be required to create the fee category and approve the Youth Innovation Center Membership Fees. Stakeholders such as Image One, Business Network International, Kids that Code and other partners are aware a membership fee will be proposed for the Youth Innovation Center.

Below is a summary of the fee changes, additions, and language revisions that are being proposed.

Boathouse Rental Fees

Additional boathouse rental fees were added to offer more service levels to users. Types of services added were half hour rates for pedal boats, group discounts, and additional motorized boat permits, giving users additional options beyond the current 30 day permit options. Rate for current monthly non-motorized boat permit increased from \$5.00 to \$7.00. Current pedal boat rates offered did not increase.

Boathouse Rental Fees Changes and Additions	
Fee	Rate
Residents Pedal Boat Rental (Per Half Hour)	\$8.00

Non- Residents Pedal Boat Rental (Per Half Hour)	\$11.00
Pedal Boat Discount (Riverside Groups of 10 or More)	20% Discount per pedal boat per hour
Non-Motorized Boat Permit Fee 1 Month	\$7.00
Non-Motorized Boat Permit Fee 3 Month	\$15.00
Non-Motorized Boat Permit Fee 6 Month	\$36.00
Non-Motorized Boat Permit Fee Annual	\$66.00

Facility Rental Fees

No increase is proposed for current facility rental rates. However, additional facilities were added to this fee category and upgrades made to existing facilities justify changing their tier category within the existing fee structure. The Youth Innovation Center, which is currently under construction, was added to the tier one facility group. The Bobby Bonds Park, Orange Terrace Community Park and Springbrook Courtyards, Gazebo at White Park, and Rose Garden at Fairmount Park were added to the list of facility rentals at a \$110.00 rental rate per hour. The fee was based on current rates for facilities of similar size.

Fairmount Park Golf Course Fees

Fees for Fairmount Park Golf Course are based on of a market study (attachment 1) conducted by staff. Annual rate increases are proposed to meet the market average. Additional fees were added for new services including a warm up bucket of range balls and golf club rentals. Comparable golf courses included in the market study were Van Buren Golf Course, General Old Golf Course, El Prado Golf Course, Jurupa Hills Golf Course and Whispering Lakes Golf Course. These courses were selected due to similar rate categories and affordability compared to other courses in the Inland Empire. Due to Fairmount Park Golf Course's unique situation of being owned by the City, only one other course offered resident rates, which is Whispering Lakes Golf Course, which serves residents of Ontario and Upland. Fairmount Golf Course rates were under the market study average in every category, justifying the proposed fee adjustments.

The goal of the Department is to offer competitive pricing to customers, but still be within the market average. Staff proposes incremental rate increases over the course of two to three years until rates are within market average. Based on the proposed rates, golf course revenues will increase 7% or \$31,365 in FY 2019/20 with the modest fee increase beginning January 2020 identified below.

Fairmount Golf Course Rate Increases				
Fee Category	Fee	Current Rate	New Rate	Market Avg
Weekdays 9 Holes				
	Resident	\$10.00	\$11.00	\$14.00
	Non Resident	\$11.00	\$12.00	\$14.25
	Senior Resident (55+)	\$6.00	\$7.00	\$13.50
	Senior Non Resident (55+)	\$8.00	\$9.00	\$13.50
	Junior (17 & under)	\$8.00	\$9.00	\$10.50
	Twilight	\$7.00	\$8.00	\$14.33
	Tournament	\$14.00	\$15.00	\$22.00*
Weekdays 2 nd Round				

