



Legislation Details (With Text)

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Report to Mayor and City Council

Tuesday, August 02, 2016

Discussion

SUBJECT:

ESTABLISHMENT OF FEES FOR THE USE OF CITY FACILITIES AND A FEE REDUCTION PROCESS FOR USE OF CITY FACILITIES (CITY COUNCIL)

I. SUMMARY

At the budget workshop on May 16, 2016, a presentation was made to address the process in which fees are assessed to agencies and organizations that utilize city facilities. At issue are high number of fee waivers, the discounts that are requested on an annual basis and the impacts on the City's budget. At this meeting, staff was directed to better categorize the groups that use facilities and suggest revisions to the waiver process.

II. RECOMMENDATION

1. Approve the Facility Use Rates and Group Categories as defined in Exhibit No. 1.
2. Cancel and rescind all fee waivers that have been granted in perpetuity by previous City Councils. Fee waivers with established sunset dates shall continue to be honored.
3. Approve the consolidated List of Organizations and Applicable Rates August 2016 as detailed in Exhibit No. 2.

4. Approve the process in which a reduced fee request is to be approved.

1.

III. ALTERNATIVES

Any action deemed appropriate by the City Council.

IV. BACKGROUND

The City offers the Carson Community Center and City parks facilities for the benefit of the community. These facilities are heavily used by local organizations, businesses, and residents. Due to the lack of similar public facilities in the region, the City of Carson is often approached by groups based in and out of the City of Carson seeking to use a facility for a meeting or an event. Often these groups request either full or partial waivers of our facility use fees.

The City approved \$203,105 in fee waivers for the Carson Community Center in FY2014-2015, for 24 organizations. Most of the uses and organizations used City Facilities at no charge. The City currently received on average two requests per month to waive fees.

Of the \$203,105 in waivers, only \$10,860 was collected to offset the costs for the use of the facility. The FY2014-2015 expenses to operate the Community Center were \$2.2 million. The revenues generated from the center were \$705,347 (32% recovery). It should be noted that a number of city programs, events and meetings (senior clubs, stroke center and early childhood) and recreation programs (enrichment and events) should be deducted from the overall costs to operate the community center, which would indicate the true cost recovery percentage.

The City Council discussed various historic cost recovery formulas at the May 16th Budget Workshop. The City has utilized various cost recovery policies in place over time. Staff was directed to return with revised rental fees and fee waiver process in order to increase the cost recovery.

The City's fee schedule includes rental fees for the use of rooms, equipment rentals, such as chairs, tables, stages, audio visual equipment, linens, and staffing when additional staff is necessary to accommodate an event. Room rental fees are intended to cover overhead expenses such as management and supervision, custodial services, and utilities. Equipment fees are intended to cover set up and breakdown costs.

Revised Fee Proposal

Currently groups are charged the full fee, a non-profit rate, or resident fee for the use of facilities. Staff proposes an expansion of the fee rates and group categories as follows:

****FULL RATE FEE** - Applies to all private business, commercial and outside the community Non-Profit groups.

****NON-PROFIT RATE (Discount Rate Equal to 70% of Full Fee)** - Applies to local non-profit agencies, based in or who specifically service Carson residents. Typical groups are

organizations that are designated as 501(c), and whose membership consist of 75% or more Carson residents or can show proof that services rendered or participation at a specific event includes 75% or more Carson residents. Typical groups are churches, service agencies, professional organizations, and organized sports groups.

****RESIDENT RATE (Discount Rate Equal to 50% of Full Fee)** - Applies only to residents of Carson. Resident must be the applicant, show proof of residency, and must be present at all times during the event. This also applies to individual sports team practice.

***GOVERNMENT RATE (Minimum fee of \$250 for up to 500 attendees and \$500 for 501 or more attendees plus direct cost that exceed that amount)** - This fee would be applicable when there is intergovernmental cooperation and the governmental agency's duties are related, or of concern to the Carson community. Typical groups include State and Federal officials and agencies, local government agencies and Special Districts, County agencies, public and Charter Schools located in Carson.

***FLAT RATE (\$40 per month for Non-Profit 501(c) organizations that are Carson based with less than 30 attendees who meet for no more than two hours, once a month)** - Applies to Carson based organizations to conduct board or committee meetings. Typical groups are local clubs and organizations, service groups, and youth service organizations such as scouts, school groups, sports leagues, etc. Groups must be Carson based and utilize facilities for events and programs.

