



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 2, 2010

TO: Mayor and Councilmembers

FROM: Recreation Division, Parks and Recreation Department

SUBJECT: Adjustments To Fiscal Year 2010 Parks And Recreation Fees

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 09-043, Establishing Certain City Fees, to Authorize Adjustments to Parks and Recreation Fees.

DISCUSSION:

Background

The Parks and Recreation Department has an extensive list of program and service fees which generate revenue to offset operational expenses. Those fees are incorporated into the City Fees and Charges Schedule which is adopted by City Council as part of the annual budget. Once approved, most Parks and Recreation program fee changes are implemented on September 1st to coincide with the distribution of the Fall Recreation Program Guide. In response to a decline in Fiscal Year 2010 Department revenues, and a need for additional budget savings at mid-year, the Recreation Division proposes to increase certain program fees effective upon the date of adoption. By implementing the fee increases early, it allows the Department to benefit from the large number of popular fee-based programs offered during the spring and summer. Some fees were reduced to increase program participation and overall revenue.

Recreation Division Fiscal Year 2010 Mid-Year Revenue Projection

For the first time in several years, at mid-year Recreation Division revenues are projected to be below budget by approximately \$129,000, 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 3 beachfront facilities, other facility and park rentals, and the newly implemented Davis Center monthly parking program. Greater than anticipated revenue declines have occurred 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. In particular, camps and classes continue to do well. These programs continue to be competitively priced and well attended.

Recreation Fee History

Each year staff completes extensive analysis and market review to develop proposed activity or facility rental fee changes. In Fiscal Year 2009, the majority of fee increases were in the areas of dance classes, facility use, and special events. In developing the Fiscal Year 2010 budget, staff was very conservative in proposing fee increases due to the economic downturn. The following chart shows the fee changes implemented over the last 2 budget cycles. The total number of fees varies from year to year with the introduction of new programs or elimination of unsuccessful programs.

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

Proposed Mid-Year Fee Changes

Twenty-one fee changes and 6 new program fees are being proposed which would go into effect March 2, 2010. Fee changes were developed to:

- Standardize the weekly fees for similar clinics or camps
- Increase fees for “high end” camps that provide higher quality of instruction, advanced skill level, or 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 regular camp participant at full price
- Capture additional monthly parking permit fees at the Davis Center parking lot – with the closure of Vons at Chapala and Victoria, the daily parking rate offered there is in direct competition with Davis Center parking
- Create new revenue in successful programs to offset revenue loss in other areas

Parks and Recreation Commission Recommendation

At the January 27, 2010, Parks and Recreation Commission meeting, the Commission unanimously supported sending the mid-cycle fee increases to City Council for approval.

BUDGET/FINANCIAL INFORMATION:

The majority of summer program registration takes place April through June. Staff estimates that approximately \$30,000 in new revenue will be generated by the proposed fee increases in Fiscal Year 2010.

PREPARED BY: Sarah Hanna, Recreation Manager

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

APPROVED BY: City Administrator's Office