	Resident	\$18.00	\$19.00	\$23.60
	Non Resident	\$20.00	\$21.00	\$24.20
	Senior Resident (55+)	\$10.00	\$11.00	\$22.60
	Senior Non Resident (55+)	\$14.00	\$15.00	\$22.60
	Junior (17 & under)	\$14.00	\$15.00	\$14.60
	Twilight	\$12.00	\$13.00	\$19.40
	Tournament	\$26.00	\$27.00	\$33.75
Weekend/Holiday 1 st Round				
	Resident	\$12.00	\$13.00	\$19.00
	Non-Resident	\$14.00	\$15.00	\$19.25
	Senior Resident (55+)	\$12.00	\$13.00	\$18.75
	Senior Non Resident (55+)	\$14.00	\$15.00	\$18.75
	Junior (17 & under) before 12:00 pm	\$10.00	\$11.00	\$14.75
	Junior (17 & under) after 12:00 pm	\$8.00	\$9.00	\$14.75
	Twilight	\$8.00	\$9.00	\$20.00
	Tournament	\$14.00	\$15.00	\$22.00*
Weekend/Holiday 2 nd Round				
	Resident	\$22.00	\$23.00	\$31.40
	Non-Resident	\$26.00	\$27.00	\$32.20
	Senior Resident (55+)	\$22.00	\$23.00	\$32.80
	Senior Non Resident (55+)	\$26.00	\$27.00	\$32.80
	Junior (17 & under) before 12:00 pm	\$18.00	\$19.00	\$24.20
	Junior (17 & under) after 12:00 pm	\$14.00	\$15.00	\$24.20
	Twilight	\$14.00	\$15.00	\$24.80
	Tournament	\$26.00	\$27.00	\$33.75
Golf Rentals				
	Cart Rental	\$6.00	\$7.00	\$7.00
	Pull Cart Rental	\$3.00	\$4.00	NA**
	Small Bucket of Balls	\$5.00	\$5.00	\$5.00
	Large Bucket of Balls	\$8.00	\$8.00	\$9.25

Note. *9 Hole Tournament pricing was only available on one course.

*Pull Cart comparables were not available from any course in the fee study.

Foot golf is a new recreational activity offered at Fairmount Golf Course and is expected to generate \$2,200 in revenue when implemented in January 2020. The projected revenue is only for a six month period and is expected to grow once the tee markers are installed and marketing of the course begins. Proposed fees are listed below.

Foot Golf Fees		
Fees	Proposed Rate	Market Rate
Resident	\$11.00	\$11.00
Non-Resident	\$12.00	\$11.00

Junior	\$8.00	\$7.00
Rental Ball	\$5.00	\$5.00
Cart Rental	\$6.00	\$10.25

Disc Golf Tournament Fees

A new disc golf course has been constructed at Martha McLean Park. Use of the course by non-organized groups and individuals is free. For organized groups wanting to hold tournaments there will be a fee based on a prorated open space fee and time requirements. Small groups of 36 and fewer participants will have a \$30.00 per hour base rate. Groups of 37 and more will have a rate \$60.00 per hour base rate at 3 – 4 hours depending on group size. Market pricing was unavailable due to limited disc golf courses available for comparison. Revenue estimated for disc golf is \$1,110.

Disc Golf Tournament Rates			
Fee	Hours	Base Rate	Rate
Participants 1-36	2	\$30.00	\$60.00
Participants 37-72	3	\$60.00	\$180.00
Participants 73-81	4	\$60.00	\$240.00
All groups additional hour	1	\$30.00	\$30.00
Processing Fee			\$25.00
Deposit			\$250.00

Pool Rental Fees

Based on American Red Cross recommended lifeguard requirements per a group of individuals utilizing the swimming pool, fees have changed from two group types to three group types. Staff also proposes adding pool rental fees per an additional hour if rental exceeds two hours and cost of lifeguard time if additional guards are needed. A market based study (attachment 2) was conducted and there are two types of charging methods currently being utilized. The first is a rental rate for the pool and actual costs of lifeguards, and the second is an overall rate which includes lifeguard time. PRCSO will utilize an overall fee which incorporates pool rental fee of \$60.00 per hour and fully burdened lifeguard costs. The \$60.00 rental rate per hour is highly competitive compared to other agencies.

