

TO: City Council

FROM: James L. App, City Manager
Ann Robb, Director, Library & Recreation Services
Michael Compton, Director, Administrative Services
Doug Monn, Director, Public Works

SUBJECT: **Community Expectations and Choice:
Tax Resource Allocation & Sports Field Rentals - Youth**

DATE: November 7, 2006

NEEDS: For the City Council to determine fees for use of city sports fields by youth groups.

- FACTS:**
1. On September 20, 2005, the City Council accepted a comprehensive Cost of Services Study that established (a) new development will pay for all its impacts, (b) emergency police and fire response will be provided without charge, and (c) other services will be priced so that a benefiting user will pay a portion of the cost. Pursuant to these broad policy determinations, various service fees were established or amended.
 2. At a subsequent Council meeting on November 15, 2005, the accuracy of Study data regarding one service component (sports fields) was questioned. Implementation of independent youth sports league field rentals was deferred pending further discussion with Council ad hoc committee (Mecham, Picanco), the Youth Sports Council, and league representatives. These meetings have been productive
 3. The Youth Sports Council (YSC) represents Little League,, Paso Robles Girls' Softball, Paso Robles Youth Football & Cheer, and AYSO. YSC submitted a proposal (Exhibit 1) that offers a flat rate of \$7500 per year for up to 3660 hours of field reservations. Youth sport leagues that are not part of the YSC (Central Coast Soccer League and independent travel teams) would be charged a comparable fee of \$2 per hour.

**ANALYSIS &
CONCLUSION:**

A community's public services, educational opportunities, and cultural amenities play an essential role in creating a sense of place and being – a quality of life - that can be attractive to residents. Likewise, the quality of the built environment, the availability and condition of public facilities and roads are fundamental to daily living.

If a community is to maintain these aspects of community life, it must generate adequate resources to sustain them. The community has many passions, but not a never-ending supply of money to pay for them. Therefore, each passion must be measured one against

another, against fundamental needs, and against the community's collective capacity and/or willingness to pay.

After expressing concerns about the findings in the city wide fee study, YSC has proposed revised fees for field rentals. These fees could be effective January 1, 2007, and due December 1, 2007, allowing time for leagues to collect fees from participants. As with other fees, field rental fees are subject to review every two years.

POLICY

REFERENCE:

Resolution 05-192; General Fund Budget/Financial Plan FY 06-09.

FISCAL

IMPACT :

Anticipated revenue of \$7500 annually from Youth Sports Council and \$500 from other youth sport groups not affiliated with Youth Sports Council.

OPTIONS:

- A. **Adopt Resolution No. ____ Implementing Revised Fee Adjustments for Youth Sports field rentals effective January 1, 2007**
- B. **Amend, Modify or Reject the Option Above.**

Attachments (Exhibits as Listed)

Youth Sports Field Rental
11/7/06 Staff Report Attachment 1
Youth Sports Council Analysis and Proposal

ANALYSIS & CONCLUSION

The Paso Robles Youth Sports Council (PRYSC) agrees with the city's assessment that "a community's public services, educational opportunities, and cultural amenities play an essential role in creating a sense of place and being - a quality of life - that can be attractive to residents". It is presumed that a city will provide recreational facilities and parks for its residents.

The various organized youth sports organizations, and the PRYSC overall, provide thousands of dollars in labor and material every year to both the City of Paso Robles and the area schools. This money and labor is used to maintain, refurbish, and improve recreational facilities. This "donation" and public service pays for work that the city and schools would otherwise have to pay for out of their operating budgets. The annual financial impact is significant.

The City of Paso Robles is asking that organized sports pay a "fee" to be able to use public facilities. However, unorganized sports and the public in general are not required to pay any fee to use the same facilities. Even certain amenities such as lights in the tennis courts are available without charge to the public. Further, if the organized sports did not schedule the use of the fields, they likewise would not be charged. Thus, organized sports are charged because they do schedule the use of the fields in coordination with the city park and recreation department. But it can not be concluded that the city would prefer the sports organizations not to schedule their use of facilities as it would result in disputes over facility use and conflict. Thus, there is a contradiction inherent in the city's policy.

The city staff has claimed that increasing or instituting fees on organized sports, both youth and adult, would not have a negative impact on the organizations or participants. Unfortunately, this has proven to be false as evidenced by the disastrous result of raising fees on the adult softball leagues with the result of roughly 70% of the teams and participants "disappearing". The assertion has been made that the participants are merely trying to "make a statement". The PRYSC respectfully disagrees and believes that it is illustrative of the severe negative impact of government imposing taxes and fees on an activity. As they are assessed and increased, there will be an increasing diminishment of people willing or able to pay the taxes or fees, and thus the reduction of participants using our public facilities. That is contrary to the purpose of organized youth sports organizations and the PRYSC, who strive to make youth sports available to as many kids as possible.

