



## Council Agenda Report

**From:** Julie Dahlen

**Subject:** Field Rental Fee Adjustments – City Council to consider increasing rental fees for use of City-owned playing fields

**Date:** October 18, 2016

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### Facts

1. A 2005 cost-of-services study computed full-cost recovery for use of City sports fields at \$16 per hour. The CPI has increased by 23.16% since then; \$16 after inflation is \$19.70.
2. The City has historically subsidized a significant portion of both youth and adult use of City-owned sports fields, currently charging \$6 per hour of field use for adult sports groups and \$3 per hour for youth club teams.
3. Per City Council Resolution 012-135, Youth Sports Council member teams are charged \$10,000 for up to 6,000 annual hours (about \$1.67 per hour). This rate was based partially on the significant volunteer efforts by PRYSC for such tasks as clean-up days at Barney Schwartz Park and the creation of a new playing field at Sherwood Park. Hours of use by YSC which exceed the 6,000 cap are charged at \$3 each
4. Adult and youth tournaments are currently charged a percentage of the tournament's gross revenues based on number of teams entered, with a minimum fee of \$250 required.
5. Watering playing fields is one of the costliest aspects of field maintenance for the City. In 2005, water rates were \$1.21 per hundred cubic feet plus a monthly base charge of \$6. The current water rate is \$4.40 per HCF, thus, the \$16 per hour figure set in 2005 no longer provides full-cost recovery to the City. This rate is more appropriately viewed as a baseline figure in light of the cooperation of adult leagues in striping soccer fields, prepping softball fields, and conducting their own programs.
6. Field rental fees in neighboring central coast areas are significantly higher than fees in the City of Paso Robles. Additionally, users in neighboring communities pay a separate fee for use of field lights for night games. Paso Robles user groups do not pay a fee for use of lights.

| ORGANIZATION        | ADULTS    | YOUTH               | ADDITIONAL FEES                               |
|---------------------|-----------|---------------------|---|
| City of Atascadero  | \$21/hour | \$21/hour           | \$25/hour for tournaments; \$20 for lights    |
| City of SLO         | \$24/hour | \$10 processing fee | \$70 tourney application fee; \$22 for lights |
| County of SLO       | \$12/hour | \$12/hour           | Varied tourney fees                           |
| City of Santa Maria | \$8/hour  | \$8/hour            | \$10/hour for lights                          |

### **Options**

1. Do nothing. Make no change in field rental fees.
2. Starting January 1, 2017, set field rental fees—for both regular and tournament play—as follows, and annually re-calculate true full-cost recovery to ensure fees keep pace with expenses:
  - a. \$2.00 per hour for Youth Sports Council member teams, with no cap on annual hours of use.
  - b. \$3.00 per hour for youth club teams.
  - c. \$16 per hour for adult sports teams.
3. Phase in field rental increases for adult sports over 3 years until \$16/hour is achieved, and annually re-calculate true full-cost recovery to ensure fees keep pace with expenses:

### **Analysis and Conclusions**

- Option 1 perpetuates the City's extreme subsidizing of field use and is well below the rates encountered in neighboring central coast areas. Option 1 is not recommended.
- Option 2 supports youth activities and enables the City to more fully recover costs from adult use of fields. The impact of an increase from \$6 to \$16 for adult leagues is minimal: at \$6 per hour, an adult softball player on a 15-person team playing an 80-minute game pays 27 cents per game. Should adult fees increase to the \$16 per hour fee recommended 11 years ago, one player would pay about 70 cents per game providing much-needed revenue to the City to cover increasing field maintenance costs. Option 2 is unanimously endorsed by the Parks and Recreation Advisory Committee and is the recommended course of action.
- Option 3 allows for a more gradual increase in adult field rental rates. Considering the City's long history of subsidizing adult use of fields in spite of significant increases in water and other field-maintenance expenses, a gradual increase in fees is not optimal and would cost the City at least \$44,000 over three years.

### **Fiscal Impact**

Increasing adult field rental fees from \$6 to \$16 per hour would result in an average revenue increase of \$40,000. The City would continue to subsidize youth sports use of fields.

### **Recommendation**

As of January 1, 2017, set field rental fees—regular and tournament play—as follows, and annually re-calculate true full-cost recovery to ensure fees keep pace with expenses:

- a. \$2 per hour for Youth Sports Council member teams with no cap on annual hours of use.
- b. \$3 per hour for youth club teams
- c. \$16 per hour for adult sports teams

### **Attachments**

1. Resolution 16-XXX

RESOLUTION NO. 16-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
SETTING FIELD RENTAL RATES FOR CITY-OWNED SPORTS FIELDS

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WHEREAS, a 2005 cost-of-services study computed full-cost recovery for use of City sports fields at \$16 per hour. The CPI has increased by 23.16% since then; \$16 after inflation is \$19.70; and

WHEREAS, the City has historically subsidized a significant portion of both youth and adult use of City-owned sports fields, currently charging \$6 per hour of field use for adult sports groups and \$3 per hour for youth club teams; and

WHEREAS, Youth Sports Council member teams are charged \$1.67 per hour for up to 6,000 annual hours; hours exceeding the 6,000 cap are charged at \$3 each. This reduced rate takes into account the significant volunteer efforts by PRYSC for such tasks as clean-up days at Barney Schwartz Park and the creation of a new playing field at Sherwood Park; and

WHEREAS, adult and youth tournaments are currently charged on a percentage basis, reflecting the reported number of teams participating. On average, tournament organizers pay about \$5 per hour for use of City fields under this system; and

WHEREAS, watering playing fields is one of the costliest aspects of field maintenance for the City. In 2005, water rates were \$1.21 per hundred cubic feet plus a monthly base charge of \$6. The current water rate is \$4.40 per HCF, thus, the \$16 per hour figure set in 2005 no longer provides full-cost recovery to the City. This rate is more appropriately viewed as a baseline figure in light of the cooperation of adult leagues in striping soccer fields, prepping softball fields and conducting their own programs; and

WHEREAS, field rental fees in neighboring central coast areas are significantly higher than fees in the City of Paso Robles. Additionally, users in neighboring communities pay a separate fee for use of field lights for night games, but Paso Robles user groups do not pay a fee for use of lights.

NOW, THEREFORE, LET IT BE RESOLVED by the City Council of the City of El Paso de Robles, field rental fee rates for regular and tournament play as of January 1, 2017 shall be as follows, with the option to re-calculate true full-cost recover for annual fiscal year fee increases:

1. \$2.00 per hour for Youth Sports Council member teams with no cap on annual hours of use.
2. \$3.00 per hour for youth club teams.
3. \$16 per hour for adult sports teams.

APPROVED by the City Council of the City of El Paso de Robles this 18<sup>TH</sup> day of October, 2016, by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Steven W. Martin, Mayor

ATTEST: \_\_\_\_\_  
Kristen L. Buxkemper, Deputy City Clerk