Current Pool Rates	
Fee	Rate
1-100 People (2 Hour Use)	\$290.00
101-200 People (2 Hour Use)	\$375.00

The chart below illustrates how the new rates were calculated and shows the number of lifeguards required, lifeguard fully burdened costs, and rental rate per two hours, with all fees rounded up. Additional hours are calculated at half the rate of the two hour rental fee.

Proposed Pool Rates and Calculation				
Pool Guests	Lifeguards Required	Pool Rental Fee (2 Hour Min)	Staffing Costs	Proposed Rate
1-124 (2 Hour)	4	\$120.00	\$236.72	\$360.00
125-150 (2 Hour)	6	\$120.00	\$355.08	\$480.00

150-240 (2 Hour)	8	\$120.00	\$473.44	\$600.00
1-124 (Additional Hour)	4	\$60.00	\$118.36	\$180.00
125-150 (Additional Hour)	6	\$60.00	\$177.54	\$240.00
150-240 (Additional Hour)	8	\$60.00	\$236.72	\$300.00
Additional Lifeguard Per Hour				\$29.50
Security Deposit				\$250.00

The new rates allow for PRCSD to capture all personnel costs associated with the rental and offset a minimum amount of maintenance costs associated with pool rentals. Pool rentals in FY 2017/18 equated to \$41,859; it is estimated that revenue will increase by \$2,065 or 5% for FY 2019/20 after the new rates are implemented in January 2020. Revenue will be higher in FY 2020/21 when rates are effective for a full fiscal year.

Field Rental Fees

Field rentals are one of the largest revenue generating activities the department offers, with over 90,000 hours of rental use. The high usage generates higher revenue when compared to other revenue generating services. A market based study indicates that PRCSD field rental rates are severely under the market average (attachment 3). Previous rates were categorized according to practice vs. competitive games. A new structure is proposed for unlit field rentals, lit field rentals, and competitive game rentals. Incremental increases are proposed effective FY 2019/20 through FY 2022/23 for youth groups lit and unlit field rentals. The Competitive Game fee category is for leagues that host non-resident teams. There is no comparison for this category, as other cities charge the non-subsidized rate for competitive games. The incremental rate increases prevent a large price increase and make the increase easier on the user. A 20% increase of \$69,450 is expected when the new rates are implemented in January 2020. See adult and youth field usage tables below:

Adult Field Rental Rates				
User Group	Fee	Current Rate	New Rate	Market Average
Qualified Resident Groups				
	Unlit Field	\$18.00	\$20.00	\$37.30
	Lit Field	\$36.00	\$40.00	\$52.60
Other Adult Groups (Non-Residents, Commercial Businesses)				
	Unlit Field	\$27.00	\$30.00	\$41.55
	Lit Field	\$45.00	\$60.00	\$57.45

Youth rates have a proposed annual incremental increase from FY 2019/20 - 2022/23

Youth Field Rental Rates							
User Group	Fee	Current Rate	FY 19/20	FY 20/21	FY 21/22	FY 22/23	Market Rate
Qualified Resident							

Groups							
	Unlit Field	\$2.00	\$2.50	\$2.50	\$3.00	\$3.00	\$18.13
	Lit Field	\$9.00	\$10.50	\$10.50	\$12.00	\$12.00	\$28.19
	Game/Competitive	\$18.00	\$20.00				
Other Youth Groups							
	Unlit Field	\$7.00	\$7.00	\$7.00	\$7.00	\$8.00	\$41.55
	Lit Field	\$25.00	\$25.00	\$26.00	\$27.00	\$28.00	\$57.45
	Game Competitive	\$18.00	\$20.00				

Other Facilities

Additional facility fees have been added to account for amenities that were not previously listed on the fees and charges. The department standard security deposit of \$250.00 for any rental above \$50.00 was added. Bobby Bonds Artificial Turf Fee for use of lights was added in the amount of \$72.00, which is \$20.00 more than the turf fee that is unlit. Prices for court usage are \$5.00 for half court and \$10.00 for full court use; these are current PRCSD prices. Pickle ball, sand volleyball and tennis courts require full court rental and are \$10.00 per hour. Basketball courts can be rented at half court for \$5.00 or full court for \$10.00.