The Cost of Services Study that the city staff used to calculate its "costs" chose to use an accounting method that allocated unrelated charges and the administrative burden to the various departments of the city. In reviewing the budgeting and cost allocation, an uneducated person would assume that there were 1-2 full time personnel assigned to each park. That clearly is not what the reality is. The calculation of the "cost" in this manner does not accurately reflect the impact of the sports organizations' use of the public facilities. The true impact cost is much much lower than what has been suggested. Further, most of the city's cost to maintain the public facilities is "fixed" and would not vary or go down regardless of the level of the public's use. Again, one only has to look at the dramatic drop in participation in the city's adult softball

program. That certainly did not result in Barney Schwartz Park not being maintained or for the city's costs to go down in any significant manner. The true "cost" of using facilities thus needs to be determined, where the city's overhead and administrative burden is removed from the equation.

The natural consequence of imposing a tax or fee is to discourage the activity on which the tax or fee is being imposed. When a tax or fee is imposed on an organization for the use of a facility, there is the natural inclination to try and reduce the organization's cost by seeking other venues. This sets up conflict between the organizations as the city's development of facilities has not kept up with the growth of the city's population. The youth sports organizations who use the city's public facilities the most are also the ones who are most impacted by any fee or tax. The impact of the fee is disproportionate, with kids playing Little League being \$14 or more and the cost for kids playing football is \$0 as the city has no venue suitable for football players. This disproportionate result is directly caused because of shortage of facilities. In this example, Little League needs baseball diamonds not available elsewhere and the city has no facility suitable for Youth Football. It is inherently unfair to those participants and organizations who have no choice but to use the facilities for which a fee or tax is being imposed.

PROPOSAL

The expected annual use of city facilities is:

AYSO	1,100	Hours
Little League	2,160	"
Paso Robles Girls Softball	400	"
Paso Robles Youth Football	0	"

Total ***3,660 Hours***

At \$2 / hour, the cost would be \$7,320

The PRYSC is proposing to build and maintain a 4.76 acre park for the benefit of the city. Based upon the city's estimates of cost to maintain similar facilities, the benefit to the city for the PRYSC maintaining this park is in excess of \$150,000.

Annual Park Maintenance Benefit	\$150,000
Annual hourly use of city facilities	3,660

Hourly benefit given to city ***\$41 / hour***

The PRYSC proposes to pay a flat annual amount of \$7,500 to the city. This equates to roughly \$2 per hour for all of its organizations' use of city facilities. This payment would be in lieu of each league being billed for each facility use permit. The \$7,500 would be paid each year for the next five years, after which time the fee schedule can be revisited. The fee would start in 2007 as registration for the fall sports has already concluded and the fall sports budgets are already set.

RESOLUTION NO. 06- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
EL PASO DE ROBLES RESCINDING THAT PORTION OF RESOLUTION NO. 05-192
RELATING TO FIELD RENTAL BY INDEPENDENT YOUTH SPORT LEAGUES AND
ESTABLISHING NEW YOUTH SPORT FIELD RENTAL FEES

WHEREAS, the City of Paso Robles has prepared a Cost of Services Study with the guidance and assistance of Maximus, Inc.; and

WHEREAS, the Cost of Services Study was prepared in accordance with Title 14, Division 1, Chapter 3, Article 8 of the Administrative Code of the State of California; and

WHEREAS, the proposed cost recovery fees meet the requirements that the fees be reasonable and equitable and that they do not exceed the cost of providing the services; and

WHEREAS, State law governing municipal planning and finance in California recognizes the validity of, and authorizes, the imposition by cities of fees for services; and

WHEREAS, the Council is desirous of implementing field rental fees for independent youth sport leagues at a baseline rate of \$7500 per year for up to 3660 hours of field reservations for the Youth Sports Council and a comparable rate of \$2 per hour for other youth sport leagues;

THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by the City Council of the City of Paso Robles that

SECTION 1. Field rental fees for independent youth sports leagues will be set at a baseline rate of \$7500 per year for up to 3600 hours of field reservations and a comparable \$2 per hour for other youth sport leagues;

SECTION 2. These fees will become effective January 1, 2007, due and payable annually on December 1 commencing December 1, 2007;

SECTION 3 Field rental fees will be reviewed after a two year period.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 7th day of November, 2006, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank Mecham, Mayor

ATTEST:

Deborah Robinson, Deputy City Clerk