

TO: James L. App, City Manager
FROM: Ann Robb, Director, Library & Recreation Services
SUBJECT: Cost Recovery - Sports Fees
DATE: July 21, 2009

NEEDS: For the City Council to review scheduled sports fee increases.

- FACTS:**
1. Fees for adult and youth sports were reviewed in 2006 as part of a city wide cost of services study. At that time, City Council established cost recovery targets at 50% for adult sports and 25% for youth sports.
 2. Increases to achieve the 50% adult sports cost recovery target are being phased in over time. The attached exhibit illustrates projected increases.
 3. Current summary of major sports:
 - Adult softball - seasons consist of 10 games; each team averages 15 players. Team fees for fall season will increase from \$638 to \$721 (\$5.43 per player per season, or \$0.54 per player per game).
 - Adult volleyball - seasons consist of 10 games; each team averages 15 players. Team fees for fall season will increase from \$306 to \$346 (\$2.66 per player per season, or \$0.27 per player per game).
 - Adult basketball - seasons consist of 10 games; each team averages 10 players. Team fees for fall will increase from \$594 to \$672 (\$7.80 per player per season, or \$0.78 per player per game).
 - Youth Basketball and T-Ball - seasons begin with one month of practice sessions followed by 9 (basketball) and 8 (T-Ball) weeks of games. Individual registration fees for fall will increase from \$72 per child to \$87 per child (\$15 per player per season).
 - Swimming programs – City-sponsored activities are offered primarily during summer months. A number of participation options are available for both adults and youth – open swim, swim lessons, pool rental, lap swim, etc. One example - Pool punch pass (10 entries) will increase from \$25 to \$28 per person (\$3.00 per person, or \$0.30 per person per entry).
 4. An update of the cost/fee study is not anticipated until 2010/11.

ANALYSIS &

CONCLUSION: City Council established fees for sports based on a targeted cost recovery of 50% for adults and 25% for youth. Adult sport increases are being phased in but have not yet reached 50%. Fall league fee increases are consistent with City Council cost recovery objectives.

With a weak economy, fee increases are not welcome and could result in decreased participation. At the same time, other city services are being curtailed in order to “live within our means”. For example, serious evaluation is underway to close City pools as a means to reduce expenses.

Consideration of sports fees should include re-evaluation of cost recovery objectives, Council’s goal to “live within our means”, projected recurring annual General Fund shortfalls, and equity among and between user groups, sports and services.

POLICY

REFERENCE: Fiscal Policy; Cost of Services Recovery Policy; 2009 Council Goals.

FISCAL

IMPACT: General Fund operating expenses have been reduced \$5,000,000 annually, but are still projected to exceed operating income by approximately \$11,000,000 cumulatively for the five Fiscal Years 2009-2013.

Adult sports (non-swim) revenue is approximately \$100,000 per year; annual cost is approximately \$285,000 for a recovery rate of 35%. Youth sports (non-swim) revenue is approximately \$35,000 per year; annual cost is approximately \$102,000 for a recovery rate of 34%. City swim program (combined adult and youth) revenues are approximately \$130,000; cost is approximately \$390,000 for a recovery rate of 33%.

NOTE: 34% cost recovery for youth sports exceeds Council’s adopted target of 25%. The planned 2009 increase should be deferred.

If current participation levels hold, increased fees would result in approximately \$17,000 revenue. Pool closure would save approximately \$250,000 annually.

OPTIONS:

- a. Defer increase in youth sport fees until Fall 2010.
- b. Defer increase in adult and youth sports fees increases until Fall 2010, and direct equal offsetting General Fund expense reductions of \$17,000 in other expense categories/services.
- c. Amend, modify, or reject the above options.