Open Space Facility Rentals

Open space facility rentals have been separated into two sets of group rates. One is a grouping of rates for non-fenced parks, and the second is grouping of rates for fenced areas, such as White Park and Arlington Heights Sports Park. An increase in fees was made to the first grouping for non-fenced parks and the second grouping are new rates. The fenced group rates are higher as the gated area allows for privacy and exclusive use of parks, since the public cannot use this area. Market rates could not be used for open space rentals, since the City of Riverside offers access to larger space exceeding one acre and other cities have predesignated areas of use that do not exceed one acre; therefore, comparisons would not be valid. A new fee for a Non-Compliance charge was added and will be used in situations where the user violates the rental agreement. Open space fees are expected to increase by 6% or \$1,300 in FY 2019/20, after fees go into effect in January 2020.

Open Space Facility Rentals Non-Fenced			
Group Type	Fee	Current Rate	New Rate
Group (Qualified Non Profits)	Base Fee (8 Hours)	\$700.00	\$800.00
Group 2 (Resident and Other Non Profits)	Base Fee (8 Hours)	\$850.00	\$950.00
Group 3 (Non-Residents and Commercial Business)	Base Fee (8 Hours)	\$1,200.00	\$1,300.00
All Groups	Non-Compliance Charge		\$50.00

New Open Space Facility Rental Fenced Parks		
Group Type	Fee	Rate
Group 1 (Qualified Non Profits)	Base Fee (8 Hours)	\$1,000.00
	Additional Hours (per hour)	\$35.00
Group 2 (Resident and Other Non Profits)	Base Fee (8 Hours)	\$1,120.00
	Additional Hours (Per Hour)	\$45.00
Group 3 (Non Resident and Commercial)	Base Fee (8 Hours)	\$1,625.00

Businesses)		
	Additional Hours (Per Hour)	\$60.00
All Groups	Non Compliance Charge	\$50.00

Youth Innovation Center Membership Rates

The Youth innovation Center at Arlington Park will be open in FY 2019/20. Membership fees have been researched and developed based on market study (attachment 4). Ten different facilities were researched and every facility had a technology component associated with its rate. Recreation facilities with computer labs and organizations that specialize in maker spaces were included in the study. Rate structures were varied. PRCSO will offer annual memberships rates for residents and non-residents in the categories of adult, youth, senior, and family plans. The rates are highly competitive with other facilities and well below market price average, making it affordable for customers. Annual memberships are expected to generate \$35,625 in fiscal year 2019/20 and \$71,250 in its first full year of operation. Rates will be as follows:

Youth Innovation Center Annual Membership Fees			
Membership Type	Age Range	Resident	Non-Resident
Adult	19-59	\$25.00	\$37.50
Senior	60+	\$15.00	\$22.50
Youth	18 and under	\$15.00	\$22.50
Family Plan (2 Adults, 2 Youth)		\$68.00	\$102.00
Family Plan Additional Child	18 and under	\$12.75	\$19.00

FISCAL IMPACT:

The fiscal impact of this action is an estimated increase in revenue in the amount of \$143,115 for fiscal year 2019/20 and \$286,230 for fiscal year 2020/21 and are considered cost recovery. All additional revenues will be combined with existing program revenue in the general fund

Prepared by: Adolfo Cruz, Parks, Recreation and Community Services Director
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Golf Course Market Study
2. Pool Rate Market Study
3. Field Rate Market Study
4. Youth Innovation Center Market Study
5. Draft of Proposed Fee Changes
6. PowerPoint Presentation