



CITY OF SANTA BARBARA
PARKS & RECREATION COMMISSION REPORT

AGENDA DATE: January 27, 2010

TO: Parks and Recreation Commission

FROM: Recreation Division, Parks and Recreation Department

SUBJECT: Proposed Changes to Parks and Recreation Department Fiscal Year 2010 Fees and Charges Schedule

RECOMMENDATION: That the Commission recommend to City Council proposed changes to the Fiscal Year 2010 Fees and Charges Schedule for implementation April 1, 2010.

DISCUSSION:

Background

The Parks and Recreation Department has an extensive list of program and service user fees which are charged to generate revenue to offset operational expenses. Those fees are incorporated in the City Fees and Charges Schedule which is adopted by City Council as part of the annual budget. As part of the annual budget process, extensive analysis and market rate review is conducted by staff to develop proposed activity or facility rentals fee changes. The Parks and Recreation Commission reviews the proposed Fees and Charges Schedule with the proposed annual budget and forwards a recommendation to City Council. Historically, when approved, fee changes are implemented on September 1st of each year in order to coincide with the distribution of the fall Recreation Program guide.

In Fiscal Year 2009, the majority of fee increases were in the areas of dance classes, facility use, and special events. In Fiscal Year 2010, staff was very conservatively in proposing fee increases due to the economic downturn. The following chart shows the fee changes implemented over the last two budget cycles. The total number of fees varies from year to year.

	FY 2009	FY 2010
No change	120 fees	215 fees
Increased 1% - 10%	76 fees	17 fees
Increased greater than 10%	18 fees	18 fees
New		8 fees

FY 2010 Mid-Year Projections and Fee Change Proposal

For the first time in several years, at mid-year Recreation Division revenues are projected to be below budget by approximately \$160,000, most likely a reflection of the impact of the current economy on the local community. Notable declines include commercial activities in parks, rentals at the three beachfront facilities, other facility and park rentals, and the newly implemented Davis Center monthly parking program. Greater than anticipated revenue declines have occurred associated with the closure of the Carrillo Recreation Center which is undergoing renovation. While some programs are seeing a decline, others are experiencing a revenue and participation increase.

The Division will be reducing expenditures to cover the anticipated shortfall, although it is increasingly difficult to do so given the reductions to the FY 2010 budget from FY 2009, and the additional cuts implemented in August 2009 in response to the City's continuing decline in General Fund revenues. Additionally, General Fund departments are currently being asked to hold back expenditures over the next 6 months to offset greater than anticipated declines in sales tax and TOT.

The Recreation Division is introducing new programs and revenue to help offset the revenue shortfall, and is proposing to increase certain program fees effective April 1, 2010. By implementing the fee increases April 1, 2010, instead of September 1, 2010, it allows the Department to benefit from the large number of fee-based programs offered over the spring and summer. This proposal requires a recommendation from the Parks and Recreation Commission to the City Council. With support from the Commission the fee changes will go before City Council in February or early March, which allows sufficient time for new fees to be included in spring/summer marketing materials.

Fee Changes

Fee changes are being proposed at this time to:

- Standardize the weekly fees for similar clinics or camps– through advertising a uniform price, enhance and simplify the program selection process for parents
- Increase fees for “high end” camps that provide higher quality of instruction, advanced skill level, and more expensive program equipment
- Replace the current low fee junior counselor program with a “full payment” program – parents either pay full price for the junior counselor to attend or the space is offered to a participant at full price
- Capture additional monthly parking permit fees – with the closure of Vons, daily parking is offered there in direct competition with Davis
- Create new net revenue in successful programs to offsets revenue loss in other areas

In developing proposed fee changes, staff attempted to keep fee increases small where fee structures were being standardized, proposed larger increases for highly successful programs, and reduced some fees to more affordable levels to maximize participation. A list of proposed fee changes by activity is attached.

Staff recommends that the Parks and Recreation Commission support and approve the mid-cycle fee increases and forward them to City Council for approval effective April 1, 2010.

ATTACHMENT: Proposed Changes to the Parks and Recreation Department's Fiscal Year 2010 Fees and Charges Schedule

SUBMITTED BY: Sarah Hanna, Recreation Manager

APPROVED BY: Nancy L. Rapp, Parks & Recreation Director