***NO CHARGE** - City business meetings, programs, and events. Approved Special Events, event committee meetings, City Council appointed Committees, Commissions, Boards and Task Forces. City Council approved MOU's and agreements. Included are Service Clubs, Veteran's groups, Senior Citizen Group and Club meetings. Local businesses that conduct a recruitment for local Carson Resident hiring through the city's Career Center and Homeowners Associations and Block Captains that meet at their local park.

****** Denotes existing group category and rate.

***** Denotes a new fee to be added to the fee schedule, if approved at a subsequent City Council meeting.

As with the city's standard practice, events held in the Community Center Monday through Thursday and on Friday's until 3:00 pm that include meal service are not charged facility rental rates.

A complete list of groups and the applicable rate are included on Exhibit No. 2.

Current Fee Waiver Process

Historically requests for fee waivers have been processed by the Community Services Department, with approval from the City Manager. The City Council in FY2014-2015 approved full fee waivers for the Apollo West Carson Players Carson Women's Club, Batongmalaque Foundation, the Mariachi Academy, and Sophisticated Dance. The City Manager approved a partial fee waiver to the YMCA for the daily senior nutrition program. The City Council also granted "In Perpetuity Fee Waivers" in 2011 to two programs; however the City Attorney has determined that perpetual fee waivers cannot be granted,

since a City Council cannot perpetually bind any future Council from making a different decision. In this case a future Council may need to adjust or remove the waivers. The perpetual waivers are also an illegal gift of public funds.

As a result four-year waivers for the use of facilities was approved by the City Council on May 18, 2015, for the following 1) Apollo West Carson Players (no longer in existence), 2) Mariachi Academy of Carson, 3) Sophisticated Dance, 4) Erasto R. Batongmalaque Foundation from July 1, 2015 to June 30, 2019.

Fee waivers were granted per Council policies directing the City Manager to make the determination. The Batongmalaque Food Distribution has a rent waiver of \$17,490 and \$9,240 in equipment waivers. The Carson Women's Club has a rent waiver of \$5,674 and equipment waiver of \$2,374. The Mariachi Academy has a rent waiver of \$20,357 and an equipment waiver of \$5,182. Sophisticated Dance has a \$21,762 rent waiver and \$3,232 equipment waiver. The Apollo Players no longer exist, so this rent waiver has gone away.

Staff proposes the following process to handle future requests for fee waivers.

Proposed Fee Reduction Process

Staff is proposing that there be no full waiver of the rental fees and that the Civic Engagement Board process the requests for fee reductions, forwarding their recommendation to the City Council. The reduced rate should be applied only to the rental fees. All other fees and costs should be charged per the City's adopted fee schedule. Applicants may be considered for a discounted rate of up to 40% off of the appropriate rate based on the rate categories for rental of facilities.

- It is suggested that the Civic Engagement Board and the City Council follow the process outlined below:
 - All requests for a reduced fee shall be submitted on a request form along with required supporting documents to the Civic Engagement Board. This information must be submitted at least 90 days in advance of the first date of activity or the event. Applicant shall be allowed to address the Board for a time not to exceed five minutes. The Civic Engagement Board shall consider request 60 days prior to first date of the applicant's activity or event, or at their next scheduled meeting.
 - Applicants that meet all of the following criteria may be considered for a reduced fee of up 40% off the appropriate rate:
 - The event or activity shall not be funded by the City and is open to and available at no charge to Carson residents.
 - Demonstrated financial hardship.
 - Membership in the organization or group is 75% or more Carson residents.
 - The event or activity is of maximum value and benefit to the Carson community.

- Participation of Carson residents shall exceed 75%
- The frequency of the event or activity shall not adversely impact existing or future paying events.
- A scoring system shall be developed to assist the commission in developing a recommendation.
- All requests for reduced fees shall be considered at the first available meeting of the
- Community Civic Engagement Board.
- The Community Civic Engagement Board shall provide a recommendation to the City Council for approval.

Existing organizations would be made aware of the new process and sent application forms.

V. FISCAL IMPACT

The establishment of the new categories and rates will assist in the realization of a consistent revenue stream and reduce the number of request for fee reductions. It is anticipated that organizations that utilize facilities on a regular basis will continue to do so and staff can easily estimate associated cost for servicing facility users.

Staff believes that we see improved cost recovery over time by adopting the new process and limits on fee waivers. Under the proposal the total of fee waivers would be reduced from a total of \$203,105 to \$165,000. By charging the existing groups for tables, chairs and linens we are expected to recover an estimated \$17,000.

VI. EXHIBITS

Exhibit No. 1- Facility Use Rates and Group Categories (pg. 6)

Exhibit No. 2- List of Organizations and Applicable Rates August 2016 (pg. 7)

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