Attachment: Sport/Aquatics Fees

SPORT/AQUATICS FEES

ACTIVITY	Full City Cost Per Citywide Fee Study	Full City Cost with 5% CPI FY 2005	Full City Cost with 5% CPI FY 2010	Full City Cost with 5% CPI FY 2010	Current Fee Per Reso #05-192	Current Cost Recovery %	Adopted Policy	Fee Per Policy FY 2010											
								7/1/06	7/1/07	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12	7/1/13	7/1/14	7/1/15		
								57	64	72	87	87	87	87	87	87	87	87	87
YOUTH																			
CS Youth Basketball	\$ 272	\$ 286	\$ 347	\$ 347	\$ 50	18%	25%	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87			
CS T-Ball/Coach Pitch	\$ 272	\$ 286	\$ 347	\$ 347	\$ 50	18%	25%	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87			
CS Junior Lifeguard Training	\$ 221	\$ 232	\$ 282	\$ 282	\$ 62	28%	N/A	\$ 71	\$ 62	\$ 71	\$ 71	\$ 71	\$ 71	\$ 71	\$ 71	\$ 71			
CS Lifeguard Training	\$ 623	\$ 654	\$ 795	\$ 795	\$ 175	28%	N/A	\$ 199	\$ 176	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199			
CS Swim Lessons	\$ 132	\$ 139	\$ 168	\$ 168	\$ 50	38%	N/A	\$ 42	\$ 33	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42			
CS Pool Entrance Fee	\$ 7	\$ 7	\$ 9	\$ 9	\$ 3	43%		\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2			
CS Swim Punch Pass	\$ 53	\$ 56	\$ 68	\$ 68	\$ 20	25%		\$ 17	\$ 13	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17			
IS Field Rental*	\$ 16	\$ 17	\$ 20	\$ 20	\$ 4 per hour	25%		\$ 5	\$ 2.00	\$ 2.26	\$ 2.55	\$ 2.89	\$ 3.26	\$ 3.68	\$ 4.16	\$ 4.71	\$ 5.00		
ADULT																			
CS Therapy Pool classes	\$ 60	\$ 63	\$ 77	\$ 77	15	41%	N/A	\$ 38	\$ 17	\$ 19	\$ 22	\$ 24	\$ 28	\$ 31	\$ 35	\$ 38	\$ 38		
CS Pool Entrance Fee	\$ 7	\$ 7	\$ 9	\$ 9	3	43%		\$ 4	\$ 3	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4		
CS Swim Punch Pass	\$ 53	\$ 56	\$ 68	\$ 68	20	38%		\$ 34	\$ 17	\$ 19	\$ 22	\$ 24	\$ 28	\$ 31	\$ 34	\$ 34	\$ 34		
CS Adult Softball	\$ 2,172	\$ 2,281	\$ 2,772	\$ 2,772	\$ 717 per team	33%	50%	\$ 1,386	\$ 500	\$ 565	\$ 638	\$ 721	\$ 815	\$ 921	\$ 1,041	\$ 1,176	\$ 1,386		
CS Adult Basketball	\$ 2,025	\$ 2,126	\$ 2,684	\$ 2,684	\$ 668 per team	33%	50%	\$ 1,292	\$ 466	\$ 526	\$ 594	\$ 672	\$ 759	\$ 858	\$ 969	\$ 1,095	\$ 1,292		
CS Adult Volleyball	\$ 1,042	\$ 1,094	\$ 1,330	\$ 1,330	\$ 521 per team	33%	50%	\$ 665	\$ 240	\$ 271	\$ 306	\$ 345	\$ 391	\$ 441	\$ 499	\$ 564	\$ 665		
IS Field Rental**	\$ 16	\$ 17	\$ 20	\$ 20	\$ 8 per hour	50%		\$ 10	\$ 4.00	\$ 4.52	\$ 5.11	\$ 5.77	\$ 6.52	\$ 7.37	\$ 8.33	\$ 9.41	\$ 10.00		

1.13 youth and adult

CS = City Sponsored; IS - Independent Sports
 *Youth field users - Central Coast Soccer League, Paso Robles Youth Football, Little League, Paso Robles Girls' Softball, AYSO
 **Adult field users - PR Independent Soccer League, PR Region Soccer League, SLO Women, North County Adult Soccer League
 Fees for non-county users are twice the in-county rate
 ***includes annual CPI adjustments of 5%